REGIONAL MARKETING ATTRACTIVENESS AND ECONOMIC TRANSFORMATION IN THE BUKHARA REGION

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Abstract: The intensification of interregional competition has made territorial attractiveness an important component of regional economic policy. Regions increasingly compete for investment, visitors, entrepreneurs, skilled labour, export markets and consumer demand. However, regional attractiveness is determined not only by the availability of economic, natural and cultural resources, but also by the capacity to convert these resources into coherent value propositions for specific target audiences. This study examines the relationship between economic transformation and regional marketing attractiveness in the Bukhara Region of Uzbekistan. The research applies systemic, comparative, structural, dynamic and ***territorial methods to official socioeconomic data for 2026. The results indicate that*** the region combines a globally recognised heritage identity with an increasingly _____ industrial, service, agricultural and export economy. In 2025, gross regional product reached UZS 86.6 trillion and increased by 7.2%, industrial production grew by 7.1%, agriculture by 4.3%, market services by 14.0% and exports by 32.8%. Nevertheless, the analysis identifies several structural ***contradictions: fixed-capital investment declined relative to 2026; imports exceeded*** exports more than threefold; services were strongly concentrated in Bukhara city; and the wider region remained less visible than its historic urban centre. The study systematises the determinants of regional marketing attractiveness into seven groups: resource and identity, economic and market, industrial and export, tourism and service, transport and infrastructure, institutional and entrepreneurial, and digital

communication factors. The paper argues that the Bukhara Region should move beyond a tourism-dominated image and adopt a diversified territorial positioning that integrates heritage, manufacturing, agriculture, entrepreneurship, services and exports. The findings contribute to place-marketing research by demonstrating how economic transformation can expand the value proposition of a historically branded region.

Keywords: regional marketing attractiveness, territorial marketing, Bukhara Region, place branding, economic transformation, regional competitiveness, services, investment, export, heritage tourism.

INTRODUCTION

The contemporary regional economy is characterised by increasing mobility of investment, labour, technology, knowledge, tourists and entrepreneurial activity. As a result, regions no longer compete solely through production costs, natural resources or geographical location. They also compete through reputation, quality of life, infrastructure, institutional reliability, digital visibility and their ability to formulate a convincing territorial value proposition.

The development of place marketing reflects this shift. In the classical approach, places are understood as complex market entities that must create favourable conditions for residents, investors, businesses and visitors [1]. Place marketing therefore extends beyond advertising. It includes market research, audience segmentation, infrastructure development, service design, institutional coordination and the communication of territorial advantages.

Kavaratzis argues that the image of a place is produced not only through formal promotional communication but also through the physical environment, public policy, infrastructure, stakeholder behaviour and the actual experience of interacting with the place [2]. This distinction is important because many regional

promotion programmes remain communication-centred. They attempt to create awareness without sufficiently transforming the territorial product itself.

Place promotion, place marketing and place branding should consequently be treated as related but different processes. Promotion focuses primarily on communicating selected features. Marketing aligns the place offer with the needs of target audiences. Branding concerns the creation and management of a distinctive territorial identity and reputation [3]. A region may therefore have a well-known name without possessing a sufficiently competitive offer for investors, businesses or residents.

The concept of regional attractiveness has also evolved from a narrow investment-centred approach into a multidimensional framework. The Organisation for Economic Co-operation and Development defines regional attractiveness through the ability of places to attract and retain investors, talent and visitors. Its framework combines economic conditions with connectivity, visitor appeal, environmental quality, resident well-being, land use and housing [6; 7]. Regional attractiveness thus depends on the interaction of market and non-market factors rather than on a single economic indicator.

This paper introduces the concept of **regional marketing attractiveness** as the ability of a territory to generate awareness, trust, interest and willingness to choose the region among priority target groups by transforming territorial resources into differentiated and credible value propositions.

