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THE ROLE OF LOCAL INVESTMENT IN THE DEVELOPMENT OF SMALL BUSINESS (STATUS AND PROSPECTS)

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Abstract: We believe that a state program to regulate the development of private entrepreneurship in Uzbekistan and address the problems of this sector is needed. Factors such as the development of government programs, the cost of monitoring projects through concessional lending, the provision of state guarantees to small businesses in obtaining loans from insurance and commercial lending institutions are important factors in expanding the financial resources involved in small business. .

Keywords: Small and medium business, development, economic, entrepreneurship.

The development of small and medium business, private entrepreneurship is a key component of the ongoing reforms. First of all, small and medium business is an important sector of the developed world economy. Its activities have a direct impact on the successful development of not only large businesses, but also the economy of the whole country. Second, in the process of globalization of the economy, competition in the world market will intensify. Under these conditions, it is small and medium-sized businesses that require capital investment compared to large producers, as well as compactness, to adapt more quickly to the necessary principles, changing market conditions and the occasional economic crisis has the ability to rapidly modernize production capacity. In modern conditions, the situation with consumer goods in the world market changes on average every 9

months. Given this, it is clear how important small and medium business is in the sustainable development of the economy. In his speech, President Shavkat Mirziyoyev said: "As we aim to turn Uzbekistan into a developed country, we can achieve this only through accelerated reforms, science and innovation. To do this, we must, first of all, nurture a new generation of knowledgeable and qualified personal who will emerge as enterprising reformers, think strategically.

In order to further improve the activities of small businesses, it is necessary to focus on strengthening their relationship with the market infrastructures, to build a modern infrastructure for small businesses. This is what the President of the Republic of Uzbekistan said: "... it is necessary to create a developed, modern system to meet the needs of small businesses. And, of course, to

comprehensively expand and improve banking services to them, increase the volume of soft loans." These issues should be addressed as an integral part of the idea of finding and selling buyers of products produced by small businesses and entrepreneurs" - he said. Small business infrastructure is the provision of one or another type of services to business entities (provision of necessary information, financial support, provision of premises and equipment, consulting, training, etc.) are the providers.

The main sector of job creation in this area is the service sector, in particular, within the target parameters of the share of services in the country's GDP (52.5%) in small businesses 267.1 thousand. jobs are expected to be created. This indicator is directly related to the rapid development of the service sector, the expansion and improvement of the quality of services, especially in rural areas, and on this basis to increase the role and importance of the service sector in sustainable and harmonious economic development. The sector will be further developed through the creation of computer programs (including e-learning and consulting services), trade and catering, and health services, which are expected to grow by more than 18% next year. The development of individual entrepreneurship will provide employment for 117.7 thousand people.

The role of competition in the development of entrepreneurship in our country is invaluable. Competition is the force that drives the economy.

Therefore, the state pays special attention to the issue of restriction of monopolistic activity and legal regulation of competition. Such measures are aimed at bringing new businesses to the market to ensure healthy competition between them. According to statistical analysis, over the past ten years, the number of monopolistic enterprises in the country has decreased from 721 to 184, or 4 times. It should be noted that as the role and place of healthy competition in the economy increases, the number of enterprises that dominate the commodity markets will decrease.

To promote healthy competition, local governments need to focus on infrastructure development and improving its quality (attracting investment to the regions is provided in the appendix). Using information from the State Property Committee, it is advisable to organize production processes by attracting technology from usable buildings, structures and structures.

Today, we believe that in order to improve the attraction of foreign investment in small business and private entrepreneurship in Uzbekistan, it is necessary to implement the following proposals:

- Taking into account the effective experience of other countries in improving the attraction of foreign investment in small business and private entrepreneurship, special microcredit organizations in the country
- Establishment of the Guarantee Fund to assist small businesses and private



entrepreneurship in the issue of collateral, which is one of the main problems in improving the attraction of foreign investment;

- Establish membership in investment and mutual funds.

The integration of our country with the world community, the processes of globalization of trade and industry, the development of modern information systems, knowledge of the situation on the world market require a great deal of knowledge from businessmen. Therefore, we believe that it is necessary to pay more attention to training and retraining of entrepreneurs, increasing their access to modern electronic databases. This will undoubtedly strengthen the position of small business representatives in the domestic and foreign markets.

Small business and private entrepreneurship as an area rapidly adapting to changes in the economy play an important role in filling the domestic market with consumer goods, expanding new and modern types of services, developing export potential. As a result of the widespread implementation of decisions to support small business and private entrepreneurship, the reduction of inspections, the reduction of financial and time costs for doing business, the introduction of a registration notification system, the number of registered and operating small businesses The number of business entities is growing rapidly, and there are positive trends in their economic performance.

In recent years, the procedure for state registration of business entities in the country and their connection to the engineering and communication networks has been significantly simplified and the process has become more transparent. The state registration fee has been halved.

The list of activities that can be carried out by small businesses, where the average annual number of employees has increased to 100 people, has been significantly expanded. A mechanism for large-scale involvement of small businesses in the public procurement process has been developed and introduced. Measures have been taken to drastically reduce the interference of state and regulatory agencies in the financial and economic activities of enterprises and to significantly expand the economic freedoms and rights of business entities. The period of exemption of newly established small enterprises and micro-firms from scheduled tax inspections has been extended from two years to three years. Conducting tax audits for three years in small businesses that pay taxes and other mandatory payments on time, as well as ensure stable growth rates and profitability of production to ensure the stability of the investment climate and investment attractiveness in our country. Properly organized, it is also the basis for the inflow of foreign investment.

The analysis shows that the majority of small businesses have a small share of their own capital (part of the authorized capital). This means, on the one hand, the attraction of credit

resources as initial investment by the government of the republic due to the development of lending to small businesses, and on the other hand, some entrepreneurs do not have the initial fund with entrepreneurial ability.

The solution to the problem of small business investment in Uzbekistan is the weakness of the grounds for guaranteeing the repayment of these loans and the fact that insurance companies do not risk insuring small business loans. The current problem also exists in developed economies. In these countries, state guarantees are provided for loans provided by commercial banks for small business projects.

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