

ANALYSIS OF THE MARKET OF SAUCES PRODUCTION AND CONSUMPTION IN CIS COUNTRIES

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The sale of sauces in the CIS countries increased by 14% in the 2010–2014, and reached 2.39 million tons by the end of the period. In 2014, the growth rate of sales volume significantly decreased, and the figure rose by only 1% compared to 2013. The slowdown in the market growth was predetermined by the range of factors. Firstly, gradual saturation of the market and the growth of products consumption per capita actively prevented further increase in sales. Secondly, negative events and economic processes of 2014 in Russia and Ukraine – the main consumer countries of the products – adversely influenced the market. Thus, the growth of sales of sauces in Russia in 2014 was only 1% compared with the previous year, and the market volume in Ukraine decreased by 3%. The most popular kinds of sauces in the CIS countries are mayonnaise and sour cream. In the period from 2010 to 2014 (table 1), the share of mayonnaise constituted upon average 38% of the sales of all kinds of sauces, the share of sour cream was 34% in the mean. By BusinessStat estimations, the sales of sauces in the CIS countries in 2015 would decrease by 10% and might amount to 2.16 million tons. The main negative factor is the decline in sales in Russia during the crisis and an abrupt jump in the cost of imported products. However, the reduction of sauces market in Russia will not be a landslide: traditional sauces such as ketchup, mayonnaise and mustard are low cost, and therefore they will be consumed instead of more expensive and exotic types of sauces, or used in combination with other low-cost products, such as pasta or vegetables. Further decline in sales is expected in the market of Ukraine: We assumed that in 2015 the market size might be reduced by another 9% compared with the previous year. The 2016, decline in the volume of sales will continue, but the pace may slow down. As a result, the market for sauces in the CIS countries will reach the minimum point of the five-year period – 2.08 million tons. In 2017-2019, against the backdrop of a gradual economic recovery and growth of consumer activity, the sales will start growing: in this period, the market volume will increase by 3% on an average.

Sauce is a liquid seasoning to the main or side dish. Sauces add juicy consistency to dishes and increase their caloric value. Many sauces contain spices and flavorings, which stimulate the digestive tract; bright coloring of sauces, expediently emphasize the products in dishes. Each sauce consists

of a liquid sauce base and an additional part, which includes a variety of products, spices and seasonings. The sauce cooked on the basis of a specific liquid, containing minimum number of additional products, is called the main. Sauces cooked on the basis of the main sauce with the addition of various products, are called derivatives.

Table – Export of sauces by the types, CIS, 2010-2014 (thousands tons)

Type of the sauce	2010	2011	2012	2013	2014
Mayonnaise	55,43	74,20	74,63	81,43	81,83
Ketchup and tomato sauces	28,98	31,37	33,53	34,79	35,81
Mustard	2,54	2,22	2,23	2,83	3,19
Vinegar	1,93	3,39	2,86	3,67	4,12
Sour cream	7,72	8,42	9,70	12,35	12,00
Soy sauce	0,88	0,84	1,18	1,34	3,24
Salad dressings and ready-made sauces for dishes	9,08	14,05	10,28	12,35	15,45
Mayonnaise sauces	1,51	2,40	1,93	2,40	3,04
Total	108,06	136,90	136,36	151,16	158,69

Source: United Nations Statistics Division, the Interstate Statistical Committee of the CIS, BusinessStat

Sauces and mayonnaises are mainly supplied to the Turkmen market by foreign manufacturers. The number of players in the market is very large, which sets the high level of competition. This, in turn, stimulates market participants to compete in terms of price, quality, and range of products. The most popular are low-calorie mayonnaises and various sauces in the mainstream price segment. Therefore, this segment is the most attractive in the long term