



Article

Forming Strategies to Increase Competitiveness in Local Pharmaceutical Enterprises

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Abstract: This article comprehensively analyzes the issue of increasing the competitiveness of domestic pharmaceutical enterprises in Uzbekistan. Based on the analysis of the reforms being implemented by the state, the current situation in the market, technological and economic opportunities, the problems and development prospects of the industry have been identified. The analysis was conducted based on indicators such as pharmaceutical exports for 2020–2024, sales volumes in the domestic market, import dependence, and compliance with quality standards. Taking into account the theoretical views of scientists, international experience, and local conditions, specific and practical recommendations have been developed to increase the competitiveness of domestic pharmaceutical enterprises.

Keywords: Pharmaceutical Industry, Competitiveness, Local Manufacturer, Innovative Development, Quality Standards, Export Potential, Pharmaceutical Clusters, Technological Modernization, Marketing Strategy, State Support, Supply Chain, Import Dependence, Human Resources Potential

1. Introduction

The healthcare sector is one of the priority areas in every country. The role of the pharmaceutical industry in ensuring the health of the population, the effective organization of treatment and diagnostic processes, and the prevention of diseases is incomparable. In today's global economy, the demand for medicines is increasing every year, and this sector is one of the fastest growing sectors in the world market. In this context, ensuring the competitiveness of national pharmaceutical enterprises is of great importance not only from the point of view of economic stability, but also from the point of view of the country's strategic security [1].

In recent years, Uzbekistan has been implementing a number of reforms aimed at modernizing the pharmaceutical industry, supporting local production, and reducing import dependence. In particular, within the framework of the "Pharma-2023" state program, initiatives such as the establishment of pharmaceutical clusters, strengthening research and development activities, and the creation of production facilities that meet international standards have been put forward. At the same time, local enterprises still lack sufficient potential in factors affecting competitiveness - technology, raw materials, personnel, marketing, quality management, and other areas [2].

In today's market conditions, in addition to the quality, safety and effectiveness of pharmaceutical products, factors such as market pricing policy, network distribution, branding and customer service also determine competitive advantage. Therefore, local

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pharmaceutical enterprises are in need of strategic approaches to increase their competitiveness. In this process, it is important to introduce modern business models, use innovative developments, correctly assess the market situation and expand cross-sectoral cooperation [3].

The issue of developing the domestic pharmaceutical industry and increasing its competitiveness has become one of the urgent problems of not only economic, but also social and strategic importance today. The increasing demand for medicines, the growth of the population's well-being, the modernization of the healthcare system, and the insufficient development of the national pharmaceutical network in the context of the global pandemic require more intensive and targeted development of this sector [4].

Currently, as the population of Uzbekistan grows, the types of diseases are also increasing. The task of providing highly effective and safe medicines by the healthcare system is becoming central. From this perspective, meeting the domestic demand for pharmaceutical products at the expense of local manufacturers, reducing dependence on imports, ensuring that foreign exchange remains within the country, and stabilizing the prices of medicines are important tasks [5].

In addition, a competitive local pharmaceutical industry allows for effective participation not only in the domestic market, but also in foreign markets. Currently, fierce competition in the global pharmaceutical market, the rapid development of innovative products, the need for licensing and compliance with international standards pose new challenges for local enterprises. In order to integrate Uzbekistan into the world market and increase its export potential, local manufacturers are required to be competitive in quality, price, design, logistics and marketing [6].

The local pharmaceutical industry currently faces a number of obstacles and challenges. In particular, high dependence on raw material sources, technological shortcomings, incomplete compliance with quality standards, insufficiently developed export infrastructure, and limited human resources are among the main problems. In such conditions, the industry far term and complex to the approach based strategic Planning is required. This targeted reforms, financial support, innovation solutions and business environment improve through done increase possible [7].

Subject again one important aspect - pharmaceuticals in the field national working to release develop through the population cheap, good quality and own on time medicine tools with provide opportunity in the creation manifestation will be. Also, pharmaceuticals enterprises by competitiveness provide, investments attraction to add new work their places create and country economy diversification contribution add opportunities expands [8].

Therefore, local pharmaceuticals in enterprises competitiveness increase strategies formation – of the industry stable development, population good health strengthening, export-oriented products size increase and in the economy new driver direction formation point of view from the point of view high relevance has to be, to be scientific and practical in terms of study big importance profession will reach.

Literature Review

Issues of increasing competitiveness in the pharmaceutical industry have been widely studied in international and domestic scientific research. Research in this area has been mainly based on strategic management, innovative development, quality management, technological modernization and marketing strategies, and has been enriched with practical recommendations aimed at ensuring the competitiveness of local manufacturers.

