

F

99229

IDRC - Lib

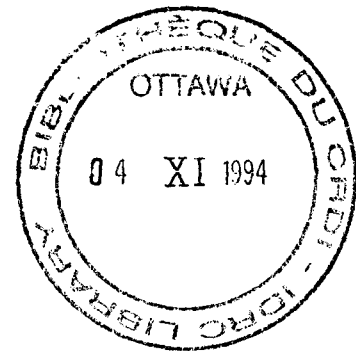
L

J

**A STUDY
OF
SMALL AND MEDIUM
ENTERPRISES
IN
GUYANA**

**For the
Program on Innovation Systems Management,
Latin America & the Caribbean Regional Office**

**IDRC/CIID
URUGUAY**



By Philip A. Payne Jnr.

March - April 1994

This study is based on the work of the Consultant to Guyana from March 14 - April 29, 1992. The report was produced under the general direction of Jacford Management Consultant Services. The Consultant also wishes to thank Owen Sandiford for the invaluable research support assistance.

ARCHIVE
95876 (N11)
P 3

TABLE OF CONTENTS

	Page
List of Abbreviations and Acronyms	2
Currency Data	3
SECTION I	
Introduction	4
Country Data	5
National Profile	7
SECTION II	
Definitions and Perceptions	11
Institutional Support	12
Other Institutions	13
Current Situation	22
Role of SMEs in Guyana	24
Problems experienced by SMEs	27
Recommendations	29
Conclusion	30
SECTION III	
Annexes	
I. Selected Bibliography	
II. List of Persons Interviewed	
III. List of Enterprises Visited	
IV. Tabular Summary of Characteristics	
V. Map of Guyana	

LIST OF ABBREVIATIONS AND ACRONYMS

CARICOM	- Caribbean Community
CD	- Cooperation for Development
CIDA	- Canadian International Development Agency
CAGI	- Consultative Association of Guyanese Industries
CESO	- Canadian Executive Service Overseas
CDI	- Center for the Development of Industry
ERP	- Economic Recovery Programme
EC	- European Community
GAIBANK	- Guyana Co-operative Agricultural & Industrial Development Bank
GBTI	- Guyana Bank for Trade and Industry
GCCI	- Georgetown Chamber of Commerce and Industry
GDP	- Gross Domestic Product
GEC	- Guyana Electricity Corporation
GNCB	- Guyana National Co-operative Bank
GNP	- Gross National Product
GMA	- Guyana Manufacturer's Association
GO-INVEST	- Guyana Office for Investment
GSBA	- Guyana Small Business Association
GT & T	- Guyana Telephone and Telegraph Company
GUYMIDA	- Guyana Manufacturing & Industrial Development Agency
IDB	- Inter-American Development Bank
IESC	- International Executive Services Corporation
IMF	- International Monetary Fund
IPED	- Institute for Private Enterprise Development
IAST	- Institute of Applied Science and Technology
NGO	- Non-Governmental Organization
NBIC	- National Bank for Industry and Commerce
PSC	- Private Sector Commission
SME	- Small and Medium Enterprise
USAID	- United States Agency for International Development

CURRENCY EQUIVALENTS

Average exchange rate prevailing during recent years in Guyana dollars (G\$) per USD \$1.00

	1988	-	10.00
	1989	-	27.16
	1990	-	39.53
	1991	-	111.80
December	1991	-	122.00
	1992	-	125.00
	1993	-	129.00
March	1994	-	135.00

INTRODUCTION

The present study is an overview of the SME Sector in Guyana. The aim is to diagnose their role in the economy, scope of activities, technical knowledge, development strategies and policies. The consultant utilized interviews, review of relevant literature and field visits to production sites. The approach to SMEs is to be based on ad-hoc programs and projects which support the SME Sector.

Guyana is currently suffering from a severe lack of financial resources for comprehensive development due to a large accumulation of foreign debt and is at present struggling to rebuild the economic and social infrastructure for sustained progress.

With support and financing from multilateral and bilateral sources, the Government embarked on a medium term structural adjustment program called the ERP in mid-1988. In 1992 - 1993 GDP grew by 7.7% and 8.3%. It should be noted here that in this period the parallel or informal economy played a meaningful role in the upsurge of economic activity.

While the manufacturing sector showed signs of regeneration, they are still hampered by the following:

- a) Poor infrastructure;
- b) High interest rates;
- c) Limited access to credit and foreign exchange;
- d) Shortage of skilled and managerial personnel;
- e) Limited access to technology and lack of information,
- f) High consumption taxes on goods and services;
- g) Appropriate legislation.

The business associations, after a long period of hibernation and fragmentation, have begun to reestablish themselves in the community and are gearing themselves for a more active role in the support of manufacturers. These associations recognize that SMEs are a major development component of the country and deserve protection, policies and programs to address the needs of unemployment.

Finally, they need to urgently look inwardly themselves. Inter-agency coordination and cooperation with government, unions and donor agencies should be encouraged, thereby serving the required linkage for efficient use of resources.

SELECTED SOCIO-ECONOMIC INDICATORS OF GUYANA

SIZE & POPULATION:

Area 83,000 sq.miles (215,000 sq. kilometers) ; Population 1994 (755,937)

	1988	1989	1990	1991	1992	1993
POPULATION CHARACTERISTICS						
Urban population (% of total)	32.5	32.0	32.1	32.1	32.2	31.1
Pop. density/sq.ml. of agricultural land	121.2	121.1	120.0	120.1	120.2	120.2
Population age structure (percent)						
0 - 14 years	36.9	37.1	37.0	36.9	36.8	34.9
15 - 64 years	59.3	59.1	59.0	59.1	59.3	61.1
65 - and above	3.8	3.8	4.0	4.0	3.9	4.0
Crude Birth Rate (per thousand)	26.1	26.5	8.0	24.2	24.1	26.5
Crude Death Rate (per thousand)	8.0	7.9	26.0	6.2	7.0	6.7
Total Fertility Rate	2.8	2.6	3.1	2.8	2.8	2.9
Life Expectancy at Birth (yrs)	63.3	3.1	65.0	65.0	64.0	64.0
Infant Mortality Rate (per thousand)	30.3	65.0	32.3	43.0	34.9	34.9
FOOD, HEALTH & NUTRITION						
Index of Food Production per Capita (1974 - 76 = 100)	93.8	89.7	89.0	89.0	90.1	90.1
Per Capita Supply of:						
Calories (percent of requirements)	87.0	77.0	70.0	83.0	83.2	83.2
Proteins (grams per day)	58.0	50.1	49.0	52.0	52.2	52.2
Population per Physician (thousand)	5.5	5.4	5.0	5.1	5.0	4.7
Population per Nurse (thousand)	0.3	1.8	1.8	1.7	1.7	2.0
Population per Hospital Bed (thousand)	4.5	4.5	5.0	5.0	4.8	4.1
Access to safe water (percent of population)						
TOTAL	83.0	83.0	85.0	85.0	84.2	84.2
URBAN	99.0	99.0	100.0	99.0	98.0	98.0
RURAL	76.1	76.0	77.0	78.0	78.2	78.2

