BG Pulse Journal USA
ISSN:1947-2536 http://www.bgpulseusa.com/index.php/bg

THE ROLE OF COMMERCIAL BANK LOANS IN PROVIDING BUSINESSES WITH WORKING CAPITAL

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https://doi.org/10.5281/zenodo.20377030

Abstract. This article analyzes the economic significance and practical role of commercial bank loans in providing business entities with working capital. During the study, the adequacy of working capital in small business and private entrepreneurship was assessed as one of the main factors ensuring the continuity of production. Also, the effectiveness of state programs aimed at supporting entrepreneurship in our country, reforms in the lending system, and preferential financing mechanisms is highlighted based on statistical data. The article scientifically substantiates the role of loans provided by commercial banks in increasing production volumes, creating new jobs, and strengthening the financial stability of enterprises.

Keywords: Business entity, commercial bank, bank loan, working capital, small business, financing, lending system, economic efficiency, liquidity, preferential credit.

Annotatsiya. Ushbu maqolada tijorat banklari kreditlarining tadbirkorlik subyektlarini aylanma mablag'lar bilan ta'minlashdagi iqtisodiy ahamiyati va amaliy roli tahlil qilinadi. Tadqiqot davomida kichik biznes va xususiy tadbirkorlikda aylanma mablag'larning yetarliligi ishlab chiqarishning uzluksizligini ta'minlovchi asosiy omillardan biri sifatida baholandi. Shuningdek, mamlakatimizda tadbirkorlikni qo'llab-quvvatlashga qaratilgan davlat dasturlarining samaradorligi, kreditlash tizimidagi islohotlar va imtiyozli moliyalashtirish mexanizmlari statistik ma'lumotlar asosida ta'kidlangan. Maqolada tijorat banklari tomonidan taqdim etiladigan kreditlarning ishlab chiqarish hajmini oshirish, yangi ish o'rinlarini yaratish va korxonalarning moliyaviy barqarorligini mustahkamlashdagi roli ilmiy jihatdan asoslanadi.

Kalit so'zlar: Biznes subyekti, tijorat banki, bank krediti, aylanma mablag'lar, kichik biznes, moliyalashtirish, kreditlash tizimi, iqtisodiy samaradorlik, likvidlik, imtiyozli kredit.

Аннотация. В данной статье анализируется экономическое значение и практическая роль кредитов коммерческих банков в обеспечении хозяйствующих субъектов оборотным капиталом. В ходе исследования оценивалась адекватность оборотного капитала в малом бизнесе и частном предпринимательстве как один из главных факторов, обеспечивающих непрерывность производства. Также на основе статистических данных освещается эффективность государственных программ поддержки предпринимательства в нашей стране, реформ системы кредитования и механизмов льготного финансирования. В статье научно обосновывается роль кредитов, предоставляемых коммерческими банками, в увеличении объемов производства, создании новых рабочих мест и укреплении финансовой стабильности предприятий.

Ключевые слова: Хозяйствующий субъект, коммерческий банк, банковский кредит, оборотный капитал, малый бизнес, финансирование, система кредитования, экономическая эффективность, ликвидность, льготное кредитование.

Introduction. The stable operation of business entities in a market economy largely depends on the level of their provision with financial resources. In particular, the availability of working capital is an important factor in ensuring the continuity of the production and service process. In this regard, loans provided by commercial banks serve as one of the main sources of financing the financial needs of business entities.

In recent years, special attention has been paid to the development of small businesses and private entrepreneurship in Uzbekistan, and their financial support mechanisms have been expanded. In particular, on the basis of decrees and resolutions on economic reforms adopted by the President, large-scale measures are being taken to provide preferential loans to entrepreneurs, simplify and digitize banking services. As a result, according to the Central Bank of the Republic of Uzbekistan, the volume of loans provided to business entities has increased significantly in recent years.

In addition, world experience shows that the effective establishment of working capital financing mechanisms by commercial banks is of great importance in accelerating economic growth, increasing employment, and strengthening export potential. Therefore, scientific research into the role of commercial bank loans in providing businesses with working capital is one of the urgent economic issues.

Literature review. In international economic literature, the issue of providing business entities with financial resources has been widely studied as one of the main factors of economic development. In particular, the role of commercial bank loans in small business activities is of particular importance in the scientific research of foreign economists. The studies of M. Friedman[1] and F. Mishkin[2] emphasize that the stable operation of the banking system activates investment processes in the economy and increases the production potential of business entities. According to their scientific views, the effective use of credit resources ensures the financial independence of enterprises and reduces risks in market conditions.

In world practice, working capital management is considered an important indicator determining the short-term financial stability of enterprises. In particular, studies conducted by Brigham and Houston scientifically substantiated that a lack of working capital leads to a slowdown in the production process and a decrease in the liquidity of the enterprise[3]. Therefore, in developed countries, commercial banks pay great attention to improving short-term lending mechanisms.

