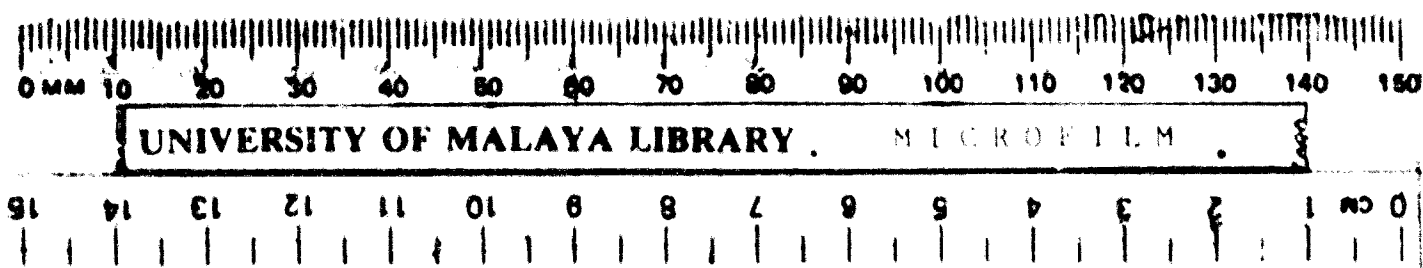


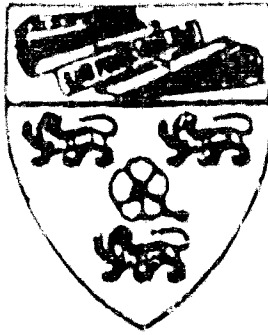
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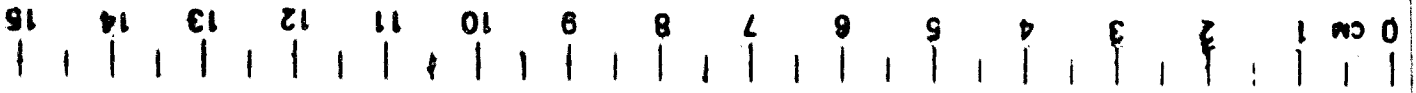


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MARKETING OF RATTAN PRODUCTS

MADE BY THE BLIND

Buku ini m.
tidak lewat dari tar

by

Abu Bakar Hamid

051028

A Graduation Exercise presented to
the University of Malaya in
part fulfilment towards the
Degree of Bachelor of Arts
with Honours in Economics

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STENOGRAPHS

The Malayan Association of the Blind (MAB) in 1953 established the Gurney Training Centre in Kuala Lumpur with the objective of training suitable blind people in certain fields which they can use as a mean of earning their livelihood. One of the courses is in cane work, and since its establishment the centre has already trained more than 100 blind people. As time passed, it was soon realised that the real problem was not in the training but rather in finding employment after training.

As part of an answer to this problem, the MAB in 1959 built the Kinta Valley workshop in Ipoh. Part of this workshop aims at providing employment and further training to the caneworkers to prepare them in finding employment later outside the workshop. When these workers have gained enough experience and confidence in their work, employment will be found for them by the workshop officials and the vacancies thus created would allow taking in fresh workers who have just finished training in Gurney Training Centre.

Somehow, it did not work out the way it was planned. Employment for the blind workers was hard to find and only some were employed outside. Further some workers preferred to stick to their work in the workshop. Anyway, the workshop continued to take in fresh workers with the result that the number of caneworkers in the workshop increased to 20 at the end of last year. But this cannot continue for long if sales do not increase also. Last year, the total sales dropped to the level 5 years ago. Thus at present, the workshop is not taking as many new workers as before and consequently most of the caneworkers have to find employment somewhere else.

Due to difficulty of finding employment, all of them have to work on their own. The condition of these home-workers deserves sympathy. A homemaker is able to sell monthly at the most 260.00 worth of rattan products. The difficulty lies in the finding of market for their products. As most caneworkers who have been trained by the Gurney Training Centre have to turn to this way of life, this problem deserves special attention. In fact this problem was recognized as early as 1958 when a recommendation was made to form a sales organisation. This organisation will be of great help towards improving the standard of living of the homeworkers and its success should not be doubted in view of the presence of market for rattan products.

CHAPTER I

INTRODUCTION

The object of this exercise is to study, by way of discussing the marketing of rattan products, the problems that are faced by blind caneworkers in their attempt to earn their livelihood and by the Kinta Valley workshop in providing employment to some of them.

The discussion is divided into three parts:

i) Gurney Training Centre:

Here the blind people are given training in canework which is aimed at providing them skill to earn their living. However training alone is not enough. What is more important is the application of this training in their every day life when they leave the Centre.

ii) Kinta Valley Workshop:

This provides employment to some of the caneworkers. However, due to decrease in sales it has reached a point where it could not be much of a source of employment to caneworkers after their training in the Gurney Training Centre and therefore nearly all of them have to turn to working and earning their living on their own.

iii) Homeworkers:

Increasing number of caneworkers have to turn to this field for lack of alternative employment. Difficulty of finding market for their products has been the root of the problem in this group. To eliminate it, the Malayan Association of the Blind has planned to set up a sales organisation and the prospect is good as market for the homeworkers' products can now be increased and their standard of living likewise improved.

In Section (ii) and (iii) above, marketing is being discussed by breaking it into various parts such as the types of products and raw materials and distribution. Detail analysis in some cases is not possible due to lack of data.

GURNEY TRAINING CENTRE

The Gurney Training Centre was founded in 1953 with the objective of giving training to blind people in certain suitable fields which can be used later as means to earn their livelihood. There are many courses which are open to them such as Stenography, Telephony, Factory Work and Canework. Here we are concerned only with the last course - canework. Since its existence, the Centre has trained over 100 blind people in this field. The training which this Centre gives is very important. This is because it is from this training that the blind will acquire skill in canework which can be used either to make and sell rattan goods by themselves or to find employment in any establishment which would take them. It is this training that will be partly responsible for the extent of the success that they will find when they leave the Centre and use it to find their livelihood. Therefore the training in this establishment plays an important role in the life of blind people who are engaged in canework and who come under our discussion.

The course for canework covers a period of 2 years. Only suitable trainees are put into this course. This selection is made during the first 3 months when the fresh trainees are assessed for their interest, aptitudes and capabilities. One way of doing this is from the application forms which if properly filled up, provide a good deal of information about the applicants. As a mean of assessment and a basis for vocational guidance, a range of activities which include light crafts, woodwork, chain link fence making, steel furniture and light assembly exercises are provided. The Centre has introduced these activities into the evaluation programme for various reasons such as to test the trainees' finger dexterity and hand co-ordination. A record of each trainee's performance in these activities is kept and at the end of assessment period, a fairly clear picture of each trainee's potentialities emerges. During this period of assessment, the trainee is also given help to regain self confidence with a programme of instruction in mobility, in the performance of the common tasks of daily life and where necessary, in braille and type writing. At the end of this assessment period, those found unsuited for training and employment are discharged.

The suitable trainees are then put into the canework course covering a period of two years. During this period the trainees are trained to make various types of rattan products¹ which also involve a number different types of weaving, border.

¹ Refer to Appendix for Diagrams

The syllabus that these trainees have to follow is as follows:-

First Term: Round Earth Basket
Waste paper basket
Skin cane work
Seat caning

Second Term: Bungkis
Refuse basket
Waste paper basket
Desk Tray

Third Term: Book basket
Shopping Basket
Flower basket
Square picnic basket

Fourth Term: Sewing basket
Linen basket
Lapped-over picnic basket

Fifth Term: Picnic basket with flask container
Cradle
Toy cradle
Cane Ball

Sixth Term: Decorative articles
Revision.

Each of the term covers approximately 14 weeks. The syllabus covers the following methods of weaving and the working of the different types of borders and handles.

Weave: Handing, pairing, chain pairing, three rod plain weaving, four rod upsetting.

Border: Scallop border, Trac border, three rod plain border, four rod plain border, plaited border.

Handles: Plaited handles, wrapped handle, twisted handle, and wire handle.

The aim of the course is to provide the trainees with basic skill in canework. Even though the syllabus does not cover the making of every product that can be made with rattan, the blind who have finished the course are capable of making other products outside the syllabus. This they can do by feeling the product concerned for the type of weaving, border, handles, cane size and overall size and shape of the product. Thus the presence of products which they have not learnt in the training would not hamper the blind caneworkers in any way to make and market them. This skill helps them much in making products which could be sold in market but which are not taught during their training days. This skill is important because of the impossible

task of the training centre to train them to make every product that exists with the rattan material. As can be noticed from the syllabus, we find that the products are mainly made up of those that require Centre cane¹ such as wastepaper basket, desk tray, and book basket, and less of products requiring Round cane², such as labour round baskets, pungkis etc. However this would not lessen their skill in making other round cane products like plucking basket etc. The basic weave, border and handles which they learn and which they practise on the products in the syllabus, prepare them to make any product with the rattan material. To further equip them, there is an additional course for another year during which selected trainees are made to undergo training in making complicated items like miniature animals such as cat, elephant and monkeys.

To keep up with the trend of the market, changes are made with regard to the products in the syllabus. Thus besides being self-sufficient, the syllabus is also up to date in its content. At the end of the course, the trainees have to sit for an examination. When they have been successful, each will be issued with a certificate of proficiency which is evidence of their training and skill in canework. The training of these blind people presents no greater problem than those found in ordinary schools.

For the trainees, their problem begins when they have finished their training. This is in connection with their ability to use their newly acquired skill in earning their living. As the discussion on the marketing of products of these caneworkers in both the Kinta Valley Workshop and among homeworkers is made in the next chapters, we shall also keep in touch with this post-training problem.

¹It is a type of cane derived from the centre of rattan like those used in making waste paper basket.

²This is the type which does not undergo any change from its original shape and size.

CHAPTER III

KINTA VALLEY WORKSHOP

The Kinta Valley Workshop was established in 1953 with the objective of providing suitable remunerative sheltered employment for the blind craftsmen who are unable to earn their living in open competition. It is an establishment which is functioning as a commercial organisation - it produces and sells products and hopes at least to be self-supporting. Although it has 6 sections consisting of Rattan, Wooden Furniture, Tubular Furniture, Venetian Blind and Chain Links, we are concerned only with the Rattan section. In this section, the caneworkers are drawn from those who have been trained by the Gurney Training Centre. The policy of the Workshop is to provide them with experience in cane work. After a certain period of time during which they have gained enough experience and confidence in their work, they are then encouraged to find employment outside. This step of finding employment for them is done by the officials of the workshop. Thus there will be a flow from the Training Centre to the workshop and then to the employment outside.

With this type of scheme, we can find among the caneworkers a mixture of new and old workers. The old workers are those who are not able to find employment outside or those who do not like to work outside but preferred the sheltered life of the workshop. Some of them have been staying there since the workshop has been established. Consequently, the entry of new workers is partly hindered by their presence because the number accepted depends also on the vacancies available which may be created when these old workers have found employment outside. But, the trouble is that finding employment is difficult and among some of the old workers, there is general feeling of unwillingness to work outside the workshop. Therefore the more the old workers there are, the less will be the possibility of entry of fresh workers from the training centre. This is one problem that could not be solved by way of removing old workers to make way for new ones. The only alternative is to make attempt to increase sale so as to be able to take in more workers.

Entry of new workers bring in its own problem. They are naturally slow in making the rattan products when compared with the experienced workers. For example, in the production of labour round basket, a new worker can complete 2 pieces a day while an experienced one can produce 8 pieces a day. This difference in production is caused by the inexperience and nervousness on the part of the new workers and also by the difference in the production system in the workshop and that in the training centre: the latter is only a training place. It will usually take about 8 months for the new workers to adjust to the rate of production of the experienced workers.

This difference in the production has its effect on the wages that the workers received and in turn on the labour cost of production. On probation the workers will be paid a basic wage of \$25.00 per month plus piece rate as prescribed by the Executive Committee of the MAB. On completion of the probationary period they will be placed on the salary scale of \$25.00 x \$1.35 = \$31.00, plus piece rates valued from 25cts to \$2.20 per piece depending on the product made. In the workshop, a worker is given an equal number of products to finish in a day and the new workers find it difficult to do this. Thus the amount of money that they would receive from the piece rate will be reduced so as to ensure that they receive a reasonable income from piece rate in addition to the basic pay, the workshop has fixed the income of the day at \$1.20 per person for those new workers irrespective of the number of pieces that they can finish in a day. Thus the payment of piece rate is not made in relation to what they can produce but rather aims at maintaining a reasonable income for them.

In general, this aim governs the payment of the basic salary to all other workers as well. If the income of the cane workers is dependent solely on the piece rate, then these workers would not be able to earn much because of the slow speed in making products or if they are fast workers, they are not able to make as many products they want due to the restriction placed on the number of products to be completed in a day. Therefore, it is necessary to have a basic salary in addition to piece rate, if they were to earn a reasonable income. In complying with this practice, the sheltered workshop has thus to incur cost of production higher than similar establishments. Therefore, there is difficulty to operate at a profit or at least, to be able to be self-supporting. This can be seen from the fact that since its establishment, the workshop has been operating at a loss. The deficit incurred has been paid by the Malayan Association of the Blind. It is likely that the system of salary payment to new and old workers is partly responsible for this type of operation. It is not suggested that this system or new workers should be removed but other steps has to be taken to at least make the workshop self-supporting.

The workshop must be able to stand on its own feet and at the same time be a source of employment; and not assuming the latter objective while neglecting the former. The only solution is to increase sales. Sales did not vary much in the past years. It ranged from \$16,000 to \$22,000 in the last 5 years: only in 1961 and 1964 have sales reached the \$22,000 mark but in other years sales have remained less than that - as can be seen from the table 1. Last year sales have declined to the level 5 years ago. If the workshop has not been able even to be self-supporting within this range of sales, then future sales have to be more than the highest figure in the past years. This is necessary in view of the future well being of the workshop and thereby its ability to employ more cane workers. At present, the workshop offers less hope for

¹Each also receives Compensatory Allowance of \$25.00 per month from Social Welfare Department.

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the caneworkers to work here after their training because of the already more than sufficient number of workers working here. Therefore, more and more of the caneworkers have to be workers on their own account - that is to make and sell products by themselves. If the annual sales of the workshop could be improved, then it could provide more effectively its share of employment and thereby lessen the flow of the caneworkers to work on their own and as we shall see in the next chapter, the condition of these workers really deserves sympathy.

TABLE 1

TOTAL SALES AT KINTA VALLEY WORKSHOP*
1960 - 1965

Year	Sale Value
1960	\$16,400
1961	\$22,200
1962	\$17,700
1963	\$18,700
1964	\$22,600
1965	\$16,700

*Approximate figures compiled from sales record of Kinta Valley Workshop.

Sale plays a dominant part in the workshop and it is necessary to look into the present marketing of the products in the workshop.

