

Countries With The Highest Number Of Internet Users And Practices For Development

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Abstract. In this article, the specific features of the development of electronic commerce in Uzbekistan were studied. During the research, it was found that the Internet segment of the service industry in the Republic of Uzbekistan, according to various data, is growing faster than the main national macroeconomic indicators that show the penetration rate.

Keywords: E-commerce, internet, service sector, mobile communication, service, provider.

1. INTRODUCTION

Large-scale scientific research is being conducted in the world on the effective organization of electronic commerce. In this regard, to further improve the quality of electronic services, to introduce and improve the efficiency of business platforms such as B2B, B2C, B2G, C2C, to penetrate into new segments of the international trade services market, where there is severe and uncompromising competition, to ensure the efficiency of electronic commerce, innovative tools and modern requirements, development and improvement of e-commerce management strategy is one of the priority areas of research.

In recent years, special attention has been paid to the establishment and development of e-commerce and its platforms in Uzbekistan. In connection with this important decision, rapid development of e-commerce in our country, development of the digital economy as the main "driver", and measures to increase its size by at least 2.5 times in 2022-2026 were defined as one of the priorities of the development strategy of New Uzbekistan³. The effective implementation of such tasks is aimed at improving the mechanism of e-commerce management in the republic, achieving high efficiency in managing the activities of e-commerce companies, improving the methodology for evaluating the effectiveness of e-commerce management, and also, under the influence of consistent measures implemented in Uzbekistan for the digitization of the economy, e-commerce activities are considered the main parameters. requires scientific research to develop predictive indicators.

2. LITERATURE REVIEW

Theoretical and practical aspects of the development of electronic commerce are discussed by many foreign scientists, including P.F. Drucker [1], B. Twiss [2], Yu. Schumpeter [3], R. Foster, Frank Webster [4], A. Dinis, K. studied by Oppenlander [5].

In this direction, scientists from CIS countries P.N. Zavlin [6], L.P. Goncharenko [7], L.M. Gokhberg [8], A.K. Kazantsev [9], B.Z. Milner, Yu.V. .Yakovtsev, Yu.S.Kubkina [10], V.I.Shulepov, O.A.Kobelev [11] and others conducted scientific research.

Theoretical and practical problems of effective use of information and communication technologies B.B. Abdullaev [12], I. Abduraimov, S.S. Gulomov [13], Aripov A.N., Iminov T.K. [14] was studied in the scientific works of Uzbek scientists.

Despite the conducted scientific research, issues related to the regulatory and legal basis of e-commerce management and regulation have not been systematically studied.

3. RESEARCH METHODOLOGY

Scientific observation, economic analysis and institutional analysis methods were used in the article.

4. ANALYSIS AND RESULTS

The task of creating a modern optical fiber infrastructure in the republic is being solved systematically. So, in 2018, 2.6 thousand kilometers of optical fiber cable were laid, and by the end of 2020, this indicator reached 37.5 thousand. This year, it is planned to lay 50,000 kilometers of optical fiber lines, thereby increasing their total length to 118,600.

Access to high-speed internet is also increasing. So, in 2018, 84,600 broadband connection ports were installed, and in 2020, their number exceeded 1.2 million. To date, the number of broadband connection ports installed across the country is 2.9 million. By 2023, this figure is planned to reach 5.8 million.

All these measures made it possible to increase the throughput of communication channels. The total bandwidth of Internet channels has increased from 1120 Gbit/s to 1200 Gbit/s in 2020. It is planned to increase this indicator to 1800 Gbit/s by October of this year, and to 4500 Gbit/s in 2023. Also, according to the plan, the total capacity of the main communication channels between the regions will be increased to 800 Gbit/s by 2023.

In order to increase the possibilities of the population to use the Internet, the prices of communication services are being reduced consistently. Thus, for three years, tariffs for external channels internet services for operators and providers decreased 10 times from 30.3 dollars in 2018 to 3 dollars (32,000 soums) in 2021.

