
INCREASING THE EFFICIENCY OF STATE-OWNED COMPANIES

Akhmedov Khasan Ruzibaevich,

PhD, Associate Professor,
Tashkent Institute of Finance, Uzbekistan
Email id: akhmedovkhasan1983@gmail.com

ABSTRACT

This article studies the opinions of various scientists on increasing the efficiency of state-owned companies and their activities through financial planning in the study of issues of increasing the efficiency of state-owned companies. In the national practice, measures implemented to increase the efficiency of state-owned companies and state-owned companies that are planned to be privatized have been analyzed. Based on the performed analysis, appropriate conclusions and proposals are developed.

KEYWORDS: *State-Owned Companies, State Share, Financial Planning, Stockholder, Authorized Capital, Stock, Issue.*

INTRODUCTION

Economic development is a priority for every country, and in this process it is important to implement various economic reforms by the state and effectively use financial tools. In developing economies like Uzbekistan, the extremely high level of state participation has a negative impact on the economy. In particular, the mechanisms of profit distribution in joint-stock companies are not effective, the dividend policy is not satisfactory, insufficient attention is paid to corporate management, and mechanisms for attracting financial resources from the capital market are not formed. In addition, due to the large number of state-owned companies, negative situations such as lack of competition in the capital market, low demand for purchasing securities, and low supply of financial instruments with investment attractiveness have occurred. Therefore, it is urgent to study the issues of improving the efficiency of state-owned companies.

Literature review

On the basis of the study of international level research, it can be noted that increasing the efficiency of activities in state-owned companies, financial planning in this process, and the development of financial relations in general are important in the practice of most developing countries.

Financial planning reflects the process of developing and adopting specific target mechanisms and determining the most effective ways to achieve the success of the developed mechanisms. These mechanisms, developed on the basis of the set goals, characterize the perspective expected by this level of management in a holistic way and reflect the system of indicators that are crucial for them. Financial planning is also important in improving efficiency in state-owned companies.

In enterprises, financial planning is, on the one hand, an important direction of implementation of financial activities aimed at managing the process of attracting, distributing and using financial resources, and on the other hand, financial planning is inextricably linked with all plans as an important part of the overall system of financial relations in the enterprise. Therefore, it is possible to increase the efficiency of activities through financial planning in enterprises.

Financial planning is the process of ensuring balance between the amount of financial resources and their distribution within the framework of an enterprise, its division or a separate project. As an object of financial planning, financial resources, in particular, total profit appear. It is necessary to take into account the issues of privatization of shares within the framework of financial planning when increasing the volume of financial resources in state-owned companies.

In order to eliminate the difference between the efficiency indicators between private enterprises and state-owned companies, it is desirable to privatize the shares of enterprises directly and indirectly owned by the state. It is clear from this that it is necessary to pay attention to the practice of mass placement of shares in state-owned companies. Because through these practices, attention should be paid to reducing the state's share in the economy.

Increasing the salary of employees in state-owned companies may depend on the results of comparison with the average salary of employees, which does not play a motivating role. Therefore, in the future, it is necessary to provide institutional support in the reform of wages, as well as in increasing the efficiency of production and activity of state enterprises.

The impact of state-owned companies on economic growth is crucial, and it depends on the level of institutional quality, which reflects the internal socio-economic environment: the better the institutional environment in state-owned companies, the overall efficiency of state enterprises will be higher. Therefore, improving the efficiency of management in state enterprises is an important issue.

State-owned companies can be of strategic importance for many countries. Due to political reasons or practical situations, some of these enterprises may remain fully state-owned. The lack of stock sales in such businesses prevents a realistic market-based valuation from occurring. It is necessary to develop new tools and mechanisms to ensure accountability and efficiency of fully state-owned companies, especially state-owned companies in the mining and banking sectors. In order to improve the efficiency of state-owned companies, it is necessary to take into account the nature of the industry in which the enterprise operates.

Research methodology

Methods such as analysis, synthesis, scientific abstraction, comparative analysis, and statistical analysis were used to study issues of improving the efficiency of state-owned companies.

Analysis and results

Increasing the efficiency of state-owned enterprises is of great importance in the growth of the country's economy. Because most of the economic participants in developing countries like Uzbekistan are state-owned enterprises. In particular, as of November 2023, it can be observed that the state's share in the structure of shareholders was 84.6 percent. Therefore, in order to privatize enterprises with state participation in the economy, the procedure for conducting public IPOs based on the principle of one share, one lot was developed (Table 1).

Table 1 shows 40 joint-stock companies in the list of enterprises whose stock packages will be privatized through public auctions on the basis of the public IPO on the local stock market based on the principle of "one share-one lot". Among these joint-stock companies, there are JSC "Navoiy Kon-Metallurgiya Kombinat" JSC, "Almalik Kon-Metallurgiya Kombinati" JSC, which are recognized as the largest tax payers, and representatives of other industries such as commercial banks and insurance companies.