This concept differs from general regional attractiveness in its explicit emphasis on market perception, value communication and target-group choice. It also differs from tourism attractiveness, which concerns visitors, and investment attractiveness, which focuses primarily on capital allocation. Regional marketing attractiveness integrates several audiences, including:

- investors and industrial partners;
- entrepreneurs and small businesses;

- tourists and other visitors;
- export buyers and intermediaries;
- skilled workers, students and potential residents;
- the existing population of the region.

A territory becomes marketing-attractive when its resources are not only available but also recognisable, accessible, relevant and credible to these audiences. Cultural heritage, for example, has limited marketing value if it is poorly interpreted, difficult to access or disconnected from services. Industrial potential will not automatically attract investors if project information, local supplier data and institutional support are fragmented. Agricultural output will not create a strong territorial brand without quality assurance, processing, packaging and access to markets.

The Bukhara Region provides a particularly relevant case for studying this issue. Its strongest external association is the historic city of Bukhara, which is more than two thousand years old and is recognised by UNESCO as one of the best-preserved Islamic cities of Central Asia. Its historic urban fabric has remained largely intact, making heritage the region's most visible international marketing asset [17].

However, the economy of the wider Bukhara Region is considerably more diverse than its dominant tourism image suggests. The region has substantial manufacturing, petrochemical, energy, agricultural, construction, transport, trade and service activities. More than USD 8 billion in investment was attracted over the previous eight years, contributing to the diversification of the regional economy [18].

This creates an important research problem. The external image of Bukhara continues to be dominated by historic architecture and Silk Road tourism, while the actual economic structure of the region is undergoing industrial and service-sector

transformation. At the same time, the marketing visibility of the districts remains substantially weaker than that of Bukhara city.

MATERIALS AND METHODS

The study has a descriptive and analytical design. It combines theoretical analysis of regional marketing and place-branding literature with structural and dynamic analysis of official statistics for the Bukhara Region.

The theoretical framework draws upon four related research areas:

1. place marketing and strategic territorial management [1; 2];
2. place branding and competitive identity [3; 4; 8];
3. territorial capital and regional competitiveness [5];
4. multidimensional regional attractiveness [6; 7].

The empirical analysis uses official data published by the National Statistics Committee of the Republic of Uzbekistan, the Bukhara Regional Department of Statistics, the Government of Uzbekistan, the Presidential Administration and the UNESCO World Heritage Centre.

RESULTS

In 2025, the gross regional product of the Bukhara Region reached UZS 86.608 trillion, representing real growth of 7.2% compared with 2024. GRP per capita reached approximately UZS 41.4 million [9; 11].

Table 1. Main socioeconomic indicators of the Bukhara Region in 2025[1]

Indicator	2025 value	Change from 2024
Gross regional product	UZS 86.6 trillion	+7.2%
Industrial production	UZS 53.5 trillion	+7.1%
Agriculture, forestry and fisheries	UZS 48.3 trillion	+4.3%

[1] compiled from official regional statistics [9–16]

Indicator	2025 value	Change from 2024
Fixed-capital investment	UZS 42.9 trillion	−19.4%
Market services	UZS 42.7 trillion	+14.0%
Retail trade turnover	—	+9.2%
Exports	USD 414.0 million	+32.8%
Imports	USD 1.273 billion	+25.6%

The service sector recorded the fastest growth among the principal domestic sectors. Its 14.0% expansion exceeded industrial growth of 7.1% and agricultural growth of 4.3%. This suggests that the economic identity of the region is gradually becoming more service-oriented, even though industry and agriculture remain major components of production.

From the perspective of regional marketing, this trend broadens the potential territorial offer. Bukhara can no longer be presented only as a heritage destination or an industrial-agricultural region. Its emerging profile also includes transport, finance, communication, food services, trade and professional services.

Industrial production in the Bukhara Region amounted to approximately UZS 53.5 trillion in 2025. Manufacturing generated UZS 49.4 trillion and accounted for 92.3% of total industrial output [12].

The dominance of manufacturing is a favourable characteristic for investment marketing because it indicates that the region's industrial activity is not limited to the extraction of raw materials. Manufacturing provides a basis for:

- supplier networks;
- processing industries;
- industrial cooperation;
- skilled employment;
- product exports;
- technological upgrading.