Source: 1994 National Budget

SELECTED SOCIO-ECONOMIC INDICATORS OF GUYANA

	1988	1989	1990	1991	1992	1993
EMPLOYMENT & LABOUR						
Total Public Sector	70,394	66,928	65,167	65,090	63,689	66,689
(i) Central Government	24,493	22,034	19,280	18,123	17,062	21,067
(ii) Rest of Public Sector	45,901	44,894	45,887	46,967	46,627	45,622
WORK STOPPAGES						
(A) Total Strikes	349	138	329	307	258	475
(i) Sugar Industry	345	134	315	257	237	448
(ii) Bauxite Industry	1	2	1	0	1	2
(iii) Others	3	2	13	50	20	25
(B) Total Man - days Lost	232,595	686,356	N.A	N.A	N.A	129,344
(i) Sugar Industry	231,089	594,339	229,291	110,871	126,059	126,344
(ii) Bauxite Industry	36	90,001	62	0	N.A	N.A
(iii) Others	1,470	2,016	N.A	N.A	688	3,000
(C) Total Man - days Lost per strike	1,196	50,444	N.A	N.A	N.A	272
(i) Sugar Industry	670	4,435	728	431	532	282
(ii) Bauxite Industry	36	45,001	62	0	N.A	N.A
(iii) Others	490	1,008	N.A	N.A	34	120
(D) Amount of Wages/Salaries Lost(\$'000)	8,104	44,009	N.A	N.A	N.A	N.A
(i) Sugar Industry	8,066	37,369	16,856	21,510	114,439	N.A
(ii) Bauxite Industry	1	6,568	N.A	0	N.A	N.A
(iii) Others	37	72	N.A	N.A	165	4,688
EDUCATION & TRAINING						
Students reaching Grade 6 or Standard IV (%)	80.2	80.0	82.0	80.0	82.2	88.0
CONSUMPTION						
Energy Consumption per Capita (KG of oil equivalent)	382.2	385.4	386.0	386.7	387.2	388.0
Passenger car (per thousand population)	34.7	31.3	31.9	33.5	42.7	42.9
Newspaper Circulation (per thousand population)	78.3	38.2	39.3	42.4	46.4	47.0

Source: 1994 National Budget

NATIONAL PROFILE

Guyana is located on the northeastern coast of South America between Venezuela, Surinam and Brazil in the South. It is the only English speaking country on the continent and is part of Commonwealth Caribbean, the strongest advocate of economic integration of the region and serves as the headquarters of the Caribbean Free Trade Area i.e. Caricom. The population, small in relation to the country's land area, is concentrated along a narrow coastal strip.

The country contains a total land area of 83,000 sq. miles. Well over 90% of the country's population lives in the coastal plain (only 7% of the country's land area). As would be expected, this relatively small area is the focus of most infrastructure development in the country.

The country's climate is very tropical with coastal temperatures in the 70 - 95 degree F (25 - 30 degree C) rate. Little seasonal temperature variation occurs and seasons are defined by 'wetness' and 'dryness' rather than by temperatures.

The population is estimated to be almost 738,000 people (Bureau of Statistics, 1993). This represents a net decline of some 2.7% since 1980.

Two major ethnic groups, one African, the other of Indian origin, predominate. The East Indians constitute about 55% of the total population and work for the most part in agricultural and commercial activities, while those of African origin, about 35 percent of the total population, are employed primarily in public service and live in urban areas. Ethnic disturbances has been a feature of domestic politics.

Guyana's labor force has been characterized by continual loss of its skilled workers to industrial countries and for having key positions held by inadequately trained personnel. However, it has a number of characteristics which are attractive to business investors, as indicated by census data for 1980.

- High literacy: 76.1% of adult males and 73.3% of adult females had 7 or more years of schooling; and 17.7% had attended at least primary or secondary comprehensive school.
- Young labor force: 63.3% of the population were below the age of 25.
- High rate of labor force participation: 85.1% of males and 26.1% of females are economically active.

The economically active population numbered slightly over 270,000 in 1988 or about 28% of the population. With the economic decline in the early 1980's an increasing proportion of the population outside the formal labor force has been engaged in small scale trading and other activities in the informal sector: a high proportion of those involved in the informal sector are women (EIU 1993).

In 1980, about 16% were officially unemployed. Since 1980 unemployment is estimated to have increased considerably in the wake of layoffs in the public sector; some estimates have put the unemployment figure as high as 26 % (EIU 1993). About 30% of the labor force works in agriculture, 20% in mining and manufacturing and the remainder in construction, transport, services and administration.

POLITICAL STRUCTURE

Officially the country is known as the Cooperative Republic of Guyana. The form of government is a Republican representative system with a strong presidency and some degree of regional autonomy. The President appoints a Prime Minister and Cabinet, not all of whom need be members of the Assembly. The Head of State is the elected President who is the leader of the largest party in the Assembly. There are 65 members in the National Assembly; 53 are elected under proportional representation and 12 are elected from regional assemblies. In October 1992 a new Government was elected to office after 28 (twenty eight) years of leadership by the outgoing Government.

ECONOMIC POLICY

Up to 1988 Guyana's economic policies could be described as 'Cooperative Socialism' (World Bank, 1993). High emphasis was placed on public sector control of the economy with accompanying bias against private enterprise. Nationalization occurred in a number of sectors. As a national economic policy, it did not work; output declined, large deficits were incurred, inflation rose rapidly and the country increasingly relied on external borrowing. With the newly elected Government in 1992 there is an indication of a major shift in policy which has increased donor confidence.

By 1989 total debt was more than six times GDP. The situation has worsened in the last few years and by the end of 1992 it had reached more than seven times GDP. Interest payments alone on the country's external debt now total 40% of GDP and total debt payment (principal and interest) now equals the value of almost all exports of goods and services.

A survey of the external debt of developing countries in the 1989-1990 period, conducted by the World Bank, classified Guyana as one of the severely indebted low income countries (World Bank, 1992). No other Latin American or Caribbean country was included in this class.

This class was defined as:

" countries in which values for three of the four indicators are above critical levels. the indicators and their critical levels present are debt: GNP ratio (50%), ratio of debt to exports of goods and services (275 %), accrued debt service to exports ratio (30%), and accrued interest to exports ratio (20%)". (World Bank 1992).

The IMF sets limits on Guyana's budget and sets priorities on its budget components. To be realistic, a budget plan for this country must take account of its indebtedness, particularly the prospects in terms of its exports and its Gross National Product (GNP).

THE ECONOMIC RECOVERY PROGRAMME

In 1988 an Economic Recovery Programme (ERP) was introduced. This was in response to the worsening national economic situation and signalled a major reversal in previous policy. The ERP centers around a reduced role for the public sector, the loosening of controls and easing of tariffs, and greater emphasis on the private sector. This programme was included, inter alia:

- elimination of price controls;
- establishment of a floating exchange rate for the Guyanese dollar;
- reduction or elimination of import licensing and import tariffs;
- privatization of public assets;
- introduction of private sector management into the sugar industry;
- reduction in the size of the public service budget and an increased reliance on revenue to finance the budget and
- major rescheduling of bilateral debt and elimination of debt to international agencies.

