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Logistics Corporate Structures Management of Financial Resources: A Comparative Study

Makhmudov Samariddin Bakhriddinovich,

Associate Professor of International School of Finance and Technology Institute, Doctor of Philosophy in Economics, PhD

***Abstract:** In this article, the scientific and theoretical aspects of the sources of formation of financial resources of existing logistics corporate structures in Uzbekistan are studied. Also, the actual problems related to the improvement of the financing practice of the logistic corporate structures in the national economy were identified, and scientific proposals aimed at solving them were developed. The author's approaches and suggestions are presented in the study.*

***Key words:** National economy, logistics infrastructure, logistics corporate structures, financing sources, capital sources, profitability indicators, economic analysis, financial analysis.*

INTRODUCTION. One of the main goals of evaluating the financial status of logistic corporate structures is to determine the maximum potential of this enterprise in the future for its effective operation in a competitive environment [1,2]. The evaluation of the financial status of logistic corporate structures plays a crucial role in determining the enterprise's maximum potential for future effective operation in a competitive environment. This assessment involves analyzing financial indicators, such as solvency, stability, and efficiency, to identify hidden reserves and assess the company's ability to support its business operations, cover debts, and maintain profitability [3,4,5].

The analysis of the capital structure of logistics enterprises is very important to determine the sources of financial resources, the share of internal capital and the evolution of the capital structure during the studied period. Various studies emphasize the importance of understanding the composition of the capital structure, which is formed as a result of the combination of internal and debt funds, which affects the operational efficiency, competitiveness and financial stability of the enterprise [6,7,8]. Studies of offshore logistics companies highlight ongoing financing constraints, with no significant change in corporate performance over time, suggesting the importance of managing financing constraints for sustainable growth [9,10]. In addition, research on small and medium-sized businesses

in the commercial sector reflects the dynamic nature of financial decisions, the influence of factors such as asset structure, age and size of the company on the capital structure, in particular, in terms of changes in short-term and long-term debt. to external conditions [11,12].

Today, the logistics sector is increasingly crucial as the foundation of economic sectors, facilitating the movement of goods and services from initial partners to end customers. Serving as the backbone of the national economy, logistics drives all branches of agriculture, manufacturing, and services.

In recent years, the emergence of international production networks has become a key feature of the global economy with the gradual removal of trade barriers [13].

Logistics enterprises should have a clear idea of what resources they use to implement their activities and how their own capital is used for their activities [14]. Providing the necessary financial resources in business activities is the main factor of any enterprise. Today, the need to more accurately forecast the market situation and the company's position in it is increasing. Such a forecast will have more accurate analytical results if it is based on the results of the assessment of the company's financial situation in previous periods.

Also, the presence of excess links in the logistics system has a negative effect on the cost of manufactured products, which is mainly caused by the fragmentation of the logistics chain [15].

All this increases the role of financial analysis in the assessment of industrial, production, service and commercial activities, and most importantly, the role of the availability, location and use of capital and income of any commercial or industrial organization. It also explains why the logistics system is an indispensable field for economic sectors.

Literature Review.

Theoretical and practical aspects of the role and importance of logistic co-operative structures financing sources, influencing factors and issues of their implementation have been researched by a number of economists. Also, a lot of theoretical scientific works on the influence of the logistics sector in the economy have been made and definitions have been given.

In particular, economists Esenkin and others noted that "as a technological optimization of material flows through the financing of logistics corporate structures, the movement of material flows in logistics systems is mainly carried out by improving the service of financial flows" [16].

Logistics finance, a complex system in the financing of logistics enterprises, involves various innovative financial solutions like supply chain financing (SCF) and working capital management [17,18,19]. SCF programs, increasingly popular in the EU-27 member countries, facilitate the optimization of working capital, risk management, and improved cash flow by freeing up capital through collaborative financing tools [20]. Working capital management is crucial for companies in the logistics industry, impacting their profitability and market value, as evidenced by a study on Indian logistics companies listed on the Bombay Stock Exchange from 2013 to 2022 [21]. By utilizing methods like SCF and efficient working capital management, logistics enterprises can enhance their financial performance, manage risks, and strengthen their relationships with suppliers and buyers, ultimately contributing to their overall success and wealth maximization.

Foreign scientists S.Jin, Z.Niular in their scientific works noted that "sustainable growth rates in sources of enterprise financing for each current period depend on the growth of own capital, and its source is retained earnings" [22].

