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New Ideas for Export Development Aid, Inc.

REPORT

**U.S. MARKET LINKAGES AND CAPACITY BUILDING
FOR
MICRO, SMALL AND MEDIUM ENTERPRISES
IN THE
GARMENT & ACCESSORIES, HOME FURNISHINGS & HANDICRAFT INDUSTRIES
OF
MADAGASCAR**

**IN SUPPORT OF
USAID STRATEGIC OBJECTIVES**

**PREPARED FOR
AFRICA OFFICE OF SUSTAINABLE DEVELOPMENT
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C.**

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A

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EXECUTIVE SUMMARY

A. ACTIVITIES – The program consisted of three main components:

1. **Technical assistance** – The team provided short-term technical assistance to a cross section of producers for the development of innovative handcrafted samples. Training was also provided through well-attended seminars and workshops on product and market development.
2. **Dissemination of information** – The team's activities were frequently covered by newspapers, television, and radio.
3. **U.S. market linkages** – NIEDA presented the new samples – as well as samples presently handcrafted in Madagascar – in New York to top product experts and decision makers of firms involved in the design, production and marketing of top quality home furnishings, apparel and accessories.

These companies were: Takashimaya New York, Inc., Saks Fifth Avenue, Bergdorf Goodman, Bill Blass, Ltd., Oscar De La Renta, Calvin Klein, Inc., Sulka, Judith Leiber, Lambertson-Truex, Angela Cummings Fine Jewelry, Inc., Gerard Yosca, Bumble and bumble, Jeffrey Banks and Donghia Furniture/Textiles.

B. MARKET EVALUATION

1. **Textile Products**
 - a. Hand-embroidery – Prospects are excellent given the superb quality and the competitive price;
 - b. Hand weaving – Silk fabrics and fine woven raffia have very good potential with the top market, which can bear the relatively high cost of such materials.
2. **Accessories**
 - a. Raffia products – Exports of raffia hats and handbags are growing, and linkages with well-known labels would lead to further market expansion;
 - b. Ornaments in zebu horn have good prospects given the prevailing skill level;
 - c. The overall quality of the leather accessories limits their marketability to the Malagasy and regional market.
3. **Decorative Items**
 - d. Ship models – This is a good market niche, since they are well crafted and well priced;
 - e. Decorative objects in semiprecious stones – They lack the quality and design for the upscale market, and technical assistance is recommended.
4. **Home Furnishings**
 - f. The best prospects are offered by raffia products, such as wall coverings.
5. **Apparel**
 - a. Garments, made with handcrafted components, show that industrial manufacturers have the basic skills for quality markets.

B. RESULTS

1. ***Takashimaya New York Inc.*** – The Executive Vice President is considering the feasibility of a promotion where a Malagasy product story would be presented in its Fifth Avenue store;
2. ***Saks Fifth Avenue*** – Its London or Paris buying office will work out the modalities with two producers (embroidery and childrenswear) for ordering products for Saks Fifth Avenue;
3. ***Bergdorf Goodman*** – Top management is interested in a range of skills, materials and products. At this time, division buyers are studying the samples for application of materials and skills to products of their own design as well;
4. ***Bill Blass*** – Its Creative Director plans to use a number of the skills and materials for the Fall Collection;
5. ***Oscar de la Renta*** – The Vice President - Textiles is very interested in the embroidery of two producers for the coming Couture Collection;
6. ***Calvin Klein*** – The Creative Director has requested samples from six producers;
7. ***Judith Leiber*** – The Creative Director has requested samples from an embroidery firm;
8. ***Lambertson-Truex*** – Mr. Lambertson has requested samples from three firms, and plans to utilize Malagasy materials for the coming collection;
9. ***Donghia*** – The Executive Vice President has test ordered materials from three producers;
10. ***Neiman Marcus*** and ***The Museum Company.com*** –NIEDA will meet with executives at these companies in September;
11. ***Decision makers visit to Madagascar*** – A number of executives would consider a brief visit to Madagascar to canvass sources.

I. PREFACE

A. CURRENT ATRIP ACTIVITY (Grant # AOT-G-00-00-00032-00)

As of January 2000, NIEDA is implementing a project whose objectives are to establish U.S. market linkages and to build capacity for handicraft producers in South Africa, Madagascar, Ghana, and Benin. Implementation of Phase I – for South Africa and Madagascar – was recently completed. Implementation of Phase II will begin July 2000, with the in-country phase in Ghana.

Funds thus far committed: \$213,925. Total award amount: \$399,914

B. OBJECTIVES

The program consisted of three main components:

1. ***U.S. market access component*** — The objective was to establish business linkages between SMMEs and U.S. firms, based in New York;
2. ***Technical assistance component*** — The objective was to improve SMMEs productivity, competitiveness and capacity utilization through:
 - a. Short-term technical assistance, in product development and quality upgrade, to a cross section of enterprises engaged in the production of handcrafted textile products, accessories, and home furnishings;
 - b. Training on quality, design, pricing, promotion and marketing (two workshops and two seminars).
3. ***Dissemination of information*** — The objective was to publicize USAID support of SMMEs in Madagascar through:
 - a. Press coverage of the team's in-country activities;
 - b. Press kits prepared and mailed from New York to the Malagasy press highlighting results, upon completion of the NIEDA report.

C. IN-COUNTRY ACTIVITIES

The NIEDA team ¹ carried out its tasks from April 13 through May 5, 2000.

1. ***Meetings***

- H.E. Shirley Barnes, U.S. Ambassador to Madagascar;
- Ms. Mary Norris, Economist, USAID;
- Mr. Robert Dean III, Microfinance and Financial Policy Advisor;
- Mr. Henri Rajerison, Regional Director, PRIDE ²;

¹ The NIEDA team was composed of:
Gino di Grandi, President – product and market development expert;
Aldo Selvi, Vice President – buying behavior and product evaluation expert;
Pietro Bianco, Chief – garment and accessories production specialist and stylist.

- Mr. Marc Kwai Pun, Technical Regional Assistant, PRIDE;
- Mr. Abdérémane Ahmed Koudra, Technical Regional Assistant, PRIDE;
- Mr. Léon Razafindrabe, President, Groupement pour la Promotion de l'Artisanat Malagasy;
- Ms. Elia Ravelomanantsoa, Chairman, Synergy Evénementiels;
- Ms. Mireille Radifera Rajaonary, Communication and Publicity Consultant;
- Ms. Mei Zegers, Chairperson, Kalakar Trust Foundation;
- Ms. Blaise Cooke, Madagascar Arts;
- Ms. Colleen McCloy, Madagascar Arts;
- Mr. Stéphane Chanuc, Co-Director, Kaldes, raffia products exporter;
- Mr. Georges Ramanoara, Associate, C.E.M.;
- Ms. Annie Prebay Ranarivelo, entrepreneur, An-i-Rà;
- Ms. Annick Ranarosa, entrepreneur, Princess Maroquinerie;
- Ms. Bakoly Benoit Rajaonarison, President Director General, Groupe IMES;
- Ms. Voahangy Ramananarinoro, Director General, La Mode Enfantine;
- Ms. Mirana Henriette Abraham, entrepreneur, Mirado;
- Ms. Claudine Randriambololona, Director, Maison I.D. Art Mony;
- Ms. Nivo Rajohnson, entrepreneur, Paco;
- Ms. Hanitra Rajohnson, Paco;
- Mr. Jery Amboanjobe, sculptor/artisan;
- Mr. Rajaonimanana Andrianaina, painter/artisan.

At the U.S. Ambassador's luncheon, the team met with:

- Ms. Karen Poe, Mission Director, USAID/Antananarivo;
- Mr. Robert Dean III, Microfinance and Financial Policy Advisor, USAID;
- Mr. Marius Henri Rakotonirina, Director, CENAM;
- Ms. Eugénie Rakotoarison, Centre de Développement Andohatapenaka;
- Ms. Rasoarilalao Bebisoa, Director, Femmes Artisanes de Madagascar;
- Mr. Léon Razafindrabe, President, Groupement pour la Promotion de l'Artisanat Malagasy;
- Ms. Florette Andriamiarisatrana, President, Comité de Réflexion sur la Compétitivité;
- Mr. Alphonse Ralison, President, FIV.MPA.MA.
(Group of Malagasy Private Operators);
- Ms. Elia Ravelomanantsoa, Chairman, Synergy Evénementiels;
- Ms. Mireille Radifera Rajaonary, Communication and Publicity Consultant;
- Ms. Noro Andriamamonjjarison, Conseiller, GEM;
- Ms. Noro Andriamamonjjarison, Associate, Jocker Consulting;
- Ms. Annie Prebay Ranarivelo, entrepreneur, An-i-Rà.

2. *Debriefing*

- Ms. Karen Poe, Mission Director, and USAID/Antananarivo staff.

² PRIDE (Programme Régional Intégré de Développement des Echanges) was instituted by COI (Commission de l'Océan Indien) to facilitate the development of economic and commercial exchanges among its member states: Comoros, Mauritius, Madagascar, Reunion, and Seychelles.

3. *Visits*

a. *Handicraft producers and retailers*

The team visited handicraft producers and retailers for an overview of the artisanal sector. The focus was on craft skills applied to what we wear, what we live with, and what we use in our daily lives — needs essentially served by the home furnishings, apparel and accessories industries. These enterprises were:

- Paco, hand-embroidery;
- Maison I.D. Art Mony, hand-embroidery;
- An-i-Rà, zebu horn items;
- Ets. Raly, mineral products;
- GMM, mineral products;
- Yfara, hand-painted textiles;
- Femmes Artisanes de Madagascar (FAM), raffia products;
- Les Ateliers Denise Cleroux, raffia hats and handmade paper;
- Centre Artisanale Malagasy (CENAM), cross section of handicrafts;
- Cent pour Cent, ship models;
- Lisy Art Gallery, retailer;
- Galerie Santrata, retailer.

b. *Small and medium-sized manufacturers*

- Maroquinerie J. Andrianarisoa, leather goods;
- Rafidy, leather goods;
- Hazovato, mineral and wood products;
- C&B, palissander furniture;
- Texima, garment manufacturer;
- Maintextile, garment manufacturer;
- Maintexport, handicrafts producer.

4. *Product Survey*

- a. The team assessed the marketability of a cross section of craft products during the first workshop “*Defining Quality*”. Representative samples were brought and displayed at the workshop site by about 30 crafts producers, at NIEDA request.
- b. Other opportunities for evaluation of handicrafts were offered by:
 - The “Made in Madagascar” crafts fair;
 - The Foire de l’Elevage (silk products and ostrich leather goods);
 - Retail shops.
- c. The retail shop of COTONA (textile manufacturer) displayed the range and quality of fabrics available to small entrepreneurs.

5. *Development of innovative handcrafted samples*

The team assisted the following enterprises in the development of products, which combined the inputs of at least two producers:

- Paco – hand-embroidered garment components;
- FAM – hand-embroidered garment components;
- Yfara – hand-painted fabric;
- La Mode Enfantine – hand-beaded garment components;
- Mirado – hand-embroidered garment components;
- An-i-Rà – handbag and sandals components in zebu horn;

- Princess Maroquinerie – handbag and sandals components in raffia and silk;
- Maroquinerie J. Andrianarisoa – handbag and sandals;
- Texima – assembly of handcrafted garment components;
- Maintextile – assembly of handcrafted garment components.

6. ***Collection of existing sample products***

The team selected existing handcrafted products made and/or marketed by:

- La Mode Enfantine – hand-embroidered girl's dresses;
- Maison I.D. Art Mony – hand-embroidered items;
- Groupe IMES – hand-embroidery swatches;
- Mirado – hand-woven textiles swatches;
- Madagascar Arts – raffia products;
- Mr. Jery Amboanjobe – zebu horn ornaments;
- C.E.M. – mineral products.
- Ets. Raly – labradorite sample;
- Lisy Art Gallery – mineral and zebu horn items;
- Galerie Santrata – zebu horn ornaments.

7. ***Photos and brochures***

The team collected brochures and/or photographed products made by:

- C&B – palissander furniture;
- Le Village – handcrafted ship models;
- Cent pour Cent – handcrafted ship models;
- Marina – handcrafted ship models;
- Paco – hand-embroidery;
- Femmes Artisanes de Madagascar – raffia products;
- Union des Artisans et Commerçants des Arts Malagasy – most crafts;
- GMM – gems and mineral products;
- Hazovato – mineral products.

Few indicative photos are included in this report in order to avoid repetitiveness. Such necessary selection should not be construed as an assessment of the capabilities of those producers not represented.

8. ***Seminars and workshops***

The team conducted:

- Seminar I – *Exporting . . . the Building Blocks* (120 participants)
- Workshop I – *Defining Quality* (85 participants)
- Workshop II – *Beating the Competition* (85 participants)
- Seminar II – *Going Upmarket* with presentation of new samples (over 120 participants).

The U.S. Ambassador opened seminar II. The Government of Madagascar was represented by Mr. Wilson Rakotoarivelo, Cabinet Director, Ministère de l'Industrialisation et de l'Artisanat.

D. FEEDBACK TO PRODUCERS

Four chapters of this report have been bound together as a separate document so that photocopies can be distributed to interested producers. These chapters are:

1. Development of Handcrafted Samples
2. U.S. Market Linkages
3. Market Reaction
4. The Bottom Line

These excerpts are meant to:

- Provide producers with market feed back on samples presented;
- Highlight the need for quality and differentiation;
- Continue the mobilization of SMMEs

II. DEVELOPMENT OF HANDCRAFTED SAMPLES

The team collaborated with craft producers and manufacturers, micro, small and medium sized, in the development of samples, indicative of new product directions. The samples are merely an indication of product lines that can be developed, and are to be viewed as beginnings and not points of arrival. We sought new directions to begin the process of product development and diversification, transfer of know-how for quality control, cost-effective production methods, and pricing. (Enterprise profiles – ANNEX I).

These sample products are essentially handcrafted, frequently incorporating indigenous design elements, and there are not similar U.S. products with which they will compete or which they will substantially injure.

These samples — entirely executed by Malagasy producers with NIEDA guidance — demonstrate the impact of well-aimed technical assistance, even when limited to few days. They also attest to the level of cooperation of most producers, since sample making entailed deployment of key workers from ongoing production, and often overtime work.

Specifically, these samples were developed to:

- Explore new utilizations of materials and skills;
- Show the quality of handicraft skills;
- Show the range of Malagasy materials;
- Show how cooperation among producers in the handicraft and manufacturing sectors can result in differentiated, better quality products;
- Assess producers' interest in quality upgrade and differentiation;
- Bring Madagascar to the attention of U.S. market leaders as a potential new source for handcrafted products and materials.

In addition, the team collected samples of existing products that are marketable as they are.

Some producers could not calculate the price of samples, since:

- The time required to make a new sample product far exceeds the time required after the production chain has been set up;
- In some instances, unfamiliar materials and techniques were used;
- Materials were at times imported.

Most prices are FOB and have been converted to US\$ (\$1 = FGM 6832).

A. HANDCRAFTED TEXTILE PRODUCTS**1. HAND-EMBROIDERY*****Sample*³ #1**

Fully lined resort outfit made by *Texima*
Hand embroidery by *Paco*
Linen fabric: imported

CMT⁴ price: \$2.50
Price: from \$17 to \$24 per panel
Price not available

This hand-embroidered garment, made in imported quality linen, and aimed at the high end of the market, would create a quality image for Madagascar's products in general, and help sell less prized handcrafted goods.

³ In this chapter, the word:
sample indicates a product that was taken to the U.S.A. for evaluation;
photo indicates a product not taken, but whose photo was shown.

⁴ CMT = Cut, Make and Trim

Sample #2

Detail of cross-stitch hand-embroidery by *Paco*

The resort outfit on the preceding page was developed to illustrate:

- Product diversification – Paco could embroider apparel components for assembly by garment manufacturers, in addition to their line of embroidered table linen. Purchase of apparel is much more frequent, since linen do not require replacement as often, nor is subject to fashion trends.
- Quality upgrade – Texima is presently manufacturing apparel for contractors targeting the lower end of the middle market. This sample illustrates how the quality of workmanship can be upgraded even with short-term technical assistance, when manual ability is combined with eagerness to learn and entrepreneurial spirit.
- Level of cooperation – The participation and involvement of Texima's manager and of Paco's owner/manager were indicative of the outlook of most entrepreneurs met.

Sample #3

Disco trousers made by *Texima*

Smocking and hand beading ⁵ by *La Mode Enfantine*

Hand embroidery in raffia by *Femmes Artisanes de Madagascar*

Cotton fabric by *Cotona*

CMT price: \$1.35

Price not available

Price not available

Retail price: \$3.51/meter

This type of product would be aimed at a trendy market, and in particular at young consumers who like a flashier look and follow fashion trends. With such handcrafted inputs, Malagasy garment manufacturers would not have to compete with producers of commodity type apparel, mainly on a price basis.

⁵ NIEDA donated the Italian crystal beads.

Sample #4

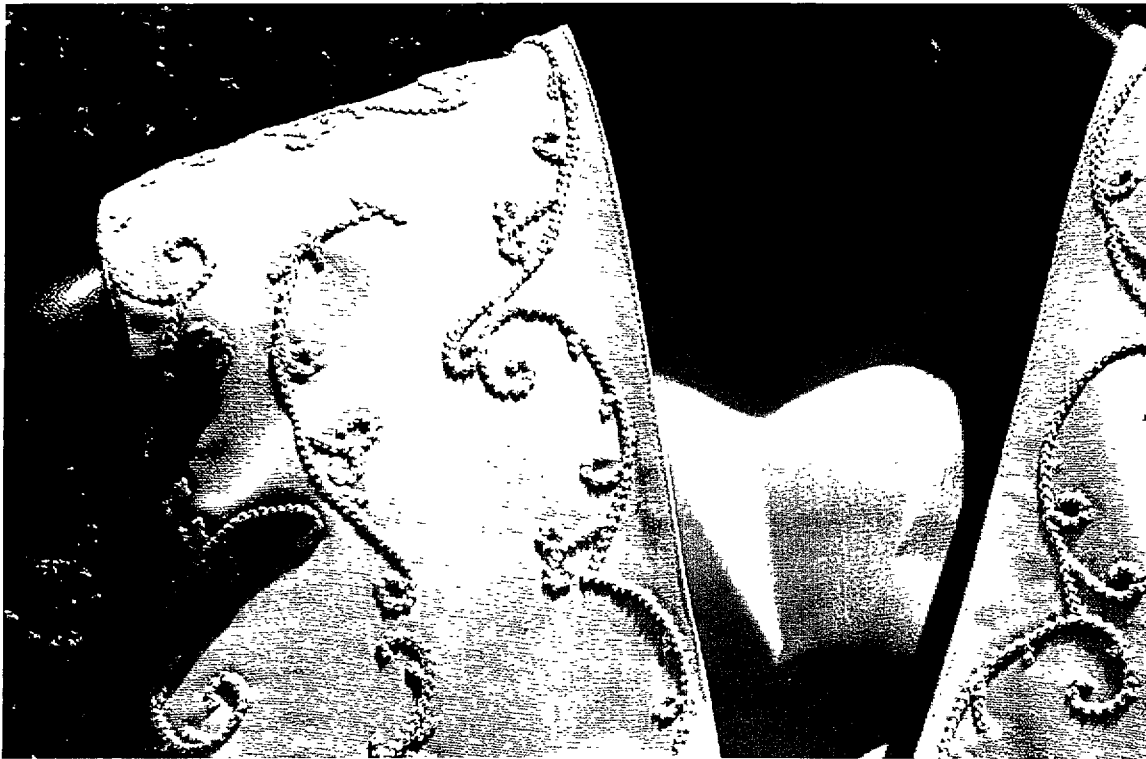
Classic girl's dress hand embroidered, smocked and made by *La Mode Enfantine* Price: \$13.80

Spending patterns change as children arrive and grow up, and the portion of the family budget devoted to them will also grow. As a result, specialty retailers are extending their product lines to include infants' and children's clothing.

