Export Barriers Food Product Micro Small and Medium Enterprises Based Leonidou Model in Greater Malang: Literature Study

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Abstract: *There are 762,857 MSMEs in Greater Malang region and 60% of them are in the food sector. They have various types of innovative food products that has the potential to be exported. However, the condition of MSMEs is generally unstable because there are a lot of domestic competition with similar products that is a threat to the survival of MSMEs. Export is an opportunity to overcome this problem. The opportunity for MSME to exports their product are widely open because Indonesia has free trade agreements (FTA) with countries abroad. However, MSMEs in Greater Malang region cannot seize this opportunity. The purpose of the research is to find solutions to export barriers faced by MSMEs in Greater Malang region food products, it is hoped that overcoming these export barriers will help the MSMEs to carry out export. This study uses the Leonidou export barrier classification model, because it is a systematic and comprehensive model. The model can be expanded into several modifiers of the reality of export barriers, including: 1) previous reviewers, 2) referral sources, 3) guidance government sources MSMEs. 4) source from MSMEs. The process of identifying export barriers to MSMEs in Greater Malang region using the inquiry form is a modification, then a validity test is carried out to measure accuracy and reliability to measure the robustness of the research instrument. The data then processed using the SEM-PLS method which is a complex multivariable analysis (many constructs and indicators) simultaneously to build and test the structural equation enabler model and measurement model. The result is a model of Malang food MSME export barriers. Further, this research results are expected to be used practically by the MSMEs to develop their business towards exports. It is also expected to be utilized by the Indonesian policy makers to develop an Internationalization strategy that is more suitable for MSMEs.*

Keywords: Micro Small and Medium Enterprise, Export Barriers

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1. Introduction

Small and Medium Enterprises (SMEs), globally, are one of the important contributors to the country's economic development (Ulziimaa Altnaa & Ivan, 2021) (Belu & Ţarţavulea Dieaconescu, 2016) (Vandana Sharma. Hetal Bhinde. Ajay Shukla. Savitribai Phule), the amount varies between countries because it depends on the economic and social conditions of each country (Senik, 2010). SMEs also contribute to supporting the economy in almost a number of countries (Ndiaye et al., 2018). SMEs are also the backbone of the economy (Shaon

Biswa, Arafah Khan, 2017) and economic recovery (Safari & Saleh, 2020), have contributed to creating jobs, for example Malaysian SMEs provide 7.3 million jobs or 38% in 2020 (OECD, 2022). Indonesian SMEs have a labor absorption ratio of 97% and are the largest employment absorption in ASEAN countries (ASEAN Secretariat, 2021). For the SME export survey, Indonesian SMEs have the smallest export contribution of around 14.4% when compared to ASEAN countries, for example Vietnam 18.7%, Myanmar 23.7%, Thailand reaching 28.7% (Ahdiat, 2022b) and Malaysia 17.3% (Mat Yusuf et al., 2019).

ASEAN countries have different definitions of SMEs (Asian Development Bank, n.d.), And "ASEAN Strategic Action Plan for SME Development", defining micro enterprises as part of SMEs, being micro, small and medium enterprises (UMKM)(ASEAN Secretariat 2021). From this definition, the term micro small and medium enterprises, MSMEs or UMKM in Indonesia is introduced. Definition MSME based on Government Regulation of the Republic of Indonesia No. 7 of 2021 based on article 35(PP 07 YEAR 2001 UMKM, 2021) into three, among others: 1) Micro businesses have a maximum operating capital of IDR 1,000,000,000.00 (one billion Rupiah), and have annual sales of a maximum of IDR 2,000,000,000.00 (two billion Rupiah); 2)Small businesses have working capital of between IDR 1,000,000,000.00 (one billion rupiah) to IDR 5,000,000,000.00 (five billion rupiah) and have annual sales of between IDR 2,000,000,000, 00 (two billion Rupiah) to IDR 15,000,000,000.00 (fifteen billion Rupiah); 3) Medium businesses have working capital of between IDR 5,000,000,000.00 (five billion rupiah) to IDR 10,000,000,000.00 (ten billion rupiah), and has annual sales proceeds between Rp. 15,000,000,000.00 (fifteen billion rupiah) to Rp. 50,000,000,000.

