

**EXPORT MARKETING SUPPORT ACTIVITY:
A STUDY ON SUPPORTING EXPORT PROMOTION PROGRAMMES (EPPs) IN
PAKISTAN**

**Thesis Submitted For The Degree of Doctor of Philosophy to The University of
Leicester In Accordance with the Rules And Regulations of The University**

by

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1998

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A study on supporting export promotion programmes in Pakistan

by

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A thesis submitted to the faculty of social sciences, Management Centre
University of Leicester in fulfilment of the requirements for the degree
of

Doctor of Philosophy

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I recommend that the thesis prepared under my supervision by

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entitled

Export Marketing Support Activity:
“A Study on Supporting Export Promotion Programmes (EPPs) in Pakistan”

be accepted in fulfilment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

1997
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.....
Dr. Costas Bourlakis
Supervisor

ABSTRACT

Export marketing support services offered by the government and other agencies, particularly in developing countries, seem well-suited to exporting firms for their involvement in foreign markets. The effects of governmental export marketing support on firms' exporting activity is found a limited researched issue in international marketing, particularly the measurement of the effects of export promotion programmes (EPPs). Such programmes specifically are directed at assisting exporters' export market entry.

The study addresses the role and effectiveness of export marketing support as the acquisition of such support is influenced by management's orientation and information search and use behaviour (Reid, 1984; Katsikeas and Piercy, 1993). The analysis involves:

- 1- A comparison of the sample groups of programmes' users (UEP) and programmes' non-users (NUEP).
- 2- A detailed investigation of the export promotion programmes (EPPs) in export market entry.

Overall, the thesis findings suggest that certain behavioural differences exist between firms using export promotion programmes (EPPs) in their export market entry and the firms not using EPPs. But no difference was found as far as export performance of both sample groups is concerned. However, users of programmes seem more organised and proactive in export marketing activity.

Measurement of the effectiveness of export promotion programmes (EPPs), however, appears complicated by a variety of factors which could not be clearly attributed to the use of EPPs. Such programmes are seen as having a lasting effect on the exporting firms' export market involvement.

Although the role of export promotion programmes must be seen as complementary to firms' export marketing efforts in general, these are accorded importance in export market entry

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CHAPTER 1

INTRODUCTION

This chapter will introduce the research topic, showing the importance of research into exporting, and research objectives. The organisation of this study and process underlying this thesis are also given.

1.1 Introduction

Export promotion system is a government-based system in many of the developing countries. The term export promotion, export support and export incentives are often used interchangeably (Czinkota and Ricks, 1981; Pointon, 1978; Balassa, 1979). Export support systems operate differently in their strategic orientation in various developing countries. Export promotion support to the business community has been available in the developed countries since the start of 20th century. Economic success of developed nations also encouraged an increasing number of developing countries to turn to export stimulation as a major engine of economic growth. Policy makers of different governments are focusing their attention on the use of incentives and support on traditional exports (non-manufactured products), but it is very important to strengthen a country's manufacturing base and must be supported by various export promotion programmes at government level. A manufacturing firm should participate in the global expansion of the manufactured goods.

There has always been considerable interest in firms' export involvement as a policy issue. A report by the United Nations Conference on Trade and Development (UNCTAD) lists about 40 countries whose trade development policies include governmental marketing support to industrial exporters (Seringhaus, 1986). Policy makers tend to view government export promotion as having a major impact on firms' competitive position abroad (House of Common, 1980) supporting the view that export promotion services should be seen as a resource to business for enhancing its international competitiveness (McLaren, 1976; Litvak, 1979). From a government's point of view, offering export support programmes is intended to improve the international competitiveness of domestic firms and thus the country's trade balance. The need for export promotion is therefore likely to depend on the degree of a nation's global trade expansion and its relative competitiveness with other trading nations. From a firm's perspective, export promotion measures attempt to create a pro-export attitude, deal with specific export problems and assist in making exporting a positive experience for the company (Diamantopoulos et al, 1993).

The kind of help that can be provided is restricted by the General Agreement on Tariff and Trade (GATT) and, as a result, government involvement typically manifests itself in a wide range of "back-up" services (Pointon, 1978). Such measures take different forms in different countries, largely depending on a country's trade policy and its view towards government intervention in the business sector. Some countries

have purely governmental export promotion organisations (EPOs) Canada for example, while others have privately-funded organisations (e.g. Austria). Others still have quasi-governmental bodies (e.g. Sweden). In brief, a number of issues have been emerging relative to firms' export market involvement. It is clear to academic researchers and government policy-makers that a better understanding of firm and managerial behaviour requires more than research in international trade theory and aggregate industrial analysis (Miesenbock, 1988; McGuire, 1983; Czinkota and Tesar, 1982;).

1.2 Research problem history

In the world export perspective, Pakistan has experienced decline in its exports during the last two decades. Export promotion seems difficult, as the biggest import markets have turned towards other Asian states for the import of products, as a result, unfavourable balance of trade and balance of payments crisis have been beyond the control of the government since 1982 (Khan, 1996). The proportion of imports is always greater than the proportion of exports.

There are other forces affecting the economy of Pakistan such as the value of currency include workers' remittances, foreign investments, short-long term loans, investment incomes and debt payments. As long as Pakistan had foreign assistance pouring into our exchequer and it had a free and effortless ride into artificial prosperity, the country failed to diversify its exports by introducing more and more products in the

international markets. Pakistan has survived so far economically on borrowed money. Gradual increase in traditional exports in the past years could hardly meet inflation and ever rising administration and non-development costs (Soorty, 1992).

Successive governments have done very little to change the trend towards stimulating the economy through exports from the country. The negative impact of such trend also badly affected the value of currency. A single US dollar in the open market costs Pak. Rs. 39.25 as compared the cost of Pak. Rs. 10.25= \$ 1 in 1982 due to dependence upon foreign debts, protectionism, import substitution rather than emphasis on export promotion policy.

Beyond the official statistics of annual imports and exports the world bank expects that a good \$ 2 billion worth of unofficial exports either originate or pass through Pakistani borders (The News, September 1996). These unofficial exports have indeed been a great help for the otherwise slumping Pakistani currency and survival of the economy to some extent.

Despite heavy expenditure on export promotion programmes (EPPs) and launching export policy of providing incentives - export financing, show cases and trade offices abroad, export processing zones in the country, trade fairs, VIP visits, seminars, workshops, and publicity campaigns- exports are not producing satisfactory results.

A review of the 1974-84 years' annual report of the Export Promotion Bureau (EPB) of Pakistan and Chambers of Commerce, which

list such things as the amount of money spent on sending trade delegations overseas and on training programs for exporters, shows that both the EPB and the chamber of commerce have not been following any structured and effective programme for promoting Pakistan's exports (Syed, 1986). This research is to focus on the effectiveness of export marketing support generally and export promotion programmes (EPPs), particularly those sponsored by the government. Thus the problem inherent in attempting to show the usefulness or effectiveness of the collective set of diverse government export marketing programmes (services) is to support export marketing activity of manufacturing firms in Pakistan.

From the above discussion, It is felt that government of Pakistan and its agency export promotion bureau (EPB) must be strict in making export support effective in delivering export promotion services to the exporters. As export promotion programmes (EPPs) and incentives do not seem to be working effectively in Pakistan, the question comes to mind that "Is there a need for a structurally export commitment to utilise government export promotion programmes (EPPs) effectively?" This is an issue that must be taken into consideration in this study.

1.3 The Importance Of Research into Exporting

A number of research studies have discussed government export marketing support as a global concept (Naidu and Rao, 1993; Czinkota, 1994 & 1982a; Pointon, 1978; Welch and Wiedersheim-Pual, 1979; McConnell, 1979; Rao and Weinrauch, 1973d and 1974d).

Why should one study export marketing? The answer simply is that it is important to entire nations as well as individual companies and it does require knowledge different from domestic marketing, although at times the differences are of degree rather than kind. Moreover, such knowledge goes hand-in-hand with a kind of distinctive competence and experience that are required if a company is to be successful. Competence in general marketing, by itself, is a necessary (but not sufficient) condition for success in export marketing. In addition to the knowledge, competence, and experience in foreign markets, success also requires the proper attitudes and commitment by company's management (Albaum et al., 1996). Another relevant issue to the study can be described as "Is a commitment to exports desirable and, if so, are more exports better?" The answer to this issue is rather complex and must consider trade theory along with Pakistan's trade with in the world scenario. Trade theory explains, in a broad sense, why countries export certain categories of their products. It does not, however, explain the micro-firm behavioural- issues that lead management to develop export marketing plans and generally pursue particular patterns of foreign market involvement (Young, 1995; Daniels, Ogram Jr, 1982). There seems to a consensus among the private

and public sector that exports benefit the nation, particularly through the creation of additional jobs and by improving firms' international business expertise (Ross and Banting, 1981)

Export support programmes have been institutionalised in many developed and developing countries and all seem to favour increasing export involvement (Naidu et al., 1997; Czinkota, 1994; Hess, 1972; Parthasarathy, 1977). Pakistan has its open economic policy and such a policy demands a strong commitment to exporting. This is necessary for trade balance reasons and requires the fostering of a private sector with extensive export orientation and international competitive competence. To some extent, it is affordable for a country like Pakistan to import more than its exports, but if this practice continues for a long period of time, a trade deficit can not be maintained indefinitely and the country's reserves will be exhausted and its government will have to borrow financial resources to pay for the imports, the present situation in Pakistan.

Treasure (1966) has given the following comments regarding export marketing which explain the situation more precisely:

*"The case for spending time and money on improving
export marketing efficiency does not and should not
depend on the assumption that we are poor exporters
but on the assumption that our efficiency can be improved "*

The above interesting comments are very much near to the importance of exporting research and the export marketing support

situation in a developing country like Pakistan. It is felt from the study that national support agencies and the exporters also remained unsuccessful in demonstrating their efficiency in promoting exports from Pakistan. While export research has become more important in the last two and a half decades, not much of it has addressed the business-government relationship generally and the effect of government export marketing assistance particularly. Thus, there is a need of export assistance on the right track to the exporters as implied in the comments given by the above author.

1.4 Aim of the study

Exporting firms should consider the use of export promotion services as a resource with the potential to enhance their competitiveness internationally as differences among firms in different stages of internationalisation offer useful insights and implications for designing needed assistance efforts (Naidu and Rao, 1993; MacLaren, 1976; Litvak, 1979), a number of research studies have discussed public export marketing support as a global concept as well. (Czinkota, 1994, Naidu and Rao, 1993, Pointon, 1978, Rao and Weinrauch, 1973-74), It has also been pointed out in chapter three that firms need appropriate support at the right stage of their export market involvement process (Czinkota, 1994, Naidu and Rao, 1993; Welch and Wiedersheim-Paul, 1979).

Thus it looks important to aim export marketing research on the firms-government relationship which is the result of the role and

effectiveness of export marketing support programmes (EPPs).

1.5 Objectives of the study

This research focuses on effectiveness of export promotion programmes (EPPs) sponsored by the government. While discussing government export marketing support, one must separate the issues of concern to the public policy-maker from those of importance to the firms. The data shows that the Pakistan's exports have been increasing but they have not kept pace with the growth rate of rest of the world (Syed, 1986). Export commitment must be developed in the attitudes of export support agencies and exporters in Pakistan, otherwise there is no point in spending huge amounts on launching export promotion programmes (EPPs) and announcing incentives for the exporters. In view of this, empirical work has been carried out to concentrate on the data collected from the respondents to whom questionnaires were mailed. The major consideration is how an exporting firm from a developing country like Pakistan can achieve and generate the highest sales volume by using the export promotion programmes (EPPs) effectively, sponsored by the government sector.

The purpose of the study is to examine the role of export promotion programmes (EPPs), focusing particularly on the provision of export marketing assistance by the government. The role of EPPs includes the creation of awareness of exporting as a growth and market expansion option; the reduction or removal of barriers to exporting; and the creation

of promotion incentives and various forms of support to exporters.

Research is formulated in the following way:

- a Compare the export promotion programmes (EPPs)' utilisation between users and non-users (UEP & NUEP) of export marketing support programmes and to identify the overall impact of EPPs on exporters (UEP & NUEP).
- b Understand management and firm behaviour relative to government export marketing support in general, and export promotion programmes (EPPs) in particular.
- c Determine export promotion programmes' part in firms' export decision making and export marketing activities.
- d Learn from the behavioural patterns and context of export marketing decisions of firms in order to improve the relevance and usefulness of export promotion programmes (EPPs).

Briefly, the overall objective of this study is to explore “what is the role and effectiveness of export promotion programmes (EPPs) on the exporting firms' export market involvement?”

The following figure 1.1 can be helpful to understand the focus of the study in addition to its objectives.

Figure: 1.1

Stages of Internationalisation: <ul style="list-style-type: none"> • non-exporters * export intenders • sporadic exporters * regular exporters 	Focus of this study
	Regular exporters
Firm Size: <ul style="list-style-type: none"> * small, medium or large 	Mostly Small
Ownership: <ul style="list-style-type: none"> • public • private 	Private
Type of firm: <ul style="list-style-type: none"> • manufacturing * services • trade (wholesale, retail establishment) 	Manufacturing
Target export destinations: <ul style="list-style-type: none"> • North America * South America • European Community *Middle East etc. 	Plus Japan and Far East etc.
Needs/Assistance: <ul style="list-style-type: none"> • financial assistance * human resource assistance • marketing research assistance 	Plus more comes under EPPs
Managerial attitudes towards exporting: <ul style="list-style-type: none"> * unfavourable *moderate *favourable 	Favourable

Source: Adapted from Naidu et al., 1997

A decision was made to focus on firms involved in regular export activities, in light of previous empirical evidence indicating that different

exporter categories vary in their characteristics, attitudes, and behaviour (Cavusgil, 1984b; Samiee and Walters, 1991; Naidu and Rao, 1993).

To this end, the study first reviews the research previously carried out on the topic. It then describes the research methodology adopted in this study and its limitations. The research results are subsequently presented, analysed and discussed. Finally, several conclusions are drawn from the research findings, as well as certain implications for practitioners, policy makers, and researchers.

1.6 Organisation of the study

The study contains six chapters which are detailed here.

Chapter 1:

This chapter describes the focus of the thesis, introducing the topic, export problem history and explaining the research objectives of the study.

Chapter 2:

It presents the export swings in developing countries. Overall discussion has been made to explain the variations in the exports of developing countries to strengthen the export marketing study in Pakistan.

Chapter 3:

This chapter provides clarification and explanation of the issues of the governmental export marketing support and addresses the complex issue of export marketing in managerial context and perspective. The chapter describes extensively the literature review regarding export marketing support programmes' issues and supporting agencies.

Chapter 4:

This chapter is concerned with research methodology and design. This accomplished comprehensively covering the data requirement, sampling frame and data collection methodology and research process. The chapter outlines the conceptual frame which substantiate the hypotheses of the study. These hypotheses, in turn, provide the structure for the empirical testing undertaken in chapter 5.

Chapter 5:

This chapter contains a comprehensive discussion of the effectiveness of export promotion programmes (EPPs) on firms' export marketing behaviour. This chapter provides the results of the testing of null and research hypotheses.

Chapter 6:

This chapter presents the review of the conclusions of the analysis in chapter 5. Implications are drawn for export marketing policy at

government level as well as firms' levels in terms of their export marketing management and business-government relationship, through export promotion programmes (EPPs). Finally, it concludes with suggestions for future research.

CHAPTER 2

LITERATURE REVIEW ON

EXPORT SWINGS IN DEVELOPING COUNTRIES

2.1 Introduction

Marketing of goods and services beyond the home market is a distinct alternative for the business organisation as a means of survival and long-term viability. Exporting is widely regarded as an attractive way of foreign market entry because it does not require as much commitment of company resources as joint ventures or overseas manufacturing establishment. In addition, the involvement of more companies in export activities is considered one of the best ways to narrow the trade deficit gap faced by many countries (Katsikeas, 1990).

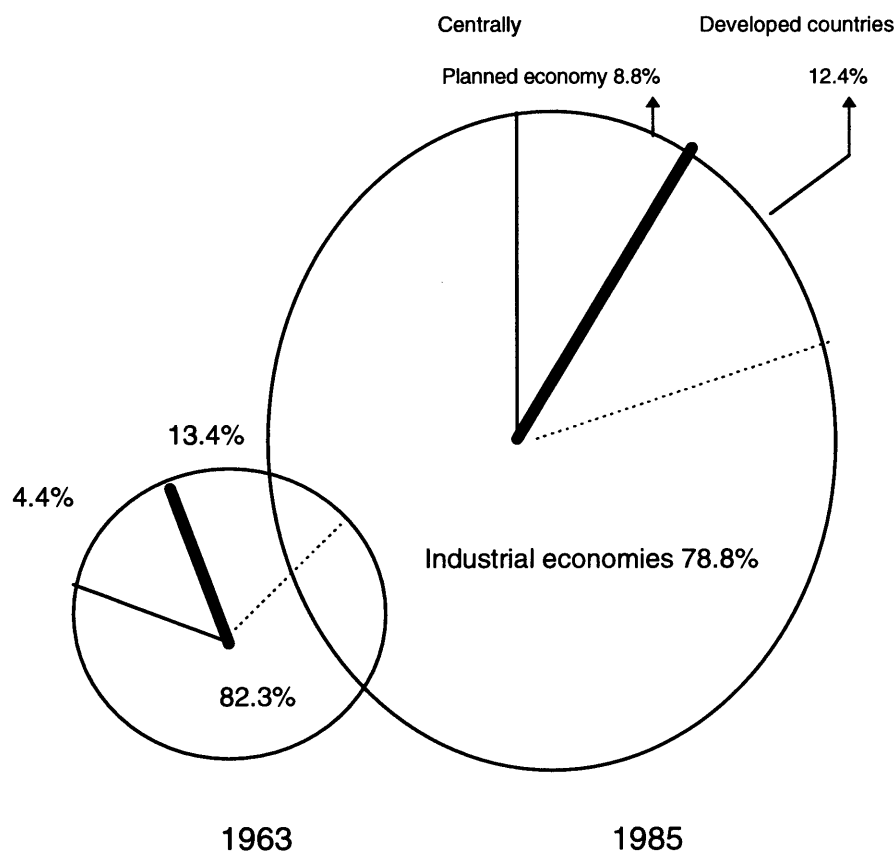
Developing countries are becoming increasingly important in the global trading system. In recent decades their industrialisation policies have led to impressive gains in manufactured goods exports. Figure 2.1 shows that the share of manufactured goods exports accounted for by developing countries almost tripled between 1963 and 1985. Second, in 1986 the export earnings which developing countries gained from manufactured items for the first time were greater than those from agriculture and mining (The Economist, 1987).

The developing countries are seen to be pursuing economic growth and stability through technology, specialisation and trade (World development report, 1987). Two factors that could block such development,

however, must be recognised. First, future industrial development could be held back by lower levels of investment resulting from the indebtedness of many of these countries. Second, in order for further trade gains to be made by developing countries, they must find ready access to buyers in the developed world. There are signs and signals being made to western governments at GATT talks, that the generalised system of preferences (GSP) through which developing countries should have improved access to developed markets is being restricted. Such barriers work against developing countries' exports (The Economist, 1987).

Figure 2.1:

World exports of manufactures, 1963 to 1985(percentage shares)



Source: World development report 1987, New York, Oxford University Press, 1987, figure 8.3, p.147.

Note: Industrial countries include Australia, Japan, New Zealand, South Africa, and Western Europe. Developing countries include Africa(excluding South Africa), Asia[excluding China and other Centrally planned economies(CPEs)], Latin America, and the Middle East. CPEs include China and other Asian centrally planned economies, Eastern Europe, and Russia. World exports of manufactures (1986-1993) is yet to be found as WDR. on World trade economy in particular, has not been published after 1987.

Developing countries have been attempting for the past few decades to improve their economic conditions and raise the living standard of their people. International trade has often been cited as an important means of

achieving the developmental goals of these nations. Exports played a crucial role in the economic development of developing countries, and the special issues and problems that they face while attempting to increase their exports will be taken into discussion. As the focus of this study is on export marketing support programmes (EPPs), only a brief discussion of relevant economic principles will be attempted.

The economic criteria most often used to measure monetary indicators of economic growth are per capita income, changes in GNP, etc. However, as Sundrum (1983) notes:

“one should differentiate between economic growth and development.

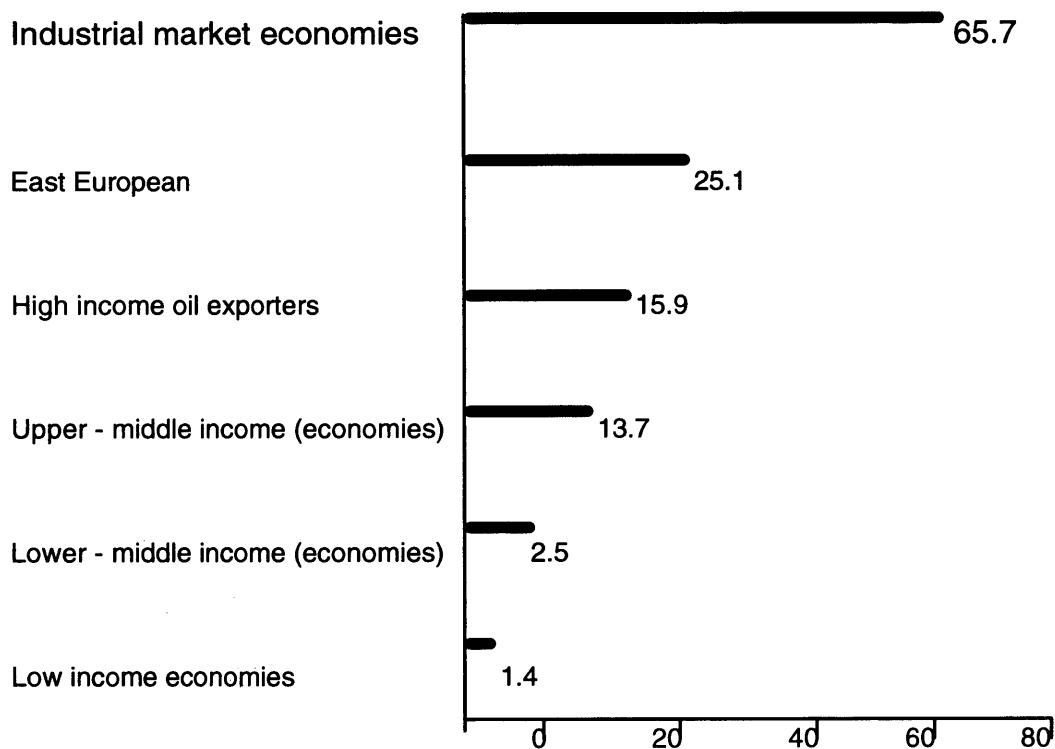
Economic growth is concerned with changes in the output of goods and services valued at certain prices; it is therefore measured by a monetary index, such as national income. Development on the other hand, is concerned with attitudes and abilities of people, as influenced by education, access to infrastructure, the nature of institutions, for which there are no monetary measurements.”

The present trend is to define development as something more than economic growth. For example, economic development has been defined as “the pervasiveness of modern economic behaviour and the ability of the people to absorb modern technology (Sundrum, 1983) or the “growth plus change”(Meier, 1984) or the “proportion of people employed in modern occupations”(Boserup, 1970). As Kindelberger (1965) stated:

“ Development goes beyond (growth) to imply changes in the structure of outputs and in the allocation of inputs by sectors. By analogy with the human being growth involves focusing on height or weight while..... development draws attention to the change in functional capacity in physical co-ordination, for example, or learning capacity”.

Figure 2.2:

Average exports per country in billion US dollars.



Source: Seringhause and Rosson, 1990.

This study will discuss developing nations that come after the developed market economies, the centrally planned economies and the newly industrialised economies. This includes developing nations in Asia (except Singapore, Hong kong, Korea and Japan), Africa (except South Africa), and all of America (except Canada and United States).

A clear relationship between exports and economic development is seen when the average exports per country group are charted. Four distinct groups are apparent in the World Bank Development Report in figure 2.2:

- a** Countries of the first world (average exports of \$ 65.7 billion):
Industrial market economies;
- b** The second world (\$25.1 billion):
Eastern European economies;
- c** Two groups from third world: high income oil exporters (\$15.9 billion);
and upper - middle-income economies(\$ 13.7 billion);
- d** And finally, lower-middle income (\$2.5 billion) and low-income economies (\$1.4 billion).

At this stage, one feature is clearly apparent. While the developing world is a group of countries with many common interests and problems, there exists a wide variety of experiences, interests and stakes among them. For example, differences in per capita income among developing nations are significant. As Kinsey (1988) notes, grouping all developing countries together is less relevant today as they range from the primitive, stagnant economies to the rapidly developing ones which may be

considered to be “newly industrialising” or even “developed in the near future” (e.g. Pakistan).

Hence, many researchers today subdivide the developing nations further based on per capita income or stage of development. Any study on a single developing country (e.g., Pakistan) should thus be cautious in making recommendations or extending the results to other developing countries.

2.2 Importance of Exports and Developing Countries

Developing countries have achieved significant growth rates in industrial output and exports over the last 25 years. As a group, these countries now export more manufactured goods (non-traditional) than agricultural products (traditional e.g., raw cotton etc. from a country like Pakistan). Such exporting is important to a developing nation’s progress as reinforced by World Bank studies, where countries with an “outward orientation” were seen to perform better than those with an “inward orientation” over the 1963-73 and 1973-85 periods examined (World Bank 1987, Economist 1989c). Nations with strongly outward orientation (Hong Kong, Singapore, South Korea, Taiwan) have developed strong exporting sectors through investment export supply systems and infrastructure, as well as export promotion programs (EPPs) (Lall and Kumar, 1981). Many developing countries (e.g. Pakistan) are now following this path, initiating policies and programs to help their fledgling industries and companies to compete more effectively in the world economy.

Economists and public policy makers have long pondered over the

issue of why certain nations in the world are slower to develop than others. Economic development is a complex issue and is affected by many economic and non-economic factors. The major economic factors include rate of saving, inflow of capital, process of import substitution and promotion of exports. While there is disagreement among the economists about the role played by exports in the economic development of a country, most experts in the field do agree that exports are a key factor in it. Adam Smith (1837), for example, considered exports as an activity to create surplus, which encourages a nation to improve its productive powers, augment its annual produce to the utmost and thereby increase the real revenue and wealth of the society.

The “staple” theorists postulated that the expansion of a resource-based export commodity caused by a rise in demand induce higher rates of growth and per capita income, lower the levels of unemployment and increase the domestic savings and investment rates. These are seen to be the results of supply responses within the economy that increase the productivity of the exporting economy (Meier, 1984). Other economists (e.g., Corden, 1971) have also commented on the positive effects of trade both directly through international specialisation and indirectly due to its support of a country’s development through a number of spread effects within the domestic economy.

While, mentioned above, exports are crucial to any nation’s economic development, their importance to the developing world is even greater for these reasons with governmental export marketing support.

Now issues relevant to importance of exports are mentioned.

2.2.a Agriculture and natural resources

In many developing countries, the agricultural and natural resources sectors account for a high proportion of their national products. Set backs in agriculture are very common in these countries and this leads to sudden upward swings in the imports of essential food articles (Jain, 1984). There is also a tendency for the prices of primary products to fluctuate more than those of manufactured foods. This, again, makes for more dramatic swings in the balance of trade and balance of payments of these countries. A stable, well-developed export sector is required to counteract these trends.

2.2.b Lack of Export Stability

There is high impact of export instability on export development. Lack of export stability as mentioned before, aggravates the foreign exchange situations of developing countries (e.g., Pakistan) and their ability to input the necessary equipment for their growth. But there is evidence to show that exports and their stability is important to developing countries in another way. Export instability seems to have a negative effect on the real per capita income growth of developing countries and accounts for about one fourth of the observed variation in the income growth rates of the developing countries in one study (Glazekos, 1973).

Export instability also affects the growth of exports (which, in turn, is an important factor in economic growth) and this relationship is

significant only in the case of developing countries (Glazekos, 1973). Thus, exports and stability in exports is more critical for a developing country like Pakistan than a country that is already developed.

2.2.c Quality of Export Products

It is very important to concentrate on the quality of export products for any developing country like Pakistan. Many developing countries have adopted import substitutions as a method of development. This has, in turn, led to a highly protected environment for most firms. These firms have had little competition from within the country and none from outside. They had very little incentive to be innovative or to develop good quality products. When such companies are forced to face international competition, the quality of their domestic products are likely to improve. Thus encouraging firms to export and making them come into contact with international competition can have beneficial effects on their efficiency and the quality of their outputs (Wolf, 1982). As Mills (1848) said over one and half centuries ago:

A country which produces for a larger market than its own, can introduce a more extended divisions of labour, make greater use of machinery and is more likely to make inventions and improvements in the processes of productions".

2.2.d High dependency on imports

Developing countries are often plagued with imbalances in their patterns of domestic production and demand as they depend highly on imported goods. They produce only a few primary products but demand a

huge variety of manufactured goods. Over a period of years, their rate of consumption increases due to increases in population and income. All of above leads to higher dependence on imports which require foreign exchange. This can only be provided by exports.

Exporting can increase the effective market size and can lead to economies of scale. Economies of scale, in turn, lower the cost of the products to the domestic market. A vast majority of the developing countries are small. Even in those that have large populations (e.g., Pakistan), the effective market for many items is limited to the upper income groups which form only a small proportion of these countries (MacBean and Balasubramanyan, 1976).

2.2.e Economic Growth Exploitations

As has been mentioned above, developing countries have a higher dependence on imports due to increases in incomes and consumption rates. There is a need for export expansion to increase growth. It should also be noted that developing countries in general require imports to exploit the growth potential of their fledgling industries. They need to import machinery, raw materials or other inputs to fuel their growth. For example, in developing countries, the import requirements for new capital goods industries outran the earnings available from stagnant export sectors, which led to a bottleneck in their plans for growth (Findlay, 1973) e.g., Pakistan.

Being late comers to the area of industrialisation, developing countries have trouble obtaining the imports they require for rapid

growth. Often, the need in these countries is for specific additional imports. While an increase in the exports of their primary products is also required, such countries will only be able to exploit their growth activities in certain sectors by being able to

“sell a portion of the output of these same activities.

*Only then will the spurt in imports caused by their
growth patterns be systematically offset by spurts
in exports.” (Hirschman, 1966)*

Thus, exports in general and the promotion of the exports of some special sectors are required for fueling the growth of the economies of developing countries.

2.2.f Acquiring Ideas, Skills and Attitudes

Exporting encourages the acquisition of new skills, ideas and attitudes. Thus, when developing countries enter the export market for new manufacturers, the gains to them are significant. Over a period, this can lead to the gaining of a comparative advantage in skill incentive and technology goods. Taiwan, Korea, Hong Kong and Malaysia are examples of countries that have achieved this status successfully.

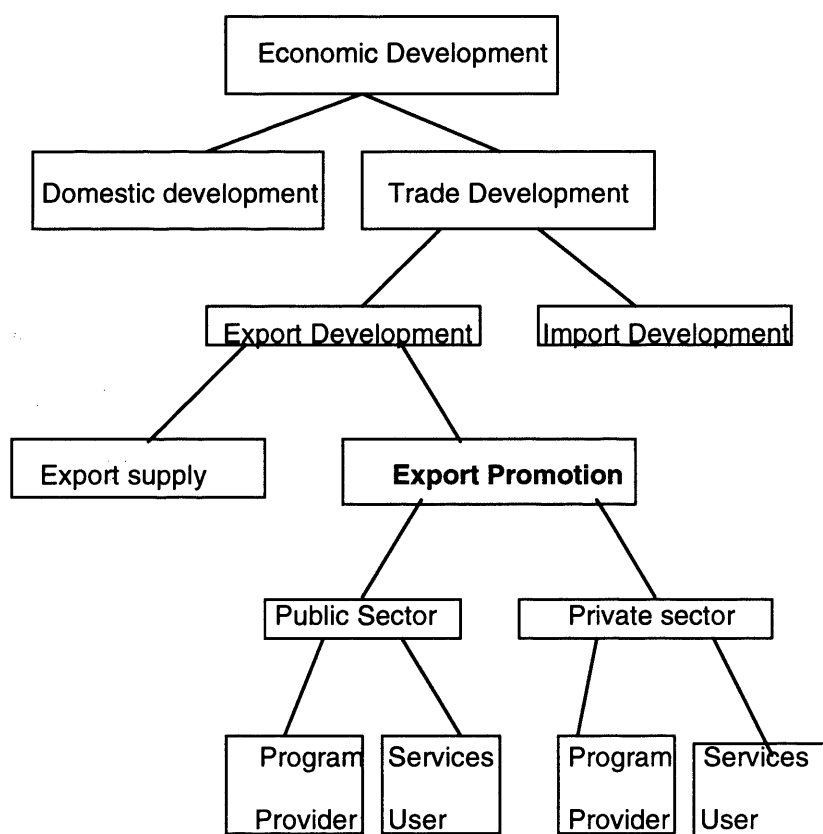
To summarise, exports must play a strategic role in the economic development of developing countries. They provide much valuable foreign exchange required for buying necessities like food, they provide developing nations with an opportunities to buy the machinery and factors required to maintain and increase their rate of development; they aid in reducing the frequent fluctuations in balance of payments and

finally, they can help in improving the quality of outputs of developing countries.

2.3 Export Promotion Efforts by Developing Countries

The increased awareness among developing countries that export promotion is essential for their growth has led to various actions on the part of the countries. Many developing countries have included export promotion as an explicit objective in their plans and programmes. These nations have adopted one or more of the following instruments for export promotions (Luis, 1982).

Figure 2.3: Economic Development Process



Sources: Seringhaus and Rosson (1990)

In the developing countries, export promotion is generally viewed as an instrument of economic development. In the developed world, however, the emphasis of export promotion programmes (EPPs) is one of strengthening the competitive competence of individual companies. This is not meant to imply that developing countries do not seek to strengthen companies. This is a goal, but it is tied to the more fundamental issue of economic development. The above figure 2.3 serves as a guide for both the terminology and the positioning of export promotion in the economic development process. In addition to this, there are some very important instruments for export promotion which must be taken into account for export promotion support.

2.3.1 Instruments for Export Promotion

a Government support: Today, as never before, Governments are involved in supporting the export activities of the companies. Sizeable budgets and numerous programs have been put in place so as to help draw companies into exporting for the first time, and enable existing exporters to expand or consolidate their foreign market operations. In addition to the above, Governments in developing countries are also attempting to improve the infrastructure (such as transportation etc.) required for exports. Other measures like the development of a skilled workforce, efficient allocation of financial, physical and human resources, etc. are also part of the efforts to improve export performance. Further, these instruments will be discussed in detail in chapter 3 as they have a

major function in this study.

b Operational guidance and technical support Institutions: Most developing countries have support facilities from the institutions such as export promotion organisations (EPOs) [e.g., Export Promotion Bureau of Pakistan (EPB)]. International organisations such as the International Trade Centre (ITC/UNCTAD/GATT), the World Bank, the Economic Social Commission for Asia and the Pacific (ESCAP), and others, are frequently involved in establishing such units and in providing operational guidance and export marketing support. EPOs play an important role in export development for they help to foster an export orientation not only with in the business community, but also within the public sectors. In addition, they provide managerial and resource support to exporters.

Western governments have a part to play in fostering stronger developing countries too. Several countries have made efforts in this direction by establishing import promotion organisations (IPOs) to help improve market access for developing countries (IMPOD in Sweden, CBI in the Netherlands and NORIMPOD in Norway are good examples). Japan also took initiatives that are worth noting, encompassing attempts to create more harmonious trade flows with developing countries, greater market access by the newly industrialised countries (NICs), aid-investment that has a clear business and industrial development focus (Economist 1989b), and the unilateral elimination of tariffs on tropical products (Economist 1989a). Seven stages of government involvement in exporting are shown, and EPOs should (and often do) play a key role throughout this process.

EPOs cover most stages and generally have to do more “coaching” of companies and supporting them in exporting activities. One might thus argue that EPOs in the developing world play a more critical role in export development than their counterparts in export markets.

The following Figure 2.4 also introduces the idea that the operations of EPOs be evaluated.

Figure 2.4:

Stage Focus		Evaluation measures
1.	Economic development	Infrastructure and performance
2.	Export development	goals, yardsticks
3.	Export potential	Opportunity survey
4.	Export promotion	Need, learning level
5.	Export consciousness	Awareness level
6.	Export orientation	Motivation level
7.	Export marketing	Knowledge, resource level

Source: Seringhaus and Rosson, 1990.

Technical institutions (e.g., EPOs, IPOs, and ITC etc.) particularly EPOs will be discussed in detail in chapter 3.

c Fiscal instruments: These attempt to compensate for the effects of the tax system export products and at times provide a net subsidy to some export items. Included in this category are tax rebating mechanisms, tax exemptions or exemption of import duties for inputs, etc.

d Exchange rate policies: Perhaps the single most important instrument; this involves active or passive use of the exchange rate system to maintain

an adequate return for exporters.

Most developing countries have used these instruments to change the composition of their exports as well as the total quantity of exports. As Spraos (1983) notes, developing countries are intensely dissatisfied with the traditional patterns of trade and specialisation whereby they specialise in exporting primary goods in return for manufactured imports from the developed countries. This has, in practice, meant that developing countries have chosen certain industries to concentrate on and provide increased support through any of the above mentioned instruments.

2.4 Obstacles to Exporting in Developing Countries

Recognising that non-traditional exports can contribute to economic development, many developing countries have created institutions and programmes to encourage private sector export activity. Substantial barriers to export development remain. Obstacles to exporting may stem from inadequate governmental policies and regulations, lack of a suitable export infrastructure, or difficulties concerning access to foreign markets. Dymsza (1983) reports that an essential element in the development of a national export strategy is the identification of the obstacles facing industrial development in a country. He identifies the obvious primary obstacles as an import substitution policy but goes on to itemise a number of other barriers including unrealistic exchange rates, inadequate export infrastructure and international marketing capability and cumbersome export procedures. Many developing countries have, until now, gained

industrial development through import substitution policies and the promotion of traditional export products. In spite of their continued efforts to increase their exports, most developing countries have only been partially successful in their goals. While they improved significantly since 1962, developing countries as a whole have failed to promote their exports during the sixties as fast the world average (Benerji, 1974).

Table 2.1: World Trade by Region (Imports / Exports)

Years	World economies <u>Imports-exports</u>	Developed economies <u>Imports-exports</u>	Developing economies <u>Imports-exports</u>
1970	309118 - 313792	235319 - 223848	81480 - 59177
1975	849130 - 876065	607888 - 578272	202415 - 221462
1980	1973874 - 2011382	1415194 - 1276888	486732 - 579343
1984	1912570 - 1935165	1352949 - 1241881	474908 - 505610
1985	1929422 - 1935209	1385311 - 1285630	456818 - 481998
1986	2199871 - 2129410	1553889 - 1491832	464016 - 454068
1987	2559636 - 2490806	1843788 - 1746007	522214 - 544018
1988	2912521 - 2826984	2078292 - 1990887	627379 - 627210
1989	3161473 - 3044013	2273203 - 2151854	690055 - 701519
1990	3568893 - 3437400	2589825 - 2487895	781066 - 797052
1991	3545855 - 3421117	2591693 - 2491048	862146 - 839821
1992	3804201 - 3654821	2709329 - 2640577	1000067 - 924013
1993	3722472 - 3634614	2536475 - 2538553	1096603 - 1001014

* Value in million US Dollars

Source: Year book of international trade Statistics, United Nations, 1994.

This trend continued in the seventies with the share of total world exports accounted for by the non oil-producing developing countries declining while the share of mutual trade between the developed nations increased (Steed, 1982).

Public and private sectors decision makers have recognised there are variety of barriers that can inhibit exports and that these need to be understood (e.g., Bauerschmidt et al, 1985). Barriers to exporting were viewed by Seringhaus and Rosson (1990) to be of two types: (1) those barriers associated with the logistics of making an export sale and meeting the conditions of that sale (e.g., the factors affecting the firm's ability to conclude the export deal); and (2) the export "mentality" of the firm as reflected by its corporate policies and its marketing plans. This second organisational/strategic set of factors also included the firm's perceptions of its trading environment, including the role of government policy, government agreements and of course cultural factors. Further detail is given in chapter 3.

2.4.1 Governmental Barriers

The problems explained under this section relate primarily to governmental policies and infrastructure difficulties that developing countries' exporters face.

a Government export policies: In many developing countries, the extent of government intervention in industry is very high. Governments in these countries, for example, select industries that are to be provided with incentives for exporting, introduce import restrictions on imports in certain industries, and control the exchange rates of their currencies. An added feature of government policy in many developing countries (e.g, Pakistan) is the basic instability of policies. Policies such as export promotion programmes (EPPs) tend to be introduced or discontinued with

very little warning. Such drastic changes in policy make exporting less attractive and discourage businesses from actively seeking export markets.

b Lack of export financing: Problems in export financing could be generally traced to the fluctuations in the economic well-being of the country and priority placed by the government on export promotion programmes (EPPs). Most of the developing countries require a high amount of export promotion to back their export activities and depend on the government to provide some of it. However, government in these countries are either unable or unwilling to provide the needed degree of export promotion. Export promotion efforts began fairly late in most of the developing countries. For example, in Latin America, export promotion started in the mid-1960s and serious efforts to increase exports were made by the Governments of these countries later (Colaiacovo, 1982). Morawitz (1981) reports in a survey that government export promotion agencies were considered to be the least effective sources of market information for exporters in Taiwan. Thus, even when the governments in these countries do attempt to carry out export promotion activities, they are not very effective.

c Bureaucratic red tape: The bureaucratic red tape is complex and daunting for those just starting to export, although seasoned exporters are conditioned to it. The high degree of government intervention in business, combined with the ineffective nature of governmental bureaucracies in many developing countries like Pakistan pose a major problem to

exporters. In addition to this is the fact that corruption is widely prevalent in the government bureaucracies of these countries. Exporters in developing countries are often required to bribe customs officials, government quality control inspectors, and other officials to get an order through (Morawitz, 1981). He further added a very interesting example of corruption in Columbia where a company lost a client due to its refusal to bribe customs officials. It took the company 11 months to get the components for production of clothes out of customs and when they finally got the items, some were missing!

d Inadequate infrastructural facilities: Many of these problems in transport infrastructure and service provision stem from public policy decisions or differences in the regulation of transport services between the countries. Even with the most effective export promotion measures, exports of developing countries are restricted due to the absence of the adequate infrastructural facilities in these countries. These range from inadequacies in transportation systems to the absence of suitable intermediaries for trade.

As Colaiacovo (1982) says, the infrastructure facilities present in these countries were suitable primarily for the export of basic raw materials as these were the only products exported from developing countries until the 1960s. Changes in infrastructure require strong government actions and are difficult to achieve. These factors severely inhibit the exporters in developing nations.

2.4.2 Market related problems

The first set of market-related problems faced by developing countries can be categorised as supply related problems or problems that developing countries exporters face in producing for exporting; the second part of market-related problems faced by the developing countries can be termed as demand related problems.

2.4.2.1 Supply Related Difficulties

a Pressures of domestic demand: In many countries of the developing world, the domestic market is large and it is easier to cater to this market than to export. For example, Nayyar (1976) found that “ raising domestic demand, coupled with the higher relative probability of the home market, pre-empted the export of many products”. This raising domestic demand in developing countries is attributable to the rapid growth in population and the high income elasticity of demand for many exportable products. These, combined with the slow growth in the output of these products, made the supply for export markets very low.

b Lack of economies of scale: Many developing countries find it difficult to compete in foreign markets due to lack of economies of scale. As Kinsey (1988) states, markets in developing countries tend to be fragmented and this also leads to a reduction in the size of production units and the level of specialisation. The production capacity and internal efficiencies of firms in developing countries are so low that they cannot compete in foreign markets. As commented by academic supervisor, economies of scale are an important factor in small countries / markets. The latter can be a strong

proactive (pull) factor, that may eventually lead the company to the international arena. In view of the comments, economies of scale have been taken as one of the major stimulating proactive motivation factors to become involved in international marketing in Fig. 3.1., chapter III.

c Financial problems: Firms in the developing countries lack the finances to develop export marketing programmes, finance additional capacity, buy raw materials, etc. for export purposes, are small by international standards and hence lack the financial strength to enter and succeed in the export market.

d Lacking in managerial skill: A high amount of managerial skill is needed to develop and implement an export strategy. Exporting is a specialised activity and the general shortage of trained manpower in developing countries makes it even more difficult for them to acquire the necessary management skill. Marketing skills that are extremely important for success in international markets are also lacking in many developing countries. As Kinsey (1988) notes, if the term “marketer” were taken to mean a person who fully understands and apply marketing concepts, then very few indigenous marketers would be found in developing countries!

There is also the issue of lack of managerial motivation to export which is prevalent especially among smaller, family owned businesses which are common in developing countries. As Kinsey (1988) states the indigenous marketers - or national/ ethnic firms outside the public sector tend to have limited horizons and are rarely concerned with national or

international markets. The same author also notes that in general, such marketers tend to have a somewhat negative outlook towards modern business practices.

2.4.2.2 Demand Related Difficulties

Any analysis of the problems faced by developing countries in exporting has to include the difficulties firms in developing countries have in increasing the demand for their products.

a Market Restrictions: Both non-tariff and tariff restrictions are common in international trade. Non-tariff restrictions such as quotas, compensatory duties and dumping duties are becoming more popular. While many developed countries have offered special tariff concessions under the Generalised System of Preferences (GSP), these may be lifted or changed at any time. GATT negotiations have reduced the uncertainty of application of non-tariff restrictions considerably. Yet, there are still market restrictions in the developed world which the developing countries find more difficult to overcome than other developed countries.

b Bias against developing countries products: The country of origin of a product has been found to have a strong influence on consumer decision making. For example, in a study, Min Han and Terpstra (1988) found that sourcing countries stimuli to be more powerful than brand name on consumer evaluations of products. This makes it harder for developing countries exporters, and exporters from developing countries often find that there is a bias against their products in developed (and, at times, developing) nations. The country of origin of a product is often a major

variable in the choice of a supplier. This is true in the case of both consumer and industrial products. For example, Hakanson and Wootz (1975) in a study of industrial purchasing found that country of origin was a key factor in the choice of a supplier and explained almost 50% of the variance in the responses. Similar results were found by Yavas, Cavusgil and Tuncalp (1987) in a study of Saudi Arabian importers. As Nayyar (1976) notes, there seems to be “a natural hesitation about the industrial products from developing countries”. Other studies have also shown that a systematic bias against product from developing countries exists in the developed world.

An interesting fact is that developing countries themselves are prejudiced against products from other developing countries. Nayyar (1976), for example, points out the case of a developing country exporter who exported his agricultural implements to East Africa as “Made in Germany” as it was difficult to export with “Made in India” labels. (The firm had an insignificant amount of assembly done in Germany to make this label legal). The firm changed its practice only after a few years after the quality of its brand became generally accepted.

The bias against developing countries products is not surprising given the earlier experience of many developed and developing countries importers. Quality control in many developing countries firms is not adequate and it is likely that in economies where secure home markets were the focus of production, sufficient attention was not given to design and quality improvements. This may have led to the current negative

feelings about developing countries products. Thus, even in cases where the quality (and other factors) of a developing country's firm offer is acceptable, the prevailing bias against products from developing countries makes it extremely difficult for it to find buyers for its products.

c Product design and specification requirements: Studies in international business have stressed the importance of product adaptation to serve the needs of overseas buyers. Ashton (1961), for example, says that a major problem is that many firms have inadequate information about product adaptation and hence are not very successful in international markets. Sorenson (1966) differentiates between "fundamental" and "minor" product adaptation. Fundamental product adaptation, in accordance with him, are changes in the basic product, while minor changes are changes in size, package design, etc.

Most studies in this area have, however, concentrated on product adaptation necessary for exporters from developed nations when entering the developing countries market. Cartaino, as early as in 1962, looked at adapting aircraft for developing countries (Cartaino, 1962). Others have found that product adaptations are necessary to successfully compete in the international market for both consumer and industrial products (Terpstra, 1967, Kacker, 1972).