Sample #5

Toddler's dress hand embroidered, smocked, and made by La Mode Enfantine Price: \$7.10

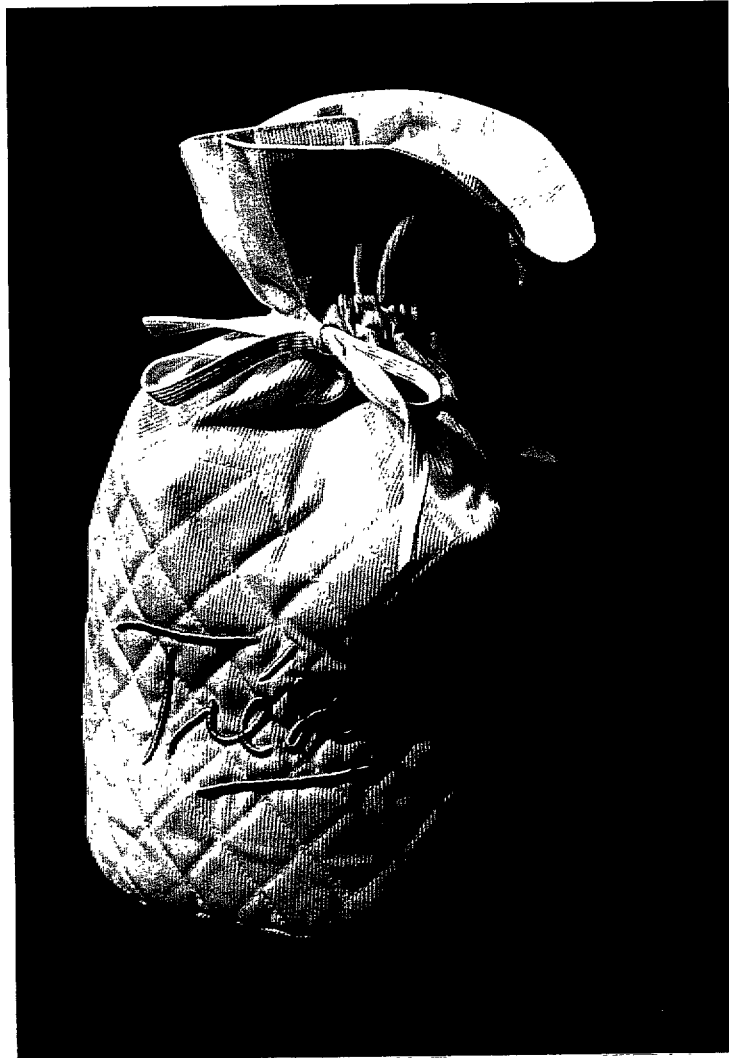
Generally, children's apparel is less subject to change from year to year.

Sample #6

Hand embroidered vest made by *Maison I.D. Art Mony*

Price: \$10.70

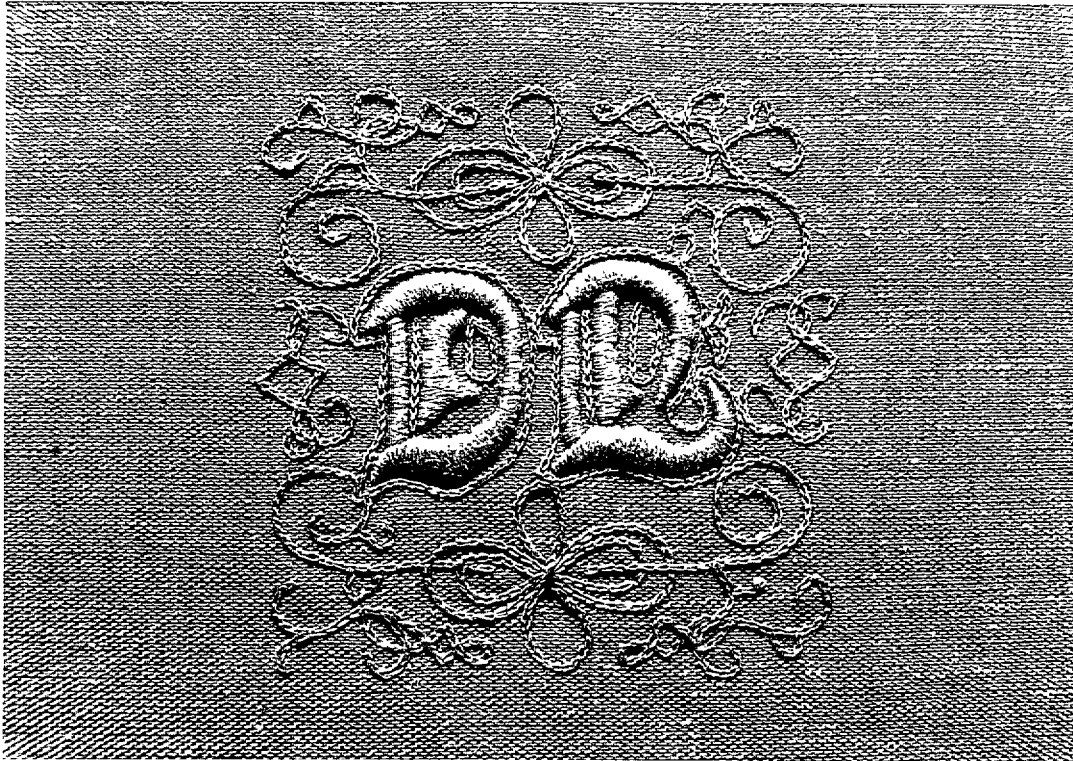
Vests do not require the expertise necessary for more tailored garments, and sizing is limited to small, medium, and large. However, many craft enterprises lack the expertise necessary to make finished textile apparel for a quality market.

Sample #7

Hand embroidered pouch made by *Maison I.D. Art Mony*

Price: \$5.70

This item, contracted by a top French company, shows the remarkable embroidery and stitching skills of the workers who crafted it.

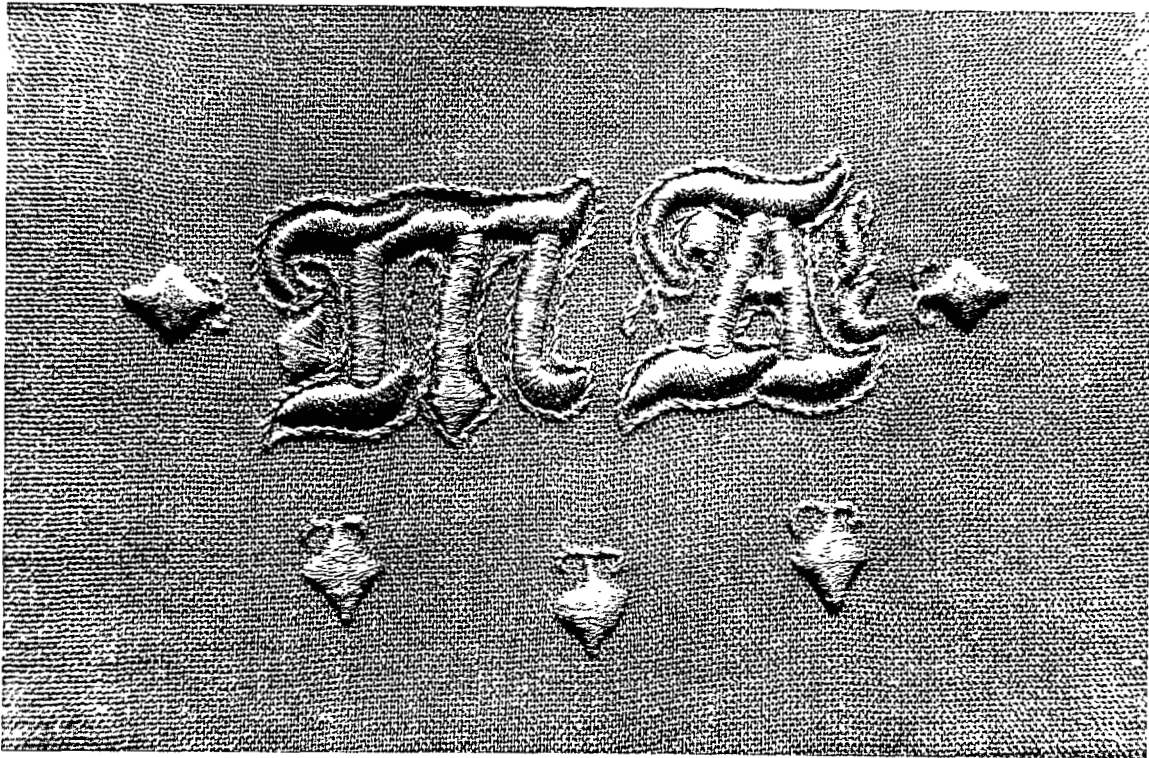
Sample #8

Hand-embroidered monogram by *Maison I.D. Art Mony*

Price: \$2.50 each for 100 units

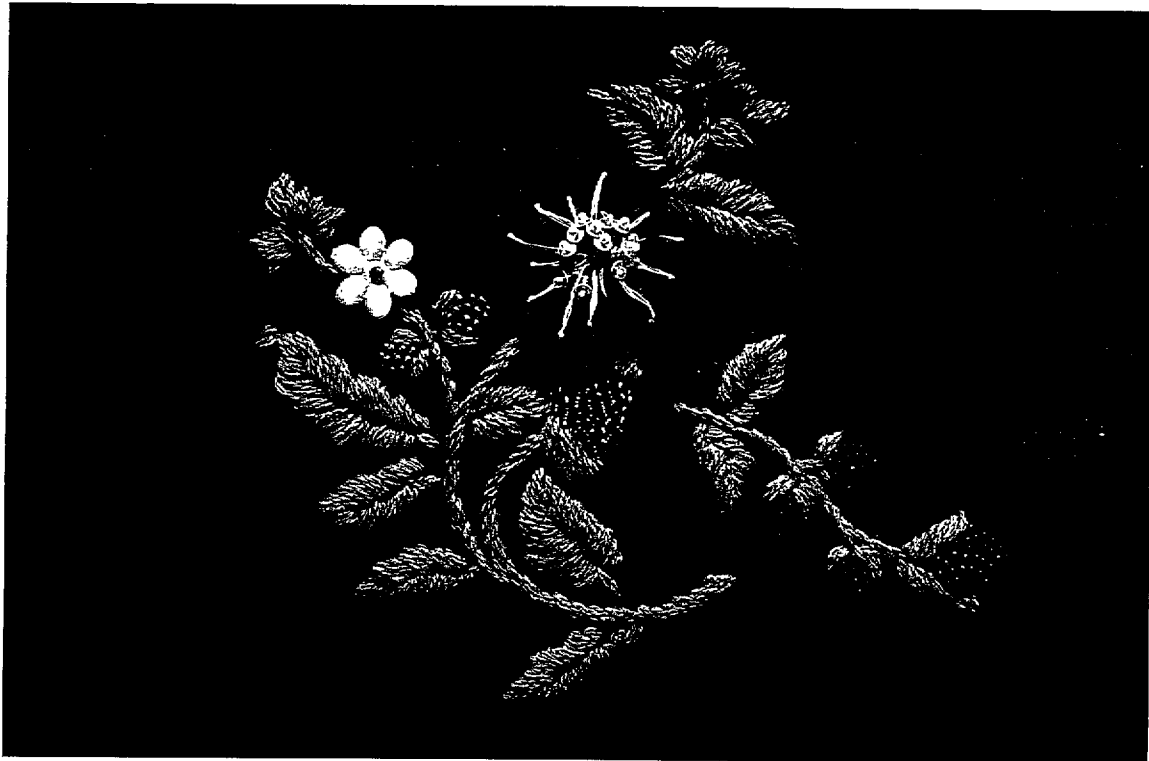
This hand-embroidered monogram illustrates the level of excellence that can be achieved by this widespread skill.

Sample #9



Hand-embroidered monogram by *Maison I.D. Art Mony*

Price: \$2.50 each for 100 units

Sample #10

Swatch of hand-embroidery on knit by *Groupe Imes*

Price: \$1.47

The availability of a range of embroidery types permits the development of product lines that would satisfy the taste of different consumers and markets.

Sample #11

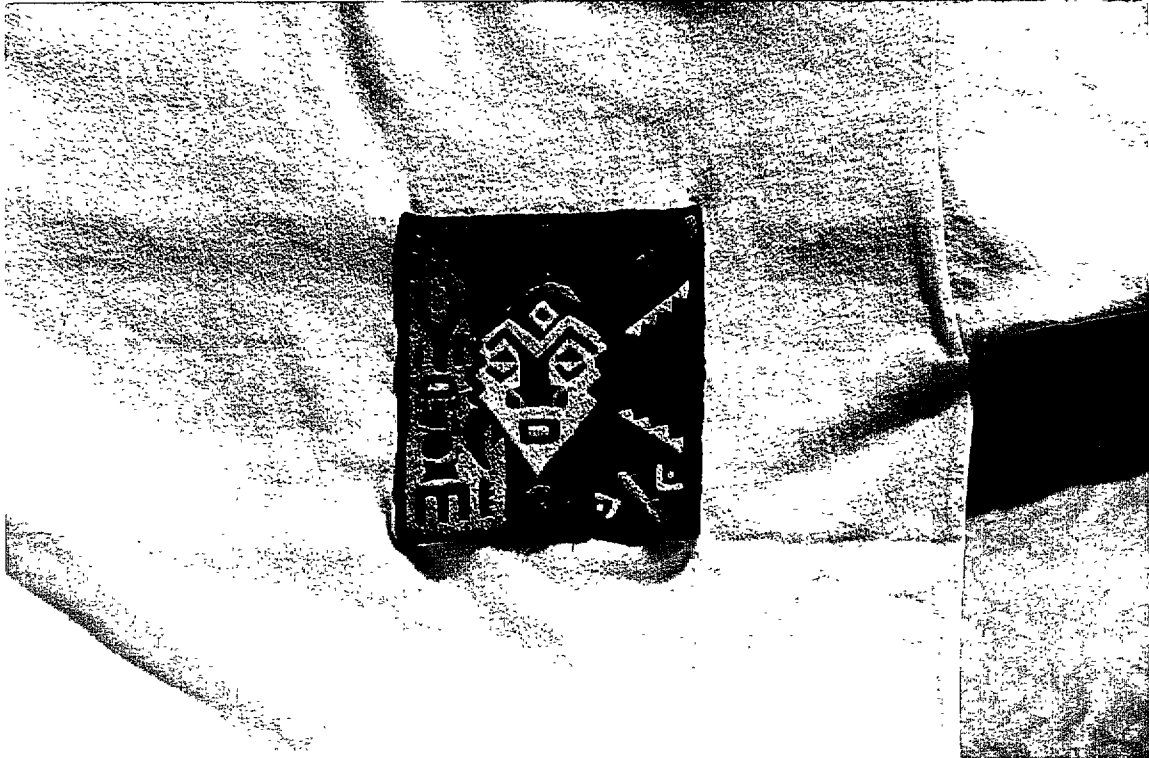
Suede ⁶jacket by *Texima*
Hand-embroidery by *Mirado*
Hand-woven silk skirt by *Maintextile*

Price not available
Price: not provided
Price: \$38.40

This is the first leather garment made by this manufacturer, which normally makes textile garments. Possibly, it is also the first quality leather garment, made in Madagascar, which can compare favorably in quality of workmanship with similar products in the international market.

The quality of workmanship indicates the versatility and dexterity of this factory's sample-maker who skillfully handled a fastidious material, such as suede. Such quality is especially remarkable considering that the manufacturing unit lacks the special sewing machines required for leather garment making.

⁶ NIEDA donated the red-sheep skins made in India.

Sample #12

T-shirt with hand-embroidered pocket (purchased at crafts fair)

Retail price: \$9.00

This embroidery skill “needle painting” should be applied to quality products, since the commercial value of a skill is also determined by the quality and style of the product that embodies the skill.

2. HAND-WEAVING

Sample #13



Two-piece outfit in hand-woven cotton and raffia fabric by *Maintextile* (worn over hand-woven raffia vest – see photo on following page).

Price: \$28.80

This sample was developed to illustrate:

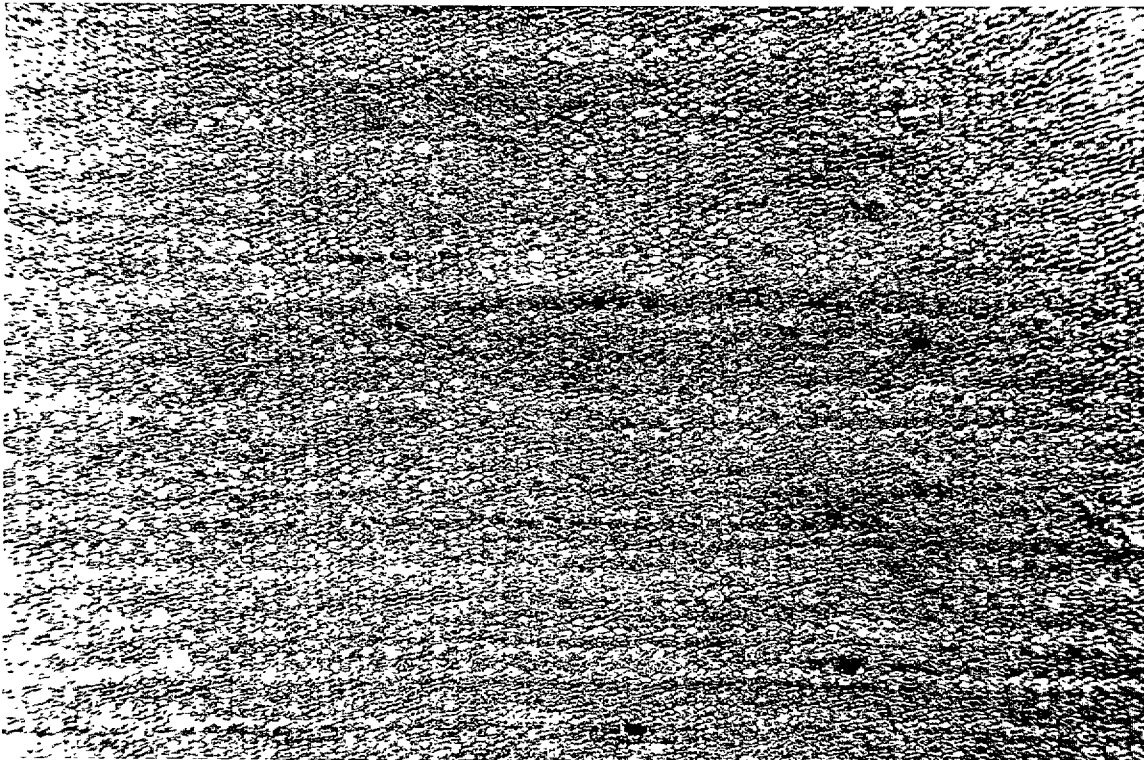
- How product concept and quality workmanship are essential for market expansion, given the limited intrinsic value of the materials used — raffia hand-woven with strips of used cotton cloth;
- Product diversification and quality upgrade by *Maintextile*, which manufactures casual wear for French and Mauritian contractors.

Sample #14

Hand-woven silk and raffia vest by *Maintextile*

Price: \$18.10

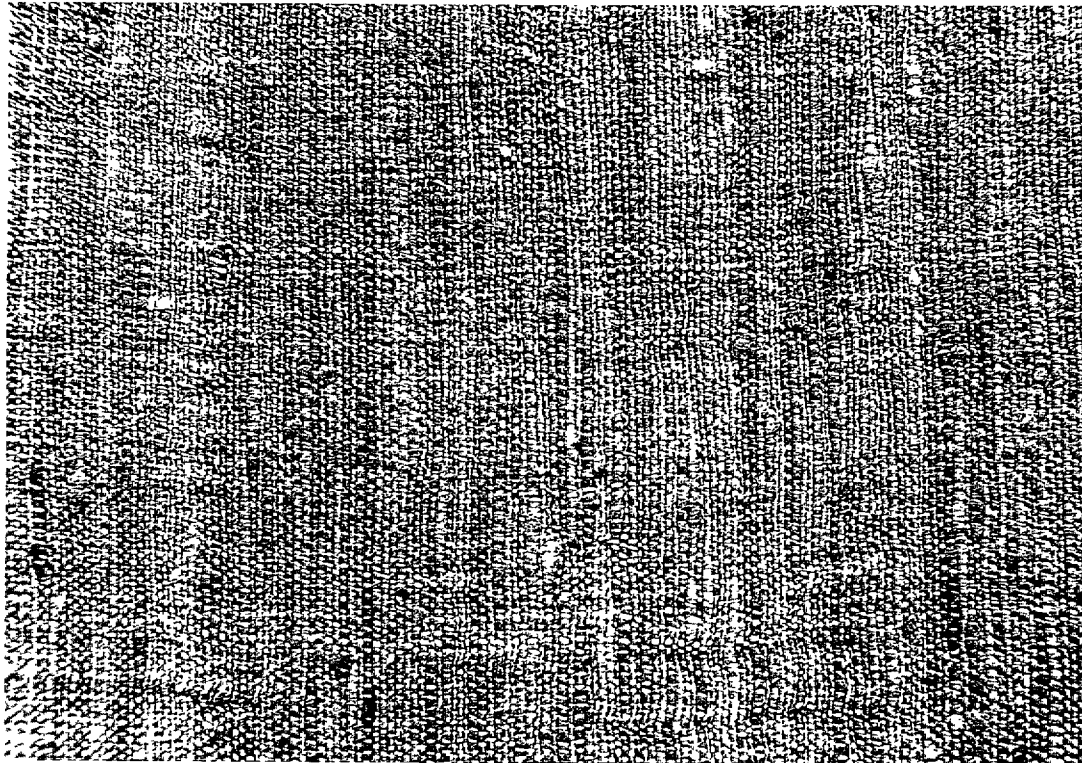
This new sample was developed to illustrate how this fine material can be utilized for differentiated products with greater value-added.

