PLACE AND ROLE OF RETAIL AND WHOLESALE TRADE IN THE FORMATION AND DEVELOPMENT OF THE CONSUMER MARKET

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This article explores the place and role of retail and wholesale trade in the formation and development of the consumer market. It was revealed that retail trade plays an important role in bringing goods to a specific consumer in the republic, and a common type is stationary trade, which includes all types of shops, stalls, tents and kiosks. The analysis shows that in the country and its territorial entities, there are significant changes in the total volume, structure and growth rates of retail trade, the level per capita, the degree of satisfaction of the effective demand of residents for food and non-food products.

Keywords: Retail trade, wholesale trade, consumer market, economy, Tajikistan, goods, taxes, customs.

Nowadays, the consumer market's primary importance lies in delivering goods to customers and establishing feedback, meaning that the market system of the organization should efficiently distribute consumer goods through various physical objects, terminals, logistic centers, and distribution complexes. Retail trade also plays a crucial role in delivering goods to specific consumers within the Republic. One prevalent form of retail trade is stationary trade, which includes all types of shops, stalls, tents and kiosks.

However, there are variations in retail trade as they are spread throughout the entire territory, their activities fall under the realm of small businesses, they are versatile, and there is also an increasing trend in the share of mixed stores. Nonetheless, the number of vegetable stores is decreasing because fruit and vegetable products are being sold in markets and through street vendors.

In modern conditions, market modernization has had an impact on the image of retailers, due to the privatization of trade and catering, which were used for other purposes, and this has negatively affected the provision of residents with everyday goods and the improvement of shopping services, especially in rural areas.

The analysis shows that there are significant changes in the total volume, structure and growth rates of retail trade, the per capita level of retail turnover, the degree of satisfaction of the solvent demand of residents for food and non-food products (Table 1).

Table 1

Dynamics of the total volume of retail trade turnover in the Republic of Tajikistan for the years 2000-2020 (million somoni; at 2020 prices)

Indicators	Years								
	2000	2005	2010	2015	2016	2017	2018	2019	2020
Total volume of retail trade turnover across all sales channels	2647,4	5356,0	8494,5	16025,7	17938,5	19068,6	20479,7	24948,3	27024,8
including: public sector	63,8	52,0	109,5	69,2	95,0	68,9	133,6	189,0	131,5
non-public sector, including:	2583,6	5304,0	8385,0	16853,9	17843,5	18997,3	20346,1	24683,5	26893,3
commercial trade	57,6	157,5	426,0	3837,7	4110,2	5084,3	6691,0	8448,8	9451,0
cooperative trade "Tajikmatlubot"	38,2	67,3	124,1	82,2	13,6	2,6	1,4	0,5	0,3
markets and other commercial structures	2487,8	5079,2	7834,9	10990,5	12364,7	13447,8	13653,7	16234,2	17442,0

Source: Author's calculations based on the statistical collection “Tajikistan: 30 Years of State Independence” and the Statistical Yearbook of the Republic of Tajikistan

Table 1 examines the development trends of the sources of formation of the retail trade turnover in Tajikistan across all sales channels for 2000-2020. Table 1 shows that in

2020, the total volume of retail turnover across all sales channels, including the state sector and non-state sector, increased by 10.2, 10.2, and 10.4 times, respectively, compared to the year 2000. However, cooperative trade represented by 'Tajikmatlubot' decreased by 127.3 times.

In Table 2, we have studied the trend of development of sources of retail turnover formation in Tajikistan across all sales channels for the years 2000-2020, considering their relative weight.

Table 2.

