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PROSPECTS FOR INCREASING THE COMPETITIVENESS OF UKRAINIAN PRODUCTS ON THE GLOBAL MARKET (USING THE SUGAR INDUSTRY AS AN EXAMPLE)

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In the article, the authors examine the sugar industry of Ukraine, which is one of the oldest and most competitive domestic industrial industries. It is noted that the industry gained its competitiveness as a result of favorable conditions for growing and processing sugar beets.

The authors noted that sugar is a strategic food product and every year this product occupies a more important place in world trade, which makes it possible to consider the market of granulated sugar from sugar beets as one of the most important sectors of the food market of Ukraine. It is noted that during the war in Ukraine, sugar production suffered many losses, among them: loss of acreage, production infrastructure, logistics networks, and labor resources. It is justified why the war with the Russian Federation forced Ukrainian sugar producers to function in a state of emergency, which caused a rapid reorientation of production and trade.

The article states that since the sugar beet complex has always had strategic importance in the economy of the state, the current state and problems of the sugar industry in recent years cause concern and prompt specialists and experts to look for possible ways to solve them, prospects for recovery and development. Therefore, the study and analysis of the problems and opportunities of the sugar industry in terms of foreign trade is relevant today.

The authors assume that the competitive position of the Ukrainian sugar industry gives every reason to assert that domestic sugar producers have broad prospects for overcoming the problems caused by the war and restoring their production capacities.

ПЕРСПЕКТИВИ ПІДВИЩЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ УКРАЇНСЬКОЇ ПРОДУКЦІЇ НА СВІТОВОМУ РИНКУ (НА ПРИКЛАДІ ЦУКРОВОЇ ГАЛУЗІ)

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конкурентоспроможність, цукрова галузь, торгівля, розвиток, перспективи.

У статті авторами досліджується цукрова галузь України, яка є однією із найстаріших та найбільш конкурентоспроможних вітчизняних індустріальних галузей. Зазначається, що галузь здобула свою конкурентоспроможність в результаті сприятливих умов для вирощення та обробки цукрових буряків.

Авторами зауважено, що цукор – стратегічний продовольчий товар і з кожним роком даний продукт посідає вагоміше місце в світовій торгівлі що дає змогу розглядати ринок цукру-піску з цукрових буряків як один із найважливіших секторів продовольчого ринку України. Констатується, що під час війни в Україні цукрове виробництво зазнало багатьох втрат, серед них: втрата посівних площ, виробничої інфраструктури, логістичних мереж, трудових ресурсів. Обґрунтовується, чому війна з РФ змусила українських виробників цукру функціонувати в надзвичайному стані, що спричинило стрімку переорієнтацію виробництва та торгівлі.

У статті зазначено, що, оскільки, в економіці держави цукробуряковий комплекс завжди мав стратегічне значення, сучасний стан і проблеми цукрової галузі в останні роки викликають занепокоєння і підштовхують

фахівців та експертів шукати можливі шляхи їх вирішення, перспективи відновлення і розвитку. Тому вивчення і аналіз проблем та можливостей цукрової промисловості у розрізі зовнішньої торгівлі на сьогоднішній день є актуальним.

Автори припускають, що конкурентна позиція цукрової галузі України дає всі підстави стверджувати, що вітчизняні виробники цукру мають широкі перспективи подолання проблем спричинених війною та відновити свої виробничі потужності.

Formulation of the problem

Due to the problems of the Ukrainian sugar industry caused by the war with the Russian Federation, the priority issue is overcoming the crisis situation and restoring the competitive positions of domestic sugar producers on the world market. The industry needs operational solutions that are able to preserve its potential and set the development vector for the future.

Analysis of recent research and publications

The article pays attention to the works devoted to the research of the competitive position of enterprises of various industries, in particular: the works of K.I. Antoniuk [1], [2], [3] and N.V. Kudenko. [5]. Since the current state of the economic environment is rapidly changing, the issue of increasing competitiveness always requires relevant proposals.

Formulation of the goals of the article

The goals of the article are to characterize the general state of sugar production in Ukraine and the world, to study the strengths, weaknesses, opportunities and threats to the functioning and development of the sugar industry of Ukraine during the war with the Russian Federation, to make proposals for increasing the competitiveness of sugar industry products on the world market.