Sample #15

Hand-woven wild silk by *Mirado*

Price: \$20/yard

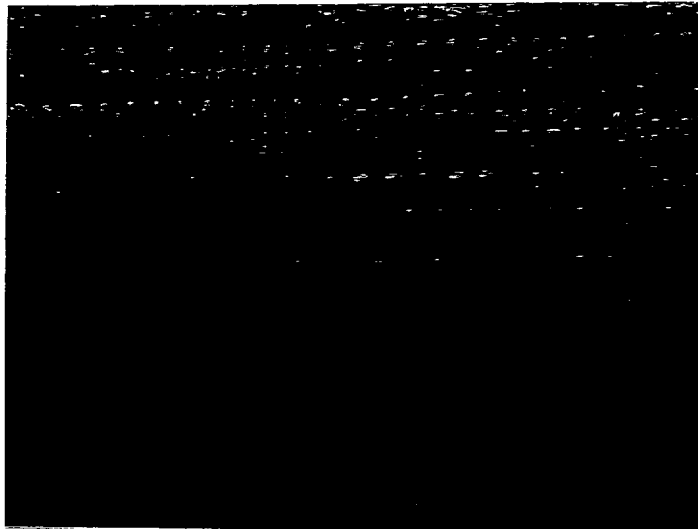
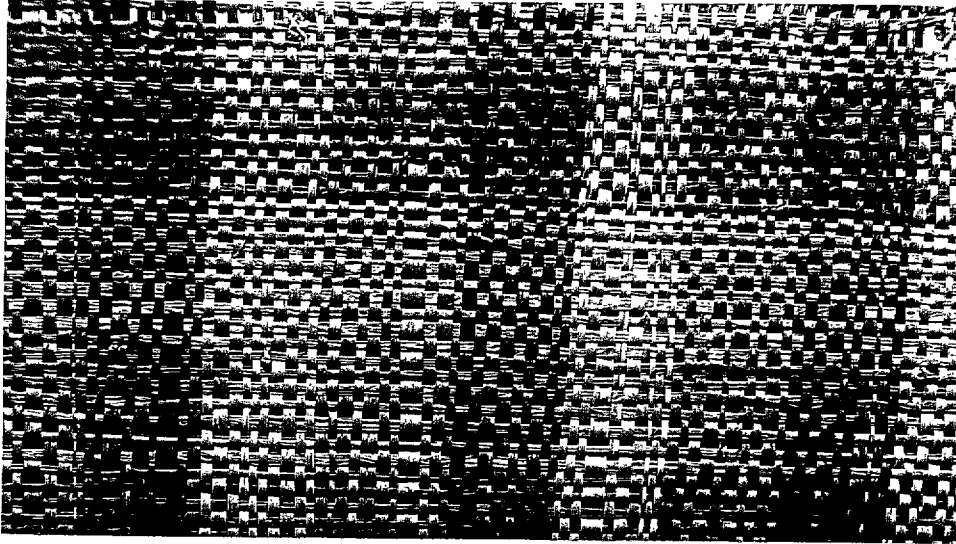
The handloom weaver can achieve effects that are not easily duplicated on power-loom, at least not at reasonable prices. A range of hand-woven fabrics, in a variety of textures and weights, could be developed for the accessories, home furnishings, and apparel industries.

Sample #16

Wild silk hand-woven with mulberry-tree silk by *Mirado*

Price: \$20/yard

For garment manufacturing, hand-woven fabrics must meet specific requirements as to widths and lengths of pieces. In addition, fabrics must cut easily, without slipping under the scissors, must sew well by machine and must not pull at the seams when worn. Buttonholes must be neat, hooks and eyes must hold in the fabric.

Sample #17

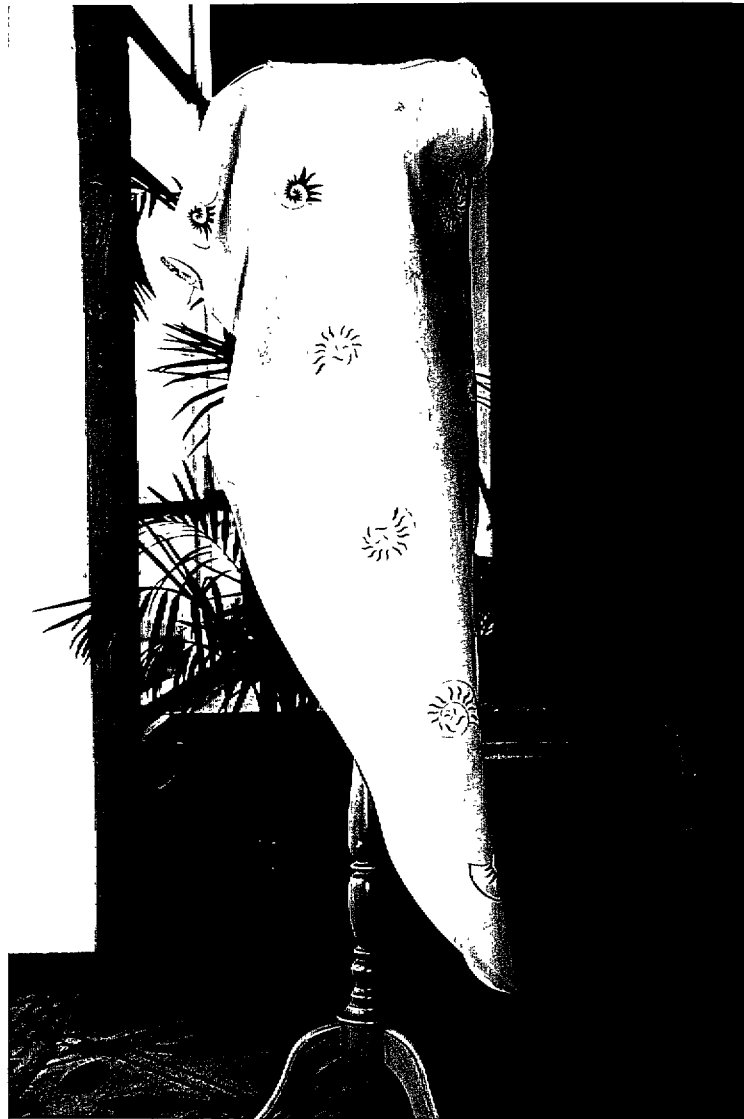
Samples of hand-woven raffia by *Femmes Artisanes de Madagascar* Prices not provided

These samples are indicative of the product range crafted by this organization, which also handcrafts consumer products such as bags, hats, and home furnishings.

With living space becoming smaller, people with more discretionary income tend to enrich it with wall coverings in materials that range from paper to raffia.

3. HAND-PAINTING

Sample #18



Resort wear by *Texima*
Hand-painting by *Ifara*
Cotton fabric by *Cotona*

Price: \$1.10
Price: \$3.62/meter
Retail price: \$3.51/meter

Hand painting is generally applied to decorate pillows, lampshades, and scarves – products aimed mainly at the tourist trade. This sample illustrates how application of such skill to a machine made product not only adds an element of differentiation, but widens sales potential to the benefit of both the artisanal and industrial sectors.

Photo #19



Lampshade and table linen hand-painted by *Ifara*

Appreciation of these items, from its present product line, requires knowledge of a culture that is foreign to most consumers outside Madagascar.

B. HANDCRAFTED ACCESSORIES

Sample #20

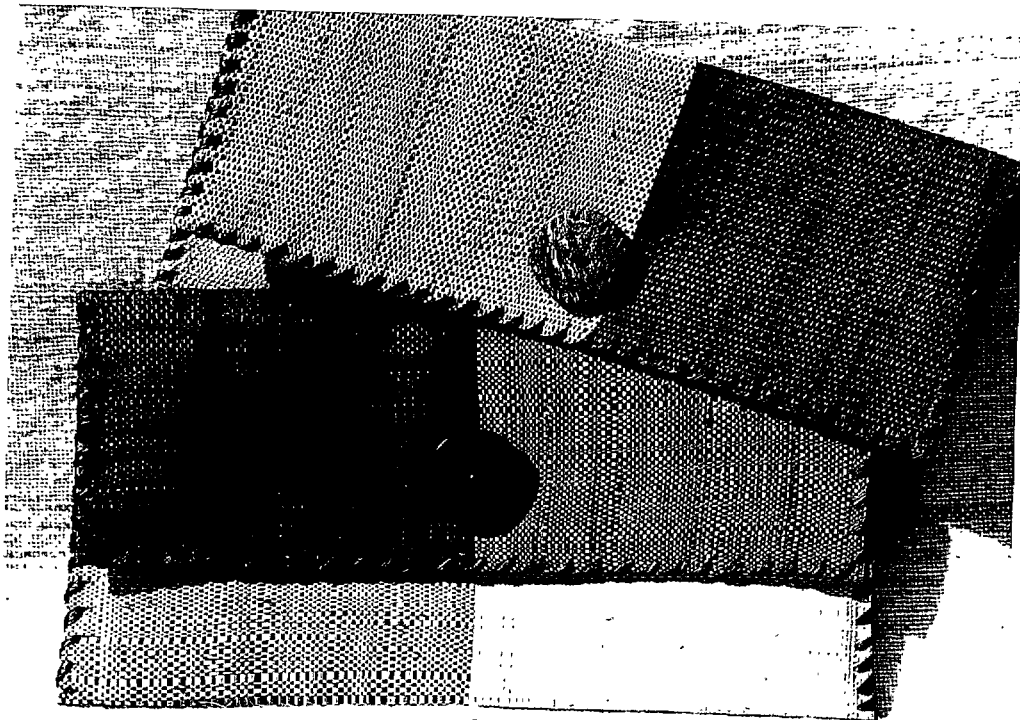
Handbag and sandals handcrafted by <i>Maroquinerie J. Andrianarisoa</i>	Price: not available
Hand-woven raffia and silk fabric by <i>Maroquinerie Princess</i>	Price: not available
Handcrafted zebu horn handle, rings and sandal heels by <i>An-i-Ra</i>	Price: not available

These zebu horn components illustrate how An-i-Ra can diversify its line of table-wear and jewelry in zebu horn to include items for the accessory sector. Combinations of materials, such as leather, raffia and zebu horn not only add to the desirability of products, but broadens the utilization of skills and spreads the benefit of successful product lines to more than one craft sector.

Malagasy shoes and handbags manufacturers use zebu leather, tanned either industrially or artisanally, and crocodile skins ⁷ These low quality materials are utilized for products marketed domestically.

At present, linkages among producers in different sectors is not an approach easily envisaged by many entrepreneurs, until the advantages of such cooperation become apparent.

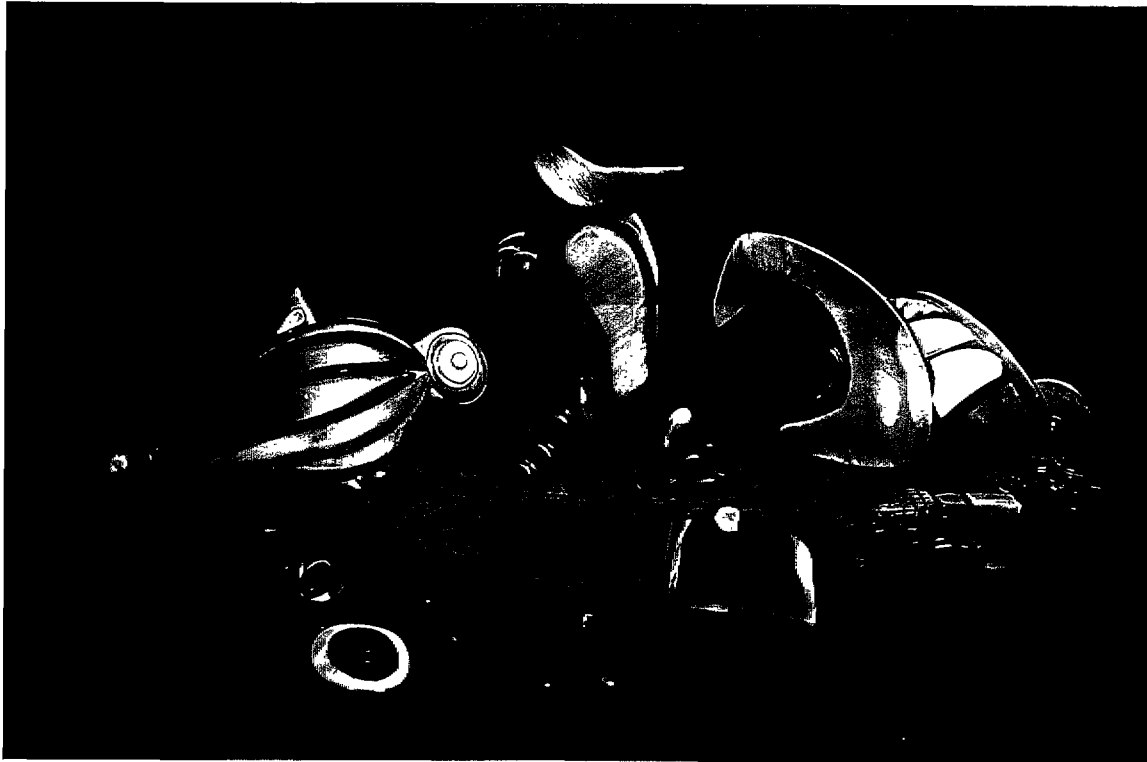
⁷ Supposedly from farmed crocodiles.

Sample #21

Hand-woven raffia clutches with zebu horn buttons by *Madagascar Arts* Price: \$1.25 each

Prices quoted indicate the long-term view taken by the firm's owners whose first objective is market penetration.

These samples illustrate how the accessory and garment industry would absorb, and be enhanced by, quality handcrafted buttons and trimmings, which could become marketable products as well.

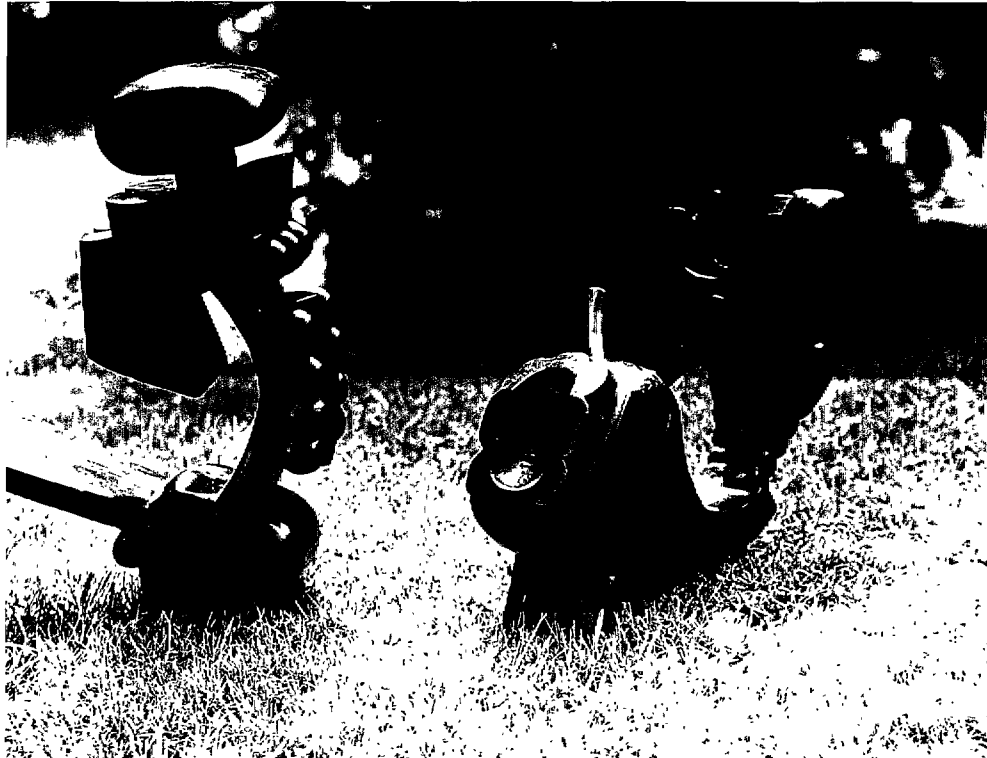
Sample #22

Handcrafted ornaments in colored zebu horn by *Jery Amboanjobe*

Price: \$10.00 each

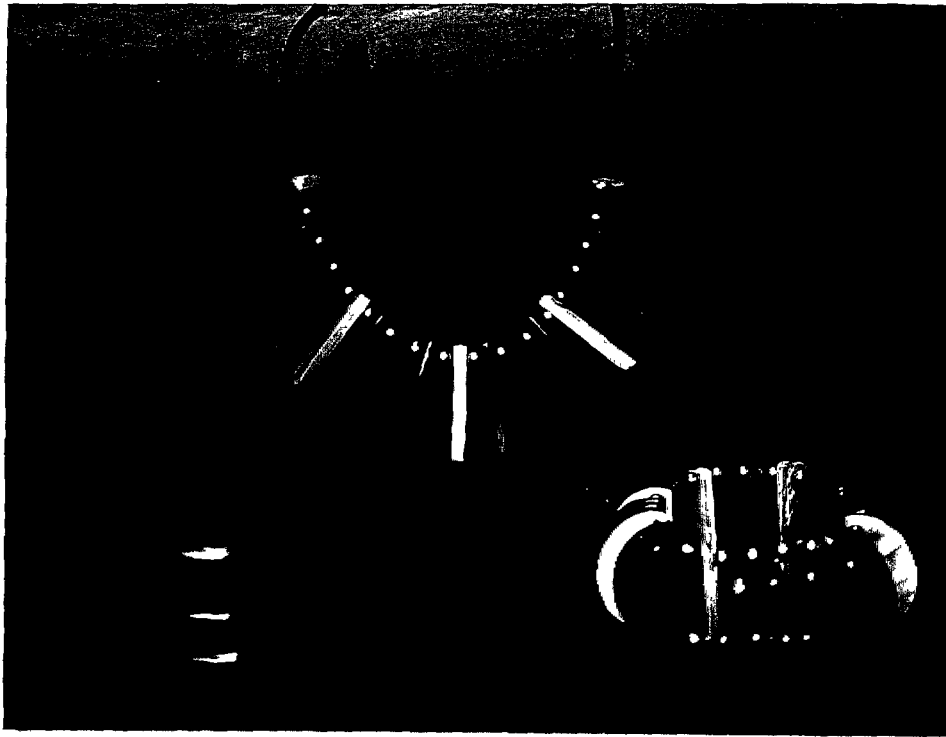
These artifacts are miniature sculptures, which can be used as pins, hair ornaments, and accessory clasps. They represent the product category called "wearable art".

The artist uses a special technique to color the horn to insure that it does not look like synthetic material. Because of its influence upon the decision to buy, color is of major concern with products. The first thing noticed is the color of a product; only subsequently, design and material are registered. A pleasurable tactile sensation is also an important factor in motivating purchases.

Photo #23

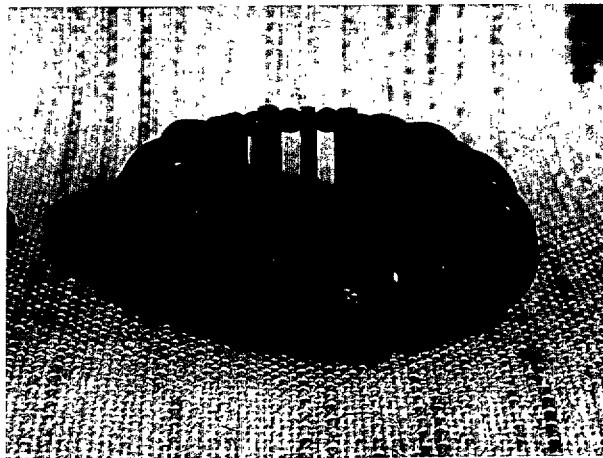
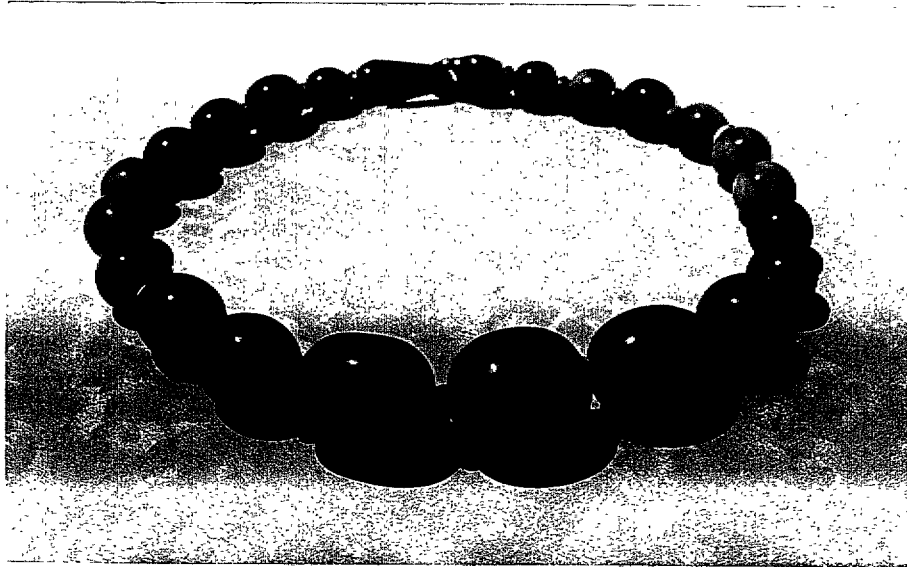
Ebony sculptures by *Jery Amboanjobe*

As architects apply their talent to coffee pots, clothing designers to bathtubs, landscape architects to lighting fixtures, sculptors as well can differentiate handcrafted products with innovative designs, in keeping with a world of changing tastes.

