

THE ROLE OF THE DIGITAL ECONOMY IN JAPANESE INDUSTRY

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Abstract: *This article is about the role of innovation in Japanese industry and the process of digitalization, based on statistics and facts about how important the direct role of the "Digital Economy" is in the industry.*

Keywords: *ICT (Information and Computer Technologies) industry, domestic and international IT (Information Technologies) market, IT industry, technological giants, web and software, human resources, investments, and foreign trade.*

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Currently, the ICT sector in Japan makes a great contribution to economic development, and the level of digitization of the economy based on the Japanese experience in Uzbekistan is proliferating:

By analyzing the development of the ICT industry in Japan, its domestic structure, and its special place in the world community, it is aimed at increasing the interest of young people in today's leading industries, the IT industry, and acquiring knowledge in this field to develop digital technologies and the economy in Uzbekistan. In the projects, it is promoted that young people should use their experience in this field to make a significant contribution to the development of our country.

The main part

The Information and Communication Technology (ICT) industry in Japan is recognized as the highest in the country. In 2018, this sector was worth 2.2 trillion dollars. The Japanese government aims to increase this number to 3.4 trillion by 2025.

Japan is home to a large information technology (IT) industry. As of 2020, the software industry alone has sales of almost 16.7 trillion Japanese yen. During the same year, the data processing and information services industry generated a sales value of about eight trillion yen. Despite these figures and the country's reputation as one of the most technologically advanced countries in the world, both the public sector and parts of the economy have been considered relatively slow in adopting digital technologies. Among other things, Japan lacks a cybersecurity strategy, leaving its infrastructure, businesses, and citizens vulnerable to cybercrime. However, several developments in the public and private sectors can be observed in recent years, indicating that Japan is increasingly adapting to the challenges posed by digital transformation.

The industry is expected to grow significantly in the coming years as the government continuously develops innovative ideas and efforts to make a significant impact and contribution globally. The state and the private sector are realizing the importance of the latest, innovative ICT solutions for economic development and are taking steps on this path. So, this sector has huge business potential.

Why is there a need to work with Japanese IT companies? Based on Japanese government data, there are various opportunities in the ICT sector. First, the country ranks as the 3rd largest market in Asia with average revenue per user. This means that Japanese domestic IT companies have adopted a mixed business model and adapted it to the demands of the domestic and international IT market. In short, Japanese IT companies maintain long-standing business traditions and approach international and domestic customers differently, but at the same time offer high-quality services and digital products to foreign markets under Western business-style rules.

What to look out for when working with Japanese IT companies: As technology giants establish business relationships in Japan, local IT companies end the era of a "closed market" and face the need to change and adapt their approach to international requirements. This has created both benefits and challenges for Japanese IT companies, and web and software providers.

The biggest challenge is still human resources for IT companies, as legislation does not allow outsourcing of specialists from other countries and relies only on local talent. Given the demographics and ever-aging population, fewer young professionals are being recruited into the IT industry, which automatically means more flexibility and opportunities to adopt new technologies and apply them to the local digital business environment.

How reliable are Japanese IT companies?! Japan has gained a reputation for its highly skilled professionals and is a reliable country. especially after World War II, the US invested in and developed the Japanese business environment under its umbrella. Japanese IT companies and web and software agencies take full advantage of this position by promoting their services and digital products in the international market.

How does Japan's IT industry relate to neighboring countries? Japan probably has the most developed IT industry in the region and has a high potential to provide the entire spectrum of ICT services at the highest quality. Nevertheless, South Korea and China are approaching the 2nd and 3rd places respectively in terms of IT industry and infrastructure development.

On October 25 of this year, the 16th meeting of the Uzbekistan-Japan and Japan-Uzbekistan committees on economic cooperation, which is an effective mechanism for developing partnership relations with leading Japanese companies, was held.

The meeting was attended by the Minister of Investments and Foreign Trade of Uzbekistan Jamshid Khojayev, representatives of the main ministries and agencies, as well as the Deputy Minister of Economy, Trade and Industry of Japan Hirohoksid Hirai, the Chairman and Senior Executive Director of Japan's Foreign Trade. Development Organization (JETRO) Nobuhiko Sasaki, representatives of several leading Japanese companies and organizations participated. The participants of the meeting agreed to intensify

joint work on the development and implementation of promising projects in pharmaceutical, mining, mechanical engineering, chemical and textile industries, agriculture, and other fields. The direction of cooperation in the field of IT and innovation was considered separately, taking into account the transfer of the best cyber, bio-, and nano-technologies of Japan. He expressed his intention to support Japan's plans to increase the level of digitization in Uzbekistan to 70% and ensure a tenfold increase in the export of software products by the end of 2026.

A business forum was also held as part of the event, where participants had the opportunity to hold B2B and B2G meetings and discuss practical aspects of cooperation.

According to the results of the meeting, the Final Protocol and several bilateral documents reflecting the main agreements reached during the event were signed.

Summary

Based on this, it is worth noting that radical changes in these areas will be observed in Uzbekistan in the future. The establishment of IT parks, the organization of DATA training courses, and the fact that many young people study, learn, and get an education in many regions of our republic are clear proof of this.

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