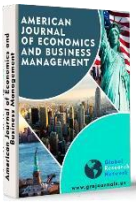

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Article

Current Status and Development Trends of Increasing the Competitiveness of It Provider Services in Uzbekistan

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Abstract: This scientific thesis analyzes the current state and development trends of increasing the competitiveness of IT provider services in Uzbekistan. The formation of the IT services market, growth dynamics, service diversification, and infrastructure development are considered. Cybersecurity, human resources, and technological constraints are also analyzed and proposals are made to overcome them. The results of the study serve to develop the digital economy and increase the export potential of IT services.

Keywords: IT providers, competitiveness, information and communication technologies, digital economy, IT services market, institutional development, cybersecurity, innovation, infrastructure, export potential, IRC index, digital transformation.

1. Introduction

In the current context of globalization and digital transformation, information and communication technologies (ICT) are becoming one of the important drivers of economic growth. In particular, the services provided by IT providers play an important role in increasing efficiency in all sectors of the economy, optimizing management processes, and ensuring innovative development. Therefore, the IT services market is considered not only as a separate sector, but also as a strategic area that determines the competitiveness of the entire national economy.

In Uzbekistan, in recent years, the development of the digital economy has been identified as one of the priorities of state policy. The country is implementing large-scale reforms aimed at modernizing IT infrastructure, expanding high-speed Internet networks, developing the activities of the IT Park, and training young specialists. As a result, the size of the IT services market and the number of providers operating in it have increased sharply, and the quality and types of services are expanding [1].

At the same time, increasing global competition makes the issue of increasing the competitiveness of IT provider services urgent. In particular, such areas as diversification of services, introduction of innovative technologies, ensuring cybersecurity, adaptation to international standards and expansion of export potential are becoming a priority in this area [2]. However, some limitations in the existing infrastructure, human resources and institutional environment hinder the full development of the IT services market.

The main purpose of this scientific article is to conduct a comprehensive analysis of the current state of increasing the competitiveness of IT provider services in Uzbekistan

and identify its development trends [3]. Also, the study aims to identify existing problems and develop scientifically based proposals and recommendations to eliminate them.

2. Literature review

The issue of increasing the competitiveness of IT provider services is one of the leading scientific areas in the field of modern economics and information technology. Research conducted by foreign and domestic scientists in this area is of great importance in forming the theoretical and practical foundations of this field.

In particular, Michael E. Porter, in his work "Competitive Advantage", justifies the importance of innovation, value chain and differentiation strategies in ensuring the competitiveness of enterprises. In his opinion, in order to achieve superiority in the services market, companies need to create a competitive advantage by making their products and services unique and optimizing costs [4]. This approach is also relevant in the activities of IT providers, allowing them to strengthen their market position by increasing the quality of services and technological superiority.

Also, Manuel Castells, in his work "The Rise of the Network Society", deeply analyzes the role of information technologies and networks in economic development in modern society. According to him, in the digital economy, IT services expand through global networks and go beyond national borders, and this process becomes a key factor in increasing the competitiveness of IT providers [5].

The development trends of the information technology services market are also widely covered in the work "The Second Machine Age" by Erik Brynjolfsson and Andrew McAfee. The authors emphasize that digital technologies, artificial intelligence and automation processes will dramatically increase productivity in all sectors of the economy. In their opinion, the IT services market will become a major source of economic advantage in the future [6].

The issues of cybersecurity and the stability of IT infrastructure were analyzed by Bruce Schneier in his work "Click Here to Kill Everybody". According to him, as digital systems expand, cyber risks also increase, and this makes security a priority for IT providers. The author emphasizes that ensuring cybersecurity is not only a technical, but also an institutional and managerial problem [7].

The scientific works of local scientists Gulyamov S.S. studied the issues of developing the digital economy and expanding the IT services market in Uzbekistan. In his opinion, in order to increase the share of IT services in the national economy, it is important to develop infrastructure, attract investments and train qualified personnel [8].

Also, the scientific articles of Abdullayev Yu.A. emphasized the need to develop the export of IT services, support local software production and increase competitiveness by introducing international standards [9]. According to him, by institutionally supporting the activities of IT providers in Uzbekistan, it is possible to take a worthy place in the global market.

The above scientific views show that increasing the competitiveness of IT provider services is a multifactorial process, which is based on the inextricable link between innovation, infrastructure, human resources, institutional environment and security factors. These approaches serve as a theoretical basis for developing the IT services market in Uzbekistan and increasing its international competitiveness.

3. Methodology

This study used a comprehensive approach to assess and analyze the competitiveness of IT provider services. In particular, the development indicators of the IT services market were studied using statistical analysis, comparative analysis and dynamic analysis methods. Also, the methodology for calculating the integrated index (IRC) based on a system of indicators was used to assess institutional competitiveness. In the course of the study, the weight coefficients of the main factors were determined using expert

assessment (AHP method) and their impact on the overall result was assessed. Based on the results obtained, the strengths and weaknesses of the IT providers' activities were identified and scientific conclusions were drawn.

