
PROSPECTS FOR THE DEVELOPMENT OF DIGITAL BANKING IN UZBEKISTAN

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Abstract

In the article, the author examines in detail the role of banks and money in digital transformation. The legal documents in the Republic of Uzbekistan regarding the transition of the domestic economy to a digital form were studied. The author also assessed the impact of the COVID-19 pandemic on the state of the global economy, including the digital one. The history of the transformation of banking services, the advantages and disadvantages of digital banks were also studied by the author of this article.

Keywords: digitalization, neobanking, digital transformation, banking innovations.

Introduction

There are about 319 digital banks in the world, and 90% of all money used is electronic. The process of digitalization of cash flows and banking services has not passed Uzbekistan either, as it has long become a global vector of development that cannot be ignored and to which it is necessary to quickly adapt both to users and the economy as a whole.

As you know, the modern economy is post-industrial, it is often called a new, innovative economy of knowledge, competencies, networking, and this is not without reason. Today it is no longer possible to lag behind the digitalization taking place in the world. Uzbekistan was not the first to start this process, but it is quickly adapting to modern realities and increasing the pace, including in the field of the digital economy.

Literature review. On April 28, 2020, the President of Uzbekistan signed the Decree “On measures for the widespread introduction of the digital



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economy and e-government". Thus, the share of the digital economy in the GDP of Uzbekistan is planned to be doubled by 2023, and the share of electronic public services to be increased to 60% by 2022 (178 public services are now being provided through the SPSI). The resolution also provides for the development of digital entrepreneurship with an increase in the volume of services in this area by 3 times by 2023 and bringing their exports to \$100 million. It is also worth noting that by 2022 digital knowledge training centers will open in all regions of the country, and all healthcare institutions schools, pre-school education organizations, villages and mahallas should be connected to high-speed Internet in 2020-2021. In addition, by the Decree of the President of October 5, 2020, the Strategy "Digital Uzbekistan-2030" was approved, in which the targets for the development of digitalization are more detailed in the regional context.

Another important document aimed at developing the digital economy in Uzbekistan is the Decree of the President of Uzbekistan "On measures for the widespread introduction of digital technologies in the city of Tashkent" dated March 17, 2020. It defines a comprehensive program "Digital Tashkent", which provides for the introduction of advanced ICT in education, healthcare, transport, catering, retail and wholesale trade in the capital. By the way, this program is closely connected with another project - Safe City, which is planned to be implemented in all regions by 2023.

Results and discussion. Speaking about the development of the digital economy, it must be emphasized that everything is interconnected in this matter. So, without the spread of broadband Internet and mobile Internet coverage, it is difficult to draw conclusions about e-government, digital entrepreneurship, education using modern Internet technologies, as well as about digital banks. It is gratifying that, according to the Ministry for the Development of Technologies and Communications of Uzbekistan, the number of Internet users in the republic has reached 22.1 million people, and the level of mobile coverage of settlements across the country was 97%, mobile Internet - 87%. At the beginning of December 2020, 70% of schools and 78% of healthcare facilities in the country were connected to the Internet. Thus, thanks to the steps taken a few years ago, today Uzbekistan is not among the outsiders in digitalization, but can already afford to gain



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momentum and expand the scope of digital solutions, which will definitely serve the benefit of the entire population of the country. This, for example, can be evidenced by the volume of transactions via E-POS- (electronic terminal) and POS-terminals in 2020, which amounted to 77.4 trillion. sum. (\$7.4 billion), according to Uzcard's annual report.

However, the expansion of electronic communication causes special attention to cybersecurity issues. According to the results of a 2019 survey by international antivirus software developer ESET among IT directors of companies in Uzbekistan, it became known that 55% of companies in the country faced internal cyber threats and 72% - external ones. Thus, spam and malicious software have become the most common cyber threats. Also, 18% of respondents reported that their companies suffered from accidental information leaks, and 10% from deliberate ones. Entrepreneurs in Uzbekistan consider financial information to be the most significant: 75% of companies noted that it needs special protection from cyber threats, 48% highlight information about operating activities, 45% - information about partners and customers, 25% - personal data of employees.

Conclusion

It should be noted that in Uzbekistan, predictably, the most advanced technologies of the digital economy and electronic money will continue to appear and find their development. There are practically all conditions for this, both at the legislative and communication levels. Of course, with the chosen vector of development towards digitalization, the main emphasis should be placed on ensuring cybersecurity, creating capacities for data centers to store "Big Data" (Big Data) and ensure the smooth operation of computing equipment, and there is also a lot of work to be done to improve the education of the population. to use the services of IT-technologies.

For entrepreneurs, it is especially important to integrate digital technologies into their business faster in order to dynamically adapt to modern trading realities. Special attention should be paid to the cybersecurity factor accompanying the development of the digital economy and invest in this area in advance, because in the future of the development of the digital economy and the digital banking sector, the issue of protection against cyber threats will become the most relevant.

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In the very near future, citizens of the country will be able to fully appreciate all the amenities that they will have thanks to the implemented digital technologies in all areas of public life - from education and medicine to entrepreneurship and trade. But with the advent of a new digital reality in our lives, special attention should be paid to improving the education of the population, especially the elderly and citizens not familiar with digital technologies, by holding regular master classes and distributing printed manuals with step-by-step explanations.

One thing can be predicted with certainty - Uzbekistan has every chance to take one of the leading roles in Central Asia in terms of the high integration of digital technologies in the social, political and economic spheres, which will undoubtedly increase the investment attractiveness of the country, as well as facilitate and improve everyday and financial the life of the population.

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