International researcher Michael Porter, industry participants can accurately assess the competitive environment and determine their strategic positions. He argues that success in the industry depends on optimizing production costs, product differentiation,

and choosing a clear market niche. This approach local pharmaceuticals enterprises also important for strategic directions by designating gives [9].

World Health storage organization and International pharmaceuticals association (FIP) influential international organizations by prepared in reports pharmaceuticals in the industry quality safety and efficiency supply raw materials dependency reduce and internal product to cultivate encouragement such as to issues separately attention. According to WHO according to, pharmaceuticals network stable development for state policy , regulator mechanisms and private sector between cooperation important is considered.

Also the case in Uzbekistan . on the subject one row scientific research done increased. X. Kurbanov o' z in the study local pharmaceuticals in the network innovative of activity enough underdeveloped , technological base and personnel potential lack of marketing activity low such as to problems attention focused. His in my opinion , the industry competitive to do for state by systematic support , local working to issuers financial benefits to give and internal raw material resources development is required [10].

J. Yunusov and Sh. Turaev competitiveness in their scientific research impact doer factors – technological update, product quality improvement , international standards based on work , logistics system improvement and export-oriented product working release according to clear recommendations In particular, ISO and GMP standards adaptation local products for external to the markets exit the way opens [11].

The concept of a pharmaceutical cluster and its impact on competitiveness has also been widely discussed in a number of scientific works. Within the framework of specialized clusters, the opportunities for efficient use of resources, introduction of innovations, training of personnel , and implementation of research results into practice among enterprises increase [12].

At the same time, the role of state policies aimed at increasing competitiveness has also been widely discussed in the research. In particular, the opportunities, incentives and infrastructure projects created for local pharmaceutical enterprises within the framework of the President of the Republic of Uzbekistan's "Pharma-2023" program, the "Innovative Development Strategy - 2030", and the "Regional Industry Development Programs" are a rich source of research [13].

Kotler and Keller emphasize the importance of effective marketing concepts for pharmaceutical products. They show that in pharmaceuticals, building customer trust, enhancing brand equity, and communicating with the target audience are strategically crucial [14].

Becker's human capital theory argues that investing in the training of qualified personnel in the pharmaceutical industry increases the competitive potential of the enterprise [15].

In conclusion, the analysis of the existing literature shows that it is necessary to combine comprehensive strategic approaches, international experience and state reforms to increase the competitiveness of domestic pharmaceutical enterprises. The main focus of scientific research is on the analysis of internal and external factors shaping competition, innovative solutions and clustering mechanisms . This this of the article scientific and practical importance further increases.

2. Materials and Methods

The methodology for this research on increasing the competitiveness of local pharmaceutical enterprises in Uzbekistan is grounded in a multifaceted analytical approach, integrating both qualitative and quantitative techniques. To systematically examine the internal and external factors influencing the sector, methods such as comparative analysis, synthesis, monographic analysis, and the principles of historicism

and logic were employed. These tools facilitated a structured investigation into trends in pharmaceutical exports, domestic sales dynamics, import dependence, and the implementation status of international quality standards over the 2020–2024 period. Inductive reasoning supported the derivation of practical recommendations from specific empirical observations, while deductive logic ensured the consistency of theoretical assumptions with policy frameworks, such as the "Pharma-2023" program. The study also relied on grouping and classification to identify core barriers to competitiveness, including technological limitations, raw material dependency, and human capital deficiencies. Literature review played a pivotal role in contextualizing the findings within the broader body of global and regional research, drawing from the works of Porter, WHO, and Kotler, among others. Empirical data from national sources and Trading Economics were used to assess fluctuations in pharmaceutical exports and the structure of domestic market consumption, enabling a comprehensive interpretation of structural weaknesses and market opportunities. Overall, the methodology underscores a strategic integration of theory, empirical data, and institutional analysis to propose actionable solutions for sustainable competitiveness in Uzbekistan's pharmaceutical sector.

3. Results and Discussion

The pharmaceutical industry is of particular importance in ensuring the sustainable functioning of the healthcare system and the well-being of the population. This sector not only serves the medical sector, but is also considered a strategic sector with high added value in the economy. World practice shows that the pharmaceutical industry is directly related to innovation and reflects the scientific potential, industrial infrastructure and technological progress of the country. At the same time, against the backdrop of the pandemic and global uncertainties, elements of national security in the production of medicines have also begun to gain importance.

Increasing competitiveness in a market economy is closely related not only to technological innovation, but also to factors such as strategic thinking, innovative management models, rapid adaptation to market requirements, establishing effective relationships with customers, and strengthening human resources. International experience shows that leading countries in the pharmaceutical industry are strengthening their position in the global market by applying competitive models based on strategic planning.

