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PACIFIC ISLANDS—UNITED STATES TRADE THROUGH PRIVATE SECTOR DEVELOPMENT

ARI Action Research International

PACIFIC ISLANDS—UNITED STATES
TRADE THROUGH PRIVATE SECTOR DEVELOPMENT

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TABLE OF CONTENTS

		Page
PREFACE		i
SECTION I.	INTRODUCTION	1
	A. Goals and Objectives	1
	B. Significance of the Project	1
	C. Trade Orientation of Pacific Island Countries—Current Trends and Strategies	2
	D. The U.S. Business Community—A New Direction	3
SECTION II.	CONFERENCE PLANNING	4
	A. Summary of Start-Up Activities	4
	B. Study Trip and Site Selection	5
	C. Survey of Local Entrepreneurs and Island Institutions	5
	D. Results of the Survey of Government and Non-Government Institutions	6
	E. Results of the Survey of Pacific Island Entrepreneurs	9
	F. Preliminary Market Survey of Pacific Island products	11
	G. Publicity	12
	H. Stipends for Public Island Entrepreneurs	12
	I. Identification of Speakers, Panelists, and Resource Persons	13
	J. U.S. Private Sector Participants	13
	K. Product Display and Trade Show	14
	L. Conference Agenda	14
SECTION III.	SUMMARY OF OPENING AND TRAINING SESSIONS	18
	A. The Opening Sessions: Aid Through Trade	18
	B. Advertising and Selling the Pacific Image	19
	C. The Role of the Food and Drug Administration	22
	D. Understanding U.S. Customs	24
	E. Role of the U.S. Department of Agriculture	26
	F. Shipping and Documentation	27
	G. Using the U.S. Generalized System of Preferences to your Advantage	28
	H. Headnote 3(a)	30
	I. The Legal and Governmental Environments	31
	J. The Business and Social Environments	34
	K. The U.S. Market in Processed Foods and Tropical Fruit Products	36
	L. Seafood and Marine Products	38
	M. Handicrafts and Artifacts	40

N. Specialty Items 43
O. Primary Agricultural Products 46
P. Tourism and Related Industries 48
Q. Financing Pacific Island Products 50

SECTION IV. LOOKING AHEAD--STRATEGIES FOR THE FUTURE . . . 54

A. Comments From the Floor 55
B. Transportation 55
C. Marketing 55
D. Finance 56
E. Regional Cooperation 56
F. Primary Agricultural Products to the United States . . . 56
G. Handicrafts 56
H. Constraints to Trade 57
I. Foreign Aid 58
J. Follow-Up Activities 58
K. Summary Statement 59

SECTION V. EVALUATION 60

A. Introduction 60
B. Evaluation Instrument 61
C. Evaluation Results 61
D. Personal Interviews 64

APPENDIX A. The Pacific Island Nations and States 65

APPENDIX B. Exportable Products from the Pacific Islands 67

APPENDIX C. Address of the U.S. President to the 22nd South Pacific Conference 70

APPENDIX D. Survey Questionnaires 72

APPENDIX E. List of Pacific Island Products Surveyed 80

APPENDIX F. Media Publicity 82

APPENDIX G. List of Participants, Including Speakers, Panelists and Resource Persons 90

APPENDIX H. Trade Exhibit 119

APPENDIX I. ADDRESS OF THE U.S. PRESIDENT TO THE PACIFIC ISLANDS—UNITED STATES TRADE THROUGH PRIVATE SECTOR DEVELOPMENT CONFERENCE 127

APPENDIX J. SITUATION ANALYSIS OUTLINE 129

APPENDIX K. I.C.C. INCOTERMS 141

APPENDIX L. MARKETING CONSIDERATIONS FOR TROPICAL FRUIT PRODUCTS 148

APPENDIX M. EVALUATION FORM 151

LIST OF TABLES

		Page
Table 1:	Geography of Respondents	6
Table 2:	Major Difficulties Faced in Exporting to the United States	10
Table 3:	Major Problems to be Discussed at the Conference	11
Table 4:	Total Number of Responses and Averages According to Evaluation From Questions 1 through 4	

LIST OF FIGURES

Figure 1:	Type of Respondents—Institutions	6A
Figure 2:	Best Potential Products	6A
Figure 3:	Geography of Respondents—Private Sector	6B
Figure 4:	Geography of Respondents—Institutions	6B
Figure 5:	Number of Employees	9A
Figure 6:	Sales	9A
Figure 7:	Years in Business	9B
Figure 8:	Ownership	9B
Figure 9:	Products	9C
Figure 10:	Countries Exported To	9C

Preface

Private sector development is an important aspect of the U.S. Agency for International Development's foreign economic assistance program. The encouragement of private enterprise in low-income countries, primarily through investment and trade promotion activities, is seen as a way of increasing employment and stimulating economic growth. U.S. companies are actively encouraged to play a greater role in these activities.

The Agency's private sector initiative is in accord with current development principles in the Pacific Islands. Many Pacific Island governments are interested in creating a more favorable climate for private entrepreneurship by encouraging joint ventures and export promotion activities. But they face significant production, marketing and export barriers such as high transportation costs and lack of information about the U.S. marketplace.

Reflecting this expanding concern, USAID contracted with Action Research International to undertake a project to increase the prospects for trade between the U.S. and Pacific Island countries. A regional meeting to bring together the public and private sectors of both the U.S. and the Pacific was considered the first step toward stimulating the growth of the private sector through increasing opportunities for trade.

Accordingly, the Pacific Islands - United States Trade Through Private Sector Development project was begun in July 1983 and culminated in a five-day regional conference held in Honolulu, Hawaii, in March 1984. Participants were drawn from the U.S. and 17 countries of the South Pacific--American Samoa, Commonwealth of the Mariana Islands, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Niue, Republic of Palau, Papua New Guinea, Republic of the Marshall Islands, Solomon Islands, Tuvalu, Tokelau, Vanuatu, and Western Samoa. There was a total of 251 registered participants: 135 from the Pacific Islands; 115 from the United States; and 1 from New Zealand. Of the Pacific Islands, the private sector was represented by 84 participants while the government and other institutions were represented by 51 participants. Of the United States representatives, 84 were from the private sector, 14 were from the U.S. government, and 17 were representative of other institutions.

The regional conference should be regarded as an attempt to enhance the export marketing and trade promotion capabilities of small and medium-sized firms in the Pacific. Already Pacific Islanders are beginning to rely less heavily on traditional markets in New Zealand, Australia, and Europe, and are taking the initiative to explore new opportunities in the U.S. Several months after the Conference, Papua New Guinea organized its first trade mission to the United States. We are confident that as a result of the USAID project trading relations between the Pacific Island countries and the U.S. will be significantly strengthened.

Action Research International is a minority-owned small business which conducts research and provides program and management consultation. ARI is particularly committed to assisting the growth of the private sector in low-income countries. The Pacific Islands-United States Trade Through Private Sector Development project, on which this report is based, was sponsored by the USAID and managed by ARI, and represents one such effort in that mission.

ACKNOWLEDGEMENTS

The Pacific Islands-United States Trade Through Private Sector Development project is the result of the vision and effort of many people. Chief among them are Bill Paupe of USAID and Joseph Harrison of the Washington Pacific Group. Bill Paupe and Larry Brown served as USAID project officers and their assistance and cooperation were invaluable in keeping the project on target.

Pacific Islanders made significant contributions throughout the conference. Among them are: Te'o Fairbairn, Misikei Chong Wang, Paul Sotutu, Eunike Atualevao, and Jack Netzler (Western Samoa); Epeli Kacimaiwai and Peter Elvy (Fiji): Pamela Takiora Ingram Pryor (Cook Islands); Governor Peter Coleman and Lelei Lelaulu (American Samoa); Simeti Moala (Tokelau); Bradley Punu (Niue); Alexis Huni (Tonga); Peter Christian (CNMI); Lindsay Barrett (Vanuatu); Marae Irata (Kiribati); Bruce Parkes and Phillip Cridge (Papua New Guinea). We thank them all.

We also wish to recognize the contributions of the many individuals, mainly from the United States, who freely donated their time and expertise in support of the project. They include: John Armstrong, David Bjerke, Dean Bush, Catherine Cavaletto, Harvey Chan, Ivan Contreras, Merle Crowe, John Cruickshank, Vincent Goddard, Ruth Greenberg, Glaidelle Hamlett, Mike Hamnett, Egar Harrell, Marlene Harrison, Julia Hirsch, Bernard Hosie, William Knudsen, Howard Ladd, Bill McCabe, Anita McNulty, Linda Moriarty, Dorrie Paganini, Jim Parkhill, Carl Parr, John Pelkan, David Ramsour, Micheal Real, John Sablan, Scott Soper, Gerald Sumida, Denise Surber, Gene Ward, Peter Watson, Jincie Williams, Carlton Williams, Rodner Winget, Steve Wright, Caroline Yacoe and Fred Zeder.

The conference would not have been possible without organizational support from Air Pacific, Asia Foundation, Bank of Guam, Bank of Hawaii, Container Storage of Hawaii, Inc., Deloitte Haskins & Sells, Duty Free Shoppers Ltd., the East-West Center at the University of Hawaii, Foundation for the Peoples of the South Pacific, Hawaii World Trade Association, Hawaii International Services Agency, Hawaiian Telephone, Paradise Cruisers Ltd., the International Trade Center, Peat, Marwick, Mitchell & Co., South Pacific Bureau for Economic Cooperation, South Pacific Island Airways, and the United Nations Development Program.

And we wish to thank, too, the many federal government agency representatives who provided essential information prior to and during the conference, in particular, Victor Renaghan, William C. Hill, Leo Mayer, Dorothy Dwoskin, Louis Sleeper, Richard Waidzunas, and David Nakagawa.

Finally, ARI wishes to express special thanks to the project staff and consultants who worked hard to ensure a successful project. The project team consisted of Alexander Mamak, Joseph Harrison, David Windle, Nancy Torrey, Kathy Gower, and Sam Price.

Alexander Mamak
Nancy Torrey
San Francisco, September 1984

I. INTRODUCTION

A. Goals and Objectives

The long term goal of the Pacific Islands-United States Trade Through Private Sector Development program is to promote growth of the private economy in most of the low-income countries in the Pacific. In response to the above goal, Action Research International, the Washington Pacific Group, and a number of other organizations worked together to plan and hold a regional working conference with the following objectives:

1) Provide a forum for 175 representatives of both public and private sectors of the 21 Pacific Island nations and states (see Appendix A) and the U.S to identify, discuss, and implement trade-oriented and export promotion strategies.

2) Transfer appropriate technical, management, and marketing expertise from the United States to 100 representatives of the 21 Pacific Island countries, and facilitate the flow of technical co-operation among these countries and between the United States and the Pacific through a series of seminars and workshops at the conference.

B. Significance of the Project

Among the significant aspects of the project we should like to emphasize three in particular.

First, the goal and objectives of the conference are consistent with the U.S. Agency for International Development's interest and commitment to promoting private sector development in low-income countries and of engaging the U.S. business community more actively in this endeavor. The project demonstrated and enhanced the USAID principle that U.S. private sector involvement is an important ingredient in the overall foreign aid effort.

Second, the conference acted as a "bridge across the Pacific", heightening the awareness of locally-owned firms and entrepreneurs from the island nations and states to American business and its potential contributions, and fostering an attitude of regional and international cooperation.

Finally, the project assisted a significant number of Pacific Island entrepreneurs in developing a new market for their products or in increasing their exports to the U.S.

It is generally agreed that trade expansion and export promotion are inextricably linked with economic efficiency and growth in low-income countries. Furthermore, a strong trade base tends to be a prerequisite for attracting foreign capital. By stimulating the growth of the private sector through trade with the United States and other countries, and with the proper use of limited

foreign assistance resources, many Pacific countries will stand a good chance of achieving sustained economic growth, providing prospects of increased employment and a higher standard of living for all its citizens.

C. Trade Orientation of Pacific Island Countries-Current Trends and Strategies

Most of the Pacific Islands are characterized by small economies, limited internal markets for manufactured goods, low per capita income, and a heavy reliance on imports. However, export promotion has become a major focus of development planning as Pacific Island leaders recognize the critical importance of exports to the economic prosperity of their countries.

The Pacific Islands already have a fairly wide range of products and services of economic value to the rest of the world. Mineral exports account for nearly 42 percent of the total exports from the Pacific Islands and, in value terms, they are expanding their share in the total exports from the Pacific region at a rate above the annual average of 38 percent. Nauru, Papua New Guinea, New Caledonia, Fiji, and the Solomon Islands lead in mineral production.

Next to minerals, the beverage group (coffee, tea, cocoa) and spices dominate the composition of exports from the Pacific. Beverages and spices account for about 14 percent of the total exports from the region. The main exporters of beverages are Papua New Guinea and Western Samoa, along with Fiji, which also exports spices.

Fish and seafood account for 10 percent of the total export value throughout the Pacific and are produced mainly by American Samoa, Papua New Guinea, the Solomon Islands, Fiji, and Vanuatu. Copra (dried coconut) and coconut oil exports account for 9.4 percent of the total exports from the Pacific Islands. Palm oil from Papua New Guinea and the Solomon Islands is making an increasing contribution to total export earnings. Wood and wood products are recording spectacular increases, mainly from Papua New Guinea, the Solomons, and Fiji. Most of the sugar from the region comes from Fiji and constitutes seven percent of the total regional exports (see Appendix B; Public Service Satellite Consortium, Report on the Pacific, 1982).

However, the remoteness of the island nations and states from all the main markets of the world, the high cost of transportation, and the fact that many indigeneous businesspeople and traders lack skill in production, marketing and exporting to world markets have made it very difficult to develop and operate export-oriented industries. These problems are compounded by the fact that such exports as Fiji's sugar, Papua New Guinea's copper, and the Solomon Islands' copra are susceptible to price fluctuations in international commodity markets which none of them controls.

Despite these difficulties, the Pacific is poised for rapid economic change in the 1980's. They are attempting to diversify their export base by increasing the numbers and kinds of exports. New cooperation agreements such as PATCRA (Papua New Guinea-Australia Trade and Commercial Relations Agreement) and SPARTECA (South Pacific Regional Trade and Economic Cooperation Agreement) have been developed to foster more trade links between island nations and Australia/New Zealand.

SPARTECA is a non-reciprocal effort by Australia and New Zealand at liberalizing trade with the Pacific Islands. The SPARTECA agreement specifically aims at the removal of tariff and non-tariff barriers on a non-reciprocal basis to facilitate access to a substantial number of Island products to Australian and New Zealand markets. The range of exports, the quantum of export earnings and foreign exchange earnings are all expected to increase. SPARTECA also encourages joint ventures that promote the transfer of technology and expertise to the Pacific.

The cooperation agreements and new incentive policies of island governments suggest that U.S. private investment can play a major role in the trading prospects of the Pacific Islands in the 1980's and beyond. There could be positive spread effects as shown by the success stories of Singapore and other countries in the Pacific Basin area where market-oriented policies have been applied.

D. <u>The U.S. Business Community-A New Direction</u>

Given the desire of many Pacific countries to expand their economic base through export promotion, it is not surprising that many Pacific Island leaders are looking to American business as a major partner in economic development. USAID's new private sector initiative is in accord with current development principles in the Pacific and can easily be implemented with great benefit to the region.

The South Pacific Bureau for Economic Cooperation (SPEC), a body representing the governments of the independent island nations, published a report in 1982 emphasizing the substantial market opportunities that exist in the United States for Pacific Island products. The 1982 report calls upon SPEC member countries to "develop a strong U.S. market orientation, in contrast to a past tendency toward production orientation". The report also calls for the creation of a trade promotion office in the U.S., although it leaves open the question as to what form it should take.

U.S. firms are also becoming increasingly interested in the Pacific, primarily because it is a politically stable, resource-rich and potentially viable area for rapid economic growth and development. Economic development and private sector expansion in the Pacific would mean direct business opportunities for American companies and jobs for their employees.

Thus, the prospects for involving the U.S. business community in private sector development in the Pacific have never been better. The Pacific Islands already have a viable private sector which is encouraged and supported by the Island governments. This was recently demonstrated at the 22nd South Pacific Conference where Pacific island government officials met and interacted with representatives of American business (see Appendix C).

The previously insolvable problem of high transport and transfer costs is being overcome through the introduction of a new economical sea cargo service between the U.S. West Coast and certain Pacific Island ports. The American Samoan government has completed a major trans-shipment project in Pago Pago which will expedite the flow of goods from other islands.

Given these positive factors, the time was right to follow-up on the significant, but brief, 22nd South Pacific Conference by bringing together representatives of both public and private sectors of the Pacific Islands and the U.S. to identify, discuss, and implement trade-oriented development strategies for the 1980's and beyond. The next section of the report describes all the major activities which went into conference planning. It also presents some of the results. Section III provides a synopsis of the training sessions and Section IV summarizes the plenary session: Strategies for the Future. The final section presents the results of a detailed conference evaluation written by Dr. Sam Price of the Pacific Studies Institute.

II. CONFERENCE PLANNING

A. Summary of Start-up Activities

The project team engaged in a number of start-up activities beginning July 1, 1980 to ensure the timely completion of subsequent project activities in an effective and efficient manner. These activities included:

* orientation meeting with the project officers in Washington D.C.;
* study trip and site selection;
* development and implementation of a needs and resources survey of Pacific Island institutions and entrepreneurs;
* preliminary market survey of selected Island products;
* work on obtaining a commitment from various foundations to provide travel funds to Pacific Island entrepreneurs to attend the conference;
* identification of speakers, pannelest and resource persons;
* publicity;
* product display and trade show;
* development of a tentative conference agenda;

B. Study Trip and Site Selection

On July 18, 1983, Mr. Joseph Harrison, a project consultant, travelled to Western Samoa to observe a training conference organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). The ESCAP conference provided the opportunity to observe a similar project aimed at training Island entrepreneurs in the skills of export production and development.

Mr. Harrison discussed conference management techniques with ESCAP organizers and Pacific Island participants. He sought out the Pacific Islander view of things to do and not do in the USAID regional conference. In his trip report Mr. Harrison noted that a considerable amount of interest in the regional conference was generated at the ESCAP meeting of government officials from five Island nations.

After the conference, Mr. Harrison accompanied the ESCAP Director on a study trip to the Cook Islands and Niue. In the Cook Islands they met with government and private sector leaders and obtained much information that was subsequently used to plan the AID regional conference. In Niue, Mr. Harrison met with the Premier and the Minister for Economic Development who agreed to send a representative to the regional conference.

Mr. Harrison then visited American Samoa and discussed with Governor Peter Coleman the possibility of holding the regional conference in American Samoa. Governor Coleman had previously offered to host the conference in his country. However, after checking the facilities and further discussions with the Governor, it was decided that American Samoa would not be an ideal site for the first meeting.

The Project Director joined Mr. Harrison in Honolulu, Hawaii, to determine the feasibility of holding the conference there. They met with East-West Center officials and concluded, with AID concurrence, that Honolulu would be an appropriate venue to hold the meeting. Conference facilities were identified and reviewed and an on-site coordinator was selected.

C. Survey of Local Entrepreneurs and Island Institutions

A resource assessment survey of Pacific Island entrepreneurs and institutions was conducted in November 1984 to:

* identify resources and participants for the conference;
* acquire baseline data on trade with the United States;
* assist the project team in developing a conference agenda based on needs expressed by Island conferees and drawing upon the skills they possess

Two questionnaires (see Appendix D) were sent to: 1) 48 senior representatives of government and non-government institutions

with jurisdiction over industrial, trade, tourism/cultural affairs, Chambers of Commerce, Development Banks, etc., and 2) 135 small to medium-sized business representatives from the 21 island nations and territories identified through business directories and referrals.

To enhance the reliability of the data collection process, compiling and editing activities occurred as soon as each completed questionnaire was returned. Each questionnaire was reviewed to ensure that responses were complete and gaps and inconsistencies were remedied through an immediate follow-up letter, and/or reviews of background materials.

The primary purpose of data analysis was to apply the results directly to the conference organization and the prepration of a report which included other data to provide relevant and comprehensive information to conferees.

In the end, ninety-five questionnaires were completed and returned. The breakdown is as follows:

Table 1
Geography of Respondents

Country	Private Sector	Institution	Total
Cook Islands	5	3	8
Fiji	14	4	18
Niue	3	3	6
Papua New Guinea	12	3	15
Solomon Islands	6	2	8
Tonga	6	2	5
Western Samoa	7	5	12
Tuvalu	2	0	2
Kiribati/Vanuatu/ French Polynesia	4	0	4
U.S. Pacific Islands	8	7	15
TOTAL	67	28	95

D. Results of the Survey of Government and Non-Government Institutions

The majority of the 28 institutions responding to the institutional survey were government departments (64.3 percent), followed by Chambers of Commerce (17.8 percent), Industrial Council Development Boards (10.7 percent), research institutions (3.6 percent) and banks (3.6 percent).

The institutional representatives from Western Samoa, Papua New Guinea, Fiji, Tonga and several states in Micronesia said they had developed plans to introduce specific products to the U.S.

Figure 1

INSTITUTIONS--RESPONDENTS

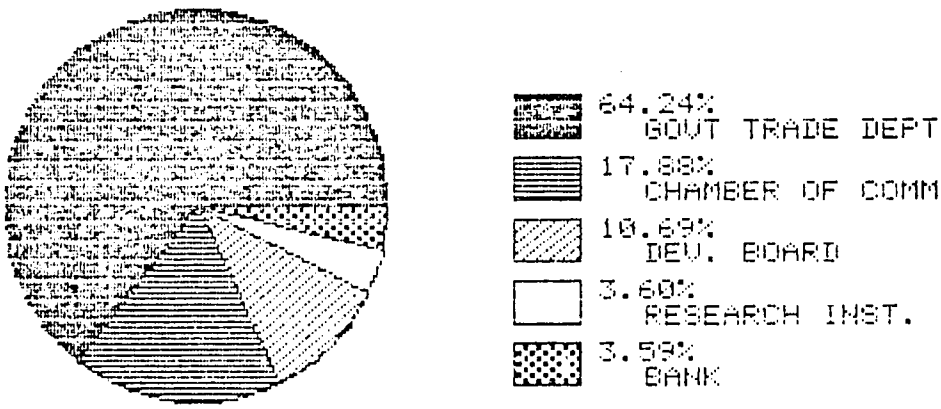


Figure 2

BEST POTENTIAL PRODUCTS

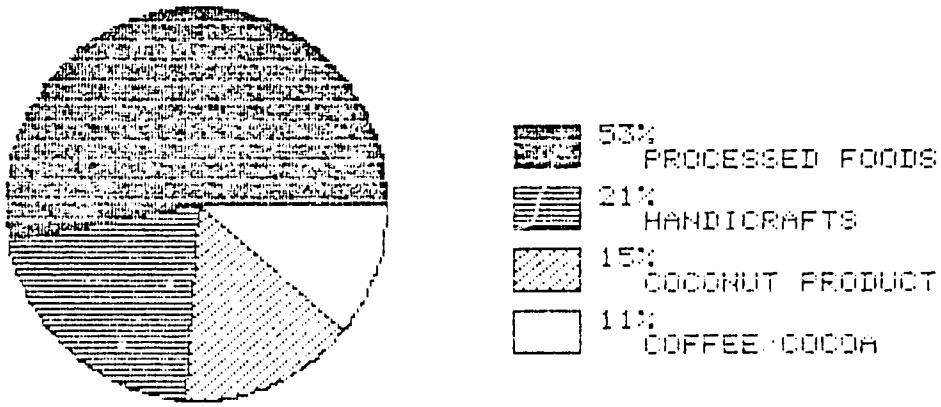
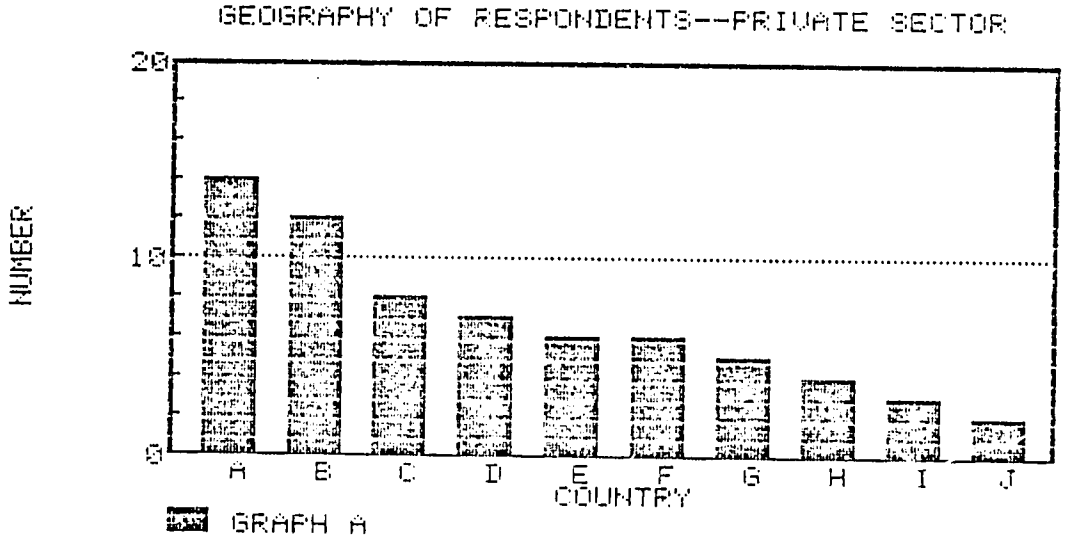
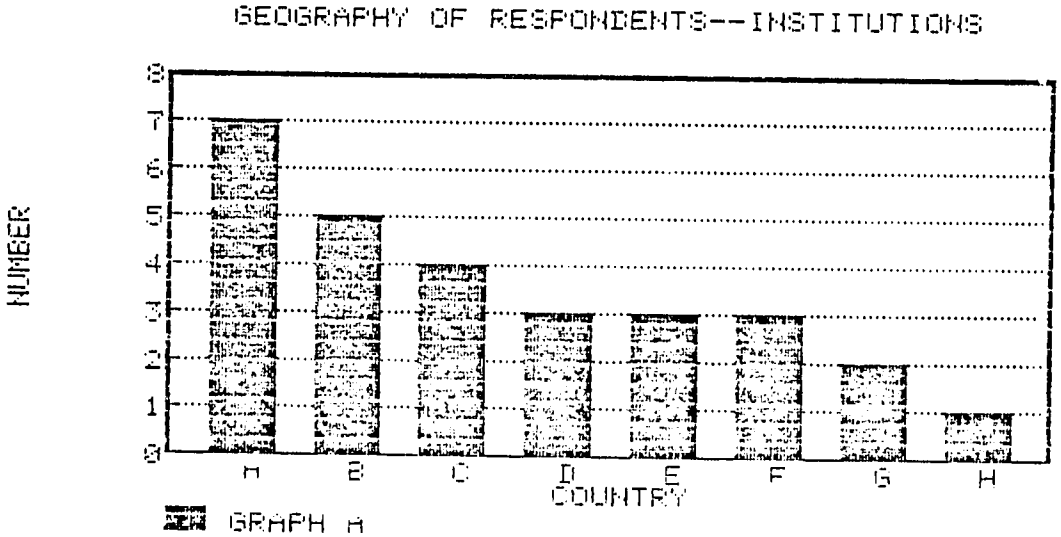


Figure 3



A - FIJI
B - PAPUA NEW GUINEA
C - U.S. PACIFIC
D - WESTERN SAMOA
E - TONGA
F - SOLOMON ISLANDS
G - COOK ISLANDS
H - KIRIBATI/VANUATU/ FRENCH POLYNESIA
I - NIUE
J - TUVALU

Figure 4



A - U.S. PACIFIC
B - WESTERN SAMOA
C - FIJI
D - NIUE
E - COOK ISLANDS
F - PAPUA NEW GUINEA
G - TONGA
H - SOLOMONS

marketplace. The remainder were either developing such plans or would like to. All were strongly in favor of establishing joint ventures with American partners.

The sponsorship of trade seminars and trade missions were the most frequently cited ways respondents felt they could assist in promoting and expanding trade with the United States.

Many respondents (53 percent) felt food products such as taro, yams, fish, as well as processed foods and spices, have the highest potential for export to the United States. This was followed by handicrafts and shells (21 percent), coffee and cocoa (11 percent). Coconut oil, copra, soaps and coconut oil-based cosmetics make-up the remainder of the list.

Respondents identified seven major barriers to exporting to the United States. In descending order of importance they were:

1. Resource limitation (limited natural resources, capital, managerial/technical capabilities, labor supply).

2. Transportation (infrequent air freight and shipping services, high freight costs, lack of feeder and inter-island transport services).

3. Smallness of Size (low volume of exports, limited domestic market).

4. Lack of information (lack of information on demand for products, product prices, packaging and quality control requirements, cultural and sociological trends in the U.S.).

5. Location (too far from the U.S.).

6. Non-Tariff Barriers (complex licensing and customs procedures, quantitative restrictions).

7. Lack of Infrastructure (lack of modern harbors, airports, roads, electricity, land, etc.).

According to our informants, all of the preceding factors impact the ability of exporters to access the U.S. marketplace. For those who experience a combination of these hinderances, access to the U.S. market may effectively be blocked.

The problem areas and export promotion strategies respondents wanted to see discussed at the conference included: 1) access to information on packaging and quality control requirements; 2) information on demand for products, and pricing information; 3) assistance in marketing; 4) creation of a regional organization to promote exports from the Pacific; 5) improvement of local managerial and technical capabilities; 6) finance; 7) removal of trade and non-tariff barriers; and 8) how to meet competition from countries such as Hongkong and Taiwan.

The representatives from Western Samoa, the Cook Islands, Papua New Guinea, Fiji, Tonga and the U.S. Pacific Islands were particularly interested in receiving assistance in marketing their country's products, while the Solomon Islands, Fiji, and Papua New Guinea respondents were strongly in favor of developing an export network to increase and manage trade with the United States. The majority of respondents wanted to gain access to information on trade with the United States.* All were in favor of a program to train Island business people in the technical requirements of exporting to the U.S.

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* Trade Information Services (TIS) have been developed by SPEC in a number of member countries with assistance from UNDP and the International Trade Center in Geneva. These services are available to both government officials and entrepreneurs, although all sources of information and available assistance to strengthen and develop the TIS have yet to be identified.

E. Results of the Survey of Pacific Island Entrepreneurs

Sixty-seven entrepreneurs from the Pacific Islands responded to the survey questionnaire. About half the private sector respondents were from Fiji, Papua New Guinea, and the U.S. Pacific Islands; a third were about equally divided between Western Samoa, the Solomon Islands, Tonga, and the Cook Islands, while the remainder were from Tuvalu, Niue, Kiribati, Vanuatu and French Polynesia.

An analysis of personnel, type of ownership, sales and other business activities provides some useful information about the typical entrepreneur who responded to the survey. A typical respondent had less than 20 persons employed in his or her firm, grosses less than US$ 250,000 a year, has been in business for more than six years, runs a 100 percent indigeneous-owned business, and feels that the business has been moderately successful in the past 12 months. The firm is likely to be involved in manufacturing, including wholesaling and/or retailing.

The entrepreneurs were well-represented in the handicrafts and food processing industries. The other industries represented include furniture and timber products, stamps, garments, and agricultural products.

Four-fifths of the private sector representatives were exporting their products abroad. Slightly more than one-third exported to Australia and New Zealand, while about 25 percent exported to the United States. A few exported to Asia or to the other Pacific Islands. The main channels used for product distribution were importers and agents.

The vast majority of entrepreneurs who were not currently selling to the U.S. said they would like to. A number of factors impact the entrepreneur's access to the U.S. marketplace. It is interesting to compare their responses to those obtained from the institutional survey. Unlike the institutional representatives, entrepreneurs did not view resource limitation as a major barrier to exporting. Insufficient information about the U.S. marketplace, difficulty in locating a suitable agent, and distance from the U.S. were problems for many of the private sector representatives. To a lesser extent, there was a degree of consensus among the respondents that duty/import restrictions, high freight costs, lack of quality control, and limited production hindered them from exporting to the United States.

