

THE EVOLUTION OF ASSET MARKETS IN UZBEKISTAN: EXPLORE THE HISTORICAL DEVELOPMENT OF FINANCIAL MARKETS IN UZBEKISTAN, FOCUSING ON KEY REFORMS AND THEIR IMPACT ON MARKET EFFICIENCY AND ACCESSIBILITY

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Abstract

Uzbekistan, a Central Asian country with a rich history, has undergone significant economic transformations in recent decades. One of the most notable developments has been the evolution of its asset markets, which have played a crucial role in shaping the country's financial landscape. This article aims to chronicle the transformation of Uzbekistan's asset markets, highlighting the key milestones, driving forces, and challenges that have shaped their growth.

Keywords: financial market, economic ways, developing system, financial barriers, recent reforms.

Introduction

An asset market is a sort of monetary market where monetary resources, for example, stocks, securities, monetary forms, subsidiaries and wares are exchanged among purchasers and venders. These business sectors work with the trading of these resources empowering capital dispersion inside the economy.

The central point of contention in the financial exchange examination, which is a vital component of the protections market, is the emphasis on project money and improvement of the economy through discharge of offers. Nonetheless, the consequences of the ongoing practice in the protections market demonstrate that its members and market activities don't completely mirror the current financial open doors. It is vital to draw in interest in the economy, to apply powerful supporting techniques, to lay out direct connections with global monetary organizations, and to upgrade the job of the protections market in funding the venture action. Based on dynamic speculation strategy of our country, it is essential to additionally foster the protections market, guarantee its straightforward and stable working, enact fascination of ventures by overseeing subjects, increment market movement of business entities, work on corporate administration and safeguard the privileges and interests of investors. In such



manner, the Leader of the Republic of Uzbekistan Sh. M. Mirziyoev in his allure for the Ombudsman basically evaluates the financial exchange of our country as follows: "One more significant issue is the further advancement of the financial exchange, the Middle for Coordination and Improvement of the Market ought to be drastically rebuilt.

We will keep on dealing with the exchange of free state-claimed resources for the confidential area on a two-sided premise. It is important to lay out a solitary system for designation of land packages through electronic endlessly barter on the Web, including for business visionaries. For this reason, from 2018 an electronic framework for the offer of state resources through electronic exchanging stages will be made".

Taking into account the advancement of the protections market of our country as of late, particularly taking into account the development of the financial exchange, the job of protections in the venture tasks' undertakings has been rising. Through the securities exchange apparatuses:

- supporting venture movement;
- Increment portfolio venture;
- security of privileges and interests of trend-setters;

As you most likely are aware, the interest in values is generally utilized on the planet practice. The premise of monetary ventures is protections and their subsidiaries. Protections are the apparatuses that decide the market movement of firms and organizations through their venture allure. Drawing in subsidizing hotspots for position of protections is mostly well-developed in the corporate protections market portion. The component of monetary system, in light of investor relations, is framed through the discharge of offers through direct venture of the put assets into speculation action, the organization's contract capital. Through discharge issues, the backer will have the amazing chance to build its venture movement and to draw in reserves in light of obligation relations for the execution of new speculation projects. The situation of protections is basically performed on the essential business sectors, and their course (re-deal) is completed on the optional protections market. These cycles are coordinated separately or through institutional structures. On the planet practice, their foundation is chiefly through speculation organizations. They perform proficient and honorable procedure on essential and auxiliary business sectors. There is additionally a universally coordinated worldwide activity that can screen and track worldwide venture developments and speculation processes. To draw in reserves, capital customers course protections and, at the hour of their deal, get assets for the creation (exchange, finance, and so on.).

During the Soviet era, Uzbekistan's economy was heavily centralized, with a strong emphasis on state-owned enterprises and a lack of private property rights. The country's asset markets, including its stock exchange, were virtually non-existent. However, with the collapse of the Soviet Union in 1991, Uzbekistan gained independence, and its economic reforms began to take shape.