Nevertheless, the region's external image does not yet adequately communicate its industrial transformation. Bukhara is internationally recognisable as a cultural destination, whereas its petrochemical, textile, food-processing, construction-material and energy sectors have substantially lower visibility.

This creates an image-structure gap: the region's symbolic identity remains heritage-centred while its economic base is becoming more diversified.

The development priorities announced for the region also indicate increasing sectoral specialisation. Food and furniture production are being prioritised in Bukhara city and Bukhara district, leather and textiles in Vabkent, petrochemicals in Kagan and Karaulbazar, pharmaceuticals and food processing in Shafirkan and Peshku, and building materials in Gijduvan [19].

Such district-level specialisation can support more precise investment marketing. Instead of presenting the entire region through a generic list of opportunities, regional authorities can develop sector-specific value propositions that identify:

- local resources and raw materials;
- infrastructure and available land;
- labour-force characteristics;
- existing anchor enterprises;
- potential suppliers;
- logistics and target markets.

The total output of agriculture, forestry and fisheries reached UZS 48.313 trillion in 2025. Crop production, livestock and related agricultural services accounted for UZS 47.806 trillion, while forestry generated UZS 319.1 billion and fisheries UZS 187.8 billion [15].

Although agricultural growth was lower than service and industrial growth, the sector remains central to employment, district economies and regional value chains.

Its contribution to regional marketing attractiveness can be strengthened through a transition from commodity-based production to origin-based value creation. This transition would involve:

- processing agricultural products within the region;
- creating territorial food brands;
- improving packaging and certification;
- communicating product origin;
- linking food products to the Bukhara identity;
- integrating agriculture with gastronomy and rural tourism.

Bukhara's existing cultural brand can provide reputational support for local food, textiles, crafts and traditional products. However, such brand extension should be based on verifiable quality and consistent standards. Otherwise, the use of the Bukhara name may generate visibility without creating sustainable consumer trust.

The integration of agriculture, gastronomy and tourism can also extend visitor stays beyond monument-centred itineraries. Farms, vineyards, traditional food production, craft workshops and rural communities can become components of a wider regional experience.

Fixed-capital investment reached UZS 42.916 trillion in 2025. Although this was more than double the 2021 level of UZS 20.5 trillion, investment decreased by UZS 8.8 trillion compared with 2024. The 2025 volume represented 80.6% of the previous year's level [13].