Figure 5

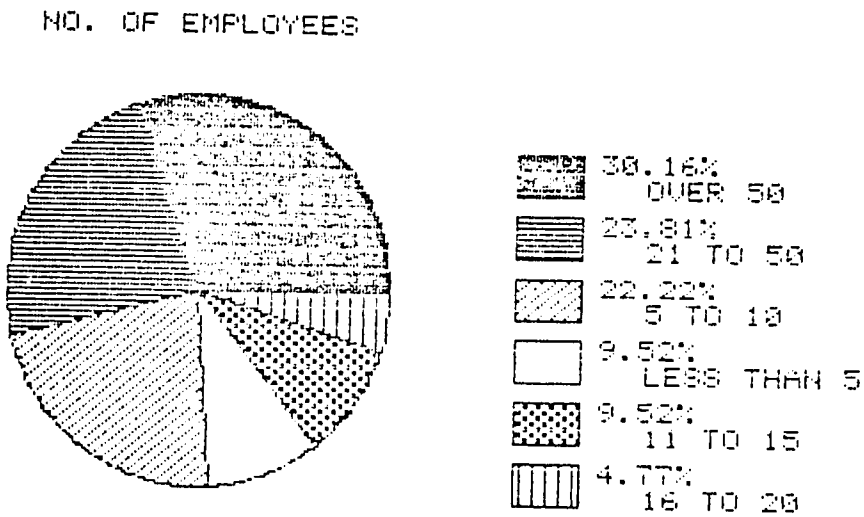


Figure 6

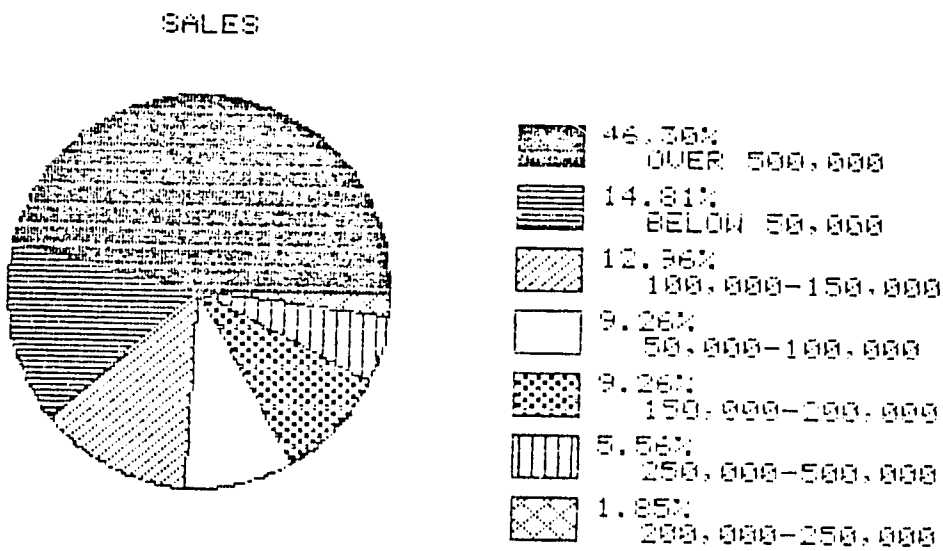


Figure 7

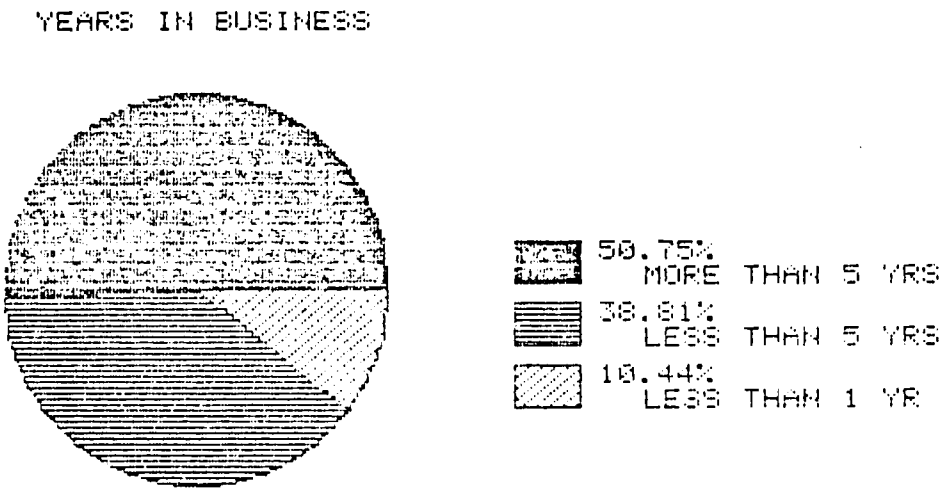


Figure 8

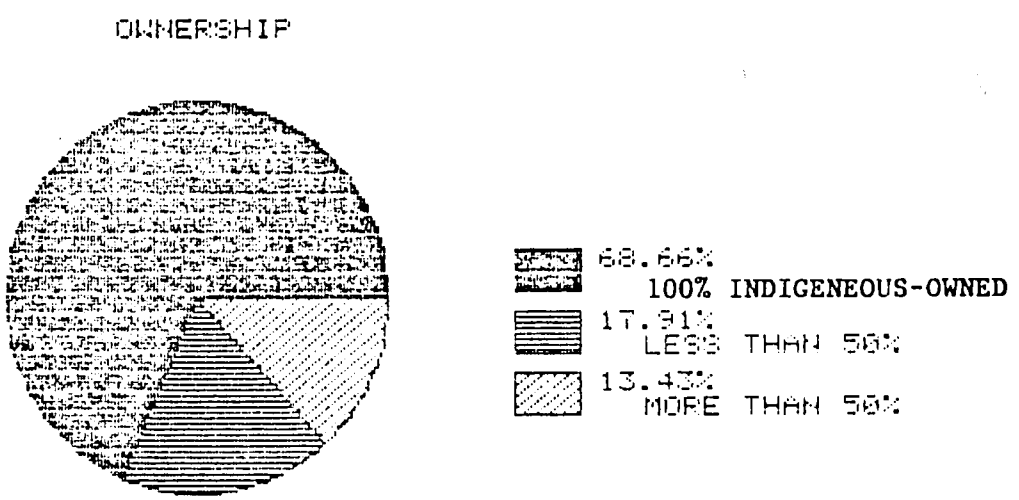
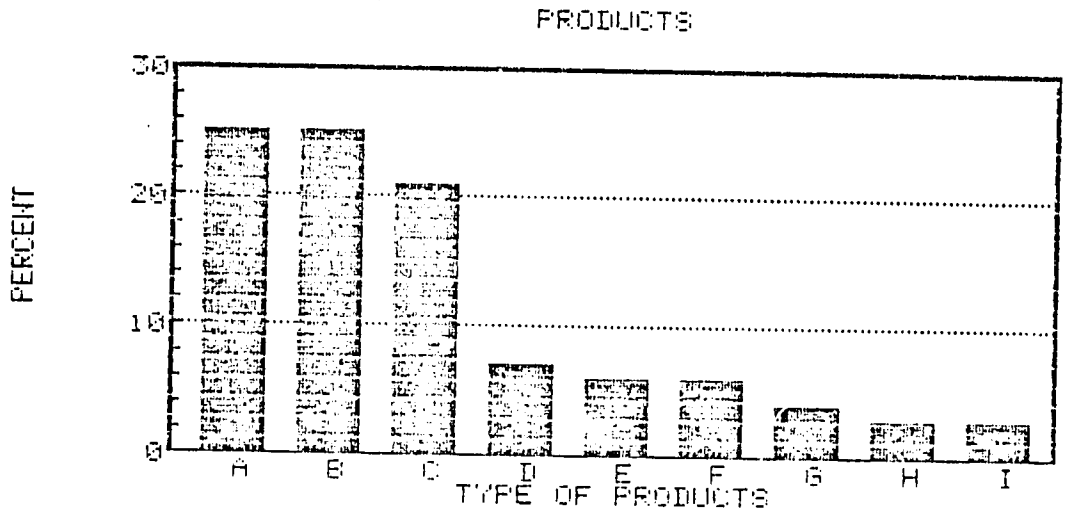


Figure 9



A - HANDICRAFTS
B - PROCESSED FOODS
C - MISCELLANEOUS (e.g. stamps)
D - GARMENTS/SWEATERS
E - AGRICULTURAL PRODUCTS
F - SOAPS, SUNTAN OIL ETC.
G - SPICES
H - FURNITURE/TIMBER
I - OTHER COCONUT-OIL BASED PRODUCTS

Figure 10

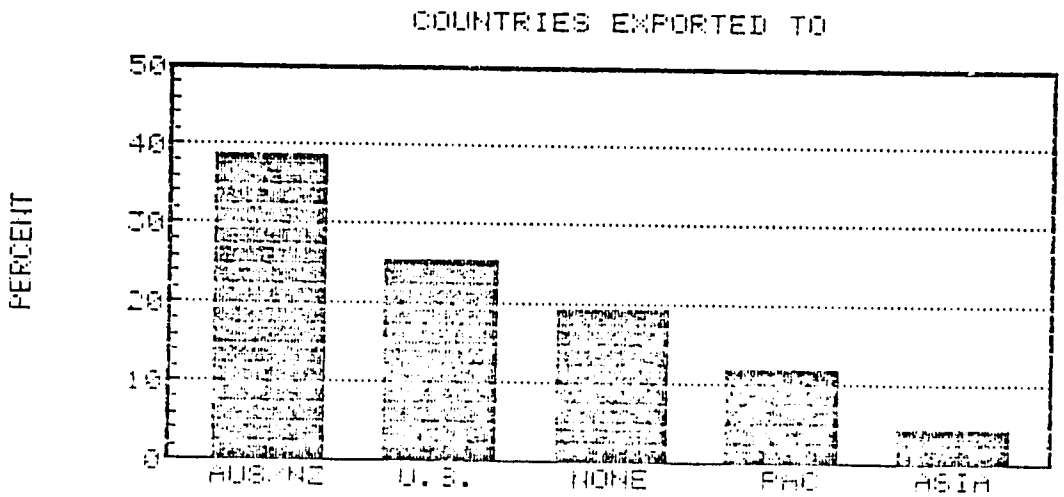


Table 2

Major Difficulties Faced in Exporting to the U.S.

Difficulties	No.	Percent
Lack of information on U.S. market	14	25
Difficulty in locating a buyer or agent	12	21
Distance from the U.S.	12	21
Duty/Import constraints	5	10
Resource limitation	3	5
Production difficulties	3	5
Freight costs	4	7
Custom requirements	1	2
Other	2	4
Total	56	100

As previously mentioned, access to relevant information about the export market was a major problem faced by many entrepreneurs. In general, exporters tended to seek advice on exporting from local Embassy or consular officials, economic development boards, and/or trade commissions. Government trade departments, Chambers of Commerce, custom agents, and custom house brokers in the country of destination were also identified as important sources of information and advice. Significantly though, about one-quarter of the respondents could not identify any individual or institution to turn to for advice and information about exporting.

As the following table shows, private sector representatives agreed with the institutional respondents that access to information on how to market should be a priority topic at the conference. Entrepreneurs were also very interested in: 1) learning how to make contact with U.S. buyers or importers; 2) how to overcome tariff and non-tariff barriers; 3) how to finance their exports; and 4) obtaining feedback on their products from importers.

Table 3

Major Problems to be Discussed
at the Conference

Problem	No.	Percent
Access to information	18	30
How to make contact with Buyers	16	26
How to overcome tariff and Non-tariff barriers	9	15
How to obtain financial Assistance	7	12
Feedback from buyers	7	12
How USAID can help	2	3
How to compete with Asian Countries	1	2
Total	60	100

F. Preliminary Market Survey of Pacific Island Products

A preliminary survey of Pacific Island products was an important component of the Pacific Islands--United States Private Sector Development project. It involved continuous assessment of potential imports from the Pacific region.

The survey began in July, 1983, with a letter-writing campaign to solicit product samples from Island entrepreneurs. The project team responded to advertisements in Pacific Island newspapers and trade publications, and pursued contacts made on previous trips to the South Pacific. Another important source of products was the survey of local entrepreneurs which included a request to submit samples to the project team for assessment.

Exports from the Pacific Islands to the United States have traditionally been coffee, cocoa and sugar. Thus, we were genuinely surprised by the wide diversity of products sent to us for preliminary assessment. These included Tongan sweaters knitted by loom in the Irish Aran style using New Zealand wool; safety matches from Papua New Guinea; ballet shoes manufactured in the Cook Islands; hand carved bowls and honey from Niue; pepper from Ponape; fishing floats from the Solomon Islands; crystallized ginger from Fiji; coconut cream from Western Samoa; and a wide selection of exotic foods and handicrafts from many Islands. (For a complete list of products received, please see Appendix E.)

A member of the project team, Ms. Kathy Gower, was primarily responsible for assessing the quality, packaging, labeling, import restrictions, marketing requirements and pricing of the goods received. She met with officials of the U.S. Food and Drug Administration (FDA) and U.S. Customs, marketing consultants,

buyers at large and small retail stores, and handicraft dealers as a preliminary step in marketing analysis. The results of her research and recommendations were summarized in a handbook that was distributed at the conference.

The handbook, entitled "Considerations for Marketing Pacific Island Products in the United States", describes the common factors affecting the market potential of various Pacific Island products in the U.S., and outlines the basic steps necessary for supporting to the American market, including market research, pricing, sales and distribution, terms of sale, invoices, insurance, packing and labeling, shipping and customs. The report is meant to serve as a guide for future, more specific investigation of the U.S. market potential for Pacific Island exports, and is available from Action Research International.

G. Publicity

A media distribution list was compiled in September 1983 and mailing was completed in late January 1984. Special attention was given to media sources in Hawaii and the ethnic press in California (see Appendix F). (California has a large number of Pacific Island migrants, many of whom are interested in doing business in the Pacific.)

H. Stipends for Pacific Island Entrepreneurs

Scholarship application forms were mailed to private sector participants at their request. In the early planning stages, the Asia Foundation agreed to provide limited funds to indigeneous businessmen and businesswomen from selected Pacific Island countries to attend the conference. Our goal was to cover the air travel and accomodatoin costs of as many local entrepreneurs as possible. Additional funding was solicted from various government and non-government sources, but the project team was unable to determine the total amount of funds that would be available until just prior to the conference.

In the end, the Asia Foundation awarded travel funds to nine participants from the Pacific Islands; the Foundation for the Peoples of the South Pacific, through USAID, provided full or partial scholarships to 54 participants; and, under a unique arrangement with the International Trade Center, the South Pacific Bureau for Economic Development, and the United Nations Development Program, 10 Pacific Island entrepreneurs in the processed tropical fruits industry were provided with funds to travel to the conference.

The U.S. Department of Interior did not respond to our request to fund participants from the U.S. Pacific Islands, although nine participants were able to utilize local economic development funds to travel from this area to the conference.

Counting the Islanders who came from Hawaii and the mainland, scholorship receipients, and those who made their own way to the

conference from the Pacific, there was a total of 135 attendees.

I. Identification of Speakers, Panelists, and Resource Persons

The conference team was able to identify and recruit speakers, panelists, and other resource persons from the U.S. Government, including USDA, the U.S. Trade Representative, FDA, U.S. Customs, USAID, Department of State, the U.S. Ambassador to Fiji, Kiribati, Tonga, and Tuvalu, and the President's Special Representative-Micronesian Status Negotiations.

The staff was also able to identify and recruit individuals from the U.S. private business sector and from the Pacific Islands to speak, sit on panels, and act as resource persons at the conference. A complete list of speakers, panelists, and resource persons is contained in Appendix G.

J. U.S. Private Sector Participation

In addition to acting as speakers, panelists, and resource persons, the U.S. private sector acted as hosts to a number of major conference functions and provided various types of logistical support to ensure a successful conference. The private sector supporters included:

Air Pacific
Bank of Hawaii
Bank of Guam
Container Storage of Hawaii, Inc.
Deloitte Haskins & Sells
Duty Free Shoppers, Ltd.
Hawaii World Trade Association
Hawaii International Services Agency
Hawaiian Telephone
Paradise Cruisers, Ltd.
Peat, Marwick, Mitchell & Co.
South Pacific Island Airways
Tihati's Polynesian Revue-Moana Surfrider Hotel

The project team made a concerted effort to attract as many importers, brokers, retailers and wholesalers as possible, particularly in the tropical fruit and processed food industries. The South Pacific Bureau for Economic Cooperation's 1982 report on market opportunities for selected Pacific Island products in the U.S. and Japan provided the core list of contacts. Other lists were developed from local directories, telephone books, and names supplied by Mr. James Parkhill of Parkhill International, an international food marketing, sourcing and consulting firm. As previously mentioned, Mr. Parkhill graciously agreed to shift the resources available to his UNDP-funded trade mission to support attendance by entrepreneurs in the processed tropical fruit/food sector.

In February 1984 a telephone follow-up of firms in Honolulu, California, and elsewhere was conducted to promote the conference

and encourage participation. Special program sessions of direct interest to U.S. participants were highlighted. These included:

* an orientation meeting for U.S. private sector participants to enable them to direct questions to representatives from the Pacific Island public and private sectors;

* a trade show featuring a variety of products from the Pacific Islands;

* special seminars on the market in processed foods and tropical fruit products, including product cutting, sampling, and analysis;

* one-on-one encounters with Pacific Island entrepreneurs and government representatives;

* attendance by SBA, USAID, and bank representatives to discuss specific investment opportunities, financial assistance, training, and technology needs.

K. Product Display and Trade Show

A unique feature of the conference was the trade exhibit which is described in detail in Appendix H. The show featured products from 12 Pacific Island countries. Most of these products were offered to the U.S. market for the very first time. Mr. David Windle, the project team member primarily responsible for organizing the trade show, developed an exhibit layout and promotional program to afford a controlled and favorable means of demonstrating products to the U.S. business community. Not counting the exhibitors and conferees, close to 400 people attended the trade exhibit.

L. Conference Agenda

Information obtained from the ESCAP conference, from the survey of Pacific Island entrepreneurs/institutions, and discussions with Mr. Bill Paupe of USAID, Mr. Jim Parkhill of Parkhill International, Dr. Sam Price of the Pacific Studies Institute, Dr. Michael Hamnett and Mr. John Sablan of the Pacific Islands Development Program, East West Center, provided the basis for developing the conference agenda. The highlights are as follows:

* emphasis on private sector development;
* U.S. private sector sponsorship of key functions;
* balanced participation from the U.S. and Pacific Island public and private sectors;
* various key sessions led by Pacific Islanders;
* various sessions organized primarily for the benefit of the U.S. private sector;
* cooperation of U.S. government agencies (e.g., SBA, USDA, U.S. Customs);
* regional and international cooperation (SPEC, UNIDO,

ESCAP, United Nations, etc.);

* institutional support (East West Center, Asia Foundation, Foundation for the Peoples of the South Pacific);
* pre-arranged meetings for individuals and small groups to allow plenty of time for personal interaction;
* trade exhibit to provide opportunities for direct sales and feedback from importers.

The selection of topics for the conference agenda was primarily based on the results of the survey described above. The project team focused on those topics that were most requested by a majority of survey respondents. The conference agenda may be summarized as follows:

1) Case studies which illustrate the value of promotional support and principles that have produced results.

2) Accessability--special trade relationships between the Pacific and the U.S. which are both advantageous and disadvantageous.

3) Acceptability--market potential and product acceptance, methods of advertising and promotion, unique product features and packaging.

4) Barriers to trade--import duties and quota controls, labeling regulations, FDA requirements, etc.

5) Distribution--shipping and air freight.

6) Finance--terms of payment, methods of raising finance.

7) Regional and international cooperation--strategies for the future.

The sessions were designed to promote discussion and closer examination of the topics by conference participants.

Personal interaction with U.S. private sector representatives at the conference provided entrepreneurs with feedback on sales potential and additional information on how to market their products. The conference program is described below, while a more detailed summary of workshop topics is provided in the following section:

PROGRAM

Sunday, March 18, 1984

Registration and orientation session for U.S. participants
Reception

Monday, March 19th

Press conference and introductory speakers
Panel discussion: AID THROUGH TRADE

"Problems and Prospects of Trading with the USA: The Pacific View"
"Selling to the American Market". Success Stories from Micronesia, Polynesia, and Melanesia.
Luncheon address: Hon. Edgar C. Harrell, USAID/PRE, "USAID's Private Enterprise Initiative".
Panel discussion: "Role of the Private Sector in Pacific Development".
Reception/Harbor cruise

Tuesday, March 20th

Training sessions: APPROACHING THE U.S. MARKET
Advertising and Selling the Pacific Image
The Role of the Food and Drug Administration
Understanding U.S. Customs
The Role of the U.S. Department of Agriculture
Shipping and Documentation
Using the U.S. Generalized System of Preferences to your Advantage
Headnote 3(a)

Luncheon address: Hon. Epeli Kacimaiwai, Undersecretary and Roving Ambassador, Ministry of Foreign Affairs, Tourism and Civil Aviation, Government of Fiji.

ORIENTATION TO THE U.S. ENVIRONMENT
The Legal and Governmental Environment
The Business and Social Environment

TRADE EXHIBITION

Wednesday, March 21st

Training Sessions: DEVELOPING YOUR PRODUCT FOR THE AMERICAN MARKET
The U.S. Market in:
Processed Foods and Tropical Fruit Products
Seafood and Marine Products
Handicrafts and Artifacts
Primary Agricultural Products
Specialty Items
Tourism and Related Industries

PRESCHEDULED INDIVIDUAL MEETINGS

General meeting of the Pan Pacific Alliance for Trade and Development

RECEPTION/TRADE EXHIBITION

Thursday, March 22nd

Panel Discussions: FINANCING

INDIVIDUAL APPOINTMENTS

SPECIAL SESSIONS
The food processing industry
Using 503

RECEPTION/TRADE EXHIBITION

Friday, March 23rd

Open Forum: - STRATEGIES FOR THE FUTURE
ADJOURNMENT
TRADE CONTACT APPOINTMENTS

III. SUMMARY OF OPENING AND TRAINING SESSIONS

A. The Opening Sessions: Aid Through Trade

The opening sessions of the conference ran throughout the day as a series of panel discussions on U.S. - Pacific Island trade relations and private sector development. Joseph Harrison opened the conference by reading a statement from U.S. President Reagan affirming the U.S. commitment to "aid through trade" and reliance upon the private sector to spearhead economic growth in the developing nations of the world (see Appendix I).

Conferees were also welcomed by Mr. William Paupe, Ambassador Fred Eckert, Governor Peter Coleman, Honorable Jack Netzler and Ambassador Fred Zeder. Their comments contributed to the general consensus that the U.S. involvement in the Pacific Islands is desireable as long as American business cooperates with the local public and private sectors in furthering new economic policies which are designed to eradicate poverty and reduce unemployment.

A panel on the problems and prospects for trade stressed the notion that although Pacific Island nations are independent politically, they are not yet independent economically or socially. Regional cooperative actions, especially in transportation, are necessary for successful economic growth in the islands.

A panel entitled, "Selling to the American Market: Success Stories", brought out the following recommendations to island entrepreneurs:

* Exporters must consider the context from which they are working when developing marketing plans. Production plans must be realistically based an available human, financial and material resources.

* The private sector should be involved in planning government development strategies.

* Subsistance crops should be replaced by export crops until islanders would have to import foodstuffs.

* Economies of scale in production and shipping are important considerations for successful export industries.

* Producers cannot assume that exporting is a simple expansion of domestic operations. Attention to the many details of international trade is vital to success.

Mr. Edgar C. Harrell, Acting Assistant Administrator, Bureau for Private Enterprise, USAID, addressed the conferees in a luncheon speech. He spoke about the Bureau's role in support of private sector growth in low-income countries in accordance with the

current U.S. foreign policy emphasis on free enterprise. Mr. Harrell entertained questions from conferees on specific aspects of the Bureau's aid programs.

The opening day sessions concluded with a panel entitled "The Role of the Private Sector in Pacific Development." Dr. Michael Hamnet of the Pacific Island Development program at the East-West Center summarized the important themes of this session and the discussion they generated among conference participants as follows:

* The role of the private sector in the Pacific Islands has not reached its potential. Its growth has been stunted by bureaucratic regulations. Cooperation between the private and public sectors is necessary, but the private sector must become increasingly autonomous.

* Finance and shipping are two major obstacles to economic growth in the Pacific. Conferees called upon their governments to work towards expanded financial incentives for private sector development and to help overcome the problem of limited material resources due to limited transportation.

* International cooperation among the Pacific Island nations, especially in the areas of marketing, transportation and trade agreements, would support private sector initiatives for economic growth in the region.

* In the same vein, policy review in regard to credit and financing is necessary.

* The private sector can expand only with increased opportunties for education and training in basic business principles and international trade. Training of this nature will capacitate entrepreneurs to successfully bear some of the economic burdens that currently rest with Pacific Island governments.

* Finally, conferees and panelists alike stressed the need for Pacific Island government to assist in developing a viable and vital role for the private sector.

The opening day's discussions set the tone for the following four days of training on more spacific topics.

B. <u>Advertising and Selling the Pacific Image</u>

John Pelkan, Sokol and Pelkan Advertising
Bruce Parkes, South Pacific Brewery Ltd.
Clement Esmail, Advertising Representative for South Pacific Export Lager

This session began with a presentation about award-winning South Pacific Export Lager and the way it has been introduced the Hawaiian and Californian markets. Although many of the conference participants do not have the resources nor the need to undertake a mass consumer marketing campaign in the U.S. as did South Pacific Brewery, the procedures and details that go into preparing a product for the U.S. market are educative and illustrative.

The underlying principle to sales is that the consumer must have a need for the product. Advertisers find a need and fill it, or create a need through the promotional campaign. The advertising tips that were presented by the panelist include:

* Hawaii is an extremely favorable entry point to the U.S. market for Pacific Island products. The market is cross-cultural and sympathetic to the Pacific Image. The Hawaiian local market has 900,000 consumers with 4 million tourist visiting Hawaii every year. These are two distinct markets requiring different advertising strategies.

* Never underestimate the cost of introducing your product into a market. Media costs are high in the U.S. In Hawaii, media costs per consumer reached is higher than on the mainland because the Hawaiian market is smaller.

* For many products, the first promotions should be trade advertising. Ads and promotions in trade magazines or at trade shows help the producers to develop sufficient sales and marketing outlets to make consumer advertising worthwhile.

* Prior to developing costly promotion strategies, thoroughly review all advertising restrictions that apply to your product. For example, in Hawaii, no liquor can be implied to contribute to good health in an advertisement. This regulation therefore restricts associating beer with sports or other activities that connote "good health" to a consumer. Regulations vary from city to city and from state to state, and research can prevent wasted time and money on costly promotions that are not legal.

* Radio and T.V. commercials must be supported by high product visibility achieved through sales promotions when coming into the market. Sales promotions can range from special prices, t-shirts, promotional events at restaurants and stores to posters and banners and free prize giveaways. These involve the customers directly in the promotion campaign. South Pacific Export Lager is paid a royalty for the use of its logo on t-shirts sold in Hawaii. This unpaid advertising revenue goes back into the budget for paid promotions. Again, restrictions could apply to non-media promotions of a product.

* A "situation analysis" of a product should be conducted to devise a "marketing mix." The situation analysis is a series of questions asked of consumers, importers, buyers and/or promoters to determine how best to market your product to a given population of consumers (see Appendix J.). It will help the producer determine the needs and perceptions of the consumer for the particular product and how to position the product among its competition.

* The "marketing mix" is the combination of characteristics and efforts that will sell the product. It includes: the product itself (quality, color, quantity or size, etc.); packaging and labeling (what the box or bottle looks like, the decorative design, etc.); the name; the price in comparison to the competition; distribution channels; special requirements (refrigeration, fragility, etc.); and the consumers' needs or the need to create consumer needs. Advertising is only one element of the marketing mix, an element that varies greatly in scope and style with each product.

* Advertising and marketing costs are expensive but can vary greatly. Start up activities usually require more funds if the product is destined for the mass consumer market (e.g. beer) than a smaller market (e.g. coconut cream). The best initial investment would be spent on an airplane ticket to your desired market area. Spend time with importers and distributors yourself. Check out the competition and attend trade fairs. Take advantage of the wealth of free advice available from U.S. government agencies and libraries.

* Focus groups are sessions with small groups of potential consumers who discuss their likes and dislikes for a particular product or category of products. A common form of market research, the cost of conducting these sessions can range from US $1,500 to $12,000, depending on the number conducted. Additional survey research can be conducted for a more detailed, quantitative analysis of your target audience, but this can be very costly.

* Advertising agencies have very little to do with price determination. Prices must be based on a realistic assessment of production and distribution costs; ad agencies will position your product as competitively as possible in consideration of your price. Focus groups may be of help in determining a price tolerance range.

* Labeling, packaging and consumer displays are important elements to sales success. Your importer and his advertising agency can play an important role in this area. In fact, it may be beneficial to rename your product for the export market only (eg., "Big Barrel Beer" is the U.S. name for Australia's local "Coopers Ale.").

* Another aspect of marketing which deserves attention is

the image of the product from the eye of the consumer. A positive image equals sales; a negative image must and can be changed through marketing. The situational analysis will help you uncover any preexisting positive or negative associations with your product. Low awareness or no image of your product is easier to contend with than a negative image. However, the bottom line is that a product must sell itself through quality, availability, price and other characteristics that appeal to the customer. Image alone will not sell a product.

The session came to a close with a discussion of the South Pacific image. What is it that American consumers associate with the words "South Pacific"? How can the conference participants use their region advantageously in marketing? Mssrs. Pelkan and Esmail agreed that "South Pacific" conjures up an "exotic" image to most Americans and it is difficult to be more specific. One airline promoting a Hawaii-Los Angeles route used a symbol of a pineapple quite successfully in Los Angeles. But in Hawaii, the pineapple carried less positive and less significant associations among consumers who see the fruit as commonplace in their environment. Regional cooperation in marketing products from the Pacific was suggested by several participants and supported by many others, but this aspect of the discussion did not go into further depth.

C. The Role of the Food and Drug Administration

William C. Hill, Regional Director, U.S. Food and Drug Administration.

The Food and Drug Administration (FDA) is an agency of the United States Public Health Service under the Department of Health and Human Services. Its charge is to protect the health of U.S. citizens under its jurisdiction ranging beyond food and drugs per se. The FDA works in close coordination with the U.S. Department of Agriculture (USDA) and Customs Service among other agencies. Whereas USDA has jurisdiction over meat and poultry products, the FDA regulates the quality, processing and importation of all seafoods. However, the FDA does coordinate with the USDA in monitoring chemical and drug residues in meat products as they come to the market.

William Hill is Regional Director at the FDA in San Francisco which has aegis over the Trust Territories in the Pacific.

In the United States and its territories, the FDA is authorized to enter and inspect manufacturing plants, distribution points, transportation carriers, etc. Also, FDA agents may collect product samples for analysis to determine whether or not they meet FDA standards. FDA standards are the same for both domestic and foreign products, with the same guidelines for inspection and analysis.

FDA agents are not authorized to travel to foreign countries to inspect manufacturing and processing plants. Therefore, FDA and Customs agents must rely upon results of product sample analyses taken at the port of entry to the U.S. Under special circumstances, FDA inspectors travel to foreign nations on inspection tours of industrial plants; these tours are coordinated with the Department of State and the foreign government.

The U.S. laws are stringent on all food, drug and cosmetic products marketed in the U.S. in areas of product content, safety, purity, appropriateness for intended use, packaging and labeling.

Products that arrive for import into the U.S. are sampled and analyzed before entry is permitted. If a shipment does not meet FDA standards it will be detained; the FDA may elect that the shipment be reconditioned. The shipment will be released for entry upon a second examination of the altered shipment if it conforms to standards and the importer pays for the costs of additional supervision and examination. The FDA might also elect for the shipment to be destroyed, to be returned to the importer, or to be allowed to be shipped to another country. All of the above procedures will be completed under the supervision of the Customs Service. When a product is refused entry for reasons of harmful chemical contamination or the presence of pathogenic materials, and the importer elects to reship the product to a third nation, the FDA may alert that country to the problem and suggest careful testing.

Mr. Hill discussed some of the common problems that disallow entry of imports from the Pacific Islands into the U.S. These are:

* the presence of extraneous matter in food and seafood such as bird and animal droppings, waste materials and dirt;

* evidence of toxic chemicals from the holds of unclean ships;

* water damage, spoilage and mold from storage prior to or during shipment;

* contamination of spices and teas with pathogenic materials such as bugs and bacteria;

* chemical residues from processing or fumigation in fruits and vegetables;

* bacterial contamination of seafood due primarily to handling problems such as dirty ice, unsanitized equipment, flies in the handling areas and the unclean hands and clothing of laborers; and,

* lack of registration of all seafood processing procedures with the FDA.