Samples #24

Handcrafted zebu horn matching necklace and bracelet by *Galerie Santrata* Price: \$4.39
Handcrafted zebu horn bracelet by *Galerie Santrata* Price: \$2.48

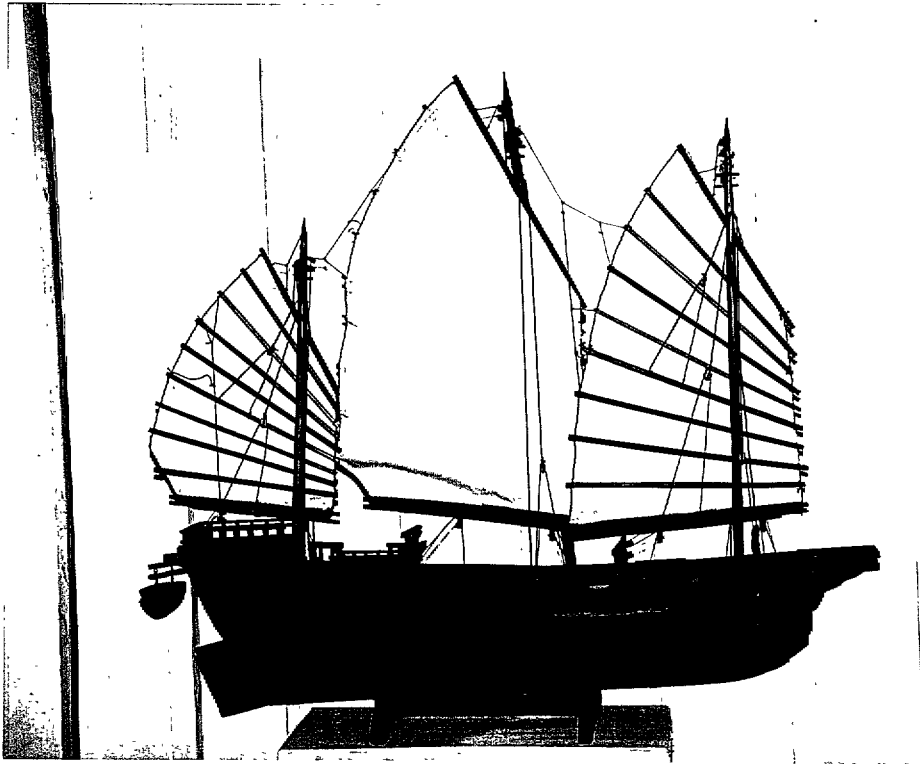
These items are but an indication of the skill of zebu horn craftspeople, who can make quality products capable of generating a demand in the international market, if marketed effectively.

Samples #25

Handcrafted zebu horn necklace by *Lisy Art Gallery*
Handcrafted zebu horn bracelet by *Lisy Art Gallery*

Price: \$17.56
Price: \$5.85

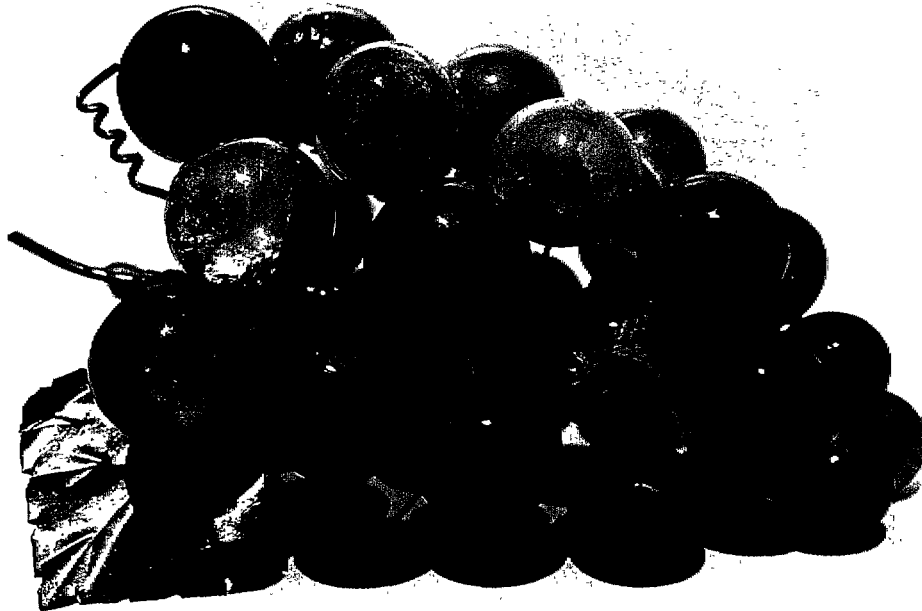
This skill could also be applied to other ornamental items, requiring equal dexterity and precision. Sculptors could make the first prototype of an original item, which would be reproduced by craftspeople in limited edition.

C. HANDCRAFTED DECORATIVE ITEMS*Photo #26*

Model of Chinese junk (23 inches), handcrafted by *Cent Pour Cent*

Price: \$19.20

This dynamic enterprise specializes in handcrafted ship models that come in a wide price range, from \$ 4.30 to \$ 44.00. The wood used is rosewood or palissander, except for those models in painted wood. They also target this very specific niche market through their Web site.

Sample #27

Handcrafted amethyst grapes by *Lisy Art Gallery*

Price: \$16.83

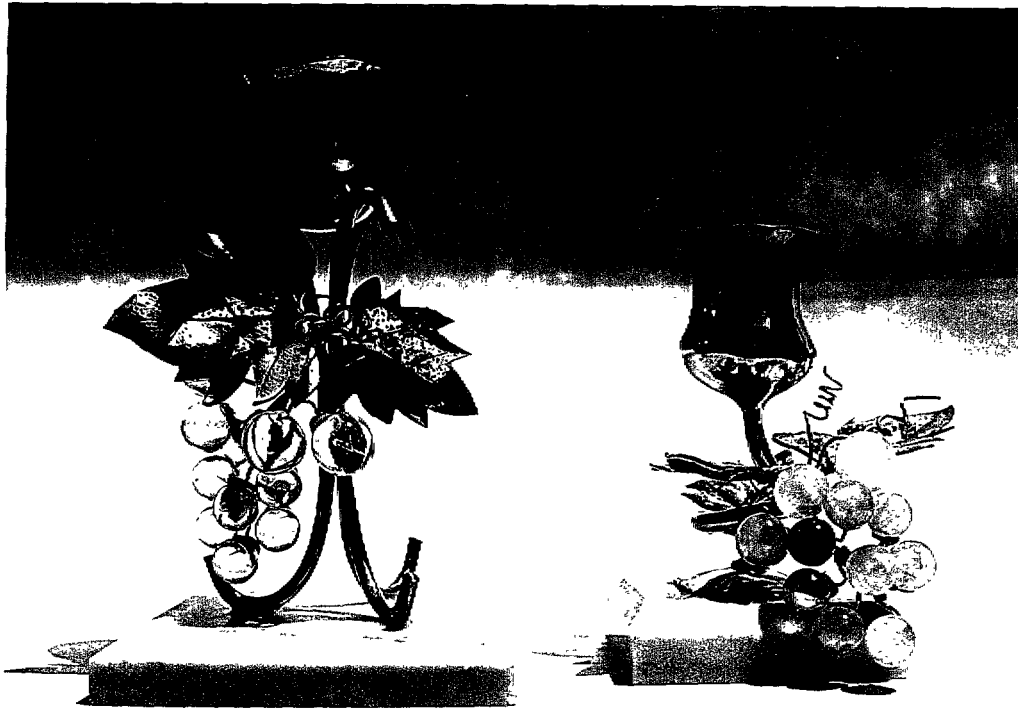
The utilization of semiprecious stones could be extended to the development of more innovative products, perfectly finished, aimed at the high end of the market.

Sample #28

Handcrafted cornelian grapes by *Lisy Art Gallery*

Price: \$16.83

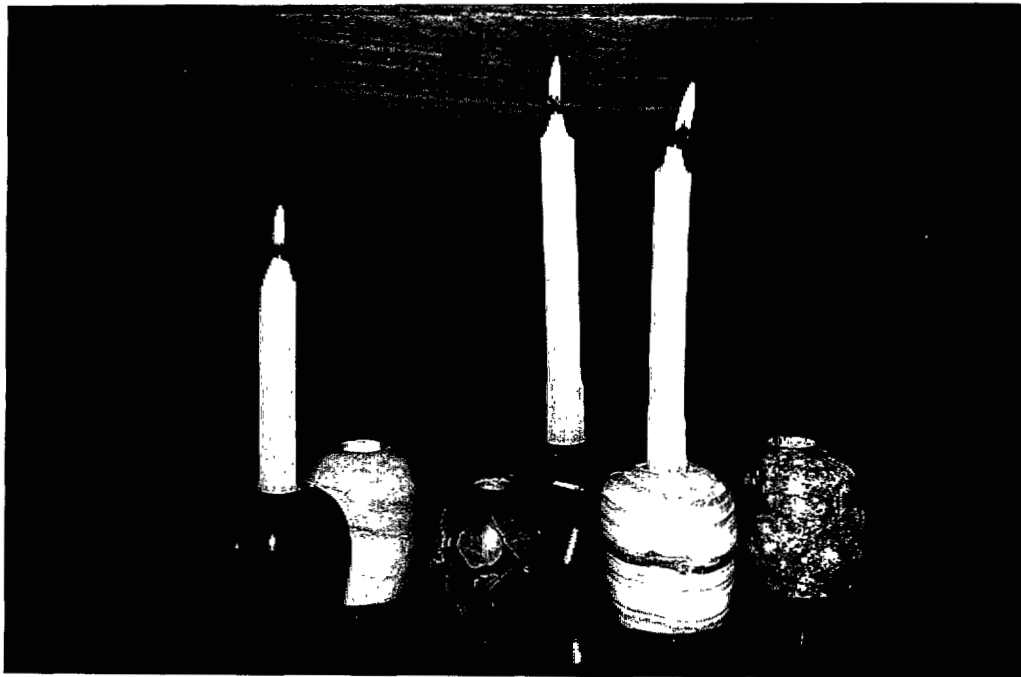
Functional and decorative items, such as handcrafted buttons, buckles, and clasps — incorporating semiprecious stones — could be produced for quality garments and accessories.

Sample #29

Handcrafted candleholders by *C.E.M.*

Price: \$3.00 each

The materials are rose quartz, rock crystal, marble, and brass. Artisans engaged in the production of decorative items can expand their markets by product innovation and quality upgrade. Especially with ornamental items, the quality market expects a distinctive identity. This trend explains the market success of museum pieces replicas, such as the bronze figures of Benin, marketed by several major museums at their shops and through catalogs.

Photo #30

Candleholder/vases in septaria, aragonite, black and green marble by *Hazovato*

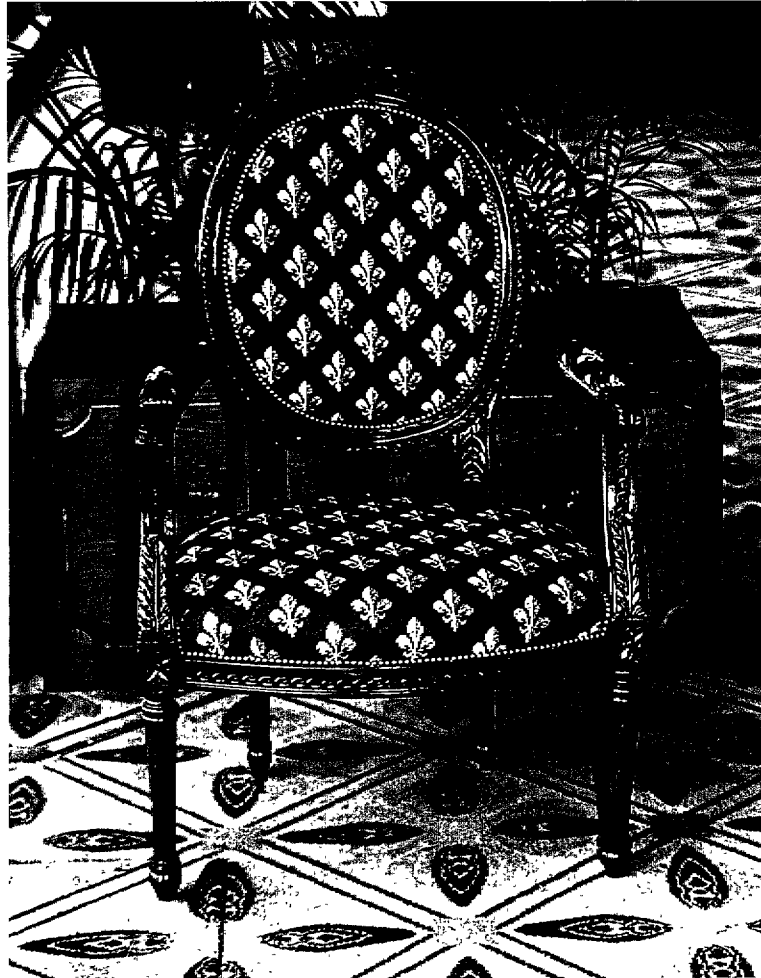
Price: \$5.39 each

These items are examples of a line of home decor, made in an array of materials, which indicate the wealth of Madagascar's natural resources.

D. HANDCRAFTED HOME FURNISHINGS

Photo #31Nest tables with silicified wood tops by *Hazovato*

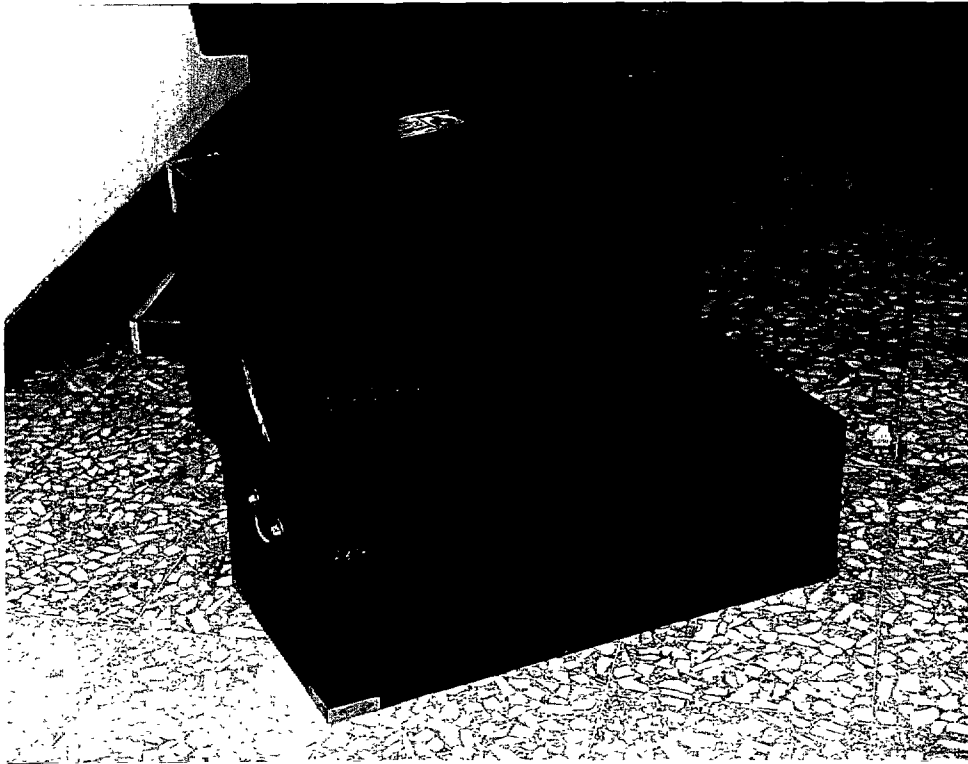
Price: \$253.69

Photo #32

Armchair upholstered in hand embroidered tapestry by *Paco*
(Personal property of *Paco's* owner)

Price: not available

The linkage between enterprises handcrafting palissander furniture with producers of hand-embroidered tapestry could result in marketable items, small in size, such as a footstools line.

Photo #33Palissander chest made by *C&B*

Price not provided

If hand-carved details, or other craft inputs, were incorporated in machine made furniture, such products would have a competitive advantage, given the availability of palissander in Madagascar. Size of furniture is an important consideration. In industrialized countries, builders are constructing smaller size homes and apartments in order to provide affordable housing. As a result, the size and style of household furniture is changing, and furniture makers are now producing smaller multipurpose furniture, wall system with drop-down desks and storage space. The electronic boom has also created a niche for cabinets engineered to hold the weight of a variety of electronic products, from television sets to computers. Large pieces would not fit into an average sized room, and their volume would make shipment particularly expensive.

III. U.S. MARKET LINKAGES

A. FIRMS

NIEDA presented the samples in New York to top product experts and decision makers of firms involved in the design, production and marketing of home furnishings, apparel and accessories. They were selected for their wide influence, since they are among the rather small group of companies – in Paris, Milan, London, and New York – that start basic trends in these industries. Consumers and manufacturers accept their authority, and follow the directions they set, with regard to materials, designs, and colors.

These product experts and decision makers, recognized as leaders in their fields, were:

- Corliss Tyler, Executive Vice President *Takashimaya New York, Inc.*
- Kathryn Kaplan, Vice President, Merchandising/Women's Accessories/Footwear
Saks Fifth Avenue
- Laura Belvedere, Vice President, Divisional Merchandise Manager,
Childrens Wear/Gifts *Saks Fifth Avenue*
- Muriel Favaro, Design Director, Women's Accessories *Saks Fifth Avenue*
- Jane Mcandrew, Director, Product Development, Childrenswear *Saks Fifth Avenue*
- Peter Rizzo, President *Bergdorf Goodman*
- Robert Burke, Vice President, Fashion Merchandising *Bergdorf Goodman*
- Rebecca Anderson, Assistant Buyer, Decorative Home *Bergdorf Goodman*
- Steven Slowik, Creative Director *Bill Blass, Ltd.*
- Jean-Francois Ricat, Vice President – Textiles *Oscar De La Renta*
- Tim Gardner, Creative Director *Calvin Klein, Inc.*
- Victoria Fouladi, Senior Design Coordinator *Calvin Klein, Inc.*
- Magdalena Olsen, Custom and Special Order Manager *Sulka*
- Drusilla Plunkett, Creative Director *Judith Leiber*
- Richard Lambertson, Co-owner and Creative Director *Lambertson-Truex*
- Michele Ateyeh, President and CEO *Angela Cummings Fine Jewelry, Inc.*
- Gerard Yosca *Gerard Yosca*

- Frederic Pignault, Vice President, Product Development *Bumble and bumble*
- Jeffrey Banks, Designer *Jeffrey Banks*
- Sherri Donghia, Executive Vice President, Design and Marketing
Donghia Furniture/Textiles
- Allison Kettlewell *Donghia Furniture/Textiles*

What follows is some basic information about these firms.

1. ***Takashimaya New York, Inc.***

Takashimaya Kabushiki-Gaisha is the premier department store company in Japan, and is listed as a top 500 global firm. The company was founded in Kyoto in 1831, and today has department stores in Tokyo, Osaka, Kyoto, Rakusai, Sakai, Wakayama, and several other Japanese cities, as well as branches overseas in such cities as New York, Paris, London, Milan, Hong Kong, and Singapore. The company has \$10 billion annual revenues, and 17,000 employees.

2. ***Saks Fifth Avenue***

Saks Incorporated currently operates over 350 stores in 40 states under the names of Saks Fifth Avenue (61 stores), Proffitt's, McRae's, Younkers, Parisian, Herberger's, Carson Pirie Scott, Bergner's, Boston Store, and Off 5th. The company also operates a direct response business, Saks Direct, which includes the Folio and Bullock & Jones catalogs. For the last twelve months, total company sales were \$6.4 billion, of which the Saks Fifth Avenue stores accounted for 40%.

