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Strategic Factors in International Location Decision: An Empirical Analysis on Changing World Context

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Abstract: The world business environment has been changing. In this changing context, early theories in the field of international location decision are not working. So it is necessary to develop a new theory that will identify key strategic factors affecting international location decision. In this paper, attempt has been made to develop a theory considering all the changing business conditions. It has been identified in the study that corporate strategy of the firms in international context gives the dimension of factors affecting location decision and in the changing situation investment security is getting the first priority. To analyse the theory, the example of textile industry has been used. It is found that in international location decision corporate strategy is the push factor while geographical proximity, tariff and non-tariff barriers, secure raw materials, labour cost and location characteristics are pull factors for the companies. The theory has implications for theoreticians, government policy makers, and for practicing managers working in the international context.

Key words: International location, decision, empirical, world context

Introduction

International Location decision is an embryonic policy matter for a company to avoid domestic rivalry in competition or to respond competitive opportunities across the country (Robock and Simmonds, 1983). But when the firm cross national boundary, the dimensions (such as low, moderate or high) of factors increase geometrically. Giving appropriate consideration to right factors and on proper dimension is a matter of strategy in location decision. The strategic factors in location decision are evolved from dynamic business environment (Ferguson *et al.*, 1993). Most of the theories in the field of international plant location or foreign direct investment (FDI) were developed in the context of 1970' s and 1980' s (Robock and Simmonds, 1983). But in the last two decades a lot of changes have taken place in international trade and economy, which has created geo-economy (Dicken, 1998). Regional integration – the factor that has created dynamization of investment (Heathfield and Russell, 1992), changing pattern of competition (Hibbert, 1997), changing pattern of tariff and non tariff barriers, globalization of production factors, and transformation of GATT into WTO have dramatically changed the whole international dimension of business.

In this changing global context, early theories are in their old age. These theories can no more explain all strategic factors and how do these factors affect the behaviour of firms in international location decision. The use of these theories in this changing context in international location decision may be misleading. In this paper, an attempt has been made to develop a theory to identify the appropriate strategic factors affecting international location decision of a firm. The specific objectives of the paper are listed down below:

i) To Identify the main strategic factors affecting international location decision

ii) To explain how these factors affect the behaviour of firms in international location decision.

To clarify the changing pattern and to test the hypothesis, the textile industry has been used as an example. This industry has been chosen because: firstly, it is the oldest (Ethridge, 1998) and mass industry; secondly, the shifting nature of the industry (Dicken, 1998); and finally, this is the industry which will be directly effected by the phasing out of multi fiber agreement (MFA) under the world trade organization (WTO) agreement from 2005.

Literature Review: International production location factors and the flow of FDI was a concerning matter in mid 1970' s. Most of the theories in the field of international production location decision were developed at that time. Some discussion in this field continued till 1980's. But after that international location decision factors became neglected (Dunning, 1998). Only a few works have been done in 1990's and in the last decade of the twentieth century.

In 1966, Vernon identified there are three stages of product life cycle: new product stage, mature product stage, and standardized product stage. In new product stage firms export the product in a foreign country. But in mature stage firms go to high-income foreign county to produce the product and in standardized product stage firms go to low labour cost country to minimize the production cost. In the same year Aharoni (1966) mentioned that a firm chooses foreign location because of push from internal forces1 or pull by external forces[2]. The firm might choose foreign location to take the advantage of certain capabilities over local producer (Hymer, 1976). The firm choose the location if the firm have compensating advantage that more than the generic advantage of local firm. 'Eclectic theory of International Production' (Dunning, 1981) introduces another dimension of strategic factors that affect plant location decision. As per this theory, the degree of interest of enterprise for foreign production depends on location attraction based on comparative endowment in home county and host country. In a recent study conducted by MacCarthy and Atthirawong (2003) identified five factors influencing international location decision. These are: Costs, infrastructure, labour characteristics, Government and Political factors, and economic factors. But these above mentioned theories only partially could explain the international location decision of an organization. Specially, at the time when intellectual knowledge become most important capital for business organizations, the above theories just give some limited focus of international location factors (Ketelhohn, 1993) of and subsequent decision. Even, most of the theories fail to address two dimensions of strategic location decision. These are market seeker and resource seeker. All these theories explain one thing, i.e. why do firm invest in a foreign location, but they do not explain the factors responsible for divestment or relocation. Above all, no theory could explain the importance of corporate strategy in location decision, whereas corporate strategy is the most important factor which gives a firm the direction of location decision. In the next paragraph efforts will be given to develop a theory that accumulates all the relevant strategic factors that are necessary to explain the international location decision of composite textile firm.

