

INCREASING THE EFFICIENCY OF THE MECHANISM OF ATTRACTING INVESTMENTS IN THE CAPITAL MARKET OF OUR COUNTRY**Shavkat Oltaev**

*PhD, Associate Professor of the Department of Economic Analysis and Statistics of Samarkand Institute of Economics and Service.
Uzbekistan. Samarkand.*

Annotation. This article talks about the mechanism of attracting investments in the capital market of our country and improving its efficiency. Theoretical studies on the problems of attracting investments in the capital market, opinions of scientists in the field are widely covered. According to the results of the research, suggestions and recommendations of the researcher are given.

Keywords: income, profitability, capital market, investment, mechanism, investment project, investment environment, economic efficiency.

Introduction. Today, in economic practice, the term "investment" is widely used in legislation, in the preparation of various types of projects in scientific literature, in business plans, etc. In the "Economic and Financial Explanatory Dictionary" , the word "investment" is defined as the concepts of "capital", "capital investments", "capital funds", i.e., investment is interpreted in the sense of placing funds in the fixed capital necessary for the activity of market entities (Berner and Kolli, 1994). "Investments reflect the sum of expenditures of capital in the form of long-term investments in industry, agriculture, transport and other sectors." Sharp (2000) in his textbook "Investment" defines that "Investment is the giving up of some value in the present in order to obtain value in the future." The scientist interprets the term "Investment" as follows: "it is parting with money today for future profit" and believes that "investment in real or financial assets is possible" [1, 12, 25]. The mechanism of attracting investment through the capital market in Uzbekistan has been studied theoretically and practically for many years by industry scientists. However, it is impossible to keep this mechanism in one state. It keeps changing according to the market demand and needs. Attracting investment is primarily determined by the ability to correctly analyze the market environment. Directly analyzing the state of the investment environment and investment resources of the Republic of Uzbekistan abroad, private investment resources of the enterprise are the leading source of financing of capital and financial resources, so it should be emphasized that they are limited. Currently, the main task for the enterprise is to find a solution to the problem of attracting foreign investors in

addition to financing its investment needs.

Analysis and results. Attracting investment is one of the priority tasks of Uzbekistan's industrial policy. The importance of foreign direct investment is determined not only by its ability to make investments above the level of national savings and to modernize the production base. Importing technological equipment, modern methods of management and organization of production, opportunities to use trademarks and know-how of world-famous companies, access to world markets of multinational companies in order to further expand the export of products is another important basis of foreign direct investment. to have and others can be listed [2, 11, 13]. Until now, there were a number of shortcomings in the mechanism of attracting investment through the capital market in Uzbekistan. Decree No. 6207 of the President of the Republic of Uzbekistan dated April 13, 2021 " On measures to further develop the capital market " specifically recognizes the following as existing shortcomings in the field. Today, there are a number of urgent problems and shortcomings that await their solution in connection with the further development of the capital market, the formation of a competitive environment, and the promotion of increasing the liquidity of the stock market, including:

firstly, there is no state strategic planning system in the field of capital market development;

secondly, most of the transactions carried out on the stock market (more than 70 percent of the volumes on the stock exchange) correspond to state-owned enterprises;

thirdly, the liquidity of the securities market is low, there is a need to develop the secondary market of state securities, there are not enough types of financial products put into practice, state stock packages are not sold on the basis of the principle of "one share one lot" and the interest of economic entities to attract funds in the securities market low;

fourthly, efforts to attract large institutional investors with long-term financial resources to the capital market are slow;

fifth, the market infrastructure is insufficiently provided with modern information and communication systems, and the opportunities of local systems in this area are used inefficiently;

sixth, the infrastructure of the capital market at the regional level is completely underdeveloped;

seventh, there is a lack of highly qualified specialists in the field of the capital market, who can actively promote and implement measures to increase market capitalization;

eighthly, there are many legal documents that provide for disproportionate regulation of the sector and do not meet the requirements of the modern market and international standards;

ninth, corporate relations are not organized based on modern approaches [3, 14, 15].

Today, increasing the competitiveness of the country's economy and modernization of economic sectors requires increasing the possibility of full use of the financial-banking system, especially the opportunities of the capital market. Therefore, the development of the capital market as an alternative source for the deployment of free resources of enterprises, financial institutions and the population, attracting capital is defined as one of the main tasks in the Action Strategy for the five priority directions of the development of the Republic of Uzbekistan in 2017-2021. In order to fully fulfill these tasks, ensure the rapid development of the capital market, and introduce an effective system of investment attraction, as a first step, based on the experience of world countries, the President of the Republic of Uzbekistan dated January 14, 2019 "Regulation system of state assets management, fight against monopoly and capital market" based on the Decree No. PF-5630 "On Fundamental Improvement Measures", an independent state body - Capital Market Development Agency was established.

