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## DIRECTIONS FOR ATTRACTING CAPITAL THROUGH LONG-TERM INVESTMENTS

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### Abstract

This article examines the specifics of improving long-term financing through stocks and the role and importance of joint stock companies. It also provides feedback from foreign and local scientists who have conducted research on the organization of long-term financing through stocks, and based on the experience of foreign countries, conclusions and recommendations for long-term financing of joint stock companies in our country.

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## INTRODUCTION

There is a great need for financial resources in the development of the economies of developing countries. The stock market and capital investments through it play an important role in meeting these needs. In addition, in developed countries, the capital market plays an important role in financing new projects, providing employment and improving living standards. It should be noted that the practice of public offering shares plays an important role in the development of international and national stock markets. At present, a number of reforms are being carried out in our country to develop the financial market and its securities market. In this regard, we can see the views of President Sh. Mirziyoyev: "... the development of financial markets, including the stock market, is one of our main goals in the new economic environment, as well as the development of financial markets, including joint stock companies in the new economic environment. should be one of our main goals. It is necessary to expand the range of banking services through the introduction of new financial instruments and the issuance of corporate bonds, to develop the banking system on the basis of advanced information technologies".

There is a need for financial resources to expand the activities of more than 603 joint-stock companies operating in the country, to implement promising projects, to increase efficiency. Therefore, the choice of long-term financing options of joint-stock

companies, in particular, can be implemented in practice through the issuance of shares. Use of shares in long-term financing in joint-stock companies

### **LITERATURE REIVEIW**

Theoretical and practical aspects of long-term financing through securities have been studied by many foreign and local scholars.

B. Rubtsov studied the modern stock market and analyzed the state of the stock market in developed or developing countries, in which the development trend of the stock market.

Public placement of shares is one of the most important decisions of the company in the issuance of shares. In this case, the company can sell its shares through an initial public offering, an IPO. In the practice of conducting an IPO, according to the US experience, there are two alternatives. One of the most widely used methods abroad is the book-building method, in which the underwriter can revoke the rights to place shares. In the second method, the auction method, the underwriters have no interest.

The practice of placing shares on an open subscription basis is abbreviated as IPO (Initial Public Offering). An IPO is the issuer's placement of shares on the market through a primary open subscription process, during which they reach a wide range of investors and trade freely on the stock exchange. The listing of the company's securities will allow them to be freely traded, increase their liquidity and maximize their market value. With the help of IPO, the company will be able to cover current expenses and attract long-term external financial resources for large-scale projects”.

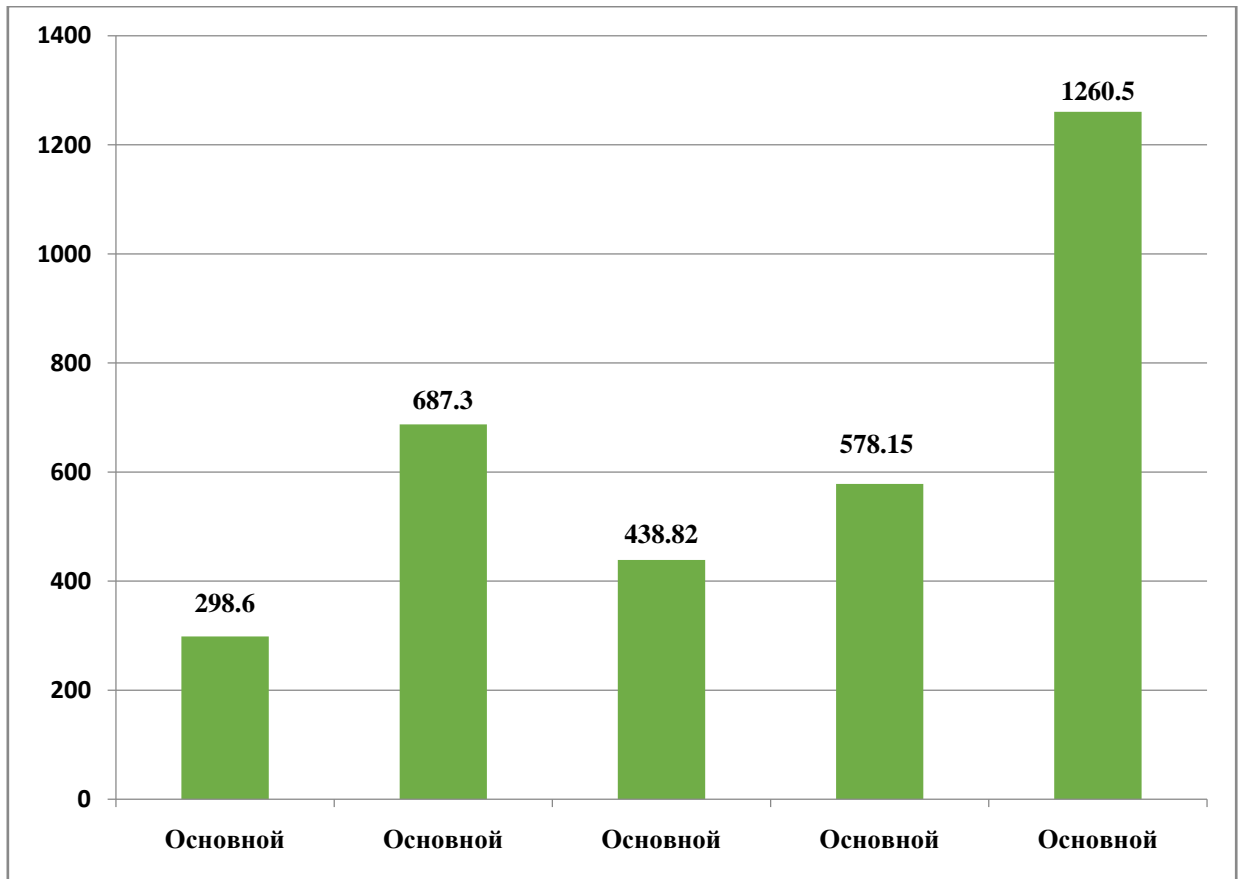
According to Chinkulov, the practice of equity financing is currently being studied on a large scale, and it is possible to attract funds and investments to large enterprises through the issuance and public placement of shares.

