

BANKING SYSTEM OF THE REPUBLIC OF UZBEKISTAN**Galiyev Tahir**

Gulistan State University, Faculty of Social-Economics,

Department of Economics, 3rd Year Student

Abstract:

Bank, banking, banks and credit - it is no exaggeration to say that nowadays these terms have become an integral part of our life.

Keywords: economic, country, increa, construction, Economic, bank problems, national currency, dollar, seasonal projects, investment, improve, projects, credit.

The announcement of the independence of our republic created the basis for the introduction of the levers of the market economy, recognized by the countries of the whole world, into our republic. That is why it is necessary to create a modern banking system in our republic that meets the requirements of the market economy.

Reconstruction of the banking system:¹

- creating a two-tier banking system. Central emission bank and specialized state banks providing services directly to economic entities;
- transfer of specialized banks to the economy account and self-financing in full;
- includes improvement of credit relations, methods and forms with legal entities and individuals within the framework of the economic system, etc.

Since Uzbekistan has chosen a gradual way of transition to a market economy, the development of the banking system has the following stages:

- The first stage covers the period from 1991 to 1994, when the basis for introducing the national currency into circulation was created and the foundation of the two-tier banking system was built. During this period, the measures to create an independent banking system of our country were carried out on the basis of the Law of the Republic of Uzbekistan "On Banks and Banking Activities" adopted on February 15, 1991. On the basis of this law, the Central Bank of the Republic of Uzbekistan was established (September 1992) on the basis of the republican institution of the former USSR state bank, and it was assigned the tasks of regulating money transactions in the republic, creating a system of commercial banks, and organizing a payment system. Special specialized banks established during this period include

¹ Abirgulov Q. Economic geography. T., 2004; Alaev E.B. Socio-economic geography. Ponyatiynoterminological dictionary. - M.: Mysl, 1983; Asanov G.R. Socio-economic geography: an explanatory dictionary of terms and concepts. - T.: Teacher, 1990; Asanov G.R., Nabikhanov M., Safarov I. Economic and social geography of Uzbekistan. - T.: Teacher, 1994; Akhmedov E.A. Cities of Uzbekistan in the years of independence. - T., 2002; Akhmedov E.A., Boltayev M.J. Economic and social geography of the Republic of Uzbekistan. Text of lectures. Tashkent, 2000.

industrial construction bank, communal construction and social development bank, agro-industrial bank, foreign economic activity bank, savings bank and other banks.

The second stage of the organization of the banking system in Uzbekistan includes the years 1994-1996, when the national currency was put into circulation (July 1, 1994) and the legal foundations of the two-tier banking system were created. The decision of the Cabinet of Ministers of March 18, 1994 "On measures to improve the banking system and stabilize monetary relations", "On the Central Bank of the Republic of Uzbekistan" adopted on December 21, 1995 and the adoption of the new version of the Law "On Banks and Banking Activities" on April 25, 1996 created a solid legal foundation in the field of bringing the banking system closer to world standards.²

One of the features of this stage is that since 1995, special non-bank credit organizations (investment companies, insurance companies, etc.) have been established in Uzbekistan. The third stage of the formation of the banking system of Uzbekistan, including the years 1997-2000, the main feature of that stage is the privatization of banks and the improvement of the quality of management in joint-stock commercial banks, increasing the control over the activities of banks.

At this stage, the President of the Republic of Uzbekistan "On measures to encourage the establishment of private commercial banks" (April 24, 1997), "On measures to improve the activities of joint-stock commercial banks" (October 2, 1998), decrees "On measures to further liberalize and reform the banking system" (March 21, 2000) are important. Similarly, on January 15, 1999, the decisions of the Republic of Uzbekistan "On measures to reform the banking system" and "On additional measures to reform the banking system" dated March 24, 2000 were adopted. done.

Foreign investment began to be widely attracted to the banking system, and by the beginning of 2006, 5 banks were operating with the participation of foreign capital. In addition, there are 3 state-owned banks for the national economy. 12 shareholder-commercial and 9 private banks provide services.

At this stage, the republican commission for reforming the banking system was established, the quality of customer service was increased, attention was paid to the further development of small and medium-sized businesses, and the effectiveness of internal control.

The fourth stage of the development of the banking system began in 2001, and its main features are the following:

1. On the basis of further development of banks, the trust of the population in the banking system has been strengthened. If the capital of commercial banks increased from 791 billion soums at the beginning of 2004 to 824.1 billion soums at the beginning of 2005. increased by

² Akhmedov E.A. and etc. Independent Uzbekistan. T., 2001; Akhmedov E.A., Saidaminova Z. Republic of Uzbekistan. A brief reference. Tashkent, Uzbekistan, 1995.

104.2% to soums, and during this period, the population's savings in banks (due to new types of deposits, high interest rates, etc.) amounted to 244.7 billion. 322.6 billion soums. soums or 131.8%, and at the beginning of 2005, population savings in banks amounted to 450 billion. reached soum.

2. The support provided by commercial banks to private entrepreneurship, small and medium business entities has increased. It is known that the number of small business entities is increasing year by year and their number is 235,400 as of January 1, 2004. In 2005, loans to small business entities amounted to 419.9 billion. amounting to 287.4 billion soums. constitutes a long-term loan. The share of small business entities in the GDP was 38% in 2005, according to the 2006 plan, it is planned to reach 45%.

3. Work on the liberalization of currency relations has been accelerated. At this stage, the free exchange of the national currency was carried out gradually, and from October 15, 2003, the free exchange of the soum was introduced for current international operations.³

In connection with the improvement of currency relations, amendments were made to the Law "On Regulation of Currency" by the decision of the Oliy Majlis of the Republic of Uzbekistan No. 557 of December 11, 2003.

On this basis, the development and improvement of the banking system in our republic continues. In this regard, the decision of the President of the Republic of Uzbekistan dated April 15, 2005 "On measures to further reform and liberalize the banking system" is important. Currently, a number of opportunities are provided to support young entrepreneurs. One of them is the preferential loans provided for the financing of investment business projects of young people. The concept of development and implementation of monetary policy of the Central Bank of the Republic of Uzbekistan in the medium-term perspective was developed taking into account the leading role of the communication channel in the formation of public opinion and the implementation of the inflation targeting regime. At the same time, the procedure and sequence of monetary policy implementation differs in different countries depending on the characteristics and structural structure of the economy.

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³ Akhmedov E.A., Saidaminova Z. Republic of Uzbekistan. A brief reference. Tashkent, Uzbekistan, 1995; Baratov P. Natural geography of Uzbekistan. - T.: Teacher, 1996; Vahobov H. Tillaboyeva M. Basics of economic geography. - T.: Teacher, 2001; Roziyev A.R., Abirkulov Q.N. Economic geography of Uzbekistan. - T.: "Sharq", 2002; www.Ziyanet.net; www.stat.uz.

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