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# Barriers to Exporting from Emerging Markets: The Case of MSEs Producing Cachaça

## *Barreiras para a Exportação de Mercados Emergentes: O Caso das MPEs de Cachaça*

## *Barreras para la Exportación en Mercados Emergentes: El Caso de las MYPEs de Cachaça*

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**Daniel Calbino Pinheiro**
Postdoctoral Fellow in Administration from the Federal University of Lavras (2021). Ph.D. in Administration from the Federal University of Minas Gerais (2013). M.Sc. in Administration from the Federal University of Minas Gerais (2010). Specialist in Philosophy from the Federal University of São João del-Rei (2018). B.A. in Philosophy from the Federal University of São João del-Rei (2022). B.A. in Administration from the Federal University of São João del-Rei (2008). He is a permanent faculty member of the Master's Program in Education at the Federal University of the Jequitinhonha and Mucuri Valleys (PPGED-UFVJM) and of the Master's and Doctoral Program in Education at the Federal University of Ouro Preto (PPGE-UFOP). He is also Associate Professor I at the Federal University of São João del-Rei, Sete Lagoas Campus (UFSJ/CSL).

**Abstract**

This study aims to identify and discuss the barriers that constrain the international trade activities of Brazilian micro and small enterprises (MSEs) producing cachaça. To achieve this objective, an investigation was conducted based on documentary and bibliographic research, complemented by interviews. Data were collected through semi-structured interviews and analyzed using thematic content analysis. The originality of this research lies in its specific focus on the cachaça sector, a traditional Brazilian product, examined from the perspective of micro and small enterprises operating in an emerging market context. The findings confirm the relevance of the traditional typology of export barriers while advancing the literature by demonstrating that, in emerging economies, informality, institutional fragility, and the lack of sectoral coordination constitute additional barriers. These factors not only hinder MSEs' entry into international markets but also undermine their long-term competitiveness and ability to remain in those markets. As a managerial contribution, the findings may support artisanal cachaça producers seeking to export by enabling them to learn from the experiences reported in this study and by providing insights for the development of more effective public policies aligned with the actual needs of MSEs.

**Keywords:** international trade, institutional obstacles, distilled spirits sector, internationalization.

***Resumo***

*Este estudo tem como objetivo identificar e discutir as barreiras que restringem o comércio internacional das micro e pequenas empresas (MPEs) produtoras de cachaça no Brasil. Para tanto, foi conduzida uma investigação fundamentada em pesquisas documentais, bibliográficas e na realização de entrevistas. Os dados foram coletados por meio de entrevistas semiestruturadas e examinados com base na técnica de análise temática de conteúdo. A originalidade da pesquisa reside no foco específico no setor da cachaça, produto tradicional brasileiro, analisado sob a perspectiva das micro e pequenas empresas inseridas em mercados emergentes. O estudo confirma a relevância da tipologia tradicional de barreiras, mas avança ao demonstrar que, em países emergentes, a informalidade, a fragilidade institucional e a ausência de articulação setorial configuram barreiras adicionais, que não apenas limitam a entrada das MPEs nos mercados internacionais, mas também comprometem sua permanência e competitividade no longo prazo. Como contribuição gerencial, os achados podem apoiar os produtores de cachaça de alambique interessados em exportar, ao permitir que aprendam com as experiências relatadas no estudo e ao indicar caminhos para a formulação de políticas públicas mais eficazes e alinhadas às reais necessidades das MPEs.*

***Palavras-chave:*** *comércio internacional, obstáculos institucionais, setor de destilados, internacionalização.*

***Resumen***

*Este estudio tiene como objetivo identificar y analizar las barreras que restringen el comercio internacional de las micro y pequeñas empresas (MYPEs) productoras de cachaça en Brasil. Para ello, se llevó a cabo una investigación basada en estudios documentales y bibliográficos, así como en la realización de entrevistas. Los datos fueron recolectados mediante entrevistas semiestructuradas y analizados a partir de la técnica de análisis temático de contenido. La originalidad de la investigación radica en el enfoque específico en el sector de la cachaça, un producto tradicional brasileño, examinado desde la perspectiva de las micro y pequeñas empresas insertas en mercados emergentes. El estudio confirma la relevancia de la tipología tradicional de barreras, pero avanza al demostrar que, en países emergentes, la informalidad, la fragilidad institucional y la ausencia de articulación sectorial configuran barreras adicionales que no solo limitan la entrada de las MYPEs en los mercados internacionales, sino que también comprometen su permanencia y competitividad a largo plazo. Como contribución gerencial, los hallazgos pueden apoyar a los productores de cachaça de alambique interesados en exportar, al permitir el aprendizaje a partir de las experiencias reportadas en el estudio y al señalar caminos para la formulación de políticas públicas más eficaces y alineadas con las necesidades reales de las MYPEs.*

***Palabras clave:*** *comercio internacional, obstáculos institucionales, sector de destilados, internacionalización.*

## Introduction

One of the defining characteristics of the 21st-century business environment is the expansion of globalization, driven by advances in information technologies, integrated financial systems, and relationship networks. These changes have enabled firms to expand their operations into international markets (Pinho & Martins, 2010; Stocker et al., 2022).

Exporting is considered one of the most common modes of internationalization for micro and small enterprises (MSEs) (Njinyah et al., 2023). Through exporting, MSEs can benefit from market diversification, gain access to new knowledge, and improve the quality of their products and services, thereby enhancing their competitiveness in today's globalized business environment (Alkhalailah et al., 2024; Guimarães & Azambuja, 2018).

The benefits of exporting extend beyond individual firms. Export growth can contribute to the dynamism of gross domestic product and, consequently, foster economic growth (Chinelato & Cruz, 2021). Moreover, strong export performance tends to generate additional employment opportunities within local economies, particularly in emerging markets (Njinyah et al., 2023; Santos et al., 2024).

Despite its importance, a significant proportion of firms still refrain from exporting (Uner et al., 2013) and/or generate only a small share of their revenues from export activities (Wai et al., 2022). In Brazil, although microenterprises (5,942) and small enterprises (5,480) accounted for 39% of all exporting firms (28,847) in 2024, their contribution in dollar terms represented only 0.7% (US$2.6 billion) of the country's total international trade volume of US$737 billion (Ministério do Desenvolvimento, Indústria, Comércio e Serviços, 2025a).

This performance is considerably below global trends in terms of export participation. In 2024, exports generated by MSEs accounted for an average of 12.4% of total export revenues in Latin America and the Caribbean, compared with 37.3% in Europe and 48.8% in Central America (Ministério do Desenvolvimento, Indústria, Comércio e Serviços, 2025a). Cachaça[1] is a traditional and exclusive Brazilian alcoholic beverage produced through the distillation of fermented sugarcane juice, with an alcohol content ranging from 38% to 48% (Instrução Normativa n° 13, 2005). Within this sector, despite an increase of more than 67% in export volume during the 2 years following the COVID-19 pandemic, both export volume and revenue remain highly concentrated among medium-sized and large firms and/or companies belonging to global distilled spirits conglomerates. Even so, global exports of Brazilian sugarcane-based spirits account for less than 1% of the worldwide distilled spirits market.