The above measures have set the stage for the resurgence of private initiative throughout the economy. The effects of these adjustments have been particularly hard on low and fixed income groups. Poverty has increased and other negative impacts include:

- higher inflation levels and the increase in the cost of living;
- higher levels of unemployment and
- lower real wage, and a reduction of real expenditure in education and health sectors.

The ERP yielded some positive results and by 1991 there was an upsurge in economic activity. In 1991 real GDP grew by 6.1% this improvement continued in 1992 and 1993 with GDP growing by 7.7% and 8.3% respectively.

The agricultural sector, which is the mainstay of the Guyanese economy, grew at 16% and 28% in 1991 and 1992 respectively. The contributions of agriculture to the Guyanese economy cannot be over emphasized this sector provides a major source of employment, foreign exchange and inputs to the agro-processing and manufacturing sectors.

PHYSICAL INFRASTRUCTURE

The poor state of the infrastructure is due to years of neglect and is seen as a major constraint to industrial development.

ROADS: Of the approximately 1471 miles of roads there are only 328 miles of paved roads. (World Bank, 1993). This road network suffers from poor maintenance. The government is seeking funding from the IDB to finance the rehabilitation of main and feeder roads.

POWER: Electrical power is supplied by the state owned GEC. The power supply is unreliable with power outages occurring daily. Most business and private homes own generators. The government is currently receiving support from the IDB to rehabilitate the generation system.

WATER: Water supply in the city is available in some parts and is generally of a poor quality. The government has four ongoing projects that are designed to improve the water supply and sanitation services.

TELECOMMUNICATION: Telephone service has improved with the privatization of the telephone company. Direct dialing is available to US, England, the Caribbean and most of the developed world. GT & T has embarked on a massive expansion programme which is expected to modernize and improve telephone service even more.

It is in this context that SMEs in Guyana operate.

DEFINITIONS AND PERCEPTIONS OF SMALL AND MEDIUM ENTERPRISES IN GUYANA

The structure and pattern of SMEs in Guyana conform to these features as perceived by Loucks (1988) (1) and supported by Guymida's A Way Forward (1993) (2). These features include:

1. SMEs are generally more labor intensive than larger organizations. They include both modern and traditional manufacturing activities.
2. SMEs generate more direct and probably more indirect jobs per unit of invested capital.
3. SMEs provide production outlets for the talents and energies of enterprising, independent people many of who would not fulfill their potential in large organizations.
4. They provide a seed bed for entrepreneurial talent and a testing place for new industries.
5. They enhance community stability, do less harm to the physical environment than large factories, promote agro-industrial linkages, improve rural welfare, and generally raise the level of participation in the economy.

There is not a national consensus on the definition of SMEs in Guyana. The definitions in use stem from three different sources but all use parameters such as volume of labor, amount of capital involved and/or annual sales figures.

The Guyana Manufacturing and Industrial Development Agency (GUYMIDA) defined an ME as one with a maximum capital investment of US\$200,000 but not less than US\$5,000. The Guyana Small Business Association (GSBA) defines twenty five (25) persons with annual sales of G\$50,000 - G\$5M. The Deeds Registry sets a limit of 21 employees for SSEs. These enterprises may be a single proprietorship, a partnership, a co-operative or a private company. (3). A Way Forward.

At a conference on Small Business Development in Guyana (Nov 1992) another definition was advanced; a small business is one with less than 100 employees and less than US\$1 million in annual turnover. (4). The "Gap Group" (those medium-sized enterprises too large to get support targeted at small business yet too small to compete against larger corporations) may not fit easily into any of these categories, and are left out of programs designed to assist SMEs.

INSTITUTIONAL SUPPORT

GOVERNMENT AGENCIES

Financial Institutions

Two state owned banks lend financial support to SME's in Guyana. One is Guyana National Co-operative Bank which is 97% state owned and is the largest commercial bank. It is the only commercial bank with twelve branches outside Georgetown and therefore has a market share of over 40%. This bank has provided over 75% of the loans to the financial sector. (World Bank 1993).

The Annual Reports for 1990 and 1991 shows that loans to the manufacturing sector accounted for 30.2% (1990) and 29% (1991) of its portfolio.

GAIBANK: This is a development bank specializing in lending to the agricultural and industrial sector. It lends money at a subsidized interest rate. (Currently the interest rate is 17.50%) and extends grace periods of up to two years. These conditions make it very attractive to entrepreneurs and is a major source of lending for SMEs. Gaibank's 1993 credit report indicated that the demand for Industrial Credit was 3.2% of the total number of loan applications.

In 1993 Gaibank was allocated funds from the IDB programme. The sum of G\$125M was received, but was used for agriculture. The IMF has recently recommended that GNCB and Gaibank merge to become one entity. How this is to be achieved is not yet clear, but government has appointed a committee to handle the restructuring process. This new structure is expected to be in place by July 1994.

OTHER BANKS

GBTI and NBIC were state owned banks until 1991. The government's share in NBIC is 52.9% and 30% in GBTI. These are commercial banks which lend at interest rates of 20-22%. They are urban oriented and operate almost exclusively in Georgetown. GBTI has two branch offices and NBIC three.

The high interest rates and other lending conditions (i.e. short or no grace period) make borrowing from these banks unattractive to SMEs, especially the newly established enterprises.

BANK of BARODA & BANK of NOVA SCOTIA: These are the two smallest private banks of the sector. Bank of Baroda is a subsidiary of a State Bank of India, while Nova Scotia is a subsidiary of a private Canadian Bank. They operate in similar fashion to the other Commercial banks and lend funds at an interest rate of 20-22%.

OTHER INSTITUTIONS

Ministry of Trade and Tourism and Industry - Aid and advise promotion of industrial policies. Serves as a link with other industries and is currently involved in preparing new industrial sites.

These are located at Eccles on the East Bank of Demerara, 50 acres at Vryman's Erven, New Amsterdam, Berbice and 34 acres at Colingden, East Coast Demerara, 30 miles from Georgetown.

Guyana Export Promotion Council - This is a statutory organization funded by the government and is under the purview of the Ministry of Trade. Its mandate include:

1. To promote non-traditional exports and to co-ordinate the orderly development of Guyana's non-traditional export trade;
2. To work closely with exporting organizations to ensure that problems affecting exports be expeditiously addressed;
3. To recommend to the Minister practical measures to stimulate export trade.

Some of the services offered include:

1. Marketing Advisory Service - assists exporting companies to improve their export performance and to influence export awareness in potential export companies;
2. Assistance to exporters in promoting their products in overseas markets through participation in International Trade Fairs, Exhibitions etc;
3. Training - assistance to exporters and potential entrepreneurs to enhance their export capability;
4. Enquiry/Reply Service - linking exporters and potential exporters with appropriate overseas contacts.

The efficiency of these services is questionable especially since the current staff of this organization lacks the requisite skills.

IAST- This unit was established under the Office of the President with a director in March 1980 to emphasize Guyana's indigenous technological capability and to be directly integrated with the development of technology for use in industry. The laboratory of the research and development department conducted projects involved in biogas, food, agriculture, chemical, ceramics and mineral sciences.

