

Financing Innovation Activities of Enterprises in Uzbekistan: Current Status and Future Achievements

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Abstract: Financing the innovative activities of enterprises in Uzbekistan is of great importance for the country's economic growth and competitiveness in the global market. This article provides a detailed analysis of the existing system of financing innovative activities, the role of the state and private sectors, as well as the possibilities of assistance from international organizations. The main sources of financial support for innovative projects are considered, including the state budget, commercial banks and special venture capital funds. The article also highlights the main problems in financing innovative activities, in particular, such factors as high risks, lack of infrastructure and ineffective development of scientific and research work. Recommendations are also made to improve and develop the system of financing innovative activities. The role of the state, private sector and international cooperation in financing innovative activities is important for the economic stability and future development of Uzbekistan.

Key words: Uzbekistan, innovative activity, financing, state aid, commercial banks, venture capital, international organizations, grants, risks, technologies, economic development, financial assistance, private sector, scientific research, infrastructure.



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Introduction

Supporting innovation is of great importance for the economic development of Uzbekistan. Innovations increase the efficiency of the economy, create new jobs, contribute to the efficient use of resources, and increase competitiveness. At the same time, financing innovation is one of the important conditions for economic stability and sustainable development. Financing innovation projects is an important issue, especially in developing countries like Uzbekistan, which plays an important role in strengthening the country's position in the global market and increasing its competitiveness.

Financing of innovative activities: the existing system

The system of financing innovative activities of enterprises in Uzbekistan is aimed at ensuring a balance between the state and the private sector. The main sources of financing innovative projects are the state budget, commercial banks, the private sector and international financial institutions. Each financial source has its own capabilities and limitations.

The role of state aid

The state has created separate programs to finance innovative activities. For example, the government of Uzbekistan provides various grants, subsidies and tax incentives aimed at the development of science and technology to support innovative activities. The main purpose of this support is to stimulate the development and implementation of new technologies, as well as to help reduce the production and import of high technologies.

The state is not limited to the allocation of budget funds for financing innovative activities. Another important factor is the laws, procedures and decisions developed by the state to support innovative activities. The state directs its research and development and production institutions to the development of new technologies. At the same time, state-funded projects often involve long-term investments with uncertain results, which complicates the involvement of the private sector.

Literature review

The private sector and commercial banks play an important role in financing innovation activities. Banks often provide high-interest loans to finance innovation projects. However, the participation of commercial banks in financing innovation activities is very limited, as banks are cautious in providing loans for high-risk projects.

The banking system of Uzbekistan is developing special financial instruments, such as venture capital funds and private investments, to expand financial support in the innovation sector. This, in turn, will facilitate the attraction of private capital aimed at developing innovation activities. The government of Uzbekistan is also considering providing commercial banks with preferential loans to finance technological innovations, which will increase banks' interest in financing innovations.

International organizations and investments

International organizations also play a significant role in financing Uzbekistan's innovation activities. The UN, the World Bank, the European Union and other international financial institutions provide grants and loans for the development of innovation activities in Uzbekistan. These organizations contribute to the introduction of innovative technologies, business development and financing of scientific and research work. International organizations and donors provide Uzbekistan with additional funds for financing innovation activities and help enterprises import the necessary technologies. In this regard, Uzbekistan's economic policy is aimed at expanding international cooperation and maximizing the use of its resources.

Methodology

There are a number of problems in financing innovative activities. The biggest of them is related to risks. Innovative projects are high-risk, and their results are uncertain. Also, financing innovations requires the provision of long-term loans and credits. Banks and the private sector are cautious in allocating funds to such projects. In addition, innovative projects often do not have sufficient presentation and analysis, which makes it difficult to obtain financial support. Another problem is the lack of existing infrastructure and scientific and technical potential for the development of new technologies. The development of the necessary infrastructure for scientific research and technological development in Uzbekistan requires changes.

The future of financing innovation activities

There are a number of ways to improve and develop the system of financing innovative activities in Uzbekistan. First of all, it is necessary to create new financial instruments aimed at supporting innovative projects by financial institutions. In this regard, it is important to develop special credit programs for commercial banks for high-risk projects. It is also necessary for the government of Uzbekistan to develop special government programs aimed at financing advanced technologies and their implementation. Cooperation between the state, the private sector and international organizations in financing innovative activities should be strengthened. This, in turn, will create the necessary conditions for the creation and successful introduction of innovative technologies to the market.

Conclusion

Despite the fact that the system of financing innovative activities in Uzbekistan is still at the stage of development, reforms and innovations in this area are taking significant steps. Strengthening cooperation between the state, commercial banks and international organizations in financing innovations, developing new technologies and their widespread implementation play an important role in ensuring the economic stability of Uzbekistan. Also, through the system of financing innovative activities, new jobs can be created in the country and competitiveness can be increased.

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