



## **Preliminary analysis of the competitiveness determinants in wine industry in the São Francisco Valley, Brazil**

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In the current contemporary world scene, the science, technology and innovation are key elements for economic and social growth and democratization of opportunities of a nation. The Brazilian wine sector, especially the Sao Francisco Valley, has been increasing its role as agent in regional development and national agribusiness which, despite the challenges of typicality and uniqueness of the tropical viticulture practiced in the region, combined with increasing competition in their markets, also plays an important role by reducing social and economic inequality between the regions of Brazil. On the other hand, the pursuit of competitive advantage is already an imperative for survival or to reach new niche in the domestic market or export in the context of market globalization. And the tropical vitiviniculture practiced in the Sao Francisco Valley was not oblivious to this. This paper aims to identify and categorize the key factors or determinants for the competitiveness of wine industry, from the perspective of the four largest fine wine producers in the region of Sao Francisco Valley (second largest national wine cluster). In addition, it was identified the main roadblocks in achieving competitive advantage. As the methodological aspects: it is essentially an exploratory and explicative research. It was used the interview technique with open questions as data collection instrument. The interviews were made to senior management members of the four largest fine winemakers. For the treatment and analysis of answered nominal data it was used the software IRAMUTEQ that employ statistical algorithms to perform chi-square test and cluster analysis (for instance) to find standards more representative in the total set of answers. The results indicate that despite the shortcomings in basic industrial infrastructure such as instability in electricity supply and communications (Internet, for instance), the irrigated perimeters capacity constraints and quality of logistics infrastructure; asked about both market and competition issues, technological trends in the field and production processing, and university-industry relationship, in connection with barriers or even good points, what is observed is that: (i) the high taxation; (ii) the Brazilian consumer culture of fine wines compared to common wine (and the direct impact on consumption in situations of economic crises); and (iii) the high cost of logistics of production inputs and distribution of its products are seen as the main barriers or critical success factors in the competitiveness of the fine wine of the region of Sao Francisco River Valley in their markets (current and near future).