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DRAFT FINAL REPORT

DEVELOPMENT CORPORATION OF ST VINCENT AND THE GRENADINES

STRATEGY 1986 - 1988

OPERATIONAL PLAN 1986 FOR INDUSTRIAL DEVELOPMENT

A Report prepared under the  
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## EXECUTIVE SUMMARY

### I. GOALS

1.1 Over the period 1986 - 1988, DEVCO's goals will be:

1. Creation of 600 - 700 new manufacturing jobs per year.
2. Reduction of the cost of constructing factory space from EC\$80 per sq.ft. to EC\$60 per sq.ft.
3. Reducing the period now taken to provide a factory shell of 15,000 - 20,000 sq.ft. from 12 months to approximately 6 months.
4. Provision of trouble free occupation of individual estates for DEVCO's customers.

1.2 Achieving these goals will also mean:

1. Attracting 6 - 7 new major enterprises to locate in St. Vincent each year.
2. Building approximately 60,000 - 70,000 sq.ft. of factory space per year.

1.3 Industries which will be targetted to achieve these goals are:

1. Apparel.
2. Sporting goods.
3. Electronics/Electromagnetic (resistors, test sets, printed circuit boards)
4. (Stuffed) toys.

1.4 Success will depend on DEVCO:

1. Making contact with 600 - 700 investors per year.
2. Making competitively priced factory space available quickly.
3. Minimizing the time which investors have to spend on administrative matters in St. Vincent prior to start of operations.

## II. STRATEGY

2.1 DEVCO's mission will be to expand manufacturing to become the major employment sector in St. Vincent and the Grenadines by 1997. For this mission, DEVCO will provide and promote to select prospects a well coordinated set of conditions conducive to investment in the country. Implementing the strategy will involve:

In 1986 -

1. Providing competitive factory space quickly.
2. Establishing preventative maintenance and effective response to estate maintenance problems.
3. Upgrading institutional capacity in areas of investment promotion, evaluating fiscal incentive applications, monitoring performance of approved enterprises and generating banking activity profit.
4. Conducting a well planned high profile targetted promotional campaign in USA and Canada.

In 1987 -

1. Consolidating institutional development and industrial estate measures and correcting shortcomings in banking.
2. Expanding investment promotion activities.

In 1988 -

1. Actively promoting new local ventures and joint ventures.
2. Maintaining performance in areas of investment promotion, industrial estates and institutional development.

### III. DEVCO's POTENTIAL

3.1 The policies required for implementing the strategy are designed to make use of such strengths as DEVCO has, so as to improve DEVCO's chances of success. These strengths include:

1. A full time manager with North American business experience.
2. Previous exposure of the country in investment promotion circles.
3. The location of a full time PDAP Advisor in St. Vincent to assist in meeting prospective investors.
4. Access to PDAP's investor and other data bases and Chief Executive Officer (CEO) access service.
5. PDAP assistance to St. Vincent in representation at trade shows and hosting promotional seminars.
6. Functional separation of political direction, broad policy and executive authority within DEVCO without destruction of integrative mechanisms.
7. Support from government through equity and loan injections and meeting of its contingent liabilities in respect of DEVCO's lending to sugar farms.
8. Support for DEVCO from the CDB.

3.2 At the same time the policies seek to remove weaknesses in DEVCO and its immediate environment which reduce DEVCO's effectiveness. Such weaknesses include:

1. A shortage of staff to handle investment promotion.

2. A time consuming process for evaluating and deciding on fiscal incentive applications.
3. An inadequate remuneration structure partly caused by an irrational staff grading policy, and resulting in DEVCO's inability to attract the required senior technical and managerial staff.
4. Insufficient targetting and contact of prospective investors.
5. An undeveloped plan for investment promotion.
6. A potentially very serious shortage of industrial space.
7. Sub-optimal supervision of DEVCO funded projects.