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ECONOMETRIC ANALYSIS OF FACTORS INFLUENCING THE PRACTICE OF LENDING TO SMALL BUSINESS ENTITIES

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Keywords: *small business entities, financial models, economy, correlation, factor.*

Abstract

In this research paper describes important component and factors of influencing the practice of lending to small business entities. In Uzbekistan, through innovative lending to small business entities, there will be an opportunity to achieve stable economic growth, increase the income of the population, ensure their well-being, reduce unemployment, increase the quality of products and services, attract modern equipment and technologies to production, and provide social protection to the population.

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INTRODUCTION

In the world, a number of works are being carried out to improve the practice of lending to small business entities based on innovations. According to the World Bank, " In developed countries, small business is the backbone of the economy. They provide 50% of employment worldwide and create 7 out of 10 jobs in developing countries. Also, 65 million firms in developing countries, or 40 per cent of formal micro, small, and mdium-sized enterprises, have unfunded needs of $5.2 trillion annually, 1.4 times the current amount. Global SME lending has the largest share (46%) in East Asia and the Pacific. Latin America and the Caribbean (23%) and Europe and Central Asia (15%) [1]. Improving the practice of lending to small business entities based on innovations is important for improving the quality of services in banks, ensuring competition, and delivering quality products and services.

In Uzbekistan, through innovative lending to small business entities, there will be an opportunity to achieve stable economic growth, increase the income of the population, ensure their well-being, reduce unemployment, increase the quality of products and services, attract modern equipment and technologies to production, and provide social protection to the population.

[1] https://www.worldbank.org/en/topic/smefinance

LITERATURE REVIEW

According to M. Mamut, he came to the conclusion that " microcredit operations of banks and non-bank credit organizations should not be controlled by the Central Bank in order to develop the practice of microcrediting of small business entities ." (Mamut M.V. Microfinance: new opportunities for the financial and credit system // Banking. - Moscow, 2009. - No. 4. - P. 96 - 99)

According to Masato Abe, Michael Troilo, Orgil Bat Saihkan, "research shows that the lack of capital is one of the most serious problems for the survival and development of small and medium-sized enterprises." (Masato Abe, Michael Troilo, Orgil Bat Sai khan Journal of Entrepreneurship and Public Policy (2015) " Financing small and medium enterprises in Asia and the Pacific ") .

A.Vahobov" entrepreneurship is essentially a kind of business." But not every business can be called entrepreneurship. For this, the business must have the signs of creativity, " they describe. (O'lmasov A., Vahobov A. Economic theory. Textbook. - T.: Iqtisod moliya, 2014., - 460 p.). It would be appropriate if this definition also focused on the creation or generation of value in the performance of business activities.

According to A. Norov, he made a proposal to "reduce the weight of problem loans by introducing the common scenarios of the formation of problem loans based on the types of economic activities in the process of lending to business entities to the "digital credit conveyor" platform, and introducing monitoring of each stage of the appropriation of loan funds." (Norov A.R. "Improving the methodology of lending to business entities of commercial banks". TSEU. 2022. 8-9 b)

Another economist, F. Kholmamatov, gave a more detailed definition of credit service and credit product, that is, "credit service is the result of the bank's credit activity aimed at a specific goal, which consists in creating optimal conditions for satisfying the client's credit needs while carrying out credit operations for the purpose of making a profit." . Also, according to the author, "a credit product is a way of providing credit services by a bank, which includes a set of interrelated procedures (technological, informational, etc.) for customer service. Credit products include innovative banking technologies" (Kholmamatov F.K. Improving the lending practice of commercial banks - T.: TIF 2019. 8-9 p.)

B.A. Reisenberg proposes to define services as "activities, works, in which a new, non-existing material product is created, but the quality of the already existing product is changed. And these are benefits provided in the form of activities, not in the form of things. Thus, the provision of services creates the desired result. (Raizenberg B.A., Lozovsky L.Sh., Starodubtseva E.B. Modern economic dictionary. - 5th ed. revised . and additional- M.: INFRA-M, 2007. - 343 p .)

RESEARCH METHODOLOGY

Determining the influencing factors in lending to small business entities, determining the sphere of influence on the basis of accurate calculations, and analyzing them will have a positive effect on the bank's financial situation and will also serve to reduce its risk level. It is possible to control the quality of the bank's loan portfolio by correctly classifying and analyzing loans allocated to small business entities Therefore, in the analysis of factors affecting small business entities, both prospective and planned calculations are used in different ways. The main of these methods are exthetrapolation method, normative (normative), mathematical modeling, and comparison methods.

The extrapolation method uses the indicators of the current period in the manifestation of the dynamics of financial indicators, their determinationand , calculations.

Normative method installed economic norm and from regulations to use demand is enough, Mathematical modeling method real economic and social processes in management different financial models from making consists of comparison scientific-technical, economic, cultural and another of factors the world scale development system with mutually from comparison consists of

ANALYSIS AND RESULTS

Below we will analyze the data of Silk Road AITB.

In data analysis, regression analysis is one of the universal and most common methods used to determine the relationship between variables and the degree of their influence. It is necessary to observe and analyze the relationship between different quantities. We will consider the relationship between the total amount of loans given by the bank and the total amount of loans allocated to small business entities .