CHAPTER VII
SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

In this chapter the significant findings of the study are compiled in order to offer useful and valid suggestions and conclusion to better their (exporters as well as clearing and forwarding agents) performance and business.

FINDINGS FOR CLEARING AND FORWARDING AGENTS

1. 82.7% of the respondents feel that they can have own branches rather than relying on other agents.

2. 56% of the respondents market their services through Clearing and Forwarding agents.

3. 39.3% of the respondents perform clearing and forwarding process in all modes of transportation.

4. 67.3% of the respondents perform customs clearance activity through their own licence.

5. 44.7% of the respondents carryout customs clearance for the export consignments in port and Container Freight Station (CFS) area.

6. 63.3% of the respondents use software.
7. 72.7% of the clearing and forwarding agents have online tracking facility to their shippers.

8. The variables like Nature of organization, Experience and Source of finance show positive relationship with the role of clearing and forwarding agents through chi-square tests. Only one variable namely “Educational level” showed negative results.

9. The discriminant function analysis indicated the adequacy level as 70% in discriminating between the two groups.

10. Factor analysis condensed and simplified the ten problems and grouped them into five factors explaining 72.18% of the variability of all ten problems of clearing and forwarding agents.

11. Weighted average analysis showed that the mean score on the feasibility of the procedures involved in rendering services to the exporters is significant.

12. Clearing and Forwarding agents ranked “Delay in handing over the cargo by the exporters” as the first problem followed by “Delayed payment by the shippers”, “High cost of transportation from ICD’s to ports was considered as the third problem.
FINDINGS FOR EXPORTERS’ LEVEL OF SATISFACTION:

1. The variables like educational status, age, annual income, type of business, performance in terms of (TEUs) performance in terms of Cubic Metre, opinion of the exporters about the business and performance in terms of (Air Cargo), show positive relationship in the level of satisfaction through the chi-square tests. Only two variables namely form of organization and awareness about Clearing and Forwarding agents formalities showed negative results.

2. 53.7% of the respondents have sole proprietorship form of organization.

3. 71.7% of the respondents of the exporters are graduates.

4. 53.7% of the exporters are middle-aged respondents.

5. 71.7% of the respondents have income of more than 10 lakhs per annum.

6. 89.1% of the respondents run large scale business by employing more than 100 workers.

7. 52.3% of the exporters have medium level performance with 25-50 (TEUs) per month.

8. 56.3% of the exporters have low level of performance of less than 100 cbm per month.

9. 66% of the exporters feel that running international business through export and import “Easy”.

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10. 95.4% of the exporters have “low level of performance” with regard to Air cargo.

11. 89.4% of the exporters are aware of Clearing and Forwarding agents’ formalities.

12. The discriminant function analysis indicated the overall significance and adequacy of the model with regard to the “low level and high level” of overall satisfaction.

13. The factor analysis used fifteen problems faced by the exporters and grouped them into five exporters explaining 56.674% of the variability of all the fifteen problems.

14. The exporters ranked the lack of technological advancement in communication as the first problem and the least importance given for the less volume cargo as the second problem.
SUGGESTIONS TO CLEARING AND FORWARDING AGENTS AND EXPORTERS

1. Clearing and Forwarding agents ranked “The time of cargo delivery” as their first problem that gets them on their nerves. The agents have to do their container planning only on the basis of goods volume and the cargo delivery timeline. If the said cargo is not delivered in the right time the Clearing and Forwarding agents’ entire container booking process will end in the chaos that automatically leads to a loss. Hence exporters should focus more on delivering the cargo at the expected time and if possible a day earlier which will help the Clearing and Forwarding agents in delivering the loaded container to the port after proper packaging and containerisation that ensures safe loading of the container into the vessel.

2. Exporters ranked “lack of technological development” as their main grievance with Clearing and Forwarding agents. Hence Clearing and Forwarding agents on their part should take steps which should ensure online booking, online invoicing, online tracking, online trade enquiry, online BL release, online customs filing etc., Implementation of all the above will result in timely release of Bill of Lading to the shippers.
3 Clearing and Forwarding agents consolidated various shippers’ cargo which are shipped to the same destination/country. In these cases shippers who provide less volume of cargo are not treated with needed importance. Hence exporters ranked this problem as their second problem. Clearing and Forwarding agents will have to find the ways to shrug off such attitude in order to win over the customer satisfaction from all types of the customers.

