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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
GHANA**

**IN SUPPORT OF
USAID STRATEGIC OBJECTIVES**

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

**BY
GINO DI GRANDI AND ALDO SELVI**

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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 covered by radio and press.
3. **U.S. market linkages** – NIEDA presented the new samples – as well as samples presently handcrafted in Ghana – 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: Neiman Marcus, The MuseumCompany.com, Donghia Furniture/Textiles, Takashimaya New York Inc., Kim Seybert, Kay Unger New York, Chado, Zelda, Saks Fifth Avenue, Calvin Klein, Inc., and Angela Cummings Fine Jewelry, Inc.

B. MARKET EVALUATION

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.

1. **Textile Home Furnishings**

Garment manufacturers could develop distinctive items utilizing traditional skills such as:

- a. Hand weaving – Kente cloth in new designs and color combinations would appeal to those consumers who are interested in new products more than in the symbolic value of traditional kente cloth;
- b. Machine embroidery – Application of this skill can be extended to home decor items in addition to traditional apparel;
- c. Silk screening of innovative designs created by artists and product designers.

2. **Home Decor Items**

- a. Woodcarvings – Current production is geared to tourists and to the middle end of the export market. However, the quality market could offer a profitable niche for well finished and distinctive items, given the number and skill of artisans engaged in this craft;
- b. Bronze/brass items – Most reproductions of Ashanti pieces, as well as products in contemporary designs, lack quality of finish. The range and beauty of Ashanti artifacts, however, offer an significant opportunity for the reproduction or adaptation of unique, meaningful items;
- c. Ceramics – Most ceramic items are aimed at tourists and at the lower/middle end of the export market. Their present quality and design need to be considerably upgraded for the better quality market.

3. *Apparel*

Apparel is presently produced mainly for the domestic market, the tourist trade, and boutiques abroad carrying Afrocentric merchandise. For the quality export market, producers need production upgrade and product innovation.

4. *Accessories*

- a. Gold jewelry has good prospects once the students at the College of Jewellery complete their training and begin to handcrafts export-quality jewelry;
- b. Ornaments in cow horn offer good potential given the quality of finish;
- c. Glass beads jewelry requires better finish for the quality market;
- d. The quality of leather goods limits their marketability to the local market.

C. MARKET LINKAGES

Ghanaian handcrafted products have attracted, as of now, the interest of the following companies:

1. *Donghia*

This firm ordered samples from Winglow Clothes, George Obeng and Wild Gecko Handicrafts. Donghia will pay for sample costs.

2. *Angela Cummings Fine Jewelry, Inc.*

They are designing samples for execution by the College of Jewellery, and George Obeng. The company will pay for sample costs.

3. *Kim Seybert*

This company will send specifications of samples of their design for execution by George Obeng and Wild Gecko Handicrafts. Kim Seybert will pay for sample costs.

NIEDA informed these Ghanaian companies – via e-mail, fax and telephone – about such requests, but only Winglow Clothes responded immediately, and sent the sample as requested.

After more than three weeks, the other enterprises could not or would not answer NIEDA communications. Notwithstanding such lack of response, NIEDA continued to present the samples for market evaluation. At the end of November, the NIEDA team will return from Benin. At that point, it will be clear which are the reliable Ghanaian firms that can be linked with U.S. firms.

NIEDA has to be certain that Ghanaian producers will follow through in a professional manner, before suggesting linkages. Non-performance by few producers would affect the market's perception of Ghanaian producers as sources of merchandise.

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. Project implementation in South Africa, Madagascar, and Ghana is completed. The in-country phase in Benin will begin October 2000. Funds thus far committed total \$261,925 (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 Ghana through:
 - a. Press coverage of the team's in-country activities;
 - b. Press kits prepared and mailed from New York to the Ghanaian press highlighting results, upon completion of the NIEDA report.

C. IN-COUNTRY ACTIVITIES

The NIEDA team was comprised of:

- Gino di Grandi, President – product and market development expert (July 22 – August 25, 2000)
 - Aldo Selvi, Vice President – buying behavior and product evaluation expert (July 22 – August 25, 2000)
 - Pietro Bianco, Chief – garment and accessories production specialist and stylist. (July 31 – August 24, 2000)
 - Trinitá Di Cosimo – leather accessories specialist (August 2 – August 24, 2000).
1. **Meetings**
 - Fenton B. Sands, Director, Office of Trade, Agriculture & Private Sector, USAID/Ghana;
 - Kwabena Appenteng, Private Sector Officer, USAID/Ghana;
 - Kwabena Boateng, Director/Gen. Inf., Ghana Export Promotion Council (GEPC);

- Augustine Adongo, Chief Executive, Federation of Associations of Ghanaian Exporters (FAGE);
- Ato Arkoful-Mensab, Export Development Officer, (GEPC);
- David Esch, Chief of Party, AMEX International, Inc.;
- Grace Otoo-Kwadey, Technical Advisor, Garment/Textile/Handicrafts, AMEX International, Inc.;
- Bridget Kyerematen-Darko, Executive Director, Aid to Artisans Ghana (ATAG);
- Daniel Quaynor, Workshop Supervisor, ATAG;
- Kwame Kwamuar, Principal, College of Jewellery;
- Johnnie Akabuo, Vice Principal, College of Jewellery;
- Patience Acquaaah-Harrison, National Project Coordinator, Garment/Textile Training Laboratory, GOG/UNIDO SME Cluster Secretariat;
- R.K. Adjaso, Managing Director, All Round Marketing Agency;
- Gerry O'Connell, Trade Systems, Managing Director;
- Alice Manuel, Smiling Face Ltd. (handicrafts);
- Robert Kofi Ellis, Managing Director, Fritete African Limited (handicrafts);
- Akosua Agyeman, Managing Director, A-Squared (handicrafts);
- Kofi Kwakye, Chief Executive Officer, Extra Limited (handicrafts);
- Frances Ademola, Chairman, The Loom (art & crafts gallery);
- Maud Johnson, Maudy's Fashion Home (apparel);
- Rendorf Cletus Haligah, Fo Dzifa Designing Academy (apparel);
- John Grimshaw, C.E.O., Akosombo Textiles Ltd.;
- Steve Dutton, Sales/Marketing, Akosombo Textiles Ltd.

A policy meeting on the handicrafts and apparel industries, hosted by AMEX International, Inc, was attended by:

- George Akwasi Agyei, Project Finance Dept., Prudential Bank Ltd.;
- Emmanuel Agyei, Project Finance Dept., Prudential Bank Ltd.;
- Kwasi Yirenkyi, Merchant Bank (Ghana) Limited;
- E.M. Gyasi, Director, Research & Development Division, Ghana Investment Promotion Centre;
- Sam Ayesu, Dep. Director, Gen. Promotions Division, GEPC;
- Mark Abotchie, Ghana Tourist Board;
- Bridget Kyerematen-Darko, Executive Director, ATAG;
- David Esch, AMEX International, Inc.;
- Matthew E. Armah, Deputy Chief of Party, AMEX International, Inc.;
- Grace Otoo-Kwadey, Technical Advisor, AMEX International, Inc.

2. Debriefing

- a. USAID/Ghana:
 - Fenton B. Sands, Director, Office of Trade, Agriculture & Private Sector;
 - Kwabena Appenteng, Private Sector Officer;
- b. USAID-sponsored organizations:
 - David Esch, AMEX International, Inc.;
 - Grace Otoo-Kwadey, AMEX International, Inc.;
 - Bridget Kyerematen-Darko, ATAG;
 - Augustine Adongo, FAGE.

3. Visits

a. *Handicraft producers and retailers*

The team visited handicraft producers and retailers for an overview of the artisanal sector. These enterprises were:

- Wild Gecko – African artisanal products
- Ramdesign – home furnishings and gift items
- Kottage Originals – home furnishings and gift items
- Fritete African Limited – wood carvings
- The Best of the Best – wood carvings
- Ga Mashie Handicraft Producers Association – wood carvings
- Afwel Ltd. – wood carvings and cane work
- Ashia Fabrics Limited – hand printed textiles & apparel
- Lovistyle – ceramics
- Unique Ceramics Centre Ltd. – ceramics
- Nyame Bekyere Pottery – ceramics
- Ceramica Tamakloe Ltd. – ceramics;

b. *Artists and art galleries*

- Victor Butler – painter
- Ablade Glover – painter
- Cynthia Sands – textiles, jewelry, silkscreening and painting
- Artists Alliance Gallery – arts and crafts
- The Loom – arts and crafts
- George Obeng – wood sculptor
- Nii Aye Richardson – ceramist
- National Museum;

c. *Small and medium-sized manufacturers*

- Sally's Children's Fashions – garment designer/manufacturer/retailer
- Lower Puplampu – men's clothier
- MKO.GH – garment designer/manufacturer/retailer
- Vadek – small leather goods
- Charisma Fashions – garment designer/manufacturer/retailer
- Salma Garments – garment designer/manufacturer/retailer
- Winglow Clothes – garment designer/manufacturer/retailer
- Fantasy Designs – garment designer/manufacturer/retailer
- Petra Cabida – garment designer/manufacturer/retailer
- Adoma Sarpong Company – textile design/printing
- Top Quick Leather Foundation – small leather goods
- College of Jewellery – gold, silver and bronze items;

d. *Large manufacturers*

- Akosombo Textiles Ltd. – textile mill.

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 40 crafts producers, at NIEDA request.

b. Other opportunities for evaluation of handicrafts were offered by:

- Showroom – Aid to Artisans-Ghana
- Grand Sales 2000 – Ghana Trade Fair Centre
- Crafts market – National Cultural Center
- Crafts exhibit – Novotel/Accra
- Retail shops.

5. **Development of innovative handcrafted samples**

The team worked with the following craftspeople, artists, and manufacturers in the development of products, which combined the inputs of at least two producers.

- Mandela Textile Handicraft Enterprise – hand weaving (kente cloth)
- Avata Kente Weaving – hand weaving
- Gilbert Bobbo Ahiagble, Craft Institute of Kente Weaving – hand weaving
- Akosombo Textiles Ltd. – mill-made cotton textiles
- Cynthia Sands – textile hand painting
- Ablade Glover – textile silk screening
- Winglow Clothes – apparel, home furnishings, leather handbags
- Salma Garments – apparel & home furnishings
- Marigold Korri – crochet
- Petra Cabida – home furnishings
- Vadek – leather handbags
- Wild Gecko Handicrafts – cow horn components
- Lovistyle – ceramic item
- Nii Aye Richardson – ceramic head
- College of Jewellery – bronze item
- George Obeng – ebony components.

6. **Collection of existing sample products**

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

- George Obeng – ebony sculptures
- College of Jewellery – gold beads & bronze crucifix
- Nii Aye Richardson – ceramic head
- Ahene pa nkasa – glass & bronze beads necklaces.

7. **Seminars and workshops**

The team conducted:

- Seminar I – *Exporting . . . the Building Blocks* (150 participants)
- Workshop I – *Defining Quality* (120 participants)
- Workshop II – *Beating the Competition* (120 participants)
- Seminar II – *Going Upmarket* with presentation of new samples (130 participants).

8. **Collaboration with USAID-sponsored support organizations** – A productive collaboration was established with AMEX International Inc. and ATAG.

D. **FEEDBACK TO PRODUCERS**

Four chapters of this report have been bound together as a separate document so that photocopies can be made in Ghana and 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 NIEDA team collaborated with craft producers and manufacturers – micro, small and medium-sized – in the development of samples indicative of new product directions. These 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 – PAGE 59).

These sample products are essentially handcrafted, 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 demonstrate the impact of well-aimed technical assistance, even when limited to few days. Specifically, the objectives were:

- Utilize innovatively the traditional hand-woven kente cloth;
- Develop handcrafted apparel with wider appeal;
- Show the quality of craft skills;
- Show the range of Ghanaian materials;
- Encourage cooperation among producers in the handicraft and manufacturing sectors;
- Assess producers' interest in quality upgrade and differentiation;
- Bring Ghanaian producers to the attention of U.S. market leaders as potential new sources for handcrafted products and materials.