3. ***Bergdorf Goodman***

Bergdorf Goodman is part of the Neiman Marcus Group, which operates 31 Neiman Marcus stores in 20 states and the District of Columbia, as well as two Bergdorf Goodman in New York City, and about 10 clearance centers. Its direct-marketing business, NM Direct, distributes catalogs. Neiman Marcus also owns stakes in firms that make cosmetics and handbags. Their stores offer high fashion, high-quality women's and men's apparel, accessories, and home decor. In 1999, the group revenue was \$2.5 billion.

4. ***Bill Blass, Ltd.***

Bill Blass' empire consists of at least 40 licensees with annual retail volume of \$760 million, in addition to \$25 million in retail sales of his women's ready-to-wear. The Bill Blass label can sell everything from \$10,000 evening gowns at Bergdorf Goodman to \$42 jeans at May Co. The company plans to expand overseas, particularly in Europe, where there is a strong demand for American labels. In 2000, the Council of Fashion Designers of America awarded a special tribute to Bill Blass. As of 2000, Steven Slowik has taken the design helm of Bill Blass Ltd.

The Council of Fashion Designers of America Award – U.S. most prestigious award in the apparel and accessories industry – gives an indication of the standing of some of the designer/manufacturers listed. (Winners of Awards 2000 – ANNEX II)

5. ***Oscar de la Renta***

Oscar de la Renta, one of America's best-known designers, has built an impressive global business with freestanding stores and boutiques throughout Europe, Asia, and Latin America. The Oscar de la Renta label also benefits from the designer's role as couturier at the French fashion house of Balmain. This company has targeted a significant portion of his future growth with market-specific businesses in Central America, South America, and the Caribbean. Oscar de la Renta was the winner of the Council of Fashion Designers of America Award for Womenswear Designer in 2000. The wholesale volume \$40 is million, and \$550 million come from licensing.

6. ***Calvin Klein Inc.***

Calvin Klein is a multi-billion-dollar-a-year fashion empire, and one of the great trendsetters in the world. In 1994, the firm started moving aggressively into licensing. In 1996, over 90 percent of Klein's \$2.5 billion at wholesale in worldwide volume was produced through licenses. For 1997, retail sales of Calvin Klein products reached \$5.3 billion. Licenses range from fragrances and eyewear, to home goods and retail stores. Klein's non-license business consists of women's apparel and accessories. Calvin Klein Inc. also has its own stores in Manhattan (New York), Costa Mesa (California), Palm Beach (Florida), and Dallas (Texas), and an outlet store in Secaucus (New Jersey).

7. ***Sulka***

Sulka, a longtime luxury name for men's attire, is now part of the Vendome Luxury Group PLC, which owns also Cartier, Alfred Dunhill, and Montblanc. It operates eight boutiques located in New York, Paris, London, Bal Harbour, San Francisco, Chicago, and Orange County. The Sulka collection includes sportswear, tailored clothing, outerwear, shirts, neckwear, furnishings, and travel accessories. Sulka merchandise is also carried by several upscale department and specialty stores such as Bergdorf Goodman in New York, Neiman Marcus in Dallas and the Saks outside Philadelphia. Sulka also publishes a direct mail book, with 150,000 copies distributed worldwide.

8. ***Judith Leiber***

Judith Leiber is the world's foremost contemporary designer of fine handbags, which are considered a wearable art form, appearing in the permanent collections of some of America's top museums and galleries. The company's combined wholesale and retail volume is about \$20 million a year. Its wholesale business is primarily in upscale specialty stores such as Neiman Marcus, Bergdorf Goodman and Saks Fifth Avenue, and department stores such as Bloomingdale's and Marshall Fields. Leiber also currently operates three boutiques in New York, Las Vegas, and Costa Mesa, California. Collections include evening bags – ranging from \$700 to \$5,000 and up – day bags, small leather goods, pillboxes, belts, and jewelry. Judith Lieber was the winner of the Council of Fashion Designers of America Award for Accessories in 1994.

9. ***Lambertson-Truex***

Lambertson-Truex luxury leather goods are sold in specialty stores such as Bergdorf Goodman and through e-tailers like Ashford.com. Handbags wholesale prices range from \$158 to \$1,755, and small leather goods wholesale from \$85 for a wallet to \$110

for an agenda. Lambertson and Truex are also the creative directors for Hartmann Luggage, owned by Brown Foreman, which also owns other American brands such as Jack Daniels spirits, Lenox, and Dansk china. Lambertson and Truex were the winners of the Council of Fashion Designers of America Award for Accessories Designer in 2000.

10. ***Angela Cummings***

Angela Cummings, Elsa Perreti and Paloma Picasso are some of the highly individual artists who have created innovative designs for Tiffany, the world-renowned American jeweler. Cummings left Tiffany's to start her own business, Angela Cummings Fine Jewelry Inc. Now the jewelry departments of Bergdorf Goodman, and Takashimaya, among other retailers, boast the nature-inspired jewels of Angela Cummings. In 1984, the designer won the first annual Awards of Excellence, which was established to recognize women's achievements in the jewelry industry.

11. ***Gerard Yosca***

Gerard Yosca is a costume jewelry designer/manufacturer, especially known for trend setting hair accessories, which are retailed at upscale stores such as Saks Fifth Avenue and Nordstrom. Its hair ornaments are featured in the highly popular television show *Friends*, and in publications like Harper's Bazaar, InStyle, and TV Guide. The hand-painted barrettes – retailed at \$30 or \$40 – now account for 70% of sales, which are expected to be more than \$2 million.

12. ***Bumble and bumble***

Bumble and bumble is an upscale salon and hair care business, and its hair care lines (and hair accessories) are sold in 1,400 top hair salons in the U.S., and in specialty retailers in London, Paris, Berlin, Amsterdam, Copenhagen, and Milan. In 1999, sales were estimated at \$25 million to \$30 million at retail. Estee Lauder, Inc. recently acquired a majority equity stake with a deal estimated at \$20 million. (Estee Lauder's annual sales of beauty products is \$2.8 billion).

13. ***Jeffrey Banks***

Jeffrey Banks designs his signature menswear line, has a longstanding menswear license in Japan, and recently, conceived and developed "The Johnny Walker Collection" men's sportswear – the first brand extension for this distiller of spirits. Banks also designed private label sportswear for Bloomingdale's for a number of years. Banks is a Senior Board Member of The Fashion Institute of Technology in New York, a critic at Parsons School of Design, and is on the Executive Board of Directors of the Council of Fashion Designers of America.

14. ***Donghia***

Donghia Furniture/Textiles Ltd., founded in 1968, is a global business with showrooms and distributors in over 30 countries, including South Africa. For years, hotels around the world, including the Four Seasons in New York, have been inspired by the Donghia look – high-end furniture, fabric, lighting, and wall covering that are based on the highest quality craftsmanship and materials, clean lines and comfort.

B. WHY THESE FIRMS**1. RETAILERS**

When retailers with a trendy or glamorous image carry a firm's apparel and home furnishings, the benefits to the producer are significant, especially if the store's name enjoys international recognition for quality and style.

a. Department Stores

Department stores remain the primary distribution channel for many apparel companies, since consumers tend to shop there for differentiated merchandise. Department stores have expanded their selection of women's apparel, accessories, cosmetics and fragrances, which typically generate higher margins, and are more in keeping with the upscale image most stores are trying to project. Department stores are also leaders in home textile fashions, since consumers buy the more fashionable items there – e.g., embroidered towels and table linens.

b. Specialty Stores

Specialty stores specialize in a specific type of merchandise such as women's clothing, men's clothing, children's clothing, bed, and bath products, etc. Compared to department stores, they carry a deeper assortment of distinctive, quality merchandise – targeted to fashion-conscious consumers – at prices that range from moderate to high. Specialty stores are successfully competing with department stores since they provide consumers with a huge selection of products, allowing a customer to purchase many items in a single visit.

c. Private Labels

Many retailing chains create and market their own apparel and home product lines to take customers away from designer labels. Private labels have become a dominant and highly lucrative segment of the retailing industry, since they offer consumers quality at a good price, while retailers benefit from higher markups. Store brands have gross margins ranging from 30 percent to 100 percent higher than national brands. Many consumers also believe that national brands are overpriced merely to support advertising and promotional budgets. For their private labels, stores source merchandise directly from overseas suppliers, and set price range, delivery dates, product specifications, packaging and transportation methods. In addition, private labels enable them to offer something unique, when too many stores are selling the same merchandise. Some retailers have also created several labels in an effort to appeal to a wider variety of shoppers.

d. Selling via Catalog

Non-store retailing such as mail order, and e-commerce find increasing consumer acceptance, especially when the service fits the needs of the purchaser. Consumers value convenience, now that shopping is considered a chore rather than a recreational activity. Consequently, retailers are now increasingly tapping the home shopping market through catalogs, television, and personal computers. Saks Fifth Avenue is one of the many retailers that have branched out with mail-order divisions. It mails annually more than 35 million *Folio* catalogs in 25 different

editions. Of the nearly two million customers in the store's database, more than 250,000 are active mail-order shoppers. Now catalog sales are growing at a slower pace, due to the rising costs of paper and postage and the competition of television shopping and e-commerce.

Clothes are the most common catalog purchase, and successful catalogs usually select fabrics and product designs for their markets. One of the reasons of the increasing success of home furnishings catalogs is the display of all merchandise in a residential setting, allowing consumers to visualize what a room would look if they purchased the merchandise as a group.

e. *Selling Online*

Retailers and producers alike are taking online shopping seriously – both as an opportunity and a competitive threat. Now most major retailers must have at least a presence on the Internet. A Web site offers the opportunity to boost market share by attracting new customers. Many online consumers enjoy the convenience of being able to order products 24 hours a day, seven days a week, without having to go to a store. It's also easier to compare product information and prices from a variety of retailers without going to different stores. In addition, retailers can expand outside their traditional markets by targeting customers in regions where they do not operate stores. Online retailing also lowers the cost of business for retailers, with lower rent, payroll, and fulfillment costs compared to traditional in-store retailing. A Web site also complements the store and its image, and offers a retailer greater opportunity to develop and sell its own private-label goods.

2. *DESIGNER/MANUFACTURERS*

a. *As Market Movers*

There are designers whose impact on the apparel, accessories, and home furnishings industries – worldwide – goes far beyond the size of their markets. Many apparel designers have no manufacturing operations. However, some of the most successful designers have majority control of several manufacturing companies, some joint ventures, many contractors, and licensees. All these companies produce merchandise marketed under the designer's label, with products ranging from ready-to-wear to leather goods, jewelry and home furnishings. In addition, some designers own a number of the boutiques that carry their lines around the world.

Designers' top lines have a limited market, but establish a prestige image for their labels, which, in turn, brings lucrative licensing agreements. Such agreements insure that licensees maintain proper quality levels, pricing structure and adequate distribution. Licensees, however, may not manufacture all the merchandise and subcontract other manufacturers for part of the production, offering opportunities to smaller producers, especially when handcrafted inputs are required.

b. *As Exporters*

For decades, France and Italy have been major worldwide exporters of apparel, accessories and home furnishings, while U.S. designers relied for years on their home market as sufficient outlet for their products. Now many designers are

following the example of Ralph Lauren who, in 1981, opened in London the first of a worldwide network of boutiques. His stores in Paris and London sell more on a per-square-foot basis than does his store in New York.

Major retailers also are seeking growth through international expansion, exploiting the disappearance of geographic and economic borders in Europe and North America, and a growing middle class in many countries in Latin America and Asia.

C. RESULTS

1. **Training** – Participation and interest in NIEDA seminars and workshops were considerable. The positive comments in the *evaluation form* – distributed by NIEDA – indicate their impact. Copy of these forms have been submitted prior to this report.
2. **Dissemination of information** – The team's activities were frequently covered by newspapers, television, and radio (ANNEX III).
3. **Market linkages** – It is most significant that the handcrafted products presented have attracted, as of now, the keen interest of the following companies:
 - a. **Takashimaya New York Inc.**
The Executive Vice President is considering the feasibility of a promotion where a Malagasy product story would be presented in its Fifth Avenue store. To this effect, the Executive Vice President requested photos of the full product range of La Mode Enfantine, as well as photos of all the products brought to New York by NIEDA;
 - b. **Saks Fifth Avenue**
Its London or Paris buying office will work out the modalities with Paco and La mode Enfantine for ordering products for Saks Fifth Avenue;
 - c. **Bergdorf Goodman**
Top management is interested in a range of skills, materials and products, and division buyers are studying the samples at this time;
 - d. **Bill Blass**
Its Creative Director plans to use a number of the skills and materials for the Fall Collection;
 - e. **Oscar de la Renta**
The Vice President - Textiles is very interested in the embroidery of Paco and Maison I.D. Art Mony for the coming Couture Collection;
 - f. **Calvin Klein**
The Creative Director has requested samples from Paco, Femmes Artisanes de Madagascar, Mirado, Madagascar Arts, Jeri Amboanjobe, and An-i-Ra;

-
- g. *Judith Leiber*
The Creative Director has requested special samples from Paco;
 - h. *Lambertson-Truex*
Mr. Lambertson has requested samples from Mirado, Femmes Artisanes de Madagascar, and Madagascar Arts. He plans to utilize Malagasy materials for the coming collection, since it was too late for the Spring Collection;
 - i. *Donghia*
Has test ordered materials from Femmes Artisanes de Madagascar and Mirado, and has requested swatches from Madagascar Arts;
 - j. *Neiman Marcus* and *The museum Company.com*
NIEDA will meet with executives at these companies in September, after the conclusion of NIEDA mission to Ghana;
 - k. *Decision makers visit to Madagascar*
A number of executives would consider a brief visit to Madagascar to explore sourcing possibilities, with the assistance of a Malagasy facilitator to make their time productive.

IV. MARKET REACTION

What follows are the evaluations of the experts and decision makers who examined the samples – and viewed photos – with some of their remarks.

A. HANDCRAFTED TEXTILE PRODUCTS

1. HAND-EMBROIDERY

Sample #1 (embroidered resort outfit)

All experts agreed that the quality of the hand embroidery ⁸ is excellent, and the price is fair. The quality of garment manufacturing is good, and the price is competitive.

“Chic looking . . . quality will always be in demand (garment)”

“Superb (embroidery)”

“Just wonderful . . . you can see they have been at it for a while (embroidery)”

“Neat workmanship . . . inside and out (garment manufacturing)”

“Very neat . . . the workers took care (garment manufacturing)”

Sample #2 (embroidery detail)

“Very good indeed . . . compliments”

Sample #3 (disco outfit)

Buyers are interested, in principle, in products made with domestic materials, since it lowers product costs.

“Very poor fabric . . . and to think of all the hand-work that went into it”

Sample #4 (girl's dress)

All experts concurred that this dress is very well made from every point of view – the smocking, the embroidery, and the stitching. The price is very competitive.

“Many make smocking, but not with this quality and at this price”

“Great workmanship, great buy”

“Very professional in every detail ⁹”

Sample #5 (girl's dress)

This is just one item of a wide product range.

“It looks good . . . classic style . . . very incentive priced”

⁸ NIEDA showed samples PACO had sent to one of the interested firms.

⁹ NIEDA presented a photo album – sent to New York – with the firm's entire product range.

“A lovely party dress . . . a mother would fall in love with it”

Sample #6 (*embroidered vest*)

The quality of the hand embroidery is exquisite. The making up of the garment is good.
The price is competitive.

“Very subtle and understated”

“Fine details, excellent workmanship”

Sample #7 (*embroidered pouch*)

This is an item for upscale retailers whose clients would appreciate the perfect embroidery and the quality of finish.

“Simply lovely . . . the price is good”

Sample #8 (*monogram*)

All experts agreed that the workmanship is fine, and that prices are very competitive.

“Very elegant, right for the top of the market”

Sample #9 (*monogram*)

“In New York, it would cost as much as 50 times more and not made as well”

Sample #10 (*swatch of hand embroidery on knit*)

This swatch exemplifies the versatility and excellence of Malagasy embroiderers.

“Fine workmanship . . . price right on”

Samples #11 (*embroidered suede jacket and silk skirt*)

The production of quality leather products requires suitable equipment to permit the development of a wide product range, to insure precision and quality of finish and to reduce production time and costs.

“Good quality for a first leather sample . . . unexpected (jacket)”

“Very attractive and elegant . . . it's so nice to see things well made (jacket)”

“Inside very neat and clean . . . very encouraging (jacket)”

“Good sample, but can they maintain this quality in production? (jacket)”

“Very appealing fabric . . . and transparent enough for today's trend (skirt)”

“Lovely fabric, but the width – 19 inches – is not enough for garments (skirt)”

Sample #12 (*T-shirt*)

The quality of the embroidery is similar to the one on the suede jacket. This item exemplifies the utilization of a fine craft skill with a product with narrow profit margins and limited trade potential.

“It’s wasted”

2. HAND-WEAVING**Sample #13** (*two-piece outfit with vest*)

This is the first tailored garment, realized during a weekend, to encourage experimentation and diversification.

“Looks neat . . . the material is too stiff . . . it’s also the interfacing”

“Attractive look, but the overall quality needs upgrading”

“Looks fashionable . . . more a showpiece than a wearable garment”

Sample #14 (*raffia and silk vest*)

“A very interesting texture . . . ideal for fine accessories”

Sample #15 (*swatch of wild silk fabric*)

Since the production of wild silk is limited, it has to be targeted to market niches where exclusivity is at a premium. The quality of hand-woven fabrics is good, but a range of innovative textures, designs, and colors have to be developed for quality apparel and home furnishings.

“Good texture, warm earth color . . . right for high-end upholstery and pillows”

“People have to be educated about these materials and its origins”

“Ideal for accessories . . . has texture”

Sample #16 (*swatch of silk fabric*)

The combination of two types of silk creates an appealing effect. The competitiveness of this skill and material is in direct relation to the type, quality, style, and label of the finished garments or home furnishings.

“Beautiful hand, very soft and sensuous”

“Handsome fabrics for a very selective customer”

“You need a label to give it authority”

Sample #17 (*swatches of woven raffia*)

Top designer/manufacturers see a good potential in products made in hand-woven materials, and like to see new swatches – in different weights, textures, and colors – especially at the planning phase of their new collections.

“Fine materials . . . it’s all what you do with it”
“Good skill . . . wonderful for accessories and home furnishings”

3. *HAND-PAINTING*

Sample #18 (hand-painted resort wear)

The work of this dedicated, skillful artist/artisan was not enhanced by the quality of the fabric, which not only changed color after washing, but also shrank considerably.
(This necessitated the unusual cut of the outfit.)

“Delicate hand-painting . . . if it weren’t for the fabric”
“A direction to pursue”

Photo #19 (current production by Ifara)

Well-made home furnishings decorated with Malagasy themes.

B. *HANDCRAFTED ACCESSORIES*

Samples #20 (handbag and sandals)

The quality of the various inputs ranges from poor to good. The hand-woven component is well made, although it should have been more tightly woven. Leather workmanship needs upgrading. The quality of the zebu horn components can be easily upgraded for a first rate product. This first prototype requires further development, and when perfected, it would be a product for the domestic markets. Even when all these requirements are met, the lack of quality leather tanned in Madagascar would preclude access to the international quality market.

“Careless leather workers . . . poor stitching, glue stains . . . (sandals)”
“The overall quality is rather poor (handbag)”
“Well crafted, considering that it is a first endeavor (zebu horn components)”

Samples #21 (raffia clutches)

The weaving skill and the materials are good. The finished products are aimed at a price-conscious consumer and priced accordingly. For the better quality market, these skill and materials should be applied to sleek, innovative accessories with a perfect finish.

“The price is right . . . an item with an attractive price/quality ratio”
“A simple, attractive product . . . good price . . . not much room inside”
“Feel nice to the touch . . . good colors . . . a little too flimsy”
“Good buttons with the raffia . . . they have a real handmade look”

Samples #22 (*colored zebu horn ornaments*)

These items show creative talent, good workmanship, and attention to details. However, the quality market would require better metal findings. These are one-of-the-kind pieces for sophisticated consumers who like bold, arresting ornaments. The price is fair for such wearable art.

“You can see a lot of artistry”

“Very distinctive and eye-catching”

“Great colors and shapes . . . Chagall comes to mind”

“I would like to see them in natural horn color as well”

Photo #23 (*ebony sculpture*)

This is just an indication of the creative talent that exists in Madagascar.

Sample #24 (*zebu horn jewelry*)

Every expert admired the sleek, elegant design of the one-piece bracelet. The matching bracelet and necklace are right for consumers who like a “tribal look”.

