



Venezuelan Handicraft Market

Market Research



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Glossary of Terms.

Term linked to the document	Meaning
Aesthetic	1. (adjective) Concerned with beauty and art and the understanding of beautiful things. 2. (adjective) Made in an artistic way and beautiful to look at.
Association	1. (noun) A number of persons bound together by common social standards, interests; 2. (noun) A group of people organized for a joint purpose and represented by legal person.
Authentic	1. (adjective) Of undisputed origin and not a copy, genuine; 2. (adjective) Made or done in the traditional or original way, or in a way that faithfully resembles an original.
Autochthonous	1. (adjective) (Of an inhabitant of a place) indigenous rather than descended from migrants or colonists.
Blacksmith's trade	1. (noun) Make and repair things in iron by hand.
Capacity	1. (uncountable noun, countable noun, usually singular) The number of things or people that a container or space can hold; 2. (uncountable noun, countable noun, usually singular) The ability to understand or to do something.
Clay	1. (mass noun) A stiff, sticky fine-grained earth that can be moulded when wet, and is dried and baked to make bricks, pottery, and ceramics; 2. noun (technical) Sediment with particles smaller than silt, typically less than 0.002 mm.
Code	1.(noun) Combination of signs that have a certain value within an established system.
Contemporary	1. (adjective). Belonging to the same time. 2. Belonging to the present time (synonymous: <i>modern</i>).
Craftsman	1. (noun) A worker skilled in a particular craft.
Craftswork	1. (noun) The making of decorative or practical objects by hand as a profession or leisure activity; 2. (noun) Decorative or practical objects made by hand.
Culture	1. (uncountable noun) Customs and beliefs, art, way of life and social organization of a particular country or group.
Cut	1. (verb) Sculpt, carve or engrave.
Design	1. (noun) The process of planning how something will look, happen or be made.



Economy of scale	1. (verb) Produce more units of goods or services in a large scale, yet with (or average) less input costs.
Eichhornia (water hyacinth)	1.(noun) Floating aquatic plant, of tropical lakes and rivers, that grows so prolifically. In Venezuela it grows at the Orinoco river, at the south of the country.
Fabric	1. (noun) Product resulting of intertwining various elements.
Federate	1. (verb) To unite under a central government or organization while keeping some local control.
Feldspar	1. (noun) A group of minerals, principally aluminosilicates of potassium, sodium and calcium, characterized by two cleavages at nearly right angles: one of the most important constituents of igneous rocks.
Fireclay	1.(noun) Granular material obtained spraying bricks, refractory bricks, ceramic or any other cooked product.
Fur	1. (noun) A piece of the dressed pelt of an animal used to make, trim, or line wearing apparel; 2. (noun) An article of clothing made of or with fur.
Identity	1. (noun) Qualities, beliefs, etc., that make a particular person or group different from others.
Indigenous	1. (adjective) Originating or occurring naturally in a particular place; native.
Inherit	1. (verb) Receive or be left with (a situation, object, etc.) from a predecessor or former owner.
Innovation	1. (noun) The act or process of introducing new ideas, devices, or methods. 2. Creation or modification of a product and its introduction in a market.
Instrument	1. (noun) A means of pursuing an aim.
Integrate	1. (noun) To bring together, combine, or incorporate into a whole or into a larger unit.
Kaolin (Chinese clay)	1. (noun) A type of fine white clay used in some medicines and in making porcelain for cups, plates, etc.
Leather industry	1. (noun) Manufacture of leather or morocco leather, such as purses, trunks, suitcases.
Manufacture (Make)	1.(verb) To make goods in large quantities, using machinery. 2. To transform a thing or object into a product by doing a particular work.
Mauritia flexuosa (Moriche palm, in Venezuela)	1. (noun). A palm tree that grows in and near swamps and other wet areas in tropical South America: Trinidad,





	Colombia, Venezuela, Guyana, Suriname, French Guiana, Brazil, Ecuador, Peru, and Bolivia; 2. A palm tree used in handicraft-related activities.
Method	1. (noun). A particular procedure for accomplishing or approaching something, especially a systematic or established one.
Mud	1. (<i>mass noun</i>) Soft, sticky matter resulting from the mixing of earth and water. Material similar to clay.
Piece	1. (noun) An artistic creation, such as: jewels, tools, utensils or furniture.
Pre-Columbian	1. (adjective) Relating to the history and cultures of the Americas before the arrival of Christopher Columbus in 1492.
Protect	1. (verb) Keep safe from harm or injury.
Register	1. (noun) To record information about (something) in a book or system of public records.
Replica	1. (noun) An exact reproduction (as of a painting); 2. A copy exact in all details.
Resource	1. (mass noun) Group of available elements to solve a problem or to carry out a business.
Saddlery	1. (noun) Shop or workshop where articles made of leather and for horses are created or sold.
Sand	1. (<i>mass noun</i>) A loose granular substance, typically pale yellowish brown, resulting from the erosion of siliceous and other rocks and forming a major constituent of beaches, river beds, the seabed, and deserts; 2. (technical) Sediment whose particles are larger than silt (typically greater than 0.06 mm).
Stained glass	1. (noun) Coloured glass a material or to works created from it.
Stoneware	1. (noun) A kind of plaster to make pots, dishes, etc., made from clay that contains a small amount of the hard stone called <i>Flint</i> , a type of hard grey stone that can produce a spark when it is hit against steel; 2.(mass noun) A type of pottery which is impermeable and partly vitrified but opaque.
Strategy	1. (noun) Plan that is intended to achieve a particular purpose.
Synergy	1. (noun) The interaction or cooperation of two or more organizations, substances, or other agents to produce a combined effect greater than the sum of their separate





	effects.
Technical	1. (adjective) Relating to a particular subject, art, or craft, or its techniques.
Traditional	1.(adjective) An inherited, established, or customary pattern of thought, action, or behavior (as a religious practice or a social custom).
Tribe	1. (noun) A social division in a traditional society consisting of families or communities linked by social, economic, religious, or blood ties, with a common culture and dialect, typically having a recognized leader.
Utilitarian	1. (adjective) Designed to be useful or practical rather than attractive.
<i>Sources: Merriam Webster Dictionary. Available in: http://www.merriam-webster.com/dictionary/ and Oxford Dictionary Available in: http://www.oxforddictionaries.com/definition/english/</i>	





Profile

of the Bolivarian Republic of Venezuela



BOLIVARIAN REPUBLIC OF VENEZUELA	
Official Name	Bolivarian Republic of Venezuela
Official language	Spanish
Population (2016)	30,851,343 inhabitants
Form of Government	Federal Presidential Republic
Head of State	President, Nicolás Maduro Moros
GDP Per cápita (2016)	US \$ 12,820
Foreign Direct Investment (FDI) (% of GDP) (2015)	1.6% (UN)
Gross Fixed Capital Formation (% GDP) (2015)	20.3%
Public expenditure on education (2015)	6.9% of GDP
Public expenditure on health (2015)	3.4% of GDP
Currency	The official currency is the Bolívar (VEF), with a system of foreign exchange control which has two rates: DIPRO (type: protected change) for essential products 10 Bs/\$ and DICOM (type: complementary change) for all transactions not contained in DIPRO. The floating rate is controlled by the BCV and starts at 206.92 Bs/\$1

Demography

Venezuelan population pyramid shows that the bulk of the Venezuelan population is between the ages of 10-24 years old, which results in a young population with aspirations to enter the labor market, after an average of 8.9 years of studies, representing an educated population that almost finish high school and that can become labor for any growing industry or development, also the Venezuelan population has a life expectancy at birth of 74.2 years.





SOCIAL INDICATORS OF BOLIVARIAN REPUBLIC OF VENEZUELA				
Population ¹	Men	Women	Total	
	15.351.315 p.	15.269.089 p.	30.620.404 p.	
Population pyramid ²	Expected 2016 31.518.000 p.	100+		
		95-99		
		90-94	MEN	WOMEN
		85-89		
		80-84		
		75-79		
		70-74		
		65-69		
		60-64		
		55-59		
		50-54		
		45-49		
		40-44		
		35-39		
		30-34		
		25-29		
		20-24		
15-19				
10-14				
5-9				
0-4				
		7.5%	5%	
		2.5%	2.5%	
		5%	7.5%	
Population density	34 inhabitants per Km ²	Population rate growth	1.26 %	
Life expectancy	Men	Women	Total	
	70.9 years	76.8 years	73.7 years	
Maternal mortality rate	95 (per 1000 inhabitants)	Happiness index ³	Position 84. (6.084)	
HDI	0.612 (high)	Start of schooling ⁴	6.06 years	
<i>Source: United Nations Organization. Available at: http://data.un.org/Default.aspx</i>				

¹ Data for 2015.
² Estimated data for 2016. Source: <https://populationpyramid.net/es/venezuela/2015/>
³ Data for 2015. Source: http://worldhappiness.report/wp-content/uploads/sites/2/2016/03/HR-V1Ch2_web.pdf
⁴ Data for 2014.