The majority of Indonesian MSMEs or UMKM are engaged in 5 industrial sectors (Hendratmoko 2021): 1) Food and drink (44.9%); 2) Woodworking and weaving (19.9%); 3) Textiles and clothing (14.4%); 4) Non-metallic minerals or mines such as the mica industry and so on; 5) Furniture (3.5%). MSMEs food and beverage products in Indonesia generally use local raw materials (Sudaryanto and Wijayanti 2014), and MSMEs encourage the effective use of domestic resources for their business (Fakhreldin 2018). MSMEs in the food and beverage sector as well as trade, wholesale and retail in Indonesia make up the majority of MSMEs (Noya, Taneo, and Melany 2022)(Elsya Rima Dalia Muhlas, Suci Prihatiningtyas 2021). The dreams and hope MSMEs entrepreanurs to be able to export their products (Liñán, Paul, and Fayolle 2020)(Suhada & Gambetta, 2013) and this is one of the advantages of MSMEs (Matt Yusuf et al., 2019). Other export advantages of MSME food products are lower production costs and cheap labor costs(Haini 2021)(Shaon Biswa, Arafah Khan 2017). The condition of MSMEs in the food and beverage sector in Indonesia: 1) contributed 41.4% of the total IDR 922.59 trillion; 2) 7.44% of Indonesia's gross domestic product in 2016(BPS _ BEKRAF 2017).

2. SME's Greater Malang Region

The area of Malang City, Batu City, Malang Regency is called Malang greater region or Malang Raya (Hutahayan and Yufra 2019) is part of the province of East Java, has the advantage of food MSMEs(Sutikno and Titov Chuk, 2016), has the potential to contribute 20% to the development of fruit trees, has high economic value to be processed into food and beverage products (Fatoni, 2013). The number of MSMEs in Malang Raya is 72,526, with details in Malang City 27,589 MSMEs, in Batu City. 6,173 MSMEs and in Malang Regency 38,764 MSMEs (East Java Office of Cooperatives and SMEs, 2018). Food and beverage products for SMEs in Malang Raya, have different characteristics from products from big

businesses or in other areas in Indonesia, which have hundreds of types of food and beverage products, for example: 1) various types of chips (tempeh, bananas, sweet potatoes, sweet potatoes, etc.); 2) fruit and vegetable chips (jackfruit, watermelon, banana, pineapple, apple, salak, banana, pineapple, rambutan, watermelon, papaya, carrot, peanut, pumpkin, radish, truffle and others) (Sembiring, Subekti, and Nia Bella 2020);3) types of snacks; shredded meat; Shredded chicken, beef or fish (tuna, catfish, tilapia); 4) various biscuit cakes (banana, chocolate and so on), cake sticks with various ingredients and flavors; 5) Products of various types of seasonings: various types of shrimp sauce, chili sauce tuna fish, squid sauce, pecel sauce and others; 6) frozen food products: various types of processed chicken, fish and meat latex as well as processed rendang. Some MSMEs have similar or similar products, which raises several problems: 1)Many new MSMEs/ entrepreneurs have appeared in Malang Raya with similar products (Dwi Ananda and Susilowati 2017), thereby creating competition between MSME (Hubeis et al. 2015) or domestic competition (Irjayanti and Azis 2012)(Dwi Ananda and Susilowati 2017) (Uner et al. 2013); 2)Generates unfair business competition (eg competition at price level and product quality), so that the business space is increasingly narrow and limited (Hendratmoko 2021); 3) Competition between MSMEs also causes saturation of the domestic market and low domestic market profits (Yener, Doğruoğlu, and Ergun 2014); 4) MSMEs in Indonesia are generally in an unstable situation, because there is a lot of domestic competition with similar products, so it is not impossible that some who lose or are unable to compete will close their businesses. (Adrian Adi, 2018a), and this is a threat to the survival of MSMEs in Malang Raya (Sembiring, Subekti, and Nia Bella 2020). Conditions have resulted in encouraging MSMEs to: 1) carry out internationalization(Mohamad Dian Revindo 2017b) (Salihin, Jamrin, and Idris 2020); 2) MSMEs when carrying out product innovation activities, which are adapted to market needs, standardization or market orientation (Liñán, Paul, and Fayolle 2020) (Suhada & Gambetta, 2013), has the potential to enter the export market (Andadari diyanto 2019).

