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THE EFFECT OF EXPORT BARRIERS ON

PERFORMANCE OF RICE EXPORTING COMPANIES

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THE EFFECT OF EXPORT BARRIERS ON PERFORMANCE OF RICE EXPORTING COMPANIES

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ABSTRACT

The purposes of this study are to analyze the effect of export barriers on the performance of rice exporting companies and to examine the moderating effect of firm size on the relationship between export barriers and performance of rice exporting companies. Descriptive research method and quantitative research methods are utilized to achieve these objectives. Two stage simple random sampling method is used in this study. For the first stage, 35 rice exporting companies are selected by simple random sampling method. And then, for the second stage, middle and top management positions of each selected rice exporting company are selected. Therefore, in this study, primary data is collected from (70) respondents from selected rice exporting companies. The study found that there is a significant negative relationship between export barriers and export performance. Among the internal barriers, informational and marketing barriers have significant negative effect on the export performance. Among the external barriers, procedural, governmental and task barriers have significant negative effect on the export performance. The study also revealed that the firm size does not have significant moderating effect on the relationship between export barriers and performance of rice exporting companies.

ACKNOWLEDGEMENTS

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LIST OF ABBREVIATIONS

EP	Export Performance
FX	Foreign Exchange
MAPCO	Myanmar Agribusiness Public Corporation Ltd
MPPA	Myanmar Paddy Producers Association
MRF	Myanmar Rice Federation
MRMA	Myanmar Rice Miller Association
MRPTA	Myanmar Rice & Paddy Traders Association

CHAPTER I
INTRODUCTION

Exporting may be one of commercial activities for economic health of nation, because it considerably brings to economic process, works, better customary of surviving and trade balance (Lee and Habte-Giorgis, 2004). Rivalry, integration and growing alleviation within the world's economies are key factors for becoming greater engagements of corporations in commercialism activities (Ural, 2009).Barket and Kaynak (1992) stressed that exports boost gain, improve capability, and supply employment and it might be instructed in that a variety of those key factors and underlying motivations are prescribed though an organization can lead their business forward. Nowadays, exporting is the fastest-growing and foremost mode of international market entry, favored particularly by tiny and medium-sized corporations, because it doesn't would have resources and it is related to minimum risk compared to alternative entry modes to foreign markets.

All the constraints which impede the companies' ability to start, evolve or maintain business operations in foreign markets are export barriers (Leonidou 2004). In and of itself export obstacles exhibit issues at 3 distinct levels. For non-exporting companies, barriers could be thought of prohibitory and should be one in all the explanations for non-internationalization (Pinho and Martins 2010). Nevertheless, export barriers alone hold short impetus to stop a firm from internationalization (Leonidou 2004). Thus, given sufficient levels of pre-export coming up with, especially, collecting and resource mobilization, companies will surmount the ostensibly prohibitory endeavor and start up internationalization. Even so, barriers may be residual and their influence doesn't dissipate totally (Suarez-Ortega 2003). Continued exporters encounter multiple hindrances as they endeavor to manage superior performance, expand operations, or realize market share (Mavrogiannis et al., 2008). According to (Fillis and Lee 2011), barriers possess an inhibitive result as a result of restriction of the strategic choices at the firm's disposal. Even persistent export barriers have the tendency to stimulate managerial rethink, consequently forcing companies to consider de-internationalization (Benito and Welch 1997). According to Crick (2002), export barriers are a plausible explanation why companies could discontinue exporting.

Aaby and Slater (1989) expressed that export performance includes continuous engagement in exporting, export efficiency, and export effectiveness. An acknowledgement of export barriers to export is vital because it can help in examining why exporters cannot accomplish their full tendency and why many companies decline or acquire financial failures in their worldwide projects (Chung, 2003 and Leonidou, 1995). It is very important to understand the barriers in exporting and their effect on performance is critical at each micro and macroeconomics level (Chung, 2003; Leonidou, 1995). For Myanmar and Asia, rice may be a very important crop. In reality, rice reigns the sector of agriculture that is the biggest and also the best generative part of Myanmar economy and it is comprehensively involved into the economic and social lives of Myanmar people. The natural wealth of water and soil in Myanmar is rich not only for local people but also for nearby residents. Over the medium and long-standing time, Myanmar has the significant potential to extend rice exports, rice quality and rice production.

Myanmar became the greatest rice exporter, computing 33.33 percent of worldwide rice markets, in 1934-35 financial year. Recently Myanmar was coming to become a renascent rice exporting country since both army policy and isolation from the global district have contained not only rice production but also export. In recent years, the duty-free access to European Union have reduced. Within the financial year of 2017/2018, the raising of Myanmar rice export became more than fifty percent because of governmental and industry assistance and improved demands. By 2020, Myanmar government placed rice export limits to five million MTS. Besides, millers had to deal with no encouragement to promote their facilities due to not having enough milling fees for equipment to be repaired (World Bank, 2014). As a result, Myanmar Rice industry changed into a brutal cycle where low-quality piece was going to be low quality ending cargo which was not possible to compete with worldwide market. Therefore, the thesis aims to analyze the effect of export barriers on performance of rice exporting companies in Myanmar.

1.1   Rationale of the Study

One of the developing countries, Myanmar is well-endowed in resources. It retrieved as a largest rice exporter and also made an addition in share of global rice market. Agriculture is the essential part of Myanmar economy and the majority of the population is directly occupied in the pursuits of agriculture. Most of the people who

are working in other sectors of Myanmar economy are engaged indirectly in agriculture through activities such as manufacturing, export of agricultural goods, marketing and transport. The agriculture occupied for a nearly a half of the whole domestic product of Myanmar. Moreover, nations can elude from the vicious cycle of poorness by encouraging the export of rice.

There are numerous explanations for the explosion in world exports. But one major factor which is attributed by many authors to this is the substantial decrease in the export barriers to foreign trade that appeared during this time. The geographical location of Union of Burma straddles major trade and economic corridors in Asia, making it the perfect point of origin and transshipment center for a very significant international rice trade flow. Nevertheless, the major gate of Myanmar export is Yangon port which is small in size and out-of-date. Moreover, it has restricted capacity throughout the monsoons. An important problem for the economy of Myanmar is not only the winning area in foreign markets but also sustaining adequate domestic consumption of rice.

Productivity acts an equally necessary role in additional downstream for exports. Exporters become the owner of more productive and bigger companies (Bernard and Jensen 1999). The remaining of the supplemental charges (e.g. shipping costs, distribution costs) can take place as a deterrent to businesses that is less competitive. Companies who are preparing to export meet severe obstacles of low productivity in Myanmar. There are many barriers for Myanmar millers and exporters who face obstacles in productivity such as an absence of reliable electricity which additionally weakens the motivation for millers to raise their instrumentation and out-of-date instrumentation.

The quality of rice exported by Myanmar is mostly low-quality rice even though Myanmar is an agricultural country of having some superior assortment. In 2010-12, the rice exported by percentage of ninety includes twenty-five percent of broken rice minimally. From 1990 to 2012, international rice market was limiting immediately low -quality rice (Asia Development Bank, 2014 and World Bank, 2014). Declining international demands and insufficient financial gain from exports of low-quality rice for farmers, millers and rice exporter and other intermediaries create difficulties in exporting low-quality rice in the long-run (World Bank, 2014). Therefore, it is important to solve quality issue as a major priority to rest executable exporters of rice.

There is a need of national quality benchmarks that are steady with those of universal rice buyers compounds these issues. In this respect, the MRF, with the assistances of the IFC, has been reexamining the country's processed rice measures and paddy reviewing framework (Demaree-Saddler, 2018). Myanmar has rice sector concentrated on the export marker of low-quality rice. Myanmar has pressure for the rice export industry from the overseas market competitors of Thailand and other competing countries because the international rice market is rapidly rising demand for higher quality rice. In spite of the fact that numerous obstructions to agricultural exchange have been nullified, the private segment remains cautious almost vulnerabilities in government activities.

Realizing the exporting barriers and their collection, at a national standard which supplies government policy makers with key essential guidelines and important insights to issue the national export polices, takes a vital role (Julian and O'Cass, 2004; Katsikeas, 1994). As a supplement, it could manage to have a minimum effect and a better export tendency and performance of every single companies and countries alike (Leonidou,1995). Enhancing export performance is vital for companies that primarily based in developing countries regarding the world marketplace as a means to confirm competitiveness, growth or survival (Matanda and Freeman, 2009). Therefore, it's vital to discover barriers that threaten the export performance of companies primarily based in developing countries so as to boost their comparativeness within the international market.

In order to encourage Myanmar's rice export, policy initiatives are at the forefront of all issues. Knowing rice exporting policies that have impacts on the rice export is critical. Increasingly, technological factors are placing pressure on evolving better national policies and local production systems to increase the production of rice and post-harvest technologies. A study of the global rice market is also an important marketing practice in promoting quality rice export. Export of rice and promoting it has a significant effect on agricultural development and ensuring food safety and security and poverty and hunger reduction, and strengthening. It can also be a key strategy for achieving the Millennium Development Goals (MDGs).

1.2 Objectives of the Study

The specific objectives of the study can be stated as follows:

(1) To analyse the effect of export barriers on performance of rice exporting companies and

(2) To examine the moderating effect of firm size on the relationship between export barriers and performance of rice exporting companies.

1.3 Scope and Method of the Study

The study focuses on the effect of export barriers on the performance of rice exporting companies in Myanmar. The methods of not only descriptive but also quantitative research are utilized. Two stage simple random sampling method is used in this study. In the first stage, 35 rice exporting companies are selected by simple random sampling method. And then, in the second stage, middle and top management positions of each selected rice exporting companies are selected. Therefore, in this study, primary data is collected from (70) respondents from selected rice exporting companies This learning was targeted on not only primary but also secondary data. Survey questionnaires which include five-point Likert scale are used to collect the primary data. Secondary data and information for the study are obtained from the records of the companies, previous thesis, research papers, internet websites, Yangon University of Economic Library, UMFCCI, Ministry of Commerce (MOC), Myanmar Rice Federation (MRF), and Myanmar Paddy Producers Association (MPPA). Hierarchical multiple regression is carried out to assess the moderating effect.

1.4 Organization of the Study

There are five chapters in this thesis. Chapter 1 includes an introduction which consists of rationale of the study, objectives of the study, scope and methods of the study and organization of the study. Chapter 2 is constructed with theoretical background and conceptual framework of observation. Chapter 3 describes the overview of Myanmar rice industry, Myanmar Rice Federation and current situations of Myanmar rice industry. Chapter 4 consists of analysis on the effect of export barriers on performance of rice exporting companies. Finally, Chapter 5 presents conclusion that comprises research findings and discussions and suggestions and recommendation and needs for further study.

CHAPTER II
THEORETICAL BACKGROUND

This chapter describes the concept and theories related to export barriers and export performance. It includes sixth parts. The first part concerns with the meaning of exporting. The second one deals with the importance of export. The third one is related to export barriers. The fourth part states export performance and then describes export performance indicators. And then, last part is about analytical framework of previous studies and the study.