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

In a number of instances, sample prices could not be calculated, since:

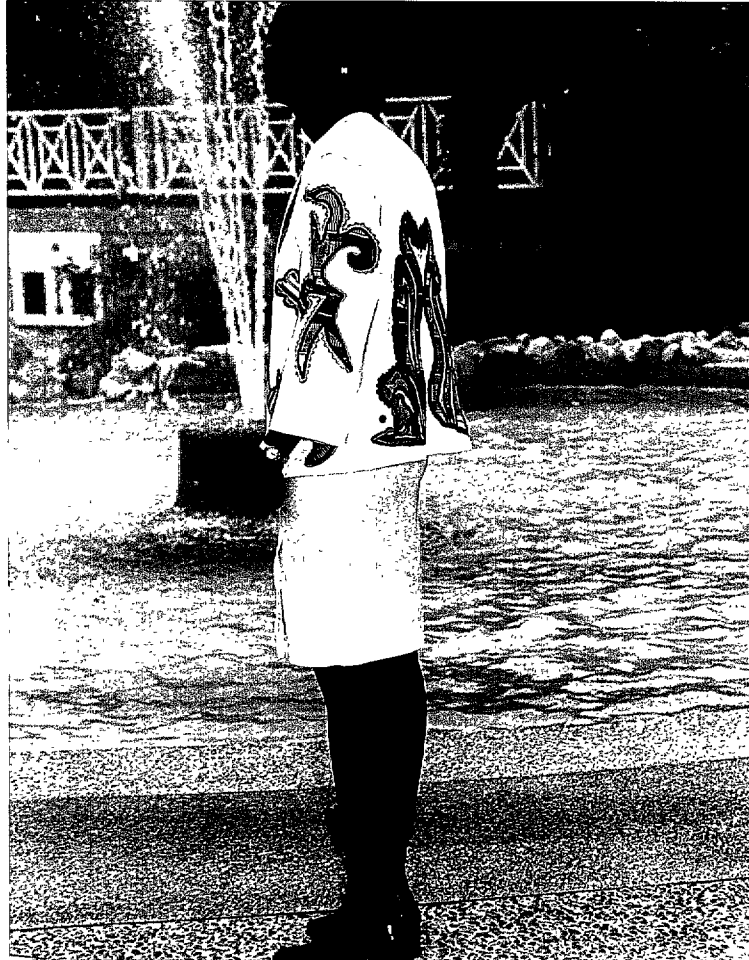
- The time required to make a new sample product far exceeds the time required after the production chain has been set up;
- Unfamiliar techniques and materials were often used.

Prices are ex-factory, and have been converted from Cedis to USD (\$ 1 = ₵ 5800).

A. HANDCRAFTED APPAREL

1. HAND WEAVING

*Sample*¹ #1



Fully lined outfit with application of quilted kente cloth patchwork and machine made embroidery by *Winglow Clothes*

Selling price: \$47

Hand woven kente cloth by *Gilbert Bobbo Ahiagble*

Cotton fabric by *Akosombo Textiles Ltd.*

Price not available

The cotton fabric provided by Akosombo Textiles is a remnant of fabrics whose production has been discontinued due to lack of demand. Samples made with this fabric offered the opportunity to reintroduce this product to local garment manufacturers.

¹ 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.

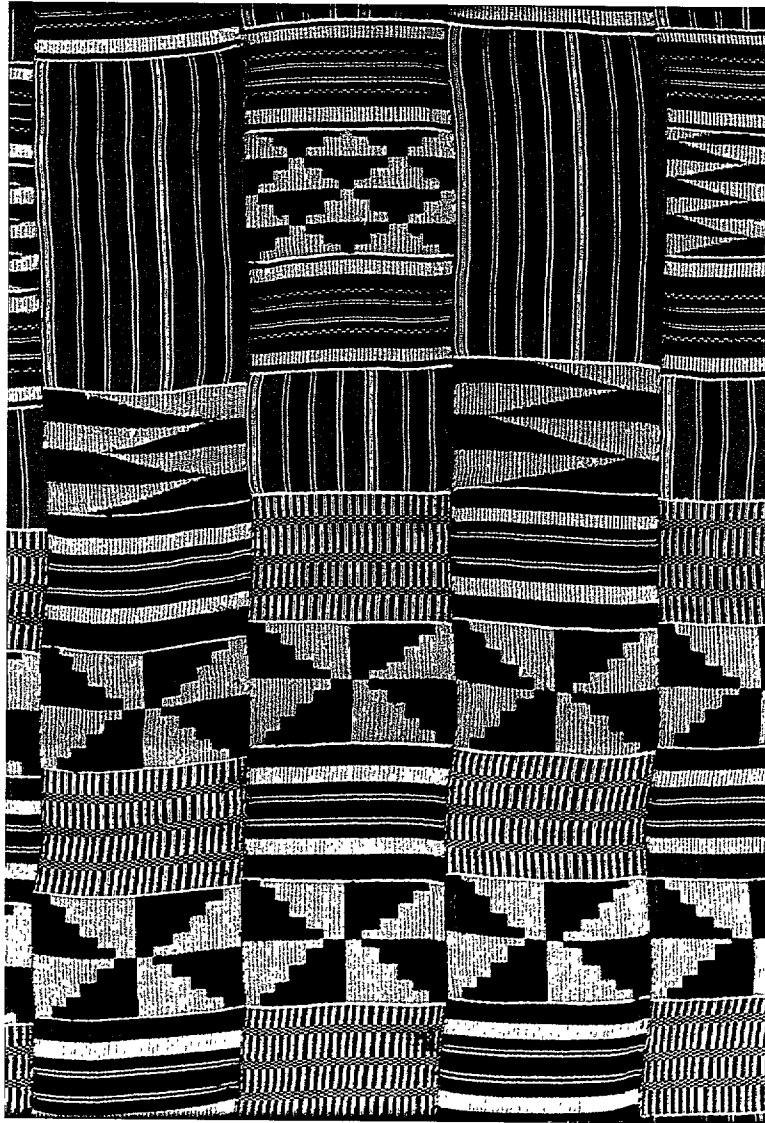
Photo #2

Photo of a kente cloth exemplifying the weaving skill, the variety of patterns and the vibrant colors preferred by Ghanaian handloom weavers. The cost of one strip range from \$3.50 to \$11.00 depending on the width and the fiber used.

In the United States, hand woven kente is often used by clergymen, politicians, at graduation ceremonies, and during Kwanzaa festivities as symbol of their royal African heritage. However, its multicolored patterns are now found in every type of products, from backpacks and baseball caps to gift bags and wrapping paper.

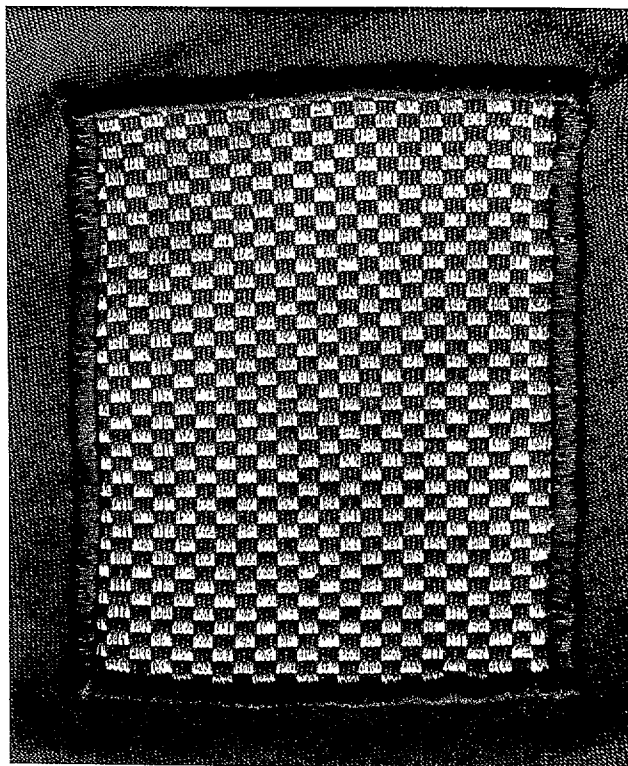
Sample #3

Detail of quilted kente cloth patchwork applications, outlined by machine made embroidery by *Winglow Clothes*

Given its popularity, kente designs are now reproduced in mill-made textiles. Such wide adoption creates the need to renew designs and color combinations. However, most weavers tend to repeat their most popular designs, given the time consuming process of developing new patterns. The patchwork technique permits unlimited possibility to create distinctive designs, which can be exclusive or produced in limited quantities.

Sample #4

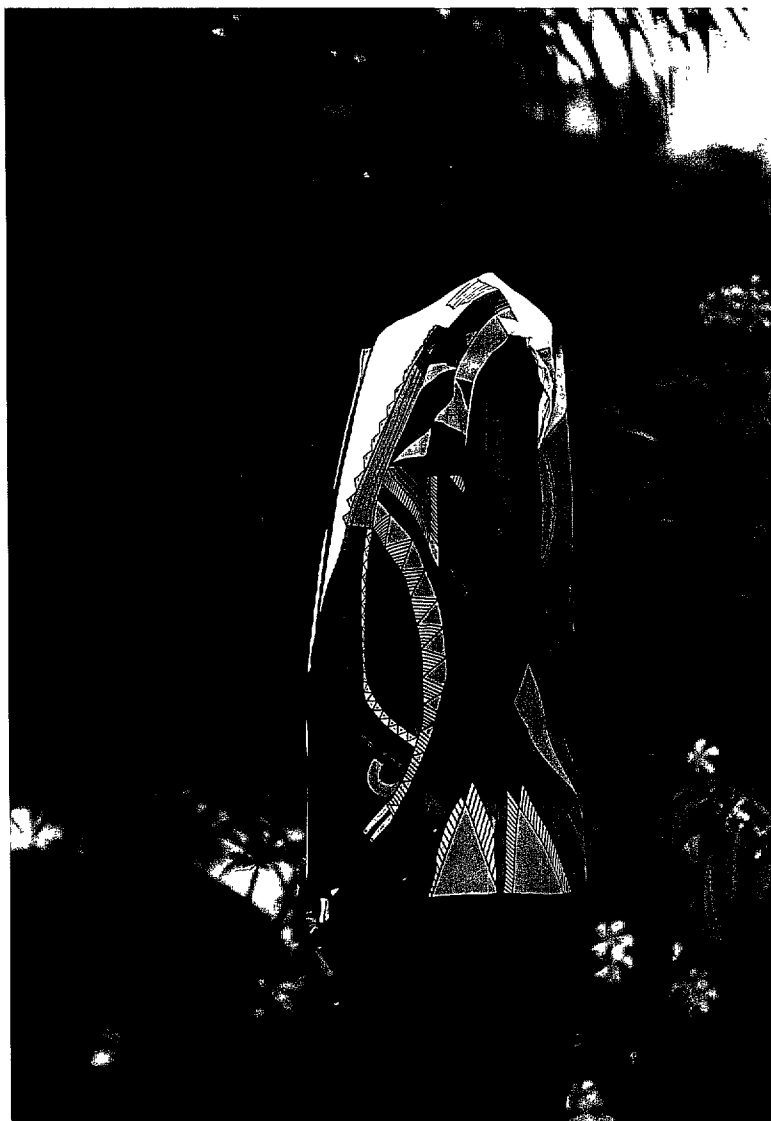
Fully lined jacket with applications of kente cloth, outlined by machine made embroidery,
by *Winglow Clothes* Selling price: \$48
Hand woven kente cloth by *Mandela Textile Handicraft Enterprise*
Imported black machine made fabric
Hand crochet skirt by *Marigold Korri* Price: not calculated

Sample #5

Detail of the kente cloth applications outlined by machine made embroidery by *Winglow Clothes*.