Exports most common "entry mode" for entering foreign markets for MSMEs (Haini 2021) are one way out to overcome domestic competition by taking advantage of and seizing opportunities, including free trade agreements (FTAs), such as FTAs between the Indonesian government and several countries: Asean (Indonesia, Malaysia, Singapore, Thailand, Philippines, Laos , Cambodia, Myanmar) known as (AFAS, ACIA, ATIKA), Japan (AJCEP, IJEPA), Australia (AANZFTA, IACEPA), China (ACFTA), Korea (AK-FTA), Pakistan (IPPTA), India (AIFTA), Hong Kong (AHKFTA)(Https://ftacenter.kemendag.go.id 2023). Export is the activity of selling products abroad, and is a trading activity between countries that allows it to expand its products abroad (Andadari diyanto 2019). For developing countries that have different export strategies, the advantages of exports from MSMEs include: 1)Helping to avoid global competition; 2) Opportunities to grow internationally by using minimum resources and capacity; 3) Developing managerial capabilities ;4) Promote innovation by adopting new technologies and increasing overall profits when compared to domestic sales;5) Helping the government to reduce trade deficits and increase foreign exchange;6) Develop good relations with many countries(Shaon Biswa, Arafah Khan 2017); 7) Reflects being able to compete in the international market(Henon 2010)(Harco Martina 2019);8) Profitable from a financial point of view to increase the country's foreign exchange (Elfan Kaukab et al. 2020) (Windarto 2017) (T. Tambunan 2014). 9)Expanding the market, increasing the country's foreign exchange(Wulandari and Lubis 2019) (Windarto 2017) (Ayob, Freixanet, and Shahiri 2022); 10) Overcoming difficulties in the domestic market, because many new entrepreneurs like this have emerged in Malang Raya(Dwi Ananda and Susilowati 2017);11) Overcome difficulties in the domestic market by avoiding competition with big players (Uner et al. 2013).

Basically, exports are very profitable for MSMEs, but in fact Malang Raya MSMEs do not have the ability to take advantage of these export opportunities, because there are several export obstacles they face, so that in the future it will result in their business continuity being increasingly threatened. Because it is very likely that similar products from other countries will enter through the import route and sell well in the domestic market, because they have better quality and/or more competitive prices.(Mohamad Dian Revindo 2017b).

3. Internationalization of MSME's

Internationalization in practice is trading across national borders, and in the last two decades thousands of companies have undertaken this activity, process of internationalization of MSMEs in the early stages did not have sufficient knowledge about the market and the export process, because the development of export knowledge increased, the export process began (Naraynan, 2015), but many small and medium enterprises (SMEs) in developing countries do not consider export as their business goal or they are hesitant because of various export barriers (Naraynan, 2015). Thus, encouraging several researchers to examine the MSME export barrier model, but the results have not yet reached a consensus on the determinants and can be accepted as a generic theory, the internationalization of MSME is a multiphase phenomenon, and cannot be understood comprehensively. only with the approach of several theories, so that more empirical studies are needed, because the various determinants of MSME exports are different in each country or because there are specific factors in each country (MD Revindo & Nguyen, 2017). There are several models of SME internationalization: 1) The Uppsala or "U" model or the gradual model (Aghazadeh and Zandi 2022);2) Stage theory, also known as the five-stage theory (Roos Kities Andadari 2019);3) Network for internationalization (Art, 2010);4) Leonidou's model(Leonidou 2004).

4. Barriers to MSME Exports in the Greater Malang Region

The problems or barriers of Indonesian MSMEs related to exports include: 1)Not taking advantage of the international potential of their free trade agreements (Tsukanova and Zhang 2019); 2)Some Indonesian MSMEs have the potential to export their products, but do not export(T. T. H. Tambunan 2021) (Adi Adrian 2018); 3) Having the desire to become an exporter, but facing many barrires or difficulties(Al-Hyari, Al-Weshah, and Alnsour 2012) (Andadari diyanto 2019) (Adi Adrian 2018) (Roida, Sunarjanto, and Jayaprana 2010) (Leonidou 2004); 4) Has barries, especially the export market (Roida, Sunarjanto, and Jayaprana 2010), and not many MSME companies can export directly (Elvia Ivada and Hamidi 2014). This is an export barrier for MSMEs. As an example of export barriers for UKM Malang Raya; 1) first in the Malang Regency area, out of 2,363 MSMEs that have export capabilities, only 67 MSMEs are able to export (BPS Kabupaten Malang 2020); 2) Second Batu City provided guidance and training to 365 MSMEs so they could export, with the Import Ease Program for Small and Medium Industry Export Destinations or "KITE IKM", only 9 MSMEs could export and only 1 food MSMEs (Sembiring, Subekti, and Nia Bella 2020), meaning that the Batu city government has provided guidance but only one MSME can export, meaning that export barriers are still found; 3) The third MSME export, namely in the city of Surabaya as the capital of East Java, out of hundreds of MSME products, there was one MSME that succeeded in penetrating exports with various chili products, finally successfully exporting (Susilaningsih et al. 2016). MSMEs must understand export barriers, then find solutions to these obstacles one by one, so that all obstacles can be overcome(Mohamad Dian Revindo 2017a). The perception of export barriers for Indonesian MSMEs creates negative attitudes or

creates reluctance to export (MD Revindo, 2017a). Therefore, minimizing or eliminating and identifying export barriers effectively, accurately, is very important and necessary to encourage the internationalization (Leonidou, 2004a) of MSMEs, especially Indonesian MSMEs.