To effectively encourage local firms, particularly MSEs, to enter foreign markets and/or expand their exports, it is essential to understand the barriers they face in operating sustainably and efficiently in international trade (Pinho & Martins, 2010).

Accordingly, this study seeks to answer the following research question: What barriers limit the export activities of Brazilian micro and small cachaça-producing enterprises? To address this question, the study aims to identify and discuss the barriers that constrain the international trade activities of Brazilian MSEs producing cachaça. Methodologically, through an investigation based on documentary research, literature review, and interviews, the study examines the barriers perceived by industry leaders, exporting producers, and government agents operating within this context.

The study contributes to the literature by addressing a topic that has received relatively limited attention. Although a substantial body of research has examined exporting and the context of micro and small enterprises, export

[1] Official data used to measure the number of producing and exporting establishments in Brazil employ the term aguardente de cana (sugarcane spirit), a category that encompasses cachaça. The distinction between the two concepts lies in their alcohol content: while cachaça must have an alcohol concentration ranging from 38% to 48% by volume at 20°C, aguardente de cana may reach up to 54% alcohol by volume at 20°C (Instrução Normativa n° 13, 2005).

barriers themselves remain underexplored (Kahiya, 2018). Existing research has focused predominantly on firms from developed countries (Cahen et al., 2016; Paul et al., 2017), resulting in the underrepresentation of emerging-market contexts (Cámara et al., 2021; Ribau et al., 2018).

In this regard, the study engages with the classical distinction between internal and external export barriers while advancing the discussion by updating the theoretical debate through evidence derived from the market context of an emerging economy.

Furthermore, understanding export barriers from the Brazilian perspective may also contribute to managerial practice by providing insights for the formulation of policies aimed at supporting and promoting exports among MSEs, as well as offering guidance for established firms seeking to overcome obstacles to international trade (Uner et al., 2013).

## Internationalization of Firms and Export Barriers for MSEs

Firm internationalization can be understood as involvement in business activities with foreign partners (European Commission, 2010). Morais and Ferreira (2020) further define it as an outward-oriented process that enables firms to enter foreign markets, either with or without the use of their own capital.

The various forms of internationalization include alliances, subsidiaries, cross-border clusters, joint ventures, and exporting (Singh et al., 2023), with the latter being the most common mode of international market entry among MSEs (Njinyah et al., 2023; Roy et al., 2016).

However, the decision to internationalize through exporting also entails overcoming significant challenges, particularly export barriers, defined as attitudinal, managerial, operational, and contextual constraints that limit a firm's ability to initiate, expand, or sustain operations in foreign markets (Leonidou, 1995).

Export barriers affect firms in at least four ways: 1) they discourage non-exporters from entering international markets; 2) they inhibit the expansion of current exporters' activities; 3) they induce de-internationalization; and 4) they discourage former exporters from re-entering foreign markets (Kahiya, 2018).

As the literature on international trade and foreign investment has evolved within an increasingly globalized society, research on export barriers has expanded substantially, leading to the development of multiple typologies for understanding the phenomenon (Pinho & Martins, 2010; Uner et al., 2013).

Regarding obstacles to export activities, Morgan and Katsikeas (1997) argue that barriers may be associated with behavioral, structural, operational, and/or international marketing factors. These constraints are generally classified according to whether they originate within the firm or in the external environment and whether they emerge in the domestic or international context, resulting in four principal categories: internal/domestic, internal/international, external/domestic, and external/international.

Leonidou (2004) further subdivided internal barriers into functional, informational, and marketing-related categories, whereas external barriers were classified as procedural, governmental, task-related, and environmental. More recently, Arteaga-Ortiz and Fernandez-Ortiz (2010) proposed an alternative framework, grouping export barriers into four broad categories: knowledge-related, resource-related, procedural, and exogenous barriers (Trindade, 2022).

This study adopts a taxonomic synthesis of these and other contributions by classifying export barriers into two broad categories: internal barriers and external barriers, as presented in Table 1.

**Table 1**

*Typology of export barriers*

| Category | Subcategories | Description / Examples | Authors |
|---|---|---|---|
| Internal barriers | Informational | Difficulties in identifying and selecting markets; limited access to information; lack of reliable data. | Tesfom & Lutz (2006); Paul et al. (2007); Pinho & Martins (2010) |
| | Managerial and operational | Lack of managerial time; cultural and linguistic differences; entrepreneurial profile; unqualified personnel; limited technologies; insufficient working capital; low production capacity. | Cavusgil et al. (1979); Leonidou (1995); Morgan & Katsikeas (1997); Kahiya (2013, 2018); Uner et al. (2013); Singh et al. (2023) |
| | Marketing | Difficulties in meeting quality standards; product adaptation; export pricing; promotional adjustments; insufficient after-sales services. | Morgan & Katsikeas (1997); Tesfom & Lutz (2006); Pinho & Martins (2010) |
| | Logistics and network-related | Transportation and distribution problems; lack of foreign representation; inadequate distribution channels; difficulties in controlling intermediaries. | Leonidou (1995); Morgan & Katsikeas (1997); Uner et al. (2013); Kahiya (2018) |
| External barriers | Target market and consumers | Cultural differences and consumption habits; intensity of competition; presence of multinational firms; risk of buyer default. | Leonidou (1995); Uner et al. (2013); Singh et al. (2023) |

| | | |
|---|---|---|
| Regulatory and administrative | Documentation requirements; measurement standards; tariff and non-tariff barriers; excessive bureaucracy. | Pinho & Martins (2010); Kahiya (2018); Singh et al. (2023) |
| Macroeconomic and financial | Exchange-rate risks; fluctuations in global prices; inflation; high interest rates. | Uner et al. (2013); Kahiya (2013) |
| Infrastructure and government support | Limitations in transportation and communication; lack of adequate storage facilities; absence of credit lines; insufficient governmental and institutional support. | Leonidou (1995); Cahen et al. (2016); Child et al. (2022) |
| Institutional (emerging economies) | Corruption; informality; low levels of innovation; restricted access to credit; competitive disadvantages relative to informal firms or multinational corporations. | Vassolo et al. (2011); Roy et al. (2016); Santos et al. (2024) |
| Liability of origin | Negative perceptions associated with a country's origin, affecting the international competitiveness of products and brands. | Papadopoulos & Heslop (1995); Marano et al. (2017); Fiaschi et al. (2017); Ritvala et al. (2021) |
| Liability of foreignness | Additional costs of operating in foreign markets, including geographic distance, lack of legitimacy, unfamiliarity with the local environment, economic nationalism, political populism, and country-of-origin-related barriers. | Zaheer (1995); Ritvala et al. (2021); Muratova et al. (2025) |
| Liability of outsidership | Difficulties in becoming embedded in local business networks; low social capital; absence of a position within distribution channels, associations, and strategic networks in the host country. | Paul et al. (2007); Musteen et al. (2010); Johanson & Vahlne (2009); Li & Fleury (2019) |

Source: Prepared by the author.

