



# **USAID Guyana Trade and Investment Support**

**A Joint Government of Guyana - U.S. Government Project**

## **Quarterly Report October – December 2006**

Submitted by:  
**CARANA CORPORATION**

To:  
**United States Agency for International Development  
Georgetown, Guyana**

Under Contract Number: 504-C-00-04-00111-00



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## Overview

Activities this quarter reflected ongoing implementation of the GTIS Project's market-led approach. GTIS and its counterparts continued placing a focus on market linkage activities aimed at raising Guyana's profile in global markets and establishing contacts and leads that result in actual business. Market linkages activities include participation in wood industry shows in High Point, North Carolina and Dallas, Texas, an adventure tourism trade show in Seattle, and a fresh produce show in San Diego, California; familiarization (FAM) trips for international tourism operators; and ongoing lead and contact maintenance. As real market opportunities arise, the GTIS program works with companies and farmers to respond. For example, after buyers for fresh produce exports were identified by GTIS and its counterpart, the New Guyana Marketing Corporation (NMGC), the project—in collaboration with a number of donor-funded agricultural development projects—began working with farmers to coordinate the production, packaging and shipment of goods to meet new orders. Similarly, the GTIS project is working with the National Aquaculture Association of Guyana (NAAG) to develop a strategy for the growth of this emerging sector and coordinate efforts aimed at taking advantage of the export potential for fresh farm-raised tilapia.

To date, materialized export deals remain predominantly in the wood products sector, where significant buyer interest is leading to a surge of wood products. Guyanese industry representatives estimate that value-added wood product export deals attributable to GTIS market linkage activities could exceed \$15 million in 2007. Materialized exports in the other three target sectors are likely to become realized over the next 12 to 18 months as companies and farmers ramp up production capacity and adjust their production to meet market demands. For example, while buyers exist for fresh tilapia, the industry must first reach the brood stock and feed levels necessary to sustain production quantities required to fill export orders of 40,000 to 50,000 pounds of fresh fish each week. NAAG members are rapidly building their capacity with the aim of achieving measurable export numbers in 6 to 12 months. Similarly, while a number of international birding tour operators have indicated they will bring groups this year as a result of GTIS FAM trips, it could take a year for dramatic results to be seen. This is due to the fact there is often a lag while operators develop and advertise trips to new locations, like Guyana, before they are able to actually fill the trip.

Nevertheless, successful linkages with the market are changing the way that firms, producers and the Government of Guyana (GOG) view the global economy and the opportunities it provides for Guyana. This is catalyzing new investment and changes on the ground likely to result in a more dynamic and competitive export sector in the future.

Although activities will continue across all sectors through the next quarter, a particular focus will be placed on the aquaculture and fresh produce sectors where continued marketing, lead maintenance and transaction support is critical to realizing market opportunities. A discussion of the activities carried out this quarter, by intermediate result (IR), as well as activities to be implemented in future quarters, is provided below.

## **IR 1 – Key Trade and Investment Policies and Practices are Consistent with Negotiated Obligations and International Best Practices**

Activities under this Intermediate Result focus on improving Guyana's ability to participate in trade negotiations in regional and global forums. During this reporting period, GTIS continued to implement activities, though due to a strategic shift towards market led activities, programs under this Intermediate Result have wound down considerably.

### ***Strengthening MOFTIC's Capacity to Participate in WTO Services Negotiations***

In May 2006, MOFTIC urgently requested GTIS' assistance to conduct a review to inform Guyana's participation in a number of regional and international trade negotiations focusing on services, including the WTO General Agreement on Trade in Services (GATS); the CARIFORUM; the EU Partnership Agreement (EPA), and the CARICOM-Dominican Republic Free Trade Agreement, and identify priority areas where GTIS should focus its efforts over the next two and a half years. GTIS responded by mobilizing a team of consultants (including expatriate, regional and local staff) that compiled data on Guyana's services sector (with sub-service sector profiles), conducted consultations with stakeholders across multiple service sectors, and carried out a basic competitiveness assessment of Guyana's services sector. During this reporting period, the team compiled a report titled "*Guyanese Services: Opportunities for Increased Economic Growth and Trade Liberalization*" detailing the full range of steps the government could take towards liberalization. This report was submitted in November 2006, and the team is still awaiting comments from the Government of Guyana's review. However, a tentative meeting has been scheduled for early 2007 to meet with the new Minister of MOFTIC and discuss areas the GTIS project can provide technical assistance to enhance Guyana's ability to take part in current services negotiations under the current WTO DOHA round, EPA and CARICOM-DR negotiations.