Sources of formation of retail trade turnover through all sales channels in the Republic of Tajikistan for 2000-2020

Indicators	2000	2005	2010	2015	2016	2017	2018	2019	2020
Share, in percentage									
Total volume of retail trade turnover across all sales channels	100	100	100	100	100	100	100	100	100
including: - public sector	2,2	1,0	1,3	0,4	0,5	0,4	0,65	1,0	0,5
- private sector, which includes*:*	97,8	99,0	98,7	99,6	99,5	99,6	99,3	98,9	99,5
- commercial trade	2,3	3,1	5,0	22,7	22,9	26,7	32,6	33,9	35,0
- cooperative trade "Tajikmatlubot"	1,7	1,5	1,5	0,	0,0	0,01	0,01	0	0
- markets and other commercial structures	93,8	94,4	92,2	76,4	76,5	72,9	66,7	65,1	64,5

Source: Statistical collection “Tajikistan: 30 years of state independence” and statistical yearbook of the Republic of Tajikistan. Dushanbe, 2021. - p.615-617

Table 3.

Dynamics of the share of CIS countries in the retail trade (in current prices; in % of the total for the CIS)

Countries	1991	2000	2005	2010	2015	2016	2017	2018	2019	2020
Total for the CIS	100	100	100	100	100	100	100	100	100	100
Azerbaijan	2,7	2,0	1,5	2,4	4,1	4,2	4,1	4,2	3,8	3,9
Armenia	1,7	0,7	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Belarus	4,1	3,8	3,4	3,2	3,5	3,2	3,3	3,1	2,9	3,0
Kazakhstan	4,2	3,5	3,2	2,9	4,7	4,6	4,5	4,2	4,6	4,5
Kyrgyzstan	1,1	0,5	0,4	0,4	0,7	0,7	0,7	0,5	0,4	0,4
Moldova	1,3	0,4	0,5	0,5	0,3	0,3	0,3	0,3	0,2	0,2
Russia	61,8	72,4	75,7	78,3	73,8	73	70,0	71,5	62,1	60,9
Tajikistan	0,7	0,3	0,2	0,2	0,4	0,4	0,4	0,4	0,3	0,3
Uzbekistan	4,5	2,7	6,5	1,5	2,7	4,4	4,0	3,9	2,8	2,7
Ukraine	15,7	5,4	7,6	10,3	8,4	7,6	7,0	6,9	5,8	5,9

Source: Statistical collection of the Interstate Statistical Committee of the CIS (2021)

The data from Table 2 for the period under consideration shows that in 2020, the share of government trade decreased to 110 percent, while there was a growth in the share of non-government trade, i.e., the private sector of consumer goods trade, which accounted for 99.5 percent.

In the context of a market economy, to assess the development of retail trade in the Republic of Tajikistan, it is necessary to conduct a comparative analysis with similar indicators of other CIS countries (Table 3).

According to Table 3, the share of the Republic of Tajikistan in the retail trade turnover in 2020 is 0.3% (compared to 0.7% in 1991), while the share of the population is 3.0% (Table 4).

Table 4.

Change in the share of countries in the results for the CIS based on key socio-economic indicators (as a percentage of the total for the Commonwealth of Independent States)