Internal barriers refer to firm-specific characteristics and include limitations related to information, management, resources, marketing, and logistics. From an informational perspective, difficulties in identifying and selecting foreign markets, together with restricted access to reliable information, hinder the recognition of international opportunities (Paul et al., 2007; Pinho & Martins, 2010; Tesfom & Lutz, 2006).

Regarding managerial and operational resources, one of the primary reasons firms do not export is the lack of managerial time to learn about cultural and linguistic differences, as well as the presence of inadequately qualified personnel for international trade activities, limited technological capabilities, insufficient working capital to support long-term transactions, and restricted production capacity (Kahiya, 2013, 2018; Leonidou, 1995; Morgan & Katsikeas, 1997; Pinho & Martins, 2010; Singh et al., 2023; Uner et al., 2013).

These factors are closely related to the entrepreneurial profile, which influences both the perception and intensity of export barriers. Entrepreneurs with limited familiarity with foreign markets, insufficient time for strategic activities, and constraints in managerial qualifications and organizational learning capabilities tend to face more severe internal barriers (Cavusgil et al., 1979).

Marketing functions also constitute internal export barriers because foreign markets often require compliance with specific quality standards, necessitating product adaptation to different target markets. In this context, adjustments to promotional activities, export pricing strategies, and after-sales services may represent significant limitations for firms operating internationally (Morgan & Katsikeas, 1997; Pinho & Martins, 2010; Tesfom & Lutz, 2006).

Logistical difficulties related to transportation and distribution are also noteworthy, as are challenges associated with establishing commercial networks, including securing foreign representation, defining distribution channels, and maintaining control over intermediaries. These elements are essential for generating recurring business in international markets (Kahiya, 2013, 2018; Leonidou, 1995; Morgan & Katsikeas, 1997; Pinho & Martins, 2010; Uner et al., 2013).

External barriers, in turn, arise from factors outside the firm and are associated with the characteristics of target markets, macroeconomic, institutional, and regulatory conditions, as well as structural disadvantages faced by firms originating from emerging economies (Pinho & Martins, 2010; Tesfom & Lutz, 2006).

With respect to target markets and consumers, key barriers include cultural differences, variations in consumption habits, intense international competition, the presence of multinational firms with well-established brands, and the risk of foreign buyer default. These factors directly affect product acceptance and the predictability of international commercial transactions (Leonidou, 1995; Singh et al., 2023; Uner et al., 2013).

Regulatory and administrative barriers encompass documentary requirements, technical and measurement standards, as well as tariff and non-tariff barriers imposed by importing countries. Excessive bureaucracy and the complexity of export procedures increase operational costs and transaction times, creating substantial obstacles to firms' entry into and permanence within foreign markets (Kahiya, 2018; Pinho & Martins, 2010; Singh et al., 2023).

Macroeconomic and financial barriers are associated with exchange-rate risks, fluctuations in global prices, inflation, and high interest rates. These factors affect the competitiveness of exported products and the financial sustainability of international operations, particularly for micro and small enterprises, which have a more limited capacity to absorb adverse economic shocks (Kahiya, 2013; Uner et al., 2013).

Infrastructure deficiencies and the absence of consistent governmental support constitute additional export barriers. Weak transportation, communication, and storage systems, together with limited access to credit lines, tax incentives, and specialized training programs, reduce firms' ability to structure and expand their international operations (Cahen et al., 2016; Child et al., 2022; Leonidou, 1995).

Within the context of MSEs, some export barriers are considerably more challenging than they are for large firms (Child et al., 2022). Larger firms typically possess greater export-oriented production capacity, substantial working capital to finance international operations, dedicated export departments, and personnel specialized in export activities (Kahiya, 2018; Paul et al., 2017; Singh et al., 2023; Uner et al., 2013).

These challenges become even more complex for MSEs in emerging economies, which frequently face substantial institutional, cultural, managerial, and operational differences relative to developed markets (Milovanovic et al., 2022; Musteen et al., 2010).

Compared with firms from developed countries, MSEs in emerging economies tend to enter international markets later, owing to factors such as economic instability and high operating costs, which constitute country-of-origin disadvantages (Winckler et al., 2022).

Many emerging economies have developed export-support institutions primarily focused on agricultural, mineral, and industrial commodities, contrasting with the realities of developed markets. Disparities in access to market information, technology, financial resources, managerial knowledge, international operational capabilities, and global brand recognition reduce these firms' ability to create value relative to competitors from developed economies (Cahen et al., 2016).

Institutional access disparities are also evident in transition economies. Large firms, often state-owned, frequently benefit from institutional support mechanisms such as low-cost capital and subsidies for international operations, whereas small firms are largely left to navigate international markets on their own (Child et al., 2022).

Particularly in Latin America, the persistent presence of corruption and informality creates an adverse institutional environment in which formal firms are disadvantaged relative to informal competitors, especially because they face higher operational and tax costs. This asymmetry undermines competitiveness in domestic markets and restricts the resources available for innovation. Consequently, many micro and small enterprises prioritize replacing or acquiring machinery and equipment rather than investing in differentiation and expansion strategies (Santos et al., 2024; Vassolo et al., 2011). This scenario not only weakens their domestic position but also hampers their internationalization, as they enter foreign markets already facing competitive disadvantages relative to formal firms from developed economies.

Countries with lower levels of institutional development and/or the presence of institutional voids tend to face a liability of origin regarding both the willingness and the capacity to conduct business in a legitimate manner (Marano et al., 2017).

Firms are often assumed to suffer from a legitimacy deficit due to institutional fragility and/or the poor reputation of their countries of origin (Fiaschi et al., 2017), although this phenomenon is not exclusive to emerging economies (Ritvala et al., 2021).

Accordingly, when a country's image is perceived negatively with respect to its products (liability of origin), restrictions arise because consumers tend to be less willing to pay premium prices and are less likely to trust brands associated with that country compared with brands from countries enjoying more favorable reputations (Papadopoulos & Heslop, 1995).

Another limitation in the export context emerges when foreign products compete directly with local products. In such cases, the liability of foreignness arises, defined as the additional costs incurred by firms operating in foreign markets that are not borne by local firms (Zaheer, 1995). These costs stem from cultural, political, and economic differences between countries and include information costs, geographic distance, lack of familiarity and embeddedness within the local environment, lack of legitimacy, economic nationalism, political populism, and other country-of-origin-related disadvantages. Such costs may compromise profit margins and even threaten the survival of international operations (Bell et al., 2012; Muratova et al., 2025; Ritvala et al., 2021; Zaheer, 1995).

Finally, beyond the costs associated with foreignness, firms may also suffer from outsidership, that is, the disadvantage of not being embedded in local business networks, which reflects an insufficient level of social capital (Musteen et al., 2010; Paul et al., 2007) and constitutes an additional obstacle to exporting. Organizations that lack a position within a strategic network are classified as outsiders. Consequently, when attempting to enter an international market without relevant connections, firms simultaneously face the liabilities of outsidership and foreignness. In this way, foreignness itself tends to exacerbate the difficulties associated with achieving insider status (Johanson & Vahlne, 2009; Li & Fleury, 2019).

