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## Ways to Improve the Digitalization of Companies' Import Operations

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**Abstract:** The development of import operations is a prerequisite for increasing their export potential. In turn, the development of import operations of companies necessitates the introduction of modern innovative technologies into this practice. The article substantiates the possibilities of improving the practice of digitalization of import operations of companies in Uzbekistan.

**Key words:** company, import, digital technology, digitization, logistics, letter of credit, payment obligation.

### Introduction

In the Development Strategy of New Uzbekistan for 2022-2026, approved by the Decree of the President of the Republic of Uzbekistan No. PF-60 of January 28, 2022, by increasing the export potential of the republic, the export volume of the republic will reach 30 billion US dollars in 2026, turning the digital economy into the main "driver" sector of its increasing its size by at least 2.5 times and making the digital economy the main "driver" area and carrying out work aimed at increasing its size by at least 2.5 times are recognized as priorities for ensuring the sustainability of macroeconomic growth rates [1]. This creates the need to increase the export potential of companies by improving the practice of digitization of import operations.

### Review of literature on the subject.

According to the conclusion of I. Strelets and S. Chebanov, the use of electronic trade technologies, including V2V technology, in international trade allows to expand import operations between companies based on digital technologies [2].

The high share of the V2V segment in the total volume of e-commerce indicates the increasing role of digital technologies in reducing the costs associated with the import of goods.

M. The results of the scientific research conducted by Kalujsky showed that the main sales channel in the online trade market are internet stores operating on the basis of V2S trading programs. Universal marketplaces such as Ozon, Wildberries, Yandex and express delivery segments such as Delivery Club, Samokat, Sbermarket are important functional bases of online sales [3].

Currently, both the employees of commercial banks and the employees of companies are well aware of the problems in the process of making import payments through letters of credit. For example, sending goods for an amount less than the amount indicated in the foreign trade contract, sending goods that do not meet the quality indicators specified in the contract [4], writing several invoices for one batch of goods sent [5], not noticing errors in the goods documents by the employees of the reporting bank.

### Methodology

According to a group of economists, special attention is paid to the electronic digital signature used by individuals and legal entities when making electronic payments. This electronic digital

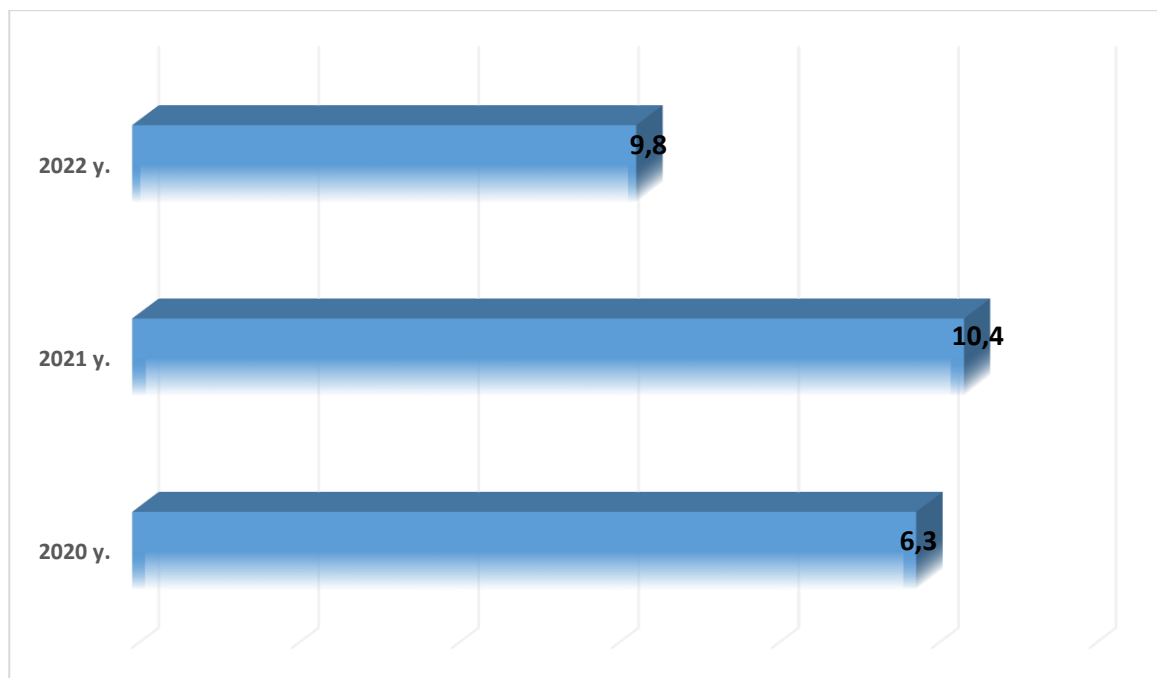
signature gives legal force to the payment document, and it is important to confirm the signature with a seal [6].

