



Dissertation Project for EPGDIB 2017-19, IIFT Kolkata

Export promotion by enhancing competitiveness of Small scale manufacturers in Howrah cluster

A cluster concept to promote Howrah based engineering SSI in International market

A detail study among Howrah based small scale manufacturing firms under engineering segment catering industrial sector.

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➤ **Introduction:**



Micro-small-medium-Enterprise Or Small scale industry (SSI) clusters plays a very significant role in developing countries. The major contribution by them are in to employment, production and exports. Since British rule, West Bengal witnessed massive industrialization in the segment of heavy engineering. Howrah is known as an industrial hub for various ranges of small scale manufacturers who are involved in engineering product and ancillary manufacturing. However, due to various external & internal reason the whole region has gradually lost competitiveness towards manufacturing of quality products which results massive shut down. Many company could not upgrade themselves in the tune of rapid change in market. However, the same industrial belt and it's ecosystem once used to meet the requirement of European Engineering excellence. Therefore, this industrial belt has got potential to meet the requirement of International market which required to be reorganized. In this study, it is tried to form the strategic move to enhance the competitiveness of these MSME segment and try to find out the way to export their product to overseas market.



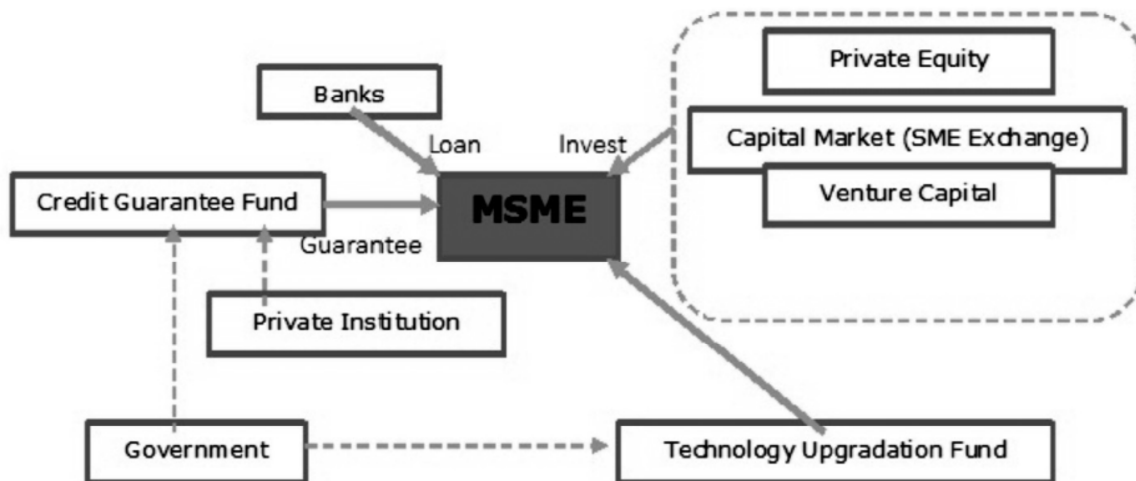
➤ **Classification of MSME in India :**



Performance of MSMEs

CLASSIFICATION OF MSMEs IN INDIA		
Class /category	Manufacturing	Service
Micro Enterprises	Investment up to ₹ 25 lakh	Investment up to ₹ 10 lakh
Small Enterprises	Investment above ₹ 25 lakh and up to ₹ 5 cr	Investment above ₹ 10 lakh and up to ₹ 2 cr
Medium Enterprises	Investment above ₹ 5 cr and up to ₹ 10 cr	Investment above ₹ 2 cr and up to ₹ 5 cr

Source: Ministry of MSMEs



➤ **Objective:**

The main objectives of this paper is to map the suitable ways to place small unregistered and MSME firms in international market by enhancing their competitiveness. The study is focused to a particular manufacturing sectors, e.g; Industrial equipment in engineering sector in Howrah industrial belt in West Bengal.

We find lot many manufacturer from the Howrah region who manufactures products on behalf of their principle company/EPC/Traders etc who does many project in International market by sourcing products from these manufacturers. Therefore, indirectly the small scale manufacturers are also connected to International market without their knowledge. Even most of the time, the mediator enjoys Govt benefits towards exporting these products. Our objective shall also to bring these potential manufacturer out of their periphery to enable them to expose in to International market by converting them indirect to direct exporter.