Areas of which were given particular attention included the use of solar drying in agro-processing, the extraction of essential oils from aromatic plants such as lemon grass and bay leaf and the use of various materials in low-cost housing.

In 1992, the government budgeted G\$15.9M for additional research, development of alternative energy and the provision of technical and agricultural services to local industries. A number of international agencies: UNDP, OPEC, CIDA, IDRC and CDB also provided funds for some projects involving biogas, solar dryers, peanut sheller and balata products. However, there was no strategy for direct interfacing with SMEs, which need institutional support to develop and strengthen their technological capability.

The Guyana Pharmaceutical Corporation, the Guyana Sugar Corporation and the GEC are but a few of the major industries to have profited from the Institute's programs. Currently, the operations of the Institute are curtailed, due to resignations of the major technical personnel and thus has not been functioning efficiently for the past two years, hence the support to industry is greatly reduced.

NON-GOVERNMENTAL AGENCIES
FINANCIAL

CD/GAIBANK Microenterprise Development Project: This is a special unit established within Gaibank to extend non-collateral credit to small and micro-enterprises. The interest rate is 17.5% with one year's repayment time. The amount of each loan is a maximum of G\$300,000.

This is intended to be supervised credit providing technical and managerial assistance to clients. This programme began in February 1994 and the response has been tremendous as indicated by the report in Table I:

TABLE I CD/GAIBANK MICROENTERPRISE DEVELOPMENT PROJECT
PERIOD: 1ST MARCH TO 25TH APRIL 1994

SECTOR	APPLICATIONS	APPROVED	VALUE G\$
Agriculture	45	9	1,538,240
Manufacture	31	7	1,486,000
Service	14	2	450,000
Retail	1	1	60,000
Construction	0	0	0
TOTALS	91	19	3,534,240

SOURCE: UNPUBLISHED DATA

It should be noted that this is the only non-collateral credit agency in Guyana. This project is intended to be a pilot project for one year, after which it is intended that Gaibank will administer the project. The cooperating agency is CD (Cooperation for Development) a British NGO.

GLOBE TRUST and INVESTMENT COMPANY LIMITED: This is a private Trust Company which offers limited banking services. A few SME owners makes use of its lending facility. Its interest rates range between 20% to 22%.

IPED: The Institute of Private Enterprise Development was established on January 10, 1986 with the goal of developing the small and micro enterprises in Guyana. In the same year the Institute started with a staff of one and currently employs thirty-six, many of whom are graduates and professionals.

As an independent, non-profit sharing organization, IPED has become synonymous with the development of private businesses in Guyana. From its inception, it has shown a constant increase in the financing of new and existing small scale operators.

In 1992, it financed six hundred and sixty (660) projects valued at G\$240.6M as compared with five hundred and forty (540) projects valued at G\$103.69M in 1991. Additionally, full-time employment was generated for approximately two thousand, nine hundred and four (2,904) persons for the same period.

OBJECTIVES:

1. To encourage the growth and development of the private sector in Trade, Commerce, Manufacture, Agriculture and Fisheries through the provision of business guidance, technical assistance and non-traditional credit facilities to Small Entrepreneurs and/or groups and to promote and improve the social and economic welfare of the People of Guyana.
2. To establish sound working relationships with other Private and Public Sector Agencies in and out of Guyana with compatible or complementary interests and objects.
3. Liaise with management of similar institutions in and out of Guyana.
4. Ensure efficient and effective administration of the Institute's policies, finances and other assets.
5. Design and implement training and counselling programs appropriate for staff and existing and potential clients.
6. Liaise with International Agencies and Financial Institutions in relation to financial and technical assistance and disbursements and collections of the Institute's funds.
7. Encourage the maximum utilization of local raw materials in finished and semi-finished products.
8. Increase employment.
9. Provide a skill base which is fundamental to development.

The Institute achieves its goal by providing the following services:

LOANS: These are provided for (working capital) needs and for the purchase of fixed or movable equipment. The repayment scheduling is designed to suit the individual business needs. Loan Statistics for the period 1986 - 31st. December are depicted in Tables 1 - 111.

TABLE 1

ACTIVITIES	Total	1992	1991	1990	1989	1988	1987	1986
Artisanal Fishing	352	112	80	69	54	27	8	2
Food Manufacturing & Agro Processing	111	12	27	34	26	4	5	3
Soft Toys	14	0	1	0	0	1	3	9
Wooden Toys	8	0	0	0	0	1	4	3
General Manufacturing:- (Garment,Craft,Furniture)	343	55	44	73	69	54	42	6
Mechanical & W/Shops	189	30	40	48	50	9	11	1
Dairy Farming	201	19	39	58	45	27	13	0
Pig/Poultry Rearing	281	32	76	82	43	33	14	1
Bee Keeping	3	0	0	1	2	0	0	0
Logging & Charcoal	41	21	16	4	0	0	0	0
Ground Provision	92	18	45	18	5	5	1	0
Rice Cultivation	622	361	172	75	9	4	1	0
TOTAL	2,257	660	540	462	303	165	102	25
VALUE (000)	407,179	240,667	103,654	37,964	17,239	5,419	2,100	134.8

SOURCE: IPED 7th REPORTS & ACCOUNTS - 1992

TABLE 11

CLASSIFICATION OF LOAN RECIPIENTS:

	Total	1992	1991	1990	1989	1988	1987	1986
Men	1,468	381	367	343	199	87	73	18
Women	197	68	44	32	20	9	17	7
Joint (Men & Women)	292	211	129	87	84	69	12	0
TOTAL	2,257	660	540	462	303	165	102	25

SOURCE: IPED 7th REPORTS & ACCOUNTS - 1992

TABLE 111

ADMINISTRATIVE ANALYSIS	1992	1991	1990	1989	1988	1987	1986
Summary Results of Activities							
No. of Loans Granted	660	540	462	303	165	102	25
Value of Loans (\$1000)	240,67	103,665	37,964	17,239	5,419	2,100	134.0
Average Loan (G\$1000)	364.6	191.9	82.2	56.9	32.8	20.6	5.4
Administrative Costs (G\$1000)	10,822	6,259	2,110.7	97.7	425.2	294.3	109.7
Administrative Costs per Loan (G\$1000)	16.39	11.59	4.56	3.23	2.58	2.88	4.39
No. of Jobs Created/Sustained	2,904	2,662	2,264	1,246	675	450	61
Average No. of Jobs per Loan	4.4	4.9	4.9	4.1	4.1	4.4	2.4
Administrative Cost per Job (G\$1000)	3.72	2.35	0.93	0.78	0.62	0.65	1.8
Loan Value per Job (G\$1000)	82.87	38.94	16.7	13.8	8.0	4.66	2.2

SOURCE: IPED 7th REPORTS & ACCOUNTS - 1992

TECHNICAL ASSISTANCE:

- a. It assists the client with the establishment of proper accounting records.
- b. Helps plan and implement project profiles and sets up monitoring systems.
- c. Provides counselling for efficient running of business.

