



New Ideas for Export Development Aid, Inc.

FINAL REPORT

MADAGASCAR PROGRAM – PHASE II

U.S. MARKET LINKAGES AND CAPACITY BUILDING
FOR
MICRO, SMALL AND MEDIUM ENTERPRISES
IN THE
GARMENT & ACCESSORIES, HOME FURNISHINGS & GIFT ITEMS SECTORS

**IN SUPPORT OF
USAID STRATEGIC OBJECTIVES**

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EXECUTIVE SUMMARY

A. ACTIVITIES – They included:

1. **Visits**
The team visited 26 SMMEs engaged in the production of craft-based goods.
2. **Development of new handcrafted samples**
The team assisted 14 enterprises in the development of products.
3. **Quality upgrade of existing products**
The team assisted seven enterprises in product upgrade.
4. **Collection of existing products**
The team selected existing products handcrafted by eight enterprises.
5. **Swatch books, brochures and photos**
The team collected swatch books, brochures, and photographed products of 11 enterprises.
6. **Seminars, workshops and group sessions**
The team conducted 16 training sessions, with attendance ranging from 50 to 150 participants per session.
7. **Prototypes for reproduction**
Federated Merchandising Group provided two party dresses for sampling by Malagasy producers.
8. **Dissemination of information**
National press and television widely covered key seminars and activities.
9. **Formation of Exporters Association**
The team fostered the creation of an association of exporters of quality products, named *Madagascar Magic Fingers*, which was officially created in February 2002.

B. MARKET LINKAGES

Presentation of Malagasy samples had to overcome two significant obstacles:

- **U.S. market conditions during 4Q of 2001**
Retailers were cutting inventories in response to a decrease in consumer spending that followed the events of September 11;
- **Malagasy political crisis**
As consumer confidence was rebounding, news of Madagascar's crisis began to appear in the U.S. press, focusing on how productivity and trade were affected by road blockages, fuel shortages and lack of materials.

1. **Neiman Marcus**

a. **Home furnishings**

In September 2001, Neiman Marcus requested a sample of a hand embroidered patio umbrella for possible inclusion in its spring 2002 catalog, but the producer increased the price originally quoted. Consequently, NIEDA offered the opportunity to another producer who completed and shipped the sample to Neiman Marcus within two weeks. However, the umbrella arrived completely covered with mold, but NIEDA convinced Neiman Marcus to give another chance with a second umbrella.

Due to the Malagasy crisis, however, the second umbrella arrived in Dallas with a 5-month delay. At that time, the spring catalog was already completed. In addition, NIEDA had to pay over \$750.00 for airfreight and other expenses.

b. **Hand embroidered table linen**

Neiman Marcus liked the quality of table linen of one producer, but suggested a more distinctive design. The producer developed a first sample, which was deemed too expensive. Then the producer developed a second sample, and now Neiman Marcus is expected to send NIEDA the color scheme that will match the china it now carries in its stores and catalogs.

c. **Home decor**

The home decor buyer for pillows was planning to place an order for silk/raffia pillows for their catalog. However, when the buyer was informed about the delay regarding the umbrella, she decided to postpone the order.

A top executive was impressed by the wood inlay work, and requested a large wall plaque depicting a tropical scene. A very skilled artisan/artist crafted a wall plaque, but the solid wood frame warped, prompting Neiman Marcus to reject this product category.

In 2002, four Neiman Marcus executives from Dallas visited NIEDA in New York to look at all Malagasy samples, and at the best samples made in Ghana, Benin and South Africa in 2001.

2. **Donghia Furniture/Textiles**

a. **Home furnishings**

- Hand embroidered patio umbrella – The same producers who made the second umbrella for Neiman Marcus also handcrafted a sample using Malagasy fabric.
- Miniature patio umbrellas with Donghia fabric – The embroidery producer collaborated with another artisan for the making of three miniature umbrellas, utilizing Donghia fabric that was sent to Madagascar specifically for these samples.

Donghia expected to receive these umbrellas by the end of January 2002, in time for one of their exhibitions, but the samples arrived with a 4-month delay. Furthermore, Donghia had to pay about \$750.00 in airfreight.

3. *Federated Department Stores*

a. *Embroidered childrenswear*

NIEDA persuaded top management of *Federated Merchandising Group* (FMG) to sample two children's dresses with Malagasy producers. FMG provided two styles together with pertinent production specification sheets. The dresses to be reproduced are in 100% polyester and 100% nylon with machine-made embroidery. In addition, NIEDA convinced FMG executives to:

- Sample both styles with Malagasy cotton fabric and hand embroidery;
- Deal directly with Malagasy producers without NIEDA acting as facilitator, should an order be placed.

C. RECOMMENDATIONS

- 1. Target top market with top quality products**
- 2. Need for a full time in-country expert**
- 3. Quality training**
- 4. Inclusion of SMMEs part of EPZ**
- 5. Program duration**
- 6. Market presentation**

I. PREFACE

NIEDA implemented *Madagascar Program – Phase II* from May 14 through December 31, 2001. A no-cost extension – May 6 through July 5, 2002 – was granted to carry out tasks that could not be completed as result of the 9/11 events in the U.S.A., and the upheaval that followed the contested Presidential election held in Madagascar in December 2001.

Madagascar Program – Phase II was a continuation of the Madagascar component of an ATRIP project completed in December 2000 (AOT-G-00-00-00032-00).

A. OBJECTIVES

The program consisted of four main components:

1. ***U.S. market access component***— The objective was to establish business linkages between Malagasy SMMEs and U.S. firms.
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 (producers registered as EPZ enterprises could not be the beneficiary of such technical assistance as per USAID directives);
 - b. Training on quality, design, pricing, promotion and marketing, open to all producers, including those registered as EPZ enterprises
3. ***Identification of NGOs and support service providers*** ^{3/4} The objective was to identify Malagasy organizations, which could continue the program after its termination.
4. ***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 program results.

