

Competitive Analysis of Uzbekistan's Winemaking Market: Economic and Strategic Insights

Azadova Bonuposhsha Alisher Qizi

Technological, Management and Communication Institute, Faculty of Economics, Law and Management,
Uzbekistan

***Correspondence:** Azadova
Bonuposhsha Alisher Qizi
bonuazadova599@gmail.com

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Abstract

This study examines the competitive landscape of Uzbekistan's winemaking industry, focusing on the economic performance and strategic positioning of local enterprises. Although Uzbekistan benefits from a climate conducive to grape production, research on how domestic winemakers compete amid global trade dynamics is sparse. The research employs economic analysis, comparative methods, and statistical data from 2016 to 2022 to evaluate major industry players. Results show a substantial increase in wine production and exports, accompanied by intense competition among local enterprises. These findings underscore the need for improved marketing strategies and policy reforms to enhance international competitiveness. The research provides valuable insights for policymakers and industry stakeholders seeking to strengthen Uzbekistan's global position in winemaking.

Keywords

Agriculture, Wine, Import analysis, Natural wine, Dynamics, Syrevaya base, Valovoy sbor, Igristoe vino, Competition

Introduction

Uzbekistan is a country with a suitable climate for growing the world's best grape varieties and producing high-quality wines that are in high demand in foreign markets. Climatic conditions make it possible to grow different varieties of fruit and grapes in different periods, and to produce dry fruits and raisins rich in juice from them. In particular, it is possible to grow khoraki (kitchen) grape varieties that can be stored until spring, as well as wine grapes for wine production. [1]

In the territories of the republic, farmers and agricultural enterprises planted new vineyards on an area of 22.6 thousand hectares, and reconstructed vineyards on an area of 4.3 thousand hectares;

a total of 928,000 tons of grape products were grown;

destruction of 18,300 hectares of gardens and 5,200 hectares of vineyards, which are useless and economically unproductive in the regions, was ensured;

157 artesian wells were installed in areas with heavy water supply in the territories of the republic, and drip irrigation technology was introduced in new vineyards on an area of 6.1 thousand hectares.[2]

Each component of increasing the competitiveness of viticulture and winemaking is a specific set of management, economic, marketing, legal tools, norms and methods. Competition in the world wine market is high, as shown above, but the volume of imported products in the Uzbek market shows a decreasing trend, except for cognac, their share in the total volume of wine production is relatively small. Analysis of literature on the topic. According to the decision of the President of the Republic of Uzbekistan dated August 3, 2023 "On measures aimed at the further development of the field of viticulture and winemaking in 2023-2026" No. specific tasks for increasing the volume of export of grapes and winemaking products have been defined.[3] In order to increase competition in the winemaking market, many entrepreneurs are defining various projects, goals and tasks.

The wine industry is one of the most developed and developing industries in the world. There is a high level of competition between grape wine enterprises. Many scientists have written a number of articles on this topic. Del Valle Fernández Moreno, a researcher at the University of Castilla-La Mancha, in his article "Competitiveness Factors in the Wine Industry: An Analysis of Innovation Strategy", "the article examines the impact of the results of the four dimensions of technological innovation strategy on a sample of Spanish wineries located in the Castilla-La

Mancha region of Spain. 'studies, all of them are registered under the designation of origin (DO) of La Mancha"[4] ... quoted in the article. In addition, a number of articles have been published and studied, such as "Analysis of the international competitive positioning of quality wine from Spain" [5] written by Juan Sebastián Castillo and M^a Carmen García. Among local scientists, N. Sharopova's "Problems and Solutions of Marketing Research in Entrepreneurship and International Business"[6], "Analysis of the Competitive Environment"[7] by O. Barnoyev, and other scientists about the analysis of the competitive environment and the methods of conducting research to carry out these analyzes provided detailed information.

Materials and Methods

The methodology for this study employs a mixed-method approach, incorporating both qualitative and quantitative techniques to analyze the competitive dynamics of Uzbekistan's winemaking market. Data collection involved reviewing secondary sources such as government reports, industry statistics, and academic literature relevant to viticulture and wine production. This was complemented by gathering market data from 2016 to 2022, focusing on production volumes, import and export figures, and key economic indicators related to the wine industry. A comparative analysis was conducted to assess the performance of different enterprises operating within the Uzbek wine sector, using economic indicators such as growth rates, production efficiency, and market share.

