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## DEVELOPMENT ANALYSIS OF THE DIGITAL ECONOMY IN UZBEKISTAN

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## ABOUT ARTICLE

**Key words:** Economic Development; Digital Economy; Strategy; information technology; digitization; competitiveness; national program; internet; business; Technopark; entrepreneurship; startup.

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**Abstract:** the article considers the digital economy as the main factor in the development of the country's economic sectors. The programs of the digital economy of various foreign countries have been analyzed. Methods of effective organization and establishment of the digital economy have been studied. One of the most important conditions for the effective development of the leading branches of human activity in the digital economy – based on the fact that the main emphasis is placed on the formation of the appropriate institutional environment-for the successful development of the digital economy, the basic conditions for the use of reforms, personnel and knowledge have been established.

## INTRODUCTION

Several developed countries have begun a systematic movement towards the development of the digital economy, taking into account the globalization process, innovative in society and changing trends in digital technologies. From such actions, the compositions were carried out by the countries leading in the development of the digital economy today – the United States and China. After them, programs related to the digitization process were adopted by England, the countries of the European Union, Australia and others. Currently, state programs that support the digital transformation of the economy are common in many countries. From this point on, the implementation of digital technologies in the economic social life of Uzbekistan, accelerating the process of digitization in business, public administration, is considered to have adopted exactly the same programs and legislation in our country. The purpose of this study is to study the digital economy and its role in the development of economic processes in the Republic of Uzbekistan, to understand the program of the digital economy, consider it on the example of various foreign countries and study rational methods for the development of the digital economy.

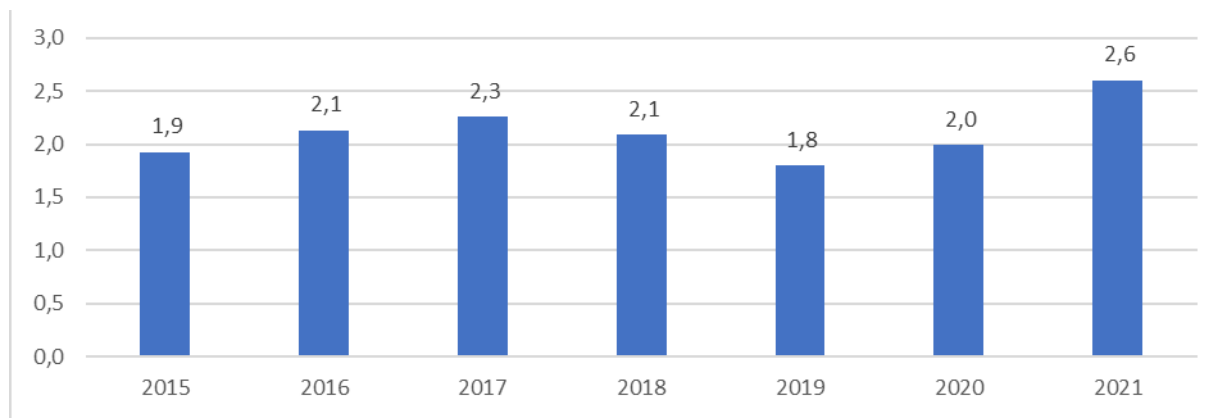
According to the issues we are considering, the Republic of Uzbekistan on October 5, 2020 “digital Uzbekistan — A number of tasks presented in the decisions of

PQ-4321 on the approval of the strategy and measures for its effective implementation, PQ-4699 on measures for the broad implementation of the digital economy and e-government, PQ-4699 on measures for the development of the digital economy and the infrastructure of the e-government system, PQ-4321, are relevant for the economy of our country.

The economy of Uzbekistan has stopped the closed economy as a result of the radical reforms carried out in the last decade and is gradually becoming part of the world economy. One of the main features of the development of society in Global economic processes is the introduction of digital technologies into human life. This is due to the achievements in the field of Information Technology and telecommunications, the development of the economy initially innovative, then Digital will depend on such factors as a number of investments, equipment with ICT equipment, the availability of the internet network, software support, employee qualifications.

In Uzbekistan, the Digital Uzbekistan-2030 strategy was adopted in 2020, which includes state programs for 2020-2022 in terms of digital transformation of several regions and networks. This strategy serves to accelerate the pace of development of the economy of our republic and improve the quality of life of the population with the help of digital technologies, increase the competitiveness of business entities. From it mainly in 4 directions: electron government; digital industry; digital education; programs have been developed on the development of digital infrastructure and are being implemented one after another.