Kente applications permit to overcome the problem of uneven quality often found among weavers, even when they belong to the same organization. Such problem becomes very apparent when kente strips are stitched together for the making of garments.

Winglow Clothes produces men's and women's apparel richly decorated with machine made embroidery – garments used in formal occasions by the more affluent Ghanaians given their cost. The combination of kente cloth and machine made embroidery in less ethnic-oriented apparel would widen the export market for Ghana's garment manufacturers.

2. *HAND PAINTING**Sample #6*

Fully lined hand painted sleeveless top by *Winglow Clothes*

Selling price, exclusive of hand painted fabric

\$8.50

Fabric design based on a painting by Cynthia Sands and hand painted by *Cynthia Sands*

Price: not calculated

Cotton fabric by *Akosombo Textiles Ltd.*

Trousers by *Salma Garments* in imported fabric

Price: not calculated

Akosombo Textiles Ltd., established in 1969, is a vertically integrated production unit, which employs 1,350 workers. It utilizes Ghanaian cotton to produce printed fabrics for local and export markets.

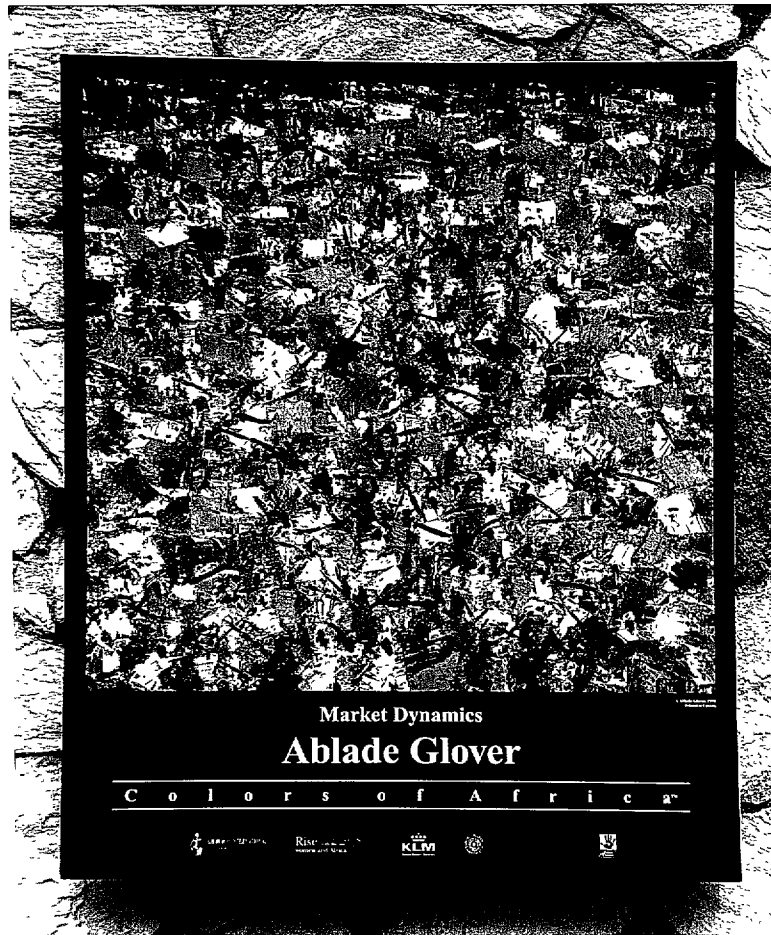
Photo #7

Preliminary sample of silk screened fabric with design based on a painting
by *Ablade Glover*

Price: not calculated

Cotton fabric by *Akosombo Textiles Ltd.*

Professor Glover is a leading art educator and an accomplished painter whose work is exhibited by the best art galleries worldwide. Professor Glover is interested in developing textiles, since he trained as fabric designer before he pursued his career as painter.

Photo #8

Poster of a painting by *Ablade Glover*. An area of this painting provided the design and the colors for the silk screened fabric pictured in the preceding page.

Prof. Glover is the Executive Director of *The Artists Alliance Gallery*, which seeks to promote traditional and contemporary art of Ghana in particular, and African art in general.

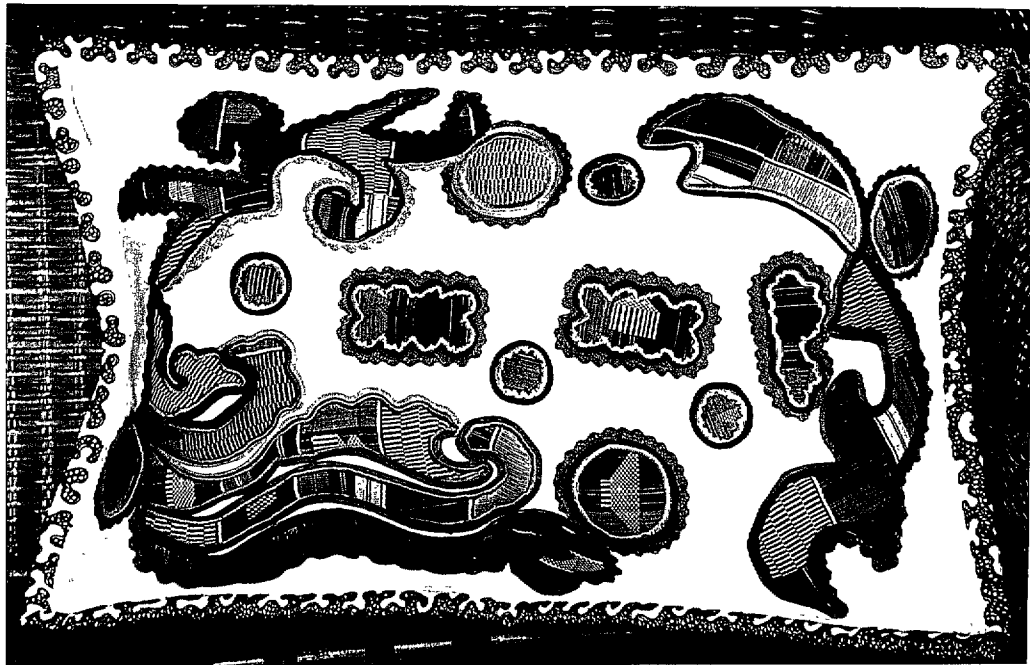
Sketches #9 & #10

These sketches by *Pietro Bianco* give an indication of the different types of apparel that can be developed with unique prints based on Ghanaian talent.

Sketches #11 & #12

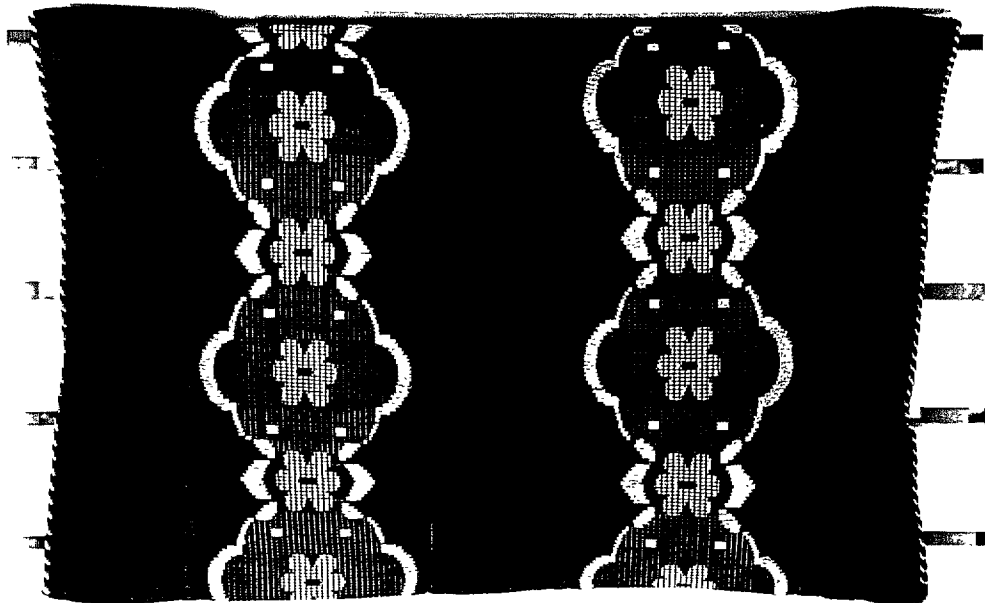
Sketches by *Pietro Bianco*

Conservation of Ghana cultural heritage needs to be tied with support of contemporary cultural expressions of painters, sculptors, and architects. Artists can play a key role in the development of new product directions, and their cooperation with craftspeople and manufacturers would result in items that are new responses to modern times.

B. HANDCRAFTED TEXTILE HOME FURNISHINGS**1. HAND WEAVING***Sample #13*

Pillow with applications of quilted kente cloth patchwork by *Winglow Clothes* Price: \$25
Hand woven kente cloth by *Gilbert Bobbo Ahiagble*
Cotton fabric by *Akosombo Textiles Ltd.*

The fiber used for this kente is cotton, although this producer, like many other weavers, often uses synthetic fibers, thus lowering the market value of kente cloth. Silk is also used to weave kente for the Ashanti elite, but their availability is limited and their price high.

Sample #14

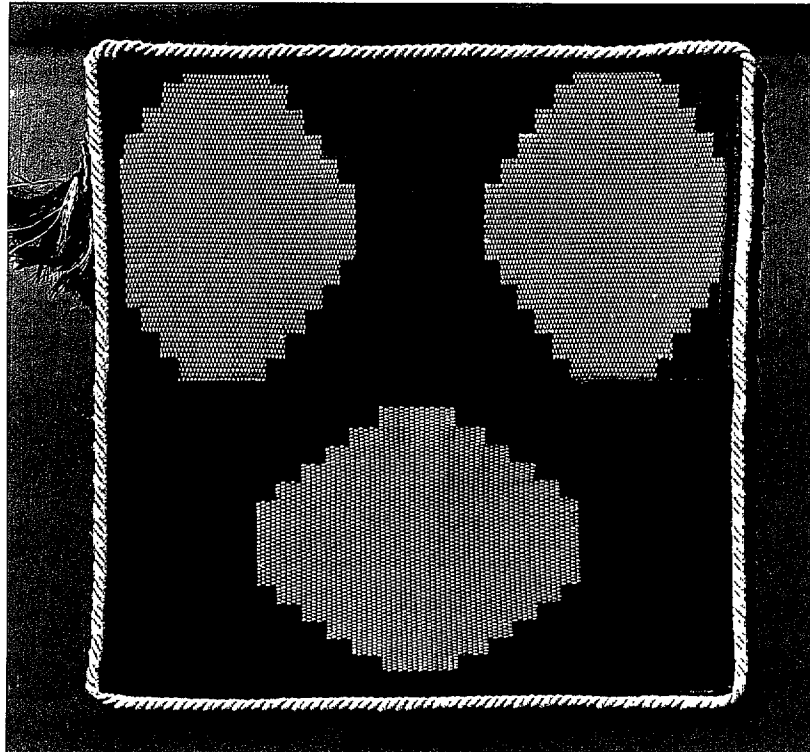
Kente cloth patchwork pillow by *Petra Cabida*

Price: not calculated

Kente cloth pieces joined by machine made embroidery by *Salma Garments*

Hand woven kente cloth by *Mandela Textile Handicraft Enterprise*

Kente strips are generally three to four inches wide and seven to ten feet long, and they are sewn together by hand or by machine to create garments and products using kente. In this sample, the width is about 9 inches. The greater the width, the easier is kente utilization for apparel and other items.