As noted in the reports of the Asian Development Bank and the World Bank, increasing the volume of lending to small businesses plays an important role in creating new jobs, accelerating regional economic development, and expanding export potential. In particular, the introduction of digital banking services and remote lending systems is expanding the opportunities for entrepreneurs to use financial services.

Uzbek economists have also extensively studied the issues of financing business entities and the effectiveness of commercial bank loans. In particular, the scientific works of economists Y. Abdullayev[4], Q. Abdullayev[5], I. Tojimuhamedov[6], and R. Alimuhamedov[7] provide important scientific conclusions on the development of commercial banks, reducing credit risks, and improving small business financing mechanisms. In their research, bank loans are considered one of the main financial instruments that stimulate economic growth[8].

In recent years, a number of regulatory legal acts have been adopted in our country aimed at supporting entrepreneurial activity. In particular, Presidential decrees on the development of small businesses and private entrepreneurship, increasing the availability of banking services, and expanding the system of preferential lending are used as important sources in economic

literature[9]. This further increases the need for in-depth scientific research into the role of commercial bank loans in providing businesses with working capital.

Methodology. This study used modern economic research methods to study the role of commercial bank loans in providing business entities with working capital. The research process used scientific abstraction, economic and statistical analysis, comparative analysis, a systematic approach, and induction and deduction methods. Through these methods, the impact of loans provided by commercial banks on entrepreneurial activity and the efficiency of using working capital were assessed.

The sources of information for the study were statistical data from the Central Bank of the Republic of Uzbekistan, annual reports of commercial banks, decrees and resolutions of the President of the Republic of Uzbekistan on the development of entrepreneurship and improvement of the banking system, as well as scientific works of local and foreign economists. During the study, data on the volume of loans provided to small businesses and private entrepreneurs in the period 2020–2025, short-term financing indicators, and the rate of turnover of working capital were analyzed. Based on the methodological approach, the financial condition of business entities was assessed through liquidity, profitability and cash flow ratios. The impact of credit resources on production volumes, service efficiency and financial stability of enterprises was also studied using statistical indicators. The relationship between the growth of lending volumes and the results of business entities' activities was clarified.

The study also conducted a comparative analysis with the experience of foreign countries. Modern mechanisms for financing small businesses in developed countries, digital banking services and preferential lending systems were studied and the possibilities of their application in the national economy were analyzed. As a result, scientific and practical conclusions were developed on the effective provision of business entities with working capital through loans from commercial banks.

Results and Discussion. The results of the study showed that commercial bank loans are one of the main financial sources for providing business entities with working capital. In particular, the allocation of short-term loans in small businesses and private entrepreneurship allows ensuring the continuity of the production process, timely purchase of raw materials and materials, and increasing the volume of services. As a result of the analysis, it was found that business entities that used credit resources had higher production volumes and income indicators.

During 2020–2025, the volume of loans allocated by commercial banks on the basis of state programs aimed at supporting entrepreneurship in our country increased significantly. This had a positive impact on the strengthening of the economic activity of small businesses, the creation of new jobs, and the expansion of product offerings in the domestic market. In particular, preferential lending programs expanded the financial capabilities of entrepreneurs operating in the production, service, and trade sectors.

During the analysis, it was observed that the turnover rate of funds was high in enterprises that effectively use working capital. This served to strengthen the liquidity and financial stability of enterprises. It was also found that the profitability level of business entities that targeted loan funds was relatively high. The results showed that enterprises financed by commercial banks are able to quickly adapt to market demand and increase production efficiency. During the discussion, some existing problems were also analyzed. In particular, for some entrepreneurs, documentation requirements and collateral issues in the process of obtaining a loan limit the use of financial resources. In addition, the insufficient development of banking services in some regions also negatively affects entrepreneurial activity. High loan interest rates and low levels of financial

literacy were also noted as factors reducing the efficiency of using loans.

At the same time, the development of digital banking services, the introduction of online lending systems, and the strengthening of state support measures for entrepreneurship are contributing to the increase in the efficiency of commercial bank loans. Based on the results of the study, it was substantiated that commercial banks need to further improve working capital financing mechanisms, increase the share of preferential loans, and create a favorable financial environment for entrepreneurs.

Conclusions and recommendations. According to the results of the study, commercial bank loans are an important financial source for providing business entities with working capital, which has a positive impact on ensuring the continuity of the production process and increasing the profitability of enterprises. The effective use of working capital plays an important role in strengthening the financial stability and competitiveness of enterprises. At the same time, the complexities of the loan application process, collateral requirements, and insufficient financial literacy create some problems. In order to eliminate these situations, it is recommended to simplify the lending system, increase the share of preferential loans, expand digital banking services, and strengthen financial literacy training programs for entrepreneurs.

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