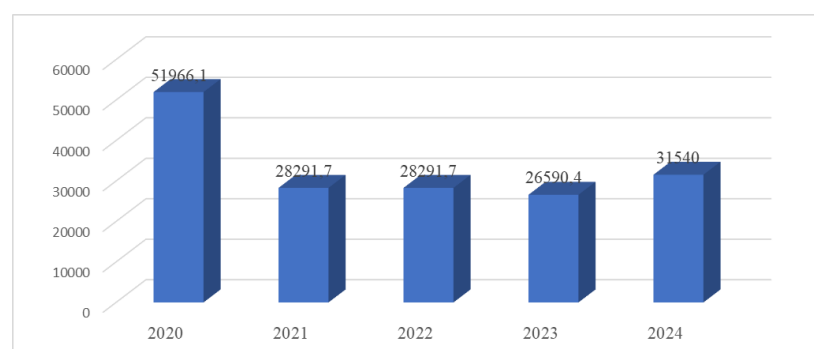


Figure 1. Local pharmaceutical products Exports (thousand USD).

If we analyze the data presented in the figure 1 in 2020, export volume reached a peak of 51.966 million USD; in subsequent years, due to dependence on imports and technological problems, this indicator began to decline: in 2021–2023, it settled in the range of 28–26.6 million USD; and in 2024, growth is observed again: according to TradingEkonoms, it increased to 31.57 million USD, see Table 1.

Table 1. Internal pharmaceuticals market : indicators for 2023 – 2024.

Indicators	2023	2024
Volume , UZS trillion	20.8	24.8
Volume , USD billion	1.84	2
Quantitative sales , million package	643	614
To import dependency (monetary)	-	87 %
To import dependence (quantitative)	-	63 %

Analyzing the data presented in the table: the domestic market grew by 19% in UZS and 9.2% in USD in 2024, mainly due to inflation; while volume sales decreased significantly by 4.9%, which indicates a decrease in domestic consumption; the domestic market is highly dependent on imports (87% financial and 63% volume), which is a major problem for those responsible.

According to the results of the analysis, we can conclude:

- For sustainable growth in exports, technological modernization, full compliance with international standards (GMP/ISO), and the implementation of an export-oriented strategy are necessary.
- The domestic market needs to be developed dramatically the volume and quality of local products that can replace imports must be increased. This can be done through investments in marketing and branding, as well as strengthening the supply chain.
- Pricing strategy and consumer mindset the rapid increase in average prices of pharmaceutical products makes it difficult to enter this market. In this regard, state levies, subsidies and other economic mechanisms should be used.
- The impact of inflation - while the main growth in the market is due to inflation, its other drivers (new products, infrastructure on artificial land, clusters) are masked, the competitiveness of the sector would effectively increase.

4. Conclusion

Increasing the competitiveness of domestic pharmaceutical enterprises is one of the tasks that requires a complex, multifactorial and systematic approach. The conducted analysis shows that, although certain growth was recorded in the pharmaceutical sector of Uzbekistan during 2020-2024, this growth is mainly due to external factors, price inflation and expansion of demand in the domestic market and there is still no sufficiently stable growth in terms of real competitiveness criteria.

Based on the analysis, the most important problems in the pharmaceutical industry can be identified as follows:

- More than 85% of raw materials are imported;
- Local working issuers product as, in distribution and in marketing still an importer from brands behind remains;
- Quality management and international to standards complete unadapted enterprises number many;
- Export potential from 2020 then noticeable at the level decreased;
- Pharmaceuticals clusters enough functional it's not and innovation the attraction is low.

With this together , pharmaceuticals industry Uzbekistan in the economy big to the potential has from the fields one market size year after year grow population is increasing number and to health attention is increasing, the state also by the series benefits and programs done. This is increasing industry for strong development opportunities presented will reach.

This from opportunities effective use for following practical suggestions previously push possible:

- a. Innovative development Strengthening. Research institutes with cooperation on the road put , new formulas and drugs to create financial and technological resources orientation necessary.
- b. Technological modernization. Local enterprises international GMP, ISO, HACCP standards suitable technological lines current to be able and automation level increase necessary.
- c. Quality Management and personnel Training. It is necessary to introduce internal quality management systems in pharmaceuticals and expand programs for training specialized personnel in this field.
- d. Marketing and branding strategies. To increase the competitiveness of local products in domestic and foreign markets, it is necessary to focus on modern marketing approaches , digital channels, reliable distribution, and reputation building.
- e. Development of pharmaceutical clusters. Combining raw material production, production, scientific research, and personnel training systems on the basis of regional clusters will not only increase competitiveness, but also help to sustainably meet domestic demand.
- f. Export strategy again seeing export. Special attention is required to certification, international advertising, development of trade and logistics infrastructure for foreign markets.

In conclusion, increasing the competitiveness of domestic pharmaceutical enterprises is not a separate strategy, but a program that encompasses complex and interrelated areas. Only through such an approach can this sector be transformed into a high-tech, export-oriented and socially significant economic driver.

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