Sample #15

Kente cloth patchwork pillow with machine made embroidery by *Salma Garments*

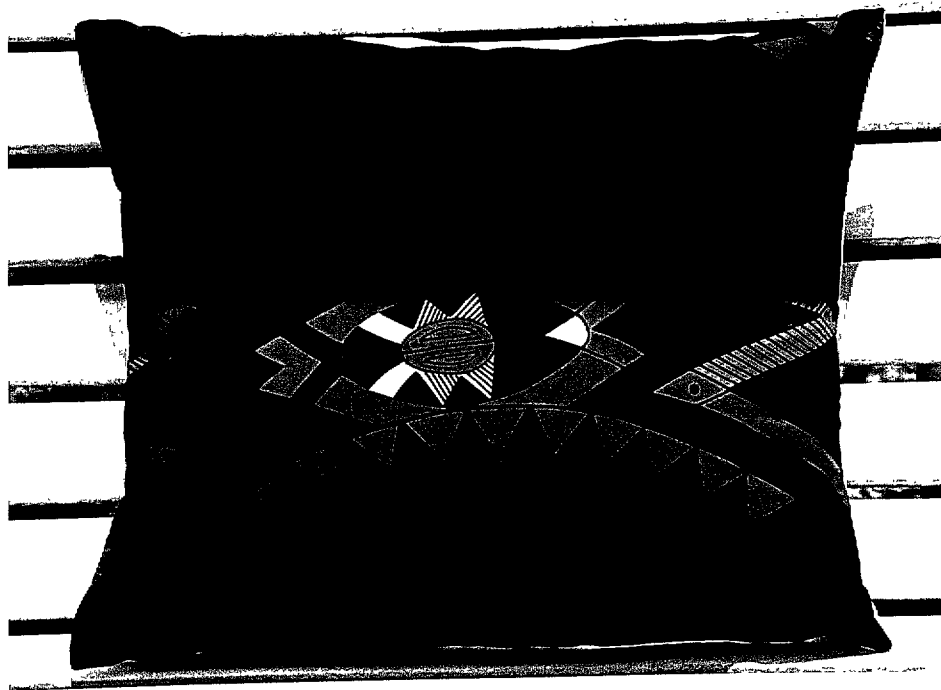
Price: not calculated

Hand woven kente cloth by *Avata Kente Weaving*

This floral motif represents a departure from traditional geometric designs. By aligning the vertical strips with different patterns and colors, weavers can create cloth with several horizontal patterns by simply changing the alignment of strips.

2. *HAND PAINTING*

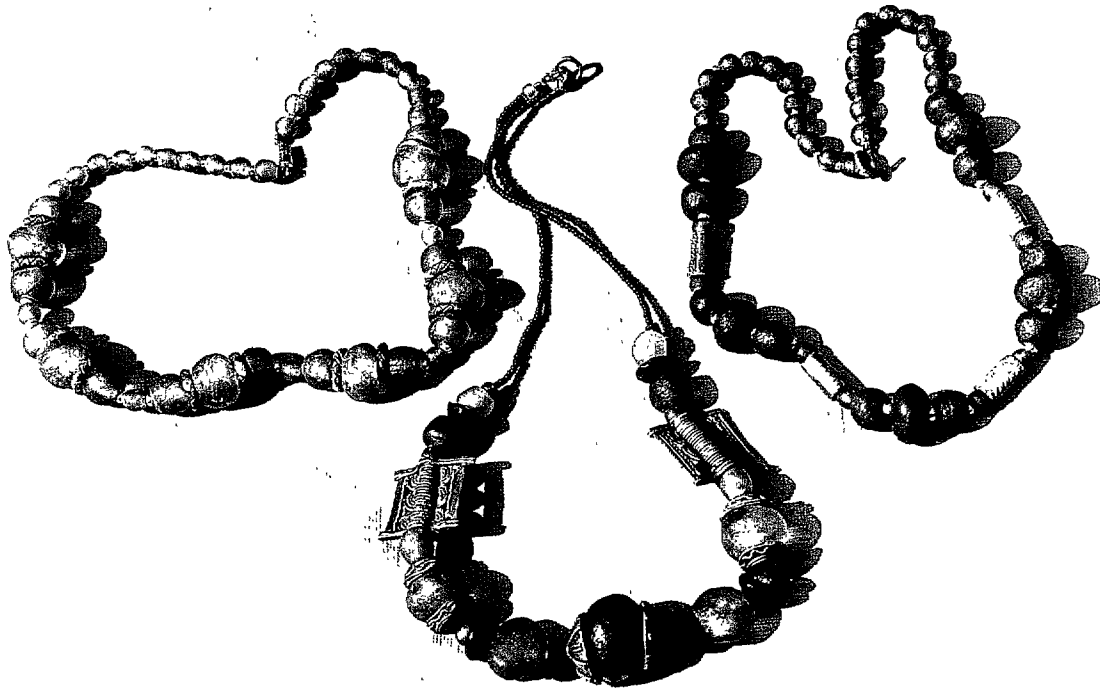
Sample #16



Pillow by *Winglow Clothes*
Hand painted fabric by *Cynthia Sands*
Cotton fabric by *Akosombo Textiles Ltd.*

Selling price, exclusive of hand painted fabric: \$3
Price: not available

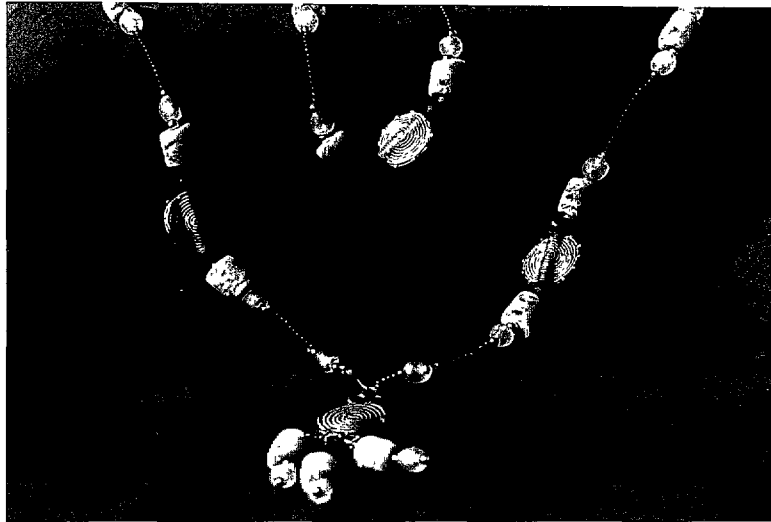
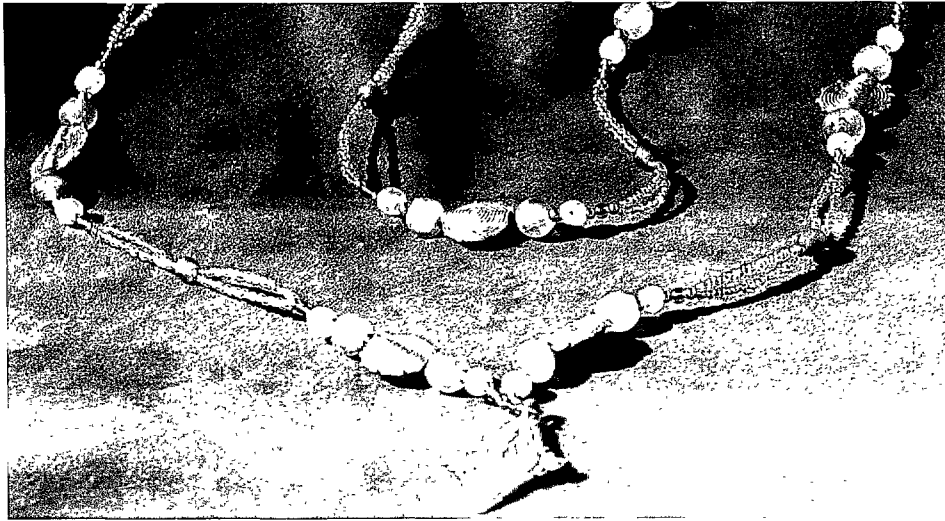
For this sample, the artist herself hand painted the fabric. However, even for a limited production, hand painting would not be a viable proposition, since it would be too time-consuming, possibly non-competitive, and uniformity may be a problem. However, silk screening would be the ideal solution. The artist could have a screen made to silk screen pieces of fabric that can be converted in scarves, pillows, small accessories, or wall decor items.

C. HANDCRAFTED JEWELRY***Sample #17***

Necklaces in glass and bronze beads designed and assembled
by *Ahene pa nkasa*²

Price: \$10 each

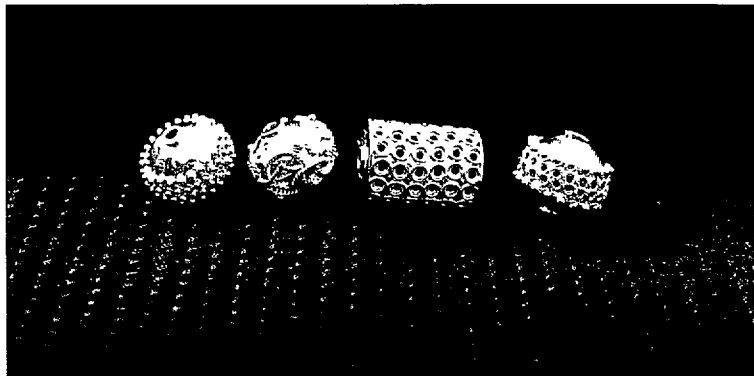
Beads are made from recycled colored glass bottles. Artisans crush the bottles, put the shards in moulds, and melt them in a simple wood fired kiln. Then, they make the holes, cool the bead, and laboriously hand tumble them in a stone trough with water and sand to smooth off the rough edges. Every bead is handmade and unique.

Photos #18 & #19

Necklaces in glass beads and bronze accents designed and assembled by *Ahene pa nkasa*

Price: \$10 each

The brass beads are all hand made using the lost wax process. Every piece is individually made of beeswax, skillfully creating the finely detailed patterns. Then, the wax mould is covered with six layers of fine charcoal to maintain all the detail, and coated with a rough clay mixture for the final mould. The mould is then heated and the wax melted out. Molten brass or bronze is then poured into the empty mould and, when cool, the mould is broken releasing a bead, which has the rough parts filed off and hand polished, using lemon juice and sand.

Samples #20 & #21

Mother and child pendant in ebony and 18K gold handcrafted by the *College of Jewellery*

Price: \$10

13K gold beads handcrafted by the *College of Jewellery*

Price: \$13 each

The National Museum in Accra houses a small collection of Ashanti weights for weighing gold powder. The *College of Jewellery* and NIEDA planned to make an exact replica of an Ashanti weight in 9K gold, and the College principal sought the permission from the *Ghana Museums & Monuments Board*, but there was not sufficient time.

D. HANDCRAFTED ACCESSORIES

Sample #22

Handbag in Italian leather³ with suede profiling by *Vadek*
Decorative cow horn oval by *Wild Gecko Handicrafts*

Price: not calculated
Price: \$1.05 each

³ NIEDA brought the leather from Italy since there are not leather tanneries in operation now.

