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POSSIBILITIES OF INNOVATIVE FINANCING LEASING IN UZBEKISTAN

Annotation

The article identifies problems related to the innovative financing of leasing in the Republic of Uzbekistan and develops scientific proposals aimed at solving these problems.

Keywords: innovation, leasing, object of leasing, securitization, financing, credit, interest rate, devaluation, inflation, depreciation.

Introduction In the Development Strategy of the Republic of Uzbekistan in five priority areas in 2017-2021, the task was set to transfer the economy of Uzbekistan to the innovative development path. In addition, at the initiative of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev 2018 was marked “The Year of Active Investment and Social Development” [1]. In turn, ensuring the innovative development of the economy necessitates the introduction of innovative forms of financing investment projects.

The issue of leasing innovation financing has been studied by foreign economists and the relevant conclusions have been formulated.

According to F. Fabozzi, securitization of leasing assets is a prerequisite for innovative financing of leasing and, as a result, is achieved with the following results:

- the cost of financing decreases;
- it becomes possible to diversify sources of leasing financing;
- increases the amount of income [2].

According to S. Amembalya in the process of securitization, the lessor has the opportunity to sell part of the lease receivables through a special legal entity - SPV (Special Purpose Vehicle) [3].

According to V. Gazman, the introduction of a leverage-leasing mechanism increases the potential for innovative financing of leasing. In this case, a special joint-stock company is being created on the part of the lessors, and this company has the right to enter into leasing contracts. This joint-stock company issues shares and sells them to lessors who are shareholders of the company. As a result, up to 20% of the amount of the leased object being purchased is formed, the remaining 80% of the funds are formed through a syndicated bank loan [4].

In our opinion, the conclusions of V. Gazman on the mechanism of leverage-leasing are of practical importance for the Republic of Uzbekistan. This is explained by the fact that, firstly, the transaction costs of lessors are reduced; secondly, the possibility of financing leasing companies is increasing; thirdly, the risk of financing the leasing operations of the banks of the Republic among the participants of the banking syndicate is distributed; fourthly, the problem of the

lack of long-term resources in banks with the financing of large investment projects is eliminated to a certain extent.

It should be noted that in large commercial banks of the Republic of Uzbekistan there is a problem of a lack of long-term resources. For example, as of January 1, 2018, the share of all deposits attracted with a maturity of 1 year in the total volume of deposits of commercial banks of the republic amounted to only 9.2% [5]. Below we consider the practice of financing leasing transactions on the example of commercial banks in Uzbekistan.

Table 1

Loans and leasing loans of JSC “Agrobank” and Republics of Uzbekistan [6]

Indicators	Years				
	2013	2014	2015	2016	2017
Loans, billion soums	1701	1911	2239	3061	3373
The share of leasing loans in total loans, %	0,1	0,2	0,3	0,1	0,1

As can be seen from the data presented in Table 1, the leasing loans occupy a very small share of all in the total volume of loans of Agrobank. This indicates the underdevelopment of leasing operations in the Agrobank.

It should be noted that preferential microlending loans is very important in the development of the activities of small businesses and private entrepreneurship. These loans are presented in an amount not exceeding two times the minimum wage.

In Uzbekistan, preferential microlending loans to small businesses and private entrepreneurship are provided only by Joint-Stock Microcredit Bank. The annual interest rate of these loans is 3%.

AK Microcreditbank was established in 2006 to provide preferential microfinance services to small businesses and private entrepreneurship.

It is important to emphasize that since the creation of Microcredit Bank, its authorized capital has increased at the expense of the state by 118 billion soums. And this made it possible to increase the volume of preferential microfinance services. So, if in 2006 the volume of preferential microfinance services of Microcreditbank amounted to 27.9 billion soums, then at the end of 2017 the volume of these services amounted to 437.6 billion soums. [7].

However, in recent years there has been a decrease in the volume of preferential microfinance services of Microcreditbank (Fig. 1).