Countries	Population size				Gross domestic product				Industrial products			
	1991	2000	2015	2020	1991	2000	2015	2020	1991	2000	2015	2020
Azerbaijan	2,6	2,9	3,4	3,3	1,3	1,5	2,9	2.7	1,3	1,7	2,5	2,3
Armenia	1,3	1,1	1,1	1,1	0,8	0,6	0,6	0.7	0,6	0,2	0,3	0,2
Belarus	3,6	3,6	3,3	3,4	4,1	2,9	2,9	2.8	4,6	5,1	4,5	4,1
Kazakhstan	5,8	5,3	6,2	6,0	4,2	5,2	10,1	8.9	4,4	5,3	6,6	6,0
Kyrgyzstan	1,6	1,7	2,1	2,0	0,9	0,4	0,4	0.5	0,8	0,4	0,3	0,3
Moldova	1,6	1,5	1,3	1,4	1,3	0,4	0,4	0.5	1,1	0,3	0,2	0,3
Russia	52,5	52,0	51,7	52,1	67,7	73,7	72,0	71.3	65,1	70,6	78,6	76,5
Tajikistan	1,9	2,2	3,0	3,0	0,6	0,3	0,4	0.4	0,6	0,3	0,2	0,2
Turkmenistan	1,4	1,9	1,8	1,7	0,7	1,2	1,9	1.8	0,7	1,3	-	1,0
Uzbekistan	7,5	8,8	11,1	10,9	3,0	3,9	3,5	3.6	3,2	3,3	-	3,1
Ukraine	18,3	17,3	15,0	16.0	14,5	9,0	4,9	5.1	16,7	11,1	6,8	6,5
Countries	Agricultural products				Foreign trade turnover				Retail turnover			
	1991	2000	2015	2020	1991	2000	2015	2020	1991	2000	2015	2020
Azerbaijan	1,9	2,2	3,8	3,6	0,7	1,4	2,6	2,5	2,7	2,0	4,1	4,0
Armenia	1,2	1,0	1,5	1,4	0,5	0,6	0,6	0,6	1,7	0,7	0,5	0,6
Belarus	5,8	5,6	5,9	5,5	5,5	7,8	7,3	7,1	4,1	3,8	3,5	3,2
Kazakhstan	6,9	5,3	8,7	8,5	4,8	6,8	9,7	9,4	4,2	3,5	4,7	4,1
Kyrgyzstan	1,7	1,6	2,1	2,0	0,5	0,5	0,7	0,7	1,1	0,5	0,7	0,6
Moldova	2,2	1,2	1,0	1,1	0,8	0,6	0,8	0,7	1,3	0,4	0.3	0,3
Russia	50,1	48,9	57,5	58,1	66,2	67,1	68,0	65,6	61,8	72,4	73,8	73,1
Tajikistan	1,1	0,7	2,3	2,5	0,8	0,7	0,6	0,6	0,7	0,3	0,4	0,3
Turkmenistan	1,4	2,8	-	-	1,7	-	-	-	1,0	1,5	-	-
Uzbekistan	5,7	10,8	-	-	3,0	-	-	-	4,5	6,5	4,4	4,1
Ukraine	20,7	18,5	17,2	17,8	15,2	14,0	9,7	9,4	15,7	7,6	7,6	7,0

Source: Statistical collection "25 years of the Commonwealth of Independent States (1991-2015)" of the Interstate Statistical Committee of the CIS (2016)

Table 4 shows that the country has a tendency to reduce the share in GDP from 0.6% in 1991 to 0.4% in 2020, industrial products from 0.6% to 0.2%. At the same time, the share of the population increased from 1.9% in 1991 to 3.0% in 2020 of the total population of the CIS countries.

On the basis of comparative analysis, it was found that Tajikistan lags behind other countries in terms of per capita retail turnover. The results of the analysis are presented in table 5.

Table 5.

Dynamics of retail turnover per capita in the CIS countries for the years 2000-2020 (as a percentage of the previous year)

Countries	Years								
	2000	2005	2010	2015	2016	2017	2018	2019	2020
Azerbaijan	109,8	113,0	109,0	111,0	102,0	103,0	103,0	104,0	103,0
Armenia	116	109	100,8	85	98	106	101	108	106
Belarus	112	120	116	99	96	104	108	105	107
Kazakhstan	107	114	118	97	102	103	106	106	104
Kyrgyzstan	107	114	98	106	105	106	107	105	105
Moldova	115	105	105	99,5	103	103	108	128	112
Russia	109	113	107	90	95	101	103	102	103
Tajikistan	79	110	108	106	107	106	107	110	107
Uzbekistan	107,6	105,1	113,6	115	114	102	107	109	108
Ukraine	107,0	122,0	110,0	80,0	104,0	107,0	106,0	110,0	109,0
CIS average	106,4	112,51	108,54	98,85	102,6	104,1	105,6	108,7	106,4

Source: Statistical collection of the Interstate Statistical Committee of the CIS (2021).

