

The Role and Place of Electronic Trade Systems in the Digital Economy



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Abstract: *This article reviews the analysis of the activities of electronic trading systems in Uzbekistan. The analysis shows the rapid development of electronic commerce, there is an increase in the number of electronic platforms and systems, which leads to a steady increase in the number of transactions and the volume of turnover. In recent years, Uzbekistan has adopted a number of legislative and regulatory documents and measures aimed at the development of EC, which have brought tangible results and revitalization in the e-commerce market. Nowadays, a number of electronic platforms and systems act as an information intermediary in Uzbekistan. To maintain the National Register of Electronic Commerce Entities in Uzbekistan, a website, which gives entrepreneurs the opportunity to voluntarily and free of charge apply for entry into the register in electronic form was developed and launched. The measures taken in Uzbekistan (legislative and regulatory, infrastructural) allowed electronic commerce to develop rapidly, which formed the basis of a market mechanism in the virtual space.*

Keywords: *digital platforms, digital infrastructure, electronic business, electronic commerce, digital consumers, digital providers.*

I. INTRODUCTION

Today, the digital economy (DE) is developing at an incredible speed due to the ability to collect, use and analyze huge amounts of digital data on all spheres of human life. Digital platforms have become the main business model for such large corporations as “Amazon”, “Alibaba”, “Facebook”, “eBay Inc.”, “Uber”, “Didi Chuxing” or “Airbnb”.

Despite the small historical period of development, the DE is aimed primarily at the use of digital technologies in trade and Internet services such as e-commerce, Internet banking, electronic payments, online advertising, online games, etc. [1, p. 231].

Back in 2001, Thomas Mesenburg structured and ranked the following most important factors as the main statistically evaluated components of DE [2]:

- 1) indicators of support for electronic infrastructure of enterprises;
- 2) indicators of electronic business;
- 3) indicators of electronic commerce;
- 4) indicators of the gain in value of traditional industries through the use of digital technologies;
- 5) indicators of the difference in the value of the traditional and digital economy labor force;
- 6) indicators of accounting for the added value of products and services of the digital economy.

The main difficulties in calculating indicators arise when assessing the extent of the DE, as well as the value created in it and the benefits received. There are several reasons for this, the main of which are the lack of a generally accepted definition of DE and the lack of reliable statistical data [3, p.112]. Given these reasons, the DE estimate varies from 4.5 to 15.5% of world GDP. The number of employees in the ICT sector in the world has grown from 34 million in 2010 to 39 million in 2015, with the largest number of employees (38%) working in the field of computer services. Over the same period, the share of the ICT sector in total employment increased from 1.8 to 2% [3, p. 5]. The largest component of the ICT sector is computer services, which account for 40% of the total created added value in the sector. The United States plays a leading role in the global computer services industry, and India is the largest share among developing countries. Over the past 10 years, the global export of ICT and digital technology services has grown much faster than the total export of services in general. In 2018, the volume of exports of digital technology services amounted to 50% of the global export of services, and reached 2.9 trillion US dollars [4, p.6].

In the Russian Federation, the Higher School of Economics Research University annually publishes the Digital Economy statistical compilation, which presents the main indicators of the development of the DE of the Russian Federation, such as indicators of the population's use of ICT in business, the development of e-government, DE staff, the telecommunications market, and sector activity, the level of infrastructure development, etc. [5].

In general, taking into account the main trends in the development of DE in the countries of the world, it can be noted that states are directing their efforts to developing infrastructure, removing and lowering barriers in the DE sectors, increasing the level of knowledge of digital technologies,

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training and retraining specialists, ensuring confidence in reliability, digital security infrastructure and risk assessment; development of the digital sector of the economy. The current situation in Uzbekistan is characterized by a rather intensive development of the information society and information and communication technologies [6, p.50].

II. PROPOSED METHODOLOGY

The development of information and communication technologies in Uzbekistan is characterized by several stages [7, p.2097]. The rapid development of electronic commerce paved the way of a market mechanism in the virtual space, which led to a steady increase in the number of transactions. All these changes have led to the emergence of a new market system, which brings radical changes to the existing models of economic behavior of market agents. In the digital economy, agents are digital consumers and digital suppliers. In specialized literature, a digital consumer is treated as a person who purchases goods or receives information about goods online. Today in the world there is a constant increase in the number of digital consumers due to the fact that more and more people prefer online technologies for the selection and purchase of goods or services. Digital suppliers are characterized by the fact that they use online technologies for selling goods or services, and the business model they use is aimed at creating virtual enterprises, which are institutions of the virtual space of the economy [8, p. 85]. At the same time, it must be emphasized that most enterprises cannot be completely virtual, and besides them, there are also material elements. The virtual elements can be attributed to the amount of knowledge that exists in the records and machines accumulated by the enterprise and employees, and to the material ones - composite product elements, technologies and mechanisms required to support personnel and networks.