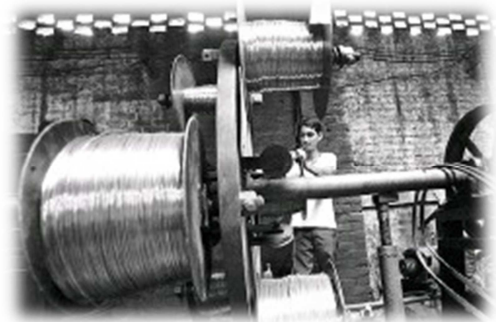
➤ **Research question :**

The above study shall be addressed following key questions :

- How to form a cluster to meet the objective ?
- What are their issues/GAP ?
- What are the areas for improvement for going to international market?
- Strategy to develop competitiveness to enable them to export.
- Identifying first stage of potential markets limiting our research.
- Strategy for export promotion availing benefits from various schemes.

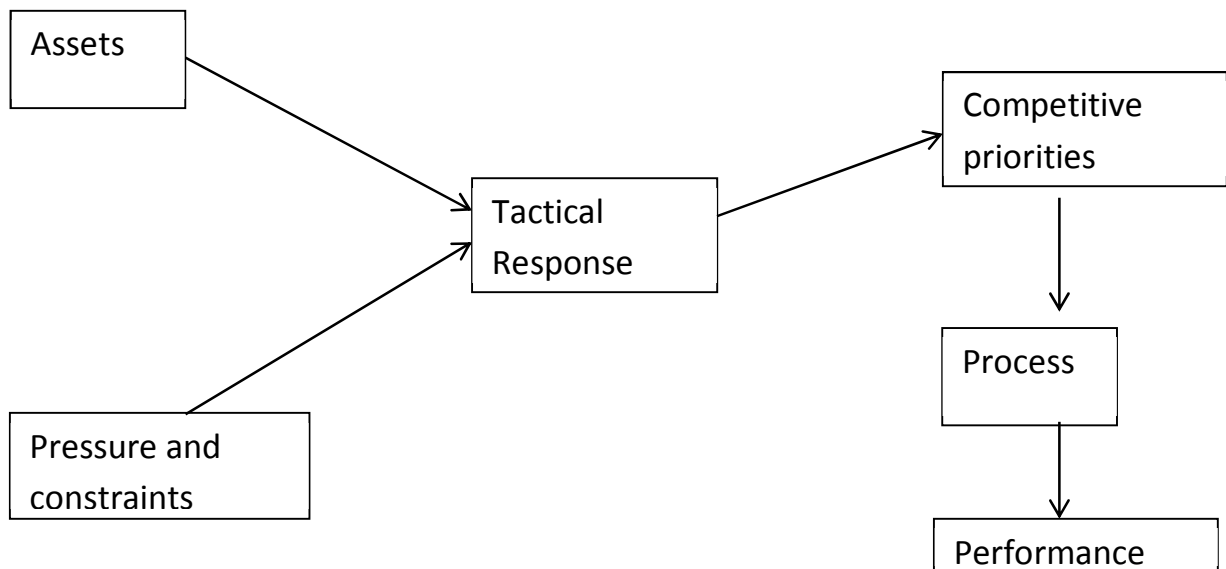
The report has been formed by selecting 33 nos of small firms involved in manufacturing of engineering products in Howrah region. These sample is a representative sample of almost 90 nos of similar category of firms from Howrah.

➤ **Methodology :**

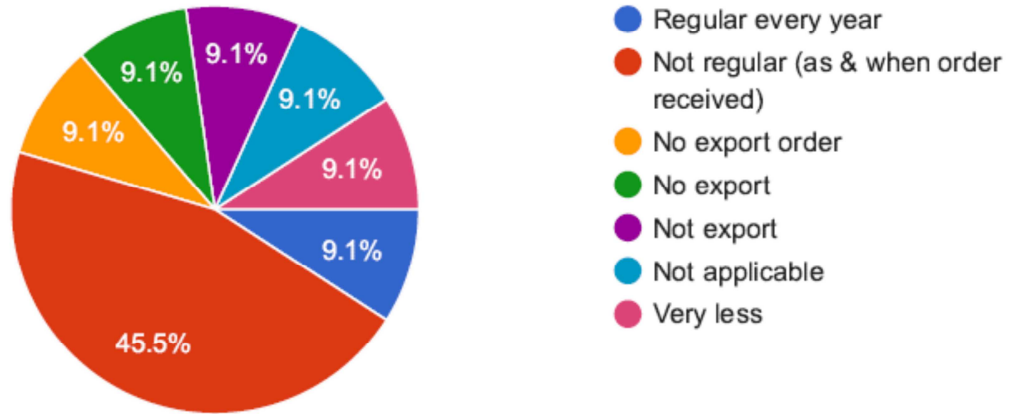


The study is based on primary & secondary data and interviews with various stake holders like companies, suppliers, agencies etc. Competitiveness is a dynamic concept and it can be viewed from three different angles, e.g; country, industry and firm level. Strategic tools are used on the available data to understand the competitive landscape.