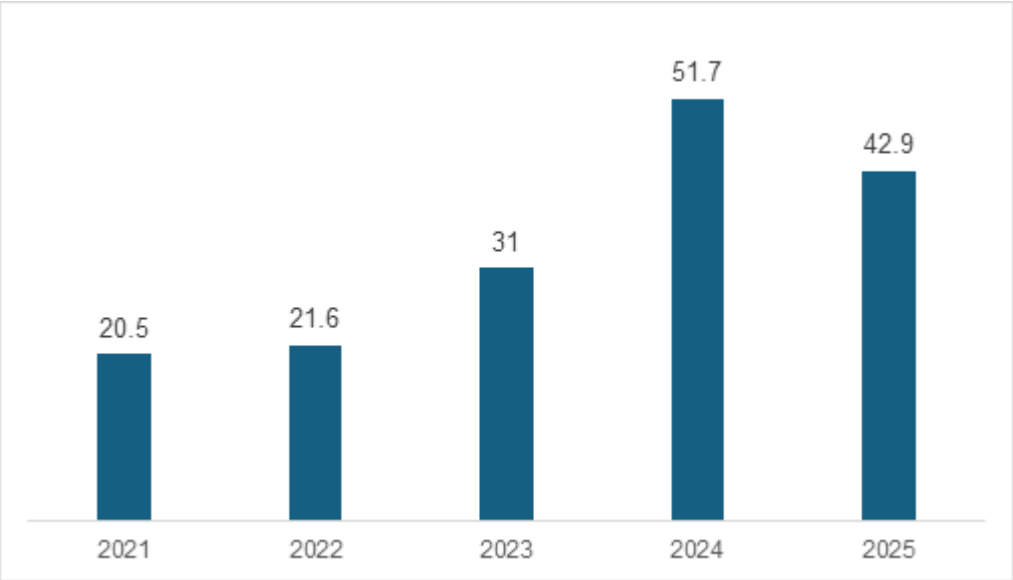


Figure 1. Dynamics of fixed-capital investment in the Bukhara Region, 2021–2025

The decline in 2025 should not automatically be interpreted as a deterioration in regional attractiveness. It may partly reflect the completion of major projects and the exceptionally high base of 2024. Nevertheless, it reveals the need for a continuous investment-project pipeline rather than dependence on a limited number of capital-intensive projects.

A notable feature of the investment structure was the role of foreign investment and loans, which accounted for 76.9% of total fixed-capital investment. The city of Bukhara attracted UZS 8.209 trillion, while Romitan and Karakul districts each attracted more than UZS 6 trillion [13].

This distribution demonstrates that investment opportunities are not concentrated exclusively in the regional capital. However, the high role of foreign financing also increases the importance of:

- investor aftercare;
- project implementation capacity;
- transparent information;
- supplier development;
- risk communication;

- long-term reinvestment.

Effective investment marketing should therefore be evaluated not only by the announced value of projects but also by project completion, employment creation, local procurement, technological transfer and export contribution.

Market services reached UZS 42.659 trillion in 2025, increasing by 14.0% from UZS 34.442 trillion in 2024 [10].

Table 2. Structure and growth dynamics of market services in the Bukhara Region in 2025[2]

Type of service	Volume, UZS trillion	Share of total services	Real growth
Accommodation and food	11.58	27.1%	7.1%
Trade	9.38	22.0%	14.8%
Transport	7.66	18.0%	17.6%
Financial services	5.20	12.2%	17.0%
Education	1.94	4.6%	8.2%
Communication and information	1.30	about 3.0%	19.3%
Healthcare	0.78	about 1.8%	22.9%
Real-estate services	0.67	about 1.6%	29.8%

The fastest growth occurred in real-estate, healthcare, communication, transport and financial services. This pattern indicates increasing complexity in the regional service economy.

2 Bukhara Regional Department of Statistics [10].

However, the data also reveal strong spatial concentration. Bukhara city generated UZS 12.558 trillion, or 29.4% of total market services. Its market services per capita reached UZS 41.527 million, compared with only UZS 6.544 million in Shafirkan district. The difference was therefore more than sixfold [10].

This disparity is strategically important. The marketing success of Bukhara city does not automatically generate comparable service development across the wider region. Visitors and investment may remain concentrated in the urban core unless surrounding districts offer accessible products, accommodation, transport, information and commercial services.

Small businesses generated UZS 30.280 trillion, equivalent to 71.0% of total market services. Their contribution exceeded 80% in several districts, including Alat, Bukhara, Gijduvan, Kagan and Jondor [10].

This confirms that the region's service attractiveness depends heavily on small entrepreneurship. Consequently, regional marketing policies should not focus only on attracting external investors. They should also improve the market access, digital capabilities and service standards of existing local firms.

At the beginning of 2026, 28,800 enterprises and organisations were operating in the Bukhara Region, excluding farms. Small enterprises and microfirms accounted for 24,900 units, or 86.5% of the total. However, the number of active enterprises was only 93.6% of the corresponding previous-year level, implying a decline of 6.4% [16].

The high share of small businesses represents a broad entrepreneurial base, but the decline in active entities suggests that business attractiveness should not be assessed only through new registrations.

A more meaningful assessment would consider:

- enterprise survival;
- employment growth;
- productivity;

- access to finance;
- digital adoption;
- market expansion;
- participation in export and supplier networks.

The service statistics reinforce this conclusion. Small businesses dominate service delivery in most districts, meaning that their resilience directly affects the quality of the territorial product experienced by residents and visitors.