Given the phenomenon of smallness, social capital is even more critical for small firms than for large ones (Paul et al., 2007), particularly in emerging economies (Musteen et al., 2010), as it facilitates access to information, strategic partners, and international opportunities.

## Methodology

To understand the barriers that restrict exports by micro and small enterprises producing cachaça in Brazil, this article adopted a qualitative research design based on documentary and bibliographic research as well as interviews.

Information available in digital media was collected, including data on Brazilian cachaça exports, newspaper articles, and other texts related to the topic. Other sources of information included books, theses, dissertations, and articles in the applied social sciences and humanities that address the international commercialization of Brazilian cachaça.

In the bibliographic stage, the study drew on works that recovered historical records of cachaça exports during the colonial period and analyzed the pioneering role of the first brands in the international market, with the aim of understanding the main players over the decades.

In the documentary stage, materials published in Cachaça com Notícias (2024) and in the Plan of the Cachaça Sectoral Chamber (MAPA, 2021), a document that systematizes challenges and guidelines for the sector, were analyzed.

With regard to statistical databases and official records, the study used the Agricultural Census of the Brazilian Institute of Geography and Statistics (IBGE – 2017/2025) and data from the National Classification of Economic Activities (CNAE) (Econodata, 2025) to develop a profile of the sector's productive scale and level of formalization. Data from the Ministry of Agriculture, Livestock and Supply (MAPA, 2021, 2025) were also used, providing information on registered producers and approved cachaça brands. In addition, the Comexstat platform (Ministério do Desenvolvimento, Indústria, Comércio e Serviços, 2025b) was consulted to track the evolution of Brazilian and Minas Gerais export revenues from 1997 to 2024. Information obtained through a request submitted via SEI/MAPA regarding the National Registry of Legal Entities (CNPJs) of exporters from Minas Gerais was also incorporated.

The study also used in-depth narrative interviews, understood as a technique aimed at capturing the interpretations of individuals who express their view of reality within a specific time, space, and context (Muylaert et al., 2014). Thus, this research technique provides access, mediated through language, to experiences, lived realities, and socially constructed interpretations emerging from interactions among subjects.

Narrative interviews were conducted with managers and owners of organizations producing artisanal cachaça, as well as with technical experts and institutional actors from government bodies. The interviews, conducted both in person and online in Brazil, took place between April 2024 and July 2025. In total, 40 pages of documents and 120 hours of recordings were analyzed, with the recordings transcribed using Word 10 software.

Data were also complemented by interviews conducted between 2022 and 2023 as part of a research project funded by the author of this study, which engaged with actors from both the productive and state sectors.

The selection of interviewees sought to reflect the diversity of actors that make up the cachaça production chain, enabling an in-depth analysis of the barriers to its export. The definition of the interview corpus followed two criteria: a) institutional affiliation and representativeness within the sector; and b) practical and/or technical experience related to the production, commercialization, and export of cachaça.

The participants included union leaders and representatives of sectoral bodies (Interviewees 1, 4, 6, and 9), whose work focuses on public policy formulation, coordination among producers, and institutional representation, thereby ensuring the inclusion of a political-institutional perspective.

From a technical and business standpoint, the study included professionals with extensive experience in cachaça production, development, and commercialization processes (Interviewees 3, 5, 7, 8, 10, and 11). Their experience in foreign markets, in some cases spanning more than two decades, made it possible to identify the difficulties encountered in accessing new markets and to highlight already consolidated internationalization strategies.

The study also incorporated specialists affiliated with support and training institutions (Interviewees 2 and 12), who play relevant roles in producer training and in mediating between enterprises and export incentive policies. Their inclusion aimed to provide insights into the challenges faced by micro and small producers, especially in terms of technical and managerial preparation for international trade.

The interviews are described below based on the excerpts selected for analysis.

**Box 1**

*List of interviewees and documentary research sources*

| Data source | Actors and institutions | Research excerpts |
|---|---|---|
| Interviewee 1 | Director of the Beverage Industry Union of a state-level federation | 1, 2, 12 |
| Interviewee 2 | Commercial Director of a Sebrae agency | **3, 4, 8** |
| Interviewee 3 | Technical Director of an exporting company | **1, 8** |
| Interviewee 4 | Director of a Cachaça Sector Organization and exporter | **3, 5 ,8, 13 ,12** |
| Interviewee 5 | Master Blender and Technical Supervisor of an exporting distillery | **6** |
| Interviewee 6 | Director of a Cachaça Sector Association, producer, and exporter | **3, 7** |
| Interviewee 7 | Producer and exporter | **8, 9, 10** |
| Interviewee 8 | Technical and Commercial Consultant | **11, 12** |
| Interviewee 9 | Director of a State Department of Agriculture | **14 ,12** |

| | | |
|---|---|---|
| Interviewee 10 | Producer and exporter | **1, 12** |
| Interviewee 11 | Producer and exporter | **1, 8** |
| Interviewee 12 | Director of an Export Promotion Program | **2** |

For the data analysis proposal, the methodological approach and theoretical framework converge into two analytical paths, which were observed and examined simultaneously. Thematic content analysis, as proposed by Braun and Clarke (2006), was therefore adopted as a methodological resource for mapping, structuring, recognizing, and interpreting the textual and documentary database, which expresses the historicity of the phenomenon under study.

## Results

*Description and quantitative analysis of the cachaça export sector in the international market*

Historical records indicating the first exports of cachaça possibly date back to 1620, during colonial Brazil, when the beverage was mainly sent to the African continent as a currency of exchange in relations involving the enslavement of Black populations (Cascudo, 1986).

In modern terms, with the advancement of technological production processes, the pioneering company in this model was Ypióca, located in the state of Ceará, which began exporting in 1968 (Martinelli et al., 2000). In 2012, it was acquired by the British beverage group Diageo, one of the world's largest producers and distributors of distilled spirits (Silva, 2019).

Pitú, headquartered in Pernambuco, was the second company to export cachaça, beginning its operations in 1972 after signing a distribution agreement with the German company Underberg AG. By the 2000s, it exported approximately three million liters in bulk (Tscha & Moraes, 2005).

In the 1980s, another company that gained prominence in exports was Nega Fulô, from Rio de Janeiro, which was also acquired by Diageo in 1999 (Silva, 2019). Currently, the leader in both the national and international markets is Cachaça 51, produced by Indústria Müller. Located in the state of São Paulo, the company began exporting in the 1990s and, according to the company itself, holds approximately 40% of the domestic market (Companhia Müller de Bebidas, 2025).

Although these medium-sized and large companies dominate the national and international market share in terms of business volume, the Brazilian cachaça sector is composed predominantly of micro and small enterprises.

According to data from the 2017 Agricultural Census, there are 11,028 producer establishments in Brazil (IBGE, 2025). However, of this total, only 1,904 establishments are formalized according to the National Classification of Economic Activities (CNAE), under code 1111-9/01 (Econodata, 2025).