Types of Products¹

The products that are produced in the workshop are oriented to customers' demand as shown in Table 2. In addition to them, it also produces some rattan furniture but this is limited in number. In the same table is also shown the amount of cane and time used in the production of some of the items made. The time is those taken by an average worker. From the table, we can find that in the round cane section, the products which can be produced most in a day are the labour round basket and the round cane pungkis. The least produced is coal basket. Some of the products are not listed on the table because they are not usually made but only on specific orders. Producing products according to customers' specification present a problem to the caneworkers because of their unfamiliarity and this would slow down their rate of production. Items like bread basket and hamper basket are examples of such products. With regard to the centre cane section the waste paper basket is the easiest to make. The difference in length of time taken to make varies with each product because of the different amount of raw material used and of the intricate patterns involved. The coal basket, for example,

is large in size and further the worker has to be careful in making it so that the rope that emerges on the rim of the opening is carefully and nicely inter-wined with the cane from the base. This takes time. With reference to the centre cane products, linen basket of Special Big size takes $1\frac{1}{2}$ days to complete each. This is due to its big size and the greater amount of weaving involved. In cases, like these the worker is rewarded with larger piece rate pay.

The production schedule is arranged before any order is received or after order from customers have been received. This depends on the product. Some products which have constant demand throughout the year, are produced in anticipation of orders, such as waste paper basket and labour round basket. But products which are being ordered once in a while like hamper basket are made only when such orders are received - likewise for those goods which are made according to customers' specification like large bread basket and 3' x 5' rattan basket. Products are also made in advance when tender to a customer has been successful, such as tender to PWD Ipoh for the supply of labour round baskets.

The production is mostly spread throughout the working days so as to enable the workers to be constantly occupied. Sometimes, when unexpected order for a certain product arrived to be delivered within a week, then the workers have to work over-time and the wages are adjusted accordingly. Raw materials also play a part in the scheduling of production. The raw materials consumed in 1965 are shown in table 3.

TABLE 2
PRODUCTION OF RATTAN GOODS¹ - 1965

Products	Raw Material	Production per person per day
<u>Round Cane</u>		
22" Labour Round	3 Katis	4 Pieces
20" Labour Round	2 "	6 "
18" Labour Round	2 "	6 "
Round Cane Pungkis	1 $5/8$ "	6 "
Split Cane Pungkis	1 $1/2$ "	6 "
Plucking Basket	4 Katis	3 "
Copra Basket	9 $1/2$ "	2 "
Coal Basket	5 "	1 Piece
<u>Centre Cane</u>		
Waste Paper Basket		
- Open type	6 Tahils	4 Pieces
- Close type	10 Tahils	3 "
Desk Trays	8 Tahils	3 "
Linen Basket - Big size	3 Kt 8Th	4/5 Piece
- Medium	2 $1/2$ Katis	1 "
- Special Big	4 $1/2$ Katis	2/3 "

Source: Kinta Valley Workshop - Ipoh

¹ Refer Appendix for Diagrams

When the rattan arrives according to date specified, then there will not be any trouble in the scheduling of products to be made. But there are cases, when the rattan fails to arrive according to date and thus scheduling has to be adjusted to suit the amount of rattan that is left in the store. In such cases, less work will be done by the workers as there are not enough rattan to keep them in normal rate of production. This problem can be solved if stock is increased to include reserve for period when the fresh supply of rattan fails to arrive in time.

Distribution

In this workshop, there is no one assigned to the post of salesman - the manager assumes such job in addition to management. The workshop has no middleman or distributing channel to handle its goods. It deals directly with its customers who may be final consumers or to retail shops which will in turn re-sell to their customers. The policy of the workshop is to sell directly to anybody who wishes to purchase its products. Thus we can find an assortment of customers on the workshop list such as the retail shops, departmental stores and government departments. In disposing of its products to its customers the workshop adds any cost of transportation that it has to pay to deliver the products to them through railway service or other form of transport. Although it has its own small lorries, these are used mainly to deliver products to customers in Ipoh only. Sometimes the products are picked up at the workshop by the customers themselves. These transport charges which are added to the prices of the products may form a limiting factor as to the scope of the market which the workshop can cater. With increase distance, the more will be the transport charges and thus the higher will be the total price that the customer has to pay. Therefore instead of ordering from the workshop, customers from out of Perak may find it rather cheaper to order it from dealers nearer to their places. However, if the workshop can reduce cost of production sufficiently to absorb part of the transport charge, then there is a chance of increasing the area of its market to include other states as well. As at the moment, customers outside Perak are limited mainly to Kuala Lumpur.

TABLE 3

RAW MATERIAL - 1965

Type of Cane	Quantity in Katis
Centre Cane	3535
Cane Skin - No.2	121
Split Cane	1550
Rattan Tahan	15
Rattan Ayer	750

baskets. Apart from this estate, other estates made comparatively small purchase. In this section sale could be increased by way of expanding the number of estates purchasing products from the workshop.

Commercial Firms: In this section we find that the customers are more widespread and not centred in Ipoh but extend over to Kuala Lumpur as well. The main customers are the retailers; they are mainly from Ipoh and their purchases are mostly for waste paper basket, labour round basket and school bag. These are mainly for re-sale and not for own use. Some of these customers are dealers of raw cane with whom the workshop purchases its rattan requirement. The return purchase of ready made items on the part of the retailers are of mutual arrangement and involves no tenders. They are all year round buyers. The big departmental stores like Robinson & Co., Cold Supermarket, and Ally & Co., are all in Kuala Lumpur. Their purchases are seasonal in nature. They order mainly in December and the goods are hamper baskets; which are made in the workshop only when orders for them are received. In all these cases, the main products ordered are made of centre cane material such as waste paper basket, hamper basket, and unlike the first and second category of customers which purchase mainly round cane products like labour round baskets. With these customers, the manager must be vigilant about their purchases in order to maintain the relationship.

Private Organisations: The chief customers here are Perak Golf Club and Ipoh Swimming Club. Their purchase is comparatively small and comprises mainly of round cane products like refuse basket, labour round and rattan arm chairs.

Apart from the above, other customers include schools and members of the public who made frequent visits to the workshop. However, their purchase is only small in amount and does not form a large part of the total sale.

If comparison is made among the above sections of customers, the government departments form the largest purchaser, with commercial organisations in second place. In Table 5 is listed the major items that are produced and sold in 1965 with their estimated total value. In the round cane section, the labour round basket forms the product with the largest sale with 2688 pieces valued at \$3,355.00. Among the three types of labour round basket, the 22" type is the chief product with the sale of 1816 pieces valued at \$2,313.00. In the centre cane section, the best selling product is waste paper basket which amounted to 3,527 pieces valued at \$3,915.00: this accounted for three quarter of the total sales in the centre cane section. On the whole, we find that round cane section contributed more sales than centre cane section with 4,596 pieces valued at \$7,234.00 as against 3,162 pieces valued at \$5,032.00 for the centre cane products.

There are two methods with which the workshop obtains orders from its customers:-

(a) Tender: This consists of sending in tender to people who have advertised in the newspapers about their requirement of rattan products which the workshop can supply. Some of these customers may not advertise in the newspapers but they have been known to need a yearly requirement of rattan products and so tenders are also sent to these people. In both of these cases, the workshop like any other firms, sends in its bids to supply the products required at certain prices for the coming year. If its bid is successful, then the workshop will be informed that for the coming year, the firm concerned will obtain certain products from the workshop only. Later, the workshop will then anticipate or forecast the amount which that firm will want for the next year, and schedule its products to suit it so that whenever the firm wants the products during the year, there is already a stock of such products and so can supply instantly or have the least delay in delivery. Among such customers, are the "92 Ipoh and departments under the Ministry of Defence.

(b) Direct order without Tender: The customers concerned send in orders for certain products that they require and then if there is stock in the workshop, delivery is made at once. If not, then there will be a delay of a week or two for the products to be made. This type of order comes mainly from retail rattan dealers in Ipoh - usually their customers have placed an order from them but it is not available in stock and so they (dealers) turn to the workshop for supply. Here, these shops may act as middlemen but then not in strict term of the word. Sometime, these retail shops may give orders throughout the year but at times orders are made only at certain time of the year, such as those for harper basket from departmental stores in Kuala Lumpur. They are usually made in December; in this case no stock is kept but the products are made on receiving orders only.

In Table 4 is listed the major customers that have purchased from the workshop in 1965. They can be divided into 4 major groups.

Government Departments: This form the largest group of buyers with total purchase of approximately \$12,000 last year. They are mostly situated in Perak and can be divided into J.B.S. Ipoh, Ipoh Municipality and Town Councils departments of various towns in Perak. Their total purchase amounted to \$8,107 worth of products made up of labour round basket, lorry basket and waste paper basket. Ministry of Defence bought about \$3,064 worth of waste paper basket. Other buyers purchased products valued less than \$700. Improvement in sales could be made if orders from all the Town Council departments in Perak could be obtained.

Estates: There are only 5 estates which purchased from the workshop. All of the products are made of round cane materials. Some of these estates are associated with planting rubber, tea and oil palm and the baskets purchased are used in connection with these activities. The biggest buyer is Jugra Land & Carry Co. Ltd. which ordered plucking

TABLE 4

MAJOR CUSTOMERS OF NINTA
VALLEY WORKSHOP
1965

Government Departments	Value	Items
P.W.D. Ipoh	\$4839.00	22" Labour Round Basket Waste paper Basket Linen basket
Ministry of Defence	\$3064.00	Waste paper basket
Ipoh Municipality	\$2831.00	Refuse basket
Majlis Bandaran - T. Anson	\$ 650.00	Refuse basket
Mental Hospital - T. Rambutan	\$ 495.00	Rattan basket
Sungkai Local Council	\$ 153.00	Refuse basket
Town Council - Ipoh	\$ 84.00	Rattan Basket
Replanting Office	\$ 42.00	Waste Paper Basket
Malayan Railway	\$ 42.00	Coal Rattan Basket
Social Welfare - Ipoh	\$ 26.50	Waste Paper Basket
Civil Aviation - Ipoh	\$ 30.00	Rattan Chairs
Ipoh Secretariat	\$ 22.50	Refuse Basket

Estates	Value	Items
Jugra Land & Carry Port Swettenham	\$792.00	Plucking Basket
Gopeng Consolidated Ipoh	\$290.00	Labour Round Basket
Blenheim Estate Perak	\$138.00	Copra Basket
Moynalpy Estate Perak	\$ 73.20	Scrap Basket
Sanglop Estate Perak	\$ 20.00	Scrap Basket

TABLE 4

MAJOR CUSTOMERS OF KINTA
VALLEY WORKSHOP
1965

Commercial Firms	Value	Items
Lee Tuck Kee - Ipoh	\$869.00	Waste Paper Basket Cohool Bags
Weld Super Market - K.L.	\$560.00	Hamper Basket
Guan Hin & Co. Ipoh	\$540.00	Labour Round Basket
Hup Yik Hardware Store Ipoh	\$370.00	Refuse Basket Labour Round Basket
Asia Co. Ipoh	\$242.00	Waste Paper Basket Linen Basket
Caldeck McGreg & Co. K.L.	\$240.00	Wine Centre Cane
Lean Huat Timber - Ipoh	\$240.00	Pungkie Labour round basket
Robinson & Co. K.L.	\$150.00	Hamper Basket
Ally & Co. K.L.	\$ 73.00	Hamper Basket
French Bakery Ipoh	\$ 65.00	Bread Basket
Seng Bee Ipoh	\$ 24.00	Waste Paper Basket

Private Organisation	Value	Items
Perak Turf Club	\$454.00	Refuse Basket Labour Round Pungkie
Ipoh Swimming Club	\$320.00	Rattan Arm Chairs
Malayan Association Of Blind	\$ 54.00	Hamper Basket

Source: Compiled from sales record of Kinta Valley Workshop.

TABLE 5
SALE OF MAJOR ITEMS IN 1965

Items	Number in Pieces	Value
<u>Round Cane</u>		
22" Labour Round	1816	\$2313.00
Plucking Basket	720	\$ 792.00
20" Labour Round	562	\$ 763.00
18" Labour Round	310	\$ 279.00
Refuse Basket	321	\$1428.00
Drain Basket	100	\$ 200.00
Round Cane Pungkis	600	\$ 605.00
Round Cane Pungkis Big	92	\$ 257.00
Copra Basket	24	\$ 138.00
3' x 5' Basket	20	\$ 330.00
Bread Basket	15	\$ 65.00
Coal Basket	12	\$ 42.00
<u>Centre Cane</u>		
Waste Paper Basket		
-Close Type	796	\$ 979.00
-Open Type	2731	\$2936.00
Hamper Basket	446	\$ 768.00
Linen Basket	123	\$ 271.00
Flower Basket	50	\$ 75.00

Source: Compiled from sale record of Kinta Valley Workshop.

TABLE 6

SALES OF MAJOR ITEMS IN 1963

Items	Number in Pieces	Value
<u>Round Cane</u>		
20" Labour Round	1446	\$1554.00
22" Labour Round	2512	\$3266.00
18" Labour Round	190	\$ 161.00
Round Cane Pungkis	960	\$1083.00
Split Cane Pungkis	390	\$ 244.00
Refuse Basket	720	\$2837.00
Plucking Basket	240	\$ 864.00
Coal Basket	30	\$ 105.00
Scrap Basket	83	\$ 531.00
Copra Basket	60	\$ 264.00
Vegetable Basket	100	\$ 350.00
Rattan Basket	40	\$ 220.00
<u>Centre Cane</u>		
Waste paper basket		
-close type	140	\$ 209.00
-open type	166	\$ 166.00
Linen Basket	104	\$ 894.00
Book Basket	190	\$ 240.00
<u>Furniture</u>		
Rattan Chairs	140	\$ 490.00
Cane Chair with Steel	6	\$ 120.00

Source: Compiled from sales record of Kinta Valley Workshop.

The chief money earners being labour round basket, round cane punghis, refuse basket, plucking and waste paper basket and lastly hamper basket.

In Table 6 is shown the sales figure for the year 1963. Comparison about sales could be made between 1965 and two years back in 1963. The striking thing is that heavy reliance is placed on sales of those products made by round cane materials in 1963, but as years passed in 1965, the sales from both centre cane and round cane products are less contrasting in number and value. It would be better if this takes place without any decrease in sale in round cane section to compensate for increase in the centre cane products. But as seen, products of round cane have decreased much in 1965 when compared with 1963 figure. The increase in centre cane products in 1965 is not enough to compensate for the decrease in the round cane products to make the total sale in that year even equal to 1963 figure: 1963 sales amounts to \$18,800.00 while in 1965 it amounted only to \$16,700.00. The figure for 1965 has been on the same level for the 1960. Therefore we find that the sale of the products in the workshop has not made much progress and this could be a handicap to both the workshop and the caneworkers. To achieve its objective of providing employment to the caneworkers, sale has to increase sufficiently so as to be able to offer them work, and also for its own maintainance. But at present, the number of workers has already reached a point where sale that was made last year is not enough to keep them fully employed. Therefore if the trend of the sale in the workshop continues not to increase sufficiently, then the workshop would not be able to offer any more employment for the caneworkers. As at present, most of the caneworkers who finish training at the Gurney Training Centre have to find their own livelihood by being workers on their own.