Additionally, the study integrates a statistical evaluation of the trends in grape production and wine exports over recent years. These quantitative insights are supplemented by qualitative observations on the competitive strategies employed by major winemaking enterprises. To analyze the market competition, logical thinking, grouping of information, and synthesis techniques were applied to identify patterns and trends. Inductive and deductive reasoning methods were used to draw conclusions from the analyzed data.

Furthermore, the research utilizes a combination of benchmarking and case study analysis to compare local enterprises with international standards and competitors. This comprehensive approach allows for a deeper understanding of both internal and external market forces that shape the competitive landscape. The findings provide insights into the challenges and opportunities faced by Uzbekistan's winemakers, with implications for enhancing their competitive edge in both domestic and global markets.

Results and Discussion

In 2022, compared to 2016, the import of table grapes and dried grapes increased by 4.44 times and its value increased by 5.74 times. We can see with the help of the table that in 2015-2022, the import of brandy, alcoholic tinctures (1 liter of pure 100% alcohol) obtained by distilling grape wine in containers with a capacity of 2 liters or less decreased by 11.2 percent.

Import of natural wine was not stable in the analyzed years 2015-2022. If in 2016 the import of natural wine was 2223 thousand liters, by 2018 it was 1457.4 thousand liters and decreased by 35.0%. In 2018-2019, the volume of import of natural wine increased, for example, in 2019, import of natural wine increased by 46.9% compared to 2018.

Table 1. Analysis of the import of wine products of the Republic of Uzbekistan [8].

Product name	2016		2017		2018		2019		2020		2021		2022		Growth rate, %	
	the number	thousand US dollars	the number	thousand US dollars	the number	thousand US dollars	the number	thousand US dollars	the number	thousand US dollars	the number	thousand US dollars	the number	thousand US dollars	By number	By value
Table grapes, dried grapes, tons	28,5	28,5	30,6	24,6	41,7	30,2	62,6	29,0	12,8	10,5	80,8	75,9	126,7	163,8	444.56	574.74
Brandy, alcoholic tinctures obtained by distilling grape wine or grapes in containers with a capacity of 2 liters and less. (1 liter of pure 100% alcohol)	2616,3	88,0	4364,9	199,9	3809,2	150,1	31958	147,6	1943,3	48,4	2613,4	155,2	2062,8	214,8	78.84	244.09
Sparkling wine, liter.	-	-	1125,0	3,1	1840,5	9,2	918,0	4,0	3 235,5	14,2	6 574,5	24,1	1 637,1	13,8		
Natural wine, liter	2223,0	9,1	1791,0	30,1	1457,4	22,3	1788,8	26,5	2142,0	35,1	1757,4	44,0	1709,1	76,3	76.88	838.46
Other miscellaneous wines (except white and produced in the European Union) (with a capacity of 227 liters per tank) in liters	-	-	-	-	1764,0	3,8	-	-	-	-	-	-	-	-		

By 2022, the productivity is equal to 94.8 s/ha. We can see that 2022 has increased by 19.4% compared to 2021.

Table 2. Export of wine products of the Republic of Uzbekistan [9].

Product name	2016		2017		2018		2019		2020		2021		2022		Growth rate, %	
	liter	dollar	liter	dollar	liter	dollar	liter	dollar	liter	dollar	liter	Dollar	liter	dollar	By number	By value
Natural sparkling wine					10152	19,222	10152	19,421	31149	37,289	9945	11,495			98	60
sparkling wines	90	0,18	4,5	0,008					2025	2,979	2415	3,917	73683	83,773	81870	46540,5
Natural grape wine	546255,3	827,209	1098438	974,313	1131277	835,581	1503319	985,844	2146243	908,449	3537886	1377,513	3662845	1683,81	670,5	203,5
White wines	1712268	860,707	1367764	591,715	1305019	441,275	1896815	726,917	1003626	401,533	78737,8	100,776	507222,8	545,854	2.96	63,4
Other types of wines	1449738	446,851	1218000	450,748	1618360	728,928	1862378	839,032	1074270	482,777	1130000	506,52	1143018	621,103	78,8	138.9

In the export of wine products of the Republic of Uzbekistan, natural carbonated wine was not exported in 2022. The share of exports in 2021 increased by 98% compared to 2018. The export share of sparkling wines in 2022 will be 81,870 percent compared to 2016. The export share of natural grape wine in 2022 compared to 2016 has increased by 670.5%. The export of white wines increased by 2.96%. We can see that the export share of other types of wines has increased by 78.8%.

Table 3. The volume of production of natural grape wines without added alcohol in 2018-2022 in the Republic of Uzbekistan is [10] thousand liters.

