

# Formation of the Digital Economy in Uzbekistan and its Indicators

Saatova L. E.

Ph.D., Higher Military Aviation School of the Republic of Uzbekistan, Karshi, Uzbekistan

## Abstract

This article is about the digital economy, which is the most hot topic today. The signs, indicators, and assessment of the digital economy, as well as its share in GDP are also cited.

**Keywords:** information technology, modern information and communication technologies, economics, digital economy, electronics, gross domestic product, share, internet, terminology, electronic databases.

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## Introduction

One of the most urgent tasks of today is the development of information technologies and their wide implementation into practice, which is one of the long-term strategic tasks of our country. The rapid introduction of modern information and communication technologies and digitization of all aspects in the economy of developed countries has led to the widespread use of a new term, the term "digital economy".

In particular, in the address of the head of our state Shavkat Mirziyoev to the Senate and the Legislative Chamber of the Oliy Majlis, it was announced that "2020 is the year of science, enlightenment and digital economy". After that, citizens began to have many questions about the term "digital economy"<sup>1</sup>.

## Main part

Currently, there are different approaches to the concept of digital economy. The digital economy is a system of implementation of economic, social and cultural relations based on the application of digital technologies. It is sometimes also represented by terms such as internet economics, New Economics, modern economics, or web economics. It is also not some kind of different economy that must be created from what is not digital. Perhaps by creating modern new technologies, platforms and business models, and introducing them into everyday life, it means moving the existing economy into a new system.

If we look at recent history, in the 90s of the 21st century, the American programmer Nicholas Negroponte introduced the term "Digital economy". Nowadays, this term is used by politicians, economists, journalists, businessmen all over the world - almost everyone. In this regard, for the first time in 2016, the World Bank published a report on the state of the digital economy in the world. The digital economy significantly improves people's living standards, which is its main benefit.

In the scientific literature, the modern "New digital economy" is called by different terms. For example, "post-industrial economy" (D. Bell), "information economy" (O. Toffler), "mega

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<sup>1</sup> Address of the President of the Republic of Uzbekistan Shavkat Mirziyoev to the Олий Мажлис. January 24, 2020.

economy" (V. Kuvaldin), "economy based on information and communication" (I. Niimiluto), techno-economy or digital economy" (B. Gates), "knowledge-based economy" (D. Tapscott).

The term digital economy is defined by local economists. For example, according to Academician S.S. Gulomov, "Digital business is the emergence of new business models that combine the physical and digital worlds." "

This section presents the methods and techniques used to obtain the results, research methods such as analysis and synthesis, induction and deduction, statistics and comparison were used.

Brief description of the results obtained during the research:

- information communication in the development of the digital economy the scientific views of some foreign and domestic economists on the application of technologies were presented;
- countries of the world to develop the digital economy

In order to accelerate the wide application of innovative technologies for the development of ICT, statistical data were compared.

Through the above-mentioned foreign and domestic scholars' opinions, we can see with a few examples that we are all already breathing with the digital economy. For example, we don't need to go to the market to buy the products we need, but we directly connect our mobile phones or computers to the Internet and do our shopping through social networks and trading bots on Telegram.

In addition, payment of our salary on plastic cards, i.e. electronic money, making electronic payments, transferring money from card to card, making utility bills, paying tax bills, filing tax returns electronically, sending various reports, ordering taxis, getting to bus stops in minutes we can give an example of the following: seeing arrivals, receiving online education, applying for online credit, using interactive government services, paying for other products and services, exchanging electronic documents, ordering food at home, using service services and delivery conditions, and so on. Here it is appropriate to list the signs and conveniences of the digital economy.

Signs of a digital economy:

1. High degree of automation;
2. Electronic document exchange;
3. Electronic integration of accounting and management systems;
4. Electronic databases;
5. Availability of CRM (customer relationship system);
6. Corporate networks.

Advantages of the digital economy:

1. Costs for payments are reduced (for example, transportation costs for going to the bank and other costs are saved).
2. Get more and faster information about products and services.
3. Ways to enter the global market for products and services in the digital world will be opened.
4. Provision of products and services will be rapidly improved, taking into account the opinion of consumers.
5. The purchase of products and services is carried out with faster, better quality, more convenient and delivery conditions.

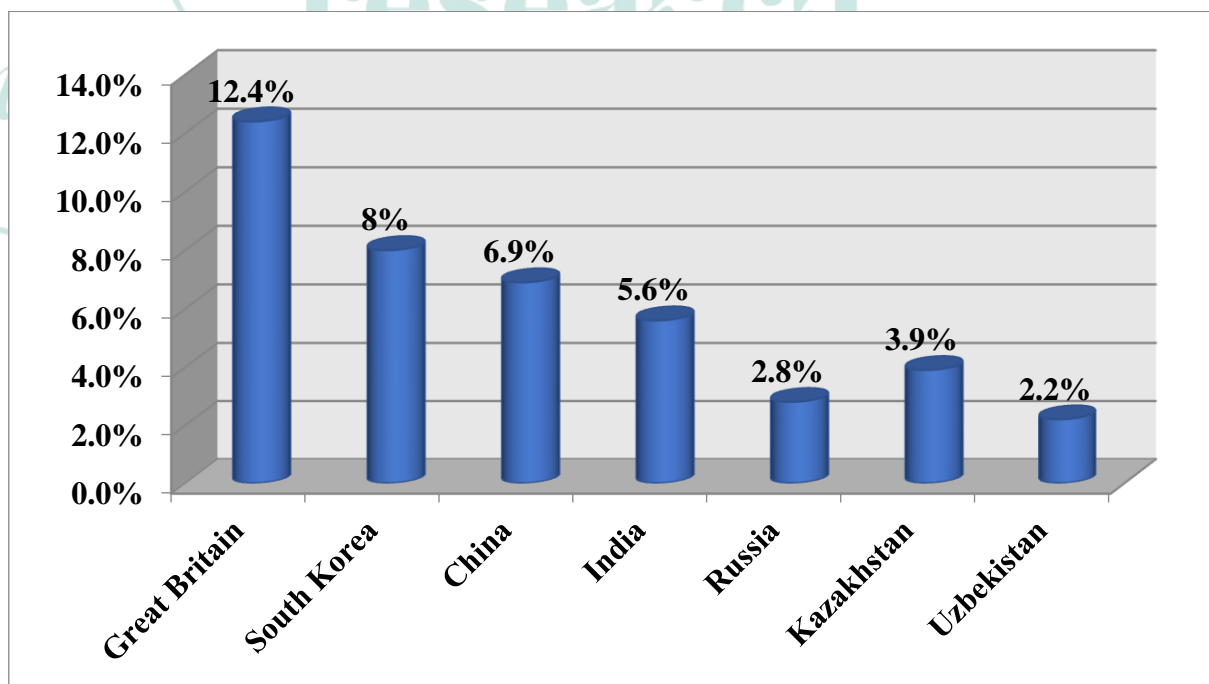
Based on the signs and conveniences of the digital economy listed above, it can be said that for the development of the digital economy, it is necessary to introduce information and communication