Geography

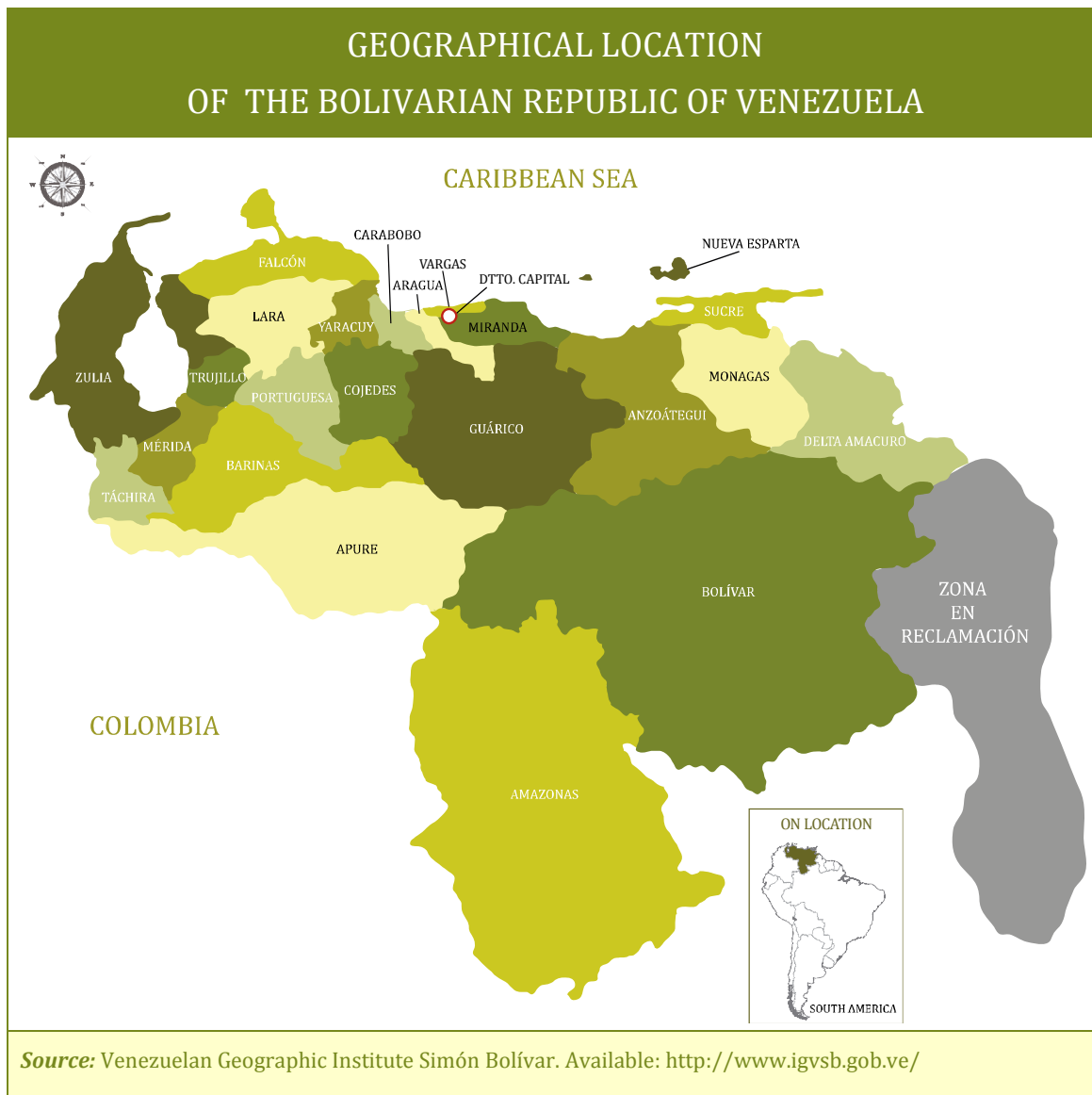
Location

Venezuela is a country located at the most northern point of South America, with coasts on the Caribbean Sea and the Atlantic Ocean. It has a land area of 916,445 km². Its borders are: Brazil and Guyana to the East, Colombia and Brazil to the South, Colombia to the West, and the Caribbean Sea and the Atlantic Ocean to the North. Because of its location, Venezuela enjoys a tropical climate with two seasons a rainy one and drought one, with temperatures ranging between 28 ° C.

Venezuela has four well defined regions:

1. - **Central-coastal Region:** Where the capital city, Caracas, is located. It is a region consisting of coasts and is the seat of major cities that have international ports and industrial cities.
2. - **Andes Region:** Formed by Táchira, Mérida and Trujillo states; defined as the country's mountainous zone with agricultural settlements with banana, potatoes and coffee plantations.
3. - **Los Llanos Region (Plain region):** Consisting of plains and rivers and formed by Guárico, Apure, Barinas and Portuguesa states, it is the fertile land of the country for agricultural industry.
4. - **Guyanese massif:** In geological terms, it is the oldest part of the country, consists of large plateaus, and is the region with the largest mineral reserves.





Attractiveness

There are regulations affecting business efficiency in the country, such as exchange control, which puts the country in the position 182 in the world ranking. In terms of labor freedoms, Venezuela occupies position 181 in the world ranking and in the post 169 worldwide about freedom of business.

Doing Business 2016 classification puts the Venezuelan economy at No. 186 among 189 economies, taking into account aspects such as: operational aspects regarding the



opening of a business, dealing with construction permits, getting electricity, registering property, obtaining credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

Venezuelan market is constituted by 30 million inhabitants, is the fifth largest GDP in Latin America, owns the largest proven reserves of crude oil in the world. Regarding to gas reserves, Venezuela possesses the eighth worldwide. Nevertheless, there is need for renewal the national infrastructure (roads, rails, ports), industries and machinery.

Happiness Index

In addition to the basic economic indices it is important to know how does work the subjective well-being of the population of a country and evaluates the human being's ultimate goal: happiness. Because economic policies should enhance the usefulness of the population defined as the amount of pleasure, satisfaction or happiness of individuals; to carry out the survey, people's opinion is asked by a series of questions. In this survey, Venezuelan people perceived themselves as a people with high levels of happiness. Venezuela is ranked at the 44th place, above El Salvador, Ecuador and Japan, but below countries such as France, UK, Colombia, Germany, Chile, Uruguay, among others .

Profitability

According to ECLAC, FDI decreased in 2014 by 80%, from 2,680 million dollar to 320 million dollar. In previous years the opposite had happened, because of the difficulty of repatriation of capital due to exchange controls, foreign companies tried to reinvest in the country in real estate sector. However, it is possible that because of the economic contraction in 2014, foreign companies have decided to back their investment because of reduced profits.



Marketing Channels

In Venezuela there are six commercial ports, whose customs are authorized to import, export and transit, as well as to provide services of transshipment, cabotage and postal packages:

1. - **Port of Puerto Cabello**: It is Venezuela's main port, located in Carabobo state. It is the sixth largest port in Latin America and the Caribbean. In terms of capacity, has a total regional foreland of 75%: to United States and Canada (20%), the Caribbean (17%), Colombia and Trinidad (15 %), South America East Coast (10%), Central America (8%) and South America West Coast (3%); to other ports in Venezuela, this port foreland is 15% and to the rest of the world 10%.

2. - **Port of La Guaira**: An artificial port located in Vargas state. It has a total of 26 docks, some of them are not operational, and its maximum depth of water is of 9,7 m.

3. - **Port of Guanta**: Located in Anzoátegui state, has 6 docks, and a maximum depth of water of 10,5 m.

4. - **Port of Maracaibo**: Located in Zulia state, has 12 docks, 8 of them remain operational and have a maximum depth of water of 10, 97 m.

5. - **Port of Sucre-Cumaná**: Located in Sucre state, has two floating docks for general cargo and vehicles, its maximum depth of water is of 10, 4 m.

6. - **Port of Guaranao**: Located in Falcón state. Currently, this port is operating only for refinery and industrial zone products import.

