

E-COMMERCE: INDUSTRY LEADERS AND REFORMS BEING IMPLEMENTED IN UZBEKISTAN

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Annotation

The article analyzes the development of electronic commerce on a global and national level, as well as the reforms being implemented in Uzbekistan. It covers the main types of electronic commerce, the advantages and disadvantages of the industry, as well as the development of digital infrastructure in Uzbekistan, the improvement of payment systems, updates to the legal framework, and the importance of government programs. The article also examines the changes and development trends in the Uzbek e-commerce market, as well as potential social and economic changes in the future. It looks into the leaders of the e-commerce sector, technological innovations, and the impact of state reforms on the growth of this sector.

Key words

e-commerce, digital infrastructure, payment systems, state reforms, innovations.

Annotatsiya

Maqola elektron tijorat sohasining global va milliy miqyosda rivojlanishini, shuningdek, O'zbekistonda amalga oshirilayotgan islohotlarni tahlil qiladi. Unda elektron tijoratning asosiy turlari, sohaning afzalliklari va kamchiliklari, shuningdek, O'zbekistonda raqamli infratuzilmaning rivojlanishi, to'lov tizimlarining takomillashuvi, yuridik bazaning yangilanishi va davlat dasturlarining ahamiyati haqida so'z yuritiladi. Maqola, O'zbekistonning elektron tijorat bozoridagi o'zgarishlar va rivojlanish sur'atlarini ko'rsatib, kelajakdagi ijtimoiy va iqtisodiy o'zgarishlarga e'tibor qaratadi. Elektron tijoratning soha

yetakchilari, texnologik innovatsiyalar va davlat islohotlarining bu sohadagi rivojlanishiga ta'siri keng qamrovli tahlil etiladi.

Kalit so'zlar

elektron tijorat, raqamli infratuzilma, to'lov tizimlari, davlat islohotlari, innovatsiyalar.

Аннотация

Статья анализирует развитие электронной коммерции на глобальном и национальном уровнях, а также реформы, проводимые в Узбекистане. В ней рассматриваются основные виды электронной коммерции, преимущества и недостатки этой отрасли, а также развитие цифровой инфраструктуры в Узбекистане, совершенствование платёжных систем, обновление правовой базы и важность государственных программ. В статье также анализируются изменения и темпы развития узбекского рынка электронной коммерции, а также внимание уделяется возможным социальным и экономическим изменениям в будущем. Рассматриваются лидеры отрасли электронной коммерции, технологические инновации и влияние государственных реформ на развитие этого сектора.

Ключевые слова

электронная коммерция, цифровая инфраструктура, платёжные системы, государственные реформы, инновации.

Introduction

Before discussing electronic commerce, it is appropriate, in my opinion, to first provide an understanding of what electronic commerce is. Let's find out what electronic commerce is. Electronic commerce (e-commerce) refers to the process of buying and selling goods and services over the internet. In e-commerce, trading, payments, marketing, and customer relations are primarily conducted using digital tools. This field consists of a series of processes that are rapidly developing in the global economy and enabling businesses to digitalize.

There are two main categories of e-commerce:

Online stores – websites that sell products directly to consumers. These can be accessed via desktop computers or mobile devices. There are two variants of storefronts:

Marketplaces – websites that connect buyers and sellers by providing a platform for business transactions. Marketplaces are often called “digital shopping malls” because they share the same characteristics as traditional shopping malls. For example, eBay is one of the most popular marketplaces in the world, with over

150 million active users and more than 5 billion products listed for sale at any given time.

Additionally, there are four smaller segments of e-commerce based on who is selling and buying. These are:

B2C (Business-to-Consumer) – This refers to the direct sale of products or services from a business to consumers. It is the most common e-commerce model.

B2B (Business-to-Business) – This involves the sale of products or services from one business to another. In this model, companies transact with each other, such as in wholesale trade or raw material supply.

C2C (Consumer-to-Consumer) – This is trading between consumers. For example, users sell goods or services to each other on platforms like eBay or Facebook Marketplace.

C2B (Consumer-to-Business) – This refers to consumers providing goods or services to businesses. For example, freelancers offer their services to companies.

The development of electronic commerce (e-commerce) plays a significant role in the modern economy. Due to the widespread adoption of digital technologies and the internet, the trading process between businesses and consumers is undergoing considerable changes. The growth of e-commerce offers opportunities for economic modernization, improvement of digital infrastructure, and the creation of new jobs both globally and especially in Uzbekistan.

A number of reforms are being implemented to develop e-commerce in Uzbekistan. These reforms include updating online trade, payment systems, and legal frameworks as key components of the digital economy. Moreover, the future of e-commerce relies on technological innovations, government programs, and international experience.