B. IN-COUNTRY ACTIVITIES

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;
- Renato Busellato – wood-finishing specialist.

The team carried out three missions in Madagascar:

- June 30 – August 3, 2001 (di Grandi, Selvi, Bianco)
- October 7 – 24, 2001 (di Grandi, Selvi, Bianco, Busellato)
- December 3 – 15, 2001 (di Grandi, Selvi).

- 1. Meetings**

The team met with key U.S. government officials, SMMEs executives, representatives of local NGOs and international development agencies (ANNEX I). However, Malagasy government officials could not meet with NIEDA representatives nor attend any presentation of the new Malagasy products.
- 2. Visits**

The team visited 26 SMMEs engaged in the production of craft-based goods, and assessed the marketability of a cross section of craft products exhibited at crafts markets, fairs and retail outlets (ANNEX II).
- 3. Development of new handcrafted samples**

The team assisted 14 enterprises in the development of products, which often combined the inputs of at least two producers (ANNEX III).
- 4. Quality upgrade of existing products**

The team assisted seven enterprises in product upgrade (ANNEX III).
- 5. Collection of existing products**

The team selected existing products handcrafted by eight enterprises (ANNEX III).
- 6. Swatch books, brochures and photos**

The team collected swatch books, brochures, and photographed products of 11 enterprises to show product range and quality of presentation (ANNEX III).
- 7. Seminars, workshops and group sessions**

The team conducted 16 training sessions, with attendance ranging from 50 to 150 participants per session (ANNEX IV). Participants' evaluation sheet of NIEDA training was forwarded to USAID technical officer at mission conclusion.
- 8. Prototypes for reproduction**

Federated Merchandising Group provided two party dresses for sampling by Malagasy producers (ANNEX V).
- 9. Dissemination of information**

National press and television widely covered key seminars and activities. (Indicative samples – ANNEX VI)
- 10. Formation of Exporters Association**

The team could not identify an effective and pragmatic Malagasy organization that could continue the program, and fostered the creation of an association of exporters of quality products. The new association – named *Madagascar Magic Fingers* – was officially created in February 2002, and was based on the PRONABIO¹ model.

1 Programme National de Biodiversité

II. DEVELOPMENT OF HANDCRAFTED SAMPLES

The NIEDA team assisted qualified craft producers and manufacturers – micro, small and medium-sized – in the development of new samples indicative of differentiated quality product (Photos from page 4 through page 103). Such products were:

- Based on indications provided by U.S. retailers;
- Developed by producers in conjunction with the NIEDA team.

The new samples were developed to establish market linkages, continue the process of product development and diversification, transfer of know-how for quality control, cost-effective production methods, and pricing.

Specifically, these samples – entirely executed by Malagasy producers with NIEDA guidance – were developed to:

- Explore new utilizations of materials and skills;
- Showcase the quality of craft skills;
- Showcase the range of Malagasy materials;
- Encourage utilization of quality imported fabrics for apparel and home furnishings;
- Encourage the development of coordinated product lines;
- Encourage cooperation among producers in the handicraft and manufacturing sectors;
- Strengthen established business linkages – and create new ones – between Malagasy producers and U.S. firms.

However, not all samples met the required quality standards, and are not included in this report. In addition, NIEDA assisted interested producers with the development of professional swatch books, which showcased their best products, skills and materials.

All 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.

Each producer determined price of samples, without NIEDA input. The prices quoted are either FIC (Freight, Insurance, Cost) New York, or FOB (Free On Board) Antananarivo.

III. U.S. MARKET LINKAGES

NIEDA presented the samples to top U.S. product experts and decision makers of firms involved in the design, production and marketing of home furnishings, apparel and accessories, and gift items. Specifically, NIEDA:

- Presented new samples and swatch books;
- Provided information about Malagasy producers;
- Provided relevant updates about the program;
- Followed up with linkages already established;
- Proposed new business linkages.

However, presentation of Malagasy samples had to overcome two significant obstacles:

- **U.S. market conditions during 4Q of 2001**

Retailers were cutting inventories in response to a decrease in consumer spending that followed the events of September 11;

- **Malagasy political crisis**

As consumer confidence was rebounding, news of Madagascar's crisis began to appear in the U.S. press, focusing on how productivity and trade were affected by road blockages, fuel shortages and lack of materials. Particularly alarming was the report that Hong Kong-based Group Novel Denim¹¹ was closing its Madagascar operations with a \$3.7 million loss. The group now plans to shift these operations to Mauritius and South Africa.

RESULTS

The detailed account on *Results* is intended to give an indication of the complex and lengthy process involved in product and market development.

1. *Neiman Marcus*¹²

a. *Home furnishings*

In September 2001, Neiman Marcus requested a sample of a hand embroidered patio umbrella made by *Parasols Frank* (page 22) for possible inclusion in its spring 2002 catalog. According to the producer's price list, the umbrella price was \$70.00 FOB. During Mission II (October 2001), NIEDA began to discuss sample specifications with the producer, who informed the team that the price would increase, if Neiman Marcus wanted:

- Non-fading DMC embroidery thread instead of Chinese thread, which rapidly discolors under the sun;
- Non-shrinkable cotton canvas.

11 Producer of denim, chino, twill and knitted garment as well as a broad range of woven and printed fabrics.

12 The Neiman Marcus Group is comprised of the specialty retail stores segment – which includes Neiman Marcus Stores (33 stores across the United States) and Bergdorf Goodman (two stores in Manhattan) – and the direct marketing segment, Neiman Marcus Direct, which markets the Neiman Marcus, Horchow and Chef's Catalog brands.