In administering the Food, Drug and Cosmetic Act, there are several other standards that often affect imports to the U.S. These are:

* Artificial color additive standards: many foods contain unessential colors that are prohibited for use in the U.S. Time and again imports are rejected for noncompliance with this standard.

* Drug labeling standards: products named as drugs must be proven and tested remedies for the indicated use; they must be safe and effective. Folk remedies are not admitted, nor may they be labeled as "drugs."

* Cosmetics standards: cosmetics must be safe and bacteria free. The chemical composition and colorings are of primary concern to the FDA because eyes are particularly vulnerable to blindness from bacteria in make-up and shampoo.

Mr. Hill strongly recommended that importers send product samples to the FDA for preliminary examination. Although the FDA will not run a laboratory analysis on a sample, they will examine information on formulations (additives, chemicals, colorings, etc.), manufacturing processes and labels. They will provide advice and guidance on preparation of the product. One seminar participant suggested that Islanders could send sample shipments to their U.S. buyer. This small shipment would serve as a test shipment for Customs. If it is released for entry, then the remainder of the order can be shipped with confidence that it, too, will pass through Customs. If it does not comply with standards, then the entire order may be reconditioned to meet standards at its place of origin. This could save time and money for all parties. Each commercial shipment will be subject to lab analysis at the port of entry.

The U.S. has no reciprocal agreements with foreign nations on standards testing. The FDA follows the methodologies of the Association of Official Agriculture Chemists (AOAC) for their lab analyses.

A final caution was made to importers at the close of the session: U.S. Federal and individual state regulations apply to all products sold in the U.S. Be sure to research carefully the standards, restrictions and other requirements regarding your product for the state in which you intend to market it.

D. <u>Understanding U.S. Customs</u>

Victor Renaghan, Director, Honolulu District, U.S. Customs Service

Mr. Renaghan presented an overview of the U.S. Customs Service in this session. He briefly sketched the history of Customs and

stated Custom's goal as easing the path of commerce between the U.S. and foreign countries.

U.S. Customs is charged with assessing and collecting rates of duty on imports into the U.S. Customs must also enforce the regulations of some forty-five other U.S. agencies at the ports of entry. These other agencies include the Food and Drug Administration (FDA); United States Department of Agriculture (USDA); and the U.S. Postal Service amor others.

The most important message that Mr. Renaghan delivered was that importers into the U.S. should get as much information about the restrictions and regulations affecting the import product prior to finalizing preparation of the product for shipping. There are many publications available from Customs and the other agencies regulating foreign trade for use by the importer. Also, there are import specialists at each port of entry who can answer specific questions. There are many U.S. Customs agents working abroad who can also answer inquiries or offer training in the preparation of customs documents, etc.

Once the information is gathered, importers must make use of it to modify products or production procedures to maximize tariff advantages. Attention to these details, including thorough and careful preparation of documentation, will speed and ease the way through the port of entry. He also suggested that importers investigate G.S.P. and Headnote 3(a) advantages.

Importing Into the United States is an excellent guide to follow. This book was made available to conference participants and can be obtained from the U.S. Government Printing Service.

Duty rates can be estimated in advance (an "informal ruling") through consultation with an import specialist or customs broker. A product can be submitted for binding ruling of tariff and excise taxes and it may be imported at that rate for as long as it remains unmodified. Tariff rates are itemized in the Tariff Schedules of the United States (TSUS). These rates may be appealed on a line item basis by petition.

"Formal Entry Procedures" must be completed for any item entering the U.S. with a value of $250.00 or more for retail or sale. There are six classifications of entry from which to choose:

1. Consumption entry = duty paid immediately;

2. Warehouse entry = duty not payable until merchandise actually leaves the warehouse;

3. Temporary importation bond (T.I.B.) = temporary permission to show goods for sale in the U.S.;

4. Carnet = permit for salespersons to carry samples from country to country;

5. Transportation and Exportation = a situation such as when goods are off-loaded in Mexico, transported through the U.S. for delivery in Canada; and,

6. Foreign Trade Zone Entry = no duty assessment until goods are removed from the FTZ for U.S. consumption. Merchandise may be warehoused and reconditioned in an FTZ.

Every entry must be accompanied with a bond equal to the value of the merchandise plus duty. Insurance companies may issue these bonds in one of two forms:

1. One transaction bond for value of $10,000 or less.

2. Term bonds for importing many items over a period of time. A term bond may also be issued for multiple ports.

To ease the burdens of paperwork and posting bonds, an importer can hire a licensed customshouse broker. They serve as private agents working to get merchandise through Customs. Brokers may be authorized to put up a bond as a consignee.

Mr. Renaghan closed his presentation with advice to honestly describe all the materials, production processes and the circumstances surrounding them in Customs Service documents. This will not only speed up the entry process, but assure the best tariff rates for the importer.

E. Role of the U.S. Department of Agriculture

Leo Mayer, Associate Administrator of the Foreign Agricultural Service, USDA

Mr. Mayer spoke about the Foreign Agricultural Service (FAS), the world wide agency of the U.S. Department of Agriculture (USDA). There are attaches and counselors in seventy-four countries who carry on a large scale effort in support of agricultural trade, assisting imports into the U.S. and exporters from the U.S. As the eyes and ears of the USDA, FAS agents monitor food and commodities production around the world. The charge of the USDA is to promote and protect the well-being of the people of America, especially farmers, and to provide an abundant and healthy supply of food to Americans. The FAS maintains twelve agricultural trade offices around the world and also operates out of many U.S. embassies. The trade offices primarily provide information about U.S. companies with agricultural products for export. The Pacific Territories may use FAS services to learn how to export to nations other than the U.S.

The Office of International Cooperation and Development networks with USAID and the U.S. Department of State to provide technical assistance in agricultural production and marketing to foreign countries. This office is currently promoting increased private sector involvement in the outreach activities of the FAS. For

example, they are encouraging large U.S. food store chains to assist foreign importers to market their products. The small importer has the opportunity to gain rapid access to a large market under the private marketing arm of a corporation rather than relying upon government assistance and guidance. The FAS does not provide direct technical assistance to foreign countries except through the Office of International Cooperation and Development.

The Trust Territories of the Pacific are served by the FAS Federal Extension Service and the Land Grant University Program through Extension Service Offices in Guam and Honolulu. Research and technical assistance are available through these programs.

Most of the USDA restrictions on imports are based on phytosanitary problems of agricultural commodities. The Animal and Plant Health Inspection Services (APHIS) is responsible for this area. Islanders may contact the Honolulu Office of APHIS for information. APHIS works under the direction of the Food and Drug Administration (FDA) and the Environmental Protection Agency (EPA) as well regarding fruits and vegetables.

The Food Safety Inspection Services (FSIS) monitors meat and poultry inspection for USDA and has under it two divisions: the Processed Products Inspection Division and the Slaughter Inspection Division.

Mr. Mayer was questioned about FAS assistance for importers to the U.S. Unfortunately, there is little funding available to post officers in foreign countries. He did suggest that some type of internship or training program might be developed to teach foreign representatives about USDA regulations and procedures. This type of program could fall under the Office of International Cooperation and Development of USAID.

The FAS Director also encouraged island entrepreneurs to look towards other Pacific Rim countries for export opportunities. The U.S., he said, is constantly expanding exports to that area and so, too, should the smaller Island nations with closer proximity and cultural ties.

A handbook, A Preface to Trade, was made available to participants in this session. It is a valuable source of information regarding U.S. trade policies and regulations and the organizational structure that makes and monitors them. (Copies of this book are available from the U.S. Government Printing Office.)

F. Shipping and Documentation

Steven Wright, Wright Consulting International
Dean Bush, Pacific Micronesian Lines

Questions and answers from the participants of this session guided the comments of the panelists. Unfortunately, three of

the five scheduled speakers were unable to attend the seminar. Messrs. Wright and Bush responded to the many specific questions regarding shippers and the shipping industry.

The common theme that wove in and out during the discussion was that of the high cost and irregularity of transportation between the Pacific Islands and the U.S. An issue that remained unresolved was whether or not exporters should secure shipping arrangements before sales contracts. Transportation companies say that they cannot commit themselves to a price or schedule without the details of the proposed shipment. Buyers will not commit themselves to an order without a price quotation and approximate delivery date. Without frequent and regular shipping services, Islanders must conduct business within this framework of ambiguity and rely upon feeder lines, transshipment and new container developments (such as 5,000 gallon tank containers) to transport their products.

G. Using the U.S. Generalized System of Preferences to Your Advantage

Dorothy Dwoskin, Deputy Director, U.S. GSP, Office of The United States Trade Representative

Dorothy Dwoskin, Deputy Director of United States Generalized System of Preferences of the United States Trade Representative (GSP, USTR) began this session with a brief description and history of the GSP program before she provided further details on the Tariff Schedules of the United States (TSUS) and the current GSP program . The U.S.T.R. is based in the Executive Office of the White House and negotiates all U.S. trade agreements, represents the U.S. at the General Agreement on Tariffs and Trade (GATT) and regulates textile and commodity trade policies. Created in the 1960's, it is under the jurisdiction of Congress and functions on a consensus basis of interagency cooperation with the Departments of Labor, Agriculture and Commerce. Representatives from these three departments comprise the Trade Staff Policy Committee which is headed by the U.S. Trade Representative who, himself, is a member of the President's Cabinet.

The goal of the GSP program which became effective in 1975 is to help developing countries diversify their economies through the granting of trade concessions. At present, there are 140 beneficiary countries. In 1983, $10.8 billion dollars of imports were admitted under GSP (4% of total imports). The Pacific Islands accounted for only $15 million of that total.

The GSP program will expire if it is not extended by Congress by January 1985. All indications are positive that it will be extended, but the Commercial Officers at U.S. Embassies can keep interested parties apprised of any changes. The current GSP program will be modified somewhat in April 1984 to incorporate expanded benefits.

There are some limitations on the program; duty free status may be removed at any time. If the total imports to the U.S. of a product from a given country exceed 50% of total U.S.imports of that product, or exceed a certain dollar value, then ninety days after the close of the calendar year, that country will no longer be eligible for duty free treatment of that product. This specific limitation could be helpful to Pacific nations who could take advantage of the ineligibility of other countries for GSP treatment of certain products. Pacific nations may be able to fill in the gaps caused by limitations of eligibility of other countries. The leading GSP imports from the Pacific have been sugar, fish, baskets and photographs. Competitive need limitations are applied on some goods such as electronics, textiles and tuna. The limitations broadly affect all tariffs, not just the GSP program.

The Tariff Schedules of the United States Annotated (TSUS) is the guiding document for tariff awards on imported products. It can be purchased for US$40.00 which includes a subscription to all periodic supplements to the guide. It is published by the U.S. International Trade Commission (ITC) and includes detailed classifications of tariffs. It can be ordered from the International Trade Commission / Washington, D.C. 20436.

GSP awards are excluded most commonly due to failure to complete administrative paperwork. Ms. Dwoskin urged Islanders to pay attention to detail in preparation of Customs documentation. Importer/buyers must file their part of the forms accurately according to GSP regulations as well. The Form-A for G.S.P. awards is available from the Export Authority in the country of origin of the product.

Two stipulations, among others, are required for GSP treatment:

1. the product must be imported directly into the U.S.;

2. there must be at least 35% value added to a product by the GSP beneficiary country.

An Annual Review Process is conducted by the Trade Staff Policy Committee which considers petitions for changes in GSP. This ten month process begins on June 1st each year when all petitions are due. The Committee considers the potential economic affects of any changes on the U.S. economy. Petitioners need not hire an attorney, and may receive free assistance from the GSP Information Center in Washington, D.C. They will provide informal readings on the likely outcomes of the review process. (GSP Information Center / USTR / Executive Office of the President / Washington D.C. 20506 (202) 395-6971.) Some products, such as tuna are considered to be import sensitive and will be rejected from the Annual Review Process.

Certain textile products that are classified as handloomed were added to the GSP program under handicrafts in 1981. Pacific Island countries have not yet taken advantage of these opportunities which include handloomed and folklore articles:

* wool pillow covers
* wool floor coverings
* pile floor covering of alpaca
* wall hangings of wool
* tapestries of wool

To qualify for GSP treatment on these exceptions to textile exclusions, there must be an exchange of letters between governments certifying that they have been handloomed.

Some GSP advantages are allowed only during certain time periods of the year. This is often the case with seasonal agricultural products. Again, attention to these details can prove advantageous to importers from GSP beneficiary countries.

H. Headnote 3(a)

Victor Renaghan, U.S. Customs Service

Mr. Renaghan began this session by reading aloud parts of the Caribbean Basin Economic Recovery Act (CBERA) that apply to U.S. Insular Possessions including those in the Pacific. Headnote 3(a) states that any manufacture fifty percent valued in certain developing countries can receive duty free treatment. Article 214A of the CBERA changed the fifty percent rule to thirty percent added value for U.S. Insular Possessions (and Caribbean nations). Also, the 30% value can be defined by the combined work of two Insular Possessions. There are regulations which exclude some items from this 30% rule (and the 50% valued dispensation in certain cases). These exclusions include textiles and apparel, tuna, petroleum products and leather goods among others. All other U.S. Customs restrictions still apply such as do FDA and USDA standards.

The formula to determine the value added percentages is set out by the U.S. Customs Service. Costs that may be used to establish this value may include the costs of factories, research and time studies. Transportation and insurance costs are extracted from the total FOB costs as non-dutiable charges and are not calculated into the value added assessment formulas. Excessive remuneration and profit margins will be ruled outside of the figures used to compute valuation.

Pacific Islanders from nations other than U.S. Insular Possessions were curious about how they might take advantage of the 30% value added classification rather than the Generalized System of Preference (GSP) tariff dispensations. In fact, they cannot, except to the extent that they benefit when the product originates in their country and then goes to a U.S. possession for added work. Pacific Rim nations have been able to expand their import quotas into the U.S. in a similar manner by transferring production to nations that qualify for and have not fully utilized GSP. U.S. Customs officials are concerned by these actions

because they believe that firms working in this manner do not provide bonafide benefits to the GSP beneficiary nations.

Mr. Renaghan was able to answer questions about specific circumstances and urged participants to contact his office for additional information. In addition, he suggested that potential importers should submit descriptions of their products to the U.S. Customs Service for a ruling on whether or not they qualify for Headnote 3(a) or GSP duty treatment. Mr. Renaghan may be reached at:

The U.S. Customs Service
335 Merchant St.
Honolulu, HI 96813
tel: (808) 546-5568

I. The Legal and Governmental Environment

Glaidelle Hamlet, Chair
John Armstrong, Esq., Stovall, Spradlin, Armstrong and Isreal
Gerald Sumida, Esq., Carlsmith, Carlsmith, Wichman and Case
Peter Watson, Esq., Lawler, Felix and Hall
Dorothy Dwoskin, Office of the U.S. Trade Representative

Attorney John Armstrong initiated this session with a discussion about joint venture agreements. He predicts that the private sector will increasingly strengthen its role in the Pacific Islands over the next few years. In turn, the Island governments will reciprocally increase their support for the private sector. Joint ventures have become a more common and more attractive means of stimulating economic development, but there are pitfalls inherent to international agreements of this nature:

* Government participation may be essential to the formation of the joint venture but may also create problems for the funding of a joint venture.

* Potential problems arise when parties from different countries participate in sophisticated joint venture agreements.

* Private sector joint ventures should always consider governments as silent partners in that governments strongly influence the business climate in which the private sector functions.

* When choosing joint venture partners, always be overly cautious and thorough in your investigation of the legal, ethical and financial positions of these potential partners. Check for histories including fraud, bankruptcy, etc.

* Secure representation in the country targeted for sale of your goods. This representative(s) must be familiar with the industry and the business environment appropriate to

your product.

* Any major investment by a financial institution requires indigenous participation and capitalization in a project.

Mr. Armstrong went on to describe some of the major sources of funding available for joint ventures:

* Overseas Private Investment Corporation (OPIC):

  1) Direct Loan Fund (≤ $10 million);

  2) Loan Guarantee Fund (multi-million dollar fund), requires the U.S. investor to assume 25% of the investment risk. OPIC will participate by providing up to 50% of the total cost of the new venture in "guarantees" (backing commercial or sovèriegn risk for U.S. banks). This type of guarantee virtually insures that a U.S. bank will loan the required funds.

  3) OPIC will fund up to 50% of the costs of feasibility studies for a proposed project. Often when OPIC is involved from the project's inception, it influences its profitability and technical success.

* The Export-Import Bank (Eximbank) provides loans for products to be exported from the U.S. However, it can loan up to 65-75% of direct value credit to a foreign joint venture partner for the purchase of U.S. equipment for a project.

* The International Finance Corporation (IFC) is related to the World Bank and may make loans to eligible countries. The venture must promise success to receive up to 25% financing which usually totals in the range of US$1-50 million.

In closing, he advised joint venture partners to investigate trilateral and regional trade agreements and arrangements, countertrade or barter agreements, and to lobby governments to support and encourage private and foreign investments in the form of joint ventures.

Attorney Gerald Sumida made a brief presentation about U.S. State law considerations. He urged participants to investigate both U.S. Federal and State laws regarding trade and marketing of products. State legal considerations are mainly the responsibility of the U.S. broker/agent or wholesaler/retailer rather than the island exporter. However, if the exporter establishes a partnership or corporation within the U.S., that venture would be subject to the laws of the state(s) in which it operates. The business must be registered with the Secretary of State if it carries out on-going commercial activities. The business would also be subject to any applicable employment,

taxation and other laws regulating business in that state (in addition to the Federal laws). There potentially exists a wealth of assistance from state public and private agencies and organizations that promote and serve business within the state. These services should be utilized to the maximum advantage, especially when they provide protection to the business entity (eg. trademarks and tradenames for products).

Foreign Trade Zones (FTZ's) have been established by several states to encourage commercial activity. These FTZ's are under U.S. Customs jurisdiction and therefore imported goods are not assigned duties until they leave the FTZ. Goods may be warehoused, assembled, reconditioned, repackaged or processed in FTZ's. This can assist an importer in many ways:

* Efficiencies can be realized through bulk shipping and subsequent repackaging for direct distribution to the market.

* Duty can be kept at a minimum by unloading products in an FTZ, checking for damaged merchandise, and submitting for entry (and duty) only those items in good condition. Damaged items can be sold as salvage or returned to their source.

* Assembly and reshipment of products to a third nation can be completed in an FTZ.

Attorney Peter Watson spoke about details of international sales agreements. He warned participants to pay close attention to the details of terminology and laws regarding sales contracts. Of primary importance is the necessity to consciously choose and stipulate in writing the national or arbitration forum that will have jurisdiction over the international agreement. Traditionally, the seller's country took jurisdiction but world arbitration forums have become increasingly popular.

All international sales contracts should be in writing, clearly stated, identify the jurisdiction, be signed by both parties and appended with definitions of all technical and/or variable terminology.

Standard contract forms may be used in lieu of a contract drawn up specifically for the circumstances at hand. Standard forms are readily available from such organizations as the International Chamber of Commerce (ICC). Whether using tailor-made or standard contracts, be certain that all terminology is clearly defined. In fact, Mr. Watson recommends appending the contract with a glossary of terms such as the ICC Incoterms (see Appendix K). If a standard terminology is agreed upon and incorporated by reference into the contract, clearly specify the reference source for the terms.

If a contract is agreeable only under certain conditions, it may be signed before those conditions have been met as long as they

are clearly defined in the contract. A statute of limitations may be specified and if and when the "conditions precedent" are met, the contract would become effective.

In summary, Mr. Watson stressed that every business person should pay attention to detail and protect his/her own interests through clear communication. This is particularly important when agreements are signed by persons with different language abilities and socio-cultural backgrounds.

Ms. Dwoskin concluded this seminar with a brief discussion about U.S. tariffs, trade agreements and government loans. The U.S. complies with the General Agreement on Tariffs and Trade (GATT) in addition to many other regulations. The Tariff Schedule of the U.S. (TSUS) is the most important working document for importers to attend to. Both the GATT and TSUS specify the relationship of the U.S. to other nations regarding tariff obligations, dispensations and penalties. Several U.S. Federal agencies under the U.S. Trade Representative (USTR) participate in the review of loan applications to OPIC and Eximbank. USTR monitors commercial loans and trade agreements and therefore maintains a broad perspective on U.S. trade relations.

J. The Business and Social Environment

Howard Ladd, Global Associates
Julia Hirsch, Boyden Associates
Jincie Williams, Pacific Analysis Corporation
David Bjerke, Management Advisory Service

Howard Ladd began this session with a statement about relationships that set the tone for each ensuing presentation. Mr. Ladd believes that social relationships are the first step towards business relationships, that the principles of good relationship building directly relate to good business. Honesty underlies good trade. Good trade is fair and results in mutual benefit. Bad trade is a game - with winners and losers.

Based on his years of experience in U.S. - Pacific Island trade, Mr. Ladd says that mutual respect across cultures is important. "The Golden Rule of Trade" is that "the guy with the gold rules"; the buyer's watch is the time keeper. His advice to Pacific traders is to strive for good trade relationships based on honesty and integrity.

Julia Hirsch spoke about the U.S. business environment. She believes that it is fairly easy to do business with because of the vast quantities of information that are available in the U.S. There are many trade and professional associations, and substantial amounts of specific data about products, commerce and markets. The secret to accessing this information is asking specific questions to get the facts you need.

Studies in the U.S. show that the keys to successful

entrepreneurial operations are: management - management - management, and a host of complementary interpersonal skills. Good managers provide good examples for their employees; make their employees feel important for the work they do; and are not greedy. These interpersonal skills build social relationships which must withstand the hassles and obstacles raised by government business regulations everywhere.

Jincie Williams spoke from the perspective of an American businesswoman who has lived in and observed Hawaii's development for many years. To her, trade means industry and industry means growth. Growth is bittersweet as it brings prosperity but requires careful planning to slow depletion of natural resources. Ms. Williams is an advocate of feasibility studies as the first step in planning projects. Feasibility studies as an end product are worthless but if used, they contribute to appropriate growth, trust and confidence.

Ms. Williams's advice to Pacific Islanders is to be aware of changes in their environment - do not let the changes go unnoticed. As industry develops, plan desalinization programs for the future. Finally, look at the cultural impact of growth, As with the environment, once a culture changes beyond a certain point, it is irretrievable. Make conscious decisions about the islands' futures.

David Bjerke is a specialist in finance and management for business development in the U.S. His presentation described the small business environment in the United States including a list of their classic problems.

* In order to attract capital investment, secure loans, or to sell services and products, a small business must demonstrate its capacity to perform. It must verify its performance history and develop business plans for the future. Its performance is generally judged by four measurements:

  1) Quality (the level agreed upon between buyers and sellers; the consistency of quality performance is essential.)
  2) Quantity (the honest production and supply capacity.)
  3) Timing (the ability to meet obligations as agreed. A key factor to be considered here is seasonality - weather and holidays.)
  4) Price (investigate all the factors that influence the price of your product including competition with equal performance ratings in other areas of measurement.)

* Avoid competition on price alone. Market your goods on honest quality, quantity and timing. Do not try to compete with large corporations.

* Business plans are everything in the U.S. Well document-

ed feasibility studies will help to get you where you want to be.

* The classic problems that confront small businesses are:

1) Poor planning - especially in marketing and channels of distribution.
2) Neglecting to monitor the company's financial position.
3) "Cash is King". Cash flow must be accommodated; cash requirements must be planned.
4) Irresponsible pricing. A business must know its costs, especially all the costs of production. Do not price on competition alone.
5) Rapid, unplanned growth is the leading cause of business failure.

Mr. Ladd closed this session with the suggestion that Pacific Island entrepreneurs consolidate their marketing efforts. Market research goes a long way towards successful business. Cooperative planning and funding of research, or making use of some other company's studies, are economically efficient steps to greater success.

THE U.S. MARKET IN

K. Processed Foods and Tropical Fruit Products

Jim Parkhill, Moderator
Leo Mayer, USDA, Foreign Agricultural Service
Michael Real, T & P Custom Marketing
William Knudsen, Knudsen & Sons, Inc.
Harvey Chan, Jr. USDA Research Facility, Hilo, Hawaii
Catherine G. Cavaletto, University of Hawaii

The first half of this session focused on the U.S. market for processed tropical fruits. Panelists spoke about the current state of the industry and made recommendations for selling to the U.S. market. The second half of the session was a presentation of research and development findings concerning aseptic packaging of fruit concentrates, purees and pulp. This research was conducted in Hawaii in response to the local processors' needs to economically package and transport fruit to the U.S. mainland - circumstances similar to those in other Pacific Islands.

Leo Mayer provided some statistics on food imports to the U.S.:

* In 1983, the U.S. imported $16.6 billion dollars in food products. This figure represents a 7% increase in imports per year since 1968.

* Processed foods account for more than 50% of the import totals. Since 1976, processed foods imports have increased by 10% per year, but this rate is lower than rates of other

roducts and commodities.

* $454 million dollars of fruit juices were imported in 1983.

The USDA collects data on agricultural production all over the world. This information is available upon request, and valuable for any producer wanting to begin importing to the U.S. Mr. Mayer cautions producers to look at global patterns of production and trade in their products before expanding production for import to the U.S. Research the competition and do not overreact to consumer trends in the U.S. Americans tend to over-indulge in one or another product for a short while, but always return to a basic diet.

The panelist representing the processed fruit industry expressed several themes in common:

* Americans are trying new flavors. This trend is a result of the increased popularity of health and natural foods in combination with industry promotion.

* American consumers need education about Pacific products. Despite the increasing popularity of tropical fruits and flavors, they are not familiar with characteristics that determine quality, or how to cook with them (eg. coconut cream).

* High quality products are essential for successful sales. The quality must be good and consistent - especially in the case of concentrates and purees to commercial producers.

* Americans will pay for consistently high quality and purity. It is much easier and more efficient to remove imperfections at the source. Quality control measures can be developed in conjunction with U.S. buyers according to their needs.

* The producer should examine efficiencies of production, packaging, and delivery, but best cost is necessary to stimulate interest on the part of the buyer.

* USDA and FDA have restrictive labelling requirements. Truth in labelling is highly controlled. Pure juices and blends should be labelled accordingly. Consensus was that exotic fruit flavors will sell better as blends than as pure juices.

* Island producers could possibly sell several grades of a product to maximize their place in the market.

* For marketing purposes, Pacific Islanders should establish their own quality standards. A regional image of high quality and reliability could pay off.

* National trade associations and shows are invaluable networks of distributors and brokers for producers to access. The Thomas Registry has catalogues of food brokers, equipment suppliers and other information on the food industry.

In summary, Pacific Island producers should look for unique angles to selling their products in the U.S., but the marketing claims must be backed by quality products.

The second half of the session described aseptic (germ free) packaging. In conventional canning and bottling sterilization takes place in the can. In aseptic packaging the food is treated with gamma rays and packaged in sterile containers. This new trend in processing allows for greater economy in the following ways:

* Fruit can be packaged in containers of various sizes to as large as 300 gallons or more;

* Fruit can be packaged in rectangular cartons rather than traditional round cans for greater storage facility and capacity;

* Fruit does not require refrigeration, which reduces storage and transportation costs;

* There are flavor, color, consistency and nutritional improvements;

* There is potential to open up new markets that were previously inaccessible due to transportation and refrigeration limitations.

This new processing method is costly in terms of capital investment, but has great potential for island producers. Following this summary is a paper on marketing processed fruits that was presented as part of this session (see Appendix L).

L. Seafood and Marine Products

Rodner Winget, Fishery Development Association
Don Halverson, Halverson & Associates/San Diego

Although four speakers originally were scheduled to present this forum, three were unable to attend due to unforeseen circumstances. Mr. Halverson, a U.S. seafood importer and broker, was recruited to speak with Mr. Winget. The discussion covered a wide range of subjects without a specific focus, and evolved around the questions of the participants.

The panelist' comments included:

* The U.S. market for seafood is actually a conglomerate of

small regional markets. The Island fish exporter does not have to sell to the whole marketplace, but rather can focus on one of many regional market segments as a first step in selling to the U.S.

* Consistency of quality and supply are important determinants of success in the competitive seafood industry. Only agree to sell what you know will be available, even if it is seasonal. A sales approach based on the uniqueness of the Pacific origin of your product would be a good marketing approach, especially for the gourmet seafood market.

* FDA Analysis of seafood shipments are stringent. Quality control must be maintained to ensure prompt release of shipments through Customs procedures.

* Fresh tuna (skipjack, albacore) might possibly sell better than canned tuna. Baked skipjack has a taste closer to red meat than the expected fish flavor. This unusual characteristic could be highlighted in sales to that segment of the U.S. market that does not favor fish. This consumer group tends to buy fish that does not look or taste like fresh fish such as breaded frozen fish sticks or fillets.

* It is best to sell your fish through a broker. One can locate potential brokers through the Membership Roster of the National Fisheries Institute or the Seafood Business Report.

* Another marketing approach would be to promote and sell Pacific Island seafood on a generic basis through a regional marketing association. Successful examples of such organizations are the Alaska Seafood Marketing Institute and the North Atlantic Seafood Association.

* There are growing markets for seafood as cat food and sportfishing bait in the U.S. Also, in Hawaii, smoked and salted fish are popular. On the West coast mainland, surface fish such as tuna and mahi mahi are good sellers. Reef fish are usually not abundant enough to export to the U.S. and therefore are not well known nor popular. It is not advisable to introduce a new fish with only a limited availability to the market with the exception of gourmet and/or restaurant buyers.

* Gourmet restaurants often purchase several fresh fish for display and a box of frozen fillets for actual preparation.

* Point of sale packaging for specialty seafoods can be quite elaborate and expensive. However, special packaging can sell "gourmet" fish at high market prices. Boxes with view windows are a common, popular gourmet fish packaging.

* The U.S. regional fish markets can be monitored through

weekly newspapers that report on sales prices and market demand. These newsletters are available from the National Marine Fisheries Service, part of the U.S. Department of Commerce on a subscription basis.

* The market for seaweed products in the U.S. falls into three basic categories: 1) a food product in small sheets of flakes; 2) as a thickening agent for foods and other products; and, 3) for medicines and drugs. The U.S. produces cold water varieties of brown and red algae only. Tropical varieties currently have their major market in New Zealand.

* The by-catch from tuna nets is available for purchase and processing from large tuna fleets. These varieties of fish could possibly be sold in the U.S.

* Marketing assistance is available from the Fishery Management Council, Wespac, the National Marine Fisheries Service among other agencies. The National Fisheries Institute holds an annual conference. A Pacific Island regional seafood cooperative, or individuals, could rent a booth and market their products very effectively at such an event. The NFI could provide on-going information on the U.S. seafood industry through membership and/or attendance at events.

* The Pacific Island ethnic communities in Hawaii and the mainland may serve as a starting point for sales development in the U.S.

* When marketing fish, use Latin names on all invoices and commercial documents. This will avoid confusion caused by the many different common names for the same variety of fish.

M. Handicrafts and Artifacts

Caroline Yacoe, Pacific Pathways, Inc.
Linda Moriarty, Office of Hawaiian Affairs
Peter Elvy, Handicraft Advisor, SPEC

This session began with a slideshow presentation of Pacific Island handicrafts in museums, museum shops and gift shops. The photographs illustrated the main points of Caroline Yacoe's opening presentation which were:

* Many Pacific Island handcrafted items can and should be sold as "fine art pieces", not handicrafts. This is especially true when marketing high quality, unique products and artifacts to museum and gallery shops.

* Labelling is an extremely important aspect of marketing handcrafted items in the U.S. A label should include the

place of origin; age; the materials used; the name of the item; the traditional and/or current use; anthropological/ethnological significance; a map of the area; and, when possible, the name of the craftsperson. Label information will increase interest in the item as it educates the buyer. Also, the recognition given to a craftsperson by inclusion of his or her name on the label (or item) will add to his/her pride and motivation for high quality production.

* Museum shop buyers insist that items are "of a very fine quality, unique, and that they be a reasonable price." (In fact, the Director of the Honolulu Academy of Art Shop attended the opening night of the Pacific Islands Trade Show and made many purchases.)

* Worldwide recognition of the fine craftsmanship and beauty of Pacific Islands crafts has been achieved in recent years. The Metropolitan Museum of Art in New York City has opened a new wing (The Michael C. Rockefeller Wing) which houses "primitive art" from around the world. Pacific Islands Crafts are prominently featured in this very important collection and renowned museum.

* Though Pacific Islands' handicrafts and artifacts represent a long tradition, they do not have to remain static in design. The art reflects a changing culture and traditional designs can be adapted to modern uses.

