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## ISSUES OF ELECTRONIC TRADE DEVELOPMENT IN UZBEKISTAN

**Abstract:** This article is theoretically based on the content, essence, application benefits and opportunities of e-commerce. The prospects for the development of e-commerce in Uzbekistan, the need to apply the B2C business model in ensuring the development of the industry are scientifically substantiated, and conclusions and recommendations for the development of e-commerce have been developed.

**Key words:** pandemic conditions, e-commerce, information and communication technologies, Internet, information security, transactions, electronic money.

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### Introduction

In today's pandemic, providing the population with the necessary consumer goods is one of the most pressing problems. An e-commerce channel is a sales channel that allows you to trade indirectly in such an environment, helping to find a consumer regardless of geographic location.

The measures taken in Uzbekistan to introduce modern information and communication technologies have made it possible to achieve certain results in the digitalization of sectors of the economy, including in the development of e-commerce.

Nevertheless, a number of problems and shortcomings remain in the country that prevent the creation of a full-fledged e-commerce market, the

entry of domestic enterprises producing goods (services) to foreign markets [1].

– first, the current system of legal regulation of relations in the field of e-commerce is incompatible with the rapid changes in the development of the industry and, in turn, does not provide access to e-commerce for the population and business;

– secondly, outdated bureaucratic barriers to the export of goods (services) through e-commerce remain, which do not allow local businesses to fully compete in foreign markets, as well as cost optimization;

– thirdly, the process of introducing modern information and communication technologies aimed at developing e-commerce is not properly organized, which leads to stagnation in the digitalization of the

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economy and the development of entrepreneurial activity;

– fourth, the lack of integration of domestic payment systems with popular foreign counterparts affects the full-fledged international cooperation of economic entities of the country with leading foreign organizations in the field of e-commerce, as well as the export potential and competitiveness of the domestic market;

– fifth, the level of popularization of the possibilities and advantages of e-commerce, including non-cash payment for goods (services), especially in the localities, remains low, which leads to an increase in the size of the shadow economy and a decrease in tax revenues to the state budget;

– sixth, the current taxation system does not contribute to the expansion of economic entities in the field of e-commerce, including the mass media, which leads to an increase in the volume of clandestine exchange of goods via the internet, and also limits investment and modern technologies in this area.

As a result of successive reforms aimed at solving the problems outlined in the Decree, the e-

commerce system has developed in many areas. Many entrepreneurs are using e-commerce effectively, especially given the opportunities available during a pandemic.

E-commerce is developing mainly in the area of wholesale. Thus, the relationship between the manufacturer and shopping centers has been established. The lack of development of e-commerce in retail, which is carried out by stores and malls, requires improvement in this area.

Problems and tasks. If we pay attention to the statistics of the sphere of trade in Uzbekistan, then in 2019 the share of trade services in the total volume of market services amounted to 25.1%, which amounted to 47 693.3 billion sums.

Retail services, excluding automobiles and motorcycles, accounted for about three quarters of total sales - 67.2%. In 2019, the share of wholesale services (excluding sales of cars and motorcycles) reached 25.4%. The share of trade services in the total volume of services, including wholesale and retail sales of cars and motorcycles, including repair services, amounted to 7.4% (see Fig. 1).