2.1   Exporting

Exporting has turned out to be a critical internationalization strategy for each corporations and national economies in the global markets (Koksal, 2006). Rivalry, coordination and growing liberalization in the world's economies have been accountable for the expanding commitment of companies in exporting activities (Ural, 2009). Exporting is a pivotal business action for countries' economic health, as it essentially adds to financial development, work, trade balance and better quality of living (Lee and Habte-Giorgis, 2004). Exporting has turned out to be a big internationalization method for each businesses and national economies in the world markets (Koksal, 2006). Exporting has been the most popular and quickest developing method of global market section, mainly through small and medium-sized firms, because it doesn't require numerous assets and is related with less hazard in contrast with different entry modes to international business markets. Ahmed et al. (2004) explained that a typical goal in most growing nations is to discover approaches to amplify trades. In increased export, non-exporters are needed to be encouraged to begin as exporting and existing exporters. At the large scale level, the commitment of more organizations in exporting things is regarded as a powerful method of adapting to import/export imbalance issues just as a strategy to upgrade the gathering of foreign exchange, creating spillover impacts, for example. All help for local businesses to increase efficient production and societal prosperity and driving economic development (Morgan and Katsikeas, 1997) though at the miniature level. Exporting can grant singular organizations with chance to develop, enhance the usage of manufacturing capacity, stabilize demand, increment benefits, upgrade

advancement in item and process, create prevalent administration abilities, and make stronger economic overall performance (Lages and Montgomery, 2004). Since activities in exporting can produce such alluring advantages in worldwide organizations, their developing significance in industrialized nations, a comprehension of the exporting boundaries are assumed to be an especially critical difficulty in today's commercial enterprise surroundings (Kuada, 2006; Pinho and Martins, 2010). Moreover, as recognized by Rocha et al. (2008) referred to in Pinho and Martins, 2010), the obstacles to export could additionally assist the adaptation of government arrangements to invigorate homegrown firms and trade by taking out or limiting the significant hindrances to their international development.

2.2   The Importance of Export

Enterprise and business trade products and services where they have an upper hand. That implies they are superior than any other firms at giving the items. They, moreover, send out products and services which could reflect the nation's comparative advantage. When nations have a natural capacity to create the commodities, it can be said that they have comparative advantages. For instance, Colombia, Jamaica, and Kenya have the correct atmosphere to develop coffee. That gives their enterprises an edge in trading Espresso. In this situation, their organizations desire to sell more and their nations desire to extend their trades. In this case, they've sold all they can to possess for country's populace, and at that point, they need to offer abroad as well. If they export more, they can get more competitive advantages as well. They pick up mastery in creating the products and services. They, likewise, pick up cognition about how to deal with unfamiliar business sectors.

Governments empower exports. As a result, exports increase the standard of living for inhabitants grant occupations and get higher compensations and benefits. Accordingly, individuals become more joyful and bound to bolster their public pioneers. In addition, FX reserves get bigger due to exporting. Outsiders pay for sending out either in the U.S. dollar or their own cash. A nation with enormous reserves can utilize it to deal with their own currency's worth since they possess sufficient foreign currency to inundate the foreign exchange market with their own currency. As a result, their exports' expenses are low in other nations. Besides, nations that utilize currency reserve to handle liquidity and restraint over inflation.

They purchase foreign currency to purchase their own and in this way the money supply reduces which leads local currency to more worthy.

According to Tookey (1964), exporting companies have the opportunity to arrange the abundant manufacturing. Exporting firms manage the chance to enter into new global markets (Czinkota and Ronkainen, 1998; Kotabe and Helsen, 1998). And also exporting businesses have the chance to grow existing business sectors in foreign nations (Kamath, Rosson, Patton, and Brooks, 1987; Reid, 1983). According to Katsikeas, Leonidou, & Morgan (2000), not only companies' managers but also public policy makers regard the capacity to evolve better export execution. According to Czinkota (1994), exporting is being paid attention by policy makers as a result of expanding levels of work, expanding profitability, aggregating foreign exchange reserves and upgrading social prosperity. Exporting is viewed by company executives and business administrators as a way to move forward for benefits, fortify a competitive advantage, guarantee organization endurance and utilize capacity (Kumcu, Harcar, and Kumcu, 1995; Samiee and Walters, 1990). From an essential viewpoint, the utilization of exporting as a road to expand incomes speaks to a more traditional way to deal with entering global business sectors.

Firms can get benefits from exporting in entering international markets faster than other entry modes. In comparison to different alternatives of entry, exporting has the advantages of being more flexibility to redirect endeavors when foreign market is unlikeable. In much of the time, exporting provides firms with the finest of all universes. As exporting permits companies to get to a wide assortment of markets, exporting companies can expand incomes as a benefit. Moreover, the exclusive right of exporting businesses is locating an appropriate market that accepts their items by choosing from all of the nations. Through exporting, the fundamental capital of exporting companies can minimize. In comparing with other modes of entry, exporting has the least amount of capital in expanding into foreign countries. Therefore, undercapitalized or little enterprises are able to play down the estimate impacts appreciated by huge and by wealthy corporations. Exported goods have set up admittance to markets in which they are personally regarded as commonplaces because of global wholesalers and distributers. The outside wholesalers have the dissemination channels for taking care of a firm's items. Inside the limits of obscure markets, in such recognition with the local tastes, customs and culture give an extra advantage of offering assistances to corporations in boosting their products. The

utilization of local merchants and wholesalers limits data asymmetries that come about because of entering obscure or various societies. By implication, an exporter picks up a specific promoting ability in entering worldwide business sectors through exporting. In general, exporting has the easiest ways to penetrate global markets rather than other modes of entry. As the last factor, exporting helps to reduce the risks faced by companies associated with the entry to international sectors. As exporting firms, companies can meet many obstacles in exporting which are called as export barriers.

2.3   Export Barriers

Exporting can be characterized as "all those limitations that ruin the firm's capacity to start, create or maintain company operations in abroad markets" (Leonidou 2004). According to Leonidou (2004), all obstacles which reduce a corporation's advancement to start, create and maintain corporation chances in outside markets are regarded as deterrents. Based on his approach, he classified impediments confronted by a company as inside and outside one. All issues related with the company's inside structure are internal impediments and all those issues that are exterior the company are considered external.

2.3.1   Internal Barriers

Leonidou (2004) depicted that the three types of internal barriers are informational, functional and marketing related hindrances.

(a) Informational Barriers

A company that possess the perfect sum of data faces with less vulnerability than different companies with lower level of insights (Liesch and Knight, 1999). The Uppsala model clarifies internationalization as steady strides of gradual information amassing.

(b) Functional Barriers

The principle practical hindrances with a company are problems associated with finance, human resources and manufacturing which behave as obstructions in export (Vozikis and Mescon, 1985; Leonidou, 2004). A crucial asset for company is international exposure of directors and executives which come about in particular

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know-how and is troublesome for the competitors to duplicate. The factors about the time spent abroad, working, living and travelling exposure build on international experiences of supervisors and administers which procure and keep up information about worldwide activities (Athanassiou & Near, 2000; Ruzzier et al., 2007). Foreign enterprise procedures and opportunities can learn through travelling (Leonidou, 1998; Reid, 1981& Ruzzier ,2007).

The formation of any or at least informal systems in internationalizing or an expanding pattern in the collusion of strategic union exists in defeating the functional issues among entrepreneurial companies (Beamish, 1999; Lu & Beamish, 2001). According to Inkpen and Tsang (2007), a strategic alliance is defined as a long-term arrangement between two or more companies at a strategic level where they together move their execution level forward by sharing assets and risks (Zhao, 2014).

(c) Marketing Barriers

According to Namiki (1988) based on the outcomes from Porter (1980), there are four types of competitive strategies which firms adapt. They are (1) market differentiation (2) segment differentiation, (3) innovative differentiation and (4) products and services.

2.3.2   External Barriers

According to Leonidou (2004), the external barriers which comprise four kinds are governmental, environmental, procedural and task barriers.

(a) Procedural Barriers

Business encounters difficulties in operation which are defined as procedural barriers. And also it incorporates communication constraints, slow collection of installments within the overseas market and new procedures and/or strategies (Leonidou, 2004). There are two types of procedural associated barriers in exporting which can be arranged into controllable and uncontrollable obstructions. The first obstructions are normal tasks which can be overwhelmed by administrative experience and can manage with time and execution. Ramaswami & Yang (1990) indicate that non-controllable obstructions are difficulties which can be controlled on the premise of case to case. Consulting companies can offer the necessary help to defeat not only the operational boundaries but also most of these obstructions (Ramaswami and Yang, 1990).

(b) Governmental barriers

The unsupportive and supportive demeanor of government to exporters can be defined as governmental barriers. The two relating problems are (i) constrained help and motivating forces to existing and potential exporters and (ii) prohibitive part of the administrative system on export activities (Leonidou, 2004). In developing nations, export promoting agencies (EPA) do not have effective functions. Though developing countries have deficiency in substantial leading, they encounter constrained funding, bureaucratic and significant impact of the government (Lederman, 2010). Keesing (1991) discovered that EPA in non-industrialized nations upheld by public authorities have consistently conveyed unsatisfactory pragmatic data, help and assistance in extending the production export goods. They give the accompanying motivations to the disappointment of doing special projects. The occurrence of EPA failures is as a result of following issues.

1. The historical backdrop of import replacement has added to profound established mentalities and inspiration against exports.

2. EPA don't assist the organizations to conquer their manufacturing issues and adjust supply abilities to the target market prerequisites.

3. Associations that give the financing and exhortation on export help have regularly come up short on the will and assurance to convey positive outcomes.

4. Marketing of made products through assistance and support has regularly had issues with the single public assistance provider. Particularly in agricultural nations such conveyance instruments have been ended up being incapable.

(c) Task Barriers

Client necessities shift worldwide due for an assortment of reasons, for example, climatic conditions, taste, propensities, geology, economy of the nation and all these lead to various item prerequisites. Firms should invest significant measure of energy and cash to oblige every one of these changes (Leonidou, 2004). Worldwide rivalry has decreased the life cycle of items, and organizations can presently don't have nation or locale explicit items. Firms need to create items for worldwide application that would assist them to conquer their opposition. Growing such items with more limited times would help in supporting upper hand over their opponents (Baumol, Nelson and Wolff, 1994; Levin, Klevorick, Nelson and Winter, 1987;

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Kotabe and Murray, 2004). The transformation of the items or limited time messages can be applied just as various types of vital practices, for example, polycentric, geocentric or regiocentric methodologies to beat such hindrances (Wach and Wojciechowski, 2014).

(d) External Environmental Barriers

External environmental (or exogenous) hindrances incorporate issues related with political-legal, monetary and socio-social environment (Wach, 2015) of the outer market in which the firm is working in (Leonidou, 2004). Wach (2014) explains that external environment of firm can be examined from a local to a genuinely worldwide level, and what is more thinking about various viewpoints from the four fundamental components of PEST taxonomy. The vast majority of these boundaries are made by contending firms in the new market, supply and demand fluctuations and currency fluctuations and so on. Enormous numbers of the customary contrasts have been diminished because of the development of global organizations (Buzzell and Quelch, 1988 cited in Ramaswami and Yang, 1990).