Sample #23

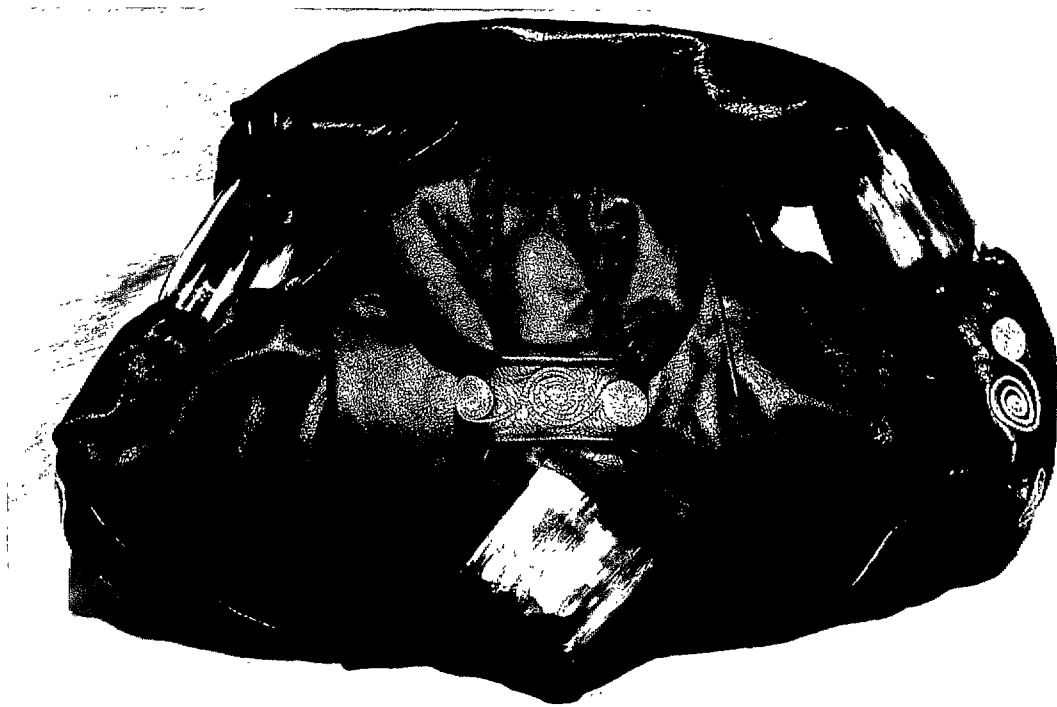
Handbag in Italian leather with machine embroidered handles *Winglow Clothes*

Price: not calculated

Decorative sun motif in cow horn by *Wild Gecko Handicrafts*

Hexagon price: \$1.70

Triangle price: \$0.35 each

Sample #24

Handbag in Italian leather with machine embroidery in golden thread by
Winglow Clothes

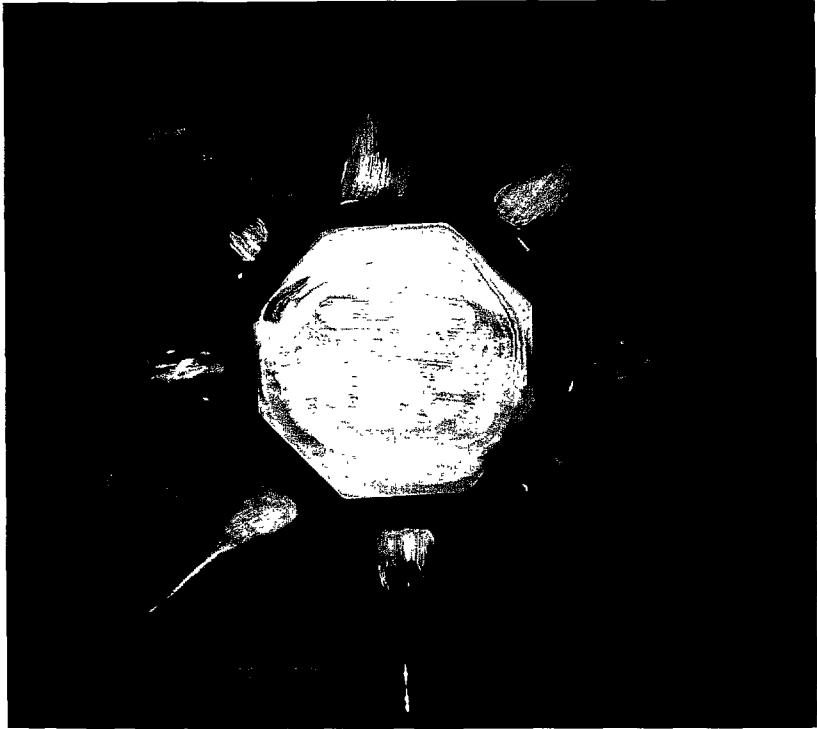
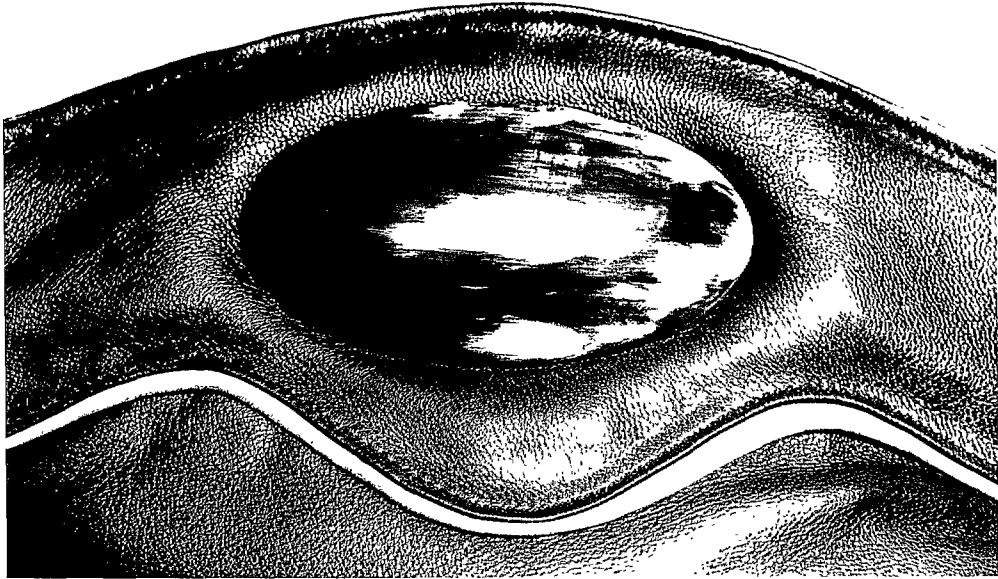
Price: not calculated

Cylindrical handle ornaments in cow horn by *Wild Gecko Handicrafts*
Square flap ornament in cow horn by *Wild Gecko Handicrafts*

Price: \$0.55 each

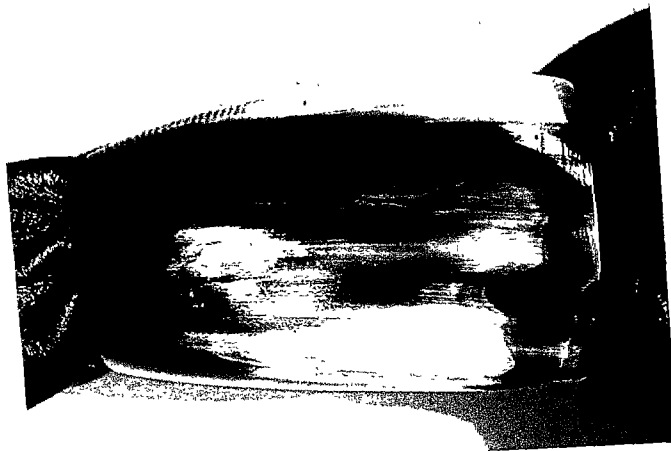
Price: \$0.45 each

Samples #25

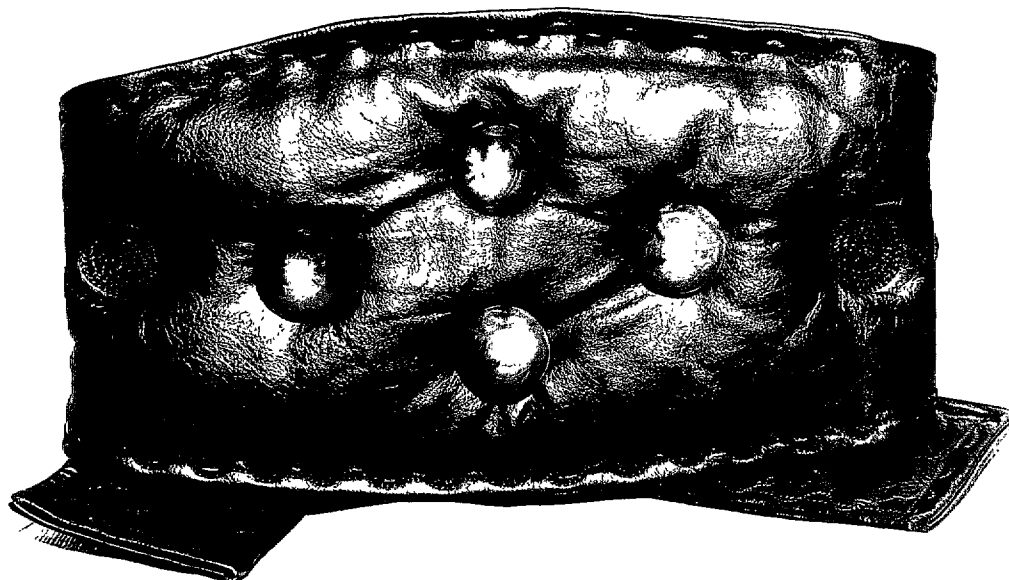


Close-ups cow horn ornaments by *Wild Gecko Handicrafts*

Samples #26



Close-ups of cow horn ornaments by *Wild Gecko Handicrafts*

Sample #27

Belt in Italian leather with machine embroidered profiling by *Winglow Clothes*

Price: not calculated

Close-up of decorative cow horn cabochons by *Wild Gecko Handicrafts*

Price: \$0.30 each

Sample #28

Suede⁴ handbag with kente cloth focal point by *Vadek*
Kente cloth by *Mandela Textile Handicraft Enterprise*

Price: not calculated

4. NIEDA donated the Indian suede and provided the white metal fittings.

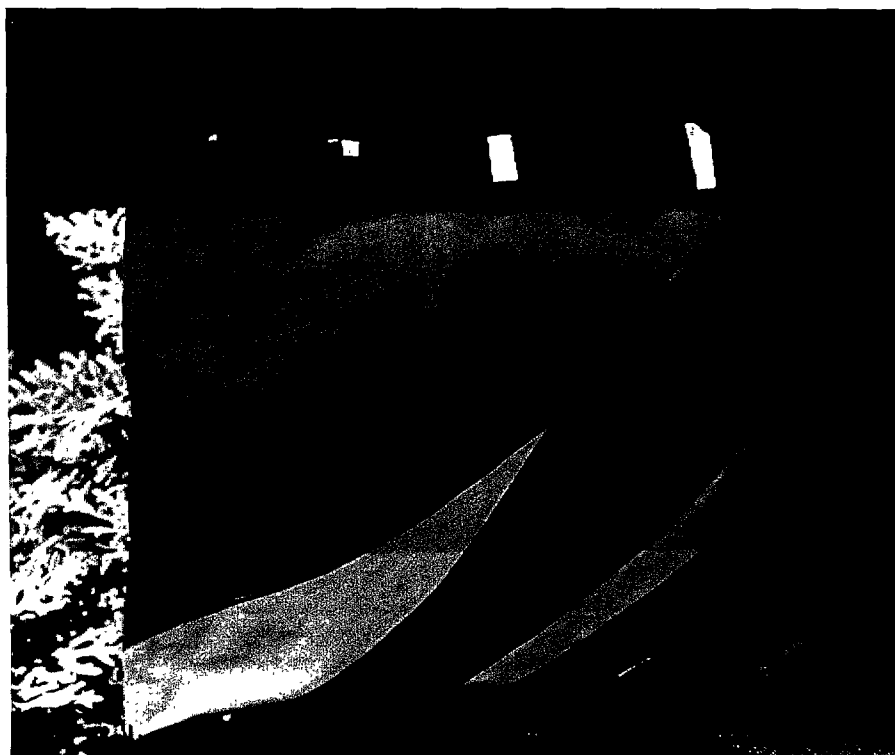
Sample #29

Suede⁵ handbag with machine embroidered handles by *Winglow Clothes* Price: not calculated
Cabochon cow horn ornaments by *Wild Gecko Handicrafts* Price: \$0.30 each
Arrow flap ornaments in cow horn by *Wild Gecko Handicraft* Price: \$0.35 each

⁵

NIEDA donated the Indian suede.