“Good workmanship . . . an area with good potential”

“Well made, if they can do this, they can do much more”

“They have the skill”

Samples #25 (*zebu horn jewelry*)

Artisans crafting zebu horn are very skillful, but they could apply such skill to more distinctive, differentiated items. Prices are competitive, considering the mark-up applied by the retailer.

“Good skill . . . elegant and simple”

“They can obviously widen the range”

C. HANDCRAFTED DECORATIVE ITEMS**Photo #26** (*model of Chinese junk*)

Model ships, like model cars, have a wide appeal that transcends nationality and culture.

“Good skill – it would give a classy touch to any room”

“A great amount of work . . . handsome”

“It would fit nicely in most settings”

“There is a market for reproductions . . . just think of all the museum shops”

Sample #27 (amethyst grapes)

These are attractive items for tourists and represent an ideal memento to bring back from Madagascar. These products could not be targeted to an upscale market, due to design and quality of finish.

“The workmanship is fair, prices are fair . . . for television shopping”

“The brass should be better polished (Note: the brass leaves tarnished after a while)”

“The different brass components are not soldered together neatly”

“The metal parts need better finish”

Sample #28 (cornelian grapes)

The same skills and materials could be applied to more distinctive products of quality.

“Novelty items . . . they need new ideas”

“Showy . . . a novelty item for souvenir shops”

“Lots of work, good skill, the wholesale price could be rather competitive”

Sample #29 (candleholders)

These decorative objects are right for the tourist market. For export, these artisans need to focus on product diversification and better quality of finish. As they are, they could be marketed through television shopping channels.

“Pretty . . . a charming souvenir”

“With such precision, maybe they could make miniatures”

“There is a big market for collectibles”

“Low-end items . . . an attractive combination of materials, colors, and shapes”

“Prices are good for the amount of work and the type of materials used”

Photo #30 (candleholder/vases)

The craftsmanship is good, and the materials are as varied as they are appealing. However, the upscale market seeks more innovative applications of similar resources.

“Colors are appealing and the quality seems good”

“These pieces seem well crafted”

“They need new designs”

D. HANDCRAFTED HOME FURNISHINGS**Photo #31 (nest tables)**

“You have to romance it . . . it’s mainly a question of promotion”

“They look very intriguing . . . a great conversation piece”

Photo #32 (armchair)

Interior designers could use this upholstery for upscale home furnishings of every type. Only selected clients, however, would have the means and the appreciation for such heirlooms to be.

“Regal . . . fit for a king”

“You want to touch it”

“Would like to see a broad design range”

Photo # 33 (palissander chest)

This type of furniture, however well made, has to compete on a price basis with similar items produced by large factories that may be closer to the target market.

“Items for affluent local or regional clients”

“It looks like a solid, well constructed piece”

V. THE BOTTOM LINE

Based on the evaluations of the experts and decision makers, the overall conclusions on the trade potential of craft-based product groups can be summarized as follows.

A. HANDCRAFTED PRODUCTS

1. *Textile Products*

- a. Hand-embroidery – Prospects are excellent given the superb quality and the competitive price;
- b. Hand weaving – Silk fabrics and fine woven raffia have very good potential with the top market, which can bear the relatively high cost of such materials – however, weavers need to develop periodically new textures, designs, and colors to sustain market interest;
- c. Hand painting – Although skillful, artist/artisans tend to repeat the same themes. A more distinctive character would capture the attention of retailers seeking differentiated merchandise.

2. *Accessories*

- a. Exports of raffia hats and handbags are growing, and linkages with well-known labels would lead to further market expansion;
- b. Ornaments in zebu horn have good prospects, given the prevailing skill of Malagasy artisans;
- c. The overall quality of the leather accessories limits their marketability to the Malagasy and regional market.

3. *Decorative Items*

- a. There is a good market niche for model ships, since they are well crafted and well priced;
- b. Decorative objects in semiprecious stones lack the originality that would appeal to an upscale market. These artisans could apply their skill more profitably to more distinctive items, perfectly finished, if provided with technical assistance.

4. *Home Furnishings*

- a. The best prospects are offered by small furniture pieces combining prized materials like silicified wood and handcrafted palissander for end tables, or embroidery and hand carved palissander for footstools;
- b. Market share of raffia products, such as wall coverings, can only increase with the implicit endorsement of firms known worldwide for quality, such as Donghia.

B. MANUFACTURED PRODUCTS

1. *Apparel*

Experts agreed that garments, made with handcrafted components, show that manufacturers have the basic skills for quality markets. However, they need technical assistance to upgrade quality to produce merchandise right in every detail.

Malagasy producers have a competitive advantage with labor intensive, quality products for the high end of the market, such as retailers' private labels.

2. ***Textile Home Furnishings***

Garment manufacturers can produce quality home furnishings in handcrafted textiles, once they acquire the know-how for making quality apparel.

C. **COMPETITIVE ADVANTAGES**

1. ***Price***

Given the low cost of skilled labor, prices are generally competitive, and very competitive in some instances.

2. ***Raw Materials***

The wealth of natural resources, such as raffia, palissander, and semiprecious stones, places Malagasy entrepreneurs in a very favorable position as exporters. However, as in the case of raffia, such resources could be overexploited.

D. **CONSTRAINTS**

1. ***Availability of Quality Materials***

Cotona sells locally only 6% of its export-quality textiles, and minimums are set regarding order size. The low quality of zebu leather tanned in Madagascar would prevent the export of leather goods to quality markets.

2. ***Telecommunication***

The difficulty, cost, and unreliability of international communications can seriously affect business relations with firms that expect speed and efficiency at every step.

3. ***Lack of Experience***

With few exceptions, Malagasy SMMEs do not have experience in dealing with top foreign companies. Consequently, they lack the necessary know-how in many respects, from assembling a proper swatch book to delays in replying to messages.

4. ***Design***

Practically every expert reiterated the need for styling input for the better quality market. Entrepreneurs themselves acknowledge their reliance on foreign designs.

5. ***Volume***

Small-sized enterprises need to cooperate with each other in fulfilling orders that may exceed their production capacity. Orders may range from few dozens, with repeated reorders, to larger orders depending on the type of product. In general, initial orders are small, since importers test new suppliers to avoid the risk of finding themselves with empty shelves for late or no delivery

5. *Lead Time*

For large U.S. retailers, distance can pose a problem, and some cut their sourcing time by importing merchandise from countries close to the U.S. However, lead times vary with the type, uniqueness, and price/quality ratio of the merchandise.

VI TRADE POTENTIAL OF CRAFT-BASED INDUSTRIES

A. BACKGROUND

Globalization and mass communication offer the opportunity to greatly expand economic ties, inter-cultural exchange and understanding, but they also threaten the survival of cultural differences. Progressively, economic and social development programs place emphasis not only on socio-economic impact, but also acknowledge the obligation of transmitting the cultural legacies of past generations to the future ones.

Handicrafts are a manifestation of a living culture, like other expressive forms such as language, arts, music, dance, poetry, and literature. They are part of a cultural heritage and can be used to provide employment, generate income, and alleviate poverty. In Madagascar, where handicraft production remains a significant cultural and economic activity, the handicraft sector is comprised of two distinct segments — the traditional and the contemporary.

The traditional segment is composed of individual artisans, such as raffia hand-weavers, who work at their own homes, and are paid on a piecework basis. There are also small workshops, headed by a master artisan who develops the designs, finds markets, finances the purchase of materials, manages the business, and supervises production of other craftsmen at the workshop.

The contemporary segment is exemplified by *Paco* where 120 to 300 embroiderers work in a factory-like setting, executing designs provided by clients. These enterprises have a competitive advantage over smaller producers, given the cost and quality of their products, and their above-average marketing capability.

The traditional segment, however, can compete successfully by developing marketable items with a distinctive character that provides the basis for differentiated handicrafts that can capture a more protected, less competitive market niche with higher margins of profit.

B. EXPORT STRATEGY

1. *TARGET PRODUCT GROUPS*

The proposed program would target the following product groups with best immediate potential, according to market feedback:

- Handcrafted textile products
- Handcrafted accessories in raffia and zebu horn
- Handcrafted decorative items
- Handcrafted home furnishings.

An export breakthrough of Malagasy handicrafts in a most visible and demanding market, such as the U.S., would spotlight all crafts, and lifts many other producers.

2. **QUALITY AT EACH PRICE POINT**

For some consumers, quality is a matter of status – a designer name, a good image, and even a high price indicate quality. For other consumers, quality is represented by the intrinsic characteristics of a product. The definition of quality, however, depends on whether a product is aimed at the mass, middle or luxury market. For a basic item, like a T-shirt, quality rests on factors like color fastness or minimal shrinkage. For a high-priced garment, quality is represented by such elements as matching fabric design, number of stitches per inch, buttonholes, and inside finish.

3. **DIFFERENTIATION**

Product design and variety of selection are increasingly important as competitive factors in industrialized economies, and companies constantly strive to produce differentiated products attuned to today's lifestyles and demographic changes. Consumers' frequent complaint is that retail stores carry the same merchandise, prompting some manufacturers and retailers to offer unique, exclusive merchandise and to ensure the continuing availability of fresh, new selections. As a way to differentiate themselves, a number of top retailers, such as Bergdorf Goodman, carry merchandise that cannot be found in other stores. This strategy offers smaller firms the opportunity to manufacture for retailers who seek some differentiation in their merchandise.

4. **PRODUCT RENEWAL**

For sustained growth, product development has to be an ongoing process with new product lines presented regularly to present markets and – progressively – to new markets. It is necessary that producers continually update and adapt their product offerings to meet the ever-adapting challenges of their international competition. Companies win market shares by offering differentiated products other manufacturers will try to emulate. By the time competitors can supply the market with similar products, successful companies have already developed new products.

5. **ROLE OF ARTISTS**

One way to differentiate products is to tap the talent of artists who “*are an economic good*” as J. K. Galbraith stated. The development of commercial products can provide artists with the opportunity to venture into forms of expression with different parameters – a challenge that can be very rewarding in economic terms as well.

6. **VALUE PRICING**

Price is becoming a progressively significant factor in deciding a purchase. Value pricing is the retailing industry's response to consumers' demand for the right combination of quality, fair price, and good service. Price plays a big part in what consumers buy and where they buy it. Successful retailers' strategy is to provide the selection and value that customers want, at prices they can afford. Producers who offer products of quality, in trendy and functional designs – at competitive prices –

have the best opportunities for export, be the merchandise targeted to the upper, middle or low end of the market.

7. ***MARKET INFORMATION***

One of the critical elements in any product development plan is an understanding of market size and trends, combined with the ability to anticipate or create new trends. Awareness of what the market could accept, allows producers to seize opportunities and avoid the danger of the "hit or miss approach" in product development.

With improved technology, retailers can better identify the buying preferences of the various groups of customers they serve. It is also important to understand the significance of shifts in the structure of a country's population, because such shifts influence the demand for specific product groups. This data is also crucial in projecting how fast a trade area is growing and in meeting the changing needs of its population.

8. ***THE DOMINO EFFECT***

The linkages of Malagasy producers with top U.S. designer/manufacturers would be significant not only for the volume of their orders, but for their impact on other manufacturers. The reputation of leading retailers, carrying merchandise made in Madagascar, would also become an invaluable promotional tool with other retailers. Such implicit endorsement could be effectively used to position craft-based industries, and overcome the resistance that confronts new vendors from a country not widely known for quality consumer goods.

VII. PROPOSED WORK PROGRAM

The Work Program would entail the following tasks:

- Task 1 — Identification of enterprises;
- Task 2 — Identification of local NGOs;
- Task 3 — Identification of local support service providers;
- Task 4 — Identification of Government agencies' officers;
- Task 5 — Identification of sources of materials;
- Task 6 — Selection of technical specialists;
- Task 7 — Training;
- Task 8 — Development of swatches;
- Task 9 — Development of new business linkages;
- Task 10 — Development of products;
- Task 11 — Identification of Malagasy designing talent;
- Task 12 — Buyers visit to Madagascar;
- Task 13 — Production development;
- Task 14 — Publicity program in Madagascar;
- Task 15 — Publicity program in the U.S.A;
- Task 16 — Market presentation;
- Task 17 — Selection of sales representatives;
- Task 18 — Supervision of order fulfillment;
- Task 19 — Selection of one Malagasy and one U.S. facilitator;
- Task 20 — Private sector mobilization;
- Task 21 — Inclusion of additional producers;
- Task 22 — Support building;
- Task 23 — Program transfer;
- Task 24 — Program assessment.

Task 1 — Identification of Enterprises

Assistance would be targeted to those enterprises that can be more easily positioned to supply quality products to the U.S. market. Given the high visibility envisaged by the program, the capability of participating producers is key to its success. If a producer failed to fulfill an order as specified, that enterprise would be blacklisted, and such outcome would influence market's perception of other participating producers. Excellence of skill alone is not sufficient to export — a firm's efficiency, size and resources are determinants in its ability to handle the complex task of timely delivery of merchandise, of consistent quality, in quantities, styles, and colors stipulated.

The proposed program would include the following enterprises, grouped by their main activity:

- a. Hand-embroidery
 - Paco
 - La Mode Enfantine
 - Maison I.D. Art Mony
 - Groupe IMES
- b. Hand-woven raffia items

- Femmes Artisanas de Madagascar
- Madagascar Arts
- Maintexport
- c. Handloom weaving
 - Mirado
- d. Hand-painting on fabric
 - Yfara
- e. Garment assembly
 - Texima
 - Maintextile
- f. Handcrafting of ship models
 - Cent pour Cent
 - Marina
- g. Handcrafted items in wood and semiprecious stones
 - Lisy Art Gallery
 - Galerie Santrata
 - Hazovato
 - C.E.M.
 - GMM
- h. Handcrafting of zebu horn
 - An-i-Rà
 - Jery Amboanjobe

In addition to the above producers, the program would include other qualified enterprises not reached during NIEDA mission to Madagascar.

Selection criteria — The selection of producers are based on these criteria:

- Excellence of skill
- Type/range of products
- Product quality
- Potential for upgrading
- Working facilities and equipment
- Potential for expansion
- Production flexibility
- Commitment to quality
- Entrepreneurship.

Location also would be a consideration, since technical assistance has to be provided – for logistical reasons – to firms clustered in a limited geographical area. Undoubtedly, enterprises in other areas of Madagascar would qualify for inclusion in the program. The challenge, however, is to obtain the greatest impact with available resources. Focusing on areas where there is a concentration of enterprises engaged in similar activities allows efficient utilization of expertise, thus lowering the cost of delivering technical assistance.

Producers, who do not yet qualify for inclusion in the program, would be included subsequently as they upgrade their quality standards. Seminars and workshops would be held periodically to enable program participation. Such training would also reaffirm USAID's commitment to assist as many SMMEs as feasible.

Task 2 — Identification of Local NGOs

In accordance with their resources and capabilities, the involvement of local NGOs would be a key element in the implementation of the entire program. NIEDA would identify and train a core group of instructors – presently working with craftspeople in rural areas – to enhance their capabilities to train those artisans not reached directly by NIEDA. These instructors would be trained together with the owner/managers of participating enterprises.

Task 3 — Identification of Support Service Providers

Malagasy and regional organizations, such as PRIDE, could be involved in the program.

The objective would be to:

- Maximize program impact;
- Transfer know-how;
- Promote these organizations' services;
- Establish cooperation among producers, NGOs, and private service providers;
- Lay the groundwork for the continuation of the program by Malagasy and regional organizations without foreign expertise.

Task 4 — Identification of Government Agencies' Officers

NIEDA would work in close collaboration with a number of officers involved in the handicraft industry and trade development. These officers would enhance their knowledge through hands-on training on tasks that are relevant to the services these agencies provide.

Task 5 — Identification of Sources of Materials

Together with producers, NIEDA would select the materials required for the development of products and their subsequent production. The identification of the most cost-efficient vendors is critical to firms' competitiveness. Sourcing involves searching for materials required to meet production schedule and profit objectives in terms of specific quality, quantities, delivery dates, and costs. Important considerations include vendors' reputation, credit ratings, lead-time, minimums, and proximity. Innovation is also an important factor for high-end products.

Task 6 — Selection of Technical Specialists

NIEDA technical specialists would assist producers to meet the requirements of the quality market in the following sectors:

- a. Handicrafts sector:
 - Expert in handcrafting wood;
 - Expert in handcrafting semiprecious stones.
- c. Garment manufacturing sector:
 - Pattern maker;
 - Production specialist.

Task 7 — Training

To be cost-effective, NIEDA experts would impart:

- *In-factory training* – in product and production development – to rotating NGOs technical instructors, while they are providing technical assistance to producers at their production units;
- *Group training* in product and market development through workshops and seminars for interested producers, NGOs instructors, and Government officers.

Task 8 — Development of Swatches

To begin the process of product development, craft organizations would develop new swatches embodying different skills and materials. Such swatch books would be presented to designer/manufacturers and retailers who would select the skills and/or materials best suited to their market niche. Development of new swatches would be an ongoing process, and their presentation would be timed with the planning stage of designer/manufacturers' new collections.

Task 9 — Development of New Business Linkages

From inception of the program, NIEDA would establish new business linkages with designer/manufacturers of home decor, apparel, and accessories, and with key retailers. Specifically, NIEDA would:

- Present swatch books;
- Provide relevant updates about the program;
- Provide information about Malagasy producers;
- Follow up with linkages already established;
- Establish new business linkages.

Designer/manufacturers and retailers could source:

- Handcrafted materials, such as silk fabrics or woven raffia;
- Handcrafted components, embodying such skills as embroidery or hand painting;
- Finished products, with handcrafted inputs, made according to their specifications;
- Existing handcrafted products, such as model ships.

Task 10 — Development of Products

NIEDA technicians would assist each qualified enterprise with the making of a number of quality products in the categories in which it specializes. Such products would be:

- Based on designs provided by designers and/or retailers;
- Developed by producers in conjunction with the NIEDA team – products that would bear the producer's label.

In addition, technicians would assemble and coordinate a *presentation line* for the market presentation in New York. Such line would comprise selected quality items made by participating producers – items coordinated for an integrated product statement.

Inter-industry linkages – The development of the presentation line would strengthen cooperation among producers, eventually leading to joint training centers and marketing activities. With such approach, SMMEs would gain access to facilities and expertise they could not afford individually.

Task 11 — Development of Malagasy Design Talent

NIEDA experts would identify and guide the most promising local product designers with the preparation of distinctive items. Some of these items would be included in the market presentation to begin and build name recognition for Malagasy creative talent.

Task 12 — Buyers Visit to Madagascar

While products are being developed, two or three key buyers would be invited to Madagascar, for one week, to meet producers, visit facilities and preview the products. These buyers would be selected for their clout and for their interest, in principle, in organizing a Malagasy promotion in their stores. Main objectives of such visits would be to:

- Pre-sell;
- Establish direct market linkages with retailers;
- Obtain feedback on product lines.

Task 13 — Production Development

While NIEDA technicians are assisting each firm to make prototypes of differentiated products, they would also plan production, which includes the determination of the sequence of operations for each product as well as the production time for each operation. In addition, technicians would identify potential bottlenecks that would affect order fulfillments.

These experts would transfer the know-how necessary to make production as efficient as possible, to insure quality and cost-effectiveness. Specifically, the main tasks would be to:

- Estimate and control production costs;
- Schedule work flow and production;
- Train workers;
- Establish a quality control system;
- Set up procedures for packing, shipping, billing, etc.

Task 14 — Publicity Program in Madagascar

To continue the trade mobilization process, special publicity kits would be prepared for the Malagasy press to:

- Highlight USAID role in supporting SMMEs;
- Spotlight best performing enterprises as models;
- Sensitize the public sector about program impact;
- Highlight the role of NGOs involved.

Task 15 — Publicity Program in the U.S.A

The new product lines would be publicized with news and photo releases to stimulate interest. Editorial publicity – product coverage in editorial columns – is one of the least expensive, but most effective communication tools. The public believes information presented as news – through print, radio, and television – while it remains skeptical of paid advertisements.

To promote other industries simultaneously, publicity kits would include pictures of products photographed against Malagasy tourist attractions and resorts. Airlines, hotels, tour and car rental companies may be interested in such editorial exposure and share costs.

NIEDA would provide the *Ministère de l'Industrialisation et de l'Artisanat* and the *Direction de la Promotion du Commerce Extérieur, Ministère du Commerce* with a complete publicity kit for reproduction. Such kits could be sent to key trade partners prior to a trade mission or trade fair participation.

Task 16 — Market Presentation

NIEDA would introduce the *presentation line* with a highly visible market presentation in New York to highlight that Madagascar produces fine handcrafted products. Such market presentation, with links to designer/manufacturers and/or retailers, would attract simultaneously the attention of other designer/manufacturers, wholesalers, retailers, and consumers. By creating consumer interest, wholesalers and retailers are induced to consider Malagasy products.

