

IN-COUNTRY PROGRAM
IN
EXPORT DEVELOPMENT & INTERNATIONAL MARKETING
WITH
INDIVIDUAL PRODUCT/MARKETING CONSULTATIONS

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PREPARED BY:

**Export Development and
Trade Promotion**

World Trade Institute

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CONCEPT

A comprehensive program for officials of private and public corporations to develop practical ways of increasing exports and export earnings was held in Georgetown, Guyana September 19-25, 1981. The first three days of the program were devoted to conducting a seminar on Export Development and International Marketing. The last three days were used for individual on-site product/marketing consultations.

AUDIENCE

The program was attended by 42 officials representing twenty-two private and public sector organizations. (Refer Addendum "A" for complete listing of organizations represented and names of individual participants).

OBJECTIVES

To acquaint participants with the most useful methods of:

- Export Development
- Market Research
- Strategic Market Planning
- Export Pricing
- Export Transportation
- Distribution
- Payment
- Producing for the Export Market

To identify and diagnose problems that hinder exporting of specific products:

- Provide "first aid" solutions for some of the most immediate problems
- Prescribe remedies for problems which require longer-range solutions

To recommend business and government actions needed to increase the country's export earnings.

SEMINAR

There was complete attendance by all participants throughout the three-day seminar. The individuals who participated were intelligent and all evidenced an interest in probing the problems of export production and marketing. Although the lectures continued on during the weekend (a holiday from work) there was no drop in attendance.

From the discussion sessions and the individual case histories presented by the participants it appeared that Export Marketing could be the "open sesame" for creating a more temperate economic environment in their country and that Export Marketing could be the vehicle to join Guyana to the family of trading nations.

As a result of the seminar there was a recognition by the participants that the disincentives which exist in Guyana, preventing private sector organizations from exporting efficiently apply equally to government and public sector organizations and prevent them from entering the export market trade.

OVERALL CONCLUSIONS

Generally, the domestic market offers none of the factories, whether in the public or private sector, much hope for profitable expansion in the future.

They all must look to the export markets in order to maintain plant operations, job maintenance and continued revenues. With the exception of the vitreous ceramic tiles and the exotic wood, the factories visited can only offer to the export market production rather than products. This in itself is not negative, as a system of production sharing could be developed in the labor intensive light industry and the labor intensive medium industry.

The production potential has never been quantified and analyzed to be matched with production requirements in the industrialized markets. I believe that although structural problems exist within the economy, mechanisms exist which allow the export potential of the production sharing concept to be utilized as the first step in an export oriented program and as the first step in an investment development program.

INDIVIDUAL PRODUCT/MARKETING CONSULTATIONS

Individual on-site Product/Marketing Consultations were held with representatives from the private and public sector. (Refer Addendum "B" for consultation schedule).

The following are the factories/organizations which were visited, with observations noted. These companies are representative of their individual industrial sectors and reflect the sectoral problems.

MANUFACTURED PRODUCTS/SEWING

Wray's Enterprise

M. Wray, President

Wray's Enterprise is a major supplier of burlap sacks for rice and sugar. Essentially, it is a sewing operation purchasing jute from India and Bangladesh, purchasing approximately \$4 million of jute per year. Their labor force consists of 170-180 operational, direct labor and administrative employees.

Polypropylene, which has previously been purchased from South Korea and Greece, is used for all non-bulk sugar exports. A United States resource, AMOCO, has been identified for future purchases and negotiations are currently underway.

Since a polypropylene bag is approximately 15% cheaper than jute, it is obvious that polypropylene use will increase and jute will decrease in the next few years.

As this industry moves toward the use of polypropylene, it will become capital intensive, rather than labor intensive since there are automatic bag machines which are introduced into the production process.

One of the executives of the company, Miss Corbin, will be participating in our Export Industry and Trade Development program to be held in New York February 15 - March 12, 1982, with full funding being supplied by Wray's Enterprise

Conclusion

The only export significance for this product area could be seeking markets within the immediate CARICOM Area and through increased production volume to bring about a very competitive price. Lower raw material jute prices could be achieved by increasing the quantities purchased, also lending itself to a more competitive export market price for the finished product.

Briana Manufacturing Co., Ltd.

