Export Performance and Firms’ Characteristics: Study Based on Transport Manufacturing Firms in India

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Abstract
Export plays a vital role in economic development of any country. Export performance helps in formulating the internationalization strategies for enhancing the financial health. Author's objective is to study the firms’ characteristics and export performance of Indian transport manufacturing firms in recent past. Export Performance as a dependent variable has been measured by export intensity (EXINTY) and export earnings (EXEARS). The study is based on secondary source of data of Indian transport manufacturing firms which represented the transport manufacturing index in PROWESS data base of CMIE. The technique of correlation and multiple regression analyses has been applied after checking the autocorrelation and multicollinearity through SPSS 21.0. The results evidenced that export performance of transport manufacturing Indian firms had been influenced by firms’ characteristics.

JEL Code: G30, G31, G41, L25, L62, O3
Keywords: Export Performance; Firm Size; Return on Assets; R&D; Manufacturing; India

I. Introduction
EXPORT HAS A prominent role in economic development of any country. In the era of globalization especially in developing countries exports are vital and one of the key objectives of liberalization reforms. Export contributes to the economic growth; improvement in trade balance hence improved the economic health of any nation. It also helps in promoting and improving indigenous production capacity, improving industrial productivity, increase foreign exchange reserves and new job opportunities (Guner, Lee and Luis. 2010)

The Indian export basket shows the exports of merchandise trade and services trade. The annual report (2017-18, GOI, Department of Commerce) had shown that the overall exports in both merchandise and services trade

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Submitted October 2020; Accepted September 2021
the sample of 103 Indian transport manufacturing firms; the empirical results evidenced that the firm specific variables significantly affect export performance of the firms. Among the firm specific variables; Size of the firm, age, R &D intensity, capital intensity and profitability indicator; size of the firm had shown negative impact on export performance. It indicated that size of the firms had been increased but parallel growth had not been reported in export performance. These firms are lagging behind in technological frontier and did not contributed in exports intensity of the firms as R & D intensity had shown negative impact on export performance. The older firms leverage the export advantage in international market and enhanced the performance of the firm. The category wise results concluded that the higher export intensity firms led to higher profitability. Size and age are two important variables which affect the export performance of Indian transport manufacturing firms.

6.1 Limitations and Future Direction of the Study

The study focused on the export performance of the Indian transport manufacturing firms and tried to measure that how it has been affected by firms’ specific variables. It has found that the considered variables had impact on export performance of the firms. The further in-depth analysis on the basis of export intensity was an attempt to differentiate the high, medium and low exporter firms. The results are limited to the transport manufacturing firms and it has been found that the expenses on R& D should be qualitative so that firms can leverage the export market. The future research can be conducted to address more variables; macro as well as micro; to enhance the export performance of Indian manufacturing firms.

References


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