Regional agreements and trade blocs

- **ALADI (Latin American Integration Association)**: Signed by Argentina, Brazil, Bolivia, Colombia, Chile, Cuba, Ecuador, Uruguay, Mexico, Panama, Paraguay, Peru and Venezuela, in which Venezuela signed a Regional Tariff Preference agreement, which decreases the proportion of ad-valorem duties stipulated to the tariff schedule.



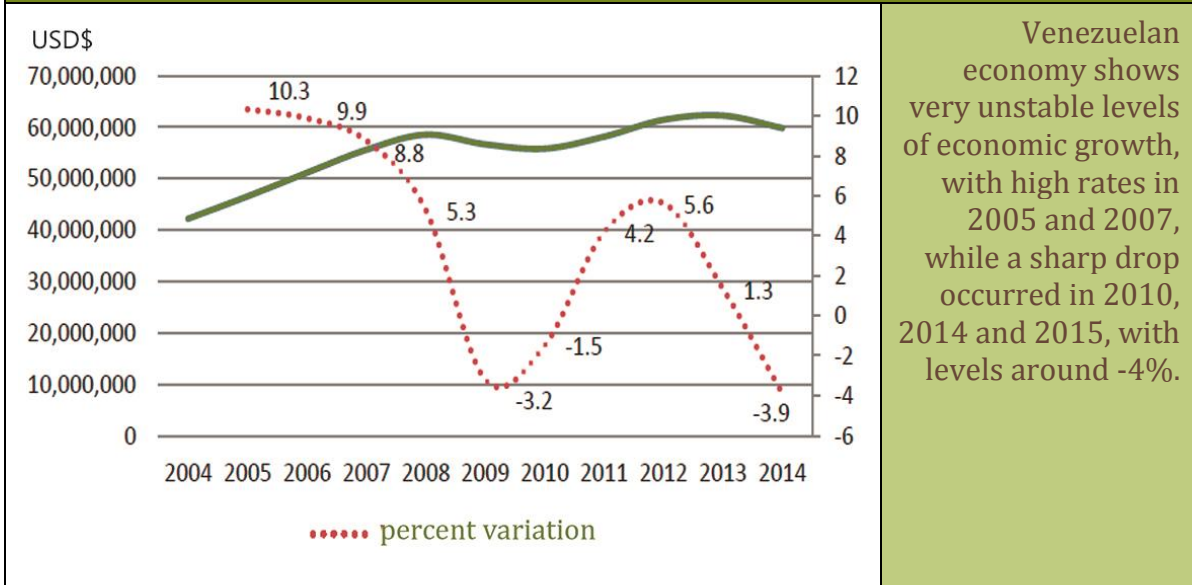
- **MERCOSUR (Southern Common Market):** Signed by Argentina, Brazil, Uruguay, Paraguay and Venezuela, where the total elimination of taxes is agreed through the signing of three agreements: “Treaty of Asuncion”, “Protocol of Ouro Prieto” and “Olivos Protocol for the settlement of MERCOSUR disputes”.
- **ALBA-TCP (Bolivarian Alliance for the Peoples of America- Treaty of the Peoples):** Signed by Venezuela, Cuba, Bolivia, Antigua and Barbuda, Dominica, Ecuador, Granada, Nicaragua, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Suriname and as observers: Haiti, Iran and Syria. It is based on the use of hedge funds to reduce socioeconomic differences among its member countries.

Economic situation in Venezuela

According to the data submitted by the Venezuelan National Bank (or Banco Central de Venezuela - BCV), Venezuelan economy shows very unstable levels of economic growth, with high rates (8% and 10%) in 2005 and 2007, while a sharp drop occurred in 2010, 2014 and 2015, with levels around -4%. (Chart 1.1).

Despite being an oil economy, the contribution of the oil sector in the country’s economy is decreasing, representing only 11% of the Gross Domestic Product (GDP), which is a worrying situation because this is the only productive sector participating in international trade, and which contributes 98% of income in foreign currency. (Chart 1.2).

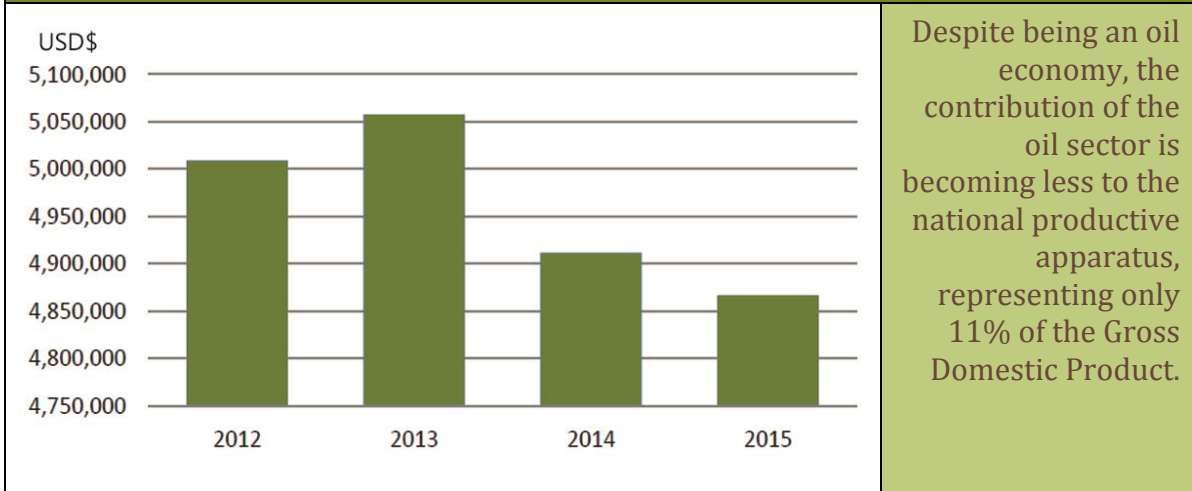
CHART 1.1
GDP: CONSTANT PRICES (USD\$), 2004-2014



Venezuelan economy shows very unstable levels of economic growth, with high rates in 2005 and 2007, while a sharp drop occurred in 2010, 2014 and 2015, with levels around -4%.

