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APEX IMPORTERS AND EXPORTERS AND GLOBAL SOURCING

Service Exporter is an exporter who exports the services where we can't see the product physically, i.e, intangible products. We can explain service export simply as, any service provided by a person in one nation to people or companies from another. Service exports are an important emerging trend in global trade.

Function of Exports ' Exporters facilitate international trade and stimulate domestic economic activity by creating employment, production, and revenues.

Functions of importing Trade ; Developing countries import scarce raw materials, capital goods, and advanced technology required for rapid industrial development.

Typically, the procedure for import and export activities involves ensuring licensing and compliance before the shipping of goods, arranging for transport and warehousing after the unloading of goods, and getting customs clearance as well as paying taxes before the release of goods.

Expanding the marketplace for goods by producing them on an outsized scale. Creating employment opportunities in a country by promoting export-oriented and export-related enterprises. Generating revenue for the govt within the sort of customs and excise duties.

What Do We Mean by Exporting and Importing ;

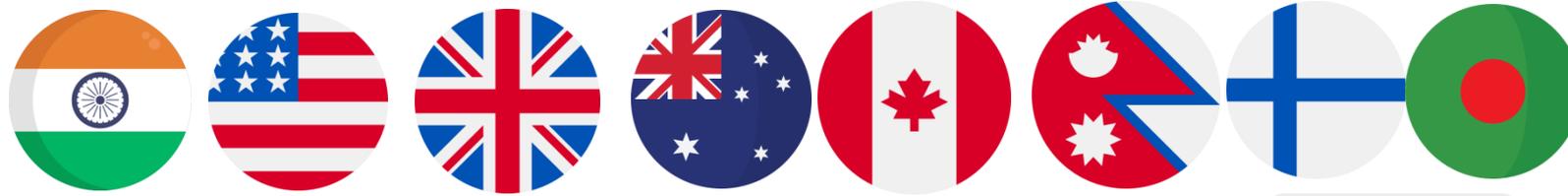
The history of importing and exporting dates back to the Roman Empire, when European and Asian traders imported and exported goods across the vast lands of Eurasia. Trading along the Silk Road flourished during the thirteenth and fourteenth centuries. Caravans laden with imports from

China and India came over the desert to Constantinople and Alexandria. From there, Italian ships transported the goods to European ports.

For centuries, importing and exporting has often involved intermediaries, due in part to the long distances traveled and different native languages spoken. The spice trade of the 1400s was no

exception. Spices were very much in demand because Europeans had no refrigeration, which meant they had to preserve meat using large amounts of salt or risk eating half-rotten flesh. Spices

disguised the otherwise poor flavor of the meat. Europeans also used spices as medicines. The European demand for spices gave rise to the spice trade. The trouble was that spices were difficult to obtain because they grew in jungles half a world away from Europe. The overland journey to the



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spice-rich lands was arduous and involved many middlemen along the way.

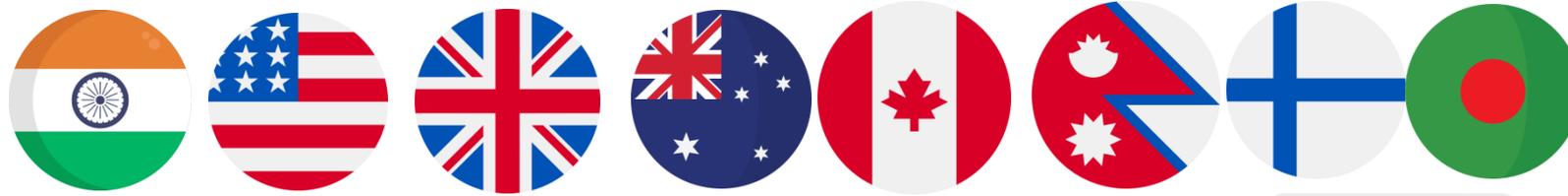
Each middleman charged a fee and thus raised the price of the spice at each point. By the end of the journey, the price of the spice was inflated 1,000 percent.

