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IMPACT OF INTERNATIONAL MARKETS ON INDIAN TRADE SECTOR: CHALLENGES BEFORE IMPORT AND EXPORT

Dr. Mukund N. Haladkar

**Assistant Professor, (HOD), Department of Commerce,
Rajarshi Shahu Arts and Commerce College, Rukadi, Hatkanangle, Kolhapur.**

ABSTRACT:

International markets drive global economic growth, innovation, and competitiveness by enabling firms to access broader customer bases, economies of scale, and foreign direct investment. While fostering efficiency, they also increase vulnerability to global economic shocks, currency fluctuations, and intense competition, which can negatively impact local businesses and employment. Competition in international trade improves product quality and reduces production costs because we can compete with foreign manufacturers. All countries now have trade relations with each other, which is beneficial for world peace. Companies can increase sales and reduce reliance on a single, potentially saturated, domestic market.



KEY WORDS: Market, Global, Economic Growth, Production, Efficiency, Business, Costs, Reduction, Stock etc.

INTRODUCTION:

Exposure to global standards pushes firms to adopt better technologies and innovate, though it may cause less efficient, smaller businesses to struggle. Increased choices and potentially lower prices for goods; however, it can lead to higher prices for certain goods and income inequality. Global markets make local economies susceptible to foreign economic shocks, energy crises, and currency shifts, dollar negatively affecting emerging markets. While global trade boosts FDI and can raise employment levels, it also causes job displacement in sectors unable to compete with low-cost, foreign competitors. Reduced trade barriers have increased connectivity but also made economies more interdependent. Enhanced communication and commerce technology have accelerated internationalization and eased access to new markets. India is boosting global competitiveness through strategic export policies, with services providing a significant trade surplus. Despite challenges, the trade deficit has shown signs of narrowing, partly driven by increased local production and export-oriented policies.

PROBLEMS OF THE STUDY:

Import is the purchase of goods or services from abroad, while export is the sale of goods or services outside the country. The difference between import and exports is that import is the bringing of goods from a foreign market, while export is the sending of goods outside the country. Efficient logistics are essential for successful import-export operations, yet logistical challenges abound when

handling international trade. Transportation delays, customs clearance hurdles, and supply chain disruptions can all hinder the timely movement of goods.

OBJECTIVES OF THE STUDY:

The main objective of this research is to study the impact of international markets on the Indian trade sector and the challenges faced by imports and exports. Some specific objectives have been given by the researchers as follows.

1. To Study the international market.
2. To Study the impact of the international market on the Indian trade sector.
3. To Study the impact of import and export on the trade sector in the Indian market.

SIGNIFICANCE OF THE STUDY:

When a country imports goods, it means that it purchases products internationally for local consumption. Conversely, exporting goods means that a country sells and ships goods to another country. Import, Export The concepts of import and export are two main activities in international trade. Imports refer to bringing goods and products from abroad into a particular country, while exports refer to sending local products to foreign markets. The buying and selling of goods and services or trade in these goods and services that take place within the borders of a country is called internal trade.

Scope of the Study:

Importing is when a country receives goods, services, or raw materials across its borders that are produced or originated in another country. Exporting is when a country sends goods, services, or raw materials produced in its country to another country. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development involves using the earth's resources for development while also ensuring that future generations use them responsibly.

Limitation of the Study:

International markets present significant limitations, including high, complex, and unpredictable risks from cultural, legal, and political differences. Key challenges involve navigating trade barriers like tariffs and quotas, managing high transportation costs, currency fluctuations, and adapting products to diverse consumer tastes. Furthermore, reliance on international trade can cause dependency on foreign nations, risking local unemployment and resource depletion. The Indian economy is a mixed one as it encompasses a variety of economic systems. These include agriculture, industry, and services sectors. This makes the Indian economy stable and rich in diversity.

Period of the Study:

In the current situation, there is a huge opportunity for the Indian trade sector in the international market. Changes in the international market adversely affect Indian imports and exports, and sometimes also have local consequences. The researcher reviewed data from 2020-21 to study the price received by Indian goods in the international market and its current status.

RESEARCH METHODOLOGY:

There is a very close relationship between the international market and the Indian trade sector. In the current modern era, there has been a major crisis in Indian trade due to import and export. The international market is highly dependent on Indian imports and exports. To conduct this research, the researchers have used various types of secondary resources. These include research papers, journal articles, newspapers, audio videos, reference books, serial books, annual reports etc.

Research Method:

The study of international markets and trade opportunities has been clearly completed based on descriptive analysis methods. Although international markets and imports and exports are very closely related, they have a large adverse impact on the Indian market.

