

## **Exporters' Perception towards Export Policies, Incentives, and Market Conditions Related to Engineering Goods**

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### **Abstract**

This paper addresses the attitude of exporters to the export policy, incentive and the environment in the foreign market and in this case engineering goods exports in India. The instrument of collecting the primary data based on the size and intensity of the exports used was the structured questionnaire to be applied to the exporters. The statistical procedures, the tests mean and ANOVA among the changes in the perception regard, were used as the tests in testing. The result is that the exporters are expected to feel that export incentives and policy frames are favourable, but still there are serious issues concerning the time lag on implementation, the complexity of the process, international competition and also transportation costs. The difference in perception is also observed in the size and intensity of export of the firms, through which small and medium firms find it harder to enjoy the benefits of the policy. The study also states there is a need to enhance the execution of the policies and develop specific support that would contribute to strengthening the belief of the exporters and competitiveness.

Keywords: Exporters' Perception, Export Policy, Export Incentives, Market Conditions, Engineering Goods, India

### **Introduction**

International trade is significant in the sense that, through the process, a country can participate in economic growth and development since it deals with the exchange of commodities and services across international boundaries and can easily exploit its existing resources. In the case of India, which is a developing economy, exports facilitate the entry of the country into a significant quantity of foreign exchange, and also facilitate employment, growth and technological advancement of industries. Indian export structure has undergone a tremendous transformation over the years, as the traditional products have continuously transformed into non-traditional and technology-intensive products, with engineering goods transforming into the main export commodity in India (Hoque et al., 2022).

The first pillar of the industrial economy in India is the engineering goods sector that boasts of the different kinds of goods that comprise machinery, transport equipment, iron and steel products and electrical goods, as well as other capital goods. The engineering goods are a perennial group of export commodities in India over the recent years because of liberal trade policies, export promotion programs and integration with the global world (Casadei & Iammarino, 2021). However, despite the positive policy framework and incentive schemes, the process of exporters continues through distress on matters that relate to policy implementation, the complexity of the procedures, the cost of logistics, and the issue of intense competition on a global level.

The perception of the exporters in relation to the export policies, incentives and the prevailing market conditions are decisive determining element as far as the export performance and competitiveness are concerned. These impressions are central to know, as the policies of the government are being implemented and are the direct beneficiaries of the exporters. The changes in the sizes of the firms, the exporting levels, as well as access to the institutional facilities, also affect the responsiveness of the exporters towards the policy interventions and movements in the international market (Jusufi et al., 2020). Therefore, the perception of exporters' examination will prove to be extremely informative about the policy efficiency, operational constraints, and direct effects of the intervention required to increase the engineering goods export of India in the foreign market.

### **Literature Review**

Export promotion policies and incentives are no new findings since they have been endorsed as part of enhancing the performance of exports and competitiveness of the exporters in the emerging and developing economies in particular. Suwannarat (2023) examined the effectiveness of export incentives within the ASEAN countries and pointed out that the trustworthiness of the government institutions by the exporters was another key moderating variable in the success of incentive schemes. As noted in the paper, incentives, even when well-designed, would not record the desired results in cases where the exporters do not perceive a reliable and consistent implementation process of the policy. According to research evidence, these would be critical issues of perception among exporters that can be used to identify the true impact of export policies. Small and medium enterprises (SME) are especially sensitive to export incentives and policies, in which, in most cases, they have more constraints towards their accessibility to international markets. According to Safari, Saleh, and Balicevac Al Ismail (2022), concrete export support, facilitated processes, and institutional support are very advantageous to SMEs in the newly emerged markets. On a related note, Mota, Moreira, and Alves (2021) established that export promotion programs result in positive effects on the level of exports when the exporters perceive that the programs are accessible, appropriate in time, and at the correct place.

Market conditions and competitive pressures also steer the exporters in their attitudes towards the frameworks of policies. Conducting a study on the exportation business in Vietnam, Nguyen and Khoa (2020) established that the level of competitiveness of the exporters is strongly influenced by the impact of competitive forces in the global market, efficiency of the logistic system, cost structure and compliance with the legal requirements. The authors underlined that the attitude toward the availability of the market and the help of the policies provided by the exporters predetermines their adjustment to the international standards and further expansion of exports. These kinds of teachings are quite helpful when exporting the products of engineers to competitive foreign markets. The enhanced relevance of sustainability-oriented policies on export performance is the other topic that is addressed by the literature on the topic. Kazancoglu et al. (2021) have created a policy-based framework in which the idea of a circular economy is linked with the activity of corporate environmental management within the supply chain.

Besides the conventional goods, Lin and Dong (2021) also studied the perceptions of exporters in terms of cultural products, exporting nature, and arrived at the finding that policy support, trust, and market orientation are major consequences of export. Their findings are consistent with the overall thesis that policy perceived exporters and their beliefs regarding the actions of incentives and market situations are critical determinants that define the performance of exporting by exporters in other industries, even though they research in cultural industries.