To improve the situation, the workshop should expand sales to its present customers and to new customers. Government departments in all towns of Perak should be encouraged to purchase their requirements from the workshop. The products of the workshop which are comparable to others in quality and prices could be distributed throughout Perak or at least in the nearby towns among the retail shops dealing in grocery and rattan products to increase sales. Sales to estates have been disappointing at least with regard to the number of estates that the workshop dealt with. In 1965, only 5 estates purchased their requirements from the workshop. In this section active salesman should be employed. At present the manager also holds the post of a salesman. There should be a salesman to keep track of the market such as the retailers and estates. The manager could perform the salesman work also in addition to his capacity as manager of the workshop - but this could be limited to higher level of sales like submitting tenders. Product scheduling should run smoothly. Delay in arrival of rattan should not be allowed to slow down production. This, as mentioned earlier, could be avoided by increasing each purchase of rattan to include also reserve for period during delayed arrival of fresh supply.

Thus the major step in maintaining the workshop as a source of employment for the caneworkers and a benefit not a burden to the Malayan Association of the Blind is to increase sales and there is much scope in this.

CHAPTER IV

I - HOMEWORKERS

As we have noticed in the last chapter, the chances of finding employment in the Kinta Valley Workshop are less than before mainly because the number of workers working in the cane section is already more than what the sale could support. Thus the scope of the workshop being a source of employment for the blind caneworkers is slim at present. If these caneworkers could not find employment in the sheltered workshop, it is no better to find it in open competition with the sighted workers outside the workshop. This is worse than trying to find employment in the workshop because the newly trained workers are lacking both in experience and skill. Even when the workshop tries to find employment for its experienced workers, it faces difficulty and has not been successful in many cases. When the caneworkers themselves try to do that, we just can not hope for any better result. Thus most of the blind who have been trained have no where to turn to but to be workers on their own account, that is to make and sell products by themselves.

From the beginning of the formation of the Gurney Training Centre, there are a large number of them who have not gone to work in the workshop in Kinta either for the above reason or for the reason that they wish to be on their own. Around Kuala Lumpur we can find about 30 homeworkers - some of whom live in Sungai Way New Village and Dato' Kramat Village. Some of them prefer to group among their fellow blind. Quite a number of them have come from outside Kuala Lumpur from Johore, Kedah, and Trengganu. After receiving their training in the Gurney training Centre they went back to their home towns. But then, there they found that the market for rattan products is small and sale is not good. So they come and settle in Kuala Lumpur, because here, according to them, the market is bigger and further, raw materials can be obtained at cheaper price than in their home towns. This trend of staying back in Kuala Lumpur has not been much in the early period of the establishment of the training centre but lately, there has been an increasing number of these trainees who have completed their training and who choose to stay here directly without ever returning to their home towns. Thus, this tendency has increased the number of the homeworkers here and hence what ever problems that these homeworkers might have.

These homeworkers earn their living by making rattan products and sell them around Kuala Lumpur and Petaling Jaya. They differ from the cane workers in the Kinta Valley Workshop in the sense that they are by themselves the workers and the sellers and dependent mainly on the income from this sale for their livelihood. The Kinta Valley workers

are wage earners and are not concerned with the sale or management and their earning comes in the form of daily or monthly wages. The central problem which these homeworkers are facing is the difficulty of finding customers for their products. Here we shall examine the effect which this difficulty has on various aspects of their marketing of the rattan products.

Raw Material

The homeworkers purchase their raw material requirement from suppliers in Sungai Besi in Kuala Lumpur. The raw materials are obtained in two ways:-

a) A homemaker goes to a rattan shop which deals in rattan wares and places an order there. This shop in turn orders from a wholesaler and after a week the homemaker comes and collects it from the shop.

b) A certain number of homeworkers living in a same area pool together their requirement for a period and order in large amount from a supplier. In this case, since the order is in large quantity, the supplier delivers the raw material to the place by a van instead of the homeworkers taking the material home by themselves.

The advantages of the second method are obvious. With the purchase of large quantity of material, price will be reduced. Further these homeworkers do not have to incur the difficulty and cost of bringing the material from the shop to their houses. This is because the wholesaler is now willing to deliver the material with his own van since the amount is large. When they group together, these homeworkers form a stronger bargaining power than when they purchase separately. Therefore this type of purchasing of raw material should be practised. But as the situation is now, most of them buy their raw material requirement separately. One of the reasons is that there are cases where the homeworkers live separately by themselves and this does not allow them to pool their requirement.

The amount that they buy each time varies. It depends mostly on the sale of recently finished products. If sale is good and there is no more stock, then the order for rattan will be maximum. If the sale is slackening, then the stock of finished products will pile up and so the amount of products to be made in the coming period would be less and likewise the requirement of the rattan. Availability of special orders also influences purchase of raw materials. There are certain items which are made only when ordered by the customers like linen basket. When there is special order then the material requirement will be more than usual and so more would be purchased, on the whole, judging from the small amount of products that have been sold, the monthly requirement of rattan tends to be likewise. No precise figure of raw material purchased during a month is available as no record of any nature is kept. The main thing here is that the homeworkers can-not

reap the advantage of large purchase as existed in the Kinta Valley Workshop as their requirement is comparatively small. Thus where cost of raw material is concerned, larger producers like the workshop stand to gain. The benefit that is obtained by pooling the requirement of certain number of homeworkers among themselves would not help the matter much. This is worse when there are also individual purchasers. Thus one of the disadvantages that these homeworkers have to face is the incapability of reducing cost of raw material as much as that of a large producer. This is due to their very nature of being separate small producers and not a combined one.

The types of rattan purchased depend on the products made. The chief item is centre cane of sizes 10, 12, 14, 16. This is because most of the products made by the homeworkers are of centre cane variety, like waste paper basket, desk tray. Sometimes coloured centre cane is also purchased. This type is used in making waste paper basket, desk tray. In these products, it is used only as a decorative item to enhance the attractiveness of the weaving. Small amount of round cane is bought as not many products like labour round basket, which are of round cane variety, are made by them. The only round cane bought is of small type used in making the handle of market baskets.

The payment for these raw materials are made in cash, which is obtained from the sale of rattan products. At present, there is no difficulty in paying for these raw materials as the requirement is small in amount. But there is bound to be difficulty in the initial stage if they venture to make larger amount of products requiring more and bigger purchase of cane. This is one aspect of raw material requirement that have to be considered if any step is taken to increase the amount of sale of their products. At present, by themselves they are incapable of providing financial support necessary for purchasing large amount of raw material. This is because the money used for the purchase of raw material is derived from sale of products. This is not enough for purchase which are bigger than they are customarily used to. Thus in the initial stage, financial support of some kinds have to be made to them to make possible for them to produce in large amount.

In addition, to the raw material in the form of cane, these homeworkers also need basic tools such as scissor, knife, hammer and other items which are necessary for weaving the rattan and turning them into various products. These equipments were given free to each of them when they left the training centre. Thus in case of basic equipment, there is no problem. Improvement has to be made only with regard to rattan material.

Products¹

These homeworkers make only products which use centre cane because these are the items which they are able to sell to their present customers. These items are:-

¹Refer to Appendix for diagrams.

- a) Waste paper basket
- b) School bag
- c) Desk tray
- d) Market basket
- e) Linen basket
- f) Rattan ball

This is in sharp contrast with the products made in Kinta Valley Workshop which comprise a wider range of centre cane products in addition to round cane products. This is due to the influence of the market. These homeworkers are capable of making other products not mentioned above of both centre and round cane materials if the market for them can be found. But at the moment the range of products that can be sold in the present condition is limited in number. Even for the products mentioned above, there are products which they make only sometimes, that is when there is an order from a customer for that item. It is not so much that there is no demand from customers but with the customers that the homeworkers have managed to contact, the amount of products that they can sell is limited both in variety and quantity. This is the main result of the lack of means to find market for their products. With expansion in range of customers, then the range of products could be increased. But as the situation now stands, the market is narrow. The homeworkers have not the capability of finding it and so the amount and types of products that can be sold are consequently restricted.

The chief item that these homeworkers make is waste paper basket. This is the product which can be sold easily in the present market because of its good demand. The limited market that they cater demands this product most in comparison with other products. Out of 14 cases of homeworkers examined, about 11 of them make this product every month producing 268 pieces. The average production per person per month is approximately 24 pieces. This is a high figure when compared with other products listed in Table 7. For other products, less than half of homeworkers concerned produce them, and the average monthly production is less than 60 pieces with the exception of rattan ball: this product is made only by one homemaker producing 100 pieces every month.

In the case of linen basket only 2 of caneworkers make it every month producing only an average of 3 pieces monthly. This product is made only when there is an order from a customer. This is an expensive item to make and requires more centre cane than other products to complete each. So the homeworkers do not want to spend large amount of material and every working hours on product which they feel lacks customer's demand. Even when there is a customer's order for it, a homemaker runs a risk of the order being cancelled in the last moment when the product has already been completed. Thus loss will be incurred by him as this product is difficult to sell.

Products which can be considered as the next best to the waste paper basket in production, are school bag and market basket.

TABLE 7

AVERAGE PRODUCTION AND PARTICIPATION
BY HOMEWORKERS

Products	Average Participation by Homeworkers - Monthly ¹	Average Monthly Production
Waste Paper Basket	11	268 Pieces
School Bag	5	58 "
Desk Tray	2	16 "
Market Basket	3	22 "
Linen Basket	2	3 "
Rattan Ball	1	100 "

Source: This is compiled from forms submitted by the blind workers to the Department of Social Welfare Selangor as required by the Department when any Compensatory Allowance is to be given to them. Forms in the first 3 months of 1966 are taken.

¹ This is the average number of workers producing a product monthly in the past three months. The total number of homeworkers taken into consideration is 14 - as this is the number who had submitted to the Social Welfare Department records of their monthly production. The total number is regarded as sufficient to be representative of the production of the homeworkers in Kuala Lumpur as the number of all homeworkers numbers approximately 30.

About 5 of the homeworkers make school bag every month and about 3 make market basket producing about 58 and 22 pieces respectively every month. Thus the chief 3 products which are made most by the homeworkers are the waste paper basket, school bag and market basket. If comparison is to be made with the items being sold at Kinta Valley Workshop, we find that there is similarity as to the best product in the centre cane section. In the workshop and among the homeworkers, the waste paper basket forms the main product in sales. Here the similarity stops. The homeworkers are dwarfed by the wide range of products that the workshop produces and the quantities as to the amount sold. However, comparison such as this is unfair considering the circumstances that exist with the homeworkers. They are their own producers, managers, and sellers and with their blindness, there is nothing much which they can do to reach even 1/5 of the production of the workshop.

Each homeworker produces an assortment of goods every month. Each would have a standard item which he makes monthly. To this type of product he would add one or two other types of different products like school bag and market basket. Thus each time he goes out to sell his products, he would carry a combination of two or three different types of products. It can be a combination of waste paper basket plus market basket or other combination preferred. Some homeworkers would make two or even four combination of different products. At time we can find that only one type of product is made. The combination of different type of products among homeworkers differs. Usually the standard product is waste paper basket, and the most common combination is 2-type combination. The combination of different types depends on the judgement of individual homeworker. This may be influenced by the prospect of sale. Personal preference due to feeling of boredom in making same product every day also plays a part. Certain product is added to a combination when there is a specific order from a customer. On the whole the range of products that the homeworkers prefer to combine is limited to the types listed in the table 7. Other types of products are not considered for lack of ability to sell in view of the limited market that they can manage to find.

The aim of producing a variety of products is to be able to sell as many as possible. To restrict production to only one type would run the risk of not being able to sell anything at all as the homeworker has only one type of product to offer. This is the case in view of the producer's inability to pin-point customers' preferences. Among the homeworkers, production of one type of product is feasible if there are orders before hand or an ability to sell to retailers. As shown in the table 7, one homeworker produces 100 pieces of rattan ball. This product is disposed at a retail shop. But the trouble is that not always there will be orders from customers or willingness of the retailers to purchase from the homeworkers. Therefore products are mainly produced in combination of two or three types. Although the production of one type of product has the advantage of speed and uniformity of raw material requirement which can lower cost, this

way is not usually practised. This is due to the fact that large numbers of homeworkers depend on the public for their sale - the larger combination of products would increase their chances of selling them. So the usual practice is to produce 2 or 3 types of products.

Distribution

These homeworkers find the market by themselves. Kuala Lumpur and Petaling Jaya are the usual places where they depend for the sale of their products. Their main customers can be divided into two parts that is, the retailers and other buyers which include government offices, companies, schools, and other members of the public staying in houses. Some of them prefer to sell their finished products to retailers because they need not have to travel far or incur the trouble of finding customers. The retailers have fixed prices for each type of product that they usually purchase. These prices are lower than those which the retailers re-sell - this is to allow them a certain margin of profit. In some cases, it is the same shop where the homeworkers purchase their raw material requirement. The quality of these products are comparable to those made by the sighted cane-workers in majority of cases.

A number of them prefer to sell their products to the general public. This is because at times, the retailers would not like to take in any more of the products because of sufficient stock, or because by selling straight to the general public, these homeworkers can obtain higher prices. The first reason is generally true but as to obtaining better prices in most cases remains to be seen. The prices for different types of products that they quoted are comparable to those quoted by the retailer shops dealing with rattan products. However, there are some differences among the homeworkers as to these prices. Some have offered a slightly higher prices in view of the expense and the trouble that they have incurred in bringing the products to the customers by themselves. Some have offered lower prices than those available in the shops, as a mean to encourage purchase. Whatever prices they offer, they really have no control over them and the prices vary with each customer. The prices are in the customers' hands. For example, the price for the waste paper basket is \$1.60 each - but the price that they obtain from general public is in most cases, usually less than this. With varying prices, their profit margin tends to vary and generally, towards the lesser amount since prices are not as high as those sold in the rattan shops. This is aggravated by the fact that their volume of sale is not large. In most cases, the customers prefer to have a discount and in this case price has to be lowered if the homeworkers wish to dispose of their products. After having travelled quite a distance to reach these customers, the homeworkers are inclined to give in to these discount prices rather than incur the trouble and expense of carrying these products back home without any income. Their main policy is that as long as there is an ability to make a profit of 20% or 30%, they will accept the price. Such lack of control on prices of their own products denotes the weak position of these homeworkers in their

relation with their present market.

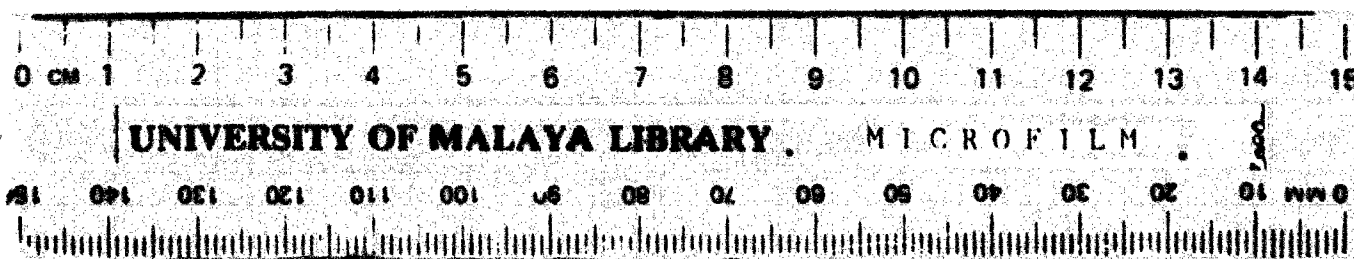
On the average, these homeworkers are able to sell monthly about \$55.00 - \$60.00 worth of rattan products. This figure is the highest. It is only sometimes that they receive such amount. In cases of months where sale is low, then sale will range only between \$35.00 - \$45.00 monthly. With such small amount of income, the standard of living of these homeworkers is low. Depending on economic situation, some of them receive Compensatory Allowance from Social Welfare Department valued at \$25.00 monthly, but this together would not reach near the income of the cane-workers of the Kinta Valley Workshop. Thus these homeworkers is in no better position in both the amount of income received and the regularity of such income.