Samples #30

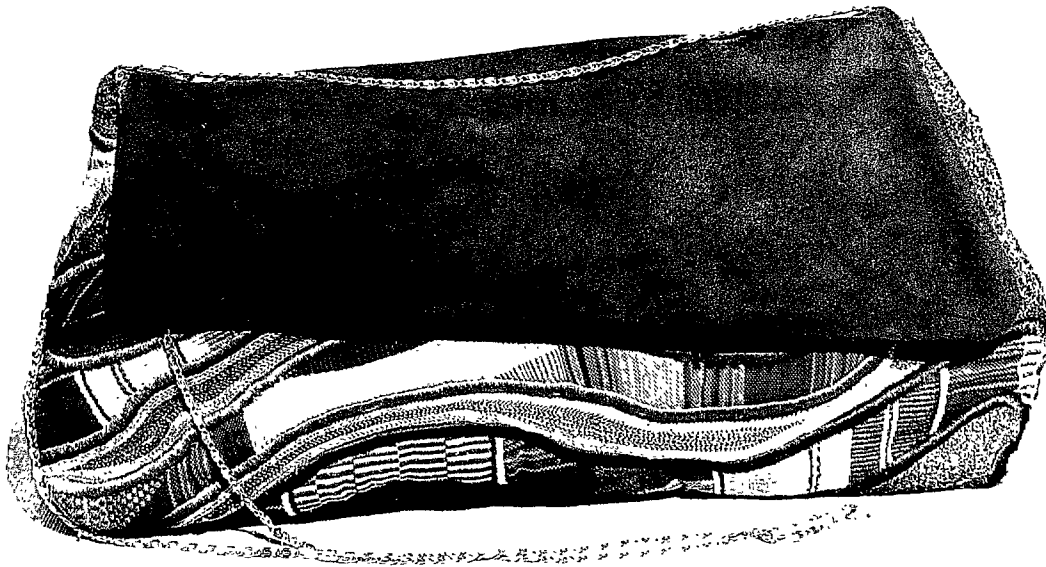


Hand painted tote bag with suede handles by *Winglow Clothes*

Hand painting by *Cynthia Sands*

Price, excluding materials: \$4

Price: not calculated

Sample #31

Shoulder bag in quilted kente cloth patchwork and suede⁶ by *Winglow Clothes*

Price: \$21

Hand woven kente cloth by *Gilbert Bobbo Ahiagble*
Cotton fabric by *Akosombo Textiles Ltd.*

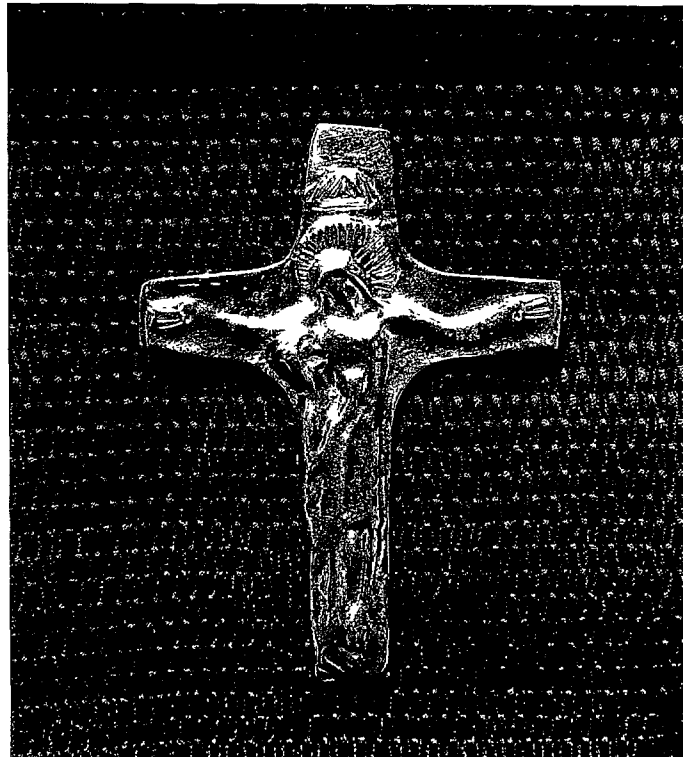
6. NIEDA donated the suede and the gold tone chain

D. HANDCRAFTED DECORATIVE ITEMS*Sample #32*

Bronze crucifix gold plated in 9K gold by the *College of Jewellery*
The crucifix (3" x 2 1/4") was handcrafted using the lost wax method
Ebony base handcrafted by *George Obeng*

Price: \$2

Price: \$2.50

Sample #33

Close-up of the gold plated bronze crucifix by the *College of Jewellery*

The Vocational Aid Association of Ghana established this College in 1999 with the support of several organizations, including USAID. About 50 students are now enrolled, and at the conclusion of a three-year program, they will receive a Diploma or a Certificate. The College also offers a practical two-year program for out-of-school youth.

Sample #34

"Cosmos" – Abstract bronze piece – 9 inches high – by the *College of Jewellery*

Price: not calculated

In effect, this metal piece is the overflow of the molten bronze pored in a mould during the lost wax method. The College of Jewellery simply polished and soldered two metal prongs to its concave side to attach the metal to the ebony base.

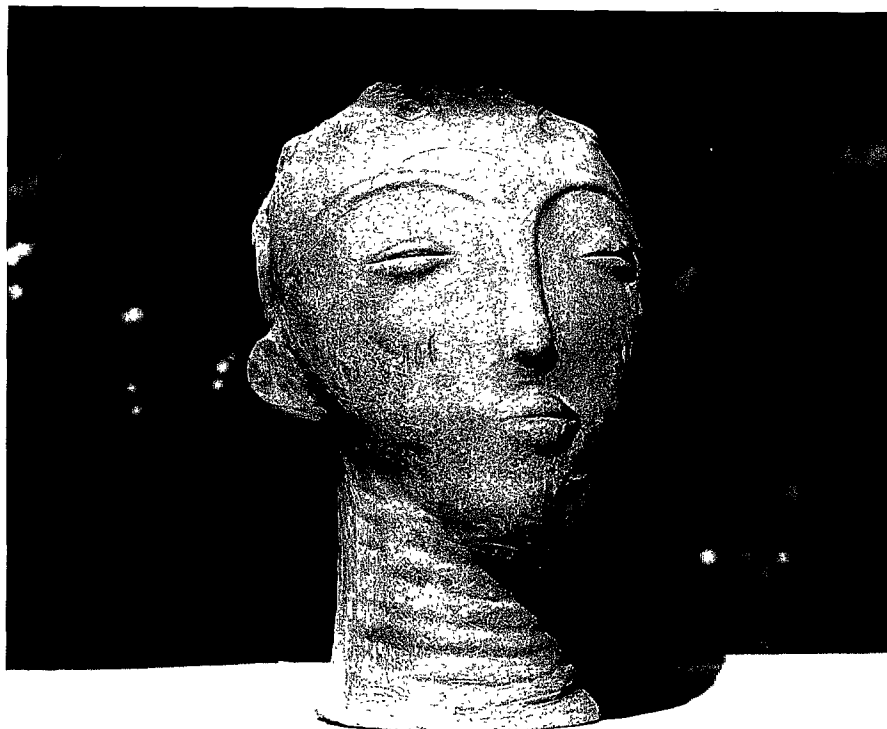
Ebony base handcrafted by *George Obeng*

Sample #35

Copy of an Ashanti bronze box by *Mama Africa Arts & Crafts and Fashion Gallery*

Price: \$10

This artifact illustrates why West Africa is famous for its tradition of casting brass and bronze using the lost wax technique. Usually, it is not possible to distinguish between bronze and brass without scientific analysis, and in Ghana the terms are used interchangeably. Today, latex can be used instead of wax to create even finer details.

Sample #36

Ceramic head, which would be normally glazed, handcrafted by *Nii Aye Richardson*

Price: \$1.00

Nii Aye Richardson is a young ceramist who works for *Nyame Bekyere Pottery*, which produces glazed decorative and utilitarian ceramic items.

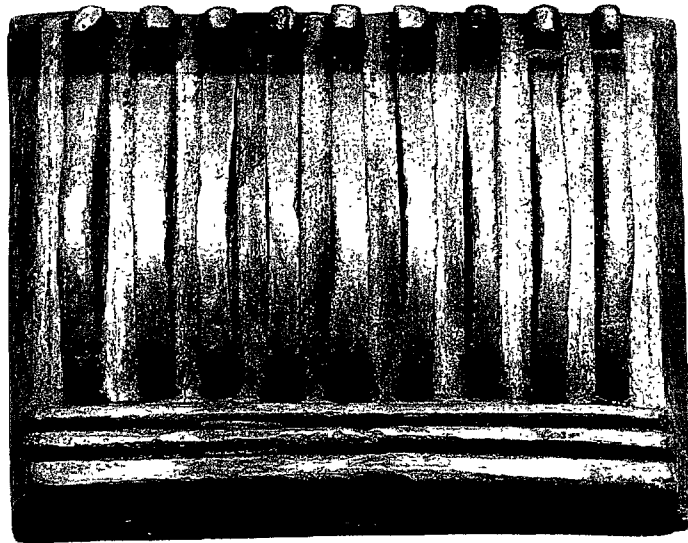
Notwithstanding its unfinished state, this head is a very distinctive ceramic piece that does not imitate the items currently handcrafted by most workshops.

Sample #37

Ceramic head especially conceived and crafted by *Nii Aye Richardson*

Price: \$1.00

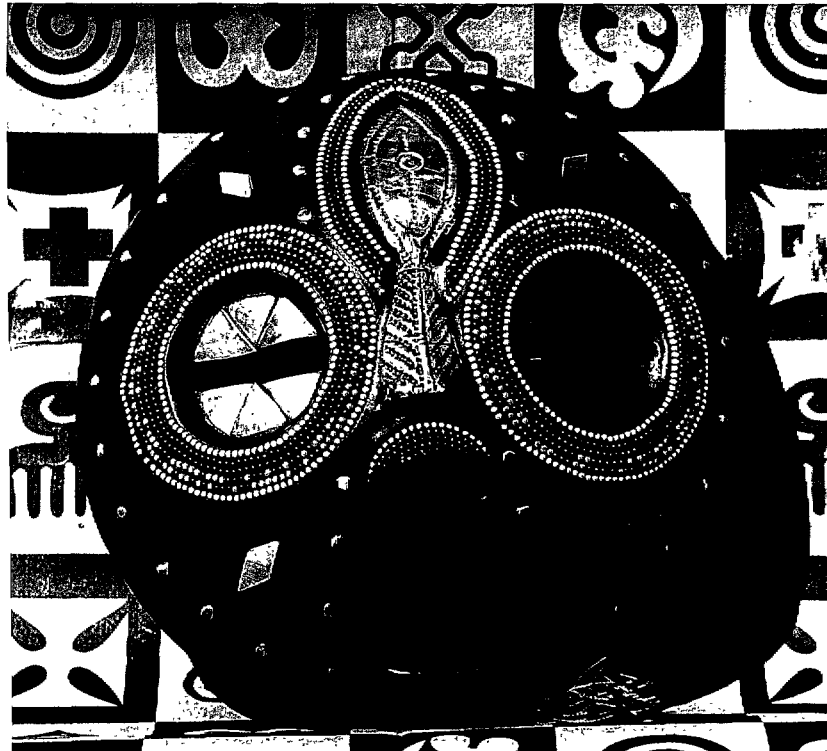
This young ceramist shows imagination and skill that may result in distinctive ceramics, with the necessary encouragement and guidance.

