

## **The Importance of International Financial Relations In the Globalization of Financial Relations**

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**Annotation:** The article is devoted to the development of international financial relations in the context of the globalization of financial relations, and in the future, ways to develop mutual relations with international financial organizations and effectively use foreign investments are presented.

**Keywords:** international financial relations, foreign investment, balance of payments, international financial organizations.

Ensuring organic and stable economic growth rates in the national economy and its development depends, among other factors, on the effective functioning of the financial and credit mechanism. It is the effective functioning of the financial and credit mechanism that serves as the basis for the steady growth and competitiveness of the economy.

In this sense, rational formation, attraction, redistribution, placement and management of existing financial resources for the increasingly stable development of the economy makes it one of the most relevant and influential issues not only today, but also in the future.

International finance includes finance that has come into international circulation and is used in international economic relations, that is, in the relations of residents with the outside world. International finance serves to implement and develop the following operations:

Firstly, to strengthen economic ties between residents of different countries and their mutual cooperation;

Secondly, to maintain relations with various institutions (international and regional organizations) of residents of world countries;

Thirdly, conducting operations of residents of different countries in the international financial markets, etc.

International finance is only a part of world finance. World finance includes not only international finance but also domestic finance of world countries. The basic source of international finance is a part of the private and public funds available in the countries of the world. This part is deducted from the national economy and placed in the economy of foreign countries based on various goals and conditions, or given to international organizations, or else it goes to the international financial markets [1].

International finance is covered by domestic finance, that is, finance belonging to residents. At the same time, international finance is aimed at meeting the needs of these residents with other residents based on national legislation and is carried out in national currency.

serves for increased interaction.

Internal finance is a part of national finance, and national finance includes, in addition to internal finance, the economic relations of the residents of this country with the outside world. This relationship is reflected in the balance of payments and accounts [2].

The annual balance of payments shows how the country's foreign economic relations were formed during the past year: payments/revenues for export/import of goods, services, including income/payments for capital (interest, dividends, profits); short-term and long-term capital income/loss; shows changes in official reserves. A negative balance of current payments means that a country is a net importer of capital, while a positive balance means a net exporter of capital.

The current account shows the country's position in terms of international investments: it represents its demand (assets) to other countries and its obligations (liabilities) to foreign creditors and investors.

International financing has credit and non-credit forms. International credit instruments include instruments that are given for a certain period and are supposed to be returned to the creditor on time in full and with interest.

Debt obligations are included in the non-credit form of international financing. This form of external indebtedness represents a debt obligation that is fully amortized within an agreed period, paid in the form of amortization and interest.

As a result of the activities carried out in the years of independence in the Republic of Uzbekistan, solid legal foundations were created for the formation of an open economy and the liberalization of foreign economic relations. In particular, the laws "On foreign economic activity", "On guarantees of foreign investors' activity", "On free economic zones", decrees of the President of the Republic of Uzbekistan, decisions of the Cabinet of Ministers and other regulatory legal documents on foreign economic relations and international financial relations. regulates, determines the procedure for attracting and encouraging foreign investments. In particular, the main principles and procedures for the implementation of foreign economic relations are defined in the Law "On Foreign Economic Activities" [3]. In accordance with the generally recognized norms of international law, the rights, interests and property of the participants of foreign economic relations are protected regardless of the forms of ownership..

The economic reforms implemented in our country serve to increase the efficiency of international financial relations, as well as the competitiveness of our national economy.

In the macroeconomic level of globalization in the world economy, countries strive for economic activity of integrated associations, remove trade and investment barriers, and establish free trade areas. In addition, the process of globalization includes economic, legal, political, and information technology interactions for conducting business between countries.

In order to widely attract financial resources from the global investment market to our country, it is necessary to receive a high-level sovereign credit rating from the world's leading international rating agencies, deepen market reforms, liberalize the economy, and develop local production [4].

Development of mutual relations of our country with international financial organizations and effective use of foreign investments are in the perspective:

- attraction of new, modern techniques and technologies to the economy of the republic, and their introduction into production allows to quickly get rid of old techniques that produce low-quality products that cannot meet the customer's demand for several years;
- creation of new workplaces and providing employment to the unemployed part of the population, at the same time, it allows to introduce the advanced management experience of the foreign countries, thereby increasing labor productivity;
- in exchange for the production and export of high-quality products that can compete in the

world market, it ensures more inflow of high-value currencies into the country.

Comprehensive development of mutual relations between our republic and international financial organizations will be the basis for the future economic and social development of our country and further increase of its place in the integration of the world economic system.

The activities of international financial organizations help to achieve the stability of the world economy and ensure the continuity of relations in the field of currency and finance. First of all, the need for this is explained by the increase in the scale of mutual relations between countries, as well as their changing nature.

The effectiveness of the activities of international financial organizations depends to a certain extent on the interaction with the governments and state organizations of the member countries. Therefore, the investment activities of international financial organizations often require close cooperation with state organizations that carry out risk management and insurance for large international projects.

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