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Challenges and Opportunities in International Export Business: A Study of the Diamond and Jewellery Export Sector

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Abstract

Exporters of high-value goods work in an environment where growth prospects and operational risks exist side by side. This study examines the challenges and opportunities facing diamond and jewellery exporters, taking a Surat-based export firm with a Chennai branch as its setting. A descriptive research design was adopted. Primary data were collected from 58 respondents, including export-firm employees, logistics and supply chain professionals, freight forwarders, and shipping and customs personnel, selected through convenience sampling. A structured questionnaire of twenty statements, ten on challenges and ten on opportunities, was administered on a five-point Likert scale. The responses were analysed using percentage analysis, mean scores and fishbone diagrams. Every statement recorded a mean score above 3. Agreement with the challenge statements ranged from 58.6% to 77.6% (average 69.8%). International competition (mean 4.09) and transportation cost (mean 4.02) ranked highest, and trade restrictions (mean 3.59) ranked lowest. Agreement with the opportunity statements was stronger, ranging from 74.1% to 84.5% (average 80.0%). Overall, 84.5% of respondents felt the firm has good scope to expand its exports (mean 4.24). The fishbone analysis identified customs and paperwork, market pressure, and logistics cost as the dominant challenge areas. Market growth, quality certification and supply chain efficiency emerged as the leading opportunity drivers. The study suggests that controlling logistics cost, digitising documentation, managing currency risk, maintaining quality assurance, and using digital marketing and new-market entry can help exporters turn these challenges into sustained growth.

Keywords: *International export business; Diamond and jewellery exports; Export challenges; Export opportunities; Logistics and supply chain management; Export competitiveness*

1. Introduction

Selling goods across national borders is an old practice, but it has grown rapidly in recent decades as the internet, global travel and better transport and logistics have opened distant markets to firms of every size. Exporting now allows a business to reach customers beyond its home market, widen its revenue base, earn foreign exchange and build a stronger competitive position. Trade facilitation measures, such as simpler export procedures, streamlined customs operations and clearer product-testing rules, have lowered the time and cost of selling abroad.

These gains come with real difficulties. Exporters must deal with customs bureaucracy, differing regulations, payment risks, exchange rate movements and logistics constraints, and they must understand the conditions of each destination market before committing to it. The problem is sharper for diamonds and jewellery, where consignments are of high value and a documentation error or a delay at any stage can mean heavy financial loss.

India holds a leading position in diamond processing, and the gems and jewellery sector is a major contributor to the country's merchandise exports and to skilled employment. Regional clusters such as Surat for cutting and polishing and Mumbai for trading and certification support this strength, while South Indian cities are important retail markets. The industry nevertheless depends on imported rough diamonds and precious metals, and it faces price and currency fluctuations, changing regulations and competition from other manufacturing countries. Against this background, the present study looks at a diamond and jewellery exporter, Gurukrupa Export Pvt. Ltd., headquartered in Surat with a



branch in T. Nagar, Chennai and operating since 1997, to understand how the challenges and opportunities of international export are perceived by those who work in the field.

2. Objectives of the Study

The primary objective was to identify, examine and analyse the challenges faced by businesses engaged in international export, including the influence of government policies, trade regulations, customs procedures, transportation and logistics, exchange rate fluctuations and market competition on export performance. The secondary objectives were:

- to identify the operational, financial, legal and marketing challenges encountered by exporters in international markets;
- to examine the difficulties of complying with international trade laws, customs regulations, export documentation and government policies;
- to understand the impact of transportation costs, shipping delays, supply chain disruptions and infrastructure limitations on export activities; and
- to analyse the effect of foreign exchange fluctuations, international payment methods, credit risks and financial constraints on exporters.