The Hypothesis: Strategic factors for location or relocation decision of composite textile firms can be outlined under two broad categories namely push factor and pull factors. Here push factor is corporate strategy of a company and pull factors can be categories as: the investment environment, macro economic condition, Characteristics of government, location characteristic, political and legal condition, demand, market competition, and the cost. The location or relocation decision of firms has been taken based on competitive advantage analysis and interaction among the strategic factors relevant with corporate strategy of the firm.

In the above theory, more importance has been given on corporate strategy in making location decision. Because, corporate strategy pushes a company to search cost effective location area or to build a quality and brand image by locating the plants of the firm in a specific area. For example, if corporate strategy is quality leadership in production (Wit and Meyer, 1998) or brand image building (Wit and Meyer, 1998), the firm will give less importance on cost related factors. On the other hand, if cost leadership (Wit and Meyer, 1998) is the corporate strategy firm will give more importance on cost related factors.

Specifically, corporate strategy push the company what kind of country to choose for plant location decision when the comparative analysis of following factors in different countries pull the company in a specific country: i) Geographical proximity, ii) Exchange Rate iii) Legal frame work, iv) Location characteristics, v) Development stage and growth rate of the country vi) Skilled manpower vi) tariff and non tariff barriers viii) Real interest rate ix) Inflation x) Secure raw material sources and xi) Long term market condition.

Methodology and Limitations: Data constraints make it unworkable to use econometric model to test the hypothesis. Data has been collected from different secondary sources using web resources, journals, articles, annual reports, periodicals, books etc. Because of data limitations effort has been made to examine the following crucial factors step by step using statistical data and case method to test the hypothesis: i) Geographical proximity ii) Tariff and non-tariff barriers iii) Secure raw materials iv) Labour Cost and V) Location Characteristics.

To prove geographical characteristics as a prime strategic factor, international plant locations of some biggest textile companies are presented and analysed. Because of regional integration and economic blocs, there are huge changes in tariff and non-tariff barriers. The case of NAFTA agreement regarding reduced tariff and non-tariff barriers and its affect on location decisions of different international companies in Mexico is explored. There are two types of textile products; one is based on synthetic fibre and another is based on cotton. In both cases China is the world leader. In this article we use only cotton as the sources of raw materials and places the cases how raw materials influence the location decisions. After that, time labour cost of some selected countries has been collected and to make it more useable an index of labour costs is shown using labour cost of USA as base. Analysis is made to show whether there are any relationship between labour cost and investment decision. A case of location characterises is presented to analyse the effect of its in location decision. And at last, dimension of corporate strategy is tested case by case.

Findings and Analysis: To investigate the theory, statistical and qualitative data on existing international textile companies are collected and analysed maintaining relevancy with factors. The findings and analysis on identified factors is shown below:

Geographical Proximity: At the very outset of international plant location most of the companies choose neighbouring country because of familiarity with business environment and culture to minimize the risk of long-term investment.

Table 1: Ten biggest textile companies and their location (Based on 1998 Turnover)

Rank.	Name of the Company /Corporation	Country of Origin	International Plant Locations
1	Sara Lee Corp.	USA	UK, France, Italy, South Africa, Mexico, Spain
2	VF Corp. Knitting	USA	Spain, Belgium, Italy, Mexico, Argentina, Hong Kong
3	Toray Textiles	Japan	China, Indonesia, Thailand, Malaysia, South Korea, Italy, UK, USA, Czech Republic
18	Coats Viyella Textiles *	UK	Thread: Argentina, Bangladesh, Australia, Brazil, Canada, Chile, China, France, Germany, Hong Kong, Hungry, Sri lanka, Indonesia, Italy, Malaysia, Spain, Turkey, Vietnam, Holland, India, Portugal, South Africa, USA Fashion Retail and Branded Clothing: USA, Holland
19	Chamatex France		Basicaly Europe, and Far East
21	Gruppo Marzotto	Italy	Italy, Germany, France and the Czech Republic, The United States and Tunisia
25	Courtaulds Textile (1)	UK	-
29	Chargeurs Textile Intern	France	Data in English is not available in the website
40	Hartmann Gruppe	Germany	Do
41	Daun and Cie	Germany	Do
43	D.M.C.	France	Do
45	Damart Groupe	France	Do
47	Gamma Holding	Netherlands	Do

1. Sara lee has taken over Courtaulds on 9 may 2000
Ranking Source: http://europa.eu.int/comm/enterprise/textile/statistics.htm
Sources of International Plant Location: Companies / Corporations Official Websites given in Bibliography.
* Information from Company Annual Report 2000.