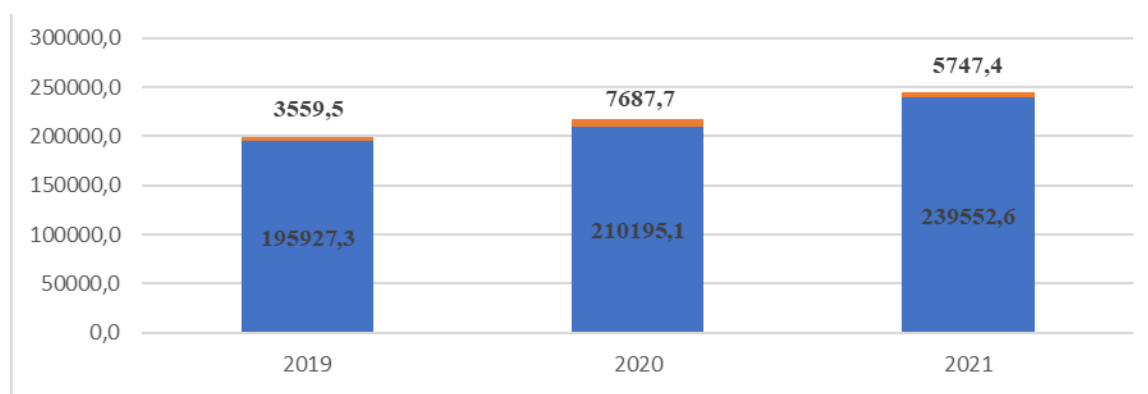
The digital economy has no effect on our gross domestic product either directly or indirectly. But unlike developed countries, the share of the digital economy in the gross domestic product of our country remains stable at around 2%. (Figure 1)



**Figure 1. Share of the digital economy in the GDP of the Republic of Uzbekistan**

In 2020, the first year of implementation of the digital Uzbekistan-2030 program, investments in the field of information and communications increased significantly: during the year, +115.9 percent, that is, 4128.2 billion rubles. At the same time, according to the preliminary data of

2021, investments of 5747.4 billion were attracted for ICT and software. But compared to investments in total capital, very little investment in the digital economy is attracted in our country; 1.9% in 2019, 3.6% in 2020, 2.3% in 2021. (Figure 2)



– ICT equipment, software, scientific research and development

– Investments in fixed capital

**Figure 2. Investments in fixed capital and the share of investments in the digital economy in them.**

According to IDC, direct investments in digital transformation in the world in 2020-2023 will be 7.4 trillion dollars. Also, by 2023, the share of digitization costs will rise to 50% of all investments in the act (now this share is 36%). The largest growth is projected in Big data and analytics, as companies create data-driven competitive advantages. The total expenditure on software in Uzbekistan in 2021 is 633.4 bn, accounting for about 1% share of gross domestic product.

In the past period, the creation of value in digitization networks in our country has been developing both quantitatively and diversifying. Analyzing data from 2015-2021, it can be seen that by 2021, Gross Value Added has increased by almost 4.6 times during this period, while networks such as ICT production, ICT sales, e-commerce have been added to the network line.

Conclusions and suggestions. All reforms carried out today are of strategic importance and are aimed at strengthening the prospects of our country in education, health, economy, political spheres. With the rise of our economy, we are also raising the welfare of the people. In the context of digitization of the country's economy, economic processes are qualitatively shifting to the "knowledge economy" model, which is the main factor in industrialization. However, every year, new laws, despite the fact that new projects are published, the tasks set in it, in most cases, do not lead to the expected result in the case of various problems. In particular, we can see that a number of systemic problems still exist in the processes of digitization of the economy in our country, based on the data we analyzed above, despite the fact that the head of our state, through these appeals, sets his strategic goals for the people and sets out ways to implement it. Life ideas, such as ensuring the strategy for the development of Uzbekistan until 2030, placing our country among the 50 competitive countries, are achieved, first of all, by finding solutions to these problems.

As we have listed above, the Strategy "Digital Uzbekistan-2030 " covers 4 areas, one of which is the development of digital education. So in the case of relying on the above information, we see that the following recommendations are relevant:

Increase the share of the digital economy in the gross domestic product of our country. The importance of improving the system of registration and ownership of digital products, software, electronic systems

created for this purpose is narrow. In addition, it is also advisable to increase state support when bringing digital products created in our country to the world market.

In the structure of investments in fixed capital, it is necessary to increase the share of funds raised for digitization. Considering that the digital economy has become one of the main factors in raising the country's economy, the investment involved in digitization will undoubtedly justify itself.

It is advisable to develop a system that stimulates the production of digital products and their export in our country. Many of our qualified programmers are currently working for foreign firms, when they are provided with sufficient conditions and wages in ourselves, they begin to carry out their work contributing to the economy of our country.

Today, changes in the country's economy, predicting its further development, affect all stages of education up to primary, secondary, vocational and higher education-this is directly related to the quality of knowledge acquired by students. Therefore, starting from higher education institutions, it is necessary to create favorable conditions for the initiative, creative, entrepreneurial ability, a changing environment that quickly adapts to the necessary knowledge, skills and qualifications, capable of performing tasks of various character and "creating" natural leaders of a new type focused on digital technologies.

The development of the sphere of financial activity based on the financing of innovative projects in our country, their support will also be desirable. As a result, the number of technological startup projects started in mamalakatimiz and their total capitalization will increase, a private professional venture industry will be created that will meet the needs of the economy, and the success of startups in the international arena will increase.

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