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Exploring Export Consortia & Cluster Models

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Small Business Association of Barbados

Relaciones Intrarregionales

Encuentro sobre Consorcios de Exportación para el Caribe
Piura y Lima, Perú
6 y 7 de mayo/ 8 de mayo de 2014
SP/ECEC-Pymes Di N° 4-14

SBA
Small Business
ASSOCIATION

EXPLORING EXPORT CONSORTIA & CLUSTER MODELS – THE CASE FOR BARBADOS

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MAY 6, 2014

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AGRO PROCESSING CLUSTER

BACKGROUND & RATIONALE FOR EXPORT CONSORTIA

- **Genesis in cottage businesses that served friends, family and neighborhoods of the producer**
- **Industry development has been accidental and void of centralised oversight**
- **Variances in the quality, packaging and business approach of the entities**
- **In the last decade, the industry has realised some successes in th e condiment and syrup product categories**
- **Vast majority of agro--processors are micro and small enterprises operating at varying grades**
- **Heavy saturation of the domestic market with small percentage engaged in exporting to the US and UK**

SWOT ANALYSIS OF AGRO-PROCESSING CLUSTER

STRENGTHS
- Creative application of local produce
- Owners have invested in product development
- Owners are committed to their ventures
- Wide acceptance on domestic market
- Traditional origins provide ample scope for marketing campaigns

WEAKNESSES
- Absence of a central representative agency
- Industry entry was adhoc, no feasibilities were conducted
- Inconsistency in graphics & product data on packaging
- Lack of funding for R&D and sustained marketing
- Thread of apathy exhibited by some owners

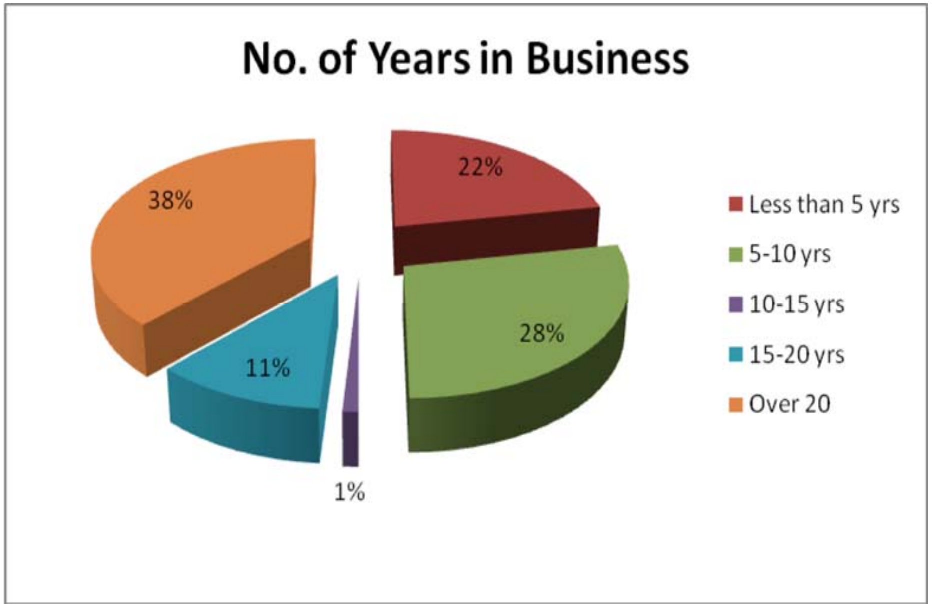
OPPORTUNITIES
- Products are in an early growth stage
- Application as authentic Barbadian culture
- Moderate market penetration makes rebranding easy
- Tourists are seeking cultural submersion experiences
- Global food purveyors are always seeking "new to market" products