3. Conceptual Framework and Review of Literature

Exporting a product involves a chain of linked activities: product development to buyer specifications, identification of buyers and order processing, documentation, packaging and labelling, transport, customs clearance and final delivery. Warehouses, freight forwarders, ports, shipping lines and customs agents support this chain, and weakness at one point raises cost and delays the whole shipment. The framework used here therefore groups the factors influencing export performance into two sets. Challenges include transportation cost, customs and documentation, regulatory compliance, exchange rate risk, competition, demand changes, quality standards, security and insurance, trade restrictions and logistics reliability. Opportunities include market growth, new markets, technology, digital marketing, trade fairs, certification, buyer partnerships, government incentives and supply chain efficiency.

Earlier research supports this view. Anh et al. (2022), using trade data for Vietnam and 79 partner countries from 2007 to 2018, found that better logistics performance significantly raised both export volume and the variety of products exported. Turna (2024) reached a similar conclusion for G-8 countries between 2007 and 2022, showing that efficient logistics processes significantly affect export performance. On currency risk, Bhat (2023) found a stable long-run relationship between exports and exchange rate volatility in India and argued for policies that reduce volatility if export-led growth is to succeed.

Studies of smaller firms point to the internal and strategic side of exporting. Al-Hyari (2023), surveying 30 SME owners and managers in Jordan, reported that the political, technological and economic environment, firm capabilities and export marketing affected export performance negatively, whereas firm size and previous experience affected it positively. Dallocchio et al. (2024) showed that e-marketing tools such as social media had a positive and significant effect on the online export performance of Italian SMEs, and that selling through marketplaces worked better than running a company website. Lee et al. (2025), with 500 responses from Korean SMEs, found that challenges did not significantly influence strategy adoption while opportunities had a strong positive effect, and that strategy mediated the link between opportunities and export performance. Exim Bank (2025) noted that limited information on export opportunities and difficulty in marketing abroad hold back MSME exports from India.

For the sector studied here, the Gem and Jewellery Export Promotion Council, as reported by Mining Weekly (2025), recorded a 16.8% fall in India's cut and polished diamond exports to $13.3 billion in 2024–25 because of weak demand from the United States and China, which pulled overall gem and jewellery exports down by 11.7% to $28.5 billion. Taken together, the literature shows that logistics, currency stability and digital capability shape export outcomes, and that exporters in demand-sensitive sectors such as diamonds are exposed to external shocks.

4. Research Methodology

The study follows a descriptive research design, which suits an investigation of existing export practices, prevailing problems and available opportunities. Primary data were gathered through a structured questionnaire from 58 respondents, comprising employees of export firms, logistics and supply chain professionals, freight forwarders, shipping personnel and persons dealing with customs operations. Convenience sampling, a non-probability method, was used because respondents with relevant experience could be reached easily within the limits of time and resources. The questionnaire was circulated through Google Forms and by personal contact, and was reviewed by experienced persons



in the field before use. Secondary data came from books, journals, government and industry reports and company records.

The instrument contained twenty statements measured on a five-point Likert scale (Strongly Agree = 5 to Strongly Disagree = 1). Statements 1 to 10 dealt with challenges and statements 11 to 20 with opportunities. Responses were entered in Microsoft Excel and analysed through percentage analysis, mean scores (a value above 3 indicating agreement) and standard deviation. Fishbone diagrams were prepared to group the statements under major heads. The study has some limitations: it was carried out within a limited internship period, confidential company information such as pricing and margins could not be accessed, the findings rest partly on the opinions of employees, and the results may change with policies, exchange rates and market conditions.

5. Analysis and Discussion

5.1 Challenges in diamond exports

Table 1 shows that all ten challenge statements were supported by a majority of respondents, with agreement between 58.6% and 77.6% and an average of 69.8%. International competition had the highest mean (4.09), with 77.6% agreement, as exporters from several countries supply similar products and put pressure on price, design and delivery commitments. Transportation cost followed closely (mean 4.02; 77.6% agreement); diamond consignments must be insured, secured and often sent by air, so freight and handling charges reduce margins and weaken price competitiveness.