O. Phillips
Administrative Manager

This company manufactures men's shirts for the local market. Due to import restrictions on textiles, 50% of its capacity (300 dozen per week) is under-utilized.

The factory has adequate machinery, and the lack of modern automated pressing equipment is not an obstacle in the production of a saleable product. The factory layout is excellent and the pricing is competitive.

Conclusion

A system exists in the country for the "importation for exportation" of textiles which enables manufacturers to import textiles customs free, and export finished products at competitive prices since customs duties are not included.

There is no reason why this factory could not enter the export market. At the present moment, nothing is being done to develop this export potential. The company has a passive attitude because of the lack of knowledge of the export market opportunities which exist for them.

We have samples from this factory which have been evaluated and if a future program with the World Trade Institute is developed, this factory could participate as a "pilot" for this industrial sector.

TEXTILES

Women's Revolutionary Socialist Movement

Tessa Moore
Project Coordinator

This is a small cooperative engaged in tie-dieing cotton fabric and attempting to develop cotton products for the export market.

In the direction which they were heading, there exists no possibility of realizing any of their expectations.

Conclusion

We gave this group assistance in the form of a Product Development Guide directed toward making, marketing and selling loungewear, beach cover-ups and decorative throw pillows for tourists in the Caribbean Area.

WOOD PRODUCTS

Willems Timber & Trading Co., Ltd.

L.J.P. Willems,
Managing Director

Better drying methods (air and/or kiln) of Guyana exotic woods must be realized. Also, production problems exist due to the lack of infrastructure to reach the timber in the interior of the country. There are sufficient quantities of raw materials, however, the ability to cut sufficient quantities of the selected species in one location poses problems for the cutters.

Conclusion

It is clear that an export potential exists for selected exotic specialty woods as distinct from the export of general timber.

PLASTICSGuyana Thermo-Plastics Ltd.

R. Ramdulara
General Manager

The major product they are manufacturing is plastic pipe. They have up-to-date machinery in extrusion as well as injection molding and an impressive factory layout.

The costing method used by this factory does not follow standard costing procedure. As a result, costs are overstated which in turn understates net profits. It appears that their method of determining return on investment is considerably above industry standard and as a result effects the competitiveness of this company in the export market.

Conclusion

They face strong competition from similar manufacturers in Jamaica and Trinidad who also market the same products in the CARICOM market. Therefore, their only hope for the future is in the domestic Guyana Market. A possibility does exist in manufacturing for export standard and non-standard fittings which have a high labor intensive component. Since these fittings require shorter runs, longer set-up times and with the Guyana labor rate being what it is, this factory could develop a comparative advantage for the export market, until their competitors in Jamaica and Trinidad do the same product development.

METAL WORKINGIndustrial Engineering Ltd.

George Jardin
President

A well equipped engineer/metal working facility with an adequate professional and technical staff. Small production runs on a job shop basis are the specialty of this company.

Conclusion

The lack of a specific product is not a deterrent to export. This company offers to the export market production capacity for labor intensive metal working products.

Guyana National Engineering Corp. Ltd.

Pat Carmichael
Executive Chairman

We visited individual factories, e.g., tractor and motors, ship building, foundry and building materials. A Wrap-up session took place, chaired by Pat Carmichael, the executive chairman, with 7 divisional and technical managers from his organization.

The foundry capacity which they are now putting in place will give this organization the largest capacity in Guyana and the excess capacity will give this unit an excellent export opportunity.

The ship building unit has the personnel, equipment and space to expand their present capability of small boat building for the export market. The captive domestic market has given them the ability to build up a technical staff and to accumulate sufficient work experience which could be placed at the disposal of the export market with minimal difficulty.

The building Products division makes hinges which have an export potential in the CARICOM. The new factory presently being planned for vitrified tiles offers the best export potential for this total unit for export outside of CARICOM.

Conclusion

A variety of export possibilities both in the CARICOM Market and the more sophisticated markets exist for this industrial complex. The ability to reach the export possibilities is questionable not only because of structural problems but lack of sufficient knowledge of foreign markets and demands.

OTHER CONSULTATIONS

National Science Council
Technology Transfer Unit
University of Guyana

Dr. Dennis Irvine,
Chairman
Ms. Barbara Sukhai

A meeting was held on the last day with the Technology Transfer Unit of the National Science Council. They expressed an interest in being connected with our "On Line Market Intelligence and Trade Consultation Service". It was suggested that in the event that an arrangement is made between the World Trade Institute and the Guyana Manufacturers Association/Investment Council, then perhaps the Technology Transfer Unit could be serviced.