### ***Institute for Trade and Commercial Diplomacy (ITCD) Online Training***

The GTIS project continued to support an online training in trade negotiations through a sub-contract with the Institute for Trade and Commercial Diplomacy (ITCD). Twelve participants from the Ministry of Foreign Trade and International Cooperation, Ministry of Tourism, Industry and Commerce, Ministry of Agriculture, Ministry of Legal Affairs, and the Guyana Revenue Authority (GRA) have participated in the six-month on-line training course, which allows them to learn at their own pace without taking them away from their day-to-day institutional responsibilities. During this reporting period, three more participants completed the course, bringing the total to five, with three others more than halfway done. ITCD also granted a four-month extension to all those participants who had not completed the course.

## **IR 2 – Increased Competitiveness in the Export of Value-Added Products and Services in the Non-Traditional Export Sector.**

This quarter's activities built on those of the previous quarter to expose Guyanese exporters to the U.S. market, raise Guyana's profile in international markets, establish linkages with potential buyers, and enhance companies' ability to respond to market requirements and deliver quality products and services. Activities focused on forest product, fresh produce, and birding tourism initiatives. Progress was also made in the aquaculture sector, which is the fourth sector targeted by the project.

### **Forest Product Sector**

#### ***Support to Forest Product Marketing Council and Industry Stakeholders***

Guyana continues to reap the benefits of its attendance at the International Wood Products Association Trade Show in April 2006. Several large buyers have provided technical assistance to local firms or established a local office to coordinate procurement efforts. The orders placed by these large buyers have resulted in collaboration among local sawmills to meet production demands. This is also resulting in new

ventures to establish a common kiln drying facility and hire over 100 new employees, many of whom will either be women or be from the indigenous communities.

In October 2006, GTIS attended the High Point Fall International Home Furnishings Show in High Point, North Carolina with representatives from the Guyana Forest Product Marketing Council (FPMC). This successful marketing trip was closely followed in November by a trip with a number of Forest Product companies to the North American Wholesale Lumber Association Traders Market in Dallas Texas. These marketing trips are raising Guyana's presence in the sector and generating new interest in Guyana's forest products.

In December, representatives from GTIS, FPMC and local sawmills visited Belem, Brazil as guests of large wood products buyer. These representatives were able to tour the operations of a number of efficient Brazilian factories. This was especially beneficial for the representatives from Guyanese sawmills, who were able to take a first hand look at their Brazilian counterparts in operation. They returned with many new ideas, which they will attempt to incorporate into their own operations.

### ***Guyana Technical Institute***

GTIS collaborated with the Guyana Technical Institute to provide training in woodworking skills. Previously, GTIS had procured a molder/shaper for the GTI, but due to complications shipping the blades, training was delayed. Precision Woodworking, GTIS' partner who is providing training support, has confirmed the cutter blades have arrived and are the correct dimensions for the shaper. As such, they have committed to begin trainings in February 2007.

### ***Planned activities in Forest Products Sector***

Aside from the ongoing activities above, planned activities in this sector include:

- *Market Linkage Activities/Participation in Industry Trade Shows* – GTIS will continue working with the FPMC and market-ready wood products firms to establish linkages with the market and facilitate business relationships. This will include FPMC/GTIS marketing trips to speak to IWPA's 2007 Convention, the Wood Components and Molding Shows.
- *Support for development of Legal Verification System for forestry sector* – GTIS plans to work with the Guyana Forestry Commission and the World Wildlife Fund (WWF) to establish a system to legally verify that forestry companies are complying with international best practices (IBP). This system will build upon the existing log tagging system. Increasingly, the use and verification of sustainability is a prerequisite for gaining access to the U.S. and E.U. markets.