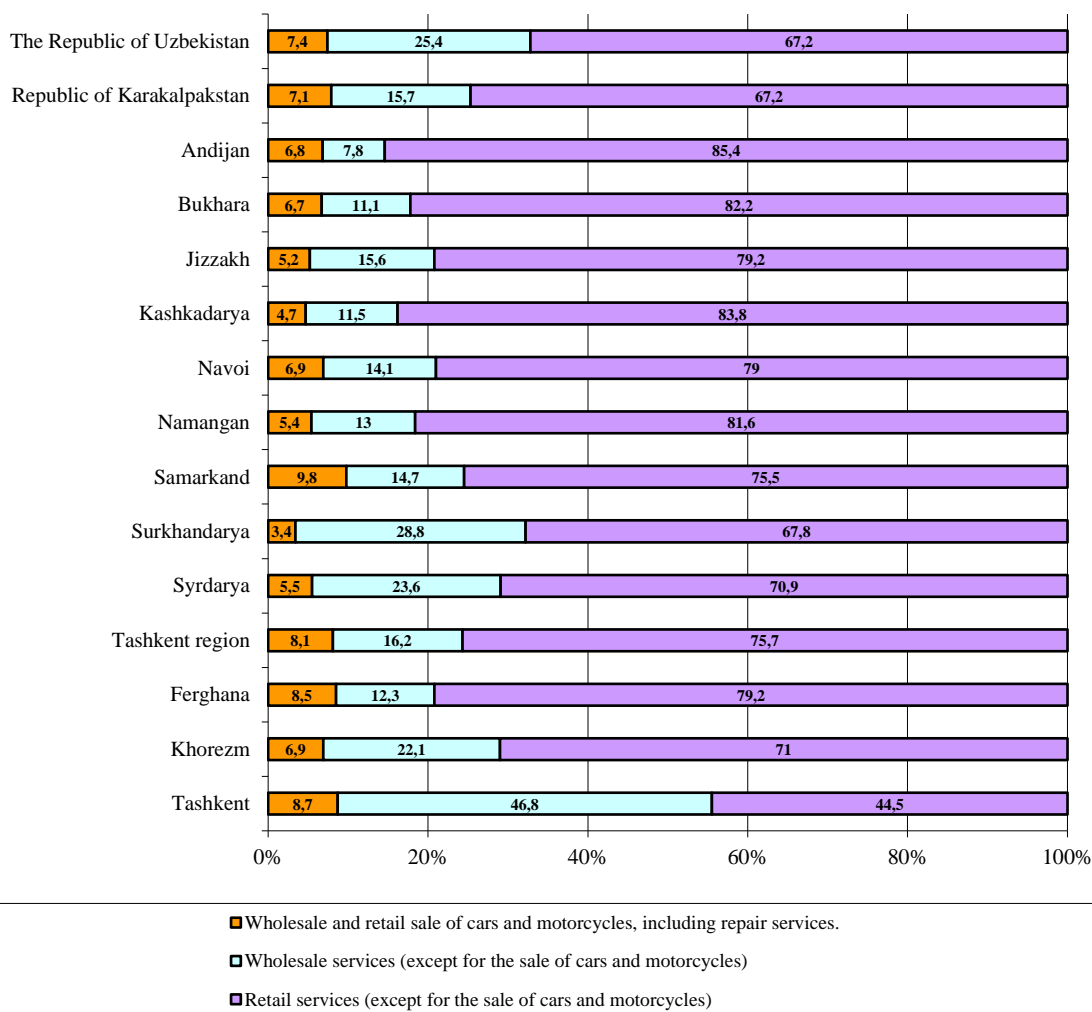


Figure: 1. The structure of trade services by region (in 2019, in%) [2]

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Compared with other regions, the largest share of retail services falls on the Andijan (85.4%), Kashkadarya (83.8%) and Bukhara (82.2%) regions. In Tashkent, this indicator is insignificant, its share was 44.5%. However, the share of wholesale services (excluding sales of cars and motorcycles) in Tashkent is much higher - 46.8%. In the Andijan region, the share of these services was the smallest - 7.8%. A relatively high share, including services for the wholesale and retail trade of cars and motorcycles, including repair of cars and motorcycles in Samarkand (9.8%), Fergana (8.5%), Tashkent (8.1%) regions, Tashkent city (8.7%) and the Republic of Karakalpakstan (7.1%).

Research shows that there are no separate statistics related to e-commerce in the retail sector. It can be concluded that in our country it is important to develop e-commerce, to keep separate statistics.

The main problems of e-commerce development in Uzbekistan are:

- Human factor. Lack of quality service, insecurity from virtual sellers and fear of being deceived.
- Technological factor: lack of widespread use of the Internet.
- Legal factor. The lack of clear mechanisms for regulating the relationship between the seller and the consumer in the legal framework seriously affects the development of e-commerce.

