



## **DEVELOPMENT OF DIGITALIZATION IN TRANSPORT LOGISTICS IN THE REPUBLIC OF UZBEKISTAN**

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<b>Received:</b> September 4 <sup>th</sup> 2023 <b>Accepted:</b> October 4 <sup>th</sup> 2023 <b>Published:</b> November 6 <sup>th</sup> 2023	The article discusses the problems of achieving targets in the field of digitalization in transport logistics of the Republic of Uzbekistan. Measures are proposed to increase efficiency and optimize logistics processes. A conclusion is drawn about the importance of the transport and economic balance, the introduction of information tools that allow monitoring and successfully predicting the subsequent development of demand for logistics services in order to implement an effective planning system.
<b>Keywords:</b> Transport sector, transformation, digitalization, blockchain platforms, digital assets, interactive industry, transport strategy, logistics, logistics services, transport	

Today, the development and achievement of New Uzbekistan in the field of efficiency of the transport sector is an integral component of the development of the country's economic infrastructure. The high level of development of the transport system ensures the effective achievement of new economic and social heights and, consequently, the achievement of a multiplier effect, such as: increased access to markets, employment, additional investment.

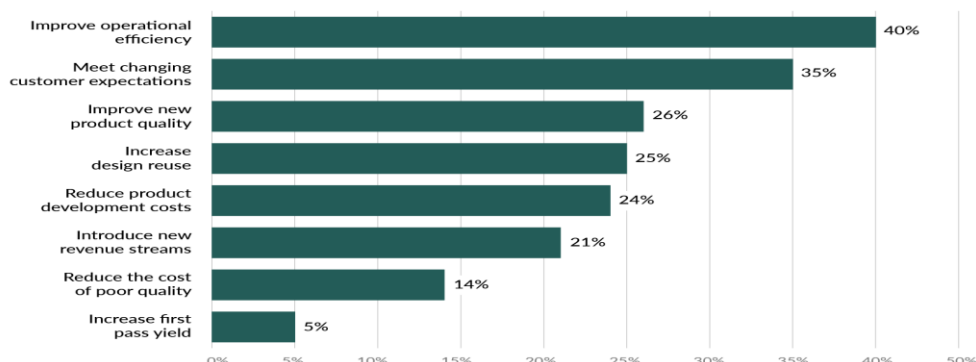
As the President of the Republic of Uzbekistan Sh.M. Mirziyoyev noted, "... the program "New Uzbekistan - a country of competitive products" is bearing fruit. In one year, about 2 thousand entrepreneurs entered foreign markets for the first time. Next year, the practice of compensating exporters for transport and other expenses will continue." In this connection, the connection between the quantity and quality of transport infrastructure and the level of economic development underlies all potential opportunities in the economy. Obviously, insufficiently developed transport logistics leads to economic costs, such as reduced or lost opportunities and a reduced quality of life. At an aggregate level, efficient transport logistics reduces costs in many sectors of the economy, while inefficient transport logistics increases these costs. Moreover, the state of transport logistics does not intentionally contribute to unintended consequences. For example, congestion on transport routes, on the one hand, often results from the provision of free or low-cost transport infrastructure to users. However, on the other hand, traffic jams are also a sign of a growing economy, where the capacity and infrastructure segment is struggling to meet the growing mobility

needs. The field of transport logistics carries an important social and environmental burden that cannot be neglected. The formation of a competitive economic segment of transport services, the achievement of its efficiency and high commercial qualities cannot be achieved without the development of logistics infrastructure and the introduction of high-performance technical means. Academician S.G.Strumilin has repeatedly written about the importance of developing the transport industry, who considers transport logistics one of the pillars of the foundation on which the entire process of economic growth is based. Many scientific works have been devoted to the study of the issues of effective construction and development of transport systems, however, in the field of effective construction of productive transport and logistics processes, in the conditions of global globalization, many unresolved promising issues remain. Today, achieving the effective functioning of transport logistics is one of the strategic directions of the economic policy of Uzbekistan. Current directions for the strategic development of transport in Uzbekistan are based on the prospects for the growth of international trade, needs for transport services, production and consumption of main types of industrial and agricultural products, investments, etc. Global directions are tasks to expand those being carried out.

Research shows that 35% of business leaders say digital transformation is helping them better meet customer expectations and improve operational efficiency (40%), and 38% of executives plan to invest more in technology to make it their competitive advantage.



#### TOP BENEFITS OF ADOPTING A DIGITAL MODEL



**Rice. 1. Top benefits of adopting a digital model**

As recently as 2018, net global spending on digital transformation was approximately \$1 trillion.

By the end of 2023, global spending on digital transformation in the world will reach approximately US\$6.8 trillion. One of the main benefits is faster time to market, with 36% of companies citing this as a key benefit.

The development of the transport sector of the Republic of Uzbekistan, due to geographical and historical factors, plays a special role in the country's economy, since our country is remote from international sea routes by the territories of two or more states. Consequently, solving logistics problems not only reduces the costs of transporting export and import goods, but also increases the competitiveness and investment component of our country.

In recent years, Uzbekistan has been carrying out targeted work to resolve issues of ensuring transport, communication, spatial connectivity of the country's regions and the formation of transport corridors that would provide Uzbek cargo with access to seaports in the south, east and west of the Eurasian continent.

The priority directions of transport policy were investments in transport infrastructure, in the construction of new roads and railways. The implementation of large transport infrastructure projects has largely made it possible to solve the problems of ensuring spatial connectivity of the country's regions and diversifying transport corridors.

