

**THE EVOLUTION OF E-COMMERCE IN THE CONTEXT OF THE STOCK MARKET
OF UZBEKISTAN**

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Abstract: The article is devoted to the study of the evolution of e-commerce in Uzbekistan and its impact on the country's stock market. The paper analyzes the key stages of the development of electronic trade, including the introduction of digital technologies, changes in legislation, and the growth of internet users. The article provides forecasts regarding the future of e-commerce and its role in the further development of Uzbekistan's financial sector, emphasizing the importance of integrating digital technologies for sustainable economic growth.

Keywords: e-commerce, stock market, digitalization, financial technologies (fintech), online trading, investments, liquidity, economic growth, regulation, consumer preferences, digital platforms, infrastructure, financial literacy, technological integration.

With the development of information technologies and electronic systems, an increasing number of stock markets are transitioning to online trading and the use of electronic exchanges. Uzbekistan is no exception in this regard.

One of the key tools for the development of e-commerce on Uzbekistan's stock market has been the implementation of an online trading system. This system allows investors to conduct transactions with securities via the internet, minimizing the need for physical presence at the exchange or visiting a brokerage office.

In the modern world, electronic trading plays a crucial role in the development and efficiency of financial markets. Uzbekistan's stock market is no exception, and it is also actively implementing and developing ICT (Information and Communication Technology) technologies within its trading system. Last year, 411.9 thousand buy and sell transactions worth 2.7 trillion soums were conducted on the stock exchange. This total includes transactions with stocks and bonds on both the primary and secondary markets. IPOs brought the exchange 12,400 agreements worth 104.2 billion soums.

One of the key characteristics of the development of electronic trading on the stock market is the implementation of electronic trading platforms and systems. This enables investors and traders to conduct securities transactions without leaving their office or home. Online trading has become a significant element of the stock market, providing convenience and accessibility for a wide range of participants.

Electronic trading systems reduce operational costs and transaction execution time. Process automation, through the use of IT technologies, increases the efficiency and transparency of exchange operations. This helps reduce risks associated with manual intervention and human errors.

Thanks to the development of electronic trading on Uzbekistan's stock market, investors have more opportunities to place buy and sell orders for securities. Trading information is available in real-time, which allows for well-informed investment decisions. Additionally, the use of IT

technologies enables automatic limit setting and the ability to buy or sell based on predefined conditions.

However, despite all the advantages, the development of electronic trading on Uzbekistan's stock market also faces certain challenges and issues. Low awareness and understanding among investors about the benefits of electronic trading may limit their participation in the market. Furthermore, infrastructure and internet access are not always sufficiently developed across all regions of the country, which makes online trading difficult for some investors. It is essential to enhance security measures and protect investors' personal data, as electronic systems are vulnerable to cyberattacks. It is also important to ensure the effective operation and reliability of electronic platforms to prevent technical failures and errors that could result in significant financial losses.

To overcome these challenges, financial market participants are implementing various educational programs and campaigns aimed at raising investor awareness of the opportunities offered by electronic trading. Additionally, IT infrastructure is being improved, and internet access is being expanded in all regions of the country. For the successful use of online trading systems and electronic exchanges, constant technical maintenance and system improvements are necessary, along with enhanced security measures. Simultaneously, it is crucial to develop and implement appropriate legislative and regulatory mechanisms to protect investors' rights and create conditions for the safe and stable operation of the stock market based on IT technologies.

The emergence of new players has had an impact on the market. Compared to 2022, the number of transactions on the Republican Stock Exchange (RSE) grew fivefold. The stock index UCI rose by 82%. The number of bond transactions increased sevenfold. However, the quotes for some liquid stocks have not been encouraging for investors.

Last year was the most generous for IPOs on the Republican Stock Exchange (RSE) "Tashkent." For the first time, three companies went public: UzAuto Motors, telecommunications giant "Uzbektelecom," and insurance company "Uzbekinvest." However, the total amount of funds raised did not exceed \$10 million, which is quite modest for Uzbekistan's economy.

Despite the challenges and issues, the country is actively working on the development of electronic trading and creating a favorable environment for stock market participants.