Product adaptation, especially major ones, are expensive and time consuming. Even large, multinational firms find it difficult to adapt their products to the needs of other nations. Thus, when one takes into consideration the limited funds and R&D facilities, it is not difficult to see

why in most developing countries adapting a product to meet the needs of an importer poses an even more severe problem. As Keegan (1969) notes, to most of these importers, “the often-repeated expectation that in international marketing a company should always adapt its product, is clearly superficial” as it does not take into account the cost of such adaptations which are great . This often leads exporters from developing countries limiting their exports to neighbouring culturally and technologically similar countries which may require only minor product adaptations.

d Market knowledge: Market information can be an important barrier for exporters, particularly in the early stages of exporting. Many firms in the developing countries are exporters not because they tried to market their products actively, but because their products were sought by the importers. These firms never try to promote their markets as they are not aware of the export opportunities that exist. Such market information is expensive to gather and often beyond the means of many developing countries firms.

e Methods of access to the Market: As Porter (1980) states, one of the major impediments to globalisation is the lack of access to newcomers to established channels of distribution. This is more likely to be a problem for developing country based firms especially when they attempt to enter the international trade of non-traditional manufactured products.

Summary

It can be summarised from the above discussion that developing countries face many, and often unique, problems when trying to export their products. Thus, there is a need to study the exporting activities of developing countries' firms in terms of issues and problems that firms face in the export markets. Also, as pointed out earlier, increasing export is even more crucial to the economic development of these nations.

2.5 Exports Commodity Structure

Most markets are that of the high-income oil producers, where fully 98% of all export dollars are in the fuels, minerals, and metals category. Low and middle-income economies generate more than 50 per cent of their exports from this same category and other primary commodities, but are diversifying their export base (rate of export growth for manufactures have outpaced those of primary goods over the last two and half decades).

Lastly the export emphasis for industrial market economies is on manufactured products, these making up almost 80% of total export volume. The current product mix of developing countries' exports is still heavily biased in favour of primary exports. While the developing countries' share of manufactured exports has increased considerably during the last two decades, most developing countries are still very dependent on the export of primary product for their foreign exchange earnings - see world development report in table 2.2 given hereunder.

Table: 2.2 Export growth rates, 1965-86

Country group	Annual change in export volume (%)		
	1965-73	1973-80	1982-86
Developing economies	4.9	4.7	4.6
Manufactures	11.6	13.8	8.2
Primary goods	3.7	1.2	1.9
High-income oil exporters	15.9	1.1	15.9
Industrial market economies	9.5	5.6	3.9

Source: World bank, world development report, Washington, DC, 1987,

Table A.8, p.175.

Note: data are estimated and projected and after 1987 data on "Growth of exports, 1987 to onward " has not been given.

This concentration on primary product exports has been traditionally explained using the comparative advantages theory. This theory is based on the usual neo-classical assumptions of maximising behaviour, efficient markets equilibrium conditions and absence of trade restrictions. Simply stated, the comparative advantage theory states that a region will export products which fetch a higher price in other regions and import products which are cheaper in other regions. Such trade will go on until price differences are eliminated. Thus developing countries which are labour abundant and capital-scarce countries where the cost of labour intensive primary products is lower will export these products to developed countries. The developed countries, in turn, export manufactures which are assumed to be capital intensive to developing countries. The assumptions underlying comparative advantage theory

have, however, been questioned by many writers, for example, Samuelson, (1971 & 1973). Although the described idea has now been superseded it still can say something relevant to the topic.

Another reason for this specialisation in primary products by developing countries is that in these countries the labour cost per unit of primary products is lower than that of non-traditional manufactures. But due to the following drawbacks, given below, many authors have argued that exporters from developing countries should not go any further on the track of primary products exports, despite their specialisation in these commodities.

2.5.1 Drawbacks of Exports of Primary Products

a Unfavourable price structure of primary products: Many developing countries exports in the primary products sectors are faced with unfavourable pricing in international markets. Colonialization,

Table 2.3: World exports by commodity classes and by regions

Exports to		→				
		World	Developed	Developing	Asian	
Exports	Economies	Economies	Economies	Economies	Economies	
from	Year				[Mid.East - Other]	
World	1980	2000946	1335950	504032	96519	173558
Econo-	1989	3024780	2128585	698252	91461	381821
ies						
	1990	3396509	2437512	769568	101513	428766
	1991	3438565	2447702	850439	113860	485210
	1992	3685964	2582115	976161	133460	562549
Developed						
Economies						
	1980	1258935	891453	316150	67087	97449
	1989	2129315	1638558	423216	58919	215923
	1990	2445205	1894309	477705	68028	238219
	1991	2507065	1901607	526522	78729	266735
	1992	2668725	1993439	589798	89301	296656
Developing						
Economies						
	1980	586897	401228	155476	23604	68810
	1989	701110	436163	230203	27375	152205
	1990	779361	471782	257967	29156	177408
	1991	840462	502815	307006	32498	212314
	1992	927432	536384	369548	40597	256526

*Value in million US dollars f.o.b.

Source: Year book of international trade statistics, United Nations, New York (1994)

control of the markets by multinationals in developing countries,

fluctuations in demand for primary products, price inelastic nature of demand and highly competitive markets have all been said to account for this unfavourable price structure of developing countries' exports. Table 2.3 provides details of developing countries terms of trade and purchasing power.

Regardless of the causes, deterioration in terms of trade (i.e., the world market exchange ratio) of developing countries exports has been cited as the root cause of many of the developmental problems that these nations face (Prebisch, 1950; Singer, 1950; Lewis, 1978 and Spraos, 1980). It is also interesting to note that improvements in productivity of primary products by developing countries will not be of benefit to them. As Hicks (1953) pointed out, technical progress will worsen a country's terms of trade if it occurs in the exportable commodity. Findlay (1973) and Lewis (1978) also support the view that technological progress in the production of primary products by developing countries will not improve their terms of trade.

Price enhancement, or at least, price stability is often suggested as solution of the above problems. Cartels, in the case of oil, the establishment of an international regulatory machinery such as the one proposed at UNCTAD IV or long term bilateral arrangements with the eastern bloc countries would be possible means to achieve price enhancement requiring reduction in output with accompanying increases in unemployment which may be counterproductive (Spraos, 1983). Further more, as Glazekos (1973) found, for more than 50% of the

developing countries that he studied, fluctuations in prices and quantities did not tend to offset each other but were reinforcing. Thus, the efforts of developing countries towards price stabilisation may not yield the desired result of stabilising or increasing their foreign exchange earnings.

b Fluctuations in foreign exchange earnings: Prices of primary products are more unstable than those of industrial products and this create dramatic shifts in the foreign exchange earnings of most of the developing countries. As Ellsworth (1961) states “the prices of primary products rise more rapidly than industrial products prices in the upswing, but also they fall more in the downswing”. This has another negative effect - it widens the gap between the prices of primary and industrial products even further and creates more problems for developing countries.

c Instability of trade in primary products: The world demand for primary products which forms the backbone of most of the developing countries exports has fluctuated considerably and in general, has lagged behind the growth rate of manufactured exports. Reasons for the relative lag in primary products include economies in their use and the development of synthetic substitutes. The instability in export volume of primary products is due in part to supply fluctuations. For example, agricultural product exports of developing countries have been subject to variations in supply due to weather conditions. However, fluctuations in demand for these primary products among the developed countries has been a major factor. As Maizels (1963) pointed out, the shift in patterns of demand and technological developments in the developed countries are likely to

continue and adversely affect the export of primary products. The linkage or dependence of primary product exports on economic growth in developed countries makes the resultant growth in developing countries an unself-sustaining one. It also leads to prolonged depression when the growth of industrial countries slackens as in the 1930s.

d Lower income growth capacities of primary exports: It is generally assumed that the rapid growth of the export sector in any country will yield significant results as far as the economic growth of that country is concerned. However, Glazekos (1973) states, the degree to which export promotion will lead to economic growth depends on the nature of the export sector of a country. "Since the export of the developing countries consists mainly of the primary products with limited backward and forward linkage effects, a given growth rate of exports would not result in economic growth of the same magnitude as in the developed countries".

See table 2.4 for further detail:

Table 2.4: Growth of world exports by commodity classes

Commodity

Classes	Year	World Economies	Developed Economies	Developing Economies	Asia Economies	[Mid.East -Other]
Total commodity	1980/92	6.3	7.8	4.7	-5.8	13.8
	1980/89	6.1	7.8	2.6	-10.1	14.0
	1989/92	6.8	7.8	9.8	5.0	13.3
	1990/92	4.2	4.5	9.1	2.4	14.2
	1991/92	7.2	6.4	10.3	10.5	14.1
Food, live animals, beverages & tobacco	1980/92	5.2	6.1	3.9	7.9	7.9
	1980/89	4.2	4.8	3.2	5.6	7.2
	1989/92	7.7	9.3	5.7	13.4	8.4
	1990/92	6.3	6.9	6.3	12.6	10.2
	1991/92	9.2	9.9	6.6	18.4	7.9
Crude materials, oils & fats, (fuel exclud)	1980/92	2.1	2.5	2.3	6.2	2.8
	1980/89	3.6	4.1	2.9	5.4	3.8
	1989/92	-1.3	-1.0	1.0	8.3	0.7
	1990/92	-1.4	-2.2	3.7	11.2	7.5
	1991/92	4.6	2.6	7.2	19.4	16.2
Minerals fuels, lubricants etc.	1980/92	-3.9	1.8	-5.8	-8.3	1.1
	1980/89	-6.9	-1.3	-10.4	-13.8	-1.9
	1989/92	3.3	9.5	6.1	3.8	8.1
	1990/92	-3.9	0.3	-0.5	0.9	0.4
	1991/92	-1.0	-2.0	-0.6	9.6	-2.3
Chemicals	1980/92	9.0	8.7	15.5	12.3	20.5
	1980/89	9.4	8.9	16.3	10.4	21.0
	1989/92	8.2	8.2	13.8	17.0	19.4
	1990/92	5.8	5.3	13.9	12.2	19.0
	1991/92	11.2	9.9	14.5	10.9	17.6
Machinery & trans-						

port equipments	1980/92	10.2	10.1	20.8	7.1	23.9
	1980/89	10.9	10.5	23.2	4.7	27.0
	1989/92	8.8	9.3	15.6	13.0	16.9
	1990/92	6.0	5.8	15.8	7.1	7.1
	1991/92	8.4	7.5	16.6	16.3	16.0
Other manufactured						
goods	1980/92	8.4	7.0	14.5	14.8	16.2
	1980/89	8.7	6.9	15.9	17.2	17.4
	1989/92	7.9	7.2	11.4	9.3	13.5
	1990/92	5.5	3.1	12.9	3.5	15.5
	1991/92	8.7	5.2	15.5	11.0	16.3

*Annual average rate: in per cent

Source: Year book of international trade statistics, United Nations, New York (1994).

In table 2.3, the world exports by commodity classes and region wise has been depicted comparatively to see the position of exports to and from among the different economies e.g. world economies, developed economies, developing economies and Asian economies (Mid.East - Others). In table 2.4, growth of world exports by commodity classes has been shown for all the said economies in annual average rates. If we have a look on the tables, one can understand easily that in commodity structure, manufactured goods have more export markets than primary products. So supporting agencies like EPB in Pakistan should motivate exporters for the export of manufactured goods rather than primary products in its export promotion programmes (EPPs) and should be aware of the Year Book of International Trade Statistics published by United Nations, in almost every year.

e Lower employment potential of primary product exports: Related to the above is the higher ability of the manufacturing sector to create jobs.

Thus, an increase in manufactured exports is likely to lead to higher employment than an equivalent increase in primary exports.

f Lower indirect effects of primary product exports: Some of the major benefits of international trade are the indirect ones such as its ability to induce innovations, its educative effects in instilling new wants, tastes and in transferring technology and skills (Meier, 1984). These effects occur when developing countries come into contact with firms in developed countries. Competing in the export of manufactured products would provide the developing countries firms with these benefits and they would be forced to develop new skills to maintain their market share. Such indirect benefits are less likely to accrue when exporting primary products.

Increasing their share of non-traditional, manufactured products is, of course, an extremely difficult job for developing countries. As Porter (1985) notes, global competition is more common in these industries and competing in these competitive markets requires the development of 'upstreaming' capabilities. In other words, developing countries firms have to gain competitive advantage that are transferable across countries. These include developing production advantages and improving the inbound logistics in a firm - advantages that are difficult for developing countries to acquire. This becomes critical in the export of low technology industrial products which many developing countries like Pakistan are attempting to export. As Porter (1986) states, inbound logistics and operations account for nearly 70% of operating costs and gaining

advantages in these activities is essential for survival - especially in global markets.

Summary

Developing countries cannot continue with exporting primary products alone. As Spraos (1983) states, “there is a specific market failure hanging around the neck of traditional export of developing countries characterised by price inelastic- demand, south dominated production and largely export destined output”. Increasing the quantity of traditional exports leads to decreased prices; on the other hand, decreasing the quantity and increasing the price leads to increased unemployment and perhaps lower overall foreign exchange earnings, lowers growth in employment and income and reduces the skill development in developing countries. Thus, developing countries need to promote their exports beyond the primary products sector and into manufactured exports.

2.6 Exports Need Innovations

Most developing countries earn the bulk of their foreign exchange through primary exports to developed economies. Recently, many developmental economists have focused on the benefits of increasing trade among developing countries, if we take trade as a principal link through which the developed countries control the growth rate of the developing countries, says Lewis (1978).

Daniels and Robles (1982) found that there was a positive relationship between the adoption of capital intensive technologies and the export commitment of Peruvian firms. The study looked at 41 large

firms in the textile industry in Peru (accounting for 80% of the country's installed spinning capacity) and three innovations in the textile industry (automatic winding, open-end spinning and shuttleless looms). It was found that exporters perceived the use of these innovations as more advantageous than non-exporters. Export shares of adopters of these innovations was also found to be significantly higher than those of non-adopters. Overall, the authors conclude that an adoption of innovations - especially those that lead to capital intensive technologies - appears to be positively related to export activities and promotes export share. They consider the lowering of the cost of production and perceived improvements in quality (in the buyer's mind) to be the reasons for the adoption of such technological innovations by exporters.

Another area of interest to researchers in the field of international marketing and exporting is the research on competitive strategies of exporting firms. This is partly the result of the "sweeping gale of globalization" (Levitt,1983) that is whipping industries ranging from raw materials to high tech products to service industries to everyday consumer goods. As Buzzell and Quelch (1988) note, the top management of many large corporations are asking the question "why not go global?" rather than "why go global?" Several strategies for firms trying to enter international markets have been put forward. While all of these are not of equal interest to developing countries firms or perhaps even feasible in many cases - these are still issues that managers in developing countries firms involved or interested in international (export) marketing should be

aware of. In chapter three a literature review will be taken into account regarding export marketing description.

CHAPTER 3

LITERATURE REVIEW ON EXPORT MARKETING SUPPORT

3.1 Introduction

In the previous chapter export swings (issues & problems) have been looked at and now we will see how executives (or outside consultants) can get companies interested in exporting where previously there has been no exporting. This chapter will explore how companies' export promotion needs might best be met through thoughtful design and delivery of export marketing support generally and export promotion programmes (EPPs) particularly.

The chapter will focus on the research issue of export marketing support sponsored by the government. The diversity of research reviewed in the literature on exporting and export marketing is such that it benefits the purpose of the study to focus on several specifically relevant streams of research e.g., (1) the exporting barriers perspective (2) the export motivation perspective (3) the export development process perspective and (4) to focus on the government export marketing support perspective. This part starts with the basic matter of the export barriers companies face, some of which seem generic to most exporters, while others vary from one company's situation to another. One widely recognised framework for understanding export barriers, and so, the needs of any firm, considers the stage that a firm has reached in its export development. There is also focus

on export motivation and the provision of export marketing support by the public sector and the well established practice of many governments, both in developed and developing countries, to provide export promotion help to assist their exporting firms (Seringhaus, 1990; Czinkota, 1992; Nothdurft, 1992).

The chapter has been designed to cover the following sections as focus is on the complex issues of export marketing in general and on government export promotion programmes in particular:

- 3.2 Export Marketing Barriers
- 3.3 Export Marketing Motivation
- 3.4 Export Development Process
- 3.5 Governmental Export Marketing Support

3.2 Export Marketing Barriers

In fact, there is no shortage of research efforts which have examined various problems and issues pertaining to the field of export marketing (Katsikeas, 1991). External-domestic problems include elements such as the complexity of export documentation requirements and ineffective national export promotion programmes (Yaprak, 1985; Katsikeas and Morgan, 1994). This section focuses on the exporting barriers/problems which firms encounter in the process of becoming involved in export markets, as well as later during exporting.

Many countries have developed a variety of institutions and programmes to encourage and facilitate private sectors to promote export

activity. But these programmes have not been completely successful and barriers to exporting remain. This section of the chapter will describe barriers so that planning for exporters' assistance of export promotion can be facilitated. Such barriers may stem from inadequate government policies and regulations, lack of a suitable export infrastructure, or difficulties concerning access to foreign markets (Serighaus and Rosson, 1990). Although export promotional efforts vary in different countries in terms of organisational and strategic arrangements, there are similarities as far as the portfolio of export promotional activities in each country is concerned. The domain of support services include: a) export information and advice, b) marketing support, c) finance and guarantee, and d) promotional activities abroad. These four categories of services attempt to match specific barriers faced by different exporters.

Fig. 3.1 gives a summary of the types of export assistance needs to firms and help to understand overcome various types of barriers.

Figure 3.1:

ADDRESSING THE EXPORT ASSISTANCE NEEDS OF FIRMS AT DIFFERENT LEVELS OF INTERNATIONALIZATION			
<i>Principal Obstacles To Internationalisation</i>	<i>Nonexporters and reactive Exporters Growth objective: Market Development</i>	<i>Active Exporters Growth Objective: Market Penetration</i>	<i>Committed Exporters Growth Objective: Market Expansion</i>
Motivational	<ul style="list-style-type: none"> -Emphasising and making aware of growth opportunities through exporting -Publicising success stories 	<ul style="list-style-type: none"> -Selection of best foreign markets -Refocusing efforts on export development 	<ul style="list-style-type: none"> -Product market diversification -Involving many members of staff in export operation -Balance view of domestic and international operations
Informational	<ul style="list-style-type: none"> -Export counselling -Potential market identification -Export training seminars -Foreign country visits -Export documentation and procedures 	<ul style="list-style-type: none"> -Pursuing sales leads -Trade missions -Finding overseas distributors -Market & feasibility studies 	<ul style="list-style-type: none"> -Trade missions/fairs -Participation in overseas trade fairs -Net working with global partners
Operational/ Resource based	<ul style="list-style-type: none"> -Managing export market development with limited staff -Operational problems -Limited contacts 	<ul style="list-style-type: none"> -Finance exports -Developing foreign market contacts -Building in-house export capabilities 	<ul style="list-style-type: none"> -Improving the management and efficiency of export-marketing Breaking into individual markets Managing distributor s/ HRD / foreign exchange risks
	Internal /Company Based	Dimension of Support	External /Market Based

Source: Cavusgil and Yeoh, 1994

This framework implies that exporting is a dynamic process and the

assistance needs of firms change as they accumulate expertise and experience. Motivational barriers are experienced largely by non-exporting firms and failed exporters. Studies show that internally driven motivations tend to correlate highly with export success (Cavusgil and Yeoh, 1994).

Though export behaviour and foreign market decision can be understood in terms of innovation adoption behaviour, the export development process is determined by the interaction between the firm and the individual characteristics of managers. Therefore, export promotion programmes (EPPs) are more likely to have a favourable impact on new-to-export firms that are predisposed toward exporting than on firms that are averse to exporting. Increasing the awareness of the existence of export promotion programmes (EPPs) by these firms would be a priority (Miesenbock 1988; Thomas and Araujo, 1985). There are two groups of firms- exporting and non-exporting, that are always in need of support in marketing programme of any type and market selection for their product. Attempts of exporting are influenced by informational needs and operational resources barriers. Many exporting firms in developing countries are lacking in a wide range of resources e.g., Senior executive time, budget for market development etc. Non-exporters generally suffer anxiety about export involvement, which originates from deficiencies in information, foreign contact, and personnel. In contrast, exporting firms are concerned with problems such as deteriorating market conditions and language difficulties, suggesting that this group of exporters perceive competitiveness as their biggest concern (Yaprak, 1985). It is evident that

non-exporters need more motivational and informational support, whereas current exporters need support in operations and overcoming market barriers. An essential element in the development of a national export strategy is the identification of the obstacles facing industrial development in a country (Dymsza, 1983). Katsikeas (1991) also identified some major examples regarding the obstacles with export operations (e.g. Pavord, W.C., 1975; Rabino, E., 1980; Albaum, G., 1983; Czinkota, M. R., 1983; Cavusgil, S. T., 1984a; Christensen, C. H. et al, 1987; and Keng, K. A. & T. S. Jiuan, 1989).

Throughout the late 1970s and early 1980s there appeared a large body of literature focusing on the characteristics of the export decision or on factors which inhibit or stimulate a country's firms to export. (Hanz, 1972; Rabino, 1980; and Tessar & Tarleton, 1981 are some examples; two excellent collections of research efforts in this field are Czinkota & Tessar, 1982 and Rosson & Reid, 1987). The barriers identified by a number of these studies included elements such as national policies and export promotion programmes (EPPs), currency factors, export financing and so on. Bauerschmidt, Sullivan and Gillespie (1985) noted export barriers and indicated that

"in spite of the apparent shift in research focus from exogenous factors, a large body of literature that details the problems associated with the decision to export suggests that barriers inhibit the internationalisation of business firms".

Authors further added that private and public sector decision makers have

recognized there are variety of barriers that can inhibit exports and that these need to be understood. Almost all export studies who have looked at firms' "export or not" decision conclude that firms that perceive certain barriers decide not to become involved in exports or decide to export in spite of these barriers.

Firms tend not to become involved in exporting if they feel there are barriers that they cannot overcome profitably. Export researchers have paid a great deal of attention to export barriers, as well as to those variables that encourage firms to become involved in exporting (Ramaseshan and Soutar, 1996). However, firms that perceive significant export barriers may decide to export if the perceived benefits outweigh the perceived barriers. On the other hand, firms that perceive no export barriers may decide against exporting if there are few advantages (Ramaseshan and Soutar, 1996).

Pointon (1977) found that a lack of foreign demand, high costs of transportation and a belief that domestic markets can consume all a firm's output were the most important export barriers while Bilkey (1978) noted that a lack of finance, foreign government restrictions, insufficient international knowledge, channel of distribution problems, and a lack of foreign market connections were major export barriers.

Rabino (1980) found that a lack of exposure to other cultures, large domestic markets, a lack of staff time, the complexity of paperwork, problem of managing export operations and a need to modify products to meet foreign safety and health standards were important concerns to small

manufacturing companies. Brady and Bearden (1979) confirmed this in their findings that greater knowledge and skill requirements and availability of information about foreign markets is facilitated by direct exporting but this would also manifest itself in communication barriers with foreign customers. Smaller firms are shown to suffer from a lack of staff necessary to perform the export marketing function and to handle the continual barriers that are part of exporting (Pavord and Bogart, 1975). A cross-national study of export barriers found similarities as well as differences between European and American firms (Sullivan and Bauerschmidt, 1989). European firms regarded export barriers as a challenge arising from firm-specific conditions while American firms were inclined to interpret such barriers as country specific. European firms felt that fluctuating exchange rates, a lack of capital to finance export operations, competition from local firms in foreign markets and high transport costs were the most important export barriers.

There has been considerable research into barriers and there is a danger that appropriate understanding of exporters' problems will not be obtained, leading to inappropriate policies and export promotion programmes (EPPs) (Ramaseshan and Soutar, 1996). Understanding the nature of problems connected to the firm's export activities is of utmost importance to corporate and public policy makers, since it provides key strategic guidelines and evaluates insights for the formulation and implementation of effective export marketing plans and national export promotion programmes, respectively (Katsikeas, 1991). Different studies

have revealed different sets of exporting problems and indicate that the majority of the obstacles are infrastructural and institutional rather than marketing management oriented. With the most frequently cited being host and home government regulations, documentation requirements and paperwork, lack of foreign market information, insufficient financial resources and intense institutional competition, the problem ranking varies substantially from one survey to another (Katsikeas, 1991).

The study that is outlined in connection with export marketing support programmes attempted to discuss the issue of exporting barriers, as it is very important to include an analysis of such barriers to understand their importance with respect to national export promotion programmes. Export marketing support may be sought out by firms planning to export or those involved in exporting in response to firms' particular needs; also, awareness of export marketing services may stimulate firms' interest in export involvement. It is apparent that management knowledge and expertise are linked to the perception of and ability to cope with problems firms encounter in export marketing. What is important for this research are the various ways in which problems or barriers can be related to export market entry. Moreover, by investigating these problems relative to export promotion programmes (EPPs) and other export marketing support, the latter's potential role in dealing with barriers can be assessed. It seems that export related barriers, may act as important stimuli in bringing together information needs and information relative to export market involvement.

3.3 Export Marketing Motivation

Export researchers have paid considerable attention to the factors that influence firms' export decisions (Ramaseshan and Soutar, 1996). To stimulate interest, top management needs to be convinced about the advantages of exporting. There are several convincing arguments:

- a Export statistics and department of commerce reports of any country can show that export markets exist for the company products.
- b Companies can reduce total cost of goods through exporting for additional sales.
- c Exports can offset domestic sales fluctuations.
- d Competitors may already be exporting.

To stimulate and subsequently develop and sustain exports, a firm must first be influenced by stimulating factors which, in conjunction with certain other facilitating background forces associated with the characteristics of the decision maker (Simpson, 1974; Barrett and Wilkinson, 1986; Dichtl and Muller, 1990), the organisation (Bilkey, 1977; Cavusgil, 1984; Moon J and Lee, 1990) or the environment (Garnier, 1982; Rao, 1990), constitute the real impetus behind the firms' decisions to go international (Olson, 1978 and Wiedersheim, 1978; Wiedersheim, 1978). It is generally agreed that one distinctive part of the literature has paid attention to the investigation of the factors motivating a firm to establish, develop, and maintain exporting activities (Katsikeas and Piercy 1991;

Ford 1989; Bilkey 1978). Motives are particularly crucial during the pre-export stage, which has been described as being very sensitive and fragile, frequently determining the nature of a firm's future approach to exporting (Welch and Wiedershiem, 1980).

Conceptualisation of motivational factors, therefore, has to start well before the firm's debut in overseas markets, by first understanding the type of motives perceived by non-exporters, their impact on pre-export behaviour and the process of making them operative (Dichtl, Leibold, Koglmayr and Muller, 1984). The significant role that motives can play in export expansion has attracted the interest of many international business researchers (Miesenbock, 1988; Ford and Leonidou, 1991). Therefore, much research has focused on factors motivating exporters' initiation, development or sustainment of exports (Leonidou, 1995).

Export motives were often distinguished as being internal (e.g. accumulation of unsold inventory) or external (e.g. encouragement by external agents/organisations) (Simpson, 1974; Brooks and Rosson, 1982; Ogram, 1982), the former associated with influences intrinsic to the firm denoting positive export behaviour, and the latter being exogenous, stemming from the firm's domestic or foreign environment signifying a negative approach to exporting (Lee and Brasch, 1978).

Motivational factors were also categorised as proactive (e.g. identification of better opportunities abroad) or reactive (e.g. receipt of an unsolicited order from abroad) (Johanston and Czinkota, 1982; Pavord and Bogart, 1975; Leonidou, 1988). While proactive motives indicate aggressive

export behaviour, based on the firm's interest in exploiting unique internal competence or market possibilities (pull factors), reactive motives exemplify passive engagement in export activities as a response to environmental pressures, although possibly leading to an accidental or fortuitous export involvement (push factors) (Katsikeas and Piercy, 1993; Cavusgil, 1980; Bilkey, 1977).

Simmonds and Smith (1968) linked international orientation of the export decision-makers to a person's greater receptivity towards export stimuli. Olson and Wiedersheim-Paul (1978) suggested that the decision-maker's international orientation may not only improve his ability to recognise information about export opportunities but also to act upon it. They further added that high international orientation would stimulate a firm's export propensity.

In addition to the above, export motives have been further explained by Albaum et al. (1996). They describe, Why firms engage in exporting? We can assume (realistically, we might add) that the driving forces for either starting or exploiting export activities are that the firm wants to utilise and develop its resources in such a way that its short-run economic objectives are served. As a consequence, export motives will be strongly connected to the basic goals of the firm.

A classification of export motives is shown in fig. 3.2 hereunder in a schematic form by Albaum et al 1996:

Figure 3.2: A classification of export motives

	INTERNAL	EXTERNAL
PROACTIVE	<ul style="list-style-type: none">* Managerial urge* Growth and profit goals* Marketing advantages* Economies of scale* Unique product/technology competence	<ul style="list-style-type: none">* Foreign market opportunities* Change agents
REACTIVE	<ul style="list-style-type: none">* Risk diversification* Extend sales of a product* Excess capacity of resources	<ul style="list-style-type: none">* Unsolicited order* Small home market* Stagnant or declining home market

In fig. 3.2 export motivations have been classified in a more detailed manner. Lists of factors have been made understandable in terms of figures. Moreover, it suggests that different types of motives or influences cause a firm to engage in exporting. The distinction, in terms of proactive and reactive behaviours, may be important because it identifies the nature of the export decision task: is the foreign activity initiated because of the need for exports or is it initiated on a purely voluntary basis, to improve an already secure situation of the company? Albaum et al (1996) further describe the following levels of exporting that have been outlined briefly. They say that a company will reside in either level A or level B. This is particularly true when first starting to export and seeking export marketing support.

Levels of exporting

a Export of surplus

The firm is interested only in overseas sales of surplus products, or is without resources to fill overseas orders for most products on continuing basis (commitment).

b Export marketing

The firm actively solicits overseas sales of existing products and is willing to make limited modifications in its products and marketing procedures to accommodate overseas buyer's requirements.

c Overseas market development

The firm makes major modifications in products for export and in marketing practices in order to be better able to reach buyers in other countries.

d Technology development

The firm develops new products for existing or new overseas markets.

e Theories of export behaviour identify several stages in the process and, although each theory uses a different classification scheme, the theories all portray one common view:

"The decision to go international (exporting) is a gradual process that can be subdivided".

There is a field of export marketing of relevance to this discussion, that of the perception and role of different stimuli. For example, the question arises that "how the firms become exporters, how the export involvement process evolves, is a matter of managerial activity". For this purpose, an empirical study done by Katsikeas and Piercy (1993) identified

that the perceived export stimuli associated with ongoing exporting activities are likely to be different from the nature of motives underlying initial export involvement (Johanston and Czinkota, 1982). Authors further added that this can be so as a result of major developments in the external and internal environment of the firm, and the acquisition of experiential knowledge of exporting operations. Export motivation is concerned with the management characteristics which may determine the capability of a firm to effectively perceive signals pertaining to export market opportunities and it is important that factors such as managerial beliefs about the importance of exporting, and managerial export experience should be viewed as potential export stimuli (Katsikeas and Piercy, 1993). Several of the authors point to the interactive relationship of such internal factors. Cavusgil and Nevin (1981)'s empirical evidence lends support to the importance of such internal firm and management characteristics as contributors to firms' export involvement. Internal stimuli can not be divorced from the firm's goals because they are an integral part of its business capability, on the basis of which management pursues opportunities.

In S.O.R (Stimulus - Object - Response) terms, this means that without stimuli, there may not be any drive for export involvement but, even with the existence of relevant stimuli, managerial perception is an essential requirement (Cavusgil, Bilkey and Tesar, 1979). Wiedersheim, Welch, Olson (1977) suggest that export stimuli may be latent, e.g. that the firm first develops to a stage in its business development at which it is

ready to react to those stimuli, a different interpretation of the perceptual frame of reference of management stated previously. This, however, does not apply so much to internal stimuli as to external stimuli.

The most consistently mentioned external stimuli are unsolicited orders, the existence of foreign market opportunities, competitive activities, and governmental export support or stimulation. As has been noted before, unsolicited orders repeatedly have been reported as an important factor in becoming involved in export markets (Tesar, 1975; Reid, 1981 and Pavord and Bogart, 1975). The firms' reaction to this stimulus depends not only on perception of the objectives of the firms but also the existence of sufficient market opportunities and, of course, on the quality and dynamism of the firms' management (Bilkey and Tesar, 1977).

Governmental export support or stimulation measures are viewed as stimuli by several researchers and are reported as having varying degrees of importance to the firm. In the context of this dissertation this issue is particularly important since it concerns directly the role and effectiveness of government support (this aspect of governmental role is extensively discussed in section 3.5). Part of the reason for these ambivalent findings may lie in the multitude of different export marketing services offered by government agencies. A global measure of such support may not be very meaningful when attempting to discern their influence on firms' export market involvement. Nonetheless, one can conclude that, while varying degrees of relevance or importance can be shown for the stimuli, individually they are not sufficient to induce a firm to export market

involvement. The purpose of this discussion relates mainly to the role of different motives involved in export decision-making and, management attitude towards specific aspects of export marketing such as participation in export promotion programmes (EPPs).

In essence, from the above discussion, the thrust of this section has been to understand the motives that underlie firms' involvement in exporting. It has been identified that there would be differences in perceptions of current export stimuli between firms highly involved in exporting activities, and those firms characterised by a relatively low degree of export involvement (Katsikeas and Piercy, 1992). Motivational factors can be found at all stages of a firm's export development process, from the pre-engagement and initial stages to the more advanced and mature stages (Bilkey, 1977; Wiedersheim, 1978; Czinkota, 1982). These may vary within each stage according to frequency, intensity or importance. Possibility of effective national export promotion programmes for exporters {(for both users (UEP) and non-users (NUEP))} could be the reason that respondents become involved in exporting. So, this section has made things easier for the next section's discussion.

3.4 Export Marketing Development Process

A firm's decision to become involved in export markets is essential whether the impetus for exporting came from external sources or from within the firm. Firms become involved in export activity, either reactively or proactively (Czinkota, 1982; Tesar and Tarleton, 1982 and Katsikeas

and Piercy, 1993), for a variety of reasons. The decision to become an exporter seems to be more critical to a firm's operations than the decision to expand existing export activity. Given the firms' competitive capability from a product point of view; it is management's knowledge, expertise, ingenuity and initiative that become vital resources in their export involvement. As Piercy (1982) and Katsikeas and Piercy (1993) conclude after several studies:

"The level of experience in the firm is a critical resource, since it determines such things as the firm's reaction to export stimulation from the environment"

It is at this phase of the export involvement process that the firm develops an awareness of the need for information, knowledge and expertise, albeit to varying degrees, necessary for export marketing. The smaller firms tend to have a relatively greater requirement for such resources than do larger firms which, by definition, have greater financial and human resources at their disposal. Identification of and reaction to the above mentioned need of smaller firms, however, is a function of management's perspective and perception.

Government, primarily at its commerce ministry level and through its agency export promotion bureau (EPB), was seen to offer broad range of services to manufacturers interested in or engaged in exporting. Such export marketing support seeks to make available information, advice and contacts to any firm interested in foreign market opportunities. A spectrum of government export marketing support programmes (EPPs) seems particularly well-suited and useful to the exporting firms beginning

export market involvement. Bilkey (1978) observed that export behaviour implies a broad consensus among export researchers that export management is a key part in firms' foreign market involvement. The main concern in reviewing this literature is to identify how well the export involvement process is understood and which substantive problems exist in the early phase of such foreign market involvement. Export involvement of a firm has been discussed by a number of researchers from a decision-making perspective (Simpson and Kujawa, 1974; Pavord and Bogart, 1975; Wiedershiem-Paul, Olson and Welch, 1978; Katsikeas, 1989 and Katsikeas and Piercy, 1993). The complexity of dealing with the concept of management is emphasised by the fact that it is generally involves four distinct kinds of activity: Operations management, administration, policy setting and strategy making (Spraos, 1983), all of which involve decision making, and all of which may be partially combined or separated depending on the size of the firm and its organisational structure.

Stages of internationalisation appear to be a useful and meaningful basis for evaluating the firms' needs at various stages of the internationalisation process as empirical research has investigated that export assistance programmes should be designed and implemented with clear target audience in mind (Naidu and Rao, 1993). Procedures should be developed to monitor the performance of various export assistance programmes in relation to their pre-determined objectives (Naidu and Rao, 1993). The objectives may be aimed at creating impact at the macro and micro level (Seringhaus and Rosson, 1990, 1991). At the macro level, one

may assess the impacts on foreign trade position, growth of exports, export participation, trade missions and participation etc., and at the micro level, the impacts on awareness and utilisation of programmes by individual firms, participation in export related activities, and progress of firms on the internationalisation process. Seringhaus and Rosson (1990) emphasised the importance of understanding the companies' needs as a pre-requisite for creating an effective government export promotion programme. The process theory holds that the firm moves towards international in a gradual way and as experience accumulates which counteracts the uncertainty surrounding foreign markets (Piercy, 1982). Within the general framework of progressive corporate involvement in foreign business activity, interpretations differ with respect to the stages and process of such involvement. There is a view that the initial form of such involvement is exporting and that the final form is the establishment of a manufacturing subsidiary abroad (Terpstra, 1978, 1988), exporting is, therefore, widely regarded as an attractive way of foreign market entry because it does not require as much commitment of company resources as joint ventures or overseas manufacturing establishments (Katsikeas, 1991). The different interpretations are commonly based on observed aggregate patterns of behaviour, which are then divided into steps or phases.

This section will report on an attempt to analyse differences in needs for support by the exporting firms in different stages of the internationalisation process. The available research does give tentative

support to the existence of individual managerial factors influencing the export behaviour of firms. Empirical research reports that as firms increase their level of international involvement there is a tendency for them to change the methods by which they serve export markets.

The concept of the export development process or the internationalisation (exporting) process has been defined in different ways by various authors (Johanson and Vahlne, 1977; Loustarinen, 1978; Steed, 1982). From the view point of the individual firm, the exporting process is defined as:

the successive development in a firm's export engagement in terms of the geographical spreading in markets, products and operation forms, and the changes in export management philosophies and organisational behaviour from the beginning of the process to the actual situation .

In an early attempt at classification, Johanson and Vahlne (1977) used the market entry form as a criterion based on extensive experience with Swedish firms. The classification of firms consists of four broad stages in which the following international activities take place: (1) no permanent export, (2) export via an agent, (3) export via a subsidiary, and (4) production in a foreign subsidiary. Further, it has been explained under the increased commitment model given by Johanson & Wiedersheim-Paul's (1975). Based on the degrees of export activity, Pavord and Bogart (1977) further describe the export development process into four broad categories:

- no activity in the export market;
- passive activity (never see export sales but will respond to unsolicited orders);

- minor activity (occasionally seeks export sales);
- aggressive activity (continually seek export sales and consider exporting to be a permanent activity).

However, their empirical study of 138 U.S.A. firms did not confirm the suggested categories. Export involvement is widely regarded as an evolutionary process made of more or less discrete stages (Cavusgil, 1984; Johanson and Vahlne, 1977). Each stage is typified by a different level of export experience as well as by distinct marketing strategies and export performance. Further the internal company factors explaining export marketing behaviour fell into four groups:

- expectations of management, as a result of the impact of exports on growth
- level of commitment
- differential advantages to the firm
- managerial aspirations, often related to security.

In investigating the hypotheses of the gradual development of the internationalisation process of more than 200 SMEs exporting USA firms, Czinkota (1982) used export experience (measured as the number of years of export) to segment the firms into stages. The results show that changes in exporting attitudes, motivation, and perceived experience, did not statistically identify the precise pattern of the development process.

However, considerable attention has been paid by various authors to the development of models in the field of exporting. These models have concentrated on slightly different aspects of exporting. The first set of

models to be discussed here explore why and how firms get involved in exporting. Thus these models examine the stages in the internationalisation process of firms or the reasons for internationalisation (exporting).

Bilkey and Tesar's stage model and Cavusgil's stage of involvement model are examples of the category of models. Reid's model of export behaviour and Johanson & Wiedersheim-Paul, Cavusgil and Czinkota's models for export development and Johanson & Vahlne's model of export behaviour will be taken into discussion.

Three comparisons of the export development models, given by (1)

Ford, Leonidou and Paliwoda (1991), (2) Anderson (1993)'s model comparison of five models and (3) Naidu and Rao (1993)'s own model's comparison with other three models have also been described.

The literature suggests that as firms progress through the internationalisation process they require a higher level of commitment in order to satisfy objectives, e.g., increased growth, profitability etc. Therefore, different support is likely to be required at each stage of the internationalisation process as managers become more committed and efficient exporters.

3.4.1 Models of export development process

There is a difference of opinion concerning whether the internationalisation process follows a learning curve (Carlson, 1975), or if it develops from a series of incremental decisions (Johanson and Vahlne,

1977). Nevertheless, there is general agreement that some form of stages process exists, although there is no widespread acceptance of a single conceptual model as previous studies have been criticised. However, one of the major areas of study in the export marketing field has been on the processes or stages in the internationalisation of the firm.

Thus, a number of models have been developed from studies concerning the internationalisation process of the firms. It is therefore important to distinguish between models concerned only with exporting, in line with this study.

1 Bilkey and Tesar's (1977) stage model: The export behaviour of firms relates to the supply side of international trade. A substantial body of literature has been developed on the subject since the early 1960s, but it is so widely scattered and difficult to obtain that few analysts appear to be aware of more than a portion of what has been written. No common model has been developed for the various empirical findings on the export behaviour of firms (Bilkey, 1977). The work of Bilkey and Tesar (1977) consists of a more detailed framework by dividing the export development process into six stages based on a mixture of classification criteria, including length of export experience, volume of exports as a percentage of sales, countries exported to, and so on. The model is derived from the theory of innovation diffusion developed by Roger (1962) and consists of the following six stages:

- Stage 1* Management is not interested in exporting; would not even fill an unsolicited export order.
- Stage 2* Management would fill an unsolicited export order, but makes no effort to explore the feasibility of exporting.
- Stage 3* Management actively explore the feasibility of exporting.
- Stage 4* The firm exports on an experimental basis to some psychologically close countries.
- Stage 5* The firm is an experienced exporter to that country or countries of stage 4, and adjusts exports optimally to changing exchange rates, tariffs, and so on.
- Stage 6* Management explores the feasibility of exporting to additional countries that psychologically are further away.

The findings of the research regarding the export behaviour of more than 400 (SMEs) manufacturing firms in Wisconsin region in the USA are in harmony with the particular stage sequence listed above. The researchers concluded that exporting was a developmental process that proceeded in stages. The researchers also investigated the factors that made a firm move from one stage to another by using a multiple regression equation. The variables in the equation were managerial expectations from exporting, structural and institutional obstacles or inhibitions to exporting, facilitators like: unsolicited orders; subsidies etc.; managerial dynamism and other organisational characteristics related to exporting.

The results only partly explained movement from one stage to another. It was also found that different factors were involved in the movement of different stages. For example, movement to stage four correlated with receiving an unsolicited order, quality of management and size of the firm. Movement to stage five, on the other hand, seemed to be directly related to managerial expectations from exporting and inversely related to the quality of the management and perceived inhibitions to exporting.

2 Reid's Model of Export Behaviour: Related to the above model is Reid's model of export behaviour which identifies 5 stages in the export adoption process. These are: (Reid, 1981)

- Stage 1* Export awareness--a recognition of exporting as an opportunity for growth.
- Stage 2* Export intention--where expectations from exporting and attitudes toward exporting are developed.
- Stage 3* Export trial-limited exporting on a trial basis.
- Stage 4* Export evaluation-an analysis of exporting and its impact on profits and sales.
- Stage 5* Export acceptance-adoption or rejection of exporting

The model views exporting as innovation adoption process. The decision to export is not viewed in a unidimensional manner rather, the researcher sees exporting and export performance as being defined along multidimensional variables. These include growth, rate of new market

promotion, etc. The model also moves the emphasis from the study of pre-export behaviour to the study of individual decision maker characteristics and the acquisition of export related information. The model was tested using smaller firms. The researcher concludes (based on his results) that the decision maker's attitudes towards exporting and his/ her perception of the results of the export activities are key determinants of subsequent export behaviour.

3 Johanson & Wiedersheim-Paul's (1975) increased Commitment Model:

These researchers viewed exporting as a series of incremental decisions by firms rather than a major decision to export. Thus, these researchers see firms as being drawn into exporting in small steps. The stages or steps identified in the model are:-

- a no regular export activities;
- b exporting via an independent middleman;
- c establishment of a sales subsidiary;
- d production or manufacturing abroad.

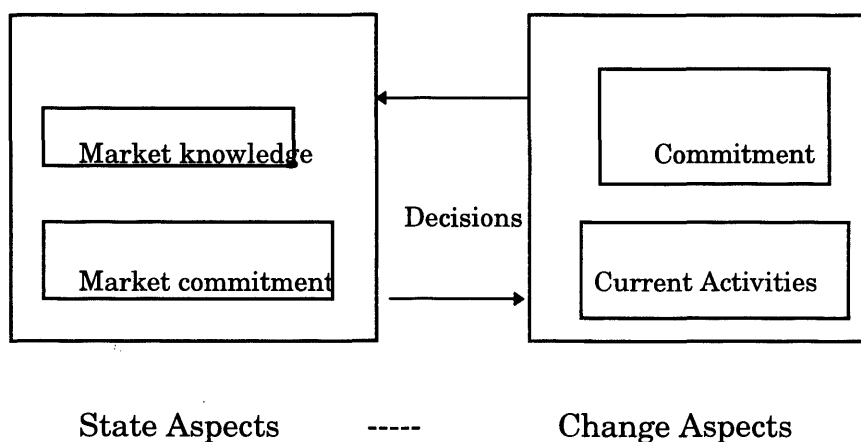
The model was supported by the observation from four internationalisation case studies that the researchers carried out in Sweden. The model assumes that obstacles to internationalisation are lack of knowledge and resources which make the perceived risk in exporting very high. With incremental decisions to enlarge their operations, the knowledge that the firms have about exporting increases. At the same time, the perceived risk associated with exporting decreases. This, in turn,

makes them move on to the later stages of export commitment.

4 Johanson & Vahlne's Model of Export behaviour:

This model, based on the previous one, amplifies the role played by knowledge and gradual commitment to exporting. The model is presented below (Johanson and Vahlne, 1977). The state aspects, e.g., Knowledge of the market and any commitment of resources to the foreign market affect the change aspects of commitment decisions and current activities as shown in the model. These, in turn, will affect the knowledge of the market and commitment to it. Thus, it is a two way model or a dynamic model.

Johanson & Vahlne's Model of export behaviour.



The researchers consider the two state aspects to be directly related, e.g., knowledge is seen as a resource and the better the knowledge, the higher the commitment of that resource to the foreign market. This is seen to be more the case when actual experiential knowledge, or knowledge specific to a market which is not transferable, is concerned. Again, additional commitments to an export market are seen to happen in small steps. The exceptions to this would be instances where the market is very stable, the firms have very high resources and previous experience with

similar markets.

5 Cavusgil's Stages of Involvement Model:

Cavusgil (1984) operates with a criterion based on export involvement and distinguishes between three phases of internationalisation (exporting): experimental involvement, active involvement and committed involvement and their explanation:

a Stimuli for experimental export involvement. At this stage, experimental involvement is characterised by very little commitment to exporting. Firms at this stage export because they have received unsolicited inquiries and react passively to such inquiries. Export sales are seen as marginal and of little importance. Non-exporters need stimuli to enter exporting. Cavusgil and Nevin identified external and internal stimuli. External stimuli often take the form of unsolicited orders from buyers or distributors abroad or domestic export agents. Bank, trade associations, and middlemen also serve as change agents. External stimuli clearly exceed the number of internal stimuli received. In eight separate studies, external stimuli (Cavusgil, 1976) accounted for 54-84 per cent of all stimuli. Firms which start exporting as a result of external inquiries exemplify a passive approach in export marketing, with an involvement which was fortuitous, marginal and intermittent, with short-run profits being likely to be the motivating force, rather than clearly formulated long-term objectives.

b Active export involvement. Active involvement in international (exporting) business is seen as making an important contribution to the achievement of the firms' overall goals. Efforts to cultivate export markets are

undertaken and a more long time commitment to export is made. The firm enters more export markets and exporting is no longer seen as a marginal activity. This involves a systematic exploration of marketing opportunities imposing demands on the resources of the firm - physical, financial, and managerial - which will test the willingness of management to allocate these resources. Smaller firms face an obvious disadvantage in not being able to commit resources, and financial incentives do not immediately change matters. Another major determinant of active involvement in export marketing is management's experience-based expectations of the attractiveness of exporting for the firms.

c Committed international involvement. Committed involvement sees the firm searching for markets world-wide, investing abroad, and /or setting up an overseas subsidiary. The firm moves into the position of a committed participant in export marketing. Now managers are consistently making choices in the allocation of resources between foreign and domestic markets. Nevertheless, personal characteristics of the decision makers, lack of information, perception of risk and presence of uncertainty seem to be especially valuable in understanding a firm's involvement in export marketing. Cavusgil (1984) proposed a three stages model to indicate increasing levels of involvement in and commitment to exporting.