Its main tasks are the implementation of a unified state policy in the field of formation, development, regulation and corporate governance of the securities market. Based on this decree, the decision of the President of the Republic of Uzbekistan "On the establishment of the capital market development agency of the Republic of Uzbekistan " dated January 24, 2019 No. The capital market development agent has set himself the goal of developing a strategy for the development of the capital market of our country, and now the project of the strategy for the development of the capital market of the Republic of Uzbekistan for the period of 2020-2025 has been prepared. it is stipulated that the procedure should be determined. Today , 9 investment funds are operating in the capital market of our country [4, 16, 26].

In fact, eliminating the above problems in attracting investments through the capital market in Uzbekistan will increase the effectiveness of this mechanism. The role and importance of the investment environment is extremely high. The investment climate is a set of economic, political and social factors that predetermine the level of volatility of foreign capital investments and the possibilities of their effective use in the country. The investment environment is a complex, multifaceted concept, and has indicators such as national legislation, economic conditions (crisis, growth, stagnation), customs regime, currency policy, economic growth rates, inflation rates, exchange rate stability, level of foreign debt.

The investment climate is a general criterion for the placement of investment resources and, first of all, ensures the profitability of capital funds. "Investment environment means a set of economic, social, organizational, legal, political, ecological, cultural and other conditions aimed

at ensuring the effectiveness and safety of investments made in the country's economy and its specific territory." It refers to the existing positive and negative aspects of the conditions that determine the feasibility and attractiveness of investing in a specific area [5, 17, 18, 27]. When we studied the foreign experience that improved the capital market investment climate from scientific sources, we found that the following factors influence the capital market investment climate.

"Fudan" (Shanghai, China) and Iowa (USA) universities have conducted sociological researches to determine the motives of direct investments made by entrepreneurs of developed countries in the EIH of the People's Republic of China. The data shows that in all foreign countries, the factor that took the first place among the motives was the general prospects of international cooperation with a country like the PRC, which has a high domestic market, a high economic growth rate, and a stable internal socio-political situation. The second place is taken by the domestic market of a country with a billion population, which has a small range of goods and services from the point of view of developed countries, and an insufficient volume. The third place is occupied by countries with lower qualification and education level, but disciplined and hardworking people, with cheap labor force. Next, it is possible to cite the following:

- firstly, the availability of tax relief, which is attractive for foreign investors;
- secondly, the proximity of production forces to markets;
- thirdly, having rich raw material potential;
- fourth, the low level of crime;
- fifth, strict discipline in entering and exiting EIHs;
- sixth, that long-term relations with the country receiving the capital have been established;
- seventh, the ability to continue the general strategy of the corporation;
- eighth, the export base;
- ninth, the availability of qualified personnel;
- tenth, the possibility of using local raw materials;
- eleventh, the liberality of the rulers in the country;
- twelfth, cheap rent [6, 19, 24].

The President of our country, Shavkat Miromonovich Mirziyoev, in his work "New Uzbekistan Strategy", "our economic strategy is aimed at attracting large-scale investments into the economy." "We will create necessary conditions for investment growth to reach at least 25% of GDP in 10 years," they said, adding that the priority direction of the investment policy in the

future should be focused on attracting direct investments to the national economy, as well as increasing the volume of domestic investments. An important positive social result of this is the creation of jobs and a decrease in unemployment, an increase in the income of the population and an increase in the standard of living [7, 20, 21, 22, 23]. As the results of the study show, the scope of the goals of studying and forecasting the dynamics of the labor market at the national and regional levels has expanded considerably. Modernization of the country requires large and targeted investments. The role of labor market forecasts is to provide information on investment solutions for the development of the country's human capital [8, 20].

Regulating the activities of institutional investors is of particular importance in the development of the economy and improvement of the capital market. I. Atiyas and H. Ersellar, foreign scholars on capital market regulation, have conducted studies, and according to them, there are "ikspost" and "iksante" forms of regulation by the government. According to R. Francioni and J. Frazes, the main goal of regulating the financial market, particularly the capital market as its component, is to ensure financial stability.

Discussion. In our opinion, it is necessary to define regulatory mechanisms for regulating the activities of institutional investors in the capital market, as well as to improve the infrastructure of the capital market [9, 15]. Investment activity leads to the expected result only when the conditions for managing all the relations of the participants in the investment process and the corresponding infrastructure (financial system) are established. It makes it necessary to regulate the selection of certain procedures and rules, regardless of their activity [10, 24].

A favorable investment environment has been created for foreign and local investors. Foreign investors not only bring investment, technology and management experience to national enterprises, but they also open the way to global markets. This is one of the important and first tasks for any country that is going through a transition period. Foreign investment is very necessary as an important direction for the introduction of the latest world science and technology achievements and technologies into the transition economy. After all, it allows national economic entities to adapt to developed trade relations, to rationally organize their activities in accordance with world standards [11, 27]. The mechanism of attracting investment through capital market activities in Uzbekistan and increasing its effectiveness will directly depend on the investment environment and the conditions created for investors. For this, it is necessary that all activities to attract investment in the capital market are legally correct. In order to increase the effectiveness of this mechanism, it is necessary to provide practical assistance to local entrepreneurs in attracting foreign investors to their work, and to create the necessary

investment environment for the realization of promising projects.

Conclusion. In conclusion , the mechanism of attracting investment through capital market activity and its effectiveness also require economic stability.

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