Malaysian Exporters and Non-Exporters Perceptions of the Various Barriers to Export

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Abstract

This study is concerned with an empirical investigation that explores the barriers to export that Malaysian entrepreneurs face when engaging in international business. The data was gathered from a survey of 214 Malaysian manufacturing firms. Statistical analysis was carried out using one-way analysis of variance and the Tukey-Kramer Multiple Comparison Procedure. Results show that most manufacturers (exporters and non-exporters) perceive competition from firms in foreign markets, lack of capital to finance expansion into foreign markets, management emphasis on developing domestic markets, confusing foreign import regulations, high value of currency relative to those in export markets, risks involved in selling abroad, lack of capacity dedicated to a continuing supply of exports, difficulty collecting payment from customers abroad, difficulty providing after-sales service and language and cultural differences as the significant barriers to export impacting Malaysian entrepreneurs decision to engage in international business. The results also indicate no significant differences in the perceptions of exporters and non-exporters towards the different barriers to export.

1. Introduction

The economic capacity of a country, particularly its industrial and agricultural capabilities, determines the trend that its exports follow. International Trade has always been important for the Malaysian economy. Its importance to the economy has grown stronger over the years. The composition and direction of trade flows have changed significantly, reflecting the dramatic transformation of the primary-producing economy into a rapidly industrialising one. Interestingly, structural changes in the Malaysian economy during the last three decades or so have enhanced the economic openness of the country so much that Malaysia continues to project itself as one of the most open economies in the world. Malaysia's export performance is a major determinant of the state of the economy. Rapid economic growth at the annual average rate of about 7.0 percent since the early 1980s, has much to do with Malaysia's export performance. Imports have also contributed much to the economic development of the country, by providing not only competitively priced consumer and capital goods, but also intermediate inputs for Malaysian manufactures that have rendered Malaysian-manufactured exports competitive in world markets [12].

The composition of Malaysia's exports has changed markedly since the 1970s, with primary products declining in importance relative to manufactures. Export-oriented industrialisation initiatives undertaken in the early 1970s have brought about significant changes in the composition of Malaysia's exports, with manufactures playing an increasingly important role. To the extent that in the late 1990's the share of primary products as a percentage of total exports was approximately 30 percent falling from a high of 80 percent in the early 1970's. Representing a significant change in the composition of Malaysia's exports [12].

Malaysia has mostly enjoyed a favourable trade balance in its balance of payments current account. More often than not, the surplus trade balance was large enough to finance the deficit in the services account and also to produce a sizeable current account surplus. However, in the 1990s Malaysia posted serious trade deficits. The large trade deficits incurred in these years were due to the low export prices of primary commodities, high priced imports as a result of the rapid industrialisation in the country, and the appreciation of major currencies especially the Japanese Yen, the Deutsch mark, the Korean Won and the New Taiwan Dollar. Imports of capital goods associated with foreign investment activities in the country have contributed much to the growing trade deficit. In other words, deficits have been financed largely by foreign capital inflows [12].

Imports have exceeded exports, despite export-oriented industrialisation in these years, because foreign direct investment in manufacturing activities generated imports of capital goods immediately where export output would begin to flow after a certain period of time. The trade balance should reverse itself, with deficit giving way to surplus once the export-oriented investment projects come on-stream. However, the evidence is inconclusive.

The relationship between imports and exports in recent times has been problematic for Malaysia. Malaysia's reliance on foreign direct investment to make up for the balance of trade deficit shows how fragile this relationship can be. There is a need for an action plan to correct the situation, especially when there are no guarantees that foreign direct investment in a receding global economy will be able to cover the deficit in the trade balance in the future. As such, the action plan needs to include what causes or prevents Malaysian firms from exporting i.e. the various barriers to export Malaysian firms face when entering the export market. This knowledge becomes of critical importance if Malaysia is going to start correcting its trade deficit and that is what has driven the need for this study.

2. Literature Review

In general the expansion of a nation's exports has positive effects on the growth of the economy as a whole as well as on individual firms [11]. Exporting is of vital economic importance to trading nations and their firms. Exports boost profitability, improves capacity utilization, provides employment, and improves trade balances [4]. According to [17] the increasing globalisation of the world economy and the widespread opinion that increased exports benefit society has stimulated research in this area. In the U.S., the growing trade deficit is the most immediate factor behind the interest in this topic. A common objective in most countries today is to find ways to increase exports. This can be achieved either by encouraging exporting firms to export more or by inducing non-exporters to begin exporting. In 1998, the exports-GNP ratio for Malaysia was 84.3 percent indicating how much the Malaysian economy relies on its exports [12]. "In this globalized world, industries do not survive if they are not export oriented" [35].