When considering establishments registered with the Ministry of Agriculture, Livestock and Supply (MAPA), the agency that requires technical registration and specific authorization to produce and commercialize cachaça, a more restrictive procedure than simply holding a CNPJ, only 1,266 establishments are formalized in Brazil. This represents an informality rate of 88.6% in the sector.

Minas Gerais is the state with nearly half of the country's producing establishments, accounting for 5,512 of the 11,028 properties identified in the latest census (IBGE, 2025) and 796 CNPJs registered under CNAE (Econodata, 2025). Among formal establishments authorized for production, the state also leads, with 501 units out of a total of 1,266 registered with MAPA. It also ranks first in the number of registered cachaça labels, with 2,492 out of a total of 7,223 (MAPA, 2025).

The discrepancies between market-leading companies and the predominant size of firms in the sector are reflected in the analysis of the international context over the past 10 years. Minas Gerais, despite ranking second in export revenue, presents figures approximately three times lower than those of the state of São Paulo, which is characterized by the predominance of large column-distillation industries (Box 2).

**Box 2**

*Evolution of export revenues (US$) by Brazilian state (2014-2024)*

| State | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Brazil** | 18,335,420 | 13,289,143 | 13,936,209 | 15,808,490 | 15,600,595 | 14,603,035 | 9,522,402 | 13,178,050 | 20,095,765 | 20,242,453 | 14,544,293 |
| **São Paulo** | 8,221,358 | 5,415,637 | 5,838,478 | 7,968,669 | 7,735,235 | 7,162,417 | 4,158,328 | 6,092,360 | 9,625,545 | 10,935,481 | 7,009,033 |
| **Pernambuco** | 2,018,673 | 1,713,153 | 1,881,232 | 1,680,278 | 2,015,825 | 1,203,387 | 1,286,609 | 1,841,841 | 2,210,017 | 1,577,737 | 1,359,293 |
| **Rio de Janeiro** | 2,180,118 | 1,829,804 | 1,622,256 | 2,010,009 | 1,814,602 | 1,681,868 | 935,803 | 1,305,626 | 2,020,832 | 1,562,842 | 1,367,031 |
| **Paraná** | 1,117,768 | 854,509 | 1,149,107 | 1,427,669 | 1,508,734 | 1,330,790 | 754,656 | 1,239,533 | 1,450,547 | 1,888,899 | 1,386,757 |
| **Ceará** | 1,772,809 | 1,217,647 | 867,862 | 1,023,081 | 807,229 | 548,125 | 884,082 | 598,940 | 1,372,502 | 311,077 | 488,347 |
| **Rio Grande do Sul** | 542,774 | 315,556 | 522,562 | 582,137 | 764,393 | 1,200,032 | 544,563 | 883,844 | 989,597 | 1,188,017 | 766,088 |
| **Minas Gerais** | 2,105,958 | 1,752,526 | 1,901,719 | 865,072 | 677,352 | 1,316,442 | 835,255 | 1,084,223 | 2,263,430 | 2,354,215 | 1,949,945 |

Note: Retrieved from Comexstat (Ministério do Desenvolvimento, Indústria, Comércio e Serviços, 2025b).

When specifically analyzing the context of Minas Gerais, it is possible to identify that, over approximately three decades, 74 municipalities exported cachaça to the international market. However, among these municipalities, only seven, or 9.4%, exceeded accumulated revenues of more than US$1 million, whereas 55 municipalities, corresponding to 74.3%, did not even reach US$100,000 in accumulated revenues (Box 4).

In addition, 75.6% of the municipalities (56 localities) made only occasional shipments, totaling exports in no more than two years over nearly three decades, which indicates a pattern of isolated and discontinuous export activity (Box 3).

**Box 3**

*Profile of exporting municipalities in Minas Gerais (1997-2024)*

| Cumulative revenue | No. of municipalities | % | Main municipalities | Cumulative revenue (US$) | Export continuity | No. of municipalities | % |
|---|---|---|---|---|---|---|---|
| More than US$1 million | 7 | 9.4 | Patos de Minas – MG | 6,975,647 | More than 6 years | 13 | 12.2 |
| | | | Extrema – MG | 5,427,479 | | | |
| | | | Araxá – MG | 3,656,439 | | | |
| | | | Uberaba – MG | 2,833,172 | | | |
| | | | Salinas – MG | 2,762,856 | | | |
| | | | Contagem – MG | 2,478,102 | | | |
| | | | Novorizonte | 1,410,242 | | | |
| US$99,000-999,999 | 12 | 16.2 | Lagoa Santa | 804,933 | 3 to 6 years | 13 | 12.2 |
| | | | São José da Barra – MG | 401,588 | | | |
| | | | Belo Horizonte – MG | 390,567 | | | |
| | | | Pirapora – MG | 358,361 | | | |
| | | | Divinópolis – MG | 332,737 | | | |
| | | | Passa Quatro – MG | 292,592 | | | |
| Less than US$100,000 | 55 | 74.3 | São Joaquim de Bicas – MG | 83,435 | Less than 3 years | 56 | 75.6 |
| | | | Perdizes – MG | 77,576 | | | |
| | | | Esmeraldas – MG | 74,693 | | | |
| | | | Piranguinho – MG | 58,182 | | | |
| | | | Sacramento – MG | 42,260 | | | |
| | | | Piranga – MG | 35,640 | | | |
| Total | 74 | 100 | | | Total | 74 | 100 |

Note: Retrieved from Comexstat (Ministério do Desenvolvimento, Indústria, Comércio e Serviços, 2025b).

By cross-referencing information on exports by municipality with the number of exporting companies in each locality, based on data requested from MAPA (SEI No. 27375512), 167 companies registered for export in Minas Gerais were identified, out of a total of 796 CNPJs registered under CNAE. This represents 21.7% of formally eligible companies authorized to operate in the international market.

A review of the registration records of these CNPJs showed that the two cities leading exports in terms of revenue and temporal continuity, Patos de Minas and Extrema, respectively, hosted the companies Leblon and Natique. Although originally small businesses, both were acquired by multinational beverage conglomerates, Bacardi and Osborne.

Based on data, it is possible to infer that the sum of exports by these two companies, in dollars, over the historical period of exports from Minas Gerais, represents approximately 38.7% of total revenue, equivalent to US$12.7 million out of a total of US$31.2 million.

Since the companies registered in the seven cities that led export revenues over the decades are limited to, at most, 17 organizations among the 167 registered companies, these firms accounted for 81% of total revenue, or US$26.2 million, between 1997 and 2024. This indicates the presence of a small number of players concentrating most exports over the years.

Regarding the participation of Brazilian cachaça exports in the global market for sugarcane-derived distilled spirits, Brazil accounts for only approximately 0.8% of global market share, in a market whose total value in the last year analyzed was US$1.6 billion (Box 4).

