



A Study on Export Barriers and its Challenges faced by Stone Exporters in Pudukkottai District.

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ABSTRACT

This study investigates the export barriers and challenges faced by stone exporters in the Pudukkottai district. Exporting natural stone products has been a significant economic activity in this region, contributing to its local economy and employment opportunities. However, stone exporters encounter various obstacles that hinder their export activities.

The research employs a qualitative approach, utilizing interviews and surveys to gather data from stone exporters, industry experts, and government officials. The study identifies and analyzes the key export barriers, including regulatory compliance, infrastructure limitations, lack of market information, and financial constraints. Additionally, it explores the challenges faced by stone exporters, such as fluctuating global demand, intense competition, and evolving customer preferences. The findings of this study provide valuable insights into the export challenges faced by stone exporters in Pudukkottai district. The research contributes to the existing knowledge base by highlighting the specific barriers that hinder the growth and international expansion of this industry. The study's recommendations aim to assist policymakers, industry stakeholders, and exporters in overcoming these challenges and fostering a more conducive export environment for the stone sector in Pudukkottai district.

Keywords: Export barriers, International trade, Pudukkottai district exporters, Stone exports, Export documentation, Trade regulation, Language and culture, Government support, Market research

INTRODUCTION

The introduction chapter serves as a gateway to the project, offering a comprehensive introduction to the study on barriers and challenges confronted by stone exporters. It commences by shedding light on the crucial role played by the stone export industry in the global trade landscape and its significant contribution to economic development. The ever-increasing demand for high-quality stone products, driven by factors such as infrastructure development and architectural projects, underscores the importance of this industry and the opportunities it presents for exporting countries.

Within this context, it becomes essential to explore the barriers and challenges encountered by stone exporters. Understanding these impediments is crucial for developing effective strategies that can help overcome them and sustain a competitive position in the international market. This study aims to delve deep into the multifaceted challenges faced by stone exporters, ranging from regulatory barriers and trade restrictions to logistical complexities and market dynamics.

By identifying and analyzing these hurdles, the research intends to provide valuable insights that can inform policymakers, industry stakeholders, and exporters themselves in making informed decisions and implementing targeted interventions.

To achieve these objectives, this study will adopt a rigorous research methodology, combining both qualitative and quantitative approaches. Primary data will be collected through interviews and surveys conducted with stone exporters, industry experts, and relevant government officials. These firsthand perspectives will provide invaluable insights into the specific challenges faced by exporters and the strategies they employ to mitigate them. Additionally, secondary data from industry reports, academic literature, and trade databases will be analyzed to provide a comprehensive overview of the industry's landscape and the broader economic context in which stone exporters operate.

OBJECTIVES

1. To identify the internal export barriers faced by the stone exporters in Pudukkottai District.
2. To identify the external export barriers faced by the stone exporters in Pudukkottai District.
3. To identify and analyze the key export barriers faced by the stone exporters in the industry.

RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process and analyze the information about stone exporters in Pudukkottai district.

LIMITATION OF STUDY

- The study is limited only to stone exports and does not consider barriers related to export of other products.
- More over the study is limited to barriers faced by stone exporters only in Pudukkottai district.

REVIEWS FOR PROJECT

- (Bishwajeet Prakash, 2021) A study on Micro, small and medium enterprises (MSMEs) have emerged as an accelerator of economic growth with a sizeable contribution in job creation, innovation development, and reduction of regional disparities in most world economies. This paper investigates the influence of external and internal factors affecting the growth of MSMEs in poor-performing Bihar state, India. The objective of the study is to identify the major deep-rooted causes for the inability of MSMEs to compete in developing states and identify potential solutions. The study is based on an empirical database; it tested various dimensions of MSMEs barriers in their potential growth. The target group included MSMEs of Bihar state, India, using a sample of 450 entrepreneurs. The paper adopted a multistage stage sampling and multivariate analysis technique. The results showed that there are twelve major potential barriers, both endogenous and exogenous, faced by MSMEs, such as availability of raw materials, financial issues, labor force challenges, technology inefficiency, power/electricity scarcity, poor marketing, competition, knowledge-related challenges, government and administration problems, infrastructure inefficiency, etc. The findings show that these barriers affect the promotion and growth of MSMEs in developing regions. In future, it is suggested to focus on the implementation of good governance that helps to remove effectively the major barriers of MSMEs in underdeveloped states, such as Bihar, India.