The region's foreign trade turnover reached USD 1.687 billion in 2025, increasing by 27.3%. Exports rose by 32.8% to USD 414.0 million, while imports increased by 25.6% to USD 1.273 billion. The resulting trade deficit amounted to USD 858.7 million [14].

Imports were therefore approximately 3.1 times larger than exports. The deficit was more than twice the value of total exports.

This pattern has mixed implications. Rapid export growth signals improving access to international markets, but the scale of the deficit indicates substantial dependence on imported equipment, fuel, intermediate goods and other products.

Machinery and transport-equipment exports increased from USD 6.3 million in 2024 to USD 60.5 million in 2025. Food exports more than doubled from USD 20.2 million to USD 42.5 million. In contrast, manufactured-goods exports fell from USD 135.6 million to USD 101.4 million [14].

The sharp increase in machinery exports may represent industrial upgrading, but it could also reflect a small number of large contracts. Further longitudinal analysis is required before it can be interpreted as a stable structural shift.

Trade geography was concentrated. Russia accounted for 34.7% of turnover and China for 20.1%, meaning that the two countries jointly represented 54.8%. Turkmenistan accounted for 9.3% and Afghanistan 7.9%. The region traded with 88 countries, but a relatively small number of partners dominated total flows [14].

Export-market attractiveness should therefore focus on both product and geographical diversification. Relevant measures include certification, B2B digital promotion, regional export branding, participation in specialised trade platforms and assistance for firms entering new markets.

3.8. Heritage tourism and the need for regional product diversification

The Historic Centre of Bukhara is the region's most powerful symbolic and reputational asset. Its UNESCO status provides international awareness and differentiates Bukhara from many competing destinations [17].

The annual tourist flow to the region has reached approximately 1.7 million visitors. Official assessments nevertheless acknowledge that the region lacks sufficient large-scale and diversified visitor experiences capable of retaining tourists for longer periods [18].

This limitation affects the economic return from tourism. A destination may attract a large number of visitors while generating relatively limited local value if stays are short and expenditure is concentrated in a small historic area.

The region therefore requires tourism products that connect Bukhara city with the districts through:

- pilgrimage routes;
- craft and ceramic centres;
- gastronomic tourism;
- rural and village tourism;
- desert and ecological experiences;
- cultural events;
- industrial and educational visits;
- interregional Silk Road itineraries.

A newly developed tourist ring connecting Navoi, Samarkand and Bukhara illustrates the potential of network-based destination development and longer itineraries [20].

At the same time, the commercial development of the historic centre must remain compatible with heritage conservation. UNESCO has repeatedly emphasised the need for planning controls, legal protection and the preservation of traditional urban fabric and residential structures [17].

Authenticity is not merely a conservation concern. It is a core marketing asset. If the historical environment is degraded through incompatible construction, the region may weaken the very characteristic that underpins its international reputation.

The results allow the determinants of the Bukhara Region's marketing attractiveness to be organised into seven groups.

Resource and identity factors include cultural heritage, architecture, religious sites, crafts, traditional products, natural resources and regional specialisation.

Economic and market factors include GRP growth, household income, market size, trade, employment and the development of services.

Industrial and export factors include manufacturing capacity, value chains, product diversification, export structure, trade geography and international standards.

Tourism and service factors include accommodation, food services, visitor experiences, interpretation, routes, service quality and length of stay.

Transport and infrastructure factors include roads, railways, aviation, utilities, logistics, public spaces and accessibility of district-level attractions.

Institutional and entrepreneurial factors include business support, government coordination, investment facilitation, SME resilience, stakeholder participation and the availability of reliable territorial information.

Digital communication factors include search visibility, digital maps, multilingual content, social media, tourism and investment platforms, online reputation and the use of platform data in regional decision-making.

These groups are interdependent. Communication cannot compensate permanently for weak services. Infrastructure will not create a strong image without a clear value proposition. Heritage awareness will not produce broad regional development if visitor activity remains concentrated in one urban centre.

DISCUSSION

The findings show that the Bukhara Region's marketing attractiveness is shaped by an important mismatch between its established image and its changing economic structure.