[32] proposed a three-stage model in export development, moving from non-exporters to marginal exporters to active exporters. Non-exporters are those who have never exported before and thus have very little knowledge about exporting processes and, therefore, have no experience with the barriers to export. Marginal exporters are those who are exploring exporting opportunities and may have filled some unsolicited orders [32]. Marginal exporters have learnt the basics of exporting, however, their low level of commitment to exporting could also lead to perceiving more barriers to export than what actually exists [9]. According to [32] active exporters have mastered the technicalities of exporting, have learnt that exporting is an important means for achieving organizational goals, and have learnt to cope with the various export barriers.

[29] suggests the most common mode of participation in the international marketplace is exporting, because it involves minimum business risk, requires low commitment of resources and offers high flexibility of movements. According to [20], for a firm new to international marketing, the exporting option is often the most attractive means of market entry. When unsolicited orders start flowing in from abroad, the firm begins to pay more attention to foreign market potential, and exporting becomes the obvious first step. A large number of studies have dealt with the issue of what factors influence the export performance of firms and the different perceptions of exporters and non-exporters [7]. For example, [38] found that the non-exporting firms are extremely dependent on a small number of suppliers, whereas exporting firms, in order to maintain their competitive position (with regard to price, quality and speed of delivery) have adopted a strategy of purchasing from a larger number of suppliers which are generally not located in the same region.

One of the most important research questions in international business is why some firms export and others do not [32]? An explanation offered by several researchers is that non-exporters perceive considerable barriers to exporting [2] [37] [33] [36] [10] [25]. Thus, before non-exporters can export, a "threshold fear" must be overcome [15]. However, the findings are inconclusive. For example, [16] found no difference between exporters and non-exporters in their perceptions of barriers to export yet [8] results suggest that exporters perceived more barriers to export than non-exporters [8].

A manufacturing firm is often exposed to a number of barriers to export, identifiable at all stages of the internationalisation process, from the early stages to the more advanced stages [19] [10] [9]. [2] was one of the first to investigate the barriers to export. His research concluded that the major problems preventing firms from initiating exporting were the existence of intense competition in foreign markets, followed by a lack of knowledge of exporting, inadequate understanding of export payment procedures and difficulties in locating foreign markets. With the exception of the latter, current exporters also consider these obstacles to be important [7].

The existence of a difference in export barrier perceptions between exporters and non-exporters was also confirmed in a study by [39]. [39] concluded that non-exporters' perceived worries about export involvement were due to a lack of information about exporting, limited foreign market contacts and personnel deficiencies. On the other hand, the problems of current exporters seemed to be of an operational nature and related primarily to external variables, such as too much red tape, slow payment by foreign buyers and deteriorating economic conditions in foreign markets.

[10] further emphasised the dynamic nature of barriers to exporting. They identified variations in barrier perceptions by export stage. Their study concluded that the more advanced the export stage, the greater the proportion of firms that perceived difficulties in understanding foreign business practices, conforming to foreign product standards, collecting money from foreign customers and obtaining sufficient representation in foreign markets. In the early stages of export development obtaining necessary start-up funds was perceived to be a problem by many firms.

For non-exporting firms, [4] found that the lack of foreign contacts, high initial investment, trade barriers, lack of information about exporting, and insufficient personnel were their most important obstacles. Whereas, excessive red tape, trade barriers, transport difficulties, the absence of export incentives and lack of trained personnel for export operations were the most important impediments encountered by exporters.

[5] also studied the barriers to exporting and they concluded that the inability to meet competitive prices of overseas suppliers and high shipment costs involved in selling to foreign markets were particularly important barriers. According to [9], the most important obstacles to exporting reported by U.S. firms could be summarised as: insufficient finances, foreign government restrictions, insufficient knowledge about foreign selling opportunities, inadequate distribution, and a lack of foreign market connections. Furthermore, [6] made a comprehensive analysis of the barriers to export in the U.S. paper industry. Their study covered mainly experienced exporters who were asked to rank the importance of seventeen potential barriers on a five-point scale ranging from "not at all important" to "extremely important". The findings suggest that a high value of the U.S. dollar relative to foreign currencies was perceived to be an extremely important barrier and high transportation costs were also considered to be extremely important. Medium importance was attached to the risks involved in selling abroad, high foreign tariffs on imported products, and management emphasis on developing domestic markets.