2.4   Export Performance

Export performance is viewed as one of the vital pointers of the achievement of an association's tasks. Investigation into sending out execution has developed extensively during the previous few decades (Sousa, Martínez-López, and Coelho, 2008; Wheeler, Ibeh, and Dimitratos, 2008). While various examinations have been directed to clarify trade execution and its predecessors, there is no commonly acknowledged conceptualization. Fare execution speaks to the result of a company's exercises in fare markets (Papadopoulos and Martín, 2010). EP can likewise be characterized as the results from the company's global exercises. From this point of view, trade execution is the degree to which the firm accomplishes its goals when sending out an item to an unfamiliar market (Navarro et al., 2010). The proportions of fare execution are unique in relation to the measures normally utilized in global enhancement research inside the administration writing, since they don't have total every unfamiliar income. For all the things to be considered, sending out measures center around how much firm delivers items locally and afterward moves them to different nations available to be purchased. Since a firm wants to limit its presentation to hazard, or if nothing else looks for a circumstance where it can deal with its dangers

almost certainly, firms will utilize exporting as a method for passage in hazardous circumstances. Subsequently, trading can be seen as the vanguard of expansion, in that it is the essential strategy used in entering flimsy or hazardous conditions. Because of the numerous favorable circumstances delineated above, trading offers firms the occasion to test market in another nation for future business.

EP at various times are fundamental to the endurance of the association differently. Aaby and Slater (1989) characterize EP through export effectiveness, export efficiency and continuous commitment in exporting. Robieheaux (1988): Koh (1991) and Bilkey (1982) characterize EP through development that estimates export intensity which is the percentage of sales sold internationally, consistent export movement and perceived export profitability.

2.5   Previous Studies

Salali, S. (2015) examined the relationship between export barriers and export performance of Greek firms targeting the Iranian market. Finally, Salali, S. (2015) showed that operational dimension had a strongest effect and the logistic dimension has the weakness effect on export performance of Greek firms targeting the Iranian market.

Figure (2.1)   The Export Barriers on Export Performance
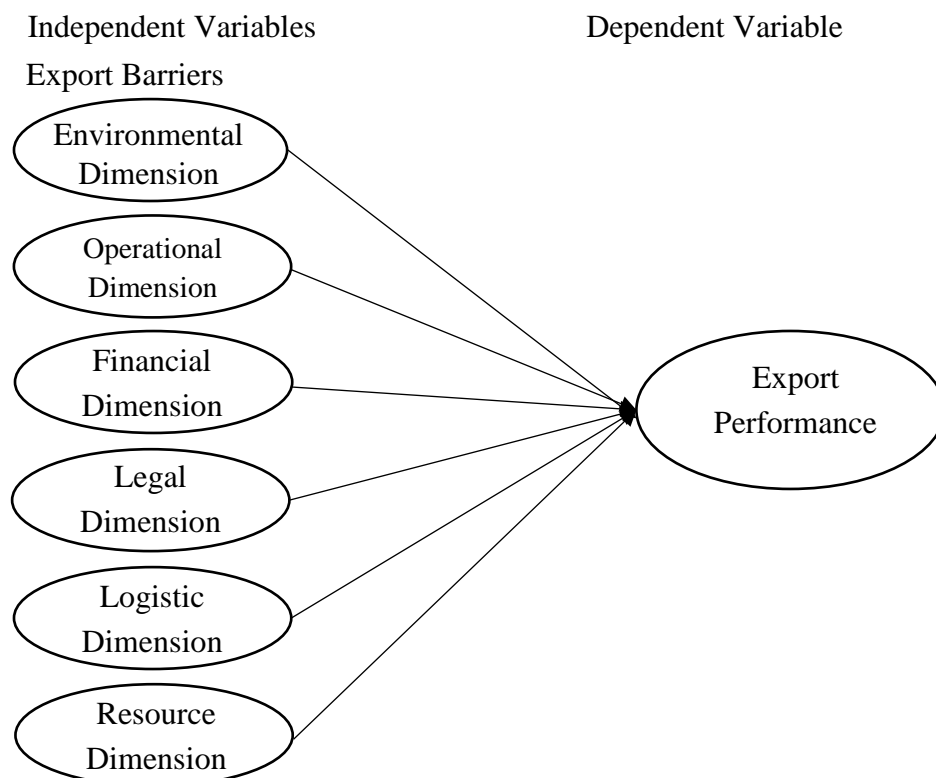
Source: Salali, S. (2015)

Figure (2.2) shows some of the major barriers that may hinder potential: small to medium-sized enterprise (SME) exporters and non-exporters from exporting their operations in the international market identified by (Khalil Al-Hyari, Ghazi Al-Weshah, Muhammed Alnsour, 2012). Finally, Khalil Al-Hyari, Ghazi Al-Weshah and Muhammed Alnsour (2012) found that two internal exporting barriers of financial and information have significant negative relationship with export performance of SMEs in Jordan. Finally, Khalil Al-Hyari, Ghazi Al-Weshah, Muhammed Alnsour, (2012) showed that environmental, financial and information barriers had a significant negative relationship with the export performance of SMEs in Jordan.

Figure (2.2)   Barriers to Export Performance
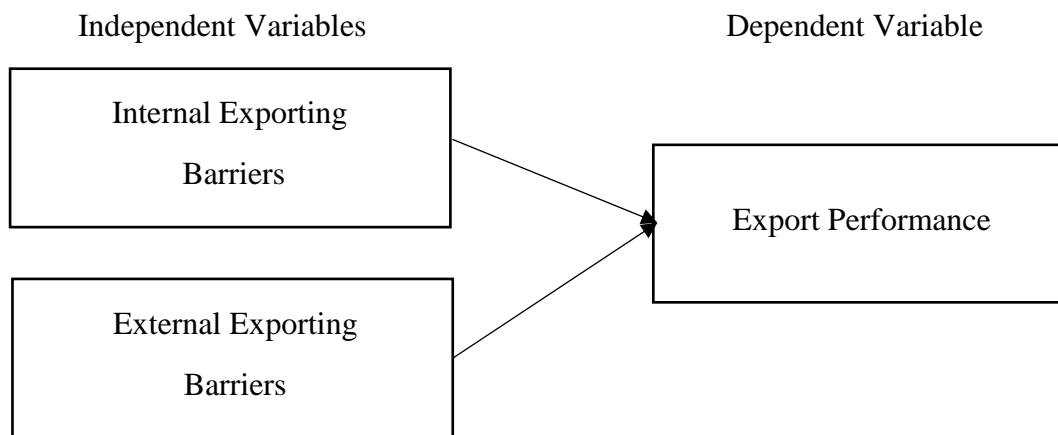
Source: Khalil Al-Hyari, Ghazi Al-Weshah, Muhammed Alnsour, (2012)

Figure (2.3) presents that the findings of a study aiming to find out whether the internal and external exporting barriers that faced by Welsh companies affect their export performance reported by Viggers, M. P.(2013). The study also considered a number of moderating variables that could mitigate the barriers-performance relationship. A quantitative survey approach was followed where structured questionnaires were sent to 250 small and medium enterprises in Wales. The questionnaire was based on Leonidou's framework modified by Djebarni & Al-Hyari (2010). Considering organizational assets, that can be intermediary by firm size, there are non-imitable administrative capacities that change monetary and physical assets into competences (entry boundaries). In this viewpoint, firm estimate has effect on export execution (Majocchi, 2005). Numerous analysts hypothesize that little firms

send out a lower share of their deals in variables as restricted assets, large hazard recognition and scale economies in universal action (Bonaccorsi, 1992).

In any case, firm size does not ensure the expansion of the percentage of sales sold internationally. Firms with high export intensity can lower add up to costs and maintain a strategic distance from exchange confining interference by outside governments (Schlegelmilch and Hooligan, 1988). Company with small size should not be considered less competitive; they have distinctive competitive focal points. The competitive preferences of small size companies are connected to item uniqueness or innovatively modern specialty items and, on the other hand, they are less competitive than bigger firms in terms of promoting (Moen, 1999). Firm size can be measured by distinctive intermediaries: the number of representatives, deals volume, sales employees' proportion, resources, level of investment funds in R&D. Sousa (2008) mentioned the geographic figure for firm estimate of totally different researches: the meaning of the terms large, medium and small shifts significantly in a worldwide setting.

Finally, Viggers, M. P. (2013) found that both internal and external barriers have impact on the export performance of companies in Wales and those foreign languages spoken by staff can influence this relationship.

Figure (2.3)   The Impact of Export Barriers on Export Performance
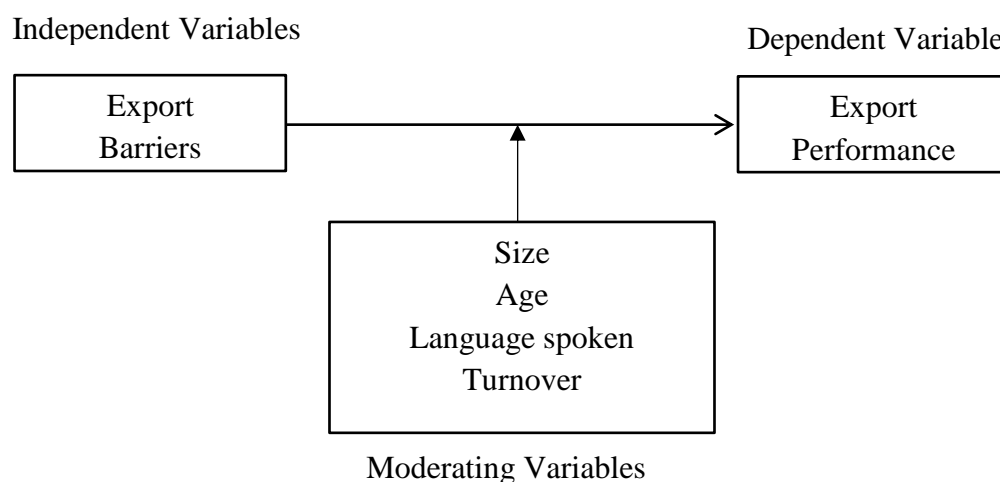
Source: Viggers, M. P.(2013)

Figure (2.4) expresses that the perception of export barriers by Ghanaian non-traditional exporters and the relationship that exists between this perception and other

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variables including; internal management forces, firm size and degree of internationalization is investigated by Kennedy, D., & Nicholas, A. G. (2009). Finally, Kennedy, D., & Nicholas, A. G. (2009) found that the effect of international experience on performance is probably not significant. From observation, the only important factor is the firm size which resolve the export performance. The relationship between internationalization and perceived export barriers as the outcomes was not statistically significant.