Source: Central Bank of Venezuela. Available: <http://www.bcv.org.ve/>

CHART 1.2
OIL SECTOR PRODUCTION, USD, 2012-2015

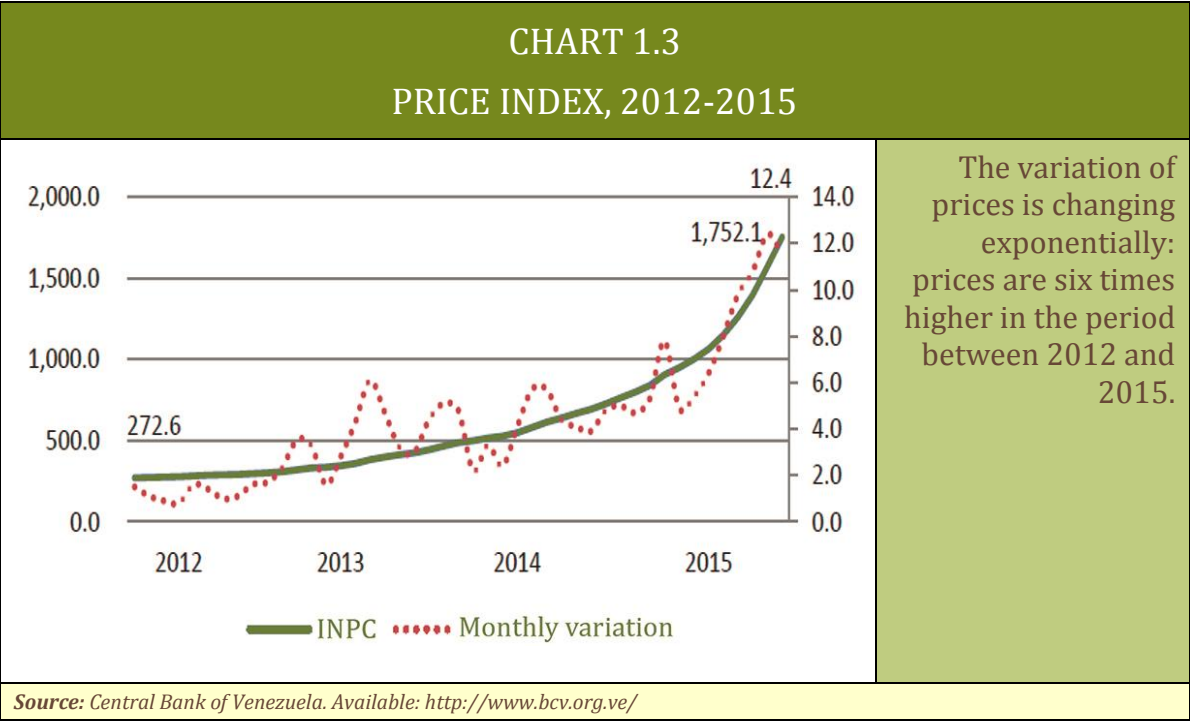


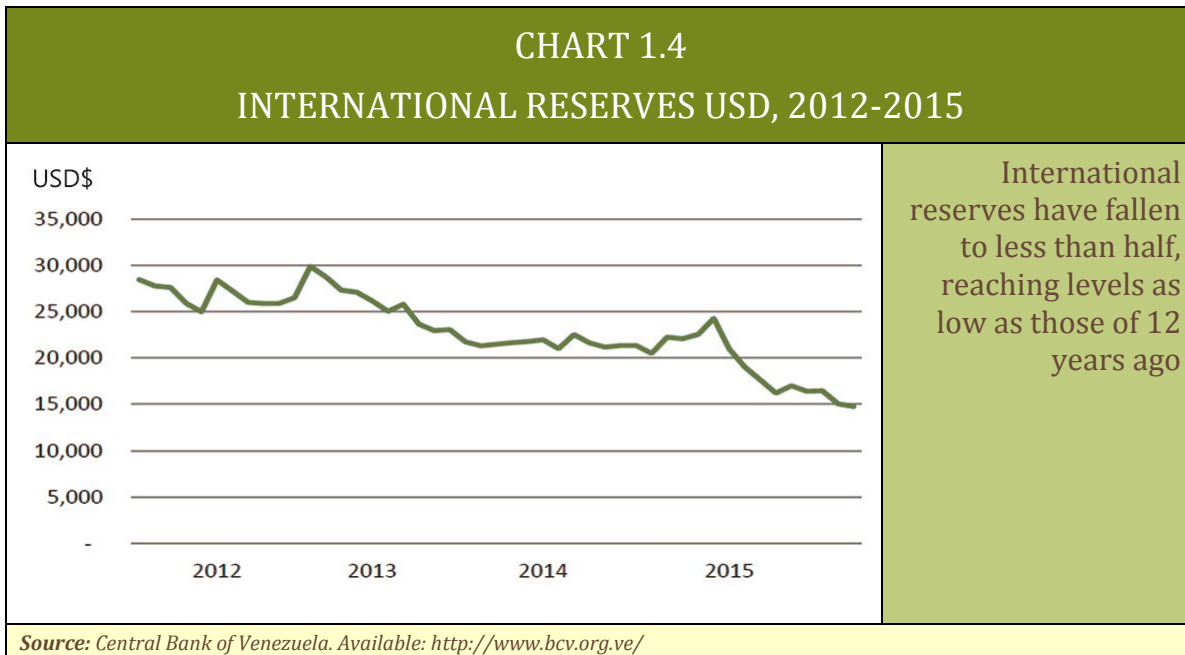
Despite being an oil economy, the contribution of the oil sector is becoming less to the national productive apparatus, representing only 11% of the Gross Domestic Product.

Source: Central Bank of Venezuela. Available: <http://www.bcv.org.ve/>

The variation of prices is changing exponentially: prices are six times higher in the period between 2012 and 2015. Inflation in 2015 was 200%. In 2016, inflation rate is projected 600%. A month- on-month variation of 10% will represent an annual inflation rate of 313%. (Chart 1.3).

In the same period, international reserves have fallen to less than half, reaching levels as low as those of 12 years ago. This creates a strong pressure on their external balances. (Chart 1.4).





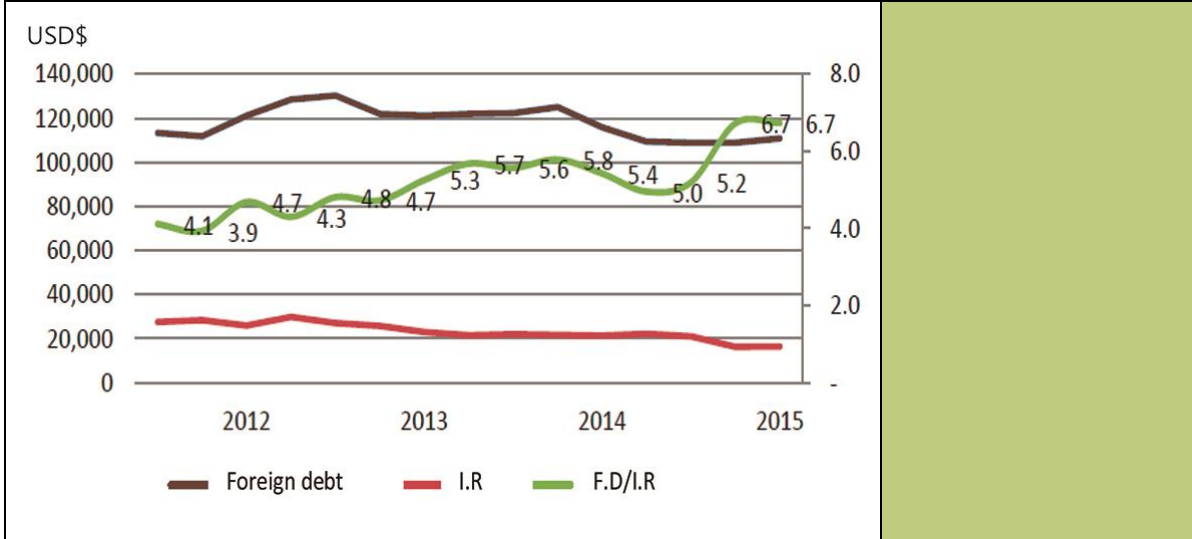
The growth of external debt adds to the drop in international reserves, makes that the current coverage be less than 10%. That means the amount of the international reserves only pays 10% of the total external debt. By beginning of 2016, the country already had a trade deficit of 24 billion dollars. (Chart 1.5)

Venezuelan external debt is divided in two sectors: government owes 83%, and private sector owes the remaining 17%. At the same time, this is related to 25% of short term debts (less than a year) and 75% of long term debts. Public and private commercial credits represent 19% of the external debt, while most are concentrated in bonds and other forms of loans.

As to the position of the reserve assets, Venezuela has decided to concentrate 70% in monetary gold, and this assets has had the same behavior as of international reserves. It has fallen almost by half: from twenty-one billion in 2011 to eleven and a half billion in 2015. Although public operations regarding monetary gold have not been made. The fall is evident in the Venezuelan.



CHART 1.5
RELATION BETWEEN EXTERNAL DEBT AND INTERNATIONAL RESERVES, 2012-2015



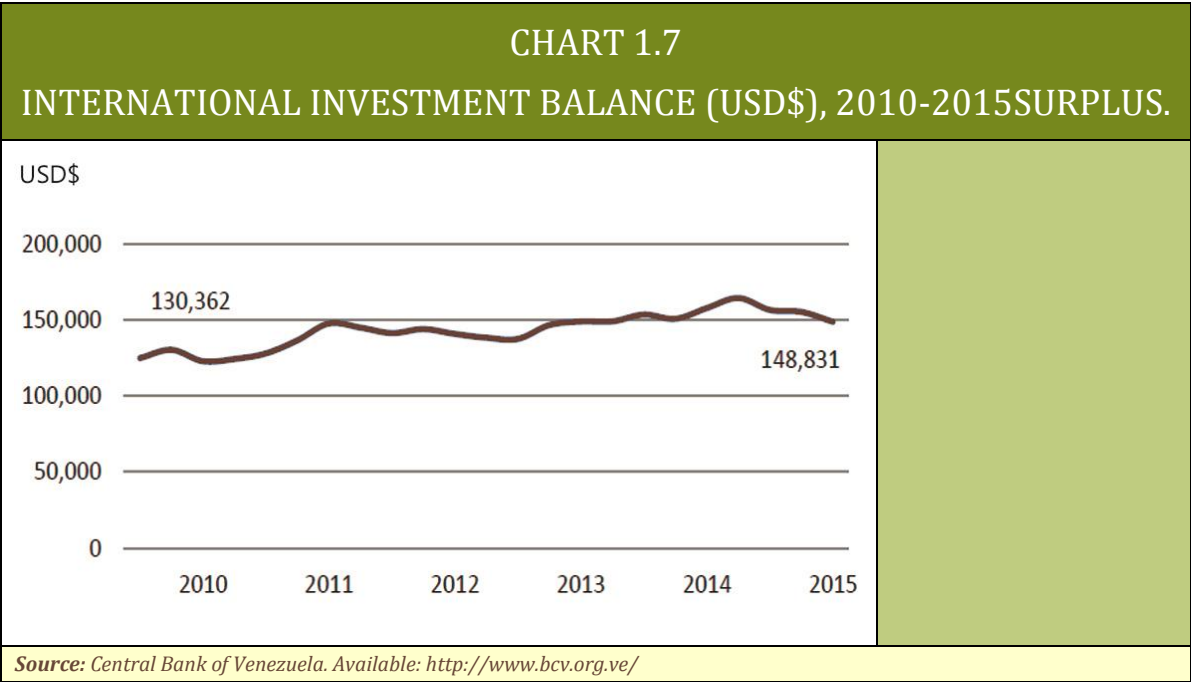
Source: Central Bank of Venezuela. Available: <http://www.bcv.org.ve/>