Today, the state and development of financing sources of enterprises in the logistics system is of great

importance for this industry, because it, along with other infrastructure sectors, provides the basic conditions for society's activities, serves as an important element in achieving socio-economic and foreign policy goals [23].

Foreign economist D.M.Lambert stated that "Financing of logistics enterprises serves as a means of efficient use of capital, and its variables have a significant impact on the formation of individual components of the balance." [24].

In his research, he initially focused on the fact that the main goal of an enterprise should be to maximize its value. At the same time, foreign scholars Nirajini and Priya noted that the capital structure in the sources of financing of enterprises is a combination of long-term capital common shares, preferred shares, bank loans and short-term debt (overdraft and overdraft loans, accounts payable to the seller) [25]. European scientists Modigliani and Miller laid the foundation for the study of capital structure by noting that capital structure does not affect the market value of enterprises in perfect financial markets [26].

Research methodology.

Scientific abstraction, grouping, comparison, retrospective and prospective, empirical analysis and other methods were used in the research. In the article, the importance and necessity of financing sources of logistics corporate structures in the economic system was justified using the method of scientific abstraction. Also, the financial analysis of enterprises in the logistics system was developed and evaluated.

ANALYSIS AND RESULTS.

The financial situation of enterprises in the logistics system is characterized by the sources of funds placement, their use and formation.

The methodology of analyzing the capital structure of logistics enterprises is carried out in the same way as other economic entities. The capital structure of logistics enterprises is formed through equity and debt funds.

The dynamics of the company's equity capital can be observed in the passive part of the balance sheet. Loan capital in the balance sheet of the enterprise is placed in the "Long-term liabilities" section in the form of long-term loans and in the "short-term liabilities" section of the balance sheet. Raised capital is primarily sources of financing current assets, including short-term payables.

Analyzing the capital of logistics enterprises involves examining various aspects simultaneously, as the capital structure and its dynamics are interconnected and crucial for financial security and performance. The capital analysis encompasses evaluating the availability, efficiency, and optimization of capital, identifying reserves for improvement, and ensuring sustainable growth and financial stability. Furthermore, understanding the factors affecting human capital value is essential for creating a competitive advantage and enhancing performance in logistics enterprises.

In the analysis of the sources of financial resources of the enterprise, the concept of efficiency of capital use is of particular importance. Capital utilization efficiency means profit per soum of invested capital. This includes not only equity, but also borrowed and borrowed funds. Also, the entire amount of working capital is formed at the expense of the company's own capital, and it is emphasized that this practice is considered the best option by financial analysts. However, according to the standards, part of the working capital should also be formed at the expense of own funds. Practice shows that working capital should be at least 10% of equity [27].

When analyzing the sources of financial resources formation of enterprises in the field of logistics in the national economy, the composition and structure of the capital of the enterprises was examined dynamically based on the data of financial reports, accounting balance and the report on changes in equity capital.

In our research, we studied the main tasks of the analysis based on ten years of data of ten logistics enterprises operating in the national economy, and they are as follows:

- assessment of capital structure at the beginning, middle and end of the analyzed period, studying the dynamics and structure of the capital structure for the analyzed period, analysis of capital utilization trends based on profitability indicators, horizontal and vertical analysis.

The information shown in the passive part of the balance sheet allows you to determine what changes have occurred in the structure of equity capital, how much the enterprises have attracted long-term and short-term debt funds, that is, the liability of the balance sheet shows where the funds came from and to whom the enterprises owe.

In the 2019 address of the President of our country, Sh. Mirziyoev, tasks are set for the development of logistics services in order to increase the export potential. It was during this period that credit operations were widely used in the financing of logistics enterprises. During the study, the results of the analysis of the dynamics of capital sources of logistics enterprises are presented. (See Figure 1).