Such presentation would exhibit and market handcrafted products, but would also build an image of Madagascar as source of quality consumer goods, and thus facilitate market penetration of other products. The positive image created would promote tourism as well, and facilitate the tasks of trade promotion organizations – private and governmental – which could schedule special activities in concomitance with such presentation.

Task 17 — Selection of Sales Representatives

Market presentation and editorial publicity would provide U.S. retailers with national and local coverage, and would also facilitate the enlistment of reputable sales representatives – catering to the quality market – who expect such support. NIEDA would select sales representatives with wide contacts with top specialty stores, boutiques, department stores, and direct marketers. Mass merchandising chains would not be a viable distribution channel for the type, quality, and volume of the proposed product lines.

Task 18 — Supervision of Orders Fulfillment

Once orders are placed, NIEDA experts would supervise the fulfillment of each order, from production to shipping. The task is to meet customer requirements – on-time delivery of merchandise of consistent quality, manufactured according to specifications.

Task 19 — Identification of one Malagasy and one U.S. Facilitator

Prior to program conclusion, NIEDA would select one facilitator in Madagascar, and one in New York who would be the link between U.S. and Malagasy enterprises. American firms would deal with the U.S. facilitator as the point person, since it would be too difficult to deal directly with each individual enterprise in Madagascar. The facilitator in Madagascar would serve the same function for Malagasy producers.

Task 20 — Private Sector Mobilization

Mobilization of SMMEs would be an ongoing process, and a special event would be organized at the conclusion of the program to publicize its impact, thus paving the way for similar initiatives targeted to SMMEs.

Task 21 — Inclusion of Additional Producers

Throughout the program, NIEDA would visit other producers and evaluate the assistance needed for inclusion in the program.

Task 22 — Support Building

NIEDA would keep local, national, and international organizations apprised of the activities and progress of the program and seek the cooperation of:

- *Training Institutions* – For SMMEs economic growth, one of the main contributing factors is the availability of relevant training;
- *Malagasy Organizations* – Trade development organizations may look at the program as a pilot, and identify those elements they can incorporate in their initiatives;
- *International Development Organizations* – Their potential involvement might permit to address some of the constraints confronting small enterprises, such as microfinancing.

Task 23 — Program Transfer

Prior to program conclusion, NIEDA would work with producer associations, Malagasy private service providers, NGOs, PRIDE, and any other relevant organizations, to map out the continuation of the program, as well as its transfer from NIEDA to a Malagasy group.

At program inception, NIEDA would engage a full time program assistant, who would bring a detailed knowledge of program implementation to the Malagasy group that would be entrusted with program continuation.

Task 24 — Program Assessment

At its conclusion, NIEDA would review the program and prepare a Report to outline:

- Results achieved – e.g. number of firms assisted, increase in employment, productivity, income, NGOs and service providers enhanced capabilities;
- Strengths and weaknesses of program design;
- Lessons learned and recommendations.

VIII. EXPECTED PROGRAM RESULTS

1. **Malagasy increased awareness** of U.S. market niches for quality handcrafted products.
2. **U.S. increased awareness** of market opportunities in Madagascar.
3. **Malagasy increased awareness** of market niches for quality handcrafted products in the:
 - Domestic market and regional markets;
 - EU market.
4. **Other benefits** would include:
 - Endorsement of Malagasy materials and skills by top U.S. retailers and designer/manufacturers;
 - Enhanced capability to develop competitive, higher value-added new products;
 - Enhanced quality standards and productivity;
 - Enhanced marketing capabilities of producers, individually and as a group;
 - Expansion of scale of operations;
 - Employment generation;
 - Increased cooperation among Malagasy producers;
 - Enhancement of services provided by NGOs and Malagasy organizations;
 - Mobilization of other producers.

IX. IMPLEMENTATION

A. TEAM COMPOSITION

Key staff

- Gino di Grandi, NIEDA President – expert in product and market development;
- Aldo Selvi, NIEDA Vice President – expert in buying behavior and product evaluation;
- Pietro Bianco, NIEDA Chief – garment production specialist and stylist

(NIEDA Profile and Fact Sheets — ANNEX IV)

Temporary staff

- 1 Crafts expert (semiprecious stones)
- 1 Crafts expert (wood)
- 1 Garment pattern maker
- 1 Marketing expert (handcrafted products)
- 1 Malagasy Program assistant.

B. DURATION

Assuming a 22-day work month, the total number of person/months required for the program would be 58 – subdivided as follows:

		Months
Gino di Grandi		
• Program preparation	1	
• In-country activities	4	
• Market linkages	4	
• Publicity	1	
• Market presentation	1	
• Training material & reports preparation	1	
Sub-total, Gino di Grandi		12
Aldo Selvi		
• Program preparation	1	
• In-country activities	5	
• Market linkages	3	
• Publicity	1	
• Market presentation	1	
• Training material & reports preparation	1	
Sub-total, Aldo Selvi		12
1 Crafts expert (semiprecious stones)		5
1 Crafts expert (wood)		5
1 Marketing expert (handcrafted product)		
1 Malagasy Program assistant		12
1 U.S. secretary		6
TOTAL MONTHS		<u>58</u>

X. BUDGET

US\$

Fee

di Grandi	264 days @ \$515/day	135,960	
Selvi	264 days @ \$515/day	135,960	
1 Crafts expert	110 days @ \$275/day	30,250	
1 Crafts expert	110 days @ \$275/day	30,250	
1 Marketing expert	132 days @ \$275/day	36,300	
U.S. Secretary	132 days @ \$130/day	17,160	
1 Malagasy assistant	264 days @ \$50/day	13,200	
	Sub-total		399,080

Travel

di Grandi: 4 R/T	NY/Madagascar/NY @ \$6,250 each	25,000	
Selvi: 5 R/T	NY/Madagascar/NY @ \$6,250 each	31,250	
2 Craft experts: 1 R/T each	NY/Madagascar/NY @ \$6,250 each	12,500	
	Sub-total		68,750

In-country travel

30,000

Per Diem

di Grandi	120 days @ 180/day	21,600	
Selvi	150 days @ 180/day	27,000	
2 Craft experts	150 days each @ 180/day	54,000	
	Sub-total		102,600

Swatches preparation (materials & labor)

9,000

Sample products (materials & labor)

15,000

Publicity kits (for U.S.A. & Madagascar)

24,000

Market presentation in New York (venue, displays, invitations, etc.)

150,000

Market linkages in U.S (travel & per diem for 3 people)

50,000

Buyers visit to Madagascar

45,000

Market linkages in Madagascar

5,000

Rental of facilities and equipment (group training)

12,000

Training material (audio-visual & printed, duplication, translation)

10,000

Insurance

10,000

Reports

10,000

Communications & supplies

12,000

Accounting

6,000

Fringe benefits & payroll taxes

20,000

Rent & other office costs

8,000

Miscellaneous

10,570

TOTAL COST**997,000**

ENTERPRISE PROFILES**Paco**

Year established: 1991

Main activity: hand embroidery of linen and home furnishings, hand rolling of scarves, and handkerchiefs

Number of workers: 120 permanent, 180 temporary

Export markets: several European countries

La Mode Enfantine

Year established: 1994

Main activity: hand embroidery of childrenwear

Number of workers: 50 permanent, 25 temporaries

Equipment: 10 sewing machines, 3 specialized machines

Production: 1,500 smocked dresses/month; 2,500 embroidered units/month

Export markets: France, Italy, Canada

Maintextile

Year established: 1994

Main activity: contract manufacturing of childrenwear

Number of workers: 320

Equipment: 190 sewing machines

Production: 35,000 units/month

Capacity utilization: 80%

Export markets: France (70%), other European countries (30%)

Maintexport

Year established: 1997

Main activity: handcrafting of raffia products (handbags, hats)

Number of workers: 40

Equipment: 20 sewing machines

Production: 2,500 units/month

Capacity utilization: 70%

Export markets: France (70%), other European countries (20%), Mauritius (10%)

Texima

Main activity: contract manufacturing of childrenwear

Number of workers: 125

Equipment: 100 between sewing and specialized machines

Production: 25,000 units/month

Export markets: France, Germany

Cent pour Cent

Year established: 1995

Main activity: handcrafting of ship models

Number of workers: 20 in showroom/workshop, 100 artisans as subcontractors

Export markets: France, which also imports half hulls for framing for re-export to Canada, North America and South America

Imes Productions

Year established: 1993

Main activity: hand embroidery of apparel, accessories and linen

Number of workers: 400

Production: 400 tablecloth/month

Capacity utilization: 30%

Maison I. D. Art Mony

Main activity: hand-embroidery of apparel, accessories and linen

Number of workers: 60 embroiderers, 13 sewing machine operators

Equipment: 10 sewing machines

Export markets: France

Madagascar Arts

Year established: 1993

Main activity: handcrafting of raffia products (baskets, placemats, wallets, cushions)

Number of workers: 11 full time, 45 part time

Equipment: 2 looms, 2 sewing machines

Production per week: 300 baskets, 160 wallets, 50 placemats, 40 cushion covers

Capacity utilization: 100%

Domestic sales: 3%

Export markets: France, Canada, USA, South Africa, Kenya, Zanzibar

Femmes Artisanes de Madagascar

Year established: 1986

Main activity: handcrafting of raffia products, hand weaving of raffia, silk and cotton

Number of workers: 6 permanent, 300 part time (according to orders)

Equipment: 168 horizontal handlooms and 14 vertical handlooms (at artisans' home),
2 looms and 12 sewing machines (at workshop)

Production: 500 raffia handbags/week, 300 hand-woven raffia rolls/week,
60 hand-woven cotton rolls/month, 24 hand-woven rolls of silk/month.

Domestic sales: 4%

Export markets: France, Australia, USA

Mirado

Year established: 1995

Main activity: sericulture, hand weaving of silk fabrics, making of apparel, accessories,
and home furnishings

Number of workers: 35

Production: 2,400 meter/year of silk fabric, production of wild silk variable,
19,000 meter/year of woven raffia

Capacity utilization: 40%

Domestic sales: 30%

Export markets: France

The Council of Fashion Designers of America congratulates the winners of the American Fashion Awards 2000

Womenswear Designer of the Year

Oscar de la Renta

Menswear Designer of the Year

Helmut Lang

Accessory Designer of the Year

Richard Lambertson & John Truex

Perry Ellis Award for Womenswear

Miguel Adrover

Perry Ellis Award for Menswear

John Varvatos

Perry Ellis Award for Accessories

Dean Harris

International Award

Jean-Paul Gaultier

Lifetime Achievement Award

Valentino

Humanitarian Award

Liz Claiborne for the

Liz Claiborne Art Ortenberg Foundation

Special Tribute

Bill Blass

The Dean of American Fashion

Special Award

The American Regional Fashion Press

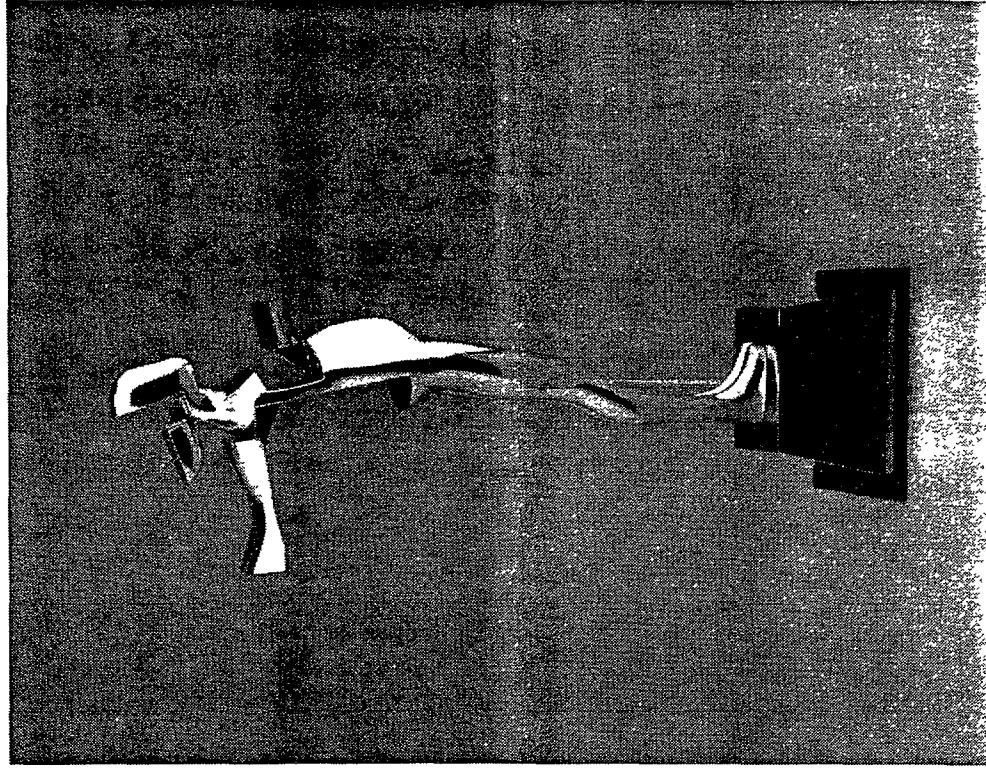
Presented to Janet McCue

Special Award

The Academy of Motion Picture, Arts & Sciences
for creating the world's most glamorous fashion
show, The Academy Awards

Most Stylish Dot.com

PleatsPlease.com



American Fashion Award design by Ernest Trova

Développement Du marché villageois au marché mondial

Dans le cadre du développement des exportations, une équipe NIEDA (Nouvelles idées pour l'aide au développement des exportations) est arrivée à Madagascar jeudi dernier. Cette mission est sponsorisée par l'USAID et séjournera à Madagascar jusqu'au 4 mai prochain. L'équipe est composée de Gino di Grandi, président, Aldo Selvi, vice-président, et de Pietro Bianco, technicien et styliste en chef.

L'objectif principal est d'intensifier le commerce international de produits d'artisanat, vêtements et accessoires, articles d'ameublement et de cadeau fabriqués par des petites, moyennes et microentreprises (PMME).

Les fabricants malgaches peuvent soutenir la concurrence avec succès en créant des articles commercialisables de caractère original afin de conquérir des tranches de marché mieux protégées où la concurrence soit moins forte et offrant une plus grande marge bénéficiaire.

Pour commencer, il est nécessaire de visiter un échantillon représentatif de PMME et dévaluer les possibilités d'exportation de leurs produits dans les catégories ciblées.

Il faut fournir une assistance technique à court terme pour rendre les PMME plus concurrentielles. En offrant à un échantillon représentatif de fabricants de

produits dans les catégories ciblées une assistance technique pour créer des produits différenciés - on améliore leur qualité.

Une autre tâche est la formation à la création de produits et de marchés dans deux ateliers et deux séminaires, afin de fournir des informations de base sur la qualité, le style, la fixation des prix, la promotion et la commercialisation. Le premier séminaire se tiendra le mardi 18 avril 2000 à 10 h à l'Hôtel Hilton Madagascar. Le dernier séminaire auront lieu le 25 avril, le 28 avril et le 2 mai 2000.

(Source: CCA)

L'EXPRESS
de madagascar

LUNDI 17 AVRIL 2000

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MIDI
adagasikara

ECONOMIE

Lundi 17 Avril 2000

n° 5076

Assistance américaine à l'artisanat malgache

Une équipe de NIEDA (Nouvelles idées pour l'aide au développement des exportations) est dans nos murs depuis le 13 avril 2000. Cette mission américaine a pour objectif d'intensifier le commerce international de produits d'artisanat et d'aider les artisans malgaches à intégrer ce marché. L'équipe de NIEDA effectuera une visite de quelques petites, moyenne et microentreprises locales, identifiera par la suite les possibilités d'exportations de leurs produits. Deux séminaires et deux ateliers axés sur la formation à la création de produits et de marchés se tiendront au Hilton Madagascar les 18, 25, 28 avril prochains et le 02 mai 2000.

Didier Rambelo

PROMOTION DES PMME

DU MARCHÉ VILLAGEOIS AU MARCHÉ MONDIAL

Dans le cadre du développement des exportations, une équipe NIEDA (nouvelles idées pour l'aide au développement des exportations) - mission sponsorisée par l'Usaid - séjourne à Madagascar jusqu'au 4 mai 2000.

L'objectif principal de cette mission est d'intensifier le commerce international de produits d'artisanat, vêtements et accessoires, articles d'ameublement et de cadeau fabriqués par des petites, moyennes et microentreprises (Pmme).

Les fabricants malgaches peuvent soutenir la concurrence internationale avec succès en créant des articles commercialisables et de caractère original, afin de conquérir des tranches de marché mieux protégées mais où la concurrence est moins forte et offrant une plus grande marge bénéficiaire.

Pour commencer, l'équipe va visiter un échantillon représentatif de Pmme et évaluer les possibilités d'exportation de leurs produits dans les catégories ciblées. Ensuite, une assistance technique à court terme sera fournie aux Pmme pour les rendre plus concurrentielles. En offrant à un échantillon représentatif de fabricants de produits dans les catégories ciblées une assistance technique pour créer des produits différenciés, on améliore leur qualité. Toutes ces actions seront soutenues par deux ateliers et deux séminaires qui fourniront des informations de base sur la qualité, le style, la fixation des prix, la promotion et la commercialisation.

Suivant l'équipe NIEDA, afin d'établir des relations avec le marché américain, les étapes suivantes doivent être accomplies :

- faire évaluer le degré de compétitivité (qualité, prix, style) des produits et matériaux par certains des principaux détaillants de New York;
- chercher sur le marché les informations nécessaires pour améliorer les produits;
- commencer à établir des relations d'affaires à l'intention des fabricants malgaches.

Recueillis par
Ranaivo Lala Honoré

B

Artisanat:**Les trois clés pour accéder sur le marché international**

La promotion de l'artisanat dépend en premier lieu de «la qualité des produits»; en second lieu, de «la diversification des produits» et en troisième lieu, de «la coopération entre les opérateurs d'un même secteur». Tels sont les messages de Gino di Grandi, président de NIEDA, expert en création de produits et de marchés lors du premier séminaire tenu hier au Hilton Madagascar par l'équipe NIEDA et consacré sur le thème «*Exporter... les principes de base*».

En effet, Gino di Grandi a affirmé que si les micro, moyennes et petites entreprises veulent percer davantage le marché international et faire face à la concurrence, elles doivent proposer des produits de qualité. «*Seuls les produits de bonne qualité peuvent*

intéresser les investisseurs étrangers», continue notre interlocuteur. Les partenaires vont venir de leur propre gré vers les artisans. Mais la qualité ne s'improvise pas. Les artisans doivent se spécialiser par le biais de la formation qui doit être considérée comme un investissement effectué par l'opérateur et non comme une charge à supporter. La morale à retenir selon encore l'intervenant est la suivante: «*Les produits doivent être non seulement des produits concurrentiels mais des produits permettant aux opérateurs d'acquiescer davantage de marchés*».

Mais si le fabricant propose un seul produit, il lui sera difficile de s'imposer sur le marché déjà globalisé, ce qui risque de compromettre son développement; son produit restera le même et l'entreprise n'avancera pas. Pour pallier à ce problème, Gino di Grandi conseille aux opérateurs de «*di-*

versifier leurs productions». Pour ce faire, ils ne sont pas obligés d'aller chercher loin. Ils peuvent partir d'un produit, faire marcher leur imagination pour en arriver à la fabrication d'autres biens tout aussi intéressants. Ainsi, il est plus facile pour le fabricant de prendre sa part de marché grâce aux divers choix de produits proposés.

Dans la majorité des cas, les commandes des clients dans un marché globalisé sont en grande quantité de telle sorte que les micro, petites et moyennes entreprises n'arrivent pas à les honorer toutes seules. Alors la question qui se pose d'après le président de NIEDA est formulée comme suit: «*Comment les petites entreprises devront-elles travailler face à une grosse commande?*» Il n'y a que la coopération qui puisse aider les petits opérateurs à réaliser une production en grande quantité, a affirmé cet expert;

travailler en réseau permet aux intéressés d'échanger, d'une part, les savoir-faire et les expériences de chacun et d'autre part, d'accroître la production du produit en question.

Mais devant tout cela, les opérateurs locaux ont soulevé le problème de financement qui revient chaque fois qu'on parle de promotion des micro, petites et moyennes entreprises. Ceux-ci affirment que les artisans ont le savoir faire mais les fonds leur font défaut. Pour cet expert international, ce problème ne doit pas se poser. Lorsque les produits proposés satisfont les conditions citées ci-dessus, les partenaires financiers n'hésiteront pas à octroyer des crédits pour les petits investissements déjà jugés prometteurs et là, Gino di Grandi a déclaré que NIEDA peut devenir un bon partenaire financier pour les fabricants.

