

Financial Investments: Views on the Role of Corporations in the Modern Financial Sector in the Republic of Uzbekistan

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Abstract: *The proposed article analyzes the role of corporations in the financial sector with an emphasis on financial investments. The evolution of approaches to asset management, risk management and portfolio diversification of corporate investors is considered. Special attention is paid to the impact of corporate financial strategies on the sustainable development and financial stability of companies. The article analyzes the investment strategies of corporations, their role in ensuring financial stability and their impact on the modern financial sector.*

Key words: *financial investments, financial sector, corporate finance, financial stability, investment strategies.*

In today's dynamic world, where the financial sector plays a key role in the economy, it is important to understand the role that corporations play in investing and shaping financial decisions. Financial investments are becoming more complex and diverse, requiring corporations not only to be able to make informed decisions, but also to have a deep understanding of the risks and opportunities associated with investments. In this article, we will consider the importance of corporations in the financial sector and their impact on the formation of the investment climate, as well as identify key aspects that determine successful financial strategies and sustainable development of companies.

Financial investments play a key role in the development of the Republic of Uzbekistan, and the corporation is a necessary player in this market. In recent years, the country has been actively working to improve the investment climate, which attracts me. Corporations, as large entities, contribute not only to capital inflows, but also to the introduction of modern technologies, management methods and innovative approaches. This is the creation of new jobs and an increase in production capacity. Having rich political leaders and adhering to strategic positions, the Republic of Uzbekistan has all the conditions to attract investment.

Corporations are actively involved in various sectors of the economy, including energy, agriculture, construction and transport. They not only invest funds, but also establish partnerships with enterprises, which facilitates the exchange of experience. As well as Uzbekistan, it should be noted that their participation has long-term consequences for the development of the economy. Introduction of new technologies and innovative solutions. Financial investments and the role of corporations in the Uzbek economy will continue to grow in line with global trends and distributed challenges. Their active participation in the investment process not only helps to increase the area, but also creates conditions for the formation of a stable and competitive environment.



In recent years, the financial market of Uzbekistan has undergone significant changes. As part of the Development Strategy of the New Uzbekistan for 2022-2026, it is planned to increase financial resources in the economy, in particular, it is expected that the stock market volume will grow from 200 million US dollars to 7 billion dollars over the next five years. Another important area is the completion of the transformation of commercial banks with a state share, with the aim of increasing the share of the private sector in the assets of the banking system to 60% by the end of 2026. This means that the process of transformation of commercial banks with a state share into modern financial institutions is actively continuing.

The main focus is on increasing the commercialization of banking, eliminating subsidized lending and increasing the role of banks as financial intermediaries that mobilize savings and direct them into investments.¹

The value of corporate securities in the financial market of Uzbekistan is determined by several key factors such as:

- ✓ The company's financial indicators, which include profit, revenue, profitability and other financial metrics, directly affect the attractiveness of shares for investors. Strong financial results often lead to higher securities prices.
- ✓ The economic situation in the country: Macroeconomic indicators such as inflation, interest rates and economic growth can significantly affect the value of securities. A stable economic environment promotes price growth.
- ✓ The state of the industry: The situation in the specific industry in which the corporation operates is also important. If the industry grows and develops new technologies, this has a positive effect on the share prices of companies operating in this field.
- ✓ Political risks: Changes in legislation, political stability and government policy towards business may affect investors' perception of risks, which, in turn, affects the value of securities.
- ✓ Competition: The position of a corporation in the market, the level of competition and the ability to maintain or increase its market share also affect the value of securities. Companies with strong competitive advantages tend to have higher ratings.
- ✓ Investment attractiveness: The level of interest from investors, the presence of institutional investors and the general demand for shares of a particular company can affect their value.

¹ <https://ochiqmuloqot.mift.uz/>

- ✓ Market and liquidity: Trading volume and liquidity of securities also play an important role. More liquid stocks tend to have stable prices, while less liquid ones may be subject to stronger fluctuations.
- ✓ News and events: Corporate events such as dividend announcements, management changes, mergers and acquisitions, as well as external factors such as economic crises or natural disasters can have an instant impact on the value of securities.