Table 1: Respondents' views on challenges (N = 58)

No.	Statement	Agreement (%)	Mean	SD	Rank
1	Transportation cost	77.6	4.02	1.05	10
2	Customs and documentation delays	75.9	3.97	1.04	13
3	Compliance with export regulations	62.1	3.64	1.13	19
4	Exchange rate fluctuations	72.4	3.90	1.07	14
5	International competition	77.6	4.09	1.00	8
6	Changes in customer demand	72.4	3.88	1.06	15
7	International quality standards	65.5	3.72	1.09	18
8	Security and insurance requirements	67.2	3.81	1.07	16
9	International trade restrictions	58.6	3.59	1.12	20
10	Reliability of logistics services	69.0	3.79	1.07	17

Agreement = Strongly Agree + Agree. Rank is across all twenty statements. Source: Primary data.

Customs and documentation delays were reported by 75.9% of respondents (mean 3.97), who pointed to the penalties, storage charges and buyer dissatisfaction that follow errors in paperwork. Exchange rate fluctuations (72.4%; mean 3.90) were seen as reducing realised revenue and complicating pricing, because payments are received in foreign currency. Changes in customer demand drew 72.4% agreement (mean 3.88), reflecting the influence of fashion, buyer budgets and foreign economic conditions on order volumes. Reliability of logistics services (69.0%; mean 3.79), security and insurance requirements (67.2%; mean 3.81) and international quality standards (65.5%; mean 3.72) were also acknowledged, since overseas buyers insist on consistent grading, cut quality and certification and may reject a consignment for any lapse. Compliance with export regulations (62.1%; mean 3.64) and trade restrictions (58.6%; mean 3.59) received the lowest agreement, though still from most respondents. A relatively large neutral share on these two items (20.7% and 24.1%) suggests that regulatory effects are felt less uniformly across roles.

5.2 Opportunities in diamond exports

Respondents were more positive about opportunities (Table 2). Agreement ranged from 74.1% to 84.5% with an average of 80.0%, and every mean exceeded 4.0 except government incentives (3.98). The overall statement that the company has good opportunities to expand its exports drew the highest agreement of all (84.5%; mean 4.24). Growth potential in international markets, entry into new markets and international quality certifications each recorded 82.8% agreement. Respondents linked new markets to lower dependence on a few buyers and spread of risk, and linked certification to buyer trust and repeat orders.



Table 2: Respondents' views on opportunities (N = 58)

No.	Statement	Agreement (%)	Mean	SD	Rank
11	Growth potential in international markets	82.8	4.19	0.95	2
12	Entry into new international markets	82.8	4.17	0.90	4
13	Advanced manufacturing technology	77.6	4.07	0.95	9
14	Digital marketing	81.0	4.14	0.91	6
15	Trade fairs and exhibitions	74.1	4.00	0.99	11
16	International quality certifications	82.8	4.19	0.91	2
17	Partnerships with international buyers	79.3	4.12	0.96	7
18	Government export incentives	74.1	3.98	0.98	12
19	Logistics and supply chain efficiency	81.0	4.17	0.92	4
20	Overall export expansion opportunities	84.5	4.24	0.90	1

Agreement = Strongly Agree + Agree. Rank is across all twenty statements. Source: Primary data.

Digital marketing (81.0%) and logistics and supply chain efficiency (81.0%) came next, followed by partnerships with international buyers (79.3%), advanced manufacturing technology (77.6%), trade fairs (74.1%) and government incentives (74.1%). Online promotion and e-commerce platforms were seen as a low-cost way to display designs and contact buyers, and better coordination from sourcing to delivery as a way to shorten lead time and cost. This pattern is consistent with the literature on logistics performance and digital export channels reviewed above.

5.3 Fishbone analysis

Grouping the statements into major heads (Table 3) shows where the weight of opinion lies. Among challenges, customs and paperwork (75.9%), market pressure (75.0%) and logistics and cost (73.3%) were the strongest heads, while regulation (60.4%) was the weakest. Among opportunities, market growth and quality (both 82.8%) and supply chain (81.0%) led, and government support (74.1%) was lowest. Opportunities therefore carried higher agreement than challenges on average (80.0% against 69.8%), which suggests that respondents regard the challenges as manageable rather than as barriers to entry.