Barriers to export are defined as attitudinal, structural, operational and related barriers that prevent or impede a company's efforts to initiate, develop or maintain an export market.(Uner et al. 2013). Export barriers, if taken from several researchers, will be of many types, including: 1) international market knowledge, product innovation (Handoyo, Yudianto, and Fitriyah 2021a); 2) Owner/manager international work experience; 3) Government assistance, network connections (MD Revindo, 2017a); 4)Access to foreign market information(Fakhreldin 2018) (Castagna et al. 2020); 5)Export products must be innovative (Aquilante and Vendrell-Herrero 2021); 6)Understanding of foreign languages (Yan, Wickramasekera, and Tan 2018). There are still many factors barriers exports, even hundreds of factors, if taken from researchers and all of them are not organized but partly based on the situation and condition of each researcher. From the constraints of each researcher, there have been several studies on models of MSME export barriers: the Uppsala model, the network model, the Leonidoue model and so on, and several models failed to understand export barriers. (Narayanan 2015). Uppsala's export barrier model is underdeveloped (Yener, Doğruoğlu, and Ergun 2014), even though initially Indonesian MSMEs followed a gradual or Uppasa model for exports (Handoyo, Yudianto, and Fitriyah 2021b). Leonidou's model of export barriers, according to several widely used references, most popular classification (Narayanan 2015), known by researchers the classification of barriers includes: 1) Internal barriers (consisting of: information, functions and marketing); 2) External barriers (consisting of: procedures, government, duties and environment) with 39 basic indicators of export barriers (Leonidou 2004). Model based on Leonidou has been applied by several researchers, because among other things: 1) The classification of export barriers is comprehensive (Uner et al. 2013); 2) There are many inhibiting factors that differ between researchers, including differences in methods, significant differences in export barriers, although there are other obstacles that have a very significant impact (Elvia Ivada, Sri Sumaryati, Nurhasan Hamidi, 2014). Research using Leonidou's classification of export barriers includes: 1) Al Hyari uses factor analysis and regression methods, the results are important for exporters and non-exporters to agree on these barriers (Al-Hyari, Al-Weshah, and Alnsour 2012). 2) Uner's investigation, using the ANOVA method, identified procedural and marketing barriers as the most important barriers (Uner et al. 2013); 3) Elvia's investigation uses the SEM-PLS method, with exogenous/independent variables, in the form of one external constraint with nine indicators and four endogenous or dependent variables (knowledge, resources and procedures) with twenty six indicators, the result is that all obstacles have significant influence (Elvia Ivada, Sri Sumaryati, Nurhasan Hamidi, 2014). Instead of investigating export barriers using the principle of the Leonidou export barrier classification model, the first and second investigators focus on the manufacturing sector and the third investigator for all MSME products, we will fill this gap and is something new, because there has been no study of export barriers. MSME food products, in Malang Raya Academically this study is focused on identifying export barriers in the form of MSME export barrier models (Taherdoost 2018) (Roopa and Rani 2012) (AS Singh, 2017). To collect research data from respondents through questionnaires, the questions in the research questions are study modifiers based on the Leonidou classification model and several modifiers of the reality of export barriers faced by UMKM Malang Raya, including:1) Previous reviewers; 2) Reference sources; 3) Government resources that cultivate UMKM in Malang Raya; 4) MSME resources for food processing in Malang Raya. The questionnaire uses a Likert scale(Roopa and Rani 2012) (Acharya 2010). The results of the questionnaire were then tested for validity

to measure accuracy and reliability to measure the reliability of the research instrument (AS Singh, 2017). Then the data from the questionnaires results will also be processed for analysis calculations using the SEM-PLS method, namely complex multivariable analysis (many constructs and indicators) simultaneously to build and test the structural equation model variables and measurement models(Hair Jr. et al. 2017) (Kusumastuti and Sutoyo 2019), produced a model of MSMEs Food export barriers in Malang Raya.