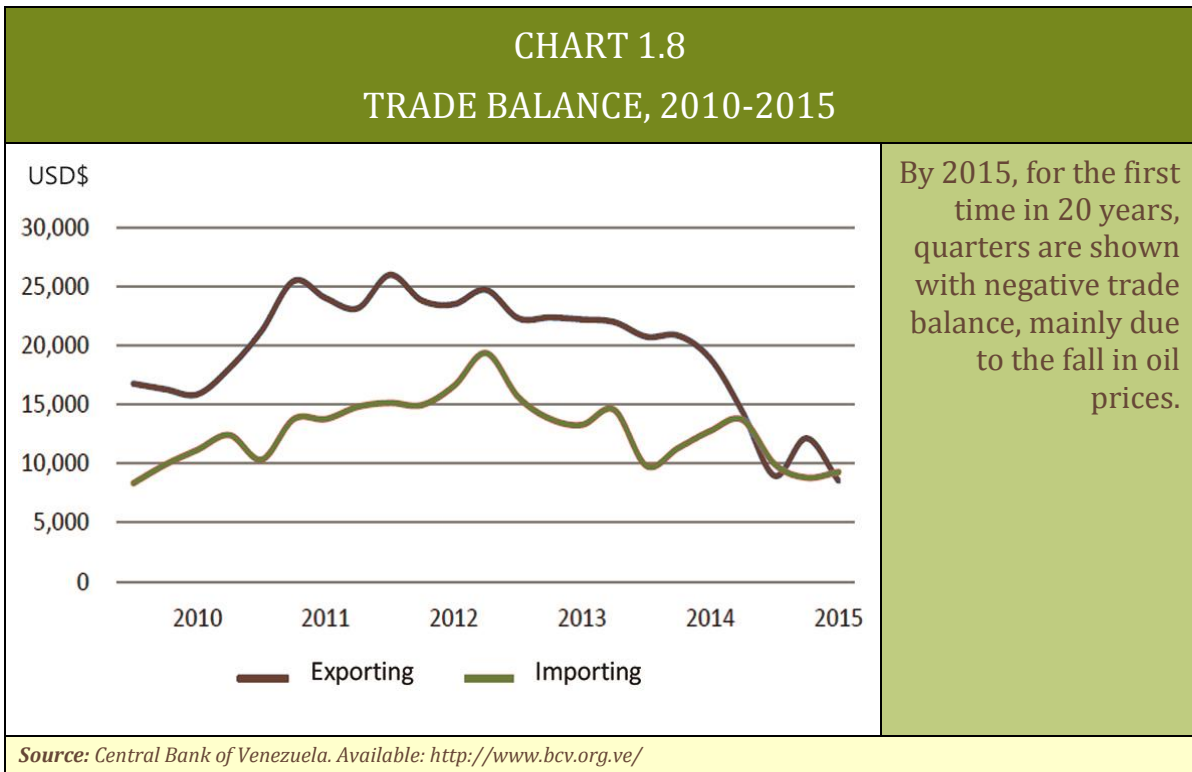
CHART 1.6
RESERVE ASSETS (GOLD AND FOREIGN CURRENCY), 2010-2015



Source: Central Bank of Venezuela. Available: <http://www.bcv.org.ve/>

The behavior of the balance of payments remains negative during the last six years, with the characteristic feature of maintaining positive trade balances, but capital outflows exceeding this surplus. By 2015, for the first time in 20 years, quarters are shown with negative trade balance, mainly due to the fall in oil prices.







Features

of the Venezuelan handicraft market



Main features of the Venezuelan handicrafts market

Handicrafts market has a strong relationship with Venezuelan origins. It preserves particular characteristics of each region of the country, reflected in each piece made by the artist (producer). Wood, clay, vegetal fiber and leather are the main raw material used by Venezuelan craftsmen, being at the same time part of identity of handicrafts production.

Venezuelan handicrafts sector is characterized by the use of material and cultural qualities of each region of the country, resulting from the mixture of cultures, ethnic origin and technical evolution.

Venezuelan handicrafts sector is classified as follow:

- Indigenous handicrafts
- Traditional handicrafts
- Contemporary handicrafts

Indigenous handicraft is autochthonous and has little production. It is developed mainly in Guayana region (Bolívar, Amazonas and Delta Amacuro states). The most important products of this category are: basketry and products made with wood fiber.

Traditional handicrafts, with origin in the European culture, is the most spread kind of handicraft in Venezuela. This handicraft category produces articles according to client specific needs and tastes. Capital region (Miranda and Vargas states and Capital District) is where we can find the production of kind of handicraft. Specific products from this region are polychromed wooden sculpture, utilitarian stoneware objects and stained glass.

In the same way, Central region (Aragua, Carabobo and Cojedes states) produces pieces made with clay, utilitarian pieces and pre-Columbian replicas.



The Andes region, particularly in Mérida, Trujillo and Barinas states, handicraft is made mainly with wood, bronze, silver, stoneware and aluminium. Merida state is known by toys manufacture, antique blacksmith, cotton fabrics, stained glass and pieces made with glass.

Central-western region (Lara, Portuguesa and Yaracuy states) has the biggest handicraft potential, because of high volume of production and the variety of handicrafts options, including contemporary handicraft and semi-industrial handicraft. Products from this region are made mainly with wood, glass, bronze, glass fiber and handmade recycling of paper.

Contemporary handicraft, with technical and aesthetical elements from other cultures, is focused on development of quality of the production, the searching of innovative designs that present new proposals by using some technological advances but not leaving the origin or inherit knowledge. This type of handicraft is produced mainly in Western-Central region, especially in Falcón and Lara states.

Finally, Island region (Nueva Esparta state and Federal Dependencies) has a traditional handicraft production with a strong presence of sea products, which made island handicrafts especial and attractive for its commercialisation and export.



The Product

of Venezuelan handicraft

Venezuelan main materials for handicraft

Venezuelan State, through the Ministry of People’s Power for Culture, has posed the development of handicraft sector as a priority for national economy, emphasizing the promotion of high quality and aesthetical design and authentic works. To this goal, four raw material items have been defined as essential. They are:

- Wood

Within Venezuelan territory there is a vast forest reserve, which represents approximately one million hectares. This raw material is classified into three basic types: soft, hard and fine. In the Venezuelan handicraft market the most used type of wood is soft wood, such as: Caribbean pine, alder tree, *Alnus glutinosa*, poplar tree and birch tree wood. Caribbean pine and alder are the most used for cutting, sculpting, carving and engraving handicraft.

A sample of wooden handicraft



Capital District



Delta Amacuro state



Lara state



Aragua state



Yaracuy state



Lara state

- Leather

Raw material for Venezuelan artisanal leatherwork and saddlery comes from goats and cattle, being the last one the most used material because its adaptive capacity to the environment of the territory. Production of goat and leather hides, is located in the states of Zulia, Lara and Falcon and is used for the manufacture of percussion musical instruments and clothing. In addition, cattle leather is used mainly in the footwear industry and in the manufacture of bags and purses.

A sample of handicraft products made of leather



Zulia state



Capital District



Barinas state



Aragua state



Yaracuy state



Lara state

- Clay

Clay is present in most of the country. Consequently, clay is one of the most used raw material for making handicrafts. Also, the existence of sand, kaolin, feldspar and fireclay as primary elements are used to elaborate more complex raw materials such as stoneware.