According to E. Shakirova's conclusion, the bank's payment obligation (Bank Payment Obligation) is an irrevocable obligation of the recipient bank (Obligor Bank) and guarantees that the payment amount will be transferred to the reporting bank, however, there should be no inconsistencies when comparing the documents [7].

According to a group of economists, one of the important issues of making import payments through electronic letters of credit is to ensure timely electronic exchange of payment information between the exporter and the importer [8].

### Analysis and results

In the practice of international trade, the main part of the payments made on the basis of digital technologies is the payments made for the goods exported through the eBay digital platform. Sh is one of the promising directions of digitalization of the export of companies.



**Figure 1. The volume of import payments made on goods exported through the digital platform of eBay Inc., bln. US dollars**

From the data of Figure 1, it can be seen that the volume of import payments made on goods exported through eBay Inc.'s digital platform showed higher growth rates in 2022 compared to 2020 and in 2021 compared to 2020.

In the "Digital Uzbekistan - 2030" strategy, financial supermarkets aimed at developing cross-border e-commerce and ensuring convenient and timely export of products of local manufacturers, providing a wide range of banking and non-banking financial services (operations with securities, insurance, etc.) in one trading platform creation of a business model, further development of e-commerce and electronic payments system, as well as taking into account the possibilities of receiving and processing payments in the provision of electronic government services, improving the information infrastructure in the economy and finance are recognized as the priority directions of the development of the digital economy [9].

Also, electronic letters of credit and payment obligations of banks are promising forms of digital payments, as they are widely used in international trade to increase electronic sales from online stores, universal marketplaces and express delivery segments operating on the basis of V2S-trade programs.

It is important to note that banks' payment obligations guarantee that the payment amount will be transferred to the reporting bank.

The V2S segment of the market (business-to-consumer, that is, sales of last-demand goods) is also important in global e-commerce.

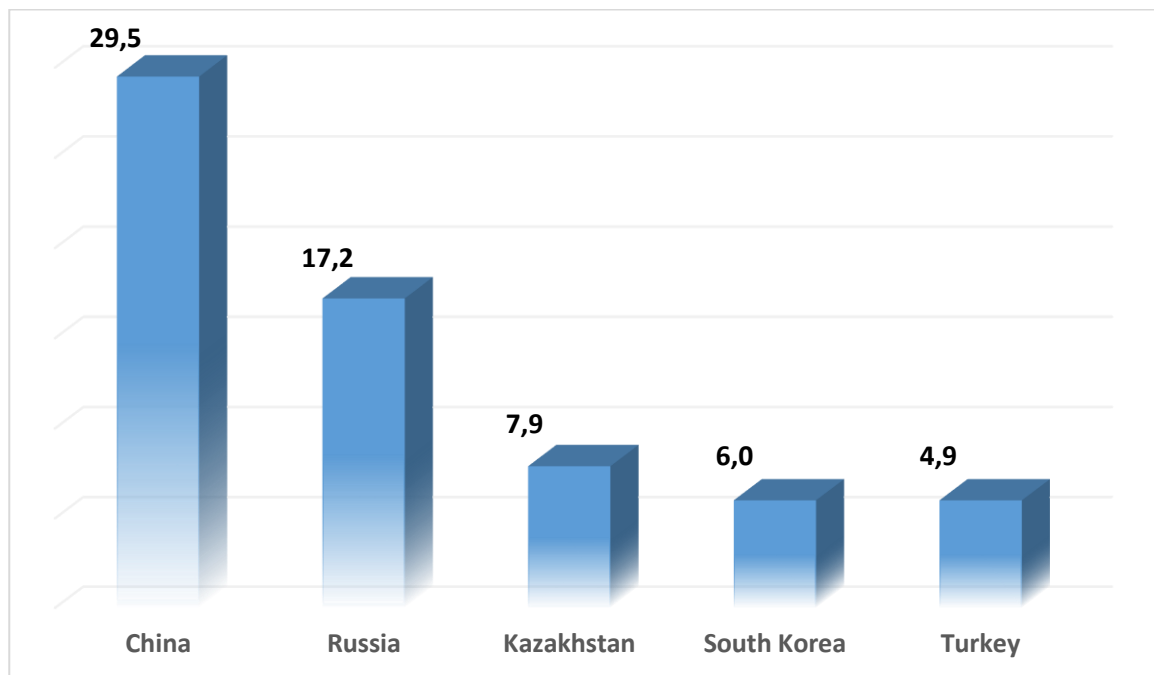
Although the growth rate of transactions in the V2S segment of the e-commerce market is high, the volume of these transactions is significantly lower than the volume of transactions in the V2V segment