RESULTS AND DISCUSSION:

Differences in legal systems, government instability, and unexpected regulatory changes create high, unpredictable risks for foreign firms. Misinterpretations of consumer behaviour, marketing messages, and business etiquette can lead to failures, requiring costly adaptation of products. Governments may impose tariffs, import duties, or quantitative restrictions, increasing costs or limiting the volume of goods that can be sold. Currency fluctuations, foreign exchange risks, and economic dependence on other countries can severely impact profitability. Increased logistics costs, longer shipping times, and challenges in managing cross-border teams in different time zones. Entering new, more mature, or highly competitive markets can lead to price wars, reduced market share, and higher marketing expenditures. Risks of exploiting labour in countries with weak regulations and high carbon emissions due to long-distance transportation.

International market:

International markets refer to the global arena where goods, services, and capital are exchanged across national borders. Export-import is the backbone of this, involving selling domestic goods abroad and buying foreign products. It allows nations to access a wider range of products, achieve economies of scale, and foster economic growth. Export-import refers to the international trade of goods and services across national borders. Exporting is selling domestically produced goods or services to foreign countries, while importing is purchasing goods or services from other nations. These activities are crucial for economic growth, enabling businesses to access new markets, reduce costs, and acquire resources not available locally.

Import and Export:

Involves selling products abroad, which increases revenue and expands market presence. Involves buying products from abroad to meet domestic demand, such as raw materials or machinery. Helps nations diversify income, utilize competitive advantages and stabilize economies. Involves navigating complex procedures, including documentation, customs clearance, logistics, tariffs, and international trade regulations. The difference between a country's total exports and imports determines its trade balance. Commonly, this involves navigating legal requirements such as obtaining an Import Export Code and working through customs at ports.

Economic Growth:

Export means selling domestically produced services to other countries, while import means buying services from other countries. Essentially, exporting is selling abroad, and importing is buying from abroad, both vital components of international trade that allow countries to get what they lack and sell what they excel at producing, influencing economic growth and global relationships. The import business is sustained by a good relationship that has been established with overseas suppliers. Good communication and mutual understanding are essential ingredients in this field of marketing. Good relationships result in good terms, priority access to new products and help during fluctuations in the market.

Impact on Economy:

Excessive imports or exports can hurt the home economy by causing a trade deficit, which happens when a country buys more from other countries than it sells to them, spending more money on shopping than what they earn. Also, too many exports can cause an excess trade surplus which is when a country sells more to other countries than it buys from them. These imbalances tend to impact the

country's economy, jobs, and finances with other nations. Another difference between imports and exports is that imports lead to capital outflow from the importing country, while exports bring in capital inflow to the exporting country. Countries import and export strengthen the relationships between nations also allow a country to efficiently boost its strength areas while allowing covering and improving areas they lack development on.

Benefits of Export:

The benefits of exporting include increasing sales and profits, diversification of the market which means a wider variety of options and opportunities, global recognition, and access to government support and programs. Exporting allows businesses to make an appearance in the global market, expand their customer list, gain more revenue when selling goods at higher prices, a diversity of income sources, and become a more competitive business, among many others. Exporting has a big impact on the economy of a country but also a business. This is why companies need to be very well familiar with regulations, laws, and customs processes, and that's the reason many global businesses hire custom brokers and experts in international logistic services to help them oversee their transactions successfully.

Benefits of Importing:

Importing and exporting both are important in an economy, each with its role in international trade transactions. Importing or exporting depends on the growth economic goals, and resources a country has, and it also varies depending on the current market at a specific time. A good balance between importing and exporting is key to economic growth.

Import-Export Management:

Import-export management is the organization, control, and operation of actions involved in buying foreign market goods and selling goods or services to overseas customers. Import-export management involves a broad variety of tasks, including documentation, licensure, logistics, tariffs, foreign exchange management, risk assessment, and adherence to domestic and international trade regulations. Effective import-export management enables companies to increase global reach, diversify markets, and achieve a competitive edge.

CONCLUSION:

The import business offers many benefits in the form of having access to varied products, more cost-effective sourcing, better quality and reaching a global market, competitive advantage, and good relationships with suppliers. However, it is associated with various challenges, such as legal issues of compliance, quality control, risks in currency exchange, interruption in the supply chain, and logistics challenges from local products. An entrepreneur interested in entering the import market or already engaged in that business should know both its advantages and disadvantages to ensure success. Businesses, with effective planning and informed choices, can overcome these complexities while making the most of the benefits resulting from the import of goods across the world.

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