

LOGISTICS AND DIGITAL PAYMENTS IN UZBEKISTAN'S E-TRADE**Erkin Shavqiyev** Professor, Samarkand Institute of Economics and ServiceEmail: erkinshavqiyev175@gmail.com**Ulugmurodov Farkhod** Senior Lecturer, Department of Digital Economy,
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Abstract. This article examines the role of logistics infrastructure and digital payment systems in the development of e-trade in Uzbekistan. The study analyzes how delivery networks, fulfilment services, cashless payments, platform regulation and regional digital access influence the expansion of online commerce. The research uses comparative analysis, statistical interpretation, document analysis and a system approach. The findings show that Uzbekistan has achieved visible progress in internet access and online sales, but the long-term competitiveness of e-trade depends on reliable logistics, secure payment mechanisms, regional fulfilment infrastructure and stronger coordination between platforms, financial institutions and delivery operators. The article argues that logistics and payments are not auxiliary elements of e-trade, but strategic mechanisms that determine consumer experience, market formalization and regional inclusion.

Keywords: e-trade, e-commerce, Uzbekistan, digital payments, logistics, fulfilment, online trade, platform economy, regional market, digital economy.

Introduction

E-trade is becoming one of the most important directions of Uzbekistan's digital economic transformation. In recent years, the expansion of internet access, mobile technologies, online marketplaces and digital financial services has created a favorable environment for the growth of online trade. However, the sustainable development of e-trade cannot be explained only by the number of internet users or platforms. The real efficiency of digital trade depends on whether goods can be delivered quickly, payments can be made safely and customers in different regions can participate in online markets under equal conditions.

In Uzbekistan, the digital consumer base has expanded significantly. According to the National Statistics Committee, the share of the population using the internet increased from 76.6 percent in 2021 to 94.2 percent in January-August 2025. Yet high internet penetration alone does not automatically guarantee mature e-trade. Consumers may have access to digital platforms, but they will not actively use them if delivery is slow, payment systems are inconvenient, refund procedures are unclear or regional service quality is uneven.¹

The relevance of this research is also connected with the rapid growth of online sales. In 2025, online sales in Uzbekistan reached 22.7 trillion soums, while the number of e-commerce platforms increased from 36 to 115. These figures show that e-trade is moving from an early formation stage toward a more competitive market structure. At the same time, the sector's share in total retail trade remains relatively limited, which means that the next stage of development requires qualitative improvements rather than only quantitative expansion.²

¹National Statistics Committee of the Republic of Uzbekistan, "94.2% of Uzbekistan's population uses the Internet," 29 September 2025.

²UzDaily, "Online Sales in Uzbekistan Reach 22.7 Trillion Soums in 2025," 21 February 2026, citing the National Agency for Perspective Projects.

The research problem of this article is that e-trade in Uzbekistan is growing quantitatively, but its qualitative development is constrained by logistics, payment security, regional infrastructure and platform coordination. Therefore, the purpose of the article is to analyze logistics and digital payments as core economic mechanisms of e-trade development in Uzbekistan.

Literature Review

Academic literature on e-trade increasingly emphasizes that digital trade is not simply the transfer of traditional retail into an online format. It is a complex ecosystem that integrates digital platforms, electronic payments, logistics infrastructure, consumer data, seller reputation, regulation and post-sale services. In this ecosystem, logistics and payment systems perform a strategic function because they connect the virtual transaction with real economic exchange.

The platform economy approach considers online marketplaces as coordinators of multi-sided markets. Platforms connect buyers, sellers, payment providers, logistics operators and service partners. However, the effectiveness of platforms depends on the quality of the supporting infrastructure. If a platform has many sellers but poor delivery services, consumer satisfaction declines. If digital payments are insecure or refund mechanisms are weak, transaction risk increases. Therefore, logistics and payments are not secondary services; they determine the reliability of the entire platform model.

The literature on logistics in e-trade highlights the importance of fulfilment centers, last-mile delivery, inventory management, order tracking and reverse logistics. Unlike traditional trade, where the consumer physically visits the store, e-trade transfers the responsibility for delivery to the platform ecosystem. This creates a new economic requirement: the seller must not only offer a product but also ensure that the product reaches the consumer accurately, quickly and safely.