[25] also studied the differences between non-exporters and exporters regarding perceived export barriers. Non-exporters were found to be inhibited more by factors associated with knowledge of overseas markets, export procedures, and foreign business practices, while marketing-related factors dominated the perceptions of exporters. [13] re-confirmed the conclusions of previous studies that perceptions of export barriers tend to differ between non-exporters and exporters. Their study found that non-exporters' perceptions were associated more with future involvement issues (relating mainly to information needs, foreign contacts and management policy), while exporters encountered problems that were more closely connected with export procedures (such as lack of working capital to finance exports, confusing product specifications and keen competition in foreign markets).

[26] also found that non-exporters placed greater importance on problems associated with initiation of export activity, whilst exporters were primarily concerned with operational issues. [26] concluded that non-exporters' perceived anxiety about exporting related to management inertia (for example, their preoccupation with the domestic market and the perception that their products were not marketable overseas), whereas exporters' problems were mainly external or market-based in nature (for example, difficulties in matching foreign competitors' prices, promoting products and establishing distribution networks overseas).

Finally, [34] measured the perceptions of managers on the barriers in engaging in international business. They used thirty barriers and their study was conducted on a sample of 62 European forest products firms. [34] concluded that high transportation costs to ship products to foreign markets, problems of quoting prices with fluctuating exchange rates and high value of currency relative to those in export markets were the major barriers for firms engaging in international business. Given the inconclusive findings from previous studies of the perceived barriers to export for exporting and non-exporting firms and the variety of research settings in which the previous studies were conducted the following research question is offered for testing for Malaysian firms:

RQ: What are the significant barriers to export as perceived by Malaysian entrepreneurs?

3. Methodology

The study was based on an empirical investigation of the barriers to export Malaysian firms face when engaging in international business. The sample of firms came from a wide cross section of manufacturing industries including, food and beverage, tobacco, leather, wood, paper, rubber, plastics, metal-working, machinery, electronics, textiles, petroleum, marble, chemical and pharmaceuticals. The sampling frame was provided by the Federation of Malaysian Manufacturers (FMM). In order to obtain valid and reliable measures of the variables, previously validated scales were used for all of the constructs in this study. The questionnaire was developed and pre-tested using a small sample of exporters with the final instrument mailed to the sample. All items measuring barriers to export were measured via five-point bipolar scales with scale poles ranging from strongly disagree (1) to strongly agree (5).

The instrument contained items identified by the literature as measuring barriers to export such as difficulty in collecting payments from foreign customers and providing after sales service, high costs of selling abroad, problems associated in quoting prices with fluctuating exchange rates and the difficulty in arranging a licensing or joint venture arrangement with foreign firms [24]. Further barriers to export included confusing import regulations and procedures, risks involved in selling abroad, the high value of foreign currency in export markets [23] [30] [14], management's emphasis on developing domestic markets, lack of capital to finance expansion into foreign markets and a lack of capacity dedicated to a continuing supply of exports [28]. Barriers to export involving distribution access and adapting to foreign market needs were also included that incorporated the difficulties associated with selecting a reliable distributor, gathering information on foreign markets [22], language and culture differences and the need to modify product, price and promotional strategies [27] [31] [1]. Finally, barriers to export involving government policy and competition were also included such as a lack of government assistance in overcoming export barriers, high foreign tariffs on imported products [28] and competition from foreign and Malaysian firms in foreign markets [34].

After the pilot test the questionnaire was mailed to a purposeful sample of 214 manufacturing firms, yielding 166 useable questionnaires being returned accounting for an effective response rate of 77.6 percent and considered to be more than adequate [18].

4. Data Analysis

Prior to analysing the data a description of the sample is provided. The sample consisted of 166 respondents of which 133 were males (80.1% of the sample) and 33 were females (19.9% of the sample). This was as expected given it reflects the results of a recent survey conducted by the Federation of Malaysian Manufacturers (FMM).