Table 3: Fishbone grouping of statements

Challenge head	Avg. agreement (%)	Opportunity head	Avg. agreement (%)
Logistics and cost (Q1, Q10)	73.3	Market growth (Q11, Q12)	82.8
Customs and paperwork (Q2)	75.9	Technology (Q13, Q14)	79.3
Regulation (Q3, Q9)	60.4	Promotion (Q15, Q17)	76.7
Financial risk (Q4)	72.4	Quality (Q16)	82.8
Market pressure (Q5, Q6)	75.0	Government support (Q18)	74.1
Quality and security (Q7, Q8)	66.3	Supply chain (Q19)	81.0

Source: Primary data (average of agreement percentages of the grouped statements).

6. Findings and Suggestions

Findings

1. High transportation cost is a major challenge for 77.6% of respondents (mean 4.02), and strong international competition has the highest mean among challenges (4.09; 77.6% agreement).
2. Customs and documentation cause shipment delays according to 75.9% of respondents.
3. Exchange rate fluctuations affect exports negatively (72.4%), and changes in customer demand affect export performance (72.4%).
4. Unreliable logistics services (69.0%), security and insurance requirements (67.2%) and quality standards (65.5%) are considered challenging by a majority.
5. Regulatory compliance (62.1%) and trade restrictions (58.6%) have the lowest agreement among challenges but are still supported by most respondents.
6. The overall opportunity for expansion has the highest agreement (84.5%; mean 4.24). Market growth, new-market entry and quality certification each stand at 82.8%.



7. Digital marketing (81.0%), logistics and supply chain efficiency (81.0%) and buyer partnerships (79.3%) are strongly supported, while advanced manufacturing technology (77.6%), trade fairs (74.1%) and government incentives (74.1%) are seen as useful by about three-fourths of respondents.
8. The fishbone analysis identifies logistics and cost, market pressure, and customs and paperwork as the main sources of challenge, and market growth, technology and supply chain as the main drivers of opportunity.

Suggestions

9. Reduce transportation cost by consolidating shipments, comparing carrier rates and signing long-term agreements with reliable logistics partners.
10. Introduce digital documentation and regular training of export staff to avoid customs errors and delays, and appoint a trained compliance officer to track regulatory changes in destination countries.
11. Manage exchange rate risk through forward contracts, invoicing in stable currencies and periodic review of pricing.
12. Counter competition through distinctive designs, consistent quality, fair pricing and prompt delivery, and carry out regular market research to anticipate demand changes.
13. Maintain international certification and strict quality checks at every stage, and arrange adequate insurance and secure packing for each consignment, reflecting the cost in pricing.
14. Reduce dependence on a few countries by entering new markets and studying trade agreements that lower tariffs and restrictions.
15. Invest in advanced manufacturing technology and skill development, and make better use of digital marketing, online catalogues and e-commerce platforms.
16. Give priority to trade fairs and long-term buyer partnerships, make full use of government export incentives, and improve supply chain coordination from sourcing to delivery.

7. Conclusion

This study set out to understand how the challenges and opportunities of international export are seen in the diamond and jewellery sector. The evidence from 58 respondents shows that exporters face real pressure from transportation cost, international competition, customs and documentation, currency movements, demand changes, quality and security requirements and trade restrictions. These factors affect the efficiency, cost and profitability of export operations.

At the same time, respondents were more positive about opportunities than concerned about challenges. Market growth, new markets, certification, digital marketing, buyer partnerships, technology, trade fairs, government support and better supply chain management all received strong agreement, and 84.5% believed the company is well placed to expand its exports. The firm can strengthen its global position by controlling logistics cost, simplifying documentation and compliance, managing currency risk, maintaining quality and using technology, digital channels and new markets. Exporters that plan carefully and adapt to change can turn the difficulties of international trade into long-term growth. As the sample was small and chosen by convenience, future studies could use a larger and more varied sample and include buyers' perspectives.

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