Name	2018		2019		2020		2021		2022		2022 vs. 2018	
	Size	thousand soms ¹⁾	Size	thousand soms ¹⁾	Size	thousand soms ¹⁾	Size	thousand soms	Size	thousand soms ¹⁾	Size	The value is one thousand soms ¹⁾
1	2	3	4	5	6	7	8	9	10	11	12	13
Natural grape wines without added	1358,6	7603785,0	999,9	9093187,0	830,2	9661842,0	1519,7	22186604,0	1800,5	25654 448,0	132,53	337,39

alcohol (except sparkling wine)												
Andijan region	30,0	156900,0	90,0	431581,0	9,5	134469,0	169,5	546235,0	22,6	79326,0	75,3 3	50,56
Bukhara region	1,8	7224,0	5,0	29771,0	1,3	8418,0	19,9	266281,0	10,8	155115,0	600, 00	2147,22
Kashkadar ya region	-	-	-	-	-	-	7,5	63115,0	2,4	19881,0	0,00	
Samarkand region	204,7	1518964,0	357,5	3490947,0	293,9	3822813,0	291,9	7533551,0	646,6	9250545,0	315, 88	609,00
Tashkent city	350,0	1617986,0	210,3	2150477,0	146,3	1692031,0	207,0	3533288,0	160,6	2238181,0	45,8 9	138,33
Tashkent region	772,1	4302711,0	283,0	2922658,0	271,9	2913767,0	432,7	7926410,0	191,0	2738871,0	24,7 4	63,65
Fergana region	-	-	54,0	67753,0	96,5	1000863,0	206,0	1262396,0	712,0	10388643,0		
Khorezm region	-	-	-	-	10,9	89481,0	71,5	258728,0	-	-		
Syrdarya region	-	-	-	-	-	-	113,7	796600,0	54,6	783886,0		

According to Table 3, the volume of production of non-alcoholic natural grape wines in the Republic of Uzbekistan increased by 1.32 times in 2018-2022, and by 3.37 times in terms of value.

Starting from 2020, the volume of production of these natural grape wines is expected to increase rapidly and this trend will continue in the future.

There are several competing enterprises that produce wine in Uzbekistan.

Table 4. Analysis of competing grape wines [11]

Brand wines	Wine brands	Types of wine	Wine prices (year 2023)	Grape variety	Wine collection
"Bagizagan" JSC	Chardonay	White is dry	49500	Soyaki	20 dan ortiq
		White dessert	50000		
	Zulhumor	Red dessert	50000	Saperavi	
	Lagune	Red sweet	104000	Merlot	
		White is dry	87000	Soyaki	
"Hamkor" JSC	L`amore	White is dry	100000	Soyaki	26
		Red is dry	100000	Pinot noir	
	Sonata	White is dry	63000	Cabernet Sauvignon	
	Chateau Hamkor	Red is dry	78000	Saperavi	
"Uzumfermer" JSC	Rundweis	White is dry	120000	Soyaki	31
	Shirinchente	Pink is sweet	175000	Merlot	
	Cabernet Sauvignon MSA	Red is dry	160000	Cabernet Sauvignon	

The number of enterprises engaged in wine trade in the territory of Uzbekistan is more than 100. "Chardonnay", "Zulhumor", "Lagune", "L'amore", "Sonata", "Chateau Hamkor", "Rundweis", "Chateau Hamkor", "Zulhumor", "Lagune", which are the most popular in Tashkent Wine types such as Shirinchente and Cabernet Sauvignon MSA are becoming popular. In addition, many other wines of Bagizagan and Hamkor brands are competing wines. Among them, the wines "Peri", "Bella", "Oreanda" are widespread. These wines are export wines. 70% of the total wine consumers mainly buy these wines.

Conclusion

The findings of this study reveal that Uzbekistan's winemaking market is experiencing significant growth, driven by both increased domestic production and export activities, though it remains influenced by intense competition among local enterprises. Key challenges include the need for strategic improvements in marketing, innovation, and production efficiency to enhance competitiveness in the global market. The analysis shows that, while there has been progress in reducing the import of foreign wine products, further efforts are required to optimize the value chain and boost export quality. These findings imply that targeted policy reforms and support for technological advancements in viticulture could strengthen Uzbekistan's market position. Future research should focus on exploring the impact of these innovations on the sustainability of the

wine industry and the potential for expanding export markets, particularly in untapped regions. This could provide more comprehensive insights into long-term growth strategies for Uzbekistan's winemaking sector.

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