

WAYS TO INCREASE THE RATING LEVEL OF SMALL BUSINESS ENTITIES THROUGH THEIR FINANCIAL INDICATORS

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Annotation: This article analyzes the factors influencing the rating level of small businesses in Namangan region and explores effective ways to improve it. Particular focus is placed on financial stability, tax discipline, innovation activity, and marketing strategies. Based on the research findings, practical recommendations are provided to enhance the economic efficiency of small business entities and improve their credit ratings.

Keywords: small business, rating score, financial stability, innovation, Namangan region, marketing strategy, economic efficiency

In the process of transition to a market economy, small business and private entrepreneurship are manifested as an important strategic factor in the sustainable development of the economic system of Uzbekistan. Especially in recent years, systematic reforms have been carried out in our country to support small business entities in every possible way, strengthen their financial potential and improve international rating assessments. However, the rating level of small business enterprises is still rated below its capabilities. This situation is limiting their chances of attracting foreign investment, free access to bank loans and increasing competitiveness. In particular, financial openness, tax discipline, transparency of management, innovative activities and insufficient development of marketing approaches have a negative impact on their rating assessment. In this article, on the example of the Namangan region, the factors that form the rating of small business enterprises are analyzed and scientific-theoretical approaches to increasing the rating level of these enterprises and practical recommendations are developed. The results of this analysis can serve to improve the policy of sustainable development of small businesses on a national scale.

LITERATURE ANALYSIS

The issue of improving the economic efficiency of small business enterprises and improving their rating level is one of the most relevant topics not only in Uzbekistan, but also in the experience of developed and developing countries. **In local literature**, including Z. A. Hakimov, Sh. A. Yuldashev, G. M. On the role, financial stability and innovative development of small businesses in economic activity by economists such as Toshmatova research has been conducted. In Particular, G. Toshmatova's work on the development of rating indicators based on the analysis of financial indicators in small business entities is significant. Also, the decisions of the president of the Republic of Uzbekistan and the relevant documents of the Cabinet of Ministers enshrined regulatory framework aimed at supporting small businesses. **Among Russian scientists**, E. G. Animitsa, A. V. Chayanov and L. I. The work of the abalkins emphasizes the methodology for rating small enterprises, indicators for assessing the activities of enterprises and their role in obtaining loans. In particular, corporate rating systems developed by organizations such as Sberbank, the Russian Entrepreneurship Agency offer personalized methodologies for small businesses. **And in foreign literature**, M. Porter, J. Stiglitz, D. Storey and B. Berger's

work highlights the strategic role of small businesses in the economy, the place of rating systems in determining their competitiveness. Small business valuation methodologies developed by international financial institutions, notably World Bank, OECD and IFC, ESG (Environmental, Social, Governance) Rating approaches serve as the theoretical basis for the article. Based on these literary sources, the factors that serve to increase the ranking of small business enterprises in Namangan region are determined through a systematic approach.

Number of small business entities by District of Namangan region as of January 1, 2024

№	District/City	Number of small business entities	Share (%)
1	Namangan sh.	13 440	31,2
2	Chust	3 792	8,8
3	Pop	3 104	7,2
4	Uchqo'rg'on	3 016	7,0
5	Kosonsoy	2 880	6,7
6	To'raqo'rg'on	2 704	6,3
7	Uychi	2 640	6,1
8	Chortoq	2 464	5,7
9	Yangiqo'rg'on	2 288	5,3
10	Norin	2 112	4,9
11	Namangan tumani	1 936	4,5
12	Mingbuloq	1 760	4,1
Total		43 136	100

Source: Department of Statistics, Namangan region, January 2024.

The table "number of small business entities by District of Namangan region" shows that the highest share of small business entities is in the contribution of Namangan city (13,440 units or 31.2%). This is due to the development of the city's infrastructure, high levels of Service and trade. Also, population density in the city, the development of a market environment, the convenience of logistics and banking services create a positive environment for small businesses. Districts such as Chust, Pop, Uchkurgan also have a significant share, indicating the active development of traditional handicrafts and agro-business sectors in these areas. Mingbuloq, Namangan district and Norin, on the other hand, have relatively low rates, implying the need to strengthen incentives for small businesses in these areas.

The ratio of the number of small business entities by districts of Namangan region to every 1000 inhabitants in 2024

T/r	District/City	Ratio to every 1000 inhabitants
1	Mingbuloq	12,4
2	Uchqo'rg'on	11,1
3	Chortoq	10,8
4	Chust	10,7
5	Namangan sh.	10,6
6	Pop	10,1
7	Kosonsoy	9,8
8	To'raqo'rg'on	9,5
9	Uychi	9,2
10	Yangiqo'rg'on	8,9
11	Norin	8,5
12	Namangan tumani	8,2

Source: Statistics Department of Namangan region, 2024.

According to the analysis "proportion of small business entities per population", districts Mingbulok (12.4), Uchkurgan (11.1) and Chortok (10.8) have the largest number of small

business entities per 1000 population. This is due to the demographic composition, entrepreneurial activity of the population and the strength of local economic initiatives. These indicators indicate that strengthening social and economic infrastructures will be beneficial for the development of small businesses in regions with high entrepreneurial potential. This indicator, which is compared according to the population density, is important in assessing the culture of entrepreneurship, the level of resource use and the role of the local management system in supporting small businesses. Namangan district (8,2) and Norin (8,5) are it has low rates of respect, requiring the encouragement of the small business environment there. Here is the diagram showing the share of small businesses in gross regional product (in percentages) in every district and City of Namangan region in 2024. Namangan city (74.5%) has the highest share, clearly representing the small business playing a leading role in the province's economy. In the rest of the districts, this figure is between 64.5% -72.8%, indicating the stability of the economic importance of small businesses throughout the province.

Conclusion

I. Strategic role of small business in the regional economy

Studies show-that in the Namangan region, small business entities have become the main driving force of the economy. Especially in the service, industrial and agricultural sectors, these entities have a significant share in gross regional product. According to 2024, small business enterprises accounted for more than 70% of the regional GDP.

II. Factors affecting rating assessment and existing problems

The main reasons for the low credit rating of small business entities are: lack of financial openness, poor attitude to digital marketing and innovation, low tax discipline and insufficient level of knowledge in management. Statistical analysis has shown that small businesses are showing poor results in many of the rating indicators.

III. Regional variations and potential utilization opportunities

The city of Namangan is leading in the number of small business entities and the volume of production, but in districts such as Pop, Norin, Torakurgan, the potential is still not fully deployed. There are variations, especially in the number of small businesses per capita.

IV. Ways to increase ratings through digital and innovative approaches

In modern conditions, the emphasis on digital transformation and innovative products is of great importance in increasing the rating for small business enterprises. During the study, it was found that the net profit rate of small business entities using digital marketing was 15-20% higher than that of others.

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