Qualified applicants are provided assistance if the business satisfies the following requirements:-

- a. Generates employment
- b. Utilizes local raw materials
- c. Creates benefits for the country's economy
- d. Saves foreign exchange e.g. import substitution
- e. Earn foreign exchange through exports.

Priority areas for loans are industrial and manufacturing projects including agro-processing and wood products, livestock production and fishing. Small artisanal activity such as welding, plumbing, electrical, mechanical and vulcanizing are also embraced.

Group Life Insurance Coverage and individual counselling to service accounts are two of the major benefits offered to clients. These are supplied free of charge.

IPED receives funding at concessionary rates from international agencies such as the IDB, USAID through the PL 480 Credit Programme and other British and Canadian aid programs.

A Micro-Enterprise non-collateral programme was established last year. Loans ranging from \$30,000 to \$100,000 are available to groups of five. Interest charges are 21%, which is 3.5% points higher than Gaibank's. The service charge is 4% per annum.

SCOTIA ENTERPRISE: Scotia Enterprise is a program designed to provide credit to micro-entrepreneurs in the informal sector.

The program aims to reach all eligible self-employed micro-entrepreneurs who have skills and the desire to work but lack the most fundamental tool to turn the business into success: namely, credit.

To qualify for a loan one must:

- have attained the age of 18 years;
- have operated his or her business for which the loan is required for a minimum of 6 months; and
- derive their income principally from the business.

Since there are no collateral or security requirements, group members are responsible for each other's financial obligations until loans are paid in full. In other words, any unpaid instalment(s) by one group member must be honored by the remaining four group members.

A savings account will be opened for every borrower. Regular deposits are encouraged. A competitive rate of interest will be paid on the minimum monthly balance. There is no minimum deposit restriction to open an account.

OTHER NGOs

GCCI: This organization was established in 1889 to promote trade, industry and commerce. It makes representation to the government on behalf of the private sector (manufacturing and non-manufacturing).

CAGI: This organization provides training to private sector companies in various areas including entrepreneurial development, marketing and customer service.

PSC: This is an umbrella organization which represents private companies and makes representation on their behalf to the Government.

GMA: The Guyana Manufacturers' Association was established in 1967 to be a representative organization for the manufacturing sector of the Guyanese economy. Its functions include the promotion and expansion of existing industries and the creation of new industries in Guyana.

This agency also commissions studies on resources, markets and production methods. One such study done in 1991 investigated the manufacture of briquettes from forestry and agricultural waste.

INTERNATIONAL AGENCIES

CD: Co-operation for Development is a British based project funding NGO. It is involved in small business development, credit programs and development education in the Caribbean and South America. The CD/Gaibank Micro-enterprise Development project is supported by CD with funding from the EC.

In November 1992 CD hosted a Regional Conference on "Financial Instruments for Small Business Development in the Caribbean". This conference was held in Georgetown, Guyana.

CDI: In Guyana the agency which was responsible for the promotion of CDI's programme no longer exists. (GUYMIDA). Previously this organization offered assistance in Project Promotion, Industrial Training, Feasibility Studies and the Rehabilitation, Expansion and Diversification of Existing Industries. One SME which benefited from CDI is Precision Woodworking Limited.

In 1986 CDI provided training to workers in operation of turning lathes and kiln dryer. In 1991, CDI sponsored a visit to Europe by one of the Owner/Directors the purpose of which was to select machinery for the company's expansion.

UNDP: This organization is now preparing the 94-97 revolving cycle for the New Country program. Up to the mid-1992, they provided consultants to the garment, furniture, food processing and metal work industries. Small grants are provided to NGOs / Coops for income generating activities. e.g. in March, 1993, G\$ 937,000 was given to the Rupununi Weavers Society for the manufacture of hammocks.

IDB: A major contributor to the ERP providing financing in the area of infrastructural development especially roads, electricity supply, sea defence, educational improvement and water supply improvement. Additionally, it provides funds for unending to GAIBANK. They will launch a study of SMEs in Guyana in conjunction with Professor Clive Thomas, Head of the Institute of Development Studies, University of Guyana.

USAID: Contributed to various agencies involved in SME development. In 1992, this organization sponsored the publication of a directory of NGOs in Guyana. USAID has recently re-opened its office in Georgetown, Guyana after an absence of 8 - 10 years.

PL 480 program: 15% - 25% of funds generated (from sale of flour) by this program goes to IPED.

PL 807: provides cut fabric to garment industry for completion. They are subsequently shipped to the US for sale. This is another USAID project.

IESC: International Executive Services Corporation. - similar in functions to CESO and funded through USAID.

CIDA: Assistance to IPED, mainly in the form of computers, generators and vehicles. Contributed meaningfully to the success of the ERP through balance of payments support. Counterpart Funds are used to finance local community development projects through the Futures Fund Guyana/Canada Development Project. Other areas of activity are environmental management, forestry and fisheries. The Agency is also involved in Caribbean Policy Framework to lend support for competition in the global market.

CESO/GVC: CESO is a non-profit corporation supported in part by the Canadian International Development Agency (CIDA) and work in association with Guyana Volunteer Consultancy. The type of consulting done by CESO includes:

- improving fruit handling procedures in China;
- construction and administration of a hospital in Nepal;
- introducing integrated information and accounting systems in Colombia;
- designing and manufacturing textiles in Central America;
- foundry organization in India;
- job evaluation in the power industry in Kenya;
- staff training in Malaysia's forest products industry;
- design and installation of city water and sewage systems in Barbados; and
- installation of a solar heating system in a Health Care Center in Haiti.

GVC can:

- Provide training in business management, bookkeeping and accounting methods
- Plan market research and promotion programs
- Help develop a comprehensive business plan
- Provide access to credit and financial services
- Conduct strategic planning workshops and
- Assist in arrangement of joint ventures.

CURRENT SITUATION

PRIVATE SECTOR MANUFACTURING SPECTRUM

PICTORIAL REPRESENTATION

8%	Large Enterprises US\$ 2.0M and above
15%	Medium Enterprises US\$ 0.2M - US\$ 2.0M
31%	Small Enterprises US\$ 5,000 - US\$ 0.2M
46%	Micro Enterprises US\$ 5,000 and under

MARGIN OF ERROR +10%

SOURCE: Guyana Manufacturing and Industrial Development Agency

Small and medium enterprises in Guyana evolved from cottage type production to the system of mechanization production. The scale of mechanization is limited and production continues to be highly labor intensive. SMEs in Guyana cover a wide range of productive activities including garment manufacturing, food processing, furniture making, leathercraft, ceramics, screen printing (T-shirts) and metal works.

There is evidence which suggests that the growth of SMEs was a direct result of the ERP and the IMF's structural adjustment. A GUYMIDA Micro-enterprise Survey in 1992/93 reported a crude ratio of approximately 1:5 between enterprises started and persons wishing to become involved in business ventures. (2). The GMA reported 32 new companies in 1992, an increase of over 20%. However, this expansion is not yet reflected in the production data. (World Bank 1993).