Presenting main material

Ukraine is a leading producer and exporter of sugar. Sugar production is traditional for the country due to available natural resources and climatic conditions. Annually, in pre-war times, the sugar industry brought the state about 1 billion dollars. due to exports [4]. Currently, sugar production in Ukraine is operating in a state of crisis caused by external threats. Among the threats, it is advisable to single out the following: reduction of cultivated areas, logistical problems, financial difficulties, destruction of infrastructure, reduction of labor potential due to hostilities, migration, mobilization, increase in prices for production resources.

Due to the listed problems, the production of sugar in Ukraine has greatly decreased. Some sugar factories are operating at a loss, the volume of sugar exports has decreased significantly. Despite the availability of all natural and climatic resources, Ukraine cannot reach the level of Western European indicators regarding the use of raw materials.

In fig. 1, we will consider the main global producers of sugar according to data from 2020 to 2023. It should be noted that world sugar production exceeds 123 million tons. 69% of producers get sugar from sugar cane, and 31% – from sugar beets.

As we can see from fig. 1, the leader in sugar production in the world is Brazil (19 thousand tons as of 2023), in second place with almost the same volume are the EU countries and India, with production of 18.4 thousand tons. and 17.9 thousand tons. in accordance. Brazil and India use sugar cane as a raw material for production. Trends in the global sugar industry reflect the competitive position of cane sugar.

Dynamics of sugar production volumes from 2012 to 2023 presented in fig. 2 [6].

As we can see from fig. 2, the maximum of sugar production in Ukraine is in 2012, the minimum is in 2021, which is explained by the impact of the corona crisis and the low yield of sugar beet. The average volume of sugar production from 2012 to 2023 – 1727 thousand tons As of 2023, the production volume is lower and amounts to 1,250 thousand tons.

The main indicators of the sugar beet and sugar harvest in Ukraine for 2011-2022 are presented in fig. 3 [6].

The yield of sugar beet decreased significantly compared to previous periods. Since 2017, a decrease in yield by approximately 1,000 thousand tons has been characteristic. annually. As of 2022, the yield of sugar beet is 9,017 thousand tons.

At the current stage of the development of the economy of Ukraine, the question of assessing the competitiveness of the products of the processing branches of the agro-industrial complex is quite important.

Let's consider the main factors that affect the competitive position of products of sugar industry enterprises in Fig. 4.

The analysis of the competitive advantages of the sugar gas industry of Ukraine by the SWOT analysis method is given in Table 1.

Thus, the competitive advantages of the sugar industry of Ukraine should be strengthened in order to bring products up to new standards of the international market. The following can be noted in more detail for each aspect.

1. Power and capabilities

- patentability of goods, output: confirmed by the presence of sufficient indicators of production and sales of products equivalent to average indicators in the world;

- adequate personnel potential that is able to perform work in accordance with the requirements of current legislation and generally accepted standards;

- access to reliable logistics routes that will provide access to both regional and foreign markets, bypassing the obstacles caused by the war.

The possibility of maintaining these strong positions and strengthening them is the main priority of the future development of the industry.