However, if the price were increased, the producer would have been judged unreliable and unprofessional. As a result, Neiman Marcus would not consider other Malagasy producers as possible merchandise sources.

Consequently, NIEDA offered *Rabane Emoi* the opportunity to make the sample umbrella in order to fulfill Neiman Marcus' request and maintain the price originally quoted. This producer was then able to complete and ship the sample to Neiman Marcus within two weeks.

Subsequently, NIEDA representatives met with Neiman Marcus executives in Dallas, where they were shown photos of the umbrella completely covered with mold¹³. When informed, Rabane Emoi offered to reimburse Neiman Marcus for freight cost (about \$250.00), offer that was declined. However, NIEDA convinced Neiman Marcus to give Rabane Emoi another chance with a second umbrella.

During Mission III (December 2001), NIEDA linked Rabane Emoi and Socotrans¹⁴ for the making of the second umbrella to insure product quality and performance¹⁵. NIEDA also worked with a cardboard box manufacturer to develop individual packaging to allow Neiman Marcus direct shipment of packaged umbrellas from warehouse to customers – without need for repackaging.

Due to the Malagasy crisis, however, the sample was delivered to NIEDA at the end of June, and arrived in Dallas with a 5-month delay. At that time, the spring catalog was already completed. In addition, NIEDA had to pay over \$750.00 for airfreight, due to limited availability of cargo space, plus other expenses such as customs duty, clearing agent's fee, and trucking New York/Dallas.

b. *Hand embroidered table linen*

Neiman Marcus liked the quality of table linen by *Sil'ouette* (page 26), but suggested a more distinctive design. During NIEDA Mission II (October 2001), the producer developed *Primavera I* (pages 56/57), which was admired but deemed too expensive. During NIEDA Mission III (December 2001), the producer developed *Primavera II* (page 96), and now Neiman Marcus is expected to send NIEDA the color scheme that will match the china it now carries in its stores and catalogs.

When the merchandise for Neiman Marcus will be ready for shipment, however, the issue will be who is going to be the consignee, since the present program¹⁶

13 It was never ascertained what caused the mold.

14 Rabane Emoi embroiders and assembles the fabric component, while Socotrans crafts the umbrella skeleton in palissander.

15 The finish of the umbrella skeleton was of a poor quality, and the palissander may not have been completely seasoned.

16 The present program was intended as an interim project to maintain continuity between the preliminary short term Madagascar program carried out in 2001, and a proposed two-year

will have ended by that time. From inception, Neiman Marcus made clear that they were not prepared to deal directly with Malagasy producers at an initial stage.

c. *Home decor*

The home decor buyer for pillows was planning to place an order for silk/raffia pillows for their catalog. However, when the buyer was informed about the delay regarding the umbrella, she decided to postpone the order. Understandably, she could not assume the risk of including an item in the catalog, and then not being able to fulfill customers' orders.

A top executive was impressed by the wood inlay work as applied to small boxes for the tourist market (page 38), and requested a large wall plaque depicting a tropical scene. During NIEDA Mission II (October 2001), a very skilled artisan/artist crafted a wall plaque (page 79), but the solid wood frame warped, prompting Neiman Marcus to reject this product category¹⁷.

In 2002, four Neiman Marcus executives from Dallas¹⁸ visited NIEDA in New York to look at all Malagasy samples, and at the best samples made in Ghana, Benin and South Africa in 2001.

2. *Donghia Furniture/Textiles*¹⁹

a. *Home furnishings*

- Hand embroidered patio umbrella – The same producers who made the second umbrella for Neiman Marcus also handcrafted a sample using Malagasy fabric.
- Miniature patio umbrellas with Donghia fabric – The embroidery producer collaborated with Parasol Frank (and not Socotrans) for the making of three miniature umbrellas, utilizing Donghia fabric that was sent to Madagascar specifically for these samples.

Donghia expected to receive these umbrellas by the end of January 2002, in time for one of their exhibitions, but the samples arrived with a 4-month delay. Furthermore, Donghia had to pay about \$750.00 in airfreight.

17 program to be implemented in 2002 and 2003.
Neiman Marcus policy is to substitute any item that becomes defective within one year.

18 These executives – not yet familiar with Malagasy production capabilities – were (a) a Senior Vice President (General Merchandise Manager), (b) a Vice President (Divisional Merchandise Manager), (c) a buyer (Neiman Marcus Decorative & Neiman Marcus/Horchow Table Linens), and (d) a Product Development and Design Director.

19 Donghia Furniture/Textiles Ltd. is a global business with showrooms and distributors in over 30 countries, including South Africa. They specialize in high-end furniture, fabric, lighting, and wall covering.

What follows is an excerpt from a Donghia executive's message to NIEDA that was transmitted to the Malagasy producers. *"Of course you may forward my email. Please do let them know how much we appreciate their work and beautiful craftsmanship. We were actually quite alarmed by the cost of the freight - far more than the product I believe (NOTE: the price of the large umbrella was \$75.00). The total bill for freight came out to about \$750.00. I did have some explaining to do for that one!"*

3. **Federated Department Stores**²⁰

a. **Embroidered childrenswear**

NIEDA persuaded top management of *Federated Merchandising Group* (FMG) to sample two children's dresses with Malagasy producers. FMG provided two styles from their 2001 spring season, together with pertinent production specification sheets (ANNEX V). The dresses to be reproduced are in 100% polyester and 100% nylon with machine-made embroidery.