Figure (2.4)   The Impact of Perceived Export Barriers on Export Performance
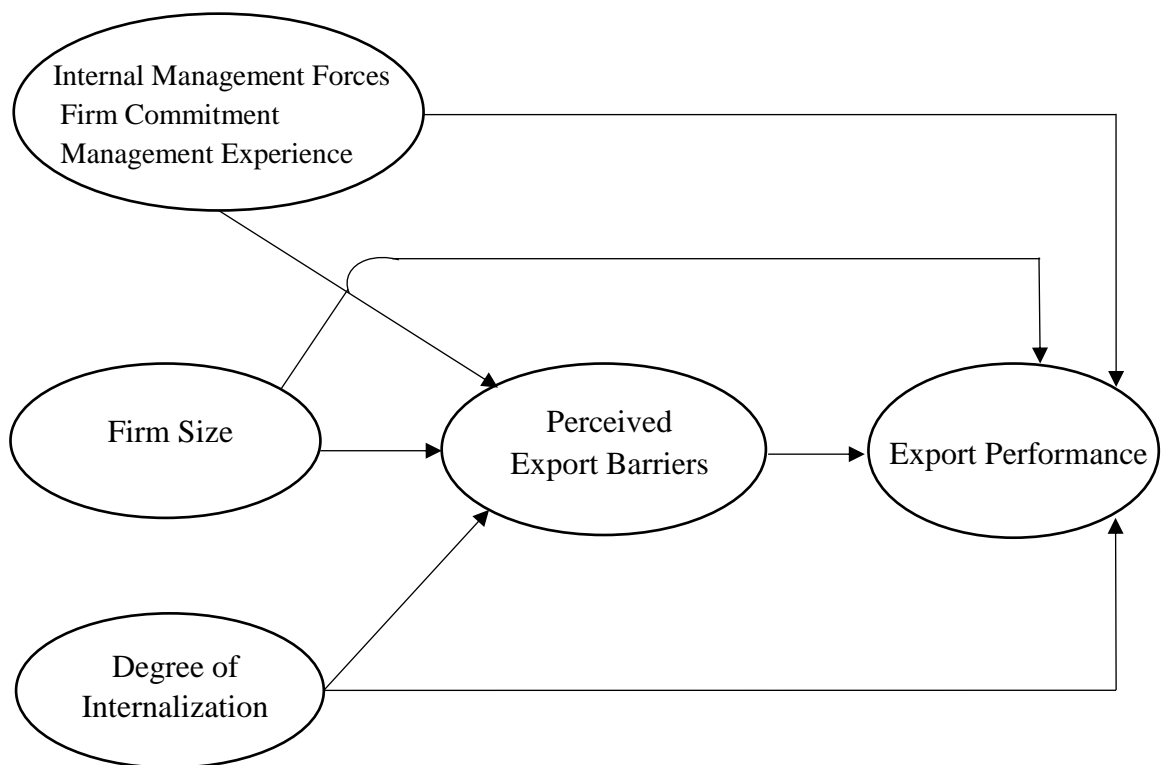
Source: Kennedy, D., & Nicholas, A. G. (2009)

2.6   Conceptual Framework of the Study

The conceptual framework is adopted from the previous study that has been investigated whether exporting barriers impact the performance of Walsh exporting companies. The aim of the dissertation is to identify the effect of export barriers on performance of rice exporting companies in Myanmar. In order to achieve the research objectives, the study tests the conceptual framework presented in Figure (2.5).

Figure (2.5)   The Conceptual Framework of the Study

Independent Variables

Dependent Variable

| Export Barriers
Internal Barriers
External Barriers | → | Export Performance |

Firm Size

Moderating Variables
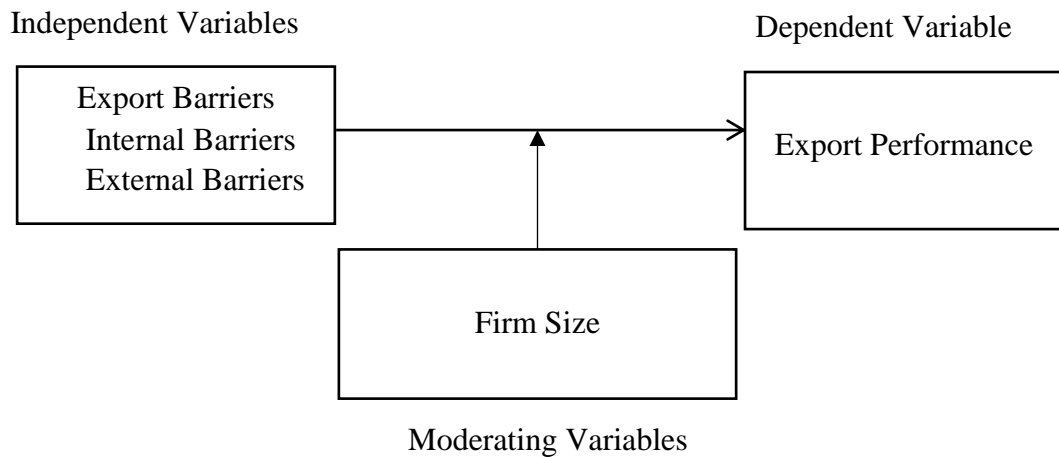
Source: Adapted from Viggers, M. P. (2013)

As the independent variables, there are export barriers, internal barriers composed by informational, functional and marketing barriers and external barriers which consists of procedural, governmental, task, and environmental barriers. Export performance is dependent variable. The moderating variable is focused on firm size and the dependent variable is export performance.

CHAPTER III
MYANMAR RICE INDUSTRY

This chapter describes the overview of Myanmar rice industry, the profile of Myanmar rice federation which includes objectives and organizational structure. And contemporary circumstances of Myanmar rice industry.

3.1   Overview of Myanmar Rice Industry

In agriculture and agribusiness, Myanmar, an agricultural country, is the prevailing division for the rice industry attached with mass of Myanmar citizens to its key resource of food security ethically, habitually and socio-economically. To describe the different segments of rice industry, national standard associations are constructed by private divisions because rice industry plays an important role in Myanmar. Myanmar Rice Federation (MRF) which was founded in 2012 supply coordination and lay out instruction to those associations to achieve the suitable improvement, successful and systematic coordination and cooperation. Democratic implementation like collective resolution taken by superiority, taking into consideration of the role and liability of every stakeholder, independence of speech and utterance, taking into consideration of help to minority, sharing of news and views shall be increased by MRF.

Myanmar Rice Policies are intended to make sure the guarantee of not only food but also nutrition for the citizens. Therefore, both extensive and intensive means are adopted by Myanmar to boost the productivity and to get the growing demands for better quality rice which will lead to be in line with national objective of restoring Myanmar becoming the major rice exporter in global market. Myanmar Rice policies play an important role in the frame of market economic practices and are considered to make sure the socio-economic development for the farming rice families living in rural area where more than 70% of the Myanmar population reside and have been connected to the rice industry.

Myanmar Government instructed the suitable improvement of Myanmar rice division, practicing better teamwork, supporting and defending the security of every stakeholder to be successful and systematic execution of rice policies. In fact, MRF is dutiful to make sure for those. In worldwide market, Myanmar announced itself as a

prime rice market because production is quickly rising after allowing Myanmar's suggested adaption of Supply Chain, Value Chain administration assisted with Public Private Partnerships as majority drivers.

Myanmar, one of the South East Asia countries, which has the great soil is rich in natural and human resources and it has the tendency to make trading and investing with great possibilities. According to the global exercising, Myanmar Government initiated to start macroeconomic and industrial improvement to be the most liable, dynamic and encouraging business in Asia. Myanmar white rice which is so famous for its unique characteristics like food safety and maintaining the natural taste by using the farm chemicals with minimum is being exported to Japan, Indonesia, EU Countries, Bangladesh, Sri Lanka, PR China, Middle Eastern countries and African countries. Global exporters and funders who desire to work together and assist with Myanmar Rice business administrator in different division of Myanmar rice industry are appreciated by MRF.

3.2   Myanmar Rice Federation

Myanmar Rice Federation which constitutes the private role of Myanmar rice industry was established in 2012 to reconstruct and develop Myanmar Rice Industry Association (MRIA) as a national standard federation. MRMA, MRPTA, MAPCO, MPPA, Rice farmers, Rice Exporters, Millers and Traders are the critical members of MRF. The purposes of MRF are to assist and implement the tolerable development of Myanmar rice industry by heightening the effective and efficient utilization of all the obtainable resources in rice industry. MRF always funds in the profits for the happiness of members and stakeholders. MRF is implementing and carrying out market-based mechanism to make sure contribution and price solidity, to up to date and increase processing and storage propensity, to incentive producers and stakeholders, and the most critically, national food preservation.

3.3   Current Situation of Myanmar Rice Industry

In Myanmar, rice is the main export commodity and principal food. After first COVID-19 cases had been confirmed in March, there was panic buying rice which led to raise the price of rice but immediately stopped Myanmar Rice Federation (MRF) announced that there was enough rice for national people.

To keep the price stability and raise the farmer incomes at the mean time also making sure of a sufficient amount for national people, the Ministry of Commerce (MOC) announced a plan of rice and broken rice export work with the goal of continuing exports at the essential level. After March 20, rice export licenses were hold up by the government to survey the ongoing rice stocks in country and to determine how much rice was able to be exported. On April 16, the MOC's Department of trade released the announcement that they would take back out of date and no more used export license by April 25. When making sure of the sufficient amount of rice for domestic consumption, a careful survey of the volume of rice and broken rice obtainable for export was allowed.

The rice exporters and funders had been managed by the government to inform their rice stock volumes to MRF. The Ministry of Commerce which will lead the buying project with the cooperation of MRF, MEODA and UMFCCI managed the rice exporters to sell 10% of their export volume to the government. The government purchased the rice up to 6,300 MT as of May 12 and Myanmar's monthly rice consumption is approximately calculated at 850,000 MT. From October 2019 to early April 2020, Myanmar exported approximately 1.7 million MT of rice and expected to export about 2.5 million MT in September 2020.

Government releases the announcement for the exporters to sell 10% of their export volumes to the government for food supply (216,000 kyats per 108 lb bag of 25% Emata polished rice) and the limit will be shared equally. Even though, limit will be released monthly, the government approximately calculated that the rice export limit will be about 150,000 MT per month for the remaining month of the financial year (through September 2020). When making sure of the enough amount of rice for domestic consumption, Myanmar government controlled its rice trade policy to raise farmer incomes and keep the price stable within COVID-19. Government have the great tendency to assist monsoon paddy and other agricultural production.

It was started on May 15, 2020, that estimated credit for agricultural $1.25 billion,4 % grow compared to last year, will be dispelled to farmers to assist the production of a wide range of agricultural cargo, containing rice, at 5% interest rate (decreased from original 8%). Farmers will not have been permitted if they have not paid off last year's credit yet. The Agricultural Development Bank informed that only 63 % of the amount dispelled last year has been paid. Because of COVID-19, the

amount to that decreased access to credit and fluctuation prohibitions can have an effect on the monsoon rice crop this year persists confused.