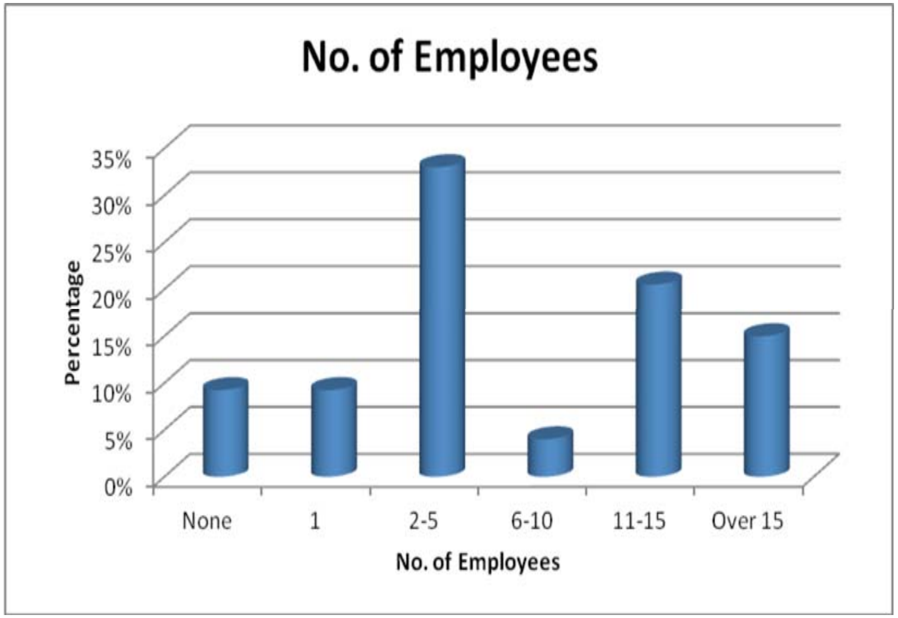
THREATS
- Imported substitutes from other islands
- Inconsistent supply of raw materials
- Cargo airlift constraints, especially for frozen goods
- Barriers to access to fiscal incentive

DISTRIBUTION OF SECTOR

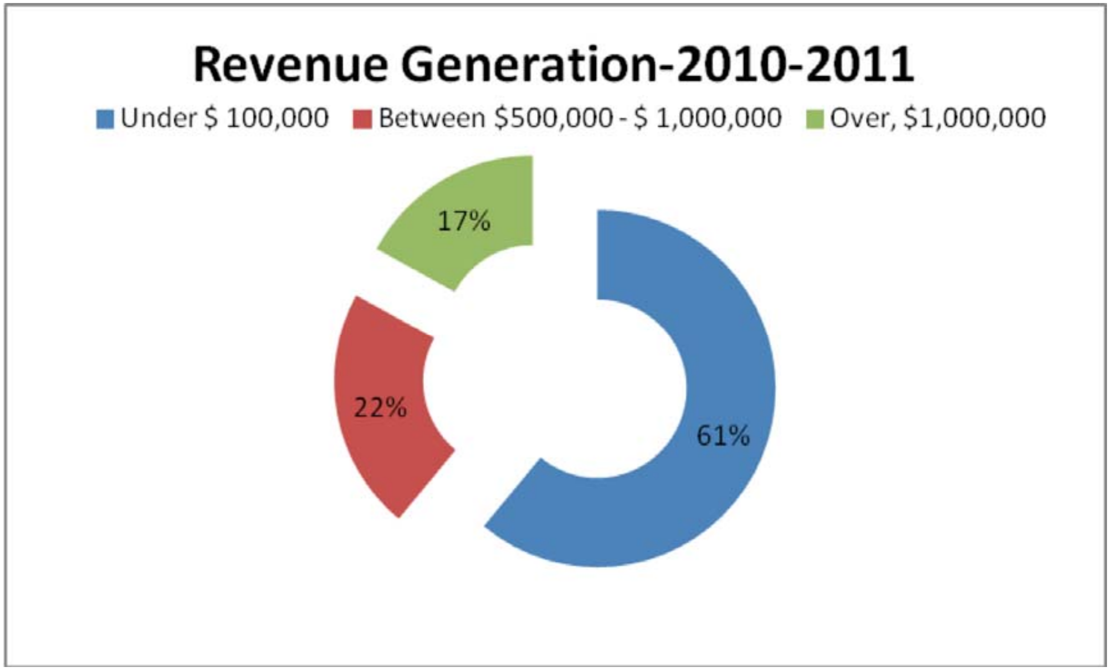
Frozen foods	• Fishcake batter, sweet bread dough, blanched ground provisions, flying fish sausages, black pudding, bakes batter and ice cream
Beverages	• mauby syrup and bitters, ginger beer, fruit and vegetable juices, punches (peanut, coconut, sour-sop)
Condiments	• pepper sauce, pepper jelly, chive seasoning, golden apple chutney, golden apple salsa and tamarind dipping sauce