The Law “On Electronic Commerce,” adopted on June 21, 2022, aims to strengthen the legal foundations of the sector and further promote the development of e-commerce. This law targets regulating online trade and digital services, protecting consumers, and ensuring the effective operation of electronic payment systems.

This article discusses the main types of e-commerce, its advantages and disadvantages, as well as the ongoing reforms in Uzbekistan and their impact on the development of the digital economy.

Literature Review

Among the researchers who have studied electronic commerce and its development, foreign experts such as Vipin Jain, Jeffrey F. Rayport, and Anjali Gupta deserve special mention. The studies conducted by these scholars are of great importance in exploring the social and economic impacts of digital

technologies and online trade, investigating new approaches to the development of e-commerce, and devising effective strategies.

Vipin Jain's scholarly work titled **"E-commerce: A Framework for the Future"** [1] analyzes how electronic commerce is developing globally, highlighting its new opportunities and challenges. This study places special emphasis on exploring the strategies and technological innovations necessary for the successful implementation of e-commerce.

Jeffrey F. Rayport's book **"The Digital Economy: Business Organization and Strategy"** [2] examines how the digital economy and e-commerce impact economic and business processes. Rayport's research includes important analyses of the future of e-commerce and the transformations it will bring to global markets.

The article **"Digital Marketing and E-commerce Strategies"** [3], presented by Anjali Gupta, teaches effective methods for developing and applying marketing strategies to promote e-commerce. Gupta highlights the relationship between e-commerce and digital marketing and explains how they contribute to business growth.

Among Uzbek researchers studying the development of electronic commerce are scholars such as Zulaykho Akhmedova, Guljakhan Makhmudova, and Asadulla Eshonqulov. In their works, they highlight the legal, economic, and technological aspects of e-commerce, analyzing issues related to digital infrastructure, payment systems, and government reforms.

For example, the scholarly work by Guljakhan Makhmudova titled **"Government Reforms and the Digital Economy in the Development of Electronic Commerce"** [4] examines the legal and economic factors necessary for the development of e-commerce in Uzbekistan.

Similarly, the article by Zulaykho Akhmedova titled **"The Importance of Digital Infrastructure and Payment Systems for the Development of Electronic Commerce in Uzbekistan"** [5] sheds light on the technological infrastructure development essential to ensure the growth of e-commerce in Uzbekistan.

The research by Asadulla Eshonqulov titled **"Electronic Commerce and Its Impact on the Economy: The Case of Uzbekistan"** [6] studies the role of e-commerce in economic growth and job creation.

Additionally, digital platforms such as **ikas.com** [7] and **ecommercedb.com** [8] provide the latest data and statistics in the field of e-commerce and serve as important resources for studying international experiences in this sector. These platforms offer insights into the global development of e-commerce, market analyses, and successful case studies, helping to improve the effectiveness of e-commerce strategies in the context of Uzbekistan.

Methodology

The article employs elements of both theoretical and empirical research methods. Specifically, among the theoretical methods used are analysis, classification, generalization, synthesis, and comparison. Among the empirical methods, observation and verification techniques were applied.

Analysis

and

Results

One of the fastest-growing industries in the world is electronic commerce. Online shopping is now more widespread than ever, and the trend shows no signs of slowing down. In 2021, e-commerce sales increased by 32% compared to 2020. This growth trajectory continued, with global e-commerce sales projected to reach \$6.09 trillion in 2024, representing an 8.4% increase over the previous year. Looking ahead, sales are expected to rise to \$6.56 trillion in 2025, reflecting a growth rate of 7.8%. Although the growth rate is expected to slightly slow down, the overall upward trend highlights the steady expansion of online retail worldwide. This trend is expected to continue as more people prefer shopping conveniently on their phones or tablets rather than visiting physical stores.

A large share of sales belongs to countries such as China, the USA, and the United Kingdom (Table 1).

N o.	Cou ntry	Cont inent	E- commerce Revenue (\$ or Share (%))	Total Revenue (\$)	Gro wth Rate	On line Sales Share
1	Chi na	Asia	1,931,6 76.5 million (100.0%)	1,931, 676.5 million	6.2 %	27.8 %
2	US A	Ame rica	1,036,4 81.7 million (100.0%)	1,036, 481.7 million	7.5 %	26.7 %
3	Unit ed Kingdom	Euro pe	157,99 4.2 million (100.0%)	157,99 4.2 million	3.2 %	26.7 %

A number of companies worldwide are considered leaders in the field of electronic commerce.