**Main part.** It is known that e-commerce is a sphere of the economy that includes business processes related to the implementation of all financial and commercial transactions carried out using computer networks [3].

It should also be noted that the concept of "electronic commerce" is divided into narrow and broad definitions, in the narrow sense means

advertising and sale of goods using telecommunication networks of electronic commerce. Broadly speaking, e-commerce can be used in industry and business collaboration to conduct sales, purchasing, factoring, leasing, consulting, engineering and other trading operations.

Thus, e-commerce is an integral part of e-business, which means a new way to organize, manage and conduct commercial transactions using computers and communication networks.

E-commerce provides businesses with the following benefits:

- expanding the trade market by entering foreign markets;
- organization of round-the-clock trade;
- automation of marketing information using CRM systems (Customer Relationship Management), which allows you to constantly collect information about site visitors, which they leave about themselves;
- Closer contact with suppliers.

One of the main problems in the development of e-commerce is the inability to abandon this traditional trading mechanism. It should be noted that e-commerce requires not only the use of IT technologies, but also the use of innovative technologies in commercial activities. Today, e-commerce is actively entering our daily lives, and in the near future this business model will be further developed. Because in developed countries this area is improving every year.

Today, global transactions on the Internet continue to grow rapidly. According to the data, in 2019 e-commerce will grow by 17.9% to 3.46 trillion U.S. dollar. Among the countries of the world, the United States and China occupy the largest share of the e-commerce market (see Table 1).

**Table 1. Countries with the largest share of the global e-commerce market [6]**

No.	Countries	2018 million US dollars	2019 million US dollars	Growth,%
1.	China	1 520,10	1 938,78	27,3
2.	US	514,84	586,92	14,0
3.	UK	127,98	141,93	10,9
4.	Japan	110,96	115,40	4,0
5.	North Korea	87,60	103,48	18,1
6.	Germany	75,93	81,85	7,8
7.	France	62,27	69,43	11,5
8.	Canada	41,12	49,80	21,1
9.	India	34,91	46,05	31,9
10.	Russia	22,68	26,92	18,7

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In 2019, China became the world's largest e-commerce market, with e-commerce sales reaching \$ 1.935 trillion dollars, which means that 586.92 billion dollars more than the United States. E-commerce is also developed in the UK, Japan, North Korea, Germany, France, Canada, India and Russia, which are among the top ten countries in the world.

Large multinational corporations operate in countries that achieve high results in e-commerce, providing goods of famous world brands. These countries have also developed institutional frameworks for e-commerce and modern business models.

Results and discussion. B2B and B2C business models are widely used in the global internet environment. Whereas B2B primarily provides links between business objects, B2C links the consumer to the business object.

