

**Saypullayev Ilhomjon Abduraxmonovich**

Namangan Engineering and Construction Institute, Associate Professor, PhD

**Sidiqjonov Samandar Soxibjon o'g'li**

2nd year student of Namangan Engineering and Construction Institute,  
Faculty of Economics and Management

**Abstract:** This article describes a general understanding of venture business, ideas and opinions about the prospects for the development of venture business in the Republic of Uzbekistan.

**Key words:** venture business, market, innovative news, entrepreneurial capital, incentive, development strategy.

Venture business is considered as a link between scientific and innovative projects, start-ups and the market, and means investing capital for the invention of innovative innovations and new technologies by venture entrepreneurs at a certain share price, and their financing. In general, the capital invested by the investor for venture business acts as an incentive for various start-ups and new-look inventions. Venture business appeared in world history in the United States of America at the end of the 19th century and at the beginning of the 20th century. is coming

For the development of venture business, the market economy system in the country should be open for entrepreneurship as the first factor, and the second factor should be the state bodies that initially implement start-up projects in the country. Although all this was the main theme of the reforms that are being created in the new Uzbekistan, but before that, in the Soviet era, the financial support for inventions was completely in the hands of the state. Even during the communist regime, only the state was the scenario, orderer and sponsor of all innovative projects and scientific experiments. As a result, the scientists of the USSR tried to catch up only in some areas of the general scientific achievements of the competing countries. The amount of money spent for this from the state budget was large. Only the country's patronage of new inventions became a legacy of Uzbekistan during the years of independence. However, the government of our country has been carrying out many reforms to get rid of this. Because when an invention is created, when a patent is granted to it, if there is not enough economic power and funds to bring it to the market and implement large-scale production, this invention will simply remain in the background. But a lot of money is required for financing. It is necessary to develop venture business in the country in order to solve the main problem in the implementation of such scientific and innovative projects.

In order to solve the above problems by the leadership of our country, the following main reforms and their essence and content can be mentioned:

On February 7, 2017, the presidential decree (PF-4947) on the "Strategy of actions for the further development of the Republic of Uzbekistan" was announced.

In order to ensure the rapid innovative development of all sectors of the economy and the social sphere based on advanced foreign experience, modern achievements of world science, innovative ideas, developments and technologies, as well as the tasks defined in the Strategy of Actions on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021, the President of the Republic of Uzbekistan Decree No. PF-5264 of November 29, 2017 "On the establishment of the Ministry of Innovative Development of the Republic of Uzbekistan" and No. PQ-3416 dated November 30, 2017 of the President of the Republic of Uzbekistan "On the establishment of the Ministry of Innovative Development of the Republic of Uzbekistan" According

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to the Decision, the Ministry of Innovative Development of the Republic of Uzbekistan was established.

On July 24, 2020, the Law of the Republic of Uzbekistan "On Investment Activity" (ORQ-630) was adopted.

On August 27, 2021, the decision of the Cabinet of Ministers (No. 545) "On measures to organize the management system of scientific and innovative activities" was adopted.

On January 28, 2022, the presidential decree "On the Development Strategy of New Uzbekistan" for 2022-2026 was adopted.

On July 6, 2022, the presidential decree "On approval of the innovative development strategy of the Republic of Uzbekistan in 2022-2026" was announced.

In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-5583 dated November 24, 2019 "On measures to fundamentally improve the mechanisms of project financing in the field of entrepreneurship and innovation", the draft Regulation "On Investment and Management Companies" was developed and the Ministers It was approved by the Decision No. 414 of May 17, 2019.

It was on July 24, 2020 that Article 29 of the Law of the Republic of Uzbekistan "On Investment Activities" (ORQ-630) referred to the activities of venture funds, enterprises and companies, while on the 31st In addition to state bodies, non-governmental organizations are listed as sources of funding for scientific and innovative ideas.

Today, 3 private venture funds have been established by the state. In order to support innovative ideas and startup ecosystem in the republic, and to accelerate the development of innovative infrastructure, the Cabinet of Ministers of the Republic of Uzbekistan decided to organize the activities of the national venture fund "UzVC" on November 3, 2020. "UzVC" National Venture Fund was established in accordance with Resolution No. 684, and the initial authorized capital of the Fund in the amount of 15 billion soums was formed from the funds allocated to the Ministry of Innovative Development of the Republic of Uzbekistan from the budget of the Republic of Uzbekistan in 2020.

Today, "UzVC National Venture Fund" LLC announced a tender for the transfer of the state's share in the authorized capital to trust management. Also, work is underway to establish a joint venture fund with foreign partners.

MOST Ventures is a private venture fund that has been providing financial and non-financial support to entrepreneurs in the field of technology in Central Asia for several years, as well as implementing incubation and acceleration programs in the region. The fund focuses on IT startups aiming to create an international business.

This year, the fund allocated \$2 million. It is planned to invest in the amount of US dollars. Today, "Girgitton" food delivery and "TASS Vision" start-up are undergoing acceleration process by the fund.

SEMURG VC is a private investment company embodying a venture fund focused on the creation and expansion of technological startups in the CIS and Venture Builder markets.

The fund will provide \$5 million to start-ups operating in Uzbekistan over the next 2 years. It aims to invest in the amount of US dollars.

Also, on May 28 of this year, the National Venture Fund "UzVC" and the UZVCA Venture Financing Association of Uzbekistan held the first Central Asian Venture Forum in Uzbekistan on the topic of future venture financing and development of the startup ecosystem in the region and the international market.

Within the framework of the forum, a memorandum of understanding on the establishment of a joint venture fund was signed between the national venture fund "UzVC" and JSC "QazTech Ventures" of Kazakhstan.