The main difficulty that these people experience and the root of their present condition is the difficulty of finding customers. This problem is faced by all of them, and most, by those who travel and sell their products by themselves. This travelling takes much of their time. In a month they usually go out 4 times; the rest of the month is used in producing their products. From morning till evening they would cover various roads and residential areas in Kuala Lumpur and Petaling Jaya. The initial journey from their houses is made by taxi or bus; former way is preferred if the homeworker carries large amount of products since their bulky size prevents him from boarding the buses. On reaching certain destination, he will then do the travelling on foot. Places are found by asking; no specific area is noted and the usual questions involved the whereabouts of any office, government department, residential area, or factory. These are their customers. Although their customers, as mentioned consist of different sections of market, these homeworkers do not have the knowledge of approaching them. At these places, reception varies. Sometimes, it is favourable and they are able to sell their products. At time, however, in offices they are regarded as nuisance: and with regard to factories they are not allowed to enter the premises without any credential that they are from Malayan Association of the Blind. Here we find that although in these places there exist good market for the products, not much sale is made since the approach taken by the homeworkers in getting sales is a wrong one. At time, just to get rid of them or for a sympathetic feeling, people in offices or commercial establishments would purchase 2 or 3 pieces for their own home use. This way there will not be much sale. In places like these, purchase for the establishment is an official business and involves approval of head of department as this forms part of office expenditure. Thus if any sale were to be made in places like these, it has to be done through a different approach rather than by the method presently employed by the homeworkers. Therefore, in addition to the lack of market, there is also lack of understanding as to the method to be used to obtain sale from the market which they are now in contact with.

The difficulty of finding customers is due mainly to the fact that they are blind. This is worse for those who have

just arrived in Kuala Lumpur from outside states and who are not familiar with the roads and places here. For those who have just been here, there is great limitation as to the number of places that they would be able to visit. In some cases, it is fortunate that there are some fellow homeworkers who are willing to sell for these new comers. Furthermore, in Kuala Lumpur and Petaling Jaya, they have to compete with the sighted cane workers such as retailers and individuals. These sighted people are in a better position to find market.

If only this difficulty of finding market can be solved, then the condition of the homeworkers can be improved.



II - ESTABLISHMENT OF SALES ORGANISATION

As we have seen in the past pages, the present condition of the homeworkers is due to the difficulty of finding market for the rattan products that they produced. Settlement Grants valued from \$60.00 - \$130.00 which are given to them when they left the Gurney Training Centre are of not much help because this money will be used up within a short time, and then the next source of finance will be from the sale of their rattan products. Thus the real help would be in helping the blind to obtain larger amount of income from this source. This can be done by solving the problem of finding market for their products. Recognising this, the Malayan Association of the Blind has proposed to set up a sales organisation in Kuala Lumpur. This organisation has the main objective of finding market for the homeworkers. The proposed organisation will work this way. It will try to obtain orders and distribute these orders among the homeworkers equally. It will also supply the raw material required to produce the products to fulfil the orders. After collecting the products, it will pay the homeworkers on the spot minus the cost of material, transport or any other cost which the organisation deems necessary. These products will then be delivered to those customers who have ordered them. Thus with the establishment of a sale organisation, the homeworkers will not have to bear the problem of finding market for their product and of financing the raw material requirement. They will become producers only and will be doing their share of production in their own homes.

While the benefit to the homeworkers of the establishment of such workshop is indeed beyond doubt, we have to have some idea as to the extent of the available market which this proposed sale organisation will cater. Besides being a benefit to the homeworkers, this organisation should also be likewise to the Malayan Association of the Blind and not a burden. A market research towards the finding out of the available total market would be an accurate way of gauging the market and the size of their purchase. Here, as an alternative to survey, I have proposed to merely indicate where the market for rattan products lies without going to the extent of finding out the actual size of this market.

The establishment of this sale organisation would try to serve the market which would not be of much difference from the Kinta Valley Workshop. The market which the workshop has already been dealing with can serve as a guide or indication as to the availability of the market here in Selangor or in neighbouring states. In other word, are the types of market that the workshop serves present here? To answer this question, it is necessary at first to know what are the types of market that are being served by

the workshop. With reference to the Table 4 it is noticed that the market can be divided into 4 sections:-

- a) Government Departments
- b) Commercial Departments
- c) Estates
- d) Private Organisations

From the discussion on the 4 sections of the market, it is found that in the Government Departments, the purchasers consist mainly of J.K.R. Ipoh, Ipoh Municipality and also Departments under the Ministry of Defence, and also Mental Hospital in Perak. With regard to commercial departments, the customers consist of retailers in rattan wares, departmental stores and supermarket. The estates are made up of those engaged in rubber, tea and oil palm plantation. Private organisations consist mainly of local organisations like Ipoh Swimming Club and Perak Turf Club.

Having known the various sections of the market, the next step is to find out whether the same thing exists here in Melangor - which the proposed sale organisation is going to serve mainly.

Government Departments: As mentioned earlier, two of the Kinta Valley Workshop's major customers are the Ipoh Municipality and J.K.R. Ipoh. Their requirement being refuse and labour round baskets, which are being used in carrying rubbish etc. Here in Melangor, such baskets are still used by the Municipal workers and J.K.R. workers in such big towns as Kuala Lumpur and Klang. Even if we are to consider only Kuala Lumpur, the requirement would definitely be larger than that of Ipoh which is the chief buyer from the workshop. In addition to this, there are other towns in this state to augment the size of the market. Ministry of Defence made a large purchase of waste paper basket from the workshop; this is for the supply of the arm forces. There are other items besides the waste paper basket which are required by the departments under this Ministry like linen basket. Even if other departments of the government service do not use large number of round cane items, there is definite use for office materials like desk tray and waste paper basket. This can be extended also to other offices outside government service. Hospitals can be another source of market for centre cane product like linen basket. Thus the departments under the government service can be one of the best market for rattan products.

Commercial Organisation: In the discussion about the workshop, we have noticed that retail dealers in rattan products buy large amount of products for resale to their customers. Here in Kuala Lumpur there are rattan dealers which although being a source of competition can also be a very good market for the products of the proposed sale organisation. These retail dealers have their own

customers from which the sale organisation can benefit by being a supplier to these retailers for resale to these customers. Any requirement which the retailers need can be drawn from the organisation. This helps a great deal in distribution and reaching customers which the workshop might not have known. There are large commercial departmental stores like Field Supermarket, Pook Lee & Co. and others dealing in both grocery and textile. Some of them purchase hamper basket from the workshop during the month of December for the Christmas. Besides the Christmas they also order for other festive seasons such as Chinese New Year. Thus there are also requirement for baskets like cake basket. Sometimes these stores have off-season attraction like having 'Special Offer' which requires certain rattan products to fill in the products offered by them. Big commercial organisations certainly need office products like waste paper baskets and desk trays. Although with regard to these two products, competition from metal desk trays and plastic waste paper basket exists, there is still preference for the rattan waste paper basket.

Estates: In this field, not all estates require extensive use of rattan products. Rubber estates are among this category. Out of 3 estates visited with sizes ranges from 1500 - 8000 acres, not even one has much use of rattan products. The only products used are refuse basket - this is used when weighing rubber sheets and scrap rubber and the requirement for each estate would not amount to more than 2 dozen pieces a year; pangkis are also used in some estates which have to deal with road repair but since road repair does not take place always, the requirement for this product is also low. Requirement in oil palm estates have been indicated by the Sookin Co. Ltd. which have an annual purchase of 28,000.00 worth of rattan cane products of various types including labour round basket, pangkis and refuse basket of different sizes. However, it must be reminded that not all oil-palm estates have similar requirement - Sukit Raja Oil Palm Estate near Klang have had no use at all of rattan products. With regard to tea plantation, the need is chiefly on plucking baskets which are used in carrying tea leaves. Thus we find that requirement in some types of estates is low and in some types is high. What is plain to us is that in this state and in neighbouring estates, there are many extensive estates of types mentioned. Even though their requirement may be centred to two or 3 types of products, the overall size of this requirement is definitely going to be large, for all the estates added.

The market for rattan is not limited to those discussed above only. Private organisations or clubs dealing with recreational activities are present in Selangor. Items like school bags are still used by school children; in face of competition from other types of bags made from other materials. Market baskets have ready market among house wives and small decorative items like miniature elephant, monkey and cat made of rattan can be of attraction to tourists for souvenirs.

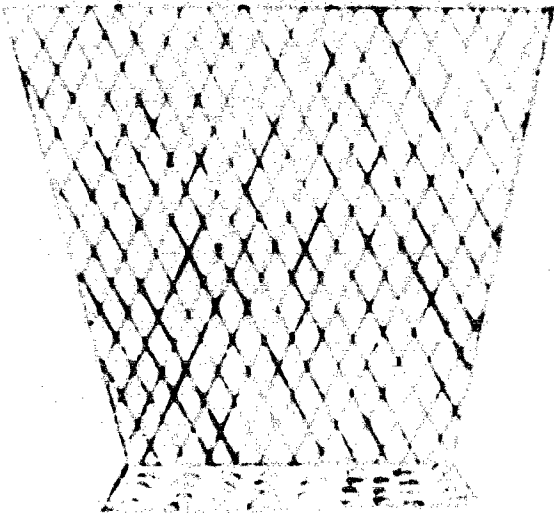
Thus we find that the market that existed for the workshop in Kinta Valley can also be found here in Selangor. Therefore, the proposed sale organisation can really look forward to serve this market both for the benefit of the homeworkers and the Malayan Association of the Blind.

APPENDIX

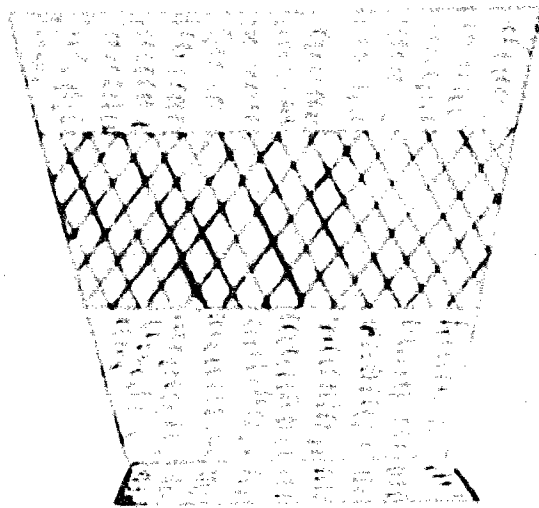
Diagram I

Waste Paper Basket

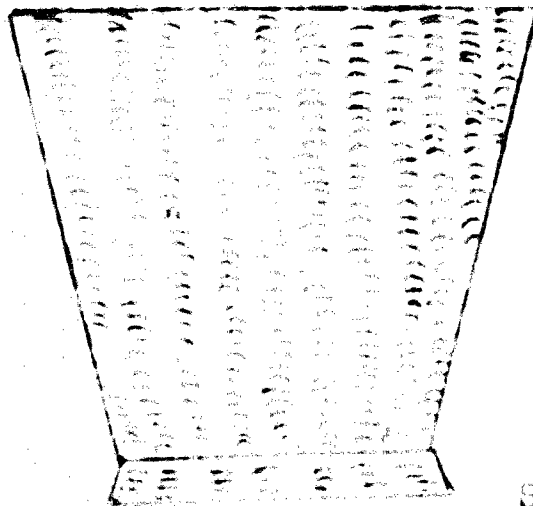
Open - Type



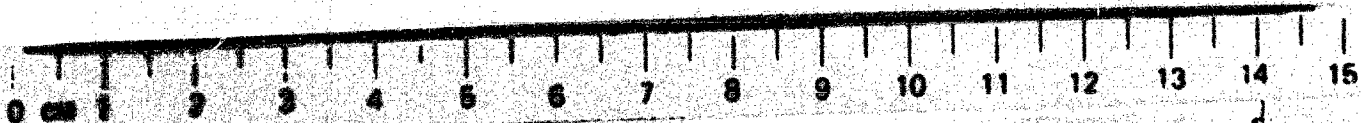
Half Open Type

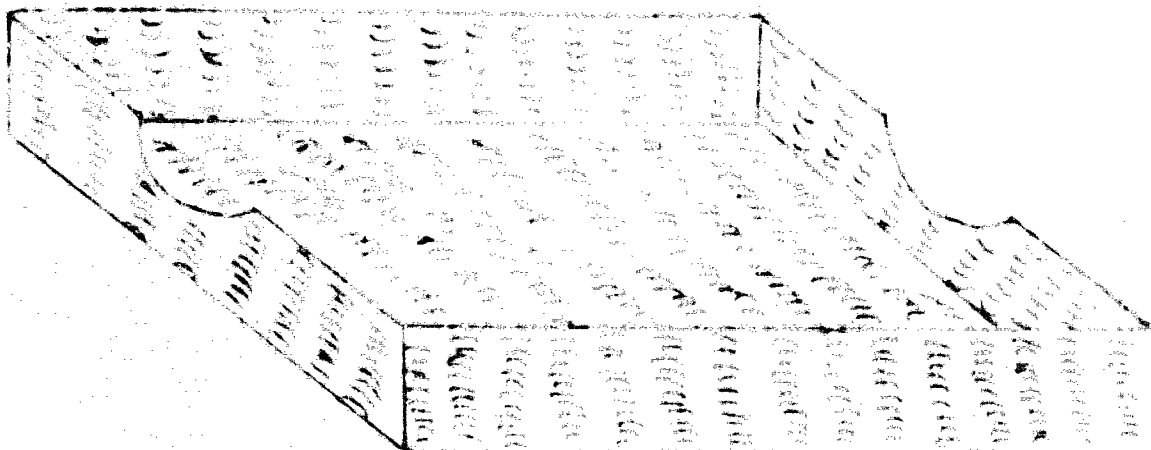


Close Type

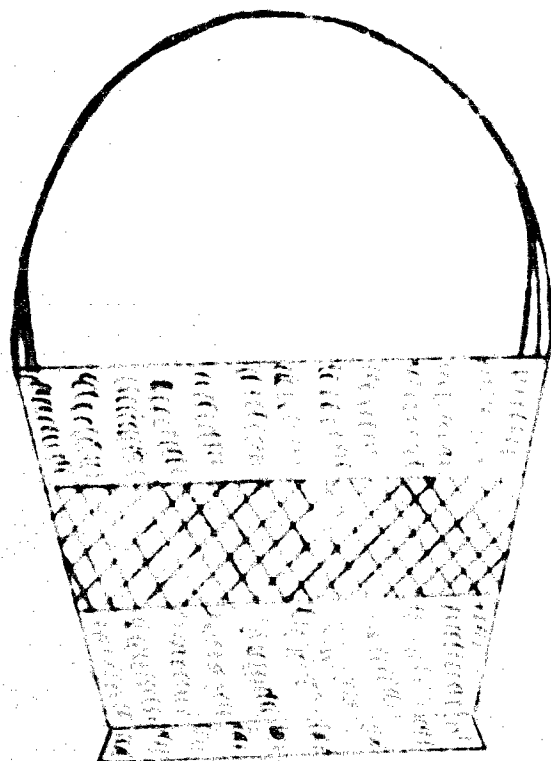


Scale 0.2":1"