Figure (3.1)   Top Ten Myanmar Rice Exporting Countries from 1.10.2019 to 30.9.2020
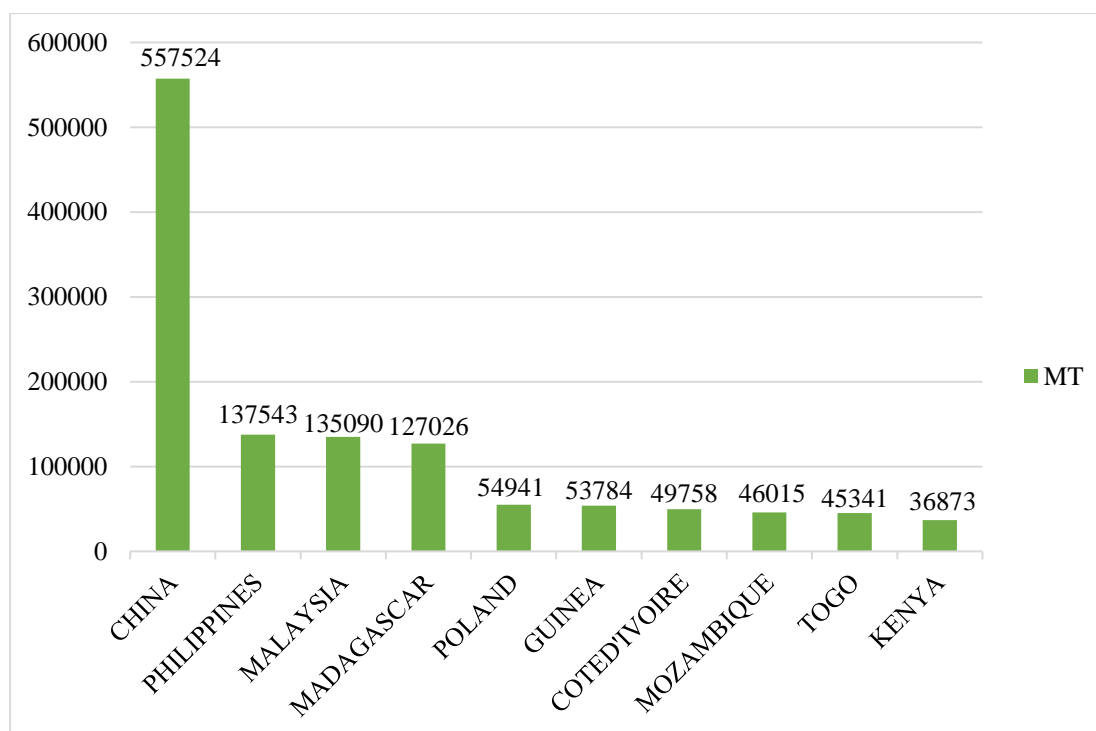
Source: Ministry of Commerce (2020)

As shown in Figure (3.1), Myanmar top ten rice exporting countries from 1.10.2019 to 30.9.2020 are China, Philippines, Malaysia, Madagascar, Poland, Guinea, Coted'ivorie, Mozambique, Togo and Kenya. Myanmar exported 557524 metric tons of rice to China mainly, followed by Philippines with 137543 metric tons of rice and then exported 135090 metric tons of rice to Malaysia and 127026 metric tons of rice to Madagascar. Myanmar exported 5491 metric tons of rice to Poland, 53784 metric tons of rice to Guinea, 49758 metric tons of rice to Coted'ivoire, 46015 metric tons of rice to Mozambique, 45341 metric tons of rice to Togo and 36873 metric tons of rice to Kenya respectively from 1.10.2019 to 30.9.2020.

Figure (3.2)   Top Ten Myanmar Broken Rice Exporting Countries from 1.10.2019 to 30.9.2020
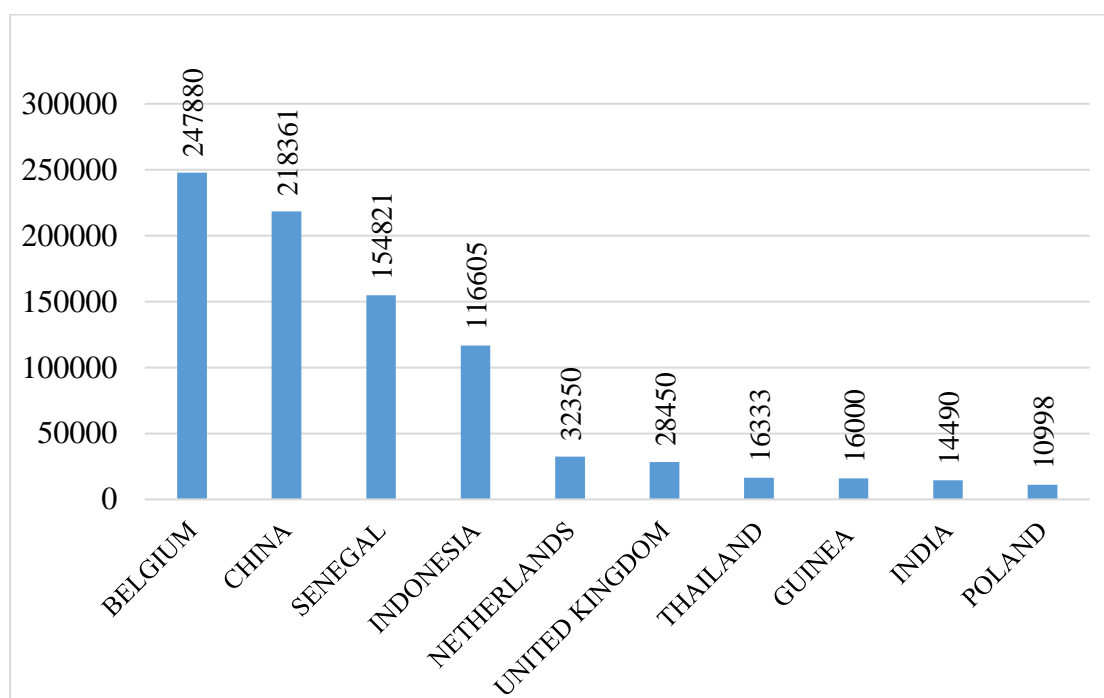
Source: Ministry of Commerce (2020)

As shown in Figure (3.2), Myanmar top ten broken rice exporting countries from 1.10.2019 to 30.9.2020 are Belgium, China, Senegal, Indonesia, Netherlands, United Kingdom, Thailand, Guinea, India and Poland. 247880 metric tons of Myanmar broken rice is exported to Belgium, followed by China with 218361 metric tons. The third most importing countries is Senegal with 154821 metric tons of broken rice. Indonesia is the fourth most importing countries of Myanmar broken rice with 116605 metric tons. The other five countries imported below 50000 metric tons of Myanmar broken rice and among these, Poland was the least amount of 10998 metric tons of broken rice.

Table (3.1)   Countries that Purchase Myanmar's Rice/ Broken Rice from 1.10.2019 to 30.9.2020

No	Countries/ Group	Rice Purchase (MT)	Broken Rice Purchase (MT)	Total (MT)
1	China	557523.540	218361.410	775884.950
2	ASEAN	310103.095	156779.400	466882.495
3	EU	201250.016	313273.000	514523.016
4	African countries	480372.490	225930.000	706302.490
5	Other countries	60695.868	62090.430	122786.298
	Total	**1609945.009**	**976434.240**	**2586379.249**

Source: Ministry of Commerce (2020)

According to Table (3.1), Myanmar's mainly exported countries are China, ASEAN, EU, African countries and other countries. Among these, China is the major purchaser of Myanmar rice and broken rice, followed by ASEAN with 466882.495 metric tons, EU with 514523.016 metric tons, African countries with 706302.490 metric tons and other countries by 122786.298 metric tons of Myanmar rice and broken rice respectively.

Figure (3.3)   Countries that Purchase of Myanmar Rice/ Broken Rice from 1.10.2019 to 30.9.2020.
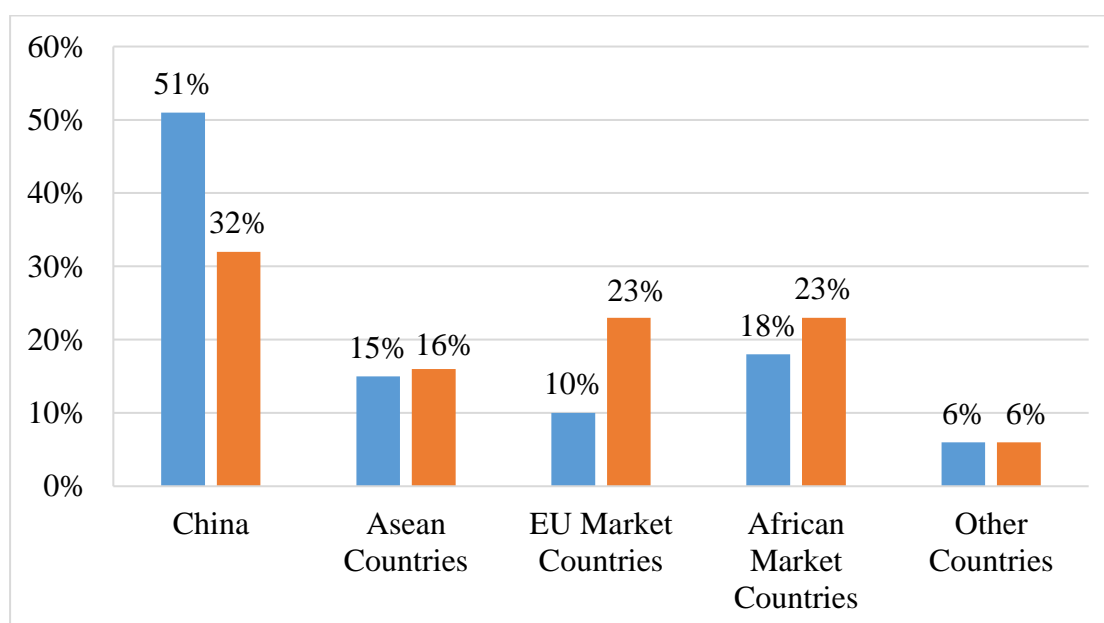
Source: Ministry of Commerce (2020)

The figure (3.3) represented countries that purchase Myanmar rice and broken rice from 1.10.2019 to 30.9.2020. The inner cycle represents the percentage of Myanmar rice purchased by countries representing 51% by China, 18% by African market countries, 15% by ASEAN countries, 10% by EU market countries and the other 6% by other countries respectively. The outer cycle represents the percentage of Myanmar broken rice purchased by China with 32%, African countries with 23%, EU countries with nearly 23%, 16% with ASEAN countries and other countries with 6% respectively.