IPED reports that between 1986 and 1990 the creation of SMEs generated full-time employment for 4,500 individuals. Guymida's 1993 surveys have identified approximately 608 small and medium manufacturers. (3). The output from these enterprises is difficult to measure since some producers are unregistered and do not report earnings or pay taxes. What is known is that total manufacturing output accounts for less than 10% of GDP, with the most important products being beverages, clothing, furniture and metal working. (World Bank 1993). The production data which is available is fragmentary and unreliable.

The 1994 budget reported a lower than expected growth rate in the manufacturing sector for 1993 which was 4%. The sector continues to be affected by lack of investment funds, unreliable electricity supply, other infrastructural weaknesses and the shortage of foreign exchange.

Since Guyana's domestic market is limited, the growth and expansion of SMEs depend to a large extent on the ability to capture export markets. Due to the poor quality of products and lack of standardization, the export potential of SMEs is greatly reduced. Exports are also inhibited by the high cost of air transport which adds to product cost thus making local commodities less competitive with other produces.

SMEs in Guyana were recently affected by the closure of GUYMIDA. This agency was established in 1986 under the previous government. Its main goal was the promotion and development of the manufacturing industry through the provision of trade and investment services. This agency was a major source of assistance to the SMEs.

Services offered by GUYMIDA included

- a) Free consultancy interventions;
- b) Free business plans and project profiles;
- c) Provision of training in various related areas;
- d) Assisting entrepreneurs to source finance for various projects;
- e) Serving as an investment guide to foreign companies and individuals;
- f) Conducting surveys on small and micro enterprises.

Among its achievements were three (3) major technical studies on resource based development and a major research paper on small scale enterprises in Guyana. In 1992 the agency granted fiscal incentives to 22 applicants (SME's). This represented a capital investment projection of US\$35M and over two thousand, three hundred jobs. (4). GUYMIDA also had the responsibility for the promotion of CDI assistance programs in Guyana.

Other international agencies which provided assistance to GUYMIDA are UNDP and CIDA. The new government closed this agency on October 29, 1993 with the intention of reopening a similar agency with a new name. Since its closure the small and micro-enterprises in Guyana are "voiceless". There is no agency currently providing these services to SMEs.

For the past seven (7) months entrepreneurs have had to employ private consultants (at a very high cost) to fight their way through a bureaucratic maze. Despite these inhibitors, however, SMEs continue to grow and add value to the Guyanese economy. There is enormous potential for expansion when one considers that Guyana has vast amounts of natural resources, a literate work force and relatively easy access to export markets.

THE ROLE OF SMEs IN GUYANA

Small manufacturing enterprises in Guyana are historically owned and operated by economically disadvantaged groups. Consequently, SMEs are often viewed as "output by the poor for the poor". This perception is misleading since SMEs provide a major source of employment in the Guyanese economy. In 1990, SMEs were credited with creating a total of two thousand, two hundred and sixty four (2,264) jobs.

During 1993, 37 companies were granted fiscal concessions. The value of the projects amounted to approximately US\$37M with the potential for creating 1,769 jobs with increased reduction of the public sector expected this year (due to privatization). SMEs will undoubtedly assume greater importance as a source of employment.

SMEs in Guyana utilize indigenous raw materials, especially agricultural products. Most of the agricultural production is rurally based. The 1992/93 Guymida survey indicated that of the 116 firms surveyed, 85.5% are rurally located. Hence, linkages could develop between SMEs and the agricultural industry. An available and easily accessible market is an incentive for increasing agricultural output. SMEs in the agro-processing sector located in rural areas could certainly provide this incentive while contributing to community development.

Products produced by SMEs especially furniture, metal work and garments have the potential to contribute significantly to export earnings. A limited amount of these items are already exported, mainly to Caricom markets. Data by product destination and value are not available but their contribution to export earnings should not be overlooked. The garment industry is one export earner which is particularly attractive to investors due to low wage rates.

Other contributions of SMEs to the local economy include import substitution, improved competition leading to better quality products and the use and development of indigenous technology. The latter is particularly important in the Guyanese context since imported technology is very costly.

A few products e.g. (preserved fruits) and production processes in use today are a direct result of the innovativeness of SMEs during the 1970 (a period of severe economic hardship in Guyana). The Guymida micro-enterprise survey cited Lewis and Son Ltd as an example of an SME developing indigenous technology. These entrepreneurs were able to modify a screen printing machine for documents to allow printing on T-shirts.

The tendency is to overlook the contributions of SMEs to the economy because these are usually small, fragmented units with relatively small individual output. With a reliable, systematic way of measuring their total contribution to the economy, the importance of their contribution (especially in a small country like Guyana) will offer objective evidence of their value.

GOVERNMENT'S POLICY

Professor Clive Thomas in a paper titled "Macro-economic Planning and the Heads of the Small Business Sector", (12) notes that the development of SMEs in Guyana has been closely linked to the informal economy. Therefore negative perceptions regarding this sector have developed. Consequently a clear, strategic policy relating to SMEs has been absent for many years. Thomas sites two phenomena for the increasing concern about the role of SMEs.

These are:-

- (a) The inability of large state owned/operated "mega projects" and "big" business to promote all round growth, and
- (b) The explosion of vulnerable groups under the Government of Guyana, IMF and ERP.

The government responded by setting up various agencies (e.g. GUYMIDA, Export Promotion Council).

These agencies, while providing a valuable service, offer duplicated activities due to lack of coordination. There was no attempt to plan for SME development on a macroeconomic level. The previous government implemented a package of fiscal incentives to encourage investment especially in light manufacturing forestry and agricultural processing.

The package of incentives included tax holidays from payment of company tax (5 years), exemption from duty and consumption tax on equipment, building materials and some raw materials over a stated number of years. Incentives were granted based on criteria such as contribution to displacement of imports, contribution to foreign exchange inflows, location of the firm and employment generation.

However these criteria were too vague, the administration of the programme too costly and the time between application proved too lengthy. Entrepreneurs were required to fill out a lengthy questionnaires and submit a business plan in order to qualify for these incentives.

The current government, in its 1994 Budget, identifies one of its strategies as "the consolidation of the macroeconomic incentive framework and promotion of private sector development in support of growth". Ironically this same media was used to announce that:-

- (a) the tax holiday will be abolished from 1995; and
- (b) a new minimum 2% tax based on gross sales or receipts.

The tax will be levied at a rate of 2% and applies to all entities, except those in agriculture and tourism, with annual sales on receipts exceeding a threshold amount of G\$1.2 million. Additionally, companies currently pay between 10% and 30% consumption tax on locally manufactured goods. Currently the PSC is lobbying the government for the lowering of the 2% levy on gross receipts. These measures are a disincentive and seen as "punishment" for SMEs who grow too big.

The government also dissolved GUYMIDA and is reopening a similar agency but with another name, GO-INVEST. This new agency is expected to carry on GUYMIDA's function but more "efficiently". It is slated for opening in July, 1994. Entrepreneurs are waiting expectantly hoping that GO-INVEST will not be a "reinvention of the wheel".