The model was tested using 70 firms from Wisconsin and Illinois. The results indicated that companies in the three stages of internationalisation differed in some dimensions. For example, the experimental involvement firms have the least amount of face to face

interactions while committed exporters had more personal contacts, provided sales support and, in general, had more interactions with their buyers. Profit from exporting were higher for firms in the later stages of export involvement.

Cavusgil's Path Model of Export Behaviour:

This is true of internationalisation (exporting); motivation consists of a variety of factors both pushing and pulling firms along the international path (Katsikeas and Piercy, 1993; Cavusgil, 1985; Cavusgil, 1976) and Cavusgil developed a path model of export behaviour using the empirical data collected by Tesar. He identified three background variables (firm technology, product uniqueness, and managerial aspirations for profit, growth and security of investment), two intervening variables (managerial expectations regarding effects of exporting on profits, etc., and allocation of the firm's resources to exporting) and a dependent variable e.g., probability of exporting.

An empirical study based on the model tended to support the hypothesis that export behaviour can be explained fairly well by the internal characteristics of the firm and the qualities of its management. Specifically, lack of exporting was seen to be related primarily to lack of determination on the part of senior management to export (Cavusgil and Navin, 1981). Top management also needs to be reassured that it is possible to overcome the problems associated with exporting (e.g. documentation, payments, and language etc.). Such reassurances encourage companies to look for export markets and give them confidence

in their ability to cope with overseas inquiries and export quotations. However, underconfidence or resource poor companies can get “their feet wet” using others’ export expertise.

6 Piercey’s Active & Reactive exporting:

Piercy (1981) and Katsikeas & Piercy, (1993), identify two types of internationalisation processes. In the first type, companies get involved in exporting primarily because there were unsolicited orders from abroad or to make up sales volume which they cannot sell in the home market. These firms are called Reactive Exporters. The second type, firms get involved in exporting because they see it as the main source of growth for the company. The author goes on to distinguish between strategies of active and reactive exporters. Major differences between the two groups were identified in the study are:

- a reactive exporters are more concerned with volume objectives than active exporters;
 - b active exporters tend to use market based pricing (as opposed to cost based pricing) more often than reactive exporters;
 - c active exporters emphasise price based competition while reactive exporters tended to rely more on product quality or non-price competition;
- and Tesar (1975) and Tesar & Tarleton (1981) used a similar classification of exporters in their studies of medium and small sized exporters in two states of the USA. They classify exporters as aggressive or passive. Aggressive exporters (similar to Piercey’s “active” exporters) are those who

sought the first export order while passive exporters are those whose first export orders were unsolicited ones (similar to “passive” type in Piercey’s classification). The researchers found differences between aggressive and passive exporters on factors like perceived risk of exporting, exports as percentage of sales volume, frequency of visits to foreign markets and usage of information (Tesar, Tesar and Tarleton, 1981).

As can be noticed, there is considerable overlap between the models proposed by Tesar (1975) and Tesar and Tarleton (1981) and Cavusgil (1984). The primary focus of these models is the classification of exporters into categories depending on their degree of involvement and commitment to exporting and their initial entry into exporting. The usefulness of the models is seen to be in the identification of firms that may be targeted for governmental promotional efforts. Thus, these researchers attempted to identify characteristics of these firms in each group and to develop profiles of exporters.

The Uppsala School ‘ Model’ as devised by Wiedersheim-Paul (1975), influenced subsequent writings on the subject and identified four stages. A further study by Bilkey and Tesar (1977), Cavusgil (1980) and Czinkota (1982), shows in the tables below a comparison of the four development models of exporters identifying six stages, five stages and six stages respectively. The comparison of the four models shows the following:

Figure: 3.3 A comparison of the four export development models

Johanson and (1975)

Wiedersheim-Pual

Bilkey and Tesar(1977)

<p>Stage 1 No regular export activities</p> <p>Stage 2 Export via overseas agents</p> <p>Stage 3 Establishment of an overseas subsidiary</p> <p>Stage 4 Overseas production /manufacturing</p>	<p>Stage 1 Management is not interested in exporting</p> <p>Stage 2 Management is willing to fill unsolicited orders, but makes no efforts to explore the feasibility of active exporting</p> <p>Stage 3 Management actively explores feasibility of active exporting</p> <p>Stage 4 The firm exports on an experimental basis to some psychologically close country</p> <p>Stage 5 The firm is an experienced exporter</p> <p>Stage 6 Management explores the feasibility of exporting to other more psychologically distant country</p>	<p><i>Cavusgil (1980)</i></p> <p>Stage 1 Domestic marketing: the firm sells only to the home market</p> <p>Stage 2 Pre- export stage: the firm searches for information and evaluates the feasibility of undertaking exporting</p> <p>Stage 3 Experimental involvement: the firm starts exporting on a limited basis to some psychologically close countries</p> <p>Stage 4 Active involvement: exporting to more new countries - direct exporting - increase an export volume</p> <p>Stage 5 Committed involvement: management constantly makes choices in allocating limited resources between domestic and foreign markets</p>	<p><i>Czinkota(1982)</i></p> <p>Stage 1 The completely un-interested firm</p> <p>Stage 2 The partially interested firm</p> <p>Stage 3 The exploring firm</p> <p>Stage 4 The experimental firm</p> <p>Stage 5 The experienced small firm</p> <p>Stage 6 The experienced large exporter</p>
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Source: Ford, D. & Leonidou, L. and Paliwoda, 1991

The literature on the internationalisation process of exporting firms has received a number of contributions, although criticisms have been put forward (Anderson, 1993; Czinkota, 1982; Bilkey and Tesar, 1977). In broad terms, the models have tended to fall into one of the two categories: first, the “establishment chain” model, named after a phrase taken from a major study carried out at the Uppsala School (Johanson and Wiedersheim, 1975): second, what Anderson (1993) terms the “innovation-

related” models. The term “innovation-related” is derived from the

Figure: 3.4 Anderson seven models comparison

(1) Cavusgil (1980-83 & 84)	(2) Bilkey & Tesar (1977)	(3) Johanson & Wiedersheim (1975)	(4) Pavord and Bogart (1975)
Domestic marketing	The unwilling firm	No permanent export	No activity
Pre-export stage	The uninterested firm		
Experimental involvement	The interested firm	Export via agent	Passive activity
Active involvement	The experimenting firm	Export via sales subsidiary	Minor activity
Committed involvement	The semi-experienced small exporters The experienced (large exporters)		Aggressive strategy
(5) Czinkota (1982)	(6) Khan (1978)	(7) Reid (1981)	
The completely uninterested firm	New exporters' market ventures	Export awareness: problem of opportunity recognition and arousal of need	
The partially interested firm	Buyer initiated export market ventures	Export intention: motivation, attitude, beliefs and expectancy about exports	
The exploring firm	Carelessly planned export market ventures	Export trial: personal experience from limited exporting	
The experimental firm	Carefully planned export market ventures	Export evaluation: results from engaging in exporting	
The experienced small exporters	Experienced exporters' market ventures Exports through own sales subsidiary Export ventures located (communist countries)	Exports acceptance: adoption of exporting/ rejection of exporting	

work of Roger (1983), in which the internationalisation decision is considered as an innovation for the firms. A review of the internationalisation models provides a summary of the most widely cited models in chronological order.

Naidu and Rao (1993) have also classified the stages of internationalisation process as identified by various studies.

Figure: 3.5

Cavusgil (1980-83 & 84)	Bilkey & Tesar (1977)	Johanson & Wiedersheim (1975)	Naidu & Rao (1993)
Domestic marketing	The unwilling firm	No permanent export	Non-exporters
Pre-export stage	The uninterested firm		Export inten-
Experimental involvement	The interested firm	Export via agent	ders
Active involvement	The experimenting firm	Export via sales subsidiary	Sporadic exporters
Committed involvement	The semi-experienced small exporters		Regular exporters
	The experienced large exporters		

a It has been established that enterprises pass through an evolutionary process of internationalisation.

b An important guideline in assisting export promotion programmes (EPPs) from the internationalisation process of the firms.

c A non-exporter may first become involved in exporting in a reactive manner, responding to unsolicited orders. Management may later experiment with exporting by pursuing additional export business. Gradually, some enterprises reach the stage of active exporting by doing a

considerable amount of export business through proactive and aggressive efforts, a stage not reached by purely reactive firms .

Enterprises at different stages in export development require a different focus in their training and assistance. Their needs will shift depending upon their stage of development in the internationalisation process as illustrated in the fig. 3.5. Therefore, export support efforts must be formulated in consideration of the particular needs of the target enterprises for maximum effectiveness.

There is an additional recommendation to use a systematic planning approach in the process of designing and implementing support programmes. A systematic planning approach for export support will include the following steps:

- a Identification of target audience
- b Assessment of training and assistance needs
- c Examination of existing sources of support in an effort to identify gaps and opportunities for support
- d Formulation of specific support programmes
- e Gearing up for programme implementation: enhancing the staff capabilities and operational resources
- f Implementation
- g Evaluation and refinement based upon feedback

In addition to the Naidu and Rao, (1993), Trade development service, UNCTAD/ITC/GATT, 1993 also identified some stages contrasted to the scheme used in the study in the following figure 3.6.

Figure 3.6: Relationship between company internationalisation and assistance needs

Development stage	Focus of assistance efforts
Non-exporting firms	To heighten awareness of exporting opportunities and benefits
Reactive exporters	To motivate and provide guidance in selected, targeted export opportunities
Active exporters	To provide information, operational assistance, and to supplement resources
Committed exporters	To professionalise export operations; provide sales leads; create trade financing; help overcome market entry barriers; and expand networks.

Source: Trade development services ITC/UNCTAD/GATT (1993).

In relation to the above there are different types of exporting enterprises which may have different kinds of needs for market research. Fig. 3.7 is very similar to the above, with three different stages of internationalisation. Looking at the fig. 3.6 the advisory cell of EPOs can advise the export enterprise when they perceive an export problem or identify an export opportunity, develop alternative courses of action, obtain a commitment to implementation, and develop the exporter's ability to take the recommended courses of action.

Figure: 3.7 Challenge in internationalisation (ITC/UNCTAD/GATT, 1993)

Reactive/opportunistic exporting

How to:

Determine profitability of exporting

Response to overseas inquiries and orders

Check credit worthiness

Arrange for exporting packaging, documentation
and shipping



Experimental exporting

How to:

Locate potential customers

Assess sales opportunities in
specific markets

Select overseas distributors and
support them

Adapt products for foreign customers

Prepare promotional materials and
exhibit products



Handle internal organisation for exporting

Complex/committed exporting

How to:

Develop long-term opportunities

Prioritise markets

Choose from available entry alternatives

Prepare and implement marketing plan

The three stages mentioned in figure 3.7 has been described above:

- a Reactive/opportunistic exporters that are getting their feet wet in exporting
- b Experimenting exporters that are more committed to international marketing but not totally certain as to how beneficial it will be to sales and profitability, and
- c Active exporters that are experienced exporters, with exports in excess of 20% of total sales

3.4.2: Discussion on the Models in terms of their pluses; minuses; and interesting points raised

Growing awareness of poor trade performance has stirred an ongoing discussion on export promotion and assistance programmes in the developing countries. Today a variety of public and private organisations are actively involved in stimulating export activity and assisting business in international market expansion. The export involvement process's view means that an exporting firm was, at one time, probably only active domestically, or began with small scale exporting and which subsequently embarked upon extensive export involvement. This process view of exporting is basically a sound one and is more readily accepted than the internationalisation process of the firm, despite the fact that researchers' interpretations of the process differ, which presents definitional difficulties. Some researchers of the decision aspect tend not to pre-suppose the existence of the internationalisation process (Simpson and Kujawa, 1974; Pavord and Bogart, 1975; Reid, 1981). Thus, the descriptive

approach taken by researchers to capture the crucial elements involved in the transition of a firm from non-exporter to exporter is relevant here. What looks evident is that internal and external stimuli are perhaps necessary but not sufficient to bring about export involvement by the firm. The decision requires proper perception of the factors involved in the export process itself, as well as the proper stimuli.

Plus points (strengths)

a Most of the models which look at internationalisation as hierarchical process explain in great detail the characteristics of each stage.

b Bilkey and Tesar (1977) argue that the determinants of firms' behaviour are ascertainable empirically, and that they differ from one export stage to another. This is important because if the model is transferable across countries, in fact, if firms vary in their behaviour between stages - export support may be targeted more effectively and efficiently using similar criteria to differentiate between firms (Crick, 1995).

c Cavusgil's (1980) three models show the progression from the pre-export-stage through a high commitment to exporting, with various levels of commitment in between. This progression is primarily determined by the information that managers receive.

d Reid (1981) notes that, since exporting results from a choice among competing expansion strategies that are guided by the nature of the market opportunity, firms' resources and managerial philosophy, it

represents a selective and dynamic adaptation to the changing character of the export market. Market factors and requirements are therefore closely intertwined with deciding whether to go international and what form this expansion should take.

e The models seem to approach export behaviour and internationalisation from two different point of views. The first set of models look at the stages through which firms proceed in their efforts to internationalisation. The others look at why or what motivates firms to start and develop exporting. For example, Welch & Wiedersheim-Paul's model is an attempt to explain the variables that influence the pre-export behaviour and decision to export. Bilkey & Tesar's model, on the other hand, explains how firms progress from domestic marketing to international export marketing.

Minus points (weaknesses)

a Models do not explain how and why the firms progress to the next stage. For policy makers and others who are interested in uncovering ways of promoting exports or moving firms from one stage to another, this might be the most important piece of information.

b As Reid & Rosson (1987) describe, most of the models "relegate overseas channel intermediaries to just a distribution role; which misses the point that these organisations are often the marketing arm of the exporters in a foreign location".

c The empirical testing of the models have been usually conducted with small and/ or limited samples (i.e., samples from one or two states of

USA or from one industry). This might pose problems with the results, which are generalised to other markets and industries particularly in developing countries.

d There is very little agreement on terminology, thus we find that active exporters “active involvement in exporting” to be used to indicate slightly different things by different researchers. One researcher uses the term aggressive exporters if the first order was an unsolicited one, while others consider even exporters who got involved in exporting due to excess capacity to be passive exporters.

e There seem to be very few attempts to integrate the two approaches (Welch & Wiedershiem and Bilkey & Tesar, 1979) described under (e) as a strength. Cavusgil’s (1976,1981) models do attempt to integrate the past models to some extent. However, for the most part, the approaches have not been integrated. A further problem is that, although Bilkey and Tesar’s work is generally accepted as the most widely cited model, it is still open to criticism. To put this another way, this was considered to be the best proxy to overcome potential longitudinal changes in firm’s positions within such a static model, a problem identified in literature reviews such as that by Katsikeas (1991).

f All the “stages” theories of internationalisation assume that export development process proceeds in orderly and progressive sequences. However, many researchers have criticised the “stages” approach to internationalisation on the ground that firms do not follow consistent or organised paths to internationalisation (e.g., Reid, 1984; Turnbull and

Valla, 1986; Turnbull, 1987; Young, 1995). Besides, authors have also questioned the theory on methodological grounds - for example, Turnbull, (1987) questions the combining of criteria such as export value or number of markets served with export structure. In a study of internationalisation (exporting) of British companies in three industries the “stages” theory was not found to be relevant (Turnbull, 1987) and a review of the literature suggested that the majority of previous work on the internationalisation process has been written by authors outside the UK (Katsikeas, 1991; Anderson, 1993; Miesenbock, 1988; Bilkey, 1978).

Interesting Points

The principal conclusion of previous studies is that the stages of internationalisation are closely associated with the type and intensity of a firm’s needs for export market development. Ignoring the target firm’s level of internationalisation can lead to misdirected efforts and unfulfilled objectives on the part of export promotion agencies (Naidu and Rao, 1993) which will be described under 3.5. This will often create a credibility problem in the communication process between the providers of these programmes and the client firms. Differences among firms in different stages of internationalisation offer useful insights and implications for designing needed assistance efforts (Naidu and Rao, 1993).

Czinkota and Johanson (1981) indicated that segmentation by stages of the firm in the internationalisation process is most beneficial in assessing the need for types of export promotion programmes (EPPs). Cavusgil (1990), while acknowledging the growing involvement of the

government and local agencies in the promotion of export support programmes, identified gaps between “needs” and the “availability of programmes” due to many factors such as lack of precise objectives, duplications of efforts, poor targeting of client groups, lack of understanding of user needs, credibility of source, and lack of integration of past experience to guide present and future programmes. It is hoped that such an understanding can assist in designing more effective support programmes. Overall, the literature on the process of export market involvement is relevant to the research topic because firms’ export marketing behaviour is likely to reflect (a) varying levels of experience and knowledge, and (b) varying levels of commitment to foreign markets. It is necessary to better understand the exporting process if one wants to describe the marketing management behaviour clearly. Thus, firms’ behaviour surrounding market entry seems critically important in the study.

3.5 The role of Government export marketing and promotion support

3.5.1 Responsibility of export promotion at Government level

The issue of the role of government-sponsored programmes has generated opposing perspectives from two schools of thought. The first views government-sponsored export promotion as a subsidy that distorts free trade. This distortion is assumed to misallocate resources and results in lower global economic welfare (Bhagwati, Ramaswami, and Srinivasan, 1969). The other school views government participation more favourably,

as an attempt to improve market information (Complete information is a key assumption underlying the theory of comparative advantage).

Porter (1990) is also of the view that it is now widely recognised that the economies of scale, technological leads, and differentiated products create the conditions for trade: the nation whose firms gain them in an industry are able to export. He further added that government's real role in national competitive advantage is in influencing the following four determinants:

- a Factor conditions; The nation's position in factors of production, such as skilled labour or infrastructure, necessary to compete in a given industry.
- b Demand conditions; The nature of home demand for the industry's product or service.
- c Related and supported industries; The presence or absence in the nation of supplier industries and related industries that are internationally competitive. and
- d Firm strategy, structure and rivalry; The conditions in the nation governing how companies are created, organised, and managed, and the nature of domestic rivalry. (Detail can be viewed in fig. 3.8)

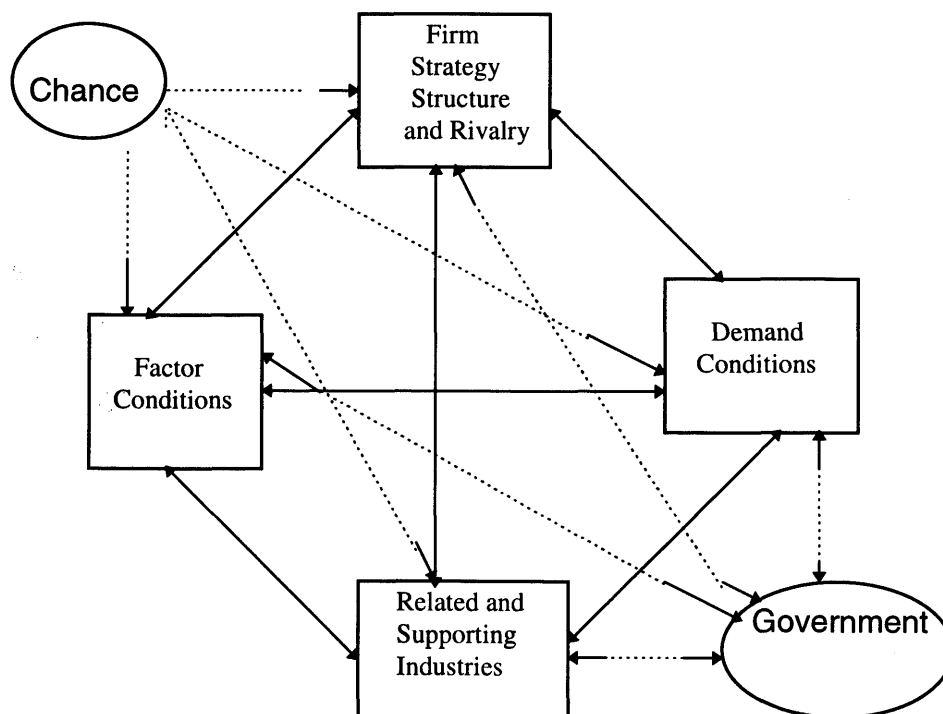
Firms gain competitive advantage (1) where their home base allows and supports the most rapid accumulation of specialised assets and skills, sometimes due solely to greater commitment (2) when their home base affords better ongoing information and insight into product and process needs (3) when the goals of owners, managers, and employees support

intense commitment and sustained investment (Porter, 1990). Particular attention has been given in the exporting literature to the firm's competitive advantages that facilitate its involvement in, and commitment to, export marketing activities (Katsikeas, 1994b; Aaby and Slater; and Bilkey, 1978).

Governments can influence, and be influenced by each of the four determinants mentioned above either positively or negatively. Many see it as a vital, if not the most important, influence on modern international competition. Government bodies establish local product standards (such as the Pakistan Standard Institute) or regulations that mandate or influence buyer needs. Government is also often a major buyer of many products in a nation, among them defence goods, telecommunications equipment, aircraft for the national airlines, army uniforms and so on. The way this role as a buyer is played can either support or hurt the nation's industry (Porter, 1990). Government intervention may include monopoly or antitrust control: in terms of public procurement, it can have a decisive effect in stimulating industry; taxation and regional incentives for green field investment; and policies designed to cater for the society of tomorrow, including health, education and the environment. These may help create or upgrade an advantage, but so too does the role of chance itself. Porter (1990) points out that chance events are occurrences that have little to do with circumstances in a nation and are often largely outside the power of firms (and often the national governments) to influence, for example, war, political decisions by foreign governments, acts of pure invention and

significant shifts in world financial markets or exchange rates. Chance events are important because they create discontinuities that allow shifts in competitive position. While chance events can allow shifts in competitive advantage in an industry, national attributes play an important role in whether a nation exploits them. The nation with the most favourable “diamond” will be most likely to convert chance into competitive advantage (the “diamond” is an interactive system in which the parts reinforce each other). This will reflect an environment aligned to the new sources of advantage and firms pressured to move most aggressively to seize them.

Figure 3.8: THE PORTER DIAMOND: “Determinants of National Advantages”



Source: Porter M. E. (1990) *The Competitive Advantages of Nations*, Macmillan, London

Invention and entrepreneurship are at the heart of national

advantage. Some believe these acts are largely random; a visionary or inventor might be located in any nation, which means that the birth of a world-class industry can take place anywhere. If we accept this view, the determinants become important in developing an industry but its initial formation is a chance event (Porter, 1990).

Across nations, it is those industries in which government has been most heavily involved that have for the most part been successful in international terms. Porter's research shows that the perception of buyer's needs is most often strongly defined by the home customer. Although foreign demand may give rise to product modifications, the essential core product is designed according to home market perceptions. In the above mentioned figure 4.1 four determinants are clearly explained with two additional variables; government and chance, discussed above.

Porter (1990) states clearly that while it is significant role which Government policy plays with regard to national advantage, it is only partial, and the Government policy should take heed of the following:

- a Firms compete in industries, not nations.
- b A nation's competitive advantage in industry is relative. With generally rising standards, some companies may not be improving fast enough to keep up their buying public.
- c Dynamism leads to competitive advantages, not short-term cash advantages.
- d National economic prosperity demands that industries upgrade.
- e A nation's competitive advantages in industries is often

geographically concentrated.

- f Competitive advantage in a nation's industries is created over a decade or more, not over three or four year trade cycles.
- g Nations gain advantage because of differences, not similarities.
- h Many categorisations used to distinguish or prioritise industries have a little relevance, e.g. labels such as 'Sunrise' and 'Sunset' industries.
- i The process of sustaining advantage may be intensely uncomfortable for firms and those who work in them because of the never ending pressures for improvements, which requires also new investment.

Governments, then, cannot create advantages, but can influence the four determinants in the diamond. Education and skills training are seen as a nationally important area in which it is the responsibility of Government to act, but Government intervenes also in other areas, including national currency markets; industrial research and development; safety and product standards; deregulation and privatisation and foreign investment.

Governmental efforts on the national or local level can also serve as a major change agent. In light of the contributions exports make to growth, employment, and tax revenue, governments increasingly are becoming active in encouraging and supporting exports. As being discussed, export promotion has become an integral part of most nations' trade policies.

Increasingly, other governmental entities are also actively

encouraging firms to participate in the international market. This takes place primarily on the state and local level. Many states have formed economic development agencies that assist companies by providing information, displaying products abroad, and sometimes even helping with financing. Trade missions and similar activities are also being carried out by some of the larger cities. Although it is difficult to measure the effects of these efforts, it appears that due to their closeness to firms, such states and local government authorities can become a major factor in influencing firms to go international (Singer and Czinkota, 1994).

No matter which perspective one adopts, there is no denying that the potential economic gains from exporting have led governments in both developed and developing countries to initiate trade policies designed to increase export competitiveness. Whether formally recognised or not, government and exporters usually are involved in a “public - private partnership,” in which the private sector provides the initiative and the public sector provides the necessary controls and support (The Economist, 1989).

Different organisational arrangements are used in different countries for the delivery of export promotion and support programmes. In an analysis of export promotion and assistance activities in eight countries (Japan, South Korea, Singapore, Canada, France, Germany, Italy, and England), Elvey (1990) finds considerable differences as well as similarities in terms of sophistication and comprehensiveness of the programmes offered. First, countries differ on how they organise for export

promotion. Second, they differ on the strategic approach they adopt to support firms in exporting.

An outward-orientation strategy can be market led or intervention led. In Asia, Hong Kong's relatively laissez-faire approach contrasts with the degree of government involvement and intervention in Taiwan and South Korea, whereas Singapore lies in between (Fry, 1986).

An important argument that deserves attention in export promotion is the extent to which interventionist means should prevail. There is often a misconception that an outward-looking approach to trade implies laissez-faire. This is incorrect because strong outward-looking economies have shown that they are not synonymous with a laissez-faire approach to economic policy. For example, in Japan, the Ministry of International Trade and Industry (MITI) is the principal government agency advancing the country's foreign interests. Overall, export promotional efforts in Japan are managed in an integrated and strategic manner. In contrast, though export promotion is centralised by the government in Canada, the system tends to be managed with loose co-ordination (Cavusgil and Yeoh, 1994).

The role and objectives of export promotion are generally clear, though research aimed at explaining how export support is used and how it helps the business sectors is still emerging. Empirical studies in single country contexts appeared in the early 1980s (Czinkota, 1983). The need to expand export promotion activities has been fostered by the governments in many countries.

Encouraging private sector export activity to exploit niches in the international market place remains an important priority of the public sector in many countries; expansion and diversification of exports lead to forward and backward linkages, and this in turn encourages a more dynamic and competitive business community (Dymsza, 1983). This is the paradigm often referred to as an outward orientation (World Bank, 1987) as an outward oriented economy (exports) is expected to have several advantages: a more efficient allocation of resources, increasing capacity utilisation, and economies of scale (Balassa, 1979). Such an orientation contributes to a nation's economy by lowering the trade deficit, creating jobs, broadening the nucleus of business opportunities, encouraging technological developments, and leading to higher profits (Business America, 1988).

Most government sponsored export promotion activities are designed to encourage small and medium-sized firms to share in international trade and thereby expand domestic job opportunities, company profitability, and tax revenue. Export promotion support to the business community has been available in developed countries since the turn of the 20th century. It is obvious that research on export support is wanting (Seringhaus and Botschen, 1991).

Institutions responsible for the development and management of export promotion systems - in some countries governments, in others private sector organisations or a mixture of both - have begun to review their export support activities in light of the objectives and the needs (US

DOC 1980; NEMSP 1985). Researchers, on the other hand, began investigating export promotion programmes and their role in the firm (Czinkota, 1982; Seringhaus, 1985). From the firm's perspective, national export marketing support is closely related to the informational resources and requirements, export marketing decision-making, perception of export problems, and the capability to respond to export opportunities (Miesenbock, 1988). Exporting literature shows that government export marketing support is not widely researched, although increased interest in the area of research is apparent (Czinkota, 1983). Of the studies discussing such export support, many explored management's view and opinions about such services in the context of another research focus. Others attempted to relate their findings of export marketing or decision oriented research studies to government export support by stressing the usefulness of such findings in the creation or improvement of export promotion policy (McConnell, 1979; Tesar and Tarleton, 1983).

In the discussion of government support for exports found in the literature, it is vital to distinguish marketing oriented support from structural support such as research and development assistance or government support for export financing (Hartland-Thunberg and Crawford, 1982). While both are important measures as far as the firms' international competitiveness is concerned (Steed, 1982) and therefore, relate to exporters' relative market success abroad, they lie outside the scope of marketing oriented services. Another issue found in the literature was that the services available to actual exporters or those planning to

export are often treated collectively and measured as a single variable (Czinkota, 1992). Nevertheless, the usefulness and importance of such government export support has been realised some times (Tookey, 1964; Abdel-Malek, 1978). Several research studies were related to export decision makers' awareness of government stimulants (Pavord and Bogart, 1975; Vernon and Ryans, 1975). Two conclusions emerged from this, namely that a government programme or service must be seen as being capable of overcoming the firms' particular export marketing problems, and that mere awareness of a programme seems insufficient to ensure its use, thus implying that there should be a certain level of interest on the part of the firm or decision maker.

Researchers concluded from their studies that the most frequent users of government services were firms that exported to a large number of countries, had relatively extensive export function in their organisations, and had a better than average knowledge of the government assistance services available (Cullwick and Mellalieu, 1981). Furthermore, the more successful exporters were, the more extensive their usage of government marketing support services. One must be cautious not to imply causality in these findings since only associative and correlational analysis and not path analysis was performed by the researchers.

There is evidence that export involvement is accompanied by a need for a large amount of detailed information (Pointon, 1978), and it has been pointed out that export promotion support is the most needed information. As is known from export decision making studies, export marketing

knowledge, experience and information interact (Carlson, 1973). If government export marketing support can fulfill necessary informational requirements and facilitate export marketing experience, it might then be seen as a positive factor in export involvement. In this context, a US study showed that firms in the early stage of export involvement were more likely to believe that the department of commerce (DOC) was able to support in their export activity than were those firms in later stages of export involvement. Firms were ambivalent, however, about the form of such help. Firms' belief in such help was inversely related to the extent of firms' export-related experience (Czinkota, 1982 & 1994). Research on the effectiveness of government export promotion support at the firm level is limited and, because of the different study design, equivocal in terms of conclusions.

Export assistance programs in the United States tend to receive low national recognition and priority compared to other industrialised countries. Awareness, knowledge, and utilisation of the existing export assistance programs are needed by US firms at a large scale (Naidu and Rao, 1993). A derived role for government is the supply of specific help according to the needs of the firms. Such programmes might be tailored to the different stages of export market involvement (Bilkey, 1978), in other words, they should offer some support measures for everyone (Bilkey and Tesar, 1977; Cavusgil, 1990 & 1986). One should recognise that such government export marketing support is not an alternative for firms for managerial competence or initiative (Findlay, 1973). Rather it should be

viewed as a potentially useful and effective supplement to the firms' export marketing efforts (Dymsza, 1971; Kahler and Kramer, 1977). In this perspective, US overseas programmes were investigated and it was found that the exporting firms generally met their objectives with respect to the export marketing activity. Another study evaluated the effectiveness of export support facilities in the US, with negative results (Simpson, Roy and Loudon, 1981). Simpson (1973), in the context of investigating the export decision, found government marketing support, in terms of US department of commerce services and trade missions participation of little significance to the export decisions. Other external stimuli, particularly unsolicited orders and, to a lesser extent, firms sales agent activity was viewed as key stimuli. Despite this result Simpson suggested a useful role for trade missions in firms' export marketing.

1- Developing countries such as China, Malaysia, and Indonesia have experienced dramatic increases in their GNP as they changed policy emphasis from import substitution to export promotion (Business International, 1992). A study conducted in one of the semi-industrial states in the US (Naidu and Prasad, 1994) conducted that:

- 1- a firm's stock of resources and competencies are positively related to export behaviour and performances,
- 2- top management's priority and commitment are key determinants of export growth and performance,
- 3- experience and learning enhance the effectiveness of a firm's strategy,

4- export activities by domestic competitors has a chain effect in increasing the export intensity of an industry, and

5- firms committed to internationalisation are more knowledgeable about global standards such as ISO 9000, and take steps to achieve certification.

Tesar (1975), found that aggressive exporters were relatively reluctant to use government export promotion programmes, e.g., they showed a preference for conducting exporting activity independently. This was so despite the finding that aggressive exporters indicated many more informational needs than passive exporters. Coming towards export promotion programmes (EPPs) as a unique and important form of government export marketing support, the approach taken in this research follows the above literature's suggestions to link a programme to a particular part of the export involvement process; public programmes, then, can serve a useful purpose provided the package of services is designed to meet the needs of the firms (Tesar, 1978).

It is suggested that the firm's greatest need for external export marketing help arises early in the exporting process. Thus, firms can use a specific support measure, such as export promotion programmes, when entering export markets. In this early export phase, any problems that emerge need to be dealt with effectively if export involvement is to continue. Export Promotion Programmes (EPPs) appear as potentially valuable in supporting in firms' market forays by providing first-hand views of the opportunities in an export market. In addition, they can serve

as a facilitator of contacts with industry and government- the lack of which has been pointed out by Rao and Weinrauch (1973) as a critical problem for potential exporters - and can provide export marketing experience through the learning process (Simpson and Kojawa, 1974; Bilkey and Tesar, 1977, Kogut and Singh, 1988; Naidu and Rao, 1993; Czinkota, 1994).

A firm may not respond to foreign market opportunities if domestic opportunities can be realised with the same, or less, effort. Government stimulation to induce the firm to explore foreign markets can only succeed if management perceives this route as a fruitful alternative. In order to know the export decision/involvement process, one must be familiar with managerial style, perception of objectives, opportunities and different stimuli, as well as firm's resources and their marketing efforts. Diverse findings suggest that there is a need to address the issue of the role and effectiveness of export marketing support in a more detailed and focused manner from the exporting firm's perspective. The implied potential usefulness of government services to firms' export marketing activity needs to be clarified generally and comprehensive services such as EPPs need to be studied in the context of appropriate export involvement in the export market in particular.

3.5.2: Government export promotion forms

(a)-Distribution of activities (b)-Agencies' services to supporting export

(a) Distribution of activities

It was observed during the data collecting period (personal

meetings with the exporters) that there is a big gap of co-ordination between the export organisations and the government, as well as among levels of government, which caused a key weakness of Pakistan's export supporting programmes. It had also been found that foreign competitors were supported in key trading areas by their governments' better-financed and better-run export promotion, which meant that Pakistani companies operate at a disadvantage. So any sort of overall strategy within the export promotion bureau (EPB) of Pakistan has not appeared so far to support promoting Pakistan's exports. This is in sharp contrast to major trading partners of the United States which have a deliberate strategy and steady commitment to the export task: "to design and implement activities conducive to export promotion, the development of new export mechanisms for local products, and to secure an increased and continued presence of these products in foreign markets" (ITC, 1986).

The success of interventionist strategies of the newly industrialised countries strongly suggests that "the credibility on the part of the government is necessary to induce investors to take decisions which reflect the inducements offered by the policy framework" (Bagwati, 1990). It has to be acknowledged that the business culture in Asia makes it easier for governments to gain public support for their outward orientation strategy and gear credit institutions to support activities in an overt fashion (Cavusgil and Yeoh, 1994). Government and exporters must focus their attention towards export promotion efforts to support each other and always try to create a useful agenda. A better co-ordinated approach to

export promotion would be to encourage a targeted strategy in the provision of export promotional activities. The expansion of export promotional activities i.e., financial, human, and material resources, decided by the agencies, must lead to effective utilisation. This would reduce the gap resulting from any confusion between exporters and the export promotion agencies, by greater concentration on specific export promotion programmes (EPPs) by these agencies. This argument implies that some agencies may be more effective in serving the needs of newly exporting firm than others and the needs of active and committed exporters may be met by other types of organisations. For example, because export trading/management companies focus on market development, trade finance, and trade flow management (Varadarajan and Rajaratnam, 1986), their trade enhancement activities are better suited to committed exporters who are concerned about market expansion and penetration rather than to new-to-export firms.

A study by Wiedersheim-Paul, Olson, and Welch (1978) confirms the positive relationship between management's attitudes and the propensity to export. An increase in perceived economic benefits for exporting through export promotion is "unlikely to affect attitudes of firms who are passive exporters and who have a less favourable attitude toward exporting". In addition, rather than developing programmes that are too general to be effective, programmes should be customised to meet specific needs of client firms.

(b) Agencies' services to supporting export

There are different types of agencies supporting exports in developing countries. These agencies provide information, guidance, financing, and technical promotion support for small and medium-sized companies in developing countries. The appropriateness of various export promotion activities varies according to the international business experience of the firm. For example, the utility of general counselling and training seminars might be greater for non-exporters; market identification and trade missions might be more useful for new exporters; and export financing, trade shows, and the identification of foreign buyers might be better utilised by experienced exporters (Seringhaus, 1987).

There are three different types of agencies: national export promotion organisations in developing countries (EPOs), the international trade centre (ITC), and import promotion organisations in developed countries (IPOs), and in addition to these main agencies many other commercial and industrial agencies, e.g. banks, chambers of commerce, forwarding agents and shipping firms etc. are also supporting the exporters in developing countries with different kinds of support. The three main types are explained here in detail.

b.1 Export Promotion Organisations (EPOs) in Developing Countries

It is very common in many developing countries to concentrate on the export of primary products with a little share of non-traditional commodities. Promotion of the export base depends on either increasing

the production capacity of the firms to supply to domestic market or creating entirely new production units primarily dedicated to export.

Export market development requires two parallel activities:

- develop competitive products with its nurturing
- market identification

Supply of exports must be linked with the export demand development which needs experience and knowledge in market research.

i Role of EPOs

Governments in developing countries like Pakistan are more determined to play a critical role in promoting export offices than those of industrial countries, because of the lack of skills and experience by the management as well as institutional and infrastructural shortcomings. EPOs are created either by the governments by their own sources or with the support of external agencies such as International Trade Centre UNCTAD/GATT, or both.

Important considerations dealt with the creation and operation of an EPO are given here (Seringhaus and Rosson, 1994):

- I EPO in the national hierarchical structure
- ii EPO organisation and affiliation
- iii EPO and policy matters
- iv EPO objectives
- v EPO functions

ii EPO in the national hierarchical structure

The effectiveness of an EPO is, to a large extent, determined by its

relative position within the hierarchical structure of a developing country. A clear definition of the role of an EPO, in essence operating as a service organisation helping the business community, is necessary if it is to function within the government structure. If the role of EPO is obscure and lacks authority to carry out its responsibilities, this indicates that government accords low priority to trade development and trade promotion activities. Therefore, the degree of influence an EPO is able to exert over other governmental organisations is severely curtailed if its role is not clearly defined and its position in the hierarchy is low and its efforts to co-ordinate and carry out trade promotion activities are likely to be frustrated.

iii EPO as an organisation and affiliation

The organisational character of EPOs is diverse and depends on the circumstances of a given country. Some of these differences stem from confusion in certain developing countries regarding policy making and policy implementation. Two very general types of organisational arrangements are: (a) EPOs situated within a ministry or (b) set up as an entity separate from a ministry. The reason for creating an EPO as a division or section within ministry of trade or commerce, as in some Latin American countries, was the experimental nature of a country's early export promotion efforts. The underlying logic of easy creation (absence of complicated legislative measures) and quick funding (via normal ministerial budget), however, has drawbacks. The EPO unit generally lacks autonomy to carry out trade promotion activities and is tied with the

same bureaucratic method of functioning as the rest of the ministry (The Economist, 1987). Moreover, because promotion and control activities are intermingled in this setting, the EPO is often pulled in two directions simultaneously.

An autonomous or semi-autonomous EPO appears to be a better approach. Its legal status is well defined, and it can operate more effectively outside of ministerial bureaucracy. EPOs in the form of councils and boards, as those found in several Asian and African countries, comprise high-level government official supported by technical secretariats. Other forms, although they may be attached to a ministry for control purposes, have a board of directors with public and private sector representatives. Their link with a ministry is for funding purposes and to satisfy public administration procedures, while they carry out their function relatively autonomously. An important element in the success of an EPO is the active participation of the export community on its board. The more operations resemble those of a business enterprise the more successful EPO operations tend to be (Trade Promotion Institutions: Monograph, ITC/UNCTAD/ GATT, 1986).

iv EPO and policy matters

To what extent should EPOs be involved in formulation of economic policy of a country? Economic policy areas where EPOs could play a role include:

- national development plans
- foreign trade programmes

- export development strategies and
- export incentive schemes

In a sense, EPOs owe their creation to development and trade policy decisions. They are then instruments of those policies, with a mandate to carry out export strategies. On the other hand, EPOs are often well positioned to the needs and requirements of the business sector, and the measures that can facilitate sales in foreign markets. While EPOs lack large technical research to study the economic conditions domestically and abroad, valuable recommendations to policy makers and thus contributions to the policy process can nevertheless be made. A number of EPOs play such a role and are source of policy recommendations while policy initiatives mainly emanate from ministries, the central bank or, as in several Asian, Latin American and Caribbean countries, formal foreign trade councils or bureau or boards.

v EPO Objectives

EPOs have as their charge successful export development. Developing countries' traditional exports are usually handled by organisations such as marketing boards. As traditional exports tend not to require the support of another institution, EPOs are generally given the exclusive task of promoting non-traditional exports. However, in some countries the export base is so narrow that the distinction between traditional and non-traditional is not meaningful. In such cases EPOs promote all exports.

The mandate given to the EPOs is often broad, and generally not

shared with private or public institutions. For example, EPOs may implement any activity considered useful for, and beneficial to, the development and promotion of exports. Under this mandate the EPO can decide on activities it should undertake to achieve its objectives. This approach provides considerable latitude to the EPOs. Not all countries see this as the best approach. Some authorities define the EPO's mandate in precise and comprehensive terms. Neither approach is ideal nor can one clearly say that one is more effective than other. A broad mandate provides the flexibility to adapt activities to changing circumstances. A detailed approach could be misleading in that it suggests trade promotion aspects are completely covered. This is clearly not possible since first, not all the activities are necessary all the time, and second, no single EPO would possess the resources to carry them out. Experience and knowledge is gained in some functions which might then provide the basis to carry out others (ITC/UNCTAD/GATT, 1986).

vi EPO functions

Although EPOs can be engaged in many activities, the actual range and intensity of trade promotion activities undertaken depends on:

- available human and financial resources
- the needs and requirements of exporters
- the nature of the products to be exported
- the characteristics of foreign markets and
- the experience and expertise of the EPO

Activities can be grouped as:

- product and market identification and development
- trade information services
- specialised support services
- promoting activities abroad and
- provision of support to other institutions

The above activities have been explained with the help of the following figure 3.9:

Figure: 3.9 Activities of a trade (export) promotion organisation for developing countries (Product and market identification and development).

- a Determination of export supply and identification of constraints to the export trade
- b Export promotion programmes on product basis
- c Identification of foreign market opportunities
- d Acquisition of sample of foreign products
- e Preparation of company profiles
- f Preparation of product profiles
- g Preparation of market profiles
- h Market studies

Trade information service

- a Establishment of a trade information service

Specialised support services

- a Technical support on costing and pricing
- b Technical support on product adaptation
- c Technical support on export procedures
- d Technical support on export packaging

- e Technical support on export financing
- f Technical support on quality control
- g Technical support on transportation
- h Technical support on legal matters
- I Technical support on marketing

Promoting activities abroad

- a Commercial representation offices abroad
- b Participation in trade (sellers) missions
- c Invitation to foreign buyers
- d Sub-contracting for export
- e Participation in trade fairs

Provision of support to other institutions

- a Trade representation through foreign service
- b Co-operation with packaging institutions
- c Pre- and post- shipment financing
- d Preparation of investment profiles
- e Training of the export community
- f Financing of new investment
- g Establishment of free zones
- h Quality control programmes
- I Studies on export climate
- j Export credit insurance
- k Promotional campaigns
- l Joint export mechanism

m Investment promotion

n Import rationalisation

o Export incentives

Sources: Trade Promotion Institutions: Monograph on the Role and Organisation of Trade Promotion, ITC / UNCTAD / GATT, Geneva, 1986.

The above figure has given a better sense of typical projects and tasks of a profile of the activities under taken by EPOs in developing countries.

vii Profile of EPOs

Table 3.1: Participation of EPOs in policy recommendation/formulation and implementation of promotional activities:

	<i>Extent of participation</i>		
	None (%)	medium(%)	Total (%)
1-Type of participation in policy recommendation/formulation			
Policy recommendation	8	60	32
Policy formulation	37	45	18
Formulation of export development strategy	10	35	55
Formulation of foreign trade programmes	16	55	29
Formulation and planning of export incentives	28	39	33
Formulation of national development plan	52	40	8
2-Type of export promotion activity implemented			
Export incentives administration	49	32	19
Direct credit granting for export	79	13	8
Export credit insurance	79	13	8
Export development activities	3	31	66
Investment promotion	44	46	10
International trade negotiations	27	54	19

Source: Adapted from 'Participation of TPOs in various aspects of policy formulation', ITC/UNCTAD/ GATT, 1987.

The first part of the above table 3.1 'type of participation in policy

recommendation / formulation' deals with EPOs involvement in foreign economic policy formulation. Nearly all EPOs make policy recommendations. Of those who do, about two-thirds participate to some extent, while one-third participate fully by making recommendations. Policy formulation, on the other hand, is not engaged in by 37 per cent, while 45 per cent have some participation, and 18 per cent participate fully. It is instructive to consider in what type of policy formulation EPOs are likely to participate. The most frequent level of participation is in the formulation of export development strategy, where 90 percent of EPOs participate and over one half do so totally. EPOs as a rule have least involvement in the formulation of national development plans (over one-half are not involved). Of those who are participating over four-fifths do so only to some extent.

The second part of the table 3.1 'type of export promotion activity implemented' highlights the extent to which EPOs participate in export-related activities. It is apparent that typically their mandate does not encompass the provision of financial aspects of export promotion to any major extent. Although export incentives, financing, or insurance are not independent from non-financial export promotion activities the former do require different expertise development, which concerned with export supply, is clearly of importance to the otherwise export market demand-oriented functions of an EPO. Nearly all EPOs participate in this activity, with two-thirds being fully involved. The role of an EPO in international trade negotiations, such as the GATT rounds, shows that while not a major

concern, this area offers an opportunity to relate some of the concerns of the export community and the EPO to the negotiating bodies. The promotion of investment also involves EPOs to some extent. Their role here would relate most often to domestic investment associated with export development such as capacity creation or expansion at the enterprise level.

Table 3.2 given below focuses on what can be regarded as primary export promotion activities and shows how comprehensively EPOs in developing countries engage in them.

Table 3.2: Implementation of export promotion activities by EPOs in developing countries:

	% of EPOs
1 Global responsibility for	
- Non-traditional products	41
- All products	59
2 Product and market promotion and development	
- Identification of export potential for development	87
- Export promotion programmes (product specific)	87
- Foreign market opportunity analysis	93
- Selective information dissemination	91
- Identification of export constraints	100
- Preparation of product profiles	96
- Preparation of market profiles	98
- Purchase of foreign samples	19
- Trade information services	100
- Complete market studies	78
- Export supply studies	98
3 Specialised support services to exporters	

- Export procedures/documentation	73
- Guidance for export financing	56
-Transportation (information)	50
- Costing and pricing	44
- Product adaptation	59
- Export of services	41
- Export packaging	44
- Quality control	33
- Direct training	63
- Legal advice	46
- Marketing	85
- Publicity	72

4 Promotional activities abroad

- Participation in foreign trade fairs	98
- Organisation of trade missions	91
- Subcontracting of production	15
- Invitation of foreign buyers	72

5 Support activities to other institutions

- Promotion of joint export mechanisms	69
- Support to medium/small enterprises	87
- Training programmes	80

Source: Based on Selected Export Promotion Organisations: Structures, Functions and Activities, ITC/UNCTAD/GATT, Geneva, 25 September, 1986.