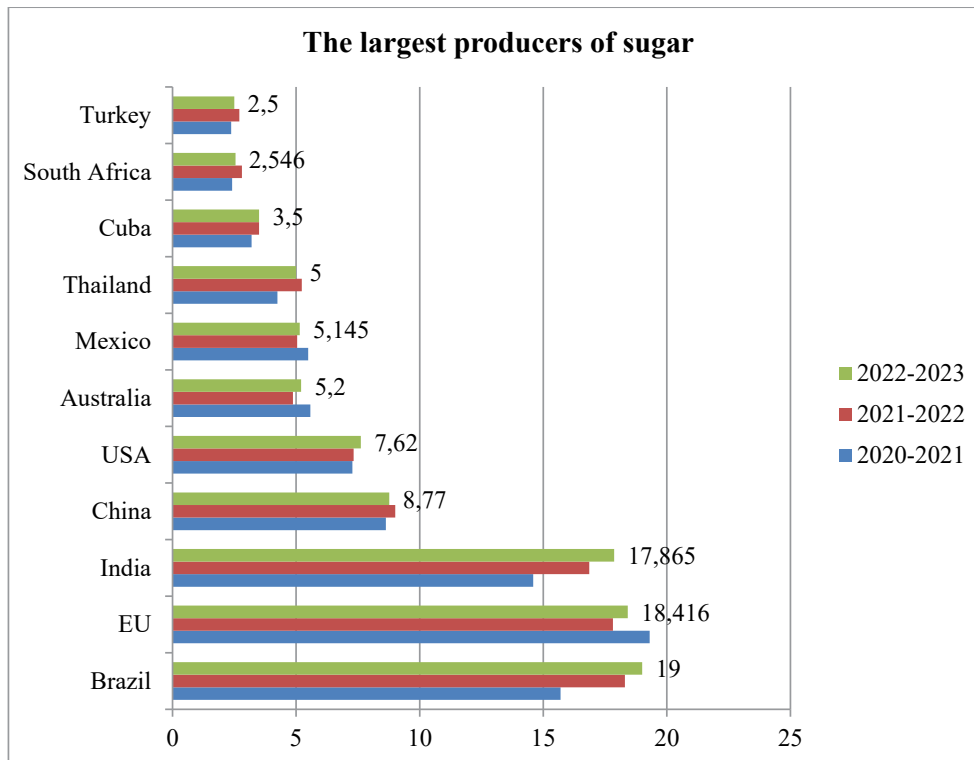


Figure 1 – The largest producers of sugar for 2020-2023 (thousand tons of sugar)

Source: developed by the authors based on [6]

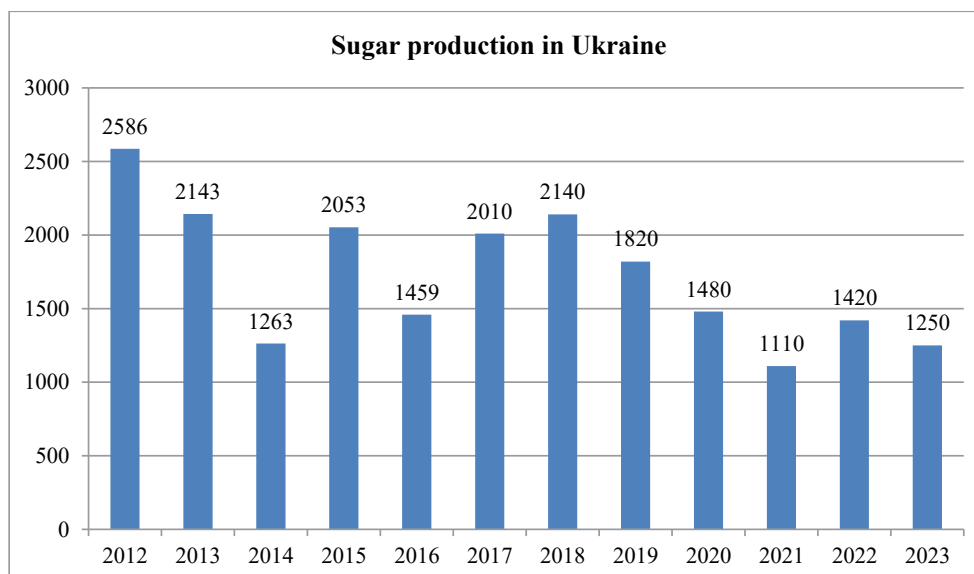


Figure 2 – Dynamics of sugar production volumes from 2012 to 2023, thousand tons.

Source: developed by the authors based on [6]

2. Weakness and opportunities

– the strength of competition on «input» and «output»: the weakness is that the produced sugar does not fully comply with international standards. A possibility is the transition of production to new production technologies with the introduction of international standards in the process of sugar production.

– infrastructure: the company develops its own infrastructure rather slowly due to a lack of funds. However, when the enterprise enters the international market as a competitive producer, it will provide an opportunity to receive significant additional profit from sales, which means funds for the development of its own infrastructure.