Photo #38

Ceramic replica of an Ashanti gold weight from the National Museum in Accra
by *Lovistyle*

Price: \$10

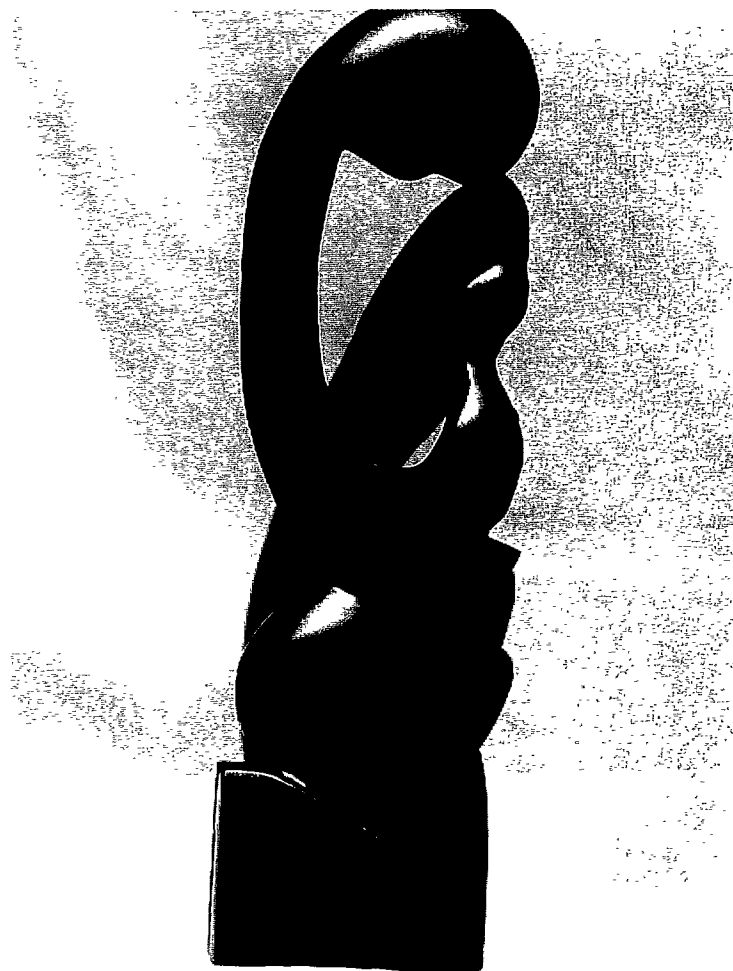
This sample is meant to illustrate how artisans in different crafts can tap an array of designs from of the Ashanti culture. Regrettably, this sample disintegrated during the flight to New York, since the clay was not sufficiently dried before it was fired – there was a deadline to meet for the presentation of samples in Accra.

Photo #39

Traditional mask by *Ga Mashie Handicraft Producers Association*

Price: \$10

The Association and NIEDA planned to make a replica of a wooden sculpture in the National Museum collection, but the Association had not access to kiln dried wood.

Sample #40

Abstract mother and child figure handcrafted in ebony by *George Obeng*
(Height: 12 inches)

Price: \$6

Other woodcarvers make similar figures, but what differentiates this particular sculpture – especially made for NIEDA – is the use of ebony and the good quality of finish.

Sample #41

Chiseled mother and child figure handcrafted in ebony by *George Obeng*
(Height: 13 inches)

Price: \$17

This powerful sculpture, signed and numbered, demonstrates the level of skill and talent that can be found among Ghanaian artist/craftsmen.

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:

- *The MuseumCompany.com*
- *Angela Cummings Fine Jewelry, Inc.*
- *Chado*
- *Kim Seybert*
- *Zelda*
- *Donghia Furniture/Textiles*
- *Kim Unger New York*
- *Saks Fifth Avenue*
- *Neiman Marcus*
- *Bill Blass, Ltd.*
- *Takashimaya New York, Inc.*
- *Oscar De La Renta*
- *Calvin Klein, Inc.*

What follows is some basic information about these firms.

1. *The MuseumCompany.com*

This complete Internet store is the sister company of the successful The Museum Company, the world's largest retailer of museum-related merchandise. They share the same mission of offering high-quality reproductions, adaptations, and interpretations from the world's finest museum collections. Since 1989, The Museum Company has worked with such museums as the Metropolitan Museum of Art, the Art Institute of Chicago, the Museum of Fine Arts of Boston, and the Victoria and Albert Museum in London to bring authorized, museum-related items for exclusive

sale. The Museum Company has over 90 retail stores in the United States, Canada, and Israel, with over 40 million customers annually.

2. **Angela Cummings**

Angela Cummings, Elsa Perretti 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.

3. **Chado** – A New York based designer who shows his collection during the fashion presentations *Sixth on Seventh* in New York.

4. **Kim Seybert** – An established New York-based company whose founder, Ms. Seybert, travels the world working with artisans specialized in traditional skills such as embroidery, hand painting, and hand beading. Her collections of table wear, decorative home accessories, and fashion items are sold in all Neiman Marcus stores and all Saks Fifth Avenue stores, among others.

5. **Zelda** – This New York-based fashion designer specializes in top quality women's wear.

6. **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.

7. **Kay Unger New York** – Fashion designer known for her signature innovative prints and hand beading.

8. **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%.

9. **Neiman Marcus**

The Neiman Marcus Group 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.

10. ***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.

11. ***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.

12. ***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.

13. ***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).

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 furnishings, since consumers buy the more fashionable items there.

b. *Specialty Stores*

Specialty stores specialize in a specific type of merchandise such as home furnishings, gift items, etc. Compared to department stores, they carry a deeper assortment of distinctive, quality merchandise – targeted to style-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.

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 has been submitted prior to this report.
2. **Dissemination of information** – The team's activities were covered by radio and press (ANNEX II – PAGE 61).
3. **Market linkages** – Ghanaian handcrafted products presented have attracted, as of now, the interest of the following companies:
 - a. **Donghia**
This firm ordered samples from Winglow Clothes, George Obeng and Wild Gecko Handicrafts. The firm will pay for sample costs.

- b. *Angela Cummings Fine Jewelry, Inc.*
They are designing samples for execution by the College of Jewellery, and George Obeng. The company will pay for sample costs.
- c. *Kim Seybert*
This company has sent specifications of samples for execution by George Obeng and Wild Gecko Handicrafts. The firm will pay for sample costs.

NIEDA informed these Ghanaian companies – via e-mail, fax and telephone – about these requests, but only Winglow Clothes responded immediately, and sent the sample as requested.

After more than three weeks, the other enterprises could not or would not answer NIEDA communications. Notwithstanding such lack of response, NIEDA continued to present the samples just for market evaluation. At the end of November, the NIEDA team will return from Benin. At that point, it will be clear which are the reliable Ghanaian firms that can be linked with U.S. firms.

NIEDA has to be certain that Ghanaian producers will follow through in a professional manner, before suggesting linkages. Non-performance by few producers would affect market's perception of Ghanaian producers as sources of merchandise.

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 APPAREL

Sample #1 (white outfit)

All experts liked the idea of kente cloth patchwork, the combination of the kente with embroidery, the motifs and the colors. The quality of garment manufacturing is fair, and the price is acceptable when quality is upgraded.

“Striking . . . a new direction”

“Very creative designer, but quality has to be improved (garment)”

“Machine embroidery is all right as frame to hand woven fabric”

Sample #4 (black outfit)

Buyers are interested in products made with domestic materials for their lower cost.

“Very elegant . . . they have flair. . . the quality of finish has to be perfected”

“You did not think West Africa . . . one expects very assertive colors”

Sample #6 (hand painted jacket)

“Looks great . . . a good beginning”

“An African Pucci print . . . for colder climate, colors could be toned down a bit”

B. HANDCRAFTED TEXTILE HOME FURNISHINGS

Sample #13 (quilted kente patchwork on white fabric)

The composition denotes imagination and flair. The price is reasonable.

“A great focal point”

“Fine details, it looks like a painting”

Sample #14 (black pillow with geometric golden motif)

It is a good concept, but the overall quality is affected by the uneven quality of the kente strips used.

“It does not look like the kente you normally see . . . good width”

“A direction to pursue . . . right for many settings”

Sample #15 (black pillow with floral golden motif)

All experts agreed that the hand weaving and the workmanship are fine.

“Pleasing motif, a nice addition to the usual geometric forms”
 “Looks good, but it needs a more important braid⁷”

Sample #16 (*hand painted pillow*)

“Perfect on a black leather sofa”
 “Imagine it in silk – then you would want to embrace it”

C. HANDCRAFTED JEWELRY

Sample #17 (*glass and bronze beads necklaces*)

“Colorful . . . not for the timid. Can they make stretch⁸bracelets?”
 “They look good, but they could be better finished”

Samples #20 (*ebony and gold pendant*)

“Good workmanship . . . good price”
 “Very skilled craftsman – it’s difficult to work with such small and thin piece of ebony”
 “They could make attractive, important pieces . . . they need designs”

Sample #21 (*gold beads*)

The quality of workmanship is good and the price is fine.

“Very well made . . . how many people have this skill?”
 “Attractive and well crafted – goldsmiths have such a long tradition in Ghana!”

D. HANDCRAFTED ACCESSORIES

Samples #22 through #29 (*leather handbags and belt*)

The overall quality of leather products shows that producers lack the equipment necessary, and that workers need training. However, everyone liked the cow horn ornaments for their polish, unusual shapes, and price.

“Excellent materials, poor results . . . they need equipment”
 “They work horn beautifully . . . great shapes, great colors . . . competitive prices”

Sample #30 (*hand painted fabric tote bag*)

Garment manufacturers could easily make this type of bags with distinctive handcrafted fabrics, aimed at the tourist market.

⁷ The braid was hand made by the garment manufacturer, since the right braid could not be found in Accra.

⁸ Beads are strung on thin elastic to stretch around the wrist.

“Fun . . . it’s a beginning”

Sample #31 (*quilted kente patchwork purse*)

When perfected, this type of product would appeal to the more sophisticated consumer in Ghana, whether Ghanaian or foreign. For export, the quality/price ratio would not be competitive.

“Appealing and original, good colors”

“Ideal for accessories . . . great texture (kente patchwork)”

D. HANDCRAFTED DECORATIVE ITEMS

Sample #32 (*gold plated crucifix*)

All experts admired the artistry of this item, and they found the price very competitive given its quality.

“Beautiful! A small work of art. Just think of the many decorative objects they can make”
“Handsome as home decor or pendant”

Sample #34 (*abstract bronze piece*)

“Unique . . . don’t tell consumers how it came about”

“Great story . . . good conversation piece”

Photo #35 (*bas-relief bronze box*)

“Very beautiful artifact . . . even from the photo you know it needs better finish”
“The price is fair, especially if it’s an exact reproduction of a museum piece”

Samples #36 & #37 (*ceramic heads*)

“They are rough, but they show talent”

Photo #38 (*ceramic replica of Ashanti gold weight*)

“Interesting . . . not the usual antiqued ceramic piece”

Photo #39 (*mask*)

“The price is on the high side . . . there is so much competition from so many countries”
“Very attractive, but in New York can buy them on push carts”

Samples #40 & #41 (*mother and child sculptures*)

Every expert admired the two sculptures by this artist/craftsman – they show creative talent, good workmanship, and attention to detail. The price is fair for such artifacts.

“Very powerful and evocative . . . it’s a joy to look at them”

“Very well crafted, excellent prices . . . a real artist”

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. MAIN PRODUCT GROUPS

1. *Textile Home Furnishings*

Garment manufacturers could develop distinctive items utilizing traditional skills such as:

- a. Hand weaving – Kente cloth in new designs and color combinations would appeal to those consumers who are interested in new products more than in the symbolic value of traditional kente cloth;
- b. Machine embroidery – Application of this skill can be extended to home decor items in addition to traditional apparel;
- c. Silk screening of innovative designs created by artists and product designers.