It is clear that all organisations surveyed recognised the importance of market research, whether this is product specific, market specific, deals with the identification and analysis of export opportunities, or involves the implementation of trade information systems. It is in this general area of

information support that most of the EPOs support the community and the export promotion efforts of a country.

On the whole, the survey data show a comprehensive range of export promotion activities among EPOs in developing countries, but they fail to speak of the effectiveness of these activities. The degree of usefulness of such activities depend, at a minimum, on sufficiently trained and experienced staff to select appropriate markets for analysis, consider and evaluate the respective domestic and third countries competitors, accurately assess market and buyer characteristics, clearly determine aspects of competitive advantage, identify target market segments, evaluate market growth, accessibility and longevity, consider the impact of technology on the product, buyer, competitors, and so on. Such an analysis depends on information. That means access to information, the appropriateness of information, its accuracy, currency, and cost. It can be seen that the effectiveness of this particular activity, quite apart from the issue of any action (by EPO and enterprise) based upon it, depends on a great many factors.

However, export development requires a co-operative approach between business and institutions which are either directly or indirectly linked with government.

An assessment of the role of government export promotion activity is extremely important. This is followed by a discussion of what forms of export promotion exist and what their characteristics are. It is apparent that the underlying process in the firm, as well as the relationship of

government support portrayed, is normative. Indeed, the assumed causal relationship of stimulus (e.g., government services, export opportunities) and response (e.g., awareness and use of government services, export involvement and results) is a recurrent theme in the systematic or procedural approaches noted in the reviews and studies (Stephenson, 1979; Root, 1971; ITC, 1970; US House of representatives, 1978).

In addition to the above mentioned reviews of export related government services, there are guide and handbook publications that explain government services available to exporters' advice on government policy and orientation relative to exporting published and discussed by export promotion bureau (EPB) of Pakistan in detail. Export promotion is engaged in primarily by government although other institutions such as Chamber of Commerce, financial institutions, industry or trade associations conduct certain activities, albeit in a minor way, that fall within the domain of export promotion. These activities include standardised market information, financing advice, advice on how to use government services, seminars on export documentation etc. Here concern centres on those assistance measures provided by government because it involves an extensive set of services and programmes backed by public funds by and large not available in the private sector. One can view export promotion in terms of indirect or direct programmes and services.

Steed (1982), has stated indirect programmes and services encompass all types of government support dealing with

- fiscal measures such as tax and investment

incentives policies

- regional and sectoral development
- research and development
- technology and innovation
- manpower planning
- productivity

at the sectoral and firm level. Legitimately, all such activities are aimed at the firms, structure and the process for the purpose of improving competitiveness and performance. Hence, exporters and future exporters will indirect benefit in pursuit of their export activities.

On the other hand, direct export promotion measures are defined as those whose particular purpose is to affect firm's export competitiveness, and include:

- government departments and offices that provide standardised and customised market information and guidance on exporting and export marketing.
- government programmes which cover assistance to firms ranging from researching foreign markets to actual market entry.
- coverage of financial risk through insurance and financing arrangements.

The first two groups of measures provide export marketing and support and as such, are largely aimed at providing and facilitating informational requirements to improve firms' competitive capability, whereas the third group of services also assist firms competitively, through

financing rather than marketing (Serighaus, 1984).

Export marketing support is mostly provided in the shape of information. This focus is quite realistic since, from the point of view of influencing decision making, the function of information is to reduce uncertainty (Carlson, 1973, Grub, 1871). Information can be thought of as either objective or experiential.

Objective information is general information widely available, often in standardised format. For example, newspapers or statistical government reports fall into the categories on non-personalised objective information. This relates directly to the issue of environmental predictability which influences a firm's strategy process, e.g., with respect to foreign market involvement and commitment.

On the other hand, experiential information implies a learning role for information. With respect to export marketing support, certain government services such as trade missions or trade fairs provide the opportunity for the firm to learn and acquire experience. There is a clear relationship between information and knowledge, particularly the potential increase in knowledge through information (Carlson, 1973). Thus, experiential information increases experiential knowledge of management. Johanson and Vahlne (1976) elaborate "an important aspect of experiential knowledge is that it enables us to perceive opportunities for new or enlarged business activities. Knowledge of these opportunities that is specific to the market and to the customers, serves as an input in the decision process that will eventually lead to commitment decision".

Government services that provide the situational context to acquire experiential information can be viewed as information facilitating. The two type of information are defined as follows:

objective information : information from secondary or primary sources, obtained or assembled by the firm.

Experiential information : information personally acquired through direct market or customer contact (by firm staff).

In essence, this distinction means that experiential information is highly firm-specific, customised and acquired by management through personal involvement in, for example, a trade mission. Overall, the relative usefulness of any kind of information depends on the existing knowledge and expertise that is applied to the interpretation and use of information (Carlson, 1973). Developing countries' governments have established various kinds of Export Promotion Organisations (EPOs) such as Export Promotion Bureau (EPB) in Pakistan, often with the support of external institutions such as the International Trade Centre (ITC).

Government support in terms of EPO for export marketing programmes (EPPs) and services available to exporting firms in Pakistan are administered by an agency such as export promotion bureau (EPB) of Pakistan.

Viii Export Promotion Bureau of Pakistan

Export Promotion Bureau (EPB), the main support to Pakistani exporters, is working under the Ministry of Commerce, Government of Pakistan. The Bureau was established in 1963 with the sole aim of

providing the Pakistani export community with up-to-date marketing information. EPB's vital role is to bring about an appreciable increase in Pakistan's exports and raise foreign exchange earnings by providing encouragement to producers to organise themselves properly in order to achieve this goal and to co-ordinate with different government agencies to formulate effective export policy (Chairman & Minister of State, 1995). The chairman further added, one of the most important roles of EPB is its participation in international and national trade fairs. Annually Pakistan participates in not less than fifty major international exhibitions. Pakistan adopting a policy of export promotion instead of import substitution entails a strong orientation towards overseas markets. A large number of research and training institutes are being set up and emphasis is being put on private sector development and market oriented policies. EPB is expanding its promotional activities and attempting to position the "Made in Pakistan" label as a hallmark of quality (EPB., 1995).

viii. a Objectives of EPB

Export Promotion Bureau (EPB) is an attached department of the Ministry of Commerce fostering its main objective of promoting and supporting sustained growth in exports of goods and services both in terms of volume and value.

viii-b EPB's services to the exporters

- Display of competitors' products
- Assistance in imported inputs
- Information inflow/outflow

- Buyers/sellers meetings
- Promotional publicity
- Trade delegations
- Advisory services
- Quality control
- Display centres
- Exhibitions

viii-c Government related functions of EPB

- Monitoring export performance
- Regulation of export trade
- Simplification of procedures
- Trade negotiations
- Export targets
- Action plan
- Studies and surveys
 - . trade promotion policies of competitors
 - . impact of government policy
 - . trade barriers
 - . others

Trade missions as a specific vehicle for export marketing support are widely used as they are a major element in the pursuit of export marketing objectives. At the secondary level of government EPB offers trade missions within the reach of their export marketing programmes. There are three types of trade missions which need to be identified

(Seringhaus, 1984).

I- Incoming or out going trade missions

Incoming trade missions consist of foreign delegations of business/government representatives whose visits are supported, organised and guided. As these are also related to export marketing, concern in this research is on outgoing trade missions as an international marketing tool.

Outgoing trade missions, on the other hand, are organised and supported in accordance with specific trade and export development objectives in mind.

II- Official or semi-official trade missions

Generally, official trade missions are those in which a government agency such as EPB is directly involved in the planning, organisation and financial support.

Semi-official trade missions, on the other hand, are those organised and sponsored by industry or trade associations, or Chambers of Commerce etc.

III- Information-oriented or sales-oriented trade missions

Information-oriented trade missions are occasionally organised in Germany by the federation of industries, Chambers of Commerce or industries associations. In Japan; only market research-oriented trade missions can receive government support. High-level ministerial or government trade missions tend to fall into the category of missions whose main purpose is information gathering and the establishment of trade development contacts.

Sales-oriented trade missions tend to be the more frequent variety. Sales-oriented trade missions are mostly organised on the part of government and the industries' participants. Such missions' objectives are much more on market intelligence, contact development, and market assessment albeit with a result-orientation in the future.

IV- Ministerial or commodity trade missions

High level trade missions are those conducted by high government officials and include particular objectives of establishing specific trade relations, sales or agency agreements.

Commodity-oriented trade missions represent the majority of missions and may be vertical, with participants of the machine tool industry (contiguous technology but firms are not directly competitors), or horizontal, with participants representing a broad spectrum of industrial activity. Both types are used extensively. It is a function of the trade mission objective to establish which type of focus is appropriate to the market to be visited. Commodity trade missions are of concern to this research project. From the government perspective, trade missions are one element of a systematic long-term marketing efforts.

viii-d EPB's Information & Advisory Centre (IAC) Activities

Information & advisory centre (IAC) with EPB aims at micro level contact with exporters and importers and to provide the following information to the exporters in Pakistan.

- Computerised information on exporters/manufacturers and foreign buyers

-Global import/export statistics along with comparisons with other markets

- Daily newspaper listings/faxes to trade associations
- Face-to-face counselling to resolve export problems
- Export training courses for new exporters
- A weekly “*Export Information Bulletin*”
- Non-traditional products
- A well organised library
- Fashion forecasts
- Regular seminars
- New market
- Agri exports

viii-e Pakistan Design Institute (PDI)

It was established in 1971 to encourage technical co-operation between Pakistan and Switzerland. The institute offers professional design services in the specialised field of graphic design, packaging graphics, product design, interior design, national and international exhibitions, textile design and commercial photography (EPB., Activities and achievements, 1995).

viii-f Pakistan Packaging Institute (PPI)

Packaging development through structural designing, package graphics, and testing of packages. PPI issues a bi-monthly news letter “*Packaging Pakistan*” and also introducing technology amongst packaging manufacturers such as conversion including printing and fabrication etc.

(EPB., Activities and achievements, 1995).

Its main function, to organise exhibitions of Pakistani products in Pakistan and in many foreign countries, providing comprehensive services to exporters, arranging displays of their products, guiding them to the export markets are all commendable except that the cost of all the activities has never been compared to the actual impact on export. To what extent exports have been increased due to the effectiveness of programmes organised by EPB and due to the efforts of exporters themselves, is an issue to be analysed. In Pakistan, exporters are provided with marketing support mainly from Export Promotion Bureau (EPB) as well as Chambers of Commerce and industries & trade offices (attached with Pakistani Embassies) in different countries as well as support from external organisations such as International Trade Centre (ITC).

b.2 Supporting export promotion role of “International Trade Centre (ITC)” in developing countries

i Rationale and emphasis of support

The International Trade Centre (ITC) is the focal point in the United Nations organisations for assisting developing countries with trade promotion. ITC works with these countries to develop national trade promotion programmes with the view of creating more effective strategies, institutions, and operation for trade. ITC was created in 1964 by GATT and since 1968 has been operated jointly by UNCTAD/GATT.

ITC's orientation has been shaped by the changing trading

environment. Its thrust from the late 1960s to the late 1970s focused on training and information support for export promotion planning in both public and private sectors of developing countries. ITC emphasised activities to strengthen countries' capacities to deal with their export promotion needs. Since then ITC efforts have evolved towards export development on a broader scale. This has meant, among other activities, more emphasis on least developed countries, specialised trade promotion services, a broadening of the target audience as well as greater focus on small and medium-sized firms. These efforts then reflect both an awareness of the need to shape pro-export attitudes and the necessity of linking any systematic export promotion efforts with the broadest possible commercial sectors of an economy.

There are six sub-programmes with ITC's overall export promotion and export development programme (ITC/UNTCAD/GATT, 1987):

- I- Special programme of technical co-operation with least developed countries
 - II- Institutional infrastructure for trade promotion at the national level
 - III- Specialised national trade promotion services
 - IV- Manpower development for trade promotion
 - V- Import techniques and operations
 - VI- Export market development
- ii **Special programme of technical co-operation with least developed countries**

These countries often have the greatest need for export earnings and import management. Often strategies to improve these areas are non-existent, hence special support is offered beyond ITC's regular range of

services. Such special efforts include:

- creating awareness in government and business community
- export-oriented investment projects
- product development suggestions
- commodity promotion

These efforts are made for organised approaches to trade.

iii Institutional infrastructure for trade promotion at the national level

Priority is given to the creation of national trade promotion strategies. Economic development goals of national authorities provide the framework for such strategies, which include creating and strengthening national trade promotion agencies, and integrating other organisations such as Chambers of Commerce.

iv Specialised national trade promotion services

The need for specialised marketing and trade promotion support is met through services covering:

- trade fairs and publicity
- legal aspects of trade
- physical distribution
- costing and pricing
- export packaging
- trade information
- export financing
- quality control

v Manpower development for trade promotion

Export development and expansion require:

- creation or improvement of training programmes in global marketing
- qualified staff, both at the institutional and business level and
- trade promotion under an appropriate training strategy

vi Import operation and techniques

Improved import management through appropriate information back-up including sourcing techniques and expertise is the goal of ITC for administration of imports. Particular emphasis is placed on least developed countries in an effort to preserve foreign exchange.

vii Export market development

A broad approach is taken to identify and develop export potential through:

- systematic contact with trade-related institutions
- projects creating a suitable export supply base
- involving adapting existing products and
- developing new non- traditional products

These six sub-programmes reflect the view of training programmes and institutional frameworks which are critically important to export development and have been recognised by the International Trade Centre (ITC).

The International Trade Centre (ITC) supports developing countries

through specific technical co-operation projects within each of these six sub-programmes mentioned above. Such programmes are undertaken at the request of a developing country like Pakistan. The extent of ITC involvement varies and may range from the complete development of an export promotion organisation and infrastructure, supporting developing an information data base on export opportunities. The scope of the projects may be national, regional, sub-regional, or inter-regional. Moreover, with the help of the following three levels ITC's services can be viewed too:

Level 1 The institutional level, namely export promotion organisation to provide the strategic and administrative structure.

Level 2 The industry or business community level, namely linking export supply with export demand through institutions and technical co-operation projects.

Level 3 The enterprise level, which links specific export development efforts to particular enterprises.

All ITC's activities described previously are beneficial but two aspects of its activities require more discussion: ITC's information services and ITC's enterprise-level - as trade information has been a corner stone of ITC activity. Its importance to exporting is the underlying reason why trade information services permeate the six sub-programmes mentioned above and the second aspect (the enterprise-level) brings ITC services to bear at the commercial and private level. Before this change, integration and actual involvement of companies had been the task of the institutions benefiting from ITC support.

viii ITC'S Information Services

Substantial informational programmes have been expanded by ITC for developing countries to support them in promoting export. These programmes include the following trade information services at three levels (ITC/UNCTAD/GATT, 1987):

- I- Trade information advisory and training
- II- Technical and methodological tools
- III- Trade information supply

These trade information services are classified in detail below; to make the presentation convenient, often the services are interlocked due to the nature of support projects in developing countries.

ix Trade information Advisory and training

- Advisory services
- Training services

x Technical and methodological tools

- Applications of software
- Manuals and guides
- Bibliographies
- Directories

xi Trade information supply

- Packaging information service
- Export quality control note
- International trade forum
- Foreign trade statistics
- Inquiry / reply service
- Market news service
- Traders' data base
- Market surveys

Some of the above services (market news service, traders' data base, market surveys) are elaborated in detail as their comprehensiveness and diversity require.

Market news services

This is for those countries that had limited industrial capacity and relied particularly on commodities for their exports earnings. Country like Pakistan often lacked current and accurate market information. These inter- regional, multi-product programmes support developing countries maximising their foreign exchange earnings from commodity exports of a non-traditional nature. The market news service has been developed to meet these specific needs:

- *It transmits to participating countries up-to-the-minute market information on their key importing markets,*
- *its technical support enables products to be upgraded to international standards and transported properly, and*
- *it provides for contact between exporters and importers and distributors in target markets (ITC/UNCTAD/GATT Undated).*

Traders' data base

- *It is concerned with collection of data through mail or personal survey.*
- *This data base provides an additional resource to both exporters and importers.*
- *It furthermore acts as a stimulus for developing countries to build their own, more comprehensive data base.*

Market surveys

These are detailed market research reports prepared either in the context of:

- *particular export development or expansion projects in specific countries, or*
- *are carried out more generally on present or potential market opportunities for export products from developing countries.*

xii ITC'S Enterprise-Level Approach

There are two reasons why the direct involvement of the firm in export development is emphasised. The first reason describes the role that small and medium sized firms, in most of the developing countries, play in:

- their economic system and
- their export potential is generally inadequately appreciated and
- remains untapped and
- lacking any strategy to bring such companies into the export fold.

This frequently means that export promotion organisations fail to develop this potential by not focusing on the issues of concern to small and medium sized firms (ITC/UNCTAD/ GATT, 1986). The second reason stems from ITC's move towards an emphasis on programme results. The desire to measure the impact of its efforts more closely, suggested a new focus at the level of the enterprise, where objectives can be set and performance is more easily discernible.

For an export orientation to emerge in developing countries, management at the enterprise level requires motivation and a pro-export attitude. Export promotion efforts of governments cannot be carried out effectively without support and co-operation from the business community (ITC/UNCTAD/GATT, 1987).

In particular, ITC defines this enterprise-oriented approach as

“projects in which technical co-operation is provided direct to enterprise on both supply and demand -related aspects of export development in a sustained and comprehensive manner within the framework of an export expansion plan and tailor-made technical co-operation project both specific to the enterprises for the attainment

of a set of results and export targets”.

(ITC/UNCTAD/GATT, 1987)

This approach, however, is not universally useful to all export promotion projects undertaken in developing countries. Suitability of the approach for a particular country is established through environmental and enterprise-specific screening criteria. Such criteria are flexible in the light of the diversity of developing countries' situations.

It is important to recognise that the attitude or commitment issue is not unique to developing countries. In deed, a pro-exporting attitude and management commitment to exporting has been found imperative to export success in studies of exporters in industrial countries (Bilkey, 1978).

The method mentioned above has been introduced by ITC to provide an integrated package of support for a selected number of enterprises that may cover both supply and demand aspects of export development and is offered in a sustained and comprehensive manner within the framework of an export expansion plan for each participating company. An example of such criteria is in the following fig. 3.10 (ITC/UNCTAD/GATT, 1987).

Figure 3.10:

<u>ENVIRONMENTAL CRITERIA</u>	vs	<u>ENTERPRISE-SPECIFIC CRITERIA</u>
1 relative value of domestic currency		1 quantifiable export potential (<i>target within firm's export expansion plan</i>)
2 availability of export incentives or finance		2 commitment criteria(<i>accept and implement recommendations on production, marketing, finance to demonstrate managerial, technical, and financial capability</i>)
3 export procedures and regulations		3 export readiness (<i>updating production and and sufficient capacity</i>)
4 attractiveness of domestic market		4 cost-effectiveness(<i>level of export target to justify cost of project assistance</i>)
5 physical infrastructure (<i>telecommunication, roads, shipping lines, air cargo, etc.</i>)		5 size criteria (<i>e.g. medium-sized firms with some exporting experience</i>)

In addition to the ITC and EPOs, exporters from developing countries are also provided with support by special organisations in developed countries working for the promotion of imports from developing countries and measures aimed at assisting exporters in developing countries has dominated the work of most IPOs (Melchior, 1987). Detail is given in the next section.

b.3 Import Promotion Organisations (IPOs)

i Importance and establishment

At the end of 1960s the economic prospects of the developing countries caused increased concern in many industrialised countries, and 1972 UNCTAD III addressed the need for promoting exports from developing countries. In 1975 an import promoting office was established

in Sweden, and the Norwegian counterpart followed suit in 1977 (Gripsrud and Benito 1995). Currently, about 25 industrialised countries have import promotion offices (ITC, 1995). The largest import promotion offices are found in the Netherlands and in Sweden, followed by the agencies of Canada, UK, Finland, Denmark, and Norway. These agencies provide a range of services, such as supplying trade information to importers and exporters, supporting trade fair participation and arranging seminars for exporters from developing countries. Some agencies also provide training and education to exporters from such countries. Trade promotion-undertaken by EPOs as well as IPOs appears to support individual exporters, and little, if any, effort has been directed toward generating demand in foreign markets.

The literature on country-of-origin effects in international marketing (Bilkey, 1982; Han and Terpstra, 1988; Johanson, 1989), suggests that the image of a particular country may affect buyers' interest in products from a given country. Research findings indicate that country-of-origin effects may vary across product categories (Kaynak and Cavusgil, 1983), but the country-of-origin image of a given country may still be present across product categories. Developing countries may be particularly vulnerable to country-of-origin effects, which calls for an effort also on the demand side in order to increase exports from these countries. Exports from developing countries may be increased by well-designed promotion strategies directed towards potential and/or actual importers, as well as toward the ultimate buyers, in developed countries. Import

promoting offices (IPOs) in developed countries may take on the primary responsibility for such activities. The directory of import promoting offices (IPOs) published by International Trade Centre (1995) indicates that assistance to the exporters from developing countries is considered important and still dominates the efforts of most IPOs.

Figure 3.11:

<u>Country Name</u>	<u>Publications Concerning the Markets</u>
1- Australia	Australia ' A Guide To The Market and A Guide To Attracting Investment From Australia'.
2- Austria	The Austrian Import Market (Sixth Edition)
3- Canada	Exporting To Canada (A handbook Fourth Edition)
4- Germany	Germany Your Business Partner
5- Norway	Guide For Export To Norway and NORIMPOD(the Norwegian Import Promotion Office For Products From Developing Countries) and a quarterly bulletin ' NORTRADE Your Way To Norway.
6- Netherlands	CBI News Bulletin (News, Views and Background, 25 YEARS Of Import Promotion, No. 230- February, 1996
7- Sweden	Exporter's Guide to Sweden
8- Switzerland	How To Export To Switzerland

Source: Prepared by the author, 1996

Import promoting offices (IPOs) in developed countries such as Australia, Austria, Canada, Germany, Netherlands, Norway, Sweden and Switzerland etc. provide information in terms of “brochures and booklets” giving details of services offered to developing countries’ exporters. For example, brochures and booklets of such countries are published in the

names mentioned above in figure 3.11.

The specimen of the letter given at the end of this chapter was sent to the fourteen IPOs of different countries to collect information regarding export marketing support to exporters in developing countries. Of these, the countries mentioned above responded in detail by sending brochures, handbooks and booklets containing general information, economic structure, import regime, trade with developing countries and other many key steps to successful exporting. Further detail can be seen in the letter given at the end of the chapter and in appendix I as well.

In response to the letter mentioned above most of the IPOs supplied information about their markets. For practical reasons, one can not expect to find answers to very detailed questions in the brochures or booklets mailed by them. The publications, however, serve as an introductory source of information for exporters from developing countries, who intend to establish business relations with importers in IPOs' countries and wish to obtain basic knowledge about the country and its economy. Most of the IPOs offer opportunities for new overseas suppliers because they depend on a wide range of imported industrial and consumer products. The markets of IPOs' countries mostly are very open to overseas exporters - there are no import quotas and mostly import duties are phased down to zero for committed and eligible developing countries' exporters. As import markets are becoming highly competitive and continue to be larger, more dynamic and more accessible to the world, the exporters are encouraged as well to investigate the potential of the markets for their products.

IPOs mean to give an overall view of various economic indicators and to treat basic questions related to imports and exports. For more detailed information various sources have been mentioned in the publications supplied by IPOs. The publications outlined some of the key factors such as trade with developing countries, the import regime, the generalised system of tariff preferences, the import market, commercial practices and key steps to successful exporting that must be considered by potential overseas exporters if they prove committed to take advantage of the opportunities in the IPOs' competitive markets.

ii Key Factors:

a Trade with developing countries

a.1 The import regime

Customs Regulations

free trade agreements and preferential regimes

- trade samples and advertising material
- method of collection of customs duties
- customs clearance procedure

customs tariff information

- return of goods to sender
- structure of the tariff
- customs warehouses
- temporary import
- additional duties
- turnover tax
- transit

Control of Imports

- the three-phase system
- quantitative restrictions

- technical regulations
- food regulations
- import licenses
- standards

Import Regulations

- packaging and labeling
- shipping documents

Payments

a.2 The Generalised System of Tariff Preferences (GSP)

The generalised system of preferences (GSP) based on the GATT decision of November 28, 1979 allows contracting parties to accord differential and more favourable treatment to developing countries without according equal treatment to other countries member of the GATT; most of the IPOs countries accord preferential tariff treatment to products originating from developing countries, whether or not such countries are contracting parties to the GATT. The provisions of such treatment are laid down in a law made by different IPOs countries. Developing countries like Pakistan can benefit from the following GSP contents:

Unlimited duty free entry

Beneficiary countries

The beneficiary countries come under the agreements with most of the IPOs governments on the basis of the laws made by them with regard to generalised system of preferences (GSP) listed in figure 3.12 Pakistan is also one of the beneficiary countries and has been high-lighted in the figure.

Figure 3.12:

The following countries come under the agreements with most of the IPOs governments on the basis of the laws made by them with regard to GSP.				
Afghanistan	Croatia	Israel	Pakistan	Tunisia
Albania	Cameron	Kuwait	Panama	Tonga
Algeria	Colombia	Kenya	Paraguay	UAE
Angola	Congo	Korea	Peru	Uruguay
Argentina	Cuba	Mauritius	Philippines	Venezuela
Bangladesh	Cyprus	Malawi	Romania	Vietnam
Bolivia	Ecuador	Malaysia	Rwanda	
Bosnia	Egypt	Malta	S.Arabia	
Bulgaria	India	Morocco	Singapore	
China	Indonesia	Mexico	Slovenia	
Chile	Iran	Nigeria	Sri Lanka	
Costa Rica	Iraq	Nepal	Thailand	

Source: IPOs publications, 1995

Certificate of origin

According to the provisions of various IPOs countries' GSP scheme on different products, preferential treatment will only be accorded, if a certificate of origin is issued by the authorities of the exporting countries mentioned in bilateral agreement. In order to obtain customs preferences for a product exported to IPOs country, it is required that a demand for preferential treatment is presented, and that the demand be substantiated by a GSP certificate of origin. As GSP certificate of origin (Form A) is

shown in fig. 3.13.

Figure 3.13:

1- Goods consigned from (exporter's business name, address and country)			Reference No.		
2- Goods consigned to (consignor's name, address and country)			Generalised System of Preference(GSP) Certificate of Origin (Combined declaration and certificate) FORM A Issued in..... (Country) See Notes Overleaf		
3-Means of Transport and Route (as far as known)			4- For official use		
5-Item number	6-Markets & number of packages	7-Number and kind of packages : description of goods	8-Origin criterion (See Notes Over leaf)	9-Gross weight or other quantity	10-Number and date of invoices
11- Certification It is hereby certified, the basis of control carried out that the declaration by the exporter is correct. <i>Place and date, signature and stamp certifying authority</i>			12- Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all goods were produced in <i>country</i> and that comply with the origin requirements specified for those goods in the Generalised System of Preferences(GSP) for goods exported to <i>importing country</i> <i>Place and date, signature of authorised signatory</i>		

Direct consignment

Product coverage

Rules of origin

Negative list

Positive list

Notification

a-iii The import markets

Features of the markets

Import and distribution channels

- commercial representation
- consumer goods
- wholesale trade
- raw materials
- capital goods
- retail trade

Advice on approaching the market

- follow-up and commercial relations
- information visits to potential market
- market research
- making the offer
- a personal visit

Promotion and advertising

- distribution of advertising expenditure
- foreign weeks in department stores
- direct mail advertising
- fairs and exhibitions
- audio-visual media
- press

a.iv Commercial practices

Business visits and appointments

Banking and business hours

Currency regulations

Telecommunications

The business offer

Exchange rates

a.v Key steps to successful exporting

Aim for long-term business relationships

Other than the above supporting activities IPOs also offer tremendous opportunities to the developing countries exporters interested in establishing long-term relations with buyers (importers). Greater opportunities are available for committed exporters as most of the IPOs markets have a growing proportion of demand for both consumer and industrial products and this trend is expected to continue in the future. Commitment to a long-term relationship will accelerate the development of mutual trust between exporters and the importers, whether agents, distributors, wholesalers, or retailers.

Keeping in touch through communication will also play an effective role in nurturing the relationship. Reliability, honesty, quality of goods, timely delivery and continuity of supply are vital factors as

Figure 3.14:

EXPORT COSTING WORKSHEET	
1- Product cost per unit	
Materials	_____
Labour	_____
Factory overhead	_____
Administration	_____
Export administration costs	_____
Advertising/ promotional material	_____
Total product cost	_____
2-Export Cost	
Crating	_____
Special labelling and packaging charges	_____
Marking charges	_____
Loading and strapping charges	_____
Forwarding: <i>documentation</i>	<i>product insurance</i>
Sub-total, export cost	_____
Add targeted profit	_____
Basic Selling Price	_____
Add agents' commission (if applicable)	_____
Add bank interest on term sales	_____
Exworks sales price	_____
3- Export shipping cost (your currency)	
Inland freight	_____
Wharfage charge	_____
Total (f.o.b. port)	_____
Add airfreight	_____
marine freight	_____
insurance	_____
Total c.i.f. at port of entry (your currency)	_____
4- Convert to importer's currency at current exchange rate (show rate used)	
Total amount of Importing country's currency	_____

Source: IPOs publication Canada, 1996

well, to influence the importers in deciding who could be their long-term exporters.

Suggestions for the new exporter

Together with quality and reliability of supply, price is always taken into account by the importers from IPOs countries when they evaluate the foreign product. It is essential that exporters carefully consider their selling price before exporting to the IPOs markets. Export price includes: production costs, transportation costs, freight forwarder's fees, customs rates, labelling or packaging costs, insurance, commissions paid to overseas agents, and the exporters' profit. An overall guide has been suggested in the figure 3.14 given above which has been adopted from an IPO's publication.

In addition to the above suggestions there are some key documents which have a vital role in exporting to IPOs countries. Developing countries' exporters pay their first visit as part of trade missions which are usually arranged through the diplomatic representatives of their countries accredited to IPOs. A list of documents such as bill of lading, airwaybill, proforma invoice, commercial invoice, certificate of origin (form A), inspection certificates, packaging list, and export permits are given to make the exporters from a country like Pakistan more familiar with them, Figure 3.14 shown above is exhibiting the export costing sheet for the greater convenience of the exporters.

Credit and risk management

Export and import businesses always have to deal with the issue of

risk and credit management. It is very important for the exporters to guard against risk, when exporting to any market as importers can fail to pay. In general, if the quality of the product meets the expected standards and specifications and shipment is on time, established importers can be relied upon to make the payment. On the other hand, if goods of defective quality are shipped or otherwise fail to meet the terms of the contract, the buyers may protest by reducing or withholding payments. The services of credit agencies in most of the IPOs countries, may be used to confirm the reliability of a new customer. To control the level of risk when exporting to IPOs markets, exporters need to assess both the value of the sale relative to the total business, and the credit standing and record of the buyers. As a general rule, sales should not be made to customers who decline to provide bank references. For credit management diplomatic representatives may be able to provide names of reputable debt collection agencies in the event that a buyer fails to make payment.

Discussion

In the last section 3.5 of this chapter, export promotion in the developing world has been reviewed against the backdrop of the particular economic and trade situation of developing countries. The ongoing challenge of narrowing the expectation and reality gap between developed and developing countries suggests that tremendous efforts lie ahead, in economic development, export development, and particular in export promotion.

This part of the study looked at the different variables or concepts

that have been identified in the literature as being relevant to the study of various agencies supporting export promotion programmes (EPP) in developing countries. These are broadly classified into three main types: national export promotion organisations (EPOs), import promoting offices (IPOs) and International Trade Centre (ITC). It has been discussed that the International Trade Centre/UNCTAD/GATT has a major role in the process of its comprehensive programmes and its assistance at the institutional and individual business levels, so that export supply and demand are developed. Export promotion organisations (EPOs) were described in the context of a framework which links the two main components of export development, namely export supply and export demand. The role and functions of such organisations were seen to depend in no small measure on their position in the government hierarchy and the importance accorded to them by the authorities. Their involvement in policy formulation and implementation was also seen to be diverse. To develop a better appreciation of the actual operationalization of EPOs, the Export Promotion Bureau (EPB) of Pakistan was reviewed, which serves the exporting needs of exporters in Pakistan; however, commitment and an outward orientation are critical to such a result.

In addition to the above, IPOs were also reviewed in detail in terms of their services to the exporters in developing countries. These offices assist the exporters in terms of publications, export markets and providing all information which could make promoting the exports increasingly convenient to the exporters. The IPOs advisory role is to help define the

problems or opportunities, develop alternative courses of action, and measure a commitment to implementation, and develop the exporting firm's ability to follow the recommended course of action etc.

In most instances, the studies quoted have tried to identify these variables which are effective in assisting exporters through export promotion programmes (EPPs) to enter the export market and for export performance. It is difficult for any one research project to identify the effects of a wide number of variables on the export behaviour of exporting firms.

Conclusion

The present study is focusing its attention on export promotion programmes' (EPPs) effectiveness. Some variables discussed in the study could be less relevant. This factor also makes hypothesising about the effects of some of these variables on export promotion programmes more difficult as they have not been studied from that view point before. This chapter focused on government export marketing support which is regarded as an important factor of export promotion policy. The context of the research purpose in terms of international trade and exporting background was described in detail. Export promotion programmes (EPPs) were taken into consideration as an integral part of government export support. Then a comprehensive review of the literature was structured in such a way as to address the process of export involvement, the barriers confronting and to be dealt with by export marketing management, and the role of information, knowledge, attitudes and stimuli relative to export

marketing management. Having defined the problem and the question from the literature review this, in turn, became the basis for the formulation of the null and research hypotheses. The following chapter is related to the research methodology and research design issues with the framework of establishing hypotheses of the research study.

CHAPTER 4

RESEARCH METHODOLOGY AND DESIGN

4.1 Introduction

Co-operation between exporters and programme officials could act to deal with some of the perceived and actual issues in exporting and thereby expand opportunities for potentially exporting firms, given that most businesses are ambitious to receive help. This chapter will discuss methodology and the design of the thesis on export promotion programmes' (EPPs) effectiveness. Then the research issue is discussed and the specific research question is defined which is based on the preceding literature review. On this basis general and specific hypotheses are developed so that the structure of the empirical part of the thesis can be provided.

4.2 Limitations in Conducting Research

During the research process several difficulties were faced by the author. These are described here as they have a significant impact on certain aspects of the research design.

When conducting research in developing countries in particular, and even in developed countries in general, there are unpredictable difficulties during the process of the research. Sample selection and data collection in developing countries often tends to be more complicated and slower as compared with the developed world. Time and financial resources were always felt to be a constraint for conducting the research.

The focus, therefore, was on the regular exporters rather than on importers since experience showed that things were far more difficult than had been perceived.

a) It was very difficult to rely on the information provided by the trade division, High Commission, London or Export Promotion Bureau (EPB) of Pakistan regarding exporters' complete profiles. It was perceived from the lists that actual exporters from manufacturing firms who have been exporting for more than three years, are in a very low numbers which caused small sample size.

b) It was also difficult to get high participation rates of the respondents as had been expected, due to ethnic problems, strikes and political instability in Karachi (major industrial city) and in Lahore (the second big commercial city) in Pakistan. This unrest in such cities was at extreme during 1995-96. Furthermore, businesses would increasingly remain closed as they had to face the law and order situation due to killing and voilation in most of the cities. As a result small sample size could be managed by the author due to such difficulties / problems with the collection of primary data in Pakistan.

c) After mailing the questionnaires there was a problem in collecting them but follow up was made through certain friends and colleagues to get the work done as quickly as possible.

These inconveniences, as can be noticed, affected almost every phase of the research design.

Empirical research on export promotion programs (EPPs) is

relatively sparse. The few studies which are available do not provide clear guidance with respect to either the utility or the importance of these programs (Kedia and Chhokar, 1986). From the review of the literature on export promotion programs it is clear that only a limited number of studies have attempted to examine the effectiveness of the export promotion efforts and that among these studies the results are rather confusing (Kedia and Chhokar, 1986; Cavusgil, 1990).

4.3 Data requirement

This section discusses the rationale for the data needed, as well as the selection of the export performance measures and government-firm relationship measures relevant to this research design issue.

4.3.a The degree of export involvement

The purpose of this research is to determine the role and effectiveness of government-sponsored export promotion programmes (EPPs) with respect to firms' export market involvement. Particular emphasis was given to management's perception and evaluation of export promotion programmes (EPPs) and their contribution to firms' export marketing activities. The need for data was evident primarily in the areas of assessment of specific public export marketing programmes and services, and data on management opinion and attitudes.

4.3.b Management's views of exporting and export support measures

Data was necessary for a measure of export performance that is required to the general export marketing focus of the research, as well as

the specific investigation of the impact of export promotion programmes on the firms' exporting activity. Measures of export performance used in exporting studies were described earlier in chapter three. The receipt or non receipt of an order after export market entry was used as a discriminant performance measure. In addition, a market diversification measure was used. It was necessary to develop a subjective measure of management's assessment of the importance and success of EPPs.

4.3.c- Export support familiarity and usage extent

Firms' familiarity with and use of the export marketing services provided by the government and its agency export promotion bureau (EPB) reflects the government-firms relationship. Although factual data on government export marketing activities usage in general, and export promotion programmes (EPPs) participation in particular, was used as relationship indicator, management attitude with regard to past linkage and future interaction, as well as opinion on the relationship itself, were viewed as important elements in the assessment of the effect of export marketing support activities.

These three micro methods are considered crucial to the understanding of export support at the firm level; on the other hand, there are major problems with macro methods in that they do not reflect the firms' perception of export support programmes.

4.3.d Selection of research design

Survey research can be done cross-sectionally or longitudinally. Cross-sectional design usually involves a large number of respondents

studied at a particular point of time, whereas longitudinal design focuses on a smaller number of cases over a long period of time. While the most important advantages of a longitudinal design over a cross-sectional design is analytical (Churchill, 1979) but depends on the method used, namely the nature of causal relationships based on associative-variation and sequence of events kinds of evidence can be analysed (Green & Tull, 1975), budgetary and time constraints acted as a real limiting variable in pursuit of this research study. A cross-sectional design, while afflicted with problems common to both methods, as described by Palda (1974) “statistical problems inherent in the selection of a sample yielding unbiased estimates at a bearable cost (cheaper), and the difficulties of getting accurate information out of the selected sample” hence this has a powerful advantage over longitudinal research, that results are generated immediately following collection of cross-sectional data. This latter advantage and the resource limitation affecting many researchers, is responsible for the dominance of cross-sectional research designs in the export marketing literature.

The second choice of aspect of research design, that is experimental or non-experimental, is greatly influenced by the degree of control the researcher can exercise over the salient variables. The essence of the difficulty of using of an experimental design for management research has been described by the Amine (1977) “In the field of management in general and marketing in particular, the research is confronted by a host of interacting causes and effects (independent & dependent variables),

both internal and external to the company, over which he and often the company under study have little control". Although, as suggested by Banks (1974), stratification can serve as a surrogate to experimental design in a research design, true experimental designs in business-oriented research are not feasible because control over experimental stimuli cannot be exercised. Consequently, researchers may be forced into quasi-experimental design (Campbell and Stanley, 1966).

There are methods that permit the approximation of a quasi-experimental approach to the multidimensional setting of the research problem at hand. To go beyond such an approximation must be ruled out for these main reasons. The time frame work and the validation of results would, apart from the difficulty of obtaining co-operation of firms, increase the cost of the study well beyond available resources. The lack of control over the treatments suggests the use of a non-experimental research design.

The concept of control a group, however, is compatible with the research task. The emphasis is on cross-sectional comparative and correlation analysis, but the respondent firms' participating in government-sponsored export promotion programmes (EPPs) in their export market entry can be viewed as a quasi-experimental group. Namely, export market entry in developed countries with export promotion programmes (EPPs) can be used as a quasi-experimental treatment variable. Two groups without this treatment variable are used. one group of exporters who did not use an EPP in their export market

entry and other group who used EPPs in export market entry. Thus the design employed was somewhat similar to an ex-post-facto design in a quasi-experimental setting. This derivation calls for obtaining the pre-x facts, the behaviour and conditions prior to participation in the export promotion programmes (EPPs), in the post-act interview (Campbell and Stanley, 1966). Thus current and retrospective data are collected in the same interview. This technique depends on the respondents' recall of quasi-historical data (Green and Tull, 1975). Although the thrust of the approach is cross-sectional in nature, the time dimension in terms of changes in behaviour and conditions has been integrated into the research design to permit greater depth in the investigation.

Two factors were instrumental in the compromise choice of the cross-sectional research design employed in this research:

- first the selection of the size of the research budget and,
- second the time frame within which the Ph.D. research degree was to be achieved.

Manufacturing firms were selected and two sample groups were matched as closely as possible. The two groups are defined as follows:

1 - Users of export programmes (UEP)

Firms that participated in a government sponsored export promotion programmes in export market entry

2 - Non-users of export programmes (NUEP)

Firms with export market involvement who made export entry privately, that is without using or participating in export promotion programmes (EPPs)

The investigation centres on the two samples of manufacturing firms incorporating two control groups. The basic idea of control groups in experimental design is to provide a means of contrast and to eliminate rival hypotheses that could account for the observed differences (Campbell and Stanley, 1963). As stated in the research objective, the role and effectiveness of export promotion programmes in export involvement was of prime concern. Thus, when the EPPs are used as a vehicle of market entry, certain firms' characteristics, performance patterns, and attitudes and behaviour patterns can be identified.

4.4 Method of data collection

This section will describe issues and choices involved in the data collection methodology for this research and will include the discussion of (a) the choice of data collection techniques, (b) selection of the sampling frame, (c) the selection of respondents, and finally, (d) the data collection instrument.

4.4.a Selection of data collection technique

Balian (1978); and Nachmias and Nachmias (1981); Jobber (1986); Hodgkinson (1990); Maholtra (1991) stated that the administration of a survey can be done through personal interview, telephone interview, and mail survey. Each of these modes has advantages and disadvantages associated with it. The use of one or more of the general data collection methods, e.g. mail, telephone or personal interview, was primarily influenced by:

- a - the purpose and objectives of the survey and the perceived

appropriateness of the data collection method,

b - the strength and weaknesses of the method, and

c - the budgetary and time constraints of the research.

The three techniques; mail, telephone and personal interview were evaluated with regard to their suitability for the research at hand.

4.4.b Choice of sampling frame

i The sampling method and its rationale

The sampling design for this research is influenced by the basic quality criteria of generating a good sample, in terms of allowing generalisation of the findings within tolerable limits of precision, and secondly, an efficient sample, in terms of minimising the cost of research design and its execution (Semon, 1974). The option of surveying the entire population of available firms (i.e., firms having the desired characteristics) through a census was beyond the size and resources of this study, while the census approach would still be incomplete because of the arbitrary exclusion of firms {e.g. those without desired characteristics (Moser and Kalton, 1972)}. It would eliminate all random sampling errors, but not errors due to non-response.

Kish (1965) described that the highly specific nature of this investigation requires the availability of a sampling framework that contains all elements from which the sample is selected. A perfect framework, e.g. where each element appears only once and only 'relevant' elements are included, is rare.

The sampling framework for the survey was a comprehensive list of

exporting firms reported in the latest edition of the directories published by Export Promotion Bureau (EPB) and the yellow pages for the country of Pakistan. A list was also available for this survey from the Trade Office, High Commission for Pakistan, London. Selecting a sample of exporters from the lists provided by the EPB and other departments seemed to be a difficult task. Sampling is indispensable because often it is impossible, impractical, or extremely expensive to collect data from all the potential exporting firms of analysis encompassed in the research problems.

ii Problems affecting the sampling frame

Several problems are likely to affect the sampling frame employed in the study:

- a There is some likelihood that a fraction of the population is not included in the list.
- b The inverse of clustering exists namely, multi-plant and multi-division firms are listed by their individual plants or divisional units, where such units carry on business in a relatively self-contained manner.
- c Firms such as service companies and consulting firms are contained in the export promotion bureau's list and screened out of the sample frame.
- d Duplicate listings tend to occur in the export promotion programmes' list because of multiple participation of some firms in different export promotion programmes (EPPs). Screening of the export promotion programmes lists allows deletion of these type of

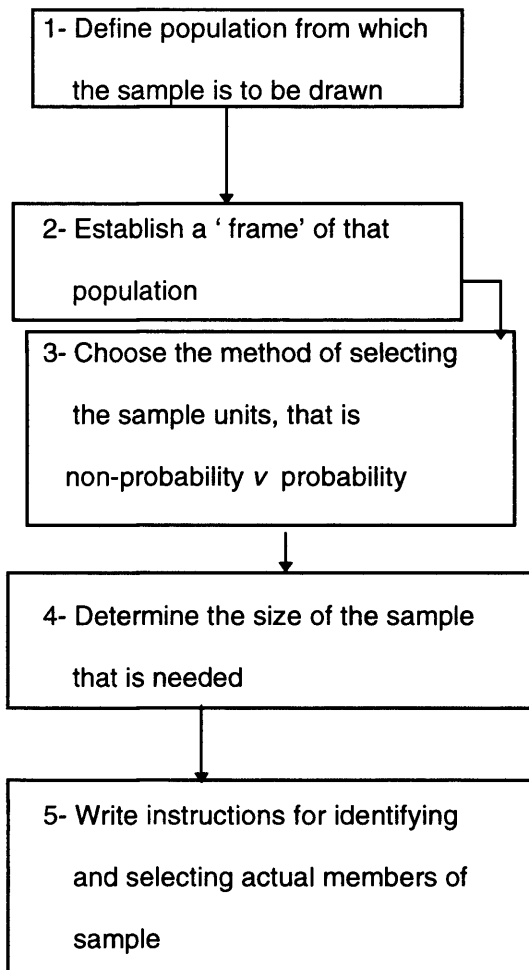
multiple mentions.

The Export promotion programmes' list includes, in addition to the manufacturing firms, service and consulting firms which are more than 75% of the total population (Export Promotion Bureau of Pakistan, 1995-96) and which are not suitable sample firms for the purpose of this study. This study is only concerned with the export of manufacturing firms. The use of random sampling under these conditions is not applicable because it is inefficient. In addition, special pre-screening and stratification efforts can be very costly (Ericksen, 1976). Coping with the rare trait situation it is suggested that the special lists provide the best means for locating rare elements when discussing various approaches by Kish (1965). The lists utilised as sampling frames meet Kish's criteria for the ideal list and contain " the entire target class clearly identified, together with the necessary information, such as current address" (Kish, 1965).

It should be noted that the non-probability sampling method used in this research is justified by the fact that inter-group comparisons are most important in this study (Kidder, 1981). It will always be difficult to defend judgement sampling against probability sampling on the grounds of the latter's superiority in principle. By the same token, since a relationship or contrast between variables is sought, the stratification and matching criteria and a small population size argued for the judgement sampling approach. For further detail, need to survey the rare trait EPPs participation and the availability of corresponding lists argued for the use of non-probability sampling (Kidder, 1981, Semon, 1974). Figure 4.1

shows the sample selection process.