Table2: Direct foreign investment in mexico by country of origin in textile and apparel industry (Till June of 1997)

Name of the country	Number of Firms	%
United States	302	71.9
Korean Republic	21	5
Spain	13	3.1
Canada	9	2.1
China	7	1.7
United Kingdom	6	1.4
Others	62	14.8

Source: Mexican Investment Board. Quoted in: Foreign Direct Investment, Industry Profile: The Mexican and Apparel Showroom. (Data tabulated from pie chart) See:
http://www.mexicanshowroom.com/industry/Paginas/forInvest.html

In Table 1, it has been seen that most of the biggest companies concentrate their business in neighbouring Asian or European countries. In this regard, which neighbouring country will be chosen depends on corporate strategy. So, Geographical proximity is one of the major strategic factors in international location decision. In this regard we can see the example of USA Textile companies' investment in Mexico in the following Table 2.
In the above Table 2, it is clearly observed that 72% of International companies in Mexican textile sector are from USA. Therefore, undoubtedly geographical proximity is one of the major factors for location decision.

Tariff and Non-Tariff Barriers: Tariff [3] and non-tariff [4] barriers are an important determines in location decision. Earlier, high import tariff was imposed to attract international companies to produce the product locally. After the emergence of regional integration with tariff concession companies now choose a suitable location in a regional trade block to get the benefits of tariff and non-tariff concession. Because, in a saturated, in some case declining, world market condition in textile industry market is highly price sensitive. So a very simple percentage of tariff difference can change the flow of trade as well as of investment.

Regional integration and free trade agreement help the countries to abolish the tariff and non-tariff barriers mutually and benefited the companies for taking location opportunities. Here the case of NAFTA is an ideal example. Till 1993 there were a few USA companies who invested in the Mexican Textile sector. But after the NAFTA agreement tariffs has been reduced in exporting in two phases from USA to Mexico and Mexico to USA from 15.9 percent to 2.7 percent and from 9.1 percent to 1.9 percent respectively. On the other hand non-NAFTA partners face tariff barriers of 21.3 percent in USA and 11.6 percent in Mexico in exporting. Because of this phase out of trade barriers in NAFTA agreement USA companies like Burlington, Cone Mills, Dan River, Dupont, Guilford Mills and Tarrant have invested in Mexican operations. (See: NAFTA Works). To get the benefits of low production cost under low tariff barriers, USA textile companies flooded invest in Mexico. And Non USA textile companies invested in Mexico to use Mexico as the hub to enter in USA market under reduced tariff barriers benefit.

Secure Raw Materials Source: Cotton fiver is generally used by the textile industries as the prime industrial raw materials (Ethridge 1998). Without a long-term uninterrupted supply chain it is difficult for the companies to survive. As the transportation cost of cotton is very high in shipment, companies are giving more importance to be nearer to the raw materials. Malaysian, South Korean, and Japanese textile companies are investing more and more in Chinese textile sector to get the benefits of secure raw material sources. As an example, Huafeng Textile Company has invested in china to get the advantage of raw material sources.

Table 3: World cotton production (Unit-millions of 480-lb. bales)