Thanks to the price reform, Uzbekistan is the UK's Cable.co.uk. ranked 21st among 230 countries with the cheapest internet according to the ranking of the portal. Among the priority tasks of telecommunications development is provision of social sphere objects with high-speed internet network. To date, 97% of general education schools, 83% of community gatherings, 56% of internal affairs bodies, as well as 100% of pre-school education and medical institutions are connected to the high-speed Internet network. By the end of this year, all social facilities will be fully equipped with high-speed Internet.

Mobile communication networks are gradually expanding throughout the country. If in 2018 the total number of base stations was 24,000, by 2020 this figure will reach 31,700. It is planned to install another 2,000 base stations this year.

Last year, 3,600 base stations were updated based on 3G/4G technologies. Uzmobil and Ucell mobile operators are implementing projects to develop 5G technology in Uzbekistan. Starting from April of this year, Ucell launched the fifth generation network in the capital Tashkent City business district. In the future, it is planned to launch the 5G network in regional centers as well.

The subscriber base of mobile communication operators is increasing year by year. In three years, the number of mobile communication users increased from 22.8 million in 2018 to 27 million in the first half of this year. Today, 23.1 million people use the mobile Internet.

As the need for telecommunication infrastructure is increasing every year, it was decided to start local production. In October 2020, the enterprise "Global Optical Communication Uzbekistan" ("GOC-UZ" LLC) was established in the "Jizzakh" free economic zone for the production of optical fiber cable products together with partners in the Republic of Korea. Annual capacity is 50 thousand kilometers. Thanks to this, the republic will have the opportunity not only to meet its needs for optical fiber products, but also to export them.

Creating a digital infrastructure requires the availability of sufficient capacity to store and process data. Taking this into account, in 2020, a Data Processing Center with a capacity of 5 petabytes was commissioned in the republic. It is planned to launch additional data centers with a total capacity of 25 petabytes by the end of this year.[13]

It should be noted that the problems of digital economy development in Uzbekistan are similar to the common problems faced by developing countries.

No country can rationally form and implement its economic policy without taking into account the priorities of the world economy. In particular, the rapid development of information and communication technologies has led to the formation of a new type of economic activity - electronic commerce or electronic commerce, which is inextricably linked with the objective processes of globalization. Electronic networks, especially the Internet, are actively used in the relations between trade organizations and buyers to manage the processes of distribution of goods, monitor the market, develop effective relations with suppliers, business partners and government bodies.

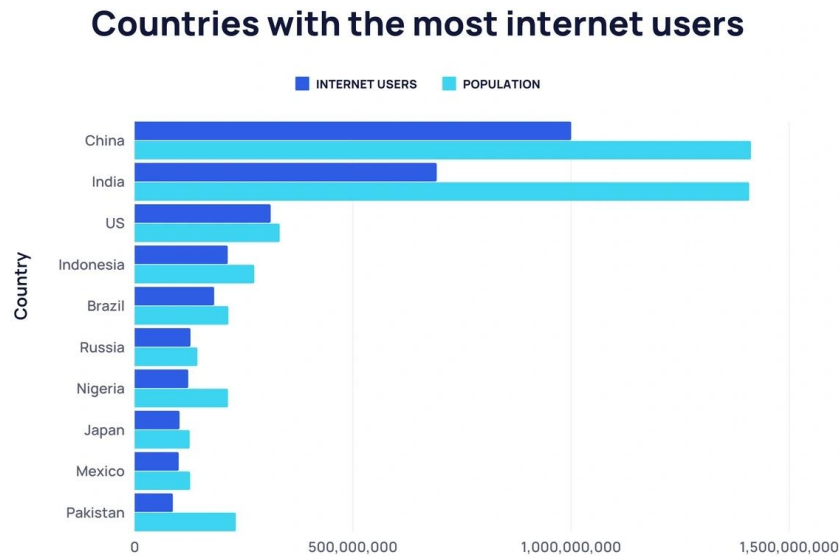


Fig.1. People using the Internet in the CIS countries (% of the population), 2024 [17]