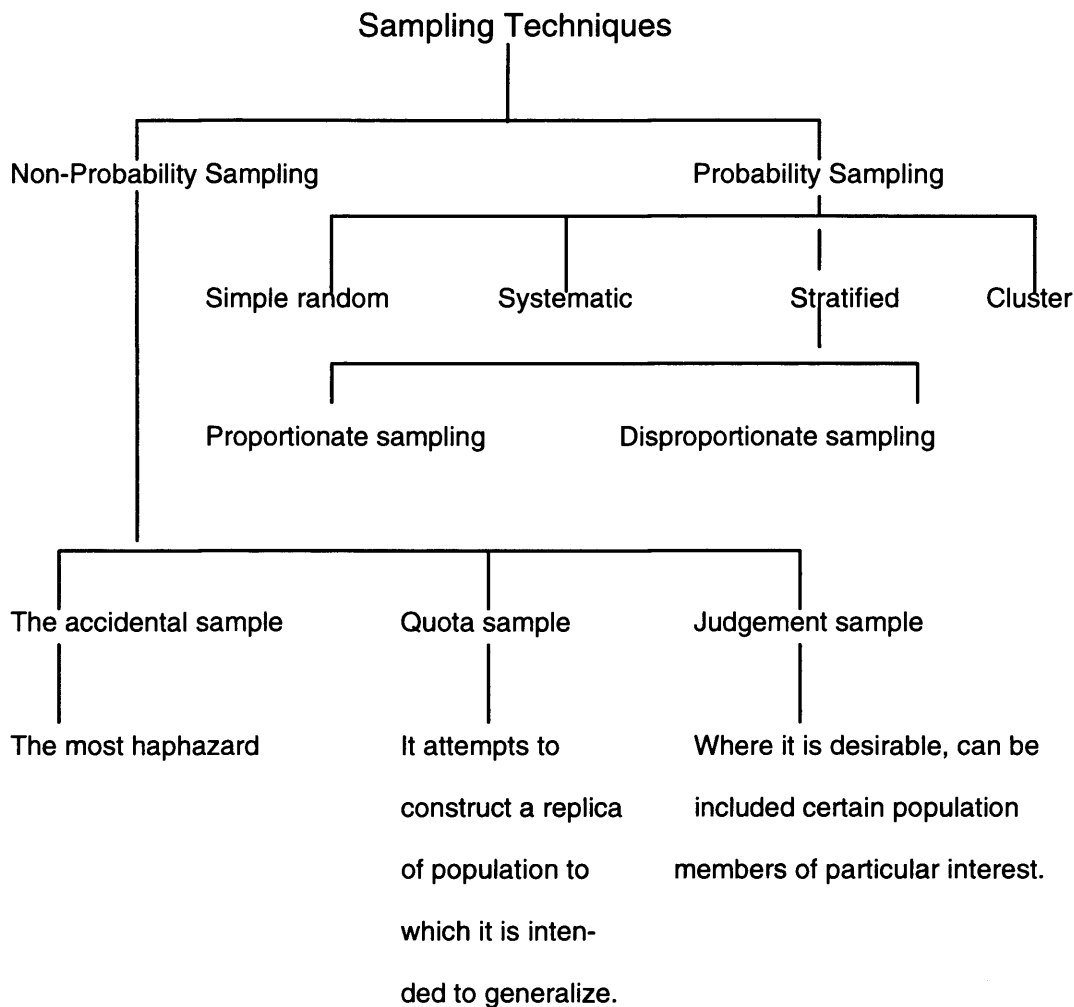
Figure 4.1: Sample chosen process



Source: Luck and Rubin (1987)

Moreover, there are two basic sampling techniques, probability and non-probability, and a range of variations are offered within each method to allow more economical and practical sample designs. Assessment of each technique will be made from the current research study. Figure 4.2 is prepared by the author in the pursuit of sampling techniques before going into further detail:

Figure 4.2:



The essential requirement of any sample is that it must be as representative as possible of the population from which it is taken. In this sampling method, there are four common designs of probability samples as explained in the above figure 4.2 (simple random sampling, systematic sampling, stratified sampling and cluster sampling).

Simple random sample: Basic probability selection method is simple random sampling. The point of any random sampling procedure is that there should be no personal influence in the selection of individuals

(Crouch, 1984). The most common method of drawing a simple random sample is to assign a number to every item on the list and to select the required number at random using random number tables, Crouch (1984) added further.

Systematic sampling: where a predetermined interval is applied to the sampling frame. It is most effective where elements are randomly listed. Since the whole of the directories of exporters that were already mentioned were covered, this approach does not seem appropriate.

Stratified sampling: This technique allows the study of between as well as within classification variation. Two possibilities are offered, proportionate sampling and disproportionate sampling. The former deals if the variance within strata are equal and the latter is to reflect the magnitude of differences in strata variance. This technique seems an appropriate way of increasing sample precision without increasing sample size.

Cluster sampling: It refers to the random selection of blocks or clusters of individuals divided according to specific criteria. Cluster sample studies a sector or an area or a geographical sampling which cause a limited sample size. This study is not based on an area sampling rather on a range of companies located in various parts of the country. So cluster sampling is not suitable for this research.

Fixed sampling: Where the sample size is decided in advance and chosen to achieve a balance between sample precision and cost.

Sequential sample: Sample size not pre-determined but data are collected and analysed until a final decision is taken.

Non-probability sampling: There are three types of non-probability samples 1- accidental sample 2- quota sample 3- judgement sample. Before going into detail of these samples, there is an assumption behind non-probability sampling that it is possible to select typical or representative elements of the population on the basis of judgement. The problems remain, however, of specifying exactly what is typical and ensuring that typical sample members cancel each other out to avoid biasing the results.

Accidental sample is the most haphazard type, whereas quota sampling attempts to construct a replica of the population to which it is intended to generalise. Judgement samples are useful in cases where it is desirable to include certain population members of particular interests.

The lists utilised as sampling frames meet Kish's criteria for the ideal list and contain the entire target class (or good sample of it) clearly identified, together with the necessary information, such as current address (Kish, 1965). Although considerable screening and list purification are necessary, the list used provided the most cost-effective choice for sampling. The relatively small number of export promotion programmes' firms argued strongly for a census approach, while the non export promotion programmes' firms which were more abundant did not. The latter firms were selected through a judgement sampling approach (one of the non-probability sampling techniques). This approach was selected because the firms serving as contrast samples to the export promotion programmes (EPPs) group needed to be matched to

approximate several main characteristics found in the UEP group. Thus, the NUEP firms' samples, assuming the errors of judgement in the selected would tend to counterbalance (Kidder, 1981), were selected on objective criteria representative of the total population of exporting firms.

It should be pointed out that the non-probability sampling method used in this research is justified by the fact that inter group comparisons are most important in this research (Kidder, 1981). It will always be difficult to defend judgement sampling against probability sampling on the grounds of the latter superiority in principle. By the same token , since a relationship and contrast between variables is sought, the stratification and matching criteria and the small population size (particularly for EP programmes' firms) argued for the judgement sampling approach.

iii Non-sampling bias and validation issue

This part of the study is referred to largely on the potential non-sampling bias. Three sources of bias are:

- a - Selection bias
- b - non-response bias and
- c - response bias
- d- reliability & validity

iii.a Selection bias

Because of the rare trait (export promotion programmes) lists, probability of selection bias is limited to the likelihood of export promotion programmes (EPPs) participants being misclassified, such as if a firm is

listed but has not participated or where a participant is not listed. In the former case, the pre-screening will identify the firm: in the latter, no identification is possible. The probability of such bias is judged to be extremely small.

iii.b Non-response bias

Non-respondents included in the survey sample may have different characteristics from respondents. The seriousness of non-response bias is a function of the fact that the direction of bias is often unknown and that the magnitude of bias cannot be reliably estimated (Green and Tull, 1975). Two main areas of non-response (non-contact and such type of non-response as refusals) may mean that the achieved sample and the planned sample are different (Mayer, 1968; Kish, 1965). Bias results from non-contrast which could be caused by closure of the firm or the interviewer not calling on the firm for unknown reasons.

It is possible that an export promotion programme participant firm closed after the programme, thus becoming a non-contact case. It is considered unlikely that such closure would be due to the EPPs rather it would be the result of general uncompetitiveness. Thus, such non-contacts would not be bias the sample. Only operating firms are of interest. When non-response, or refusal, is at issue this may relate to outright and adamant refusal to participate in the survey., or it may relate to selected survey aspects only such as sensitive or confidential information. The latter type is discussed in the section on response bias. Generally, personally interviews have a substantially lower non-response rate than

mail survey (Mayer, 1974).

iii.c Response bias

This type of response has various sources and manifest itself in the form of incomplete answer, inaccurate answer or irrelevant answers. Sources of response bias are the interviewer, the respondent, the questionnaire and the interaction among them. Bias in relation to the questionnaire characteristics will be discussed in section data collection instrument. In this research response bias was treated as a crucial item in interview training and considerable emphasis was placed on the interviewer's task to obtain complete responses without biasing such responses.

There are numerous ways beyond the control of the researcher, in which carefully selected and well trained interviewers can bias responses. Some of these are the attitude of the interviewer, inflection of his/her voice, the type of conversation during the interview process (Andrews, 1979), all of which may adversely influence the quality of the data collected. The control over response-bias was thus in the hands of the interviewer. Regardless of efforts to avoid both non-response as well as responses errors before the field work began, a validation mechanism and response bias detection process was set up and carried out by the researcher (Hauck, 1974). Basically, response bias in the interview situation seems to occur through the respondent's perception of the interviewer, and the interviewer's perception of the respondent (Kidder, 1981, p.185). Because interviewers and respondents are human, the

interviewing process has some element of individuality and fallibility.

iii.d Reliability and validity

Problem of relative reliability and validity afflict all survey research. The extent to which a measure is repeatable and consistent provides evidence of its reliability (Carmines and Zeller, 1979). In cross-sectional survey research lacking repeated measurement, reliability can be approximated through internal consistency measure such as test-retest correlation, split-half correlation and internal consistency methods such as parallel tests or Jackknife (Kidder, 1981). While the questionnaire used in a survey can be “reliable” that itself says nothing about its validity (Nunnally, 1978), namely whether or not it measures what is supposed to measure (Heeler and Ray, 1972).

The literature is unequivocal in acknowledging the elusive nature of perfectly valid measure in a behavioural context (Kidder, 1981; Zeller and Carmines, 1981). Objectives, then obtaining a perfectly indicator—one that represents the intended concept—is unachievable (Carmines and Zeller, 1979). There are two questions speaking to the validity issue:

- a - The degree of validity of the indicators and constructs used
- b - The validity of the contrast group research design, e.g. its suitability for the type of investigation at hand, must be addressed.

The often expressed criticism of marketing studies that little attention is paid to reliability, much less to validity has resulted in the application of multi-method, multi-trait approaches to strive for better measures (Heeler and Ray, 1972; Kidder, 1981).

4.4.c Selection and Participation of Respondents

This research is concerned with the export manufacturing firms and their particular behaviour and characteristics. Identification of the required population posed several difficulties. Lists of respondents were given in the directories available from export promotion bureau (EPB), Ministry of Commerce, Government of Pakistan and High Commission commercial division. On the basis of addresses, products as well as identification of export activity the sample selection was made. Adjustment with regard to sample characteristics were as follows:

1- Pakistani owned firms

2- Industry groups (Textiles, leather goods, sports goods, surgical instruments)

Selection of the firm as the unit of analysis would be limited to macro analysis and unable to capture behavioural dimension of a firm specific nature. By the same token, a limited unit of analysis such as the marketing department or export department would eliminate firms that do not have such structured organisational units and would run the risk of not capturing the significance of exporting activity in the context of the firm in totality and its market involvement. Thus only by focusing of the firm from the top management perspective would one capture the importance of firms' market involvement and particularly export market involvement, the rationale being that top management would view export market involvement in the context of the firms' overall survival efforts. As far as export motivation is concerned, management characteristics may

determine the capability of a firm to effectively perceive signals pertaining to export market opportunities (Katsikeas and Piercy, 1993). Nevertheless, it should be remembered that, in order to generate, develop and maintain export activity, the awareness of export opportunity must be accompanied by sufficient managerial interest (Pavord and Bogart, 1975).

Respondent Participation

I have already, in the beginning of this chapter, described the difficulties I encountered during data collection period and particularly getting maximum respondents' participation. I, on the other hand, believe that there are ways of enhancing respondent participation for which certain trivial measures can be taken. Pakistan is a developing country with its typical third world features. This means that there is no particular attention paid for data assembling. However, personal relations can easily be used to have access to data. This could be possible for a researcher who has access to high level government bureaucrats as the known bureaucrats could go into the picture directly to check all those companies who received the questionnaires. Thus, personal relations can be useful in such cases. However, for the long run, the managers and particularly owners of the companies must be given training for understanding the importance of R&D for the growth and development of a company. They must be made aware of the facts that their participation in research could be useful for them and for their companies. Thus, the culture of research should be established in the mind of exporters to enhance their participation for the long run solution.

4.4.d Data collection instrument

I Questionnaire design

Questionnaire design was designed to gather the necessary data to enable the dispersed respondents to answer the research questions in connection with export promotion programmes support. Different questionnaires are prepared for different studies for each of the quantitative and qualitative elements. For a dual-purpose questionnaire was developed, primarily for mail survey and could also be workable for personal interview. Efforts were made that the questionnaire should be easy to understand and self explanatory to achieve reasonable response. Further, survey instrument is explained in the following stages:

Stage one

After thorough review of the literature on export marketing support to determine the suitable concepts to be included and the design of the research framework which served to guide the required information regarding export promotion support to exporters in Pakistan and specific relationship to be examined, questionnaire was decided to be developed.

Stage two

At initial stage of the questionnaire three sources were taken into account to form the research survey questions - Export marketing literature, previous empirical studies and researcher's own experience in the field. The questionnaire design was discussed in detail with academic supervisor and with other research students in the Ph.D. room, management centre, Leicester university so as the clarity of the questions;

and appropriateness of the proposed scales be justified.

Stage three

Validity of the questionnaire

Having got satisfied with academic advisor and Ph.D. research students in management centre, Leicester university, England, survey questionnaire was also discussed with some educated experienced exporters and academicians in Pakistan, to confirm its maximum validity from Pakistan's exports' perspective.

The questionnaire was in English language as it wasn't any problem for Pakistani exporters to understand the subject matter of the survey questionnaire as English language is a second official one (Albeit national language is Urdu in Pakistan) .

There is always a difference of opinion in designing survey questionnaire in terms of its scaling. Some researchers consider odd numbered scales as a more advantageous and other rate even-numbered scales. It was felt that forcing style questionnaire will not be more appropriate such as even-numbered scale where respondents supposed to answer either agree or disagree to some extent with a particular issue. An odd-numbered, on the other hand, allows an ambivalent or indifference response (Moser and Kalton, 1976). The scale chosen for this research questionnaire design was mainly 5-point odd-numbered scale with the highest being coded 5 and the lowest coded as 1. Typically, the respondent was required to respond mainly to a question on a five-point or very little on three-point or some time on two-point scale.

The main contrasts sought are those related to firms' export market entry involvement and market entry with or without these government programmes of services. Firms' marketing management variables and particularly export marketing input variables are focused on for this contrast. A particular analytical challenge, due to this research design, is the issue of separating the effects of the export promotion programmes from those due to the type of firm that has centered a market with such programmes. This issue is addressed in next chapter in the context of the hypotheses tests.

Evaluation of programme effects have generally been carried out with emphasis either on quantitative or qualitative technique. Quantitative approaches tend to use very narrow and specific indicators of outcome, such as cost-benefit ratios of incremental export sales. Qualitative method of research, such as survey techniques, take a broad approach and collect profile, experience and performance characteristics of users of export promotion programmes (EPPs). Survey research can provide large amount of data but usually also suffers from drawbacks such as incomplete questionnaire, partial representation of the target group of companies and therefore questionable representativeness of results. Qualitative research is concerned with understanding how a particular phenomenon happens. A related issue in determining programme effect concerns the yardsticks used in assessment. Often the definition of effectiveness is vague or unspecified and clear objectives of a programme are lacking. It is common for goals of export promotion to be

stated in qualitative terms (Seringhaus, 1988). The study typically involves a small number of samples which are not necessarily representative of the larger population.

Balian (1982) and Sproull (1988) have described that the choice of research design depends on the type of information desired, the availability of resources, the degree of control the researcher has over the selection and assignments of subjects, and the ability to manipulate the independent variables. A pure qualitative research is less appropriate because the study requires the research synthesise a large number of variables. Quantitative data would facilitate comparison and testing of the research propositions (Hart, 1987).

While some may find quantitative methods conceptually more appealing, others prefer qualitative approaches. Methodologically neither is flawless and both leave considerable uncertainty about programme outcomes and impact (Seringhaus, 1988). This study falls into cross-sectional category. Longitudinal study which has been suggested by many previous researchers in this field is considered not feasible as this design demands greater resources in terms of finance, time and established data base.

Case study is a non-experimental research design and one of its three categories as discussed before. The main purpose of case study is to highlight the salient points and experience in export marketing which can not be made available in mail survey. The questionnaire used in this study was well structured for using the ordering and wording for interview and mail survey simultaneously. It was not felt appropriate to

carry out research through case study because exporting firms in Pakistan were very difficult to identify their willingness for personal interview. Academic advisor also advised not to take case study into consideration as it was not seemed convenient in the previous research and this research as well. The data collection phase of personal interview and mail survey was completed during 1996.

ii Process of the research

In Pakistan, all exporters' registration as a member have to be verified with Export Promotion Bureau (EPB). Offices of the bureau are located in more than half dozen cities of the country to facilitate the exporters of their relevant areas. List of the exporters were taken from the 'Trade division, High Commission for Pakistan' London. Over 133 export manufacturers were mailed a questionnaire and 17 were presented questionnaires personally with covering letter (copies of covering letters & questionnaire is reproduced in the appendix). 67 respondents replied and 83 did not return questionnaire. 16 replied blank mentioning no reason, and 12 returned more than half of the questionnaire incomplete, and 5 of them were in their first and second year of export involvement. The survey generated 34 usable responses (see figure 4.3). While it may be argued that a sample of 150 firms is small, it is very unlikely that the addition of more firms would have achieved anything extra in this particular instance; most of the firms excluded were too small (typically "one-man" operation) to be interesting in any sort of government export support research, a point confirmed when such firms were contacted.

All correspondence was addressed to the owner/ managing director (top management) of the manufacturing firms. As mentioned in fig. 1.1 that focus of the study is on exporters who exports regularly. They were instructed to either complete the questionnaire or forward it to the person within the organisation responsible primarily for the export department. The data collection instrument was a twelve-page questionnaire.

Personal interview was not more than the same wording, and in the same order as had been mentioned in the questionnaire. It was realised that to provide maximum control of the interviewing process and obtaining the information using the ordering and wording of questionnaire would be the most appropriate way for the interview. Of course, all information can not be gathered accurately on what people say but can be observed what they do.

Table 4.3: Questionnaire response Breakdown

Mailed	133	
Personally presented	17	
Total Distribution		150 questionnaires
Responses:		
Incomplete response	12	
Blank questionnaires	16	
Export involvement less than 2yrs	5	
Usable responses	34	
Total responses		67 questionnaires
No response		83 questionnaires
Total		150

Source: Prepared by the author

Observational methods are suitable where the phenomena can be observed, relevant events occur within reasonable time, and past events are irrelevant.

Telephone interview can not be imagined as a method of collecting data from a country like Pakistan. Although it is a convenient way of rapidly collecting the information from a distant dispersed people, but very high cost per call is required to bear. Moreover, business community from developing countries such as Pakistan is very much reluctant of this type of interview. Computerised telephone questionnaires with automatic routing of questions based on responses allows quicker interviews and ultimately with low cost but most of the exporters in developing countries are not familiar with this facility.

Experimentation was not considered as a part of this research study. Generally in management study and particularly in marketing, there is confrontation for the researcher by the causes and effects, both internally and externally to the firm. This method, therefore, was not realised appropriate for this study. The next part will discuss the research issues in a detailed manner to assist the research design development and formulation of hypotheses in this research study.

What is the role and effectiveness of export promotion programmes (EPPs) on exporting firms' export market involvement in export markets drawn upon the diverse exporting literature to identify specific issues and factors that are relevant in the pursuit of this question. On the basis of the literature review and synthesis four broad problem areas have been

identified within the research of this study.

a The firms' need for expertise not satisfactorily met or available internally. No attempts have been made to consider specific government export promotion support services, such as trade fairs and trade missions etc. as facilitators of export marketing information, experience and expertise.

b However, a few attempts have been made to measure the role and effectiveness of government export marketing support in the exporting firms, (Syed, 1986; Naidu and Rao, 1993; Czinkota, 1994). Most of the studies are dealt with the tangentially with such government support or are discussed as a global concept.

c The export marketing skills must be developed for successful entry into the export markets.

d The majority of research studies on firms' export behaviour are based on samples of identified exporters, or on general samples of firms whose exporting status was not pre-selected.

Analysis of this research study typically focus on exporters (UEP and NUEP) only. The investigation of characteristics and behaviour on the basis of the criteria (for example, firm using government support and those who do not), or have been termed as different sample contrast groups (UEP and NUEP), is an area that has received attention. These issues assist the research design development and formulation of hypotheses in this research study.

4.5 Hypotheses Establishment

The research purpose and objective were described in detail in chapter 1. In conjunction with the literature review, the broad and specific research issues were covered in chapter 3 of this study. My teaching experience, academic background in marketing and participation in various seminars/workshops, contributed to the realistic and relevant research issue and topic of the study. It seems useful to summarise the process that underlies the establishment of the hypotheses detailed in this chapter. Research design appropriate to this research is the substance of this chapter.

As a result of establishing the above base variable, hypotheses and research design are generated for empirical testing. It is useful to consider briefly the appropriate dependent variables. There are three dependent variables have been defined: Firstly, for the comparative analysis of the contrast groups, participation or non-participation in export promotion programmes (EPPs) e.g., trade missions, trade fairs etc. for the export market entry was used as a dependent variable (e.g., a group of exporters). Secondly, in the analysis of export market entry behaviour of firms who had used export promotion programmes in this entry {referred to as “user export programmes (UEP) and firms who had not (referred to as “non-user export programmes (NUEP)}, receipt of customer order or no customer order was used as a dependent variable concerned with market entry performance (e.g., behaviour of the firms). Thirdly, exporting activity, a multi-variable construct, was used as a dependent variable in

the analysis of relative effectiveness of export promotion programmes (EPPs) (e.g., exporting activity).

With this background on the dependent variables, the general and specific hypotheses formulated from the previous discussion of the literature review, field interviews and research questions to be presented here. The three above variables statements can be simplified to be understood easily. Export promotion programmes (EPPs) firms, who's entry in the export markets is due to programmes, and , on the other side, firms, who's entry in the export market is on their on efforts. With this background null and alternative hypotheses are addressed briefly and will be tested in the next chapter 5.

Null Hypotheses - These hypotheses are concerned with the identification of the difference between the respondent groups. These groups are in terms of decision-maker and firm, receipt of order after market entry, and effect of export promotion programmes (EPPs) on exporting activity.

H01 UEP firms and NUEP firms do not differ in terms of decision-making or firm characteristics

H02 Firm receiving a customer order and those not receiving a customer order after export market entry do not differ in terms of their export marketing behaviour

H03 The export promotion programmes (EPPs) as an export support services has no effect on firm's exporting activity

In addition to the above, alternative research hypotheses will be tested.

These research hypotheses are listed below and will be tested in the next

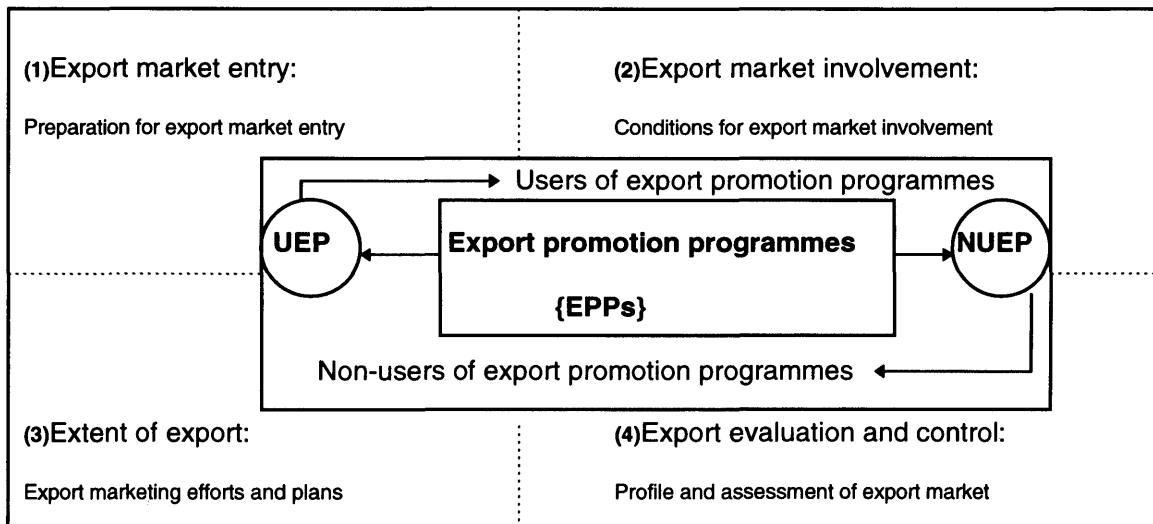
chapter 5.

- H1 Export marketing effort differs between
 UEP firms and NUEP firms
- H2 UEP firms show a higher level of awareness and
 greater propensity of use of export marketing services than
 NUEP firms.
- H3 Preparation for export market involvement
 differs between UEP firms and NUEP firms
- H4 Export marketing planning differs between UEP
 firms and NUEP firms
- H5 Management views export promotion programmes
 (EPPs) as a short term aid to market entry and perceived
 contribution export marketing support services differ
 between UEP firms and NUEP firms.
- H6 Export market entry differs between UEP firms and NUEP
 firms.
- H7 Firm conditions for export market involvement differ
 between the UEP firms and NUEP firms.
- H8 Export promotion programmes (EPPs) objective of
 UEP firms and NUEP firms are non-economic as opposed to
 economic

The above mentioned hypotheses to be tested in the present study were arrived at after reviewing the literature in the supporting export marketing field. Hypotheses were supported by the past empirical work in

export marketing and the conceptual framework of the research study, given in figure 4.4. At this stage of the study, It would be appropriate to develop a framework to assist in the structuring of the investigation and to substantiate the hypotheses. Numerous models of the export decision process, based on the literature, seemed appropriate but these models contain very detail and complexity than was considered practical for the present study on effectiveness of EPPs.

Figure 4.4: Conceptual frame work of the study



The above figure summarises the approach to the research study, derived from the literature review. Specifically, four key sets of influences are expected to potentially differentiate between users (UEP) and non-users (NUEP) of export marketing programmes, covering perceptual and subjective/attitudinal dimensions of firms' export operations. Moreover, conceptual model is identifying the dependent and independent variables, have been used in the research analysis. For example, Contrast' group (UEP & NUEP), exporting activity (EPPs) are taken as dependent

variables and four elements: No. 1, denotes H6 and No. 2 denotes H3 & H7 and No. 3 denotes H1 & H4 and No. 4 denotes H2, H5 & H8 independent variables.

4.6 Conclusion

In this chapter various types of issues related to selection of research methodology and research design were discussed. The first section described introduction and limitations of conducting research, requirement of data issues leading to the final choice of research design. Then the next section dealt with data collection techniques in terms of sampling frame, respondent selection, and the questionnaire design. Final section addressed the establishment of hypotheses and elaborated null and research hypotheses, which will be analyzed in the next chapter 5.

CHAPTER 5

Testing Hypotheses

In the previous chapter we described the individual null and research hypotheses and the same will be statistically tested in this chapter.

5.1 Introduction

Background information about the factors involved in a company's decision for export promotion to enter the export market was obtained through a mail questionnaire. Caution should be taken in making generalisations based upon the analysis of the results of this study. Because of the limited size of the total sample, and the size of the contrast groups in particular, statistical precision of the results is rather limited. Limitations of the sampling frame, which were explained in chapter IV requires that the findings be viewed as relevant to the exports' group of respondents' manufacturing firm only. A conceptual framework of the study given in chapter IV fig. 4.4 also assists in this research. The particular parts given in the questionnaire have been included and overall study on export marketing support has been included as well in the analysis. Moreover, detail of the analysis can be seen in the figure 5.1 to understand the planning of the whole work of analysis in this chapter.

5.1.a Hypotheses Testing Explanation

Figure 5.1:

Analysis Breakdown

<u>Analysis carried out</u>	<u>Analysis techniques</u>
Analysis of survey results	univariate and bivariate frequency distribution, chi-square test, test of proportion, t-test, factor structure comparison
Null hypotheses testing	bivariate, cross tabulations, discriminant analysis and use of test results from the analysis of survey results
Research hypotheses testing	same techniques as for the testing of null hypotheses

The approach taken in the hypotheses in this chapter is one of the individual and groups of variables that describe or relate to a particular focus of investigation or construct. These particular constructs and the variables associated with them are described in the context of the respective hypothesis. While a list of analysis techniques used given above in fig. 5.1 , the t-test has been used as the main comparative statistical test throughout the analysis. This test was chosen because:

- 1- When the hypothesis constructed on the ground of being small or bigger than the certain value then, inevitably, we use one tail t-test. However, since hypotheses of the study are open, and hence not restricted, it was needed to use two tail t-test. The reason also stems from the fact that study concerns with the attitudes and hence values range from scale 1 to 5 points which measures non to extreme usage, therefore, two tail t-test had to be used. The second reason is:
- 2- Because of the general nature of comparison involved in many

instances, it was necessary to test for statistical significance of the difference between two independent sample means or ratios. Either one or two - tailed tests (denoted by t_1 or t_2) were used, depending on whether or not the direction of the difference was hypothesised. The number of individual t-test run in the testing of the research hypotheses and significant data points for individual variables comparison in the research hypotheses testing have been interpreted in number of t-tests run, number of t-tests significant and number of tests significant at different levels: .10 .05 .01 .001.

The interpretation of the t-tests results should be made with care since in the testing of any one instance (such as single variable) it may provide only a directional indicative. However, since in many of the contrasts summary scales or indices combining several variables have been used, the interpretation of test results is more strong in those instances. While significant differences were tested for in the hypotheses, it is prudent to consider the impact of a more conservative approach to evaluating statistically significant differences. The Tukey test provides such a conservative interpretation (Banks, 1965) and tends to report fewer significant differences. The Tukey test measures the differences between pairs of means against a critical difference (which is the studentized range multiplied by the standard error of the means) at a level of significance of .05 or .01. To demonstrate the effect of the Tukey test on the interpretation of significant differences, the following table using the example of export marketing practices (ref. H3 and table 5.10) is being

used here to compare the t-tests results with the Tukey test results.

Example Table: 5.1: EXPORT MARKETING PRACTICES

(Proportion of respondents conducting activity)

	UEP firms	NUEP firms	Diff.	Tukey/Test		
				t-test	.05	.01
Management plans for exporting	.93	.92	.01	ns	ns	ns
Conduct market research	.85	.57	.28b	s .01	ns	ns
Department to handle exports	.42	.19	.23b			
Systematically explore for new markets	.87	.73	.14a	s .05	ns	ns
Overall index (XPRAC)*	.76	.60	.16b	s .01	ns	ns

Note: s = significant ns = not significant

Sources: Survey Questionnaire

a = Significant at $p \leq .05$

b = Significant at $p \leq .01$

The t-test reports four significant differences. The Tukey test, at alpha .05 reports three, and at alpha .01 reports two significant differences. As pointed out above, the index variable shows the test results to be strong enough, that is statistically significant for the Tukey test as well.

The type of contrast tested and the statistical test underlying the results shown, is given in the following presentation:

-Contrast: UEP/NUEP denotes that a group mean, group ratio, or group distribution of responses for UEP firms group was compared with those for the NUEP firms group

-Test or coefficient: shows the symbol of the statistical test used, for example, x2 for Chi-square or t for t-test

-Direction hypothesised: when a particular direction of a

statistically significant difference was hypothesised a one-tail test is used, denoted for a t-test as t1, when the direction was not hypothesised a two-tailed test is used, denoted for a t-test as t2.

Chi-square: example underlying test results for variables (decision makers):

	<u>UEP</u>	<u>NUEP</u>
Top management	15	10
Others	<u>05</u>	<u>04</u>
Total n	20	14

χ^2 : .02, df.1, $P \leq .87$

Interpretation: distribution is not significantly different between these sample groups

Now the null and the alternative hypotheses will be presented. In the first section the null hypothesis deals with overall structural characteristics, performance-specific dimensions of the sample groups (*UEP firms and *NUEP firms) are discussed and the second part is dealing with Export Promotion Programmes (EPP)'s issues and export marketing behaviour process in the export market involvement.

*UEP firms (Users Export Promotion Programmes Firms)

* NUEP firms (Non - Users Export Promotion Programmes Firms)

Note: Data will be analysed using the terms UEP firms and NUEP firms for sample groups (as explained above) throughout in this chapter. Hypotheses have also been established in view of these two sample groups to analyse the export marketing support activity more effectively and conveniently.

5.2 Test of null-hypotheses

The initial interest is to determine the structural differences between UEP firms and NUEP firms. This is followed by an analysis of the export marketing behaviour of UEP firms and NUEP firms in relation to one performance measure, the receipt of customer order. Finally, the exporting activity of UEP firms and NUEP firms is compared to determine if any differences exists in traditional performance measures.

Ho1 “UEP firms and NUEP firms do not differ in terms of decision-making or firm characteristics”.

Table 5.2 summarises the results of the statistical tests. Unless otherwise noted, identical measures were used for these two sample groups. The comparison test was made between UEP firms and NUEP firms. In order to present the contrast between sample groups in a clear and straightforward manner, the actual test statistics are generally not given in such summary tables. The statistical significance, however, is given in the table and, when appropriate discussed in further detail in the text.

Table 5.2: SUMMARY OF EXPORT MARKET AND FIRMS CHARACTERISTICS TEST

RESULTS			
VARIABLE	MEASURE	UEP firms/NUEP firms	Test
FIRM'S			
<u>Characteristics</u>			
Export Period	Length of export involvement	ns	x2
Employees	Number of employees	ns	t2
Establishment	Time established	ns	x2
Export organisation	Organisational Membership	ns	t2
Decision-Maker			
<u>Characteristics</u>			
Firms'age	Age	ns	x2
Information	Readership of business		
	information sources	ns	x2
Experience	Years of experience	ns	t2

- For simplicity of presentation these column headings have been used. Export Promotion Programmes' users 'firms & Non-users are known as UEP firms and NUEP firms respectively as explained before. Main characteristics of the firms have been analysed in the above table.
- **Source:** Survey questionnaire
- **Questions:** 10, 27-29
- Tests: t2 = 2 tail t-test and
x2 = chi-square

Using table 5.2, the type of contrast tested and the statistical test underlying the results shown and given in the following.

Contrast : UEP and NUEP denotes that a group mean, group ratio, or group distribution of responses for the UEP firm group was compared with those for the NUEP group

Test or Coefficient: It shows the symbol of the statistical test used, for example x2 for the Chi-square or t for t-test

Direction hypothesised: When a particular direction of a statistical significant difference was hypothesised, a one tail test is used, denoted for

a t-test as t1, when the direction was not hypothesised a two tail test is used, denoted for a test as t2

This explanation will assist the reader in the interpretation of the summary table. It is noteworthy that top management was the target group to be questioned and indeed provided between 9% and 10% of the respondents across the sample groups. The overwhelming absence of statistically significant different results between the two key contrast groups, UEP firms and NUEP firms, argues strongly for the absence of fundamental differences between these sample groups.

Marketing management skills for future growth as Malek (1973) had reported positive correlation between such size dimensions and future export promotion. The suggested size of exporters has possible relevance in the interpretation of these firms' responses to the government EPP services awareness considered in H2 in more detail.

On the basis of the test results the null hypothesis Ho1 can not be rejected with the caveat of the size difference noted for exporters, the firms groups UEP exporters are taken as similar. The question of a possible industry effect on the answer.

Ho2 "Firms receiving a customer order and those not receiving a customer order after market entry, do not differ in terms of their export marketing behaviour"

This hypothesis is concerned with one measure of performance of UEP firms and NUEP firms, namely the receipt of a customer order following entry in the export market of concern. 25% (9 firms) of UEP

firms and 75% (25 firms) of NUEP firms received customer order during or after market entry. Although statistically significant, the difference in firms' order receipt suggests that exporters' independent market entry appears effective in producing sales. The purpose here is to determine whether significant differences can be identified, firstly, between firms receiving an order and those who do not receiving in both sample groups, and secondly, between the successful (in terms of receiving order receipt) UEP firms and NUEP firms. Table 5.3 summarises that the comparison of the export marketing behaviour measures tested. The behavioural marketing variables show that few instances of significant differences exist between firms receiving orders and those who not receiving orders, in both the UEP and NUEP exporter groups.

Table 5.3:

SUMMARY OF TEST RESULTS OF EXPORT MARKETING BEHAVIOUR
VARIABLES AND CUSTOMER'S ORDER RECEIPT

Variable	Measure	Order Compared		Test
		With No Order	With Order	
	Market Entry Barriers	UEP / NUEP	UEP / NUEP	
(MEP g/b)	Government barriers	ns	ns	t2
(MEP m/b)	Market barriers	ns	.03	t2
(MEP k/b)	Knowledge barriers	ns	.02	t2
(EMA a/u)	Awareness of Government			
	Export Marketing Support	ns	ns	t2
Market Entry	Region of Entry	ns	ns	x2
(EMU fr)	Export Market Visits			
	Frequency	ns	ns	x2
Preparation	Marketing Management			
for entry	practices			
V002	Evaluation for marketing			

	efforts	ns	ns	.04	t2
V005	Analysis and evaluation of competitors market position	ns	ns	.08	t2
V006	Planning the development of the markets	ns	ns	.06	t2
	<u>Export Marketing Practices</u>				
V019	Export Department	.10	.06	.001	t2
V021	Market Research	ns	ns	.02	t2
V022	Systematic explore for new export market	ns	ns	ns	t2
(CEM p/e)	Prior Market Contact Decision Factors in <u>Export Market Entry</u>	ns	ns	.01	x2
(MEP m/s)	Management Stimuli	ns	ns	ns	t2
(MEF p/p)	Price/Promotion Stimuli	ns	ns	ns	t2
(MEF r/s)	Resource Stimuli	ns	ns	.06	t2
	<u>Effort After Market Entry</u>				
(V092)	Visited market again	ns	ns	.01	t2
(V100)	Increased Promotion	.04	ns	ns	t2
(V097)	More Effort into development of other export markets	ns	ns	ns	t2
(V101)	More effort into development of Pakistani markets	ns	ns	ns	t2

*Since general marketing management practices are closely related to firms' export marketing management practices both were considered relevant to preparation for entry in this contrast.

Source: Survey questionnaire

Relevant Questions: 12-13, 29-32 and part 1,4 and 6.

Test: t-test , 2 - tailed

Note: { Some variables need clarification mentioned in the above table has been explained

below. As has been mentioned in the introduction 5.1 of this chapter that in many of the contrasts summary scales or indices combining several variables have been used to make the test results more strong in these instances.}

Knowledge barriers/problems: Market information gathering, information on

business practices and communication etc.

Government barriers/problems: Providing financing, warehousing, design/technical advice, financial information (foreign exchange regulation) etc.

Market barriers/problems: Sales efforts, competition in the market (advertising, packaging, funds transfer etc., pricing, distribution co-ordination etc.). These variables can be found in **part 6** of the questionnaire. Moreover, all abbreviations of the variables are explained in **appendix 2** for more clarification}.

These three barriers/problems sets expressed in the above table, suggest that NUEP firms show market and knowledge barriers to a significantly lesser extent than UEP firms. The former see themselves as either more capable of overcoming competition, coping with the expense of exporting, and obtaining market information or they underestimate the nature of these problems. Of particular interest is that UEP firms feel that market and knowledge issues constitute greater problems than foreign government issues. The NUEP group shows no such differentiation.

The absence of statistically significant differences was observed in approximately 8% of the order/no order contrasts. On the other hand UEP and NUEP exporting firms who received a customer order following market entry were contrasted, significant differences were noted in one-half of the "measures". The detection and level of statistical significance of these differences between UEP and NUEP firms were similar to those noted in the comparisons of the entire sample groups (regardless of order receipt) discussed in relation to H3. That is the overall group differences are mirrored in the order-based contrasts of UEP and NUEP firms. The summary measures used in the contrast of decision factors in export

market entry and entry problems are discussed in more detail in relation to H3. The UEP/NUEP contrast showed greater importance of resources stimuli among UEP (order) firms. This group also perceived market and knowledge barriers as greater entry problems as also shown above.

The comparison results are independent of each other. Two group discriminant analysis was used to overcome this limitation. The variables used were those summarised in table 5.3 except for region of entry which showed no significant differences between sample groups or order receipt. To improve the interpretation of the discriminant analysis results, the behavioural marketing variables were used to determine their usefulness in discriminating between UEP and NUEP firms generally and then between those UEP and NUEP firms who received a customer order. On the basis of the results of UEP and NUEP firms with orders, it appears that the UEP firms generally practice to a greater extent comparative analysis of markets have a special export organisations, and conduct export market research. Furthermore, UEP firms seemed to have prior market contacts more frequently and were more concerned about market entry problems, than their NUEP counterparts.

The results of single variables comparisons examined fail to explain firms differential performance(in terms of order receipt). There is no basis to reject Ho2.

Ho3 'The export promotion programmes (EPPs) as an export marketing support service has no effect on firms' exporting activity'".

The specific interest is the comparison of the exporting activity of

UEP firms and NUEP firms. Exporting activity measures analysed include the export market export ratio, sales growth in these markets for the last one and half decade, the number of countries exported to and the degree of diversification of export markets over the period. In addition to these objective measures, one perceptual measure is also compared, namely management's opinion of the overall effectiveness of the export market entry relative to prior entries.

The proportion of sales generated by exports (export ratio) has been used in various studies as a dependent variables, or as one of the correlational variables attempting to explain the behaviour-performance relationship (Reid, 1981, Abdel-Malek, 1974, Amine, 1977). The use of this ratio here is as a possible differentiating measure between users of Export promotion programmes' firms (UEP) and NUEP firms. Several other objective measures aimed at analysing firms' dynamics of export market activity are included in the summary of the test results in Table 5.5.

The dissimilar market diversification over the past three years, suggests that NUEP firms expanded export market by their own more rapidly than UEP firms in Pakistan. The perceptual evaluative measure (Effectiveness of overall exporting efforts) shows UEP firms' management's objectives opinion of its current export market exporting efforts to be significant more favourable than indicated by NUEP firms. Table 5.4 contrasts responses of the UEP and NUEP exporters.

Table: 5.4

OVERALL EFFECTIVENESS OF EXPORT MARKETING		
	<u>UEP firms</u>	<u>NUEP firms</u>
Substantially more effective	17%	26%
Somewhat more effective	51	43
Equally as effective	15	51
Somewhat less effective	8	14
Substantially less effective	17	3

Source : Survey Questionnaire

More than one-half of the respondents gave impression of having done business as usual however, they also showed a lesser tendency than UEP firms to rate their efforts (efforts were identified as measuring all aspects of planning and implementing market entry) as less effective. This behavioural measure is similar to the one used by Amine, 1977. Firms were asked to rate the export markets compared to previous exporting efforts a generic comparison rather than comparison of specific activities undertaken. For UEP firms the context was efforts on and surrounding the Export Promotion Programmes and for NUEP firms the efforts with respect to their most recent export market entry as less effective.

The EEE (effectiveness of overall export marketing efforts) measure indicates also the extent to which the market entry provided a positive experience and feedback, the importance of which to future export marketing efforts was previously pointed out (Welch and Wiedersheim-Paul, 1979, Pavord and Bogart, 1975). The differentiating results shown here (Table 5.5) support the assumption underlying inclusion of the variables, namely that perceptual differences in export marketing activity are not necessarily reflected by objectives measure and relate to hard to-

measure qualitative dimensions of exporting activity.

Table 5.5:

SUMMARY OF COMPARATIVE EXPORTING ACTIVITY

	<u>UEP firms</u>	<u>NUEP firms</u>	<u>Test</u>
Firms active in export markets	40%	50%	χ^2
Export market ratio	18.0%	20.0%	t2
Effectiveness of export markets	70%	67%	χ^2
Export Market diversification Ratio	.52	.54	t2
Average number of export markets	9.3	9.5	t2

Firms showing current exporting effort more effective than previous efforts.

1- a significant difference in the distribution of export ratio :

a- UEP: χ^2 : 16.64, df. 6, $p \leq .01$

b- NUEP: χ^2 : 11.53, df. 6, $p \leq .07$.

2- Table shows the proportion averaged over all firms (UEP and NUEP) entered in export markets over the past three to four years, calculated as (number of markets entered less number markets existed) and number markets active in.

In sum, the contrasts suggest that NUEP firms are more widely engaged in export markets while having a similar export ratio compared to UEP firms. This would indicate that exporters' export markets are smaller (as a proportion of total export sales), however, the data was not sufficient to confirm this statistically. UEP firms more favourable view of their exporting efforts may suffer from a form of self reference bias. It is possible that because UEP firms entered the export market with an organised export promotion programme , they may perceive this form of market entry as a more effective approach. This question of possible industry affect on the exporting activity results remain to be answered. In both sample groups a significant difference in the distribution of export ratio (UEP χ^2 : 16.64, df. 6, $p \leq .01$ and NUEP χ^2 : 11.53, df. 6, $p \leq .07$) was noted.

The findings give some support for the rejection of H03, on the basis that NUEP firms appear to be more market diversified export market. Hirsch and Lev (1971) suggest that greater market diversification results in greater sales stability, while this does mean that firms' resources committed of export markets are spread more thinly, it does not follow that commitment to these markets is lower than might be expected under a more market concentrated scenario. Furthermore, neither UEP nor NUEP seem to have a clear market/sales clustering in which a few markets account for the majority of sales. A British study (Betro Trust, 1975) found that such clustering was typical among NUEP and the many small export markets consumed valuable resources. It is apparent that such a clustering of key markets within a diversification strategy may be very successful, provided it is deliberate (Hirsch, 1973).

Summary

The test of three null hypotheses showed the following:

- a That there are no unequivocal (clear) differences in the characteristics of decision-maker or firm either between UEP firms and NUEP firms.
- b There is no support for the assumption that firms' order receipt after market entry is related to their preparation for entry, their entry activity, or their export marketing efforts following entry. The results of analysis confirmed that the behavioural differences found between UEP firms and NUEP firms who received orders seem to be the general differences and not related to firms' order receipt.

c Some differences were noted in exporting activity between UEP firms and NUEP firms. The latter group shows greater diversification in export market, while the former appear more satisfied with their market entry effort.

The absence of structural differences between the sample groups eliminates this potential source of confounding effect (Cook and Campbell, 1979). Also behavioural differences in export market entries differ on managerial dimensions from those who enter markets on their own. This latter view will be tested in greater detail in the next part on research hypotheses.

5.3 Test of research Hypotheses:

This part of the research study discusses the test results of two sample groups of research hypotheses.

H1- Export marketing efforts differ between UEP firms and NUEP firms''

Table 5.6 provides a summary of test results of marketing efforts variables to evaluate the difference between export promotion programmes' users and non- users firms.

Table 5.6: SUMMARY OF THE TEST RESULTS OF FIRMS'

EXPORT MARKETING EFFORTS				
<u>Variables</u>	<u>Measure</u>	<u>UEP</u>	<u>NUEP</u>	<u>Test</u>
Information Sources of				
<u>Export Performance:</u>				
(EMP i/s)	Direct vs indirect sources	ns	ns	x2
Export Market Visits				
(EMU fr)	Export mkt visits Frequency	ns	ns	t2
Events During and After				

Market Entry:

(V084)	Established important contacts	.01	.02	t2
(V085)	Received customer enquiries	.05	.05	t2
(V091)	Received customer order	ns	ns	t2

Efforts After

Market Entry:

(V092)	Repeat visit to market	.01	.01	t2
(V100)	Increased Promotion	.01	.02	t2

Source: Survey questionnaire

Relevant questions: 14 and 26

Tests: t2 = 2 tailed t test

x2= Chi-square

It is apparent from this contrast that significant differences exist in two areas.

1- Measuring the time dimension associated with the occurrence of events following entry, UEP firms established important contacts and received customer enquiries more quickly than NUEP firms.

2- UEP firms waited longer with a repeat visit to the market and with the decision to increase promotion or advertising in that market. while these results single out some differences between UEP and NUEP firms the full post market entry events and efforts undertaken are given in Figure 5.1. These UEP and NUEP firms behaviour patterns differ significantly and suggest that the events efforts evolve in a different manner. The Mann-Whitney two sample rank sum test (Conover, 1980) shows the difference to be statistically significant (T: 51, $P \leq .001$). It can be argued that market entry with an EPP may provide a degree of comprehensiveness that not only results in more rapidly established

contacts and market response (that is enquiries) but also makes a repeat visit soon after an entry unnecessary. In addition, those firms under taking further promotion/advertising effort seem to do so with a lesser degree of urgency than NUEP firms. It is also suggested that appointment of an agent may be more prolonged with NUEP firms and that such agents may not be involved in order realised within the first year after market entry.

On the basis of the preceding analysis, H1 cannot be rejected in the light of the significant differences in the behaviour pattern of the groups.

