



## FOREIGN EXPERIENCE IN ENHANCING THE INVESTMENT ATTRACTIVENESS OF JOINT-STOCK COMPANIES THROUGH SECURITIES

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## QIMMATLI QOG‘OZLAR YORDAMIDA AKSIYADORLIK JAMIYATLARINING INVESTITSYAVIY JOZIBADORLIGINI OSHIRISHNING XORIJ TAJRIBALARI

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**Abstract:** In this article, foreign companies are considered to utilize the stock market as a primary investment platform to attract capital, enhance their investment attractiveness, and strengthen their market position. The securities market serves as a bridge between companies and investors, providing a necessary environment for capital mobilization, improving liquidity, and increasing global presence. One of the main motivations for foreign companies to be listed on a stock exchange is the opportunity to raise large-scale capital.

**Key words:** Capital market, stock exchange, joint-stock companies, initial public offering (IPO), capitalization, investment, securities, bond market, privatization, financial infrastructure, investor activity, liquidity.

**Annotatsiya:** Ushbu maqolada xorijiy kompaniyalar kapitalni jalb qilish, investitsiyaviy jozibadorligini oshirish va bozordagi mavqeini mustahkamlash uchun fond bozoridan asosiy investitsion

maydon sifatida foydalanadilar. Qimmatli qog‘ozlar bozori kompaniyalar va investorlar o‘rtasida ko‘prik bo‘lib, mablag‘larni jalb qilish, likvidlikni yaxshilash va global ta‘sirni oshirish uchun zarur muhitni ta‘minlaydi. Chet el kompaniyalarining fond birjasida ro‘yxatdan o‘tishlari uchun asosiy motivlardan biri bu yirik miqdordagi kapitalni jalb qilish imkoniyatidir.

**Kalit so‘zlar:** Kapital bozori, fond birja, aksiyadorlik jamiyatlari, IPO, kapitallashuv, investitsiya, qimmatli qog‘ozlar, obligatsiyalar bozori, xususiyashtirish, moliyaviy infratuzilma, investorlar faolligi, likvidlilik.

### INTRODUCTION

In the context of the ongoing redistribution of global economic spaces, attracting investment through stock market instruments—one of the most important components of the financial market—has become one of the pressing challenges faced by companies. Due to the highly volatile nature of economic



development across countries, which can rapidly shift in both positive and negative directions, investors are finding it increasingly difficult to allocate capital to particular countries or companies compared to previous periods.

### MAIN BODY

Within the global economic environment, especially under conditions of geopolitical instability, enhancing the investment attractiveness of companies—particularly by increasing their activity in stock markets—has become one of the most widely studied issues of the present time. Nevertheless, factors such as the specific characteristics of regions and firms, the stability and volatility of financial and non-financial performance indicators, the diversity of approaches to assessing investment attractiveness, and the growing role of stock market instruments as powerful investment tools continue to constitute important directions for ongoing research worldwide. In particular, global foreign direct investment (FDI) flows in 2023 and 2024 have demonstrated a declining trend, decreasing by approximately 8 percent. This indicator fell by 2 percent in developing countries, 7 percent in the Asian region, and 9 percent in Latin America. These trends indicate a decline in the investment attractiveness of both regions and companies. Therefore, developing economies need to strengthen their capacity to effectively attract foreign investment by modernizing their stock markets.

### LITERATURE REVIEW

According to modern research, the prospective development of the economy is directly dependent on the development of the financial market. R. King and R. Levine state that "there is a stable and systematic relationship between the level of financial market development and long-term rates of economic growth." The

same view is strongly supported by A. Demirgüç-Kunt and R. Levine, who emphasize that "economies with a highly developed financial system tend to grow faster over the long term. Theoretical and scientific perspectives on companies' methods of attracting investment through stock markets, as well as methodologies for assessing investment attractiveness, have been presented in the research works of scholars from neighboring countries such as A. Safronov, A. Sazonov, N. Verbin, A. Abramov, L. Andrianova, A. Kuzubov, Yu. Anishchenko, N. Kelchevskaya, A. Ivanov, and V. Vishnever. According to American economists Frederic S. Mishkin and Stanley G. Eakins, "a security (also referred to as a financial instrument) is a claim on the issuer's future income or assets (i.e., any financial claim or ownership interest in property)." Indeed, an investor who allocates funds into securities may become entitled to a share of the issuer's future income or make related claims. On the other hand, securities also create obligations for the issuer, including repayment of nominal value and interest income to the investor. In general, claims on future income or assets depend on the type of security, such as equity, debt, or derivative instruments.