Country	1997-98		1998-99		1999-2000		2000-01		2001-02	
	Unit	%	Unit	%	Unit	%	Unit	%	Unit	%
China	21.1	23.0	20.7	24.4	17.6	20.2	20.3	22.9	24.4	24.9
USA	18.8	20.5	13.9	16.4	17.0	19.5	17.2	19.4	20.3	
20.7India		12.3	13.4	12.9	15.2	12.2	14.0	10.9	12.3	11.8
12.0										
Pakistan	07.2	07.8	06.3	07.4	08.6	09.9	08.2	09.2	08.0	08.4
Uzbekistan	05.2	05.7	04.6	05.4	05.4	06.0	04.4	05.0	04.9	05.0
Brazil	01.7	01.9	02.1	02.5	03.1	03.6	04.3	04.8	03.4	03.7
Turkey	03.7	04.0	03.9	04.6	03.6	04.1	03.6	04.1	03.9	04.0
Australia	03.2	03.5	03.3	03.9	03.5	04.0	03.7	04.2	03.0	03.2
African Franc zone	04.3	04.7	04.0	04.7	03.9	04.5	03.2	03.6	04.6	04.7
Greece	01.7	01.9	01.8	02.1	02.0	02.3	02.0	02.3	02.1	02.1
Syria	01.6	01.7	01.6	01.9	01.5	01.7	01.7	01.9	01.6	01.6
Egyp	01.5	01.6	01.1	01.3	01.1	01.3	00.9	01.0	01.4	01.4
Turkmenistan	00.9	01.0	00.9	01.1	01.1	01.3	00.9	01.0	00.9	00.9
Argentina	01.4	01.5	00.9	01.1	00.6	00.7	00.7	00.8	00.3	00.3
Iran	00.6	00.7	00.6	00.7	00.6	00.7	00.7	00.8	00.6	00.6
Paraguay	00.3	00.3	00.3	00.4	00.4	00.5	00.5	00.6	00.3	00.3
Others	06.2	06.8	06.1	07.2	05.6	06.4	05.5	06.2	06.1	06.2
World	91.8	100	85.0	100	87.3	100	88.7	100	97.6	100

Source: US Cotton Market Monthly Economic Letter, 10 May'2002
Quoted in : http://www.bharattextile.com/texstat6.php

In Table 3, it is seen that USA is the world no 2 Cotton producer. But most of the USA cotton is internally used. So USA companies now investing in China to get a long term secure source. Turkey received highest foreign direct investment in textile sector. This is only because of its available raw materials. So, under severe competition, companies are trying to be nearer to the raw material sources.

Labour Cost: Labour cost is a traditional strategic factor of production. It can be argued that as a capital-intensive industry, labour cost would not be a strategic factor. But when the company's corporate strategy is overall cost leadership, in that case companies give more importance on labour cost. Because, as a direct production cost it is very much important for international companies to search skilled low cost labour source.

Table 4: Time labour cost of some selected countries in textile sector in 1998

Country	Labour cost in US$ (Monthly average)	Index, USA = 100 (base)
USA	1297	100
Japan	2070	160
Belgium	2170	167
Denmark	2310	178
Germany	2148	166
Greece	799	62
Spain	849	65
France	1416	109
Ireland	1076	83
Italy	1581	122
Netherlands	1988	153
Austria	1813	140
Portugal	451	35
Finland	1569	121
Sweden	1941	150
UK	1358	105
Poland	315	24
Hungary	298	23
Czech Rep.	205	16
China	62	5
Turkey	248	19
Tunisa	176	14
Morocco	189	15
Egypt	91	7
India	24	5
Indonesia	363	28
South Korea	40	3
Pakistan	488	38
Argentina	405	31
Brazil		

Source: http://europa.eu.int/comm/enterprise/textile/statistics.htm

UK Companies like Dewhirst relocate its investment in Morocco (See BBC website) to minimize labour cost. Italian textile companies invested in Spain, Greece and France to get the competitiveness on production (Graziani, 2003). As per the corporate over all cots leadership strategy, Coats Textile always gives preference on low cost skilled manpower area for plant location. That is why most of its investment is in developing countries. So undoubtedly cheap labour cost is an important determinants for strategic location decision for international textile industries.

Location Characteristics: Location characteristics include expansion facility, port facility, water supply facility, sewerage facility, uninterrupted power supply facility, and transportation facility. In international location decision, each company must consider these factors. Here the case of Japanese Toray Company may be considered as an example. Tory Textile Europe Ltd. (See website) invested in UK at Mansfield in 1992. The company mentioned five location drivers for this investment. These are: Proximity to Nottingham Headquarters, Infrastructure provision to site, workforce availability and transferable skills, water extraction licenses, expansion land. Though other factors are not important in the case of Tory Textile Europe Ltd., only location characteristics of Mansfield induced the Tory Company to choose the place for international operation. So, location characteristics are an important factor for strategic location decision.