H2 UEP firms show a high level of awareness and greater propensity to use of export marketing support than NUEP firms.

UEP firms show a higher level of awareness and greater propensity of use of export promotion (EP) services than NUEP firms, and UEP firms perceive government EP services as making a greater contribution to their export marketing activity than NUEP firms.”

As will be discussed in H3 , statistically significant differences in the awareness ratings between UEP firms and NUEP firms occurred in six of the services. Awareness among NUEP firms was lower for these government programmes. Comparison of the firms propensity to use export support services shows a significantly greater proportion of UEP firms using nine of the twenty-three services. Non of the others services indicated any significant difference between the two groups of firms. Table 5.7 provides the use propensities of UEP firms and NUEP firms. Among the services export promotion programmes showed the largest

differences in propensity to use.

Table 5.7:

PROPENSITY TO USE GOVERNMENT EXPORT MARKETING SERVICES

Export Promotion Programmes (EPPs)

	(UEP firms / NUEP firms)		
	<u>UEP</u>	<u>NUEP</u>	<u>Diff.Score</u>
Import Promoting Offices' support (IPOs)	.11	.03	- .08b
Trade Aid Programmes by ITC	.09	.03	- .06a
Foreign Trade Fairs	.72	.46	-.26c
International Marketing Consultants	.34	.16	-.18b
Trade Counselors Services	.79	.65	-.14a
Business Opportunity Sourcing System	.09	.03	- .06a
Domestic Trade Fairs	.57	.16	-.41d
Chamber of Commerce	.34	.08	-.26d
Overall Index GAUSE*	.36	.19	- .17d

Source: Survey questionnaire

Relevant questions: Part 8

Note: test statistics t -test, 1-tailed

a = Significant at $p \leq .10$

b = Significant at $p \leq .0$

c = Significant at $p \leq .01$

d = Significant at $p \leq .001$

This is of the interest in as much as UEP firms were previously noted to have a significantly higher incidence of trade fairs, exhibitions as promotional methods in export markets compared to NUEP firms(64% of UEP firms vs 40% of NUEP firms.

On the other hand, if we analysed UEP firms in terms of their perception of export marketing services as making greater contribution to their export marketing activity compared to NUEP, then this hypotheses described implied importance of government services to firms export

marketing activity. On the basis of eight dimension measuring the relevant contribution of the government services are seen as making export marketing activity by measuring the substantiality of the contribution to exporting activity made by government support, was derived in. Table 5.8 that presents the detail as under:

Table 5.8:

CONTRIBUTION OF SERVICES TO EXPORT MARKETING ACTIVITIES

	<u>UEP firms' Rating*</u>	<u>Difference Score</u> <u>UEP/NUEP</u>
Identifying foreign market opportunities	2.13	- .28b
Planning of export marketing	1.64	- .22a
Financial feasibility of export marketing	1.68	- .10
Knowledge of foreign market	2.30	- .33b
Visiting Foreign Market	2.53	- .38c
Entering new export market	2.47	- .41c
Assessing foreign market risks & uncertainties	1.85	- .34b
Preparation for exporting	1.64	.12
Overall Scale CONTRRIB*	2.01	- .24c

Source: Survey Questionnaire

Relevant part:: 3 (Reliability)

* Rating Scale 1= did not contribute, 2= contributed somewhat, 3= contributed substantially

a = Significant at $p \leq .10$

b = Significant at $p \leq .05$

c = Significant at $p \leq .01$

Note: test, statistics t-test, 1- tailed

64% of UEP firms vs 40% of NUEP firms.

- It was apparent that UEP firms saw the greatest contribution of export marketing services in two areas: the development knowledge on foreign markets, and actual market entry. While NUEP firms showed similar emphasis on these two areas they generally indicated a significantly

lesser contribution made by such services. This may be influenced by the significantly lower awareness level noted for NUEP firms. Czinkota (1982a) had found firms' belief in government help inversely correlated to their export - related experience. Such a relationship, however, was not found. Indeed, export - related experience of UEP firms and NUEP firms (in terms of year involved in export markets, year of decision making involvement in export) is similar and does not explain significantly different distribution ratings.

- On the basis of the three measures, awareness, propensity and contribution of government services H2 can not be rejected as far as UEP firms and NUEP firms' contrast is concerned. Regarding UEP firms and NUEP firms , H2 cannot be rejected with respect to the awareness measure only.

H3- Preparation for export market involvement differ between UEP firms and NUEP firms”.

Focus is on the UEP firms and NUEP firms contrast, although government assistance programmes. The comparison results summary in

Table 5.9:

SUMMARY OF THE TEST RESULTS OF FIRM PREPARATION
FOR EXPORT MARKET INVOLVEMENT

<u>Variables</u>	<u>Measure</u>	<u>UEPfirms /NUEPfirms</u>	<u>Test</u>
Government Export			
<u>Marketing Support:</u>			
(EMA a/u)	Awareness/Use of services	.05	t2
(OIS a/u)	Objective information services	.10	t2
(EIS a/u)	Experiential information services	.10	t2
Export Marketing Practices:			

(EMP)	Index of four practices (V019 TO V022)	.002	t2
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Prior Market Contacts:

(UME b/a)	Usefulness before entry (EPB's Office)	.05	t2
(CEM p/e)	Contact Prior to entry	ns	x2
(UME b/a)	Importance after entry (Overseas Agents)	.10	t2

Extra-regional Sales

Expansion:

(RE)	Sales ratio in domestic market	ns	t2
------	--------------------------------	----	----

Source: Survey questionnaire

Relevant questions: 18 and parts 1, 4

Test statistics: t-test= 2 tailed

NUEP firms show their lesser research and planning orientation more clearly in their export marketing practices (EMP). The extent to which UEP firms have separated the export function from other business activity appears indicative of their generally more formalised approach to export marketing, relative to NUEP firms. This is shown in Table 5.10 which confirms that the UEP firms high degree of planning in general is mirrored in their export marketing activities. Similarly, NUEP firms lesser marketing planning-orientation is available by export planning behaviour. Prior market contact had occurred approximately among one half of both UEP firms and NUEP firms. The differences noted in the usefulness of such contacts before market entry as well as their importance after entry are based on too few responses, to meaningfully interpret.

Table 5.10: EXPORT MARKETING PRACTICES

(Proportion of respondents conducting activity)

	<u>UEP firms</u>	<u>NUEP firms</u>	<u>Diff.</u>
Management plans for exporting	.93	.92	.01
Conduct market research	.85	.57	.28b
Department to handle exports	.42	.19	.23b
Systematically explore for new markets	.87	.73	.14a
Overall index (EMP)*	.76	.60	.16b

Sources: Survey Questionnaire

Relevant questions 29-32

a = Significant at $p \leq .05$

b = Significant at $p \leq .01$

Note: Test statistics t - test, 2 tailed

Extra regional-sales expansion was shown by Wiedersheim-Paul and Welch (1977) to be a preconditions for firms' export involvement. The absence of the significance difference of UEP firms and NUEP firms' rate of extra-regional expansion of sales was to be expected.

With respect to the rating of government export marketing support, NUEP firms show significantly lower awareness than UEP firms. This holds true for the overall measure of all services, as well as for the group of services providing objective information and experiential information. As the use of export information sources was similar among UEP firms and NUEP firms, this supports the argument that the substantially lower rating given to government services does not appear to be a chance (see Porter Model) occurrence.

On the basis of the significant differences in export marketing practices and awareness ratings of government services, failure to reject

H3 appears a reasonable conclusion.

H4 “Export Marketing Planning differs between UEP firms and NUEP firms”

The contrast on the basis of export marketing planning measures attempt to discern differences in UEP firms and NUEP firms’ expansion plan while also considering their respective objectives and policies underlying foreign market involvement. The summary results in Table 5.11 indicates only one statistically significant difference, namely that UEP firms expect their export market sales to expand at a faster rate over the ensuing two years than the sales growth predicted by NUEP firms.

Table 5.11:

SUMMARY OF TEST RESULTS OF FIRMS' EXPORT MARKETING PLANNING			
<u>Variables</u>	<u>Measures</u>	<u>UEP / NUEP firms</u>	<u>Test</u>
Export Development			
<u>Plans:</u>			
(PMP)	Product Diversification	ns	t2
(PMP)	Market Diversification	ns	t2
(PMP)	Market Penetration	ns	t2
Expected Sales			
<u>Development:</u>			
(ESD ec)	European Market (EC)	ns	t2
(ESD em)	Rest of the Export Markets	ns	t2
<u>Export Objective:</u>			
(BSO)	Broad or specific export objective	ns	x2
<u>Export Policy:</u>			
(EEP I/u)	Limited or unlimited expansion	ns	x2

Sources: Survey questionnaire

Relevant questions: 12,25-26

Test statistics: t-test= 2 tailed

x2= Chi-square

This singular results is of interest in light of the previously discussed similarly in market regions and UEP firms perceived greater effectiveness of the recent export market entry. In addition, more pervasive and formalised approach to export marketing practices then appears to provide a basis for the degree of confidence expressed in higher performance expectations for export markets.

Thus, the results of the export marketing planning measures show no broad differences between UEP firms and NUEP firms. H4, therefore, should be rejected. It is clear, however, that export marketing planning in both groups of firms is a deliberate and goal-directed activity involving fairly explicit market/product strategies.

H5- “Management views export promotion programmes (EPPs) as a short term aid to market entry, and perceived contribution export marketing support services differs between UEP firms and NUEP firms.

The test of how management perceives the role of export promotion programmes (EPPs) requires some discussion on the longevity of the effectiveness of EPPs with respect to the export market entry and the ensuing events. As shown in table 5.12, UEP firms and NUEP firms indicated that participation in EPPs will, overall, benefit the firm in the short as well as long term.

Table 5.12:

Export Promotion Programmes (EPPs) are:	<u>UEP</u>	<u>NUEP</u>
Worthwhile in short & long-term	36	30
Worthwhile in long-term only	24	19
Worthwhile in short-term only	3	2
Not worthwhile	7	14
	(n-20)	(n-14)

Source: Survey questionnaire

Clarification is provided by the observation (H 8) that both economic as well as non-economic objectives underlie participation in EPPs. It is reasonable to conclude that EPPs to export markets are viewed by management across the two sample groups as having an enduring effect that goes beyond the short-term, entry-specific orientation. It was also found that NUEP firms considered EPPs as playing a significantly less important role in export market entry, compared to UEP firms (t_2 , 4.08, $p \leq .001$). Overall EPPs image and firms' attitude toward them was found to be less favourable to NUEP firms. As table 5.16 relates to the management opinion reflected in the responses of UEP firms and NUEP firms involve actual experience with assistance and perceived contribution of support services to export marketing management.

Table 5.13:

Perceived contribution of support services to

Export Marketing Management

<u>Contributions</u>	<u>UEP firms</u>	<u>NUEP firms</u>
Market size	2.50	-.36b
Guide to promoting into the market	2.45	-.40c
Economic background of export market	1.50	-.09
Buyers preferences in the export market	2.10	-.25b
Government aid to exporters	2.47	-.41c
preparation for exporting	1.46	.11
Local competitors in export market	1.30	-.10a
Legal requirement in the market	1.40	-.24c

Significance of t-test, two-tailed:

a = $p < .10$ b = $p < .05$ c = $p < .01$

Source: Survey questionnaire

Relevant questions: Part 5

And table 5.14 to the management's perception of the usefulness of export marketing activity support services.

Table 5.14:

Usefulness of export marketing support sources

<u>Sources (Services)</u>	<u>UEP firms</u>	<u>NUEP firms</u>
Agents in Pakistan	.30	.09d
Business advisors	.33	.17b
Agents overseas	.11	.04b
Business magazines	.70	.41c
Chambers of commerce	.09	.04a
Market research agency (Consultancy)	.09	.02b
Banks	.70	.47c

Trade associations	.57	.18d
Government bodies (EPB)	.25	.03a

Significance of difference between UEP firms and NUEP firms using t-test, two-tailed: a = $p < .10$, b = $p < .05$ c = $p < .01$ d = $p < .001$

Source: Survey questionnaire

Relevant questions: Part 4

It is apparent that UEP firms saw the greatest contribution of services in two areas: the development of knowledge on foreign markets, actual market entry. While NUEP firms showed similar emphasis on these two areas, they indicated generally a significantly lesser contribution made to exporting activity by these sources. The overall measures contributions underscored the significantly lower contribution by NUEP firms.

In general the results do not support rejection of the hypothesis. The perceived contribution assistance services make to exporting activity is greater among exporters using services (UEP) than among exporters not using the services (NUEP)

H6- "Firms' conditions for export involvement differ between UEP firms and NUEP firms".

The contrast of individual variables in Table 5.15 shows that conditions found in UEP firms and NUEP firms are similar except for greater emphasis on marketing management practices by UEP firms. It is of interest to briefly discuss the marketing practices since they are likely to be an indicator of the way in which a firm handles its exports marketing.

Table 5.15: Test results summary of the firms

Conditions for Export Marketing Involvement

<u>Variables</u>	<u>Measures</u>	<u>UEP</u>	<u>NUEP</u>	<u>Test</u>
<u>Customer Awareness</u>				
Information	Direct/Indirect	ns	ns	x2
Promotional				
<u>Activities</u>				
Trade fairs etc.	EC	ns	ns	x2
Trade fairs etc.	USA	ns	ns	x2
Trade fairs etc.	Arab countries	ns	ns	x2
Marketing				
Management				
<u>Practices</u>				
	*Marketing practices	.05	.05	x2
Distribution				
<u>Activities</u>				
(Own sales force,	EC	ns	ns	x2
distributors,	USA	ns	ns	x2
shipping agents etc.)	Arab countries	ns	ns	x2
<u>Marketing plan</u>				
	Formal/informal			
	Written/verbal	ns	ns	x2

Source: Survey questionnaire

Relevant questions: 12 and part 1 (availability)

Statistical test: x2 = Chi - square

It should be noted that the reliability coefficient of marketing practices for UEP and NUEP is low. The most pronounced individual difference show that the NUEP less regularly followed “ analysis and

evaluation” and “ planning the development of markets”. Stepwise discriminant analysis performed on the variables failed to generate a classification of respondents firms into two groups. The jackknifed classification did not improve on a classification by chance. The two discriminant functions explained 25.6% of variance. A two group discriminant analysis on UEP firms and NUEP firms confirmed that the predictor variables could not produce mutually exclusive categories in terms of classifying firms substantially better than chance. From the discriminant analysis, it is apparent that only UEP firms can be predicted reasonably well, viz. The jackknifed percentage of correctly classified UEP firms more than 80% . Table 5.16 shows the ratings for the marketing practices summary.

Table 5.16:

Marketing Management Practices followed			
<u>difference score for UEP and NUEP firms</u>			
<u>Variables</u>	<u>UEP rating</u>	<u>difference score</u>	
		<u>UEP</u>	<u>NUEP</u>
Analysis and evaluation of competitors'			
market position	2.59	-.26b	-.25b
Market research	2.19	-.05	-.05
Evaluation and marketing efforts	2.64	-.18	-.17
Formal marketing plans	2.19	.01	.02
Market development plans	2.67	-.27	-.28
Overall marketing practices	2.52	-.13	-.13
	(n-20)		(n-14)

Source: Survey questionnaire

Relevant questions: 25, 29-32

Note: test statistics t-test: 2-tailed

a = significance at $p \leq .10$

b = significance at $p \leq .05$

c = significance at $p \leq .01$

Overall, the tests produced equivocal findings which prevent a clear decision regarding rejection of H6. There are associative differences between the firms' groups in their marketing management style and promotional and distribution activities.

H7 " Export market entry differs between UEP and NUEP firms ".

There were also interest of level of prior export promotion programmes experience of UEP and NUEP firms. While the proportion of firms with EPPs experience prior to the market entry was similar e.g.,

65% UEP and 54% NUEP, the extent of that experience differed significantly between these two groups. The UEP group had been on average of 3.6 EPPs and the NUEP group on 6.1 ($t_2: 2.17, p < .03$). Management's attitudes about the export market are apparent. Both management motives and resource motives were identified by UEP firms as being of relatively greater importance in the market entry decision than NUEP. However, both UEP and NUEP each rated management motives as significantly more important. Exporting barriers (market, knowledge and government) were rated almost near by both the groups rather UEP faced government barriers less than NUEP. These differences in attitude are not likely a result of the portfolio of market served by each respondent group (since the portfolio of export markets was found similar), rather due to management's perception of the circumstances and risk surrounding the export market entry. Overall, the results of the contrasts are equivocal and prevent a clear decision regarding rejection of H7.

Market is contrasted on the basis of two objectives and two groups of attitudinal variables (two groups of attitudinal variables were subjectively generated, however, low reliability coefficients between .25 and .46 require caution in the interpretation of these indices. It was originally intended to use factor structures in this contrast. The factor structures generated from the data were dissimilar as indicated by factor structure comparisons carried out). Table 5.17 has shown export market entry's summary of test results of UEP and NUEP firms.

Table 5.17:

Export Market Entry

A summary of test results of UEP and NUEP firms

<u>Variables</u>		<u>UEP</u>	<u>NUEP</u>	<u>Test</u>
Prior EPPs				
<u>experience</u>	With or without experience	ns	ns	x2
Decision	Management motives	.05	.06	t2
<u>factors</u>	Price/promotion motives	ns	ns	t2
	resource motives	.01	.03	t2
Region of				
<u>entry</u>	Entry of common market regions	ns	ns	x2
Exporting				
<u>problems</u>	Market barriers	.05	.05	t2
	knowledge barriers	.05	.05	t2
	government barriers	ns	ns	t2

Source: Survey questionnaire

Relevant questions: Part 6

Test: t2 = 2 tailed test

x2 = Chi - square test

H8 “Export Promotion Programmes’ Objective of UEP firms and NUEP firms are Non-economic as opposed to economic”

As noted in (ref. chapter 3) the preliminary in depth , it had been indicated that export promotion Programmes (EPPs) that firm’s objective for participation in such programmes differed widely and that EPPs were also looked upon a learning experience. Simpson (1973) had concluded from his study of firms’ export decision that trade missions can play a role

in helping firms reduce risk (of going abroad) and to obtain orders. Risk reduction is achieved through the organisational support and access through information and contacts an export promotion programme provides. Implicitly, the foregoing and the realisation of orders would constitute objectives firm wish to achieve.

Table 5.18:

RANKED OBJECTIVES FOR PARTICIPATION IN

Export Promotion Programmes (EPPs)

	Economic* objectives	Non-economic* objectives
NUEP firms		
First ranked	29	71
Second ranked	40	60
Third ranked	58	42
UEP firms		
First ranked	65	35
Second ranked	48	52
Third ranked	35	65

Source: Survey Questionnaire

* Included objectives: Sales in export market - appointment of agents / distributors - obtain quoting/ Bidding opportunities - reinforce prior marketing efforts

* Included objectives: Gaining export market experience - obtaining market intelligence establishing contacts for development of market - evaluating market effort required to serve market - introduction to new markets

UEP firms/NUEP firms first ranked: χ^2 : 10.62, df .1, $p < .01$

UEP firms 'first / third ranked: χ^2 , 20.31, df .1, $P < .001$

NUEP firms' first / third ranked: χ^2 , 7.43, df .1, $p < .01$

All other not significant.

When the objectives for EPPs participation are grouped into those of an economic nature and those of Non-economic nature and the ranked importance given by the respondents is considered, opposing results are

noted for UEP firms and NUEP firms. Table 5.18 Shows that UEP firms significantly favoured economic objectives while NUEP firms favoured Non-economic objectives. For second and third ranked objectives no significant difference was observed between these two groups of firms.

Within these two the importance ranking given to the objectives showed a statistically significant shift as follows. UEP firms emphasised economic objectives in the first ranking and Non-economic ones in the third ranking. NUEP firms, on the other hand, showed emphasis on non-economic objectives in the first rank and economic ones in the third rank of importance. These results suggest that NUEP firms see EPP primarily as vehicles to provide knowledge, information and experience support. UEP firms, however, point primarily to concrete performance support. This implies that NUEP firms' view their performance related objectives first and foremost a matter of their own independent efforts, albeit supplemented by the non-economic support from EPP (should they select to participate in one).

UEP firms, perhaps, because of their extensive prior EPP experience, may see the non-economic factors as a foregone conclusion and set their sights higher towards concrete economic results. In light of these results H8 is rejected with respect to UEP firms, fails to be rejected for NUEP firms.

5.4 Summary

Two groups of research hypotheses were tested: firms' export marketing behaviour over the process of export market involvement, and the issue of EPPs in export market involvement.

a In the first group of hypotheses behavioural differences between UEP firms and NUEP firms group, were found to be substantiated (H1 & H3) while firms were not found to differ in the conditions for, and export marketing planning of export market involvement (H6 & H4) export market entry variables (H7) showed inconclusive results. Also, UEP firms were more aware of and involved with confident about the contribution of government support than other firms (H2).

b UEP firms' objectives regarding EPPs participation favoured economic dimension as opposed to non-economic ones indicated by (H8). The contrast groups showed that export promotion programmes (EPPs) are viewed as a market entry vehicle, however, of enduring effectiveness on specific events following market entry (H5). The perceived importance of EPPs to Export market entry differed substantially between UEP firms and NUEP firms. Among UEP firms, their current Export market entry (with EPPs) appears closely related to their perception of EPPs importance. The results of these Hypotheses tests are summarised in figure 5.2.

Figure 5.2:

SUMMARY OF RESEARCH HYPOTHESES TEST RESULTS

H Y P O T H E S E S

<u>Research Hypotheses</u>	<u>Rejected</u>	<u>Not - Rejected</u>	<u>Inconclusive</u>
H1		UEP / NUEP	
H 2		UEP / NUEP	
H 3		UEP / NUEP	
H 4	UEP / NUEP		
H 5	UEP/NUEP		
H 6			UEP / NUEP
H 7			UEP/ NUEP
H 8	UEP	NUEP	

5.4 Conclusion

The main purpose of this chapter was to focus the contrast analysis through three null hypotheses and eight specific research hypotheses. Results of the former indicate that structural and hard performance dimensions do not serve to characterise the different sample groups.

The research hypotheses pursue the general proposition that differences between the sample groups firms lie in the soft dimensions, that is in perceptual, attitudinal and behavioural characteristics of management. Hypothesised contrast or relationships failed to be rejected in three tests, partially rejected in two, rejected in one, and two were found inconclusive. Thus, different managerial factors appear associated with UEP firms, that are not a sample selection bias, that is a result of the selection for participation in export promotion programmes (EPPs).

Moreover, EPPs seem to play a much more comprehensive role (albeit complementary to export marketing management activity) in export marketing and have a greater impact on post export market entry developments than had been hypothesised. There is sufficient evidence in the test results to argue that EPPs in export market entry are viewed as having a fairly clear purpose and that they are seen as a useful complement to firms' export marketing efforts. The extent to which EPPs make a critical contribution to export market involvement, however, remains as an unclear issue.

Overall, the attitude towards, and use of externally available government export marketing support services seem to be positive to some extent and can be improved with export commitment. The next chapter VI will discuss the implications of these findings, conclusion and recommendations as well.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

In this chapter the conclusions drawn from the research findings, their implications in future research and recommendations will be discussed. The present study will provide several policy implications for government agencies and officials controlling export promotion activity, particularly those located in developing countries such as Pakistan. To begin with this, the study indicates that there are differences in managerial, organisational and other behavioural characteristics. It is apparent that exporting firms were not doing so for economic objectives and this may also be true in many other developing countries. Can developing countries promote their exports due to the export promotion programmes (EPPs)? or are they likely to remain exporters of traditional commodities as far as export market world is concerned? Although no final answers to such questions can be drawn in this research thesis, some insights can be collected from the study. Exporters from developing countries like Pakistan can be motivated by the governmental export promotion support. Hence, an active role by governments may be required to secure a foot hold in promoting exports in the export markets. The main concern of the research thesis is: what are the roles and effectiveness of export marketing support programmes (EPPs) on the exporting firms towards export market involvement? This issue was investigated in

pursuit of firms' other marketing and export efforts. The rationale of this research project was emphasised to contribute towards filling the gap of export marketing support activity area in general, and export promotion programmes (EPPs) in particular. The research objective was defined and the research design explained in chapter IV that would allow observation of difference in firm characteristics and behaviour associated with the use of EP programmes in export markets. Sample groups were defined as UEP firms and NUEP firms. According to the researcher's information this could be the first attempt to carry out a study of this type in a country like Pakistan, and things did not remain constant particularly during the last decade and the researcher had to face many complications. However, efforts were made to produce some results to show the effectiveness and impact of the supporting programmes towards export promotion of the country.

The conclusion of the study has implications particularly for the policy makers working under the control of government to support the exporting firms (UEP & NUEP) through export promotion programmes (EPPs). There has been an attempt to enrich the thesis with the study of firms' management involved in export markets and research in this field of commerce/government interface with regard to export marketing. The findings of the research provide mainly directional indications as well as their generalisation to indigenous manufacturing firms. The respondents were manufacturers in textiles, leather goods, surgical and sports goods, located in four industrial cities of Pakistan, namely Karachi, Lahore,

Faisalabad and Sialkot.

6.2 Significance and Implications of the research study

Each of the steps of export marketing support programmes has a special significance and suggests certain implications. The hypotheses results had shown that there is no difference lying in structural variables of firms or decision-maker characteristics between programme users' firms (UEP) and programme non-users' firms (NUEP). Rather the significant contrasts that are observed concern management, that is perceptual and behavioural variables. This overall result was broadly hypothesised in Ho1 and further in H1, H3, H4 and H5. The two export performance-related hypotheses (H02 & Ho3) showed that a firm's export market entry with an export promotion programme is not a ticket to concretely measurable greater success. In fact it was found that the NUEP firms were more successful in obtaining order by a sizable margin of 70% as compared with UEP firms who can be considered 30% or even less than this figure (see appendix 4). In Pakistan's situation, one might expect that most of the exporting firms who deploy their own efforts within their limited resources show a greater likelihood of generating sales. However, from the data available it is not clear why the NUEP should be more likely to receive orders. It should be noted that the purchase of a firm's product by a customer is a function of a complex array of variables such as competitive advantage of the product, the match between customer need and the

product, the marketing support surroundings the products etc. rather than the expediency of market entry alone. As shown in the test of Ho2, behavioural difference were characteristic of the firm group but not related to their order receipt.

UEP and NUEP firms both groups were similar on widely used export activity measures, such as export ratio and average number of countries. This may reflect the inherent difficulty of attempting to measure export performance with a cross-sectional research design. NUEP, however, seemed to have a greater tendency towards export market diversification. On the qualitative dimension, the export market entry was seen as more effective by NUEP rather than UEP exporting firms as far as the effectiveness of export promotion programmes is concerned.

The firms were observed from perceptual and behavioural difference in two parts of analysis. Firstly, by contrasting the firm groups on the basis of their export marketing behaviour and, on the other hand, by specifically examining perception, attitudes and behaviours of management relative to export marketing support programmes in export involvement. Firms entered in export market due to support programmes did not look different than non-users of programmes :

- 1- greater clarity has not been realised in their direction of marketing efforts and resultant events following the market entry (H1)

2- contribution towards firms' export marketing activity has not shown greater awareness and use of Export Promotion Bureau (EPB) of Pakistan's export marketing services as well (H2, H3)

3- not more systematic and with thorough preparation (H3)

Both groups of exporters were found more inclined towards non-economic objectives rather than committed in identifying economic objectives (H8). Some of the significant differences between NUEP and UEP exporters were to be expected, for example :

- their lower awareness and use of government export marketing services (H2)

On the other hand, the perceived lesser contribution export marketing services can make to foreign market visits and foreign market entry, while such services can contribute relatively more in the export preparation phase (H3 & H4) and relatively equal importance of economic and non-economic objectives relative to participation in the export support programmes (H8).

The latter findings focus that NUEP firms view export marketing support in general as helping in the preparatory phase of any export market involvement. They are relatively less aware about supporting programmes and they are not certain what to expect from them. Generally this type of exporters appear to have a positive perception of export support programmes but they are least bothered to participate. Overall,

the findings suggest that certain behavioural differences exist between users and non-users of export promotion programmes (EPPs) in export market entry. It was found that measurement of the effectiveness of export promotion programmes (EPPs) on exporting firms is complicated by a variety of reasons which could not be clearly attributed to the usage of EPPs in market entry. Further it has been found that firms' view of success of an export promotion programme (EPPs) could be measured in subjective terms. It was realised that export marketing services are seen as making not very much contribution to export marketing activity. Similarly to Simpson, Roy and Loudon's (1981) results, export support facilities in the US are perceived negatively in terms of image and effectiveness. Eventually, the findings showed that all exporters are not homogeneous and that distinct differences are associated with management's use of export promotion programmes (EPPs).

6.3 Implications of the Research Findings

6.3.1 Implications for public policy

As demonstrated by the study, firms must be geared to the stage of export development. At their early stage of their establishment, efforts should be increased to identify companies with export potential. These firms should be encouraged to participate in export promotion programmes (EPPs) to stimulate them to be more aware of opportunities provided in foreign markets. Support should be extended until they gain positive export experience. The very important task of the policy makers is to assist

unstable exporters in their efforts to implement a stable and long term strategy. Export promotion programmes (EPPs) are considered the programmes which are run by an agency e.g., EPO of a country responsible for them as having the overall aim “to develop a better understanding by the exporting firms (such as EPB in Pakistan) to expose foreign buyer to Pakistani expertise, services and equipment as basis for sales”. If, broadly, EPPs are seen, they are basically facilitators rather than a procurer of potential export market return to the firms. Along with many other marketing services offered by the government owned agency export promotion bureau (EPB)’s export support programmes (EPPs) as mentioned in (Chapter 3) are seen as an effort to:

- penetrate existing export markets more effectively

- develop export marketing expertise

- enter market with the greater potential for export sales.

Perceptually there is a danger in seeing EPPs or indeed any government export support programme, as a focal point of firms’ export marketing activity. It is not the support programme by themselves that create export sales, if indeed they are causally related, which has not been proved conclusively by this study or any of the other reviewed for this research. It is also not shown that a critical mass of financial and managerial resources, as suggested by Attiyeh and Wenner (1979), is the sole requirement for exporting. Rather a complex mix of firms’ orientations beyond domestic markets, their willingness and commitment to become

involved in such markets, the existence of the requisite knowledge and expertise or knowing where and how to acquire the same, the existence of resources to go beyond domestic market, and last but not least the existence of an exportable product with a competitive advantage are all involved in generating export sales. Realising this contextual issue helps to clarify the potential impact which an export promotion programme (EPPs) may have on exporting firms' export market involvement. It was already noted that the behavioural differences between EPP's users and non-users' exporting firms (UEP & NUEP) were associated with or without an export promotion programme. The objective performance criteria of both types of firms were also found to be similar. Results with respect to sales are neither the sole purpose of an export promotion programme, nor does the EPPs seem capable of directly influencing sales.

It was seen, after export market entry, that contacts were not well established by the supporting agency for the convenience of exporters and an irregular series of steps were caused due to lacking of contacts. A more proactive marketing management style could not be identified with the exporters. Moreover, it is not clear whether UEP firms' behaviour pattern, seen as more orderly and purposive, would have occurred in the absence of export promotion programmes (EPPs) participation. The systematic and logical behaviour pattern of UEP firms may also conserve resources and thereby have a performance-related effect. There is the learning issue associated with the market entry process. Exporters (UEP and NUEP)

both have extensive market entry experience in respect of numbers of markets and years of involvement in export markets. This implies that the market entry process should be a well rationalised one. If EPPs participation becomes a regular part of entering a new export market, becoming part of firms' export market development planning, it could be constructed as a market entry subsidy available to some few firms. It was demonstrated that the UEP firms engaged in marketing and export marketing planning to no greater extent than the NUEP group. It is also apparent that such firms themselves must show a major market development commitment. Since cross-sectional survey research cannot establish causality, one can not say whether using a support programme influences such firms to plan more extensively, or whether firms who intrinsically have a great planning orientation seek to use an export support programme for market entry.

It does not seem easy to make a selection of appropriate group of population of exporting firms, while aiming at the export promotion programmes (EPPs). The main target of potential new users would then most logically be those with an exportable, competitively viable product and with market research supporting the existing of potential markets abroad. The market research evidence of foreign market potential appears to be a significant factor and export market research/information-directed government support services would be appropriate first. The foregoing relates directly to the selection criteria used by the respective department

or agency. This research did not concern the governmental administrative aspect of export promotion programmes, hence the selection issue cannot be further discussed. Overall, it was observed that the supporting programmes were not found to show systematic and well organised approaches to export markets to a greater extent. Rather, questions came to mind whether the right exporting firms are benefiting most from the export promotion programmes (EPPs). If we see the firms theoretically, the firms not exhibiting that export marketing capability might be expected to benefit most in pursuit of learning experience and market entry expertise, but such firms may not be eligible under certain rules introduced by the Export Promotion Bureau (EPB) or the Ministry of Commerce of Pakistan. If it is seen, on the other hand, in practical terms, the exporting firms appeared neither receptive to government support nor convinced of the potential contribution. Thus firms lacking but desiring export marketing capability see these programmes as beneficial. As far as a broader view of export marketing support programmes are concerned, there does not appear to be an awareness problem among UEP and NUEP firms. We may say that a number of programmes, however, were used substantially more by UEP firms than NUEP firms and UEP firms were found slightly beneficial, indeed not as much as needed by them.

Promotion of export support programmes providing objective information and those for subsequent consideration providing experiential information appears less effective than desirable. The logic of this is also

assisted by the research evidence of the critical nature of firms' pre-export stage in terms of information need, proper preparation for foreign market involvement and reducing management's uncertainty related thereto. Firm profiles are potentially useful for export promotion agencies. Export support may initially serve as additional stimuli to plan for export involvement by focusing firms' attention on the tailored services that are available. These include consultative advice on market opportunities and preparation for exporting the various objective informational services including market research and feasibility support.

6.3.2 Implication For Exporting Firms

Within the domestic and international scenario one essential factor that export managers must have is a vision as well as export marketing skills. Management vision range from attitude towards exporting and receptiveness to tasks associated with improving a firm's competitiveness. The prime benefits of exporting should be seen in terms of the exposure to international competitive pressures. The findings of the research show that exporting does not necessarily result in higher profitability but, of course, commitment. Exporting should be viewed as an investment and the return must be considered over a period of time. Exporting as a strategy for growth can be successful if a long-term view is kept in mind. Research results also make clear that export promotion needs to conform to international quality standards and should make firms more competitive. The role of human resources as a strategic element should not be ignored

as progress and productivity is the result of the human mind. It can not be shown that export promotion programmes (EPPs) sponsored by the EPB of Pakistan are an indispensable medium for export market involvement. They claim that they serve a particular purpose, that of supporting exporters in the exporting process. They organise programmes from time to time to appear to provide an effective means to facilitate all the important contacts in a foreign market. But many of the respondent firms feel that programmes have not had a lasting impact on their export market involvement and contribute to the events following entry.

It is equally obvious, however, that the absence of any singular critical importance given to export promotion programmes (EPPs) suggests that firms recognise that such services cannot substitute for a private sector which is alert to opportunities around the world, eager to respond to enquiries, willing to visit the market regularly, with an attractive and competitive product for sale. The quality of management, as Bilkey (1978) concluded from his review of the exporting literature, probably is the greater single determinant in a firm's export success. With the perspective of this research several consideration can be suggested to management.

6.3.3 Organisational Implications

Organisational efforts to enter new markets must start with an exporting plan for the export venture. The fact that the preparation of a formal market plan is associated with firms adopting a market diversification strategy underscores the importance of planning in firms'

export promotion. Overall evidence from the research suggests that Pakistani exporting firms are reactive as they are not seeking export information actively. The study found that the lack of organisational resources such as man power to monitor and interpret the available information could be solved by fostering linkages with academic institutions. For example, resources at the educational institutions locally and internationally well-established colleges and universities (as affiliations of private universities in Pakistan) are very useful and can be effectively utilised in identifying and acquiring most of the required secondary data. Students participating in courses in marketing research, international marketing, and other business courses can provide some of the human resource requirements. Hence, firms benefit from the academic input and students, on the other hand benefit from the experience. Participation in export promotion programmes (EPPs) requires the firm to engage in export market planning as a preparatory measure. Repeat participation in EPPs to export markets would seem to benefit firms' planning learning curve. The fact is that the UEP firms were not found to be more planning and research oriented, and where they were, this could not be attributed to EPP. However, this characteristic is clearly associated with those firms who entered the market with EPPs and may have been favourably affected by previous EPP participation. Also, these firms did not show more extensive familiarity with many of the other government export support services. Thus, what is apparent is a receptive attitude towards externally available support.

Moreover, it contrasts with Czinkota's (1982b) results that US firms in the early exporting stage were more likely to believe that government programmes are able to assist firms' export activity. Firms with such a resource perspective would view such services as marketing tools available through government, rather than an extension of government reaching into business. They would probably take a more rational view of the appropriateness of support measures with respect to their export marketing efforts. Maintaining a visible presence in export markets is significant for long-term development. This study stresses that export managers should incorporate regular visits and joint promotional efforts with the distributors and participation in trade fairs and exhibitions as part of the company's export marketing programmes. EPPs are crucial in understanding the underlying forces influencing the customers' buying decisions, and ultimately, the market behaviour. The logistics of an export market involvement and the effective development of contacts seem to be critical factors for firms becoming involved in such markets. It is in this stage of export marketing that EPPs can become an important supplement to firms' own efforts.

Respondents were consensual on this point, although they differed in their expectations of what EPPs should enable them to do. It is also apparent that firms can provide a measure of EPPs success that is not restricted to economic results i.e., the evaluation measure typically used by the respective government agency and reflects the multidimensionality of

the evaluation criteria applied by the government. Despite establishing contacts with the buyer through EPPs, it was realised that the non-user exporters (NUEP) received more orders than (UEP) user exporters. Moreover, it was evident that non-users exporters (NUEP) did not suffer any apparent adverse performance results in terms of order receipts after market entry, because of their lagging contacts. It should also be noted that firms who used an EPP in their market entry did not seem more satisfied with the overall effectiveness of this market entry, compared to those firms who entered on their own. While this is a matter of perception not solely due to the EPPs, one should not underestimate the importance of positive experience on management attitude and export market commitment.

6.3.4 Implication for policy recommendations

Given the importance of exporting to most national economies and the practical significance of export research, most authors direct some comments to the managerial and public policy implications of their work (Young, Stephen, 1995). They surveyed the literature on the topic of government policies towards export promotion and support done by several researchers of export marketing.

In the developing world, exporting is often a key element in the process of serious economic reform. The Export Promotion Bureau (EPB) of Pakistan must show commitment in promoting the country's exports and assist the government in formulating the goals for greater familiarity with

export techniques, increased knowledge of export opportunities and develop export consciousness among the exporters. The findings of this study do not demonstrate success achieved by the programmes and services being rendered by the Export Promotion Bureau (EPB) of Pakistan. Certain suggestions based on this study are recommended for future research.

- EBP should extend its programmes and services to develop interaction between the UEP firms and NUEP firms or even for those who are interested in export but unable to do so because of lack of awareness or some other reason. With respect to the awareness ratings, however, firms responding with low ratings may have done so because promotion of the government services was carried out and directed at target audiences which excluded the respondent firms. Possibly one might assume that NUEP firms' ratings reflect in some way their own information search. For actual and future use of services, their effective promotion and firms' awareness of them seem necessary if not sufficient conditions.

- Agencies should provide necessary and authentic background information about exports with commitment and try to persuade the exporters to show commitment in exports. As Khan (1996) has described, trade and industry associations are not well equipped to support exporting firms in Pakistan, do not have the equipment or expertise to provide assistance to exporters and are mostly involved in lobbying to get monetary and fiscal concessions from the government. Import promotion

offices (IPOs) may also be approached for support in promoting exports before export market entry decision for receiving some useful and important information.

- Results of export promotion programmes (EPPs) must be spread throughout the export community in the country to as many firms as possible so that non-exporters or occasional exporters may also be motivated and be made aware. These are critical factors which must be taken into account, the firm's perceived need for a given service available externally, and the firm's initiative behaviour in locating such services. In case of the firm's initiative behaviour, firms' information not only included the respective sources of such support, but the firms' decision process appears also to have included a particular services as relevant. It can be concluded that use of the services will only be considered if management can expect some positive contribution to the export marketing activity, in terms of preparation, market entry or market development. Higher perceived contribution made by the services among UEP firms may also show some learning aspect associated with exporting. Willingness at the part of the management to use programmes is likely to be influenced by: effectiveness with which availability and purpose of services is targeted by the government to its appropriate audience; relevance of services to particular needs of a firm at a given phase of the exporting process; and services must be portrayed as externally available resources rather than another extension of government influence into business. Reduction of

ambiguity and increased believability with which assistance services may be seen (Pointon, 1978b; Czinkota, 1982b) would foster a more rational perception of government assistance as a resource to firms.

The concept and the role of the Export Promotion Bureau (EPB) of Pakistan must be firmly accepted by the export community, academia, and trade supporting institutions (e.g., ITC/UNCTAD/GATT and IPOs etc.). This will only be possible when commitment is shown from both exporter groups and the Export Promotion Bureau (EPB) of Pakistan. A summary of future research in the area investigated typically suggests those aspects which the researcher was unable to pursue due to constraints affecting his time, or which only became apparent or more clearly defined during the process of the thesis. The purpose of such discourse then is to point out the direction of research emphasis the researcher is likely to pursue, and suggests to others new research challenges. A more general agenda of suggested research topic in international marketing was put forth by Terpstra (1983), describing :

- problems and strategies in export promotion
- study of export marketing practices
- characteristics of export market entry

This investigation of the business/government interface that occurs through government export marketing support is problematic because of the complexity of the interaction of public and private sectors. The

measurement of the role and effectiveness of particular government export support services at the firm level is probably underresearched because of this difficulty. Indeed, Reid (1983) observed this in his review of Czinkota and Tesar's export policy. A global assessment revealed in spite of the recent volume of papers dealing with different national policies (e.g., export promotion support), the issue of programme effectiveness continues to be an untouched part of the research agenda (Reid, 1983) as compared with other areas of export marketing.

There are some issues not resolved by the findings in the causal relationship between, for example, proactive orientation of management, the different events or behaviours after market entry, export market diversification, and export promotion programmes participation.

A further area is the development of performance measures that adequately represent firms' evaluation of government export support programmes. Traditional objective performance criteria seem inappropriate. While this research has shown that subjective, perceptual variables can serve to evaluate the impact of export promotion programmes (EPPs), more specifically focused work needs to be done to develop measures that poses differentiating power based on firms' use of export promotion programmes (EPPs).

6.3.5 Implication for future research

Export-related information should be disseminated to those exporting firms who show a degree of commitment as has been found in the study that Pakistani firms under-utilise the available information services.

Export professionals, experienced exporters and university academicians in international marketing should be approached for benefiting from their expertise and make a forum for discussing, evaluating and finding solutions to export promotion problems. This forum could address the problem of the bureaucratic nature of government support; as demonstrated in the survey, the time scale in getting support was seen as a significant problem.

For agricultural products (see list in the appendix) workshops can be held for exports. These could be be organised on packaging and labelling, the role of banks in export, export marketing and export production management for women (who are educated but unaware about export information) in the villages (rural areas). The problem in Pakistan is that the right people with relevant education and experience are not placed in trade associations or institutions, badly hampering the capabilities of these organisations. Many chief executive officers can not effectively cope with the demands of a changing environment (Khan, 1996).

For developing organisational ability and managerial skill, it is important to train government officials, export executive and the exporters. Moreover, the creation of an 'export mentality' to transform Pakistan into a competitive economy is indispensable. It can be achieved through an improvement in the instructional courses in education at the secondary levels (e.g., I.COM., D.Com., F.A. etc.) and other training institutions to include a curriculum which highlights the importance of exports and appreciation of international business culture in Pakistan. Education and research are needed to overcome the reluctance of exporters to get into export market rather than simply facilitating entry into the export market.

As has been seen during the research study, a great majority of respondents indicated that there is no research in the field of export marketing in any of the 21 Government universities and about 3 authentic private universities in Pakistan. Research should be started at university levels and exporting firms must be given support in this regard. Lacking knowledge of overseas markets is widely accepted to be the most important barrier in the development of international operations (Johanson and Vahlne, 1977; Walters, 1985). It is therefore suggested that companies conducting international operations systematically collect information on foreign markets in order to overcome this obstacle. And since the dominant mode of serving overseas markets for small and medium-sized companies is exporting, one would expect these exporters to use export marketing

research (Diamantopoulos and Schlegelmilch, 1990).

It appears as an important next step to conduct research, using a large sample base maintaining the double control group research design – for the purpose of causal investigation of export promotion programmes (EPPs)' effectiveness. The temporal perspective will have consequences for sample mortality which cannot be controlled without introducing screened replacement cases that threaten internal validity (Cook and Campbell, 1979). Moreover, a project for an empirical investigation into potential differences between users and non-users of export marketing research can be aimed at providing insights into comprehensive export information.

Investment policies should have attractions for foreign investors who possess a wide range of production and product technology skills as well as managerial know-how to support the economy of a country. But policy should be directed at how the technology could be absorbed by the Pakistani firms to upgrade their technological capabilities. Indeed, there is a need to provide the mechanisms which could make it possible for Pakistani export manufacturers to interface with foreign technologists and researchers.

The rate of growth of Pakistan's exports should be at least 5 per cent above the growth rate of its imports. For this purpose there is a need to establish a neutral trade regime vis-à-vis export promotion and import substitution. There is also a need for rationalisation of export incentives to promote high value added exports. In addition to this, there has to be more

emphasis on quality control of major export products i.e. textile, leather, surgical and sports goods as well as on strengthening the institutional infra-structure for exports such as credit insurance, trade fairs and commitment of export promotion councils. These export promotion measures, of course, have to be assisted by a supportive demand management policy.

APPENDICES

Appendix I

A letter sent to the import promotion organisations (IPOs) in developed nations

Dear Sir,

Re: Information regarding Marketing Assistance
to Exporters in Developing Countries

I am a Ph.D. student here with Management centre, Leicester University, UK. My area of study is assistance from Export Supporting Agencies [e.g Import Promoting Offices (IPOs), International Trade Centre (ITC) and Export Promotion Offices (EPOs)] to exporters in developing countries.

I would be highly grateful, if you could provide me the following information in English about services offered to Exporters in developing countries.

- 1- Statistical information on your market.
- 2- Information on sales opportunities.
- 3- Information on import requirements and procedures.
- 4- Information on marketing techniques and business practices in your country
- 5- Arrangements for contacts when visiting your market.

6- Trade fairs and exhibition assistance.

7- Publication concerning your market(*Very Important*)

8- Lists of importers, wholesalers, agents, distributors etc. by product line.

9- Training programmes.

Source of information:(A Directory of import promotion offices and similar organisations that provide marketing assistance to exporters in developing countries published by International Trade Centre UNCTAD/GATT. November 1995).

I assure you that the information provided by you will be kept strictly confidential. Meanwhile, I will be glad to receive any enquiry from you regarding the exporters, based on my research.

Yours Truly,

Mohammed Ehsan Malik

(Ph.D Student)

Appendix 2

List of variables used in the research

<u>Variables</u>	<u>Variable definition</u>
BSO	Broad and Specific export Objectives
CEM p/e	<u>Contact</u> in <u>Export Market</u> (EM) prior to entry
EEE	<u>Effectiveness</u> of overall <u>Exporting Efforts</u>
EEP l/u	Limited / unlimited <u>Expansion Export Policy</u>
EIS a/u	Awareness / use of <u>Experiential Information Support</u>
EMA a/u	Awareness / use of government Export Marketing Activity
EMP i/s	Direct information sources of <u>Export Market Performance</u>
EMP	Export Marketing Practices
EMV fr	Frequency of <u>Export Market Visits</u>
ESD ec	<u>Expected Sales Development</u> over next two to three years - European countries
ESD em	<u>Expected Sales Development</u> over next two to three years - export market
FEO	<u>Formate</u> of <u>Export Objective</u>
MEP g/b	<u>Market Entry Problems</u> , government barriers
MEP k/b	<u>Market Entry Problems</u> , knowledge barriers

MEP m/b	<u>Market Entry Problems</u> , market barriers
MEP m/s	<u>Market Entry Factors</u> , management stimuli
MEF p/p	<u>Market Entry Factors</u> , price / promotion stimuli
MEF r/s	<u>Market Entry Factors</u> , resource stimuli
NEC	Number of Exports' Countries
OIS a/u	Awareness / use of <u>Objective Information Support</u>
PMP	<u>Product</u> diversification programmes and <u>Market</u> diversification programmes and market penetration <u>Programmes</u>
MP&RP	Marketing Planing and Research Practices
RE	Regional Exports
UME b/a	<u>Usefulness</u> before / after <u>Market Entry</u> of: - overseas agents - overseas institutions (IPOS etc.) - Foreign government - International organisations(ITC) - Contributions of export promotion bureau (EPB) services to export marketing activity
YED	<u>Years</u> of <u>Experience</u> of <u>Decision</u> - maker
WS	Workshops and Seminars

Appendix 3

Confidential questionnaire to survey attitudes towards export commitment and export supporting agencies:

Export promotion bureau (EPB); International trade centre (ITC); and Import promoting offices (IPOs).