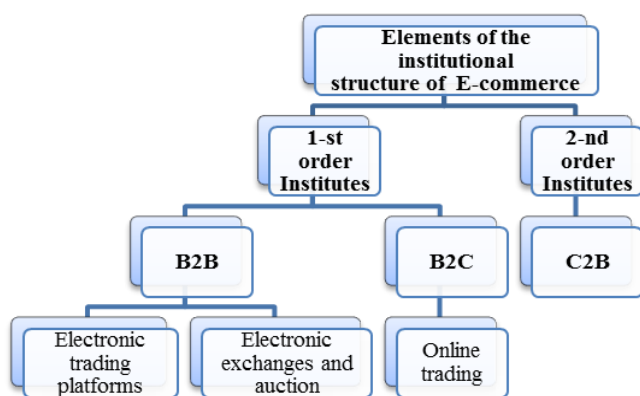


Figure 1: Block Diagram the role and place of electronic trade systems in the E-commerce [9].

Taking into account the trends in the development of electronic commerce, today electronic commerce (EC) has become an integral part of the modern economy. More and more consumers are purchasing goods through the Internet, and commercial organizations, one way or another, use the capabilities of this network in their entrepreneurial activities. A total global sale in the consumer e-commerce segment alone exceeded \$ 1 trillion dollars back in 2012 and is

characterized by further steady growth.

EC has many different interpretations and in general can be described as a system of economic relations carried out using the Internet. EC include electronic information exchange, electronic movement of capital, electronic trading platforms, electronic exchanges and auction, electronic trading, electronic money, electronic marketing, electronic banking, electronic insurance services. The proposed methodology will continue the previously developed practice, but will be aimed at revealing the role and place of electronic trading systems in electronic commerce (Fig. 1).

III. E-COMMERCE LEGISLATION IN UZBEKISTAN

In recent years, Uzbekistan has adopted a number of legislative and regulatory documents and measures aimed at the development of EC, which have brought tangible results and revitalization in the e-commerce market. To maintain the National Register of Electronic Commerce Entities in Uzbekistan, a website (www.e-tijorat.uz), which gives entrepreneurs the opportunity to voluntarily and free of charge apply for entry into the register in electronic form was developed and launched. Nowadays, 32 entities are registered in the registry. In accordance with Article 12 of the Law of the Republic of Uzbekistan "On Electronic Commerce", information intermediaries include a number of legal entities, including those organizing electronic fairs, auctions and competitions.

IV. ANALYSIS OF ELECTRONIC COMMERCE IN UZBEKISTAN

Nowadays, a number of electronic platforms and systems act as an information intermediary in Uzbekistan. They are as follows: a trading platform for business (<http://www.prom.uz/>), a corporate procurement portal (<http://zakupki.prom.uz/>), electronic trading platform Trade Uzbekistan (<http://tradeuzbekistan.com/>), free electronic trading platform for small and medium-sized businesses Universal.uz (<http://universal.uz/>), electronic trading platform for agricultural producers of the republic (www.agrosale.uz), textile electronic trading platform (www.uzbtextile.com), JSC Uzbek Republican Commodity and Raw Materials Exchange and »(<http://uzex.uz/>), JSC" Republic Stock Exchange "Tashkent» (www.uzse.uz) and others.

Agrosale.uz, an electronic trading platform for agricultural producers of the republic, provides agribusiness participants with the opportunity to view offers of potential partners, publish information about their own goods and services, and expand trade and partnership relations. To date, more than 1400 sellers and 100 buyers are registered on this trading platform, more than 3600 various goods and services are offered.

Textile electronic trading platform Textile.uz informs participants about the products manufactured by enterprises in the textile, sewing, knitting and silk industries; about global manufacturers and suppliers of technological equipment,

accessories, accessories and dyes; as well as about service providers.

Enterprises and individual entrepreneurs offer potential customers industrial, construction, wholesale goods, raw materials, equipment and machinery, goods and services for doing business on the trading platform for business Prom.uz. A huge list of various goods and services is offered on the trading floor. Today, almost 20,000 enterprises are registered on the trading floor and about 80,000 goods and services are offered.

Trade Uzbekistan electronic trading platform gives domestic exporter producers the opportunity to interact with foreign trade companies and customers, to carry negotiation and transaction. Various types of goods and services are offered by domestic exporting manufacturers on this electronic trading platform.