In addition, NIEDA convinced FMG executives to:

- Sample both styles with Malagasy cotton fabric and hand embroidery to benefit Cotona, Madagascar's largest textile manufacturer, and those artisans specialized in hand embroidery;
- Deal directly with Malagasy producers without NIEDA acting as facilitator, should an order be placed. Such direct linkage between FMG and Malagasy producers would be an invaluable experience for Malagasy enterprises, and would accelerate the development of an independent business relationship.

20. Federated Department Stores, Inc., a U.S. leading department store retailers, operates 457 stores in 34 states, Guam and Puerto Rico under the names of Bloomingdale's, The Bon Marché, Burdines, Goldsmith's, Lazarus, Macy's and Rich's. The Federated Merchandising Group is headquartered in New York, NY.

Macy's East – 115 stores in Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia and Puerto Rico. Annual 2001 sales of \$5,010 million.

Macy's West – 138 stores in Arizona, California, Hawaii, Minnesota, Nevada, New Mexico, Texas and Guam. Annual 2001 sales of \$4,170 million.

Rich's/Lazarus/Goldsmith's – 76 stores: 26 of which operate under the Rich's name in Alabama, Georgia and South Carolina; 44 of which operate as Lazarus stores in Indiana, Kentucky, Ohio, Pennsylvania and West Virginia; and six of which operate under the Goldsmith's name in Tennessee. Annual 2001 sales of \$2,083 million.

Bloomingdale's – 26 stores in California, Florida, Illinois, Maryland, Massachusetts, Minnesota, New Jersey, New York, Pennsylvania and Virginia. Annual 2001 sales of \$1,678 million.

Burdines – 55 stores in Florida. Annual 2001 sales of \$1,394 million.

The Bon Marché – 47 stores in Idaho, Montana, Oregon, Washington and Wyoming. Annual 2001 sales of \$967 million.

NIEDA presented this opportunity to the newly created exporters association – *Madagascar Magic Fingers* – and sent FMG samples to Madagascar, leaving producers selection for sample reproduction to the group’s committee.

However, NIEDA stressed that:

- Only non-EPZ enterprises could be selected, as per USAID directives;
- FMG will assess quality and price of Malagasy samples as compared to China’s, where FMG sourced the two dresses through their buying office in Hong Kong;
- Fabrics required for production need to be sourced in Madagascar;
- Selected producers have to be willing, in principle, to cooperate in the fulfillment of an eventual order.

IV. CONCLUSIONS

Based on market reaction and experts' evaluation, the overall conclusions on the trade potential of craft-based product groups can be summarized as follows.

1. ***Hand embroidered children's apparel***

Prospects are good, given the quality of embroidery. At times, wholesale prices can be totally unrealistic. In one instance, retail prices would have ranged from \$88.00 to \$480.00 based on the FOB prices quoted.

2. ***Handcrafted accessories***

- a. The market is saturated with raffia bags in similar designs, and some retailers still carry an inventory of this type of merchandise. Producers need to develop differentiated raffia bags in innovative designs;
- b. Zebu horn items are not requested – at the moment – by the quality market, due to the influx of low quality horn items from many countries.

3. ***Handcrafted tableware***

- a. Embroidered table linen of quality are right for the top end of the market, but more innovative embroidery designs are needed;
- b. Zebu horn and wood serving sets are quality items, but they are not competitive, since their retail prices would range from \$47.00 to \$148.00 per set of two.

4. ***Handcrafted gift items***

- a. Handmade paper items have a market niche with good stationary and novelty items stores more than with large upscale retailers;
- b. The design, size, and finish of wood items were considered inadequate for the quality market, notwithstanding the craftsmanship and materials.

5. ***Handcrafted home furnishings***

- a. Embroidered patio umbrellas demonstrate the appeal of differentiated, well made products;
- b. Bed linens are sourced mostly in the united States;
- c. Raffia/silk pillows are desirable, distinctive items;
- d. Hand woven sisal and cotton textiles with cinnamon sticks (or pistachio shells) are already imported from India, at much lower prices;
- e. Tabletops in silicified wood and labradorite are items for interior decorators rather than for retailers; it would not be economically viable to stock even small quantities of such expensive and unusual merchandise;
- f. Stone home decor items were considered attractive but their weight – and transportation cost – is a drawback;
- g. Wood inlay pieces are well crafted and attractive, but the solid wood components need to be made of well seasoned wood;
- h. Small wood accent pieces, like Socotrans' stool, are desirable, competitive items, when producers master the art of French polishing²¹.

21 In December 2001, the team noticed the mediocre quality of French polishing of an identical stool made by Socotrans without technical assistance.

V. RECOMMENDATIONS

1. **Target top market with top quality products**

As the Federated Merchandising Group case illustrates, the key is to show the best quality products, in terms of skills and materials. Then, retailers would decide to source top quality merchandise, or to target more price-conscious consumers by using lower-cost materials or cutting production costs.

This case also illustrates *the domino effect*, since the reputation of Neiman Marcus, which twice ordered childrenswear made in Madagascar, became an invaluable promotional tool with other retailers.

2. **Need for a full time in-country expert**

At the beginning, new exporters need technical assistance from sample reproduction to packing and shipping. Excellence of skill alone is not sufficient to export – a firm's efficiency, resources and experience are determinants in its ability to handle the complex task of timely delivery of merchandise, of consistent quality, in quantities, styles, and colors stipulated. When a producer fails to fulfill an order as specified, that enterprise would be blacklisted, and such outcome would influence market's perception of other producers.

3. **Quality training**

During seminars and workshops, NIEDA President highlighted the exceptional training in embroidery and lace making provided by the Syndicat des Métiers d'Art de Madagascar (SYMA)²². As a result, the number of trainees skyrocketed, and as of 2001 SYMA was planning to provide additional top quality training in garment making, wood working, lapidary and iron forging. Such response illustrates how the private sector recognizes the need to upgrade capabilities.