Professor Thomas states that the extent to which SMEs are integrated into the macro-economic framework, depends on the achievement of four objectives, namely:

- (a) Develop a clear idea of what makes for a dynamic self-sustaining SBE sector;
- (b) Determine the opportunity cost of employment creation, increased output of goods and services etc.;
- (c) Measure the impact of SBEs on improved efficiency of resource use;
- (d) View entrepreneurial development as the primary end product of the process (Macro-economic Planning and the Needs of the Small Business Sector - Nov. 1992).

Thus far Government's policy to SMEs is adequately summed up in the following excerpt:

"In Guyana while there is an awareness of the potential economic contribution which small scale enterprises can make to national development, there are no definitive public sector policy and programs to assist the growth and development of the vital sector. The micro and small-sized entrepreneurs, therefore, continue to operate under very difficult conditions mainly as a result of organizational, systemic and financial problems. In principle, it is desirable that all sectors of the economy - large, medium and small - be permitted to function in the most efficient manner through the government's sound and effective economic, financial and fiscal policies."
Small Business Development in Guyana - Policy Paper, June, 1992.

Considering that SMEs represent approximately 45% of the private manufacturing sector, it is in the national interest that the government should address these areas in order to ensure the development and growth of viable, self-sustaining SMEs.

PROBLEMS EXPERIENCED BY SMEs

Given that SMEs in Guyana represent approximately 45% of private sector manufacturing, problems which impede that production capacity can greatly affect the overall productive capacity of the country. These problems can be classified accordingly.

Credit: Negative perceptions regarding SMEs extend to their ability to attract funding. The commercial banks are extremely prejudiced against SMEs and impose strict conditions for lending which most SMEs cannot meet.

While IPED and Gaibank deal in non-traditional banking and are exposed to greater risk, these institutions do require collateral in the form of immovable assets, such as transport to land etc. SMEs owners often do not qualify because of the lack of required collateral. The only non-collateral lending programme, CD/Gaibank has a ceiling of \$300,000 which is not adequate enough to some SMEs. Additionally, the continuity of the program depends on its ability to attract additional funding.

Finance for capital improvement and working capital are most times unavailable. Consequently, SMEs cannot cash in on discounts from bulk buying, cannot plan properly for production (many produce only when partial payment is received on an order) and cannot update machinery and equipment to increase productive efficiency.

Infrastructure: Irregular power supply is severely hampering production of SMEs. This problem has finally attracted the attention of the Georgetown Chamber of Commerce and Industry. This organization recently wrote the GEC's Chairman asking for drastic action to improve the power supply. (Stabroek News - April 30, 1994).

The rural location of some SMEs mean that produce have to be transported long distances to the main markets and ports in the city. Roads are often in poor condition and sometimes inaccessible hence high transport costs are incurred. High rents for production space also hampers production.

Technology: While most of the SMEs interviewed are aware of technological advances available in developed countries, high exchange rate make the acquisition of modern machinery and equipment remote. The majority of businesses require urgent retooling. IAST and other research agencies do not have efficient extension outreach programs designed to transfer appropriate technology.

Fiscal Measures: The requirement of 30% consumption tax on locally manufactured goods along with consumption tax on some imported raw materials places an unfair tax burden on SME owners. The newly announced 2% tax is a further drain on income earned.

Skills Training: There is currently no comprehensive training for entrepreneurial development in Guyana. In the GUYMIDA survey, 99% of entrepreneurs interviewed said that they never received training in entrepreneurship. SME owners often employ consultants to do bookkeeping and other management functions. Training in a particular skill area is often done in-house or at the occasional workshop.

A limited number of SMEs have had the benefit of skill training provided through the intervention of international agencies e.g. CDI and Precision Woodworking Limited and Liana Cane Interiors Limited through UNDP, each had a consultant attached to their factories for a few months.

Marketing: Most SMEs are run by owners who conduct all management functions including marketing. As a consequence, product marketing is not given much attention and is often limited to direct selling to a few buyers. SMEs produce without defining a market niche, developing a well thought-out marketing strategy and without exploring non-traditional markets. Most SMEs view marketing as merely "selling".

Unfair Competition: Local SMEs have to compete with foreign products which are most times smuggled across borders. The local markets are flooded with these products which are sometimes cheaper than locally produced goods.

RECOMMENDATIONS

1. The SMEs sector should be clearly defined i.e. a national consensus on the definition of SMEs is needed.
2. GO-INVEST should have a mechanism to monitor the output of goods and services, employment creation etc., so as to quantify SMEs contribution to the economy.
3. Legislation which will clearly deal with the operations of SMEs. These laws should also provide special incentives for SMEs.
4. Special credit facilities for SMEs particularly non-collateral credit facilities. They should also be able to tap into a source of funds set aside specifically for working capital.
5. Increased collaboration and coordination between government agencies and NGOs, as well donor organizations so as to avoid duplication of effort.
6. Technical skills training program which could provide requisite training on request.
7. Management and vocational training programs for owners/entrepreneurs.
8. More tangible assistance in the area of marketing of goods and services.
9. Concrete assistance in quality control, testing, problem solving and access to new technologies.
10. Review of Fiscal Incentives now in place with a view to rationalizing them.
11. Reduction in the consumption tax currently in place on locally produced goods.
12. Identification of needs which can be met with the assistance of international/regional donor agencies.

CONCLUSION

This study has described some of the basic principles that characterized the SME sector in Guyana as well as their role in the economy, scope of activities, technical knowledge, strategies and policies.

It has been observed that while there is a some lack of political will and explicit legal mechanisms to coordinate the efforts in favor of SMEs, they continue to contribute significantly to income generation, increased employment and promote economic growth. SMEs fill gaps by providing goods and services within their community and at large and also encourage both import substitution and export promotion by the use of indigenous materials.

Consequent with the current liquidity of the local banks, implementation of special credit schemes and credit facilities should be given the highest priority to provide the necessary financial assistance to boost SME development.

Donor agencies, assisted by NGOs and the relevant Government departments must implement an integrated development plan with extension services to assist in the quality control and marketing policies of SMEs, thus improving their competitiveness in the sector. Another missing component is the transfer of current and applicable technology.

SMEs undoubtedly play a vital role in the Guyanese economy. Unfortunately, the evidence suggests that SMEs still exist on the "fringe" of legitimate business.

It is sincerely hoped that with the opening of GO-INVEST, this agency will provide a strong leadership role in developing SMEs into sustainable enterprises.

SELECTED BIBLIOGRAPHY

Co-operation for Development, Report of the Conference on Financial Instruments for Small Business Development in the Caribbean - November 1992.

Gaibank, Credit Report, Jan. - Dec. 1993

Guyana Export Promotion Council

Guyana Manufacturing and Industrial Development Agency, "A Way Forward", Proposed Strategy for Small Business Development in Guyana, June 1993

Institute of Private Enterprise Development, 5th Report and Accounts 1990 p. 7.

Loucks Kenneth, "Training Entrepreneurs for Small Business: Lessons from Experience. International Labor Office, Geneva 1988 p. 1.

National Assembly, Co-operative Republic of Guyana. Budget Speech - March 7, 1994.

World Bank Country Study, "Guyana From Economic Recovery to Sustained Growth" - 1993.