Table (3.2)   Myanmar Rice and Broken Rice Export

	Export (MT)			Export revenue (USD) Million		
	Rice	**Broken Rice**	**Total**	**Rice**	**Broken Rice**	**Total**
2018-2019	1836865.948	519034.500	2355900.448	572.567	137.126	709.693
2019-2020	1609945.009	976434.240	2586379.249	527.963	266.425	794.388
Difference(+)(-)	(-)226920.939	(+)457399.740	(+)230478.801	(-)44.604	(+)129.299	(+)84.695

Source: Ministry of Commerce (2020)

As shown in Table (3.2), Myanmar exported 18.36 million metric tons of rice and earned $572.567 million USD in 2018-2019 financial year. It earned $137.126 million USD while exporting 5.19 million metric tons of broken rice in 2018-2019 financial year. In financial year of 2019-2020, Myanmar exported 9.76 million metric tons of broken rice and 16.09 million metric tons of rice and earned $266.425 million USD and $527.963 million USD respectively. The export of rice in 2018-2019 financial year decline greater than 2019-2020 FY with about $44.604 million USD but the export of broken rice is improved more significantly than 2018-2019 financial year with about $129.299 million USD. In comparison between 2019-2020 financial year and 2018-2019 financial year, the total export of rice and broken rice in 2019-2020 is greater than those of 2018-2019.

CHAPTER IV

ANALYSIS ON THE EFFECT OF EXPORT BARRIERS ON PERFORMANCE OF RICE EXPORTING COMPANIES

This chapter includes the data analysis and findings from the structured questionnaires answered by 70 respondents from the 35 rice exporting companies. It involves six parts and research design describes firstly. The second part states demographic profile of the respondents. The third part shows mean scores of internal and external barriers. The fourth is reliability test. The next parts describe analyzing how export barriers impact on export performance by using regression and correlation analysis as a tool of inferential statistics. And then the moderating effect of firm size on the export performance by using hierarchical multiple regressions as a tool of inferential statistics.

4.1 Research Design

This study uses descriptive and quantitative research methods and also uses five-point Likert scale to measure export barriers. The arithmetic means and standard deviation as the descriptive statistics from the respondent's responds were computed for the various dimensions assessed by export barriers like internal barriers and external barriers and export performance on the result of structured questionnaires. This research applied the descriptive research, reliability analysis, multiple regression method as inferential analysis to measure export barriers and export performance of rice exporting companies. The population of this research involves 35 percent of 100 of major rice exporting companies in Myanmar.

The essential part of the research design is the data collection in which these data is gathered by the primary and secondary sources. Descriptive research and quantitative research will be used and a sample of 70 respondents in 35 companies will be selected using simple random sampling. Both primary and secondary data are the basis of this research. Primary data required in line with the objectives will be collected from respondents of rice exporting companies by mail, telephone and interview. The export managers and general manager from the sample companies will be interviewed with structured questionnaires. Secondary data and information for the study is obtained from company's records, previous thesis, research papers, internet

websites, Yangon University of Economic Library, UMFCCI, Myanmar Rice Federation (MRF), and Myanmar Paddy Producers Association (MPPA). The questionnaires are constructed as a simple and understandable questions to minimize the biasness for the respondents.

4.2   Demographic Profile of Respondents

This section presents the demographic profile of the respondents such as age, and position of respondents in rice exporting companies. Table (4.1) described age, position and firm size of the respondents.

Table (4.1)   Demographic Profile of Respondents

Particular	Frequency	Percent
Age (Years)		
18-34	3	4.3
35-50	29	41.4
51-70	34	48.6
Over 70	4	5.7
Total	70	100
Positions		
Middle Management	40	57.1
(Sales Manager/ Export Manager)		
Top Management	30	42.9
(Chief Executive/Chairman /Managing Director)		
Total	70	100
Size (No. of Employees) of the firm in which respondents work	30	42.9
≤ 100 employees	40	57.1
> 100 employees		
Total	70	57.1

Source: Survey data (2020)

According to the Table (4.1), the total respondents comprised of 70 respondents from 35 rice exporting companies. The age of respondents can be divided into four groups which are mentioned in Table (4.1). Table 4.1 described that the age

group distribution showing 4.3%. 41.4%, 48.6% and 5.7% of the respondents are in age groups of 18-34, 35-50, 51-70 and over 70 respectively. Table (4.1) also described that the positions of respondents representing 57.1% of respondents and 42.9% of the respondents are in the positions of middle management who are sales managers and export managers and top management who are chief executive, chairman or managing director respectively. Moreover, Table (4.1) described that respondent's frim size in which 42.9% of the respondents are from small and medium size firms showing that the number of employees is less than or equal to 100 and others are from large size firms in which the number of employees is greater than 100 respectively 57.1%.

4.3 Export Barriers

The barriers that are encountered by exporting companies are divided into internal and external. For the purpose of determining, internal barrier is composed of three constraints. In the case of external barriers associated with both home and host environment, it can be shown by four components. This section interprets the mean of export barriers that can be seen in the Table charts. Every question has their own statements on which the respondents show their self-perceived level on these statements by Five-Point Likert Scale.

4.3.1 Respondent Perception on Internal Barriers

Internal barrier has only three hurdles. The mean values relating to marketing, functional and informational barriers are presented in Table (4.2).

Table (4.2)   Respondent Perception on Internal Barriers

Sr. No.	Description	Mean
1	Informational Barriers	3.9809
2	Functional Barriers	3.7762
3	Marketing Barriers	4.0476
Overall Mean		3.9349

Source: Survey Data (2020)

According to Table (4.2), respondents perceived that they have internal barriers to do the exporting activities because the mean value is 3.9349 at the high

27

scale level. Among the internal barriers, marketing barriers has the highest mean value as 4.0476 followed by informational barriers with the mean value of 3.9809 and then functional barriers with the mean value of 3.7762. Therefore, functional barriers have the least obstacles to do the exporting activities among internal barriers.

(a) Respondent Perception on Informational Barriers

Informational barrier is one of the internal barriers. It was constructed with three statements measured by using five points Likert scale. The mean values of informational barriers are calculated in Table (4.3).

Table (4.3)   Respondent Perception on Informational Barriers

Sr. No.	Description	Mean
1	Lack of knowledge of potential markets	4.4857
2	Problematic international market data	4.4857
3	Inability to contact overseas customers	2.9714
Overall Mean		3.9809

Source: Survey Data (2020)

Table (4.3) directed that the exporters agreed to the informational barriers as obstacles to do exporting activities since the overall mean of informational barriers is 3.9809. According to the three statements, the highest mean value is 4.4857. This means that the exporters agreed that they faced lack of knowledge about potential market and then problematic international market data in expanding their export activities followed by inability to contact overseas customers with the mean score of 2.9714. This mentions that they faced less difficulties in contact with overseas customer than the other two informational barriers.

(b) Respondent Perception on Functional Barriers

Functional barrier is one of the internal barriers. The mean values of functional barriers are calculated in Table (4.4).

Table (4.4)   Respondent Perception on Functional Barriers

Sr. No.	Description	Mean
1	Inadequate/ untrained personnel for exporting	3.7429
2	Lack of excess production capacity for exports	3.8429
3	Lack of financial assistance for exports	3.7429
	Overall Mean	3.7762

Source: Survey Data (2020)

From the Table (4.4), it describes that the respondents agreed to the functional barriers with the overall mean values of 3.7762. Among the functional barriers, the highest mean score of the statement is 3.8429. Therefore, the respondents agreed that they faced lack of excess production capacity for exports. On the other hand, the lowest mean scores of the statements are 3.7429 which means that the respondents have inadequate/ untrained personnel for exporting and lack of financial assistance for exports at the same level. Therefore, the respondents perceived functional barriers as obstacles to do exporting activities.

(c) Respondent Perception on Marketing Barriers

Marketing Barriers which are measured with five statements are one of the internal barriers. The mean values of marketing barriers are measured in Table (4.5).

Table (4.5)   Respondent Perception on Marketing Barriers

Sr. No.	Description	Mean
1	Meeting export product quality standards/ specifications	4.0527
2	Meeting export packaging/ labelling requirements	3.8089
3	Offering satisfactory prices to customers	3.9253
4	Difficulty in matching competitors' prices	4.3545
5	Excessive transportation and insurance costs	4.0966
	Overall Mean	4.0476

Source: Survey Data (2020)

According to the Table (4.5), it described that the respondents perceived that they have marketing barriers as obstacles to do the exporting activities because the average mean value is 4.0476 at the high scale level. Among five statements, the highest score mean level is 4.0966 regarding excessive transportation and insurance costs which is followed by meeting export product quality standard and specifications, difficulty in matching competitor's prices, offering satisfactory prices to customers respectively and meeting export packaging/ labelling requirements were least used.

4.3.2   Respondent Perception on External Barriers

In the case of external barriers associated with both home and host environment, it can be constructed by four components. External barriers were calculated with four statements and the mean values of them are measured in Table (4.6).

Table (4.6)   Respondent Perception on External Barriers

Sr. No.	Description	Mean
1	Procedural Barriers	3.7571
2	Governmental Barriers	3.7476
3	Task Barriers	3.6952
4	Environmental Barriers	3.9286
	Overall Mean	3.7821

Source: Survey Data (2020)

Table (4.6) indicated that the respondents perceived that they have external barriers as obstacles to do the exporting activities because the overall mean value is 3.7821 at the high scale level. According to the table, companies are facing with environmental barriers showing 3.9286 especially in the foreign currency exchange risks. On the other hand, task barriers have the lowest mean values of 3.6952. Therefore, companies faced task barriers as least obstacles to do the exporting activities.

(a) Respondent Perception on Procedural Barriers

Procedural barriers are one of the external barriers. Procedural barriers were calculated with three statements and the mean values of them are measured in Table (4.7).

Table (4.7)   Respondent Perception on Procedural Barriers

Sr. No.	Description	Mean
1	Unfamiliar exporting procedures/ paperwork	3.7571
2	Problematic communication with overseas customers	3.7571
3	Slow collection of payments from abroad	3.7571
Overall Mean		3.7571

Source: Survey Data (2020)

According to the Table (4.7), it described that the respondents perceived that they have procedural barriers as obstacles to exporting activities because the overall mean value is 3.7571 at the high scale level. The respondents clearly agreed that they have unfamiliar exporting procedures/ paperwork, problematic communication with overseas customers and slow collection of payments from abroad and as a result, procedural barriers are obstacles to do the exporting activities.

(b) Respondent Perception on Governmental Barriers

Governmental barriers are one of the external barriers. Procedural barriers were calculated with three statements and the mean values of them are measured in Table (4.8).

Table (4.8)   Respondent Perception on Governmental Barriers

Sr. No.	Description	Men
1	Lack of home government assistance/ incentives	3.7571
2	Unfavorable home rules and regulations	3.7571
3	Foreign government attitudes	3.7286
Overall Mean		3.7476

Source: Survey Data (2020)

According to the Table (4.8), it indicated that the respondents perceived that they have governmental barriers as obstacles to do the exporting activities because the overall mean value is 3.7476 at the high scale level. Among these statements, company has the same high score mean level of 3.7571 regarding lack of home government assistance/ incentives and unfavorable home rules and regulations and then followed by foreign government attitudes were least obstacles.

(c) Respondent Perception on Task Barriers

Task barriers are one of the external barriers and mean values of them are calculated in Table (4.9).