The above addressed five factors positively prove that the relationship between investment security and location decision is very much important. The importance of the factors in location decision depends on company corporate strategy, i.e. to what extent the factor will be considered. Existing companies in international context are found to consider all five examined factors in their location decision.

Corporate Strategy: Corporate strategy of a company depicts the direction, efforts and the allocation of fund of the company to achieve its mission and objectives. In an information based global village why do some companies choose a country for location when other companies choosing some other countries, we have great interest on the issue and we argue that corporate strategy is the determinant factor in this case. We can divide all the location factors into two groups: pull factors, and push factors. Here corporate strategy is the push factor when all other factors are the pull factors. Let us analyse the case of some textile companies how do corporate strategy push them to choose some specific locations.

Box-1: **SARA LEE**

Sara Lee is the World no 1 textile industry. Its mission and principles are given below:
Mission and Principles:
Sara Lee's mission is to feed, clothe and care for consumers and their families the world over.
' We focus our efforts on building leadership brands in three global businesses: Food and Beverage, Intimates and Underwear, and Household Products. Seeking to be innovative in everything we do, we follow four operating principles to create long-term shareholder value:

1. Drive profitable top-line growth by:
    - Anticipating and meeting our consumers' needs;
    - Partnering with our trade customers;
    - Investing our cash flow behind internal opportunities and strategic acquisitions.
2. Achieve the lowest possible costs by leveraging our skills, scale and technology, while striving for functional excellence in all business processes.
3. Be an employer of choice for highly talented people, retaining and attracting world- through a philosophy of empowerment and a system of providing performance.
4. Adhere to the highest standards of ethical business conduct, treating fairly, and with respect, all those we touch as a company.'

Salient features of Sara Lee's mission and principles are: Brand leadership, innovative and customer focus, near to stand beside over all cost leadership without sacrificing quality, focus on internal stakeholders, value network with external stakeholders, and compliance with the ethical business conduct. Because of mission and principles the corporate strategy of Sara Lee is drifted in the area of possible lowest cost with the best quality performance. This strategy pushes Sara Lee to go European countries not in Asian countries. If the company compromise with brand performance or quality to maintain lowest cost in that case the company would invest in China, India, Pakistan, Bangladesh, Sri lanka or Turkey. Since the company' s basic focuses on brand performance and quality, it needs to respond to changing fashion immediately. This push factor bound the company to be nearer to the customer. On the other hand, if we have a look on the Coats – eighteenth largest textile industry in the world, strategy in box -2 we have seen that Coats corporate strategy focuses on gaining market share and improving supply chain competitiveness. Theses focuses of strategy push Coats to relocate its plants from Western Europe and USA to lower cost Asian countries.

Box: 2 **COATS**

Coats strategy:
In each product segment, strategies have been designed to build on specific strengths of our current position in order to take advantage of market trends and deliver gains in market share whilst improving supply chain competitiveness. In most cases this implies downsizing Western capacity whilst simultaneously investing in new plants in low cost markets such as China. Much progress has already been made with the relocation of upstream spinning capacity from Western Europe and the USA to lower cost locations, However optimisation of the global supply chain is expected to take another three years.

Market trends – apparel thread, specialty thread, zips and trim

1. Consistent growth in global demand for apparel
2. Customer migration to lower cost locations
3. Increased influence of brand owners ('specifiers') in the purchase of components such as thread or zips

Market trends - crafts

1. Market relatively mature in the West
2. Strong brand loyalty
3. Rotation in popularity of individual sub-segments such as a switch from embroidery to knitting and vice versa

In this case the factors like supply of raw materials, labour costs, local market demand, tariff and non tariff barriers pull the company to the specific Asian markets. So, it is evident that corporate strategy pushes the company to a specific region when market or country specific factors pull the company to a specific country. In the box - 3 we can see the case of VF Corporation.

Box - 3: **VF CORPORATION**

VF is the global leader in creating powerful brands. The consumer is the focus of everything we do.
We are the best at bringing people comfort and quality in our brands. We know our consumers, where they are and where they're headed. We are dedicated to our retail partners. We believe in treating our associates, our colleagues and all those we serve in the course of doing business with the highest levels of honesty, integrity, consideration and respect.
Our world-class people are the source of our success. As a company, we bring excellence in operations and the latest technology to the art of apparel. We bring to market the right products at the right time. Working together, we have a bright future because we create superior products and market them with exceptional skill.
All these things mean success--for our associates, our retailers, our shareholders, our communities, and the millions of people who feel good in our brands.
These are the things that make us great. These are the things that make us VF.