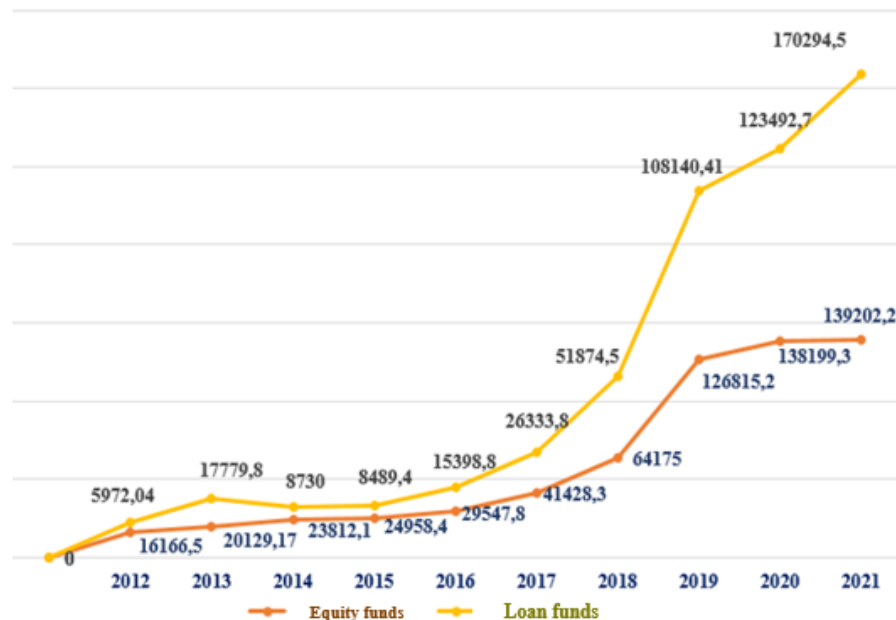


Figure 1. Growth dynamics of capital sources of logistics enterprises (in millions of soums).¹

The analysis based on the data of Figure 1 shows that the composition of capital sources in the financing of logistics enterprises in 2012-2021 was based on equity and debt capital. Also, in the period from 2012 to 2021, the share of own funds increased from 16,166.5 million soums to 139,202.2 million soums and increased to almost 301.52%, correspondingly, the share of debt funds increased from 5,972.04 million soums to 170,294.5 million soums. increased to almost 2,851.52 percent.

¹ It was developed independently by the author based on the financial reports of logistics enterprises

As can be seen from the data of Figure 1, during the years 2017-2021, in the formation of sources of financing in logistics enterprises, their own funds and debt capital have been growing regularly. In the process of analyzing the financial and economic activity of logistics enterprises, it is appropriate to analyze the changes in the composition and structure of their own capital.

The peculiarity of equity capital is that it is invested in the activity of the enterprise on a long-term basis, therefore it carries the greatest risk for its owners. In our opinion, in this case, the higher the share of the company's own capital in the total amount of capital, the higher the barrier that protects creditors from possible losses, and the lower the share of attracted funds, the lower the risk of loss.

Enterprises are characterized by the ease of attracting their own capital, ensuring a more positive financial balance and reducing the risk of bankruptcy.

In our research, we analyzed the charter capital, reserve capital, and retained earnings indicators of logistics enterprises. (See Figure 2)