Exporting is defined as the sale of products and services in foreign countries that are sourced or made in the home country. Importing is the flipside of exporting. Importing refers to buying goods and services from foreign sources and bringing them back into the home country. Importing is also known as global sourcing.

- **Key takeaways** ; Exporting is the sale of products and services in foreign countries that are sourced or made in the home country. Importing refers to buying goods and services from foreign sources and bringing them back into the home country.
- Companies export because it's the easiest way to participate in global trade, it's a less costly investment than the other entry strategies, and it's much easier to simply stop exporting than it is to extricate oneself from the other entry modes. The benefits of exporting include access to new markets and revenues as well as lower manufacturing costs due to higher manufacturing volumes.
- Contractual forms of entry (i.e., licensing and franchising) have lower up-front costs than investment modes do. It's also easier for the company to extricate itself from the situation if the results aren't favorable. On the other hand, investment modes (joint ventures and wholly owned subsidiaries) may bring the company higher returns and a deeper knowledge of the country.

Activities in the supply chain include:

- demand management (e.g., forecasting, pricing, and customer segmentation),
- procurement (e.g., purchasing, supplier selection, and supplier-base rationalization),
- inventory management (e.g., raw materials and finished goods),
- warehousing and material handling,
- production planning and control (e.g., aggregate planning, workforce scheduling, and factory operations),
- packaging (i.e., industrial and consumer),
- transportation management,
- order management,
- distribution network design (e.g., facility location and distribution strategy), and
- product-return management.



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Cross-organizational teams across the supply chain can bring great perspective to the overall team process. Representatives from design, business, purchasing, manufacturing, equipment

purchasing, planning, customer, logistics, information technology, and finance all bring their specialized knowledge to the benefit of the supply chain as a whole.

Objectives of the Export Marketing The important objectives of the export include the following. 1. Facilitating selling of goods to countries which desperately need such goods 2. Expanding the market for goods by producing them on a large scale. 3. Earning foreign exchange through exports 4. Helping a country increase the national income 5. Creating employment opportunity in a country by promoting of export – oriented and export related enterprises. 6. Generating revenue for the Government in the form of customs and excise duties. 7. Promoting mutual understanding and co-operation among the nations. 8. Achieving optimum utilization of resources by large scale production of goods

Scope of Export Marketing

Export marketing is a whole process of getting an order from a foreign country, its successful execution and realisation of sales proceeds. 1. **Export Marketing Research** Marketing research plays an important role in the international trade. The needs and requirements of individuals differ from region to region. Therefore, in order to satisfy wants of consumer in different parts of the world their needs and requirements must be properly understood through effective marketing research techniques. 2. **Research and Development** Technology plays an important role in building competitive strength. Countries, like USA, Japan and Germany dominate the world trade due to the use of advanced technology. Technology changes rapidly and therefore, every exporter must upgrade himself through continuous research and development. 3. **Export Financing** Exporters require finance at both pre-shipment as well as at post-shipment stage. Pre-shipment finance, also referred to as packing credit, is required prior to the shipment of goods for execution of export order while post-shipment finance is required after the shipment of goods for meeting working capital requirements. 4. **Export Production Price** is an important factor that determines the success of an exporter in the highly competitive international market. Large-scale operations, full utilisation of installed capacity and transactions in bulk reduce overall cost of production and thereby price of the product. At the same time, large-scale production leads to economies of scale

5. **Export Packaging** Packaging plays an important role in the international market. Attractive and durable packing not only protects the product but also acts as a silent salesman. Certain countries have laid down strict packing standards for goods imported by them. An exporter can avail assistance of the Indian Institute of Packaging (IIP) in this regard. 6. **Export Pricing** While quoting a price to the foreign buyer, an exporter must keep in mind that the price quoted is reasonable and final as it is the buyers' market. Other factors such as price charged by the competitors, incentives offered by the government, elasticity of demand for the product, etc., should also be taken into consideration. 7. **Export Procedure** Export procedure is very lengthy and complicated as it consists of many procedural formalities such as registration formalities, customs formalities and licensing formalities. Every exporter is expected to be well aware of such formalities else assistance of the