Table 1 The list of enterprises to be privatized through public auctions based on the public IPO procedure on the local stock market based on the principle of "one share-one lot" of stock packages

T/r	Companies	Share of State, percent	Stocks for sale	
			Percent	The number
1.	"Navoi KMK" JSC	100	2,0	300 000 000
2.	"Almalik Mining and Metallurgical Combine" JSC	98,54	2,0	12 300 297
3.	"Uzbekistan Metallurgical Combine" JSC	84,4	2,0	9 330 978
4.	"UZBAT" JSC	2,6	2,6	641 747
5.	"Uzbektelecom" JSC	96,57	2,0	5 746 211
6.	"Uzsanoatkurilishbank" JSC	95,2	2,0	4 878 435 656
7.	"Asakabank" JSB	98,96	2,0	842 745 407
8.	JSC "People's Bank"	100	2,0	148 667 596
9.	"Kishloqkurilishbank" JSC	98,34	2,0	311 141 316
10.	"Alokabank" JSC	66,6	2,0	223 319 146
11.	"Turonbank" JSB	98,77	2,0	17 460 499
12.	"Microkreditbank" JSB	98,9	2,0	66 429 463
13.	"Silk Road" JSB	0,0003	0,0003	192 888
14.	"Trustbank" JSB	0,001	0,001	598
15.	"Garantbank" JSB	0,01	0,01	294 396
16.	"Uzbekinvest" EISK JSC	83,33	7,33	20 686 463
17.	"Alskom" JSC	3,9	3,9	1 137 311
18.	"Uzagrosugurta" JSC*	94,5	2,0	664 617
19.	"Uztemiryolcontainer" JSC	90	4,0	134 651
20.	"Dori-darmon" JSC	36,1	20,0	4 014 400
21.	JSC "Commodity Exchange of the Republic of Uzbekistan"*	26,4	2,0	1 499 168
22.	"Uzbekgeofizika" JSC	96,8	2,0	23 240 292
23.	"Kurilishmashlizing" JSC	73,5	22,5	3 825 000
24.	"Uzohirsanoatloyiha" JSC	81,7	5,7	671 238
25.	"Tashuyjoyliti" JSC	61,5	10,5	482 084
26.	"Tashgiprogor" JSC	41,8	15,8	85 673
27.	"Boshtransloyiha" JSC	32,1	6,1	271 556
28.	"Andijan Biochemical Plant" JSC	96,0	20,0	2 541 782
29.	"Uzbekneftgaz" JSC	99,94	2,0	849 738 934
30.	"Hududgaztaminot" JSC	100	2,0	529 261 741
31.	JSC "Heat Power Stations".	99,99	2,0	3 993 422
32.	National Electric Networks of Uzbekistan JSC	100	2,0	1 040 462 222
33.	JSC "Territory Electric Networks".	100	2,0	1 693 616 290
34.	"Uzbekhydroenergo" JSC	100	2,0	146 221 337
35.	"Tower Construction Expedition" JSC	37,1	11,1	3 588 800
36.	"Janubsanoatmontaj" JSC	20,7	20,7	337 653

T/r	Companies	Share of State, percent	Stocks for sale	
			Percent	The number
37.	"Kokan oil and gas drilling works" JSC	61,3	10,3	33 424 896
38.	Bridge Building **	100	2,0	-
39.	Organization of electronic online auctions**	100	10,0	-
40.	Central Depository of Securities **	100	10,0	-

* The share of the economic society in which the state share has a dominant position is sold;

** Will be sold after reorganization as a joint-stock company.

Decision PD-283 of the President of the Republic of Uzbekistan dated August 18, 2023 "On additional measures to improve the mechanism of reform of state-owned enterprises and commercial banks" was adopted. According to this Decision, the Ministry of Economy and Finance of the Republic of Uzbekistan, together with the investment company "UzAssets", will attract consultants to the transformation of the company and every enterprise and commercial bank under its management and approve the schedule of their reform until December 31, 2023. Moreover, together with international financial institutions and consultants, it is decided to develop a draft decision aimed at implementing the next stage of transformation of large state-owned enterprises and commercial banks, including the introduction of modern operating models.

The Ministry of Economy and Finance of the Republic of Uzbekistan and the investment company "UzAssets" are the sources of financing the expenses related to the reform and management of state-owned enterprises (Fig. 1).