4. Analysis and results

When assessing the current state of development of the IT provider services market in Uzbekistan, first of all, the dynamics of its main macroeconomic indicators were analyzed. The results of the study show that over the past ten years, the IT services market has been growing steadily and at high rates, becoming one of the important segments of the national economy [10]. In particular, between 2014 and 2025, the market size increased by almost 15 times, from 5.12 trillion soums to 79.52 trillion soums. This means that IT services are not only meeting domestic demand, but are also emerging as a new driver of economic growth [11].

The following Table 1. summarizes the main indicators of the development of the IT services market:

Table 1. Dynamics of development of the IT services market in Uzbekistan (2014–2025).

Indicators	2014	2018	2021	2023	2025
Market size (trillion UZS)	5.12	10.51	17.73	39.15	79.52
Growth rate (%)	14.6	20.4	28.3	59.6	41.4
Number of providers (units)	1,811	3,213	5,614	9,124	11,502
Number of customers (million)	10.12	16.54	22.74	26.59	30.88

As can be seen from the table, along with the sharp increase in the number of providers, the customer base has also expanded. However, the fact that the number of providers is growing faster than the number of customers indicates an increased competitive environment in the market. This situation requires improving the quality of services, optimizing pricing policies, and introducing innovative solutions.

The analysis shows that in 2021–2023, the IT services market experienced a sharp growth, as digital transformation processes intensified during this period, and the demand for IT services in the public and private sectors increased significantly. Especially in the post-pandemic period, the need for remote services, cloud technologies, and e-commerce platforms increased, further accelerating the activities of IT providers [12].

At the same time, the IT services market is also changing structurally. If initially Internet services accounted for the main share, now the share of software development, cloud computing, cybersecurity, and IT consulting services is increasing. This indicates that the diversification of services is increasing and the market is becoming more complex [13].

The Table 2. analysis conducted from the point of view of institutional competitiveness revealed significant differences in the activities of IT providers. Based on the calculated integrated performance indicators (IRC), providers were divided into the following segments:

Table 2. Institutional competitiveness of IT providers (average score).

Provider Type	IRC Index	Evaluation Level
Telecommunications and Communication	0.84	High
Infrastructure Services	0.82	High
Software	0.74	Medium
Cybersecurity	0.69	Low
BPO (Outsourcing)	0.66	Low
Consulting and Integration	0.64	Low

These results show that infrastructure and telecommunications providers are highly developed, with a sufficiently developed technological base, financial resources and institutional support. On the contrary, providers of cybersecurity, consulting and outsourcing services have low competitiveness, indicating the presence of systemic problems in these areas.

In particular, the dominance of foreign companies in the cybersecurity segment remains, which indicates that the technological and scientific potential of local providers is not sufficiently developed. At the same time, although local companies are active in the field of software development, their products are more focused on the domestic market, and their export potential remains relatively low [14].

In addition, an analysis of the infrastructure of Internet services also showed important results. The average Internet speed in Uzbekistan is around 35–40 Mbit/s, which is significantly lower than in developed countries. Although the coverage rate is 75–80%, the infrastructure deficit remains in rural areas. This creates a digital divide between regions and negatively affects the sustainable development of the IT services market [15].

Another important aspect is the growth of IT services exports. Although the volume of exports has increased significantly in recent years, its total volume still remains low compared to the share in the global market. This indicates the need to develop export-oriented products, introduce international certification systems and improve marketing strategies.

In general, the conducted analysis shows that although the market for IT provider services in Uzbekistan is developing rapidly, in order to increase its competitiveness, it is necessary to modernize the infrastructure, widely introduce innovative technologies, increase human resources capacity and improve the institutional environment. Targeted state policies, especially aimed at underdeveloped segments, are of great importance in ensuring the sustainable development of this sector.

5. Conclusion

The results of this scientific study showed that the issue of increasing the competitiveness of IT provider services in Uzbekistan is of strategic importance today. Despite the rapid development of the digital economy, the IT services market is expanding, but its competitiveness is still limited by a number of systemic problems. In particular, the uneven development of infrastructure across regions, the lack of qualified personnel, the dependence of some technological solutions on imports, and the insufficient level of cybersecurity were identified as the main obstacles.

The analysis showed that the introduction of innovative approaches in the activities of IT providers, the expansion of services based on cloud technologies and artificial intelligence significantly increase competitiveness. Also, the system of IT Parks and incentives being created by the state is having a positive impact on the development of the sector, but the level of effective use of these opportunities is not yet complete.

Based on the analysis of development trends, increasing the export of IT services, the widespread introduction of international certification systems, and increasing the share of

the private sector were identified as the main areas for the future. At the same time, the need to modernize the digital infrastructure and strengthen the integration between the education system and the IT market was also emphasized. In general, a comprehensive approach is required to increase the competitiveness of IT provider services in Uzbekistan. This approach should be based on the seamless integration of public policy, private sector initiatives, and research activities.

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