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Clearing and Forwarding agents (C & F agents) should be taken. 8. Export Incentives and Assistance The Government of India gives a number of incentives to the Indian exporters such as, duty drawback, concession on IT payment, exemption from sales tax and excise, etc. In order to avail benefit of these incentives, an exporter must register himself with an appropriate Export Promotion Council (EPC) or Commodity Board (CB). 9. EXIM Policy The foreign trade of India is guided by the provisions EXIM policy of the Government of India and is regulated by the Foreign Trade (Development and Regulation) Act. EXIM Policy contains various policy decisions taken by the government in the sphere of foreign trade and more especially export promotion measures, policies and procedures related thereto.

List of major products imported in India from around the world ;

- Fertilizers
- Edible Oil(Pam , Soybean oil & Seed oil)
- Machines
- Paper
- Gems & Precious stones
- Computers
- Automobiles
- Polymers
- Electronics
- Textiles
- Apparels
- Smartphones
- Pharma ingredients
- Plastic
- Iron & Steel
- Pulses

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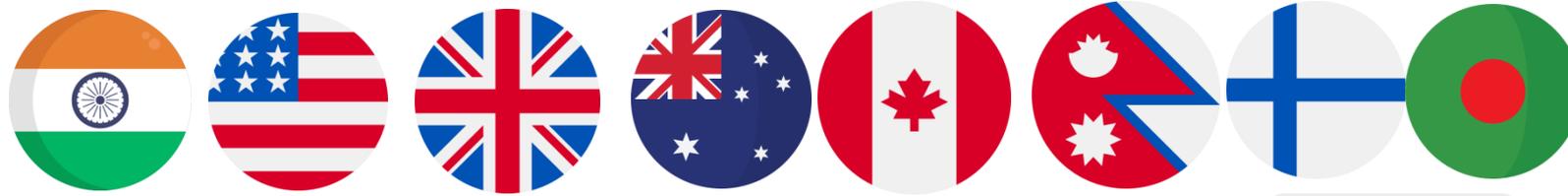
12 Best High Demand Products for Export in India

1. Petroleum Products

Many semi-products are made of petroleum-like charcoal, coal, coke, and wax. These products have a massive demand in some developing neighbouring nations like Bangladesh, Bhutan, Nepal, Myanmar, etc. It's undoubtedly a very lucrative export business, but keep in mind that you need heavy investment for this.

2. Precious Stones and Gems

India has always been known for its jewellery and precious stone exporters. There's no deficiency of markets that import gold, silver, gems, semi-precious stones, etc., and India is one of the top exporters of local handmade jewellery.



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If you participate in the same business, you can reap great profit margins. If you plan to export precious stones, you need an in-depth knowledge of these gems, and their quality, because a slight up/down in quality means a lot of difference in the cost.

3. Mineral Fuels

You'll be shocked to know India has 87 sorts of minerals out of which 47 are non-metals, 10 are metallic minerals, bifurcated as 40 sorts of fuel minerals and 26 others. Iron ore is the leading mineral in export, and it is undoubtedly a vast market. A huge advantage is a never-ending demand for these minerals.

4. Mechanical Equipment

India is the leading manufacturer of mechanical appliances. Indian manufactured tractor-driven harvesters and self-propelled harvesters are used in numerous countries from South America, Asia, the Middle East and Africa. Experts even expect further expansion of the demand in the upcoming time.