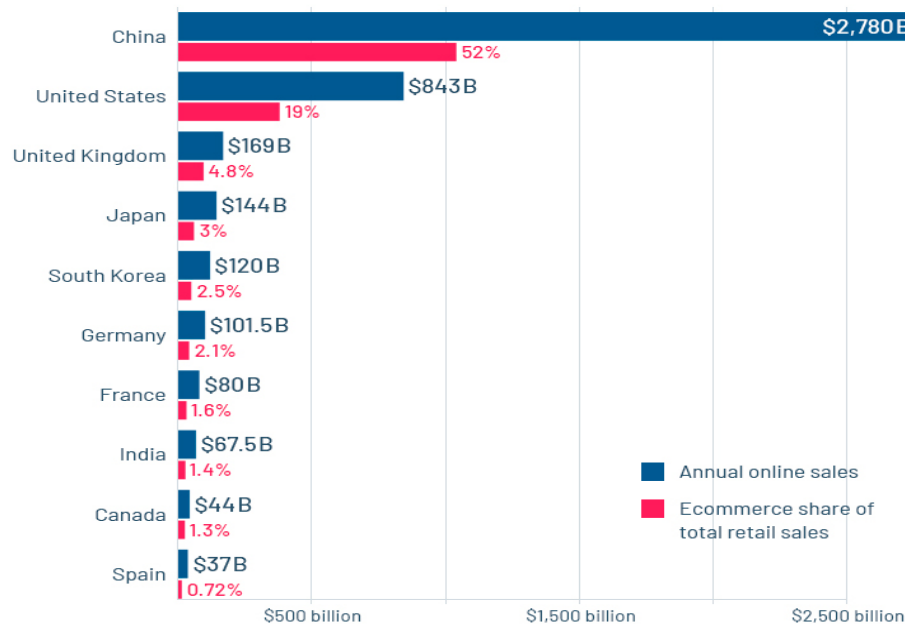
In 2019, the average growth rate of e-commerce turnover in the world is 20.7 percent, in some countries (Mexico, India, Philippines) it exceeds 30 percent.

Due to the weak digital infrastructure in the country and lack of digital skills, digital trade in Uzbekistan is developing slowly. For example, in the decree of the President of the Republic of Uzbekistan, there is a lack of online sales and trading platforms in the Republic.

Despite the existing payment systems (Click, Payme, M-bank, Upay, Humo, Oson, etc.) that allow online payments for mobile payments, Internet, government services, taxes and fees, in 2021 only 55% of account holders will make digital payments made or accepted.

However, over the past 13 years, the total average payment through the terminal for one card has increased significantly - from 207,000 soums to 2.7 million soums.

The Largest Ecommerce Markets Worldwide



It would be useful to aggregate proxies for different infrastructure sectors into an index to compare countries' e-commerce readiness. The UNCTAD B2C e-commerce index measures the economy's readiness to support online purchases (UNCTAD 2021 (UN Conference on Trade and Development)). It consists of 4 indicators closely related to online shopping: account ownership, percentage of people using the Internet, mail reliability and secure Internet servers. The index allows countries to identify strengths and weaknesses in their national e-commerce readiness, whether it's poor delivery, few shopping options, no 12 accounts or limited internet access.

Overall, MOMIH (Central Asian Regional Economic Cooperation) performs best in terms of Internet access, with an average of 56% of the population using it. The remaining three indicators have relatively similar indicators and are significantly lower than Internet use.

Table-1: UNCTAD (United Nations Conference on Trade and Development) B2C E-Commerce Index 2021