The region's international image remains strongly associated with heritage tourism, while its measurable economic transformation includes manufacturing, services, petrochemicals, agriculture, energy, entrepreneurship and exports. This mismatch is not necessarily a weakness. A strong heritage identity provides a recognised entry point for wider regional positioning. The challenge is to extend the brand without diluting its authenticity.

The Bukhara name can function as a regional umbrella brand. Under this architecture, different districts can develop complementary propositions:

- Bukhara city as the historic and cultural core;
- Gijduvan as a craft, ceramic and building-material centre;
- Vabkent as a textile and leather-production area;
- Kagan and Karaulbazar as petrochemical and industrial locations;
- Shafirkan and Peshku as food-processing and pharmaceutical areas;
- rural districts as agricultural, gastronomic and community-tourism destinations.

Such an approach would replace a one-dimensional destination image with a portfolio of connected territorial products.

The statistical results also reveal four structural tensions.

First, positive economic growth coexists with a decline in fixed-capital investment. This demonstrates the need to distinguish current output performance from the sustainability of the future investment pipeline.

Second, strong export growth coexists with a substantial trade deficit. Regional export marketing must therefore prioritise higher value added, import substitution and market diversification.

Third, rapid service-sector growth coexists with pronounced spatial concentration. Without district-level service development, the economic benefits of the Bukhara brand will remain geographically uneven.

Fourth, a broad small-business base coexists with a decline in the number of active enterprises. Regional entrepreneurship policy should focus on business survival and market integration rather than registration alone.

These findings support the argument that regional marketing is not an isolated promotional function. It requires coordination between industrial policy, tourism, infrastructure, SME development, export support, heritage conservation and digital communication.

The regional value proposition may be expressed as follows:

The Bukhara Region is a historically rooted and internationally connected territory where cultural heritage, manufacturing capability, entrepreneurship, agriculture and hospitality jointly create opportunities for investment, trade, tourism and quality living.

This positioning retains the region's strongest symbolic asset while incorporating its contemporary economic transformation.

The study has several limitations. It does not measure the attitudes of target audiences. It also does not establish statistical causality between particular factors

and investor, tourist or resident choice. Future studies should combine official data with surveys, stakeholder interviews, digital-review analysis and spatial data.

Comparative research across the districts of Bukhara or across Uzbekistan's regions would also help determine whether the identified image-structure gap is specific to heritage regions or represents a broader regional-development pattern.

CONCLUSION

The economic transformation of the Bukhara Region is expanding the foundations of its marketing attractiveness. In 2025, the region recorded growth in GRP, industry, agriculture, services, trade and exports. Manufacturing dominated industrial production, services became the fastest-growing major sector, and small businesses generated most market services.

At the same time, the analysis identified several constraints:

- fixed-capital investment declined compared with 2024;
- imports exceeded exports more than threefold;
- export and trade relations were concentrated in a limited number of markets;
- Bukhara city accounted for a disproportionately large share of market services;
- district-level products remained less visible;
- the number of active enterprises declined;
- the region's economic diversification was insufficiently reflected in its external image.

The Bukhara Region should therefore move from a predominantly heritage-tourism image towards diversified regional positioning. This does not require abandoning the historic Bukhara brand. Instead, the brand should operate as an umbrella that connects the cultural core with district-level industrial, agricultural, service, export and tourism propositions.

Improving regional marketing attractiveness requires:

1. aligning the regional image with the actual structure of the economy;
2. developing sector-specific and district-specific value propositions;
3. supporting the resilience and digitalisation of small businesses;
4. diversifying exports and international market communication;
5. extending tourism beyond the historic urban centre;
6. improving transport, service and digital connectivity;
7. integrating heritage conservation into long-term marketing strategy.

Regional marketing attractiveness is therefore not produced by communication alone. It emerges when territorial identity, economic capacity, infrastructure, institutional coordination and stakeholder experience reinforce one another. The Bukhara Region possesses a globally recognisable identity and a transforming economic base. Its central strategic task is to connect these assets within a coherent, credible and diversified regional proposition.

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