Rambelo Didier**L'EXPRESS**
de Madagascar

MERCREDI 19 AVRIL 2000

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ARTISANAT

LE MARCHÉ AMÉRICAIN EN VUE

La mission de la Niedo (nouvelles idées pour l'aide au développement des exportations) sponsorisée par l'Usaid a débuté hier. Le programme d'atelier en faveur des artisans malgaches. L'objectif est de positionner l'artisanat malgache et les Pmme (petites, moyennes et microentreprises) dans une concurrence au niveau du marché mondial.

Parmi les différentes tâches qu'elle doit remplir, il faudra d'abord procéder à

l'évaluation des possibilités d'exportation (évaluer les produits dans les catégories ciblées, identifier les produits qui peuvent être commercialisés comme tels....) et ensuite procéder à la formation (fournir des informations de base sur la qualité, le style, la fixation des prix, la promotion et la commercialisation). C'est seulement après qu'on pourra envisager les relations avec le marché américain.



Gino di Grandi, Président du Niedo.

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ARTISANAT VOIE OUVERTE SUR LES MARCHÉS INTERNATIONAUX

Le séminaire organisé par la Nidea (Nouvelles idées pour l'aide au développement des exportations) en faveur des artisans malgaches pour une meilleure appréhension des exigences des marchés internationaux, a pris fin hier.

Sponsorisé par l'Usaid, le séminaire a été officiellement clôturé par SEMme Shirley Barnes, ambassadeur des États-Unis.

Lors de son intervention, elle a souligné que le séminaire est une aide précieuse pour améliorer la capacité des artisans malgaches à entrer en concurrence dans l'arène du commerce international.

Madagascar - avec le Bénin - a eu de la chance de figurer dans le calendrier de la Nidea comme étant les seuls pays francophones à bénéficier de ce type de formation.

Avec l'ingéniosité, la créativité et l'habileté des artisans malgaches, Shirley Barnes croit qu'elle trouvera bientôt leurs produits dans les magasins de renom des grandes villes d'Europe ou d'Amérique du Nord.

Mais l'ambassadeur n'a pas manqué de faire remarquer que ce sera difficile car les artisans doivent maintenir la qualité élevée de leurs travaux, assurer la régularité de

leurs produits. En d'autres termes, cela exige de l'honnêteté pour satisfaire les termes de commande.

Pour ce faire, il est primordial de mettre en place des structures adéquates, un régime d'import-export adéquat qui sera un outil promotionnel efficace qui servira aussi à attirer les investissements étrangers.

Le gouvernement américain est prêt, selon l'ambassadeur, à collaborer avec le gouvernement malgache pour créer les conditions institutionnelles et juridiques requises.

Par ailleurs, l'accès aux informations sur les marchés est aussi vital: les marchés sont de plus en plus fragmentés et diversifiés. Les artisans ont besoin de connaître les nouvelles tendances. Grâce à l'initiative Leyland, on peut dépasser cette contrainte par l'intermédiaire de l'Internet.

Tout compte fait, c'est une véritable profession de foi que l'ambassadeur des États-Unis a fait preuve sur les grandes potentialités des petites, moyennes et microentreprises malgaches, plus particulièrement, sur la créativité et les dons artistiques des artisans malgaches.

Ranaivo Lala Honoré



Un pur produit de l'artisanat local.

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PETITES, MOYENNES ET MICRO-ENTREPRISES

Les expériences de NIEDA

Invitée par l'USAID, du 18 avril au 2 mai à Madagascar, l'organisation américaine à but non lucratif New Ideas for export Development ou NIEDA a fait part des les expériences dans la promotion des exportations des PMME (petites, moyennes et micro entreprises) qu'il a vécues dans d'autres pays.

AFIN de permettre aux artisans de conquérir les marchés mondiaux et de concurrencer même les grandes entreprises, le président de NIEDA Gino di Grandi préconise l'innovation, la diversification des produits et la mise en réseau.

Prenant l'exemple d'un projet-pilote conçu par NIEDA auprès de PMME indiennes, Gino di Grandi, président de cette organisation, a expliqué au cours du premier séminaire qu'elle a organisé l'autre semaine au Hilton que les artisans indiens sont partis des techniques ancestrales qu'ils ont innovées. Des stylistes italiens et indiens ont adopté leurs produits. Les exportations italiennes au départ de l'Inde ont ainsi pu connaître une hausse de 188% en seulement 18 mois et le projet-pilote a permis de créer 55 nouvelles PMME. Les exportations allemandes et françaises ainsi qu'américaines en provenance de l'Inde ont enregistré également une augmentation notable avec respectivement un taux de 103%, 67% et 60%. La NIEDA a par ailleurs travaillé dans plusieurs pays d'Afrique dont le Mali et le Kenya et les résultats ont toujours donné aux PMME la possibilité de conquérir les marchés européens et américains.

En ce qui concerne Madagascar, Gino di Grandi explique que la mise en oeuvre d'un projet-pilote dépend des réactions des PMME malgaches. Au premier séminaire organisé par NIEDA le 18 avril dernier, une centaine de PMME ont apparemment répondu favorablement à l'appel de cette or-

ganisation. "Ce séminaire est une occasion de mesurer nos produits par rapport aux normes et tendances internationales", fait valoir William Randriamampita de la société de tannerie d'Ambohitrarahaba (Sotaam). Cette dernière mise

marché de l'Asie du Sud Est est aussi à conquérir mais à petits pas...

Si les PMME malgaches ont le talent et le savoir faire requis, elles doivent s'inspirer des valeurs et des cultures locales pour créer des produits



Gino di Grandi, président de NIEDA. Des techniques ancestrales innovées

La mise en oeuvre d'un projet pilote dépend des réactions des PMME malgaches

sur l'originalité des produits et pense marier le cuir au raphia ou à d'autres matières. Elle compte exporter dès cette année mais vers les îles de l'Océan Indien d'abord. Le

originaux. Au Mali, des couvertures qui n'ont pas trouvé preneur sont devenus des vêtements très prisés sur le marché européen. Au problème de quantité souvent rencontré

par les artisans pour répondre aux besoins du marché, la NIEDA propose une collaboration entre artisans.

La concurrence

La NIEDA estime que les PMME malgaches peuvent soutenir la concurrence avec succès en créant des articles originaux commercialisables dans des tranches de marché mieux protégées où la concurrence est moins forte et où la marge bénéficiaire est plus grande. La mission de la NIEDA consiste alors à évaluer les possibilités d'exportation des PMME, à apporter une assistance technique et à dispenser des formations. Elle se penche aussi sur les relations des PMME avec le marché américain. Dans un tel cas, la NIEDA procède à une évaluation du degré de compétitivité des produits et matériaux par certains principaux détaillants de New York, tout en commençant à établir des relations d'affaires pour les fabricants malgaches. La mission de la NIEDA comprend par ailleurs l'élaboration d'un plan d'action schématisé sur la création, la production et la commercialisation de séries de produits malgaches en Amérique du Nord. Pour cette organisation, les PMME sont la clé de la renaissance économique un peu partout dans le monde vu qu'en Europe, 86% des firmes de production sont des entreprises de moins de 20 employés. Elles tissent entre elles des partenariats et arrivent à se faire une place au soleil.

Les artisans malgaches doivent continuellement faire face à des problèmes financiers. La NIEDA pense résoudre cette difficulté par le biais des micro-finances. Elle a ainsi invité des professionnels du financement à son dernier séminaire pour leur démontrer les nouvelles opportunités et orientations dégageant des bénéfices dans le financement des PMME. Actuellement, quelques artisans qui ont commencé modestement, exportent sur des niches de marché très rémunératrices en Europe et aux Etats Unis

Fanjanarivo Symonette

NIEDA PROFILE

WHO WE ARE

Established in 1987, New Ideas for Export Development Aid, Inc. (NIEDA) is a not-for-profit, tax-exempt organization [501(c)(3)], which is funded solely through the services it renders. NIEDA founder and President, Gino di Grandi, has a notable track record in the private sector in the U.S.A. and Europe, where his companies made significant contributions in product development, promotion and marketing for multinational and national firms seeking to expand their domestic and export markets. Major export breakthroughs were achieved in several industries such as textiles & apparel (Italy), manmade textiles (U.K.), leather goods (India), wines & spirits and cosmetics (U.S.A.).

Gino di Grandi's decades-long experience in product and market development accounts for the successful outcome of export assignments carried out — in Africa, Asia and the Americas — for Governments, The World Bank, USAID and UNDP.

WHAT WE DO

NIEDA trademark is its pragmatic method to jump-start or boost exports of manufactured consumer goods, with focus on labor intensive industries. The key is an integrated approach to market expansion, combining market-driven product development with target market penetration via predetermined links with top buyers.

Due to di Grandi's achievements and reputation, NIEDA has access to prominent designers, manufacturers, retailers, merchandisers, and direct marketers in Europe and North America. NIEDA can also avail itself of the expertise of top designers, production specialists and marketing experts who apply the same creative and technical ability that accounted for the growth of significant industries, in both advanced and emerging economies.

NIEDA officers and technical specialists have a proven track record in:

- Motivating the private sector to enter or expand the export market;
- Providing high impact creative/technical assistance for product development, process upgrade and marketing;
- Sensitizing policy makers to the support required by the private sector for enhanced competitiveness.

NIEDA activities include: (a) export sensitization and identification of export capabilities; (b) firm and industry-level assistance in product and market development; (c) seminars on how to export the right product, at the right price and in the right time.

NIEDA specializes in the development of these industries:

- Textiles and leather
- Home furnishings
- Garment and accessories
- Gift items and jewelry
- Leather goods
- Cosmetics and fragrances.

In these industries, NIEDA provides innovative and practical solutions to key issues confronting present and potential exporters — what to produce that would sell, how to produce it, and how to sell it.

WHAT WE HAVE DONE

For over four decades, the di Grandi group has been responsible for trendsetting achievements in product and market development for the public and private sector.

PUBLIC SECTOR

Government of India – The di Grandi group formulated and implemented a project for the development, production, promotion and marketing of quality leather products for export. As result, India's exports of leather and leather goods (excluding footwear) went from \$398 million (1978-79) to \$640 million (1979-80), jumping from fifth to first place on the list of principal items exported.

In the public sector, assignments have entailed identification of sectors with best immediate potential, technical assistance for product differentiation and quality upgrade, training, market linkages. Such assignments have been carried out for:

Governments	Colombia, Kenya, Lesotho, Mali, Mexico and Peru;
The World Bank	Bangladesh, Comoros, Ethiopia, Jordan, Kenya, Madagascar, Mali, Mauritania, Mauritius, Mexico, Senegal, Sri Lanka and Uganda;
USAID	Bolivia, Costa Rica, Ecuador, Guatemala, Haiti, Madagascar, Kenya, Peru and South Africa;
UNDP	Bangladesh and Mongolia.

PRIVATE SECTOR

The Italian Fashion Industry – The di Grandi group launched the Italian fashion industry in the United States and Canada and promoted it for more than a decade. Within that period, from the first order of \$36,000, exports grew to over \$2 billion, when garments and accessories became the number one export.

Gucci, Pucci, Fontana, Brioni, etc. – In addition to the overall promotion of the "Made in Italy" label, most designers and manufacturers called upon the di Grandi group to launch and promote their products abroad.

ICI of Great Britain – The di Grandi group launched and promoted ICI's BRI-NYLON fiber in Italy; it also built an Idea Bank, for worldwide application, to promote and advertise its other fibers.

Kayser Roth Company – The di Grandi group launched "Supp-Hose" hosiery and promoted the firm's brands in 27 countries.

McKesson Liquor Company – The di Grandi group launched and promoted "Liquore Galliano". Within four years, Galliano became Italy's number one liquor export.

Revlon – The di Grandi group conceived, launched and promoted, worldwide, the "Princess Marcella Borghese" line of cosmetics. It became profitable in its second year, although market projections indicated that it would take seven years to break even.

Other Clients – Pepsi Cola; The Wool Bureau; Monsanto; FIAT Motor Co.; Trans World Airlines; Progresso Foods; Martini & Rossi; Cinzano; etc.

WHAT THEY SAY

The Bank's World – (The World Bank's magazine - cover story):

"A Model Project - Staff from NIEDA traveled to Senegal and Mauritania in September. They spent their time working with local manufacturers, artisans and artists and creating with them a small collection of samples that illustrated new product directions in various sectors: textiles and apparel, jewelry and home furnishings."

Executive Magazine – Kenya (cover story):

" 'Mission Impossible' Well Under Way . . . The more than 100 business executives, government officials, and representatives of donor aid agencies who gathered in Room 3 of the Kenyatta International Conference Centre on October 11, had little doubt in their minds that what they were witnessing was, perhaps, one of the most illuminating export-oriented exhibitions ever staged in Kenya."

Caretas Magazine – Peru

"The important thing now is the knowledge that with our products it is possible to repeat the same phenomenon which has taken place in other latitudes."

Prime Minister of India – Moraji Desai:

" . . . in the promotion of export of our leather garments in the international market, we have secured good orders for our goods. I appreciate the efforts of Dr. Gino di Grandi and Dr. Aldo Selvi in assisting us in this promotional work."

The Cleveland Press

"Indian leather would have remained in India, except for the intervention of the Government in approaching Gino di Grandi, the man who put Italian Fashion on the map."

The Metropolitan Museum of Art – Stella Blum, Curator, Costume Institute:

". . . the leather weaves, suedes and colors developed in India by your company are an invaluable record of the crafts of India, and this inventive use of leather and suede would certainly be an inspiration to designers."

USAID/Training Division – Andra Herriot, Chief:

"Both PRE (Private Enterprise Bureau) and M/PM/TD (Training Division) know of no other individual with the same depth and breadth of experience."

U.S. Dept. of Agriculture Graduate School – Michael Marquardt, Assoc. Head:

"Thank you very much for your excellent work in Haiti and the fine report. The Graduate School is proud to be associated with you in this effort."

Bangladesh Small & Cottage Industries – M. Sirajuddin, Chairman:

"I congratulate the United Nations Capital Development Fund for fielding a mission which has successfully given us new ideas about unique product development from Bangladesh."

Mexico - Banco Nacional de Comercio Exterior – Executives' comments:

"It was a magnificent seminar (International Marketing). New ideas sprang forth, ideas that can be applied in dealing with entrepreneurs and in approaching new projects."

Mauritius - Ministry of Industry & Industrial Technology – Yat Sin, Perm. Secy.:

"Your assignment in Mauritius had a positive impact and opened a new perspective for our textile industry."

FACT SHEET: GINO di GRANDI

Qualifications Expert in Export Development, International Business Promotion and Marketing

Education The Edmund A. Walsh School of Foreign Service,
Georgetown University
Facolta' di Scienze Politiche, University of Rome
Degree: Doctorate in Political Science

Experience President and owner of New Ideas, Ltd. (1965-1987)
Founder and President of New Ideas for Export Development Aid, Inc.
(1987 to present)

Public & Private Sector Projects

Government of India – Gino di Grandi and Aldo Selvi formulated and implemented a project for the development, production, promotion and marketing of quality leather products for export. As a result, India's exports of leather and leather goods (excluding footwear) went from \$398 million (1978-79) to \$640 million (1979-80), jumping from 5th to 1st place on the list of principal items exported.

The World Bank, USAID, UNDP – Gino di Grandi and Aldo Selvi identified export sectors with the best immediate potential in Bangladesh, Bolivia, Comoros, Costa Rica, Ethiopia, Haiti, Jordan, Kenya, Lesotho, Madagascar, Mali, Mauritania, Mexico, Peru, Senegal, South Africa, Sri Lanka and Uganda, where they developed diversified products utilizing traditional craft skills and existing manufacturing infrastructure. In addition, they formulated Plans of Action for the promotion and marketing of such products.

The Italian Fashion Industry – The di Grandi organization launched the Italian fashion industry in the United States and Canada, and promoted it for more than a decade. Within that period, from the first order of \$36,000, exports grew to over \$2 billion, when fashion products became the number one export.

Gucci, Fontana, Brioni, etc. – In addition to the overall promotion of the "Made in Italy" label, the di Grandi organization was called upon by most of the individual designers/manufacturers to launch and promote their products abroad.

ICI of Great Britain – The di Grandi organization launched and promoted ICI's BRI-NYLON fiber in Italy; it also built a Bank of Ideas, for world-wide use, for the promotion and advertising of ICI's other synthetic fibers.

Mckesson Liquor Company – The di Grandi organization launched and promoted the company's new product, made in Italy, called "Liquore Galliano". Within the first four years, Galliano became Italy's number one liquor export, with exports of over 300,000 cases per year.

Revlon – The di Grandi organization conceived, launched and promoted, world-wide, the "Princess Marcella Borghese" line of cosmetics, which began to show profit in its second year of operation, although market projections indicated that it would take seven years to break even.

Other Clients – NBC-TV; Trans World Airlines; Fiat Motor Co.; Progresso Foods; Martini & Rossi; Pepsi Cola Co.; The Wool Bureau, Inc.; The Monsanto Chemical Company; etc.

FACT SHEET: ALDO SELVI

Qualifications Expert in export sensitization, analyst of consumer buying behavior and market trends, and product evaluation expert

Education University of Florence, School of Medicine, MD Degree
University of Florence, School of Psychiatry, Doctorate in Psychiatry
New York University, Psychiatry Degree

Experience Principal Consultant, New Ideas, Ltd., (1965-1987)
Co-founder and Vice President, New Ideas for Export Development Aid, (1987 to present)

PUBLIC SECTOR PROJECTS

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PRIVATE SECTOR PROJECTS

For over two decades, Aldo Selvi has been responsible for significant innovations in promotion and marketing strategies, as Chief Consultant to New Ideas, Ltd. for:

- Imperial Chemical Industries of Great Britain
- Progresso Foods
- Martini & Rossi
- The Pepsi Cola Company
- The Wool Bureau, Inc.
- The Monsanto Company
- Revlon, Inc.
- Trans World Airlines
- Fiat Motor Company of Italy
- The McKesson Liquor Company

FACT SHEET:

PIETRO BIANCO

Qualifications

Specialist in apparel and accessories design, supervision of pattern making and production, quality control, selection/procurement of materials, and personnel training (textile, knit, leather, fur).

Education

Istituto Vittorio Alfieri, Rome, Graduate Accountant
University of Rome, School of Law

Experience

1958/59	Paris	<i>Balenciaga</i> - High Fashion	Assistant Designer
1959/62	Rome	<i>Fabiani</i> - High Fashion	Head Designer
1962/65	Paris	<i>Simonetta/Fabiani</i> - High Fashion	Head Designer
1965/67	Rome	<i>Assunta</i> - Furs	Head Designer/Pattern
	Rome	<i>Harbeit Brothers</i> - Ready-to-wear	Head Designer/Pattern
	Rome	<i>B.Altman</i> (USA) - Ready-to-wear	Head Designer/Pattern
	Rome	<i>Yolande</i> (USA) - Lingerie	Head Designer
	Rome	<i>Top Form</i> (USA) - Lingerie	Head Designer
	Rome	<i>Chandler</i> (USA) - Shoes	Head Designer
1967/69	New York	<i>Ben Kahn</i> - Furs	Head Designer/Pattern
		<i>Revillon</i> - Furs	Head Designer/Pattern
		<i>Maxmillian</i> - Furs	Head Designer/Pattern
		<i>Reiss & Fabrizio</i> - Furs	Head Designer/Pattern
		<i>Hanna Troy</i> - Ready-to-wear	Head Designer/Product.
		<i>Ann Fogarty</i> - Ready-to-wear	Head Designer/Product.
1969/76	New York	<i>Gino Paoli</i> - Knitwear	Administr./Production
	Milan	<i>Gino Paoli</i> - Casualwear	Administr./Production
	Hong Kong	<i>Gino Paoli</i> - Leatherwear	Administr./Production
1976/78	USA/Spain	<i>Gropper/Ledaspain</i> - Leather	Head Designer/Product.
1978	Madras	<i>New Ideas' Project</i> - Leather	Stylist/Production
1979/83	Madras	<i>STC of India</i> - Leatherwear	Production
1984	Milan	<i>Arimo Abitute</i> - Casualwear	Stylist/Production
1985/87	S. Domingo	<i>B.B. Imagination</i> - High Fashion	Stylist/Production
1988 to	Senegal	<i>NIEDA</i> - Garments & Accessories	Chief Technician
present	Mali	<i>NIEDA</i> - Garments & Accessories	Chief Technician
	Mauritania	<i>NIEDA</i> - Garments & Accessories	Chief Technician
	Madagascar	<i>NIEDA</i> - Garments & Accessories	Chief Technician
	Kenya	<i>NIEDA</i> - Garments & Accessories	Chief Technician
	Jordan	<i>NIEDA</i> - Garments & Accessories	Chief Technician
	Mauritius	<i>NIEDA</i> - Garments & Accessories	Chief Technician
	Lesotho	<i>NIEDA</i> - Garments & Accessories	Chief Technician
	South Africa	<i>NIEDA</i> - Garments & Accessories	Chief Technician

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