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In order to establish the activities of the national venture fund "UzVC" and closely study the experience of foreign venture funds, an international consultant was engaged within the FGI (Future Growth Initiative) program of the United States Agency for International Development (hereinafter USAID).

In order to study foreign experience in the field of venture financing and participate in training programs, the national venture fund "UzVC" sent documents related to the grant programs organized by the Islamic Development Bank and USAID.

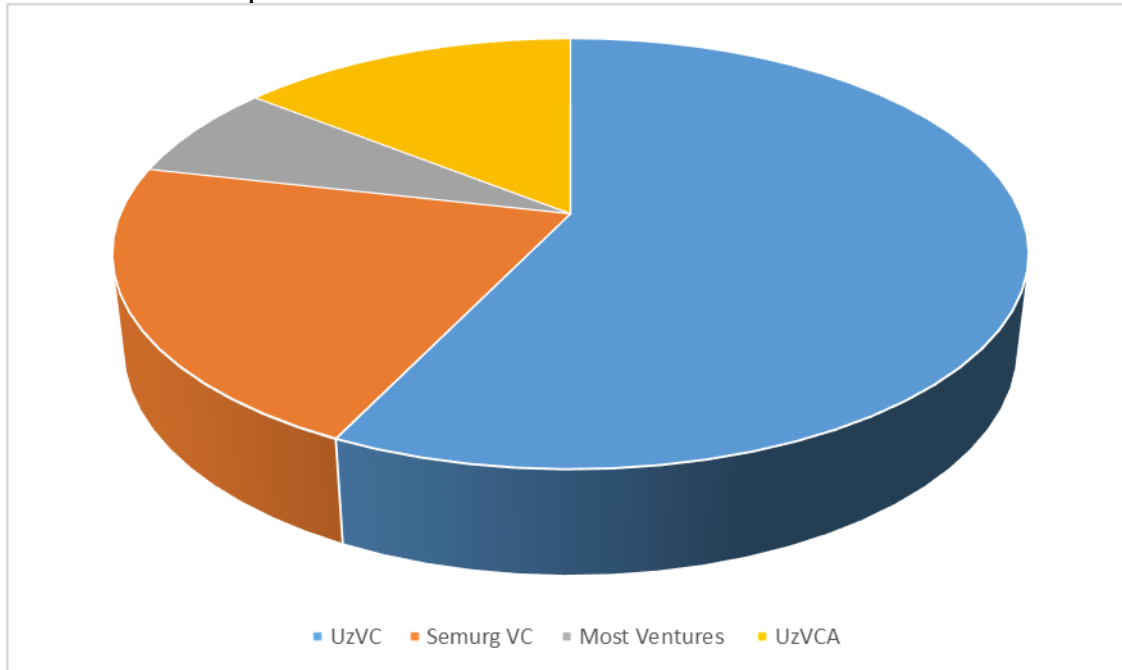


Figure 1. The share of venture capital financed in the Republic of Uzbekistan in venture companies

Although the risk in venture business is high, bringing new technologies to the industrial scale and the profit that follows it are also huge. For example, let's take a simple and well-known electric light bulb. The first electric lamp was invented by English chemist Humphrey Davy in 1809. However, this invention remained in the pages of history because the entrepreneurs risked not financing it with money to bring his invention to the market. Later, 70 years later, a famous American inventor named Thomas Alva Edison bought the patent for his design from the inventors of the underfunded light bulb, inventing an improved new-look incandescent light bulb that passed the 40-hour test and burned for up to 600 hours. . The banker J.P. Morgan, who became a direct witness of the experiments of the lamp, saw the prospect of Edison's invention and financed all the necessary expenses. Even after that, a scientist named Nikola Tesla proves that the alternating current system he founded is better for humanity than the constant current that serves for the Edison lamp, and the famous banker allocates venture capital from his account. Funds Tesla's invention. The development of such venture business played an important role in accelerating the technical revolution and creating new technologies in the USA and other countries.

Venture business is much younger than other types of business. It is because the venture business currently employs 4 million people in the United States that it has forced major economists in the United States to study it. One such scientist is Stanford University professor Ilya A. Strebulaev, who met with the heads of large companies and asked them about the prospects of venture business. In 2015, Mr. Ilya published an article at Stanford University that he is very warm about the venture

prospect of Apple, which can invest up to a billion dollars, but the opinions of Apple shareholders that it is not possible to bet a large amount of money on this type of business are reasonable. writes Professor Strebulaev cited the fact that the heads of large companies such as Microsoft and Google are of the same opinion. "All this is the magnitude of risk in venture business," writes the professor. Will Gornall, another great scientist who has conducted several experiments on venture capital financing, is of the opinion that the government's interest in such a field among the country's businessmen will accelerate the industrial revolution in developed countries. The teacher of the Business School of the University of British Columbia has also published many articles about venture business in cooperation with Professor Ilya. In one article in particular, he says that large companies need financing for venture business, but because of the risk, they do it with limited capital. Xiuwen Li and Yunji Zao, two professors at Habei University of Economics, write that the development of venture capital for Chinese firms depends mainly on large and ultra-large profit-making corporations. The main reason for this is the technical competition in the market. An example of this is the telephone. Whenever Apple and Samsung or LG Corporation produce a new smartphone, it must be new for one or more of the same features. Only then will this smartphone be able to compete in the market. Mr. Li and Mr. Zao cite the same thing as an example, saying that without venture capital financing, corporations in the technology trade will lose, if not go bankrupt, they will simply be phased out of business.

In conclusion, it is worth saying that venture business is an innovative revolution, and a large amount of financing and incentives from entrepreneurial capital for the development of the science sector in the country. Step by step reforms are being carried out in the field of transition from the state budget to private sector capital for the introduction of new technologies. And this is exactly the same as the reforms made for the development of venture business in the United States of America and industrialized European countries.

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