2. *Home Decor Items*

- a. Wood carvings – Current production is geared to tourists and to the middle end of the export market. However, the quality market could offer a profitable niche for well finished and distinctive items, given the number and skill of artisans practicing this craft;
- b. Bronze/brass items – Most reproductions of Ashanti pieces, as well as products in contemporary designs, lack quality of finish. The range and beauty of Ashanti artifacts, however, offer an significant opportunity for the reproduction or adaptation of unique, meaningful items;
- c. Ceramics – Most ceramic items are aimed at tourists and at the lower/middle end of the export market. Their present quality and design need to be considerably upgraded for the better quality market.

3. *Apparel*

Apparel is presently produced mainly for the domestic market, the tourist trade, and boutiques abroad carrying Afrocentric merchandise. For the quality export market, producers need production upgrade and product innovation.

4. *Accessories*

- a. Gold jewelry has good prospects once the students at the College of Jewellery complete their training and begin to handcrafts export-quality jewelry;
- b. Ornaments in cow horn offer good potential given the quality of finish;
- c. Glass beads jewelry requires better finish for the quality market;
- d. The quality of leather goods limits their marketability to the local market.

B. CONSTRAINTS

1. *Inadequate quality*

Understandably, most producers do not strive for quality, since their present market

does not want to pay or even recognize quality. By and large, traders, importers, and tourists alike try to bring price down, which results in products of a progressively lower quality, thus depressing prices even further. To break this cycle, a concerted effort is needed to encourage and reward those producers who make quality products, and thus sensitize other producers.

2. ***Non-competitive price***

Most products are unrealistically priced, since the majority of producers lack:

- Knowledge of how to cost;
- Information about international competition;
- Appreciation of foreigners' aversion to bargaining, especially it results in a drastic price reduction.

3. ***The one-time deal perspective***

Many producers do not seek lasting business relationships, but see a potential sale as a one-time opportunity. Such perspective accounts for a variety of problems – e.g. delivery time, quality, and product specification. Intermediaries in particular tend to agree to customers' requests irrespective of how uncertain it could be to comply.

4. ***Availability of Materials***

Kiln dried wood is seldom used by woodcarvers for economic reasons. The width of Akosombo Textiles fabrics is 1.25 meter, instead of the usual 1.50 meter, requiring more fabric for garment production with higher cost. As result, a number of manufacturers source fabrics in Benin.

5. ***Telecommunication***

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

6. ***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

7. ***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 GOODS

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 Ghana, 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 who work at their own homes, and are paid on a piecework basis. There are also small workshops, headed by a master artisan, such as George Obeng, 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 *Fritete African Art Works*, which employs about 50 craftspeople executing designs provided by clients. These enterprises have a competitive advantage over smaller producers, given the cost 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 product groups with the best immediate potential are:

- Home furnishings with artisanal inputs
- Wood carvings
- Bronze and brass items
- Cow horn items.

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.

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 Neiman Marcus, 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 Ghanaian producers with top international 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 Ghana, 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. ACTION PLAN

In Ghana, SMMEs are in a very favorable position compared to enterprises in other African countries, in view of the USAID-funded "*Increased Private Enterprise Performance Project (IPEP)*", which is now being implemented. The objective is to support economic growth through the increased production and export of non-traditional products, including textiles, garments, and handicrafts.

AMEX International Ltd. is the U.S. contractor responsible for IPEP implementation, and it provides a wide range of services, including business and investment planning, production and technology support, as well as product and market development. AMEX International is also linked to other organizations active in Ghana, such as the International Executive Service Corps and Care International.

In addition, artisans receive practical assistance by Aid to Artisans – Ghana (ATAG), which is a non-profit, non-governmental organization providing training and collaboration in product development, production and marketing. ATAG is the Ghanaian affiliate of the U.S. organization Aid to Artisans, Inc.

In September of 2000, a *Garment Training Laboratory* is expected to become operational, and begin to train machine operators and supervisors in the garment and textile industry. Such training is a component of a *SME Cluster Programme* – initiated by the Government of Ghana and UNIDO – to enhance enterprise competitiveness in the international market by fostering co-operation among producers.

Key tasks confronting these organizations are:

Task 1 — Identification of qualified enterprises

Task 2 — Identification of sources of materials;

Task 3 — Identification of technical specialists;

Task 4 — Training;

Task 5 — Development of swatches;

Task 6 — Development of Ghanaian designing talent;

Task 7 — Publicity program for visitors to Ghana;

Task 8 — Publicity program to attract visitors to Ghana;

Task 9 — Market presentation.

Task 1 — Identification of Enterprises

Assistance needs to be targeted to those enterprises that can be more easily positioned to supply quality products to export markets. Based on NIEDA experience, the following enterprises have the potential to become successful exporters to the top end of the market, given their level of skills:

- Mandela Textile Handicraft Enterprise – hand weaving (kente cloth)

- Avata Kente Weaving – hand weaving
- Gilbert Bobbo Ahiagble, Craft Institute of Kente Weaving – hand weaving
- Cynthia Sands – textile hand painting
- Ablade Glover – textile silk screening
- Winglow – apparel, home furnishings, leather handbags
- Salma Garments – apparel & home furnishings
- Petra Cabida – home furnishings
- Wild Gecko Handicrafts – cow horn components
- College of Jewellery – bronze item
- George Obeng – ebony components.

However, 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. Commitment, however, is the key prerequisite needed to become a successful exporter.

Selection criteria — The selection of producers should be 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.

Task 2 — Identification of Sources of Materials

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 3 — Identification of Technical Specialists

A key issue is the selection of qualified technical specialists and product designers that may be required – on a short-term basis – to complement the input of those experts presently providing technical assistance in Ghana.

Task 4 — Training

Training would benefit considerably by the cooperation of all the support organization involved. If an overall strategy were devised and a cooperative approach were adopted, training would be more cost-effective and have greater impact

Task 5 — Development of Swatches

To begin the process of product development, craft organizations could develop new swatches embodying different skills and materials. Such swatch books could 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.

Designer/manufacturers and retailers could source:

- Handcrafted materials, such as kente;
- Handcrafted components, such as kente patchwork and machine embroidery;
- Finished products, with handcrafted inputs, made according to their specifications;
- Existing handcrafted products, such as wood sculptures.

Task 6 — Development of Ghanaian Design Talent

Ghanaian and foreign experts living in Ghana could identify and guide the most promising local product designers with the preparation of distinctive items. Some of these items could be included in market presentation, such as trade fairs or trade missions, and begin to build name recognition for Ghanaian creative talent.

Task 7 — Publicity Program for Visitors to Ghana

Effective publicity initiatives could spotlight not only the heritage and culture of Ghana, but showcase its best products as well, whether traditional or contemporary.

Task 8 — Publicity Program to Attract Visitors to Ghana

Ghana's tourist attractions and goods could be publicized with news and photo releases to stimulate interest highlighting its royal past. Editorial publicity – coverage of events, resorts, or products 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.

Task 9 — Market Presentation

When a cross section of reliable, qualified producers is lined up, arrangements could be made with a U.S. trend-setting retailer, which could hold a Ghana promotion in their stores. Such special event would provide exposure for many consumer products, such as jewelry, accessories, home furnishings, food and beverages.

ENTERPRISE PROFILES**ANNEX I****WINGLOW CLOTHES**

Year established: 1985

Main activity: men's, women's and children's wear, home furnishings

Number of workers: 30 permanent, 15 temporary

Equipment: 30 sewing machines, 3 specialized machines

Production: 1 woman outfit, 1½ man outfit

Capacity utilization: 100%

Export markets: USA (15%), Kenya, Zimbabwe (15% of total sales)

SALMA GARMENTS LTD.

Year established: 1992

Main activity: men's, women's and children's wear

Number of workers: 46

Equipment: 45 sewing machines, 20 embroidery machines, 12 specialized machines

Capacity utilization: 100%

Export markets: USA, South Africa, Germany (60% of total sales)

PETRA CABIDA CO. LTD.

Year established: 1992

Main activity: men's, women's and children's wear

Number of workers: 5

Equipment: 5 sewing machines, 2 specialized machines

Production: 50 men's shirts/month, 200 women's garments/month, 10 children wear/month

Capacity utilization: 80%

Export markets: Europe, Southern Africa, Eastern Africa, USA (5% of total sales)

MANDELA TEXTILE HANDICRAFT ENTERPRISE

Year established: 1992

Main activity: hand weaving of kente cloth

Number of weaver: 10 (from 50)

Equipment: 10 looms (from 60)

Production: 40 meter/week

Capacity utilization: 90%

Export markets: Nigeria, Lagos, USA (once)

AVATA KENTE WEAVING

Year established: 1990

Main activity: hand weaving of kente cloth

Number of workers: 12

Equipment: 12 looms

Production: 12 men's cloth/week

Export markets: Canada, USA, Germany, UK

VADEK

Year established: 1988

Main activity: handbags, briefcases, and small leather goods

Number of workers: 15

Equipment: 20 including those in storage

Production: 1,000 pieces/month
Domestic market: 100%
Export markets: Germany, USA (1994-1995)

WILD GECKO HANDICRAFTS

Year established: 1994
Main activity: handicrafts production (cow horn items, wrought iron furniture, wood products, jewelry), retailing of handicrafts from other African countries
Number of workers: 3 craftsmen for cow horn items
Equipment: N/A
Production: 200/400 pieces/month
Capacity utilization: 65%
Export markets: Germany 95%, Italy 5% (90% of total sales)

COLLEGE OF JEWELLERY

Year established: 1999
Main activity: handcrafted jeweler
Number of workers: 10
Number of trainees: 50
Equipment: 68 between hand and power tools
Production: 300 crucifixes/month, 300 pendants/month, 150 beads/month
Export markets: USA (10% of total sales)

AHENE PA NKASA (TRISH GRAHAM)

Year established: 1998
Main activity: necklaces and earrings
Number of workers: herself
Equipment: N/A
Production: 60 pieces/month
Capacity utilization: 20%
Export markets: directly to individuals

LOVISTYLE

Year established: 1994
Main activity: handcrafted decorative ceramics
Number of workers: 5 permanent, 50 temporaries
Equipment: N/A
Production: between 4,000 and 5,000 pieces/month
Capacity utilization: 80%
Export markets: USA, UK, France, Switzerland, Israel (80% of total sales)

GEORGE OBENG

Year established: 1986
Main activity: wood carving
Number of workers: 4
Equipment: hand tools
Production: 20 chiseled mother & child/month, 300 abstract mother & child/month, 1,000 crucifix stands/month
Capacity utilization: 100%
Export markets: directly to individuals.

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Small scale manufacturers to receive assistance

By Graphic Reporter

A FOUR-MEMBER team from New Ideas for Export Development Aid (NEIDA), a non-profit-making organisation, will be in the country from August 1 - 25, this year, to develop differentiated products which will be presented to upscale retailers and designers/manufacturers based in New York to establish market linkages between Ghanaian producers and US firms.

This is to increase international trade of handicraft, garments, accessories, home furnishings and gift items produced by small, medium and micro enterprises in the country.

A release issued in Accra said the export development mission is sponsored by the Unit-

ed States Agency for International Development to increase international trade to generate employment and foreign exchange.

It said, "Ghanaian producers can compete

successfully by developing marketable items with a distinctive identity to capture more protected, less competitive market with higher profit margins".

The release said

NEIDA launched the Italian fashion industry in the US and Canada and promoted it for a decade within that period from \$36,000 to over \$2 billion.

It said Ghana is renowned for the richness and diversity of its handicrafts, which when well developed and marketed, can yield the necessary revenue.