

ACTUAL PROBLEMS OF SMALL AND MEDIUM-SIZED ENTREPRENEURSHIP IN UZBEKISTAN AND WAYS TO SOLVE THEM

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Abstract

The state examines the main problems of the development of small and medium-sized businesses in Uzbekistan. Based on the problem of SME development, the main measures are considered, the implementation of which will contribute to the further successful development of small and medium-sized businesses.

Keywords: entrepreneurship, small and medium-sized business, economic barriers, economic situation, government support of entrepreneurship.

Introduction

The problems of small and medium-sized businesses have remained relevant for several years - these are unaffordable taxes, the inability to obtain a loan on preferential terms, corruption of government agencies, falling consumer demand, and insufficiently high qualifications of employees. Difficulties are also caused by the policy of mass transfer of business entities to electronic document management. It is also insufficient to create tools to support medium-sized businesses, which are one of the links that produce high-quality and competitive products based on modern technologies and innovations of the economy.

Due to the rise in resource prices, there is a growing need for new alternative financing tools for entrepreneurs.

The article discusses the main problems of the development of small and medium-sized businesses in Uzbekistan. Basically, they consist of weak support for this direction of development, low financial and legal literacy of entrepreneurs themselves, inaccessibility of financial resources due to high interest rates and the difficulty of selling products. Based on the problems of SME development, the main measures are considered, the implementation of which will help further successful development small and medium-sized businesses. Particular attention is paid to the improvement of taxation and lending in this area of activity. Constant monitoring and attention to the problems of SME development, all-round support will make it possible to intensify their development and will contribute to strengthening the country's economy as a whole.

Small and medium-sized businesses face a wide range of problems, and some of them arise at the stage of state registration. Such problems include the following:

- Lack of financial and legal literacy among the overwhelming majority of the population, which leads to a number of mistakes that can subsequently result in fines. For example, the choice of the taxation system at the stage of registration of a limited liability company or an individual entrepreneur is largely determined by the specifics of the activity that is planned to be carried out;



Among the main problems of small and medium-sized businesses in Uzbekistan, the existing credit and banking system can also be singled out. This is due to the fact that in order to develop and expand their activities, business entities need to be provided with financial resources, that is, bank loans.

At the same time, it is extremely difficult for a small enterprise, especially at the initial stage of development, to obtain borrowed funds from a bank, since in most cases the entrepreneur does not have the necessary collateral for the loan.

Despite administrative barriers and difficulties in obtaining loans, the main problem of small and medium-sized businesses today remains tax legislation.

The taxation system of any state is an indicator of maturity, its development, as well as its attitude to business.

To date, the revision of the legislative framework and the creation of favorable conditions for the development of small and medium-sized businesses have become especially relevant.

I would also like to note that when developing measures to support small and medium-sized businesses, it is necessary to take into account the current socio-economic situation in society, the expected prospects for its development, as well as the interests of those employed in small and medium-sized businesses.

Today, step-by-step work is being carried out in the country to create comprehensive support for the development of entrepreneurship. One of the proofs of this is the Decree of the President of the Republic of Uzbekistan, dated 10.11.2023 No. UP-193 "On measures to improve the system of financial support for small and medium-sized businesses".

In order to ensure the implementation of priority tasks that contribute to assistance to business entities, the following tools and conditions of financial support have been developed and provided to small and medium-sized businesses by the Joint Stock Company for the Development of Entrepreneurship

I. Financial Support Instruments

1. Contribution of a share to the authorized capital. In this case, the Project for which support is provided is selected through an open competition.

The Company regularly monitors the projects for which a share has been made and provides advisory assistance, as well as publishes information about these projects on its official website on a monthly basis.

A business entity using this type of support is not provided with a mortgage of services and a guarantee.

Project areas are determined by a resolution of the Company's Supervisory Board.

II. Mortgage services: Acquisition of property in the amount of 70 percent of real estate and equipment, but not exceeding 10 billion soums, and its transfer to the initiator on the basis of one of the following conditions:

(a) Accrual of annual interest on the balance of debt at a rate higher than the basic rate of the Central Bank by 4 percentage points;

b) payment in installments.

III. Allocation of credit (leasing) at the expense of the Company's resources. The company hosts:



- resource on loans (leasing) allocated in the national currency at a rate not lower than the main rate of the Central Bank;

- resource for loans (leases) allocated in foreign currency at the rate established by the Supervisory Board.

The Company's Supervisory Board sets the amount and conditions of allocated resources based on the indicators of the initiator and the directions of the project.

No other financial assistance is provided for loans (leasing) allocated at the expense of resources allocated by the Company in leasing companies and microfinance organizations.

IV. Provision of suretyship. Where The amount of the guarantee is set by the Supervisory Board of the Company based on the period of activity of business entities.

V. Provision of compensation for credits (leasing) of commercial banks. Compensation is provided for loans allocated in national currency at a rate that exceeds the base rate of the Central Bank by 4 percentage points and does not exceed 1.75 times the base rate.

The Company's Supervisory Board determines the areas of compensation for small businesses, regardless of the period of their establishment.

Compensation is provided based on the category of the territory.

In addition, amendments and additions have been made to some acts of the President of the Republic of Uzbekistan and the Government of the Republic of Uzbekistan, as well as some acts of the President of the Republic of Uzbekistan and the Government of the Republic of Uzbekistan, recognized as invalid.

All this will contribute to financial support for business entities, including the introduction of new types of services. The Ministry of Economy and Finance is called upon to allocate a budget loan for the purpose of expanding the Company's ability to allocate resources and provide financial assistance, such as mortgage services, as well as providing the Company with the necessary funds for its reasonable calculations.

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