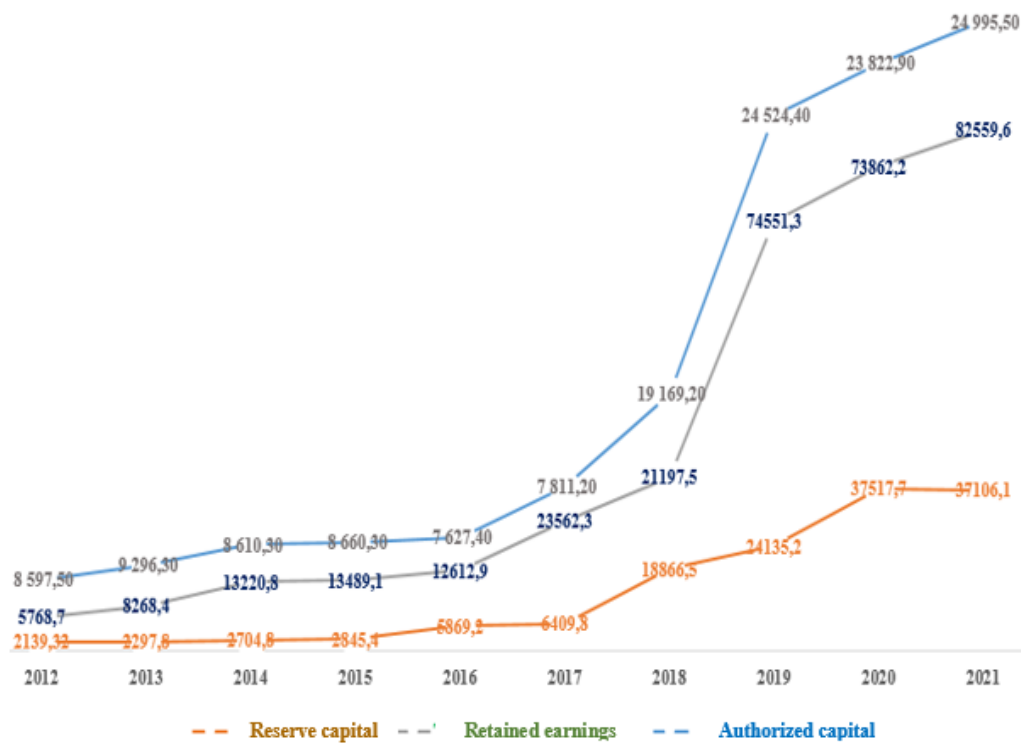


Figure 2. Growth dynamics of logistics enterprises' own funds. (in million soums)²

The analysis based on the data of Figure 2 shows that the dynamics of growth in the financing of logistics enterprises showed a positive indicator, and the composition of sources of own funds in 2012-2021 was based on charter capital, reserve capital and retained earnings.

According to him, the dynamics of growth in the authorized capital of logistics enterprises in the period from 2012 to 2021 increased by 446.54 percent from 5,597.5 million soums to 24,995.2 million soums, and the enterprises have been forming their authorized capital for ten years. Also, the growth dynamics of the reserve capital of logistics enterprises increased from 2,139.2 million soums to

² Independently developed by the author

37,006.1 million soums in the period of 2012-2021, increasing to almost 1,729.90%, forming the future financial source of the reserve capital of the enterprises.

Based on the data of Figure 3, analyzing the growth dynamics of the undistributed profit of logistics enterprises, the undistributed profit of the enterprises has been steadily growing over ten years.

According to him, during the years 2012-2021, from 5,768.7 million soums to 82,559.6 million soums, the undistributed profit of enterprises increased by almost 1,431.16%, creating a positive growth dynamic.

As can be seen from the above information, in the formation of sources of financing in logistics enterprises during the years 2017-2021, the charter capital, reserve capital and undistributed profit, which constitute the sources of own funds, showed a constant growth trend. Also, during this period, the undistributed profit of logistics enterprises increased from 23,562.3 million soums to 82,559.6 million soums, increasing by almost 350.38%.

In our research, we analyzed the indicators of long-term indebtedness and current indebtedness, which are part of the debt capital of logistics enterprises. (see Figure 4)

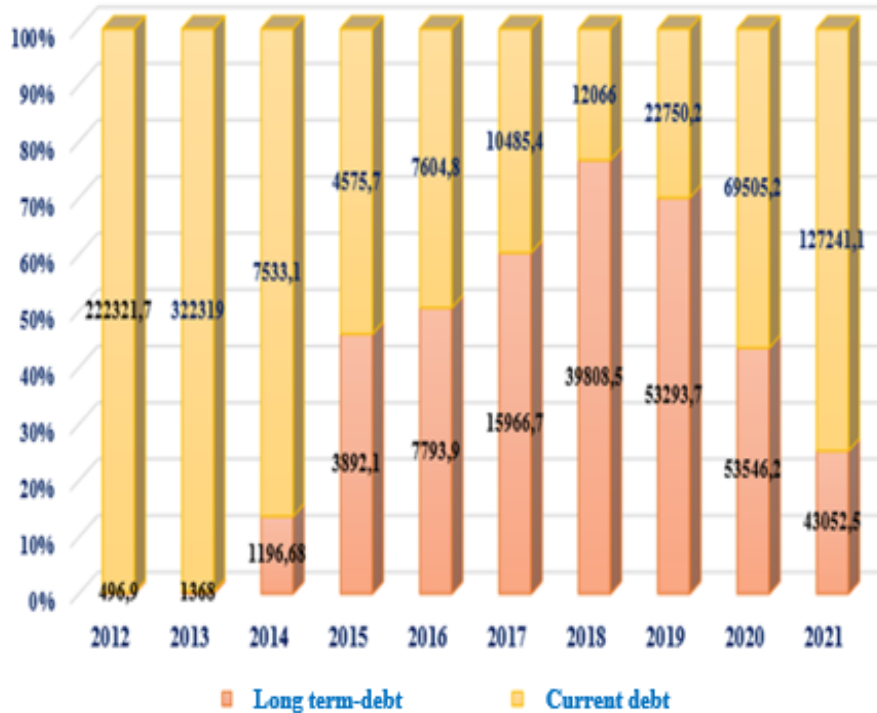


Figure 3. Analysis of growth dynamics of sources of debt funds of logistics enterprises (in million soums)³

In our study, the analysis based on the data of Figure 4 shows that the long-term and current indebtedness of logistics enterprises in 2012-2021.