In relation to the respondent's age, 12.6% of the respondents were 25 years of age and under, 28.3% were between 26 and 35 years of age, 38.0% were between 36 and 45 years of age and 21.1% were 46 years of age and above. Regarding the firms in the sample, average annual increase in sales for the past three years saw 63.8% of firms experience a net increase in sales of 10% or greater with 22.3% experiencing an average annual sales increase of between 5% and 10%. Only 13.9% of the sample experienced an annual increase in sales of between 0% and 4% or a net decrease in sales. This meant that 86.1% of the firms in the sample experienced marked increases in net sales.

As far as export activity was concerned approximately 40.4% of firms were engaged in export with 26.9% of these firms being involved in international business for the past 7 years or more. However, only 13.8% of these companies export to more than 5 countries. Thereby, indicating a lack of experience in international business by most of the firms in the sample. Furthermore, 24.1% of the exporters in the sample exported to countries within North and South East Asia. This was to be expected, since intra-regional trade for many countries in South East Asia has been on the rise [21].

A check for non-response bias was also conducted. An 'extrapolation procedure' technique was used to assess non-response bias. This assumes that the groupings of actual respondents by an identified criterion are similar to the 'theoretical' non-respondents [3]. Frequencies and independent *t*-tests were used to determine whether significant differences existed between the sample and the target population based on industry classification. No significant difference was identified between the sample and the target population for this classification variable. Therefore, as there appears to be no significant difference between respondents and non-respondents then the sample can be considered sufficient to draw conclusions about barriers to export for Malaysian exporters.

A reliability analysis was conducted to evaluate the multi-item barrier scales. Cronbach's alpha was used for the reliability analysis. The results of the analysis revealed a Cronbach's alpha of 0.93 for the multi-item barrier scale indicating satisfactory internal reliability.

To test the Malaysian decision-makers' attitudes toward the different barriers to export, a one-way analysis of variance was conducted (see Table 1). From Table 1 it was concluded that Malaysian decision-makers had neutral feelings towards the following barriers to export: lack of government assistance in overcoming export barriers, high foreign tariffs on imported products, need to modify pricing and promotion policies, problems finding a reliable foreign distributor, need to adapt products to meet foreign customer preferences, difficulty collecting accurate information on foreign markets, problems quoting prices with fluctuating exchange rates, difficulty arranging licensing and joint venture agreements, high costs of selling abroad and competition from other Malaysian firms in foreign markets.

Also from Table 1 it was concluded that Malaysian decision-makers had significant feelings towards the following barriers to export: competition from firms in foreign markets, lack of capital to finance expansion into foreign markets, management emphasis on developing domestic markets, confusing foreign import regulations, high value of currency relative to those in export markets, risks involved in selling abroad, lack of capacity dedicated to a continuing supply of exports, difficulty collecting payment from customers abroad, difficulty providing after-sales service and language and cultural differences.

Table 1 - Decision-makers' attitudes toward different barriers to exporting

Barriers to Exporting	*p*-value	Sig. at .05
Lack of government assistance in overcoming export barriers.	0.089	No
Competition from firms in foreign markets.	0.018	Yes
High foreign tariffs on imported products.	0.084	No
Need to modify pricing and promotion policies.	0.357	No
Lack of capital to finance expansion into foreign markets.	0.012	Yes
Problem finding reliable foreign distributor.	0.439	No
Need to adapt products to meet foreign customer preferences.	0.510	No

Difficulty collecting accurate information on foreign markets.	0.208	No
Problems quoting price with fluctuating exchange rates.	0.587	No
Difficulty arranging licensing and joint venture agreements.	0.175	No
High costs of selling abroad.	0.085	No
Management emphasis on developing domestic markets.	0.000	Yes
Confusing foreign import regulations.	0.012	Yes
High value of currency relative to those in export markets.	0.034	Yes
Risks involved in selling abroad.	0.002	Yes
Lack of capacity dedicated to continuing supply of exports.	0.000	Yes
Competition from Malaysian firms in foreign markets.	0.550	No
Difficulty collecting payment from customers abroad.	0.000	Yes
Difficulty providing after-sale service.	0.024	Yes
Language and cultural differences.	0.080	Yes

Do Malaysian exporters and non-exporters perceive the same barriers to export? To examine this issue the level of exports were analysed as a percentage of total sales. All non-exporters in the sample were included with those exporters who export 10% or less of their total sales. All those who export more than 40% of their total sales were combined into one category. Finally, all those whose share of exports over total sales was between 11% and 40% were also included as a separate category.

