

THE SITUATION OF THE FOREIGN DEBT POLICY OF UZBEKISTAN TODAY

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Nowadays, the effective management of public external debts is gaining importance as one of the urgent problems for the countries of the world. One of the main functions of the state before the citizens is the effective use of its budget funds and their correct direction. It is one of the effective ways to solve the lack of financial resources available in the state administration bodies in the performance of these functions, i.e. attracting foreign loans to the budget deficit process. External debt is a debt that reflects the current obligations of the local economy to foreigners (foreign countries, international financial institutions, etc.) The way of using these funds determines the positive or negative impact of the borrowed funds on the country's economy. At this point, according to the opinion of some economists, the non-effective use of external debt raised by the state may cause an increase in the debt and tax burden on economic entities and the population in the current period and in the future. In addition, it can significantly reduce the debt or economic growth in the country and cause social tension, because the debt exceeds the specified amount without having an effect on the amount of investments attracted to the economy of the country and the amount of funds allocated for social protection. won't stay. At the same time, the country's dependence on foreign countries and international financial institutions increases.

Today, the rate of attracting foreign debt in Uzbekistan is growing at high rates. In this case, we can consider the need for the country to fulfill its economic and social functions as a factor. The main part of the funds received by the state is directed to the main sectors of the economy. In particular, it is being mobilized for programs of further development of electric energy, telecommunications, agriculture and transport sectors. The growth of public external debt requires the introduction of highly analytical and efficient management principles. Today, the rate of foreign debt in Uzbekistan is considered stable, and in order to further ensure their effectiveness, a number of measures are being implemented and measures are being taken to ensure the effective use of foreign debt. The obtained loans were mainly mobilized to finance projects of strategic socio-economic importance. A properly organized debt policy in the state has a direct impact on the future economic growth in the country, that is, if it is mobilized for certain economic or social programs, it will increase current and future consumption. gives thousands. Foreign debt policy means effective use of foreign debt in the state, its proper organization and direction. Today, in all countries of the world, foreign debt is used for the economic development of the state. Properly conducted foreign debt policy will allow the country to grow economically and fulfill its social functions before the citizens of the state . In accordance with the current regulations, the government can raise debt for several purposes:

- Covering the deficit in the state's budget, i.e. if expenses exceed budget revenues;

- To fulfill state programs;
- To meet these needs in case of emergencies in the country.

Two reasons affect the increase in public debt: the government borrows on its own behalf, or funds are raised at the expense of some state-owned enterprise, and the state becomes its guarantor. According to international standards, the amount received by the enterprise is also included in the statistics as the state's foreign debt. As of January 1, 2021, more than 6 billion dollars in foreign debt indicators of Uzbekistan were attracted by enterprises under the state guarantee. The total public debt amounted to 21.1 billion US dollars, or 36.5% of GDP. As we know, the safe limit of external debt for Uzbekistan is set at 60 percent of GDP (according to the law "On the state budget of the Republic of Uzbekistan for 2021"). This means that if the state can meet its current and future obligations on external debt on time without any financial assistance, then it is safe for the country to use external debt in the economy. Today, the main partners of international financial institutions of Uzbekistan are the Asian Development Bank, the World Bank and the Islamic Development Bank. In 2019, Uzbekistan signed foreign debt agreements worth 8.95 billion dollars, and in 2020, it signed foreign debt agreements worth 5.5 billion dollars. According to the information published by the Ministry of Finance of the Republic of Uzbekistan, as of October 1, 2021, the total state debt amounted to 25.3 billion US dollars (of which foreign debt - 22.7 billion dollars).⁷² During the reporting period, the ratio of public debt to gross domestic product (GDP) maintained a stabilization trend and decreased from 38.9 percent at the beginning of the year (38.5 percent as of July 1) to 38.4 percent as of October 1 of this year. The state foreign debt limit for 2021 was set at 5.0 billion US dollars, and during the first 9 months of 2021 - 2.74 billion dollars of foreign debt attraction agreements were signed on behalf of the Republic of Uzbekistan and under its guarantee. Their total number is 19, 1.2 billion dollars to support the budget, health care, to provide the population with clean drinking water,

1,349.3 million dollars for the financing of livestock breeding, development of the chemical industry and other important social and strategic projects, foreign debt agreements signed under the guarantee of the Republic of Uzbekistan were attracted to finance the projects worth 191.6 million dollars. As can be seen from the above statistical indicators, the main part of the external debt was spent on social spheres and investment programs. This is related to ensuring the prosperous life of our people.

In conclusion, I can say that the foreign debt policy is more effective for developing countries than for developed or underdeveloped countries. In this case, public debt management is an important part of the budget policy of the Republic of Uzbekistan, which can affect the rate and quality of the country's economic growth. That's why I believe that today it is necessary to develop a clear concept for the organization of public external debt in Uzbekistan. In the future, the external debt policy conducted in accordance with the Concept will be the basis for its more correct organization. At the same time, I believe that it is appropriate to direct foreign

debt funds to areas that will create value in the future when organizing the foreign debt policy of the state. Including, implementation of the budget and tax policy in connection with the state programs in the policy of managing the external debts of the state is the basis for increasing the efficiency of their use.