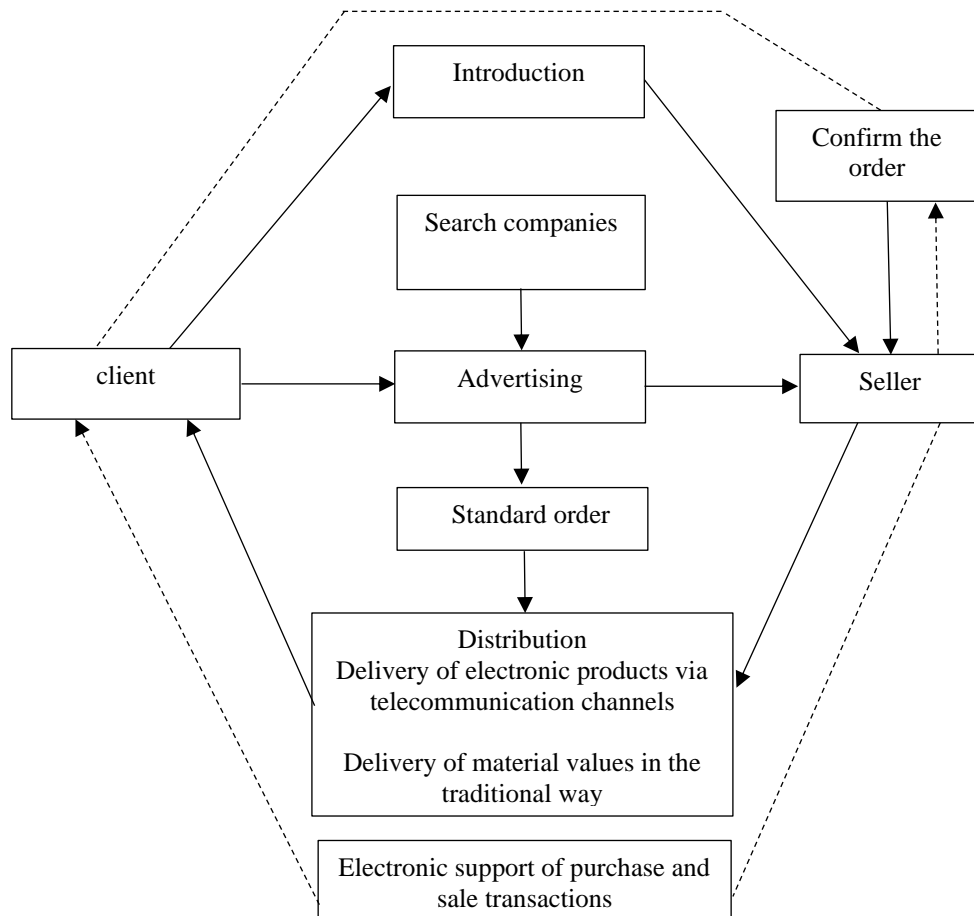
As mentioned above, B2C is the exact solution to the challenges in retail e-commerce development.

One of the most prominent examples of B2C is www.amazon.com, which has over 50 million customers worldwide. Over the years, he has succeeded in transforming the traditional US book market. Reliable operation of Internet access, payment

systems and delivery services in the regions is one of the main requirements of the B2C model. The B2C model allows you to provide consumers in downtown or suburban areas with the same goods and services as businesses in remote areas. B2C is a new trading technology that makes it easier to deliver goods and services to consumers anywhere in the world. Another feature of B2C is that it does not require redundant intermediaries, which allows you to deliver goods at a fixed price [5].

The use of the B2C model requires the company to have modern information technologies, powerful software for information security, high-speed Internet, qualified software engineers, the company's production process, working "Just in time", the necessary resources. E-commerce has its own complexities. That is, it requires the use of serial or individual production methods, manufacturing products in accordance with the wishes of a larger number of buyers.

It also requires a lot of responsibility on the part of the e-commerce seller. These include careful scrutiny of customer preferences and regular market research (see Figure 2).



**Figure: 2. The organizational structure of "electronic commerce" [4]**

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The most important thing in e-commerce is to gain customer trust, which can be used to convey a sensational message to other consumers. Achieving a reputation in e-commerce by having individual links in the chain brings many economic benefits to the enterprise.

Conclusions and offers. As a result of analyzing the situation with e-commerce, its specific problems and peculiarities in Uzbekistan, a number of proposals and conclusions were developed:

- ensuring information security in the development of electronic relations between business entities;

- developing a competitive environment in the communications market and expanding the capabilities of existing companies to use communications infrastructure, as well as creating conditions for access to information and communication technologies and reducing tariffs for its use;

- a clear analysis and agreement of the existing regulatory framework in the field of e-commerce, the rights of sellers and consumers, ensuring the

transparency of draft laws, comments and clarifications for all interested parties;

- encourage the development of online business applications and search engines targeted at mobile users;

- conducting mass events to train entrepreneurs in the use of the internet and information technologies;

- carrying out explanatory work among the population about the possibilities of using information and communication technologies;

- it is necessary to develop alternative and convenient payment methods for all segments of the population, develop the electronic money market and promote the popularity of electronic wallets.

Thus, today e-commerce is one of the most promising business areas in our country. E-commerce is rapidly evolving in response to demand and is becoming more and more a part of people's daily life. In our country, measures are being taken on all the components necessary for the development of e-commerce. The development of e-commerce in Uzbekistan will become an important tool for entering new markets for goods and services.

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