Digital payment studies focus on transaction security, speed, transparency and convenience. Cashless payments can reduce transaction costs, improve tax transparency and formalize trade. However, digital payment expansion also requires consumer confidence, fraud prevention, data protection and reliable refund procedures. In developing markets, consumers may continue to prefer cash-on-delivery if they do not trust online payment systems or if dispute resolution is weak.

In Uzbekistan, e-trade has been strengthened by legal regulation. The Law of the Republic of Uzbekistan "On Electronic Commerce" No. LRU-792, adopted on 29 September 2022, defines the legal framework for relations in the field of electronic commerce. In addition, the Cabinet of Ministers Resolution No. 885 of 26 December 2024 introduced further measures for the development of the e-commerce sector and requirements for operators in the market.³

The literature and policy review show that Uzbekistan's e-trade development should be analyzed not only through consumer demand but also through the operational capacity of the ecosystem. The main research gap is that logistics and digital payments are often treated as technical issues, while they should be evaluated as economic mechanisms that influence market growth, regional inclusion, business formalization and competitiveness.

Methodology

The study applies a qualitative and analytical research methodology. Comparative analysis is used to compare the role of logistics and payment systems in e-trade development with general international approaches. Statistical analysis is used to interpret selected indicators such as internet penetration, online sales volume, number of platforms and the share of e-trade in retail trade.

Document analysis is applied to legal acts, policy materials, official statistical information and analytical reports related to digital trade in Uzbekistan. The system approach is used because

³Law of the Republic of Uzbekistan No. LRU-792 "On Electronic Commerce," adopted on 29 September 2022; Cabinet of Ministers Resolution No. 885, "On measures for the further development of the sphere of electronic commerce in the Republic of Uzbekistan," 26 December 2024.

logistics, payments, platforms, consumers and regulation are interdependent elements of one e-trade ecosystem. Logical analysis helps identify how weaknesses in logistics or payment systems may reduce consumer confidence and limit the expansion of online trade.

Discussion and Results

Uzbekistan's e-trade sector has entered a period of strong market expansion. The growth of online platforms and sales volume indicates that digital trade is becoming a real component of the national retail system. However, the next stage of development will depend less on the simple availability of platforms and more on the quality of transactions. In practical terms, this means that consumers should be able to order goods easily, pay securely, track delivery, return products if necessary and receive service at a predictable standard.

Table 1

Selected indicators of e-trade development in Uzbekistan

Indicator	Period	Value	Economic interpretation
Population using the internet	2021	76.6%	Shows the early expansion of the digital consumer base.
Population using the internet	2024	93.3%	Indicates broad digital access for online services.
Population using the internet	Jan-Aug 2025	94.2%	Confirms strong technological conditions for e-trade growth.
Number of e-commerce platforms	2024	36 platforms	Reflects the initial stage of formal platform expansion.
Number of e-commerce platforms	2025	115 platforms	Shows rapid platform growth and stronger market competition.
Online sales volume	2025	22.7 trillion soums	Demonstrates increasing consumer and business activity in online trade.
Share of e-commerce in retail trade	Recent estimate	4-4.6%	Indicates that the market has significant unused growth potential.

Source: Compiled by the author based on official and analytical information on Uzbekistan's e-trade development.⁴

The table demonstrates a clear contradiction in Uzbekistan's e-trade development. On the one hand, internet access and platform numbers have expanded quickly. On the other hand, the share of e-trade in total retail trade remains comparatively modest. This means that the main limitation is not only digital access, but also the operational quality of the online trade ecosystem. In particular, logistics reliability and digital payment confidence are decisive for converting internet users into active online buyers.

Logistics is one of the most important conditions for e-trade competitiveness. In a traditional retail system, the consumer personally solves the problem of product access by visiting a store. In e-trade, the platform and its logistics partners must solve this problem. This changes the structure

⁴The table combines data from the National Statistics Committee on internet use, UzDaily on online sales and e-commerce platforms, and UzA on the share of e-commerce in retail trade.