5. Model of Indonesian MSME Export Barriers

The model for Indonesian MSME export barriers was obtained from several studies that have been conducted by several Indonesian researchers, including the following: 1) Tambunan, the results of the study only focused on the role it is important for MSME exports to cooperate with large entrepreneurs to encourage the growth of Indonesian MSME exports, not discussing the constraints of Indonesian or Malang MSME food exports (T. T. H. Tambunan 2021); 2) Researcher Sofik Handoyo on, result of this research is that the strategy used to improve the export performance of MSMEs is to apply information technology to MSMEs in Indonesia, not discussing food MSMEs, and export barriers (Adi Adrian, 2018b); 3) Revindo with the title "Do Export Activities Improve Small Business Performance? Evidence from Indonesia", this study investigates the relationship between the involvement of SMEs in export activities in Indonesia, 271 respondents of SMEs export in seven regions in Indonesia, from the MSME sector: agricultural products 8.5%, food and beverages 6.3%, furniture 15, 9%, 21.8% handicrafts, 12.2% clothing, 5.5% leather products and accessories, 5.5% household appliances and 2.6% machine components and 21.8% other products. There are six indicators of increasing SME exports, including: four operational performance indicators (labor productivity, marketing and network engineering, product quality, production technique/technology), two financial performance indicators (total profit and number of sales) (MD Revindo et al., 2020). From this study there is no discussion regarding export barriers for food SMEs and the Greater Malang area; 4) Research by Maya Iryana with the title, "Barriers and Potential Solutions for Indonesian SMEs", with the results of a study of Indonesian SMEs that have great potential, but to face competition in the domestic and international markets have 10 main obstacles: 1.Competition Barriers, 2.Access to Finance, 3. Energy Costs, 4.Technology, 5.Expenses are not sufficient, 6. Economic Factors (government fiscal and monetary base, inflation, profit rate and exchange rate), 7.Management Skills, 8.Process (expensive, difficult, special orderWhichbad), 9. Limited sales, 10. Raw materials. These ten obstacles will be a challenge for the Indonesian government's program to make Indonesian MSME products able to compete in international markets (Irjayanti & Azis, 2012). Studythe sixth was carried out by Sofik H, with the aim of identifying critical success factors (CSF) for Indonesian SMEs towards international market access, using a theoretical framework based on: resources, knowledge and networks. The results of the study are that knowledge of international markets, knowledge of product innovation and institutional networks are determining factors for the success of Indonesian SMEs towards export access. (Handoyo, Yudianto, and Fitriyah 2021b) as in the picture below.
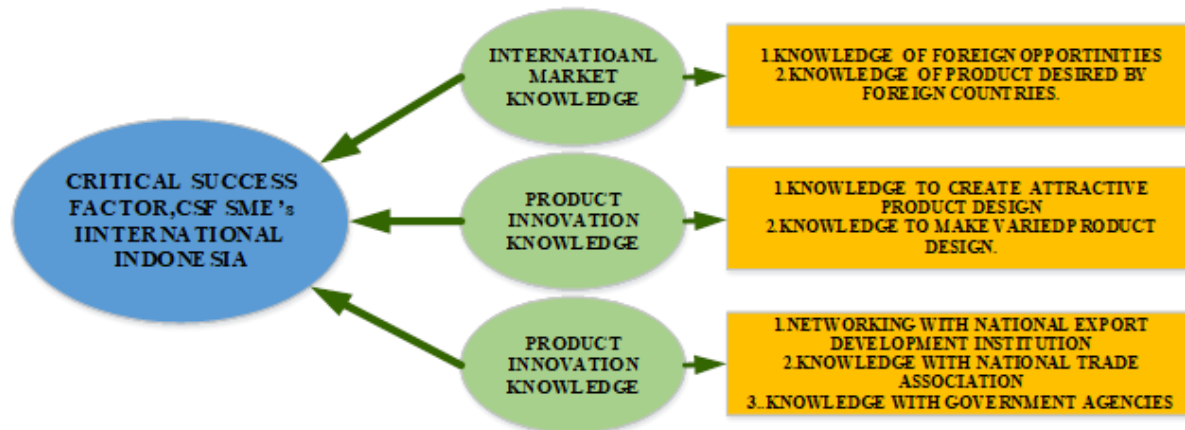
Figure 1: Model Critical Success Factor, C SF SME's International Indonesia

Of the severals studies, there was no discussion of barriers to MSME food exports from the Greater Malang area, it was proven does not focus on MSME export barriers, meaning that there are indeed many export obstacles that MSMEs have to face related to exports so that there are gaps/gaps that need to be built for further study, "Barriers to Business Exports of Food Products for Micro, Small and Medium Enterprises in the Greater Malang Region", matter This study has novelty for research.