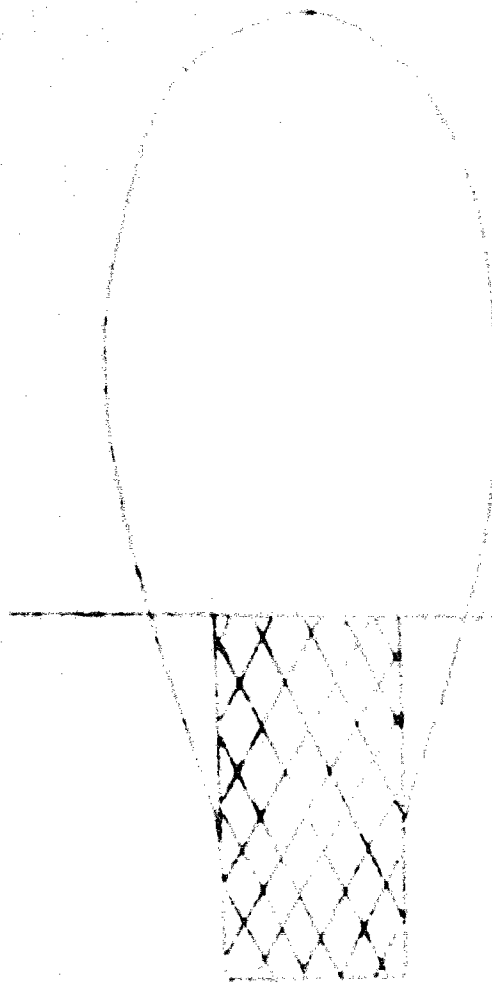
Desk Tray



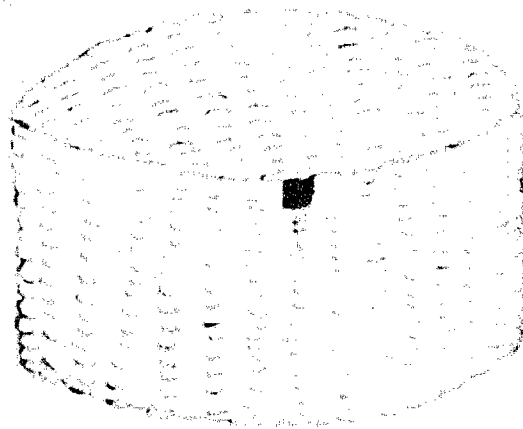
Market
Basket

Scale 0.2" : 1"

Diagram 2



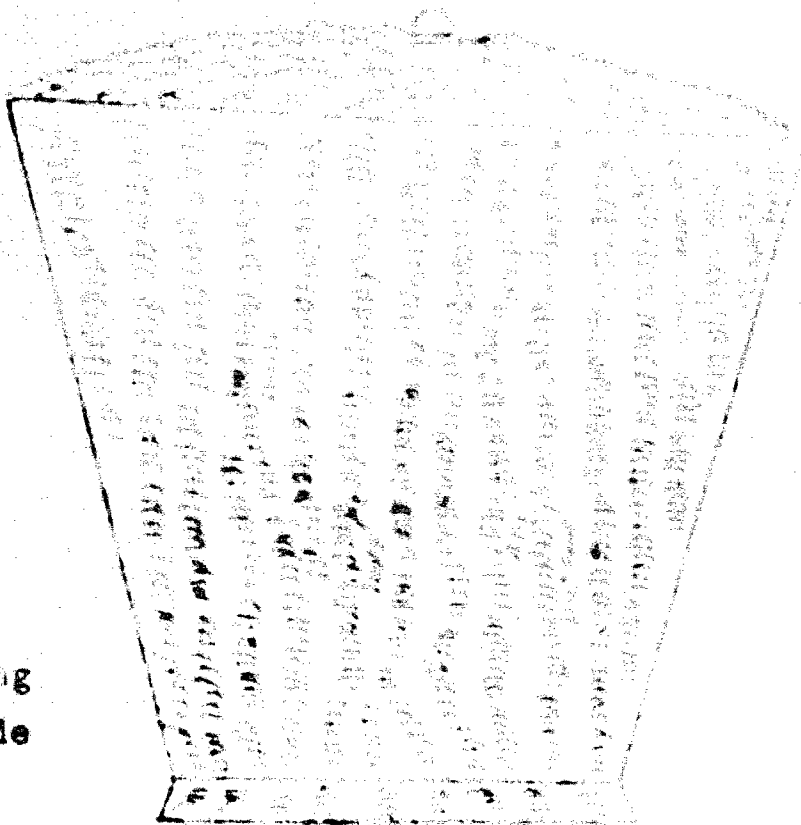
Flower
Basket



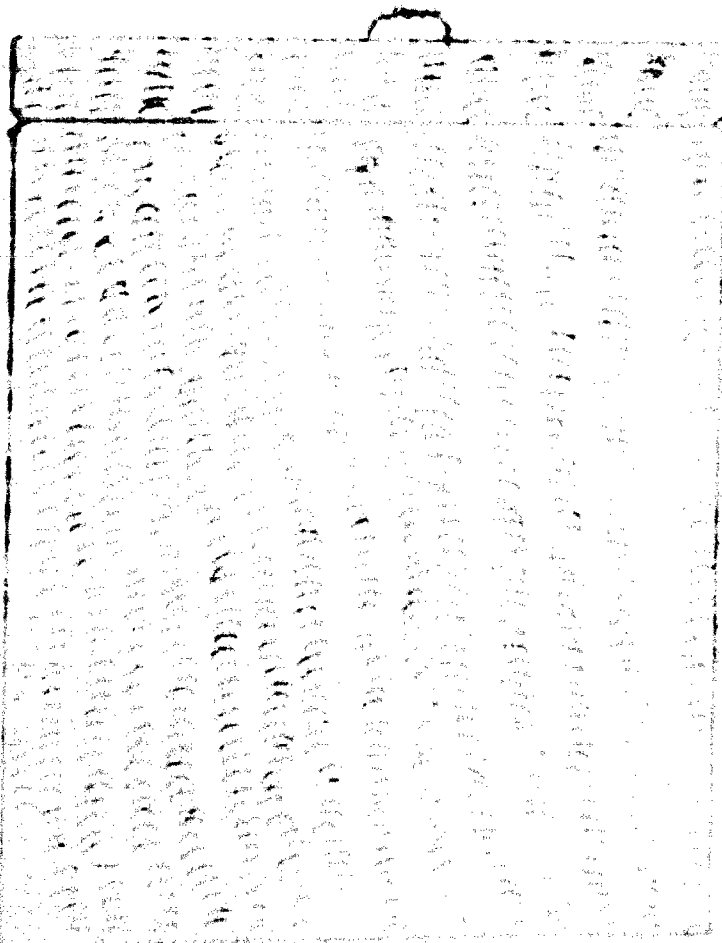
Sewing
Basket

Scale = 0.2" : 1"

Basket



Slanting
Side

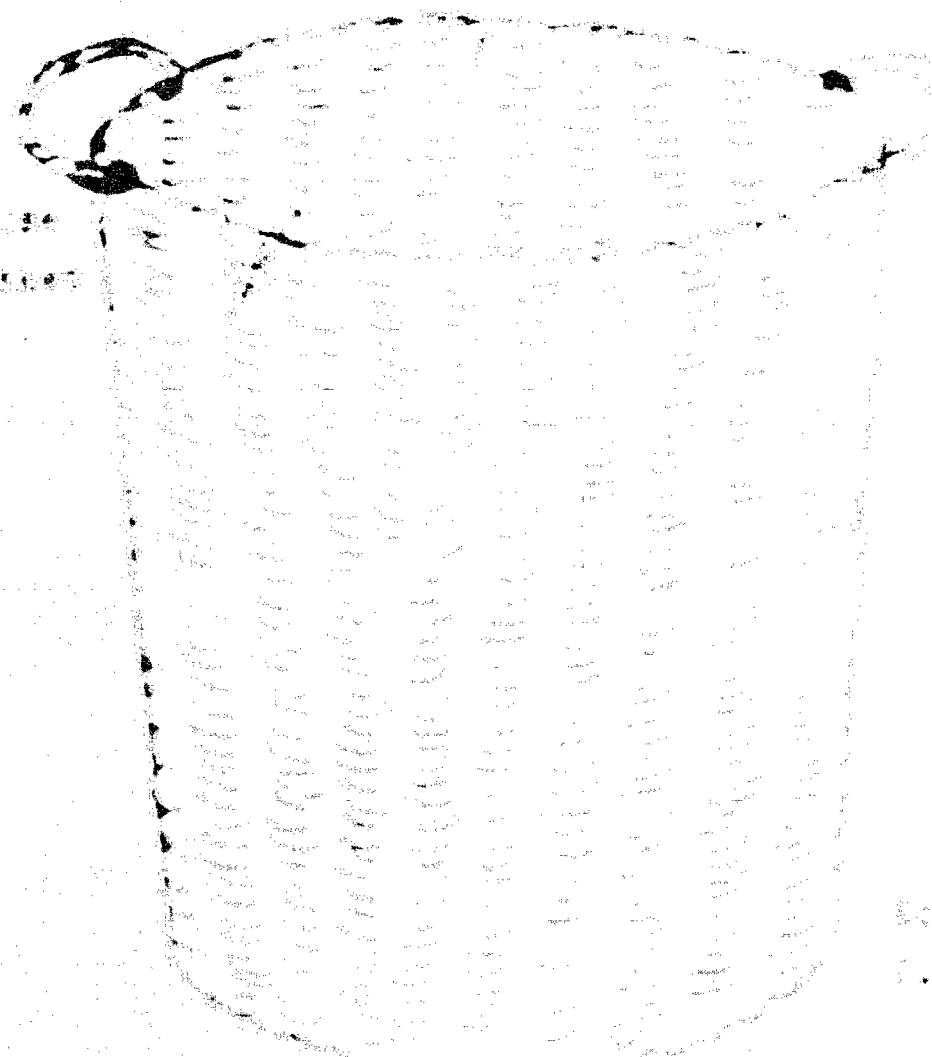
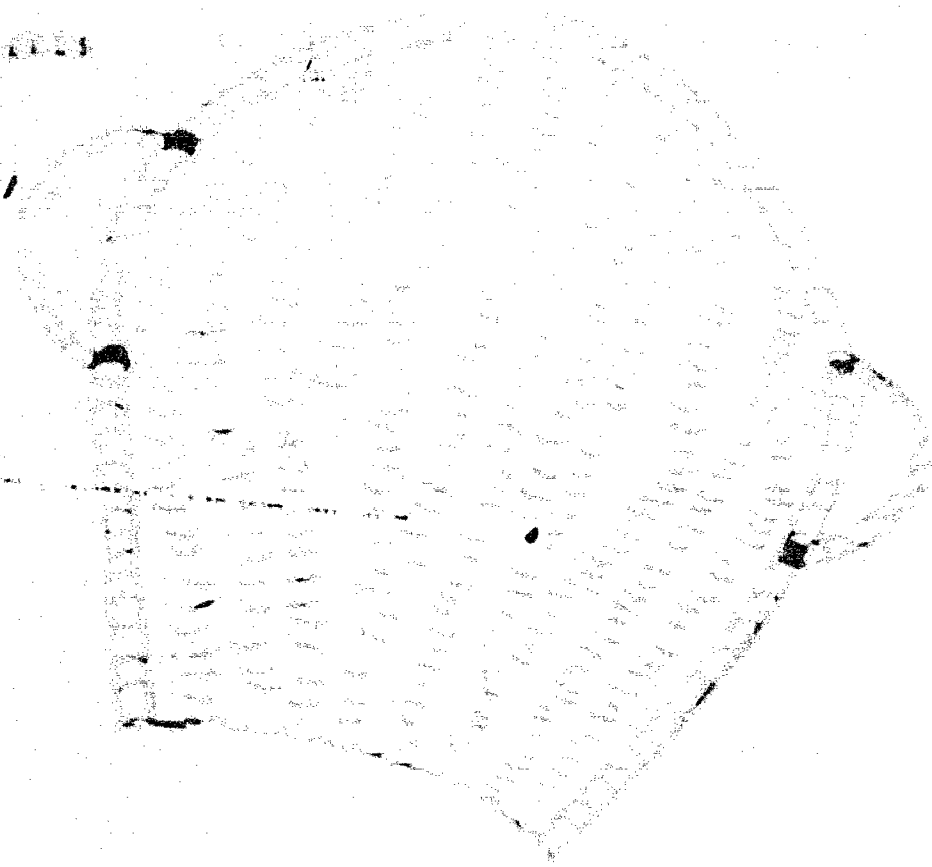


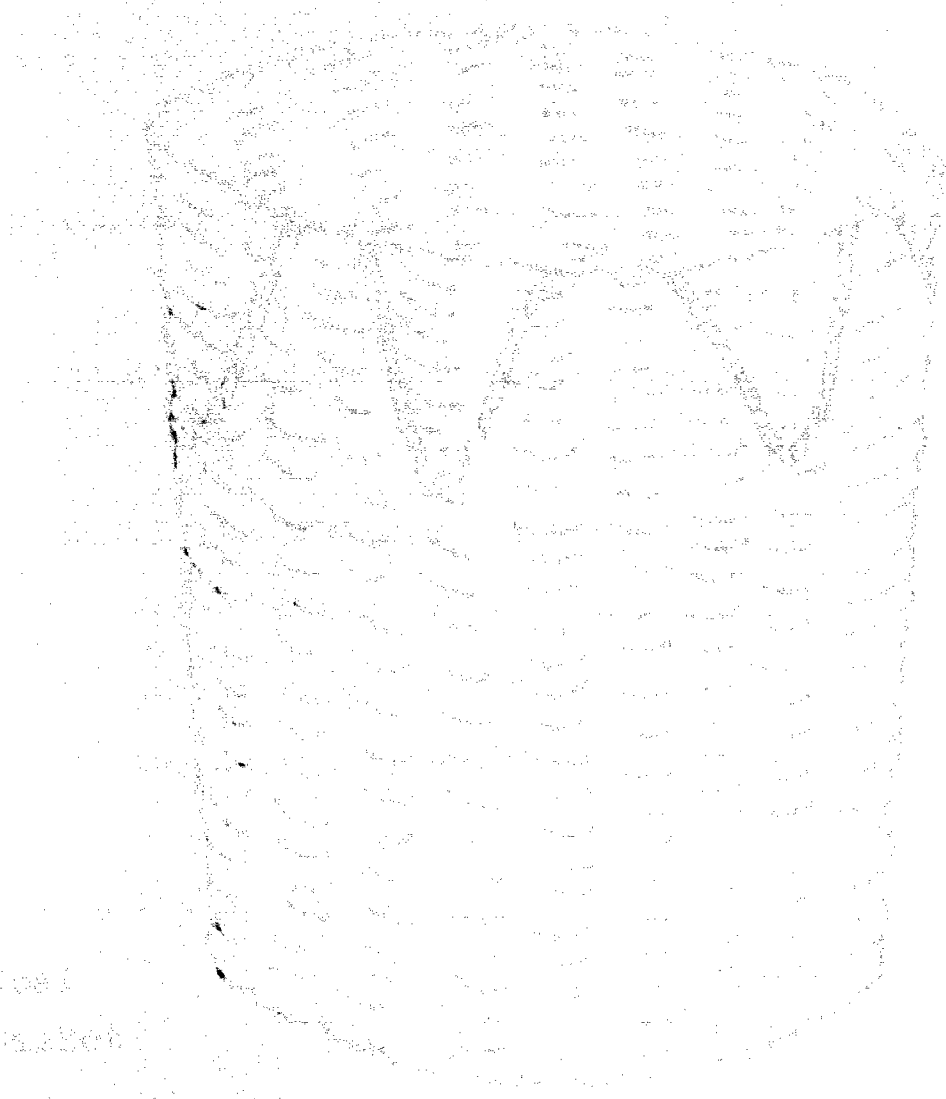
Straight
side

Scale

0.8" : 1"

11.1





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MARKETING OF RATTAN PRODUCTS

MADE BY THE BLIND

by

Abu Bakar Hamid

**A Graduation Exercise presented to
the University of Malaya in
part fulfilment towards the
Degree of Bachelor of Arts
with Honours in Economics**

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SYNOPSIS

The Malayan Association of the Blind (MAB) in 1953 established the Gurney Training Centre in Kuala Lumpur with the objective of training suitable blind people in certain fields which they can use as a mean of earning their livelihood. One of the courses is in cane work, and since its establishment the centre has already trained more than 100 blind people. As time passed, it was soon realised that the real problem was not in the training but rather in finding employment after training.