### **Tourism Sector**

#### ***Bird Watching Tourism Development Initiative***

GTIS continues to implement its bird watching tourism development program in collaboration with the Guyana Tourism Authority (GTA), the Tourism and Hospitality Association of Guyana, and market-ready birding tour operators (i.e. those with existing tour itineraries). Activities this quarter included:

- Staging two of three scheduled familiarization (FAM) tours for twelve international birding tour operators and media representatives in November.
- Attendance at the Adventure Travel World Summit in October.

GTIS was able to attract interest from top birding tour operators and birding media outlets for inclusion in the November FAM tours because of its careful and strategic selection of which birding fairs to attend. Participants held a debriefing meeting before departing and gave Guyana high marks on the accessibility to multiple species and habitats. However, they also commented that infrastructure was underdeveloped, leading to higher costs relative to other South American countries.

Nevertheless, each of the tour operators expressed the intention to begin offering tours to Guyana, and each of the media representatives pledged to publish an article on birding opportunities in Guyana. Several of the tour operators also contribute material to publications and promised to prepare articles, presentations or marketing material featuring Guyana. As a true metric of their positive experience, three tour operators plan to offer tours within the next year, one as soon as February 2007, in an industry that normally has a two year lag between when tour operators decide to introduce a new destination and when they can actually offer the tour to participants.

### ***Adventure Travel World Summit***

The Adventure Travel World Summit brings participants from diverse sectors of the adventure travel industry worldwide together to network and address the future of adventure travel – among the fastest growing segments of the travel and leisure industry. GTIS was offered the opportunity to send a representative to the Adventure Travel World Summit held in Seattle, Washington October 2006. This show was particularly important because the Birding Tourism Program’s participation focused on networking with tour operators and the media. An important contact was made with the owner of the Environmental Adventure Company (EAC). EAC handles approximately 40% of Audubon Society’s tours, and their other clients are from nature and conservation organizations such as Smithsonian and the National Wildlife Federation. One of their representatives was slated to participate in the February 2007 FAM tour to Guyana. Another important contact was made with representatives of National Geographic Adventure magazine, which is showing promise for an article on Guyana. Other attendees included tourism boards, tour operators, airlines, publishers, travel agencies and media.

### ***Tourism Training Program***

GTIS continued working with government and private tourism stakeholders to carry out a workforce development program in the tourism sector in anticipation of the 2007 Cricket World Cup. The program is expected to train Master trainers, direct hospitality workers, tour guides, taxi drivers, internal security for hotels and resorts, and immigration and customs officials. Through this quarter, GTIS has trained approximately 150 persons for Restaurant Service, Room Attendants, Front Desk Management, and Customer Service. Having higher service quality during the Cricket World Cup will help raise Guyana’s profile as a tourism destination.

### ***Planned Activities in Tourism Sector***

Aside from the ongoing activities above, planned activities in this sector include:

- Continued FAM trips – This includes staging the third and final FAM tour for ten international birding tour operators and media representatives in February 2007.
- *Market Linkage Activities/Participation in Industry Trade Shows* – GTIS will continue working with the tourism industry to establish linkages with the market and facilitate business relationships. Activities include attendance at the American Birding Association Conference in April 2007 and attendance at the British Birdwatching Fair in August 2007

### **Agribusiness**

#### ***Support for Production and Export of “Bullnose” Peppers***

GTIS is continuing to work with the New Guyana Marketing Corporation (GMC), National Agricultural Research Institute (NARI), and Laparkan to produce a special “bull nose” hot pepper for an identified US export market and build label and brand recognition for Guyana. A number of farmers were identified and production will be centralized in the Parika area. One half pound of Pepper Seeds (approximately 30,000) were obtained from NARI and given to a Nursery in Parika. The nursery planted the seeds and will distribute the seedlings to the farmers early in January 2007, at which point another half pound of seeds will be given to the nursery to ensure a consistent supply. GTIS expects to begin export of 10,000 pounds

of peppers by March/April. GTIS has held meeting with local companies to negotiate rates for processing the peppers that do not meet export requirements.