According to the research of David Hillier, Mark Grinblatt, and Sheridan Titman, "the capital market is a mechanism that brings together firms and other institutions that require funds to finance their operations with individuals and institutions that have capital available for investment. To make well-informed investment decisions, both individuals and firms must have a comprehensive understanding of capital markets." However, the provided interpretation of the capital market more closely corresponds to the general characteristics of the financial market as a whole.

### ANALYSIS AND RESULTS

Foreign companies use the stock market as a primary investment platform to attract capital, enhance their investment attractiveness, and strengthen their market position. The securities market serves as a bridge between companies and investors, providing an essential environment for capital mobilization, improved liquidity, and increased global presence. One of the main motivations for foreign companies to be listed on stock exchanges is the

opportunity to raise large-scale capital. Through the issuance of securities to investors, both governments and companies can finance business expansion, mergers and acquisitions, research and development (R&D), and other strategic initiatives. Unlike traditional financing methods such as bank loans or private equity, capital raised through the stock market does not require immediate repayment or interest obligations.



**Picture1: Resons for foreign compamies' use of the stock market as an investment platform**

As an example from international practice, Alibaba's listing on the New York Stock Exchange (NYSE) in 2014 raised approximately USD 25 billion through its initial public offering, making it the largest IPO at that time. This milestone enabled the company to expand beyond China, scale its operations, and strengthen its global presence. Furthermore, listing on the securities market increases the liquidity of a company's shares, allowing investors to buy and sell securities more easily. As liquidity increases, the company becomes

more attractive to both institutional and retail investors. In addition, publicly traded companies often benefit from higher levels of market capitalization compared to private firms, as the market values them based on growth expectations and financial performance. In particular, Saudi Aramco's IPO on the Tadawul Stock Exchange in 2019 raised USD 29.4 billion, significantly increasing the company's market capitalization and making it one of the most valuable companies in the world at that time. Listing on prestigious international stock



exchanges such as the NYSE NASDAQ, and the London Stock Exchange significantly influences investor confidence and perceptions of a company's investment attractiveness. Public listing

### CONCLUSION

In conclusion, stock market instruments represent one of the most powerful tools that companies can offer to investors. The world's top-ranked companies are often those that have achieved significant increases in market capitalization as a result of rising share prices, ultimately becoming the most valuable companies globally. However, it is difficult to argue that share price alone determines a company's investment attractiveness. According to international practice, stock market instruments and mechanisms for raising capital through capital markets are diverse. In addition to common shares and bonds, these mechanisms include initial and secondary public offerings (IPO, SPO, FPO), share buyback programs, private placements, Special Purpose Acquisition Companies

signals financial stability, transparency, and compliance with international regulatory standards, and serves as an effective mechanism for attracting a wider range of investors and customer (SPACs), and Employee Stock Ownership Plans (ESOPs).

In Uzbekistan, only IPO and SPO mechanisms are relatively familiar to a limited group of market participants, while other instruments remain largely unexplored, with no significant practical experience in their application. The decline in global IPO proceeds also confirms the impact of capital market instability on the broader economy. The example of Apple Inc. demonstrates that rapid growth in market capitalization reflects the effective functioning of stock market mechanisms, which play a crucial role in ensuring economic growth and investment activity. Therefore, strengthening stock market infrastructure, increasing investor confidence, and developing the institutional framework of the capital market remain key priorities for Uzbekistan.

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