5. Pharmaceutical Products

In terms of value, the Indian pharmaceutical industry ranks 14th globally, and concerning size, it stands third. In 2019, India supplied 20% of the global generic medicines, expected to grow further in the coming years. The pharmaceutical industry has over 8,100 drug production facilities in India. The top pharmaceutical export products are active ingredients (APIs), finished drugs (FDFs), biopharmaceuticals and other medical services. India leads the world in pharmaceutical factories as per the U.S. Drug Control Agency outside the U.S. The pharmaceutical and drug products export business is among the most liquid and lucrative export businesses globally, and surprisingly, it's still an easy choice for any small exporter in India.

6. Dairy Products

India reaps great profit by exporting dairy-based products to many countries. Milk from Indicine cattle is highly sought after in Western markets. The cost of products derived from these kinds of milk is easily sold at around four times the price of local dairy products.

Also, some major Indian dairy exports include ghee, cheese and curd. Dairy products are a very lucrative export proposition. However, it would be best if you kept a sharp eye on quality controls, packaging and refrigeration because of the shorter shelf life of these products.



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7. Leather and Its Products

India is one of the leading leather exporting nations, and several markets worldwide pay very high for leather products. These products include purses, coats, shoes, cricket balls, etc. Many leading luxury brands import leather from India at very low costs.

The U.S and Europe have traditionally been the big markets for Indian leather goods. You can even target some small countries to play the game in the low competition. Even demand for semi-treated leather is high.

Textile Products

The textile industry has always served as the trump card for the Indian export monopoly. This industry has direct employment of 45 million, and the Indian government is very generous towards exporters of textile products.

Many countries like the U.K., U.S., UAE, etc., always have a demand for Indian textile, accounting for around 50% of the entire textile exports from India.

Numerous natural and artificial fibres can be exported from India, and even as a very small exporter, you can get large orders. Many small-scale jute exports have expanded at an incredible rate in recent years. Besides jute, India is a leading exporter of many other fibres. If you ask which textile product is most exported from India, the answer will be cotton.

9. Organic Chemicals

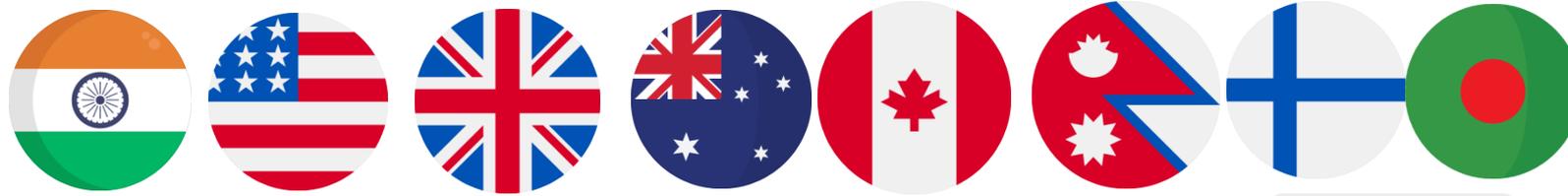
Whenever we talk about India's most exported product, organic chemicals are always a strong point of discussion. The market is pretty wide, and a wider market always offers great opportunities to importers and exporters.

Today, India exports agrochemicals, organic, and inorganic chemicals to numerous countries in South America, Africa, Europe and Asia.

10. Homoeopathy and Ayurvedic Medicines

If you're in the mood to export the most profitable products from India, you shouldn't ignore Homoeopathic and Ayurvedic medicines. India has become one of the big exporters of alternative medicines to the western world in the last decade.

Thousands of medicines fall under this category. If you can explore the demand and buyers across the seas, you can comfortably begin an alternative exporting business with very little investment.



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Homoeopathic and Ayurvedic medicines bring you great exporting opportunities, and undoubtedly you can enjoy huge returns even after selling these meds at a very competitive price.

