SCIENTIFIC THEORETICAL AND PRACTICAL SIGNIFICANCE OF SOVEREIGN CREDIT RATINGS

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The development of the country's economy is a process that takes a lot of money and takes a long time, and it requires attracting foreign debt funds and a large amount of foreign direct investment to the national economy. Attracting foreign debt funds and foreign investments to the country is a very complicated process, first of all it is necessary to convince the lender that they will return their loans with interest, and investors that they will receive the profit from their investment. In this case, lenders must first of all make sure that the borrower is financially stable. A comprehensive study of this process is important for the credit ratings of lending and investment organizations.

According to the research of economists, in particular, as a result of scientific research of Western economists Periklis Boumparis, Costas Milas, Theodore Panagiotidis[1], 6 of the macroeconomic indicators were selected as the most important factors determining the rating in the assessment of the sovereign credit rating, including GDP per capita, annual growth of GDP, the current balance of payments, the inflation rate, the unemployment rate, and the last is a combination of several individual variables. Also, economist Fatih Bahadir Haspolat[2] researched the methodology of Moody's rating agency on the basis of in-depth analysis and considered GDP per capita, government management policy, current account balance, macroeconomic growth indicators and forecasts, gold and foreign exchange reserves as the main factors in determining the sovereign credit rating. the level of industrialization of the country is considered a positive factor determining the sovereign credit rating, while the volatility of exchange rates, interest payments, and high external debt are considered negative factors leading to default.

A. Burkhanov[3], one of the local economists, proposed a number of indicators for increasing the country's financial security and economic efficiency, along with the assessment criteria of rating agencies for sustainable economic development, and emphasized that these indicators have an impact on the country's sustainable economic growth. According to economists B.Usmonov[4] and F.Sindarov, the main factors influencing the evaluation of the sovereign credit rating are divided into 3 groups. Macroeconomic factors: GDP per capita, GDP growth, unemployment rate, inflation and investment rate.

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[1] Periklis Boumparis, Costas Milas, Theodore Panagiotidis. "Economic policy uncertainty and sovereign credit rating decisions: Panel quantile evidence for the Eurozone", Journal of International Money and Finance 79 (2017) 39–71, United Kingdom, 2017.

[2] Fatih Bahadir Haspolat, "Analysis of Moody's Sovereign Credit Ratings: Criticisms Towards Rating Agencies Are Still Valid?", Procedia Economics and Finance 30 (2015) 283 – 293,

[3] Burkhanov, A. U. (2020). Assessment of financial security of investment funds. Journal of Advanced Research in Dynamical and Control Systems, 12(5), 293-300.

[4] Bunyod Usmonov. EVALUATION OF EFFICIENCY OF CAPITAL MANAGEMENT IN JOINT STOCK COMPANIES IN THE TEXTILE SECTOR: IN CASE OF UZBEKISTAN. Asian Journal of Research in Business Economics and Management. 2022, 12(1) 40-50 pp.

External factors: external debt, budget deficit and liquidity risks. Government fiscal policy factor: public debt level.

A sovereign credit rating is a special rating given to a country or an independent entity that tells investors the probability of recovery of their investments in the economy of a particular country or the risks of factors affecting it, as well as the government's ability to pay public debt and interest payments on time and to what extent it is willing to pay debts. is an estimator. A country's sovereign credit rating has a significant impact on its borrowing capacity, meaning it can negatively or positively affect how much interest payments will be made on any bonds issued by the government. At the request of a country, credit rating agencies evaluate its economic and political environment in order to assign a rating. Obtaining a high sovereign credit rating is typically critical for developing countries seeking to raise funds from international bond markets.

From this we can conclude that it is very important to obtain a high sovereign credit rating for any country that wants to attract financial capital in large amounts and at low interest rates for the development of the country's economy from the world financial markets. First of all:

It is necessary for the state to define a national development model and a long-term economic strategy after studying the path of development of rapidly developing countries whose economy is similar to the economy of Uzbekistan. Also, it is necessary for the government to fulfill its contractual obligations to economic partner countries, international organizations, banks and various investors on time and in full, because if the state does not fulfill its contractual obligations, it may cause a decrease in trust in the government of our country in the international arena.

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