A sample of handicrafts made with clay



Aragua state



Delta Amacuro state



Mérida state



Lara state



Yaracuy state



Falcón state

- Textile

Textile is the oldest category handicraft in the country. Main raw materials for this sector are the *Mauritia flexuosa* (Moriche palm) and the *Eichhornia* (water hyacinth) fiber, which are extracted from the Orinoco river; as well as semi processed cotton fibers. Textile handicrafts are produced in most of the territory, a large part of the production is of indigenous origin, made by Yekuana and Wayuu tribes, the last one with semi industrial processing capacities and internationally recognized projection.

A sample of handicrafts made with textile fibers





Bolívar state



Bolívar state



Zulia state



Zulia state



Bolívar state

Lara state





Marketing

of Venezuelan handicraft products



Legal structure of handicraft activity in Venezuela

Venezuelan crafts enjoys special protection by the State (recognized in the Constitution of the Bolivarian Republic of Venezuela), in order to preserve its authenticity and ensure the permanence of cultural values. Despite being part of the structure of production of manufactured goods, handicraft legal treatment is largely cultural, but there are some legal instruments, created to facilitate financing to the sector and national and international marketing.

To financing, the law of credits for the manufacturing sector sets the bases governing the financing granted by universal banking to manufacture sector, to contribute to the development of the new social and productive model of the nation.

The State also promotes a strategy for developing and implementing the National Policy on Foreign Investment and the National Policy of Investments abroad to support the Venezuelan artisanal sector.

In 2015 a law was promulgated that regulates the craft sector in the country, which aims to promote the planned and sustainable development of national handicrafts, through the establishment of standards for the development, promotion and dissemination of national crafts, as well as the strengthening of this sector in the country, through proper supply of raw materials and the correct equipment of craft workshops; the recognition, protection, research, training in innovation, production and marketing.



Main legal provisions governing the Venezuelan artisanal sector

Main legal provisions governing the artisanal sector in the Bolivarian Republic of Venezuela		
Legal Instrument	Publication date	Official Gazette
Constitution of the Bolivarian Republic of Venezuela. <i>(Article 309)</i>	December 30 th , 1999.	Nº 30.860
Law of credits for manufacturing sector.	April 17 th , 2012.	Nº 39.904
Law of the National Centre for Foreign Trade and the Foreign Trade Corporation.	November 29 th , 2013.	Nº 6.116
Law for the development of handicraft and creation.	June 3 rd , 2015.	Nº 6.184
<i>Source:</i> Index of laws and decrees in force. Ediciones Juan Garay. Available in: www.indiley.com (July 2016).		

Main custom duties related crafts.

The Bolivarian Republic of Venezuela is a partner of some Latin American integration treaties that seek primarily to encourage the creation of an area of economic preferences in Latin America. These economic preferences focus on regional preferences tariff applicable to products originating in member countries in contrast with existing tariffs for third countries.

Main custom duties governing Venezuelan handicraft market

LIST OF THE MAIN CUSTOM DUTIES GOVERNING HANDICRAFT MARKET IN THE BOLIVARIAN REPUBLIC OF VENEZUELA				
Association	Tariff code	Product	Assessment description	Ad Valorem
LAIA (Latin American Integration Association)	69120000	Tableware and other household goods, toilet articles, ceramic, except porcelain.	Custom Duty	20.00
	70131000	Glass-ceramic articles.	Custom Duty	18.00
	70132200	Drinking vessels, from crystal to lead.	Custom Duty	18.00
	70132800	Others.	Custom Duty	18.00
	57050000	Other carpets and floor coverings, of textile materials, even manufactured.	Custom Duty	35.00
	44140000	Wooden frames for paintings, photographs, mirrors or similar objects.	Custom Duty	10.00
	44190000	Wooden tableware and kitchenware.	Custom Duty	14.00
	44201000	Statuettes and other ornaments of wood.	Custom Duty	14.00
	44209000	Others.	Custom Duty	14.00
	42010010	Articles of leather; saddlery and harness; travel goods, handbags (purses) and similar containers; articles of animal gut.	Custom Duty	20.00
	4203	Natural or regenerated leather clothing and accessories.	Custom Duty	20.00
	43031000	Clothing and accessories.	Custom Duty	20.00
	97011000	Paintings and drawings.	Custom Duty	4.0
	97020000	Original engravings, prints and lithographs.	Custom Duty	4.0



	97030000	Original sculptures and statuary, in any material.	Custom Duty	4.0
Mercosur (Southern Common Market)	69120000	Tableware and other household goods, toilet articles, ceramic, except porcelain.	Common External Tariff	20.00
	70131000	Glass-ceramic articles.	Common External Tariff	18.00
	70132200	Drinking vessels, from crystal to lead.	Common External Tariff	18.00
	70132800	Others.	Common External Tariff	18.00
	57050000	Other carpets and floor coverings, of textile materials, even manufactured.	Common External Tariff	35.00
	44140000	Wooden frames for paintings, photographs, mirrors or similar objects.	Common External Tariff	10.00
	44190000	Wooden tableware and kitchenware.	Common External Tariff	14.00
	44201000	Statuettes and other ornaments of wood.	Common External Tariff	14.00
	44209000	Others.	Common External Tariff	14.00
	42010010	Articles of leather; saddlery and harness; travel goods, handbags (purses) and similar containers; articles of animal gut.	Common External Tariff	20.00
	4203	Natural or regenerated leather clothing and accessories.	Common External Tariff	20.00
	43031000	Clothing and accessories.	Common	20.00



			External Tariff	
	97011000	Paintings and drawings.	Common External Tariff	4.00
	97020000	Original engravings, prints and lithographs.	Common External Tariff	4.00
	97030000	Original sculptures and statuary, in any material.	Common External Tariff	4.00
WTO (World Trade Organization)	69120000	Tableware and other household goods, toilet articles, ceramic, except porcelain.	Custom Duty	20.00
	70131000	Glass-ceramic articles.	Custom Duty	18.00
	70132200	Drinking vessels, from crystal to lead.	Custom Duty	18.00
	70132800	Others.	Custom Duty	20.00
	57050000	Other carpets and floor coverings, of textile materials, even manufactured.	Custom Duty	20.00
	44140000	Wooden frames for paintings, photographs, mirrors or similar objects.	Custom Duty	15.00
	44190000	Wooden tableware and kitchenware.	Custom Duty	20.00
	44201000	Statuettes and other ornaments of wood.	Custom Duty	20.00
	44209000	Others.	Custom Duty	20.00
	42010010	Articles of leather; saddlery and harness; travel goods, handbags (purses) and similar containers; articles of animal gut.	Custom Duty	15.00
	4203	Natural or regenerated leather clothing and accessories.	Custom Duty	20.00
	43031000	Clothing and accessories.	Custom Duty	20.00



	97011000	Paintings and drawings.	Custom Duty	0.00
	97020000	Original engravings, prints and lithographs.	Custom Duty	0.00
	97030000	Original sculptures and statuary, in any material.	Custom Duty	0.00

Source: Latin American Integration Association (SICOEX Data). Available in:
<http://consultawebv2.aladi.org/sicoexV2/jsf/home.seam>
 World Trade Organization: Available in: <http://tdf.wto.org/default.aspx>

Representatives of the Venezuelan artisanal sector.

Venezuelan representation of the craft market is divided into public and private entities. By public sector, acts the Ministry of People’s Power for Culture and the National Arts Centre. And these public entities are associated with handicrafts producers, shaping the National Register of Craftsmen.

On the other hand, private entities associate artisans and are led by the Federation of Venezuelan Industrialists (Fedeindustria, by its Spanish acronym), which is divided into chambers representing their partners at regional level. In addition, there are local associations in states with high production of handicrafts such as Mérida and Lara.