Universal.uz free electronic trading platform for small and medium-sized businesses was created in June 2016. At the site for sellers, a stream of orders and a sales channel, which allows enterprises to promote their products through a catalog of goods and services and offers to customers are proposed. The marketplace informs all potential performers by e-mail.

V. ANALYSIS OF ELECTRONIC COMMERCE IN UzRCRME

JSC "Uzbek Republican Commodity and Raw Materials Exchange" (UzRCRME) is one of the largest exchange in the republic, established in 1994. Trading on the exchange is carried out on 4 trading platforms - the exchange electronic trading system, the electronic trading system of exhibition and fair trading, the electronic trading system for the sale of autonomous vehicles and electronic public procurement. Since 2004, the most important types of material and technical resources of domestic producers have been sold on the stock exchange in electronic trading.

Over the past 5 years, transaction volumes at UzRCRME have grown more than 3.5 times, and reached a value of 31.836 trillion soums (Fig. 2).

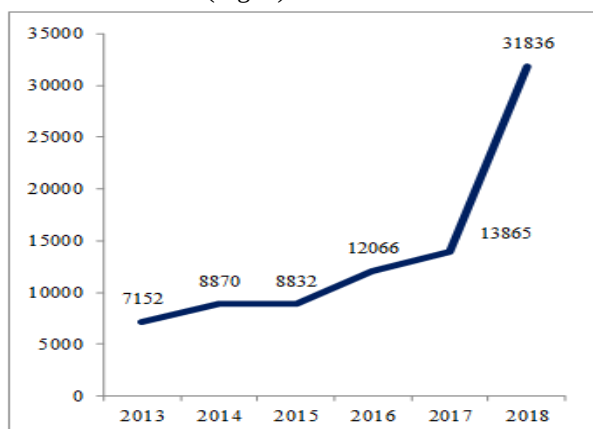


Figure 2: Dynamics of the volume of transactions at UzRCRME for the period of 2013-2018, in billion soums [10].

In 2015, the UzRCRME launched a public procurement trading system (the "electronic catalog" <http://catalog.uzex.uz/>), which simplified the procedure for purchasing essential goods by budget organizations. After the

launch of this trading system, the volume of public procurement transactions increased by almost 4 times (Table 1).

Table -I. Indicators of the volume of transactions on UzRCRME trading platforms for the period of 2013-2018, in billion soums

№	Indicators of transaction volume	2014	2015	2016	2017	2018
1	Volume of transactions in exchange trading	7041,5	6861,7	9448,6	11334,4	28678,6
2	The volume of the auction when issuing SRNP	-	-	-	27,6	121,7
3	State procurements	470,5	497,1	596,1	862,4	1 915,8
4	Electronic auction of budget customers				438,3	718,9
5	Electronic auction of corporate customers	350,4	344,3	444,8	364,7	619,5
6	Electronic store of budget customers				59,5	402,2
7	Corporate customers online store				-	175,2
8	Volume of transactions in the electronic catalog	-	46,7	71,6	59,5	

In 2018, the exchange trading in commodity resources expanded and liberalized on the stock exchange (the access for all business entities, including entrepreneurs to material and technical resources expanded), external relations and inter-exchange cooperation expanded (through open and transparent exchange trading on domestic and foreign markets), opened overseas trading platforms, attractive car license plate have become more accessible through an online auction. In addition, the exchange was designated as the operator of the Special Information Portal on Public Procurement. Significant changes have taken place in the national system of public procurement. For example, procurement procedures were carried in the form of an electronic store, electronic auction, contest and tender. The subjects of public procurement began to be divided into budget and corporate customers. Through a special information portal on public procurement (xarid.uz, JSC "Uzbek Republican Commodity and Raw Materials Exchange"), openness and transparency of public procurement, the efficient use of funds from budgetary organizations and enterprises with a state share, as well as the formation and development of healthy competition in this sphere are provided.

The xarid.uz portal is an online trading platform for electronic government procurement and a single information resource in Uzbekistan. Thanks to the portal, all suppliers of goods, primarily business entities, have free access to online government orders,

which also helps to create a competitive environment and reduce the cost of public procurement. Also, the widespread use of electronic digital signatures in government procurement procedures and guaranteeing transactions through the Clearing House of the Exchange has become the main innovations of the new system.