LIST OF PERSONS INTERVIEWED

a. **GOVERNMENTAL ORGANIZATIONS**

Mr. Mohan Harripaul
Chief Executive Officer
Guyana Export Promotion Council

Mr. Hamid Khan
Permanent Secretary
Ministry of Trade, Tourism & Industry

Mr. Neville Totaram
Director of Foreign Trade
Ministry of Trade, Tourism & Industry

Mr. John Seeram
IDB/UNDP/GOG Consultant
Ministry of Finance

Mr. Lloyd Payne
General Manager
Guyana Cooperative Agricultural & Industrial
Development Bank

Mr. Bissoondyal
Assistant Chief Industrial Relations Officer
Ministry of Labour & Social Security

Mr. Claudius Babb
Industrial Development Officer
Division of Industry
Ministry of Trade, Tourism & Industry

b. NON-GOVERNMENTAL ORGANIZATIONS

Mr. David Yankana
Executive Secretary
Private Sector Commission

Mr. Yesu Persaud
Chairman
Private Sector Commission

Mr. Kim Kisson
President
Guyana Manufacturers Association

Mr. Leslie Johnson
Secretary
Georgetown Chamber of Commerce & Industry

Mr. David King
Chairman
Consultative Association of Guyanese Industry

Mr. Patrick Zephyr
President
Guyana Small Business Association

Mr. Shivnarine Persaud
General Manager
Institute of Private Enterprise Development

Mr. Marc Jodah
General Manager
Scotia Enterprise
The Bank of Nova Scotia

Mr. Clem Duncan
Director
C. K. Newbridge (Guyana) Limited

NON-GOVERNMENTAL ORGANISATIONS (Cont'd)

Mr. Patrick Persaud
Executive
Guyana Manufacturers Association

Mr. Lawrence Farley
Director
Institute of Private Enterprise Development

Mr. Michael Carrington
Vice-President
Leathercraft Association

Mr. Lincoln Van Sluytman
Representative
Co-operation for Development

Ms. Joclyn Dow
General Manager
Red Thread

Mr. Dennis Moore
President
Georgetown Chamber of Commerce & Industry

c. **INTERNATIONAL AGENCIES**

Dr. Basil Hinds
World Bank Representative
Ministry of Finance

Mr. Thomas Whitney
PL480 Coordinator
US Agency for International Development
United States Embassy

Mr. John Wheatcroft
First Secretary (Development)
Canadian International Development Agency
Canadian High Commission

Mr. Ivor Carel
Deputy Program Manager (Industry & Development)
Caribbean Community Secretariat

Ms. Carol Collins
Information Resources Manager
Caribbean Community Secretariat
Bank of Guyana Building

Mr. Theo Gittens
National Program Officer
United Nations Development Program

Ms. Maureen Newton
Senior Project Officer (Information & Communication)
Caribbean Community Secretariat
Bank of Guyana Building

TABULAR SUMMARY OF SMEs INTERVIEWED

NAME	INDUSTRY	OWNERS/IND	WORKERS	SIZE
Roma Manufacturing Company Ltd.	Mosquito Coils	Lewis Kartick	60	M
Sirfasa Industries Ltd.	Terrazo Tiles	Michael Bacchus	10	S
Patmar Industries Limited	Cultured Marble Products	Patrick Persaud	59	M
Foreman's Manufacturers	Leathercraft, Shoes	Mike Carrington	18	S
Black Jewel Company	Ceramics & Decorative Products	Patrick Bamfield	25	M
Scientific Specialities Ltd	Sanitary Napkins	Rampersaud Gangaram	10	S
GDF Cooperative Society Limited	Household Furniture	Cooperative Society	14	S
Swiss Machinery Establishment Limited	Industrial & Automotive Components	Edward Alfred	25	M
Brass, Aluminum & Cast Iron Foundry	Non-Ferrous & Ferrous Castings	Claude Geddes	75	M

NAME	INDUSTRY	OWNER/REP	WORKERS	SEX
Tropical Orchard Products Coy Limited	Fruit Juices	Geoffrey Murray/DDL	10	S
Milco Garment Factory	General Garments	Claude Miller	35	M
Shurland's Case & Pallet Manufacturers Limited	Beverage Cases & Wood Pallets	Ivan Shurland	10	S
Hamlets Overseas Chemicals Ltd.	Cosmetics, Polish & Household Cleansers	Lawrence Farley	10	S
Wray Enterprises Limited	Millinery Bags	Mervyn Wray	60	M
Organic Juices Products	Organic Juices & Dehydrated Fruit	Fidna Stoll	05	S
Astro Art Int'l Marketing	Icicles	John Fernandes	03	S
Liana Cane Interiors Ltd.	Nibbi Household Furniture	Neil Dow	50	M
B S & K Manufacturing Company	Fruit Jams, Jellies & Guava Cheeses	M. Khan	15	S
Iman Bacchus & Sons	Grnd Coffee, Noodles & Baking Powder	Samad Baksh	50	M
Adventure Manufacturing Company Ltd.	Fruit Jams & Jellies, Guava Cheeses	Fitz Fletcher	05	S

NAME	INDUSTRY	OWNER/REP	WORKERS	SIZE
Sunshine Manufacturing Company	Pasta, Curry & Baking Powder, Shrimp Slices	Rickram Persaud	15	S
IDI Engineering Limited	Metal Fabrication	Krisondat Surujpaul	60	M
Vinelli Industries Limited	Ice Cream, Pasta, Bakery Products, Spices & Condiments	Janet Kissoon	60	M
Modern Welding & Engineering	Wrought Iron Tanks, Gates, Car Mufflers	Lonston Hughes	04	S
Joyce Furnishing Enterprise	General Woodworking	Clyde Joyce	04	S
Wards Milling Establishment	Plantain & Barley Flour, Corn Meal	Mitford Ward	02	S
GUYCA	Paper Products, Forms	Kawall Tewari	31	M

ANNEX IV

**TABULAR SUMMARY OF CHARACTERISTICS
OF SMALL AND MEDIUM ENTERPRISES**

	CHARACTERISTICS	MEDIUM	SMALL
1.	Number of Employees	25 - 75	2 - 24
2.	Location	Urban / Rural	Urban / Rural
3.	Government Attitude	Familiar	Oblivious
4.	Ownership	Family/Partnership	Family
5.	Purpose	Livelihood / Profit	Livelihood
6.	Production Techniques	Machine / Manual	Manual
7.	Technology used	Fairly Modern	Conventional
8.	Knowledge of Alternate Technology	Vast	Limited
9.	Management Skills	Medium	Minimal
10.	Markets	Regional / Local	Local
11.	Access to Credit	Arduous	Informal Sources
12.	Foreign Exchange Needs	Crucial	Modest
13.	Potential for Savings	High	Small
14.	Linkage with Agriculture	Variable	Variable
15.	Gender-Sensitivity	High	Low
16.	Linkages with Enterprises	Negligible	None
17.	Linkages with Associations	Extensive	Limited
18.	Productivity	Moderate	Low
19.	Duration of work	Full-time	Full-time