

VENEZUELA

A. THE MARKET

The estimated market size of mid to high end towels in Venezuela is US\$11 million.

Local manufacturers are medium to small in size compared to their counterparts in North America. Locally made products tend to be mainly low or middle end, while 20 per cent of total production is geared towards high end products.

Domestically manufactured products are losing market share to imported towels, which are of higher quality and more competitively priced than Venezuelan towels.

Domestic manufacturers have 62 per cent of the market; imports control the remaining 38 per cent.

Foreign towel imports into Venezuela are led by the U.S.A., at US\$1.6 million, followed by Panama, Brazil, Colombia and Curacao.

As a general rule, product moves directly between the manufacturer or exporter to the department store, wholesaler and retailer.

Local agents, distributors and other middlemen are not commonly used for this product.

The preferred marketing and distribution channel is through retail chains, who prefer to import directly from manufacturers.

B. BUSINESS ENVIRONMENT

Local retailers and manufacturers report it is a common practise to lower the price of bath towels and recover profit by raising prices for hand and face towels.

The preferred language for promotional material in Venezuela is Spanish. To date (July 1993) there are no tariff or non-tariff barriers or quotas on this product.

There is no agents association in Venezuela for this product sector, but a related association is the Textile Manufacturers Association, with a main office in Caracas.

C. PROMOTIONAL ACTIVITIES

There is one major trade show recommended, called GIFT. It is to be held June 14-16, 1994, in Caracas.