➤ **Cleveland framework of competitive analysis :**

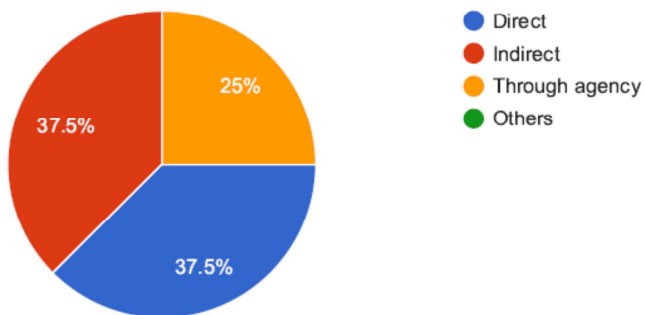


11 responses



a) Mode of export :

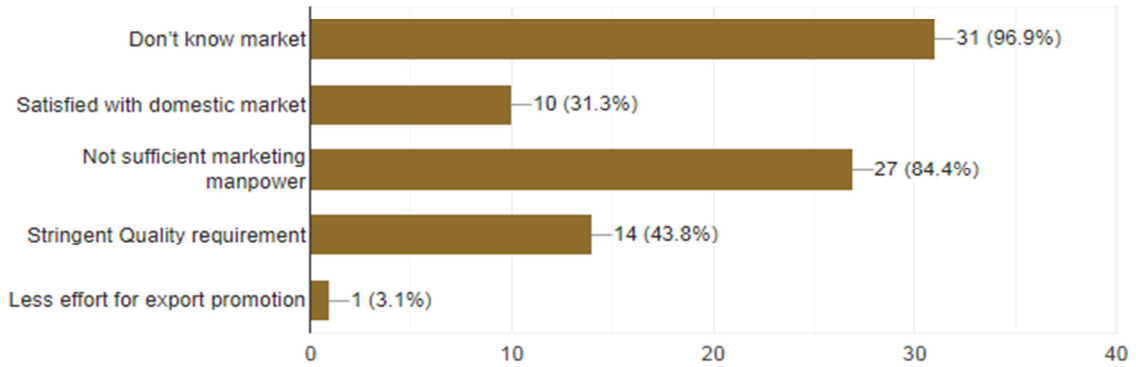
8 responses



b) Reservation for not/lower export :

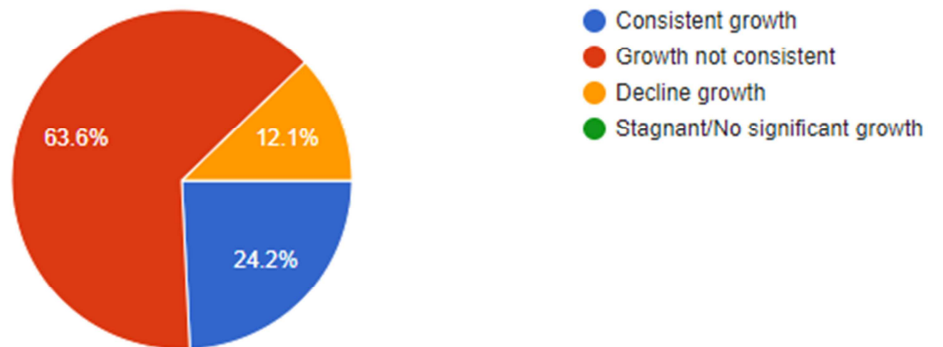
Reason for not/less export (may choose multiple options) –

32 responses



c) Business growth trend :