Analyzing the opinion of the above local and foreign scholars, it can be said that in order to carry out long-term financing of joint-stock companies through shares, the company must prepare for public offering of shares and meet open market requirements. Through public placement, any enterprise can gain a foothold in the stock market, increase its investment attractiveness and attract large amounts of capital, and attract large amounts of cheap capital to joint stock companies, increase its image in the stock market, attract investors. comes in handy in solving.

### **ANALYSIS AND RESULTS**

The Republican Stock Exchange "Tashkent" is the main trading floor of the capital market of the country. In 2021, the total turnover of the stock exchange reached a record high of 1.26 trillion soums, which is twice as much as in 2020.

In 2021, the number of securities transactions on the stock exchange amounted to 71,484, which is almost twice as much as in 2020. 14.18 billion shares of 179 issuers were traded on the stock exchange.



**Fig.1. Volume of transactions of joint-stock companies in RSE "Tashkent" in recent years (billion soums).**

If we look at the issue of organizing the public offering of shares, we can see a number of advantages and disadvantages for any joint stock company. The following table shows the advantages and disadvantages of financing by issuing ordinary shares and conducting an IPO (Table 1).

Analyzing the above data, in 2021, RSE "Tashkent" recorded the highest volume of transactions. The previous record was set in 2018 at \$ 687.3 billion. In 2021, this figure will almost double to 1,260.5 billion soums. In 2020, the volume of transactions reached 578.15 billion. In 2019, it was 438.82 billion soums.

It is no exaggeration to say that in 2021, the stock market has made some progress. The main reason for this is that the dividend policy of joint-stock companies is implemented to some extent. While in previous years, trade in securities of commercial banks was mainly carried out by industry, in 2021, trade in securities of the construction sector, along with commercial banks, will grow significantly.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated January 17, 2022 "On additional measures to introduce effective mechanisms to support the capital market" No. PP-90 (IPO) or secondary (SPO) public offering joint stock company list has been determined (Table 2).

**Table 2.****List of joint-stock companies in the initial public offering (IPO) or secondary public offering (SPO) of shares in RSE "Tashkent"**

T / r	Stock of the society name	Located territory	State share	Sale shape
1.	"UZAUTO MOTORS" Joint Stock Company	Andijan	100.0	IPO
2.	"UzAuto Motors Powertrain" JSC	Tashkent region	100.0	IPO
3.	Uzbekgeofizika JSC	Tashkent region	96.8	IPO
4.	"Uztemiryolkonteyner" JSC	Tashkent	90.0	IPO
5.	Dori- Darmon JSC	Tashkent	36.10	IPO / SPO
6.	"Uzbekistan pochiasi" JSC	Tashkent	77.6	SPO
7.	"Universal Insurance" JSC	Tashkent	14.48	SPO
8.	Alskom JSC	Tashkent	5.21	SPO

According to the table above, the shares of UzAuto Motors, UzAuto Motors Powertrain and "Uztemiryolkonteyner" JSC owned by a state and economic management body of 50% or more packages are available. The state share of JSC "Dori-Darmon" and the share of the state-owned enterprise can be put up for sale as a single lot. Uzbekiston Pochtasi JSC will issue shares of state and state-owned enterprises. We can see that the number of people who want to hold the primary and secondary public offering of shares has increased compared to previous years.