Unfortunately, locally, logistics is perceived as a certain set of functions related only to the transportation of large cargo. Meanwhile, business practice in developed countries shows that logistics plays a strategically important role in organizing trade flows. Logistics has many forms and directions, these include industrial logistics, trade logistics, information logistics, transport logistics, management logistics, warehouse logistics and others.

I am glad that important elements of logistics support for trade and cargo transportation are beginning to appear in Uzbekistan. Measures are being taken to establish a mechanism for the effective use of information technology, transport and transport infrastructure



**Rice. 2. Implementation of digital transformation in logistics system of Uzbekistan**

In particular, at the end of last year, in order to increase the volume of foreign trade transactions, create favorable conditions for doing business and attract foreign investment in the construction of new and modern warehouses and logistics centers in Uzbekistan, the introduction of modern information technologies in the field of transport and logistics, the Logistics Association of Uzbekistan under the support of the Ministry of Transport of Uzbekistan, a digital platform has been created - "Warehouses and Logistics Centers of Uzbekistan" on the digital platform [www.skladi.uz](http://www.skladi.uz).

This solves the problems of meeting the ever-increasing demand from national and foreign companies for the services of warehouse and logistics centers in Uzbekistan, reducing costs that affect the final cost of goods and services, as well as informing the business community about the potential and capabilities of warehouses and logistics centers operating in Uzbekistan.

Thus, now investors are provided with information about, on the one hand, the location of existing warehouses and logistics centers throughout the republic, on the other, the specialization of a warehouse or logistics center by product range (agricultural products, food and non-food products, household appliances, pharmaceutical products, etc.). An entrepreneur can now find out online about the availability of free space in indoor and outdoor warehouses, including refrigerated warehouses for agricultural products and perishable goods.

In general, we can note with complete confidence that today Uzbekistan has been able to ensure the formation and development of a national transport system. At the same time, our country faces a new layer of problems in the field of logistics, the solution of which

determines the achievement of strategic objectives in the direction of development of New Uzbekistan.

It is obvious that the growth of the well-being of the population and, in general, economic power requires us to increase the efficiency of the transport sector, its ability to satisfy the growing demand from the economy and the population for relatively low cost, but at the same time, prompt and reliable in terms of time, diversified by geographical areas transport routes.

To solve the above problems, it is necessary to implement a comprehensive transport strategy for the development of the country's transport system. It should be aimed at creating a transport system capable of ensuring efficiency, safety, and environmental friendliness of both domestic and international transit passenger and cargo transportation. And the most important direction of deep reform of the transport industry should be the improvement of the institutional component of the transport sector.

Here, in our opinion, it is important to focus on the modern trend in the development of states such as a turn to the digital economy, reliance on modern achievements of information and communication technologies. We are confident that digitalization and an emphasis on the logistics component should be an important component of the policy to improve the institutional component of reforming the transport sector.

Modern logistics can improve the level and quality of forecasting and planning for the development of the transport industry of New Uzbekistan as part of ensuring optimization of costs for the development of transport infrastructure while meeting the growing demand for freight and passenger transportation.

Transparency, which is achieved by digitalization, introduces mechanisms for connecting programs/projects of urban/rural construction and



transport planning, as specialists in the field receive online access to all construction programs with prospects for the development of regional transport.

Digitalization makes it possible to scientifically calculate and justify the system of state regulation of tariffs, taking into account the further development of market relations, the rate of increase in prices for fuel, electricity and materials, as well as to clearly see the level of profitability of various types of transportation.

Digitalization has a positive effect on solving problems in the fight against abuses in the field of personnel policy, as it increases the transparency and openness of the mechanisms for selecting and placing personnel, working with them, introduces a clear and non-bureaucratic system for assessing the level of performance of specialists and, most importantly, managers in the field transport. Moreover, the employees themselves become clear about the incentive mechanism for employees, which will depend on the work, and not on the opinion of a higher official.

Digitalization puts on a technological footing the formation and work with the personnel reserve base and the mechanism for its use in terms of updating and rotating the staff of employees. There is no doubt that it is important to introduce IT technologies as mechanisms for training and retraining specialists.

All this shows the undoubted advantages of the processes of further digitalization and expansion of logistics in the transport sector. In this regard, against the background of strong political will on the part of the President of the country Shavkat Mirziyoyev, the country's deputy corps is required to further improve its work in the field of legislation.

Within the framework of this article, we present an analysis and generalization of a number of opinions on possible directions of its work:

- an increase in the descriptions of the terms and concepts used in the relevant laws, which complicates their understanding as regulating principles,

- improving the current regulations in the field to regulate such important areas as information security and cybersecurity, so that the digitalization of the transport field does not become a loophole for data leakage,

- implementation of new norms in the information sphere, which is dynamically changing in the context of the technological revolution in the world, for example, the influence of IT technologies on transactions, the development of logistics, the blockchain platform, artificial intelligence, ownership rights to digital assets, the interactive industry, personal data protection.

- requires improvement of issues related to jurisdiction on the Internet, dispute resolution on online logistics operations, as well as licensing, competition, investment, application of sanctions, etc., and in

general, increasing the level of unification and systematization of development legislation digital economy, completely moving away from the practice of framework laws.

In conclusion, we note that we advocate systematic work to harmonize national legislation in the field of development of the digital economy with the international legislation of leading countries, taking into account our specific characteristics and the real state of affairs in the field of ICT.

This would be an opportunity to provide investors with the fundamental regulations and rules under which the digital economy will develop, detailing the relationships in this area, making it transparent and understandable. All this will make legislation in the field of the digital economy as favorable as possible for investors, both foreign and local.

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