Financial investments of corporations in the financial market of Uzbekistan may include various tools and approaches. For example, we start by Buying shares: Corporations can invest in shares of local companies through the stock market of companies such as Uzbekneftegaz² or "Uzaeronavigation". Or bonds: investments in government or corporate bonds. For example, the purchase of bonds issued by the Ministry of Finance of Uzbekistan to finance government programs.

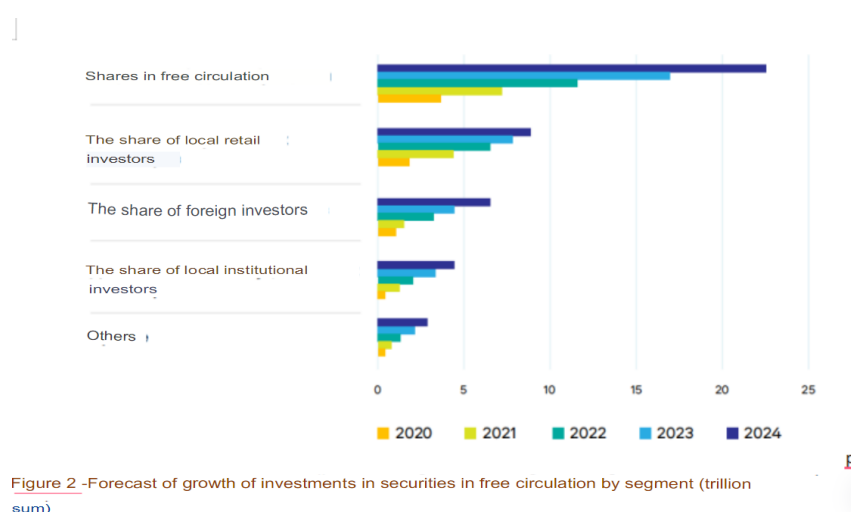
We can invest in bank deposits: Corporations can place available funds on deposits with local banks, receiving interest income. Investment funds: Participation in mutual funds that manage assets and offer risk diversification. Infrastructure projects: Investing in public or private projects, such as the construction of roads, bridges or energy facilities, which can bring long-term income. Cryptocurrencies and digital assets:

Some corporations are starting to consider investing in cryptocurrencies or other digital assets, although this is not yet widespread in Uzbekistan. These investments help corporations not only increase their capitalization, but also contribute to the development of the country's economy as a whole.

In recent years, Uzbekistan has demonstrated significant economic growth, which makes the country attractive to foreign investors. Corporations play a key role in this process, as they not only contribute to raising capital, but also ensure the introduction of new technologies and management practices. This, in turn, contributes to the modernization of the economy and increased competitiveness.

Corporations are becoming important intermediaries between local and international markets. They help create favorable conditions for investors by offering a variety of financial instruments and services. An important aspect is the creation of joint ventures that allow foreign companies to use local resources and knowledge, as well as adapt to the specifics of the Uzbek market.

Corporations also contribute to the development of the local capital market. They can issue stocks and bonds, which not only increases the availability of financing, but also helps to form deeper and more liquid financial markets. This, in turn, creates opportunities for local investors and contributes to the financial literacy of the population.



² <https://railway.uz/ru/>

The introduction of new technologies is another important role for corporations. They can bring innovative approaches to financial management, which can improve the efficiency of operations and reduce risks. For example, the use of financial technologies (fintech) can significantly simplify the process of obtaining loans or investing for small and medium-sized businesses.

Despite all the advantages, there are also serious challenges. Lack of transparency and high risks associated with investments can scare off potential investors. It is also important to take into account the need to improve the regulatory environment in order to ensure the protection of investors' rights and create a stable basis for long-term investments.

In conclusion, the successful development of Uzbekistan's financial sector depends on effective interaction between the state, the private sector and international investors.

It is necessary to continue working on improving the investment climate, increasing transparency and reducing risks. This is the only way to ensure sustainable growth and economic prosperity of the country.

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