* On Oahu, The Bishop Museum, The Honolulu Academy of Art and the Polynesian Cultural Center are all potential outlets for Pacific Island handicrafts.

Linda Moriarty spoke about the Hawaiian market for Pacific Island handicrafts and artifacts from her perspective as a Native Hawaiian and importer of handicrafts. As an exporter must find a niche in the market, so must an importer. Ms. Moriarty sells primarily to galleries, museum and hotel shops and boutiques that do <u>not</u> have a mass market, tourist clientele. She imports unique, high quality items only, which are not in competition with the many handcrafted products from Asia (Philippines, Taiwan and the Peoples Republic of China) that dominate the market in Waikiki. She believes that Pacific Island exporters have a good market in Hawaii with local residents and, especially, the Native Hawaiian community. Native Hawaiians are not producing many handcrafted items any longer, but maintain their appreciation for high quality traditional craft items from the Pacific. These customers have less of a need for education than other consumers because of their pre-existing knowledge of Pacific items and materials. On the other hand, because of this familiarity with the traditional handicrafts, they want and expect only high quality items.

There are two handicraft markets: 1) The internal Pacific Island market for locals and tourists; 2) the export market.

There often is confusion between these markets on behalf of the craftsperson and the exporter. The local tourist market (eg., boat days) is normally a lower quality, lower priced market. The decorative designs often incorporate the name of the nation or town. Usually artifacts are not included in this market. The type of item crafted for this market is not normally suitable as an export item because of the lower quality and tourist identification (name of Island).

Also, there are two types of handicrafts: 1) decorative (i.e. Tapa); and, 2) utilitarian (i.e. handbags, wahala mats, food bowls). Crafts that fit into both of these categories have the best sales value. However, high quality remains the most important determinant of marketability.

Ms. Moriarty presented a series of slides to illustrate characteristics, problems and recommendations regarding sales of handicrafts and artifacts in the U.S.:

* Food bowls are decorative and utilitarian. Do not overlook everyday items when determining your selection for export.

* Wooden items such as Kava bowls must be cured correctly to prevent cracking. Pack them carefully with explicit handling instructions on the shipping label.

* Mark your items carefully - preferably on a separate, detachable label. Do not use indelible inks on items that could mar the beauty of the decoration or design.

* Educate customers about your products through marketing materials.

* Finish your products with care so as not to detract from the natural beauty of the shells, wood, fibers, etc. Plastic liners in baskets only appeal to the mass market in lower priced items. If plastic is used as a strengthening material in a basket, make sure that it is integrated with the natural materials.

* Wahala floor mats have a great appeal in Hawaii. They mesh with the Hawaiian lifestyle and are serviceable, comfortable and easy to clean. A tight weave increases the durability and price of a mat. (Fine, tightly woven mats from Tokelau can last up to 20 years under normal use.)

* If tapa is used for a utilitarian item (i.e. the cover of a basket), it should be treated with a plastic overcoating to protect its durability.

* Pricing should be based on the quality of an item rather than on the number of units in an order. Often items of like style, decoration and materials will vary greatly in quality. Attention to detail and craftsmanship will bring a

higher price.

* All items should be thoroughly inspected for insects and water damage (mold, mildew) prior to shipment. U.S. Customs will deny damaged or infested items admission into the U.S.

The consensus of the panelist was for the handicraft and artifact exporter to set high standards for their products. Attention to detail in product crafting, selection, packaging, labeling, shipping and pricing will pay off in increased sales and satisfaction among your buyers.

N. Specialty Items

Kathy Gower, Action Research International
Ruth Greenberg, Tidepool Galleries
Dorrie Paganini, Papermania

Among the specialty products from the Pacific Islands that were represented by conference participants were stamps, handicrafts, seashells, foods, cosmetics and jewellery. This session touched briefly on all of these items, but primarily focused on general marketing tips for specialty products and on seashells.

Ruth Greenberg, owner of the Tidepool Gallery in Malibu, California, is a collector and retailer of shells, arts and crafts related to the sea. Her informative presentation included practical tips and facts for Island exporters of seashells and related items:

* Although Pacific Island shell exporters have stiff competition from the Philippines, small shops and collectors will buy specific specimens and unusual, good quality shells.

* Buyers only want shells that are taken live and properly cleaned. Beached shells lose their shine and true characteristics. Proper cleaning guards against stains from the natural acid in the shell that comes from decay.

* Properly cleaned shells retain none of the animal. Shells can be buried in the sand, left to ants to clean and then boiled or, frozen, then soaked in a one to one mixture of bleach and water for one day and then rinsed.

* Shells should be accompanied with its scientific name, the location where it was found and the depth of the water in which it was collected. This information is important to both scientific and serious collectors.

* Common shell names vary throughout the world. Ms. Greenberg recommended two publications when identifying shells:

  Seashells of the World: A Little Golden Book an

inexpensive guide which lists both common and scientific names of shells; and

1,000 Seashells and Their Values a more expensive hardcover book with good photographs, a listing of price ranges and locations to find specimens.

* Another useful guide for the Island exporter is the periodical "Of Sea and Shore" a magazine for shell enthusiasts. Shell suppliers can place classified ads in the magazine to market their shells. Of Sea and Shore Publications also publishes "A Sheller's Directory of Clubs, Books, Periodicals and Dealers" which lists shops dealing shells and handicrafts throughout the world, and several other catalogues. The address for these references is:

Of Sea and Shore Publications
Box 33
Port Gamble, WA 98364 USA

* Prices shown in catalogues are retail prices. The wholesale sales prices must be 50-60% lower.

* Shell dealers will often make purchases based upon receipt of a sampler package of shells. Also, dealers usually will pay the shipping costs, at least, for these samplers. Exporters can also send written descriptions of shells to potential buyers.

* Shells are most commonly shipped air freight to U.S. buyers.

* Do not overlook small, good quality cowrie shells that come from the Pacific Islands and then search for those specimens rather than the more common shells.

* Many shell dealers are interested as well in shell crafted items such as fine quality jewellery, shell tools (coconut graters for example) and shell beads. Ms. Greenberg advised participants not to overlook what they consider to be everyday items as these may be unique to the U.S. collector.

Ms. Greenberg spoke briefly about the need for crafts supplies as specialty items in the U.S. Beads of shell, stone, wood and bone are in demand by craftspersons. Trade beads sell from $1-10 each depending on quality and age. Also, many basketmakers appreciate fibers from the Pacific, including pandanus, coconut spine, hibiscus, bacbac, mulberry, sennet and "cigarette paper" (the white lining of pandanus leaves). All fibers must be clean, dry and bug free to enter the U.S. Small quantities of Ivory Nut for carving could sell to rock and gem shops and mineral shows. (It sells for approximately $1.50-$2.00 per pound.)

Specialty items are literally what their name implies - unusual

or unique products not commonly available to the consumer. Therefore, these products cannot be marketed as on a large scale as mass quantity items. Economic principle dictate that these unique items in low supply generally will sell for a medium-high to high price. Market research to determine the necessary quality, quantity, packaging and prices to profitably market specialty items to a target consumer group is very important. The following is a list of considerations for the specialty items producer:

* Ability to produce. If you cannot supply a large quantity on a regular basis, then focus production on high quality and low quantity.

* Packaging may be of particular importance for unique items. Educate and inform your buyers through packaging. For example, include recipes, a description of the original use for the item, an account of the history or cultural origin of the product, sketches or photos of the island setting, etc.

* Promote the unique characteristics of your item: Island snack food can become "gourmet foods" in the U.S.

* Buyers often want a quantity of items for display purposes. These products do not have to be exactly alike. In fact, variations among the items could enhance their specialty l. el.

* Consistent supply is important, especially if a buyer is dependent solely upon one producer.

* The U.S. mainland market is very different than Hawaii. Do not expect results of market research in Hawaii to apply to mainland consumers. The West Coast market currently imports few items from the Pacific Islands.

* Trade and industry shows are efficient and effective venues to establish contacts with dealers, importers and buyers. A producer may witness their competition at work - prices, quality, packaging, etc. There are trade shows for all major industries.

* Trade journals and professional associations exist for most specialty products. Libraries have listings of these periodicals and associations. Often, producers may place ads in journals to market products or to recruit dealers.

* Island ethnic communities in the U.S. may provide an amenable first market for an item. These groups more than likely will not require elaborate packaging or educational efforts because they are familiar with the products.

The session wound up with a discussion about mail order catalogues as marketing devices for specialty items in the U.S. None

of the panelists or audience participants were well informed about mail order marketing, but some helpful comments were exchanged:

* Producers can develop their own catalogue at a high cost or sell items to distributors of already existing catalogues.

* Existing catalogues have mailing lists of consumers prepared by market research specialists.

* A large supply of an item must be available for distribution from a U.S. location. Otherwise, the time lag from the Islands to the U.S. and foreign currency exchanges would prohibit business efficiencies.

* Catalogues are popular in the U.S. because they allow consumers to purchase directly from their homes. Many catalogues are seasonal, published only during holidays or times appropriate to the items of focus.

In summary, most participants agreed that the small Island producer should sell to an established catalogue house rather than striking out independently. The other alternative suggested was a regional catalogue marketing organization to promote goods from the Pacific Islands.

O. Primary Agricultural Products

Leo Mayer, U.S.D.A., FAS
Jim Parkhill, Parkhill International
Eunike Atualevao, Essa Limited

Mr. Mayer chaired this very informative session on importing agricultural products into the United States. Both Mr. Parkhill and Ms. Atualevao have personal experience in this area and were able to provide participants with current, relevant examples of their points of information.

Mr. Parkhill advised Island producers to import to the U.S. only when they have a comparative advantage or competitive edge over U.S. producers. A comparative advantage could be:

* product quality

* labor availability

* GSP or other tariff dispensations

* timing (for example, fresh fruit is imported from South America where the seasons are the reverse of the U.S.)

Mr. Parkhill urged producers to look for other creative advantages such as the following example from Chile where isolation is

an advantage that Pacific Islands could mimic. Large agricultural companies develop their own seeds and need clean, uncontaminated growing environments for seed breeding, multiplication and production. This production does not require large amounts of land; the land does not have to be contiguous; the work is highly labor intensive; it requires educated workers; and, it is a low-tonnage item. This type of creative advantage holds the key to success for the small producer desiring to export to a large competitive marketplace.

Ms. Atualevao presented her experiences as an importer specializing in coconuts and coconut products for the U.S. market. The current rate of U.S. consumption of coconuts is two million per month: 50% from Central America. Coconuts must be dehusked to conform to USDA regulations, and, therefore are usually shipped in dry containers. As the American consumer always wants a high quality product, nuts must be sorted and repackaged upon entry according to size and quality. No cracked nuts will sell. Americans also do not buy nuts that have sprouted unlike many Islanders who prefer sprouted nuts. Timing is an important transportation consideration for coconuts: eight to ten days must be allowed from the Islands whereas Central American coconuts arrive in the U.S. after two or three days.

American consumers need to be educated about the uses and quality of coconuts in order to appreciate the differences between Pacific and Caribbean nuts. Pacific nuts are larger with firmer meat. Coconut suppliers must work closely with their buyers in the U.S. to make a profit. For example, large chain stores such as Safeway and Lucky only want uniform size coconuts so that they may be priced per unit rather than by weight. Also, produce market prices vary daily. Therefore, regular deliveries and close communication with buyers combine to insure a profitable venture overall.

Agricultural products entering the U.S. must meet phytosanitary regulations set by the FDA and USDA. Often processing and production facilities must be certified by USDA.

Questions from the audience generated a discussion about fumigation and preservative methodologies. The recent ban on EDB stands as an example of the need to exercise caution before investing in fumigation facilities and equipment. Other alternatives should be explored such as:

* The double hot-water dip method of fly control (for example: papaya requires a forty minute water bath at 42°C followed immediately by a twenty minute bath at 49°C.)

* A greener product can be picked

* Radiation for disinfestation. This is very costly and approval for the use of gamma rays for all foods up to the level of 100 kilorads is expected to gain approval in the near future. However, there are serious questions about

whether or not U.S consumers will purchase irradiated produce. The March 1984 issue of High Technology Magazine contains an up-to-date article on irradiation of agricultural produce.

P. Tourism and Related Industries

Pamela Takiora Ingram Pryor, Pacific Planning and Research
Marae Irata, Acting Deputy Secretary for Natural Resources, Republic of Kiribati
Carl Parr, Hawaii Visitors Bureau
Kawaipuna Prejean, Office of Hawaiian Affairs

Ms. Pryor introduced this session as not just a meeting for tour agents, but rather a meeting to focus on tourism as an export commodity. The goal of the session was to explore how Island nations can penetrate the U.S. market with their product, tourism, and at the same time examine the problems of cultural and social degradation and infrastructural requirements that are affected by the tourism industry. The role of most government tourism agencies is usually to minimize the negative effects and maximize the economic benefits of tourism. These efforts are heavily affected and at the same time dependent upon marketing. Mr. Parr was introduced to discuss the Hawaiian model for marketing tourism as a case study of the development of a tourism industry.

The Hawaiian Visitors Bureau (HVB) is eighty years old, the oldest in the Pacific, and is regarded as a model for similar organizations in which government and private industry work together. The HVB budget is developed from a combination of government funds and membership dues. Its goals are to promote travel to all of the Hawaiian Islands, and to maintain a continuing interest in the well-being of visitors to Hawaii. The goal of the marketing department is to promote Hawaii as a desirable destination for family vacations and for meetings and conventions. The HVB has six departments which include:

1. Meetings and Conventions.

2. Special Services which oversees domestic and foreign promotions of entertainment, trade presentations, store promotions and community group activities.

3. Public Relations Department which produces films, slides, posters, and 3 million promotional brochures annually.

4. Statistical Department which collects data about visitors and their impact on the economy, society, etc. Questionnaires are distributed with the Hawaiian Department of Agriculture information questionnaire on in bound flights to Hawaii.

5. Membership Development Program.

6. Visitor Satisfaction Department which conducts surveys to measure the quality of the visitors' experience in Hawaii.

The HVB has regional offices in the U.S. mainland and foreign representation in Vancouver, Sydney, Hong Kong and London. Sixty percent of Hawaii's four million visitors arrive from the U.S. Mr. Parr presented a slide show about the HVB and its activities which reiterated the points made earlier.

Mr. Irata spoke about the newly formed Tourist Bureau in Kiribati. Kiribati has very little money available to support the Bureau or any promotional efforts. The nation opened its doors to tourism only several years ago in one island group (Line and Phoenix Islands) and just recently began promoting Christmas Island. It is relying upon foreign aid funds to develop its market campaigns and the infrastructure necessary to support tourism. The largest obstacle is that of distance - the remote location of Christmas Island makes the infrequent air flights very expensive.

Christmas Island is promoting its qualities as a light tackle fishing resort and attracted 1,000 visitors in 1983. The Kiribati Tourist Bureau is keeping tight control on the influx of tourism and the development of a tourist infrastructure. It is pursuing a policy which will protect the culture and lifestyle while still creating economic growth in the rural areas. It is relying upon the multiplier effects of tourism revenue to help develop the outer islands.

Ms. Pryor commented that the multiplier effect will stimulate rural development and the local handicraft industry. Tourists returning to their homes with high quality handicrafts will stimulate the demand for the same in the external market.

Seminar participants voiced concerns that there may be no real and lasting economic gain from the development of tourism, especially aspects of the industry that were begun with foreign aid or investments. Food often must be imported to service tourism and these additional imports may cause an imbalance of payments.

The South Pacific Trade Commission represents all the member Pacific Island nations in its regional tourism promotions at travel conferences.

The final speaker of this session was Kawaipuna Prejean, who addressed the limitations and problems of the large tourist industry in Hawaii. He described tourism as a "hospitality" industry, a trait that islanders are well known for. Mr. Prejean believes that tourism in Hawaii has had many negative effects on the local culture and society. Its development must be constantly monitored and checked. There are many absentee land owners who do not make full use of their property yet deny its use to

others; beaches have been paved over and permanently destroyed; the environment has been and continues to be polluted. He cautioned all Islanders to care about the region as a whole and to learn from the failure of the Hawaiian tourism experience. Mr. Prejean invited interested participants to attend a hearing at the State Capital Building regarding tourism and the Native Hawaiian Community later that afternoon.

Q. Financing Pacific Island Products

Vincent Goddard, Eagle Fisheries - Chair
Lindsey Barrett, CPA, Coopers & Lybrand, Vanuatu
David Ramsour, Chief Economist, Bank of Honolulu
Rodner Winget, Fisheries Development Associates, Seattle
Louis Sleeper, U.S.T.R.
Misikei Chong Wang, Development Bank of Western Samoa
Merle Crowe, Partner, Peat, Marwick, Mitchell & Co./Honolulu
Carleton Williams, Manager, Deloitte, Haskins, & Sells

The agenda for this morning of presentations on financial topics was altered to combine all of the panels into a continuous program. This allowed the speakers to interject comments and respond to specific questions as topics overlapped. Vincent Goddard chaired the session which was planned to progress through the following topics: business fundamentals; financing business; limiting risks; and, trade finance. In sum, the goal was to address the practical steps islanders can take to identify and meet their financial needs.

Lindsey Barrett from Vanuatu spoke from his perspective as a C.P.A. in a nation with a tax free environment which has a sophisticated banking and professional infrastructure that supports local and international business. Regarding business fundamentals, he made the following series of comments:

* Island banks tend not to lend as much money for as long a term as U.S. banks. They expect the entrepreneur to contribute as much equity as possible to the venture.

* The greatest problem he sees is the failure of businesspeople to do their "homework." They fail to investigate thoroughly the viability of the proposed venture: Can the product compete in the intended market? Is their particular island the best place to produce it? How will cash flow be accommodated and managed to finance development? Are budgets planned? Has a bank check been run on investors?

* Professional counseling, though expensive, always pays off in the long run. Even two or three hours of consultation will help to determine appropriate bookkeeping systems, budgets, etc.

* Debt collection is often difficult, but bankers can

assist with letters of credit.

* Entrepreneurs with "one good idea" often fail in the islands where the consumer market is too small to support a single product venture. Also, business cycles must be carefully planned for capital must be available for expansion into new markets that are necessary for survival.

* Localization policies which are prevalent in the islands are often counterproductive from the capitalist economic perspective. Local labor sources often cannot meet the demands of international business due to low availability or untrained workers.

* Development banks often provide better funding than normal banks. Entrepreneurs should investigate as many options as are available for funding.

* Islanders should investigate and take advantage of all tariff incentives relevant to their ventures.

Mr. Barrett sketched the typical island company and its finances. Companies are usually family owned with debt equity to many different people and or entities. They usually require investments of less than $100,000. Profits average 8 percent. Typical loans have five year repayment terms and often include a balloon payment. The most common problems are cash flow and low levels of labor productivity. Greater discipline on the part of management in supervision and budget controls would bring a greater return.

Mr. Winget focused his comments on the important role of the business plan in securing funding in the U.S. He described the business plan as the initial step towards joining entrepreneurs and investors. This difficult task can be simplified with the help of an expert - someone who knows the business environment and the market within which the entrepreneur intends to compete. Experts could also have contacts in the specific industry to help with the actual growth and development of the venture.

The major components of a business plan should include:

* A statement that describes the product and the market.

* A management plan including the actual personalities involved and their previous experience.

* A descriptive list of potential buyers and their need for the product. This can include letters of intent when possible.

* A production plan including production schedules and requirements.

* A statement of the investors risk/reward balance.

* A financial plan including the amounts of debt money and equity money the venture intends to manage.

* A risk analysis including all potential problems for the venture such as raw materials supply, price controls, management death, transportation, etc.

Mr. Winget closed his presentation with a brief discussion about the Overseas Private Investment Corporation (OPIC). OPIC is a U.S. Government entity working to facilitate U.S. investment overseas. Pacific Island nations which are current members of OPIC are Papua New Guinea, The Cook Islands, Western Samoa and Fiji. Governments must apply to join OPIC, but once the initial agreements are in place, private companies may directly involve themselves with OPIC's programs. Mr. Winget suggested that entrepreneurs from member nations take advantage of OPIC's Opportunity Bank-a computerized data bank listing U.S. companies with an interest in overseas investments.

Mr. Ramsour, Mr. Carleton and Mr. Crowe spoke about securing investments and reiterated several of the points raised by Mr. Winget.

In order to obtain financing and investment for business ventures, a company needs to provide information similar to that contained in a business plan to funders. These speakers particularly emphasized inclusion of the following:

* Details of the capital structure, assets and capital requirements;

* A list of other potential lenders/investors that have been approached;

* The local services that will be required (both professional and unskilled);

* Sources of raw materials and labor; and

* The relationship of the company to the country and society - a social impact and/or country risk assessment. This should include information about the financial condition and external debt. Any local opposition to the project should be acknowledged fully.

Mr. Sleeper described the United States Trade and Development Program (USTDP) as a small agency working with U.S. companies to sell their goods overseas. USTDP is a sister program to USAID and OPIC and funds multipurpose, action - oriented feasibility studies. It does not fund project implementation costs. Multi-purpose studies include:

* A technical element - Is the technology present in the country or at the site to conduct the business or project?

* Economic questions - Have all the alternatives been examined to find the most cost efficient among them? What is the size of the project in relation to the economic context?

* Financial questions - What are the costs? What is the projected rate of internal return?

* Marketing aspects - What is the market demand for this product or service? This aspect is crucial to the success of any project.

USTDP also funds "definition missions" for which they send out a team of experts to investigate a project. Within one or two weeks, the team recommends whether or not OPIC should pursue the project further. One criteria for a positive recommendation is the expectation that U.S. sales will result from the project.

A large project or group of smaller similar projects may justify the use of USTDP funds for a "technology symposium." U.S. representatives of appropriate equipment, technology and services are sponsored to display their goods in the nation hosting the project. National development plans often emphasize a particular sector of their economy for development. For example, there are one half billion dollars worth of coal mining processing and marketing projects in the Philippines for which a technology symposium of U.S. technology was sponsored by USTDP.

No matter which type of USTDP funds are desired, the following criteria are considered important in the application review process:

* That there be potential procurement of U.S. equipment and/or labor;

* That U.S. investment is an important element; and

* That the project be in a priority development category for the country.

Historically USTDP has spent one half of all of its funds on energy related projects. Other major funding areas are agriculture, transportation and telecommunications.

Mr. Misikei Chong Wang spoke briefly about the Development Bank of Western Samoa. The Bank is 100% government owned and has been operating for ten years. Its main function is to provide financial assistance and technical advice in support of development efforts in the nation. It primarily funds agricultural development but has made some loans to small businessmen for manufacturing, processing and service ventures. Although the Bank is government owned it receives most of its funds from the Asian Development Bank which, in turn, is largely funded by the U.S. Small loans of $500-$2,000 are the most common. The major problems the Bank faces are in obtaining collateral for loans and in

collection. Only four per cent of the land in Western Samoa is freehold, which disallows the use of land for security. Producers often have difficulty selling their goods and in return cannot make payments on their 8 percent loans.

In an attempt to resolve these problems, the Bank is sponsoring a training program to enhance client skills in management, financial planning and accounting.

IV. LOOKING AHEAD - - STRATEGIES FOR THE FUTURE

A plenary session was held on the morning of the last day of the conference. The goal of this closing session was to briefly review and highlight the main events and issues that characterized the week. Predictably, several common themes and concerns bound the eighteen formal and the informal meetings together. William Paupe chaired the session along with conference organizers Alexander Mamak and Joseph Harrison. After a summation of the key issues raised throughout the various sessions by Mr. Paupe, the floor was opened up to comments from the participants.

A. Comments from the Floor

The following statements are drawn from among the many comments made by the conferees:

* Senator Peter Christian (Federated States of Micronesia): The cultural heritage of the island nations must be preserved as development occurs.

* Honorable Faasootaulaa Saili (Western Samoa): Japan offers a huge market that should be explored in addition to the U.S.

* Bill Harris (Tonga): Regional cooperation in trade development is important for the future. For the present, participation and benefits of Pacific Island - U.S. trade should be mutual.

* Mariano Kelisi (Solomon Islands): The U.S. should follow up on the conference, especially in efforts to overcome transportation barriers.

* Lindsey Barrett (Vanuatu): More Pacific Islander input should be utilized in planning any future conference of this nature.

* Chief from American Samoa: The U.S. private sector should allow Islanders to investigate business people thoroughly.

* Saneli Tuepelepanga (Office of Samoan Affairs): Islanders should not rely upon outsiders to establish tourism in

their nations without careful planning and control to maintain cultural integrity.

* Hon. Epeli Kacimaiwai (Fiji): Islanders must work towards improved intra-regional communication and make use of SPEC and SPC.

* Marae Irata (Kiribati): Islanders must look internally to their own needs and desires as they plan their own development strategies.

Though the above comments are only a few of the many that were made by spokespersons from all of the participating nations, they are representative. A more thorough summary of the plenary session proceedings and conclusions follows below.

B. Transportation

Which comes first - shipping arrangements or sales commitments? This issue was raised over and over with little agreement. Shippers say that sales should be secured but exporters counter that they need shipping costs in order to quote CIF costs and secure sales. Regional cooperation is the direction in which the discussions invariably lead.

* Access to shipping services must be affordable and reliable.

* Transshipment, feeder ships, foreign trade zones are all alternatives that need further development.

* Regional cooperation (as in 30-day free container storage in American Samoa) should be a planning priority.

C. Marketing

What and where are the markets for Pacific Island products in the U.S.? These two basic questions underline the need for marketing assistance to small business persons in the Pacific Islands. They want more information and training in the following areas:

* Market analysis

* Market planning

* Resources to tap in the U.S. in order to fully participate (trade centers, industry associations, journals)

* Sales representation abroad

D. Finance

Needs for capital can only be met through increased interest of investors in the islands. Creative financing should be explored to attract investments which are usually less than $100,000. Governments should encourage public and private sector cooperation on trade and finance assistance.

More education and training are needed to help protect the island businesspersons from disadvantageous foreign business practices.

E. Regional Cooperation

Regionalized trade and commerce efforts between both public and private sectors was the most common theme throughout the proceedings. Areas for new or expanded activities include:

* joint ventures
* sharing resources
* protection of resources
* marketing associations (especially marine)
* trans-shipment/storage
* education and training
* increased inter-island trade.

Regional or national marketing associations, again, fit into the theme of regionalization of the Pacific. This notion came up in conversations from stamps to fish to handcrafts.

F. Primary agricultural Exports to the United States

Participants called for information services and literature to increase their familiarization with regulations and restrictions on all agricultural exports to the U.S. including:

* Fumigation requirements.
* U.S. mainstream and island ethnic consumer group market potential.
* Marketing techniques for agricultural products.

G. Handicrafts

There are important factors to consider before importing handicrafts into the United States:

* Quality control

* Pricing of articles

* Labelling and packaging

* Detailed description of ethnographic pieces

* Shipping costs

* Delivery schedules

* Capacity to produce in quantity

* Maintaining authenticity and cultural integrity

* Knowledge of the specific needs of the U.S. market

Some follow-up programs that were suggested are:

1. Training for participation in trade shows, including guidance on pricing, price lists, pricing in different currencies, order books, catalogues etc.

2. Assistance in the design of marketing materials including labels, posters, handouts, maps and display information.

3. Further research the on U.S. market, both in Hawaii and the mainland.

H. Constraints to Trade

* Over-competitive and prohibitive shipping charges.

* Insufficient understanding of the regulatory requirements of U.S. trade laws and product quality, standard and marketing presentation.

* Lack of adequate understanding by the U.S. consumer of Pacific Island products and their uniqueness.

* Insufficient knowledge of FDA's specific requirements and controls for individual products marketable by Pacific Island countries.

* Lack of confidence on the part of the Island medium and small scale entrepreneurs to initiate business in the U.S..

* High financial risks.

* Lack of knowledge of resources and opportunities available for developing business with the U.S.

* Not enough incentive to invest because government and private sector cooperation is lacking.

* Infrastructural inadequacies in transportation and communication.

* Lack of capital investment funds.

* Inconsistent ability to produce and sell products due to a lack of material resources, raw products and support services.

I. Foreign aid

More information about aid projects and opportunities is desired. This includes education and training programs as well as financial assistance. A strong sentiment to become less dependent on foreign aid was expressed by many, although short term aid may be necessary and desirable.

The Trust Territories have different aid opportunities than other nations in the Pacific and would like more appropriate assistance programs in their regions.

J. Follow-up Activities

* Annual trade and development conference.

* Local and regional follow-up sessions assisting in marketing, business administration, financial management, trade regulations and procedures, policy development.

* Policy review on the part of governments with respect to trade concessions and cooperative agreements with the private sector.

* The development of marine resources is the key to economic growth in the Islands and should be a priority for commercial development efforts.

* The U.S. private sector should be stimulated to invest in the Pacific Island countries.

* Small scale seminars and meetings of U.S. and island producers and entrepreneurs in the U.S. to develop contacts and maintain a high level of confidence and continuity of business transactions.

* The development of a Pacific Islands Trade commission on the West Coast or Hawaii to promote and coordinate the marketing of Island products.

K. Summary Statement

The participants in the Pacific Islands Trade conference held in Honolulu, March 18 - 23, 1984, recognized the pressing need for private sector development and expanding trade links between the countries and territories of the Pacific and the United States. The participants recognized that there are constraints to Pacific Islands/United States trade. These include expensive and sometimes irregular shipping links, a lack of knowledge of the U.S. market and U.S. import regulations and procedures among business people from the region; a lack of knowledge of the Pacific region and its products; minimal coordination of trade activities among Island business people; a need for increased cooperation between governments and the private sector; and, a lack of finance for market development, training and export development.

The participants in the Pacific Islands Trade conference agreed that there is a need for private and public sector efforts to reduce such constraints. These efforts should be taken up by individuals from the private sector and private sector organizations in the U.S. and the Pacific, Island governments and the U.S. government agencies, and regional and international organizations.

To reduce the constraints on Pacific Islands/United States trade, individuals, governments and organizations represented at this meeting have noted that there is a need for:

1. Training programs and information on agricultural, handicraft, tourist and other markets in the U.S., marketing strategies for these products, and U.S. Customs, USDA and FDA regulations and procedures. There is also a need for management training for private entrepreneurs in the Pacific region. Perhaps this could include relevant U.S. domestic trade and business related programs that might be expanded to Pacific Islands, for example the Small Business Administration.

2. Future trade meetings and trade shows to increase U.S. awareness of Pacific Islands products. Planning for such activities should include more Pacific Islands participation and joint coordination of agenda and issues identification. There should also be more participation by the U.S. private sector as potential buyers in such activities.

3. Market development and marketing assistance for Pacific Island products to be sold in the United States. Such a need could be facilitated by the establishment of a Pacific Islands Trade Association in the United States and a U.S. Pacific Island Businesspersons Association.

4. Affordable and reliable shipping and air services between the Pacific Islands and the U.S. The shipping studies conducted thus far should be consulted and private sector involvement in shipping development must be

encouraged.

5. Review government policies in the U.S. and Pacific Islands that may inhibit or facilitate trade between the Pacific Islands and the United States. More importantly, there is a need for more public and private sector cooperation for trade development. In addition, it is important to seek ways to adapt government policies and regulations to allow increased trade.

6. Increased finance to develop export industries, shipping and marketing through both private and public sectors. It is also necessary to have assistance and training in the development of financial arrangements.

7. Develop marine resources for both domestic consumption and export that will ensure sustained local supply and export income.

8. Information on potential U.S. importers and investors to ensure their reliability as partners in Pacific Islands and U.S. trade development. There is a need to establish a Better Business Bureau for protection and information.

9. In the specific area of agricultural products:

(a) There is a need for the USDA Foreign Agricultural Service to assign an extension agent for the Pacific region to inspect food processing facilities and export products and to be present for required fumigation procedures.

(b) There is a need for qualified insurance agents to supervise laboratory procedures for the testing of agricultural imports to meet insurance company requirements.

V. EVALUATION

A. Introduction

Pacific Studies Institute developed a questionnaire which was administered as the main evaluatory mechanism for the conference. The purpose of the evaluation was to obtain critical information about the participants' views of the relative success of the meeting. So this evaluation was a direct outgrowth of the initial survey of local entrepreneurs and island institutions in planning the overall conference undertaking. The previous survey of local entrepreneurs and island institutions identified resources and participants for the conference; acquired baseline data on entrepreneurs and trade with the United States; and assisted the project team in developing an agenda based upon the expressed needs of those returning the survey questionnaire.