CHARACTERISTICS OF CLUSTER

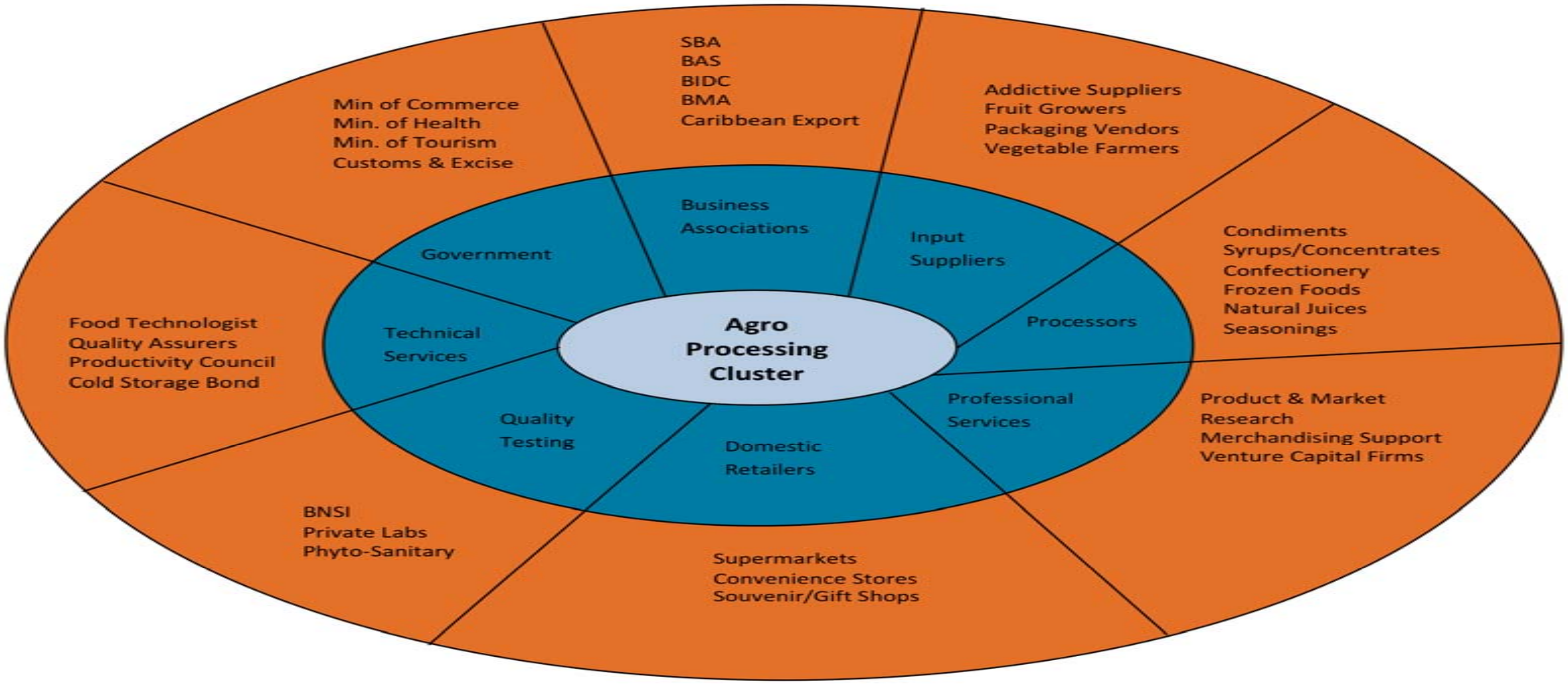




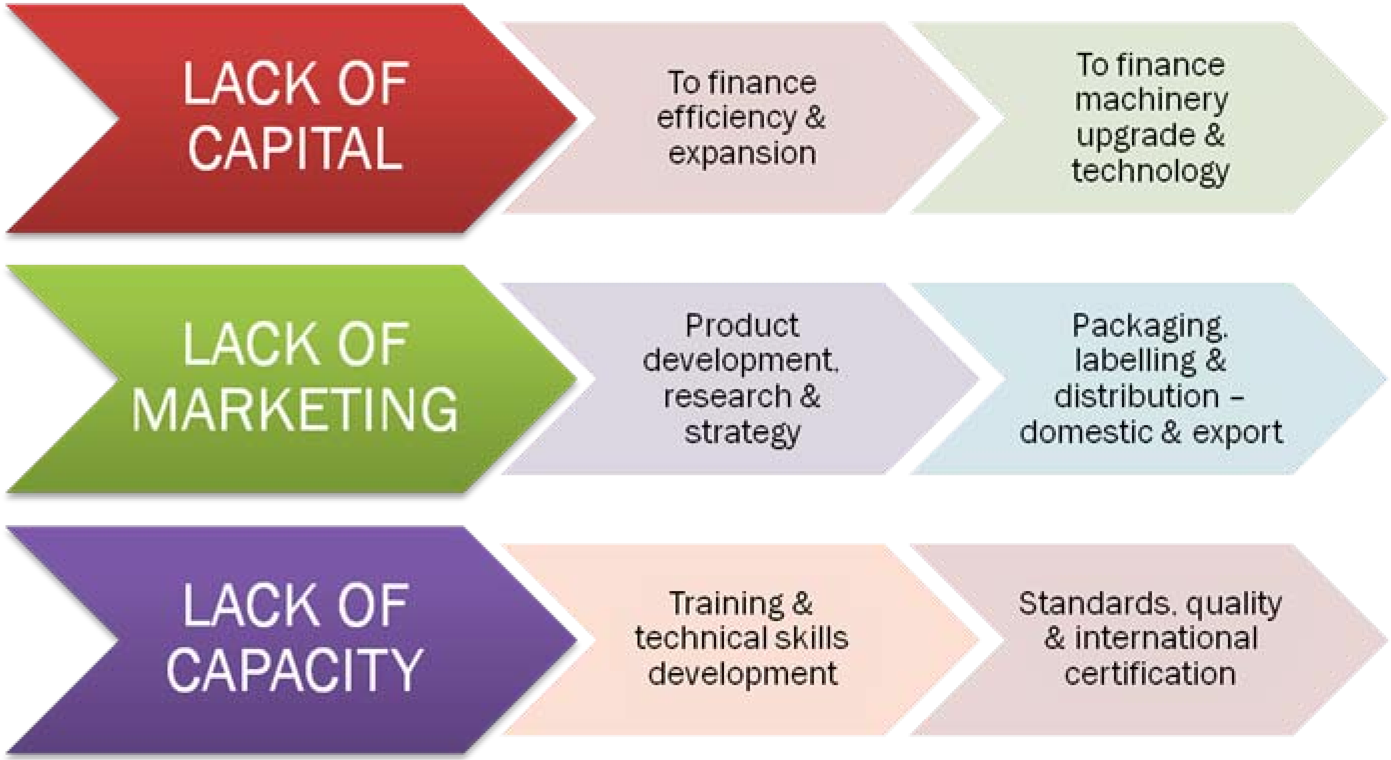
CHARACTERISTICS OF CLUSTER CONT'D



AGRO-PROCESSING STAKEHOLDERS



CHALLENGES & CONSTRAINTS

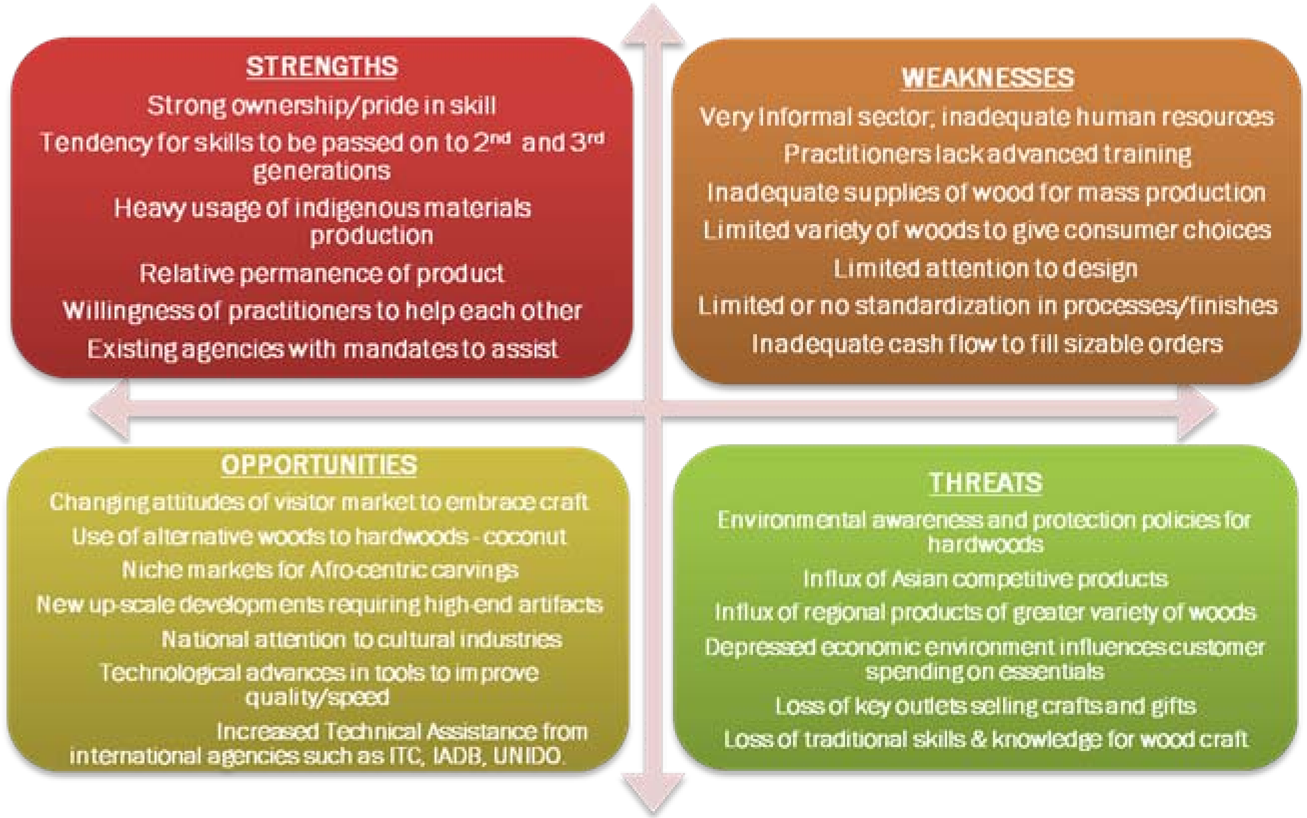


NEW CLUSTER FORMATION – WOOD-BASED ARTS & CRAFT

BACKGROUND & RATIONALE FOR EXPORT DEVELOPMENT

- **In a post-independent Barbados, tourism became the number one foreign exchange earner**
- **Tourism stimulated the manufacturing & services sectors, as a result arts and crafts production flourished**
- **Construction of hotels, villas, and other forms of accommodation for the growing influx of visitors resulted in an upsurge of artisanal wood products**
- **In the 1970s and 80s, popular items included, wood-turned candle-holders, salad bowls, mortars & pestles, knick-knack shelves, wood-turned lamp stands**
- **Other products in recent times included wooden trays, napkin holders, carved masks, faunal sculptures, abstract-shaped clocks, etc. provided to the visitor and local alike as Barbadian-made souvenirs**