According to him, the growth dynamics of long-term indebtedness of logistics enterprises significantly increased in the period from 2016 to 2021 and increased by 552.38%, from 7,793.9 million soums to 43,052.5 million soums, respectively.

³ It was developed independently by the author based on the financial reports of logistics enterprises

During this period, logistics enterprises formed long-term debt on the basis of bank loans. According to him, in the period from 2012 to 2015, long-term debt in logistics enterprises was a small share compared to current debt.

Between 2012 and 2021, the total current indebtedness of logistics enterprises decreased significantly from 222,321.1 million soums to 127,241.1 million soums, which represents a reduction of 57.23 percent. This decline indicates that logistics enterprises have been successfully managing and reducing their short-term liabilities over this period.

From 2014 to 2018, there was a noticeable downward trend in the current debt levels of logistics enterprises. This suggests that during these years, companies focused on reducing their short-term debts, possibly through better cash flow management, increased operational efficiency, or repayment of short-term loans.

However, from 2019 to 2021, there was a shift in the debt structure. During this period, the share of current debt in the overall financing mix increased compared to the share of long-term debt. This change indicates that logistics enterprises began relying more on short-term financing again. Several factors could explain this shift:

Changes in market conditions may have necessitated quicker access to funds, which is often facilitated by short-term debt.

There may have been an increase in operational expenses or short-term investments requiring immediate funding.

Availability and terms of short-term credit might have become more favorable compared to long-term borrowing.

The increase in current debt share indicates a possible strategic decision to utilize more short-term financing. While this can provide quick access to funds, it also requires careful management to avoid liquidity issues.

The shift could reflect broader economic trends, such as interest rate changes, economic uncertainty, or shifts in credit markets.

Logistics companies might be adjusting their financing strategies to meet immediate operational needs or to capitalize on short-term opportunities.

Overall, while the reduction in total current indebtedness over the decade is a positive sign of improved financial health, the recent increase in the reliance on short-term debt highlights the need for careful financial planning and risk management to maintain stability and avoid potential liquidity challenges.

CONCLUSION.

The following proposals and recommendations were developed as a result of the analysis and conclusions made on improving the practices of financing sources of enterprises in the logistics system in the national economy and studying its impact on macroeconomic indicators.

1. In our opinion, the presence of a large amount of debt capital is one of the main factors that disrupt the stability of the activity of logistics enterprises and decrease the financial condition of these enterprises.

2. Financial support of logistics enterprises serves to determine the normative level of working capital, equity capital, debt obligations and current liabilities. This, in turn, requires the development of a system of indicators representing the financial and supply of logistics enterprises;
3. It is necessary to increase the value of private capital in these enterprises in order to provide sources of financing for logistics enterprises. To do this, increase the volume of product production and minimize costs in logistics enterprises, resulting in an increase in net profit. As a result, it leads to an increase in the value of private capital and ensures that the market value of the total assets of the enterprise increases.
4. As a result of the introduction of factoring and reverse factoring services through commercial banks and credit organizations in the financing of working capital of enterprises in the logistics system, it creates a basis for increasing the financial efficiency of the enterprise.
5. Logistics enterprises should diversify their funding sources to reduce dependency on a single type of financing. This can include a mix of equity, debt, and alternative financing options such as venture capital, crowdfunding, and government grants.
6. Implementing robust financial planning and management practices is crucial. This includes accurate forecasting, budget management, and financial risk assessment to ensure efficient allocation and utilization of resources.
7. Logistics enterprises should work towards improving their credit ratings by maintaining healthy financial practices and demonstrating strong business performance. A good credit rating can facilitate easier access to financing at favorable terms.
8. Exploring international funding sources and markets can open up new financial opportunities. Engaging with international investors and financial institutions can provide additional capital and foster global business connections.
9. Investing in education and training for financial management within logistics firms ensures that staff are well-equipped to handle complex financial decisions and strategies, leading to better financial outcomes.
10. Establishing a system for continuous monitoring and evaluation of financial strategies and outcomes helps in making timely adjustments and improvements. This ensures that the financing practices remain aligned with the dynamic market conditions and business goals.

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