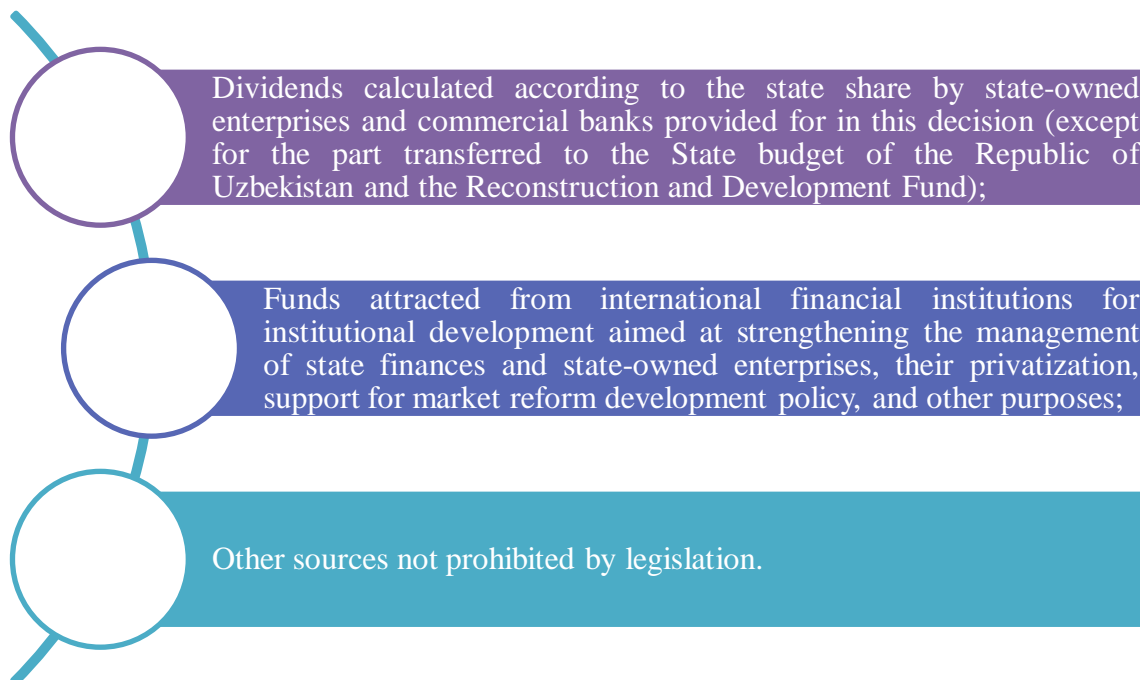


Figure 1. Sources of financing of expenses related to the reform and management of state-owned enterprises

In accordance with the list created by the Recovery and Development Fund of the Republic of Uzbekistan, it is determined that the functions of exercising shareholder powers and managing the state share packages in the authorized capital of the organizations will be transferred to the Ministry of Economy and Finance of the Republic of Uzbekistan for an unlimited period of time on the basis of a power of attorney (Table 2).

Table 2 List of enterprises with the shareholder function of the Republic of Uzbekistan Reconstruction and Development Fund according to the state share

T/r	Companies	Share, %
1.	"Agrobank" JSC	46,3
2.	JSB "Asakabank"	88,2
3.	"Uzsanoatkurilishbank" JSC	82,1
4.	"People's Bank" JSC	78,5
5.	"Turonbank" JSB	90,1
6.	"Kishloqkurilishbank" JSB	23,9
7.	"Alokabank" JSB	54,5
8.	"Ozmilli Bank" JSC	59,3
9.	Mikrokreditbank JSB	28,2
10.	"Uzbekistan Metallurgical Combine" JSC	37,0

10 state enterprises are included in the organizations that have the function of shareholder (participant) according to the state share package (share) of the Reconstruction and Development Fund of the Republic of Uzbekistan, of which 9 are commercial banks and 1 is Uzbekistan Metallurgical Combine JSC (Table 2).

CONCLUSION

The following conclusions were formed based on the study of the issues of improving the efficiency of state-owned enterprises.

Increasing the efficiency of activities in enterprises with state participation, financial planning in this process, and development of financial relations in general is important in the practice of most developing countries;

When increasing the efficiency of state-owned enterprises, it is necessary to take into account the nature of the sector in which the enterprise operates. Because the nature of the network is one of the important aspects in increasing the efficiency of the state-owned enterprises;

By effectively organizing corporate management, innovative activities, investment activities, financial planning, etc. in state-owned enterprises, it is possible to increase the investment attractiveness of these enterprises and attract a large amount of capital in the process of privatization through securities;

In order to eliminate the difference between the performance indicators of private enterprises and state-owned enterprises, it is desirable to privatize the shares of directly and indirectly state-owned

enterprises. It is clear from this that it is necessary to pay attention to reducing the state's share by conducting mass placement of shares in state-owned enterprises.