Table (4.9)   Respondent Perception on Task Barriers

Sr. No.	Description	Mean
1	Different foreign customers, habits/ attitude	3.7286
2	Keen competition in overseas markets	3.7571
3	Foreign public attitudes	3.6000
Overall Mean		3.6952

Source: Survey Data (2020)

Table (4.9) described that the respondents perceived that they have task barriers as obstacles to do the exporting activities because the overall mean value is 3.6952 at the high scale level. Among these statements, the high score mean level is 3.7571 regarding keen competition in overseas markets followed by different foreign customers' habits/ attitude and foreign public attitudes were least obstacles respectively.

(d) Respondent Perception on Environmental Barriers

Environmental barriers are one of the external barriers and the mean values of which are measured in Table (4.10).

Table (4.10)   Respondent Perception on Environmental Barriers

Sr. No.	Description	Mean
1	Poor/ deterioration economic conditions abroad	3.7571
2	Foreign currency exchange risks	4.4429
3	Strict foreign rules and regulations	3.7571
4	High tariff (taxes on certain imports) and non-tariff barriers (rules and regulations which make trade more difficult)	3.7571
Overall Mean		3.9286

Source: Survey Data (2020)

Table (4.10) described that the respondents perceived that they have environmental barriers as obstacles to do the exporting activities because the mean value is 3.9286 at the high scale level. Among these, the highest mean score of foreign currency exchange risks is 4.4429 followed by poor/ deterioration economic conditions abroad, strict foreign rules and regulations and high tariff and non-tariff barriers were the least obstacles respectively.

4.4   Export Performance

The performance of companies relies on barriers that occur in exporting. The export performance of corporation is counted with five affirmations. These five statements were constructed by using five point Likert scale. The mean values of export performance are calculated in Table (4.11).

Table (4.11)   Performance of Rice Exporting Companies

Sr. No.	Description	Mean
1	The volumes of export raised in 2019 contrast with 2018	3.0000
2	The revenues of export raised in 2019 contrast with 2018	2.8571
3	The profitability of export raised in 2019 contrast with 2018	2.8143
4	The return on investment raised in 2019 contrast with 2018	2.9429
5	Export Intensity raised in 2019 contrast with 2018	3.0429
Overall Mean		2.9314

Source: Survey Data (2020)

According to Table (4.11), the highest mean score value for the export performance shows 3.0429 level. On the other hand, the lowest mean score values for export performance show less profits of exporting with the mean score 2.8143. In Table (4.11), overall mean score of export performance is 2.9314. Finally, it can be concluded that respondents clearly perceived that the export performance has not improved significantly because of the Covid-19 pandemic effect.

4.5   Reliability Test

The reliability test is conducted by computing Cronbach's Alpha values. According to Hair et al (2009), 0.7 of Cronbach Alpha values was mostly considered while 0.6 is also accepted at certain case according to Bakon and Hassan (2013). The result is presented in Table (4.12).

Table (4.12)   Analyzing the Reliability Statistic

Sr. No	Variables	No of Items	Cronbach's Alpha
1	Informational Barriers	3	.640
2	Functional Barriers	3	.949
3	Marketing Barriers	5	.940
4	Procedural Barriers	3	.949
5	Governmental Barriers	3	.997
6	Task Barriers	3	.726
7	Environmental Barriers	4	.697

Source: Survey Data (2020)

According to Table (4.12), informational barriers are measured with three items and Cronbach's alpha value of workload is 0.640. Functional barriers are measured with three items and then Cronbach's alpha value of functional barriers is .949. Further, marketing barriers are measured with five items and then Cronbach's alpha value of marketing barriers is 0.940. Moreover, Cronbach's alpha value of procedural, governmental, task and environmental barriers are higher than 0.7. And then, export performance is also measured with five items and Cronbach's alpha value of export performance is 0.760. Hence, the reliability of data for this variables is acceptable.

4.6   Correlation between Export Barriers and Export Performance

Correlation analysis is another way of measuring the interrelationship between the variables and also analyze the degrees of interrelationship between two random variables. The correlation coefficient should be in range from -1 to +1. The correlation analysis of this study is described in Table (4.13).

Table (4.13)   Correlation between Export Barriers and Export Performance

Sr. No.	Descriptions	Pearson Correlation Coefficient	P-value
1	Informational Barriers	-.612***	.000
2	Functional Barriers	-.575***	.000
3	Marketing Barriers	-.415***	.000
4	Internal Barriers	-.587***	.000
5	Procedural Barriers	-.557***	.000
6	Governmental Barriers	-.549***	.000
7	Task Barriers	-.601***	.000
8	Environmental Barriers	-.546***	.000
9	External Barriers	-.591***	.000
10	Export Performance	1	.000

Source: Survey Data (2020)

Note: *** Correlation is significant at 0.01 level

  ** Correlation is significant at 0.05 level

   * Correlation is significant at 0.1 level.

According to the Table (4.13), the results indicated that both internal and external barriers are negatively correlated to export performance and the relationship between the variables is rather with a value of 0.587 and 0.591. All the barriers in internal barriers such as informational barriers, functional barriers and marketing barriers have negatively significant relationship to export performance and are significant with a value of 0.000 lower than 0.01. Procedural, governmental, task and environmental barriers which are in external barriers and all of them have negatively significant relationship to export performance and are significant with a value of 0.000 lower than 0.01.

4.7 Analysis on the Effect of Export Barriers on Export Performance

The relationship between multiple independent variables and single dependent variables is utilized in conducting multiple regression analysis. Multiple regression model is applied to analyze the effect of export barriers on export performance.

Table (4.14) Effects of Export Barriers on Export Performance

Variables	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
(Constant)	5.776	.507		11.391	.000
Informational Barriers	-.732***	.510	-.718	-4.884	.000
Functional Barriers	-.025	.096	-.038	-.266	.791
Marketing Barriers	-.410***	.109	-.415	-3.760	.000
Procedural Barriers	-5.315***	1.502	-7.200	-3.539	.001
Governmental Barriers	-5.219***	1.478	-7.190	-3.532	.001
Task Barriers	-.753***	.259	-8.11	-2.907	.005
Environmental Barriers	-.513*	.264	-.449	-1.940	.057
R square	.654				
Adjusted R square	.615				
F-value	16.762***				
Sig	.000				

Source: Survey Data (2020)

Note: *** indicates that significant at 1 % level, ** indicates that significant at 5 % level and * indicates that significant at 10% level.

From the above Table (4.14), R square is 0.654 and adjusted R square is 0.615 which is around 61.5 percent and the value of F-test, the overall significant of the specified model which can be said valid, is highly significant at 1 percent level. As a result, coefficient of informational barriers is 0.732 with a negative significant value of 0.000 which is lower than 0.01. Functional barriers' coefficient value is 0.025 with a negative insignificant value of 0.791 which is higher than 0.05. Coefficient of

marketing barriers is 0.410 with a negative significant value of 0.000 which is lower than 0.01. Therefore, informational and marketing barriers have significant negative effect on export performance. The functional barriers do not have significant negative effect on export performance.

Further, procedural barriers' coefficient is 5.315 with a negative significant value of 0.001 which is lower than 0.01. The coefficient of the governmental barriers is 5.219 with a negative significant value of 0.001 which is lower than 0.01The coefficient of task barrier is 0.753 with a negative significant value of 0.005 which is lower than 0.01. The coefficient of environmental barriers is 0.513 with a negative significant value of 0.57 which is higher than 0.05. Therefore, procedural, governmental and task barriers have significant negative effect on export performance. The environmental barriers do not have significant negative effect on export performance.

4.8   Moderating Effect of Firm Size on Export Performance

Moderation Effect Analysis was performed using multiple hierarchical regression (Coakes, Steed, & Price, 2008). The method, a more suitable, of directing even if a quantitative variable owns a moderating effect on the relationship between dependent and independent variables has recommended hierarchical multiple regressions (Baron & Kenny, 1986; Cramer & Ebrary, 2003). Moderating analysis keeps to the following stages. The moderating variables of firm size were coded as indicated Table (4.15).

Table (4.15)   Dummy Variables of Firm Size

Sr. No.	Moderating Variables	Dummy 1
1	Firm Size (Number of Employees) ≤ 100 > 100	1 0

Source: Identification based on SPSS for Intermediate Statistics, 2nd edition (2005)

Regression analysis was conducted with export performance as the dependent variables, two export barriers as the independent variables: internal barriers and external barriers and firm size as moderating variables. The results are described in Table (4.16).

Table (4.16)   Moderating Effect of Firm Size on Export Performance

Variables	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
(Constant)	4.996	.909		5.494	.000
Internal Barriers	-.304	.220	-.329	-1.382	.172
External Barriers	-.159	.308	-.193	-.516	.607
Firm Size	.530	1.056	.253	.502	.617
Internal Barriers* Firm Size	-.044	.255	-.089	-.171	.865
External Barriers* Firm Size	-.161	.323	-.365	-.500	.619
R square	.456				
Adjusted R square	.414				
F-value	10.730**				
Sig	.000				

Source: Survey Data (2020)

Note: *** indicates that significant at 1 % level, ** indicates that significant at 5 % level and * indicates that significant at 10% level.

As shown in Table (4.16), for firm size as a moderator, it does not have moderating effect on the relationship between export barriers and export performance. There is no significant increment of R^2 (R^2 Change) after adding the interaction of firm size to the regression models. Thus, the study suggests that firm size, has no impact on export performance because of the technical gaps in the production process and government policies that are needed to improve.

CHAPTER V
CONCLUSION

This chapter is composed of three parts. First and foremost, findings and discussions are described. The second part includes suggestion and recommendations. Needs for the further study are described in the third parts. These parts are discussed based on the export barriers and its effect on export performance in rice exporting companies.

5.1   Findings and Discussions

This study observes export barriers and its effect on performance of rice exporting companies. This study has two objectives: the first objective is to analyze the effect of export barriers on the performance of rice exporting companies and the second one is to examine the moderating effect of firm size on the relationship between export barriers and performance of rice exporting companies.

To achieve the two objectives, this study was firstly done by collecting structured survey questionnaire to 70 respondents in 35 rice exporting companies. In this study, demographic analysis, mean scores, reliability analysis and regression and correlation analysis are used to achieve these objectives based on the survey questionnaire. As a result of demographic analysis, most of the respondents' age is ranging from 50 to 70 years. Most of the respondents are from middle management and top management positions of rice exporting companies. The majority of the respondent are from the large size of rice exporting companies rather than small and medium size ones.

The respondents assumed that exporting companies encounter not only internal but also external barriers. The statistical results expressed that both internal and external barriers have significant negative relationship with export performance. The statistical results of both internal and external barriers proved that they have significant negative relationship with export performance. As a result, this study explored that both internal and external barriers lead to low level of export performance.

The results suggest that internal barriers have a negative effect on export performance as Myanmar rice exporter faced lack of knowledge of potential market

and problematic international market data and excessive transportation and insurance costs in their export activities and transportation problem in current situations respectively. Especially during the covid-19 period, the transportation costs and insurance charges are higher than that during the normal period. Other than, Yangon Harbor which is the most trade entryway is little, obsolete and with restricted capacity amid rainstorm. Although Myanmar ports are great centers to exchange and export rice, they need to rebuild or reform to make effective exporting. Moreover, the majority of Myanmar main export rice is low quality in comparison with other competing countries and competitors. Myanmar's rice sector concentrated on the export marker of low-quality rice. The burden of Myanmar rice sector depends on keen rivalry of outside exporters. It also relies on the global orders of premium quality rice.