6. Research Framework

This thesis study uses the Leonidou export barrier model (Lukman and Kutty 2023), because according to some references it is widely used and most popular classification (Narayanan 2015). The classification of export barriers is comprehensive (Uner et al. 2013), there are many inhibiting factors that differ between researchers, including differences in methods, significant differences in export barriers, although there are other obstacles that have a very significant impact (Elvia Ivada, Sri Sumaryati, Nurhasan Hamidi, 2014). Leonidou's classification model, known by researchers as the classification of export barriers, includes: 1) internal barriers (consisting of: information, functions and marketing) 2) external barriers (consisting of: procedures, government, tasks and environment) with 39 basic indicators of barriers export (Leonidou 2004). The export barrier model based on Leonidou has been implemented by several researchers, including: 1) Al Hyari uses factor analysis and the regression method, the important result is that exporters and non-exporters agree on these barriers (Al-Hyari, Al-Weshah, and Alnsour 2012); 2) Uner Researcher(Uner et al. 2013);3) Elvia (Elvia Ivada, Sri Sumaryati, Nurhasan Hamidi, 2014).

This research uses quantitative research methods, the research instrument uses a questionnaire/survey method (Taherdoost 2018) (Roopa and Rani 2012) (AS Singh, 2017), with the aim of finding solutions to the factors that hinder the export of food and beverage processing MSMEs in Malang Raya and using a questionnaire. In order to collect research data from respondents through research questions, the probing/research questions are modified studies based on the Leonidou classification model and several modifiers of the reality of export barriers faced by UMKM Malang Raya, including: 1) Previous reviewers, 2) Reference sources; 3) Government resources that cultivate UMKM in Malang Raya; 4) MSME resources for food processing in Malang Raya. Research questions use a Likert scale(Roopa and Rani 2012) (Acharya 2010), then tested the validity to measure the accuracy and reliability to measure the reliability of research instruments (AS Singh, 2017).
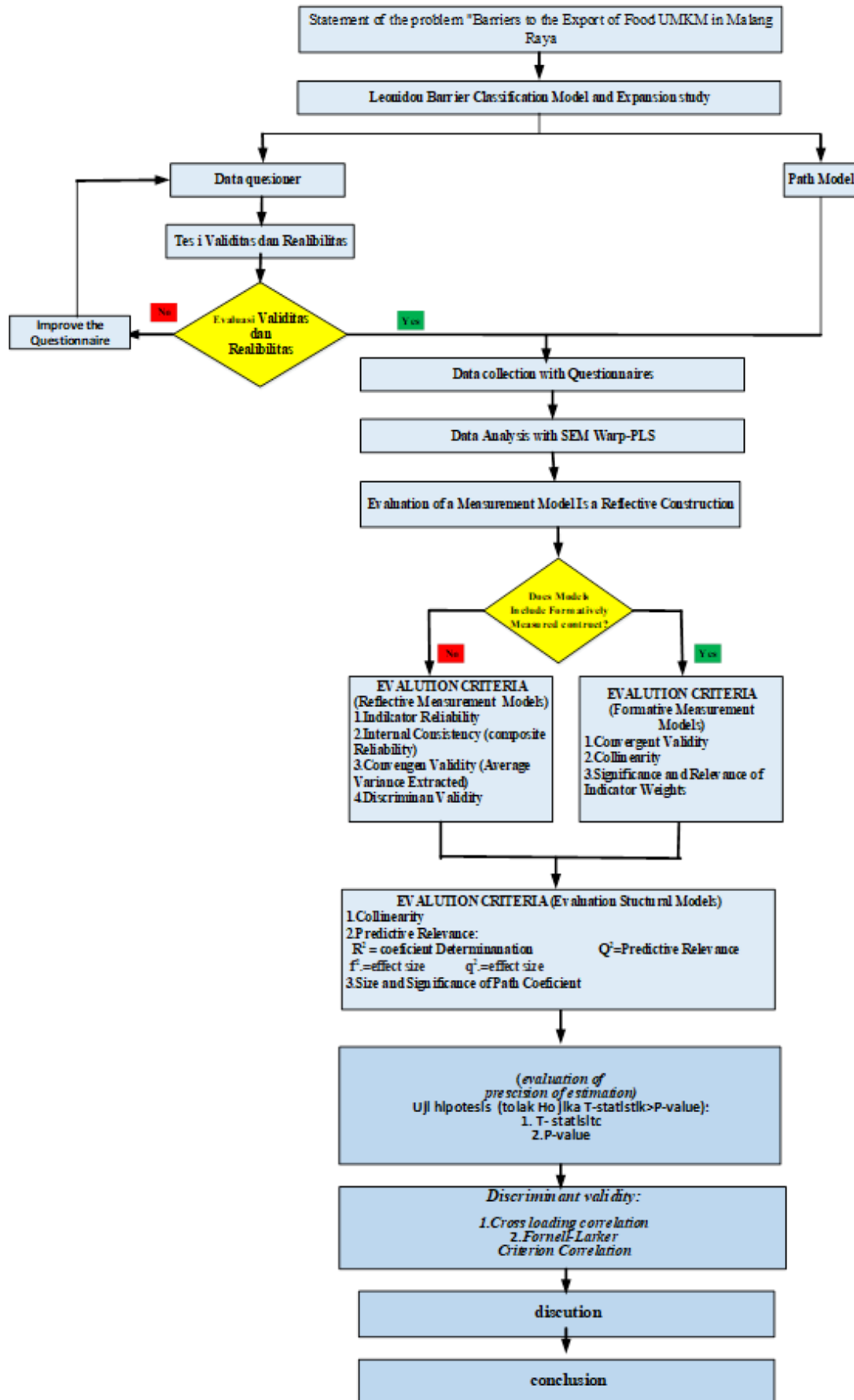
Figure 2: Framework research