Figure 1

Amazon.com leads the global e-commerce market, generating revenue of \$152.8 billion worldwide in 2024. It is closely followed by **jd.com** with \$117.8 billion. **Walmart.com** ranks third with approximately \$77.6 billion in revenue. Apple's direct-to-consumer (D2C) sales channel was recorded as the fourth largest online store globally, with a net sales volume of nearly \$49 billion.

Growth Rate of the E-commerce Market in Uzbekistan

The transformation of the e-commerce market in Uzbekistan is gaining momentum. According to data from *Uretail.uz*, by the end of 2022, the number of active internet users in the country reached 9.6 million, with the market size totaling \$1,048.9 million and an average transaction value of \$2.36.

According to forecasts by **Statista**, Uzbekistan's e-commerce market is demonstrating impressive growth rates and is expected to reach a market size of \$1,567 million as early as 2023. The average annual growth rate over the next five years is estimated at 13.93%, resulting in a projected market size of \$2,640 million by 2027. The number of users is expected to reach approximately 15.9 million, with user penetration increasing from 38.0% in 2023 to 42.9% by 2027. The average transaction value per user is estimated to be about \$117.2.

These figures align well with the overall development statistics of the country. For example, Uzbekistan has maintained an average annual economic growth rate of 5.9% since 2012. As one of the most densely populated countries in the region,

Uzbekistan's population has grown by 42% over the past 20 years, while GDP has quadrupled (with a 5.7% GDP growth recorded in 2022 alone).

The new version of the **Law "On Electronic Commerce,"** which came into effect on December 31, 2022, provides clear definitions of electronic commerce, its subjects, and various types of digital products and services. The document strictly regulates the remote nature of buying and selling, as well as the rights and obligations of all participants in the e-commerce market, ensuring transparency and stability in the development of this sector.

Against the backdrop of growing trust and demand for online purchases among the solvent population, online participants are expanding their presence. Competition is increasing, accompanied by an active struggle for customer loyalty, which is becoming increasingly demanding and discerning. This is especially relevant to the speed of product delivery: for example, in the food retail market and the general catering sector, the value of hours and minutes continues to rise.

What are the advantages of e-commerce?

E-commerce has experienced significant growth in recent years. In 2021, global e-commerce sales amounted to approximately \$5 trillion. This figure continues to grow, with e-commerce sales projected to exceed \$6.5 trillion by 2025[9]. This trend indicates increasing consumer interest in online shopping and a shift of retail trade towards the digital market.

E-commerce allows you to reach customers worldwide, especially those who may not be able to find the products or services you offer in their local areas. You can sell your products at any time – day or night – without the need for a physical store. This means that even if your business is not located close to the customer, they can still purchase from you.

E-commerce is one of the easiest ways to start a low-cost business, since online selling does not require expenses like renting a physical store, hiring many employees, or maintaining a large inventory. All you need is internet access and the ability to use payment systems such as Stripe.

Another major advantage of e-commerce is that once it is properly set up, it does not require constant maintenance. This makes it a very convenient solution for people who want to start their own business but do not want to take on excessive obligations.

What are the disadvantages of e-commerce?

E-commerce is not a perfect solution and has some drawbacks, including:

Security issues. Transactions in e-commerce can be risky due to the nature of the internet and how data is transmitted. If you do not take the necessary measures

to protect your customers' information, they may lose trust in you or stop using your website.

Loss of revenue. According to Forbes, one in every four online shoppers will abandon a site if the checkout process takes more than five seconds longer than expected. Therefore, ensure your website runs smoothly and quickly!

Conclusion

E-commerce has become an integral part of modern trade and is rapidly developing worldwide. This system allows reaching a wide audience in a short time without large expenses such as opening a physical store, maintaining warehouses, or hiring staff. Especially after the pandemic, online shopping has become a convenient, fast, and reliable method for users.

However, e-commerce is not a perfect solution — it has drawbacks such as security issues, technical glitches, loss of customer trust, and intense competition. If these risks are not anticipated and properly managed with relevant measures, they can negatively affect business stability.

To address these challenges, it is essential to ensure security by implementing SSL certificates, strong passwords, and two-factor authentication, as well as safeguarding customer data through protected payment systems. Optimizing the website by increasing loading speed, especially for mobile users, and simplifying the payment process with a user-friendly interface is also critical. Strengthening marketing strategies through targeted content creation, active social media presence, SEO, email marketing, and promotions will help build a loyal customer base. Additionally, focusing on service quality by establishing fast and reliable delivery systems, responding promptly to customer feedback, and resolving issues is necessary. Lastly, maintaining competitiveness by regularly analyzing pricing policies and differentiating products or services with unique value propositions (USP) will help businesses stand out in the growing e-commerce market.

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