INSTRUCTIONS

Please mark the boxes carefully so that gathered data could be analysed clearly.

Please **tick** boxes and use **blue** or **black** ball point or pen and do **not** cross or circle boxes.

PLEASE AVOID TO FOLD THE QUESTIONNAIRE

Part 1

1 In this part my interest is to know your awareness and frequency of use of certain assistance

from Government and International agencies like: EPB; ITC; & IPOs etc. Please indicate your firm's awareness and frequency of use of the particular form of support from the list.

Support list	Awareness				
	<u>maximum</u>	<u>very much</u>	<u>to some extent</u>	<u>heard</u>	<u>never</u>
	1	2	3	4	5
Export financing	[]	[]	[]	[]	[]
Outward missions	[]	[]	[]	[]	[]
Overseas trade fairs	[]	[]	[]	[]	[]
Market information enquiries	[]	[]	[]	[]	[]
Overseas status report service	[]	[]	[]	[]	[]
Overseas seminars/workshops	[]	[]	[]	[]	[]
Export marketing research scheme	[]	[]	[]	[]	[]
New products from Pakistan service	[]	[]	[]	[]	[]
VIP visits (officials, minister levels or above)	[]	[]	[]	[]	[]
Overseas expo centres/show cases promotions	[]	[]	[]	[]	[]

Support list	Frequency of use				
	<u>frequently</u>	<u>sometimes</u>	<u>hardly</u>	<u>veryhardly</u>	<u>never</u>
	1	2	3	4	5
Export financing	[]	[]	[]	[]	[]
Outward missions	[]	[]	[]	[]	[]
Overseas trade fairs	[]	[]	[]	[]	[]
Market information enquiries	[]	[]	[]	[]	[]
Overseas status report service	[]	[]	[]	[]	[]

Overseas seminars/workshops	[]	[]	[]	[]	[]
Export marketing research scheme	[]	[]	[]	[]	[]
New products from Pakistan service	[]	[]	[]	[]	[]
VIP visits (officials, minister levels or above)	[]	[]	[]	[]	[]
Overseas expo centres/show cases promotions	[]	[]	[]	[]	[]

Part 2

2 In this part, against the name of the same forms of support given above, please indicate your perception of the availability and the single source of your first information about each of the forms of support.

Support list	Availability				
	frequently available	sometimes available	hardly available	very hardly available	never available
1	1	2	3	4	5
Export financing	[]	[]	[]	[]	[]
Outward missions	[]	[]	[]	[]	[]
Overseas trade fairs	[]	[]	[]	[]	[]
Market information enquiries	[]	[]	[]	[]	[]
Overseas status report service	[]	[]	[]	[]	[]
Overseas seminars/workshops	[]	[]	[]	[]	[]
Export marketing research scheme	[]	[]	[]	[]	[]
New products from Pakistan services	[]	[]	[]	[]	[]
VIP visits (official, minister levels or above)	[]	[]	[]	[]	[]
Overseas expo centres/show cases promotions	[]	[]	[]	[]	[]

Support list	Source of information				
	by prior user	Govt.ads	trade assoc	other	unaware
1	2	3	4	5	
Export financing	[]	[]	[]	[]	[]
Outward missions	[]	[]	[]	[]	[]
Overseas trade fairs	[]	[]	[]	[]	[]
Market information enquiries	[]	[]	[]	[]	[]
Overseas status report service	[]	[]	[]	[]	[]
Overseas seminars/workshops	[]	[]	[]	[]	[]
Export marketing research scheme	[]	[]	[]	[]	[]
New products from Pakistan service	[]	[]	[]	[]	[]

VIP visits (officials, minister levels or above)	[]	[]	[]	[]	[]
Overseas expo centres/show cases promotions	[]	[]	[]	[]	[]

I

Part 3

3 In this part I am interested in your perceptions of punctuality and reliability of the same support from the Government and international agencies. Besides the list of forms of support, please indicate which best reflects your perceptions of such support.

Support list	current				
	always <u>current</u>	can say <u>current</u>	sometimes <u>current</u>	hardly <u>current</u>	never <u>current</u>
	1	2	3	4	5
Export financing	[]	[]	[]	[]	[]
Outward missions	[]	[]	[]	[]	[]
Overseas trade fairs	[]	[]	[]	[]	[]
Market information enquiries	[]	[]	[]	[]	[]
Overseas status report service	[]	[]	[]	[]	[]
Overseas seminars/workshops	[]	[]	[]	[]	[]
Export marketing research scheme	[]	[]	[]	[]	[]
New products from Pakistan service	[]	[]	[]	[]	[]
VIP visits (at officials, minister levels or above)	[]	[]	[]	[]	[]
Overseas expo centres/show cases promotions	[]	[]	[]	[]	[]

Support list	Reliability(reliable)				
	always <u>reliable</u>	can say <u>reliable</u>	sometimes <u>reliable</u>	hardly <u>reliable</u>	never <u>reliable</u>
	1	2	3	4	5
Export financing	[]	[]	[]	[]	[]
Outward missions	[]	[]	[]	[]	[]
Overseas trade fairs	[]	[]	[]	[]	[]
Market information enquiries	[]	[]	[]	[]	[]
Overseas status report service	[]	[]	[]	[]	[]
Overseas seminars/workshops	[]	[]	[]	[]	[]
Export marketing research scheme	[]	[]	[]	[]	[]
New products from Pakistan service	[]	[]	[]	[]	[]
VIP visits (at officials, ministers levels or above)	[]	[]	[]	[]	[]
Overseas expo centres/show cases promotions	[]	[]	[]	[]	[]

Part 4

4 I am now interested in the usefulness of export information from government departments compared to other sources. Please indicate the level of usefulness of the following sources of information.

Sources of information	Usefulness(useful)				
	very <u>useful</u>	quite <u>useful</u>	average <u>useful</u>	slightly <u>useful</u>	not <u>useful</u>
	1	2	3	4	5
Banks	[]	[]	[]	[]	[]
Agents overseas	[]	[]	[]	[]	[]
Business advisors	[]	[]	[]	[]	[]
Trade associations	[]	[]	[]	[]	[]
Agents in Pakistan	[]	[]	[]	[]	[]
Business magazines	[]	[]	[]	[]	[]
Chambers of commerce	[]	[]	[]	[]	[]
Market research agency	[]	[]	[]	[]	[]
Your sales branch overseas	[]	[]	[]	[]	[]
Your marketing research team	[]	[]	[]	[]	[]
Your own sales force in Pakistan	[]	[]	[]	[]	[]
Government bodies (please specify)	[]	[]	[]	[]	[]

(Optional Question)

Do you feel that the Government bodies should be more useful, please describe briefly

Part 5

5 This part is related in the type of information you need from the supporting agencies e.g.EPB etc. The list below contains a number of types of information which may be important for your export operation. Please indicate how important, each type of information is to your decision to engage in export activities.

Information for your export market	Extent of importance				
	extremely <u>important</u>	quite impor- <u>tant</u>	sometimes <u>important</u>	can say impor- <u>tant</u>	never impor- <u>tant</u>
	1	2	3	4	5
Market size	[]	[]	[]	[]	[]
Market growth rate	[]	[]	[]	[]	[]
Price trends in the market	[]	[]	[]	[]	[]
Exchange rate fluctuations	[]	[]	[]	[]	[]
Government aid to exporters	[]	[]	[]	[]	[]
Local competitors in the market	[]	[]	[]	[]	[]
Legal requirements in the market	[]	[]	[]	[]	[]
Guide to promoting into the market	[]	[]	[]	[]	[]
International competition in the market	[]	[]	[]	[]	[]
Economic background of export market	[]	[]	[]	[]	[]
Buyers preferences in the export market	[]	[]	[]	[]	[]
Transport infrastructure in export market	[]	[]	[]	[]	[]
Social/political background of export market	[]	[]	[]	[]	[]
Competitive products available in the market	[]	[]	[]	[]	[]
Potential barriers to exporting into the market	[]	[]	[]	[]	[]
Means of distribution/storage in export market	[]	[]	[]	[]	[]
Ways to adapt current product for export market	[]	[]	[]	[]	[]

Part 6

6 In this part I am interested in determining both **problems** and the extent to which you perceive the firm's performance would improve if the **Government were to offer assistance**, e.g. adviser, in performing tasks for you to help to overcome such problems.

List of factors	Extent of Problems				
	to a large extent 1	not much extent 2	<u>sometimes</u> 3	to some extent 4	<u>never</u> 5
Physical product	[]	[]	[]	[]	[]
Activities related to exporting					
Advertising	[]	[]	[]	[]	[]
Packaging	[]	[]	[]	[]	[]
Financing	[]	[]	[]	[]	[]
Sales effort	[]	[]	[]	[]	[]
Funds transfer	[]	[]	[]	[]	[]
Communication	[]	[]	[]	[]	[]
Arranging transport	[]	[]	[]	[]	[]
Obtaining insurance	[]	[]	[]	[]	[]
Pricing internationally	[]	[]	[]	[]	[]
Providing warehousing	[]	[]	[]	[]	[]
Providing repair service	[]	[]	[]	[]	[]
Providing quality control	[]	[]	[]	[]	[]
Distribution co-ordination	[]	[]	[]	[]	[]
Providing parts availability	[]	[]	[]	[]	[]
Handling of documentation	[]	[]	[]	[]	[]
Transport rate determination	[]	[]	[]	[]	[]
Marketing information gathering	[]	[]	[]	[]	[]
Information on business practices	[]	[]	[]	[]	[]
Providing design/technical advice	[]	[]	[]	[]	[]
Obtaining of financial information	[]	[]	[]	[]	[]

List of factors	Extent of assistance				
	to a large	not much	<u>sometimes</u>	to some	<u>never</u>
	<u>extent</u>	<u>extent</u>		<u>extent</u>	
	1	2	3	4	5
Physical product	[]	[]	[]	[]	[]
Activities related to exporting					
Advertising	[]	[]	[]	[]	[]
Packaging	[]	[]	[]	[]	[]
Financing	[]	[]	[]	[]	[]
Sales effort	[]	[]	[]	[]	[]
Funds transfer	[]	[]	[]	[]	[]
Communication	[]	[]	[]	[]	[]
Arranging transport	[]	[]	[]	[]	[]
Obtaining insurance	[]	[]	[]	[]	[]
Pricing internationally	[]	[]	[]	[]	[]
Providing warehousing	[]	[]	[]	[]	[]
Providing repair service	[]	[]	[]	[]	[]
Providing quality control	[]	[]	[]	[]	[]
Distribution co-ordination	[]	[]	[]	[]	[]
Providing parts availability	[]	[]	[]	[]	[]
Handling of documentation	[]	[]	[]	[]	[]
Transport rate determination	[]	[]	[]	[]	[]
Marketing information gathering	[]	[]	[]	[]	[]
Information on business practices	[]	[]	[]	[]	[]
Providing design/ technical advice	[]	[]	[]	[]	[]
Obtaining of financial information	[]	[]	[]	[]	[]

Proactive / Reactive motivations of the firms

Part 7

7 Export motivation: this part is to make the Government able to stimulate export activities. My interest is to determine motives for exporting. Therefore, please indicate the extent to which each of the following motives motivate your **current** efforts.

Motives	Importance				
	extremely important	very impor- tant	<u>important</u>	just <u>important</u>	never <u>important</u>
	1	2	3	4	5
Unique product	[]	[]	[]	[]	[]
Excess capacity	[]	[]	[]	[]	[]
Profit advantage	[]	[]	[]	[]	[]
Managerial urge	[]	[]	[]	[]	[]
Over-production	[]	[]	[]	[]	[]
Market advantage	[]	[]	[]	[]	[]
Reduction in tariffs	[]	[]	[]	[]	[]
Competitive pressures	[]	[]	[]	[]	[]
Exclusive information	[]	[]	[]	[]	[]
Saturated domestic market	[]	[]	[]	[]	[]
Declining domestic market	[]	[]	[]	[]	[]
Attractive export incentives	[]	[]	[]	[]	[]
Design/technological advantage	[]	[]	[]	[]	[]
Favourable currency movements	[]	[]	[]	[]	[]
Unsolicited orders from overseas	[]	[]	[]	[]	[]
National export promotional programs	[]	[]	[]	[]	[]
Eased product regulation in target countries	[]	[]	[]	[]	[]
Economics of scale resulting from additional orders	[]	[]	[]	[]	[]
New information about sales opportunities overseas	[]	[]	[]	[]	[]
Opportunities to increase the number of country markets and reduce the market related risk.	[]	[]	[]	[]	[]

Part 8

8 In this part I am interested in your perception of the effectiveness of promotional activities e.g. advertising etc. of the following Government departments and independent bodies. Please indicate your perception of the advertising effectiveness of each organisation.

Departments or organisations	extent of effectiveness				
	very effective	quite effective	average effective	slightly effective	not effective
	1	2	3	4	5
Trade associations	[]	[]	[]	[]	[]
Industrial institutions	[]	[]	[]	[]	[]
Chambers of commerce	[]	[]	[]	[]	[]
Ministry of trade & commerce	[]	[]	[]	[]	[]
Import promoting offices (IPOs)	[]	[]	[]	[]	[]
International trade centre (ITC)	[]	[]	[]	[]	[]
Export promotion bureau (EPB)	[]	[]	[]	[]	[]
Expo centres/show cases overseas	[]	[]	[]	[]	[]
All Pakistan textile mills association	[]	[]	[]	[]	[]
Trade offices with Pakistan embassies	[]	[]	[]	[]	[]
Business publications(yellow pages etc.)	[]	[]	[]	[]	[]
General agreement on trade &tariff(GATT)	[]	[]	[]	[]	[]

Part 9

In this part, I want you to allow me to categorise your business with regard to your **normal export practices.**

9 Where in **Pakistan** is your **firm located**?

Karachi[] Lahore[] Faisalabad[] Islamabad[] Sialkot[]

10 Your **firm** is in **operation** since [19]

11 Your **firm** is in **export business** since [19]

Export markets

12 What percentage of your firm's total export went to each of the following markets during the past year?

	0%-5%	6-10%	11-15%	16-20%	20-30%	30-40%
USA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other west/East Europe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arab countries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Far East	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Japan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13 To which **country/countries** your **firm** started **exporting**-----

--

14 **Did your firm actively seek the first export order?** Yes ☐ No ☐

or was it an unsolicited order? Yes ☐ No ☐

or are you not currently exporting? Yes ☐ No ☐

15 **Which of the industries your firm deals?**

Textiles ☐

Leather products ☐

Sports goods ☐

Surgical instruments ☐ or If any other, please describe -----

--

16 **Export sales volume**

A What percentage of your total annual sales volume does your firm currently export?

0% 1-5% 6-10% 11-15% 16-20% 21-25% 26-30% 31-35%

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

B What percentage of your total annual sales volume did your firm export 2-years ago?

0% 1-5% 6-10% 11-15% 16-20% 21-25% 26-30% 31-35%

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

C What percentage of your total annual sales volume is your firm planning to export in 2years.

0% 1-5% 6-10% 11-15% 16-20% 21-25% 26-30% 31-35%

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Price discrimination

17 Price of the export product is charged:

a-higher than Pakistani local market Yes[] No[]

b-same as in the local market Yes[] No[]

c-lower than Pakistani market Yes[] No[]

Return on investment

18 What is your export profitability (ROI. return on investment) compared with your local Pakistani market operation for the last three years?

exporting is *more*[] *equal*[] *less*[] or
profitable than operations in Pakistan

Export promotion bureau (EPB)

	Yes	No	Don't know
19 Please indicate the following with respect to EPB's activities:	1	2	3
EPB is a body, composed of commerce experts,			
experienced industrialists and exporters	[]	[]	[]
EPB seriously undertake ambitious programmes to			
promote export	[]	[]	[]
After identifying product/commodity, EPB			
fixes the targets for annual export	[]	[]	[]
EPB always prepare meaningful bilateral dialogues with			
importing countries with all statistics, knowledge,			
information and understanding of each market	[]	[]	[]
EPB tries to secure optimum benefits from restrained levels			
of export quotas to enhance quality and to achieve			
better price	[]	[]	[]
Current EPB activities need streamlining	[]	[]	[]
20 Do you think that promotion of export is due to :			
a -export promotion bureau (EPB)	Yes[]		No[]
or			
b -exporters self contribution	Yes[]		No[]
if the (b) is yes , then please go to question No 21			
21 Do you think that EPB should be:			
a -seconded by senior executives from Pakistani exporting			

	firms to promote more and more export	Yes[]	No[]
or	b -managed by a technocrat economist, specialist in export marketing and having perfect knowledge of commerce of Pakistan potential at least at Chairman level	Yes[]	No[]
or	c -made privatised	Yes[]	No[]

Import promoting offices (IPOs)			
22	Have you ever consulted any IPOs to promote export? Yes[] No[]		
23	IPOs are located in: 5 countries[] 10 countries[] 15 countries[] 20 countries[] 25 countries[] None of them[]		
24	IPOs are established for the last: 5 years[] 10 years[] 15 years[] 20 years or above[]		
Export growth			
25	Did export growth in terms of total sales percentage meet the expectations you had for it for the last 3 years? export growth has <i>exceeded</i> [] <i>met</i> [] <i>failed</i> [] to meet the expectations		
Export performance v objectives			
26	What are your export performance results compared with your objectives for the last 3 years? exporting has <i>exceeded</i> [] <i>met</i> [] <i>failed</i> [] to meet the objectives		

Employment	
27	How many people did your firm employ last year?[] or the year before?[] or since birth?[]
28	How many staff are totally dedicated to export strategy and procedures within your firm,e.g. non of their time is spent working on operations with in the Pakistan market. []

Export organization	
29	Is your firm a subsidiary of another firm? Yes[] No[]
30	Do you export yourself? Yes[] No[] or have a separate export department dealing with export activities? Yes[] No[]
31	Before deciding to export, do you prefer to make a formal written marketing plan? Yes[] No[]

Research and development (R&D)

32 Marketing research is necessary to promote the export Yes[] No[]

if (**yes**)! do you have research facility:

a-with in the firm b-at Government level c-from both d-none

33 Have you ever had an experience to see any Business administration university/college/ department or commerce college in Pakistan, providing research facilities to exporters, business community or to the students? Yes[] No[]

if **yes!** please name the universities or institutions

.....

.....

Thank you very much for patience and completing the questionnaire

Appendix 4

News papers' cuttings

INTERNATIONAL

THE NEWS

London Edition

In collaboration with the Daily Jang

Also published from
Karachi, Lahore & Rawalpindi
and soon from
New York

JANG GROUP OF NEWSPAPERS

SPECIAL NOTE

**THIS ITEM IS BOUND IN SUCH A
MANNER AND WHILE EVERY
EFFORT HAS BEEN MADE TO
REPRODUCE THE CENTRES, FORCE
WOULD RESULT IN DAMAGE**

Can Pakistan maintain its position as textile products

Pakistan is facing challenges on more than one front. With the liberalisation of the tariffs barrier within the next three years, other countries are emerging as new competitors in Pakistan's export advancements in the manufacturing and processing fields, the emphasis on quality of goods

Mohsin S. Jaffri

Cost of exhibition
by the exhibitors
Cost of exhibition
by the exhibitors

The fifth, three day, international Pakistan Textile and Clothing Fair (PTCF'95), was organised specially, to provide an opportunity to the Pakistani exporters and manufacturers dealing in textile goods to show their products to international buyers. Another reason for PTCF was to provide a showroom for foreign buyers to under one roof.

Seventeen well known exporters and manufacturers of various types of ready made garments, towel and terry cloth, cotton (printed and plain) fabric, knitwear and also, small machinery suppliers to the garment industry took part in the exhibition. Buyers and representatives, in all 80 members, from 11 countries including, for the first time, South African importers, came to view Pakistani products. The response was reasonably good. Visiting foreign business delegates showed ardent interest in many items, checking on prices, quality and discussing delivery periods.

This time the fair was more interesting for visitors, working on the Western approach, fashion parade, and cat-walk displays by attractive models bringing out the colours and designs of Pakistani exporters.

Though the organisers, Export Promotion Bureau (EPB), had hoped for much better participation from local businessmen, the occasion was marred by a day of protest declared by businessmen, against the worsening law and order situation in Karachi making PTCF'95 less effective than envisaged.

The EPB efforts in organising exhibitions of Pakistani products in Pakistan and in many foreign countries, providing comprehensive service to exporters, arranging displays of their products, guiding them to the export markets are all commendable except that the cost of all the activities has never been compared to the actual impact on exports. How much increased exports, if any,

was due to these exhibitions and how much due to the efforts of the exporters themselves. And what about the Pakistan Trade Offices Abroad?

There are 41 Pakistan Trade Offices located in countries all over the world. Some trade offices are located in countries where very little business is carried out. What are the expenditures in maintaining these offices? In Spain, 1.8 per cent share of total export from Pakistan, Sri Lanka, 0.97 per cent and then Syria, Thailand, Libya, Hungary and Brazil where Pakistan is doing negligible

position achieved by Pakistan, after a hard struggle, is to be maintained.

Pakistan, a country rich in natural resources, producing quality cotton has taken full advantage of the situation and slowly, with determination and relentless efforts managed to become one of the leading textile goods exporter in the world.

1994 was not a good year for Pakistani textile exports. Even the 'quota' allocation was not fully utilised. In previous years, exporters were not only making full use of the total quota quantity but

few months, the price has risen so other countries in the queue up with them.

Pakistan is facing competition from more than one country. The liberalisation of the elimination of 'quota' within the next three years will emerge as new competitors in the export market. With technological advancements in manufacturing and processing, the emphasis on quality of goods has increased tremendously.

India, Malaysia and entered the textile market creating a tough competition not only in pricing but as well. In previous years, Pakistan had an easy time in the export market. The road ahead is bumper expected.

The U.S.A. and put less emphasis on Pakistani textile goods. The cheaper goods attraction, but as like China and India their products, at the same price range a quality became the main factor for the buyers. Germany, France and already quality c

TABLE - 1: PAKISTAN'S PRINCIPAL BUYERS

Country July-June 1993-94	Value	% Share
(Value Million U.S. Dollars)		
U.S.A.	977	14.36
Japan	545	8.01
Germany	544	8.00
United Kingdom	531	7.81
Hong Kong	494	7.81
Dubai	426	6.26
France	277	4.07
Saudi Arabia	238	3.50
Netherlands	208	3.06
Italy	185	2.72
South Korea	182	2.68
Canada	161	3.37
Belgium	158	2.32

Source: Export Promotion Bureau, Government of Pakistan.

or no business at all.

Table-1 shows the countries buying Pakistani cotton and cotton products and the total value in U.S. dollar of their share.

There is no specific data available for the activities of these Trade Offices and the benefits to Pakistan's drive to increase its exports. Billions of rupees have been spent in advertising but to date there are no statistics available giving the total cost against what has been achieved.

All said and done the business community in Pakistan has made some remarkable achievements in the textile sector. But the story does not have to end here. There is a great deal more to be done especially in the coming years, if the

found a way to 're-route' quota items through neighbouring countries, utilising a part of their quota allocation or even found a way through Dubai, which until recently was free from quota restrictions.

Table-2 shows the importance of textile goods, export earnings and thus its major share in Pakistan's economy.

Pakistan's cotton crop failure (1994-95) has made the situation much worse, pushing local textile manufacturers to buy imported cotton at a higher price. Sensing the danger of shortage of cotton, the government intervened at the right time and made a deal with the Central Asian States to import their surplus cotton. In the last

Table - 2: Export Products Year

Raw cotton
Cotton yarn
Cotton fabric
Ready made garment
M-ups (ex-towels)
Towels
Hosiery
Tent/canvas
Total
% share in Export

Total export Source: Export Promotion Bureau

Response
Very good
not again
just a commitment

Exhibition

Cost of EPB
vs
Increased Export
by exporters
themselves

Cost of EPB
vs
Increased Export
by exporters
themselves

Quota of Pakistan

بجٹ، معیشت اور برآمدات



خود کفالت، خود انحصاری، معاشی خوشحالی اور خودداری جیسے اہم قومی مقاصد حاصل کرنے کیلئے اس معاشی سنگٹوں کو توڑنا ناگزیر ہے جس میں غیر ملکی قرضوں اور امدادی القاطب پرستی رہتی ہیں۔ اگر حکومت اس سلسلے میں مخلص اور پر عزم ہو تو اسے اپنی معاشی دہلی پلیسوں کو ان مقاصد سے ہم آہنگ کرنا ہو گا اور ایسے اقدامات اٹھانے ہوں گے جن سے اسے اس ضمن میں صنعتکاروں، تاجروں اور عوام کا بھرپور تعاون حاصل ہو۔ علاوہ ازیں ملک کی معاشی ترقی کے لئے صنعتی مصنوعات کی برآمدات اور ملکی پختوں میں تیزی سے اضافہ کرنا، اخراجات میں میلان روی اختیار کرنا اور غیر ضروری در آمدات سے مکمل اجتناب برتنا جیسے اقدامات بنیادی حیثیت رکھتے ہیں۔

(مشتعل انداز میں) (Be calm... emotional)

بچھلے مالی سال میں حکومت نے برآمدات بڑھانے اور در آمدات کو کنٹرول کرنے کے لئے روپیہ کی قدر میں کمی اور ریگولیٹری ڈیوٹی کے تغیر سمیت بہت سے دوسرے اقدامات کا سرا لیا لیکن مطلوبہ نتائج حاصل نہیں ہو سکے۔ ۹۶ء میں ملک کی برآمدات ۸۵۵۹۹ ملین ڈالر رہیں جبکہ ۹۵ء میں ۱۱۹۹۳ ملین برآمدات کا حجم ۸۵۱۳ ملین ڈالر تھا یعنی برآمدات میں صرف ۵۶۶۷ فیصد کا اضافہ ہوا اس کے مقابلے میں اسی مدت میں در آمدات ۱۰۳۹۳ ملین ڈالر بڑھ کر ۱۱۶۲۲۹ ملین ڈالر تک پہنچ گئیں جو کہ ۱۲۶۳۶ فیصد اضافے کی نشاندہی کرتی ہیں چنانچہ ملک کو ۳۰۷۰۰ ملین ڈالر کا کارڈیک ڈیفرنسیل خسارہ اٹھانا پڑا جبکہ ۹۵ء میں یہ خسارہ ۲۰۲۵۷ ملین ڈالر اور ۹۳ء میں ۱۹۹۳ ملین ڈالر تھا گویا سال بہ سال تجارتی خسارہ بڑھتا ہی چلا جا رہا ہے جو کہ ایک تشویش ناک رجحان کا مظاہر ہے۔

چنانچہ اب ضرورت اس امر کی ہے کہ حکومت حالات کا معیج اور آگ کرتے ہوئے بیرونی تجارت کے سلسلے میں اپنی حکمت عملی وضع کرے کیونکہ روپیہ کی قدر میں کمی اور برآمد کنندہ گن کو مراعات دینے کا تجربہ کامیاب ثابت نہیں ہوا۔ برآمد بڑھانے کے لئے جو اقدامات ضروری ہیں ان میں ایلی منسکوں کے قیام کو ترجیح دینا جو ملک میں پیدا ہونے والے خام مال کو استعمال کر کے بیرون ملکوں کا پیداواری لاگت کم رکھتے ہوئے اپنی مصنوعات کا معیار بہتر بنانا، ویلی ایڈڈ مصنوعات کی برآمدات بڑھانے کی کوششیں کرنا اور درآمدات کے لئے نئی منڈیاں تلاش کرنا اور غیر روایتی اشیاء کی برآمدات بڑھانے پر خصوصی توجہ دینا شامل ہے کیونکہ بین الاقوامی کو فروغ دے کر سفارت دہری کی برآمدات میں کمی ملین ڈالر کا زرمبادلہ حاصل کیا جاسکتا ہے لیکن ابھی تک حکومت نے اس طرف توجہ نہیں دی روپیہ کی قدر میں کمی سے برآمدی مصنوعات میں استعمال ہونے والے در آمدی خام مال کی قیمت ملکی کرنسی میں بڑھ جاتی ہے جس سے مصنوعات کی پیداواری لاگت میں اضافہ ہوتا ہے اس لئے اس طرح بجلی، گیس اور پٹرول کے نرخوں میں بلند اضافے سے پیداواری لاگت بڑھتی ہے اور ملکی برآمدات متاثر ہوتی ہیں۔ چنانچہ یہ بات اجنبی اہم ہے، کہ روپیہ کی قیمت میں استحکام پیدا کیا جائے اور پیداواری لاگت کو کم سے کم رکھنے کیلئے حکومت اور صنعتکار دونوں اپنا اپنا کردار ادا کریں۔ ساتھ ہی یہ بھی ضروری ہے کہ صنعتکار حضرات اپنے منافع کی شرح کم رکھیں اور حکومت سے مراعات مانگنے کے بجائے بین الاقوامی مسابقت کے لئے اپنے آپ کو تیار کریں اور اپنی بین الاقوامی اپنائیں تاکہ ان کی مصنوعات عالمی معیار کے مطابق رہیں۔

وفاقی کابینہ نے گزشتہ ہفتہ توقع ظاہر کی ہے اگر موجودہ مالی سال میں کپاس کی فصل سے ۱۰۶۸ ملین گانٹھ حاصل ہو سکیں۔ چاول کی پیداوار ۳۶۲ ملین ٹن رہی اور صمغی شیشے میں ۷۶۲ فیصد کا اضافہ ہوا تو ملک کی برآمدات ۱۰ ملین ڈالر تک پہنچ سکتی ہیں جبکہ در آمدات کا تخمینہ ۱۲ ملین ڈالر ہے۔ اس طرح حکومت کو توقع ہے کہ تجارتی خسارہ ۲ ملین ڈالر رہے گا۔ چنانچہ موجودہ مالی سال میں در آمدات میں تقریباً ۳۰ فیصد اور برآمدات میں ۱۶ فیصد اضافے کا ہدف ہے دوسری طرف کابینہ کے اس فیصلے سے صرف چند روز قبل ملکی وزیر تجارت نے کہا تھا کہ اگر اگلے تین برسوں میں پاکستان کی برآمدات دہائی ہو کر ۱۰ ملین ڈالر تک نہیں پہنچ جاتیں تو ملک شدید معاشی بحران کا شکار ہو جائے گا یعنی ان کے خیال میں

معیشت کی جھلکیں

ڈاکٹر شہد حسن صدیقی

برآمدات میں اضافے کا ہدف ۲۵ فیصد سلاٹ ہونا چاہئے جو کہ موجودہ حالات میں ناقابل حصول نظر آتا ہے۔ ہم سمجھتے ہیں کہ اگر حکومت ۹۶ء میں برآمدات میں ۱۶ فیصد اضافہ کا ہدف حاصل کر لے اور در آمدات بھی ہدف کے اندر رکھ سکے تو یہ ایک اہم کامیابی ہوگی اس کے بعد اگر برآمدات میں ۳۰ فیصد سلاٹ اور در آمدات میں ۱۰ فیصد سلاٹ اضافے کے اہداف حاصل کئے جائیں تو ۳۰ جون ۱۹۹۹ء تک تجارتی خسارہ ختم ہو جائے گا کیونکہ برآمدات اور در آمدات دونوں ۱۳۶۵ ملین ڈالر کے لگ بھگ رہیں گی اس

طرح پاکستان ۲۱ ویں صدی میں تجارتی خسارے کے بغیر داخل ہو سکے گا اس عظیم مقصد میں کامیابی حاصل کرنے کا انحصار حکومت، صنعتکار حضرات اور عوام کے آئندہ طرز فکر و عمل پر ہو گا۔ یہ اہداف ہر عمل حقیقت پسندانہ ہیں کیونکہ جنوری سے جون ۹۶ء میں پچھلے سال کی اسی مدت کے مقابلے میں در آمدات میں صرف ۳۱ فیصد کا اضافہ ہوا ہے۔

خود انحصاری کی منزل حاصل کرنے کیلئے ملکی پختوں میں تیزی سے اضافہ ناگزیر ہے۔ پاکستان میں پختوں میں اضافے کیلئے موثر کوششیں گیس کی جارہی ہیں بلکہ ملائگی پختوں کی حوصلہ بخشی بی کی جاری ہے نتیجتاً ملک میں پختوں کی شرح مجموعی ملکی پیداوار کے ۱۳/۱۵ فیصد پر ابھی ہوئی ہے اس سلسلے میں یہ بات نوٹ کرنا اہم ہے کہ ملکی پختوں کے مقابلے میں اگر ملکی سربراہ کلائی زیادہ ہو تو حکومت کو مزید قرضے لینے پڑیں گے اور قرضے اور سود کی ادائیگی کے لئے زیادہ رقم مختص کرنی پڑیں گی جس سے بجٹ خسارے اور منگائی میں اضافہ ہو گا اور ملکی پیداواری شرح نمو متاثر ہوگی چنانچہ پختوں میں اضافے کے لئے اقدامات کئے بغیر سربراہ کلائی میں اضافے کی کوششیں کرنا دانشمندانہ پالیسی نہیں ہے۔

پاکستان میں موجودہ مالی سال میں مجموعی ملکی پیداوار کا حجم ۲۳۰۰۰ ملین روپے رہنے کی توقع ہے ترقی پذیر ممالک کے معیار کو مد نظر رکھتے ہوئے پاکستان میں اہم ٹیکس کی وصولی کا ہدف اس کا ۷ فیصد یعنی ۱۶۱۱ ملین روپے ہونا چاہئے جبکہ بجٹ میں صرف ۸۶ ملین روپے کا ہدف رکھا گیا ہے چنانچہ اس مد میں کم از کم ۵۷ ملین روپے کی مزید آمدنی ہونی چاہئے جو کہ ٹیکسوں کی چوری، ٹیکسوں کے غیر متعلقہ نظام اور بدعنوانی وغیرہ کی نذر ہو رہی ہے اسی طرح اگر ٹیکس اور حاصل سے آمدنی کا ہدف ترقی پذیر ممالک کے معیار کے مطابق مجموعی ملکی آمدنی کا ۲۰ فیصد ہو تو اس میں ۳۶۰ ملین روپے وصول ہونے چاہئیں جبکہ بجٹ میں یہ ہدف صرف ۲۹۶ ملین روپے رکھا گیا ہے۔

آمدنی کے مناسب اہداف نہ رکھنے کے باوجود مقرر اپنے غیر ترقیاتی اخراجات میں تقریباً ۱۲ فیصد سلاٹ کا اضافہ کر رہی ہے جبکہ دفاعی جرمی جیسے ترقی پذیر ملک کے مسئلہ تیسرے سال اپنے اخراجات میں کمی کی ہے۔ ۱۹۹۷ء کے لئے جرمی کی حکومت نے پچھلے سال کے ۳۵۱۶۳ ملین مارک تک مارک کے اخراجات کو کم کر کے ۳۴۰۶۲ ملین مارک تک رکھا ہے۔ اس طرح اس کے اخراجات میں ۲۵۵۲ فیصد کا متوقع ہے چنانچہ پاکستان کو بھی اپنے ترقیاتی اور غیر ترقیاتی اخراجات میں کمی کر کے ۹۷ء-۱۹۹۶ء میں کم از کم ۲۱۱۵ ملین روپے کے اضافی وسائل حاصل کرنے چاہئیں۔ علاوہ انہیں تجربے سے یہ بات ثابت ہو چکی ہے کہ ٹیکسوں کے شرح میں اضافہ کر کے آمدنی میں مطلوبہ اضافہ حاصل نہیں کیا جاسکتا۔ آمدنی بڑھانے کے لئے ٹیکس کی چوری کو روکنا ٹیکس نااہل گن کا دائرہ وسیع کرنا اور جن شعبوں پر ٹیکس عارض نہیں کیا گیا ہے، ان پر ٹیکس عائد کرنا ناگزیر ہے۔ علاوہ انہیں ٹیکس وصول کرنے والی مشینری کی بدعنوانی کا سدباب کرنا بھی اشد ضروری ہے لیکن حکومت نے اصلاح احوال کے لئے یہ اقدامات کرنے کے بجائے پورے پلے پر پھر بلاوے ٹیکس عائد کر دیئے جن سے نہ تو آمدنی کا مقرر کردہ ہدف حاصل ہو گا اور نہ ہی معیشت میں کسی قابل قدر بہتری کی صورت پیدا ہوگی۔ نئے وفاق بجٹ میں ۳۱ ملین روپے کے ٹیکس لگائے جانے کے بعد تاجروں اور صنعتکاروں کی فیڈ بیک سے نمائندوں نے حکومت سے مذاکرات کر کے اپنے بہت سے مطالبات منوائے ہیں اسی طرح کارپوریٹ ٹیکس کے اثرات نے بھی انڈور سوئچ استعمال کر کے کچھ رعایتیں حاصل کر لی ہیں۔ یہ زمیندار صاحبان تو وہ پہلے ہی عملی طور پر ذریعہ اہم ٹیکس دینے سے ایک مرتبہ بھرتی تھے چنانچہ نئے بغل شدہ ٹیکسوں کے بوجھ کا بڑا حصہ عوام کو ہی اٹھانا پڑے گا اب سوال یہ پیدا ہوتا ہے کہ ان کے مفادات کا تحفظ کون کرے گا؟

۹۷-۱۹۹۶ء کی تجارتی پالیسی



تجارتی پالیسی دراصل درآمد اور آمد کنندگان کے واسطے ہوتی ہے مگر درآمد اور آمد سے ملک کا برصغیر متاثر ہوتا ہے اس لئے اس کی تفصیلات کو جتنا بہت ضروری ہے۔ پہلے تجارت کی ایک نئی افواہ کے انہوں میں تھی وہ جس نئی پیدوار کو منافع بخش سمجھتے۔ اس کو باہر بیچنے اور ضرورت کی اشیاء باہر سے منگوانے سے بعد میں صورتحال تبدیل ہوئی صنعتی انقلاب اور جدید ٹیکنالوجی نے ایک طرف یورپ اور امریکہ کے بعض ملکوں کو صنعتی مملکت میں تبدیل کر دیا دوسری جانب بعض ملکوں کی دستکاریوں اور مقامی صنعتوں کو ختم کر کے خاتمہ انجس کی منڈیاں بنادیا جس کا سلسلہ کم و بیش ابھی تک جاری ہے مثلاً قہر، پاکستان کے موقع پر یہ ملک صرف خام مٹی جیسے جوت، کپاس، چاول، چائے، کھلیں اور پھل برآمد کرتا تھا اور ضرورت کی ساری چیزیں مثلاً شکر، خوردنی تیل، کپڑا، پیڑل اور اس کی مصنوعات، فولاد، کیمیائی اشیاء، مشینیں، سینٹ، دواؤں وغیرہ درآمد کرتا تھا ابتدائی دو عشروں میں ملک میں صنعتی ترقی کی رفتار کافی متاثر رہی اور یہاں پانچ پانی، شکر سائی، کیمیائی کھاد، پلاسٹک، دواؤں، انجینئرنگ کے شعبوں میں مختلف کارخانے کھل گئے بعد کے عشروں میں فولاد اور چھوٹی صنعتوں نے معقول ترقی کی اور یہاں تجارت خراج کا تناسب بدل گیا تاہم آج بھی کپاس، چاول، خام چمڑا اور کھلیں، پھل اور اس کی پیدواریں، چل اور سبزیاں ہماری تجارت کا ایک اہم حصہ ہیں۔ ۹۶-۱۹۹۵ء میں ہماری تجارت خراج میں کپاس اور اس کی مصنوعات (کپڑا، سوئی دھماکہ، تیار شدہ ملبوسات، تریاں اور کرچی، موزہ، بنیان، بسز کی چادریں، تولیے وغیرہ) کا حصہ ۲۴.۴ فیصد تھا۔

دوسری خصوصیت یہ ہے کہ ہماری خارجی تجارت چند خاص مملکت تک محدود ہے ۹۶-۱۹۹۵ء میں کل برآمد کا ۵۱ فیصد حصہ علی الترتیب ریاست ہائے متحدہ امریکہ، برطانیہ، جرمنی، جاپان، بنگلہ دیش، ویت نام، جنوبی کوریا کو کیا جبکہ ۹۵-۱۹۹۴ء میں ایت کے لحاظ سے ہماری درآمد کا ۵۳ فیصد حصہ جاپان، ریاست ہائے متحدہ امریکہ، ملائیشیا، جرمنی، کویت، برطانیہ اور سعودی سے آیا۔ ہونا تو یہ چاہئے کہ جتنا ہم باہر بیچیں، اسی بہت کا مال باہر سے منگوائیں مگر عملی طور سے ایسا نہیں ہوتا اگر کرکٹ ۳۶ سال کے اعداد پر نظر دلیں تو یہ چلتا ہے کہ اس عرصے میں صرف دو سال (۵۱-۱۹۵۰ء اور ۵۳-۱۹۵۲ء) ایسے تھے جب توازن تجارت ہمارے موافق رہا ورنہ باقی تمام سالوں میں درآمد برآمد سے بڑی رہی اور بعض سالوں میں تو یہ فرق بہت زیادہ نمایاں رہا جیسے کہ خود ۹۶-۱۹۹۵ء کے خالص اعداد کے مطابق درآمدات ۸۸.۸ ارب روپے کے بعد درآمد تھیں۔

اب تک یہ دستور رہا کہ ہر سال تجارتی پالیسی کا اعلان کیا جاتا ہے اور عموماً ہر مرتبہ یہ دعویٰ کیا جاتا ہے کہ تجوز پالیسی کا مقصد برآمدات کا فروغ، درآمدات پر آمات کے بجائے جدید اور خصوصاً نسجہ قدر (ڈبلیو ایچ ڈی) کی ترقی، کرنی کرنی منڈیوں کی تلاش اور غیر ضروری اور ترقیاتی اشیاء کی درآمد کی روک تھام ہو مگر ان کا عملی نتیجہ کوئی خاص برآمد نہیں ہوتا جیسا کہ مندرجہ بالا اعداد و شمار سے اندازہ ہوتا ہے۔

۹۷-۱۹۹۶ء کی تجارتی پالیسی کا اعلان کرتے ہوئے کہا گیا کہ پاکستان کی آخری روایتی تجارتی پالیسی ہے اور آمد و رفت کی پالیسی کا اعلان نہیں کیا جائے گا کیونکہ موجودہ پالیسی کو

آنے والے تمام سالوں پر محیط بنادیا گیا ہے یہ ہر لحاظ سے جامع پالیسی ہے اگر اس سے مراد ان ضابطوں اور فارموں کی انجمنوں سے چھٹکارا دلانا، طریقہ کار کو آسان بنانا، وزارت تجارت، محکمہ فروغ برآمدات اور بعض صورتوں میں چیک دولت پاکستان کی منظور ہونے کے حصول سے آزادی اور ان پیکروں کے درمیان انعام و اکرام، عطیات، بخششوں کے عمل سے نجات دلانا مقصود ہے تو یقیناً یہ پالیسی غیر روایتی حالت ہوئی بصورت دیگر دنیا کے حالات، سائنس کی انزاعات، معاشی اور سیاسی تقاضے، قیوتوں میں تغیر قیوت قدر تیزی سے بدل رہے ہیں کہ خود ایک سال کی بھی چیز کوئی کرنا مشکل ہے اور ایک طویل عرصے کے متعلق قیوت کرنا ہی بہت ہی دشوار ہے۔

تجوز تجارتی پالیسی کے اہم خدو مل ہیں ہیں۔ موجودہ سال پہلے برآمد کارڈ دس کرب وائر کھانا یا ہے جبکہ وزارت مالیات کا اصرار تھا کہ یہ دس

معیشت کی تحلیل

محمد احمد سبزواری

۱۰۶۸ کرب مقرر کیا جائے۔ تجارت خراج کے نظام کو ڈھیلا ڈھالا (ڈی ریگولرائز) کیا جا رہا ہے۔ اب تک اشیاء کی دوبارہ برآمد کرنے کی صرف اس صورت میں اجازت تھی جبکہ بعض برآمدی ایک لوٹی لائٹ سی اینڈ الیف سے کم از کم دس فیصد وائر ہو اور اس کی اجازت بھی وزارت تجارت سے حاصل کرنا پڑتی تھی اب اجازت کی شرط منسوخ کر دی گئی اور اگر دو لائٹوں میں ۲۵ فیصد کافرن بھی ہو تو یہ بھی اس کو برآمد کیا جاسکتا ہے۔ چونکہ اب ملک میں سینٹ کی جملہ کمپنیاں نئی شے کے حوالے کر دی گئی ہیں اس واسطے اب سینٹ اور سینٹ کے قوسے (کنڈر) جو ہم ساختہ شے ہے، کو بھی شہرہ جری

راستوں سے برآمد کر سکتے گ۔ ہمسایہ ملکوں کو بری اور فضیلتی راستوں سے برآمد کی سوتیں فراہم کی جارہی ہیں۔

اب تک برآمدی مالیاتی امانت کی سومات سبب، مصنوعی ریشے اور ریشی کپڑے کی مصنوعات پر ۱۸۰ دن تک حاصل تھی اب بینک دولت پاکستان سے سفارش کی جارہی ہے کہ یہ سومات سوتی کپڑے کی مصنوعات اور غیر سوتی برآمدی اشیاء کے علاوہ بعض معدنی اشیاء کو بھی فراہم کرے جس میں سبب سائنڈ بھی شامل ہے (جس کی پیدوار حال میں کافی بڑھ گئی ہے)۔

ذاتی سامان کے طور پر قیوتوں کی برآمد کی اجازت بشپٹیک غیر ملکی زر کے ذریعہ انکی خریداری کا ثبوت پیش کیا جائے۔

پاکستان اسٹینڈرڈ ڈائنمیت کے سرٹیفیکٹ کے بغیر ہر قسم کے بجلی کے پنکھوں کی اجازت۔ برآمد کنندگان کو اپنی برآمدات کی آمدتوں پر غیر ملکی میں قرض لینے کی اجازت۔

افریقہ اور لاطینی امریکہ کے ملکوں کو برآمد کی جانے والی مخصوص اشیاء پر کرایہ میں رعایت۔

بعض مراعات کی فراہمی۔ ان اقدامات کے علاوہ ایک انجمن ٹرانسک فورس قائم کی جارہی ہے (جس میں ممتاز صنعتکار اور برآمد کنندگان شامل ہوتے) جو تجارت خراج کے متعلق حکومت کو ایسے مشورے دیں گے جن سے طویل میعاد میں تجارت بالخصوص برآمدات کو فروغ حاصل ہو نیز یہ کوشش بھی کی جائے گی کہ مصنوعات کے بین الاقوامی معیارات کی تکمیل ہو سکے۔

تجارت کے ذیل میں ایک مسئلہ جس کو آج کل مغربی مملکت میں بڑا اچھا چل رہا ہے، دو کم میں بچوں کی محنت کا ہے۔ پاکستان پر الزام ہے کہ اس کے بعض صنعتی ادارے بالخصوص کاشتیں بنی اور اسپورٹس کا سامان تیار کرنے کی صنعت میں بچوں سے کام لے کر ان کا حصول کیا جا رہا ہے جس کی وجہ سے ان دونوں صنعتوں کی برآمد کو خاصا نقصان پہنچا ہے اس میں کوئی شبہ نہیں کہ نہ صرف پاکستان ملک بھر، بلکہ ویت نام، سری لنکا اور برازیل ان تمام ملکوں میں جنم غربت کا ہے، والدین اپنے بچے کو خارج کر کے چلائے