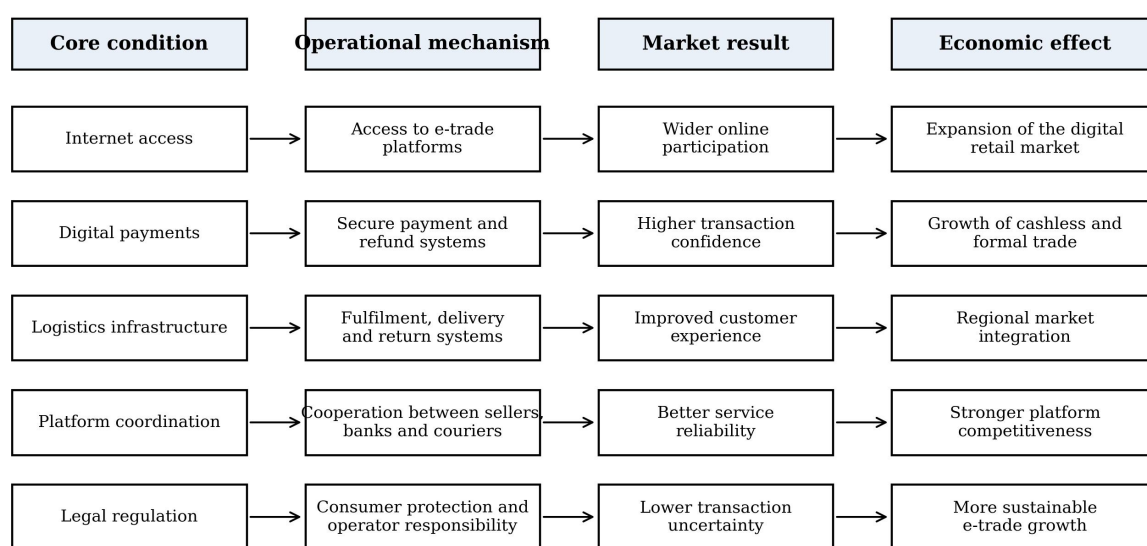
of retail costs. Warehousing, packaging, delivery routes, courier coordination, return logistics and tracking systems become essential parts of trade efficiency.

For Uzbekistan, logistics has a strong regional dimension. If delivery services are concentrated mainly in Tashkent and large urban centers, e-trade will deepen the gap between central and peripheral markets. The economic potential of online trade will be fully realized only when consumers in regions can receive goods with reasonable speed, transparent cost and reliable return options. Therefore, fulfilment centers and regional delivery hubs are not simply technical infrastructure; they are instruments of market inclusion.

Digital payments are the second strategic mechanism. Secure and convenient payments increase transaction speed, reduce cash dependence and improve transparency. However, payment systems must be supported by clear refund rules and consumer protection. If a customer pays online but cannot easily recover money in case of non-delivery or defective goods, trust in the entire digital trade system declines. This is why payment security and refund reliability must develop together.

The importance of digital payments is also connected with trade formalization. Cashless payments create digital traces of transactions, which can improve tax transparency and reduce informal trade. From the state's perspective, this is one of the economic advantages of e-trade. From the business perspective, formal digital payments can support accounting, credit history, platform analytics and access to financial services.

Figure 1. Integrated Model of Logistics and Digital Payments in Uzbekistan's E-Trade



Source: Developed by the author.

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Figure 1 shows that logistics and digital payments should be understood as connected parts of one e-trade mechanism. Payment security increases consumer readiness to buy online, while logistics reliability determines whether the purchase experience is successful. If payments are secure but delivery is unreliable, consumer satisfaction declines. If delivery is fast but refunds are

complicated, the level of transaction trust remains limited. Therefore, Uzbekistan's e-trade policy should develop these systems together.

The development of bonded warehouses may become an important step for cross-border e-trade. In 2026, new policy proposals highlighted the need to expand bonded warehouses and increase the role of e-commerce in retail trade. Such warehouses can simplify the import, storage and sale of goods under customs control, helping platforms reduce delivery time and improve inventory management. This is especially important for international marketplace integration.⁵

At the same time, bonded warehouses alone cannot solve all logistics problems. Domestic delivery infrastructure, return points, courier standards and regional fulfilment networks must also be improved. In e-trade, reverse logistics is as important as forward delivery. Consumers are more willing to buy online if they know that goods can be returned easily. Therefore, return logistics should be treated as a trust-building mechanism.

