

## Conditions for Forming the Digital Economy in the Republic of Uzbekistan

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### Abstract

*In modern world, achieving a high level of development, the possession of digital knowledge and modern information technologies is a requirement of the time. The introduction of digital technologies and their usage in all spheres of society will clear the way for effective socio-economic development. At the present time, information technologies are penetrating deeper into all areas and become a key factor in development.*

**Keywords:** *Digital economy, information technologies, social and economic development, digital technologies, information and communication technologies (ICT).*

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### INTRODUCTION

In the modern world, the rapidly developing digital economy is often called the electronic economy, the Internet economy, the intangible economy. Currently, in the G-20 countries, the digital economy generates more than 4% of GDP. In the UK, which is a leader in this area, the digital economy accounts for 12% of GDP. It is clear that this trend will continue and deepen.

### LITERATURE REVIEW

It is important to note that the President of the Republic of Uzbekistan Sh. Mirziyoyev pays great attention to the digital transformation of the country. “Although the formation of a “digital economy” will require appropriate infrastructure, huge funds and labor resources, this should be done today, otherwise it will be too late tomorrow. For the next five years, the priority task for Uzbekistan will be an accelerated transition to a digital economy,” the Head of State noted.

### ANALYSIS AND RESULTS.

The contribution of the Internet and IT to the development of the digital economy is certainly high. According to the World Bank's Digital Dividends study, a 10 percent increase in internet speed will lead to an increase in the country's GDP. In developed countries, this figure is 1.21%, and in developing countries - 1.38%. So, if the speed of the Internet doubles, the GDP will be 13-14%.

These figures show how relevant and important the digital economy is in the development of the country's economy.

Increasing the role and importance of the digital economy in the country's GDP is impossible without the rapid development of information and communication technologies. These processes are closely interrelated and have causal relationships.

The transition to a digital economy is not an easy task. For this, a number of conditions must be created:

1. It is necessary to create a legal framework for the formation of a digital economy. For this purpose, a number of laws of the Republic of Uzbekistan, decrees and resolutions of the President of the Republic of Uzbekistan, resolutions and orders of the Cabinet of Ministers of the Republic of Uzbekistan, regulatory documents of sectoral structures have been adopted. In this regard, the President of the Republic of Uzbekistan in July 2018 on measures to develop the digital economy in the Republic of Uzbekistan, in November 2018 on measures to further modernize the digital infrastructure for the development of the digital economy, in April 2020 on the introduction of the digital economy and e-government. Suffice it to mention the resolutions and decrees of October 2020 on the approval of the Concept for the Development of Science for the period from October 2020 to 2030 and on the development of biotechnology in November 2020.

In his Address to the Oliy Majlis on January 24, 2020, the President of the Republic of Uzbekistan Shavkat Mirziyoyev emphasized that this year we must make a radical turn in the development of the digital economy. First of all, the task of complete digitalization of construction, energy, agriculture and water management, transport, geology, cadastre, healthcare, education, and archives has been set.

2. The transition to a digital economy depends on the general level of development of the country's economy, its innovative structure. Innovative activity in the Republic of Uzbekistan is regulated and supported by the state. The main mechanisms of this activity are the creation of a legislative framework, preferential taxation, priority in lending, state and non-state, the use of sectoral funds, state financing of major programs, and others. In addition, work is underway in the country to reorganize the management system for scientific and innovative activities, improve the institutional framework for managing the innovation process.

3. Increasing the role and importance of the digital economy in the country's GDP is impossible without the rapid development of information and communication technologies. These are processes that are closely interrelated and have cause-and-effect relationships.

In this regard, a program for the integrated development of the National Information and Communication System of the Republic of Uzbekistan was adopted, and the Ministry of Information Technologies and Communications of the Republic of Uzbekistan was established. The main goal of these measures is to fully provide the population of the country with information and communication goods and services. This sector should become one of the key factors determining the development of the national economy.

From year to year, the services associated with computer software, offered by enterprises operating in communication, information and telecommunications systems, are constantly increasing. Hundreds of types of interactive services are provided through government websites and electronic resources. The number of state information resources and information systems is growing, the level of Internet bandwidth is growing, and, as a result, the number of its users is increasing. To date, the number of Internet users in Uzbekistan has exceeded 27 million, of which more than 25 million are mobile Internet users. Every year, dozens of institutions connect to high-speed Internet. The program "Digital Uzbekistan - 2030" has been developed. The digital economy is changing the face of the entire economy. Companies are now increasingly investing in intangible assets (software, technology) rather than real estate, machinery and equipment.

In 2019, information and communication technologies accounted for 5% of global GDP. In 2020, this figure is projected to exceed 9%. The share of ICT in the GDP of the flagship Republic of Korea in this respect is about 12%, in Sweden and the United States - about 7%, and in Uzbekistan this figure is only 2.2%. The task was set to sharply reduce the backlog in this respect.

4. The transition to a digital economy requires an increase in the number and quality of the industry's workforce. Inha University operates in Tashkent, one of the leading higher educational institutions of the Republic of Korea in the field of ICT. Branches of two Indian ICT universities have opened in Tashkent and Andijan. Tashkent University of Information Technologies trains personnel in the field of computer technology, software development, telecommunication technologies, television technologies. The Decree of the President of the Republic of Uzbekistan on the establishment of the Japanese Digital University in Tashkent was signed.

President of the Republic of Uzbekistan Sh.M. On October 7, 2020, Mirziyoyev signed a decree "On the approval of the Strategy" Digital Uzbekistan - 2030 "and measures for its effective implementation." The strategy included over 220 priority projects containing the improvement of the e-government system, the development of the domestic market for software products and information technologies.

## CONCLUSIONS AND RECOMMENDATIONS

The Decree of the President of the Republic of Uzbekistan "On the development strategy of the new Uzbekistan for 2022-2026" sets the goal of identifying the development of the digital economy as the main "driver", ensuring an increase in its volume by at least 2.5 times. Coverage of all settlements, social facilities and main roads with broadband networks through the further development of digital infrastructure. An increase by the end of 2026 of the level of digitalization of production and operational processes in the real sector of the economy, in the financial and banking sectors up to 70 percent. An increase in the volume of the industry of software products by five times, their export - by ten times, bringing it up to 500 million US dollars.

The work is carried out in two directions:

1. Digital transformation of regions;
2. Digital transformation of industries.

At the moment, some elements are already successfully functioning in our country, and taking into account the digitization of documents and communications, the permission of an electronic signature, communication with the state is also moving to a virtual platform.

The main directions for further development of the information and communication technologies (ICT) sector:

- more efficient use of ICT in business and public administration;
- training of qualified personnel in the field of ICT;
- preparation of ICT investment policies;
- stimulating effective competition between providers of electronic communications networks and services;
- increased capacity for research and innovation in the ICT sector;
- effective cooperation with international organizations in order to provide timely statistical data on the state of development of the ICT sector and the information society.

The priority for the development of the digital economy in our country is to ensure the rapid growth of the economy of Uzbekistan, stepping with the times, as well as accelerating the integration of our country in the international arena and, as a result, include Uzbekistan in the list of democratic, economically developed countries. The tasks set by the state and the measures taken are the conditions for the development of the digital economy in various areas of social and economic life.

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