

**DIRECTIONS FOR FINANCING AND IMPROVING SMALL BUSINESSES IN
UZBEKISTAN**

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Abstract: The government of Uzbekistan aims to improve the small business financing system in Uzbekistan by attracting foreign experience. Cooperation with influential individuals and organizations, as well as cooperation with financial centers and consulting firms, is an important initiative in this regard.

Keywords: small business financing, foreign experience, financial reporting, financial management, investor attraction, increased financing, foreign investments, tax assistance, economic development.

The small business financing system in Uzbekistan is brought into line with world standards, creating a favorable environment for economic development and entrepreneurship. The use of foreign experience is an integral part of creating a favorable environment that supports small businesses and contributes to the sustainable growth of the Uzbek economy. Small businesses play an important role in the economic development of Uzbekistan, accounting for a significant part of the country's GDP and employment. However, access to financing remains a significant problem for small businesses in the country and hinders their growth and development. In this article, we analyze the current system of small business financing in Uzbekistan, compare it with financing systems in foreign countries, and make recommendations for improving the financing opportunities of small businesses in Uzbekistan.

In Uzbekistan, the small business financing system is dominated by banks, which provide various types of loans, including working capital, investment loans, and leasing. However, the current financing system faces several challenges, including high interest rates, collateral requirements, and limited access to credit for startups and micro-firms. In addition, the lack of financial literacy among small business owners and the absence of credit bureaus make it difficult for small businesses to access financial resources. To gain insight into potential solutions to the problems facing small businesses in Uzbekistan, it is possible to compare financing systems in foreign countries. For example, in the United States, small businesses can obtain finance through a variety of sources, including banks, venture capital, and crowdfunding. In China, small businesses can access finance through online lending platforms and peer-to-peer lending. These financing systems offer several advantages, including low interest rates, flexible collateral requirements, and access to financing for startups and microenterprises.

To improve the small business financing system in Uzbekistan, the state and financial institutions can adopt several best practices from foreign financing systems. For example, the government can establish credit bureaus to improve the exchange of credit information and increase the financial literacy of small business owners. Financial institutions can also offer alternative financing options, such as venture capital and crowdfunding, to provide small businesses with access to financing without requiring collateral. In addition, the government can provide tax incentives and subsidies to financial institutions to encourage them to lend to small businesses. The attention paid by the Uzbek government to improving the small business financing system based on foreign experience is an important step towards improving the country's economic landscape.

Uzbekistan can create a favorable environment for the growth and development of small businesses, incorporating advanced international practices. The Government's cooperation with influential figures and organizations, financial centers and consulting companies shows that our country is actively approaching the use of foreign experience in improving the small business financing system. The identified areas for strengthening improvement based on foreign experience cover important aspects of the success of small businesses in Uzbekistan. These areas include financial reporting and distribution, financial management systems, attracting investors, increasing financing, cooperation with foreign investments, and tax support. By focusing on these key areas, O'zbekiston kichik biznesni moliyalashtirish tizimini jahon standartlari va amaliyotiga moslashtirish, iqtisodiy farovonlik va tadbirkorlik rivoji uchun qulay muhit yaratishni maqsad qilgan. Bundan tashqari, moliyalashtirishni ko'paytirish va moliya tizimini xorijiy tajriba asosida optimallashtirishga yo'naltirilgan yo'nalishlar kichik biznesning rivojlanishi uchun zarur bo'lgan qo'llab-quvvatlash va resurslarni ta'minlashda muhim ahamiyat kasb etadi Bunday yondashuv O'zbekistonda kichik biznes subyektlarining barqaror o'sishi va rivojlanishiga xizmat qiladi , Bu yerda ko'rib chiqilishi mumkin bo'lgan eng yaxshi xalqaro tajribaga asoslangan bir nechta yo'nalishlar mavjud:

1. Establish loan guarantee schemes: Introduce or expand loan guarantee schemes that provide partial guarantees to lenders against losses on loans to small businesses. This will help reduce risk for financial institutions and prepare them to lend to small businesses.
2. Develop venture capital and angel investment networks: Encourage the growth of venture capital and angel investment networks to provide equity financing opportunities for startups and high-growth small businesses. This can be achieved through tax incentives, a supportive regulatory environment, and a culture of risk-taking.
3. Improve credit reporting systems: Strengthen credit reporting systems to improve access to credit for small businesses. A transparent and reliable credit information infrastructure enables lenders to make informed lending decisions and reduces the cost of borrowing for small businesses.
4. Implement collateral registry systems: Create a collateral registry system that allows movable assets such as inventory or equipment to be used as collateral for loans. This will expand collateral options for small businesses and expand financing opportunities.
5. Implement supply chain financing programs: Launch supply chain financing programs that allow small businesses to obtain financing based on receivables from large corporate customers. This will help ease cash flow constraints for small businesses in Uzbekistan.
6. Support financial technology (Fintech) innovation: Create an enabling environment for Fintech innovations, including digital lending platforms, alternative credit scoring methods, and electronic payment systems. This can increase the efficiency and accessibility of financial services for small businesses.
7. Promote public-private partnerships (PPPs): Encourage collaboration between government agencies, financial institutions, and private sector stakeholders to develop and implement financing programs tailored to the specific needs of small businesses. Using these strategies and incorporating relevant elements of international experience, Uzbekistan can strive to create a more robust and inclusive financing system for its small business sector, thereby stimulating entrepreneurship, innovation, and economic growth.

In conclusion, by adopting best practices from foreign financing systems and implementing strategies to share credit information and increase financial literacy, the government and financial institutions can improve access to finance for small businesses in Uzbekistan. This, in

turn, will serve the growth and development of small businesses, contributing to the overall economic development of the country. The government's efforts to use foreign experience to improve the financing system for small businesses in Uzbekistan represent a promising approach to economic development. By adopting best international practices, Uzbekistan can create an environment that stimulates small business growth, attracts investment, and ensures the long-term success of small businesses in the country. These efforts are important for economic development and improving the small business financing system in Uzbekistan.

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