Main representatives of the Venezuelan artisanal sector



MAIN REPRESENTATIVES OF CRAFTS SECTOR IN THE BOLIVARIAN REPUBLIC OF DE VENEZUELA

	Institution	Contact
Public Sector	Ministry of People's Power for Culture	<p>Address: Av. Panteón Foro Libertador, Edif. Archivo General de la Nación. PB. Phone number: +58 (0212) 509.56.81.</p> <p>Web Site: http://www.ministeriodelacultura.gob.ve/</p> <p>Social Networks: Twitter: @miniculturave Facebook: Mincultura</p>
	National Handicraft Centre.	<p>Address: Av. Panteón Foro Libertador, Edif. Archivo General de la Nación. PB. Phone number: +58 (0212) 576.38.76/576.20.08</p> <p>Web Site: http://www.reddearte.gob.ve</p> <p>Social Network: Twitter: @reddearte Facebook: Fundación Red de Arte</p>
Private Sector	Federation of Venezuelan Industrialists (FEDEINDUSTRIA, Spanish acronym)	<p>Address: Av. Francisco Solano, Calle Los Mangos, Torre Los Mangos, Piso 5, Oficinas 5B y 5C, Sabana Grande. Caracas. Phone number: +58 (0212) 763.53.08</p> <p>E-mail: atencionalafiliado@fedehindustria.org</p> <p>Web Site: http://www.fedeindustria.org/default.asp</p> <p>Social Networks: Twitter: @fedehindustria Facebook: fedehindustriaorg</p>
	National Association of Industrialists of Clay Products and related products (ANIPA, Spanish	<p>Address: Centro Comercial Ciudad Tamanaco, Segunda Etapa, Torre C, Piso 10, Oficina 1003. Caracas.</p> <p>Phone number: +58 (0212) 959.76.08 /</p>



	acronym)	959.13.21 E-mail: anipaasociacion@gmail.com
	Chamber of Artisans, Small and Medium Industrialists, Capital District.	Address: Calle Capitolio, Edf. Indelca, Piso 2, Boleíta Sur. Caracas. Phone number: +58 (0212) 860.53.17 / 834.12.60 E-mail: fedeindustriacaracas@gmail.com
	Chamber of Artisans, Small and Medium Industrialists, Miranda state.	Address: Avenida Bolívar, C. C. Residencias Caracas, Mezzanina 1, Local 1-11, Los Teques, Edo. Miranda. Phone number: +58 (0212) 322.95.55 / 615.01.82 E-mail: capmimi@gmail.com
	Chamber of Artisans, Small and Medium Industrialists, Cojedes state. (CAINCO, Spanish acronym)	Address: Zona Industrial Corpindustria, Calle D, Galpón E10, Tinaquillo, Edo. Cojedes. Phone number: +58 (0258) 766.12.55 E-mail: cainco@gmail.com
	Chamber of Artisans, Small and Medium Industrialists, Lara state. (CAPMIL, Spanish acronym)	Address: Carrera 3, entre Calle 2 y 4. Zona Industrial II, Barquisimeto-Edo. Lara. Phone number: +58 (0251) .269.22.25 / 929.49.14 E-mail: capmil01@gmail.com
	Chamber of Artisans, Small and Medium Industrialists, Anzoátegui state. (CAINAR, Spanish acronym)	Address: Av. Intercomunal, Centro Comercial Géminis, Piso 1, Ofic. 27-A, Barcelona, Edo. Anzoátegui. Phone number: +58 (0281) 988.25.96 / 0281.275.25.58 E-mail: fedeindustriaanzoategui@gmail.com
	Civil Association: Chamber of Artisans, Small and Medium tourist services providers (PYMESTUR, Spanish acronym)	Address: Av. Rivas casa Nro. 2391. Sector Centro. Parroquia San Simón. Parroquia Maturín Edo. Monagas. Phone number: +58 (0291) 642.23.64 E-mail: pymestur.nacional@gmail.com
	Federation of Artisans, Micro, Small	Address: Av. Gran Mariscal, Edificio Radio, Cumana, Edo.





	and Medium Entrepreneurs of Sucre state (FEDEINDUSTRIA SUCRE, Spanish acronym)	Sucre. Phone number: +58 (0293) 451.14.66 E-mail: fedeindustriasucre01@gmail.com
	Association of Artisans, Small and Medium Industrialists of Bolivar state (FEDEINDUSTRIA BOLÍVAR)	Address: Av. Guayana, Edf. Monterrey, Mezzanina, Oficina No 4-B (al lado de la Torre Colón), Alta Vista, Puerto Ordaz, Edo. Bolívar. Phone number: +58 (0286) 962.30.28 E-mail: asopemia@cantv.net
Other associations	Venezuela Artisans Association	E-mail: jmperiche@hotmail.com Phone number: +58 (0281) 909.55.50
	Merida State Artisans Association	Address: Av. 4 entre calles 20 y 21. Mérida, Edo. Mérida. Telf.: +58 (0414) 594.61.70
<p>Fuente: Ministry of People's Power for Culture. Available in:</p> <p>http://www.mincultura.gob.ve/</p> <p>Artisans National Centre. Available in: http://www.reddearte.gob.ve/</p> <p>Federation of Venezuelan Industrialists. Available in http://www.fedeindustria.org/default.asp</p> <p>Latin American Network for Innovation and Technology Transfer for Craft strengthening (RITFA). Available in: http://www.ritfa.net/artesanos/index.php</p> <p>Merida state Artisans Association. Available in: http://www.andes.net/asoartem/</p>		

Location of handicrafts production in Venezuela.

The space of handicrafts production in the territory is conditioned to nearby raw material. By facilitating economic resources and necessary material for carrying out the handmade product, the artisan exercises a purely mechanical art or craft that requires low production costs to generate greater economic benefits.

Selection of main representatives of the Venezuelan artisanal sector, according to the use of a specific raw material



ARTISANAL POTTERY NETWORK IN THE BOLIVARIAN REPUBLIC OF VENEZUELA

Federal Entity	Material	Type of Association	Municipality
Amazonas	Clay mines.	Community producing ceramic, pottery, crockery.	Altures. Jivi La Reforma Community. Ceramic, pottery, crockery producer. Autana. Curripaco, Pumé y Pemón del Rio Negro Communities. Ceramic, pottery, crockery producers.
Anzoátegui	Clay mines.	Artisans working with clay.	-
Apure	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Achaguas. Yaruro and Fruta de Burro Community. Ceramic, pottery, crockery producer.
Aragua	-	Artisans working with clay.	-
Barinas	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Bolívar. Barinitas Community. Ceramic, pottery, crockery producer.
Bolívar	Kaolín/ Feldspar	-	-
Carabobo	-	Artisans working with clay.	-
Cojedes	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Tinaquillo. Tinaquillo Community. Ceramic, pottery, crockery producer. El Socorro. El Socorro Community. Ceramic, pottery, crockery producer.
Delta Amacuro	-	-	-
Dependencias Federales	-	-	-
Distrito Capital	-	Artisans working	Libertador.

		with clay.	
Falcón	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Falcón. Miraca y El Pizarral Communities. Ceramic, pottery, crockery producers, as well as ceramic for building.
Guárico	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Miranda. Caño de Portuguesa, El Socorro de Portuguesa, San Antonio de Tamanaco Communities. Ceramic, pottery, crockery producers, as well as ceramic for building. Valle Guanape. Valle Guanape Community. Ceramic, pottery, crockery producer.
Lara	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Andrés Eloy Blanco. Sanare Community. Ceramic, pottery, crockery producer. Torres. San Pedro Caliente, Los Arangues, El Alemán Communities. Ceramic for building producers. Jiménez. El Vigiadero Community. Ceramic, pottery, crockery producer, as well as ceramic for building. Urdaneta. El Caminito, Bobare, Siqui Siqui Ceramic, pottery, crockery producer
Mérida	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Campo Elías. Los Guáimaras y Aguas Calientes Communities. Ceramic, pottery, crockery producer.
Miranda	Clay mines.	Artisans working with clay.	-

Monagas	Clay mines.	Community producing ceramic, pottery, crockery.	Sotillo. Barrancas del Orinoco Community. Ceramic, pottery, crockery producer. Cedeño. Caicara de Maturín Community. Ceramic, pottery, crockery producer.
Nueva Esparta	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Gómez. El Cercado Community. Ceramic, pottery, crockery producer.
Portuguesa	-	Artisans working with clay.	-
Sucre	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Cruz Salmerón. Manicuaire Community. Ceramic, pottery, crockery producer. Rivero. Muelles de Cariaco Community. Ceramic, pottery, crockery producer.
Táchira	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Libertador. Lomas Baja y Capacho Viejo Communities. Ceramic, pottery, crockery producer.
Trujillo	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Boconó. San Miguel de Boconó and Lomas del Guamo Communities. Ceramic, pottery, crockery producer. Carvajal. Mesa de Carvajal Community Ceramic, pottery, crockery producer. Carache. La Concepción and Betijoque Communities. Ceramic, pottery, crockery producer.
Vargas	Clay mines.	Artisans working with clay.	-

Yaracuy	Clay mines.	Community producing ceramic, pottery, crockery. Artisans working with clay.	Arístides Bastidas. Camunare Blanco Community. Ceramic, pottery, crockery producer.
Zulia	Clay mines. Talcum deposits.	Community producing ceramic, pottery, crockery. Community producing ceramic, pottery, crockery.	La Guajira. Wayuu Guarero Community. Ceramic, pottery, crockery producer.