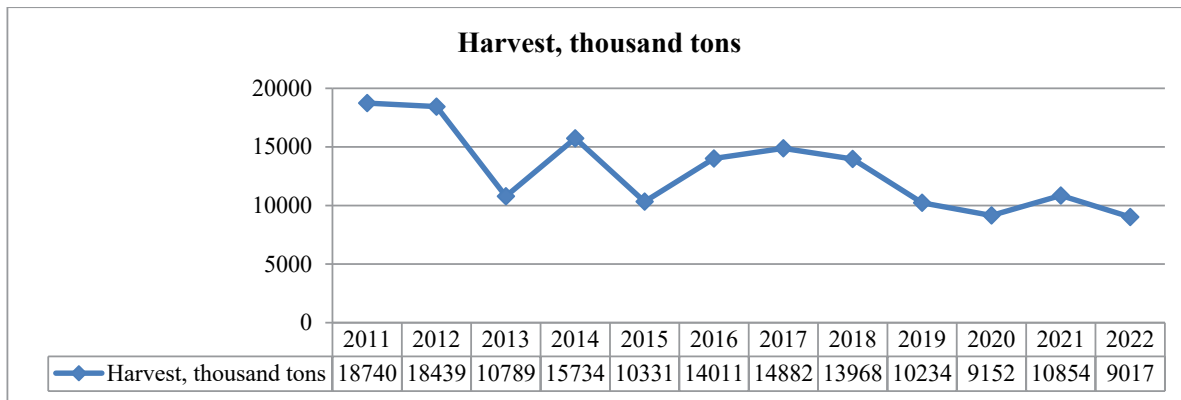


Figure 3 – Sugar beet yield from 2011 to 2022, thousand tons

Source: developed by the authors based on [4]

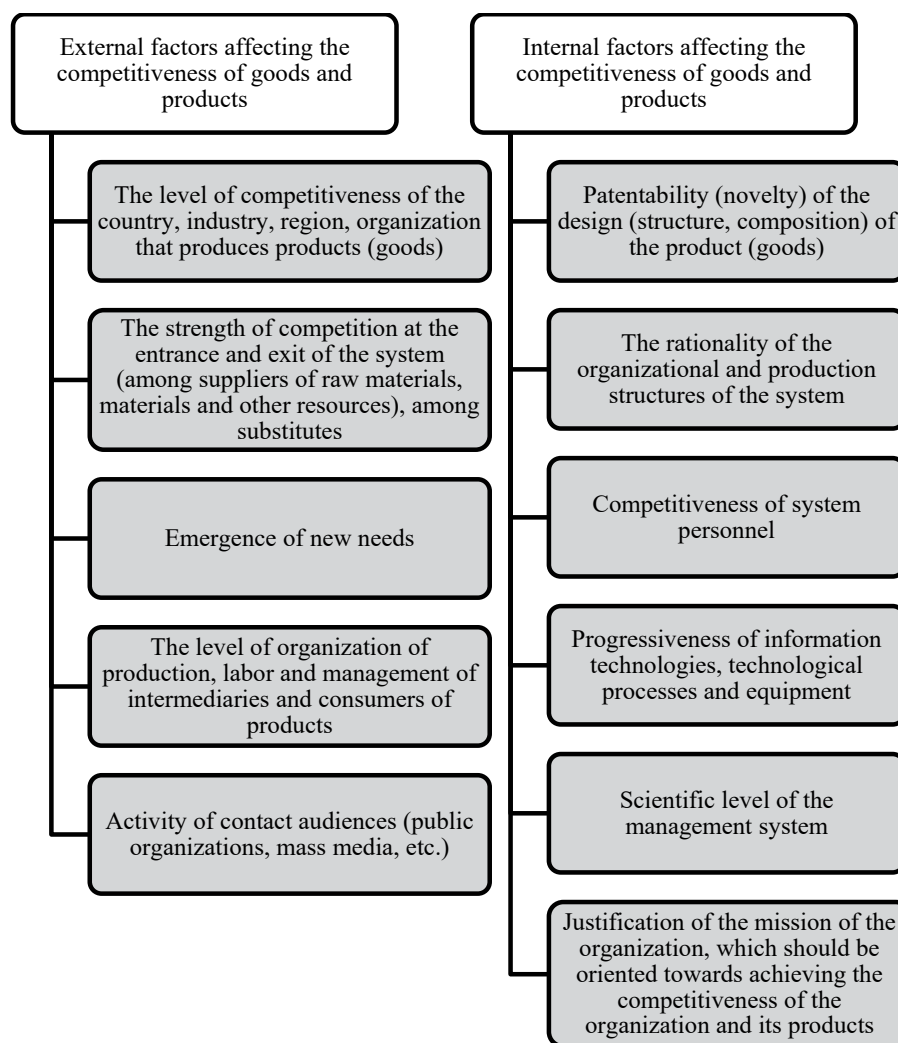


Figure 4 – Factors of competitiveness of sugar industry enterprises

Source: developed by the authors

1. 3. Power and threats

– the cost of production resources used by sugar industry enterprises: modern production requires high-quality sugar beets, appropriate technical