Table 6.

Dynamics of the structure of retail turnover in the Republic of Tajikistan by product groups across all sales channels for the years 2000-2020.

Years	All goods	Food products	Non-food products	All goods	Food products	Non-food products
	(in prices of corresponding years) million somoni			as a percentage of the total		
2000	558,2	332,1	226,1	100	59,5	40,5
2005	2219,3	1120,7	1098,6	100	50,5	49,5
2010	5997,7	2836,2	3161,6	100	47.3	52,7
2011	7425,6	3550,7	3874,9	100	47,8	52,2
2012	9013,9	4164,4	4849.5	100	46,2	53,8
2013	11311,7	5180,7	6131,0	100	45,8	54,2
2014	12823,9	6168,3	6655,6	100	48,1	51,9
2015	14377,7	7045,1	7332,6	100	49,0	51,0
2016	16166,7	7921,7	8245,0	100	49,0	51,0
2017	18435,2	9144,1	9291,1	100	49,6	50,4
2018	20479,7	9891,8	10587,9	100	48,3	51,7
2019	24948,3	12099,9	12848,4	100	48,5	51,5
2020	27024,8	13053,0	13971,8	100	48,3	51,7

Source: Statistical collection "Tajikistan: 30 years of state independence" and statistical yearbook of the Republic of Tajikistan (2021)

From Table 5, it can be seen that in comparison with the corresponding indicator, the per capita retail turnover in the Republic of Tajikistan and other CIS countries as a percentage of the previous year was 7.0 percent of the average indicator for the

Commonwealth of Independent States in 2020. This indicates existing problems in accelerating the pace of development of retail trade in Tajikistan. It is also worth noting that there is a lag in the development of retail trade in other indicators.

At the same time, the retail trade sector is witnessing the growth of private ownership. The dynamics of the structure of retail turnover in the Republic of Tajikistan by product groups across all sales channels for the years 2000-2020 are presented in Table 6.

From Table 6, it can be seen that there has been an increase in the commodity-group structure of the country's retail turnover over the specified years. The share of non-food products increased from 40.5% in 2000 to 51.7% in 2020, while the share of food products decreased from 59.5% to 48.3%. This indicates a change in the country's trade structure.

At the same time, it should be noted that the conducted research showed that many stalls, tents, and kiosks in rural areas are unregistered. However, in cities they are filled with clothing and food markets, where there has been a growth of 2.0 times.

The problem of forming an effective consumer market and increasing its role in economic development is that there is no state control over the sanitary and epidemiological conditions of retail outlets, and cash registers were not applied. Nowadays, modern trade information and communication technologies are being introduced.

Under these conditions, it is necessary to strengthen the role of state control over the activities of retail trade enterprises to solve the tasks assigned to them, taking into account market operating conditions. One of the elements of the trade intermediary infrastructure is the wholesale market, which acts as an economic entity that provides services to all manufacturers, wholesalers and buyers. Having studied foreign experience, it was found that the manufacturer cannot have its own supply network to solve all the existing problems.

There is an undermining of the interests of domestic producers due to the importation of imported goods of poor quality and at low prices. In addition, the share of direct deliveries of consumer goods from the manufacturer to the consumer is increasing. Organized wholesale and wholesale retail trade is being squeezed out of the commodity circulation infrastructure, due to the fact that manufacturers and consumers want to save on intermediary costs.

Consequently, the wholesale link plays an important role in shaping competition in the consumer market. That is, it orders specific producers to produce certain types of goods, which creates appropriate competition in the consumer market where the goods will be promoted. In the Republic of Tajikistan, due to street trading that took place in the early years of economic reforms, wholesale trade was practically paralyzed.