B. Evaluation Instrument

The evaluation instrument developed for the conference was designed to be completed by each participant before the conference formally adjourned. The nature of the questionnaire (see Appendix M) provided for quantitative data derived from the relative ranking of the first six questions according to a scale of 1 to 5, with 1 being poor and 5 excellent. Questions 7 through 13 provided an opportunity for individual responses in written form and composed the qualitative portion of the data.

A draft survey instrument was approved by the project team in its meeting with USAID representatives before the conference began and once finalized it became part of the conference packet for each participant.

C. Evaluation Results

There were 251 participants at the conference representing the United States, New Zealand, Australia, and 17 Pacific Island nations and states throughout the Pacific Basin. Approximately 19 percent of the total number of participants responded to the questionnaire. The completed evaluation forms were collected, reviewed, coded, and machined for tabulation. Since there were an unequal number of representatives from any particular island nation or state, there is unequal weighting of the results.

The following list gives the number of completed evaluation questionnaires per geographical area:

United States 4 (mainland)
Fiji 7
Marshall Islands 1
Papua New Guinea 4
Solomon Islands 1
American Samoa 11
Total 47 respondents

Cook Islands 2
Hawaii 3
Niue 3
FSM 3
Tonga 8

The first six questions provided an opportunity for each participant to give a numeric ranking of the conference. Table 4 presents the results of the 47 responses according to each question.

TABLE 4

Total number of responses and averages according to evaluation form questions 1 through 4, where 5 = excellent and 1 = poor

QUESTION	RATING 5	4	3	2	1	Total Resp.	Avg. Rating
1. How do you rate the facilities?	18	23	4	1	1	47	4.19
2. Did you have a clear idea of what was to be presented during the Conference?	10	16	13	5	2	46	3.59
3. Do you feel the objectives of the Conference were met?	11	24	9	2	0	46	3.96
4. Do you feel Conference material was well organized?	24	11	8	3	0	46	4.22
5. Were the visual aids easily seen and understood?	21	16	7	1	2	47	4.22
6. Were the handouts appropriate for the material presented and for reference?	18	18	6	2	2	46	4.04

The respondents rated questions 1 through 6 with an overall average of 4.04. The range was rather narrow with a low of 3.59 for question 2, asking the participant if he or she had a clear idea of what was presented, to 4.19 for question 1, asking each participant to evaluate the physical facilities and 4.22 for question 4, asking each participant how organized they found the conference material.

The qualitative data from the written responses covered quite a broad range of topics but most fell within a limited number of key categories. Question 7, for example, asked respondents which presentation helped the most and why. The responses fell within three main groupings: 17 respondents indicated that the U.S. marketing presentation was the most helpful; seven expressed interest in the handicraft area (this was also tied to responses to general U.S. marketing interest); and six indicated that financing was the most helpful presentation. If these three main concerns are taken together and viewed with a single focus, it clearly indicates that 30 or approximately 64 percent of the respondents felt that the U.S. marketing and financing presentations were critical to their interests in doing business

in the U.S. On the other hand, question 8 which asked each respondent which presentation was least helpful evoked some interesting results. Seven respondents felt that the financing presentations were not helpful in their particular case; four respondents felt that agriculture and/or food processing were the least helpful session; while eight respondents were all too varied to provide any comparison. It is interesting to note that 13 of the respondents did not complete question 8.

Which presentation did the respondents find most helpful formed question 9. The respondents indicated that agriculture/food processing/USDA was the most helpful, with seven responses. The next most helpful was transportation/shipping/documentation with six respondents. Equally important was handicraft which also had six responses. Four respondents indicated that finance was the most helpful while four also indicated that all sessions were the most helpful. There were 40 responses total to this question; seven were blank with 27 falling to five main categories as mentioned above.

Question 10 asked each respondent to indicate whether the conference was worthwhile or not and to give two written responses. There were a total of 45 responses to this two-fold question with two respondents leaving the question blank. Making contacts was felt to be the most worthwhile aspect of the conference with 28 responses in this category. The next most worthwhile aspect of the conference as rated by the participants was increased knowledge, providing 16 responses. Three respondents felt that the most worthwhile aspect of the conference was an opportunity to improve trade relations or in some way demonstrate the need to change aspects of the private sector to provide more opportunity for the Pacific nations.

Question 11 asked the respondents about material and information for future conferences. There were 35 responses to this question with nine respondents indicating the need for more handouts, four asking for listings of buyers/firms/agencies, four for more information on transportation, and four for more time for private consultation and small group discussions. The remaining responses covered a broad range of interests including more emphasis on food and customs related matters to access to a typewriter and copier during the conference.

Question 12 asked the respondents what changes they would suggest to improve the conference. There were a total of 42 responses to this question with 13 respondents indicating an improvement in the agenda/panel discussions, nine indicating a desire to involve more buyers/U.S. business firms/commercial interest, and three indicated the next conference should be in the U.S. with direct exposure to U.S. markets.

Question 13 asked the respondents about their overall impression/evaluation of the conference. Forty-four individuals responded to this question and their responses fell within two main categories. The first included 34 responses rating the

overall conference as "Successful" using terms such as excellent and well organized. Three respondents suggested follow-up conferences to the current one. It is interesting to note that the other nine responses included qualifiers such as fairly successful, O.K. for a start, or moderately successful. If those qualified successful ratings are included in the 14 firm responses noted, then without question the participants rated the overall conference as an overwhelming success.

D. Personal Interviews

A limited number of personal interviews were conducted during the evening of the trade exhibits when many of the participants had an opportunity to display various island products and meet with other participants, businessmen, and interested parties wishing to explore business opportunities. The purpose of these interviews was to talk with participants willing to answer a few questions as a follow up to the written responses provided through the evaluation instrument. Participants were asked to share ideas and impressions according to their priorities around the themes of the trade conference.

Five participants provided information of an almost identical nature to that obtained on the survey instrument (questions 7 through 13). However, during the course of the conversations each participant was able to give a few more reasons why he or she felt that a particular topic was well covered; a particular presentation was included that should not have been on the agenda; one should have been developed around a specific topic of interest not on the agenda; thought the next conference should be held in the islands; suggested more mainland (U.S.) business representation; and suggested that the next conference be held on the West Coast. It is interesting to note that the verbal responses occasionally included topics of political concern. Also, there were highly personal statements about the difficulties he or she was encountering in promoting a business enterprise. In comparing results of the interviews with the responses on the evaluation instrument, it appears that the participants were equally free and frank with their information.

Taken together the evaluation instrument and the limited personal interviews indicate the participants that responded felt the conference was "Successful" and that another one should be organized for 1985.

APPENDIX A

THE PACIFIC ISLAND NATIONS AND STATES

COUNTRY	POLITICAL STATUS	POPULATION	GDP/GNP (In US $ Millions)	EXPORTS/IMPORTS (In US $ Millions)
AMERICAN SAMOA	U.S. territory	31,000	N/A*	E-$104/I-$73
COOK ISLANDS	Self-governing in free association w New Zealand	17,000	GDP-$16	E-$31-$17
FEDERATED STATES OF MICRONESIA	U.S. Trust Territory (Status of free association being negotiated)	7,500	N/A	N/A
FIJI	Indep. Commonwealth State	654,000	GNP-$311	E-$258/I-$472
FRENCH POLYNESIA	French overseas territory	155,000	GDP-$637	E-$21/I-$419
GUAM	U.S. territory	109,000	N/A	E-$34/I-$272
KIRIBATI	Independent Republic	59,000	GDP-$36	E-$21/I-$18
MARSHALL ISLANDS	U.S. Trust Territory (Negotiated status of free association)	29,670	N/A	N/A
NAURU	Independent Republic	9,000	GNP-$155	E-$50/I-$32
NEW CALEDONIA	French overseas territory	138,000	GNP-$536	E-$363/I-$340
NIUE	Self-governing in free association w New Zealand	3,578	N/A	E-$.24/I-$3
NORTHERN MARIANA ISLANDS	U.S. Trust Territory (Becoming a Commonwealth of the United States)	15,970	N/A	N/A
PALAU	U.S. Trust Territory (Negotiated status of free association)	14,800	N/A	N/A
PAPUA NEW GUINEA	Indep. Commonwealth State	3,126,000	GNP-$2,000	E-$960/I-$936
SOLOMON ISLANDS	Indep. Commonwealth State	245,000	GDP-$71	E-$41/I-$33
TOKELAU	Territory of New Zealand	1,565	N/A	N/A
TONGA	Constitutional Monarchy	102,000	GNP-$34	E-$6/I-$12
TUVALU	Constitutional Monarchy	9,000	GNP-$1	E-$.067/I-$2
VANUATU	Independent Republic	123,000	N/A	E-$32/I-$40
WALLIS AND FUTUNA	French overseas territory	11,000	N/A	E-negligible/I-$3
WESTERN SAMOA	Constitutional Monarchy	158,000	GNP-$70	E-$11/I-$52

*Not Available

APPENDIX B

EXPORTABLE PRODUCTS FROM THE PACIFIC ISLANDS

PACIFIC ISLAND EXPORTABLE PRODUCTS

American Samoa:	Fish (canned, fresh), pet food, jewellry, clothing; shark fins (dried).
Cook Islands:	Citrus juices, clothing, coconut liqueur, copra, bananas, pearl shells, canned fruit, fruit pulp; footwear, handicrafts.
Federated States of Micronesia:	Fish, copra, pepper, coconut cooking oil.
French Polynesia:	Coconut products, vanilla, fresh fruit, beer, textiles, pearl, mother of pearl.
Fiji:	Sugar, coconut oil, canned fish, ginger, curry powder, molasses, cocoa, hardwood furniture, lumber products including veneers and plywood, clothing, footwear, soap, alcoholic beverages, tobacco, spices, gold, canned and frozen tropical fruit juices, printed products, coconut milk.
Guam:	Industrial gasses, beverages, dairy products, building products, watch assembly.
Kiribati:	Fish products, coconut timber products
Marshall Islands:	Coconut, tuna.
Nauru:	Phosphate.
New Caledonia:	Nickel ore and metal, beer, coffee, copra, essence of niuli, lychee nuts.
Niue:	Timber products, clothing, frozen juices, canned coconut cream, honey, handicrafts, copra, plaited ware.
Northern Marianas:	Copra, tuna, fruits, vegetables.
Palau:	Coconut oil, tuna, copra.
Papua New Guinea:	Coffee, cocoa, copra, rubber, tea, lumber products, furniture, tuna, crayfish, prawns, palm oil, copper ore, other metals.
Solomon Islands:	Palm oil, copra, fish, timber products, cocoa, rattan and hardwood furniture, jewellry, spices, clothing, coconut panelling, tobacco, bauxite, handicrafts.

Tokelau:	Copra, handicrafts.
Tonga:	Copra, dessicated coconut, bananas, watermelons, soap, vanilla, leather goods such as saddles, handbags and holsters, tapa goods, woolen goods--especially sweaters, black coral goods, handicrafts, carrageen, specialty furniture, lobster, vegetables, ginger, soccer balls, specialty excavating equipment assembly.
Tuvalu:	Copra, scrap copper.
Vanuatu:	Coconut panelling, copra, cocoa, coffee, beef, frozen fish, manganese, timber, coconut oil.
Wallis and Futuna:	Copra, tapa cloth.
Western Samoa:	Copra, coconut cream, cocoa, taro, lumber products, bananas, annatto seeds, soap, handicrafts, textiles, leather goods, tropical wines, beer, lime marmalade, dried banana slices.

APPENDIX C

ADDRESS OF THE U.S. PRESIDENT TO THE 22nd SOUTH PACIFIC CONFERENCE

ADDRESS OF THE UNITED STATES PRESIDENT RONALD REAGAN TO THE TWENTY-SECOND SOUTH PACIFIC CONFERENCE

I take great pleasure in welcoming you to American Samoa for the Twenty-second South Pacific Conference. Since the founding of the South Pacific Commission in 1947, your region has seen dramatic change. Over the last 35 years, no area in the world has shown such steady and peaceful progress toward democratic self-government. The world has come to know the Pacific Way of settling differences. The nations of this region have set an example for the rest of the world in working together through regional organisations such as this one for the achievement of common goals. I am proud that the United States and the United States territories in the Pacific and the Trust Territory have been a part of this progress.

Because of our own deep commitment to democracy, we feel a special sympathy and interest in the achievements that the Island nations have made. This year, your host is Governor Peter Tali Coleman who is American Samoa's first elected Governor. Throughout a long and distinguished career, Peter Coleman has contributed to the progress of the peoples of the Pacific and to the building of regional institutions such as this one. He combines an understanding of the Pacific and of the United States. Peter Coleman and I share a belief in the critical role of private business in the future economic development of the Pacific. The last few years have been difficult ones for the world economy. Pacific nations, in particular, have felt the impact of the world recession on their export earnings. At the same time, high levels of inflation have raised the prices of critical imports with resulting pressure on the balance of payments. I am sure we all realise that the only way out of these difficulties is to foster economic growth and increased productivity, and the private sector can play an important role in that process. The free enterprise system promotes growth and development wherever it flourishes. The vitality of the countries of East Asia and the Pacific have made this region the fastest growing economic area in the world and the Island nations represented at this Conference will share in the continuation of that growth.

Governor Coleman has organised 'Pacific 2000: A symposium on the future' in conjunction with this year's Conference, to explore new possibilities of business involvement in promoting the economic growth of the Pacific region. The businessmen attending this Conference have committed time and money to support 'Pacific 2000' in order to meet with you and find new ways to improve and expand trade and investment opportunities between the private sectors of their countries and the Islands of the Pacific. I am particularly delighted, on behalf of the people of the United States, to reaffirm our long-standing ties and bonds of friendship. Although our cultures are many and diverse in nature, we share the common goals and philosophies of freedom, democracy, stability, and caring about our fellow man. Our representatives are proud to sit side by side with you in the important deliberations of the Twenty-second South Pacific Conference. I am delighted to have the opportunity to welcome you to this Conference and to reaffirm America's commitment to the peace and prosperity of the Pacific region. We look forward to working together with you for a better future for us all.

APPENDIX D

SURVEY QUESTIONNAIRES

PACIFIC ISLAND-UNITED STATES REGIONAL
CONFERENCE ON EXPORT DEVELOPMENT AND
TRADE PROMOTION

Survey of Pacific Island Government and Non-Government Institutions

Note: Please complete and check (✓) the appropriate response for each item. Use the back of this form if you need more space.

NAME: _____

TITLE: _____

DEPARTMENT: _____

ADDRESS: _____

TELEPHONE: _____ TELEX NO. _____

1. Can your department assist in promoting and expanding trade with the United States?

_____ Yes _____ No

If yes, how would your department go about doing it? _____

_____

_____

2. Has your department developed plans for entry into the U.S. market for specific products?

_____ Yes _____ No

If yes, please identify the product lines _____

_____

If no, is your department developing plans or would it like to?

_____ Yes (please provide details) _____

_____

_____ No

3. Is your department willing to support Pacific Island-U.S. joint venturing activities?

_____ Yes _____ No

If yes, please provide details _____

_____

4. In your opinion, which products from your country have the highest potential for export to the United States?

Product Lines	Reason	Countries now exporting to

5. In your opinion what are some of the major barriers to exporting to the United States (Check (✓) any number of choices)

A. _____ Geographically Disadvantaged Location (too far from the U.S.)

B. _____ Smallness of Size (low volume of exports; small size of domestic market, etc.)

C. Resource Limitation

1. ____ limited natural resources
2. ____ limited capital
3. ____ limited managerial/technical capabilities
4. ____ limited labor supply

D. _____ U.S. Technology Inappropriate/Unsuitable

E. Lack of Information

1. ____ lack of information on demand for products, product price, etc. (please specify product lines) _____

_____

2. ____ lack of information on packaging and quality control requirements
3. ____ lack of information on cultural and sociological trends in the United States

F. Transportation

1. ____ infrequent shipping services
   ____ infrequent air freight services
   ____ high freight costs
   ____ lack of feeder and inter-island transport

G. _____ Proness to Natural Disasters

H. Lack of Infrastructure

1. ____ lack of modern harbor
2. ____ airport
3. ____ roads
3. ____ electricity
4. ____ land
5. ____ other (specify)_____

I. _____ Policies and Procedures governing aid from donor countries (please specify)_____

_____

J. Trade Barriers (please specify details and identify the product lines)

1. ____ U.S. Protectionism _____
2. ____ U.S. policies exclude products of current or potential export interest to my country:_____

_____

3. ____ U.S. policies not tailored to specific export needs of my country: _____

_____

K. Non-tarrif Barriers (please specify details and identify the product lines)

1. ____ Quantitative restrictions _____

2.____ Import licensing procedures _____

3.____ Customs procedures _____

4.____ Technical barriers (please specify) _____

_____

L. ____ Other Barriers (please specify) _____

_____

_____

6. Which of the above problem areas would you like to see discussed by an expert from the Pacific or the U.S. at the conference? (Please specify A, B, C2, etc.)

_____

7. Please list any experts that you know of who can speak at the conference on any of the above or related problems:

Name	Title	Address	Problem Areas

8. Please list any indigeneous-owned island businesses that are successfully exporting to the United States:

Company Name	Address	Contact Person	Product/s

9. Please list any firms that have the potential to export to the United States (Include firms that are exporting to other countries)

Company Name	Address	Contact Person	Product/s

10. A very limited number of travel subsidies are available to indigeneous business representatives to attend the conference. Please nominate one of the above businessmen/women for a travel stipend:

_____

11. Which of the following services does your department offer to local business representatives?

A.____ Help in developing export marketing for local products

B.____ Research to determine which products have a comparative advantage

C.____ Provide advice on new product development strategies

D.____ Provide up-to-date information on current and potential markets

E.____ Assist local firms to improve their business management capabilities

F.____ Other (please specify)_____

G.____ None of the above

12. Do you know of any local or regional institution or individual that has provided Island businesses with some of the above services?

_____ Yes _____ No

If yes, please identify the institution/individual:

Name	Address	Services Provided

13. Would your department be interested in a program to train Island business people in the technical requirements of export activities?

_____ Yes _____ No

14. What else has your department done to encourage private sector initiatives and to promote private investments?

_____

_____

_____

15. What strategies for export promotion would you like to see discussed at the conference. Please be specific.

_____

_____

_____

_____

16. What tariff and non-tariff concessions do you think the U.S. should offer in respect of principal products of export interest to your country?

Product lines_____ Concessions _____

_____ _____

17. Will you be able to attend the conference? _____ Yes _____ NO

If you are not able to attend, please recommend someone from your department who may be interested:

_____

_____

18. Will your department/institution/government be able to assist local business people attend the conference, either through your national carrier or other form of assistance? _____ Yes _____ NO
If yes, please tell us whom we should contact.

PACIFIC ISLAND-UNITED STATES
REGIONAL CONFERENCE ON EXPORT DEVELOPMENT
AND TRADE PROMOTION

Survey of Pacific Island Business Enterprises

Note: Please complete and check (✓) the appropriate response for each item. Use the back of this form if you need more space.

NAME: _____

TITLE: _____

COMPANY NAME: _____

ADDRESS: _____

_____

_____

TELEPHONE: _____ TELEX NO. _____

SIZE OF BUSINESS: No. of employees _____ Annual Sales US$ _____

1. Please check (✓) the type of business activity performed by your company:

_____ Retail _____ Service

_____ Wholesale _____ Other (please specify) _____

_____ Manufacturing

2. Is your business: _____ 100% indigeneous owned?

_____ more than 50% indigeneous-owned?

_____ less than 50% indigeneous-owned?

3. How long have you been in business? _____ less than 1 year

_____ from 1 to 5 years

_____ more than 5 years

4. How successful has your business been in the past 12 months?

_____ very successful

_____ somewhat successful

_____ unsuccessful

5. Why do you feel your business has been as successful or unsuccessful as it is?

_____

_____

_____

6. What products and to which countries are you currently exporting to?

Product	Country

7. If you are not currently exporting to the United States would you like to?

_____ Yes _____ No (If no, please skip to question 12)

If yes, which products would you like to export to the U.S.?

Product	C.I.F. Cost	Special Features

8. Can the product/s be sold in its present form?

_____ Yes _____ No

9. What channel of distribution do you use or intend to use?

_____ Commercial Agent _____ Importer _____ Other (please specify)

10. Do you have any samples or literature available?

_____ Samples _____ Literature

11. Are you interested in displaying some of your products at the conference?

_____ Yes _____ No

12. What are some of the major difficulties you face in exporting to the United States?

Product/s	Difficulties

13. If you needed advice on exporting, who would you ask?

_____

_____

14. What type of help are you given? How much does it cost?

_____

_____

_____

15. What are some of the problems you would like to see discussed at the conference?

_____

_____

_____

_____

_____

16. Please identify some Island business people who are exporting or who would like to export to the United States?

Individual/Company Name	Address	Product/s

17. Will you or your company representative be able to attend the conference?

_____ Yes (Further information will be sent to you at a later date)

_____ No

18. A very limited number of travel stipends are available to indigeneous business representatives to attend the conference. If you are interested in attending, please check one of the following:

_____ I do not need a travel stipend.

_____ I do not have sufficient funds to attend. Please send me an application for a travel stipend.

Thank you very much for taking the time to complete this questionnaire. Your cooperation is very much appreciated. Please return the completed questionnaire, along with any additional material, to:

1984 PACIFIC ISLAND-U.S. CONFERENCE
Action Research International
468 Funston Avenue
San Francisco, California 94118
U.S.A.
Cable: ARINTER San Francisco

NOTE: A unique feature of the conference is that it is more than a series of lectures and workshops: each participant will be assisted in increasing his or her exports and export capabilities. If you can send us a sample of the product you wish assessed for sale in the U.S. market, please send it to the above address by air freight as soon as possible. We will be happy to provide you with an evaluation at the conference.

APPENDIX E

LIST OF PACIFIC ISLAND PRODUCTS SURVEYED

Products submitted for market assessment:

Fruit Purees

Lime Marmalade

Crystallized ginger, paw paw. pineapple, mango and guava

Coconut cream and syrup

Confectionary

Biscuits

Banana and taro chips

Ponape peppercorns

Woven baskets

Carvings

Shells and shell jewelry

Coconut fiber doormats

Pandanus purses

Soaps

Coconut oil cosmetics

Garments

Woolen sweaters

Woolen rugs

Ballet shoes

Blister pearls

Postage stamps

Tapa greeting cards

APPENDIX F

MEDIA PUBLICITY

owned by Solomon Islanders. Share transactions between foreigners and citizens require official sanction. Breaches of the rules may fetch a fine of up to $SI10,000 or a year in gaol, or both. Registration fees, from which locally-owned businesses are exempt, have been introduced. Welcoming the restrictions, one local newspaper complained, however, that a sad feature of foreign investment was that "some unscrupulous leaders" were helping foreign businessmen to exploit the country, instead of opposing them.

Prime minister Solomon Mamaloni had issued a harsh warning in October to non-citizen Chinese to toe the line with investment laws in his country. It followed the discovery of illegal businesses being carried out by new immigrant Chinese — especially in Honiara. A dozen new Chinese who entered the Solomons after independence were involved in illegal activities and were ignoring the advice of the FID. "The situation has gotten worse since I returned from the UN assembly, and one or two of these law-breakers will have to be deported shortly pending my discussions with the minister of police and justice," Mamaloni was quoted in the *Solomon Star* newspaper.

"The new Chinese immigrants who are not citizens of Solomon Islands who operate wholesale/retail business since the commencement of the 1979 Foreign Investment Act are operating illegally. Such Chinese must now seriously consider giving shares in such business to citizens of the country or immediately go into new investment areas and sell their shops to Solomon Islanders," he said.

That act says commercial activities such as general road transport, middleman marketing of primary products, general retail and wholesale trading, service industries and small and low technology concerns, small fisheries, real estate development using low tech, and internal shipping are restricted to Solomons people. Mamaloni added: "The officials of the prime minister's office have rendered every possible assistance to bring these particular Chinese into line with the requirements of law, with very little success. Instead, some of these law-breakers have deviously sought help from other government ministers and high officials, probably to get sympathy." He said other nationalities had so far cooperated. "There are no excuses for the new Chinese immigrants that they do not know the law. I therefore appeal to the Chinese association and the relatives of those concerned to render every possible assistance to this matter." Nobody in the Solomon Islands was above the law. □

EXPORTS

How to please America

IF Pacific island exporters want to know what keeps the American market happy, they might find out in Honolulu next March. A week-long regional conference at the East West Center — "Pacific islands-United States trade through private sector development" — will include panel discussions, a trade exhibition and an emphasis on "one-on-one" sessions featuring personal help to island producers by stateside government and private sector experts.

The conference from March 18-23 will focus on practical training in production for, and export to, the American market. And the talks, sponsored primarily by the US Agency for International Development and backed by the Pan Pacific Alliance for Trade and Development, will include topics on effective production, design, packaging, labelling, shipping and marketing, plus an in-depth analysis of US agricultural and customs requirements.

Special attention will be given to items using indigenous resources such as marine life, forestry, agriculture, handicrafts and tourism. "The US government is making a commitment to become more involved in economic development matters in the islands," said AID regional director for the Pacific islands. "We feel we can be of greatest assistance by helping establish and develop private sectors geared towards exports, which will create the most jobs. We also believe that the US is capable of buying many island products, but Americans by and large are unfamiliar with what's available and, meanwhile, the island entrepreneurs have tended to shy away from such a huge market as the US. This conference is designed to change these perceptions through practical training and problem solving."

Pan Pacific Alliance for Trade and Development is a new mutual benefit membership organization open to governments and businesses throughout the Pacific Basin. It will give "permanent expression" to the goals of the conference by facilitating trade and investment relationships between island nations and the rim countries and serving as a clearing-house for information exchange on trade and commerce in the islands.

Organizers of the conference are Joseph W. Harrison, of The Washington Pacific Group, and Alexander F. Mamak of Action Research International, both based in San Francisco. Pacific island government senior trade officials, business associations and entrepreneurs with export or tourism objectives are invited. Those wanting market surveys of their products are invited to send. Meanwhile, seven Fiji manufacturers spent two weeks last month meeting potential importers and distributors in Honolulu, Los Angeles, San Francisco and Vancouver already identified by Canadian firm Resources Management Consultants Ltd and operating the Fiji Economic Development Board's senior marketing adviser Shri Ramlu.

They had carried out detailed market investigations in Hawaii and North America for cosmetic soaps, confectionery, garments, and biscuits. It was also envisaged that the trade mission would discuss with North American businessmen the potential for investigating in Fiji, including the opportunities for joint venture arrangements. □

Meli's dream come true

CRAYFISH, clamshell and assorted fish from Ha'apai in central Tonga will soon be on sale to Fijian consumers thanks to Fijian businessman Meli Kama. He and the 120-ton Fiji-registered Rainbow Runner, with a Tongan crew of eight, have been in Ha'apai waters for several weeks, where Kama lets a team of about 60 local fishermen use his fishing gear. In return, he buys their catch. The fishermen pay for fuel and meals.

"It's a very attractive deal to the local people, and our best fishermen from the island of Ha'afeva caught $90 worth of fish in 24 hours," said Kama. "These people desperately need the money for reconstruction work after Hurricane Isaac and the recent drought. I am hoping to make a monthly visit to Suva with 40 tons of fish, and that means there will be about $40,000 coming into the Ha'apai islands every month."

The Tonga cooperative societies and the Tonga commodities board are also buying fish from local fishermen in Ha'apai. They do not have ships, but they have refrigerators on some islands where they buy from the local fishermen. The competition for the Ha'apai fish is growing but Kama thinks that's healthy — and good for everybody. He settled in Tonga in 1981 and with his company, Fiji Export Trade Promotion Agency, organized the first trade fair between Tonga and Fiji in 1982.

Early this year, when Tongan farmers hit difficulties in the New Zealand market, he began exporting melons to Fiji. Tongan melon is now exported to Fiji without the laborious process of fumigation. He is optimistic about the operation of his agency. He expects by the end of this year to bring into Tonga at least half a million Fijian dollars.

Kama began his association with Tonga in 1972 as export manager of Carreras of Fiji Ltd, selling cigarettes to Tonga and Samoa. He later became involved in the sugar trade between the three countries. "During this time I became aware of the trade imbalance between Fiji and its neighbours, and as the years go by Fiji is becoming an industrial country exporting more than it is importing from Tonga. We Pacific islanders must stick together and we should increase our trading with each other," he said.

"With this fishing project I am beginning to see my dream come true." □

The Honolulu Advertiser

Established July 2, 1856

Thurston Twigg-Smith — President & Publisher
George Chaplin — Editor-in-Chief
Buck Buchwach — Executive Editor
John Griffin — Editorial Page Editor
Mike Middlesworth — Managing Editor
Gerry Keir — City Editor

Friday, March 23, 1984

Pacific island trade

American trade with the islands of the South Pacific has never amounted to much.

In part that's because no one has made a sustained effort to develop it. It's also because the historic import-export ties of many of the islands are with Australia and New Zealand rather than with the United States.

TODAY, THAT situation is slowly changing. It may not yet be reflected in the dollar value of products imported and exported between the islands and the U.S. But it certainly exists in a higher level of awareness that one finds among some Americans, particularly in Hawaii, and many Pacific islanders.

In part this is the result of the Reagan administration's "magic of the marketplace" policies, which stress that America's relationship with Oceania is best developed by trade, rather than aid.

The Pacific islands, some of which gained independence in the past decade, have also been looking for new markets for their products — mainly fish, other foodstuffs, minerals, copra and handicrafts.

The most difficult task has been to bring islanders and Americans together to give them opportunities to explore mutual trade interests.

In that vein, a number of conferences and trade shows concerned with private sector development have been held over the past couple of years in American Samoa, Saipan and Hawaii. The latest is a week-long Pacific Island-United States Private Sector Development conference taking place in Honolulu this week.

WHAT'S encouraging about these meetings is both the number of Americans and Pacific islanders in attendance, representing governments, cooperatives, small and big business, and the level of interest shown by participants.

There's acknowledgement that developing U.S.-island trade is difficult, largely because of transportation problems, the small size of the Pacific island markets and their limited variety of products.

Still, there appears to be a greater willingness on all sides these days to stimulate broader trading links, and to do so with less government participation.

In itself, that's somewhat of a departure from the past three decades and perhaps reflects the emergence of a more realistic economic relationship between the U.S. and its democratic counterparts in the Pacific.

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PRIDE IN ART—Kolokai S. Hullerman of Papua New Guinea displays handcrafted pieces to interested buyers. —Star-Bulletin Photo by Dean Sensui.

Pacific Island Trade Show Under Way

By Carrie Pressly
Star-Bulletin Writer

Exhibitors at a Pacific island trade show at the Pagoda Hotel say two of the main problems facing them are transportation and meeting the demands of international markets.

Representatives of 18 Pacific island countries are in Honolulu this week attempting to develop opportunities for exporting their products to the United States.

For many of them, the three-night exhibit at the Pagoda is their first approach to the American market.

For Caroline H. Kaliuae of the Solomon Islands, the trade exhibition is an opportunity to promote the art of the women in her country.

"Everyday someone would knock at my door and say 'please buy something,' especially the women. I said, 'Let me think, there has to be something I can do' . . . well, here I am," she said.

Koloa Talake, a volunteer for Save The Children Inc., is from the island of Tuvalu, population 8,000. "All the artifacts are made by self-employed women in a cooperative who sell to a center. I was coming to Hawaii, anyway, so I asked if I could take what they b- and see if anyone was interested."

INTERESTED BUYERS and trade representatives can view products made from coconuts, dried bananas, fruit drinks, hand-tooled shell, bone and wood jewelry, hair ornaments, intricately woven mats, baskets and serving trays, and functional art pieces such as purses, clothing and toiletries.

Molio'o T. Vaeluaga, acting export manager for Samoa Coconut Products Ltd. of Apia, Western Samoa, said his bid to enter the international market has been successful.

"Coconut oil is the backbone of Samoa's economy. It earns 60 percent of our foreign exchange," he said.

"Our problem is in shipping to America. There are no regularly scheduled vessels. Sometimes we have to charter a vessel to take our goods. We have met some people at this conference who are going to see what can be done," he said.

Mariano Kelesi, a parliament member in the Solomon Islands, said, "Our cottage industry is well received, but we have problems finding overseas markets. We need local promotion because overseas people must know what the art looks like or they won't buy."

HE ALSO SAID there was a renewed interest in handicrafts by his people at this time. "In my country many people are going to museums to see how things were done. People are returning to basics . . . to revive lost customs."