SWOT ANALYSIS OF CLUSTER

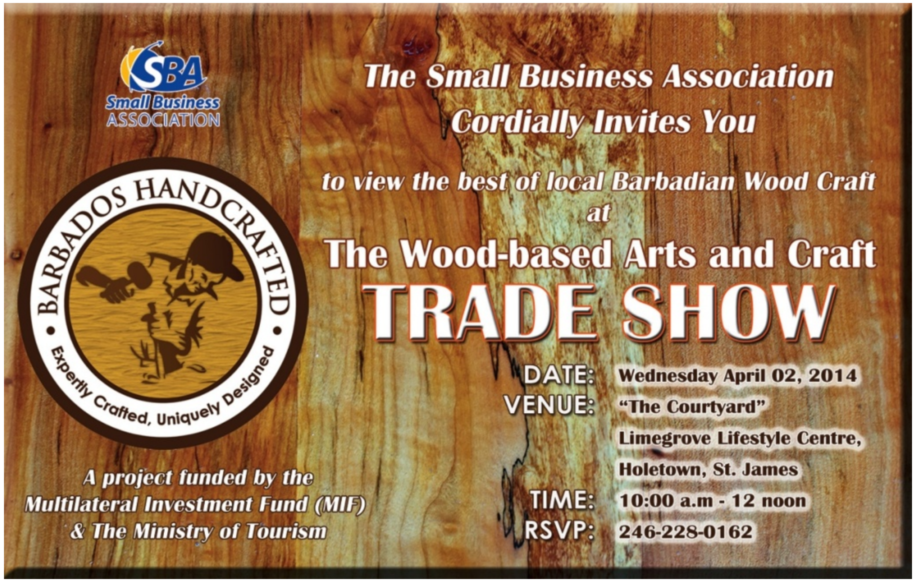


STRATEGIC AREAS FOR GROWTH

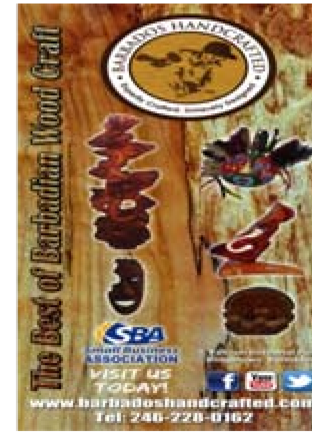
- **Horizontal Considerations**
  - Value-chain Integration
  - Optimise machinery & Productive Capacities
- **Vertical Considerations**
  - Access to Finance
  - Business Support – technology, innovation, marketing, product development

EXAMPLE OF RECENT PROJECT

PROMOTION MATERIALS



TRADE SHOW TO PROMOTE BRAND



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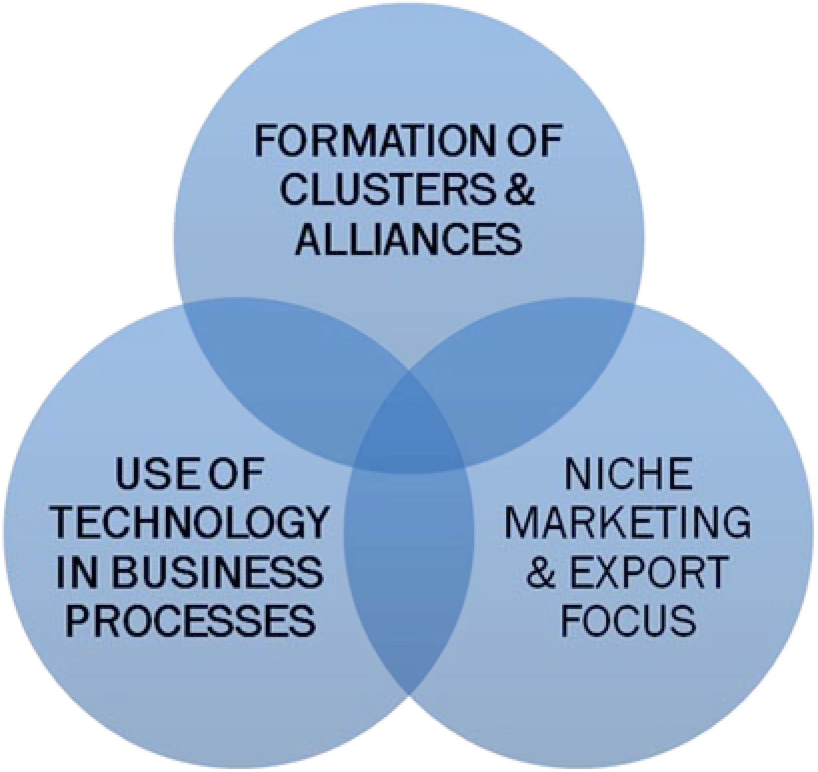
COMMON SEAL

CONCLUSION – model recognised for future development of smeS



THANK YOU!