4. **Inclusion of SMMEs part of EPZ**

NIEDA was not permitted to tap the capabilities of small or medium enterprises – wholly Malagasy-owned and with less than 50 employees – due to a USAID directive that prohibits using U.S. funding to assist EPZ enterprises. This very sound policy, however, penalizes craft-based SMMEs, which would have benefited from the program without affecting U.S. manufacturers.

5. **Program duration**

At the beginning, product and market development is a rather slow process, which would require a two-year period to realize the export potential of qualified SMMEs. In addition, program implementation would require greatest flexibility possible, within USAID guidelines, since the market has its own timetable that does not necessarily fit with technical regulations.

6. Market presentation

In addition to establishing market linkages with individual retailers, a highly visible market presentation in New York would highlight the range of products that can be sourced from Madagascar. Such presentation would reach a great number of designer/manufacturers, wholesalers, retailers, and consumers – directly and indirectly.

MEETINGS

- H.E. Shirley Barnes, U.S. Ambassador to Madagascar
- Ms. Karen Poe, USAID Mission Director
- Mr. Stephen Haykin, USAID Assistant Director
- Mr. Eric Rueter, Affaires Politiques et Economiques, U.S. Embassy
- Mr. Paul Guild, Supervisory Executive – Contracting Officer, USAID
- Ms. Agma Prins, Senior Program Advisor, USAID
- Ms. Agnes Rakotomalaha, Senior Program Specialist, USAID
- Ms. Joan McKniff, Public Affairs Officer, U.S. Embassy
- Mr. Dieudonné Randriamanampisoa, Senior Economist, The World Bank
- Mr. Marc Kwai Pun, Technical Regional Assistant, PRIDE (Programme Régional Intégré de Développement des Echanges)
- Mr. Abdérémane Ahmed Koudra, Technical Regional Assistant, PRIDE
- Ms. Lydie Thau, Directrice, Syndicat des Métiers d'Art de Madagascar
- Mr. R. Hamon, Professor, ELI Green University
- Ms. Elia Ravelomanantsoa, Associate Manager, Synergy Communication
- Mr. M. Ravelojaona, President, Chambre de Metiers d'Antananarivo (ATA)
- Mr. R. Randriambahiny, Secretary General, ATA
- Mr. Marius Henri Rakotonirina, Director, CENAM
- Ms. A. Razafindrazaka, President, Federation Femme et Développement
- Mr. H. Razafindrazaka, Director, Private Investment Promotion, Province Autonome d'Antananarivo
- Ms. C. Rabekoriana, Secretary General, Association pour la Promotion de l'Entreprise à Madagascar (APEM)
- Mr. G. Raharinaivo, Chief, Research and Development, APEM
- Mr. J. Ramamonjisoa, Entraide Chrétienne Bezalila – handicrafts
- Ms. Mirana Henriette Abraham, entrepreneur – Mirado
- Mr. Thomas D'Aquin, stylist, Maison D'Aquin – ready-to-wear
- Ms. Brigitte Rakotomalala, entrepreneur – Tranombarotra
- Mr. Clarck Mouhidiny, entrepreneur – ylang-ylang
- Mr. Guy Pradel, President, Mission & Environnement
- Members of the Ô Ravaka group (entrepreneurs association)
- Mr. Andry Rahoilisoa, Harona – hand made paper
- Ms. Christiane Ramotobe, Passion Textile – hand embroidery
- Mr. Jean-Michel Saez, Exploitation Minière Delorme – mineral products
- Ms. Nina Dutil, Art & Ambiance – wood items
- Mr. Lepine, entrepreneur
- Ms. Claudine Randriambololona, Maison Art I.D. Mony – hand embroidery
- Ms. Noëline Andrianarivelo, Sil'ouette – hand embroidery
- Ms. Beby Kaloper, Rabane Emoi – hand embroidery
- Ms. Angelica, Orkis – raffia items
- Mr. Jean Pierre Chastan, Excell Confection – apparel
- Ms. Sophie Bowan, Tropical Design – handicrafts
- Mr. S. Rakotomanana, Manan's Art – woodcarvings
- Mr. Didier Rambelo, journalist – MIDI Madagascar
- Mr. R. Razafindrakoto, Atelier Aminintsoa – wood inlay
- Ms. Bodo Wittmer, Atelier Aïna – hand embroidery

VISITS

Handicraft producers

- Maison I.D. Art Mony – hand embroidery
- Sil'ouette – hand embroidery
- Atelier Aïna – hand embroidery
- Rabane Emoi – hand embroidery and decorative items
- Soeurs du Bon Pasteur – hand embroidery
- Valisoa Rakotosolofo – hand embroidery
- Broderie Meva – hand embroidery
- Doux D'or – patchwork
- Kaloes – raffia products
- Maison Rakotomalala et Fils – silk products
- Socotrans – furniture and raffia products
- Tropical Design – handicrafts
- Atelier Aminintsoa – wood inlay
- Manan's Art – woodcarvings
- Entraide Chrétienne Bezalila – Groupement des artisans
- Centre Artisanale Malagasy (CENAM) – handicrafts
- Le Village – handcrafted ship models
- Cuisines & Bains – patio furniture
- Mad Attitude – patio furniture
- Parasols Frank – patio furniture
- Sosimabi S.A. – container manufacturer
- NewPack – cardboard box manufacturer

Small and medium manufacturers

- Excell Confection – garment manufacturer
- Ravo – leather goods
- Exploitation Minière Delorme – mineral products
- Société CAMA – mineral products