- (Sumanasiri, 2021) In recent decades, India has emerged as a major economy in the world. Although Sri Lanka is situated in close proximity to India and has entered into trade agreements with India to boost its international trade, it has still not been able to achieve the expected level of growth in exports to India. Based on the 2019 United Nations COMTRAD data, India is the third largest export destination of Sri Lanka, and the export revenue from trade with India amounted to US \$ 759 million in 2019. However, the statistics in the past years indicate a drop in Sri Lankan export revenue to India from \$ 767 million in 2018 to \$ 759 million in 2019. In spite of different bilateral and multilateral trade agreements entered into between the two countries, Sri Lankan export performance still remains unsatisfactory. This indicates that apart from tariff reductions, certain other non-tariff barriers influence international trade performance between the two countries. Therefore, this study aims to explore barriers to Sri Lankan exporters which undermine their international trade performance in the Indian market. The study follows a qualitative research methodology and has collected data using face-to-face unstructured interviews with twenty(20) respondents representing different stakeholders engaged in the process of exporting from Sri Lanka to India. The collected data was coded and analyzed through template analysis. Findings revealed thirty-five (35) important factors which influence successful penetration into and performance in the Indian market. The results reveal that host market and home market characteristics have a greater impact on successful performance in the Indian market than product or firm characteristics.

- (Khan, 2020) A study With around 30 per cent contribution towards GDP and 40 per cent export of the country, the growth of the micro, small and medium enterprise (MSME) sector is an important driver of the Indian

economy. This article seeks to identify the factors for export promotion from both the macro and micro point of view. Thus the study is to consider the factors of MSME sector as a whole with special reference to availability of raw materials. The linear regression model with the ordinary least square method has been applied after examining autocorrelation and multicollinearity in the data series. It has been concluded that foreign exchange rate, fixed investment and financial support from the government affect export performances of MSME. With the growth analysis and determination of Levene's Test for Equality of Variances among coconut and coir production and the amount of export, it is observed that the poor growth in availability of raw material may have affected the export performances adversely.

- (Martinovic, 2017) A study on this paper examines the influence of the perceived export barriers on export intensity. The survey was conducted on the sample of 100 Croatian manufacturers. Upon review of the literature 14 variables of the export barriers have been identified. The results reveal a negative relationship between the perceived export barriers on export intensity. Factor analyses were used to sort variables to 4 categories. This model introduced external environment factor, organization and commitment, governmental factor and financial factor as critical obstacles to export intensity of Croatian companies.

CHI-SQUARE ANALYSIS

Null Hypothesis H02: There is no significance relationship between the number of year experience in exports and Difficulty in making customer contacts and communicating with clients overseas acting as export barrier.

Cross Tabulation: Experience and Difficulty in making customer contacts and communicating with clients overseas.



years of experience in stone exporting * [Difficulty in making customer contacts and communicating with client overseas] Crosstabulation

			Difficulty in making customer contacts and communicating with client overseas]					Total
			Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
years of experience in stone exporting	Below one year	Count	1	4	2	2	0	9
		% within years of experience in stone exporting	11.1%	44.4%	22.2%	22.2%	.0%	100.0%
		% within [Difficulty in making customer contacts and communicating with client overseas]	5.0%	10.5%	4.3%	5.4%	.0%	6.3%
		% of Total	.7%	2.8%	1.4%	1.4%	.0%	6.3%
	1-3 Year	Count	6	14	18	22	0	60
		% within years of experience in stone exporting	10.0%	23.3%	30.0%	36.7%	.0%	100.0%
		% within [Difficulty in making customer contacts and communicating with client overseas]	30.0%	36.8%	39.1%	59.5%	.0%	42.3%
		% of Total	4.2%	9.9%	12.7%	15.5%	.0%	42.3%
	3-6 Year	Count	6	12	14	6	0	38
		% within years of experience in stone exporting	15.8%	31.6%	36.8%	15.8%	.0%	100.0%
		% within [Difficulty in making customer contacts and communicating with client overseas]	30.0%	31.6%	30.4%	16.2%	.0%	26.8%
		% of Total	4.2%	8.5%	9.9%	4.2%	.0%	26.8%
	Above 6 year	Count	7	8	12	7	1	35
		% within years of experience in stone exporting	20.0%	22.9%	34.3%	20.0%	2.9%	100.0%
		% within [Difficulty in making customer contacts and communicating with client overseas]	35.0%	21.1%	26.1%	18.9%	100.0%	24.6%
		% of Total	4.9%	5.6%	8.5%	4.9%	.7%	24.6%
	Total	Count	20	38	46	37	1	142
		% within years of experience in stone exporting	14.1%	26.8%	32.4%	26.1%	.7%	100.0%
		% within [Difficulty in making customer contacts and communicating with client overseas]	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	14.1%	26.8%	32.4%	26.1%	.7%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.954 ^a	12	.449
Likelihood Ratio	11.541	12	.483
Linear-by-Linear Association	1.322	1	.250
N of Valid Cases	142		

a. 9 cells (45.0%) have expected count less than 5. The minimum expected count is .06.

Interpretation:

P value = .449

P Value is greater than .05, hence the null hypothesis is accepted. Therefore, there is no significant relationship between the number of year experience in export and Difficulty in making customer contacts and communicating with client overseas acting as export barrier.