Source: Ministry of People's Power for Culture. Available in: <http://www.reddearte.gob.ve/index.php/mapa-de-red-de-loceros-y-loceras-alfareria-artesanal>

ARTISANAL SADDLERY AND LEATHER GOODS NETWORK IN THE BOLIVARIAN REPUBLIC OF VENEZUELA			
Federal Entity	Material	Type of Association	Municipality
Amazonas	-	-	-
Anzoátegui	Cattle.	Artisans working with leather.	-
Apure	Cattle.	Artisans working with leather.	
Aragua	-	Artisans working with leather. Tanneries.	Santiago Mariño. Sucre. (Cagua)
Barinas	Cattle.	Artisans working with leather. Tanneries.	Barinas.
Bolívar	Cattle.		
Carabobo	-	Artisans working with leather.	
Cojedes	Cattle.	Artisans working with leather.	
Delta Amacuro	-		
Dependencias Federales	-		

Distrito Capital	-	Artisans working with leather.	
Falcón	Goat.	Artisans working with leather. Tanneries	Carirubana.
Guárico	Cattle.	Artisans working with leather.	
Lara	Goat.	Artisans working with leather. Tanneries	Iribarren. Torres. Peña.
Mérida	-	Artisans working with leather. Tanneries.	Libertador.
Miranda	-	Artisans working with leather.	
Monagas	Cattle.		
Nueva Esparta	-		
Portuguesa	Cattle.		
Sucre	-		
Táchira	-		Junín. (Rubio) San Cristóbal. (San Cristóbal) Ureña. (Ureña) Libertad. (Capacho)
Trujillo	Cattle.		Valera. (Valera)
Vargas	-	Artisans working with leather.	
Yaracuy	-	Artisans working with leather. Tanneries.	Peña.
Zulia	Goat. Cattle.	Artisans working with leather.	

Source: Ministry of People's Power for Culture. Available in: <http://www.reddearte.gob.ve/index.php/red-de-talabarteros-y-talabarteras>

ARTISANAL TEXTILE NETWORK IN THE BOLIVARIAN REPUBLIC OF VENEZUELA			
Federal Entity	Material	Type of Association	Municipality
Amazonas	-	Artisans working with spins.	-
Anzoátegui	-	Artisans working with spins.	-
Apure	-	Artisans working with spins.	-
Aragua	-	Spins processors. Artisans working with spins.	José Antonio Rivas.
Barinas	-	Artisans working with spins.	-
Bolívar	-	Artisans working with spins.	-
Carabobo	-	Spins processors. Artisans working with spins.	Libertador. (Valencia)
Cojedes	-	Artisans working with spins.	-
Delta Amacuro	-	Artisans working with spins.	-
Dependencias Federales	-	-	-
Distrito Capital	-	Artisans working with spins.	-
Falcón	-	Artisans working with spins.	-
Guárico	Cotton plantation.	Artisans working with spins.	Las Mercedes.
Lara	-	Spins processors. Artisans working	Iribarren.

		with spins.	
Mérida	-	Artisans working with spins.	-
Miranda	Cotton plantation.	Spins processors. Artisans working with spins.	Zamora. Cotton processing. Independencia. Cotton processing Guaicaipuro. Cotton planting
Monagas	-	Artisans working with spins.	-
Nueva Esparta	-	Artisans working with spins.	-
Portuguesa	-	Artisans working with spins.	-
Sucre	-	Artisans working with spins.	-
Táchira	-	Spins processors. Artisans working with spins.	San Cristóbal.
Trujillo	-	Artisans working with spins.	-
Vargas	-	Spins processors.	-
Yaracuy	-	Artisans working with spins.	-
Zulia	-	Spins processors.	-
<i>Source: Ministry of People's Power for Culture. Available in: http://www.reddearte.gob.ve/index.php/mapa-red-de-textiles</i>			

WOOD CRAFT NETWORK IN THE BOLIVARIAN REPUBLIC OF VENEZUELA			
Federal Entity	Material	Type of Association	Municipality
Amazonas	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Anzoátegui	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	-
Apure	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	Páez. Wood reserve.
Aragua	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Barinas	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	Antonio José de Sucre. Wood reserve.
Bolívar	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	Sucre. Wood reserve.
Carabobo	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Cojedes	Wood reserve.	Craftsmen builders of musical instruments.	-
Delta Amacuro	-	Artisans working with wood. Craftsmen builders of musical instruments.	-

Dependencias Federales	-	-	-
Distrito Capital	-	Craftsmen builders of musical instruments.	-
Falcón	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Guárico	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Lara	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Mérida	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Miranda	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	Urdaneta. Wood reserve. Barlovento. Wood reserve.
Monagas	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	Libertador. Wood reserve. Cedeño. Wood reserve.
Nueva Esparta	-	Craftsmen builders of musical instruments.	-
Portuguesa	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	Turen. Wood reserve.
Sucre	Wood reserve.	Artisans working with wood. Craftsmen builders of musical instruments.	Benítez. Wood reserve. Sucre (Cumaná). Factories of cases for musical instruments.



Táchira	-	Artisans working with wood. Craftsmen builders of musical instruments.	-
Trujillo	-	Artisans working with wood. Craftsmen builders of musical instruments.	Pampanito. Wood for musical instruments.
Vargas	-	Craftsmen builders of musical instruments.	-
Yaracuy	-	Craftsmen builders of musical instruments.	-
Zulia	Wood reserve.	Craftsmen builders of musical instruments.	Sur del Lago. Wood reserve.

Source: Ministry of People's Power for Culture. Available in: <http://www.reddearte.gob.ve/index.php/mapa-red-de-madera>





Investment

in the Venezuelan handicraft market

POSSIBLE AREAS OF INTEREST FOR THE REPUBLIC OF INDIA

Due to its low production capacity, Venezuelan artisanal sector represents an opportunity for further development, at national and international level because its products are characterized by authenticity, and there is a direct relationship with the availability of local raw material, which makes it feasible to install handicraft production lines.

However, despite these advantages, handicraft activity is the least developed sector within Venezuelan economic system. Craftsmen do not know their own market and their levels of organization are not associative or to develop production plans, but rather as forms of groups to apply for support by financial institutions of the State and private banks.

Handicraft is an important economic sector for many countries in Latin America (Peru, Bolivia and Ecuador). In Venezuelan investment in the handicraft sector would focus more on the *Know How* of the craft business and the installation of production lines that allow the investor establish a system of craft marketing within Latin America, thanks to the advantages of the existing regional integration system (MERCOSUR, ALADI). Also, it is possible the insertion of artisanal structures of India in Venezuela, as the current sector has no competition from international artisanal products.



Final Considerations

Strengths of the Venezuelan artisanal sector

Some strengths of the Venezuelan handicraft market are:

- Financing by public banks and private banks.
- Flexibility in the production process.
- Manufacturing capacity adapted to clients taste.
- Intellectual protection for designs and products.
- Handicrafts creation is the result of nature contemplation by the artisan.
- Access to economy of scale.
- Production depends on raw material availability.
- Low cost access to raw material.
- Availability of public and private distribution net.
- Qualified labor force.
- High-value-added products due to its specification.
- The value of the product is maintained by longer periods, sometimes above the average of mass products.

Weaknesses of the Venezuelan artisanal sector

Some weaknesses of the Venezuelan handicraft market are:

- The lack of statistics to monitor and supervise the economic and political performance of the sector.
- Inadequate facilities to increase scale production.
- Low levels of promotion and marketing of products.
- Higher production costs compared to those of industrialized products.
- High dependence on tourism sector to promote expansion of the handicraft sector.
- Small volumen of production.





- Domestic consumption and acquisition of handicrafts is oriented to consumers with high purchasing power.
- Production process of handicrafts is slower than mass production process.
- Human resource is not highly trained to develop industrial capacities of the handicraft sector.

Opportunities in the Venezuelan artisanal sector

Some opportunities in the Venezuelan craft market are:

- Sector growth through production increase for export.
- Meeting needs of new market segments.
- Increase of qualified jobs.
- Use and expansion of the public and private network for craft trade.
- Implementation of new production methods.
- Expansion of the range of products.

Threats on the Venezuelan artisanal sector

Some threats on the Venezuelan craft market are:

- The sector is vulnerable to changes in trade policy.
- Changes in consumer needs and tastes.
- Vulnerability to the effects of climate on the production of raw materials.
- Import of craft products from countries with greater infrastructure in this sector.
- Market slow growth.