technologies into our economy at a high rate. We can see the e-commerce system of the Chinese company "Alibaba" as one of the clear evidences in the field of development of digital platforms. The experience of its use shows that in the process of collecting data, extremely competitive advantages are created for expansion into various sectors of the economy. Alibaba is not just a digital platform, but an ecosystem of platforms.

Also, the development of the digital economy is directly related to the level of development of information and communication technologies (ICT), which is usually evaluated by the following indicators:

- share of digital economy in GDP;
- The volume of investments in the field of ICT;
- internet speed, level of coverage of the country's territory and accessibility of the population;
- development of electronic commerce;
- providing organizations with ICT specialists.

Currently, the share of the digital economy in the gross domestic product in Uzbekistan is 2.2 percent. At the moment, the average acceptable indicator of the digital economy is considered to be 7-8%, for example, in Great Britain this indicator is 12.4%, in South Korea - 8%, in China - 6.9%, in India - 5.6%, while in Russia - 2.8%, Kazakhstan -3.9%. In accordance with the project of the concept of the development of the "Electronic Government" system of the Republic of Uzbekistan, it is planned to increase the share of ICT services in GDP to 5.0% by 2025, and to 10% by 2030. In Figure 1.9 below, the analysis of the share of the digital economy in the gross domestic product of the countries of the world is presented in the columns.



**Figure 1.9. The share of the digital economy in the gross domestic product of the countries of the world.**

The second indicator - investments in the ICT sector-investments in the ICT sector are very important for the development of the economic potential of the country, which stimulates innovation development, leads to increased labor productivity, reduced costs and the emergence of new types of economic activity, as well as improving the quality of life of the population.

It is important to notice that, the dynamics of attracting investments in this area does not require much, but there are certain improvements. In the first half of 2019, investments in the field of communication and informatization doubled compared to the same period of 2018.

In 2018, this figure decreased by almost 2 times compared to 2017 - from 1.9 to 0.9 trillion. som. The indicator of the share of investments in the field of communication and informatization in the total volume of investments decreased more than 3 times in 2018 compared to 2017 and in the first half of 2019, and in comparison with the same period of 2018 practically did not change and took shape.

In 2017-2019, an average of 200 million US dollars was invested in Uzbekistan. For comparison: in 2018, the US spent 1.3 trillion on ICT development. dollars, in China - 499 million. dollars, foreign direct investment in ICT alone in Belarus is 1.5 lrd. amounted to a dollar. According to the calculations of experts of the analytical company IDS, the value of ICT worldwide will increase by 3.8% annually and will reach 4.8 trillion by 2023. will grow to dollars.

If we talk about e-commerce, one of the indicators listed above, the development of e-commerce is also of great importance in the state policy.

In accordance with the President's decision "On measures to accelerate the development of e-commerce" adopted on May 14, 2018, in order to encourage business entities in the field of e-commerce, the national register of e-commerce entities e-tijorat.uz was created, currently 32 enterprises are registered.

Legal entities and individual entrepreneurs, whose revenue from the sale of goods and services through electronic commerce, the total volume of goods and services sold by them, is included in the state register on a voluntary and free basis.

The main universal electronic trading platform in Uzbekistan was established by the Ministry of Investments and Foreign Trade. This site is called "Trade Uzbekistan" trading site (website tradeuzbekistan.com). In addition, other electronic trading platforms have been launched, for example, uzbtextile.com for B2B textile enterprises, universal.uz for small and medium-sized businesses, and other trading platforms.

Currently, only 32 entities are registered in the national register of e-tijorat.uz e-commerce entities. At the same time, as of November 2019, only 69 websites operating in the field of e-commerce were presented in www.uz national information-search system. In the second quarter of 2019, the number of e-commerce operations was 75.39 million, and the volume of transactions was 3.515 trillion. amounted to soum. In the first quarter, these indicators were 73.8 million and 2.516 trillion. amounted to soum.

It can be said that the National Agency for Project Management under the president of the Republic of Uzbekistan is an authorized body in the field of introduction and development of the digital economy. In addition, the ministries of Economy, Finance, Information Technology, Justice and a number of other state structures had already given themselves specific responsibilities and tasks for the development of the digital economy.

## Conclusion

In conclusion, it can be said that the reforms carried out by our president for the widespread introduction of the digital economy are aimed at improving the prosperity of our country, our economy and the living standards of the population.

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