GTIS has collaborated with the Poor Rural Community Support Service Project (PRCSSP), which has agreed to make available a field officer to monitor production and provide technical assistance and limestone. Each farmer was given a pamphlet outlining the guidelines for better farming practices, and must attend regular meetings and agree to weekly field visits. The results of these visits and meetings are being stored on a central database.

### ***Fresh Summit International Convention and Trade Show***

Spearheaded by the USAID/GTIS project and the New Guyana Marketing Corporation (New GMC), a group of farmers, exporters, and logistics suppliers attended the Fresh Summit International Convention and Exposition in San Diego, California in October 2006. The trade show, sponsored by the Produce Marketing Association, attracts more than 17,000 participants from all sectors of the global fresh produce industry and provides opportunities to learn about the marketplace, build relationships, and conduct business.

The purpose of the trip was to determine what the global market is looking for and, at the same time, to expose the global market to what Guyana can produce. In addition, Fresh Summit provided Guyanese participants with a better understanding of the improvements that need to be implemented along their agribusiness supply chain, based on market demands for top-quality produce. This will allow them to apply the potential funds from the Diversification Project, sponsored by the Inter-American Development Bank (IDB), to areas that will yield the most beneficial results.

### ***Supporting Introduction and Production on Fresh Produce for Export***

As a result of information gathered at the Fresh Summit, GTIS has decided to introduce four varieties of squash to Guyana for production for the local, regional and global markets. The project procured and distributed seeds for Butternut, Acorn, Spaghetti and Kabucha Squashes to farmers in the Berbice area. A market has already been identified for Kabucha Squash, and 30 acres are currently dedicated to its production. The three other varieties are being grown as part of a pilot project to determine whether they can be produced profitably in Guyana. To insure farmers are able to produce to the quality demanded by international markets, GTIS has teamed with Partners of America, who will provide technical expertise, fertilizers, and make regular field visits. The project is establishing a field office in Berbice to coordinate post harvest handling and logistics. GTIS is negotiating with shipping and trucking companies to obtain favorable rates, while NGMC is arranging packinghouses in the Berbice area to improve post harvest handling.

Additionally, GTIS is introducing a number of vegetables such as broccoli, cauliflower, purple cabbage, iceberg lettuce, and cantaloupe. Currently, these vegetables are being cultivated exclusively for the local market, however production will be ramped up accordingly as regional and international export markets are identified.

### ***Planned Activities in Agribusiness***

Aside from the ongoing activities above, planned activities in this sector include:

- *Market Linkage Activities/Participation in Industry Trade Shows* – GTIS will continue working with the NGMC and market-ready farmers to establish linkages with the market and facilitate business relationships. Activities include, produce marketing trips to Barbados, Trinidad, Jamaica and Antigua, attendance at the Fruit Logistica trade show in Berlin, Germany in February 2007 to build linkages to facilitate entrance into the European market, participation in United Fresh Produce Association—Chicago, Illinois May 2007, participation in the Canadian Produce Marketing Association Summit in

Montreal, Canada in May 2007 to build linkages for entrance into the Canadian market and participation in the PMA Fresh Summit International Convention and Trade Show sponsored by the Product Marketing Association in Houston Texas October 2007.

## **Seafood/Fisheries**

### ***Support for Aquaculture Sector***

The marine seafood industry has peaked in Guyana both in terms of productivity and exports. Following consultations and evaluations with the fisheries/seafood sector in Guyana, GTIS decided to focus on the emerging aquaculture sector. The Government has also identified aquaculture as a sector with high growth potential, and has included this sector as one for “Fast Track Development” within the upcoming IDB competitiveness project, which is expected to begin in 2007.