To examine this issue, twenty one-way ANOVA tests were conducted to analyse the effect of "Share of Exports over Total Sales" (independent variable) on the twenty barriers to export (dependent variables). The purpose of this test is to see whether the attitudes towards these 20 variables differ according to the share of exports over total sales. The results are reported in Table 2. From Table 2 we can see that the *p*-values are greater than .05 in 18 of the 20 barriers to export. Thus, we can conclude that exporters and non-exporters largely agree in their views of these barriers to export. However, it is evident after examining "Share of Exports over Total Sales" that this does affect the attitudes towards two barriers to export, namely, the need to adapt products to meet foreign customer preferences and the lack of capacity dedicated to a continuing supply of exports. Therefore, it is concluded that exporters and non-exporters differ significantly in their views of the need to adapt products to meet foreign customer preferences and a lack of capacity dedicated to a continuing supply of exports as barriers to export.

At this point, all that can be concluded is that there is sufficient evidence to state that the combination of means is significantly different. To determine exactly which categories of exporters differ, pairwise comparisons were conducted using the Tukey-Kramer multiple comparison procedure.

Table 2 - Effect of "share of exports over total sales" on attitudes towards barriers to export

Dependent Variable	*p*-value	Sig. at 0.05
Lack of government assistance in overcoming export barriers.	0.255	No
Competition from firms in foreign markets.	0.72	No
High foreign tariffs on imported products.	0.423	No
Need to modify pricing and promotion policies.	0.544	No
Lack of capital to finance expansion into foreign markets.	0.782	No
Problem finding a reliable distributor.	0.935	No
Need to adapt products to meet foreign customer preferences.	0.042	Yes
Difficulty collecting accurate information on foreign markets.	0.997	No
Problems quoting price with fluctuating exchange rates.	0.854	No
Difficulty arranging licensing and joint venture agreements.	0.404	No
High Costs of Selling abroad.	0.592	No
Management emphasis on developing domestic markets.	0.826	No
Confusing foreign import regulations.	0.401	No
High value of currency relative to those in export markets.	0.258	No
Risks involved in selling abroad.	0.622	No
Lack of capacity dedicated to continuing supply of exports.	0.034	Yes
Competition from Lebanese firms in foreign markets.	0.224	No
Difficulty collecting payment from customers abroad.	0.253	No
Difficulty providing after sale service.	0.644	No
Language and cultural differences.	0.700	No

The means of the dependent variable "Need to Adapt Products to Meet Foreign Customer Preferences" were calculated in each of the various categories of the independent variable "Share of Exports over Total Sales". The results indicate that the means of the "Need to Adapt Products to Meet Foreign Customer Preferences" variable for those who export 10 per cent or less of their total sales and those who export 11 per cent to 40 per cent of their total sales were significantly different from each other. This was as expected, since all those who export 10 per cent or less of their total sales perhaps do not make many adaptations to their products and hence they do not perceive it as a barrier. However, those who export 11 per cent to 40 per cent of their total sales might need to make many more adaptations to meet foreign customer preferences. Since those who export 11 per cent to 40 per cent of their goods rely both on the local and foreign markets for their sales, adaptation becomes an important issue.

The means of the dependent variable “Lack of Capacity Dedicated to Continuing Supply of Exports” was calculated in each of the various categories of the independent variable “Share of Exports Over Total Sales”. The results indicate that the means of the “Lack of Capacity Dedicated to Continuing Supply of Exports” variable for those who export 11 per cent to 40 per cent of their total sales and those who export more than 40 per cent of their total sales were significantly different from each other. Those who export more than 40 per cent of their total sales perceive “Lack of Capacity Dedicated to Continuing Supply of Exports” as a more important barrier than those who export 11 per cent to 40 per cent of their total sales. This again, was to be expected, given those who export more than 40 per cent of their total sales will be required to have a greater capacity dedicated to a continuing supply of exports than those who only export 11 per cent to 40 per cent of their total sales.

5. Discussion, Summary and Conclusion

This study examines the export barriers Malaysian entrepreneurs face when engaging in international business. The data were gathered based on a survey of 166 Malaysian manufacturing firms. The results revealed several useful insights. Competition from firms in foreign markets, lack of capital to finance expansion into foreign markets, management emphasis on developing domestic markets, confusing foreign import regulations, high value of currency relative to those in export markets, risks involved in selling abroad, lack of capacity dedicated to a continuing supply of exports, difficulty collecting payment from customers abroad, difficulty providing after-sales service and language and cultural differences were the major barriers to export as perceived by Malaysian senior managers.