**Box 4**

*Exports of sugarcane-derived distilled spirits worldwide (US$) versus Brazilian Cachaça exports (US$), 2015-2024*

| Year | Global sugarcane-derived distilled spirits exports (US$) | Spirits exports (US$) Brazil (cachaça exports, US$) | Brazil's share (%) |
|---|---|---|---|
| 2015 | 1,207,026,000 | 13,289,143 | 1.10 |
| 2016 | 1,298,305,000 | 13,936,209 | 1.07 |
| 2017 | 1,408,844,000 | 15,808,490 | 1.12 |
| 2018 | 1,564,204,000 | 15,600,595 | 1.00 |
| 2019 | 1,560,276,000 | 14,603,035 | 0.94 |
| 2020 | 1,379,550,000 | 9,522,402 | 0.69 |
| 2021 | 1,737,813,000 | 13,178,050 | 0.76 |
| 2022 | 1,958,708,000 | 20,095,765 | 1.03 |
| 2023 | 1,851,409,000 | 20,242,453 | 1.09 |
| 2024 | 1,682,219,000 | 14,544,293 | 0.86 |

Note: Adapted from Trade Map (2024).

Compared with other exporting countries, Brazil ranks only 21st worldwide in terms of revenue. This limited participation contrasts sharply with the leadership of countries such as Italy, which recorded US$224 million, approximately 13 times higher than Brazil's total. This discrepancy reinforces the marginal position of Brazilian cachaça in international trade, especially when compared with the performance of other Latin American countries, such as the Dominican Republic (7.06%), Cuba (4.02%), and Guatemala (2.87%), as shown in Box 5 below.

**Box 5**

*Sugar cane spirits exports by country (2024)*

| Posição | Exporting country | 2024 | Percentual (%) |
|---|---|---|---|
| | World | 1,682,219 | 100.00 |
| 1 | Italy | 224,054 | 13.32 |
| 2 | France | 143,441 | 8.53 |
| 3 | USA | 138,684 | 8.24 |
| 4 | Netherlands | 129,142 | 7.68 |
| 5 | Dominican Republic | 118,787 | 7.06 |
| 6 | Spain | 100,086 | 5.95 |
| 7 | Venezuela | 71,435 | 4.25 |
| 8 | Cuba | 67,672 | 4.02 |
| 9 | Belgium | 62,109 | 3.69 |
| 10 | Germany | 60,873 | 3.62 |
| 11 | Jamaica | 56,935 | 3.38 |
| 12 | UK | 56,875 | 3.38 |
| 13 | Panama | 54,338 | 3.23 |
| 14 | Guatemala | 48,225 | 2.87 |
| 15 | Barbados | 40,205 | 2.39 |
| 16 | Nicaragua | 22,592 | 1.34 |
| 17 | India | 20,863 | 1.24 |
| 18 | Austria | 19,548 | 1.16 |
| 19 | Latvia | 18,009 | 1.07 |
| 20 | Guyana | 16,054 | 0.95 |
| 21 | Brazil | 14,544 | 0.86 |

Note: Adapted from Trade Map (2024).

The box highlights the limitations to consolidating cachaça as a globally recognized brand. While competing nations have developed consistent strategies to enhance the value of their typical spirits, such as Dominican rum, which has become both a cultural icon and a prestigious product in the global market (Calbino et al., 2025), Brazil still faces difficulties in associating cachaça with a more competitive international positioning.

*Export barriers from the perspective of exporting actors and sector leaders*

During the interviews with sector actors, export barriers associated with producers' attitudinal behaviors emerged recurrently. Small formal producers tend to have a profile marked by a family tradition of rural property ownership. However, cachaça is often not their main business, which means that investment in the sector, especially in the international market, is not treated as a priority (1- E1, E3, E10, E11). One sector account summarizes this context as follows:

> In the cachaça segment, there are many traditional producers: the grandfather made it, passed it on to the father, and then to the son. Usually, cachaça is the second or third business for most of them. So, if it sells well, fine; if it does not, it makes no difference (2 – E1 – Personal Interview, 2023).

The specific characteristics of this profile also appear to affect the continuity and consolidation of exports among small enterprises, since many producers operating in the field lack managerial knowledge (3 – E2, E4, E6, E12), as detailed by one of the directors of Sebrae responsible for the international trade area:

> Some people, by luck, manage to find a channel abroad... The person does not know why he exported, does not have an export project in his company, and then, as you said, it was luck... That is why the number is so low, because it happens from one stroke of luck to another… (4 – E2 – Personal Interview, 2022).

In contrast, according to the account of one cachaça producer whose company ranks among the top 10 in the international "Bestselling Brands" and "Top Trending Brands" rankings in the cachaça category, prepared by the Brands Report, her success was attributed to the effort resulting from systematic business planning.

> Do you know how long we spent developing the project before the sale was finalized? Exactly 2 years. Do you understand? And people sometimes do not have that level of maturity. That time was important for them, important for the project, important for me to structure myself to meet demand, and important so that I would not run out of my own brand to sell (5 – E4 – Personal Interview, 2025).

This statement underscores the importance of building a long-term strategy to serve both national and international markets, since production capacity is one of the main limiting factors in the cachaça sector, especially among small producers who use pot-still distillation processes.

Although some players, such as Seleta/Boazinha and Salinas, one of the largest artisanal cachaça companies in the country, have production capacity that allows them to exceed three million liters per year, most producers cannot surpass 30,000 liters per harvest. Even Havana/Anísio Santiago, one of the leading brands in Brazil's super-premium cachaça segment, is limited to an annual production of 12,000 liters (6 – E5 – Personal Interview, 2023).

Limitations in planning and market prospecting processes also constitute an obstacle to building the international image of small Brazilian producers, which reflects the liability of origin, given the effects generated in business conduct during initial contacts with international partners, as one exporting producer reports:

> We have already had a meeting, actually not just one, several people have said: "Wow, in Brazil? But will you have stock to supply me?" So I think this is perhaps what Brazilians suffer from the most: the lack of preparation to sell, because when they come back and we do not serve them well, we close a door. […] (7 - E6 – Personal Interview, 2025).

Another barrier for small producers concerns the limited number of specialized employees and restricted financial capital, which limit their ability to operate in export markets (8 – E1, E2, E3, E7, E11). One producer's account summarizes these limitations:

> There is no way for a small producer to do all the work, right? Either you take care of the farm or you take care of commerce. I give the example of a successful cachaça, Weber Haus, from Rio Grande do Sul. There are four brothers there. One works in sales, another in production, another in marketing. None of the four needed a salary at the beginning. Everything that came in stayed in the company. I started alone, I sold, I "made do with whatever I had," I had to do everything. So that is what small entrepreneurs are like, right? Few had the opportunity that Weber Haus had. (9 – E7 – Personal Interview, 2025).

Limited working capital for small producers becomes even more critical in the face of institutional fragilities. In a recent editorial published by one of the country's leading specialized cachaça magazines, the then president of the National Association of Quality Cachaça Producers emphasized that, among the various difficulties faced by the cachaça sector in national and international markets, the lack of public policies aimed at the structured development of the sector stood out. This gap resulted in restricted credit lines, scarce resources for research, development, and innovation, as well as deficiencies in technical assistance (Cachaça com Notícias, 2024).