11. Cereals

Holding the reputation of a great cultivating nation, India has been very active in Agro-based export for a long time. Presently, we're exporting cereals to Iran, UAE, Iraq, Saudi Arabia, and other Middle Eastern

countries. There is a great demand in the whole gulf, and India exports rice in enormous quantities to these countries. Most importantly, the government highly supports the export sector of cereals and promotes it by giving exporters many concessions and benefits. Small businesses get a lot of support to thrive.

12. Meat Products

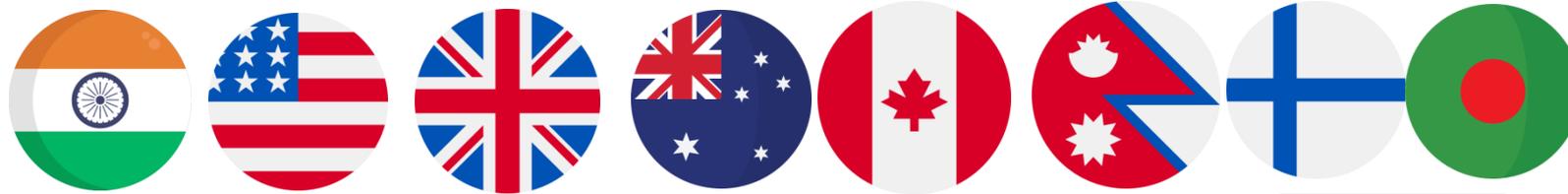
India holds the biggest vegetarian population in the world. People from Western countries consume more meat products per capita than Indians when comparing meat consumption. India faces no difficulties in meeting its local demands, and that is where the doors for export open.

Many countries cannot meet the meat consumption scale in their countries, and they've got no option other than exporting meat from other countries. India is a huge exporter of buffalo meat, and beef consumption is banned almost throughout India, leaving the majority for export. Besides beef, India is also a huge exporter of pork. India also is a major seafood exporter, with it single-handedly fulfilling the seafood requirements of many land-locked countries.

GLOBAL SOURCING ;

Since the early 1990s international - or even global - outsourcing of intermediate products from suppliers has been propagated as a key means to improve the performance of firms. It is argued that becoming more lean and internationally focused is beneficial for the buyer as well as for the supplier . Global sourcing is currently believed to be a common phenomenon. Drawing upon a recent survey among a representative sample of 200 large Dutch manufacturing firms this paper gives an answer to the question to what extent internationalization of sourcing is indeed taking place and whether it affects a firm's performance. The analysis reveals that for this sample of firms global sourcing is the exception rather than the rule. Although firms undertake considerable international outsourcing, this is mostly limited to nearby (European Union) countries. Statistical tests reveal that there is no significant relation between international outsourcing and either market or financial performance. International outsourcing cannot be used to adequately explain firm performance. Therefore, an alternative approach is discussed, in which the degree of (international) outsourcing is contingent upon factors like the size and location of the headquarters of the firm.

Global Sourcing is a procurement strategy used by businesses wherein goods and services are sourced from the global market to obtain the highest levels of efficiency possible. The goal of



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Global Sourcing is to lower production costs while maintaining the exacting quality standards required for products and services.

Benefits of hiring a Global Sourcing Company

Better Value For Money. As long as a company works in conjunction with a reliable and experienced global sourcing partner, it's possible to get much better value for money. ...

A Greater Production Capacity. ...

High-Quality Products. ...

New Opportunities. ...

New Resources And Skills.



Global sourcing example?

Global sourcing refers to buying the raw materials or components that go into a company's products from around the world, not just from the headquarters' country. For example, Starbucks buys its coffee from locations like Colombia and Guatemala. The advantages of global sourcing are quality and lower cost.

Some advantages of global sourcing, beyond low cost, include: learning how to do business in a potential market, tapping into skills or resources unavailable domestically, developing alternate supplier/vendor sources to stimulate competition, and increasing total supply capacity.

Benefits associated with hiring experienced global sourcing company:

1. Better Value For Money
2. A Greater Production Capacity
3. High-Quality Products
4. New Opportunities
5. New Resources And Skills



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