Malaysian exporters and non-exporters largely did not differ in their views of the barriers to export and this is different to the findings of some previous studies [4]. In fact, “Share of Exports Over Total Sales” affects only the attitudes towards the need to adapt products to meet foreign customer preferences and a lack of capacity dedicated to continuing supplies of exports.

It seems that Malaysian entrepreneurs perceived the lack of capital resources to be a significantly important barrier to exporting. Executive directors of some of the Malaysian firms suggested that capital funds remain one of the most challenging problems facing Malaysian firms, especially small businesses. Malaysian firms have become accustomed to a chronic shortage of capital when considering expansion opportunities for their businesses through international business. Many lending institutions have become over cautious when lending money to firms interested in expanding their operations overseas. This is especially the case for small to medium-sized firms. Therefore, efforts should be intensified towards generating an extensive capital resource base for Malaysian businesses. Greater borrowing facilities should be created for operating expenses, particularly, long-term investment loans. There should also be government reimbursement for costs arising from unusual loan processing, delinquency servicing, and matching of loan amortisation to business cash flows if necessary to encourage more loans to Malaysian business so that they have the financial capabilities to engage in international business. The government should seriously consider extending tax concessions towards capital formation by new Malaysian firms engaging in international business, especially within the manufacturing sector, to ease special working capital difficulties of infant industries.

Other significant barriers to export include the difficulty of collecting payment from foreign customers. It is much easier to conduct business in one’s own country rather than engaging in international business because it is easier to collect payment from domestic customers than foreign customers. Exporting can be quite lucrative but there might be problems in collecting payments from foreign customer. There is also much greater risk in selling products in foreign countries in terms of marketing, planning and controlling the sales of products. Many problems can arise such as export duties imposed by foreign governments, products that don’t meet standard country specifications and other payment difficulties from import firms and others. Furthermore, in order for products to be accepted by customers, excellent after sales service must be provided in case of any unforseen problems arising from the use of the product after it had been purchased. However, to provide an efficient after sales service facility from a foreign market base is often very difficult.

In relation to management’s emphasis on developing the domestic market there are sometimes differences in terms of the opinions of managers of firms regarding the value of exporting. Some managers feel that if their firm engages in international business, it could help the firm diversify its business into new markets, improve the growth potential of the product market and increase the firm’s income. However, other managers in the firm are reluctant to engage in international business because it is very risky and the firm does not have the expertise and experience to conduct international business. Due to this uncertainty, firms often decide not to engage in international business. Finally, commitment and dedication to have a continuous supply of exports is needed to engage in international business. It is not a right time for a firm to engage in international business if it doesn’t have the materials, financial and human resources to fulfil the demand of the foreign market.

What is apparent from the findings in this study is that promoting an export culture is not achieved by individual initiative alone. The public and private sectors, together with international assistance programmes should streamline their efforts to be able to successfully market the Malaysian products in the global marketplace.

In spite of the significant findings, the study still has a number of limitations particularly related to sampling procedures. Convenience sampling was the sampling technique used in this project. Although the abovementioned technique has many advantages, it also has serious limitations. Many sources of selection bias are present, including respondent self-selection. Moreover, convenience samples are not representative of any definable population. Therefore, it would not be theoretically meaningful for us to generalize to any population from a convenience sample, and convenience samples are not suitable for research that involves population inferences. Although the study has helped shed light on the current situation, the data available are those that have been disclosed by the senior managers of Malaysian manufacturing firms. Furthermore, the sample has been drawn from firms located in West Malaysia. Firms and their senior managers located in East Malaysia may indicate different preferences in relation to the various barriers to export.

Future research should attempt to employ a more sophisticated definition of export. While the relatively basic measure of export employed in this study (share of exports over total sales) served to highlight some important differences between exporting and non-exporting firms, more refined and multi-dimensional export measures could offer more interesting insights. Although, certain variables have been identified as being positively related to each other, what is still unknown is to what extent one variable is an antecedent of the other. This would be an interesting issue for future research. There is a need to empirically investigate the cause and effect relationship of these variables in order to properly guide Malaysian exporters and to encourage non-exporters to start exporting.

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