One alternative for small producers is the development of international networks through partnerships with foreign distributors that assume the costs of commercialization abroad. This is the reality for most small producers, who were able to make continuous progress only after establishing partnerships with effective international distributors responsible for introducing and consolidating their products in foreign markets. This occurs because the costs associated with marketing activities, in a context of currency depreciation, become economically unfeasible for this type of producer.

> In 2002, I managed to export to Italy. But it did not move forward. I priced it at cost, and even so, they managed to buy it cheaper elsewhere. Later, I sold to Switzerland, Germany, France, and Portugal. None of those buyers took off. Then, when the English buyer appeared, he made the first purchase in 2008 and the second in 2010. Then the interval dropped to 9 months, then 6 months. So he managed to introduce the product into the market, but it was his product. He fully embraced it, his own product, did the marketing, secured distributors, and boosted cachaça sales, which are now well positioned across Europe. (10 – E7 – Personal Interview, 2025).

Another form of network-based activity involves the use of cooperatives to consolidate brands in the international market. One example in the sector was the creation of the cooperative known as COOCACHAÇA in 1999, composed of 70 small producers, with the aim of achieving production scale to serve the foreign market, as reported by its directors.

However, in less than a decade, the cooperative was discontinued, and exports began to be carried out individually by some of the former cooperative members. According to one actor who participated in the process, the reasons for the cooperative's closure were associated with disagreements and conflicts among members, resulting from the weak culture of associativism in the sector (11- E8).

This point is also recurrently emphasized by sector actors. Cachaça producers show a low degree of collective coordination and tend to adopt individual strategies in a competitive environment, which hinders the construction and communication of the beverage's identity in the international market (12 – E1, E4, E8, E9, E10). According to one representative of sectoral bodies:

> I once heard someone say: "If it is not cachaça from State X, be suspicious." That is low-quality counter sales; that does not exist in the contemporary world. Look, if we want to work with good communication, we first have to do our homework. Why are you a member, if we all have the same mission, if we all want to produce quality, and then you make a mocking joke like that? He may even make a one-off sale, but he does not build a sectoral positioning strong enough to grow in Brazil and around the world. (13 – E4 – Personal Interview, 2025).

The effects of a sector marked by internal disputes have also affected the coordinating role of the state in carrying out institutional work, as reported by one public servant responsible for coordinating among different producer associations:

> It is like that slogan: the state does not act, it reacts. I only work in that way because I am provoked, because I have countless agendas. And then I return to the issue of association, representation… But what can each person do to make this wheel turn, to stop everyone from looking only at themselves… (14 – E9 – Personal Interview, 2023).

The institutional void was identified in a strategic sector document prepared by the Cachaça Sectoral Chamber, a body that brings together the main actors in the Brazilian market, for the period from 2021 to 2025. The document pointed to a set of limitations associated with the fragility of the sector, including disunity and internal disagreements and, as a possible reflection of this dynamic, the construction of unilateral political lobbying that undermines sectoral alignment. At the end of the period analyzed, these challenges had still not been overcome, indicating one of the most critical barriers to the sector's development, especially for small producers, who depend on institutional support to operate in the market, particularly in the international market.

Finally, it is important to highlight the rise of political populism, especially in developed markets such as the United States. In mid-2025, the United States imposed a 50% tariff on several Brazilian products exported to the country, including cachaça.

Under arguments associated with political-ideological discourse and measures to protect the national economy, the liability of foreignness may represent an estimated 12% reduction in sector revenues. For small producers, these losses tend to be even more severe, since the sector estimates that 50% of these small companies' revenues are concentrated in exports to the United States (Rezende, 2025).

## Discussion and Analysis of the Results

The Brazilian cachaça sector presents similarities with the broader Latin American context in which it is embedded, since the prevalence of informal economies in developing countries is widely documented (Santos et al., 2024). An informality rate above 89% is observed among cachaça producers in Brazil, who are almost entirely micro and small enterprises.

Originating predominantly from family farming, these producers use cachaça production as a complementary income-generating activity during off-season periods. This profile, marked by informality, therefore remains distant from the export market. Among formalized producers, in turn, cachaça production is often not the main business.

These similarities were also identified in Wesz's (2023) study on the profile of cachaça producers in Rio Grande do Sul, reinforcing the recurrence of this pattern across different regional contexts. This reveals one of the first initial barriers to exporting, which Kahiya (2018) defines as attitudinal barriers, that is, barriers related to values, beliefs, norms, and ways of conducting business that shape the institutional environment.

At the same time, the competitive disadvantages faced by formal firms cannot be disregarded, as these firms tend to incur higher operating costs within the current institutional setting (Vassolo et al., 2011). This is evidenced by Morais (2019), who reports the experiences of producers, especially formalized small enterprises, that find themselves at a competitive disadvantage in relation to informal firms in terms of costs in the domestic market. In theory, this may further limit their ability to allocate resources to investments in international trade.

One hypothesis that may aggravate this situation is what Azambuja (2023) defines as the sectoral regulatory policy of the cachaça industry. The design of a regulatory framework that standardizes requirements related to production practices tends to create additional barriers for micro and small producers, as it entails high entry and permanence costs, to the detriment of preserving regional specificities and local traditions.

Despite these findings, the results did not allow for a precise estimate of the exact dollar value of MSE participation in the international trade balance. This occurred because the cachaça sector still presents low informational transparency, lacking data that would enable prospective analyses and strategic decision-making, as also noted by sector actors (Cachaça com Notícias, 2024; MAPA, 2021).

Regarding the main barriers that discourage and/or lead to the interruption of exports, limitations related to management, resources, and marketing activities emerged as internal characteristics of micro and small enterprises in the cachaça sector.

In terms of management, the field research identified limitations in planning to serve both national and international markets, which is consistent with the classic literature on the export-oriented entrepreneurial profile. The predictive model proposed by Cavusgil et al. (1979), based on a sample of 473 firms, shows that the absence of formal market development plans places firms in a profile with a low probability of exporting, in which only 5.2% of the sample effectively engaged in exports.

These elements become even more restrictive when associated with limited resources, such as low cachaça production capacity, a small number of employees, and insufficient financial capital to operate simultaneously in two distinct markets.

The findings converge with evidence from the literature, which identifies the lack of qualified personnel, technical limitations, and insufficient financial support as central factors for micro and small enterprises (Paul et al., 2017; Pinho & Martins, 2010; Trindade, 2022), especially in emerging countries (Cahen et al., 2016; Milovanovic et al., 2022; Njinyah et al., 2023; Roy et al., 2016).

On the other hand, knowledge-related barriers, understood as the ability to identify, select, and establish contact with international markets (Leonidou, 1995), did not emerge as central constraints in the sector. One possible explanation lies in the institutional work carried out by ApexBrasil, which, since 2022, has developed a set of initiatives aimed at mapping international markets and publicly providing data on the specific characteristics of each country.