To improve and promote electronic trading on the stock market of Uzbekistan, the following measures can be taken:

1. Conduct training seminars and workshops for investors and market participants on the opportunities of electronic trading, the use of trading platforms, market analysis, and investment strategies.
2. Expand the range of available financial instruments, such as stocks, bonds, funds, futures contracts, etc., to attract more investors.
3. Actively work on attracting new companies for listing on the stock exchange to increase trading volumes and make the market more attractive to investors.
4. Further develop technical infrastructure and implement advanced technologies such as blockchain and artificial intelligence to improve the efficiency and reliability of the trading platform.
5. Conduct marketing campaigns to attract new investors and raise awareness of the trading opportunities on Uzbekistan's stock market, including advertising in the media, social networks, and other channels.
6. It is important to continue improving the legal framework to make the market more transparent, predictable, and attractive to investors.

7. Develop partnerships with other stock exchanges and financial institutions abroad to facilitate the exchange of experience and best practices, as well as attract foreign investors to the Uzbek market.

Implementing these measures will help promote electronic trading on Uzbekistan's stock market and make it more appealing to investors and companies.

The introduction of a new mobile application in 2023 is a significant event that could shift the competitive balance in the financial services market. This innovative solution provides an opportunity to attract new clients while enhancing the quality of service for the existing user base. Such a step will not only help maintain a leading position in the market but also surpass competitors by implementing advanced technologies and unique services.

The emergence of the mobile application is a key factor in the market's development for several reasons:

- Mobile devices are becoming increasingly widespread among users worldwide. Therefore, offering investment opportunities through a mobile app will reach a broader audience, including those who prefer using smartphones for accessing financial services.
- The main flow of transactions on the Republican Stock Exchange (RSE) was through the Jett mobile application, which allows users to open a brokerage account online and trade securities. Users completed over 328,000 transactions on secondary market trades worth 15.59 billion sums in 2023. This means that more than 82% of all transactions on the RSE and 4% of the volume were conducted through this mobile application.
- With the development of mobile investment services and ongoing financial market reforms, this trend continued into 2024.

The younger generation often prefers to use mobile devices for all their needs, including investments. Therefore, having a mobile application can help attract new and young investors to the stock market.

In the world of financial services, competition is very high. Offering a mobile app can become a competitive advantage for a company by attracting more clients and increasing the loyalty of existing ones.

It is worth noting that the emergence of an alternative mobile application could bring additional dynamism to the Uzbekistan stock market, stimulate competition and innovation, and expand accessibility and choices for investors and traders. Moreover, the appearance of an alternative mobile application for trading securities and participating in public offerings on the Uzbekistan stock market may have several significant impacts. Competition can drive innovation and technology development in the financial app sector. Competitors will strive to offer new features, improvements in user experience, and innovative solutions to attract and retain users.

With the emergence of alternative applications, companies providing financial services will pay closer attention to customer service, offering better conditions, quality support, and tailored solutions. The option to choose between different apps may enhance the accessibility of stock market trading services for new categories of users, as well as for those who prefer using a specific app or platform. The increase in the number of apps could lead to higher trading volumes on the stock market, as users will have more opportunities.

In 2023, the foundation for the privatization process and the concept of a "people's IPO" was laid. President Shavkat Mirziyoyev held a meeting where issues related to the implementation of state-owned assets were discussed. During the meeting, it was announced that there were plans to sell the government's stake in 40 major enterprises and banks through a "people's IPO" in the coming years. For Uzbekistan's market, the IPOs conducted in 2024 were a significant event, although the volume of funds raised is still relatively small compared to global standards. It is expected that in

2025 there will be more placements and the total volume will increase, as potential candidates are already in place.

Conclusion. The evolution of e-commerce in Uzbekistan demonstrates significant growth, driven by increased internet access, the development of digital technologies, and changes in consumer preferences. This creates new opportunities for businesses and investors.

The development of e-commerce has a positive impact on the Uzbek stock market, contributing to increased liquidity and accessibility of financial instruments to a broader audience. Investors are now able to participate in trading through online platforms, simplifying the investment process.

The future of e-commerce in the context of the Uzbek stock market looks promising. It is expected that further digitalization and the integration of new technologies will encourage more active participation from investors and businesses, which in turn will contribute to the sustainable economic growth of the country.

Overall, e-commerce and the stock market in Uzbekistan are interconnected and can significantly benefit from each other in the context of the digital transformation of the economy.

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