The basic features of VF Corporation in value creation process are global brand leadership, customer orientation, functional excellences, reduce time to market the products, maintaining proper customer response time, team work, and corporation of stakeholders' interest. VF Corporation is committed to maintain its powerful brand image with the best quality and comfort. The company also committed to market the right products at the right time. These value criteria of its corporate strategy push the company to the high-tech based American and European market. The company has established its production plan only in Hong Kong in Asia, not in China or other Asian countries. It is because Hong Kong has a huge base of high quality apparel industry in Asia which pulls the company to the country. We will find the same scenario if we consider the France based Chamatex Company. The strategy of the company is given in Box - 4.

Box - 4: **CHAMATEX**

Motto: Create maintain and develop trusting relationship
Corporate Strategy: A strategy for industrial integration into the textile sector that prove its efficiency
Upstream: it integrates the industrial activities of warp preparation, weaving, and ennoblement. And downstream: the marketing of fabrics and focuses on RandD.
1. WARP PREPARATION:
Strategy: ensures a better quality control of its products and a quicker response in the supply to the weaving units.
2. WEAVING
Strategy: The weaving operation gives quick response and quality control mastery to the group. This explains why CHAMATEX has constantly invested in the most modern techniques to optimize its production tool
3. ENNOBLEMENT
Strategy: Its objective is to give the fabric a certain colour and a feel and part of development strategy
4. The marketing of fabrics
Strategy: Present today at all the stages of production, we market a wide range of products to satisfy the demands of fashion and the consumer
RandD:
Essential to stay on top of the fashion wave, The Research and Development department allows the group to tie in exactly with the client's requirements

The Salient features of corporate strategy of Chamatex are: Value creating through forward and backward vertical integration, maintaining improved scheduling and product quality, customer responsiveness through innovation and differentiation, concentrating on RandD to maintain constant focus on customers' need, want and demand with a " GLOCAL" (both global and local) responsiveness, maintaining relationship with key partners. These features show that vertical integrations and differentiations are the key of corporate strategy which push the company to remain and to extend in developed countries only. Since cost consideration is not important in the corporate strategy, low cost factors of Eastern European or most Asian or other developing countries could not pull the company to locate its plant in that markets.

Future Research: Previous research in the field of international business location was done basically by the economist. This study revealed the importance of corporate strategy in international location decision. This study could not establish a statistical relationship between the country specific investment in textile sector and the condition of the factors in the respective country. It can be done by analysing the correlation between the number of investment in different countries in textile sector and the condition of the factors in the corresponding countries. The future work can also be done in the area of relocation decision to make the work more rigorous.

Conclusion

This study was envisaged to identify the strategic factors and their influence in location decision. To do this, the study has provided a broad view of strategic factors in international location decision in changing business environmental context in the world. This study importantly identified that corporate strategy gives the dimension of factors in international location decision that was not addressed in early international location theories. But this work is developed based on earlier work in this field. In the analysis it is found that in severe competitive market condition the location decision of a firm is pushed by corporate strategy while country specific investment security factors pull a company to establish a production plant in that country. To protect investment security firms consider geographical proximity, tariff and non-tariff barriers, secure raw materials source, labour cost and location characteristics.

The findings may be of benefit to the firms interested to establish international plant, the economist or the international business theorist dealing with location choices. It will also work as guideline for the national policy makers interested to attract FDI for national economic development. But to use this theory the user should aware about the limitations of the theory. Further studies using econometric model, statistical tools are advocated to overcome the limitations of the theory.

End Notes:

1. Internal forces may be influences of top management, improved technology or product, need to use old machinery and to get entrance in large market
2. External forces may be the influence of customers, the steps of foreign govt., competitors expansion of business in abroad etc.
3. Tariff is a tax or duty levied on a commodity when it crosses a customs boundary. It might be import duty or export duty.
4. Unlike tariff, non-tariff barriers are hardly visible. These include, discrimination in govt procurement policy, state trading, customs entry procedure, Product standards, quotas, licensing, import charges etc

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