**Table 1. Volume and dynamics of export and import in the Republic of Uzbekistan**

Indicators	31.12.2020	31.12.2021	31.12.2022	31.12.2023	Growth rate in 2023 compared to 2022, %
Export, bln. US dollars	15,1	16,6	19,7	24,4	161,6
Import, bln. US dollars	21,2	26,5	30,8	38,1	179,7

From the data of Table 1, it can be seen that the volume of export and import in the Republic of Uzbekistan had an increasing trend in 2020-2023. Moreover, the volume of exports and imports grew at a higher rate in 2023 than in 2020.

In accordance with the decision of the Cabinet of Ministers of the Republic of Uzbekistan dated July 20, 2015 No. 197 "On approval of the list of documents to be submitted to the State Customs Service in the implementation of export-import operations", customs clearance of goods, including in electronic form, is provided by banks (treasuries) providing services. It is carried out if there is information on the payment of customs duties on the payer's personal account number in the Unified Automated Information System of the State Customs Committee of the Republic of Uzbekistan (except for cases where the payment of customs duties is delayed or payment in installments is allowed).



**Figure 2. The share of the main foreign trade partner countries in the total volume of imports to the Republic of Uzbekistan, in per cent as of December 31, 2023**

It can be seen from the data in Figure 2 that the main foreign trade partner countries occupy a relatively high share of the total volume of imports to the Republic of Uzbekistan. By the end of

2023, the share of these countries in the total volume of imports of Uzbekistan was 65.5 per cent. China and Russia have a particularly high share in this.

### **Conclusions and suggestions**

As we progressed in writing our scientific article, we arrived at several key conclusions that highlight the importance of digitizing international trade operations. Firstly, the integration of electronic trade technologies, particularly V2V technology, has the potential to significantly enhance import operations between companies by leveraging digital tools. The adoption of electronic letters of credit offers a solution to various challenges associated with traditional documented letters of credit, such as discrepancies in the value of shipped goods compared to the contract, quality mismatches, and invoicing errors. By utilizing electronic letters of credit, these issues can be mitigated, ensuring smoother and more reliable trade transactions.

Moreover, the concept of a bank's payment obligation, an irrevocable commitment by the recipient bank, plays a crucial role in guaranteeing the transfer of payment to the reporting bank, provided there are no document discrepancies. We observed that the volume of import payments processed through eBay Inc.'s digital platform grew significantly in 2022 compared to 2020, and this trend continued with even higher growth rates in 2021 and 2023.

Our analysis also indicated that the volume of exports and imports in our republic showed a consistent upward trend between 2020 and 2023, with the most substantial growth occurring in 2023. This growth was particularly evident in trade with our main foreign trade partners, who maintain a relatively high share in the total volume of imports into the country's economy.

To further improve the digitization of import operations, we believe the following measures are essential:

1. Companies should ensure timely payments for imported products by actively utilizing electronic letters of credit (such as red line and standby letters of credit) and bank payment obligations. Electronic letters of credit not only reduce costs in the payment process but also enable real-time import payments and limit the potential for document falsification. It is crucial that all parties involved in export-import operations have unrestricted access to a secure online platform for verifying electronically submitted documents. The key aspects of making an import payment with an electronic payment obligation include the importer's confirmation of data reliability to their bank, the seller's bank informing the importer's bank of the goods' verification, and the importer's bank guaranteeing timely payment.
2. To reduce costs associated with product imports, companies should leverage the services of those employing blockchain technology for the exchange of logistic data. This technology should connect all participants in the export-import process, including exporters, importers, banks, and customs authorities, to a unified blockchain network. By using blockchain, both exporters and importers can securely store all transaction information, which remains immutable. Additionally, blockchain technology can significantly reduce the costs related to the transportation and storage of goods.

In conclusion, the digitization of trade operations, through electronic letters of credit and blockchain technology, offers substantial benefits in terms of cost efficiency, security, and reliability, making it imperative for all stakeholders to adopt these advancements for improved international trade processes.

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