### **Methodology**

The perception study of exporters is based on the primary information collected through a systematic survey of the engineering goods exporters in India. Target population involves the small, medium and large export trades of engineering goods production and peddling. An export questionnaire layout was prepared according to the information that was received in the process of conducting the research on the available export and the policy literature. The two basic questions in the questionnaire are founded on the policy of exportation, incentive scheme and the supply of the government assistance programs and the state of international markets. The response scale was a five-point Likert scale with the ends having strongly disagree (1) and strongly agree (5). Transparency, validity and relevancy of the items were addressed by the instrument pre-tested before the end of the data collection into consideration (Montes Ninaquispe et al., 2024). The analysed data was analysed in consideration of the best statistical tools. Internal consistency was used to test the scale with the Cronbach alpha. Based on the perceptions of the exporters, descriptive statistics, summarised perceptions and T-tests of one sample were applied to determine the significance of the responses in regard to the mean. To test the dissimilarity in perceptions between firm size and the intensity of export, the investigation of variance (ANOVA) was applied.

### **Results**

The result indicates that the exporters demonstrate the belief that there are moderate and not balanced export policies and incentive schemes that have been implemented. Lack of incentives over time, complicated process

and minimal understanding of the benefits of the policy emerge as major hindrances. The exporters broadcast significant challenges related to fluctuating global demand, excessive global competition, increased logistics and high compliance costs (Hamzah et al., 2022). Although the results of large companies in terms of the policy and/or global networks demonstrate enhanced coverage, small and medium exporters indicate more difficulties with the ability to adapt to the market patterns and rules.

**Table 1: Exporters' Perception towards Export Policies and Market Conditions**

Perception Factors	Mean Score	t-value	p-value	Significance (0.05)
Adequacy of Export Policies	3.42	3.186	0.003	Yes
Effectiveness of Export Incentives	3.61	4.024	0.000	Yes
Ease of Policy Implementation	2.98	-0.214	0.831	No
Government Support Services	3.74	5.116	0.000	Yes
Global Market Competition	4.12	7.384	0.000	Yes
Logistics & Compliance Costs	3.89	6.102	0.000	Yes
Exchange Rate Volatility	3.07	0.642	0.523	No

The finding reveals that the export incentive, government support services and international competition in the market are the statistically significant dependent variables in the exportation of engineering goods by exporters. The average scores are elevated in the competition in the world, and the logistic costs, which indicates that the exporters are anxious (Dubey & Das, 2022). However, the ease of enacting policies and changes in the exchange rates is considered to be neutral, such that the outcomes are not significant at the 5 per cent threshold.

**Table 2: Effect of Firm Size on Perception of Export Policies and Market Conditions (ANOVA)**

Dependent Variable	F-value	p-value	Decision at 0.05
Satisfaction with Export Policies	2.986	0.047	Yes
Awareness of Export Incentives	6.214	0.003	Yes
Ease of Policy Compliance	1.342	0.267	No
Access to Government Support	5.748	0.006	Yes
Impact of Global Competition	0.914	0.407	No

The outcomes of ANOVA demonstrate the presence of significant disparities between the companies of various sizes in their contentment with the exporting policy, their understanding of the incentives, and the presence of the assistance of the government. The large organisations suggest that the companies are more aware and have easier access to institutional support, but the small companies face information and structural barriers.

**Table 3: Effect of Export Intensity on Perception of Export Policies and Market Conditions (ANOVA)**

Dependent Variable	F-value	p-value	Decision at 0.05
Effectiveness of Export Incentives	4.832	0.011	Yes
Timeliness of Incentive Disbursement	5.169	0.008	Yes
Regulatory Burden	1.094	0.339	No

Market Access Constraints	3.608	0.032	Yes
Exchange Rate Risk	0.782	0.460	No

It is noted that among exporters whose degree of export is stronger, export incentives were observed to be positively perceived, albeit with concerns about lateness in incentives payments and impediments in accessing the market. The regulatory charge and the exchange rate risk are not completely different between various groups of export intensity, which implies that the two negative factors are equally felt.

### **Discussion, Summary and Conclusion**

The findings of the research show that the exporters of engineering products consider the export policies and incentive systems in India as broad-based but constrained by the inefficiency of its functioning. Where the statistical significance of the responses provided by export motivators and government support services introduced positive effects, the simplicity of the policy implementation was regarded as a neutral factor, with the parameter of the complexity of the procedures and delays in the collection of incentives. The concern on the issue of global market competition and the cost of logistics and compliance is relatively high, which serves to prove that the market-related issues are more influential in the confidence of exporters in the market than the macroeconomic factors, such as the volatility of the exchange rate (Coudounaris, 2021). The results of ANOVA also show that the perception of the exporters is greatly influenced by the size of the firms and the intensity of the export behaviour.

This paper evaluated the perception of the exporters of the policy on exports, the incentives and the market condition in the global market on the exportation of the engineering goods in India via primary surveys and statistical tests. According to the findings, moderate satisfaction with export policies and incentives exist but some of them raise issues which mention the constant problems with the implementations, the lack of awareness and the high cost of logistics (Jusufi et al., 2020). The difference in the perception of the firms of various sizes and intensity of exports was noted, and the smaller exporters were faced with more limitations.

The researcher was able to deduce that the perceptions of exporters play a major role in determining whether export policies and incentives succeed in the engineering goods sector. The competitiveness in exports should be increased by improving the execution of the policies, optimizing the processes, paying salaries according to schedule, and supporting small and medium exporters on a special basis.

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