| 2021 rate | Economics | Percentage of individuals using the Internet (2020 or newer) | Share of individuals with accounts (15+, 2017) | Secure Internet Servers (Normalization-Resurrected 2020) | Mail Reliability Assessment (2020 or newer) | Index value (2021) | Change in Index Value (2020-21 data) |
|-----------|-----------------|--|--|--|---|--------------------|--------------------------------------|
| 47 | Georgia | 71 | 61 | 64 | 98 | 73.6 | 0.5 |
| 55 | China | 61 | 80 | 54 | 85 | 70.1 | 1.3 |
| 60 | Kazakhstan | 87 | 59 | 63 | 64 | 68.2 | -0.4 |
| 61 | Mongolia | 76 | 93 | 60 | 31 | 65.0 | 7.6 |
| 65 | Azerbaijan | 81 | 29 | 49 | 82 | 60.0 | -1.8 |
| 97 | Kyrgyz Republic | 80 | 40 | 47 | 11 | 44.3 | 8.0 |
| 107 | Uzbekistan | 30 | 37 | 50 | 30 | 37.0 | -8.4 |
| 116 | Pakistan | 24 | 21 | 35 | 50 | 32.5 | -1.2 |
| 121 | Tajikistan | 36 | 47 | 36 | 1 | 30.0 | 4.3 |
| 143 | Afghanistan | 18 | 15 | 29 | 7 | 17.1 | -1.1 |

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|---------|-----------|-----------|-----------|-----------|-----------|------------|
| Median | 66 | 43 | 49 | 40 | 52 | 0.1 |
| Average | 56 | 48 | 49 | 46 | 50 | 0.9 |

Among the countries of the Central Asian Regional Economic Cooperation, Georgia, China, Kazakhstan and Mongolia are leading in terms of the level of development of e-commerce infrastructure. The disparity between the four indicators of the index is clear. PRC scores particularly well on account ownership and mail security, but not on using the Internet or secure servers. In both Kazakhstan and Georgia, the share of people with bank accounts is about 60% of the population, and this figure is related.

Percentage of people using the Internet. In order to increase readiness for e-commerce, it is necessary to carry out further work on increasing the share of the population according to these indicators. Azerbaijan is doing well in terms of internet access (81% of the population uses the internet) and reliable postal service, but almost

29% have their own account. Mongolia has the highest rate of account holders in TsARES (Central Asian Regional Economic Cooperation), but postal reliability is much lower. Among the bottom three countries - Pakistan, Tajikistan and Afghanistan - less than half of the population use the internet and less than half have an account and can pay for purchases online. Pakistan has the highest score for postal service reliability, but Tajikistan and Afghanistan score very low on this score. These disparities between the various infrastructure components pose a challenge to successful e-commerce.

These results show that the infrastructure related to e-commerce – Internet access, payments, stores and logistics – needs to be developed in a balanced way to increase the volume of online purchases. A notable trend in some MOMIH (Central Asian Regional Economic Cooperation) countries has been the involvement of private banks in the integration of these various components. Innovative banks in Georgia, Kazakhstan, Mongolia and Tajikistan have created the largest online marketplaces in their countries to promote the use of new payment instruments and loans. They have also developed delivery solutions by contracting with courier companies, supporting delivery startups and, in the case of Mongolia, buying a partial stake in the national postal operator. Integrating payments and shipping with your online store is critical to success.

In 2019, the gross added value created in e-commerce in the gross domestic product of Uzbekistan increased significantly due to the spread of the pandemic and the need to use online services. In 2021, the above indicator increased 6 times compared to 2019-2020 and reached the value of 0.6%.

According to the research, the Internet segment of the service sector in the Republic of Uzbekistan is growing rapidly, which can be concluded based on the analysis of the dynamics of the number of Internet users.

ICT sector, as well as the existence of grounds for the development of e-commerce in Uzbekistan, as the country has a steady increase in the number of subscribers connected to the data network, including the Internet, in 2021 compared to 2015, this indicator is 1.6 doubled to 29.5 million units.

Presumably, the higher the level of e-commerce infrastructure, the closer the relationship with online shopping. Globally, there is a strong correlation between the UNCTAD (UN Conference on Trade and Development) B2C index and the actual level of online shopping with a coefficient of determination (R²) of 0.803. However, it is noteworthy that all MOMIH (Central Asian Regional Economic Cooperation) countries, except the PRC, are below the regression line, meaning that they have a lower level of online shopping than predicted by the level of e-commerce infrastructure. According to him, in addition to infrastructure not covered by the index, TsARES (Central Asian Regional Economic Cooperation) has other intangible assets that affect online shopping, such as the trust, scale and accessibility of online stores.