VI. ANALYSIS OF ELECTRONIC COMMERCE IN RSE“TOSHKENT”

The Republican Stock Exchange (RSE) “Toshkent” was established on April 8, 1994, and today, with the assistance of the Korean Stock Exchange (KSE), the introduction of the Unified Software and Hardware Complex (USHC), which provides stock market operations using the most advanced technologies continues. The introduction of the USHC will expand the areas of interaction between the stock markets of the two countries in all areas of activity; provide access to modern information technologies to create a modernized infrastructure of the stock market in Uzbekistan, which will greatly facilitate the search for potential partners for business representatives through an online IPO and much more.

On September 30, 2019, 105 joint-stock companies (in category “A” 13 joint-stock companies, category “B” 14 joint-stock companies, category “C” 68 joint-stock companies, and category “P” 10 joint-stock companies) were included in the stock quotation list dated by the end of September 2019. In 2018, the volume of exchange transactions at the RSE “Toshkent” amounted to 687.3 billion soums, which is 2.3 times higher than in 2017. In general, over the past 5 years, the dynamics of the volume of exchange turnover has a stable bull trend and has grown more than 7 times (Fig. 3).

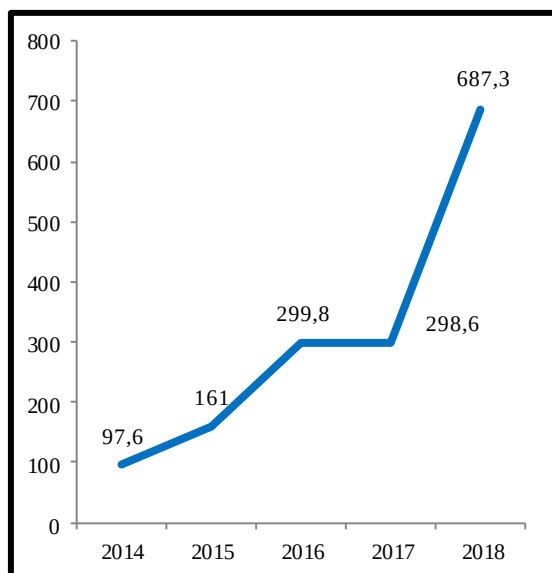


Figure 3: Dynamics of the volume of exchange turnover for 2014-2018 (in billions of soums) [11].

The bulk of the exchange turnover (76%) consists of transactions with securities in the category “A” - 255.2 billion soums. The number of transactions at the RSE “Toshkent” amounted to 13,750 transactions and 10,062,650 thousand securities were sold of 117 joint-stock companies. The USHC operates the Stock Market stock market in sections (main (Main Board) and for non-clearing transactions (NC Board),

negotiation auction mode Nego Board) and the Bond Market bond market (main section (“ Main Board ”) and the section on the implementation of blocks of shares (block trading)).

VII. CONCLUSION

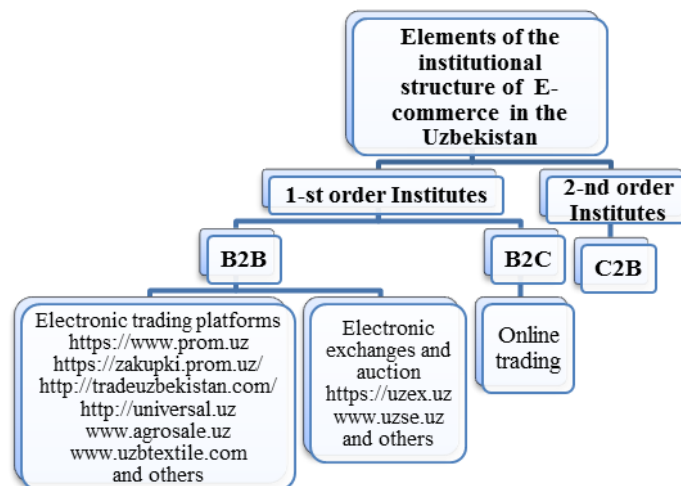


Figure 4: Block Diagram the role and place of electronic trade systems in the digital economy Uzbekistan [12].

The measures taken in Uzbekistan (legislative and regulatory, infrastructural) allowed electronic commerce to develop rapidly, which formed the basis of a market mechanism in the virtual space. Currently, there is an increase in the number of electronic platforms and systems

(Fig. 4), which has led to a steady increase in the number of transactions and the volume of turnover (Fig. 2,3, Table 1).

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Shukhrat Bobokhujaev, Associate Professor, since September 2012 he has been working in the Branch of the Gubkin Russian State University of Oil and Gas (NRU) named after I.M.Gubkin in the city of Tashkent as a Associate Professor of the department "Economy of oil and gas". The author of 213 scientific publications, 2 monographs and 5 teaching aids. He published scientific works, including in publishing houses of such countries as the USA, Germany,

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