

**ENSURING NATIONAL CURRENCY STABILITY IS A GUARANTEE OF ECONOMIC DEVELOPMENT*****B.Soatkulov****Senior Lecturer, Jizzakh Polytechnic Institute****Z.Rasulova****Student, Group 531-22, Jizzakh Polytechnic Institute**Sports Faculty*

**Annotation:** This article analyzes the urgent issues related to ensuring the stability of the national currency, the factors causing volatility, and the proposed solutions to address them. In particular, the paper explores exchange rate pressure, inflation rate, trade balance, foreign investment flows, and the role of monetary policy. It also evaluates the effectiveness of the Central Bank of Uzbekistan's actions and provides recommendations for ensuring long-term stability of the national currency.

**Key words:** national currency, stability, inflation, exchange rate, Central Bank, monetary policy, investment, export, import, economic policy.

**Annotatsiya:** Ushbu maqolada milliy valyutaning barqarorligini ta'minlash bo'yicha dolzarb muammolar, ularni keltirib chiqaruvchi omillar hamda ularni bartaraf etish bo'yicha taklif etilayotgan yechimlar tahlil qilinadi. Xususan, valyuta kursiga bo'lgan bosim, inflyatsiya darajasi, import-eksport muvozanati, xorijiy investitsiyalar oqimi va pul-kredit siyosatining o'rni yoritilgan. Shuningdek, O'zbekiston Respublikasi Markaziy banki tomonidan amalga oshirilayotgan siyosatning samaradorligi baholab chiqiladi va milliy valyutaning uzoq muddatli barqarorligini ta'minlash bo'yicha takliflar beriladi.

**Kalit so'zlar:** milliy valyuta, barqarorlik, inflyatsiya, valyuta kursi, Markaziy bank, pul-kredit siyosati, investitsiya, eksport, import, iqtisodiy siyosat.

The stability of the national currency is one of the main pillars of the economy of any country. Currency stability is inextricably linked to factors such as price stability, the development of international trade relations, and the attractiveness of the investment environment. In the process of gradual liberalization of the economy of Uzbekistan, the issue of maintaining a stable exchange rate of the national currency is at the heart of state economic policy.

The main factors affecting the stability of the national currency (sum) are:

Inflation rate - an increase in the general price level negatively affects the purchasing power of the sum.

Exchange rate volatility - a sharp change in the sum exchange rate against the US dollar, euro and other major currencies directly affects import prices.

Negative foreign trade balance - if imports exceed exports, the demand for the national currency decreases.

Foreign investment volume - the inflow of foreign capital increases the demand for the sum, and its outflow reduces it.

Imbalance in monetary policy – errors in the Central Bank’s interest rates and money supply control negatively affect the national currency.

The Central Bank of the Republic of Uzbekistan aims to form the exchange rate of the national currency based on free market mechanisms. At the same time, activities are being carried out in the following areas:

Ensuring price stability through an inflation targeting policy;

Supporting the exchange rate by increasing gold and foreign exchange reserves;

Increasing export potential by stimulating foreign trade;

Liberalizing the currency exchange system based on the development of market mechanisms.

To ensure the stability of the national currency, it is necessary to implement the following measures:

Control inflation: strengthen control over price fluctuations, replenish the domestic market by stimulating production.

Implementing a diversified export policy: diversifying the export structure, increasing the share of processed products.

Forming a reliable currency regime: increasing the confidence of the population and business entities.

Improving the investment climate: increasing demand for the soum by attracting foreign capital inflows.

Increasing financial literacy: stabilizing the behavior of the population in the foreign exchange market.

The national currency is a symbol of the sovereignty of any country, and maintaining its stability is an important direction of state economic policy. In the conditions of Uzbekistan, ensuring the stability of the soum requires controlling inflation, attracting investments, expanding export potential, and further improving the policy of the Central Bank. Achieving long-term stability is only possible with ensuring macroeconomic stability.

### **List of used literature**

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