4. In general, exporters complain that Clearing and Forwarding agents are nominated by the buyers hence the exporters are compelled to do business with the nominated agents. Under these circumstances Clearing and Forwarding agents take their opportunity to demand for everything such as fixed freight rate, imposing rigid procedures which result in a strained relationship with the shippers. In general buyers nominate certain Clearing and Forwarding agents in order to conform to quality service at both exporter and importer end. But in most cases Clearing and Forwarding agents feel that they are for the consignee and not for consignor. It is because the business is given by the importer but not the exporter. So they leave the local customers in the lurch. As expected Clearing and Forwarding agents ought to cater their service to both the parties. They should strike an equilibrium of service at the exporting and importing ends.
5. The exporters are dissatisfied with the way of measuring their valuable cargo. For this, it is suggested that the clearing and forwarding agents have to give the details of measurement and in advance.

6. The exporters are dissatisfied because of the slow and delayed reimbursement of duty drawback (which is the subsidy allowed by the Government).

7. In the case of exports where the importer has no nomination of Clearing and Forwarding agents, the exporters delay in handing over the cargo to the clearing and forwarding agents. If such a thing exists for long, it is very difficult to earn the goodwill. Hence whether they are nominated or not importance should be given in satisfying the customer.

8. Exporters’ initiative is vital in finding out new buyers which will ensure increase in export volume. Export organizations such as Export Promotion Councils, Chamber of commerce, Tirupur Exporters’ Association render various assistance to the exporters in locating new buyers. Still Clearing and Forwarding agents as global trotter have a stranger role to play in this aspect.
9. Exporters should always make attempts to fulfill the buyers’ requirements in terms of good quality and the timely delivery of goods can help the exporters reduce freight cost in getting more business from the existing buyers.

10. Exporters participation in international trade fairs and exhibitions will help in knowing the technological developments in their field and by adopting them they can understand which goods can be produced with the best quality at low cost.

11. All the manufacturing companies need to concentrate more on new products and developments that results in making the global importers eye on Indian market.

12. Indian Government organises Buyer–Seller meet which allows the exporters and importers to know each others’ needs and wants. Exporters have to really make use of those opportunities in understanding the buyers’ needs. So that as shippers, they can meet the expectations of the buyers.
CONCLUSION

The most heartening fact the study revealed is that 71.8% of the respondents who indulge in export business are graduates and to strengthen this hold another highlight of the research finding is 89.1% of the sample respondents carry out large scale business by providing employment for more than hundred workers thus alleviating the state from unemployment problem. This has happened because a good majority of 66% of this group opined that doing international business is easy through the questionnaire. This is a shot in the arm of India as it vouchsafes that it is a land of literate business community and also this community is no longer a communion of haggling traders. Still what the state has done to boost up their morale is a question that gives food for a good thought.

It is to say the business community has been left in the lurch mercilessly by the Union and the State as they keep themselves busy by opening their doors wide for Foreign Direct Investments. Every other day the media flashes the news that a Korean /a Japanese /a Taiwanese / a German /an American has signed a pact with the Government to open up their unit. [The recent one - Yamaha sets up a plant near Chennai]. Hence they are busy pampering the foreign nationals rather than looking
at the problems close at hand, not only with tax holidays but also with uninterrupted power supply at the cost of local peoples’ hardship.

They justify their stand telling that those industrial units offer jobs to thousands of our technically qualified unemployed youth. Government should encourage the local business community as well, as a nation can be proud, only when it stands up on its feet for progress, rather than stretching out a hand for other countries to pull it out of economic distress.