GTIS has worked with sector stakeholders to form the National Aquaculture Association of Guyana (NAAG) and develop an Action Plan aimed at boosting aquaculture (primarily Tilapia) by 2007-2008. Attendance at weekly meetings has increased and the number of farmers interested in joining has increased, with nine new members signing up this period, which accelerates the estimated start date of exports. Through various initiatives carried out this past quarter, this association has been strengthened and is in a more viable position to lead and influence the growth of the aquaculture industry in Guyana.

GTIS is currently working on the following activities with the NAAG:

- Supporting salary of a Field/ Extension Officer within the Department of Agriculture, who has started work in December. The officer is providing outreach technical services to the industry and providing feedback to NAAG meetings so that critical problems can be discussed and solutions found.
- Developing proposals to solicit funding for training projects from the EU Micro-Projects Program, which has also signaled its intention to co-fund the construction of a hatchery that will focus on producing fingerlings for small and medium sized farms.
- Collaborated with the University of Arizona to develop a proposal for the USAID Aqua Fish CRSP. The initiative, if awarded, would help NAAG to conduct research into appropriate fees for the local tilapia. The initiative would also allow for purchase of equipment that is related to the exploration and manufacture of feed.
- Working with the MARAJ Oil Mill to further improve the quality and durability and nutritional value of the tilapia feed the company produces for the industry. With funding assistance from GTIS, dryers have been built to dry the feed that will give it longer floatability and durability before the fish eat it.
- Develop and conduct training courses, based at Mon Repos, on Basic Aquaculture techniques, Aquaculture and Tilapia Seed Production
- Developed and expand a NAAG web-site <[www.aquaculture.org.gy/](http://www.aquaculture.org.gy/)>

GTIS continues to correspond with the USAID CRSP for Aquaculture to look for way that the two USAID programs could leverage resources for research and technical assistance in the sector.

### ***Planned activities***

Aside from the ongoing activities noted above, planned activities in this sector include:

- *Market Linkage Activities/Participation in Industry Trade Shows* – GTIS will continue working with the NAAG and tilapia farmers to establish linkages with the market and facilitate business relationships. Activities include, participation in the Aquaculture 2007 Symposium in San Antonio,

Texas in February, attendance at the International Boston Seafood Show in March, attendance in the European Seafood Show in Brussels during April and participation in the World Aquaculture Society's Caribbean and Latin American Aquaculture 2007 in Puerto Rico during November.

### **Cross Sector Activities**

#### ***CDC/MBA Executive Corps (MBAEC) Export Promotion and Marketing Specialist***

An Export Promotion and Marketing Specialist/Volunteer is serving under a subcontract with the MBA Executive Corps/CDC and continues to work with individual firms and industry associations in the agribusiness sector to identify export markets, support export promotion and marketing activities, and assist in efforts to improve the market position of Guyanese goods in targeted export markets.

### **Other Activities**

#### ***Donor Coordination***

In addition to its ongoing programmatic activities, the GTIS Team has played an important role in donor coordination and the ongoing development and implementation of the National Competitiveness Strategy. This includes:

- Participation in the Donor Harmonization Group, involving the IDB, DFID, the UNDP, CIDA and other donors to facilitate coordination of donor activities related to the upcoming IDB Competitiveness Activity.
- Assisting the Government (through the Ministry of Tourism, Industry and Commerce) to select the Program Director and Program Coordinator for the Competitiveness activity.
- Serving on the Competitiveness Steering Committee.
- Coordination with DFID in the implementation of activities in the Aquaculture Sector.

#### ***Knowledge Management and Monitoring and Evaluation***

During this quarter, GTIS has taken a number of steps towards upgrading its M&E and knowledge management activities. This includes:

- *Ongoing production of Press Releases* – GTIS hired a communications specialist to closely monitor project activities and produce and distribute press releases informing partners as well as the local population, of the work and progress being made by the GTIS project. The activity is ongoing.