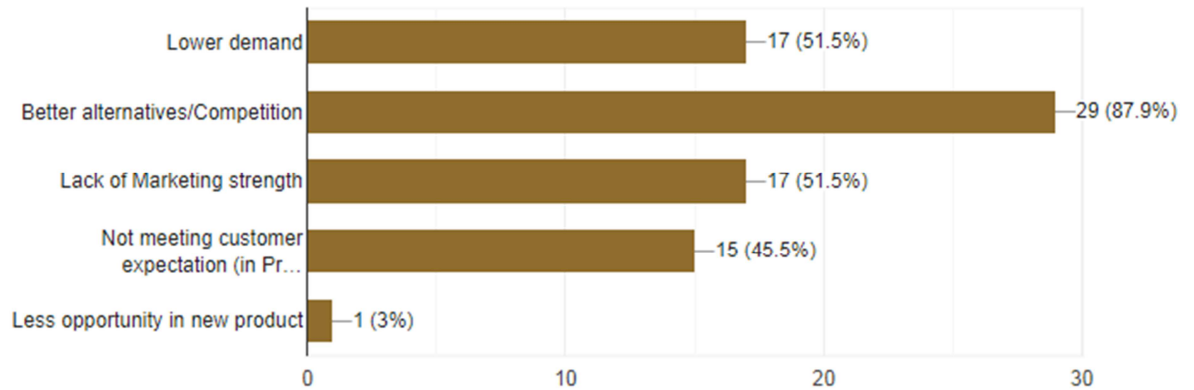
33 responses



For negative, slow Or, stagnant growth, what are the reasons ?

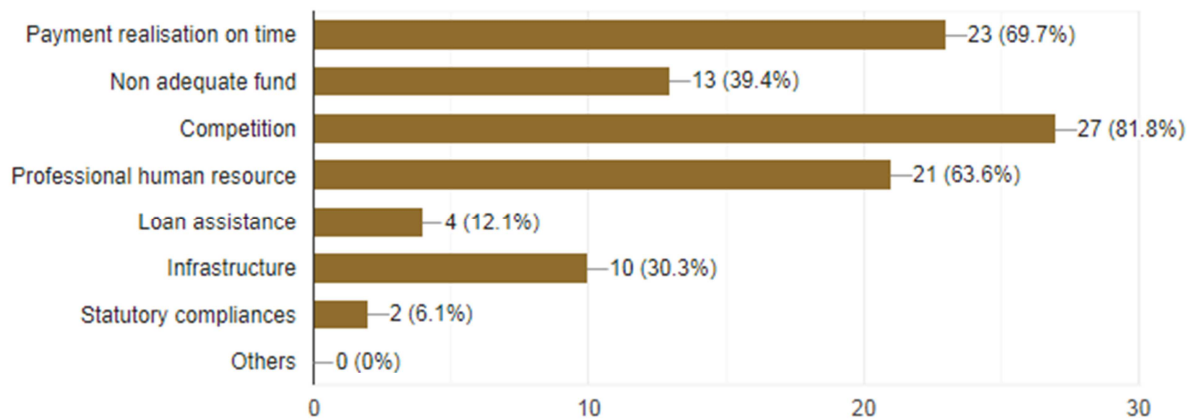


33 responses

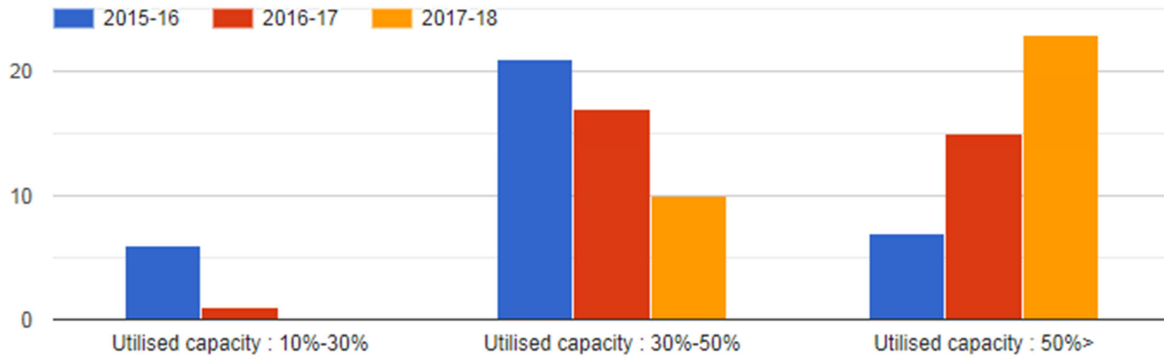


d) Major issues/hurdles for business operations :

33 responses



➤ **Capacity utilization :**



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