ANOVA

Null Hypothesis H01: There is no significant difference in culture and language barrier faced by exporters in various experience groups.

Relationship between the respondents on the basis of Experiences of exporters and Culture and language difference.

ANOVA

years of experience in stone exporting

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.870	4	1.968	2.448	.049
Within Groups	110.109	137	.804		
Total	117.979	141			

Interpretation

P value is 0.049 which is less than 0.05. Hence, null hypothesis is rejected. Therefore, there is a significant difference in cultures and languages barrier faced by exporters in various experience groups.

Null Hypothesis H02: There is no significant difference in foreign exchange rate policy faced by exporters in various experience groups.

Relationship between the respondents on the basis of Experiences of exporters and Foreign exchange rate policy.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.651	4	1.663	2.046	.091
Within Groups	111.328	137	.813		
Total	117.979	141			

Interpretation

P value is 0.091 which is less than 0.05. Hence, null hypothesis is rejected. Therefore, there is a significant difference in foreign exchange rate policy barrier faced by exporters in various experience groups.

FINDINGS

Demographic profile of the respondents.

- ❖ Majority (44.4) of the respondents have the age between 25-34 years in the export industry.
- ❖ Majority (92.3) of the respondents was male gender response in the export barrier study.

Internal Export Barriers faced by the stone exporters.

The major factors acting as internal export barriers for stone exporters are industry structure and financial barriers.

- ❖ Majority (46.5) of the respondents neutral that lack of knowledge about export markets and exporting act as barrier.
- ❖ Majority (36.6) of the respondents agree that lack of experience in exporting act as barrier.
- ❖ Majority (49.3) of the respondents neutral that lack of financial resource to conduct market research in overseas market act as financial barrier.
- ❖ Most (40.1) of the respondents neutral that packaging and labeling requirements act as a technical adaption barrier.
- ❖ Majority (35.2) of the respondents agree that lack of technological infrastructure act as barrier.
- ❖ Majority (43.7) of the respondents neutral that safety and health concerns act as barrier.
- ❖ Majority (35.9) of the respondents agree that lack of management emphasis / commitment to develop export activities act as barrier.

External Export Barriers faced by the stone exporters.

The major factor acting as external export barriers for stone exporters are procedural barrier, competition barrier, customer barrier, direct barrier, and indirect barriers.

- ❖ Majority (48.6) of the respondents neutral that established competitions act as barrier.
- ❖ Majority (33.1) of the respondents neutral that price competition act as barrier.
- ❖ Majority (42.3) of the respondents agree that insufficient foreign demand act as barrier.
- ❖ Majority (50.0) of the respondents agree that culture and language difference act as customer barrier in the stone exports.
- ❖ Majority (51.4) of the respondents neutral that payment delay and possible bad debts act as procedural barrier.
- ❖ Majority (38.0) of the respondents agree that export methods of payments act as barrier
- ❖ Majority (48.6) of the respondents neutral that foreign market regulation act as barrier.
- ❖ Majority (35.2) of the respondents agree that high transportation cost act as barrier.
- ❖ Majority (50.7) of the respondents neutral that international agreement of act as barrier.
- ❖ Majority (38.7) of the respondents agree that lack of import licenses act as barriers in indirect exports.

Relationship between the Year of Experience in Exports and Barriers faced by Exporters.

- ❖ There is no significant relationship between the number of year experience in export and difficulty in making customer contacts and communicating with client overseas acting as export barrier.
- ❖ There is a significant relationship between the number of year experience in export and lack of financial resources to financial exports.

SUGGESTIONS

The stone export industry plays a significant role in the global economy, providing valuable resources for construction and infrastructure projects. The stone export industry is vital for economic development and infrastructure projects worldwide.

One of the primary recommendations is for stone exporters to conduct thorough market research and diversify their target markets. This involves identifying potential regions with high demand for stones and understanding their specific requirements.

The stone export industry heavily relies on efficient transportation and logistics systems. Therefore, it is crucial for stakeholders to collaborate and invest in improving infrastructure, including roads, ports, and warehouses.

Ensuring consistent quality and complying with international standards are paramount for stone exporters. To address this challenge, the establishment of quality control laboratories and certification bodies can help monitor and certify the quality of stones.

CONCLUSION

In conclusion, the study on barriers and challenges faced by stone exporters in India sheds light on the significant obstacles that hinder the growth and success of this industry. The findings of the study highlight several key factors that contribute to these challenges, including bureaucratic red tape, inadequate infrastructure, lack of technological advancements, and fierce competition in the global market. The research indicates that cumbersome government regulations and bureaucratic processes create significant barriers for stone exporters, leading to delays and increased costs. Additionally, the lack of modern infrastructure, such as efficient transportation systems and well-equipped ports, limits the industry's capacity to meet international demands and compete effectively.

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