Achievements in the field of e-commerce are also related to the level of economic development of the country. Wang and Kang (2020) compare countries' B2C index rankings to determine how well their resources are performing. According to such an indicator, Mongolia is exactly where it should be, taking into account the level of economic development, Georgia is at 90%. On the other hand, countries such as Uzbekistan, Pakistan, the Kyrgyz Republic and Afghanistan are below the world economic average of 65 percent.

Development of e-commerce infrastructure in MOMIH has progressed at a mixed pace over the past few years. A comparison of the results of the B2C index for 2018 and 2021 shows that some countries have achieved very good results during this period, while others have barely improved their infrastructure rating and even dropped in the ratings. Three countries (Georgia, Kyrgyzstan and the PRC) saw a double-digit increase in their rating, while four countries saw a decrease in their rating. In general, the average growth of the rating of MOMIH (Central Asian Regional Economic Cooperation) was only 3 points, and the change in rating was only 2 points, which indicates the need to accelerate the pace of implementation of e-commerce infrastructure in the region.[16]

"E-Government Development Index" reflects the average value of standardized indicators for 3 main aspects of E-Government: the volume and quality of online services expressed as "Online Service Index" (OSI), the state of telecommunication infrastructure development, or "Telecommunication Infrastructure Index" (TII); and internal human capital, or "Human Capital Index" (HCI).

Finally, the Internet's high cost, insufficient penetration, and low international network access are the result of a monopolized telecommunications industry. In developing countries, the market form of telecommunication networks is often oligopoly or even monopoly. In Uzbekistan and the rest of the CIS, the telecommunications industry is largely limited to one leading company (for example, Uztelecom, Rostelecom, Uztelekom, Rostelekom, Ukrtelekom, Kazakhtelekom, Aztelekom, etc.) with special powers and resources.

5. CONCLUSIONS AND SUGGESTIONS

Based on the results of the research, it was possible to obtain the following scientific conclusions and suggestions.

Implementation of the management function of information supply and organization of the communication system creates new content and additional tasks in the digital economy. Fulfilling them at the level of the specified requirements increases the efficiency of e-commerce management.

E-commerce is the implementation of trade activities through electronic means and the creation of demand for goods and services, providing additional services to customers after the trade has been completed, and facilitating interaction between partners.

E-commerce allows you to communicate with customers, product suppliers and customers through the web system, to exchange necessary documents for the implementation of trade transactions in electronic form, to control the sale and delivery of goods and services, and to make electronic payments for purchases in every way. It creates an important basis for effective use of opportunities, their further improvement, further development of enterprise activity and economic efficiency.

Based on the study of the regulatory legal framework for electronic services and electronic commerce, it was determined that the registration of certain orders of various channels, groups and bots on social network sites such as Instagram, Facebook, and Twitter is considered an integral part of the secret economy.

The results of the analysis of the dynamics of the development of electronic services in the Republic of Uzbekistan are presented in 2 main blocks:

- production indicators of the volume of services provided based on the assessment of their contribution to the creation of gross added value;
- indicators of use of electronic services, including access indicators; indicators of the intensity of use and indicators of the volume of sales of electronic services in certain types of economic activity.

The analysis showed that the Internet segment of the service industry in the Republic of Uzbekistan, according to various data, is growing faster than the main national macroeconomic indicators that show the penetration rate.

In conclusion, it is necessary to develop the field of e-commerce in our republic according to an optimistic scenario. To do this, it is necessary to increase the speed of the Internet in the country by several times, and to increase the number of Internet users, to increase the number of Internet providers, to reduce the cost of Internet services, to create alternative payment systems in the country, to carry out advertising work on the use of these payment systems for the population, to cooperate with foreign countries on electronic trade. It is necessary to implement integration, ensure the conversion and stability of the currency of Uzbekistan, increase the network of ATMs and infokiosks in our country and switch them to 24-hour operation mode, and ensure quality and timely execution of logistics operations by the e-commerce system.

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