

# The Korea Times: Innovative horizons of cooperation between Uzbekistan and the Republic of Korea in the context of digitalization of the economy

At the initiative of the President of the Republic of Uzbekistan Shavkat Mirziyoyev approved the "Action Strategy for five priority areas of the Republic of Uzbekistan 2017 — 2021" which provides inter alia for development and liberalization of the economy aimed at further strengthening of macroeconomic stability, maintaining high economic growth rates and increasing competitive advantage of the country.

Today the world is on the threshold of development of economy of new technological generation — digital economy. In the modern world, in the age of globalization and information technology relevance of digitalization of socio-economic relations.

According to the experts, 22 percent of global GDP created by the digital economy. About 27 percent of companies around the world use artificial intelligence in their activities. According to the data, by 2020 the world market of technologies for digital production will be more than 700 billion, and by 2025 will expand by \$3 trillion due to new products and services.

Under these conditions, traditional trade and economic processes are smoothly moving to online platforms. According to the calculations of economists, the volume of sales on online trading platforms in 2017 reached more than \$22 trillion, and by 2020 it is expected to grow to \$27 trillion. For instance, there are more than 800 thousand online stores in Europe. Only Germany has more than 175 thousand of the mend according to this indicator, Germany is the leader among other European countries.

In the U.S. "Amazon" company occupies 37 percent of the American market of electronic commerce and according to the forecasts, within three years this figure will rise to 50 percent.

From this point, it's necessary to note that the Republic of Korea is one of the most developed countries in the world for innovative development and digitalization of society and the state:

By some estimates: the share of the ICT sector in the Republic of Korea's GDP is about 10 percent; the number of online trading transactions shows a rapid growth — an average of 22 percent over the past 15 years; in the ranking of countries on innovation, the Republic of Korea occupies the 1st place for several years; in the index of e-government development occupies the third place, while ranking first in the participation index; in 2017, took 7th place in the pace of development of digitalization, including 2nd in the Asia-Pacific region; increased emphasis is placed on the development of cryptocurrency;

These tendencies are being developed in Uzbekistan. In particular, 5 important documents were adopted only in the last 9 months of 2018 year: "On measures to further improve the sphere of information technologies and communications" (February, 2018), "On Measures for Development of the Digital Economy in the Republic of Uzbekistan" (July, 2018), "On measures to organize the activity of crypto-exchanges in the Republic of Uzbekistan" (September, 2018), "On formation of Fund for Support of Digital Economy Development "Digital Trust" (September, 2018).

At the same time, the Main «Department for the Development of the Digital Economy» was created in The Ministry for Development of Information Technologies and Communications.

These documents laid the legal foundation for the implementation and development of the digital economy, crypto-assets, smart contracts and blockchain.

In order to develop the cryptosystem in Uzbekistan, a license to operate crypto-exchanges is issued exclusively to foreign legal entities through the opening of subsidiaries or other enterprises in the territory of the Republic of Uzbekistan.

From Jan. 1, 2021, it is planned to introduce blockchain technologies in the activities of state bodies, including the implementation of public procurement, provision of public services and verification of personal information, maintenance of state registers and classifiers.

Also work is underway to launch digital banks in Uzbekistan, which will provide banking services remotely without cash services.

Special attention is paid to the development of e-government. Almost all government agencies provide e-services, such as the Single Portal for Interactive Public Services (my.gov.uz) provides more than 300 electronic services, including the portal which gives an opportunity to send an appeal to law enforcement agencies and open a business in 30 minutes, while tax reporting and customs clearance are 100% transferred to electronic form.

The virtual reception of the President of Uzbekistan Shavkat Mirziyoyev, launched in September 2016, is part of the E-government system. Virtual reception of the President, as of September 2018, examined more than 2 million applications;

Measures are being implemented to create the first "smart city" in Uzbekistan. Thanks to cooperation and effective coordination with experts from the Republic of Korea, in 2025 the first "smart city" will be Nurafshon city;

Along with this, in September, the decree Of the President of the Republic of Uzbekistan on "The Strategy for Innovative Development of the Country for 2019-2021." was adopted. The main goal of the Strategy is development of human capital as the main factor determining the level of the country's competitiveness in the world arena and its innovative progress. The document notes that one of the main goals is the entry of Uzbekistan by 2030 into the 50 leading countries of the world according to the Global Innovation Index rating.

In the prism of innovative development and digitalization of the economy, it should be emphasized that the quality of education and research are drivers of digitalization of the state economy. The country's education system should not lag behind the requirements imposed on it by the realities of the digital economy.

In this regard, since 2017, "Mirzo Ulugbek Innovation Center" — the Innovation center to support the development and implementation of information technologies has been operating in Tashkent. Today, more than 200 enterprises are residents of the center.

In this regard, cooperation between Uzbekistan and the Republic of Korea acquires a special character, taking into account the existing effective experience of cooperation between the two countries. In particular, INHA University in Tashkent, as well as the Uzbek-Korean faculty in the areas of "Convergence of ICT" and "E-business" in Tashkent professional College of information technology are a vivid example of educational cooperation between Uzbekistan and the Republic of Korea in the field of ICT.

Cooperation in the field of ICT and digital economy is actively developing between our countries. One of the latest measures was an agreement to create a National e-Commerce platform in Uzbekistan based on Republic of Korea's experience, which is necessary for the introduction of advanced forms of interaction in foreign trade, facilitation of procedures related to foreign trade operations and export promotion.

In general, nowadays digitalization processes are one of the main drivers of the development of life's key spheres. In this context, Republic of Korea's experience on digitalization, which over the past few years shows a positive trend that directly affects the economic growth of the country, is relevant for Uzbekistan. This is due to the fact that the modern economic policy of Uzbekistan considers innovative economy and creative ideas as one of the most important engines of economic growth.

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