Then the data from the questionnaires was processed using the SEM-PLS method which is a complex multivariable analysis (many constructs and indicators) simultaneously to build and test the structural equation model variables and measurement models (Hair Jr. et al. 2017) (Kusumastuti and Sutoyo 2019), in order to obtain a path model of Food MSMEs export barriers in Malang Raya as shown in Figure 3, which is a basic diagram of the SEM-PLS structural model, and describes the path analysis consisting of the dependent variable (MSMEs-Food Export Barriers, HEUP) and independent variables. There are seventeen independent variables consisting of fifteen latent variables, and two mediator variables, as well as fifty four manifest/indicator variables, fifteen latent variables, including: 1) Umkm-Food, IUP; 2) InformationI.II; 3) Functional, IF; 4) Sales, IPP1; 5) Products, IPP2; 6) Price, IPH; 7) Distribution, IPD; 8) Logistics, IPL; 9) Promotion, IPP3; 10) Procedural, EP1; 11) Government, EP2; 12) Task, ET; 13) Economist, ELE 14) Political-Legal, ELPH; 15) Socio-Cultural, ELSB. There are two intermediary variables, including: 1) Marketing, IP; 2) Environment, EL. And there are fifty-four manifest/indicator variables.
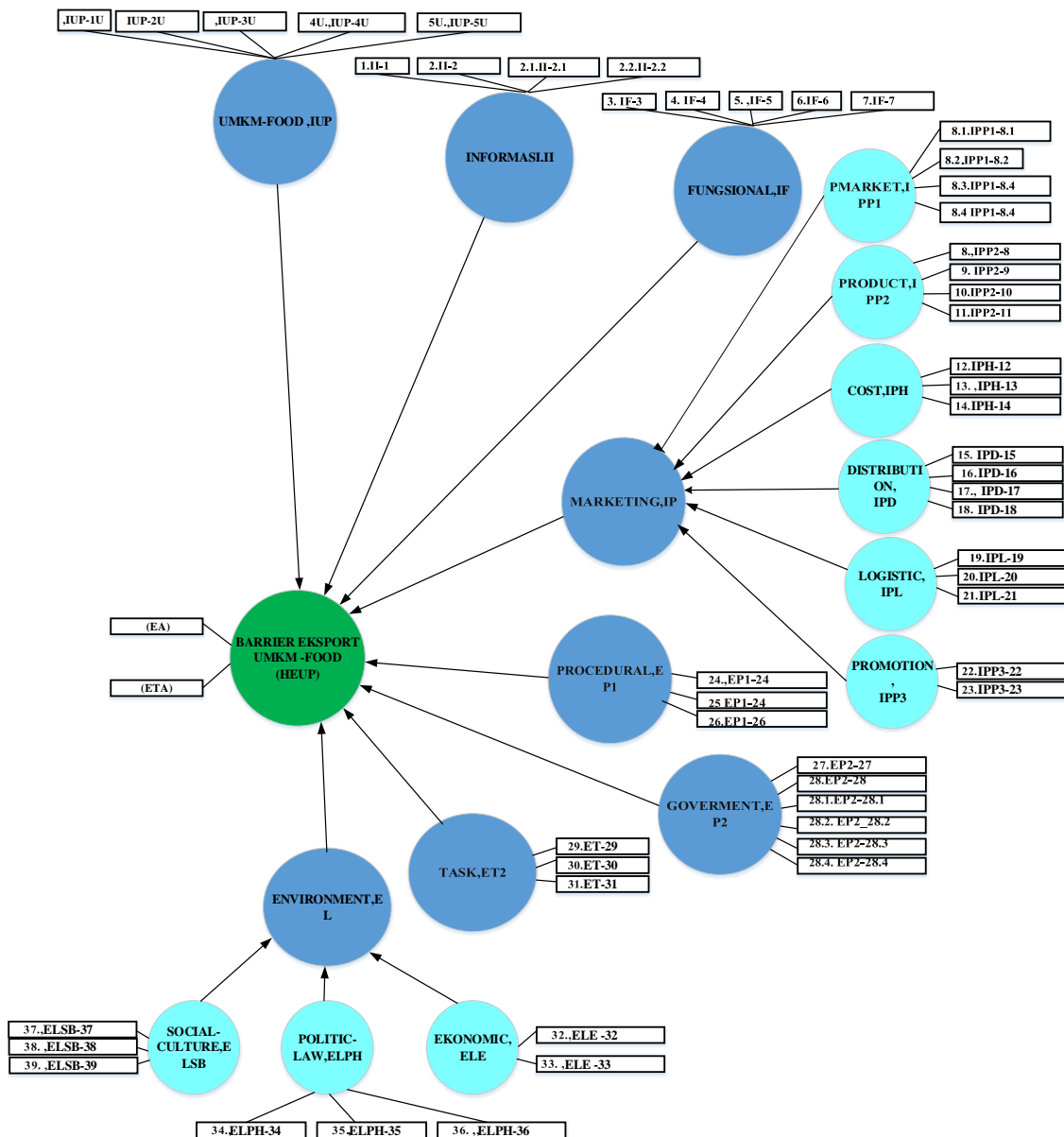