As part of an answer to this problem, the MAB in 1959 built the Kinta Valley workshop in Ipoh. Part of this workshop aims at providing employment and further training to the caneworkers to prepare them in finding employment later outside the workshop. When these workers have gained enough experience and confidence in their work, employment will be found for them by the workshop officials and the vacancies thus created would allow taking in fresh workers who have just finished training in Gurney Training Centre.

Somewhat, it did not work out the way it was planned. Employment for the blind workers was hard to find and only some were employed, outside. Further some workers preferred to stick to their work in the workshop. Anyway, the workshop continued to take in fresh workers with the result that the number of caneworkers in the workshop increased to 20 at the end of last year. But this cannot continue for long if sales do not increase also. Last year, the total sales dropped to the level 5 years ago. Thus at present, the workshop is not taking as many new workers as before and consequently most of the caneworkers have to find employment somewhere else.

Due to difficulty of finding employment, all of them have to work on their own. The condition of these home-workers deserves sympathy. A homemaker is able to sell monthly at the most \$60.00 worth of rattan products. The difficulty lies in the finding of market for their products. As most caneworkers who have been trained by the Gurney Training Centre have to turn to this way of life, this problem deserves special attention. In fact this problem was recognized as early as 1958 when a recommendation was made to form a sales organisation. This organisation will be of great help towards improving the standard of living of the homeworkers and its success should not be doubted in view of the presence of market for rattan products.

CHAPTER I

INTRODUCTION

The object of this exercise is to study, by way of discussing the marketing of rattan products, the problems that are faced by blind cane-workers in their attempt to earn their livelihood and by the Kinta Valley workshop in providing employment to some of them.

The discussion is divided into three parts:

i) Gurney Training Centre:

Here the blind people are given training in canework which is aimed at providing them skill to earn their living. However training alone is not enough. What is more important is the application of this training in their every day life when they leave the Centre.

ii) Kinta Valley Workshop:

This provides employment to some of the cane-workers. However, due to decrease in sales it has reached a point where it could not be much of a source of employment to cane-workers after their training in the Gurney Training Centre and therefore nearly all of them have to turn to working and earning their living on their own.

iii) Homeworkers:

Increasing number of cane-workers have to turn to this field for lack of alternative employment. Difficulty of finding market for their products has been the root of the problem in this group. To eliminate it, the Malayan Association of the Blind has planned to set up a sales organisation and the prospect is good as market for the homeworkers' products can now be increased and their standard of living likewise improved.

In Section (ii) and (iii) above, marketing is being discussed by breaking it into various parts such as the types of products and raw materials and distribution. Retail analysis in some cases is not possible due to lack of data.

CORNLEY TRAINING CENTRE

The Cornley Training Centre was founded in 1953 with the objective of giving training to blind people in certain suitable fields which can be used later as means to earn their livelihood. There are many courses which are open to them such as Stenography, Telephony, Factory Work and Canework. Here we are concerned only with the last course - canework. Since its existence, the Centre has trained over 100 blind people in this field. The training which this Centre gives is very important. This is because it is from this training that the blind will acquire skill in canework which can be used either to make and sell rattan goods by themselves or to find employment in any establishment which would take them. It is this training that will be partly responsible for the extent of the success that they will find when they leave the Centre and use it to find their livelihood. Therefore the training in this establishment plays an important role in the life of blind people who are engaged in canework and who come under our discussion.

The course for canework covers a period of 2 years. Only suitable trainees are put into this course. This selection is made during the first 3 months when the fresh trainees are assessed for their interest, aptitudes and capabilities. One way of doing this is from the application forms which if properly filled up, provide a good deal of information about the applicants. As a mean of assessment and a basis for vocational guidance, a range of activities which include light crafts, woodwork, chain link fence making, steel furniture and light assembly exercises are provided. The Centre has introduced these activities into the evaluation programme for various reasons such as to test the trainees' finger dexterity and hand co-ordination. A record of each trainee's performance in these activities is kept and at the end of assessment period, a fairly clear picture of each trainee's potentialities emerges. During this period of assessment, the trainee is also given help to regain self confidence with a programme of instruction in mobility, in the performance of the common tasks of daily life and where necessary, in braille and type writing. At the end of this assessment period, those found unsuited for training and employment are discharged.

The suitable trainees are then put into the canework course covering a period of two years. During this period the trainees are trained to make various types of rattan products¹ which also involve a number different types of weaving, border.

¹Refer to Appendix for Diagrams

The syllabus that these trainees have to follow is as follows:-

First Term: Round Earth Basket
Waste paper basket
Skin cane work
Seat caning

Second Term: Pungkis
Refuse basket
Waste paper basket
Desk Tray

Third Term: Book basket
Shopping Basket
Flower basket
Square picnic basket

Fourth Term: Sewing basket
Linen basket
Lapped-over picnic basket

Fifth Term: Picnic basket with flask container
Cradle
Toy cradle
Cane Ball

Sixth Term: Decorative articles
Revision.

Each of the term covers approximately 14 weeks. The syllabus covers the following methods of weaving and the working of the different types of borders and handles.

Weave: Handing, pairing, chain pairing, three rod plain weaving, four rod upsetting.

Border: Scallop border, Trac border, three rod plain border, four rod plain border, plaited border.

Handles: Plaited handles, wrapped handle, twisted handle, and wire handle.

The aim of the course is to provide the trainees with basic skill in canework. Even though the syllabus does not cover the making of every product that can be made with rattan, the blind who have finished the course are capable of making other products outside the syllabus. This they can do by feeling the product concerned for the type of weaving, border, handles, cane size and overall size and shape of the product. Thus the presence of products which they have not learnt in the training would not hamper the blind caneworkers in any way to make and market them. This skill helps them much in making products which could be sold in market but which are not taught during their training days. This skill is important because of the impossible

task of the training centre to train them to make every product that exists with the rattan material. As can be noticed from the syllabus, we find that the products are mainly made up of those that require Centre cane¹ such as wastepaper basket, desk tray, and book basket, and less of products requiring Round cane², such as labour round baskets, pungkis etc. However this would not lessen their skill in making other round cane products like plucking basket etc. The basic weave, border and handles which they learn and which they practise on the products in the syllabus, prepare them to make any product with the rattan material. To further equip them, there is an additional course for another year during which selected trainees are made to under-go training in making complicated items like miniature animals such as cat, elephant and monkeys.

To keep up with the trend of the market, changes are made with regard to the products in the syllabus. Thus besides being self-sufficient, the syllabus is also up to date in its content. At the end of the course, the trainees have to sit for an examination. When they have been successful, each will be issued with a certificate of proficiency which is evidence of their training and skill in canework. The training of these blind people presents no greater problem than those found in ordinary schools.

For the trainees, their problem begins when they have finished their training. This is in connection with their ability to use their newly acquired skill in earning their living. As the discussion on the marketing of products of these caneworkers in both the Kinta Valley Workshop and among homeworkers is made in the next chapters, we shall also keep in touch with this post-training problem.

¹It is a type of cane derived from the centre of rattan like those used in making waste paper basket.

²This is the type which does not undergo any change from its original shape and size.

CHAPTER III

KINTA VALLEY WORKSHOP

The Kinta Valley Workshop was established in 1953 with the objective of providing suitable remunerative sheltered employment for the blind craftsmen who are unable to earn their living in open competition. It is an establishment which is functioning as a commercial organisation - it produces and sells products and hopes at least to be self-supporting. Although it has 6 sections consisting of Rattan, Wooden Furniture, Tubular Furniture, Venetian Blind and Chain Links, we are concerned only with the Rattan section. In this section, the caneworkers are drawn from those who have been trained by the Gurney Training Centre. The policy of the workshop is to provide them with experience in canework. After a certain period of time during which they have gained enough experience and confidence in their work, they are then encouraged to find employment outside. This step of finding employment for them is done by the officials of the workshop. Thus there will be a flow from the Training Centre to the workshop and then to the employment outside.

With this type of scheme, we can find among the caneworkers a mixture of new and old workers. The old workers are those who are not able to find employment outside or those who do not like to work outside but preferred the sheltered life of the workshop. Some of them have been staying there since the workshop has been established. Consequently, the entry of new workers is partly hindered by their presence because the number accepted depends also on the vacancies available which may be created when these old workers have found employment outside. But, the trouble is that finding employment is difficult and among some of the old workers, there is general feeling of unwillingness to work outside the workshop. Therefore the more the old workers there are, the less will be the possibility of entry of fresh workers from the training centre. This is one problem that could not be solved by way of removing old workers to make way for new ones. The only alternative is to make attempt to increase sale so as to be able to take in more workers.

Entry of new workers bring in its own problem. They are naturally slow in making the rattan products when compared with the experienced workers. For example, in the production of labour round basket, a new worker can complete 2 pieces a day while an experienced one can produce 8 pieces a day. This difference in production is caused by the inexperience and nervousness on the part of the new workers and also by the difference in the production system in the workshop and that in the training centre: the latter is only a training place. It will usually take about 6 months for the new workers to adjust to the rate of production of the experienced workers.

This difference in the production has its effect on the wages that the workers received and in turn on the labour cost of production. On probation the workers will be paid a basic wage of \$25.00 per month plus piece rate as prescribed by the Executive Committee of the MAB. On completion of the probationary period they will be placed on the salary scale of \$25.00 x 1.35 = \$31.00, plus piece rates valued from \$0.50 to \$2.20 per piece depending on the product made. In the workshop, a worker is given an equal number of products to finish in a day and the new workers find it difficult to do this. Thus the amount of money that they would receive from the piece rate will be reduced so as to ensure that they receive a reasonable income from piece rate in addition to the basic pay, the workshop has fixed the income of the day at \$1.20 per person for these new workers irrespective of the number of pieces that they can finish in a day. Thus the payment of piece rate is not made in relation to what they can produce but rather aims at maintaining a reasonable income for them.

In general, this aim governs the payment of the basic salary as all other workers as well. If the income of the cane workers is dependent solely on the piece rate, then these workers would not be able to earn much because of the slow speed in making products or if they are fast workers, they are not able to make as many products they want due to the restriction placed on the number of products to be completed in a day. Therefore, it is necessary to have a basic salary in addition to piece rate, if they were to earn a reasonable income. In complying with this practice, the sheltered workshop has thus to incur cost of production higher than similar establishments. Therefore, there is difficulty to operate at a profit or at least, to be able to be self-supporting. This can be seen from the fact that since its establishment, the workshop has been operating at a loss. The deficit incurred has been paid by the Malayan Association of the Blind. It is likely that the system of salary payment to new and old workers is partly responsible for this type of operation. It is not suggested that this system or new workers should be removed but other steps has to be taken to at least make the workshop self-supporting.

The workshop must be able to stand on its own feet and at the same time be a source of employment; and not assuming the latter objective while neglecting the former. The only solution is to increase sales. Sales did not vary much in the past years. It ranged from \$16,000 to \$22,000 in the last 5 years: only in 1961 and 1964 have sales reached the \$22,000 mark but in other years sales have remained less than that - as can be seen from the table 1. Last year sales have declined to the level 5 years ago. If the workshop has not been able even to be self-supporting within this range of sales, then future sales have to be more than the highest figure in the past years. This is necessary in view of the future well being of the workshop and thereby its ability to employ more cane workers. At present, the workshop offers less hope for

¹Each also receives Compensatory Allowance of \$25.00 per month from Social Welfare Department.

the caneworkers to work here after their training because of the already more than sufficient number of workers working here. Therefore, more and more of the caneworkers have to be workers on their own account - that is to make and sell products by themselves. If the annual sales of the workshop could be improved, then it could provide more effectively its share of employment and thereby lessen the flow of the caneworkers to work on their own and as we shall see in the next chapter, the condition of these workers really deserves sympathy.

TABLE 1

TOTAL SALES AT KINTA VALLEY WORKSHOP*
1960 - 1965

Year		Sale Value
1960	.....	\$16,400
1961	.....	\$22,200
1962	.....	\$17,700
1963	.....	\$18,700
1964	.....	\$22,600
1965	.....	\$16,700

*Approximate figures compiled from sales record of Kinta Valley Workshop.

Sale plays a dominant part in the workshop and it is necessary to look into the present marketing of the products in the workshop.

Types of Products¹

The products that are produced in the workshop are oriented to customers' demand as shown in Table 2. In addition to them, it also produces some rattan furniture but this is limited in number. In the same table is also shown the amount of cane and time used in the production of some of the items made. The time is those taken by an average worker. From the table, we can find that in the round cane section, the products which can be produced most in a day are the labour round basket and the round cane punghis. The least produced is coal basket. Some of the products are not listed on the table because they are not usually made but only on specific orders. Producing products according to customers' specification present a problem to the caneworkers because of their unfamiliarity and this would slow down their rate of production. Items like bread basket and hamper basket are examples of such products. With regard to the centre cane section the waste paper basket is the easiest to make. The difference in length of time taken to make varies with each product because of the different amount of raw material used and of the intricate patterns involved. The coal basket, for example,

is large in size and further the worker has to be careful in making it so that the rope that emerges on the rim of the opening is carefully and nicely inter-wined with the cane from the base. This takes time. With reference to the centre cane products, linen basket of special big size takes 14 days to complete each. This is due to its big size and the greater amount of weaving involved. In cases, like these the worker is rewarded with larger piece rate pay.