Product Survey

- Eureka – imported textiles retailer
- Marché de la Digue – handicrafts
- Cotton Story boutique – handicrafts
- Art Deco gallery – paintings and wood lamps
- Bazar de Noël – handicrafts
- Retail shops

Training institutions

- Syndicat des Métiers d'Art de Madagascar
- Centre Notre Dame de Clairvaux, Don Bosco - Salesian Order – wood workshop
- Lycée Technique et Professionnel de Mantsoa – wood workshop

HANDCRAFTED PRODUCTS

Development of new sample products

- Sil'ouette – embroidered apparel components and table linen
- Atelier Aïna – embroidered apparel components and bed linen
- Maison Art I.D. Mony – embroidered apparel and apparel components
- Excell Confection – apparel
- Socotrans – wood and raffia items
- Harona – hand made paper items
- Tropical Design – handcrafted items
- Rabane Emoi – embroidered table linen
- Orkis – raffia items
- Patrick Ravelomanantsoa – raffia items
- Atelier Aminintsoa – wood inlay items
- Emalisa – embroidered table linen and gift items
- Socotrans & Rabane Emoi – patio umbrellas
- NewPack – patio umbrella packaging

Quality upgrade of existing products

- Patrick Ravelomanantsoa – raffia bags
- Rofia – raffia bags
- Sœurs du Bon Pasteur – table linen
- Association des épouses de gendarmes – table linen
- Liana Création – decorative items
- Eva Lalaina – wood items
- Sil'ouette – table linen

Collection of existing products

- Rabane Emoi – embroidery
- Valisoa Rakotosolofo – table linen
- Maison I.D. Art Mony – zebu horn and wood items
- Entraïde Chrétienne Bezalila – zebu horn and wood items
- Tropical Design – zebu horn and wood items
- Exploitation Minière Delorme – stone tiles
- Parasols Frank – patio umbrella

Collection of swatch books, brochures and photos

- Société CAMA – mineral products
- Manan' Art – wood carvings
- Parasols Frank – patio umbrellas
- Le Village – ship models
- Kaloes – raffia items
- ONG Manda – handicrafts
- Maison Rakotomalala et Fils – silk items
- Socotrans – raffia items
- Atelier Aminintsoa – wood inlay items
- Tropical Design – wood sculptures
- Eva Lalaina – wood items

TRAINING

Mission I

- Seminar I – Results of Madagascar Program 2000 with an overview of Madagascar Program 2001 (over 150 participants);
- Workshop I – Price/quality ratio (over 100 participants);
- Workshop II – Apparel and accessories design and production (about 95 participants);
- Group session – Home furnishings design and production (about 85 participants);
- Group session – Gift items design and production (about 80 participants);
- Seminar II – Product and market development, and presentation of new samples (about 150 participants).

Mission II

- Seminar I – Market reaction to products developed and selected during Mission I;
- Seminar II – Product lines development and presentation of new samples;
- Workshops on wood finishing techniques – NIEDA specialist instructed approximately 15 artisans, sent by CENAM and the Chambre de Metiers d'Antananarivo. Such training was conducted at Socotrans', whose owner made available part of his small furniture factory for training.

Mission III

- Seminar I – Market assessment of products developed and selected during Mission II;
- Seminar II – From product idea to product line development, and presentation of new samples;
- Group sessions on product lines development.

During all training sessions, the team emphasized AGOA significance.

EXAMPLES OF PRODUCTION SPECIFICATION SHEET

Style #8395-4

Prototype		Style 8395-4		Federated Merchandising Group	
Style:	8395-4	Block Ref:			
Division:	SPRING02	Appr. Status:	APPRVD		///
Season:	G46XDRS	Guideline Date:	May 08, 2001		
Design #:		Report Date:	August 14, 2001		
Size Range:	4-6x	Report Date:	3:25 pm		
Market Rep:					
Item:	S/LESS SATIN SPECIAL OCCASION DRESS			Page 1	of 8
Comments:	S/LESS SATIN SPECIAL OCCASION DRESS				
Dept:	GIRLS 4-6X DRESSES	Vendor:	NICE TONES	In Store:	
Tech Dsgnr:	ANNA R.	P.A./P.O.:		Ship Date:	
Prod. Mgr:	DANA/ DENISE	Fabric:	SATIN/ ORGANZA		
Report #:		Care Status:			
Local Office:		Season**:	Spring 2002		
Quota Ctry:		Style #**:	8395-4		
Country:	HK				
Smpl Reqmt:	PP for PM, O/S revie				
Ctry Origin:					
				<p>ALL BUTTONS, ZIPPER FULL & TRIM (FLOWERS) MUST PASS FULL TEST</p> <p>1ST NOT APPRVD 6/25/01</p> <p>2 ND APPRVD 8/14/01</p>	

Style #8395-4

Federated Merchandising		8395-4	Construction Diagram
Group:	Season: Spring 2002	Style: GIRLS 4-6X DRESSES	Page: 5 of 8
Style: 8395-4	Design #: 8395-4	Item: S/LESS SATIN SPECIAL OCCASION DRESS	Report Date: May 08, 2001
Size Range: 4-6x	Block Ref:	Fabric: SATIN/ ORGANZA	Report #:
		Vendor: NICE TONES	In Store:
		Country: HK	Ship Date:
		P.A./P.O.:	

<p>Drawing 1: WDRESS.WMF</p>	<p>Drawing 2: FACING2.WMF</p> <p>MAIN LABEL PLACEMENT: Sketched 3/4" down from edge of back neck seam with DTM thread garment ground color</p> <p>MAIN LABEL TYPE: GREENOOD LOOP / END FOLD</p> <p>CARE / CONTENT / SIZE / ORIGIN LABEL PLACEMENT: Sketched below Main Label with DTM thread garment ground color</p> <p>CARE / CONTENT / SIZE / LABEL TYPE: Loop</p> <p>HANG TAG & UPC TICKET PLACEMENT: Both hang together from wearer's left sleeve using a 2" webbing OR as indicated if it is a sleeveless garment</p> <p>HANGTAG TYPE: GREENOOD hanging</p> <p>UPC TICKET TYPE: 011</p>
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unsklgin 06 Apr '04 SPRING02 G46XDRS Prototype 8395-4 (C) 1994 P. Macy & Co., Inc.