Simeti Moala, director of economic development for Tokelau, a New Zealand territory, said, "Last year the economic department was started to try and find markets for our products . . . we already have buyers in Honolulu and we can keep up with their demands, so we are looking for other markets."

Tokelau, located nearly 3,000 miles north of New Zealand, has a population of 1,600.

Kolokai S. Hullerman, who's from Papua New Guinea, began her own business last year. "The idea started when people would ask me where I was from . . . so to show them, I brought functional and decorative art pieces from home."

Joe Chan, also from Papua New Guinea, is the managing director of PNG Art, which, according to his business card, is the biggest artifact shop in the country.

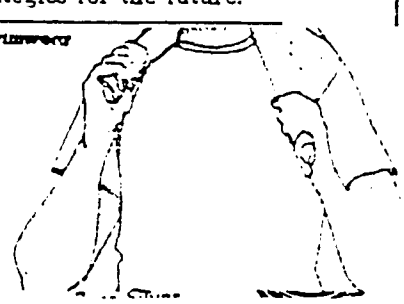
"There are over 600 different languages in my country and each language represents an area with its own art form," he said.

The trade exhibit, co-sponsored by the Pan Pacific Alliance for Trade and Development and the United States Agency for International Development, continues tonight from 7 to 10 p.m. and tomorrow from 6 to 9 p.m. in the hotel's C'est Si Bon Room. Admission is free.

The trade show is part of a six-day conference on U.S.-Pacific island trade through private-sector development.

Today's session at the East-West Center was to focus on developing products for the American market. Tomorrow, the delegates will meet at the hotel to discuss financing. The conference ends Friday with an open forum on strategies for the future.

men's swimwear



Trade Deficit Hits $40.8 Billion

WASHINGTON (AP) — The broadest measure of U.S. foreign trade plunged to a record deficit of $40.8 billion last year, the government reported today amid predictions that the foreign trade news for 1984 will be even gloomier.

Commerce Secretary Malcolm Baldrige predicted the deficit for this year could double before the favorable effects of a declining dollar begin to be felt in 1985.

The 1983 deficit compares with $11.2 billion in red ink in 1982 and far surpassed the previous record of $15.5 billion in 1978.

The deficit was posted in the so-called "current account" balance, incorporating both the balance on merchandise trade and the balance on services, which includes interest payments on investments abroad.

"The deficit this year could be double the 1983 figure as further trade deterioration will offset a modest pickup in services," Baldrige said in a statement.

HE NOTED that the value of the dollar has fallen about 3.5 percent from its peak in mid-January and said this would improve the outlook for U.S. exports "although its effect will not be felt immediately."

The United States has run a merchandise trade deficit every year since 1975, but that is usually offset by a surplus in the funds that Americans earn on their foreign investments.

The current account balance showed a surplus of $4.5 billion as recently as 1981 before starting its downward slide. Many analysts predict the deficit will be even larger this year.

The country's foreign trade woes are blamed primarily on a strong dollar, which has made American products relatively expensive and thus harder to sell overseas while making foreign goods relatively inexpensive. Adding to this has been the fact that the economic recovery of other nations has lagged behind the U.S. recovery.

In 1983, according to the Commerce Department report, a services surplus of $28.4 billion was not enough to offset a record merchandise trade deficit of $60.6 billion and an $8.6 billion outflow of "unilateral transfers" such as foreign aid.

THE MERCHANDISE trade deficit ballooned from $36.4 billion in 1982, reflecting a rise in imports of $13.1 billion to $260.3 billion and a drop of $11 billion in exports, which totaled $200.2 billion for the year.

The report blamed this imbalance on "rapid U.S. economic expansion and limited recovery in major industrial markets abroad, dollar appreciation against major currencies and debt problems in developing countries."

The $28.4 billion surplus in services was down from $33.2 billion in 1982 while unilateral transfers increased $600 million from $8 billion in 1982.

For the final three months of the year, the quarterly current account deficit increased to a record $15.3 billion.

21 Pacific Island Nations to Exhibit Wares

A trade exhibit of products from 21 Pacific island nations will open tomorrow at 6 p.m. at the Pagoda Hotel to prove to American buyers that there's more to the Pacific than coconuts.

For many of the exhibitors, the Honolulu trade show will be their first opportunity to show and sell their goods in the United States.

The trade show has been organized in conjunction with the 1984 conference on Pacific Island-U.S. trade through private sector development, which began today at the Pagoda Hotel.

The conference delegates were to hear a luncheon talk on expanding trade by E.C. Harrell, deputy assistant director of the Bureau for Private Enterprise of the U.S. Agency for International Development.

Buyers, investors and trade representatives who visit the exhibition hall at the C'est Si Bon Room tomorrow through Thursday evenings may be surprised at the cornucopia of products that come from the far-flung islands of the Pacific.

THERE IS, of course, a wide variety of products derived from coconuts, but there's much more.

The exhibits include such things as banana, breadfruit, taro and shrimp chips from Pago Pago, beer and frozen smoked trout from Papua New Guinea, dehydrated pineapple and papaya, and orange juice from the Cook Islands; doormats from Tuvalu; fish cake from Palau and furniture from Fiji.

There are handicrafts from the Cook Islands and the Eastern Caroline Islands as well as Truk, Papua New Guinea, Honiara and Tonga.

Also among the products expected to be shown are passion-fruit drinks and fruit pulp from Niue, perfumes and toiletries from Tahiti, and shampoo, hair oil and soap from Ponape.

Also, shell buttons and timber from the Solomons, syruped and crystallized ginger from Fiji, tablecloths and tropical fruit wines from Western Samoa, and tapa cloth, sweaters and vanilla from Tonga, as well as whole frozen tuna from Kiribati.

The exhibit is sponsored by the Pan Pacific Alliance for Trade and Development, which is co-sponsoring the trade conference.

The conference sessions will be held tomorrow and Wednesday at the East-West Center and return to the Pagoda Hotel for the final sessions Thursday and Friday.

Dollar Up in Europe

LONDON (AP) — The dollar gained against all major currencies on European markets early today, strengthened by new evidence of a robust U.S. economy. Gold bullion prices

THE SUNDAY NEWS, February 12, 1984

Pacific export conference set

By CHRISTIE WILSON
Daily News Staff

A Honolulu trade conference next month will bring together several hundred Pacific Island entrepreneurs and U.S. businessmen to explore the region's export opportunities.

The Pacific Island/United States Trade Through Private Sector Development conference, March 18-23, is sponsored by the U.S. Agency for International Development and the Pan Pacific Alliance for Trade and Development.

AID usually deals only with foreign nations but agreed to broaden the scope of the upcoming conference by inviting those islands with U.S. ties, according to Samuel T. Price, director of the Pacific Studies Institute.

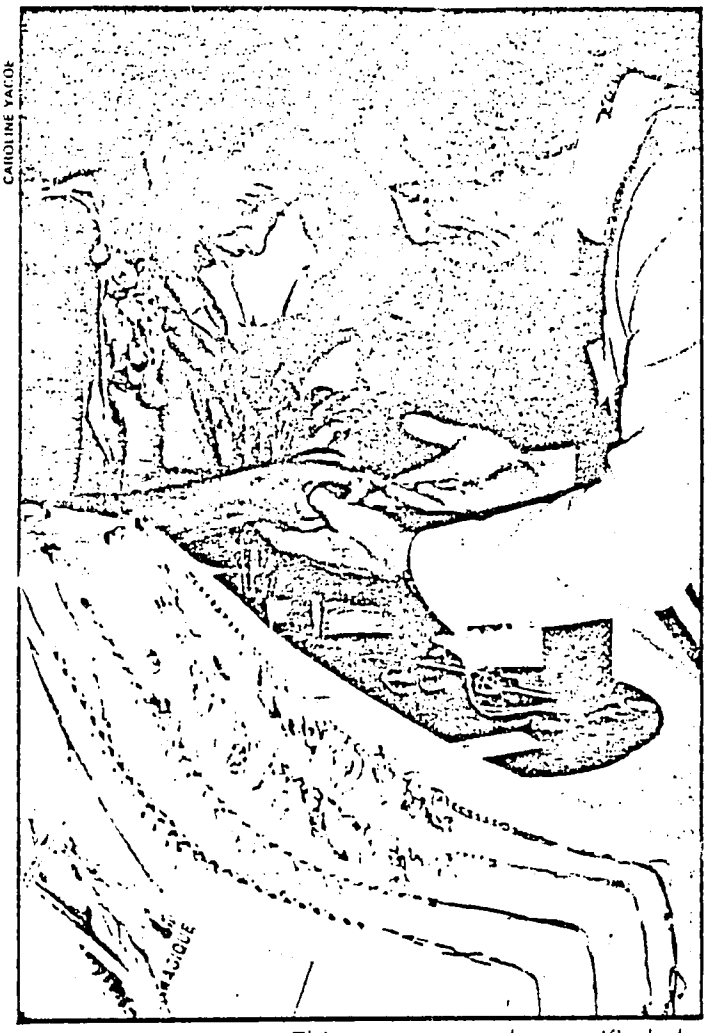
The institute is organizing participation in the conference by Guam, Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Republic of the Marshall Islands, Republic of Palau and American Samoa.

Price said economic development in the Pacific region begins with the movement of goods and services. Islands have a variety of export items such as pepper, coconut oil, foodstuffs, shells, handicrafts, tuna and other sea products. But few businessmen have marketing strategies or the right contacts to sell their products abroad, Price said.

Price said Guam's potential in the export market may lie in good manufactured under Headnote 3a benefits which permit items partially manufactured here to enter the U.S. without duty charges.

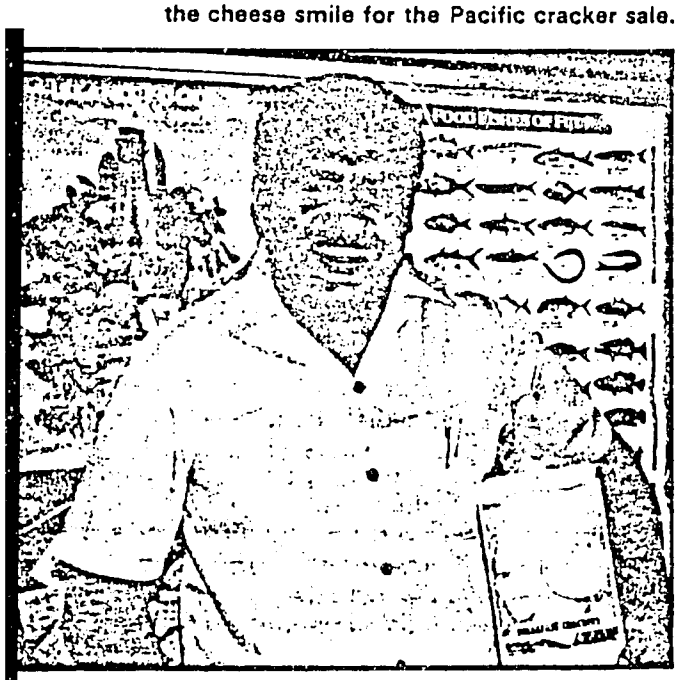
Another avenue for local economic growth is as a transshipment center for export and import goods to and from other islands, he added.

Joan Rolls of Beachcomber Ltd., Cook Islands, palming a pearl for Lindsay Barrett, Vanuatu



CAROLINE YACOE

Fujian Senator Aporosa Rakoto: the cheese smile for the Pacific cracker sale.



PACIFIC MAGAZINE

CAROLINE YACOE

ugusto Confalonieri and Dr. Massimi-ano Frizzi: displaying Tahitian products

Islanders Sell $600,000 Worth At U.S. Show

Pacific Magazine Report

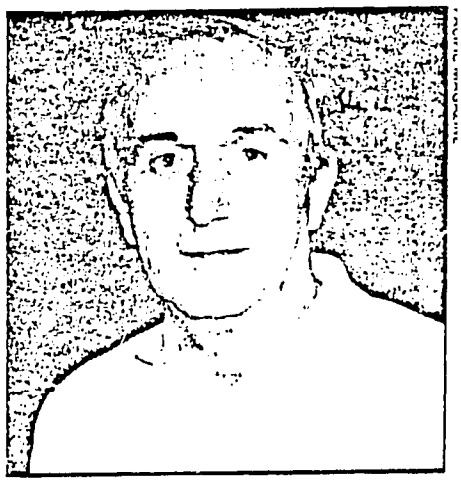
Sales orders for Pacific Islanders amounted to at least US$600,000. And this was apparently a conservative number. Joe Harrison of the Pan Pacific Alliance quoted these figures at the closing session of the Conference on Pacific Island-United States Trade Through Private Sector Development held in Honolulu.

Speaking from the floor in a closing critique, Simeti Moala of Tokelau said that his group wrote orders for $5,000 in handicraft items which they displayed during a three evening trade show.

He spoke about the possibility of combining production with Cook Islanders in order to fill this quota on time. He said his group sold every item they brought to Honolulu. In addition he made a new shipping contact which could possibly result in another ship making a regular stop in Tokelau as it transits its waters enroute to other South Pacific ports.

This story somewhat typified the more than expected success of the first time ever trade show. Buyers worked their way unobstrusively down the aisles of displays night after night. Such Honolulu heavyweights as Liberty House and Duty Free Shoppers were among them. Many deals were quickly made as a number of U.S. buyers were taking their first look at products of the Pacific Island nations.

The general consensus was that those Islanders who came prepared to sell products—a good sample of wares, ready information—did so.



Paupe: shutting down the diesels

Marion L. Clark, H.C.C. Ltd., Solomon Islands and Linda Moriaty, Territorial Trading Co., Hawaii: discussing sales

Kathy Gower: sizing Papua New Guinea ceremonial dress

Even the few, who could have been better prepared, did a respectable sales volume.

According to a spokesman for Pan Pacific—organizer of the show held in conjunction with the conference sponsored by AID (U.S. Agency for International Development)—there will definitely be a second show. Its location will be announced later.

William Paupe, a U.S. AID officer, stationed in Suva, was very positive about the impact of the conference and the show. AID expended approximately $75,000 on the project.

As Paupe pointed out, this is how to solve the "diesel generator" syndrome. By this he is referring to some U.S. aid projects that—though well intentioned—have left a legacy of rusting diesel generators dotting many Pacific Islands. They were one shot packages that neither directly involved the Pacific Islanders in their inception nor provided any follow-up. Such projects as the conference and trade shows that stimulate local economic development and trade reflect the aid policies of the current U.S. administration, Paupe said.

Not by concidence, Harrison read an opening note from U.S. President, Ronald Reagan, encouraging the Pacific Islanders to look to the U.S. as a market for their products. ■

Floyd Fitzpatrick, Samoan Tropical Products, Ltd.: relaxing amid shop talk

Miriam Nicholas, Niue: U.S. buyers were interested

APPENDIX G

LIST OF PARTICIPANTS, INCLUDING SPEAKERS, PANELISTS AND RESOURCE PERSONS

LIST OF PACIFIC ISLAND PARTICIPANTS

COUNTRY	NAME	ORGANIZATION	ADDRESS	PRODUCT	SPONSOR
AMERICAN SAMOA	Tifi Ale	Department of Education	American Samoa Government		
AMERICAN SAMOA	Hugo R. Gebauer, Jr.	Ryan Inc.	President P.O. Box 3003 Pago Pago, American Samoa Tel: (684) 699-9121 Tlx: 782575 Ryan Inc SB		
AMERICAN SAMOA	Donald A. Griesmann	Consumer Protection Bureau	American Samoa Government P.O. Box 7 Pago Pago, American Samoa 96799 Tel: 684-633-4163/1784		
AMERICAN SAMOA	Dorothy Gurr	Pago Chips, Inc.	Pago Pago, American Samoa	Banana, Taro, Breadfruit and Shrimp Chips	
AMERICAN SAMOA	Kenisele Lafaele		PO Box 1574 Pago Pago, American Samoa 96799		
AMERICAN SAMOA	Brant Judy	Pago Petroleum Products	P.O. Box P Pago Pago, American Samoa Tel: 633-1214 Tlx: 782 514 POLYSHIP		
AMERICAN SAMOA	Diana Pilitati	Pago Chips, Inc.	Pago Pago American Samoa		
AMERICAN SAMOA	Senator M. Tuiasosopo	Legislature of American Samoa	Senator PO Box 485 Pago Pago, American Samoa Tel: 1-684-633-4565 Tlx: 782-551		
COMMONWEALTH OF THE NORTHERN MARIANAS	Jesus R. Sablan	Commonwealth of the Northern Marianas Government	Director of Commerce and Labor 4th Floor Nauru Building Saipan, CNMI 96950		
COOK ISLANDS	Michael Benns	Kia Orana Foods	PO Box 132 Rarotonga, Cook Islands	Orange Juice Concentrates	ITC/UNDP
COMMONWEALTH OF THE NORTHERN MARIANAS	Douglas Shimida	Micronesian Insurance Underwriters Inc.	Saipan, CNMI		

COUNTRY	NAME	ORGANIZATION	ADDRESS	PRODUCT	SPONSOR
COOK ISLANDS	Marjorie L.Bergman	Cook Islands Pacific Pearl Merchants Ltd.	Director P.O. Box 257 (Director) Rarctonga, Cook Islands Tel: Rarotonga 21-901	Jewelry	
COOK ISLANDS	Mike G.Bergmann	Cook Islands Pacific Pearl Merchants Ltd.	Director PO Box 257 Rarotonga, Cook Islands Tel: Rarotonga 21-901	Jewelry	FSP
COOK ISLANDS	Frank B. Grieco	Grieco Foods Ltd.	Chairman of Directors PO Box 20 Rarotonga, Cook Islands Tel : 25-360 Tlx : 62041	Dehydrated Pine-apple & Papaya	
COOK ISLANDS	Donald Melvin	Island Craft Ltd.	Manager PO Box 28 Rarotonga, Cook Islands Tel: 22-009 22-010 Cable Address: ISLAND CRAFT	Shell Costume Jewelry & Shell Belts	FSP
COOK ISLANDS	Dr. Terepai Moate			Nut Drying for	ITC/UNDP
COOK ISLANDS	Mr.Henry Puna	Dept. Trade Labour & Transport	Executive Trade Officer PO Box 61 Rarotonga, C.I. Tel: 28-810 Tlx: SECGOV RG 62002		FSP
COOK ISLANDS	Ken Rolls	Beachcomber Ltd.	Company Director PO Box 91 Rarotonga, C.I. Tel: 21-939 Tlx: N/A	Jewelry, Handicrafts Fashion Acces-sories	
COOK ISLANDS	Joan Rolls	Beachcomber Ltd.	Company Director PO Box 91 Rarotonga, C.I. Tel: 21-939 Tlx: N/A	Jewelry, Handicrafts Fashion Acces-sories	
COOK ISLANDS	Kato Tama	Ministry of Agriculture	Secretary		ITC/UNDP

COUNTRY	NAME	ORGANIZATION	ADDRESS	PRODUCT	SPONSOR
COOK ISLANDS	Katherine C. Webb	Grieco Foods Ltd.	Manager Imports/Exports PO Box 20 Rarotonga, Cook Islands Tel: 25-360 Tlx: 62041	Dehydrated Papaya & Pineapple	FSP
FEDERATED STATES OF MICRONESIA	Larry P uton	Mita & Bruton Enterprises	Truk, FSM		
FEDERATED STATES OF MICRONESIA	Maurice Christian				
FEDERATED STATES OF MICRONESIA	Peter M. Christian	Congress of the Federated States of Micronesia	Senator P.O. Box 370 Kolonia, Ponape, E.C.I. 96941 Tel: 414		
FEDERATED STATES OF MICRONESIA	Ismael Dobrick	Truk Organization for Community Action			
FEDERATED STATES OF MICRONESIA	Timakyo Ehsa	Ellen's Market	Assistant Manager/Part Owner PO Box 692 Kolonia East Caroline Islands 96941 Asst Manager/Part Owner Ehsa Tel: 747	Handicrafts: Fish Mobiles, Ladies Baskets	
FEDERATED STATES OF MICRONESIA	Tony Garingiyan	Yap State Legislature			
FEDERATED STATES OF MICRONESIA	Johnny K. Killion	Truk Shipping Company	General Manager P.O. Box 669 Truk State Tel: 455 or 669 Tlx: TSCO GR PCA TRUK		
FEDERATED STATES OF MICRONESIA	Redley Killion	Truk Development Enterprises	State Director, Department of Resources and Development P.O. Box 365 Moen, Truk, F.S.M. East Caroline Islands Tel: 552/761/760	Coconut Oil, Breadfruit Flower, Copra Cake & Handicrafts	

COUNTRY	NAME	ORGANIZATION	ADDRESS	PRODUCT	SPONSOR
FEDERATED STATES OF MICRONESIA	Annes Leben	Ponape State Government			
FEDERATED STATES OF MICRONESIA	Alex P. Luzama	Ponape State Government	Special Assistant to the Governor for Commerce & Industry Federated States of Micronesia 96941		
FEDERATED STATES OF MICRONESIA	Manny Mori	FSM Development Bank	Box M		
FEDERATED STATES OF MICRONESIA	Robert Mori	Truk State Government	Lt. Governor Moen, Truk FSM 96942 Tel: 232 Tlx: GOV TRUK		
FEDERATED STATES OF MICRONESIA	Roger S. Mori	Truk State Government	Acting State Planner PO Box 280 Truk, East Caroline Islands 96942 Tel: 532		
FEDERATED STATES OF MICRONESIA	Taka Mori	Truk Transportation Co.			
FEDERATED STATES OF MICRONESIA	Michael Ormsby	Truk State Government	Federal Programs Coordinator Governor's Office PO Box 189 Moen, Truk FSM 96942 Tel: 238, (cr) 234 Tlx: GOVTRUK		
FEDERATED STATES OF MICRONESIA	Catalino Sam	Ponape Coconut Products	General Manager P O Box 39 Ponape, Caroline Islands 96941	Shampoo, Hair Oil & Soap	
FEDERATED STATES OF MICRONESIA	Resty R. Shotaro	Truk Lagoon Wholesalers	Owner/Manager P.O. Box 4 Truk, FSM 96942 Tel: 353 or 450 Tlx: TRUKLAGOON TRUK		
FEDERATED STATES OF MICRONESIA	Bumio Silbanuz	FSM Registrar of Corporations	Kolonia, Ponape, ECI 96941 Tel: 646/701		
FEDERATED STATES OF MICRONESIA	Senellie P. Singeo	Ponape Community Action Agency	Executive Director PO Box 400 Kolonia, Ponape, ECI 96941		

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FEDERATED STATES OF MICRONESIA		Board	Box 403 Kolonia, Ponape ECI 96941 Tel: 646/701		
FEDERATED STATES OF MICRONESIA	Sisinio Willy	Department Resources and Development	Marketing Specialist PO Box 280 Moen, Truk State, FSM 96942 Tel: 552	Laundry Soap, Handicrafts, Copra Cake & Fish	
FIJI	David Ashby	Fiji Citrus Products, Ltd.	PO Box 355 Suva, Fiji		
FIJI	Hon. Subramani Basawaiyo	Labrasa Farmers Club Cooperative			
FIJI	H.M. Boulton	Boulton Citrus Products			ITC/UNDP
FIJI	Maraia Ceinaturaga	Marama Cooperative			
FIJI	Aisake Colati	Radio Fiji	10 Helmes St. Suva, Fiji		
FIJI	Sam Chung	Waisali Farm Producer; Lesuma Hodings Ltd.	G.P.O. Box 717 Suva, Fiji Tel: 22542 Tlx: FJ 2163		

COUNTRY	NAME	ORGANIZATION	ADDRESS		
FIJI	Ratu Senator Osea Gavida	Economic Development Board of Fiji	Director 1st Floor, Valop House Suva, Fiji Tlx: 2355 EDB FJ		FSP
FIJI	Malcolm Harrison	Evercrisp Snack Products (SS) Ltd.	19 Sonoma Walubai, Suva, FIJI Postal Address: Private Mailbag, SUVA, Fiji Tel: 313422 or 313606 Tlx: FJ2189 EVCRISP		
FIJI	Phil Hotchin	Fiji Citrus Products, Ltd.	General Manger P.O. Box 183 Labasa, Fiji		ITC/UNDP
FIJI	Epwii Kacimaiwai	Ministry of Foreign Affairs, Tourism and Civil Aviation	Undersecretary and Roving Ambassador Government of Fiji Suva, Fiji Tlx: FJ 2167		FSP
FIJI	Zarin Khan	Fiji Farmers Cooperative Society Limited	Financial Controler PO Box 4004 Samabula, FIJI Tel: 385797		FSP
FIJI	Keshwan Krishna	Popular Furniture & Hardware Ltd.	PO Box 172 Lautoka, Fiji Tlx: 5163 POPULAR FJ	Furniture & Wooden Handles	FSP
FIJI	George Kwong	National Marketing Authority of Fiji			FSP
FIJI	William Lewis	South Pacific Foods	PO Box 80 Sigatoka, FIJI	Crystallized Fruit	ITC/UNDP

COUNTRY	NAME	ORGANIZATION	ADDRESS	PRODUCT	SPONSOR
FIJI	Himmat S. Lodhia	Lords Jewellery Industries	Managing Director "House of Lords" PO Box 598 Suva, FIJI Tel: 23372 or 31369	Handmade Gold and Silver Jewelry	FSP
FIJI	John Martin	Native Lands Development Corporation			
FIJI	Dhirendra Raniga	Magan Lal Jiwa & Sons Ltd.	Director PO Box 204, Ba, FIJI Tel: 74322 Tlx: 6240 JASON FJ	Fruit Confectionary	FSP
FIJI	Senator Aporusa Rakoto	Economic Development Board	Board Member PO Box 2303 Suva, Fiji Tel: 315988 Tlx: FJ 2355		FSP
FIJI	Ken Roberts	Mokosoi Products Limitied	Managing Director PO Box 3186 Lami, Fiji Tlx: FJ 2347 FORCIDS	Pure Coconut Oil & Toilet Soap	FSP
FIJI	Raijeli Salabogi	Mairama Cooperative			
FIJI	Frederick-Warwick Smith	National Marketing Authority (for: Tropical Food Products)	Kokibu Industrial Estate Nasinu 9 miles, Suva, Fiji Tlx: FJ 2241	Processed Ginger Raw Pawpaw	FSP
FIJI	Kitione Waqavonovono	Handicrafts of Fiji Center	Box 1426 Suva, Fiji	Handicrafts	FIJI

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FIJI	Mitchell Whippy	Charles Whippy & Co.	Managing Director PO Box 9, 24 Tofua St. Suva, Fiji Tel: 22429	Wooden Boats and Accessories	FSP
FRENCH POLYNESIA	Augusto Confalonieri & Massimiliano Frizzi	Tahiti Natural Products	B.P.420 Fare Ute Papeete, Tahiti Tel: 2.87.91 Tlx: 346 MONOINTP FP	Perfumes, Toiletries & Soaps	FSP
GUAM	Henry Cruz	Department of Commerce	Aganda, Guam		
GUAM	Jesus S. Leon Guerrero	BANK OF GUAM	PO Box BW Agana,GUAM 96910 Tel: 472-8865/7		
GUAM	Jose M. L. Lujan	U.S. Small Business Administration	Branch Manager Pacific News Bldg., Rm. 508 238 O'Hara St. Agana, Guam 96910 Tel: 671-472-7277/7308		
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KIRIBATI	Patrick Lawrence	Government of the Republic of Kiribati	Development Officer Development Office Ministry of Line & Pheonix Group Christmas Island CABLE: DEV. LINNIX		
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NIUE	Gary Cooper	Niue Products Ltd.	PO Box 82 Niue Cable: PRODUCTS NIUE	Passion Fruit & Coconut Cream	ITC/UNDP
NIUE	Russell L. Kars	Russell L. Kars Ltd.	Managing Director PO Box 81 NIUE Island, South Pacific Tel: 608 & 167	Passion Fruit Drink	FBP
NIUE	Mirian Nicholas	Miliama Garments	Manager Box 130 Alofi, Niue		FSP
NIUE	Bradley Punu	Niue Development Board	Acting General Manager P.O. Box 74, Alofi South Niue Tel: 66 or 31	Fruit Pulps	FBP
PALAU	Katharine Kesolei	Palau Community Action Agency	Executive Director P.O. Box 3000 Koror, Republic of Palau		
PALAU	Dave Nolan	Government of Palau	Representative of President H.I. Remeliik President Office P.O. Box 100 Koror, Republic of Palau 96940		
PALAU	Boon Seob Ha	King's Enterprises	Koror, Republic of Palau 96940	Fish cakes	

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PALAU	Toshiro Paulis	Palau Fishing Authority	Marine Resources Director PO Box 586 Koror, Palau 96940 Tel: 514 or 352		
PAPUA NEW GUINEA	Thomas Anis	North Solomons Province	PO Box 120 Arawa, Papua New Guinea		AF
PAPUA NEW GUINEA	Joseph Chan	PNG Arts	Director PO Box 9264 Hohola, Papua New Guinea Tel: 25-3976/25 7803 Tlx: SUBEN NE 23271	Handicrafts	FSP
PAPUA NEW GUINEA	Robert F. Cooke	PNG Artifacts	PO Box 1114 Honolulu, Hawaii		
PAPUA NEW GUINEA	Phillip Cridge	Department of Foreign Affairs and Trade	Assistant Secretary - Foreign Affairs, Tourism and Trade Post Office Wardstrip Waigani P.N.G. Tel: 271684 Tlx: NE 22136		FSP
PAPUA NEW GUINEA	John Cruikshank	Chamber of Commerce and Industry	Executive Director P.O. Box 265 Lae Papua New Guinea Tel: 42 2340 Tlx: NE 44147		FSP

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PAPUA NEW GUINEA	Lodhia Daroa	Dept. of Industrial Development	PO Box 164 Konedolbu, Papua New Guinea Tlx: INDEV NE 23310		FSP
PAPUA NEW GUINEA	Richard Gault	Exclusive and Discerning	Rabaul, Papua New		
PAPUA NEW GUINEA	Wadju Hanafi	Amalgamated Knitwear	PO Box 1433 Lae, Papua New Guinea Tlx: NE 42450		FSP
PAPUA NEW GUINEA	Kolokai S. Hullerman	PNG Artifacts	Box 1114 Honolulu, Hawaii		
PAPUA NEW GUINEA	Konney Kamanqan	South Pacific Brewery Ltd.	PO Box 6550 Boroko, Papua New Guinea Tel: 21 7999 Tlx: NE22192	Beer	FSP
PAPUA NEW GUINEA	Henry Klink	PNG Tourist Association	President Port Moresby, Papua New Guinea	Tourism	
PAPUA NEW GUINEA	William Terrence McCabe	South Pacific Trade Commission	Senior Trade Commissioner Papua New Guinea House 225 Clarence Street Sydney, NSW 2000 Australia Tel: (02) 290 2833 Tlx: AA 70342		
PAPUA NEW GUINEA	Alex Nonwo	Philatelic Bureau	PO Box 1 Boroko, Papua New Guinea Tlx: PNG PTC NE 22119	Stamps	FSP
PAPUA NEW GUINEA	Wilson Omena	Makia Weavers	PO Box 597 Goroka, Papua New Guinea	Handwoven Woolen Rugs	AF

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PAPUA NEW GUINEA	Bruce Parkes	South Pacific Brewery Ltd.	Marketing Controller PO Box 6550 Boroko, Papua New Guinea Tel: 21 7999 Tlx: N3227192	Beer	FSP
PAPUA NEW GUINEA	Helen Reiner	The Dress Factory/ Henada Holdings Pty	PO Box 3289 Boroko, Papua New Guinea		FSP
PAPUA NEW GUINEA	Michael Uillvilo	PNG Fish Marketing Corp.	Managing Director P.O. Box 6650 Borok	Fish	FSP
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REPUBLIC OF THE MARSHALLS	Wilfred Kendall		1312 Like St. Honolulu, Hawaii		
REPUBLIC OF THE MARSHALLS	John A. Smith		Box 571 Majuro, M.I.		
SOLOMON ISLANDS	Marion L. Clark	H.C.C. Ltd.	Secretary/Director PO Box 43 Honiara, Solomon Islands Tel: 22195 Tlx: HQ66313	Artifacts & Handicrafts	
SOLOMON ISLANDS	John Mawtia Kaliuaw	Tuturia Trading Co.Ltd.	Managing Director PO Box 746 Honiara, Solomon Islands Tel: 22494 Tlx: HQ 66390	Shell Buttons, Varieties of Sea Food Products	FSP
SOLOMON ISLANDS	Caroline Hebala Kaliuaw		PO Box 325 Honiara, Solomon Islands Tlx: HQ 66390	Arts & Crafts	AF
SOLOMON ISLANDS	Mariano Kelesi	H.C.C. Ltd.	Managing Director PO Box 43 Honiara, Solomon Islands Tel: 22195	Artifacts & Handicrafts	FSP

