

## ROLE OF COMMERCIAL BANKS IN FINANCIAL SUPPORT OF AGRICULTURAL ENTERPRISES

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### Abstract

The article analyzed the importance of bank loans in financing financial support projects, the role of bank loans in the economy in the research process, the consideration of credit risk in financing investment projects by commercial banks, and investment loans currently issued by commercial banks.

**Keywords:** enterprises, investment projects, investment loans, bank loans, credit risk, financing investment activities.

(matthew 24:14; 28:19, 20) today, there is no denying that the future growth of the u.s. and world economy depends primarily on investment. (matthew 24:14; 28:19, 20) therefore, financing the activities of real sector enterprises in the economy of the republic and attracting loans from commercial banks, especially funds from foreign financial institutions, is one of the most pressing issues today. It is known that any economically active enterprise may not always be able to afford to finance an investment project at the expense of its own financial resources. In such cases, loans from commercial banks become the main source of financing for the activities of real sector enterprises.

A common prerequisite for restoring the production capacity of agriculture and eliminating its economic and technological pneumonia. The transition to technical modernization and innovative development involves attracting investment in the industry, and the financing process is difficult for many agricultural producers due to a lack of their own funds.

In this regard, the role of external, primarily returned sources of financing in agriculture is increasing significantly. As part of the national financial system, the agricultural lending system is the most important specific area, its activities temporarily ensure the collection of empty funds and are rural in the formation of monetary funds at various stages of production, distribution, exchange and consumption of products.

During the reform of the financial sector, a number of measures were taken, resulting in the establishment of advanced banking business and the necessary legal frameworks for strengthening the competitive environment in this sector.

To assist individuals desiring to benefit the worldwide work of Jehovah's witnesses through some form of charitable giving, a brochure entitled charitable planning to benefit kingdom service worldwide has been prepared.

At the same time, an analysis of the current situation in the banking sector demonstrates that there are a number of systemic problems in the banking sector that hinder the development of the banking sector in accordance with economic updates and society's needs, such as high-level government

intervention, inadequate management and risk management in state-run banks, low levels of financial intermediary in the economy.

Additional measures should be taken to increase the popularity of financial services, expand the access of banks to territories, and ensure the provision of the same types of services in all settlements. The banking system requires the widespread introduction of information technologies, financial technologies based on modern service solutions, the necessary provision of information security, as well as the need to take urgent measures to reduce human influence in the provision of financial services.

Action strategy for the five pillars of national development between 2017 and 2021, as approved by the pf-5953 order of the president of the republic of uzbekistan on march 2, 2020 based on the tasks set out in the country programme for implementation in the "year of education and digital economy development", as well as promoting the development of the private sector, the investment attractiveness of banks.

The agricultural sector needs to independently provide unique mechanisms for the operation of special institutions to support agricultural producers and villagers in conditions of a market economy. Each country creates its own system of supporting institutions, explaining their main characteristics, especially the high level of state participation in the early stages of their formation.

In many ways, the development of the agricultural network of the economy depends on the stability of the financial and economic situation of agricultural producers. However, the absence of domestic and external sources of financing for not only expanded but also simple reproduction in most agricultural subsidiaries increases the need and role of government regulation of the agricultural lending system.

Government regulation of the agricultural lending system is a complex process aimed at creating conditions for practical implementation of its important functions and includes: - ensuring the stability of the system;

- the ability to pay borrowers;

- stimulation of agricultural development.

The sustainable development of the credit system is closely related to the government's participation in the creation of the necessary production capacity (the profitability of agricultural production, the availability of production tools, the availability of a system for the sale, transportation and storage of agricultural products, the availability of a sufficient market demand) and financial (access to credit institutions, availability of information for risk assessment, decision on lending freedom to do so, quality and adequate amount of credit capital, effective methods of assessing the borrower's creditworthiness, mechanism for ensuring the fulfillment of obligations) created concrete frameworks for agricultural producers to operate effective forms of credit support.

Government regulation of the credit system in agriculture will allow to influence the dynamics of its development. In this regard, the agricultural indicator of potential borrower coverage serves as a guideline in the selection of forms and methods of state influence, the effectiveness of which is characterized by the creation of conditions that will increase the number of loan transactions numerous times, the multipliative increase in the number of loan transactions and the increase in value for both sides of the individual credit transaction. If the credit system tries to expand credit transactions, increase the coverage of agricultural producers, government regulation will be effective, otherwise transactions will be reduced relatively, the credit system will close and deteriorate.

The quality of the operation of the credit system in agriculture is related to the manifestation of another function of it, and its implementation is provided in the process of government regulation - the ability to stimulate network development. The mechanism of interrelationship between economic growth and institutional forms is determined by the network's growth rate mainly by the accumulation intensity of physical and human capital, as well as the growth of labor productivity, in turn, by improving technology development and productivity. This requires the state to create competitive conditions for agricultural producers to operate.

The intensity of these processes depends on the mechanisms for the formation and functioning of existing external sources of financing of the reproduction process in agriculture. The focus will be on the formal rules, which allow for certain agricultural producers to create the necessary structure of a common credit system that will determine the potential set of possible forms of credit support and the potential of network development in general. Government regulation of the credit system in agriculture prohibits the development of special standards, regulations, and procedures that ease the relationship between agricultural producers and their creditors to realize their economic interests.

Taking into account the implementation of economic laws in the country, government regulation of agricultural loans has been developed, and the basic structure of regulatory tools aimed at creating concrete frameworks for the financial provision of agricultural production and reproduction of goods is determined to be implemented through a holistic and internal consistent set.

(matthew 24:14; 28:19, 20) the changes that are taking place in economic and social sectors in our country, the achievements achieved in various sectors of manufacturing and service, reflect the growing emphasis on the development of real sector networks throughout the region year after year. Today, enterprises in the real sector of the economy have the opportunity to increase their share of the industry in the economy by focusing extensively on financing investment activities. To this end, increasing the financing of investment projects for real sector enterprises through loans from commercial banks will achieve the following results:

- real sector enterprises will be able to increase production volumes and the investment activity of the companies will increase ;
- real sector enterprises will meet the need for financial resources and ensure the efficient allocation of financial resources.

Bank accounts: bank accounts, certificates of deposit, or individual retirement accounts set up as a trust or made payable on death to an entity used by Jehovah's witnesses in accord with local bank requirements. It is intended to further increase investment volumes in the development of real sector networks, invite investors to new investment projects, develop new production networks based on innovation and direct investment in the development of the real sector, improve the legal protection of investors' activities, and further improve the mechanism for attracting investment to real sector enterprises.

In conclusion, the sustainable development of the national economy will be achieved by ensuring mutual harmony between the real economy and the banking sector. Directing the funds raised in the banking system to finance real sector enterprises and creating a space for their sustainable development.

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