Chart Title

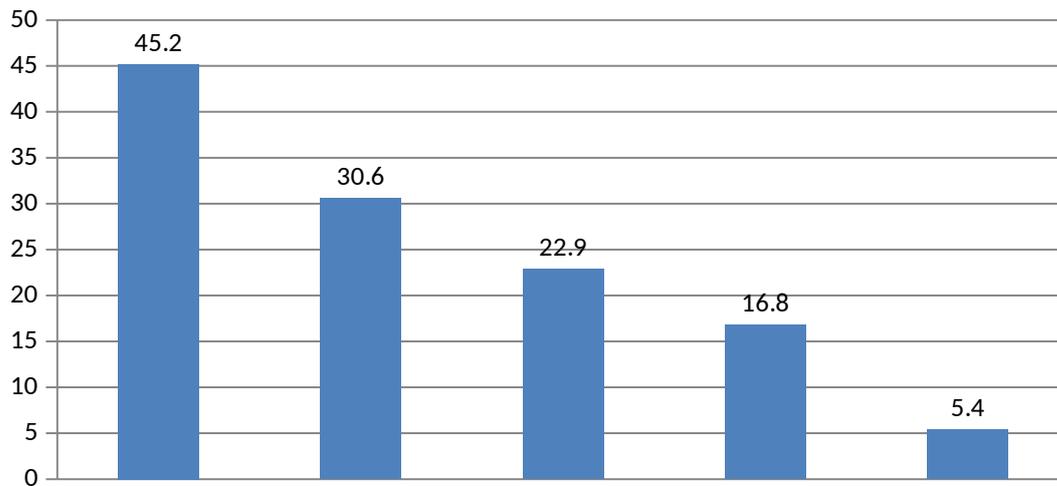


Fig. 1. The volume of preferential microfinance services of JSC “Microcreditbank”, billion sums [8]

As can be seen from the data presented in Figure 1, in 2013-2017 there was a tendency to reduce the volume of microcredit bank preferential microfinance services provided to small businesses and private entrepreneurship. In our opinion, to create the necessary innovation environment for innovative financing of leasing operations in Uzbekistan, it is necessary to solve the following problems:

1. The problem of reducing the cost of leasing loans and accrued depreciation on the leased asset due to high levels of inflation and the devaluation of the national currency. Accrued depreciation charges will not be enough to buy a new leased object.

table 2

Annual devaluation rate of the national currency against the US dollar and annual inflation rate, %

Indicators	2013y.	2014y.	2015y.	2016y.	2017y.
Devaluation	11,0	10,0	16,0	15,0	92,4
Inflation	6,8	6,1	5,6	5,7	14,4

As can be seen from the incoming data of Table 2, in 2013-2017 the level of depreciation of the national currency was high. Also, in 2017, the rate of inflation sharply increased.

The relatively high level of inflation and the devaluation of the national currency impede the increase in the volume of leasing loans of commercial banks.

Also, high levels of inflation and devaluations impede the introduction of innovative methods of financing leasing assets based on the issuance of securities. Since, as a result of inflation and devaluation of the national currency, the real value of investments in securities issued in national currency decreases.

In our opinion, to ensure innovative financing of leasing in Uzbekistan, it is necessary to take the following measures:

1. It is necessary to adjust the amount of depreciation charges accrued to leased assets on the level of inflation and devaluation of the national currency. As a result, it is possible to compensate for the reduced cost of depreciation.

2. It is necessary to adjust the interest rate of leasing loans of commercial banks, taking into account the depreciation of the national currency during the leasing contract period.

As a result, the interest of banks from leasing operations increases.

3. It is necessary to introduce in the practice of the republic such innovative leasing financing methods as the SPV method and the mechanism of leverage-leasing.

When applying the SPV method, taking into account the experience of foreign countries, the lessor should act as a seller, and a special legal entity (SPV) should act as a buyer. And the rights to borrowing should belong to the new owner of the property.

To finance leasing assets need to issue securities.

As a result of the implementation of this proposal in practice, firstly, the volume and diversification of the sources of financing leasing operations increases; secondly, the transaction costs of leasing operations are reduced; thirdly, it creates a possibility of distributing the risk of financing leasing transactions between participants of a banking syndicate

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