COUNTRY	NAME	ORGANIZATION	ADDRESS	PRODUCT	SPONSOR
SOLOMON ISLANDS	Samuel Osifelo	Ministry of Foreign Affairs and Trade	Assistant Secretary PO Box 610 Honiara, Solomon Islands		
SOLOMON ISLANDS	Snyder Rini	Island Timbers Ltd.	Company Director PO Box 214 Honiara, Solomon Islands Tel: 22724 Tlx: HO66360 CAMOS	Sawed Timber	FSP
SOLOMON ISLANDS	John Saunana	Ministry of Foreign Affairs and Trade	PO Box 610 Honiara, Solomon Islands		AF
SOLOMON ISLANDS	B.A.R. (Reg) Taylor	Solomon Islands Philatelic Bureau, Ltd.	General Manager G.P.O. Honiara Solomon Islands Tel: Honiara 22108 Tlx: PGMSHO 66310 ATTN: Philatelic Bureau	Stamps, Post Cards & Coins	FSP
TOKELAU	Simeti Moala	Office of Tokelau Affairs	PO Box 865 Apia, Western Samoa Cable: TUKALANI APIA		AF
TONGA	James W. Harris	Director of Economic Planning	P.O.Box 827 Central Planning Dept. Nuku'alofa, Tonga Tel: 21-366		FSP
TONGA	Tapuaki Haunga	Tonga Cooperative Federation	PO Box 1272 Nuku'alofa, Tonga Tlx: 66253 TS	Vanilla & Handicrafts	FSP
TONGA	Geoffrey Hougland	Polynesian Prints	P.O. Box 748 Nuku'alofa, Tonga Tel: 22-866		
TONGA	Alexis Huni	Tonga Cooperative Federation	PO Box 1272 Nuku'alofa, Tonga Tlx: 66253 TS	Vanilla & Handicrafts	AF

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TONGA	Ben Muti	Imua Products	PO Box 233	Black Coral	FSP
TONGA	S.T. Nakao	Passionfruit Industries	Management Consultant PO Box 12 Nuku'alofa, Tonga Tel: 21755-21758 Tlx: 66-232 TSUNAK TS.	Passionfruit & Toys	AF
TONGA	Kevin O'Connor	Tonga Visitors Bureau	Vava'u, Tonga		
TONGA	Louis Pogoni	South Pacific Manufacturing	Box 777 Nuku'alofa, Tonga Tlx: TS 66245	Sweaters	FSP
TUVALU	Koloa Talake	SAVE THE CHILDREN INC.	Director, SCF Tuvalu Field Office PO Box 15, Funafuti, Tuvalu Tel: 705 Tlx: TV4800 COMM		
VANUATU	Lindsay Barrett	Chamber of Commerce	President Partner, Coopers and Lybrand Box 189 Port Vila, Vanuatu	Investment & Finance	AF
WESTERN SAMOA	Vaigo J. & Fay Alailine	Lefulemu Development Corporation	Box 4228 Apia, Western Samoa		
WESTERN SAMOA	Laki Uasa Apelu	PRINUT	Director Private Bag General Post Office Apia, Western Samoa Tel: 2292, - 23970 Tlx: 265 FIRSTPAC	Coconut, Taro & Coconut Cream	FSP
WESTERN SAMOA	Ernesto C. Bauzon	Samoa Coconut Products Limited	General Manager Private Mail Bag, APIA Western Samoa Tel: 23-400, 23-401, & 23-402 Tlx: 272 NIU SX	Coconut Oil	FSP

COUNTRY	NAME	ORGANIZATION	ADDRESS	PRODUCT	SPONSOR
WESTERN SAMOA	Allyn J. Miller	Western Samoa Handicrafts Corporation	Manager PO Box 894 Apia, Western Samoa Tel: 23-218 Cable: Samoacraft	Handicrafts, Tapa Cloth & Jewelery	FSP
WESTERN SAMOA	Mano'o L. Mulitalo,	M & M International Ltd.	Board Chairman/President PO Box 369 Apia, Western Samoa Tel: 23-323 or 24-183	Coconut Cream & Banana Chips	AF
WESTERN SAMOA	Hon. Jack Netzler	Ministry of Agriculture	Minister Apia, Western Samoa		ITC/FSP
WESTERN SAMOA	Clive J. Pedrana	Food Processing Labratory	Chief Food Technologist PO Box 743 Apia, WESTERN SAMOA Tel: 23395 Tlx: USP 251 SX	Passionfruit, Mango, Banana Papaya, Guava Preparations	ITC/UNDP
WESTERN SAMOA	Geoff Pritchard	PRINUT	Private Bag General Post Office Apia, Western Samoa Tel: 2292, - 23970 Tlx: 265 FIRSTPAC	Coconut, Taro & Coconut Cream	
WESTERN SAMOA	Sophia Rankin	Island Styles, Ltd.	PO Box 139 Apia, Western Samoa Tel: 21-436	Tablecloth, Tropical Fruit Wines & Sweaters	FSP
WESTERN SAMOA	Hon. Faasootaulaa S. Saili	Western Samoa Trust Estates Corporation	General Manager PO Box 181 Apia, Western Samoa Tel: 21515 N 22077 Tlx: 238 TRUSTATES SX APIA	Coconut Juice, Charcoal, Taro, Coconuts & Soap Product	FSP
WESTERN SAMOA	Tuigamala Ametipa Lam Sam	Samoa Tropical Products	Box 1550 APIA, Western Samoa	Coconut Products	ITC/UNDP

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1984 PACIFIC ISLANDS-UNITED STATES TRADE THROUGH PRIVATE SECTOR DEVELOPMENT

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Mr. Burgess has extensive experience in management consulting training and investment counseling, short/long range and strategic planning, marketing, warehousing, financing, and cost accounting, transportation and diagnostic reviews.

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Ms. Cavaletto's primary responsibility in the Department of Horticulture is research in processing and quality evaluation of tropical crops. She is the author of numerous research publications on the processing and quality aspects of papaya, guava, mango, banana, lychee and macadamia nuts.

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Joseph Robert Chan, Director, P.N.G. Art, P.O. Box 9264, Hohola, Papua New Guinea.

Mr. Chan is director of the biggest artifact shop in Papua New Guinea today. He began with a small art shop in 1977.

Peter Christian, Senator, Congress of the Federated States of Micronesia, P.O. Box 96, Kolonia, Ponape, Eastern Caroline Islands 96941.

Senator Peter Christian is a member of the Ponape delegation to the Congress of the Federated States of Micronesia. He is the Chairman of the Committee on Health, Education, and Social Affairs. He was first elected to the Congress in 1979. Prior to that he was a member of the Ponape State Legislature from 1975 to 1979, where he served as Vice Chairman on Judiciary and Government Relations Committee.

Senator Christian is a prominent member of the State of Ponape business community. He is President of Seair Transportation Agency, and General Manager of Martin Enterprises and Cliff Rainbow Hotel, Kolonia, Ponape, and a former President of the State of Ponape Chamber of Commerce. He once served as Chairman of the Board of Directors of the Ponape Community Action Agency.

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Mr. Cridge has served in the Papua New Guinea Government's Department of Foreign Affairs and Trade since 1975. He is a trade promotion member of the Papua New Guinea Chamber of Commerce and has led many Papua New Guinea trade missions around the world. Mr. Cridge's primary interest is in developing private sector/government relationships for the growth of the Papua New Guinea export sector. He has also worked in the Philippines.

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Mr. Eckert is a former State Senator from Rochester, New York. He is an expert in the field of Public Relations.

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Mr. Halvorsen is President of Halvorsen and Associates, a U.S. Corporation associated with other companies in imports and exports, joint ventures, licensing manufacturing, licensing trade marks and copyrights. Mr. Halvorsen's group has a potential interest in food and seafood producs, exports from the Islands, and possible joint venture with a fishing or food company.

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Dr. Hamnett received his M.A. and Ph.D. in Anthropology from the University of Hawaii. He has conducted research on cash cropping and other business enterprises in the North Solomons, Papua New Guinea. From 1969 to 1972, Dr. Hamnett provided training and business advisory services and conducted research throughout Micronesia. Since 1980 Dr. Hamnett has served as the Research Coordinator in the Pacific Island Development Program, a policy research and training unit of the East-West Center.

Edgar C. Harrell, Acting Assistant Administrator, Bureau for Private Enterprise U.S. AID 321 E 21st Street, N.W., Room 6897, Washington, D.C. 20523.

James W. Harris, Director of Planning, Central Planning Department, P.O. Box 827, Nuku'alofa, Tonga.

Mr. Harris received his formal education in New Zealand and the United States. He was a banana grower and major exporter from Tonga between 1965-1974. Mr. Harris is a charter member and export representative of the Neiafu Vanilla Growers and Exporters Association.

Joseph W. Harrison, President, Pan Pacific Alliance for Trade and Development, 1670 Pine St., San Francisco, CA 94109.

Mr. Harrison is an economic development specialist and President of the Pan Pacific Alliance for Trade and Development, a membership organization created to foster trade between the U.S. and the Pacific Island region, and to enhance the development process of the latter.

William C. Hill, District Director, U.S. Food and Drug Administration, 50 United Nations Plaza Building, Room 534, San Francisco, CA 94102.

Mr. Hill has served as District Director of the U.S. and Drug Administration since 1970. He directs the workforce of investigators, technicians, chemists, microbiologists, and support personnel in carrying out the various inspectional, analytical, and compliance activities of the District Office.

Alexis Huni, Director, Tonga Cooperative Federation, P.O. BOx 1272, Nuku'alofa, Tonga.

Konny Komeneng, South Pacific Brewery Ltd., P.O. Box 6550, Boroko, Papua New Guinea.

EwingKrainen, Shell World, 801 Cooke Street, Honolulu, Hawaii 96813.

Howard Ladd, Director, Global Associates, 2010 Webster Street, Suite 300, Oakland, CA 90017.

Lelei Lelaulu, Director of Information, United Nations Department of Information, 31 E. 31st Street, New York, N.Y. 10016 (also Executive Director, Pacific Island Association)

Alexander Mamak, President, Action Research International, 463 Funston Avenue, San Francisco, CA 94118.

Dr. Mamak has conducted research on socioeconomic change in Fiji, Papua New Guinea, the United States, and Latin America. He has written several books on socioeconomic change in the South Pacific, and has taught at San Francisco State University, the University of the South Pacific, the University of New South Wales and the International Training Institute in Sydney, Australia. Dr. Mamak's firm specializes in research for development, including market research and analysis.

John T. Marrack, Deloitte, Haskins and Sells, 745 Fort Street, Suite 1000, Honolulu, HI 96813.

Mulikihaamea Mateikitoga, President, The Tonga Export Company, Box 230, Nuku'alofa, Kingdom of Tonga.

Mr. Matekitoga has been an exporter for the past 17 years. He is President and Chairman of the Board of the Tonga Trading Company which exports tapa cloth, tapa handbags, lau hala bags and other Polynesian handicrafts. The company is also located in the State of Hawaii, Foreign Trade Zone, and is a sub-assembly, manufacturing, and wholesale operation.

Leo V. Mayer, Associate Administrator, U.S. Department of Agriculture, Foreign Agricultural Service, Washington, D.C. 20520.

Dr. Mayer is the author of several books and articles on agriculture and food policy, and has served as a guest lecturer for the U.S. Information Agency and the Department of State in a number of countries. He taught agricultural economics at the Iowa State University and served as senior specialist for Agriculture (Congressional Research Service), Senior Agricultural Advisor (Office for Trade Negotiations, Executive Office of the President) and Senior Staff Economist (Council of Economic Advisors, Executive Office of the President).

Simeti Moala, Director of Economic Development, Office of Tokelau Affairs, P.O. Box 865, Apia, Western Samoa.

Mr. Moala received his formal education in New Zealand. He worked for the Western Samoan Govern ment from 1963 to 1975, and served as an Administrative Officer and as a Marketing Officer for the Tokelau Public Service from 1976 to 1982. In 1983 he was appointed Tokelau's Director of Economic Development.

David K. Nakagawa, District Director, U.S. Small Business Administration, 300 Ala Moana Blvd., Honolulu, Hawaii 96850.

Dorrie Paganini, Paper-Mania, 50 Post Street, San Francisco, CA 94104.

Bruce Parkes, Marketing Controller, South Pacific Brewery Ltd., P.O. Box 6550, Boroko, Papua New Guinea.

Jim N. Parkhill, President, Parkhill International, International Food Products and Agribusiness Consulting Services, 149 Sunflower, McAllen, Texas 78501.

Mr. Parkhill is a consultant to the International Trade Center UNCTAD/GATT and the United Nations Programme on behalf of South Pacific processors of tropical fruit products. He has degrees in International Trade and Marketing and nineteen years international business management experience in the agribusiness and food processing industries. Mr. Parkhill has an outstanding knowledge of Western Hemisphere Markets. His product experience includes fresh and processed fruits and vegetables, prepared foods, seafood, cereals and dairy products.

William Paupe, Regional Development Officer, U.S. Agency for International Development, P.O. Box 218, Suva, Fiji.

Mr. Paupe is a Career Senior Foreign Service Officer and an economic development specialist with over 25 years of service.

Clive Pedrana, Chief Food Technologist, Food Processing Laboratory, P.O. Box 743, Apia, Western Samoa.

John R. Pelkan, Executive Vice President, Sokol and Pelkan Advertising, 350 Pacific, San Francisco, CA. 94111.

Samuel T. Price, President, Pacific Studies Institute, P.O. Box 20820 GMF, Guam, MI 96921.

Dr. Price served as Chairman, Department of Anthropology, University of Guam, from 1978 to 1979. In 1979, he founded Pacific Studies Institute, a non-profit research and training organization serving the Northwest Pacific.

Pamela Takiora Ingram Pryor, 505 Ann Street, Beaufort, North Carolina, 28516.

Bradley Punu, Acting General Manager, Niue Development Board, P.O. Box 74, ALOFI South, Niue Island.

Mr. Punu was formerly employed as a researcher at the College of Tropical Agriculture, University of Hawaii, and as a research officer in the Department of Agriculture, Niue Island. He was promoted to Head of the Research Division in 1982, and was appointed Director of Ag riculture and Fisheries and Acting General Manager, Niue Development Board, in 1984. Mr. Punu was the recipient of several scholarships to study at the University of the South Pacific and the University of Hawaii.

Eparama Qaranivalu, Airport Manager, Air Pacific, Honolulu International Airport, Honolulu, Hawaii 96814.

David Ramsour, Chief Economist, Bank of Hawaii, Financial Plaza of the Pacific, Honolulu, Hawaii 96813.

Michael L. Real, Vice-President T and P Custom Marketing, Inc., 2500 E. Colorado Blvd., Suite 315, Pasadena, CA. 91107.

Mr. Real is an expert in sales and marketing of tropical fruit/food products.

Victor Renaghan, Director of Commercial Operations, U.S. Customs, Honolulu, Hawaii.

Mr. Renaghan has 23 years of experience in the U.S. Customs Department. His expertise includes investigations, management systems and design. He has received numerous government awards from Thailand, the Philippines, and the U.S., and is a specialist in customs activities throughout Asia.

Douglas Shimada, Micronesia Life Underwriters Inc., P.O. Box 206, Saipan, Northern Mariana Is. 96950.

Louis G. Sleeper, Counselor for Special Economic Initiatives, Presidential Commission on Indian Reservation Economies, Executive Office of the President, Washington, D.C. Managment Consultant, 205 Yoakum Parkway, Apt. 1514, Alexandria, Virginia 22304.

Mr. Sleeper is on loan from the U.S. Trade and Development Program to advise the Presidential Commission on how appropriate experiences of U.S. foreign assistance and trade agencies can be applied to some of the problems facing the Indian Reservations and Tribes in the United States. He is the third ranking management official in the Trade and Development Program (TDP) with responsibility for planning, programming, evaluation, and management assessment of TDP programs.

Paul E. Sotutu, Chief, Economic and Social Commission for Asia and the Pacific, Pacific Liaison Office, Nauru.

Gerald A. Sumida, Attorney, Carlsmith, Carlsmith, Wichman and Case, Pacific Trade Center, Suite 2200, 190 South King Street, Honolulu, Hawaii 96813.

Denise E. Surber, Economic/Commercial Specialist, Embassy of the United States, P.O. Box 218, Suva, Fiji.

Mrs. Surber has headed the Economic/Commercial Section at the U.S. Embassy in Suva since June 1981. Born in California, she holds a B.A. in History and Elementary Education from the University of Washington in Seattle, Washington, and an M.B.A. in Finance and Investment from the George W ashington University in Washington D.C. She has worked as a teacher both in the U.S. and abroad, as an administrative assistant in another U.S. diplomatic post, and as a program and financial assistant in the Commission on International Relations at the National Academy of Sciences. Mrs. Surber has lived and worked in the U.S.,the South Pacific, Latin America, and the Middle East. She speaks Spanish and Arabic.

Sanele Tutilea Paga, c/o National Office of Samoan Affairs, Inc., 1855 Folsom Street, San Francisco, CA. 94103.

Mr. Tutileapaga was formerly administrative assistant to the Governor of American Samoa, and the Senior Officer for Pacific Islanders in the Department of Maori and Island Affairs, Wellington, New Zealand. Mr. Tutileapaga is currently a community economic development advisor to Pacific Islanders residing in the United States. He also served as the Vice Chairman of the Youth and Rural Development Council of the South Pacific Commission.

Richard Waidzunas, Business Development Specialist, U.S. Small Business Administration, 45-139 Mikihilina Street, Kaneohe, Hawaii 96744.

Mr. Waidzunas served in the United States Navy from 1943-1954, retiring as a LTCDR, USNR. From 1954 to 1975, Mr. Waidzunas' career was in commercial banking, working as a Loan Officer and Vice President for several banks in Southern Caliofrnia and Hawaii. He joined the U.S. Small Business Administration in 1975 and is a business development specialist and district advocate in the Department's new Minority Small Business Development Program.

Gene Ward, Director, Hawaiian Entrepreneur Training and Development Institute, 401 Kamakee Street, 3rd floor, Honolulu, Hawaii 96814.

Jincie V. Williams, Director, Pacific Analysis Corporation, 3049 Ualena Street, #110, Honolulu, Hawaii 96819.

Rodner R. Winget, President, Fisheries Development Research Inc., General Manager, Fisheries Development Associates, P.O. Box 164, Redmond, WA. 98052-0164.

Dr. Winget is a businessman and marine biologist with a 20 year career in procurement, administration, teaching and research applied to the development of marine food resources. He founded Fisheries Development Associates,a partnership of 5 companies that have pooled their assets and personnel to plan and implement fisheries development programs worldwide. Dr. Winget also formed Fisheries Development Research Inc. to assist governments with resource management, acquaculture development and sea food product formulation.

Misikei Chong Wong, Assistant General Manager, Development Bank of Western Samoa, P.O. Box 1232, Apia, Western Samoa.

Mr. Chong Wong was born in Saleimoa, Western Samoa. He has a B.A. in Accounting and Business Management and a C.P.A. , Western Samoa Society of Accountants. Mr. Chong has worked for the Development Bank since 1975, as a Chief Accountant and Finance Manger and currently as Assistant General Manager.

APPENDIX H

TRADE EXHIBIT

The trade exhibit was a valuable experience for many of the participants in the conference. Not only did it provide an environment in which to discuss conference proceedings, it also provided a means by which trade could occur.

The exhibit, while part of the proceedings, was organized separately from the Conference. Funding and support were obtained from the private sector, the primary sponsors being the Bank of Guam and the Pan Pacific Alliance for Trade and Development.

Due to the low level of funding and the secondary nature of the trade exhibit there was little that could be done in the way of professional preparation. However, the lack of sophisticated lighting and booths did little to hinder the very active environment in which there were approximately 700 participants. Total direct committed sales was conservatively estimated to be in excess of US$600,000. In the next 12 months expected orders will probably exceed US$2 million.

The following is a list of countries, organizations and people that presented their products.

PARTICIPANTS	ORGANIZATION	PRODUCTS
American Samoa		
Christina Betham Agnes K. Cope	Topu's Native Designs	Silk Screen Prints
Comments: Desired more professional lighting arrangements. Dispite a colorful display, sales were not substantial.		
Dorthy Gurr	Pago Chips, Inc.	Banana and Breradfruit Chips
Comments: Presented a very low-key arrangement but was successful in identifying a Hawaiian distributor for her product.		
Cook Islands		
Marjorie L. Bergman	Cook Islands Pacific Pearl Merchant	Jewelry
Comments: Was relatively successful in both direct sales and future orders. In general, jewelry was a popoular item at the trade show. The Cook Islanders cooperated with each other and created an excellent joint display that attracted a lot of attention.		

Ken and Joan Rolls	Beachcomber, Ltd.	Handicrafts and jewelry
Don Melvin	Island Crafts Ltd.	Curios, Handicrafts and Jewelry

Comments: The Cook Islanders agreed that the most important part of the show was the opportunity to make valuable contacts. They were successful in direct sales and developing future orders.

Micheal Benns	Kia Orana Food Corporation	Processed Foods

Comments: Kia Orana successful in establishing committed sales as well as solid possibilities of future orders.

Federated States of Micronesia

Redley Killion	Truk Development Enterprises	Coconut Oil, Breadfruit and Handicrafts
Catalino Sam	Ponape Coconut Products, Ltd.	Shampoo, Hair Oil and Soap
Sisinio Willy	Department of Resources and Development	Soaps, Handicrafts and Copra

Comments: The FSM delegation reported establishing a number of useful contacts but did not gain any substantial orders nor commitment from distributors.

Fiji

Dhirandra Raniga	Jasons (Maganlal Jiwa & Sons, Ltd.)	Candies and Curry Powder
Keshwan Krishna	Popular Furniture & Hardware Ltd.	Furniture and Handles
Frederick-Warwick Smith	National Marketing Authority of Fiji	Crystallized: Pineapple & PawPaw; Ginger Products
Bill Lewis	South Pacific Foods	Crystallized Fruit

Ken Roberts	Mokosoi Products Limited	Coconut oil & Soaps
Mitchell Whippy	Charles Whippy and Co.	Custom wooded boats and accessoris

Comments: As with the Cook Islanders, the Fijijans created a joint display that drew a lot of attention. Other members of the Fiji delegation joined the displayers for singing and this added a more colorful note to the show.

French Polynesia

Augusto Confalonieri	Natural Tahiti Products	Purfumes, soaps and Lotions

Comments: Natural Tahiti Products presented an excellent display. While they attracted a lot of interest the greatest benefit was reported to be in the number of contacts gained.

Kiribati

Patrick Lawrence	Development Office, Government of Kiribati	

Comments: The representative from Kiribati was late in setting up his display. Kiribati succeeded in promoting the tourist developments on Christmas Island.

Niue

Mariam Nicholas	Miliama Garments	Clothing
Bradley Punu	Niue Development Board	Fruit Pulp
Russell Kars	Russell L. Kars, Ltd.	Passion Fruit Drink
Gary Cooper	Niue Products, Ltd.	Honey, Coconut Cream and passionfuit

Comments: Of all the participants at the trade show Mr. Cooper was probably the most successful in guaranteed future orders. Based on the ability to meet FDA regulations he has committed sales for 20 tons of bulk honey and four containers of coconut cream. His position demonstrates both the export potential of the islands and the place U.S. government regulations have in effecting that trade.

Papua New Guinea

Richard Gault	Exclusive and Discerning Furniture	Furniture and Wood Products

Comments: Mr. Gault was seeking markets for both his own line of furniture and his father's selection of timbers. He followed his trip to Hawaii with a trip to the U.S. mainland. Was very successful in finding markets for his father's timbers and establishing a number of channels for future sales of his furniture.

Helen Reiner	The Dress Factory	Dresses

Comments: While Ms. Reiner was not very successful in sales she did find the show rewarding. She obtained feed back that would allow her to make her product more appealing in future shows.

Lohia Daroa	Department of Industrial Development	Handicrafts

Comments: Mr. Daroa displayed a number of handicrafts from his country. He identified a distributor and was very successful in making sales at the show.

Alex Nonwo	Philatelic Bureau	Stamps

Comments: Although sales were not great (mostly due to a lack of sufficent pre-advertising) Mr. Nonwo opened up potential markets by agreeing to work with the Solomon Island Philatelic Bureau to jointly market their products in the future.

Bruce Parkes Konney Kamngon	South Pacific Brewery	Beer

Comments: From a long term perspective, South Pacific Brewery may be one of the most successful exporters. The firm is begining to penetrate the U.S. market with a major media campaign and a distribution network.

Wadju Hanafi	Amalgamated Knitware	Clothing

Comments: Mr. Hanafi had an attractive line of clothing. His display caught a lot of attention and suggested that their are potential industries in the islands that have yet to be explored.

Joseph Chan	PNG Arts	Handicrafts and Artifacts

Comments: Mr. Chan displayed an excellent collection of fine artifacts from Papua New Guinea, and was succesful in making sales.

Solomon Islands

John & Caroline Kaliuae	Tuturia Trading Co. Ltd.	Artifacts

Comments: They did very well in both direct sales and in expectation of future sales. John Kaliuae felt very positive about the activities that said he and his wife were looking forward to future trade shows.

Snyder Rini	Island Timbers, Ltd.	Sawed Timber
Reg Taylor	Solomon Islands Philatelic Bureau, Ltd.	Stamps & Post Cards

Comments: While sales were not great Mr. Taylor felt the experience was a successful one. In forming a joint marketing agreement with Papua New Guinea. He developed a similar agreement with the Philatelic bureau in Vanuatu.

Tokelau

Simeti Moala	Office of Tokelau Affairs	Artifacts

Comments: Mr. Moala displayed excellent artifacts which attracted a great deal of interest including press coverage. Excellent sales were reported.

Tonga

Louis Pagoni	South Pacific Manufacturing	Sweaters

Comments: Mr. Pagoni displayed high quality products which recorded excellent sales. Following the Conference he travelled through the U.S. and on to Europe.

Geoffry Houghland	Polynesian Prints	Tapa cloth products

Comments: Mr. Houghland displayed some new products that he has been developing and received positive feed

back.

Tapoaki Haunga	Tonga Cooperative Federation	Artifacts

Comments: Successful in direct sales and future orders.

Ben Muti	Imua Products	Black Coral

Comments: Of those selling jewelry Mr. Muti was by far the most successful in obtaining future orders.

Tuvalu

Koloa Talake	Save the Children, Inc.	Artifacts

Comments: Similar experiences to Tokalau.

Vanuatu

Lindsay Barrett	Chamber of Commerce

Comments: As a representative of the Chamber of Commerce and as a member of a major accounting firm Mr. Barrett's primary activity was to explain tax and trade benefits that Vanuatu offered.

Western Samoa

Allyn Miller	Western Samoa Handicrafts Corporation	Handicrafts and Jewelry

Comments: Mr. Miller received a large amount of orders from dealers.

Ernesto C. Bauzon	Samoa Coconut Products Limited	Coconut Oil
Clive Pedrana	Food Processing Labratory	Passionfruit, Mango, Banana & Guava Preperatons
Sophia Rankin	Island Styles, Ltd.	Tabelcloths, Tropical Wines

Comments: The Western Samoan delegation were very active and reported making a number of useful contacts and direct and future sales.

CONCLUSION

The trade show was seen as a major success by many who participated. Reported sales were high considering the small budget and low level of advertising. The general feeling was that the trade show was long overdue, and necessary for the future development of trade between the U.S. and Pacific Island nations.

APPENDIX I

ADDRESS OF THE U.S. PRESIDENT TO THE PACIFIC ISLANDS—UNITED STATES TRADE THROUGH PRIVATE SECTOR DEVELOPMENT CONFERENCE

THE WHITE HOUSE

WASHINGTON

March 15, 1984

Knowing of your commitment to the expansion of trade through private enterprise, it gives me great pleasure to welcome so many representatives of developing Pacific Island nations to the 1984 Conference on Pacific Island-United States Trade Through Private Sector Development.

I am especially delighted to reaffirm the long-standing bonds of friendship forged during both the tragedy of war and the much more productive time of peace. We share many common goals of freedom, democracy, stability, and economic self-sufficiency, and we all want our peoples to enjoy more fruitful lives.

The nations of the Pacific comprise the fastest growing economic region of the world. In a sense, the future is in the Pacific, and you and your nations will share in building that future.

America wants very much to develop greater trade with the emerging nations in the Pacific region, and I encourage those of you who represent your country's private sector to look to America as a potential market for your products. As I said in my televised address to the South Pacific Conference in 1982, I believe the private sector will play a key role in developing the economic future of the Pacific.

I want you to know that I am also very proud of representatives of the American private sector who are attending this conference. They have volunteered their time, energy, and talent to assist Island entrepreneurs produce goods which can find their way profitably into our marketplace.

I congratulate those of you who have helped form the Pan Pacific Alliance for Trade and Development as a vehicle to foster trade and economic development. I also congratulate you who are entrepreneurs in the emerging Pacific nations. You reflect a true pioneer spirit, the kind of spirit which led America to greatness and will bring greater prosperity to your own nations.

I wish you every success in forging a framework for free enterprise in your nation, and I commend your initiative. The risks will prove worthwhile even though you may endure hardship and sacrifice along the way.

I am particularly proud that my Administration has taken steps to replace well-intentioned, but less than successful, forms of foreign assistance with a program which will help create permanent economic gains for entire nations. The development of a private sector economy participating in international trade is an important part of building a prosperous nation, and it makes a substantial contribution to the world's peace and stability.

You have my best wishes as you discuss the future and very promising development of the Pacific nations.

Ronald Reagan

APPENDIX J

SITUATION ANALYSIS OUTLINE

n.b. This outline was prepared by John Pelkan of Sokol and Pelkan Advertising as a handout for "Advertising and Selling the Pacific Image", part of the 1984 Conference on Pacific Islands - United States Trade Through Private Sector Development. March 1984.

I. Situation Analysis

A. Marketing Environment

1. What is the product class or segmentation
   - Use difference (e.g. charter vs. scheduled airlines)
   - Characterizational differences (e.g. status, masculinity, etc.)
   - Packaging differences (e.g. bottle vs. can)
   - Distribution differences
   - Price differences
   - Service differences
   - Form differences (e.g. fruit cocktail vs. peach halves)
2. Volume Trend, i.e. growing, static, declining, erractic, new
3. What percent of population/families are considered users?
4. What is the leading national brand?
5. What is the leading regional brand?
6. What is the important marketing and sales promotion activities in this product class?
   - retail pricing
   - trade discounting
   - off-label deals, coupons
   - premiums
   - sampling
   - P.O.P. Display
   - promotion events
   - direct selling
   - consumer advertising
   - trade advertising
   - co-op advertising
   - direct mail
7. Is product innovation an important competitive consideration in this product class?

8. What is the average price and unit of measure in this product class?
9. What is the price spread?
10. Are there unique pricing situations in this product class (regulated pricing, pormotional pricing, price-off, etc.?)
11. Is there new competition recently or anticipated shortly?
12. Among the various types of distribution (e.g. wholesalers, brokers, direct to retail, franchised dealers, etc.) which is most typical of this product class?
13. What changes in distribution have taken place in this product class in the recent past or are anticipated shortly?
14. How many brands does the average outlet carry for this product class?

B. Purchase and Usage

1. Purchase use of the product class tends to be regular or irregular?
2. The purchase cycle for the product class is how many days, weeks, months or years apart?
3. Is the purchase or use cycle significantly affected by advertising or other marketing activity?
4. Is use important seasonally?
5. Is there a particular time of day, or day of week for most likely use or purchase?
6. Purchases of the product class are planned, bought on impulse or bought automatically?
7. Who uses the product? Family? Individual? Other?
8. How much shopping around is there for the product?

9. Is the brand decision usually made in advance or at point of sale?
10. How important is the brand decision to the consumer?
11. Is the product class characterized by strong brand loyalty, moderate brand loyalty, or considerable brand switching?
12. Is the consumer interest in the product class high, moderate, or low?
13. Is the purchaser most often the user, a "purchasing agent", a gift donor?
14. Who else influences the brand selection?
15. Is there more than one use to which the product/service is put?
16. Are there any new users?
17. List in order of priority, those product class characteristics which best define the marketing considerations the brand must take into account to compete successfully.

