

DEVELOPMENT OF "DIGITAL ECONOMY" IN UZBEKISTAN**PhD, docent v.v.b., Ismailov Akmal Maxsudovich,****Master, son of Karshiev Uktam Gaybullo**

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Abstract:

This article is devoted to the current state of the information and communication technology (ICT) market and the prospects for the development of a new segment of the economy - the "digital economy" in the world. The article provides an analysis of the best practices in this field in the world.

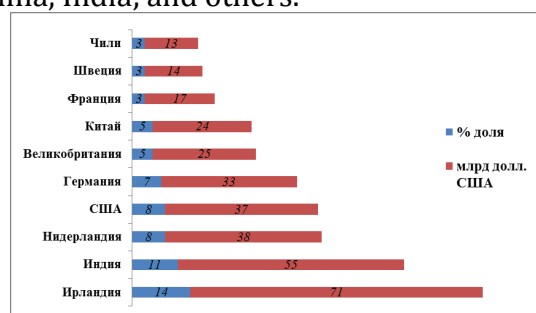
Keywords:

Digital economy, information and communication technologies, digital technologies, competitiveness of the economy, information society, high-tech services, ICT development.

World experience shows that the competitiveness of the national economy as a whole depends on the development of information and communication technologies (ICT). Because of the rapidly growing global demand and, accordingly, the international trade in ICT products, this market has become one of the most dynamic and capacious sectors of the world economy, which has led to increased international competition in this area. What motivates many countries to do this is to increase spending on research, innovation and product promotion to ensure leadership in the global ICT industry.

Digital changes in the organizational and economic principles of governance are becoming one of the important factors of global economic growth. Thus, according to The Boston Consulting Group (BCG), the share of the digital economy in the GDP of developed countries has grown by 1.2% since 2010 and stands at 5.5%. In developing countries, this figure rose from 3.6 percent of GDP in 2016 to 4.9 percent. According to the World Economic Forum, the competitiveness of national economies is highly correlated with the development of ICT.

Thus, this market is one of the 25 percent of the fastest growing major markets in the world economy. ICT-intensive industries are growing 1.7 times faster than the average in the economy. Thus, online customer service allows banks to reduce salaries by 8-9 times compared to traditional services [3]. According to the Organization for Economic Co-operation and Development, more than 90% of businesses are connected to the Internet, but only 20% of them use digital technology to sell their products (Figure 1). In recent years, many countries and international organizations have identified the development of export activities in this area as a priority (Figure 2), as well as the implementation of the concept of creating special infrastructure and institutional conditions for the development of the ICT sector. Similar concepts have been developed and implemented in the United States, the United Kingdom, Finland, the Republic of Korea, China, India, and others.

**Figure 1.****Figure 2.**

The events of the last decade have provided a lot of evidence about the true value of ICT for people's lifestyles. In this regard, the priority measures for the introduction of ICT in the economy, social sphere and management systems are reflected in the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No 4947 "On action strategy for further development of the Republic of Uzbekistan". Five priorities for the development of the Republic of Uzbekistan "[8]. This strategy will be implemented in five stages, each of which involves the approval of a separate annual state program for its implementation. Among the priorities for 2017-2021 are:

1. Improving the building of the state and society;
2. Ensuring the rule of law and reforming the judicial system;
3. Development and liberalization of the economy;
4. Development of the social sphere;
5. Ensuring security, interethnic harmony and religious tolerance, pursuing a balanced, mutually beneficial and constructive foreign policy.

In conclusion

We would like to emphasize that the development of the digital economy opens up endless possibilities. However, despite the bright prospects, according to researchers, there are clear challenges in the development of the digital economy:

1. Information security risk is high;
2. The threat of job cuts. The transition to a digital economy will also make it harder to use foreign software and so on.
3. There is a high level of risk and uncertainty in strategic decision making. This situation is due to the unstable market environment inherent in the digital economy, which is associated with dynamic changes at the technological level, increased intensity of competition and a decrease in the life cycle of goods and services.

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