Guyana Manufacturers Association
Guyana Investment Council

George Jardin, President
Jairam Karan, Executive Director

The Guyana Manufacturers Association and the new Investment Council expressed an interest in being the focal point and coordinators for any proposal which we might submit to A.I.D. for assistance in investment and export marketing for private sector organizations

We have been requested by the Guyana Manufacturers Association and the Investment Council to prepare some proposals for them.

We have been visited by Mr. Jairam Karan, since my return to New York, and he expressed his desire that we proceed with a proposal which they would want to bring to A.I.D. for their consideration.

The following proposals are being prepared for submission:

- On-Line Market Intelligence and Trade Consultation Service
- Investment Promotion/Production Sharing
- Integrated Training
 - Export Development
 - Product Development

ADDENDUM "A"ORGANIZATIONS REPRESENTED AND NAMES OF INDIVIDUAL PARTICIPANTS

<u>NAME OF COMPANY</u>	<u>PARTICIPANTS</u>
1. Uni-National Ribbons	Mr. W. A. Wharton
2. Banks D.I.H. Ltd.	Mr. D. D'Andrade Mr. T. Li Mr. G. Mc Donald Mr. V. Parris
3. Bettencourts Bag Factory	Mr. E. Bennencourts
4. International Travel Bags	Mr. A. Shaw
5. Guyana Liquor Corporation	Mr. I. Bacchuss Mr. B. Narine
6. Aluminum Mfg. Co. Ltd.	Mr. J. Sears
7. P.R. Sampsons & Sons Ltd.	Mr. S. P. Sampson
8. Guyana National Printers Ltd.	Mr. J. Caglin Mr. F. Mohamed
9. Crystal Wax Works	Mr. W. B. Clarke
10. Wray's Enterprise	Miss D. Corbin
11. Demerara Oxygen Co. Ltd.	Mr. Tai-oy-Yong
12. Arrowhead Enterprise	Mr. E. George
13. Thermos-Plastics Ltd.	Mr. K. Alli Mr. K. Hussain Mr. R. Ramdular

<u>NAME OF COMPANY</u>	<u>PARTICIPANTS</u>
14. Gobin's Ltd.	Mr. Z. Hussein Mr. D. Seeraj Mr. B. Ramkumar
15. Guyana National Engineering Corp.	Mr. Pellew Mr. C. Surbyran Mr. Verwey Mrs. M. Young Mr. C. Mc Gowan Mr. E. Kendel
16. Colgate Palmolive Ltd.	Mr. E. Lewis (K. Singh) Mr. A. Lewis Mr. K. Seegopaul Mr. C. Pestano Mr. M. Majeed
17. R.A. Sute-A-Quan Liquor Store	Mr. R. A. Sue-A-Quan
18. Luther Neckwear	Mr. C. F. Luthers
19. K. Rahaman & Sons	Ms. R. Rahaman Mrs. Rahaman
20. Women's Revolutionary Socialist Movement	Ms. T. Moore
21. 171 Lamaha Gardens G/Town	Ms. Beverley Henry
22. National Science Council Technology Transfer Unit University of Guyana	Dr. Dennis Irvine Ms. Barbara Sukhai

ADDENDUM "B"ON-SITE INDIVIDUAL PRODUCT/MARKETING CONSULTATIONS

Wray's Enterprise	M. Wray, President
Briana Manufacturing Co., Ltd.	O. Phillips, Administrative Manager
Women's Revolutionary Socialist Movement	Tessa Moore, Project Coordinator
Willems Timber & Trading Co., Ltd.	L.J.P. Willems, Managing Director
Guyana Thermo-Plastics Ltd.	R. Ramdulara, General Manager
Industrial Engineering Ltd.	George Jardin, President
Guyana National Engineering Corp. Ltd.	Pat Carmichael, Executive Chairman
National Science Council Technology Transfer Unit University of Guyana	Dr. Dennis Irvine, Chairman Ms. Barbara Sukhai
Guyana Manufacturers Association Guyana Investment Council	George Jardin, President Jairam Karan, Executive Director