In a recent study, however, Trindade's (2022) investigation of the reality of small cachaça producers indicated that deficiencies related to knowledge of current legislation and export procedures remained as barriers, despite the efforts of Export Support Programs designed to provide this type of technical assistance.

Another particularity of the Brazilian sector concerns the limited number of accounts identifying marketing functions as a relevant internal barrier. This differs from the international literature, which points to limitations related to quality, pricing, promotional campaigns, and distribution (Kahiya, 2013, 2018; Leonidou, 1995; Pinho & Martins, 2010; Uner et al., 2013). In the cachaça sector, these functions are generally assumed by international partners, who fully bear responsibility for these activities.

In this context, the main barrier to cachaça exports does not lie in the execution of marketing functions, but rather in the difficulty of finding and establishing partnerships with international representatives. In the absence of these actors, exporting itself becomes unfeasible, as also evidenced by Trindade (2022) in an empirical study with cachaça-exporting producers.

This variable also affects so-called external barriers. The third-party endorsement strategy (Bell et al., 2012), ensured by the involvement of an international actor responsible for commercializing cachaça, minimizes the potential barriers identified in the literature regarding documentation and specific procedures, export measurement standards, and the adaptation of communication to different habits and attitudes among foreign consumers.

Likewise, the international market for Brazilian cachaça, directed mainly toward developed countries and/or neighboring markets, did not present losses related to communication infrastructure. Nor were limitations associated with the unavailability of adequate storage facilities, political instability, or administrative barriers recorded (Bell et al., 2012; Kahiya, 2013, 2018; Leonidou, 1995; Pinho & Martins, 2010; Uner et al., 2013).

Therefore, data from this study corroborate the literature by indicating that, for small firms with limited resources, networks play an even more relevant role, as they enable access to markets, partners, distributors, and strategic information, thereby reducing the risks associated with entering foreign markets (Johanson & Vahlne, 2009; Paul et al., 2017).

Musteen et al. (2010), however, emphasize that managers of small firms should pay attention not only to the existence of networks, but also to their structure, diversity, and informational quality, since excessive dependence on personal ties may be harmful, whereas diversified and professionally oriented networks tend to generate better outcomes.

One of the critical points in the Brazilian sector related to external barriers appears to be associated with the institutional dimension. The characteristics of a heterogeneous sector, marked by disunity and conflicts of interest, directly affect the construction of political lobbying and, consequently, international communication. This indicates that formal and informal rules operate as restrictions on the international expansion of firms in the cachaça sector.

Therefore, alternatives to promote exports by MSEs, especially in emerging countries such as Brazil, necessarily involve efforts toward institutional transformation. Within institutional theory, emphasis is placed on how institutional actors, such as governments, trade promotion agencies, and entrepreneurs, define both formal policies and informal elements (values, beliefs, and attitudes) that shape the institutional environment (North, 1990). These formal and informal rules regulate the business environment and may either facilitate or restrict firms' international expansion (Kahiya, 2018).

In this regard, the findings reaffirm the trends identified in systematic literature reviews on the topic conducted by Paul et al. (2007) and Singh et al. (2023), which indicate that the greater a firm's ability to mobilize institutional support, such as government incentives, the greater its likelihood of export success, especially in the case of small firms.

Finally, it is important to highlight the liability of foreignness, particularly intensified by the phenomena of economic nationalism and political populism observed in recent years. The reality of Brazilian cachaça directly resonates with the study by Muratova et al. (2025), which shows that political ideology influences the regulatory regimes applied to foreign firms, tending to shape entry and/or permanence strategies in international markets.

The challenges presented therefore indicate, once again, the importance of institutional work aimed at promoting formal and informal dialogue between corporate leaders and institutional actors, with a view to minimizing the costs of conflicts in international markets, especially for small firms, which tend to bear the greatest losses in this context.

## Final Considerations

In seeking to investigate the barriers that restrict exports by micro and small cachaça-producing enterprises in Brazil, the results largely converge with the classic literature on the topic. On the one hand, internal barriers related to management, resources, and production capacity are confirmed, elements that are recurrent in typological models. On the other hand, external barriers of an institutional and market nature are evidenced, notably the low international legitimacy associated with the "cachaça" category and the effects of informality on the domestic competitiveness of formalized firms.

At the same time, the case of cachaça diverges from frequent generalizations in the literature. Although many studies identify marketing as a critical bottleneck, this study observed that such functions are largely internalized by international distributors, when they exist. Thus, the main obstacle does not lie in the execution of marketing activities, but in access to reliable distribution networks, shifting the debate from marketing capabilities to the centrality of networks and relational governance.

Moreover, informational barriers did not emerge as central constraints, possibly due to the recent actions of promotion agencies, which have helped reduce information asymmetries regarding target markets, in contrast to the expectations reported in previous studies (Leonidou, 1995; Pinho & Martins, 2010; Tesfom & Lutz, 2006).

At the institutional level, the empirical evidence advances the discussion by specifying that, in sectors characterized by high heterogeneity and low collective coordination, the barrier does not arise exclusively from external state rules, but also from failures in intra-sectoral coordination among associations, chambers, and councils. These failures weaken joint lobbying, message standardization, and the construction of a consistent reputational narrative abroad. This feature broadens the understanding of institutional barriers by incorporating dimensions of sectoral governance and collective action, a theme less emphasized in the original taxonomies.

From the perspective of network theory and the internationalization process, the findings reinforce that export performance critically depends on embeddedness in relevant networks in the destination country, in line with the notion of liability of outsidership. In the case studied, two pathways have proven effective in mitigating such liabilities: i) long-term contractual partnerships with distributors that "embrace" the category, anchoring investments in marketing and consumer education; and ii) acquisitions by global conglomerates, which connect cachaça to established distribution and communication platforms.

In summary, the study confirms the usefulness of traditional typologies—internal versus external barriers—and of liability-based frameworks for interpreting the export performance of MSEs, while also refining them by showing that, in fragmented sectors of emerging countries, sectoral coordination capacity and the quality of international networks are key variables for converting productive potential into sustained presence in the global market.

Among the study's limitations, it is worth noting that the investigation relied exclusively on qualitative interviews, which does not allow for a broad reproduction of the general panorama of producers in the country. In addition, the empirical scope was limited to exporting producers and/or leaders in the beverage sector with direct interfaces with the international market. The methodological choice sought to capture experiential elements, but ultimately excluded non-exporting actors and, consequently, the perceptions that influence their decision-making.

The literature indicates however that the perception of export barriers is not static, varying according to the stage of export development, such that non-exporting firms, marginal exporters, and active exporters tend to perceive different types and intensities of obstacles (Sharkey et al., 1989).

As an agenda for future research, studies using mixed methods are recommended, particularly those that also investigate producers' perceptions regarding their interest or lack of interest in exporting, as well as the variables that condition the decision not to operate in foreign markets. The incorporation of mixed-method approaches, combining qualitative and quantitative data, may increase analytical robustness and provide a more comprehensive and comparative understanding of the export phenomenon among MSEs in Brazil.

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**Correspondence address:**

Daniel Calbino Pinheiro
E-mail: dcalbino@ufsj.edu.br

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