



## WHY DO WE NEED A DIGITAL ECONOMY AND WHAT DOES IT PROVIDE?

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### Annotation

Today, the global digital economy is evolving day by day. In particular, the digital economy has penetrated into all sectors. We are making our lives easier with IT and the digital economy. This article discusses what the digital economy is and why we need it.

**Keywords:** Digital economy, IT, internet, e-government, development, communication financial, technology.

When we talk about the digital economy, we do not need to understand only Blockchain technology and their use in international financial markets or crypto currencies. Digital Economy is an economy in which digital communications are carried out using IT.

In his Address to the Oliy Majlis, President Shavkat Mirziyoyev declared 2020 the Year of Science, Enlightenment and the Development of the Digital Economy. This Address can be considered as not only a guide and guide for the current year, but also as a program of fundamental importance, a program that will determine the path of development of Uzbekistan in the medium term.

It is difficult to imagine the development of a society and a country without knowledge and enlightenment. Yusuf Khas Hajib, in his book "Qutadg'u bilig" said, "An ignorant person is a fruitless tree, what a hungry person can do without a fruitless tree?" The emphasis placed by the President on science and education, and thus the development of the digital economy, is an important step towards building a democratic state that is economically, socially, politically strong and fully complies with the laws of a market economy. What is the digital economy?

In recent times, the concept of "digital economy" has been used many times. Indeed, in many developed countries, the digital economy has had a significant impact on their development factors. The digital economy plays an important role in the life of society.

The digital economy is a business activity in which the main factor in production and services is data in the form of numbers, which can be processed by processing large amounts of information and analyzing the results of various types of processing. is to implement more efficient solutions than the previous system in production, services, technologies, devices, storage, delivery of products.

It should be noted that the Decree of the President of the Republic of Uzbekistan "On measures to further improve the field of information technology and communications" dated February 19, 2018 became the basis for the Government to develop and implement important measures to develop the digital economy.



The findings of the World Bank's Digital Dividends show how relevant and important the digital economy is in developing countries' economies. In particular, a 10% increase in Internet speed will lead to GDP growth. In developed countries, the figure is 1.21 percent, while in developing countries it is 1.38 percent. This means that if the speed of the Internet doubles, GDP will increase by 13-14%.

In the context of globalization, external migration, international trade and capital movements, tourism, foreign investment, IT development affect the economic growth rates of countries. As a result of the reforms being carried out in the new Uzbekistan, openness, the development of international economic and political relations have created opportunities for modernization, technical and technological re-equipment of industrial sectors in our country. An example of this is the growth of our country's foreign trade. Many terms, such as "e-government", "e-government", "telecommunications", "Internet", "website" have become an integral part of our lives. IT covers all areas of our daily lives.

In a digital economy, using IT can reduce costs, resulting in optimization and increase efficiency. Modern scientific approaches and innovations in the digital economy will be important and priority. This is a network with a high level of scientific capacity.

In developed countries of the digital economy, the share of GDP per capita is also higher, in both the volume and population of GDP. In this regard, the fact that the head of our state pays great attention to this issue pursues one goal, if it is, first of all, to raise the standard of living of the population, and secondly, to increase the real incomes of the population and to please our people.

Mobile payment systems can be considered as a modern version of the digital economy. We all know that customers' smartphones will be linked to bank accounts. This allows customers to make online purchases and transfer funds freely using mobile devices. In a digital economy, using IT can reduce costs, resulting in optimization and increase efficiency. Priorities of Economic Development of the State Program "Year of Science, Enlightenment and Digital Economy". The development of digital technology has ultimately led to an increase in intangible assets, that is, non-physical assets that do not exist physically. For example, in 1975, the intangible assets of major U.S. corporations accounted for 17 percent, and by 2019, that figure had risen to 85 percent. More precisely, tangible and intangible assets in the balance sheet have changed.

Accelerated formation of the digital economy - by 2023 its share in the country's GDP should double. Complete modernization of digital infrastructure and access to modern IT services in all regions - in 2020-2021, all health facilities, schools and preschools, as well as villages and neighborhoods will be connected to high-speed Internet and the quality of communication services will be improved. Development of e-government system - by 2022 the share of e-government services will reach 60%; development of "digital entrepreneurship" through the production of software products and the creation of technological platforms - by 2023 it is necessary to triple the volume of services in this area and increase their exports to \$ 100 million. By 2022, digital knowledge training centers will be opened in all regions.



### **In the conclusion**

It is well known that today the digital economy also plays an important role in creating added value. Various algorithms, processes and digital information are becoming a key factor in the strategic development of corporate business. Digital non-financial factors determine the competitiveness of banks and affect their efficiency. In agriculture, the office for the development of digital technologies and the office for the development of geographic information technologies are being created. Now the total value of state bodies and organizations is 1 billion. Under one contract for the development, introduction, integration and technical support of Information Systems and software products up to the sum, it has the right to choose only software products and among the residents of the Information Technology Park.

In a digital economy, modern scientific approaches and innovations will be important and priority. This will lead to the development of high-capacity industries. In countries with developed digital economies, both the volume of GDP and the share of GDP per capita are high. In this regard, the President's great attention to this issue has one goal, which is, firstly, to improve the living standards of the population, and secondly, to increase the real income of the population and to please our people.

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