Style #8395-4

Federated Merchandising		Style: 8395-4				Production Spec-Calculations (L)				
Group:	Spring 2002	Dept:	GIRLS 4-6X DRESSES			Page	8 of 8			
Style:	8395-4	Item:	S/LESS SATIN SPECIAL OCCASION DRESS			Report Date:	August 14, 2001			
Design #:		Fabric:	SATIN/ ORGANZA			Report #:				
Size Range:	4-6x	Vendor:	NICE TONES			In Store:				
Block Ref:		Country:	HK	P.A./P.O.:	Ship Date:					
Spec Form:	WOVEN DRESSES	Date								
Code	Measurement Term	TOL. +/-	4	5	6	6X	*****	grade	proport	ionate
01	Total Length frm HPS	1/2	26 1/2	28	29 1/2	30 3/4				
	Total Length frm HPS - SATIN	1/2	26	27 1/2	29	30 1/4				
67	Bodice Length - Frt frm HPS	1/4	9 1/4	9 3/4	10 1/4	10 1/2				
67	Bodice Length - Bk frm HPS	1/4	9	9 1/2	10	10 1/4				
03c	Chest Circ. 1" below Armhole	1/2	23 1/2	24 1/2	25 1/2	26				
07c	Waist Circ.	1/2	23	24	25	25 1/2				
	Outerskirt Sweep Circ ORGANZA	1/2	69	70	71	71 1/2				
	LINING Sweep Circ	1/2	64	65	66	66 1/2				
	Hgt of Shirred Net Panel	1/4	5 1/4	5 1/4	5 1/4	5 1/4				
	Bottom Opening Circ-Net Panel	1	119	120	121	121 1/2				
	Bottom Opening Circ -Net linin	1/2	59	60	61	61 1/2				
14	Across Shoulder	1/4	9 5/8	10	10 3/8	10 5/8				
33c	Armhole Circ.	1/4	10 1/2	11	11 1/2	12				
43	Neck Depth Frt-HPS to top CF	1/8	2 1/8	2 1/4	2 3/8	2 3/8				
	Neck Depth Bk-HPS to top CB	1/8	1	1	1	1				
45	Neck Width seam to seam	*****	4 5/8	4 3/4	4 7/8	5				
	Sash Hgt	1/8	1 3/4	1 3/4	1 3/4	1 3/4				
	BK Sash Length FRM SS	*****	25 3/4	26	26 1/4	26 3/8				
	across chest 3 1/2" fr HPS	1/4	9 1/8	9 1/2	9 7/8	10 1/8				
	# OF BUTTONS									
	BOTTOM SKIRT PANEL HT	1/4	3 1/2	3 1/2	3 1/2	3 1/2				

DMD – WEEKLY ECONOMIC MAGAZINE

tirelire

ARTISANAT

En mission à Madagascar jusqu'au 3 août, un groupe du New ideas for export development aid ou NIEDA, un organisme américain, travaille pour intensifier les exportations de produits artisanaux vers les Etats-Unis. Les produits malgaches intéressent de plus en plus le marché américain haut de gamme mais des problèmes subsistent.

Des clients américains sont particulièrement attirés par la soie sauvage produite par l'entreprise Mirado mais il faut 3 mois pour en confectionner 20 mètres, soit le volume de la demande. Un besoin pourtant impossible à satisfaire dans un court délai alors que les clients ne peuvent se permettre le luxe d'attendre pour ne pas rater leur nouvelle collection. «Si l'entreprise a collaboré avec d'autres artisans, elle n'aurait pas eu besoin de rejeter cette commande», avance Gino di Grandi, président du NIEDA, et expert en création de produits et de marchés, lors du séminaire réservé aux micros, petites et moyennes entreprises d'artisanat le 9 juillet à l'hôtel Hilton. En fait, il encourage notamment cette voie du partenariat ou de mise en réseau au niveau des différents acteurs du secteur, des acteurs qui peuvent même se trouver chez des artistes qui «voient ce qui est invisible». Gino di Grandi soutient en effet qu'il s'agit de présenter des produits originaux, uniques et empreints d'une haute qualité si les artisans veulent percer sur le marché américain.

Des artisans malgaches

Intérêt accru de la part du marché américain

ont déjà répondu à ce critère puisque une entreprise a pu obtenir en avril dernier une commande de 825 pièces textiles de la part d'un grand magasin américain et même «l'un des meilleurs dans le monde». Et signe de grande reconnaissance pour la qualité et la compétitivité de cette entre-

La marque Calvin Klein était très intéressée par les sacs en raphia et soie dotés d'une manche en cuir mais le fabricant, en vacances, n'a pas pu répondre à la demande.

prise dirigée par une femme, le magasin lui a confié ses étiquettes, ce qui est aux yeux de Gino di Grandi comme «la Légion d'honneur». A part le problème de quantité qui demande la mise en réseau des artisans, la difficulté se pose aussi du côté du support, notamment dans les articles textiles. De l'avis du président du NIEDA, le tissu produit localement n'est pas d'assez bonne qualité pour des articles à exporter alors que les broderies des artisans sont très appréciées par les clients américains. Les responsables de NIEDA suggèrent aux artisans de se rapprocher des industriels, le but étant de les convaincre de fabriquer du tissu de bonne qualité. «Ce qui leur donnera des avantages et une bonne visibilité parce qu'ils peuvent se faire connaître ainsi sur le marché américain via le tissu utilisé par les artisans», estime Gino di Grandi.