Figure 2. Key Operational Drivers of E-Trade Expansion in Uzbekistan

Driver	Main elements	Development priority
Logistics driver	Fulfilment centers, last-mile delivery, return systems	Expand regional delivery infrastructure
Payment driver	Digital payments, refunds, escrow mechanisms	Strengthen secure and consumer-protective payments
Platform driver	Marketplace governance, seller verification, service standards	Improve platform accountability
Regulatory driver	E-commerce law, operator responsibility, consumer rights	Ensure predictable and balanced regulation
Regional driver	Internet access, local delivery hubs, SME participation	Reduce territorial inequality in digital trade
Cross-border driver	Bonded warehouses, customs simplification, international payments	Increase export and import efficiency through platforms

Source: Developed by the author.

Figure 2. Key Operational Drivers of E-Trade Expansion in Uzbekistan

Figure 2 classifies the main operational drivers of e-trade expansion in Uzbekistan. Among these drivers, logistics and payment systems are especially important because they directly influence customer experience. Regulatory and platform drivers create the institutional environment, while regional and cross-border drivers determine whether e-trade can move beyond large urban markets and become a national-scale economic mechanism.

The analysis also shows that small and medium-sized enterprises can benefit significantly from improved logistics and digital payments. E-trade allows SMEs to reach customers without maintaining expensive physical stores. However, small businesses often face difficulties related to packaging, delivery contracts, payment integration and returns. If platforms provide integrated fulfilment and payment services, SMEs can participate more effectively in online trade.

⁵Uzbekistan's 2026 policy discussions on e-commerce emphasized increasing the sector's role in retail trade and developing bonded warehouses to support cross-border e-commerce.

Another important issue is consumer behavior. Even when payment and delivery systems exist, consumers may remain cautious if they have had negative experiences or if they do not understand refund and return procedures. Therefore, e-trade development requires not only infrastructure investment, but also digital literacy. Consumers should understand how to choose verified sellers, use secure payments, track orders and protect personal data.

From a macroeconomic perspective, e-trade can support formalization, competition and regional market integration. Formal digital transactions increase transparency. Platform competition can improve prices and service quality. Regional logistics development can expand access to goods for consumers outside major cities. For this reason, e-trade should be viewed as part of broader economic modernization rather than only as a retail innovation.

However, several risks remain. Rapid platform growth may increase the number of low-quality sellers if verification mechanisms are weak. Digital payments may expose consumers to fraud if cybersecurity is insufficient. Logistics expansion may remain uneven if private operators focus only on profitable urban routes. These risks show that the state, platforms, banks and logistics companies must coordinate their actions more effectively.

Conclusion and Proposals

The article shows that logistics infrastructure and digital payment systems are central to the development of e-trade in Uzbekistan. The country has already achieved important progress in internet access, platform expansion and online sales growth. Nevertheless, the next stage of e-trade development requires higher transaction quality, stronger consumer confidence and better regional service coverage.

The main scientific conclusion is that logistics and digital payments should be treated as strategic economic mechanisms rather than auxiliary technical services. Logistics connects online demand with physical delivery, while digital payments ensure transaction speed, transparency and formalization. Together, they determine whether e-trade can become a stable and competitive part of Uzbekistan's retail economy.

The following proposals are important for the further development of e-trade in Uzbekistan: regional fulfilment centers should be expanded; secure digital payment mechanisms and transparent refund systems should be developed more actively; platform operators should strengthen seller verification and delivery standards; reverse logistics should be improved through convenient return points; bonded warehouses and customs simplification should support cross-border e-trade; SMEs should receive practical support in packaging, logistics integration and platform-based sales; and e-trade statistics should be improved by publishing more detailed data on regions, product categories, payments, delivery performance and consumer behavior.

If these measures are implemented consistently, e-trade can become an important driver of Uzbekistan's digital economy. It can increase market transparency, support SME competitiveness, expand regional access to goods and services, strengthen cashless payments and improve the country's long-term digital competitiveness.

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