Figure 3: Path Diagram "Barriers to Export of Food Products for Micro, Small and Medium Enterprises in the Greater Malang Region"(Lukman and Kutty 2023)

From the diagram, there are fifteen exogenous variables: 1) Umkm-Food, IUP; 2) Information I.II; 3) Functional, IF; 4) Sales, IPP1; 5) Product, IPP2; 6) Price, IPH. 7) Distribution, IPD. 8) Logistics, IPL. 9) Promotion, IPP3. 10) Procedural, EP1.11) Governance, EP2. 12) Duty, E.T. 13) Economist, ELE. 14) Political-Legal, ELPH 15) Socio-Cultural, ELSB. There are three endogenous variables: 1) Food Export Barriers (HEUP), 2) Marketing, IP, 3) Environment, EL. Two mediating variables: 1) Marketing, IP, 2) Environment, EL. who intermediaries.

From the path diagram, there are fifteen exogenous variables: 1) Umkm food, IUP. 2) Description I.II.3) Occupation, IF. 4) Sales, IPP1. 5) Product, IPP 2.6) Price, IPH. 7) Distribution/Distribution, IPD. 8) Logistics, IPL. 9) Promotion/Promotion, IPP3.10) Procedure, EP1.11) Government, EP2. 12) Assignment, ET. 13) Economics, ELE. 14) Political-Legal, ELPH 15) Socio-Cultural, ELSB. There are three endogenous variables: 1) MSME-Food Export Constraints (HEUP), 2) Marketing, IP, 3) Environment, EL. Two mediating variables: 1) Marketing, IP, 2) Environment, EL. who is the mediator A direct and hypothetical relationship is found.

7. Conclusion

It is hoped that the findings of this research or study, in the form of a model of barriers to the export of MSMEs food products in Malang Raya, are expected to be used practically for MSMEs who are not initially exporters, who wish to develop their business towards exports, and for MSMEs exports who can expand their export market. This study is also expected for policy makers, especially the Indonesian government to develop an Internationalization strategy that is more suitable for MSMEs. It is also hoped that the results of the research on the export inhibiting model will be very useful for non-exporting MSMEs and exporting MSMEs in Malang Raya, East Java and Indonesia, and for the Indonesian government, from hundreds of partial export inhibiting factors, they will become a structured barrier model so that it is easier to understand.

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