LEVERAGING ARTIFICIAL INTELLIGENCE FOR ADVANCING FOREIGN ECONOMIC ACTIVITY IN UZBEKISTAN: OPPORTUNITIES AND CHALLENGES

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Abstract

This thesis explores the transformative potential of artificial intelligence (AI) in advancing Uzbekistan's foreign economic activity. It examines AI's role in enhancing trade efficiency, expanding export markets, and improving global competitiveness. Drawing on the context of Uzbekistan's "Digital Uzbekistan-2030" strategy, the study identifies opportunities presented by AI technologies, such as increased productivity, cost reduction, and trade facilitation, while addressing challenges, including skill shortages, funding constraints, and ethical concerns. The research provides actionable recommendations for policymakers and stakeholders to harness AI effectively and responsibly.

Keywords: Artificial intelligence, foreign trade, digital transformation, trade efficiency, export competitiveness, Uzbekistan.

The rapid advancements in artificial intelligence (AI) have redefined global economic dynamics, offering unparalleled opportunities for innovation and growth. In Uzbekistan, the adoption of AI is integral to the "Digital Uzbekistan-2030" strategy, which seeks to modernize the economy and enhance the country's position in global trade networks. AI's potential to optimize supply chains, facilitate cross-border trade, and improve service quality positions it as a vital tool for transforming foreign economic activity. However, successfully leveraging AI requires addressing key challenges, such as limited technical expertise, infrastructure gaps, and ethical issues.

Artificial intelligence (AI) has a significant impact on the modern economy, how companies conduct business, make decisions, and interact with customers changing relations. Its ever-increasing distribution and use to increase efficiency, improve service quality and opens up new opportunities to simplify operations. Artificial intelligence the main sectors that have a

significant impact on the economy are finance, healthcare, manufacturing, retail and other sectors.

In Uzbekistan, too, through informatization and the development of the digital economy to take a place among the leading countries with innovative development by 2030 identified as a priority task.

"Digital economy and electronic on the measures of wide implementation of the government" and "State social welfare for the population on the automation of procedures for providing services and assistance decisions on additional measures" and other regulatory legal documents acceleration of digitization in our country and socio-economic spheres aimed at introducing modern technologies [1].

It is known that modern artificial intelligence is designed to perform various actions consists of algorithms and software systems, and is one that the human mind can perform how many tasks it performs based on the information entered into the information base. Also, artificial intelligence deals with complex analysis and big data including programs, making logical and consistent judgments and making recommendations is a "smart" technology capable of Artificial by experts intelligence is considered as the basis of the fourth industrial revolution [2].

As a result of the introduction of artificial intelligence and other advanced technologies, in 2025 more than 430,000 new jobs can be created in two main sectors of Uzbekistan's industry by the end of the year. However, this only requires the implementation of country-supported policies and investment in skills and knowledge.

The modern AI landscape is focused on enhancing emotional intelligence, cognitive capabilities, and the ability of AI to effectively handle diverse situations. Deep learning plays a crucial role by enabling AI to acquire various skills and comprehend the physical world, while advancements in computing power and the proliferation of big data drive continuous improvements in AI algorithms.

1. Role of Artificial Intelligence in Foreign Economic Activity: AI technologies, such as predictive analytics, machine learning, and automation, are revolutionizing global trade by:

Enhancing Trade Efficiency: AI-driven tools streamline customs processes, reduce transaction costs, and optimize supply chains, enabling faster and more reliable trade.

Expanding Market Access: AI helps businesses identify emerging markets and consumer trends, enhancing export potential.

Improving Productivity: Automation and intelligent systems increase efficiency in manufacturing and logistics, reducing operational costs.

In Uzbekistan, these technologies can enhance foreign trade by addressing bottlenecks in logistics, improving trade negotiations, and facilitating cross-border e-commerce.

2. Opportunities for Uzbekistan: AI integration offers numerous benefits for Uzbekistan's foreign economic activity, including:

Boosting Exports: By leveraging AI-powered insights, Uzbekistan can diversify its export portfolio and strengthen its presence in global markets.

Strengthening Competitiveness: Advanced technologies can improve the quality and competitiveness of Uzbek products, fostering greater demand abroad.

Fostering Innovation: Collaboration between academia, government, and industry can drive AI-based innovations tailored to Uzbekistan's unique economic needs.

3. Challenges to AI Adoption: Despite its potential, AI implementation in Uzbekistan faces several challenges:

Skill Shortages: A limited pool of AI professionals hinders the development and deployment of AI technologies.

Inadequate Infrastructure: Insufficient digital infrastructure slows AI adoption and limits its effectiveness.

Ethical Concerns: Issues such as data privacy, security, and algorithmic bias must be addressed to ensure fair and responsible AI use.

4. Policy Recommendations: To harness AI effectively, Uzbekistan should focus on:

1. Investing in AI Education and Training: Developing a skilled workforce capable of advancing AI innovation.

2. Enhancing Infrastructure: Building robust digital ecosystems to support AI technologies.

In summary, Uzbekistan's efforts to harness artificial intelligence highlight the government's commitment to transforming foreign economic activity and driving broader economic and social progress. Through the establishment of policy frameworks, prioritization of AI development, and the launch of initiatives supporting AI research and innovation, the country aims to modernize and enhance its global economic interactions. However, challenges such as a shortage of AI expertise, limited funding, and underdeveloped infrastructure could hinder these efforts. Addressing these barriers is essential for fully realizing AI's potential in reshaping foreign economic activities while minimizing risks.

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