The production schedule is arranged before any order is received or after order from customers have been received. This depends on the product. Some products which have constant demand throughout the year, are produced in anticipation of orders, such as waste paper basket and labour round basket. But products which are being ordered once in a while like hamper basket are made only when such orders are received - likewise for those goods which are made according to customers' specification like large bread basket and 3' x 5' rattan basket. Products are also made in advance when tender to a customer has been successful, such as tender to PWD Ipoh for the supply of labour round baskets.

The production is mostly spread throughout the working days so as to enable the workers to be constantly occupied. Sometimes, when unexpected order for a certain product arrived to be delivered within a week, then the workers have to work over-time and the wages are adjusted accordingly. Raw materials also play a part in the scheduling of production. The raw materials consumed in 1965 are shown in table 3.

TABLE 2
PRODUCTION OF RATTAN GOODS¹ - 1965

Products	Raw Material	Production per person per day
<u>Round Cane</u>		
22" Labour Round	3 Katis	4 Pieces
20" Labour Round	2 "	6 "
18" Labour Round	2 "	6 "
Round Cane Pungkie	1 5/8 "	6 "
Split Cane Pungkie	1 1/4 "	6 "
Plucking Basket	4 Katis	3 "
Copra Basket	9 1/2 "	2 "
Coal Basket	5 "	1 Piece
<u>Centre Cane</u>		
Waste Paper Basket		
- Open type	6 Tahils	4 Pieces
- Close type	10 Tahils	3 "
Desk Trays	8 Tahils	3 "
Linen Basket - Big size	3 Kt 8th	4/5 Piece
- Medium	2 1/2 Katis	1 "
- Special Big	4 1/2 Katis	2/3 "

Sources: Kinta Valley Workshop - Ipoh
¹Refer Appendix for Diagrams

When the rattan arrives according to date specified, then there will not be any trouble in the scheduling of products to be made. But there are cases, when the rattan fails to arrive according to date and thus scheduling has to be adjusted to suit the amount of rattan that is left in the store. In such cases, less work will be done by the workers as there are not enough rattan to keep them in normal rate of production. This problem can be solved if stock is increased to include reserve for period when the fresh supply of rattan fails to arrive in time.

Distribution

In this workshop, there is no one assigned to the post of salesman - the manager assumes such job in addition to management. The workshop has no middleman or distributing channel to handle its goods. It deals directly with its customers who may be final consumers or to retail shops which will in turn re-sell to their customers. The policy of the workshop is to sell directly to anybody who wishes to purchase its products. Thus we can find an assortment of customers on the workshop list such as the retail shops, departmental stores and government departments. In disposing of its products to its customers the workshop adds any cost of transportation that it has to pay to deliver the products to them through railway service or other form of transport. Although it has its own small lorries, these are used mainly to deliver products to customers in Ipoh only. Sometimes the products are picked up at the workshop by the customers themselves. These transport charges which are added to the prices of the products may form a limiting factor as to the scope of the market which the workshop can cater. With increase distance, the more will be the transport charges and thus the higher will be the total price that the customer has to pay. Therefore instead of ordering from the workshop, customers from out of Perak may find it rather cheaper to order it from dealers nearer to their places. However, if the workshop can reduce cost of production sufficiently to absorb part of the transport charge, then there is a chance of increasing the area of its market to include other states as well. As at the moment, customers outside Perak are limited mainly to Kuala Lumpur.

TABLE 3

RAW MATERIAL - 1965

Type of Cane	Quantity in Katis
Centre Cane	3535
Cane Skin - No.2	121
Split Cane	1550
Rattan Tahan	15
Rattan Ayer	750

baskets. Apart from this estate, other estates made comparatively small purchase. In this section sale could be increased by way of expanding the number of estates purchasing products from the workshop.

Commercial Firms: In this section we find that the customers are more widespread and not centred in Ipoh but extend over to Kuala Lumpur as well. The main customers are the retailers; they are mainly from Ipoh and their purchases are mostly for waste paper basket, labour round basket and school bag. These are mainly for re-sale and not for own use. Some of these customers are dealers of raw cane with whom the workshop purchases its rattan requirement. The return purchase of ready made items on the part of the retailers are of mutual arrangement and involves no tenders. They are all year round buyers. The big departmental stores like Robinson & Co., Cold Supermarket, and Ally & Co., are all in Kuala Lumpur. Their purchases are seasonal in nature. They order mainly in December and the goods are hamper baskets; which are made in the workshop only when orders for them are received. In all these cases, the main products ordered are made of centre cane material such as waste paper basket, hamper basket, and unlike the first and second category of customers which purchase mainly round cane products like labour round baskets. With these customers, the manager must be vigilant about their purchases in order to maintain the relationship.

Private Organisations: The chief customers here are Terak Golf Club and Ipoh Swimming Club. Their purchase is comparatively small and comprises mainly of round cane products like refuse basket, labour round and rattan arm chairs.

Apart from the above, other customers include schools and members of the public who made frequent visits to the workshop. However, their purchase is only small in amount and does not form a large part of the total sale.

If comparison is made among the above sections of customers, the government departments form the largest purchaser, with commercial organisations in second place. In Table 5 is listed the major items that are produced and sold in 1965 with their estimated total value. In the round cane section, the labour round basket forms the product with the largest sale with 2648 pieces valued at \$3,355.00. Among the three types of labour round basket, the 22" type is the chief product with the sale of 1816 pieces valued at \$2,313.00. In the centre cane section, the best selling product is waste paper basket which amounted to 3,527 pieces valued at \$3,915.00: this accounted for three quarter of the total sales in the centre cane section. On the whole, we find that round cane section contributed more sales than centre cane section with 4,596 pieces valued at \$7,234.00 as against 3,162 pieces valued at \$5,932.00 for the centre cane products.

There are two methods with which the workshop obtains orders from its customers:-

(a) Tender: This consists of sending in tender to people who have advertised in the newspapers about their requirement of rattan products which the workshop can supply. Some of these customers may not advertise in the newspapers but they have been known to need a yearly requirement of rattan products and so tenders are also sent to these people. In both of these cases, the workshop like any other firms, sends in its bids to supply the products required at certain prices for the coming year. If its bid is successful, then the workshop will be informed that for the coming year, the firm concerned will obtain certain products from the workshop only. Later, the workshop will then anticipate or forecast the amount which that firm will want for the next year, and schedule its products to suit it so that whenever the firm wants the products during the year, there is already a stock of such products and so can supply instantly or have the least delay in delivery. Among such customers, are the PWD Ipoh and departments under the Ministry of Defence.

(b) Direct order without Tender: The customers concerned send in orders for certain products that they require and then if there is stock in the workshop, delivery is made at once. If not, then there will be a delay of a week or two for the products to be made. This type of order comes mainly from retail rattan dealers in Ipoh - usually their customers have placed an order from them but it is not available in stock and so they (dealers) turn to the workshop for supply. Here, these shops may act as middlemen but then not in strict term of the word. Sometimes, these retail shops may give orders throughout the year but at times orders are made only at certain time of the year, such as those for harper basket from departmental stores in Kuala Lumpur. They are usually made in December; in this case no stock is kept but the products are made on receiving orders only.

In Table 4 is listed the major customers that have purchased from the workshop in 1965. They can be divided into 4 major groups.

Government Departments: This form the largest group of buyers with total purchase of approximately RM12,000 last year. They are mostly located in Perak and can be divided into J.K.K. Ipoh, Ipoh Municipality and Town Councils departments of various towns in Perak. Their total purchase amounted to RM2,107 worth of products made up of labour round basket, lorry basket and waste paper basket. Ministry of Defence bought about RM3,064 worth of waste paper basket. Other buyers purchased products valued less than RM700. Improvement in sales could be made if orders from all the Town Council departments in Perak could be obtained.

Estates: There are only 5 estates which purchased from the workshop. All of the products are made of round cane materials. Some of these estates are associated with planting rubber, serai and oil palm. The baskets purchased are used in connection with these activities. The biggest buyer is Jugra Land & Carry Co. Ltd. which ordered plucking

TABLE 4

MAJOR CUSTOMERS OF KINTA
VALLEY WORKSHOP
1963

Government Departments	Value	Items
M. B. Ipoh	\$4839.00	22" Labour Round Basket Waste paper Basket Linen basket
Ministry of Defence	\$3064.00	Waste paper basket
Ipoh Municipality	\$2831.00	Refuse basket
Majlis Bandaran - T. Anson	\$ 650.00	Refuse basket
Mental Hospital - T. Rambutan	\$ 495.00	Rattan basket
Kangkai Local Council	\$ 153.00	Refuse basket
Town Council - Ipoh	\$ 84.00	Rattan basket
Replanting Office	\$ 42.00	Waste Paper Basket
Malayan Railway	\$ 42.00	Coal Rattan Basket
Social Welfare - Ipoh	\$ 26.50	Waste Paper Basket
Civil Aviation - Ipoh	\$ 30.00	Rattan Chairs
Ipoh Secretariat	\$ 22.50	Refuse Basket

Estates	Value	Items
Jugra Land & Carry Port Swettenham	\$792.00	Plucking Basket
Gopeng Consolidated Ipoh	\$290.00	Labour Round Basket
Elenheim Estate Perak	\$138.00	Copra Basket
Moynalpy Estate Perak	\$ 73.20	Scrap Basket
Anglop Estate Perak	\$ 20.00	Scrap Basket

TABLE 4

MAJOR CUSTOMERS OF KINTA
VALLEY WORKSHOP
1965

Commercial Firms	Value	Items
Loe Tuok Kee - Ipoh	\$869.00	Waste Paper Basket School Bags
Weld Super Market - K.L.	\$560.00	Hamper Basket
Guan Hin & Co. Ipoh	\$640.00	Labour Round Basket
Hup Yik Hardware Store Ipoh	\$370.00	Refuse Basket Labour Round Basket
Asia Co. Ipoh	\$242.00	Waste Paper Basket Linen Basket
Caldeck McGregor & Co. K.L.	\$240.00	Wine Centre Cane
Lean Huat Timber - Ipoh	\$240.00	Pungkis Labour round basket
Robinson & Co. K.L.	\$150.00	Hamper Basket
Aily & Co. K.L.	\$ 73.00	Hamper Basket
French Bakery Ipoh	\$ 65.00	Bread Basket
Heng Bee Ipoh	\$ 24.00	Waste Paper Basket

Private Organisation	Value	Items
Perak Turf Club	\$494.00	Refuse Basket Labour Round Pungkis
Ipoh Swimming Club	\$320.00	Wattan Arm Chairs
Malayan Association Of Blind	\$ 64.00	Hamper Basket

Source: Compiled from sales record of Kinta Valley Workshop.

TABLE 5

SALE OF MAJOR ITEMS IN 1965

Items	Number in Pieces	Value
<u>Round Cane</u>		
22" Labour Round	1816	\$2313.00
Shocking Basket	720	\$ 792.00
20" Labour Round	562	\$ 763.00
18" Labour Round	310	\$ 279.00
Refuse Basket	321	\$1428.00
Grain Basket	100	\$ 200.00
Round Cane Pungkis	600	\$ 605.00
Round Cane Pungkis Big	92	\$ 257.00
Lopra Basket	24	\$ 138.00
3' x 5' Basket	20	\$ 330.00
Bread Basket	15	\$ 65.00
Coal Basket	12	\$ 42.00
<u>Centre Cane</u>		
Waste Paper Basket		
-Close Type	796	\$ 979.00
-Open Type	2731	\$2936.00
Hamper Basket	446	\$ 768.00
Linen Basket	123	\$ 271.00
Flower Basket	50	\$ 75.00

Source: Compiled from sale record of Kinta Valley Workshop.

TABLE 6

SALES OF MAJOR ITEMS IN 1963

Items	Number in Pieces	Value
<u>Round Cane</u>		
20" Labour Round	1446	\$1354.00
22" Labour Round	2512	\$3266.00
18" Labour Round	190	\$ 161.00
Round Cane Pungkis	960	\$1083.00
Split Cane Pungkis	390	\$ 244.00
Refuse Basket	720	\$2837.00
Shucking Basket	240	\$ 564.00
Coal Basket	30	\$ 105.00
Scrap Basket	83	\$ 531.00
Gopra Basket	60	\$ 264.00
Vegetable Basket	100	\$ 350.00
Rattan Basket	40	\$ 220.00
<u>Centre Cane</u>		
Waste paper basket		
-close type	140	\$ 209.00
-open type	166	\$ 166.00
Linen Basket	104	\$ 894.00
Book Basket	190	\$ 240.00
<u>Furniture</u>		
Rattan Chairs	140	\$ 490.00
Cane Chair with Steel	6	\$ 120.00

Source: Compiled from sales record of Kinta Valley Workshop.

The chief money earners being labour round basket,¹ round cane pungkis, refuse basket, plucking and waste paper basket and lastly hamper basket.

In Table 6 is shown the sales figure for the year 1963. Comparison about sales could be made between 1965 and two years back in 1963. The striking thing is that heavy reliance is placed on sales of those products made by round cane materials in 1963, but as years passed in 1965, the sales from both centre cane and round cane products are less contrasting in number and value. It would be better if this takes place without any decrease in sale in round cane section to compensate for increase in the centre cane products. But as seen, products of round cane have decreased much in 1965 when compared with 1963 figure. The increase in centre cane products in 1965 is not enough to compensate for the decrease in the round cane products to make the total sale in that year even equal to 1963 figure: 1963 sales amounts to \$18,800.00 while in 1965 it amounted only to \$16,700.00. The figure for 1965 has been on the same level for the 1960. Therefore we find that the sale of the products in the workshop has not made much progress and this could be a handicap to both the workshop and the caneworkers. To achieve its objective of providing employment to the caneworkers, sale has to increase sufficiently so as to be able to offer them work, and also for its own maintainance. But at present, the number of workers has already reached a point where sale that was made last year is not enough to keep them fully employed. Therefore if the trend of the sale in the workshop continues not to increase sufficiently, then the workshop would not be able to offer any more employment for the caneworkers. As at present, most of the caneworkers who finish training at the Gurney Training Centre have to find their own livelihood by being workers on their own.

To improve the situation, the workshop should expand sales to its present customers and to new customers. Government departments in all towns of Perak should be encouraged to purchase their requirements from the workshop. The products of the workshop which are comparable to others in quality and prices could be distributed throughout Perak or at least in the nearby towns among the retail shops dealing in grocery and rattan products to increase sales. Sales to estates have been disappointing at least with regard to the number of estates that the workshop dealt with. In 1965, only 5 estates purchased their requirements from the workshop. In this section active salesman should be employed. At present the manager also holds the post of a salesman. There should be a salesman to keep track of the market such as the retailers and estates. The manager could perform the salesman work also in addition to his capacity as manager of the workshop - but this could be limited to higher level of sales like submitting tenders. Product scheduling should run smoothly. Delay in arrival of rattan should not be allowed to slow down production. This, as mentioned earlier, could be avoided by increasing each purchase of rattan to include also reserve for period during delayed arrival of fresh supply.

