

Current tasks of the banking system development are defined



On November 22, a meeting was held under the chairmanship of the President of the Republic of Uzbekistan Shavkat Mirziyoyev, devoted to issues of reforming the banking system and strengthening the financial stability of banks, enhancing the role of commercial banks in development of regions and entrepreneurship.

Loans are a necessary resource for development of entrepreneurship, production and infrastructure. Therefore, in the economic process, the role of commercial banks attracting available funds and lending them to entrepreneurs and investors is very important.

As a result of systemic measures taken in this direction over the past two years, the scale of lending by banks of investment projects has increased significantly, the loan portfolio increased by 3.2 times. Within the framework of regional development programs, 6.4 thousand projects have been allocated loans at the amount of 27 trillion UZS.

At the meeting, along with positive results, a number of problems in the banking system were noted. This is evidenced by the receipt in the current year in the Virtual and People's Reception of the President of over 24 thousand appeals regarding the banking sector.

At the meeting, the issue of problem loans was considered. Although their volume is less than 1.8 percent of total loans, this indicator has grown since the beginning of the year. In the regions, 76 percent of problem loans are accounted for the city of Tashkent, 5 percent for Kashkadarya and 3 percent for Bukhara region.

It was also noted that due to imperfect development of some projects by khokimiyats and industries, a number of objects were not put into operation in a timely manner and as a result, the return of loans was delayed.

In particular, it was criticized that in Tashkent, Samarkand, Jizzakh, Surkhandarya regions and the Republic of Karakalpakstan the implementation of some investment projects for which credit funds have already been allocated, has not yet begun.

The amount of bad debts is growing due to allocation of loans for the repair of the housing stock and construction of housing without a full study of sources of repayment

and sufficiency. For example, there are bad loans for a large amount related to partnerships of private homeowners and construction of multi-storey buildings. The highest rates are in the city of Tashkent – 32 billion, Kashkadarya region – 27 billion, Andijan region – almost 20 billion, and Bukhara region – 14 billion UZS.

The Head of the state noted that repayment of problem loans will further expand capabilities of banks, and when collecting them, the joint work of heads of banks, enterprises, companies and associations, regions and debtors is necessary.

Activity of banks in attracting resources for loans is insufficient. Attracting free funds of the population and legal entities, primarily in term and savings deposits, contributes to increasing the financial stability of banks.

The President noted the need for a broader attraction and intensification of development of credit lines of international financial institutions.

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