REFERENCES

1. Абдурахимова Д. К. ИННОВАЦИОН БАНК МАҲСУЛОТЛАРИНИНГ ЖАҲОН ИҚТИСОДИЁТИ ТАРАҚҚИЁТИДАГИ РОЛИ ВА УЛАРДА ҚЎЛЛАНИЛАДИГАН ТУРЛАРИ //PEDAGOGS jurnali. – 2023. – Т. 36. – №. 1. – С. 161-170.
2. Omonov S., Ochilov B. INCREASING INVESTMENT ATTRACTIVENESS IN ATTRACTING DIRECT FOREIGN INVESTMENT //International Finance and Accounting. – 2021. – Т. 2021. – №. 2. – С. 26.
3. Жўрабекович Қ. Ж. и др. Халқаро IPO амалиётлари таҳлили: ташкилий хусусиятлари ва институционал инвесторлар иштироки //Экономика и финансы (Узбекистан). – 2021. – №. 1 (137). – С. 53-61.
4. Каримов Акрамжон Икромжон Ўғли АҲОЛИНИНГ БЎШ ПУЛ МАБЛАҒЛАРИНИ ҚИММАТЛИ ҚОҒОЗЛАР БОЗОРИГА ЖАЛБ ҚИЛИШ МЕХАНИЗМЛАРИ САМАРАДОРЛИГИ ТАҲЛИЛИ // Экономика и финансы (Узбекистан). 2021. №10 (146). URL: <https://cyberleninka.ru/article/n/a-olining-b-sh-pul-mabla-larini-immatli-o-ozlar-bozoriga-zhalb-ilish-mehanizmlari-samaradorligi-ta-lili> (дата обращения: 05.12.2023).
5. Sherkuzieva N. A. Increasing investment attractiveness by optimizing the dividend policy in joint-stock companies : дис. – Dissertation abstract written for PhD degree in economics.- Tashkent, 2021.-В. 21.
6. Kurbonov PhD J. et al. INCREASING BUSINESS VALUE AND PROFIT DISTRIBUTION MECHANISM: ANALYSIS OF GLOBAL PRACTICE //International Finance and Accounting. – 2021. – Т. 2021. – №. 1. – С. 3.
7. Abdurakhimova P. D. D. THEORETICAL AND PRACTICAL FOUNDATIONS OF BANKING INNOVATIONS'IMPACT ON ECONOMIC DEVELOPMENT OF COUNTRIES.
8. Kurbonov J., Omonov S., Khamzaev K. PRACTICES OF PUBLIC OFFERING OF STOCKS IN CAPITAL MARKET DEVELOPMENT: FOREIGN EXPERIENCE AND SPECIFICATIONS //International Finance and Accounting. – 2022. – Т. 2022. – №. 1. – С. 15.
9. Karimov A. I. THE EXPERIENCE OF INVOLVING THE POPULATION'S FREE MONEY IN THE DEVELOPMENT OF THE SECURITIES MARKET //International Finance and Accounting. – 2020. – Т. 2020. – №. 6. – С. 18.
10. Jindal L. et al. A machine learning method for predicting disease-associated microRNA connections using network internal topology data //Healthcare Analytics. – 2023. – С. 100215.
11. Омонов С. Ў. Капитал бозорида институционал инвесторлар фаолиятини тартибга солишнинг хориж тажрибаси //Экономика и финансы (Узбекистан). – 2021. – №. 8 (144). – С. 33-38.
12. Рахмедова М. Н. ПРЕИМУЩЕСТВЕННЫЕ СТОРОНЫ ИСПОЛЬЗОВАНИЯ ЕВРООБЛИГАЦИЙ.

13. Sherkuzieva N., Omonov S. THE CURRENT STATE OF DIVIDEND POLICY IN JOINT-STOCK COMPANIES IN UZBEKISTAN AND ITS DEVELOPMENT WAYS //International Finance and Accounting. – 2020. – Т. 2020. – №. 5. – С. 16.
14. Kurbonov PhD J. et al. INCREASING BUSINESS VALUE AND PROFIT DISTRIBUTION MECHANISM: ANALYSIS OF GLOBAL PRACTICE //International Finance and Accounting. – 2021. – Т. 2021. – №. 1. – С. 3.
15. Botirov A. CAPITAL INFLOW TO CORPORATE STRUCTURES THROUGH CORPORATE BONDS //International journal of economic perspectives. – 2023. – Т. 17. – №. 11. – С. 68-77.
16. Rahmedova M. et al. REDISTRIBUTION OF FUNDS FROM SOVEREIGN EUROBONDS AND THEIR EFFICIENCY //International Finance and Accounting. – 2020. – Т. 2020. – №. 3. – С. 17.
17. Абдуллаева , Н. А. (2022). Insurance and securities market. *Архив научных исследований*, 4(1). извлечено от <https://journal.tsue.uz/index.php/archive/article/view/2608>