The growth in the effectiveness of the consumer market suggests to the wholesale market the character of the dominant link in the system of commodity circulation, which is important in conditions where about ¾ of the country's inhabitants live in rural areas, where there are no large producers, but there are small retail outlets located at a considerable distance from each other. At the same time, the wholesale market can provide all producers and consumers of their products with the opportunity to enter a competitive non-monopolized consumer market.

The wholesale market participates in the organization of information services for transactions, at prevailing market prices, quality control, product certification and a controlled taxation zone. However, these measures are currently not implemented systematically and comprehensively, which shows the importance of the problem of development of the market.

Now the main role should be played by the wholesale market in the development of an orderly system of distribution of consumer goods, which are sold without address and without taking into account the real market conditions. Under these conditions, the wholesale link should develop based on the improvement of the institutional framework and the creation of trade associations in the regions and large cities of Tajikistan. At the same time, the coordination of wholesale and wholesale and retail trade and information support for participants in wholesale transactions is considered a priority.

Recently, small wholesale stores-warehouses of the "cash-and-carry" type have appeared in the country, using the experience of France, Italy, Spain, America and other countries. The results of the analysis show that stores-warehouses, especially small shopping centers, catering establishments, retail buyers, who purchase goods in small bulk for individual consumption, rationally use the existing material and technical base of the former state, as well as consumer cooperation, with minimal repair and reconstruction costs.

In addition, these stores alleviate the problems of wholesale development. It is important to devote to conducting marketing research in order to study consumer demand, develop advertising activities and collect the necessary information, organize conditions for storing goods and ensure optimal turnover of goods within seven days.

In recent years, super- and hypermarkets operating mainly in the cities of Dushanbe, Khujand and Bokhtar have been successfully developing. We can also observe the development of retail chains. "An important and effective economic mechanism, and the main element of the PR infrastructure is the commodity exchange, which performs specific functions".

In the conditions of the Republic of Tajikistan, exchanges began to operate in the early 90s of the last century. The main activities of the country's exchanges until the end of the 90s of the last century were transactions for light industry goods.

We have found that exchanges serve export-import operations and mainly act as regulators of the pricing system in the market while strengthening the role of exchange trading requires the development of an organizational mechanism for their functioning.

It is important to consider the issue of exchange specialization. It is important to note that exchanges established in regional and district centers should be versatile and should aim at cost-saving, particularly in terms of expenses, resources, and building facilities.

In the conditions of Tajikistan, commodity exchanges can be considered as a marketing center for market research to promote goods, supply and demand. Based on this, the main direction is the improvement of exchange activities, a developed material and technical base, their equipping with information and communication technologies, automated workstations, telecommunications networks and modern means of communication, as well as the creation of a data bank for the organization and management of exchange trading.

It is considered a priority to take into account the demonopolization of commercial and intermediary activities in the market, "the creation in regional centers and small towns of independent medium and small organizations such as agency, dealer and distribution firms, designed to free producers from organizing their own distribution network, additional costs, especially storage costs and direct their resources to the production of goods."

In the new conditions, an important role is assigned to the Chamber of Commerce and Industry in the development of production, sales, and trade. The analysis shows that the Chamber of Commerce and Industry is becoming a center for promoting foreign trade activities, supporting innovative processes, legal expertise, and improving legislation. Moreover, its activities have contributed to establishing business contacts, organizing exhibitions and fairs, and enhancing information and communication work based on government support. Particular attention in the republic and its regions should be given to improving the supply of goods to the consumer market. In this regard, we consider it important to develop optimal routes and organize the transportation process within them.

In general, the rational functioning of the consumer market in the context of deepening market relations requires the formation of an extensive network of trade and intermediary infrastructure, based on compliance with modern global standards. It should be noted that when organizing trade and intermediary structures, it is necessary to take into account the territorial and geographical specifics of Tajikistan and its regions, as well as the shifts occurring in the activation of production and commercial activities of economic agents in the new conditions of digitalization.

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