According to depository statistics of the Central Securities Depository for April 2022, the total volume of shares issued amounted to 269.9 billion soums and amounted to 160.1 trillion soums. The share of outstanding shares in the total volume of issues amounted to 118.0 billion soums. and amounted to 8,142.6 billion soums. The total share of the state in the charter capital of JSC is 88.2 billion soums and amounted to 131,318.6 billion soums.

The stock market, as an integral part of a modern market economy, helps to reconcile the interests of investors who want to profitably place free financial resources and issuers who need investment and have attractive investment projects.

According to the statistics of the Central Securities Depository, the top 5 JSCs by key indicators are shown in the following tables:

**Table 2****Maximum volume of issued shares (in billions of soums)**

№	JSC	Released shares number ( in billions of soums )	State share volume ( in billions of soums )
1	Uzbekneftegaz	21 536.5	21 524.3
2	Heat electric stations	13 243.2	13 243.2
3	National Bank	12 209.4	12 209.4
4	Agrobank	8 554.0	8 468.1
5	Territorial electric networks	8 498.5	8 429.7

It turns out that in the largest number of joint-stock companies, the share of the state is almost equal to the volume of issued shares. This means that the bulk of the issued shares are state-owned. The main object of bank investment is short-term government bonds, which are guaranteed to banks and provide a stable and steady income. Commercial

banks are investing their short-term vacancies in government short-term bonds. It should be noted that some commercial banks are pursuing an aggressive policy of investing in government short-term bonds, that is, they are earning additional income in the game of falling and rising rates in the secondary bond market.

**Table 3****Volume of outstanding shares (in billion soums)**

<b>№</b>	<b>JSC</b>	<b>Not placed shares volume (in billions soums)</b>
1	Uzbekenergo	6733.0
2	Khalk banki	540.0
3	Uzkimyosanoat	378.1
4	Davrbank	220.0
5	Uzsharobsanoat	66.9

The table above lists the JSCs that make up the largest number of outstanding shares. According to the table above, more than 6.5 billion soums of shares of Uzbekenergo have not been placed yet, while in Uzsharobsanoat this figure is almost 67 billion soums.

**Table 4****Volume of registered primary shares (in billion soums)**

<b>№</b>	<b>JSC</b>	<b>Size</b>	<b>Network</b>	<b>Hudud</b>
1	Railway Insurance	50.00	Services	Tashkent
2	Perfect Insurance	35.00	Services	Tashkent
3	People Insurance	30.00	Services	Tashkent
4	Omad Insurance	30.00	Services	Tashkent
5	Trust-Insurance	30.00	Services	Tashkent
6	Garant -Insurance Group	25.00	Services	Tashkent
7	Unipolis	18.11	Services	Tashkent
8	Uzbekinvest Life	16.50	Services	Tashkent
9	Farovon Insurance	16.04	Services	Tashkent

The table above shows the leadership of insurance companies in the issuance of registered primary shares. It is obvious that the insurance industry also has a long-term financing practice through the issuance of shares.

**CONCLUSION**

Based on the study of the specifics of long-term financing practices through stocks, the following conclusions can be drawn.

1. In order to carry out long-term financing through shares, first of all it is necessary to place shares in public. In this way, the company can raise capital and gain a foothold in the stock market. At the same time, it also serves to increase the attractiveness to attract investment.

2. Shareholders should be fully informed by ensuring transparency of information in joint stock companies. This, in turn, serves to ensure trust among shareholders. After all, for each person (legal or natural) who wants to buy shares, an analysis of the financial condition of the company and the dividend payment policy is important in making a decision.

3. It is necessary to accelerate the practice of privatization and reduce state participation. This will increase the confidence of the company and investment

attractiveness for both foreign investors and domestic market participants. It should be noted that in order to take a stable place in the international financial market, it is necessary to study international practice in the development of the financial market and form a national financial market on the basis of international standards.

4. It is possible to have a large, long-term source of financing by increasing the liquidity of shares and reducing the value of capital. The fact that the shares are a constant source of capital, do not have a fixed maturity, is one of the opportunities for the company to issue ordinary shares, which in turn is one of the important factors in the initial public offering of shares.

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