C. Share and Brand Differentiation

1. Is this a regional brand? If so where?
2. What were last year's sales?
3. What was share of market in dollars/units?
4. What is the share trend? Up? Down? Static?
5. What is the profit trend? Up? Down? Static?
6. What is the nature of the brand's differentiation from other brands in the product class?
7. What are the major competitor's share of the business?
8. Have here been recent changes in the brand's share or the areas of competitive brands?
9. Is the retail pricing of the brand usually above, below or at the product class?

10. Is the brand missing any part of the market through failure to have price lines, models, etc.?

11. Is the brand different from the product class in any of the following basic characteristics?

- volume trend
- profit trend
- most favored size
- major marketing activities
- product or package changes

12. Is purchase or use of our brand different from the product class in any of the following ways?

- regularity of purchase cycle
- length of purchase cycle
- planned vs. impulse purchase
- where brand decision made
- who influences brand selection
- seasonality
- brand switching
- individual vs. family use
- what brand is used for
- who purchases

13. How important is advertising support for the brand?

14. If the advertising budget were doubled, would the brand show a sharp immediate sales increase; show a slow rise in sales; or not be affected significantly?

15. Are there any product or packaging changes under way for the brand?

16. Are there any marketing changes under way for the brand, e.g. price changes, size changes, style changes, extensions or the line, etc.?

17. What is the growth outlook for the brand?

18. Are there any market tests under way or expected shortly?

D. Distribution

1. How does the distribution of the brand relate to the distribution

pattern and trends in the product class?

2. Does the brand have any distribution problems?
3. Does the brand have any distribution advantages?
4. Do any important competitive brands differ from the product class distribution pattern?
5. How does the brand's number ofdealers penetration compare to competition?
6. Is special advertising or promotional attention given to the trade for the purpose of maintaining, improving or forcing distribution?
7. What are the implications of the brand's distribution situation for marketing/advertising?
8. Sum up the brands market position vs. competition in terms of share and volume trends, brand differentiation, and distribution.

E. Demographic Composition

Keep in mind that demography is not the only nor necessarily the best way to segment markets. Often more crucial to marketing and advertising objectives are differences in attitudes, motivations, values, patterns of usage, esthetic preferences, needs, reasons for non-usage degree of susceptibility, etc. Such factors may correlate with demographic segments or cut across them. Demography in itself is seldom directly causual. The discovery of the most useful ways of segmenting a market is often the foundation of sound advertising strategy. The demographic analysis should be regarded, therefore, as only on among many possible ways of analyzing markets, such as product usage, and life style.

Groups	% U.S.	How Many Could Use Product Class	How Many Do Use Product Class	How Many Use the Brand	Consumption Product Class	Consumption Brand
Sex						
Male						
Female						
Age						
6-11						
12-17						
18-24						
25-34						
35-49						
50+						
Income						
-$5,000						
$5-10,000						
$10-15,000						
$15,- 20,000						
$20,000+						
Family Size						
1-2						
3-4						
5+						
Regions						
Northesat						
East Central						
West Central						
South						
Pacific						
City Size						
Central metro						
Suburban						
Non-metro						
Etc.						

Sum up the brand's position versus competition in terms of demographic market composition, taking account of the relative weakness and strengths, areas of opportunity, prime target groups, etc.

F. Consumer Attitudes

Brand image can be defined as the unique identity a given brand possesses in consumers minds. It is the net consumer impression resulting from the brand's total market operation, from wherever

derived, whether imputed or true. It can be influenced by three major brand dimensions, and is the sum of all three:

- Objective physical attributes, what the product is (price, name, appearance, style, size, features, etc.)
- Functional
- Characterizational attributes, what the product implies about the user (status, masculinity, good taste, youthful, etc.)

a. What are the <u>physical</u> characteristics that people (or market segments) look for in the product class?

   - Do people (or a segment of the market) perceive any important differences between brands with respect to these physical characteristics?
   - How does the brand stand in relation to these physical characteristics that people look for the the product class or that influence the brand selection?

b. What are the <u>functional</u> characteristics that people (or market segments) look for in the product class?

   - Do people (or a segment of the market) perceive any important difference between brands with respect to these functional characteristics?
   - How does the brand stand in relation to these functional characteristics that people look for in the product class or that influence brand selection?

c. What are the major <u>characterizational</u> dimensions that people (or market segments) look for in the product class?

   - Do people (or a segment of the market) perceive any important difference between brands with respect to these characterizational attributes?
   - How does the brand stand in relation to these characterizational dimensions?

1. Do various demographic segments of the market differ in desired physical/functional characterizational attributes?
2. How does the brand relate to these demographic segments?
3. Are there non-demographic market segments that differ in desired attributes(e.g. adventurous first travelers vs. nervous 1st traveler
4. How does the brand relate to these non-demographic segments?
5. What perceived difference of any kind between brands are most important in brand choice?
6. How does the brand relate to these importnat brand selection factors?
7. Do users of the brand differ from non-users in the way they perceive the brand on physical/functional/characterizational attributes
8. What do users of the brand like about it? What are their main reasons for using the brand instead of some other brand?
9. Among users of other brands in the product class, what are their main reasons for not using the brand?
   - Dislike something about the brand
   - Unaware of the brand or its benefits
   - Have misconceptions about the brand
   - The brand's benefits are not congruent with their needs
10. Is discontinuance of the brand a problem?
11. Among those who do not use the product class, what are the main reasons for non-use?
    - Cannot use the product
    - Unaware of the benefits of the product
    - Disinterested in the benefits of the product
    - Dislike the product
12. Apart from demography, what attitude groups or motivational market segments represent the best target for increased sales of the brand?

13. Do these crucial attitude or motivational groups show any peculiarities in their demographic profiles?

14. Sum up the nature of the brands current franchise vs. competition, taking account of weaknesses and strengths in demographic, attitudinal, or other factors.

II. Marketing Objectives

1. Arrest decline in share/sales
2. Maintain business as usual
3. Increase share/sales
4. Develop added volume among current customers
5. Expand total market
6. Respond, protect or maintain the brand against competition
7. Take advantage of competitive weakness or opportunities
8. Introduce new product/service; expand line or service
9. Develop and establish a brand or corporate image
10. Achieve a stated profit goal
11. Achieve a position goal, e.g. leadership

III. Marketing Strategy/Media Objectives

1. Who is the primary and secondary target audience in terms of demographics, product usage or life style?
2. Is there any special geographic coverage needed based on brand development index and/or volume and/or the category development index and volume?
3. What is the desired continuity in terms of timing for advertising placement as affected by seasonality, life cycle, purchase cycle, competitive patterns?
4. Is reach or frequency to be emphasized as determined by the purchase cycle or other factors?
5. What creative strategy implications need consideration such as demonstration, color, visualization, explanation, image, action, number of ads?
6. What is the available budget and any possible restrictions it might cause?

7. Is merchandisability of the campaign necessary?
8. How much flexibility is needed by market, media weight, spending period?
9. To what degree is promotional support needed?

IV. Advertising Objectives - Consumer

1. Increase loyalty of users of brand/service (stop decline, hold share)
2. Remind users of brand'service (hold share/volume)
3. Convert users of other brands/service (increase share)
4. Obtain more use from present customers (additional volume)
5. Offer new uses of brand/service (additional volume/increase market)
6. Obtain more customers (expand market / increase share)
7. Attract non-users of the product class/service (expand market)
8. Generate awareness/image
9. Incite action (promotion)

APPENDIX K

I.C.C. INCOTERMS

Exhibit 1.1: Definitions of the International Chamber of Commerce Incoterms

CIF or c.i.f. — Carriage, Insurance, Freight
FOB or f.o.b. — Free on Board
FRC or f.r.c. — Free Carrier [named port]
CIP or c.i.p. — Freight Carriage; and Insurance Paid to [destination]
DDP or d.d.p. — Delivery Duty Paid
DCP or d.c.p. — Freight Carriage; Paid to [destination]

ICC Rules

CIF: Carriage, Insurance, Freight

A. The seller must:

1 Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2 Contract on usual terms at his own expense for the carriage of the goods to the agreed port of destination by the usual route, in a seagoing vessel (not being a sailing vessel) of the type normally used for the transport of goods of the contract description, and pay freight charges and any charges for unloading at the port of discharge which may be levied by regular shipping lines at the time and port of shipment.

3 At his own risk and expense obtain any export licence or other governmental authorization necessary for the export of the goods.

4 Load the goods at his own expense on board the vessel at the port of shipment and at the date or within the period fixed or, if neither date nor time has been stipulated, within a reasonable time, and notify the buyer, without delay, that the goods have been loaded on board the vessel.

5 Procure, at his own cost and in a transferable form, a policy of marine insurance against the risks of carriage involved in the contract. The insurance shall be contracted with underwriters or insurance companies of good repute on FPA terms, and shall cover the CIF price plus ten per cent. The insurance shall be provided in the currency of the contract, if procurable.[1]
Unless otherwise agreed, the risks of carriage shall not include special risks that are covered in specific trades or against which the buyer may wish individual protection. Among the special risks that should be considered and agreed upon between seller and buyer are theft, pilferage, leakage, breakage, chipping, sweat, contact with other cargoes and others peculiar to any particular trade.
When required by the buyer, the seller shall provide, at the buyer's expense, war risk insurance in the currency of the contract, if procurable.

6 Subject to the provisions of article B.4 below, bear all risks of the goods until such time as they shall have effectively passed the ship's rail at the port of shipment.

7 At his own expense furnish to the buyer without delay a clean negotiable bill of lading for the agreed port of destination, as well as the invoice of the goods shipped and the insurance policy or, should the insurance policy not be available at the time the documents are tendered, a certificate of insurance issued under the authority of the underwriters and conveying to the bearer the same rights as if he were in possession of the policy and reproducing the essential provisions thereof. The bill of lading must cover the contract goods, be dated with the period agreed for shipment, and provide by endorsement or otherwise for delivery to the order of the buyer or buyer's agreed representative. Such bill of lading must be a full set of "on board" or "shipped" bills of lading, or a "received for shipment" bill of lading duly endorsed by the shipping company to the effect that the goods are on board, such endorsement to be dated within the period agreed for shipment. If the bill of lading contains a reference to the charter-party, the seller must also provide a copy of this latter document.

Note: A clean bill of lading is one which bears no superimposed clauses expressly declaring a defective condition of the goods or packaging.
The following clauses do not convert a clean into an unclean bill of lading:
a. clauses which do not expressly state that the goods or packaging are unsatisfactory, e.g. "second-hand cases", "used drums", etc. b. clauses which emphasize the carrier's non-liability for risks arising through the nature of the goods or the packaging: c. clauses which disclaim on the part of the carrier knowledge of contents, weight, measurement, quality, or technical specification of the goods.

8 Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

9 Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods.

10 Pay any dues and taxes incurred in respect of the goods up to the time of their loading, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.

11 Provide the buyer, at the latter's request and expense (see B.5) with the certificate of origin and the consular invoice.

12 Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

[1] CIF A.5 provides for the minimum terms (FPA) and period of insurance (warehouse to warehouse). Whenever the buyer wishes more than the minimum liability to be included in the contract, then he should take care to specify that the basis of the contract is to be "Incoterms" with whatever addition he requires.

B. The buyer must:

1 Accept the documents when tendered by the seller, if they are in conformity with the contract of sale, and pay the price as provided in the contract.

2 Receive the goods at the agreed port of destination and bear, with the exception of the freight and marine insurance, all costs and charges incurred in respect of the goods in the course of their transit by sea until their arrival at the port of destination, as well as unloading costs, including lighterage and wharfage charges, unless such costs and charges shall have been included in the freight or collected by the steamship company at the time freight was paid.
If war insurance is provided, it shall be at the expense of the buyer (see A.5).

Note: If the goods are sold "CIF landed", unloading costs, including lighterage and wharfage charges, are borne by the seller.

3 Bear all risks of the goods from the time when they shall have effectively passed the ship's rail at the port of shipment.

4 In case he may have reserved to himself a period within which to have the goods shipped and/or the right to choose the port of destination, and he fails to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of the expiration of the period fixed for shipment, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5 Pay the costs and charges incurred in obtaining the certificate of origin and consular documents.

6 Pay all costs and charges incurred in obtaining the documents mentioned in article A.12 above.

7 Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

8 Procure and provide at his own risk and expense any import licence or permit or the like which he may require for the importation of the goods at destination.

FOB: Free on Board

A. The seller must:

1 Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2 Deliver the goods on board the vessel named by the buyer, at the named port of shipment, in the manner customary at the port, at the date or within the period stipulated, and notify the buyer, without delay, that the goods have been delivered on board.

3 At his own risk and expense obtain any export licence or other governmental authorization necessary for the export of the goods.

4 Subject to the provisions of articles B.3 and B.4 below, bear all costs and risks of the goods until such time as they shall have effectively passed the ship's rail at the named port of shipment, including any taxes, fees or charges levied because of exportation, as well as the costs of any formalities which he shall have to fulfil in order to load the goods on board.

5 Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to ship the goods unpacked.

6 Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of delivering the goods.

7 Provide at his own expense the customary clean document in proof of delivery of the goods alongside the named vessel.

8 Provide the buyer, at the latter's request and expense (see B.6), with the certificate of origin.

9 Render the buyer, at the latter's request, risk and expense, every assistance in obtaining a bill of lading and any documents, other than that mentioned in the previous article, issued in the country of shipment and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. The buyer must:

1 At his own expense, charter a vessel or reserve the necessary space on board a vessel and give the seller due notice of the name, loading berth of and delivery dates to the vessel.

2 Bear all costs and risks of the goods from the time when they shall have effectively passed the ship's rail at the named port of shipment, and pay the price as provided in the contract.

3 Bear any additional costs incurred because the vessel named by him shall have failed to arrive on the stipulated date or by the end of the period specified, or shall be unable to take the goods or shall close for cargo earlier than the stipulated date or the end of the period specified and all the risks of the goods from the date of expiration of the period stipulated, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4 Should he fail to name the vessel in time or, if he shall have reserved to himself a period within which to take delivery of the goods and/or the right to choose the port of shipment, should he fail to give detailed instructions in time, bear any additional costs incurred because of such failure, and all the risks of the goods from the date of expiration of the period stipulated for delivery, provided, however, that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

5 Pay any costs and charges for obtaining a bill of lading if incurred under article A.9 above.

6 Pay all costs and charges incurred in obtaining the documents mentioned in articles A.8 and A.9 above, including the costs of certificates of origin and consular documents.

FRC: Free Carrier [named port]

A. The seller must:

1 Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2 Deliver the goods into the charge of the carrier named by the buyer on the date or within the period agreed for delivery at the named point in the manner expressly agreed or customary at such point. If no specific point has been named, and if there are several points available, the seller may select the point at the place of delivery which best suits his purposes.

3 At his own risk and expense obtain any export licence or other official authorization necessary for the export of the goods.

4 Subject to the provisions of article B.5 below, pay any taxes, fees and charges levied in respect of the goods because of exportation.

5 Subject to the provisions of article B.5 below, bear all costs payable in respect of the goods until such time as they will have been delivered in accordance with the provisions of article A.2 above.

6 Subject to the provisions of article B.5 below, bear all risks of the goods until such time as they have been delivered in accordance with the provisions of article A.2 above.

7 Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to dispatch the goods unpacked.

8 Pay the cost of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of delivering the goods.

9 Give the buyer without delay notice by telecommunication channels of the delivery of the goods.

10 In the circumstances referred to in article B.5 below, give the buyer prompt notice by telecommunication channels of the occurrence of said circumstances.

11 At his own expense, provide the buyer, if customary, with the usual document or other evidence of the delivery of the goods in accordance with the provisions of article A.2 above.

12 Provide the buyer with the commercial invoice in proper form so as to facilitate compliance with applicable regulations and, at the buyer's request and expense, with the certificate of origin.

13 Render the buyer, at his request, risk and expense, every assistance in obtaining any document other than those mentioned in article A.12 above issued in the country of departure and/or of origin and which the buyer may require for the importation of the goods into the country of destination (and, where necessary, for their passage in transit through another country).

B. The buyer must:

1 At his own expense, contract for the carriage of the goods from the named point and give the seller due notice of the name of the carrier and of the time for delivering the goods to him.

2 Bear all costs payable in respect of the goods from the time when they have been delivered in accordance with the provisions of article A.2 above, except as provided in article A.4 above.

3 Pay the price as provided in the contract.

4 Bear all risks of the goods from the time when they have been delivered in accordance with the provisions of article A.2 above.

5 Bear any additional costs incurred because the buyer fails to name the carrier, or the carrier named by him fails to take the goods into his charge, at the time agreed, and bear all risks of the goods from the date of expiry of the period stipulated for delivery, provided, however, that the goods will have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

6 Bear all costs, fees and charges incurred in obtaining the documents mentioned in article 10 above, including the cost of consular documents, as well as the costs of certificates of origin.

CIP: Freight Carriage; and Insurance Paid to [destination]

A. The seller must:

1 Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2 Contract at his own expense for the carriage of the goods by a usual route and in customary manner to the agreed point at the place of destination. If the point is not agreed or is not determined by custom, the seller may select the point at the place of destination which best suits his purpose.

3 Subject to the provisions of article B.3 below, bear all risks of the goods until they shall have been delivered into the custody of the first carrier, at the time as provided in the contract.

4 Give the buyer without delay notice by telecommunication channels that the goods have been delivered into the custody of the first carrier.

5 Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to dispatch the goods unpacked.

6 Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods or of delivering them into the custody of the first carrier.

7 At his own expense, provide the buyer, if customary, with the usual transport document.

8 At his own risk and expense obtain any export licence or other governmental authorization necessary for the export of the goods, and pay any dues and taxes incurred in respect of the goods in the country of dispatch, including any export duties, as well as the costs of any formalities he shall have to fulfil in order to load the goods.

9 Provide the buyer with the commercial invoice in proper form so as to facilitate compliance with applicable regulations and, at the buyer's request and expense, with the certificate of origin.

10 Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of loading and/or of origin and which the buyer may require for the importation of the goods into

the country of destination (and, where necessary, for their passage in transit through another country).

11 Procure, at his own cost, transport insurance as agreed in the contract and upon such terms that the buyer, or any other person having an insurable interest in the goods, shall be entitled to claim directly from the insurer, and provide the buyer with the insurance policy or other evidence of insurance cover. The insurance shall be contracted with parties of good repute and, failing express agreement, on such terms as are in the seller's view appropriate having regard to the custom of the trade, the nature of the goods and other circumstances affecting the risk. In this latter case, the seller shall inform the buyer of the extent of the insurance cover so as to enable him to take out any additional insurance that he may consider necessary before the risks of the goods are borne by him in accordance with article B.2.
The insurance shall cover the price provided in the contract plus ten per cent and shall be provided in the currency of the contract, if procurable. When required by the buyer, the seller shall provide, at the buyer's expense, war risk insurance in the currency of the contract, if procurable.[1]

B. The buyer must:

1 Receive the goods at the agreed point at the place of destination and pay the price as provided in the contract, and bear, with the exception of the freight and the cost of transport insurance, all costs and charges incurred in respect of the goods in the course of their transit until their arrival at the point of destination, as well as unloading costs, unless such costs and charges shall have been included in the freight or collected by the carrier at the time freight was paid.

2 Bear all risks of the goods from the time when they shall have been delivered into the custody of the first carrier in accordance with article A.3.

3 Where he shall have reserved to himself a period within which to have the goods forwarded to him and/or the right to choose the point of destination, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of expiry of the period fixed, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4 Bear all costs, fees and charges incurred in obtaining the documents mentioned in article A.10 above, including the cost of consular documents, as well as the costs of certificates of origin.

5 Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

DDP: Delivery Duty Paid

A. The seller must:

1 Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be stipulated in the contract of sale.

[1] It should be observed that the insurance provision under A.11 of the present term differs from that under A.5 of the C.I.F. term.

2 At his own risk and expense:

a. Put the contract goods at the disposal of the buyer, duty paid, at the named place of destination in the country of importation on the date or within the period stipulated in the contract of sale, and at the same time supply the buyer with a customary document of transport, warehouse warrant, dock warrant, delivery order, or the like, as the case may be, providing by endorsement or otherwise for the delivery of the goods to the buyer or to his order at the named place of destination in the country of importation and also with such other documents, if any, as may be strictly required at that time and place for the purpose of enabling the buyer to take delivery of the goods, as provided in article B.1. The goods so put at the disposal of the buyer must be clearly set aside or otherwise identified as the contract goods.
b. Provide the import licence or permit and bear the cost of any import duties or taxes, including the cost of Customs clearance, as well as any other taxes, fees or charges payable at the named place of destination at the time of the importation of the goods, so far as such payments are necessary for the purpose of enabling the seller to put the goods duty paid at the disposal of the buyer at that place.
c. Comply with all formalities he may have to fulfil for these purposes.

3 Bear all the risks of the goods up to the time when he has fulfilled his obligations under article A.2.

4 Procure at his own risk and expense, in addition to the documents contemplated in article A.2, any export licence or permit, exchange control authorization, certificates, consular invoice and other documents issued by the public authorities concerned, which he may require for the purposes of dispatching the goods, exporting them from the country of dispatch, passing them in transit through one or more third countries (if necessary), importing them into the country of the named place of destination, and putting them at the disposal of the buyer at the place.

5 Contract on usual terms, at his own risk and expense, for the transport of the goods from the point of departure in the country of dispatch to the named place of destination, bear and pay the freight or other costs of transport to that place, and also, subject to the provisions of article A.6, any other expenses of or incidental to any movement whatsoever of the goods up to the time when they are duly put at the disposal of the buyer at the named place of destination.
Nevertheless, the seller shall, at his own risk and expense, be at liberty to use his own means of transport, provided that in the exercise of such liberty he shall perform all his other duties under these Rules.
If no particular point (station, pier, quay, wharf, warehouse, or as the case may be) at the named place of destination in the country of importation is stipulated in the contract of sale or prescribed by the regulations of the Customs or other competent authority concerned, or by the regulations of the public carrier, the seller may, if there are several points to choose from, select the point which suits him best, provided it offers such Customs and other proper facilities as may be necessary to enable the parties to perform their respective duties under these Rules. The point so chosen by the seller must be notified to the buyer,[1] and thereupon that point shall be deemed for the purposes of these Rules to be the point at the named place of destination at which the goods shall be put at the disposal of the buyer and the risks of the goods shall pass.

[1] See article A.7 footnote.

6 If it is necessary or customary for the goods to be unloaded, discharged or landed on their arrival at the named place of destination for the purpose of putting them duty paid at the disposal of the buyer at that place, bear and pay the expenses of such operations, including any lightering, wharfing, warehousing and handling charges.

7 Notify the buyer, at seller's expense, that the goods have been placed in the custody of the first carrier for dispatch to the named place of destination, or that they have been dispatched to that destination by the seller's own means of transport, as the case may be. Any such notice must be given in sufficient time to allow the buyer to take such measures as are normally necessary for the purpose of enabling him to take delivery of the goods.[1]

8 Provide, at his own expense, packaging customary for transport of goods of the contract description to the named place of destination, unless it is the usage of the particular trade to dispatch goods of the contract description unpacked.

9 Bear and pay the expenses of or incidental to any checking operations, such as measuring, weighing, counting or analysing of quality, which may be necessary to enable him to transport the goods to the named place of destination and to put them at the disposal of the buyer at that place.

10 Bear and pay, in addition to any expenses to be borne and paid by the seller in accordance with articles A.1 to 9 inclusive, any other expenses of or incidental to the performance of the seller's duty to put the goods at the disposal of the buyer at the named place of destination in accordance with these Rules.

A. The buyer must:

1 Take delivery of the goods as soon as the seller has duly put them at his disposal at the named place of destination, and be responsible for handling all subsequent movement of the goods.

2 Bear and pay the expenses of or incidental to unloading, discharging or landing the goods on their arrival at the named place of destination, in so far as such expenses are not payable by the seller in accordance with the provisions of article A.6.

3 Bear all the risks of the goods and pay any expenses whatsoever incurred in respect thereof from the time when they have been put at his disposal at the named place of destination in accordance with article A.2 a.

4 If he fails to take delivery of the goods as soon as they have been duly put at his disposal, bear all the risks of the goods and pay any additional expenses incurred, whether by the seller or by the buyer, because of such failure, provided that the goods shall have been clearly set aside or otherwise identified as the contract goods.

5 Supply the seller, at his request, with the address of the final destination of the goods in the country of importation, if the seller requires such information for the purpose of applying for such documents as are contemplated in article A.2 b.

[1] Such notice may be served by the seller upon the buyer by sending it through the post by air mail, and addressed to the buyer at his place of business given in the contract of sale. But if the goods have been dispatched by air, or if the business addresses of the seller and the buyer are so far apart as to be likely to cause undue delay in the delivery of notice sent through the post then, in any such case, the seller shall be bound to give such notice to the buyer by sending the same by cable, telegram or telex.

6 Bear and pay the expenses incurred by the seller in providing the buyer with an expert third-party certificate of conformity of the goods stipulated in the contract of sale.

7 Render to the seller, at seller's request, risk and expense, a reasonable amount of assistance in obtaining any documents which may be issued in the country of importation and which the seller may require for the purpose of putting the goods at the disposal of the buyer in accordance with these Rules.

DCP: Freight Carriage; Paid to [destination]

A. The seller must:

1 Supply the goods in conformity with the contract of sale, together with such evidence of conformity as may be required by the contract.

2 Contract at his own expense for the carriage of the goods by a usual route and in a customary manner to the agreed point at the place of destination. If the point is not agreed or is not determined by custom, the seller may select the point at the place of destination which best suits his purpose.

3 Subject to the provisions of article B.3 below, bear all risks of the goods until they shall have been delivered into the custody of the first carrier, at the time as provided in the contract.

4 Give the buyer without delay notice by telecommunication channels that the goods have been delivered into the custody of the first carrier.

5 Provide at his own expense the customary packing of the goods, unless it is the custom of the trade to dispatch the goods unpacked.

6 Pay the costs of any checking operations (such as checking quality, measuring, weighing, counting) which shall be necessary for the purpose of loading the goods or of delivering them into the custody of the first carrier.

7 At his own expense, provide the buyer, if customary, with the usual transport document.

8 At his own risk and expense obtain any export licence or other governmental authorization necessary for the export of the goods, and pay any dues and taxes incurred in respect of the goods in the country of dispatch, including any export duties, as well as the costs of any formalities he shall have to fulfil in order to load the goods.

9 Provide the buyer with the commercial invoice in proper form so as to facilitate compliance with applicable regulations and, at the buyer's request and expense, with the certificate of origin.

10 Render the buyer, at the latter's request, risk and expense, every assistance in obtaining any documents, other than those mentioned in the previous article, issued in the country of loading and/or of origin and which the buyer may require for the importation of the goods into the country of destination and, where necessary, for their passage in transit through another country.

B. The buyer must:

1 Receive the goods at the agreed point at the place of destination and pay the price as provided in the contract, and bear, with the exception of the freight, all

costs and charges incurred in respect of the goods in the course of their transit until their arrival at the point of destination, as well as unloading costs unless such costs and charges shall have been included in the freight or collected by the carrier at the time freight was paid.

2 Bear all risks of the goods from the time when they shall have been delivered into the custody of the first carrier in accordance with article A.3.

3 Where he shall have reserved to himself a period within which to have the goods forwarded to him and/or the right to choose the point of destination, and should he fail to give instructions in time, bear the additional costs thereby incurred and all risks of the goods from the date of expiry of the period fixed, provided always that the goods shall have been duly appropriated to the contract, that is to say, clearly set aside or otherwise identified as the contract goods.

4 Bear all costs and charges incurred in obtaining the documents mentioned in article A.10 above, including the cost of consular documents, as well as the costs of certificates of origin.

5 Pay all customs duties as well as any other duties and taxes payable at the time of or by reason of the importation.

Source: "*Guide to Incoterms* 1980", ICC publication No. 354.

APPENDIX L

MARKETING CONSIDERATIONS FOR TROPICAL FRUIT PRODUCTS

MARKETING CONSIDERATIONS FOR TROPICAL FRUIT PUREES

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Tropical fruit purees and juices are often primary products that are sold to food manufacturers for secondary processing into final products. In following the primary product through the marketing channel, I will use the example of an aseptically processed fruit puree, although much of what I say can also apply to primary products processed in other ways such as canning or freezing.

A major advantage in getting the aseptic product from the processor through the marketing channel to the user is the lack of a refrigeration or frozen storage requirement. Of course, this would also be true for a canned product.

How can these primary products be used? What does the secondary processor make with them? Most of the tropical fruit purees, pulps and juices can be considered natural concentrates, i.e. they have very intense flavors. These intense flavors prove to be a bonus for users of the products because, particularly in beverages, they can be diluted. In fact, most must be diluted to achieve an acceptable product. Although you may drink your orange juice single strength, a very pleasant guava or papaya drink can be made with 15 to 20% puree.

Probably most of the tropical fruit purees or pulps are used in beverages (nectars, drinks or drink bases). These may be canned, frozen, refrigerated or aseptically processed products. Increasingly popular are beverages in 250-ml cartons and in foil-type pouches. Juice blends provide opportunity for imaginative marketing. In addition, the purees can be used in a variety of dairy products such as ice cream, sherbet and yogurt. They also find use in bakery products as toppings, in breads, pies, etc.

Just as in other food products, quality is an important consideration in these primary products. The sensory characteristics, appearance, color, flavor, aroma, and texture or mouthfeel must be maintained at a high level. The chemical, physical and microbial quality must be rigidly controlled. An important aspect of quality is consistency. In order for the secondary processor to manufacture a consistent product, a consistent primary product is desirable. Wide variations in color, acidity or sugar content from lot to lot are undesirable.

Consistency in supply is also an important consideration. Matching supply and demand is not always easy. The buyer needs to know that he can get a steady supply or the amount he requires at a given time. The primary processor needs to know there is a potential buyer in the marketplace.

American consumers are accustomed to temperate-zone fruit such as apples, oranges, grapefruit, pear, grape, etc. They have also widely accepted two tropical fruits, pineapple (largely as a processed product) and banana (largely as a fresh product). It is a challenge to broaden the tastes of American consumers, as well as others, to accept mango, guava, soursop, passion fruit and perhaps a few others. The task is not an easy one, for food habits are influenced by many factors and not easily changed. However, they do change and this is the challenge. Those of us who live in the tropics commonly consume many of the fruits I have mentioned, but primarily in fresh forms. These fruits are quite exotic in flavor, delicious in themselves but also lending themselves nicely to combinations or blends as well. There are many product development opportunities for the creative food processor.

A few comments should be made about limitations of the aseptically processed purees. For most of these, shelf-life is about six months; this limitation will vary for different products. Lower storage temperatures can extend the shelf-life. At this point, the product is microbiologically safe, but changes in color, flavor and nutritive value may have occurred. Shelf-life is an important consideration in situations where markets are quite distant from the area of primary production. So, it is especially important that markets be carefully developed and that supply and demand be coordinated.

The potential for processed tropical fruit products can be developed through the application of new technologies to create high-quality products, careful market development and coordination between supply and demand.

APPENDIX M

EVALUATION FORM

Control Number: _ _ _ - _ _ _ _

EVALUATION FORM
1984 PACIFIC ISLAND-UNITED STATES TRADE CONFERENCE
THROUGH PRIVATE SECTOR INITIATIVE
AGENCY FOR INTERNATIONAL DEVELOPMENT

We would appreciate your assistance in evaluating the Trade Conference. Please rate the items listed below. Your evaluation and your comments will help to insure that future Conferences will be of high quality and designed to meet your needs.

Name: _____ Telephone Number: (____) _____

Title: _____ Institution/

Address: _____ Business Name: _____

_____ _____

Private Sector __ Type of business: _____

_____

Government __ If Government, have you ever been in the Private Sector? yes___ no___

Please Circle choice, range is 5 excellent, 1 poor

1.	How do you rate the facilities?	5	4	3	2	1
2.	Did you have a clear idea of what was to be presented during the Conference?	5	4	3	2	1
3.	Do you feel the objectives of the Conference were met?	5	4	3	2	1
4.	Do you feel Conference material was well organized?	5	4	3	2	1
5.	Were the visual aids easily seen and understood?	5	4	3	2	1
6.	Were the handouts appropriate for the material presented and for reference?	5	4	3	2	1

7. Which of the presentations will help you most? Why?

8. Which of the presentations did you find least helpful?

9. Which of the presentations did you find most helpful?

10. Was the Conference worthwhile for your? Two specific reasons.

11. What other kinds of material and information would you recommend be included in a future Conference.

12. What changes would you make to improve the Conference?

13. How would you evaluate this Conference overall?