equipment, resource provision (electricity, water supply). All of the above indicates the high cost of resource provision, which is reflected in the price of the final product [3, c. 100].

Table 1 – SWOT analysis of the sugar industry of Ukraine

№	Correlation of the state of the company's potential and directions of transformation	The level of effective use of all types of resources available to the firm
1.	(Strength and capabilities)	– patentability of manufactured goods – staff qualification – location of the company
2.	(Weakness and opportunities)	– infrastructure – the strength of competition among international companies
3.	(Power and threats)	– the cost of production raw materials and production resources – management system (including marketing) – price of goods
4.	(Weakness and Threats)	– Degree of technology innovation – The condition of the main production assets

Source: developed by the authors based on [4]

Table 2 – Signs of strength and weakness in the competitive position of the sugar industry

№	Signs of strength	Signs of weakness
1	The presence of real advantages over competitors	Losses in the sales market due to the main competitors
2		A consistent strategy for improving the company's work is very slow
3		
4	Growth in the number of consumers and established sales channels	A manufacturer of products with a high cost price
5		Income growth is below average
6	High level marketing promotion	Intermediate technological and innovative skills
7		A creative entrepreneurial approach to sub-average threats
8	Expansion of production capacities	

Source: developed by the authors

– Not all enterprises of the sugar industry of Ukraine work on strengthening the positive image of products on the international market, and the creative initiative of presentation and promotion of products is also not noted. Most enterprises do not have a system of socially responsible production.

4. Weakness and threats

– equipment requires updating and introduction of more powerful and energy-efficient equipment (taking into account Ukraine's energy problems due to military operations);

– progressiveness of technology: enterprises of the sugar industry of Ukraine use technological equipment, which is mostly morally and physically outdated, and acceleration of depreciation is impossible due to price restrictions [4]. At the same time, the threat is that competitors can use technological equipment characterized by high power, resource intensity, energy intensity, which provides high quality characteristics.

Considering the functioning of the sugar industry of Ukraine in terms of competitiveness on the world market, the following important factors can be noted, which are listed in the table. 2.

According to the results of the analysis of the sugar industry of Ukraine in the international space, the advantages and disadvantages of the work for the previous period were studied and the directions of the search for reserves were determined to create favorable conditions for the production of competitive products.

We consider it expedient to propose measures to eliminate the identified shortcomings and further development of the industry:

1. Replace outdated equipment; namely: continuous-action centrifuges and drying-cooling complexes based on modernized imported drum dryers (on the example of

Germany). Among the largest suppliers of this equipment are such foreign companies as: Fives Cail (France), Sangerhausen (Germany), Thyssenkrupp (Germany-India).

2. To increase the capacity of the plant by increasing the daily processing capacity of the plant; to improve the quality of products due to the introduction of new technological equipment for sugar production.

3. The introduction of a quality control and product safety system at the plant in accordance with international standards ISO 9001:2000 and certification of the plant in accordance with the ISO 9001:2004 standard will provide additional advantages in the competition with other manufacturers of granulated sugar and in conquering new foreign sales markets [5, c. 68].

4. Adopt the principle of ecological production, socially responsible production in EU countries (Germany, the Netherlands).

Conclusions

In the course of the conducted research, we determined the general state of the sugar industry in the world, namely: the leading countries of sugar production were identified, their production volumes were analyzed, and Ukraine's place in sugar production was determined.

The factors of the competitiveness of the sugar industry on the world market are given, and the main aspects of the functioning and development of enterprises of the sugar industry of Ukraine are analyzed on the basis of SWOT analysis.

The authors present suggestions for improving the competitive positions of sugar industry enterprises of Ukraine based on the experience of enterprises in Germany, France, and the Netherlands.

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