Une erreur

La compétitivité est également un élément indispensable pour percer le marché du pays de l'oncle Sam. Un jeune artiste malgache a proposé des produits en cornes de zébu colorées au leader américain de l'art de la table. Celui-ci a beaucoup admiré l'échantillon du jeune homme. Une commande de 400 à 500 lots de serviettes à décorer était près d'être décrochée mais l'artiste et le client ne se sont pas entendus sur le prix. L'un propose 4 dollars l'unité et l'autre 6 dollars. L'artiste n'a pas cédé et préfère rejeter la commande. Une erreur estime le NIEDA, même si l'artiste entre à peine dans ses frais avec le prix proposé par le client.

DMD n° 740 du 28/07/91

tirelire

En effet, il aurait pu tirer de cette transaction une valeur promotionnelle sur le marché américain dans la mesure où son client dispose de 23 boutiques à travers les Etats-Unis. Gino di Grandi ajoute : «*Il faut savoir proposer des prix corrects et acceptables sans vouloir se montrer trop gourmands*». Un expert américain explique que garder un client satisfait vaut 5% du prix de l'obtention de ce client alors qu'une perte de client se situe à 10 - 12% de ce prix, plus l'image ternie de l'entreprise. Des clients comme Sulka, le leader dans le secteur de la soie aux Etats-Unis, sont pourtant prêts à payer 50 US\$ la pièce de soie avec des monogrammes de très haute qualité alors que l'artisan malgache propose 2 US\$ pour le même produit.

Lors du séminaire au Hilton, le NIEDA a formulé d'autres conseils car il arrive que certains artisans ne sont pas prêts à toutes les éventualités. Ainsi, la marque Calvin Klein était très intéressée par les sacs en raphia et soie

dotés d'une manche en cuir mais le fabricant, en vacances, n'a pas pu répondre à la demande. L'intérêt de la marque est retombé comme un soufflé pour ne plus remonter... Or, le mariage de plusieurs matériaux est un gage d'originalité à même d'attirer les clients potentiels sur le marché international. A Madagascar, le NIEDA a identifié le raphia, la soie et les cornes de zébu pour les accessoires. Le cuir est hors jeu à cause de sa mauvaise qualité. Il est seulement bon pour les manches et les fermoirs de sacs.

Deuxième phase

«Il faut savoir deviner et saisir les opportunités, surtout celles offertes par l'AGOA. Les produits malgaches ont d'ailleurs une énorme réception sur le marché de très haut de gamme aux Etats-Unis. L'on assiste actuellement à un boom des exportations malgaches sur le marché américain mais d'ici 5 - 10 ans, les fabricants actuels ne seront plus compétitifs, c'est

la loi du marché. Maurice et Hong Kong en ont fait l'expérience. Il faut donc partir sur ces concepts de base pour une exportation durable», explique Gino di Grandi. C'est ainsi que la mission du NIEDA qui est à sa deuxième phase après celle de l'année dernière, prévoit d'évaluer les possibilités d'exportation, une tâche assortie de visites chez les producteurs non encore atteints lors de la première mission et qui ne sont pas dans la zone franche. Il s'agit aussi d'identifier les produits commercialisables tels quels et les autres qui demandent des améliorations pour offrir plus de profits. Une assistance technique de courte durée est également au programme ainsi que des ateliers de formation à l'endroit des artisans producteurs. Le NIEDA fera de même évaluer le degré de compétitivité de produits et matières premières malgaches par certains des principaux détaillants de New York, de Los Angeles,



Dino di Grandi (NIEDA): Comme la "légion d'honneur..."

de Dallas et d'Atlanta. Il continuera à établir des relations d'affaires pour les fabricants malgaches tout en suscitant la collaboration d'organisations locales et régionales qui pourraient participer à la continuité du programme prévu s'achever au 31 décembre 2001. Dans le cadre de ce programme appuyé par l'USAID de Washington D.C. et qui porte aussi sur l'Afrique du Sud, le Ghana et le Bénin, trois missions en terre malgache sont prévues. □

Fanjanarivo Symonette

L'EXPRESS – DAILY NEWSPAPER (FRONT PAGE)

PIERROT RAJAONARIVELO FAIT L'ÉTAT DES LIEUX

Beaucoup a été certainement dit à propos des provinces autonomes. Mais il se trouve également que beaucoup d'autres réalités ne l'ont pas encore été, notamment en ce qui concerne la mise en place définitive de ces nouvelles structures territoriales décentralisées. Du moins, à la lueur du rapport d'activités de son département, présenté samedi dernier par le Vice-premier ministre Pierrot

Rajaonarivelo, il semble effectivement que des efforts ont été développés pour parfaire cette mise en place... malgré les menues critiques qui ont pu circuler au

tour de l'autonomie recherchée des provinces, depuis même le référendum constitutionnel de 1998. En tout cas, le rapport de Pierrot Rajaonarivelo dres-

se un état des lieux sur les nouvelles avancées dans le processus d'institution de ces provinces autonomes.

➔ 3

Commerce international des produits d'artisanat Le talent manuel constitue la valeur ajoutée



Le président de la Nieda, Gino di Gramdi, présente quelques modèles "améliorés" en textile.

➔ 5

Usa-
Informatique
Le virus "Code red" menace à nouveau les ordinateurs du monde entier

➔ 17

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