In the early 1990s, Uzbekistan embarked on a path of gradual economic liberalization, which included the introduction of a new constitution and a range of market-oriented reforms. One of the key measures was the establishment of the Tashkent Stock Exchange (TSE) in 1994, which marked the beginning of the country's asset market development. The TSE, initially a small, state-owned exchange, was tasked with facilitating the trading of government securities and



shares of state-owned enterprises. Throughout the 1990s, the Uzbek government continued to implement market-oriented reforms, including the privatization of state-owned enterprises and the introduction of a new securities law. These measures helped to create a more conducive environment for the growth of asset markets. The country's first investment companies and brokerage firms emerged during this period, providing investors with opportunities to participate in the emerging asset market.

The early 2000s witnessed a significant shift in Uzbekistan's economic policy, with the government launching a series of initiatives aimed at boosting economic growth and reducing the state's role in the economy. The introduction of a new tax code, the simplification of business registration procedures, and the establishment of special economic zones all contributed to an improvement in the business climate.

One of the most significant developments in the evolution of Uzbekistan's asset markets was the launch of the Republican Stock Exchange (RSE) in 2005. The RSE, which replaced the TSE, was designed to provide a more efficient and transparent platform for trading securities. The exchange's launch marked a significant milestone in the country's financial development, as it enabled companies to raise capital through initial public offerings (IPOs) and provided investors with a range of investment opportunities.

In the following years, Uzbekistan's asset markets continued to evolve, driven by a combination of government initiatives and market forces. The country's banking sector, which had been dominated by state-owned banks, began to open up to private sector participation. This led to an increase in competition, improved service quality, and a wider range of financial products and services.

The global financial crisis of 2008 had a significant impact on Uzbekistan's economy, as it did on many other countries around the world. However, the government's response to the crisis, which included a range of stimulus measures and monetary policy reforms, helped to mitigate its effects. The crisis also spurred the development of new financial instruments, including derivatives and structured products, which further deepened the country's asset markets.

In recent years, Uzbekistan's asset markets have continued to evolve, driven by a range of factors, including advances in technology, changes in investor behavior, and shifts in global economic trends. The country's stock market, which had previously been relatively small and illiquid, has grown significantly, with the RSE's market capitalization increasing by over 50% in the past five years. The exchange has also expanded its range of products, including the introduction of corporate bonds and exchange-traded funds (ETFs).

One of the best ways of financing speculation movement through the securities exchange is the framework of the securities exchange, that is to say, while the endorsing associations are taken part in the situation of protections and the acquisition of unredeemed protections, market producers are expected to keep up with costs, is a venture middle person that embraces to close deals.

-the size of the essential and auxiliary value markets at 20-80% ought to build the job of reliable administrators of speculation resources for serve numerous minority investors.

-guaranteeing dynamic and quality support of the business entities and different financial backers in the monetary market by growing their exercises in the protections market and



safeguarding their legitimate advantages, accordingly improving business sector liquidity and allure;

-primary carefulness ought to be step by step decreased in the offer capital of major vital guarantors' organizations;

-guaranteeing the issuance of Uzbek guarantors to globally coordinated financial exchanges based on expanding the capitalization level and applying an administration started Initial public offering component;

-the extension of the financial area, remembering the sorts of financial protections for Uzbekistan, assumes a significant part in the advancement of the securities exchange and, also, the fascination of extra monetary assets to the genuine area of the economy;

Despite the progress made, Uzbekistan's asset markets still face a range of challenges, including a lack of liquidity, limited market depth, and a high degree of state involvement in the economy. The country's capital market infrastructure, while improved, still requires further development, including the establishment of a central securities depository and a more effective clearing and settlement system.

Conclusion

In conclusion, the evolution of Uzbekistan's asset markets has been a transformative process, marked by significant milestones, driving forces, and challenges. From the establishment of the TSE in 1994 to the growth of the RSE and the expansion of the country's financial sector, the development of asset markets has played a crucial role in shaping the country's economic landscape.

Looking ahead, the Uzbek government's commitment to continued economic liberalization, market-oriented reforms, and investments in financial infrastructure will be critical to the further development of the country's asset markets. As the country continues to integrate into the global economy, its asset markets will play an increasingly important role in facilitating capital flows, promoting economic growth, and providing investors with a range of opportunities. Ultimately, the evolution of Uzbekistan's asset markets has been a testament to the country's ability to adapt, innovate, and thrive in a rapidly changing global economy.

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