کچھ اور ڈاکٹر قدیر اور ڈاکٹر نذیر چائیں

ہے۔ اس دور میں بہت آگے نظر آنے والی قوموں کی ترجیحات میں تعلیم اور سائنسی ریسرچ سب سے آگے ہیں کیونکہ وہ بخوبی جانتی ہیں کہ قوموں کی تعمیر و سکون میں ہوتی ہے اور کسی قوم کو عالمی برادری میں ترقی یافتہ اور فنی اور معاشی برتری تجزیہ ملکوں کی عرق ریزی عطا کرتی ہے۔ یہی وجہ ہے کہ ترقی یافتہ ملکوں میں آج بھی سب سے زیادہ مشاہرے اور مراعات اور عزت و تحکیم استادوں اور سائنس دانوں کو حاصل ہیں اور ہمارے ہاں یہ عالم ہے کہ ہم سے سائنس اور ریسرچ کو نظر انداز کر کے ڈین نو جوانوں کیلئے غیر دانش بنادیا ہے اور تعلیم کو تو بے وقوف کر کے رکھ دیا ہے۔ کیا غلط اور

ڈاکٹر نذیر احمد چیمہ

بیوروہ ترجیحات میں ہماری۔ ہم نے تمام ترجیحات بے بنیاد طور کی جنم میں ڈیل دی ہیں اور تمام بر اعتبار اختیار قوموں کی دوز میں کچھ خاص تعین نہ کرنے والی اشرش کے بے قدرت میں دے دیا ہے۔ چھ سالہ نوکری والے تیس سال کے نو جوان افسر کے چالیس سال کے بچے میں چھ سرکاری کلاں کڑی ہیں اور ریسرچ کے والا پچاس سال سائنس دان اور بچپن سالہ یونیورسٹی پروفیسر یکن کے انتظار میں دھکے کھا رہا ہے۔ اگر ملک کی تمام ترجیحات صرف اشرش کیلئے مخصوص کر دی جائیں تو پھر کوئی قابل نو جوان سائنس کی طرف کیونکر جاسے گا۔ ہر نو جوان صرف افسر بننے کی کوشش کرے گا کیونکہ زندگی کی سوتیں، مراعات اور بہتر ملتی مرتبہ کی خوش تو بری سے بڑے نو جوان میں ہوتی ہے۔

نوجوان بچوں کو کام پر لگ دیتے ہیں یقیناً یہ کمال کل نہیں مگر اس کے معاشی فائدہ کو نظر انداز کرنا بھی نہیں جملہ ملتی ہوئے کے کاموں کی عدم موجودگی بعض وقت میں بچے اپنے اپنے خاندانوں کے ذریعہ ملتی خود امریکہ میں کم عمر بچے اخبار فروشی اور دوسرا بچوں کی محنت کر کے روزی کماتے ہیں کہ ۵۶ لاکھ ہے۔ ایک سروس کے مطابق ان میں سے کچھ ملتی طور پر کام کرتے ہیں ہر ملتی حکومت سارا اور دوسری انجمنیوں کے ذریعہ محنت اٹھل کر لیا ہے اور اسکے انسداد کی کوشش کر رہی ہے۔

تجارتی پالیسی میں چونکہ ایک اقدامات کے لئے سے باہر سوتیں اور مراعات، ملتی نظر آتی ہیں، مختلف طبقے خوش ہیں مگر اس سطح میں مندرجہ ذیل خاص طور پر غور کے قابل ہیں۔

۱ پاکستان اسٹینڈرڈ ڈائنمیت کے سرٹیفیکٹ کے بغیر پنکھوں کی اجازت۔ یہ غیر معمولی پنکھوں کی برآمد بھی ہے جس سے پاکستان کی ساکھ کو نقصان پہنچا ۲ ملک میں سینٹ کی پیدوار زیادہ نہیں ۳۲-۱۹۹۳ء مقابلے میں ۱۹۹۳ء میں سینٹ کی پیدوار زیادہ لاکھ تین گنت کی تھی اور اس وقت سینٹ درآمد کرنا جولائی ۹۵ء سے مارچ ۹۶ء تک بھی سینٹ کی درآمد کرنا نہیں ہے۔ گم رہی ان حالات میں یہ اطلاع لاکھ ملک میں قتل برآمد فاضل سینٹ کی مقدار ۸۹ ارب روپے جاتی ہے اور اس کی برآمد سے ۱۸۸ ملین روپے ہو سکتے گے، ایک ناقابل یقین خوش فہمی معلوم ہوتی ہے کہیں کچھ سال کی محنت معاملہ نہ ہو جائے۔

۳ حکومت بے دردی روپے کی قدر بھاری ہے بے دردی کے پہلے سینٹ میں دوسرے کی کمی یوں برآمدی اعتبار ان سے تیار ہونے والی اشیاء کی لاکھ بڑھ جائے گی اور اقوامی منڈیوں میں ملکی مسابقت کی سلاست کر رہی گی دوسری جانب ۳۰ جون ۹۵ء سے ۳۱ روپے کی قدر مقابلے میں آج ہم کو ۳۵ روپے دینا ہو گئے ہیں ۴ ڈالر کے دھکے کو ہر کرانے کے لئے ۳۵ کرب کرب دیت کا بل برآمد کرنا ہو گا یہ فیصلہ ملک کو کرنا سودا سستا ہے یا مٹکا

ہمارے پالیسی سازوں کو نہ جانے کب سمجھ آئے گی کہ قیادت و سیاست اور انیس نئے والے احکام اور ہدایت فیصلہ اسرارہ انڈسٹری میں نہیں دلیہ فیصلہ کرنا ہوتے ہیں۔ آج دنیا کی برادری اور امانت کا ہی نام نہ لیتا کہ فیصلہ بھی ٹیکنالوجی کی مدد سے ہی کرتی ہے۔ ہمارے کے ڈین نو جوان تجزیہ ملکوں سے مز ملتی، ڈاکٹر سوتلی ہی اس کا مندرجہ جی ہے۔

ہم بھی اگر پسماندگی اور ذلت کی دلدل سے نکلا جا اور غلامی کا پناہ چھوڑنے کا ارادہ رکھنے کی قربانیاں دیکھنا ترجیحات درست کرنا کا اعلان کریں۔ یہی فیصلہ کر گروہ میں شامل کر کے سائنس اور تعلیم کو بہتر دیکھنا بنادیا جائے۔ تمام ترجیحات اور ملتی مرتبہ سائنس اور ریسرچ کے میدان میں کو دے والوں کے قوسوں پر لگا کر دینے چاہیں۔ سرکاری تقریبات میں پروٹوکول شہرہ اور شہر کا سب سے اعلیٰ گھر سامنے ان، ریسرچ سارا استاد کا جو سب سے ترقی یافتہ ڈین کو ان کا حق ملے گا تو

نے تجربات کر کے زراعت، صنعت اور معیشت میں لاکھ برآمد کر دینے کا حق ضرور ادا کر سکیں گے۔ اگر ہم غلامی کا طور پر قبول نہیں کر لیا تو ہم میں آزاد قوموں کی طرح غلام و قد کر سکتا ہندو دینے کی خوشی ہے تو پھر ہم کو اور قدر، بہرہ اور دانش سلیم اڑیں کچھ اور بطور غلامی کلاں ڈاکٹر نذیر احمد چیمہ اور شیخ اعظمی چائیں۔

قرآن کریم کی مقدس آیات اور احادیث نبویؐ آپ کی دینی معلومات میں اضافے اور تبلیغ کیلئے شائع کی جاتی ہیں ان کا احکام آپ پر فرض ہے لہذا جن صفحات پر آیات درج ہوں ان کو صحیح اسلامی طریقے کے مطابق بے حرمتی سے محفوظ رکھیں۔

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بانی - میرخلیل الرحمن

جلد ۲۵ جمعہ ۹ اگست ۱۹۹۶ء ۲۴ ربیع الاول ۱۴۱۷ھ نمبر ۲۳۰

مردم شہری سے گریز خلاف آئین ہے۔ جاگیردار رکاوٹ ہیں

واپڈا کی اجارہ داری ختم کرنے اور بھارت سے تجارت پاکستان کے مفاد میں ہے۔ شہد برکی کا تقریبی خط

کی مایات و معاشیات کے بارے میں صحیح اعداد و شمار تک نہیں ہیں۔ انہوں نے کہا کہ پاکستانی بھٹ قومی اتفاق رائے کا منظر نہیں ہے، اسی لئے مختلف طبقے بے چینی محسوس کر رہے ہیں۔ بھارت کو فورم آف آئٹاک رائٹرز کے زیر اہتمام ایک تقریب سے خطاب کرتے ہوئے شہد جلیوہ برکی نے کہا کہ سیاستدان اگر چاہیں تو پاکستان کی باقی صفحہ ۲۳ کا م ۶ ملاحظہ کیجئے

اسلام آباد (تملک و جنگ) عالمی بینک کے نائب صدر اور ممتاز ماہر معاشیات شہد جلیوہ برکی نے کہا ہے کہ مردم شہری نہ کر اگر آئین سے انحراف کیا جائے گا۔ انہوں نے کہا کہ مردم شہری اس لئے نہیں کرانی چاہی کیونکہ اس کے بعد سیاسی اقتدار دیہات سے شہروں کی طرف منتقل ہو جائے گا، جاگیردار مردم شہری کی مخالفت کر رہے ہیں۔ انہوں نے کہا کہ بھٹ بنانے والوں کے پاس پاکستان

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مردم شہری سے گریز خلاف آئین ہے۔ جاگیردار رکاوٹ ہیں

بقیہ - صفحہ ایک سے آگے

میں شامل ہے۔ ایک سوال کے جواب میں انہوں نے کہا کہ عالمی بینک کسی ملک کو مخصوص پالیسیاں اپنانے پر مجبور نہیں کرتا۔ ہمارا بھٹ مختلف گروپوں کے اتفاق رائے سے نہیں بنا، اسی لئے مختلف طبقات بے چینی کا اظہار کر رہے ہیں، تجارت کا فرق 5 ارب ڈالر ہو گیا ہے، قرضوں کا بوجھ کم کرنے کی بجائے ہم مخالف سمت میں چل رہے ہیں۔ بھارت کے ساتھ تجارت کے معاملے پر انہوں نے کہا کہ یہ پاکستان کے مفاد میں ہو گا کہ وہ بھارت کیساتھ تجارت کرے۔ ہمیں اپنے ٹیکسوں اور ٹریف کے نظام کو ریگولیت کرنا ہو گا، یہ لوگوں کے مفاد میں ہو گا کہ واپڈا کی اجازت داری کو توڑا جائے۔ اگر لوگوں کو یقین ہو جائے کہ ان کے ادا کردہ ٹیکسوں کا صحیح استعمال ہو رہا ہے تو وہ بخوشی ٹیکس ادا کریں گے، مگر ایسا نہیں ہے۔ انہوں نے کہا کہ پاکستان کے پاس تو معاشیات اور مایات کے بارے میں صحیح اعداد و شمار تک نہیں ہیں۔

معاشی مشکلات پر قابو پایا جاسکتا ہے، مسائل کے حل کیلئے سیاسی عزم کی ضرورت ہے، موجودہ سیاسی نظام عوام کی امنگوں کا ترجمان نہیں ہے، ملک کے سماجی و اقتصادی ڈھانچے میں بنیادی تبدیلیوں کی ضرورت ہے، سیاسی نظام کو مخصوص طبقے نے پر غلبہ بنا رکھا ہے، جو نئے دور کے تقاضوں کے مطابق معاشی تبدیلیوں کا حامی نہیں ہے۔ آئین کے تحت ملک میں مردم شہری ہونی چاہئے، مردم شہری ہو جائے تو اس سے قانون ساز اداروں کی نشستوں میں بھی اضافہ ہو گا اور دیہی علاقوں میں نئے دور کا آغاز ہو سکتا ہے۔ انہوں نے کہا کہ اصل مسئلہ پاکستانی عوام میں سادگی کی بجائے کالہ ہے، کوئی بھی ملک ترقی نہیں کر سکتا، جس کے بھٹ کے خصلے اور اخراجات میں نمایاں فرق ہو یا جس میں سرمایہ کاری نہ ہوتی ہو، یا جس کی برآمدات و درآمدات میں تفاوت ہو، چرشمہ سے پاکستان ان تینوں سنگریز

سینٹرل بینک آف پاکستان کی جانب سے جاری کردہ نوٹوں کی تعداد ۳۸ لاکھ

ٹیکس عوام کی قوت برداشت سے باہر ہیں، شہد برکی

پاکستانی معیشت کو مشکل صورتحال کا سامنا ہے، بائز طبقوں نے خود کو ٹیکسوں سے بچایا

لاہور (نمائندہ جنگ) عالمی بینک کے نائب صدر شہد جلیوہ برکی نے کہا ہے کہ پاکستان کے مالیاتی طور پر دیوالیہ ہونے کا کوئی خطرہ موجود نہیں تاہم معیشت کو مشکل صورتحال کا سامنا ہے جس سے بچنے کیلئے بجٹ کے خسرہ اور شدید مالیاتی عدم توازن کو ختم کرنا اور اقتصادی ڈھانچہ کو بہتر بنانا چاہئے۔ "جنگ" سے باتیں کرتے ہوئے انہوں نے کہا کہ موجودہ بجٹ میں لگائے گئے ٹیکس عوام کی قوت برداشت سے باہر ہیں بعض بائز طبقوں کو ٹیکسوں کے دائرہ کار سے باہر رکھا گیا ہے۔ جس سے شری آبادیوں میں رہنے والے لوگ براں کھینچتے ہیں اور اس کا رد عمل لوگ دیکھ رہے ہیں۔ انہوں نے کہا کہ بائز طبقوں نے خود کو ٹیکسوں سے بچا کر ٹیکسوں کی پالیسیوں کو غیر متوازن کر دیا ہے اور زرعی ٹیکس کاٹ لگایا جاتا سیاسی دباؤ کا نتیجہ ہے۔ ملک کی اقتصادی صورتحال کو دھماکہ خیز صورتحال قرار دیتے ہوئے انہوں نے کہا کہ ماضی کی حکومتوں اور موجودہ حکومت کی پالیسیوں سے معیشت کو نقصان پہنچا ہے۔ لیکن یہ صورتحال ایک دن میں پیدا نہیں ہوئی تمام حکومتیں ان خرابیوں کی ذمہ دار ہیں۔ انہوں نے کہا کہ موجودہ پالیسیوں کی خرابی کی ذمہ دار منصوبہ سازوں کی اپرویج ہے انہوں نے کہا کہ ان پالیسیوں کے نتیجے میں پاکستان میں سیاسی، سماجی اور اقتصادی بحرانوں نے جنم لیا۔ انہوں نے کہا کہ معاشی منصوبہ سازوں کو اس بات کا اور اک نہیں کہ اقتصادی بحرانوں سے کیسے نمٹنا ہے۔ مالیاتی عدم توازن کے نتیجے میں بجٹ کا خسرہ ۴ ارب ڈالر تک پہنچ گیا ہے گزشتہ دس سال کے دوران در آمدات اور برآمدات کے فرق میں اضافہ ہو رہا ہے علاوہ انہیں پاکستان کو ملنے والے قرضے اور امداد کے سوتے خشک ہو رہے ہیں۔ پاکستان کے اقتصادی منصوبہ سازوں کو اس سنگین صورتحال کا جائزہ لینا چاہئے۔ کیونکہ بجٹ کے خسرہ کو پورا کرنے کے دونوں طریقے معیشت کیلئے خطرناک ہیں جن میں قرضے لینا اور کرنسی نوٹ

چھپانا شامل ہے انہوں نے کہا کہ حکومت اپنے اخراجات پورے کرنے کیلئے کرنشل ٹیکسوں سے بھری شرح سود پر قرضے حاصل کر رہی ہے انہوں نے بتایا کہ ۳۰ جون ۹۵ کو غیر ملکی قرضے ۳۱.۹۵ ارب ڈالر تک پہنچ گئے اور پاکستان نے غیر ملکی قرضوں پر اپنا انحصار بڑھا دیا ہے جس سے پاکستان قرضوں کے جال میں پھنستا جا رہا ہے موجودہ حالات میں اخراجات میں قرضوں پر سود کی ادائیگی سب سے پہلے نمبر پر آگئی ہے انہوں نے پاکستان میں صنعتی قرضے کے بدلے میں ایک سوال اٹھایا ہے جواب میں کہا کہ ذوالفقار علی بھٹو کی نیشنلائزیشن پالیسی نے ایوب خان کے دور کی قرضے کے ثمرات کو چھین لیا اور سرکاری اداروں کا اعتماد ختم ہو گیا جس کے نتیجے میں صنعتی انفراسٹرکچر رک گئی علاوہ انہیں پرائیویٹ کمرشل بینکوں کے قرضے تحویل میں آنے سے کمرشل بینکوں سے سرمایہ کاری کا رخ تبدیل ہو گیا اور اس کے نتیجے میں جو بینکار تیار ہوئے وہ مشرق وسطیٰ، یورپ اور امریکہ ہجرت کر گئے انہوں نے کہا کہ نیشنلائزیشن کے بعد بینکوں پر سیاست نے قبضہ جما لیا اور سیاستدانوں نے ایچ او بیوں کا غلط استعمال کیا اور اس طرح نیشنلائزیشن کے ذریعہ بینکوں میں کرپشن نے جنم لیا انہوں نے کہا کہ پاکستان کی اقتصادیات کو درپیش خرابیوں میں بجٹ کا خسرہ اور شدید مالیاتی عدم توازن، سیاسی نظام کے تحت مالیاتی نظام کا آزادانہ طور پر چلنا، بینکنگ کے شعبہ اور نظام میں بدانتظامی، بچتوں کی کم شرح، بیرونی اور اندرونی قرضوں کے بوجھ میں اضافہ، سرمایہ کاری کی شرح میں کمی اور اس کے نتیجے میں سرمایہ پر کم آمدنی، فزیکل انفراسٹرکچر میں بدستور گرتی ہوئی شرح شامل ہیں علاوہ انہیں انسٹیٹویشنل وسائل کا کم استعمال، آبادی میں تیزی سے اضافہ، غربت کی افزائش، آبادی کے کثیر حصہ کو بنیادی سہولتوں کی عدم فراہمی اور انصاف کے نظام پر لوگوں کا اعتماد نہ ہونا بھی معیشت کی اہم خرابیوں میں شامل ہے۔

برآمدات نہ بڑھیں فروغ برآمدات والوں نے لاکھوں کمائے

لاکھوں کے ٹی اے ڈی اے لینے والوں میں چیمبرمین سے ٹیکس کریڈٹ ۵ کے لبادہ شامل ہیں

سیر وقت کی تفصیلات کے مطابق ۹۶-۱۹۹۵ء کے دوران مذکورہ فنڈ سے بیرون ملک برآمدی نمائشوں اور میلوں کے انعقاد کے لئے جانے والے افسروں بلکاروں اور کنسٹنٹس نے کل ایک کروڑ ۳۳ لاکھ ۸۷ ہزار ۳ روپے ٹی اے ڈی اے وصول کیا۔ مستفید ہونے والوں میں پنجاب کے ۳۹ افسران و بلکار مندرجہ کے بھی ۳۹ صوبہ سرحد کے ۸ بلوچستان کے ۲ قبا کا ایک اور آزاد کشمیر کا ایک افسر شامل ہے جب کہ ٹی اے ڈی اے وصول کرنے والے کنسٹنٹس میں ۷ کا تعلق مندرجہ ۳ کا تعلق پنجاب ایک کا بلوچستان اور ایک کا سرحد سے ہے۔

اسلام آباد (نمائندہ جنگ) حکومت کے اس واضح اعتراف کے باوجود کہ ۹۶-۱۹۹۵ء کے دوران برآمدات کا برف حاصل نہیں کیا جاسکا معتبر ذرائع نے ایکسپورٹ پرموشن بیورو کے افسران اور بلکاروں کی طرف سے بیرون ملک فروغ برآمدات کی نمائشوں اور میلوں کے سلسلے میں ایک کروڑ روپے سے زائد ٹی اے ڈی اے وصول کرنے کا انکشاف کیا ہے۔ بھڑکی بلیٹ کے ٹی اے ڈی اے وصول کرنے والوں میں ایکسپورٹ پرموشن بیورو کے گریڈ ۲۲ کے چیمبرمین سے لے کر گریڈ ۵ کے جوئیز ٹیکس شامل ہیں جنہوں نے ایکسپورٹ مارکیٹ ڈیولپمنٹ فنڈ سے اخراجات وصول کر کے

۲۔ صنعت

Devaluation won't help exports: businessmen

Irfan Maqbool Sheikh

[LHI: Pakistan's business community has reacted sharply to the 8.52 per cent devaluation of the rupee against the US dollar announced by the State Bank of Pakistan Tuesday, saying that the move will have little effect on sluggish exports as industries do not have surplus stocks due to recession. Speaking to The News by telephone from Lahore, President Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Senator Ilyas Bilour said that the country was suffering economically due to successive unjustified devaluations. He said that within the space of months the rupee had been devalued by around 21 per cent adding that this directly hit the poor as any devaluation fed an inflationary spiral. He said that 8.5 per cent devaluation coupled with 10 per cent increase in the prices of petroleum products would affect prices thereby burdening the common man. With inflation rate touching 20 per cent one can well imagine its adverse impact on the consumers," he opined. This is the fifth major devaluation during the last three years.

The first devaluation came at the end of the Nawaz Sharif government in June 1993; the second of nine per cent was enforced by the caretaker government of Moeen Qureshi (which incidentally was the highest in three years); the third was on October 28 last year (seven per cent); and the fourth on September 10 last (3.65 per cent); and now the fifth (8.5 per cent).

Exporters, interviewed by this correspondent after the SBP decision, were of the view that such a devaluation must be linked with some tariff adjustment as the cost of basic inputs for export industries was getting increasingly higher. "We were not expecting this much devaluation," said that Chairman Pakistan Tanners Association (PTA) S M Naseem.

Talking about the leather sector, he said that it would not significantly benefit the exports as there was not much stock available for export purpose. "It will only benefit those whose stocks are available with them," Naseem said, adding that the leather industry was facing shortage of skins as prices were being increased due to devaluation and other factors.

Exporters are now foreseeing that Tuesday's devaluation will be

followed by with the withdrawal of regulatory duty which is, in their opinion, necessary to arrest the rising cost of inputs.

Chairman Export Committee FPCCI Wajid Jawwad said that withdrawal of regulatory duty and tariff adjustments was part of the overall package of the International Monetary Fund (IMF). Unless such adjustments were done, impact on the exports could not be judged, he added.

Former chairman Readymade Garment Association Rashid Soorty said: "What appears is that every devaluation decision taken by government is abrupt and out of desperation, under pressure from outside donors."

Pakistan had an import-based economy, which meant that cost of imported raw material, accessories and all other inputs would rise rendering Pakistan product even less competitive, he added.

Soorty opined that the increase in price of domestic products would open doors more widely for smugglers, which would cause a further drop in domestic production. "Rise in smuggling will have an adverse impact on generation of revenues," he said adding there would be short fall in tax collection and the government would be facing a heavier bud-

get deficit.

The country's revenues would now be taken away by debt services, repayment of debts and rise in defence purchases. The industrialisation process had considerably slowed down, he added.

Commenting on the issue, FPCCI chief Senator Ilyas Bilour blamed economic managers, saying their financial mismanagement has taken the country on the verge of economic collapse.

He reiterated his stance that by devaluing the rupee Pakistan's exports would not increase, saying no matter how much they devalue the rupee government would not be able to meet the export target. "Even if government decided to bring down the rupee to Rs45 against a dollar, the \$10 billion export target is a far-fetched possibility," he added.

Bilour regretted the fact that government did not pay any heed towards some of the sound proposals put forth by the business community for economic betterment of the country.

He once again reiterated some of the demands of the community, saying that government should sit with them to hear the proposals of businessmen so that the country could be brought out of this quagmire.

Pakistan's macro-economic imbalances

Aftab Ahmad Khan

Pakistan's economy in recent years has been experiencing baffling macro-economic imbalances which unless effectively tackled on the basis of a well designed and properly integrated package of economic policies and programmes could pose a serious threat to socio-economic stability aside from disrupting the economy's momentum of growth.

The principal imbalances are reflected in a significant savings-investment gap and unsustainable fiscal and external current account deficits.

Savings and investment rates in Pakistan are unusually low (averaging annually 14.8 per cent and 19.6 per cent of Gross National Product respectively during the five years that ended June, 1996) in relation to historical growth of domestic output (GDP) and relative to many other low income countries. At these low rates of savings and investment, it would not be possible to support future economic growth of 7 per cent per year (which is socially necessary). Efforts to maintain a high rate of growth without mobilising more national savings would result in a rapid accumulation of non-concessional external debt with serious consequences for the balance of payments position of the country in the not too distant future.

Various reasons have been put forward to explain Pakistan's lacklustre savings performance. These include: the existence of a large, unorganised black economy whose savings are not captured in the official statistics; a feudal outlook characterised by wasteful expenditure; conspicuous consumption and ostentatious living; a development strategy which has emphasised the production of consumer goods; rates of inflation higher than the rate of return on savings; a high population growth rate with a concomitant high dependency ratio; the low level of per capita income; and deficiencies in the methods used to prepare official estimates of savings.

The most frequently cited reason is, however, a culturally induced bias in favour of consumption. But while such a bias would affect the propensity to save, it cannot by itself explain all aspects of Pakistan's savings performance and by constantly citing this factor, the importance of other determinants tends to be either disregarded or discounted. In our case

it is quite clear that inadequate returns on financial savings and unequal and inefficient distribution of credit have exercised an inhibiting impact on the process of savings and investment. Admittedly the real rate of return is not the only determinant of savings, but the evidence suggests that it is a far more important determinant than bankers and policy makers acknowledged for a long time.

The main imbalance between savings and investment in Pakistan arises in the public sector. The issue of mobilisation of the domestic resources for the public sector, however, goes beyond that of raising the rate of public savings. In the public sector, domestic resources must be mobilised not only to raise the savings rate but also to meet the recurring cost of public services.

Budget deficit i.e. gap between consolidated public revenues and expenditures is currently one of the most serious macro-economic problems facing Pakistan's economy. The consolidated fiscal deficit during the period 1980-81 to 1991-92 averaged around 7.2 per cent of Gross Domestic Product (GDP) annually. It was brought down to an annual average of 6.3 per cent of GDP during the four fiscal years ended June, 1996. In 1995-96 it amounted to Rs. 125.9 billion or 5.8 per cent of GDP (This estimate of the budget deficit is based on information provided in this behalf in the SBP Annual Report, 1995-96. According to the latest press reports, the budget deficit in 1995-96 was 6.3 per cent of GDP). During the current fiscal year (1996-97), it is hoped it would be reduced to 4 per cent of the anticipated GDP.

As a result of persistent high budget deficits, the level of domestic and external debt and their servicing have been increasing sharply. The stock of domestic debt over the past five years has more than doubled, increasing from Rs. 445.1 billion in 1990-91 to Rs. 908.9 billion by 1995-96.

The budgetary gap has persisted at an unsustainably high level because of inadequately restrained expenditure policies, inelastic revenues and poor performance of public sector enterprises. In particular, the tax system is characterised by a narrow base, low elasticity with respect to over-all economic growth largely attributable to numerous tax concessions and exemptions and widespread tax evasion.

It is quite obvious that Pakistan has to firmly control, the disconcerting trend of large budgetary deficits.

Experience of a number of developing countries with large and growing fiscal deficits shows that these easily enter into a trap wherein an upward spiralling cycle of inflation-devaluation-rising wages and salaries-rising inflation could disrupt production and investment activity severely and could lead to large scale capital flight.

Aside from the savings - investment gap and fiscal deficit, the other significant imbalance pertains to external payments position of the country which continues to be under severe pressure. The protracted weaknesses of Pakistan's balance of payments stem from a narrow export base, declining trend in workers' remittances, mounting external debt service payments, anti-export bias of the trade regime and unsatisfactory demand management which by stimulating domestic absorption curtailed the available surplus for exports. The current account deficit during the 5 years ended June, 1996 averaged 4.3 per cent of Gross Domestic Product annually. In 1995-96, despite a moderate growth in exports and increase in inflows under resident Foreign Currently Accounts (FCAs), this deficit stood at \$4.24 billion or 6.6 per cent of GDP as against the targeted level of 4.4 per cent. The trade gap amounted to \$3.7 billion, while the deficit under services account was \$3.2 billion. There was, however, a surplus of \$2.6 billion on account of unrequited transfers (net), in which the contribution of home remittances was to the tune of \$1.46 billion.

It is quite obvious that a deficit of this magnitude cannot be sustained in future years especially in view of the uncertain prospects of the availability of concessional foreign aid.

By vigorously pursuing a policy aiming at selective import substitution and enhancing the competitiveness of our exports, it should be possible for Pakistan to strengthen its external accounts. The rate of growth of our exports should be at least 5 per cent above the growth rate of our imports. For this purpose there is a need to establish a neutral trade regime vis-a-vis export promotion and import substitution. There is also a need for rationalisation of export incentives to promote high value added exports. Furthermore, there has to be more emphasis on quality control of important export products as well as on strengthening the institutional infrastructure for exports such as credit insurance, trade fairs and export promotion councils. These export promotion measures, of course, have to be buttressed by a supportive demand management policy.

In view of the magnitude and complexity of our macro-economic imbalances and rapidly changing international economic environment, we can no longer afford the luxury of functioning on the basis of ad-hoc policies, not infrequently influenced by short-term political considerations.

پاکستان کی اقتصادی پوزیشن کیا ہوگی؟



کیا جبکہ در آمدات 10 فیصد ریکلیوری ڈیولپمنٹ کی

پاکستان میں اس قسم کے تجربات مبین قرین اور
لوازشیٹ کے دور میں بھی کئے گئے تھے اس وقت روپے کی
قیمت میں مجموعی 10 فیصد عسکی گئی جو کہ گران حکومت
کے وزیر خزانہ پر ملی کے بغل آٹری کی قی اور اس
دوران ہر گزوات میں اضافے کی بجائے 2 فیصد کی واقع
ہوئی۔

والٹر یٹھیلے بھی اس بات کو تسلیم کیا ہے کہ روپے
کی قیمت میں کمی کئے جانے والے فیصلوں سے مطلوبہ نتائج
برآمد نہیں ہو سکے۔ ان کا خیال ہے کہ جیسے جیسے کم روپے
کی قیمت میں کمی کرتے چلے جاتے ہیں وہ لاری کی قیمت میں ڈالر
کی قیمت پرستی جاری ہے اور یہ عمل ہمارے روپے میں کمی
جانیالی کی کے لاکھوں روپے کی روپے۔ انہوں نے کہا کہ اس
مناسبت سے ہماری کرنسی ہی جڑ نہیں ہو رہی بلکہ دوسری

بائی کرنسیاں بھی متاثر ہو رہی ہیں۔ مثال کے طور پر سوئس
کرنسی پر 7 فیصد ڈالر ہے۔ جرمن مارک پر 5.9 فیصد۔ نیدر
لینڈ گیلڈ پر 5.8 فیصد۔ مینچ فرانک پر 5.8 فیصد۔ جاپانی
ین پر 5.4 فیصد۔ فرانسیسی فرانک پر 4.7 فیصد۔ ہندوستانی
روپے پر 4.7 فیصد۔ پانڈ بزنٹ پر 4.5 فیصد۔ کریں والی
پر 2.4 فیصد ڈالر ہے۔ پاکستان میں روپے کی قیمت میں کمی
کے ساتھ ساتھ

موجودہ کی اس تجارتی عدم توان کو بنیادی حد تک درست
کرنے میں مددگار ثابت ہوئی اس سے زر آمدنی اشیاء برت
معمولی ہو جائیں گی جو ان اشیاء کی بلک میں کمی کا سبب بنے گی
لیکن اس کے ساتھ ساتھ انہوں نے اس فیصلے سے نتائج کے
برعکس اٹھ آنے سے بھی انکار نہیں کیا کیونکہ محض روپے
کی قیمت میں کمی سے برآمدات پر درآمد کی حلات نہیں مل
سکتی کیونکہ برآمدات پر درآمد کی حلات میں گواہی بھی کارفرما
ہوتے ہیں جیسے محنت میں بڑھتی پیدائشی صلاحیت، سرمایہ
کی تیز رفتاری، مقامی پیدائشی صلاحیت اور اس کی
نویمت پر وہ عناصر جو برآمدات پر درآمد کی حلات میں بنیادی
اہمیت رکھتے ہیں۔ لیکن اگر قصور کارفرما کے رکھنا جائے تو

روپے کی قیمت میں کمی جانیالی کی ان تمام عناصر کو بھرا
کرنے میں ناممکن ہے جس کے حصول کیلئے روپے کی قیمت
میں کمی کا فیصلہ کیا گیا تھا۔ بعض مہرین معاشیات انہیں اس

بات کے حق میں داخل ہیں، جیسے کہ ان کی ایک دلیل ہے
جس کے کہ نامی میں کمی کے جن برآمدات پر افقی اثرات
مرتب نہیں ہوتے تھے اور نہ ہی ان برآمدات سے
درآمدات میں کمی کا کوئی فائدہ تھا۔

ٹرانسپورٹ اخراجات بھی کی پیدائش اور اس سے وابستہ
دوسرے پیدائشی ذرائع میں اثرات برت جاتے ہیں، جس
سے عام آدمی براہ راست متاثر ہوگا۔

شیٹ بینک آف پاکستان فری مارکیٹ میں چار کی
پالیسی پر عمل کر رہا ہے اور انکوائری ڈیپ وہ مناسب سمجھتا
ہے پاکستانی روپے کی قیمت میں کمی کر رہا ہے۔ انکوائری
1995ء سے 26 یا 27 مرتبہ روپے کی قیمت میں کمی کی ہو
مجموعی طور پر 16 فیصد تک جاچکی ہے۔ پہلے سال انکوائری
اور اس سال تقریباً 16 فیصد تک جاچکی ہے۔

پاکستان کی کرنسی کی قدرت قوتوں کے حوالے سے متعلق
ہو کر کام فیصلہ آئی ایم ایف کے رپورٹ کے تحت کئے گئے
ہو کر کام فیصلہ آئی ایم ایف کے رپورٹ کے تحت کئے گئے

روپے کی قیمت میں کمی کا شیٹ بینک کے گورنری طرف
سے اعلان ہوئی غیر متوقع نہیں بلکہ اس کے بارے میں
پہلے ہی چیکوئیاں شریں ہو چکی تھیں اور پچھلے کی مہینوں
آئی ایم ایف کی قیمت میں کمی کے حوالے سے بارے میں قیاس
میں سات فیصد کی کمی کی قیاس وقت ابھرنے کی رائے ہی
تھی کہ یہ عمل آئندہ بھی سال تک چلا رہے گا اور حقیقت
بھی یہی ہے کیونکہ 1995ء سے اب تک روپے کی قیمت
گورنری شیٹ بینک نے تسلیم کیا ہے کہ ڈالر روپے کی
مسابقت کا کنٹرول کالے و چین والوں کے ہاتھ میں ہے۔

روپے کی قیمت میں کمی سے ان کا کنٹرول کمزور ہو جائیگا
حالانکہ روپے کی گورنری قیمت ڈالر کی قیمت میں 10 فیصد
کافور ہے جس کا مطلب ہے کہ روپے کی قیمت میں کمی کا
فیصلہ کسی طور بھی کالے و چین والوں کی گرفت کو کم کرنے

ہو کر کام فیصلہ آئی ایم ایف کے رپورٹ کے تحت کئے گئے
ہو کر کام فیصلہ آئی ایم ایف کے رپورٹ کے تحت کئے گئے

افتخار احمد اسلم جاوید

ڈالر کے مقابلے میں پاکستانی روپے میں گرنے والی حالیہ
کمی نے مہرین معاشیات اور سیاست دانوں کے مابین ایک تنج
بھٹ کا آغاز کر دیا ہے۔ اس مسئلہ پر شیٹ بینک کے گورنر
والٹر یٹھیلے کی رائے کے بارے میں زیادہ تر تجزیہ نگار
تسلیم و کھائی نہیں دیتے بلکہ وہ شیٹ بینک کے حلقہ نظر
سے کوئی مختلف نقطہ نظر پیش کر رہے ہیں۔ اخبار نویسوں
سے باتیں کرتے ہوئے گورنر شیٹ بینک اخبار نویسوں کو اس
بات سے قطعاً مطمئن نہیں کر پائے کہ کیسے حالیہ روپے کی
قیمت میں کمی آبادی کے غریب طبقے پر اثر انداز نہیں ہوئی،

روپے میں کمی کا کل صرف اور صرف ایک قوت کو مطمئن
کرنے کیلئے کیا جاتا ہے اور وہ ہے آئی ایم ایف اور ورلڈ بینک
کیونکہ روپے کی قیمت میں حالیہ کمی جو 3.65 فیصد ہے اور
بیش کے بعد ہونے والی مجموعی کمی 5.1 فیصد آئی ایم ایف کو
خوش کرنے کیلئے جاری ہے جسے قرضے کا اطلاق کی

کروانے کی جو یہ دونوں عالمی ادارے مختلف مہانوں سے روک کر پاکستان میں مالی بحران پیدا کر رہی کوشش کر رہے ہیں۔

خالدہ یوسف

محکم بنکاری کا نظام کسی بھی ملک کی اقتصادی ترقی کیلئے بنیادی حیثیت رکھتا ہے جس کا اعتراف وزیر اعظم پاکستان محترمہ بینظیر بھٹو نے 8 ستمبر کو پارلیمنٹ سے خطاب کے دوران بھی کیا اور کہا کہ اس وقت بینکوں کا اربوں روپیہ ملک کی بااثر شخصیات نے قرضوں کی صورت میں ہرپ کر رکھا ہے ایسے 250 افراد ”ٹاپ لسٹ“ پر ہیں جن سے قرضوں کی واپسی میں کئی پیچیدگیاں ہیں انہیں کو چاہئے کہ وہ ملک کا خزانہ لوٹنے والوں سے روپیہ واپس لے کر ملک و قوم کی امانت لوٹانے میں حکومت کی مدد کریں جس پر انہیں لیڈر میاں نواز شریف کا موقف تھا کہ حکومت نادرہنگام سے روپیہ نکال سکتی ہے لیکن یہاں صرف انہیں کے اراکین کو نادرہنگام قرار دیا جاتا ہے اور جن لوگوں نے حقیقی معنوں میں ملک کا روپیہ لوٹا ہے انہیں تحفظ دیا جاتا ہے۔ تاہم ملک کے بینک کس نے خالی کئے؟ اصل نادرہنگام کون ہے؟ اور ملکی خزانے کو لوٹنے سے کیسے بچایا جاسکتا ہے؟ ایسے سوال ہیں جن کا جواب حاصل کرنے کیلئے حکومت اور انہیں بینکوں..... دونوں فریقین سنجیدہ ہیں کیونکہ ملکی معیشت اس وقت تباہی کے جس دہانے پر کھڑی ہے اس سے ملک کسی بھی وقت اقتصادی لحاظ سے دیوالیہ ہو سکتا ہے اور اس مسئلے پر وقتاً فوقتاً ہمارے اقتصادی ماہرین اظہار خیال بھی کرتے رہتے ہیں۔ اہم ملکی مالیاتی ادارے ورلڈ بینک اور آئی۔ ایم۔ ایف سے قرضوں کی شکل میں بھاری رقم کے حصول اور ان کی عائد کردہ کڑی شرائط سے بھی غور فرمادہ ہیں۔

جب پتہ چلی کہ یہ بینکوں میں اضافہ ہو گا تو روپیہ کی قیمت میں کمی سے براہ راست وابستہ ہے تو پھر روزمرہ کے استعمال کی تمام اشیاء کی قیمتوں میں اضافہ ناگزیر ہو جائیگا کیونکہ

برآمدات میں خاطر خواہ اضافہ کیا جائے اور عالمی منڈیوں میں پاکستانی مصنوعات دنیا بھر سے ارزاق قیمت پر دستیاب ہوں۔ گورنر سٹیٹ بینک کے بقول روپیہ کی قیمت میں

فیصد اضافہ کر سکی جبکہ دوسری طرف درآمدات کے بارے میں توقع تھی کہ ان میں 8-10 فیصد اضافہ ہو گا وہ بھی درست ثابت نہیں ہوا اور یہ اضافہ 16 فیصد کے قریب پہنچ

ایشیاء کے ٹاپ ٹین بینکوں میں سے 9 جاپان میں اور ایک چین میں ہے

ایشیاء میں بینکاری کے شعبے میں اس وقت پاکستان 212 ویں اور بھارت 63 ویں نمبر پر ہے

روپیہ بھی محکم نہیں رہا اور حال ہی میں روپیہ کی قیمت میں ساڑھے تین فیصد کمی واقع ہوئی ہے ان حالات میں ہمارا بینکاری نظام کہاں کھڑا ہے حال ہی میں بینک کانگ کے شائع ہونے والے ایک جریڈے ایشیاء کے 500 بہترین بینکوں کے حوالے سے ایک رپورٹ شائع کی ہے۔ جن میں جاپان کا ڈی۔ آئی۔ کے بینک پہلے نمبر پر ہے جس کے اثاثے 536,618 ملین ڈالر ہیں۔ جب کہ ایشیاء میں بینکاری کے شعبے میں اس وقت پاکستان 212 ویں، بھارت 63 ویں اور بنگلہ دیش 317 ویں نمبر پر ہے۔ ایشیاء کے ”ٹاپ ٹین“ بینکوں میں سے 9 جاپان میں اور ایک چین میں ہے جبکہ ان دونوں کے علاوہ آسٹریلیا، ساؤتھ کوریا، بھارت، سنگا پور، ملائیشیا، تھائی لینڈ، اور انڈونیشیا کے بینک انتہائی ”ساؤنڈ“ پوزیشن رکھتے ہیں۔ رپورٹ میں مختلف ممالک کے ”ٹاپ ٹین“ بینکوں اور ان کے اثاثوں کی مالیت بھی بتائی گئی ہے۔ جس کے مطابق نیچل بینک آف پاکستان کے اثاثوں کی مالیت 7,076 ملین ڈالر ہے۔ جو پاکستان میں سب سے زیادہ ہے اور اس وقت پاکستان کے 7 قومی بینکوں کا شمار ایشیاء کے 500 بہترین بینکوں میں ہوتا ہے جب کہ 1995ء میں یہ تعداد 10 تھی اس کا موازنہ اگر دیگر ایشیائی ممالک سے کیا جائے تو

بھارت کے 39 بینک اس لسٹ میں شامل ہیں۔ 1995ء میں یہ تعداد 40 تھی اس طرح بھارت کے دس بہترین بینکوں میں سٹیٹ بینک آف انڈیا کے اثاثوں کی مالیت اس وقت 36,134 ملین ڈالر ہے۔ 1995ء میں بنگلہ دیش کے بہترین بینکوں کی تعداد بھی 10 تھی۔ جواب آٹھ ہے اور 10 بہترین بینکوں میں سے سوئلی بینک کے اثاثے 3,106 ملین ڈالر ہیں۔ باقی ممالک کی فہرست کچھ اس طرح سے ہے۔ جاپان ایشیاء میں اقتصادی لحاظ سے محکم ترین ملک گردانا جاتا ہے اس کی کرنسی ”ین“ بین الاقوامی سطح پر مضبوط پوزیشن رکھتی ہے۔ جس کے آثار چڑھاؤ سے عالمی منڈی میں بہت سے ممالک کو اپنی ساکھ لرزتی ہوئی محسوس ہوتی ہے۔ اس وقت جاپانی بینکوں کے کل اثاثے کروڑوں ڈالر سے تجاوز کر چکے ہیں۔ جو اس کی مضبوط اقتصادی ساکھ کی ضمانت ہیں ایشیاء کے 500 بہترین بینکوں میں سے 151 بینک جاپان میں ہیں آسٹریلیا کے 24 اور نیوزی لینڈ کے 8 بینک ہیں ٹاپ ٹین آسٹریلیا میں سے نیچل آسٹریلیا بینک کے اثاثے 109,571 ملین ڈالر مالیت کے ہیں چین کے 18 بینک بہترین بینکاری میں شمار ہوتے ہیں جن میں سے آئی سی بینک آف

جاپان کے اثاثے 373,614 ملین ڈالر کے ہیں ہانگ کانگ کے 25 مقامی اور غیر ملکی بینک بہترین بینکوں میں شمار ہوتے ہیں جن میں سے ہانگ کانگ بینکنگ کی کمپنی کے اثاثوں کی مالیت 150,323 ملین ڈالر ہے۔ انڈونیشیا کے 66، ملائیشیا کے 35، فلپائن کے 18، ساؤتھ کوریا کے 28، اور سنگا پور کے 11 بینکوں کا شمار 500 بہترین بینکوں میں ہوتا ہے جن میں سے بہترین بینکاری کے زمرے میں آنے والے بینکوں کے اثاثوں کی مالیت بالترتیب بینک ٹیکرا انڈونیشیا 13,945 ملین ڈالر، ملائین بینکنگ 32,197 ملین ڈالر میٹروپولیٹن بینک انڈیا ٹرسٹ فلپائن 6,695 ملین ڈالر، کوریا بینکنگ 61,610 ملین ڈالر اور ڈی بی ایس بینک سنگا پور 34,778 ملین ڈالر ہے پاکستان میں بینکاری نظام کو مضبوط و محکم بنانے کے لئے ان کے اثاثوں کا تحفظ ضروری ہے اور یہ تحفظ فراہم کرنے کی ذمہ داری حکومت اور انہیں بینکوں پر عائد ہوتی ہے کیونکہ آئندہ دور اقتصادی ترقی کا دور ہو گا اور اقتصادی لحاظ سے ترقی یافتہ ملکوں کی صف میں کھڑا ہونے کے لئے ضروری ہے کہ ملک و قوم کے سرمائے کو تحفظ فراہم کیا جائے۔

حالیہ دنوں میں بینکوں کے پاس بینکاری موسمیاتی جانب سے مبینہ طور پر نہیں تھا اور ان کا مشن صرف آزاد اور مصفاہ انڈیشن کا انعقاد تھا لیکن انہوں نے آئی ایم ایف کی ہدایت کے مطابق یہاں مختلف قسم کے تجربات کئے اور انہیں تجربات میں پاکستانی روپیہ کی قیمت میں کمی کے عمل کا آغاز کیا جو کہ اب پاکستانی عوام کیلئے ناقابل برداشت سنگینی کا سبب بنا ہوا ہے۔ انہوں نے آئی ایم ایف اور ورلڈ بینک کی ایسی شرائط بھی مان لیں جو کہ کسی بھی منتخب حکومت کیلئے ناممکن نہ تھا اور اس طرح ان بین الاقوامی مالیاتی اداروں کی سازش سے ایک ایسے عمل کا آغاز ہو گیا جس کو روکنا بظاہر پاکستانی حکومتوں کے بس میں نہیں ہے۔

مختصر بات یہ ہے کہ آئی ایم ایف پاکستانی حکومت کی طرف سے مالی جانے والی شرائط سے خوش نہیں بلکہ وہ اس سے بھی زیادہ کڑی شرائط عائد کرنا چاہ رہا ہے۔ روپیہ کی قیمت میں مزید کمی کا خواہاں ہے تاکہ ہم خود بخود سے نکل کر زیادہ سے زیادہ انحصاری کے جال میں پھنسے جاتیں۔ اپنی شرائط کے سامنے گورنمنٹ کو کھینچنے کے لئے مجبور کرنے کیلئے آئی ایم ایف بعض پاکستانی شخصیات کو بھی استعمال کر رہا ہے۔

آج صورتحال اس مایوس کن انتہا تک پہنچ گئی ہے کہ آئی ایم ایف کے رجسٹرڈ ڈائریکٹرز نے اس قسم کی شرائط مسلط کرنا شروع کر دی ہیں جیسے وزیر اعظم کے مشیر برائے اقتصادییات دی اے جعفری، میاں حبیب اور قاضی عظیم اللہ جیسے لوگوں کی برطرفی کے احکامات تک ان کی شرائط میں شامل ہیں۔ ظاہر ہے اس طرح آئی ایم ایف ساری حدود جو کسی بھی خود مختار ریاست کیلئے ناقابل قبول ہوتی ہیں، پھلانگتا ہوا دکھائی دیتا ہے۔ آئی ایم ایف کی ایسی شرائط کو ماننا معاشی خود کشی کے مترادف ہو گا اور اگر پاکستانی حکومتیں انہی پالیسیوں پر عمل پیرا ہیں تو اس کا واضح نتیجہ شرائط کی محکومی میں خود بخود ہی سے ہاتھ دھونا پڑیگا۔

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