That Tamil Nadu is reeling under the acute shortage of power supply is a known fact. Yet little is expected to explain its worst effects on the production front at both Coimbatore and Tirupur production terminals which form study area for this thesis. To add fuel to the fire Tirupur is threatened with pollution control board time and again for letting out untreated effluents in its water courses. Nobody can deny its threat on the livelihood of both humans and livestock through incurable diseases like cancer and skin diseases. Many a textiles has been sealed by the concerned officials for not obliging to the norms fixed by the board. All the same, the industrialists alone can not be taken to task or penalized as setting up an effluent Treatment Plant by the entrepreneurs themselves will burn a hole in their pocket of profit.
The Government rather than forcing them out of business by closing their unit, should step forward by funding the Plant by giving a share like 2/3 or 1/3 or giving it as credit for which the industrialists are made to pay monthly or by collecting a toll for using the plant.

Regarding Power Supply the state should volunteer for spending on researches to tap the sources of alternate energy like wind, sunlight which are in abundance in the area. Already established companies have erected windmills which dot the length and breadth of the district quite beautifully with their giant sized wings swinging in the wind gently and generating power. The Government should take a leaf out of their book in this regard. Already Tirupur has set a precedence to show how Government assistance can be well utilized to its maximum through the establishment of New Tirupur city with the money given for developing the city infrastructure. TEA (Tirupur Exporters Association) has purchased barren lands outside the city, but close to N.H 47, that facilitates free goods movements, and built an industrial (Textile) estate with world class infrastructure at that. Financing on any developmental activity on the cities of Coimbatore and Tirupur will eventually build the state as an economic power as these cities indulge in international trade that fills the state coffers along with paving way for their personal prosperity.
Exporters and Importers ship and receive goods from all over the world, from small consignments of parts to large and very expensive pieces of equipment. Some shipments are demonstration systems for testing and evaluation, which creates the additional headache of continual transfers from one country to another. Hence it is evident that International businessmen experience regular challenges in shipping its products overseas. These challenges force the businessmen to select the best clearing and forwarding agents for their shipments. Their main complaint is that clearing and forwarding agents lack the use of modern technology for providing services. Forwarders’ concentration on technological development is a must. In an era, when even a small store in a non descript town uses a computer for billing and other purposes, if a company that provides service to export concerns that do business in dollars does not get supported with modern technology like specially designed softwares for customs clearance and container tracking would lose out their customers as they will be termed as outdated irrespective of the strength of goodwill they have earned so far. Another problem quoted by exporters is clearing and forwarding agents do not give uniform care for both small and bulk shipment.

It is totally unbecoming of a good business venture. For, a customer whether small or big, new or old, regular or irregular is worthy
for the advancement of their concern as the trade of export is full of fluctuations. It makes a reputed concern into nothing or an insignificant enterant into a noteworthy person in no time because markets around the world are unreliable.

Another complaint that the clearing and forwarding agents do not give accurate measurement of volume/weight does not speak anything good of the honesty part of the trade. Honesty in dealing with the customers(exporters) earn their good will. It is not as difficult as the people in business often complain. The father of our nation, M.K. Gandhi being a bania (trader) himself agrees to this. Yet he asserts that

‘It is difficult, but not impossible to conduct strictly honest business’.

Exporters too are not out of the ring of complaints. They need to improve their cargo delivery timeline to the forwarders which will allow the forwarders to complete container stuffing on time. On time container stuffing only will ensure the loading of containers in the planned ships. They should also note cargo arrival timeline is very important for the importers because they plan their work only on the basis of the cargo arrival to their country.
Hence it becomes vital to ship the cargo on time in the planned ship which reaches the destination as required by the importer. Hence exporters’ cargo delivery timeline to the forwarder plays a vital role in making the goods available in the hands of the importer.

To conclude, both forwarders and exporters should aim to solve all these issues to have a hassle free international business which in turn will be an input for the growth of India’s foreign exchange reserves and Gross Domestic Product. Nothing is beyond one’s reach and the constant trial and the improvisation alone will prove that the service is of a bench mark quality. Again Gandhi’s words ring true in this context. He says

“ Infinite striving to be the best is man’s duty. It is its own reward”.

Hence let both the parties strive to fulfill their commitments which will boost up the trade and economy of the country.