And they also have difficulties in meeting satisfactory price of foreign customers because local rice prices change in time. Moreover, it must be noted that the study also identified that companies face foreign currency exchange risks more than other environmental external factors. Most of Myanmar rice exporters face foreign exchange rate risk so they request Myanmar rice federation to stabilize the foreign exchange rate risk at around 1500 kyats. Myanmar rice exporters faced keen competition in overseas markets and found that foreign customers' habits and attitudes influence export performance. Nowadays, China is the crucial purchasers of Myanmar rice. Myanmar can own great market potential in coming years if the exporting companies can reduce their barriers and government liberalizes more in agricultural sectors and exporting. Moreover, EU created and allowed the import from Myanmar for duty-free imports on certain varieties of rice. As mentioned in previous chapters and according to the survey data, the major problems that Myanmar rice exporters and other intermediaries face is low productivity and poor rice quality which become unattractive and uncompetitive in international market. The problem with Myanmar's milling sector is that quantity and quality are lost nearly fifteen to twenty percent while milling. Due to the technical issues and lack of financial assistances and other supports for farmers, only half of the yields are achieved by other rice exporters in Myanmar. Even though the barriers that have been occurred in agricultural trade may be abolished, the private sector always needs to be aware of cautions if there are uncertainties in Government actions.

5.2 Suggestions and Recommendations

This study provides to understand the effect of export barriers on the performance of rice exporting companies. Export performance can be increased by reducing the export barriers. Based on the results from previous chapter, the following recommendations could help to increase the export performance of rice exporting companies and help to reduce internal and external barriers.

All companies in rice exporting industry need to be fully aware of the government support schemes which can be available. Although they may be chargeable, they could help to take the burden off rice exporting companies and offer a quicker route to establish overseas buyers. The majority of companies in this study has more than 100 employees within the rice exporting sector. Small and medium size companies should be aware of resources available to them and the steps required when exporting. In order to increase rice export of Myanmar, there should be an increase in quality rice production by farmers who are looking to get financial assistance to produce quality rice. If Myanmar farmers and millers have good ways to get financial assistance and method of production quality rice, the exporters can export quality rice and possibly increase export performance. Moreover, they should find ways to perform better logistic systems to become attractive market place and reduce costs of transporting and insurance costs. They need more government assistance and incentives and favorable home rules and regulations to exploit full potential of exporting activities.

In the short term, regulatory authorities should provide more accurate market information for participants on production, consumption, exports, and prices in order to allow a smooth functioning of the rice market. Moreover, they should be informed policy decisions and they should lift the rules limiting the maturity of commercial loans to 12 months, and broaden the type of assets that can be pledged as collateral in accessing credit. And also the government should allow direct foreign investment to milling, warehousing and trading and remove the government approval from the investments made through joint ventures and avoid holding large government-owned stocks and using minimum farm prices in order to keep farm production costs competitive and prevent increases in food prices. Rice exporting companies face higher taxes on the profits of export. As a result of many barriers incurred on the companies, there are few companies that reduced the amount of exports or quit the

exporting industry. Therefore, the regulatory authorities should consider to reduce the barriers and should not be subject to higher taxes.

To form the seed industry more competitive, government should update the existent seed management strategy and technique and policy makers should develop a replacement national seed policy in the long-run. Myanmar rice industry should adopt new varieties of rice with higher export opportunities. To increase the rice production and to capture market potential, regulatory authorities and policy makers need to interact with the farmers in decision making. Regulatory authority should reduce transport costs by investing in farm-to-market roads and strengthen land tenure security and increase investments into land development, transfer, and consolidation that are needed for farm commercialization. Therefore, Myanmar millers and exporters should boost the rice production and should try to get technical know-how and enter a market to replace the golden rice memo of Myanmar by the coordination and cooperation of private and public organizations.

5.3   Needs for Further Study

This study attempts to analyze the effect of export barriers on performance of rice exporting companies. In this study, it includes only 70 respondents as a sample size from 35 rice exporting companies due to time and resource limitation. This study only focuses on export barriers which are divided into internal and external barriers based on (Leonidou, 2004). Therefore, a study on export barriers relating environmental, operational, financial, legal, logistics and resource dimensions should be made as a further research. Moreover, the effect of export barriers on export performance in different industries such as oil and natural gas, fishery and rubber industries should be conducted.

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APPENDIX I

THE EFFECT OF EXPORT BARRIERS ON PERFORMANCE OF RICE EXPORTING COMPANIES

      I am a master of commerce thesis student from Yangon University of Economics. My post- graduate educational research is about the effect of export barriers on performance of rice exporting companies, I politely request you to participate in this survey which would probably take about 10-15 minutes only. Data provided will be anonymous and treated as highly confidential as possible. Your response will be very useful indeed and I do appreciate it.

      This questionnaire is in 3 parts. The first part deals with Demographic profiles of the respondents, the second deals with export barriers and the third part deals with the performance of export activities.

Section A
Demographic Profiles

1. **How old are you?**
   o   18-34
   o   35-50
   o   50-70
   o   Over 70

2. **What is your current position in your company?**
   o   Middle management position (sales manager/export manager)
   o   Top management position (Chief executive/Chairman/Managing Director)

3. **What was the total number of full time employees working in your firm last year (2019)?**
   o $\leq$ 100 employees
   o   > 100 employees

Export Barriers

On a scale of 1-5, how would you rate the following barriers to exporting as obstacles to your exporting activities?

1-strongly disagree, 2-disagree, 3-neither disagree nor agree, 4-agree, 5-strongly agree

Internal Barriers

Sr. No.	Statements	1	2	3	4	5
1	Lack of knowledge of potential markets	1	2	3	4	5
2	Problematic informational market data	1	2	3	4	5
3	Inability to contact overseas customers	1	2	3	4	5
4	Inadequate/ untrained personnel for exporting	1	2	3	4	5
5	Lack of excess production capacity for exports	1	2	3	4	5
6	Lack of financial assistance for exports	1	2	3	4	5
7	Meeting export product quality standards/ specifications	1	2	3	4	5
8	Meeting export packaging/ labelling requirements	1	2	3	4	5
9	Offering satisfactory prices to customers	1	2	3	4	5
10	Difficulty in matching competitors' prices	1	2	3	4	5
11	Excessive transportation and insurance costs	1	2	3	4	5

External Barriers

Sr. No.	Statements	1	2	3	4	5
1	Unfamiliar exporting procedures/ paperwork	1	2	3	4	5
2	Problematic communication with overseas customers	1	2	3	4	5
3	Slow collection of payments from abroad	1	2	3	4	5
4	Lack of home government assistance/ incentives	1	2	3	4	5
5	Unfavorable home rules and regulations	1	2	3	4	5
6	Foreign government attitude	1	2	3	4	5
7	Different foreign customer habits/ attitudes	1	2	3	4	5
8	Keen competition in overseas markets	1	2	3	4	5
9	Foreign public attitudes	1	2	3	4	5
10	Poor/ deteriorating economic conditions abroad	1	2	3	4	5
11	Foreign currency exchange risks	1	2	3	4	5
12	Strict foreign rules and regulations	1	2	3	4	5
13	high tariff (taxes on certain imports) and non- tariff barriers (rules and regulations which make trade more difficult)	1	2	3	4	5

Section C

Export Performance

On a scale of 1-5, how would you rate?

1-strongly disagree, 2-disagree, 3-neither disagree nor agree, 4-agree, 5-strongly agree

Export Performance

Sr. No.	Statements	1	2	3	4	5
1	The volumes of export raised in 2019 contrast with 2018.	1	2	3	4	5
2	The export revenues raised in 2019 contrast with 2018.	1	2	3	4	5
3	The export profitability raised in 2019 contrast with 2018.	1	2	3	4	5
4	The return on investment raised in 2019 contrast with 2018.	1	2	3	4	5
5	Export Intensity raised in 2019 contrast with 2018.	1	2	3	4	5

APPENDIX II

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.640	.681	3

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.949	.949	3

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.940	.941	5

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.949	.949	3

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.997	.998	3

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.726	.709	3

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.697	.659	4

Regression

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.809[a]	.654	.615	.47692	1.108

a. Predictors: (Constant), Environmental Barriers, Marketing Barriers, Functional Barriers, Informational Barriers, Task Barriers, Procedural Barriers, Governmental Barriers.

b. Dependent Variable: Export Performance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.689	7	3.813	16.762	.000[b]
	Residual	14.102	62	.227		
	Total	40.791	69			

a. Dependent Variable: Export Performance

b. Predictors: (Constant), Environmental Barriers, Marketing Barriers, Functional Barriers, Informational Barriers, Task Barriers, Procedural Barriers, Governmental Barriers.

Coefficients

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.776	.507		11.391	.000
	Informational Barriers	-.732	.150	-.718	-4.884	.000
	Functional Barriers	-.025	.096	-.038	-.266	.791
	Marketing Barriers	-.410	.109	-.415	-3.760	.000
	Procedural Barriers	-5.315	1.502	-7.200	-3.539	.001
	Governmental Barriers	-5.219	1.478	-7.190	-3.532	.001
	Task Barriers	-.753	.259	-.811	-2.907	.005
	Environmental Barriers	-.513	.264	-.449	-1.940	.057

a. Dependent Variable: Export Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.673[a]	.453	.428	.58160	.453	18.197	3	66	.000
2	.675[b]	.456	.414	.58883	.003	.195	2	64	.823

a. Predictors: (Constant), size2, External Barriers, Internal Barriers

b. Predictors: (Constant), size2, External Barriers, Internal Barriers, Internal Barriers_size2, External Barriers_size2

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.466	3	6.155	18.197	.000[b]
	Residual	22.325	66	.338		
	Total	40.791	69			
2	Regression	18.601	5	3.720	10.730	.000[c]
	Residual	22.190	64	.347		
	Total	40.791	69			

a. Dependent Variable: Export Performance

b. Predictors: (Constant), size2, External Barriers, Internal Barriers

c. Predictors: (Constant), size2, External Barriers, Internal Barriers, Internal Barriers_size2, External Barriers_size2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	5.514	.368		14.978	.000		
	IB	-.331	.109	-.358	-3.021	.004	.592	1.689
	EB	-.308	.093	-.374	-3.329	.001	.658	1.520
	size2	-.106	.242	-.051	-.440	.662	.625	1.601
2	(Constant)	4.996	.909		5.494	.000		
	IB	-.304	.220	-.329	-1.382	.172	.150	6.656
	EB	-.159	.308	-.193	-.516	.607	.061	16.388
	size2	.530	1.056	.253	.502	.617	.034	29.813
	IB_size2	-.044	.255	-.089	-.171	.865	.031	31.761
	EB_size2	-.161	.323	-.365	-.500	.619	.016	62.945

a. Dependent Variable: Export Performance