Thus the major step in maintaining the workshop as a source of employment for the caneworkers and a benefit not a burden to the Malayan Association of the Blind is to increase sales and there is much scope in this.

CHAPTER IV

I - HOMEWORKERS

As we have noticed in the last chapter, the chances of finding employment in the Kinta Valley Workshop are less than before mainly because the number of workers working in the cane section is already more than what the sale could support. Thus the scope of the workshop being a source of employment for the blind caneworkers is slim at present. If these caneworkers could not find employment in the sheltered workshop, it is no better to find it in open competition with the sighted workers outside the workshop. This is worse than trying to find employment in the workshop because the newly trained workers are lacking both in experience and skill. Even when the workshop tries to find employment for its experienced workers, it faces difficulty and has not been successful in many cases. When the caneworkers themselves try to do that, they just can not hope for any better result. Thus most of the blind who have been trained have no where to turn to but to be workers on their own account, that is to make and sell products by themselves.

From the beginning of the formation of the Gurney Training Centre, there are a large number of them who have not gone to work in the workshop in Kinta either for the above reason or for the reason that they wish to be on their own. Around Kuala Lumpur we can find about 30 homeworkers - some of whom live in Sungai Way New Village and Jln. Kramat Village. Some of them prefer to group among their fellow blind. Quite a number of them have come from outside Kuala Lumpur from Johore, Kedah, and Trengganu. After receiving their training in the Gurney training Centre they went back to their home towns. But then, there they found that the market for rattan products is small and sale is not good. So they come and settle in Kuala Lumpur, because here, according to them, the market is bigger and further, raw materials can be obtained at cheaper price than in their home towns. This trend of staying back in Kuala Lumpur has not been much in the early period of the establishment of the training centre but lately, there has been an increasing number of these trainees who have completed their training and who choose to stay here directly without ever returning to their home towns. Thus, this tendency has increased the number of the homeworkers here and hence what ever problems that these homeworkers might have.

These homeworkers earn their living by making rattan products and sell them around Kuala Lumpur and Petaling Jaya. They differ from the cane workers in the Kinta Valley Workshop in the sense that they are by themselves the workers and the sellers and dependent mainly on the income from this sale for their livelihood. The Kinta Valley workers

low wage earners and are not concerned with the sale or management and their earning comes in the form of daily or monthly wages. The central problem which these homeworkers are facing is the difficulty of finding customers for their products. Here we shall examine the effect which this difficulty has on various aspects of their marketing of the rattan products.

Material

The homeworkers purchase their raw material requirement from suppliers in Sungai Besi in Kuala Lumpur. The raw materials are obtained in two ways:-

a) A homemaker goes to a rattan shop which deals in rattan raw and places an order there. This shop in turn orders from a wholesaler and after a week the homemaker comes and collects it from the shop.

b) A certain number of homeworkers living in a same area group together their requirement for a period and order in large amount from a supplier. In this case, since the order is in large quantity, the supplier delivers the raw material to the place by a van instead of the homeworkers taking the material home by themselves.

The advantages of the second method are obvious. With the purchase of large quantity of material, price will be reduced. Further the homeworkers do not have to incur the difficulty and cost of bringing the material from the shop to their houses. This is because the wholesaler is now willing to deliver the material with his own van since the amount is large. When they group together, these homeworkers form a stronger bargaining power than when they purchase separately. Therefore this type of purchasing of raw material should be practised. But in the situation is now, most of them buy their raw material requirement separately. One of the reasons is that there are cases where the homeworkers live separately by themselves and this does not allow them to pool their requirement.

The amount that they buy each time varies. It depends mostly on the sale of recently finished products. If sale is good and there is no more stock, then the order for rattan will be maximum. If the sale is slackening, then the stock of finished products will pile up and so the amount of products to be made in the coming period would be less and likewise the requirement of the rattan. Availability of special orders also influences purchase of raw materials. There are certain orders which are made only when ordered by the customers like linen baskets. When there is special order then the material requirement will be more than usual and so more would be purchased, on the whole, judging from the small amount of products that have been sold, the monthly requirement of rattan tends to be likewise. No precise figure of raw material purchased during a month is available as no record of any nature is kept. The main thing here is that the homeworkers cannot

keep the advantage of large purchase as existed in the Kinta Valley workshop as their requirement is comparatively small. Thus where cost of raw material is concerned, larger producers like the workshop stand to gain. The benefit that is obtained by pooling the requirement of certain number of homeworkers among themselves would not help the matter much. This is worse when there are also individual purchasers. Thus one of the disadvantages that these homeworkers have to face is the inability of reducing cost of raw material as much as that of a large producer. This is due to their very nature of being separate small producers and not a combined one.

The types of rattan purchased depend on the products made. The chief item is centre cane of sizes 10, 12, 14, 16. This is because most of the products made by the homeworkers are of centre cane variety, like waste paper basket, desk tray. Sometimes coloured centre cane is also purchased. This type is used in making waste paper basket, desk tray. In these products, it is used only as a decorative item to enhance the attractiveness of the weaving. Small amount of round cane is bought as not many products like labour round basket, which are of round cane variety, are made by them. The only round cane bought is of small type used in making the handle of market baskets.

The payment for these raw materials are made in cash, which is obtained from the sale of rattan products. At present, there is no difficulty in paying for these raw materials as the requirement is small amount. But there is bound to be difficulty in the initial stage if they venture to make larger amount of products requiring more and bigger purchase of cane. This is one aspect of raw material requirement that has to be considered if any step is taken to increase the amount of sale of their products. At present, by themselves they are incapable of providing financial support necessary for purchasing large amount of raw material. This is because the money used for the purchase of raw material is derived from sale of products. This is not enough for purchase which are bigger than they are customarily used to. Thus in the initial stage, financial support of some kind has to be made to them to make possible for them to produce in large amount.

In addition, to the raw material in the form of cane, these homeworkers also need basic tools such as scissor, knife, hammer and other items which are necessary for weaving the rattan and turning them into various products. These equipments were given free to each of them when they left the training centre. Thus in case of basic equipment, there is no problem. Improvement has to be made only with regard to rattan material.

Products¹

These homeworkers make only products which use centre cane because these are the items which they are able to sell to their present customers. These items are:-

- a) Waste paper basket
- b) School bag
- c) Desk tray
- d) Market basket
- e) Linen basket
- f) Rattan ball

This is in sharp contrast with the products made in Kinta Valley Workshop which comprise a wider range of centre cane products in addition to round cane products. This is due to the influence of the market. These homeworkers are capable of making other products not mentioned above of both centre and round cane materials if the market for them can be found. But at the moment the range of products that can be sold in the present condition is limited in number. Even for the products mentioned above, there are products which they make only sometimes, that is when there is an order from a customer for that type. It is not so much that there is no demand from customers but with the customers that the homeworkers have managed to contact, the amount of products that they can sell is limited both in variety and quantity. This is the main result of the lack of means to find market for their products. With expansion in range of customers, then the range of products could be increased. But as the situation now stands, the market is narrow. The homeworkers have not the capability of finding it and so the amount and types of products that can be sold are consequently restricted.

The chief item that these homeworkers make is waste paper basket. This is the product which can be sold easily in the present market because of its good demand. The limited market that they enter through this product most in comparison with other products. Out of 14 cases of homeworkers examined, about 11 of them make this product every month producing 158 pieces. The average production per person every month is approximately 24 pieces. This is a high figure when compared with other products listed in Table 7. For other products, less than half of homeworkers concerned produce them, and the average monthly production is less than 60 pieces with the exception of rattan ball: this product is made only by one homemaker producing 100 pieces every month.

In the case of Linen basket only 3 of caneworkers make it every month producing only an average of 3 pieces monthly. This product is made only when there is an order from a customer. This is an expensive item to make and requires more centre cane than other products to complete each. So the homeworkers do not want to spend large amount of material and every working hours on product which they feel lacks customer's demand. Even when there is a customer's order for it, a homeworker runs a risk of the order being cancelled in the last moment when the product has already been completed. Thus loss will be incurred by him as this product is difficult to sell.

Products which can be considered as the next best to the waste paper basket in production, are school bag and market basket.

TABLE 7

**AVERAGE PRODUCTION AND PARTICIPATION
BY HOMEWORKERS**

Products	Average Participation by Homeworkers - Monthly ¹	Average Monthly Production
Waste Paper Basket	11	268 Pieces
Wheel Bag	5	58 "
Desk Tray	2	16 "
Washot Basket	3	22 "
Wash Basket	2	3 "
Wash Ball	1	100 "

¹Source: This is compiled from forms submitted by the blind workers to the Department of Social Welfare Selangor as required by the Department when any Compensatory Allowance is to be given to them. Forms in the first 3 months of 1966 are taken.

²This is the average number of workers producing a product monthly in the past three months. The total number of homeworkers taken into consideration is 14 - as this is the number who had submitted to the Social Welfare Department records of their monthly production. The total number is regarded as sufficient to be representative of the production of the homeworkers in Kuala Lumpur as the number of all homeworkers numbers approximately 30.

about 5 of the homeworkers make school bag every month and about 3 make market basket producing about 58 and 22 pieces respectively every month. Thus the chief 3 products which are made most by the homeworkers are the waste paper basket, school bag and market basket. If comparison is to be made with the items being sold at Kinta Valley workshop, we find that there is similarity as to the best product in the centre cane section. In the workshop and among the homeworkers, the waste paper basket forms the main product in sales. Here the similarity stops. The homeworkers are dwarfed by the wide range of products that the workshop produces and the quantities as to the amount sold. However, comparison such as this is unfair considering the circumstances that exist with the homeworkers. They are their own producers, managers, and sellers and with their blindness, there is nothing much which they can do to reach even 1/5 of the production of the workshop.

Each homemaker produces an assortment of goods every month. Each would have a standard item which he makes monthly. To this type of product he would add one or two other types of different products like school bag and market basket. Thus each time he goes out to sell his products, he would carry a combination of two or three different types of products. It can be a combination of waste paper basket plus market basket or other combination preferred. Some homeworkers would make two or even four combination of different products. At time we can find that only one type of product is made. The combination of different type of products among homeworkers differs. Usually the standard product is waste paper basket, and the most common combination is 2-type combination. The combination of different types depends on the judgement of individual homemaker. This may be influenced by the prospect of sale. Personal preference due to feeling of boredom in making same product every day also plays a part. Certain product is added to a combination when there is a specific order from a customer. On the whole the range of products that the homeworkers prefer to combine is limited to the types listed in the table 7. Other types of products are not considered for lack of ability to sell in view of the limited market that they can manage to find.

The aim of producing a variety of products is to be able to sell as many as possible. To restrict production to only one type would run the risk of not being able to sell anything at all as the homemaker has only one type of product to offer. This is the case in view of the producer's inability to pin-point customers' preferences. Among the homeworkers, production of one type of product is feasible if there are orders before hand or an ability to sell to retailers. As shown in the table 7, one homemaker produces 100 pieces of rattan ball. This product is disposed at a retail shop. But the trouble is that not always there will be orders from customers or willingness of the retailers to purchase from the homeworkers. Therefore products are mainly produced in combination of two or three types. Although the production of one type of product has the advantage of speed and uniformity of raw material requirement which can lower cost, this

any is not usually practised. This is due to the fact that large numbers of homeworkers depend on the public for their sale - the larger combination of products would increase their chances of selling them. So the usual practice is to produce 2 or 3 types of products.

Distribution

These homeworkers find the market by themselves. Kuala Lumpur and Petaling Jaya are the usual places where they depend for the sale of their products. Their main customers can be divided into two parts that is, the retailers and other buyers which include government offices, companies, schools, and other members of the public staying in houses. Some of them prefer to sell their finished products to retailers because they need not have to travel far or incur the trouble of finding customers. The retailers have fixed prices for each type of product that they usually purchase. These prices are lower than those which the retailers re-sell - this is to allow them a certain margin of profit. In some cases, it is the same shop where the homeworkers purchase their raw material requirement. The quality of these products are comparable to those made by the sighted cane-workers in majority of cases.

A number of them prefer to sell their products to the general public. This is because at times, the retailers would not like to take in any more of the products because of sufficient stock, or because by selling straight to the general public, these homeworkers can obtain higher prices. The first reason is generally true but as to obtaining better prices in most cases remains to be seen. The prices for different types of products that they quoted are comparable to those quoted by the retailer shops dealing with rattan products. However, there are some differences among the homeworkers as to these prices. Some have offered a slightly higher prices in view of the expense and the trouble that they have incurred in bringing the products to the customers by themselves. Some have offered lower prices than those available in the shops, as a mean to encourage purchase. Whatever prices they offer, they really have no control over them and the prices vary with each customer. The prices are in the customers' hands. For example, the price for the waste paper basket is \$1.60 each - but the price that they obtain from general public is in most cases, usually less than this. With varying prices, their profit margin tends to vary and generally, towards the lesser amount since prices are not as high as those sold in the rattan shops. This is aggravated by the fact that their volume of sale is not large. In most cases, the customers prefer to have a discount and in this case price has to be lowered if the homeworkers wish to dispose of their products. After having travelled quite a distance to reach these customers, the homeworkers are inclined to give in to these discount prices rather than incur the trouble and expense of carrying these products back home without any income. Their main policy is that as long as there is an ability to make a profit of 20% or 30%, they will accept the price. Such lack of control on prices of their own products denotes the weak position of these homeworkers in their

relation with their present market.

On the average, these homeworkers are able to sell monthly about \$55.00 - \$60.00 worth of rattan products. This figure is the highest. It is only sometimes that they receive such amount. In cases of months where sale is low, then sale will range only between \$35.00 - \$45.00 monthly. With such small amount of income, the standard of living of these homeworkers is low. Depending on economic situation, some of them receive Compensatory Allowance from Social Welfare Department valued at \$25.00 monthly, but this together could not reach near the income of the cane workers of the Kinta Valley Workshop. Thus these homeworkers is in no better position in both the amount of income received and the regularity of such income.

The main difficulty that these people experience and the root of their present condition is the difficulty of finding customers. This problem is faced by all of them, and most, by those who travel and sell their products by themselves. This travelling takes much of their time. In a month they usually go out 4 times; the rest of the month is used in producing their products. From morning till evening they would cover various roads and residential areas in Kuala Lumpur and Petaling Jaya. The initial journey from their houses is made by taxi or bus; former way is preferred if the homemaker carries large amount of products since their bulky size prevents him from boarding the buses. On reaching certain destination, he will then do the travelling on foot. Places are found by asking; no specific area is noted and the usual questions involved the whereabouts of any office, government department, residential area, or factory. These are their customers. Although their customers, as mentioned consist of different sections of market, these homeworkers do not have the knowledge of approaching them. At these places, reception varies. Sometimes, it is favourable and they are able to sell their products. At time, however, in offices they are regarded as nuisances; and with regard to factories they are not allowed to enter the premises without any credential that they are from Malayan Association of the Blind. Here we find that although in these places there exist good market for the products, not much sale is made since the approach taken by the homeworkers in getting sales is a wrong one. At time, just to get rid of them or for a sympathetic feeling, people in offices or commercial establishments would purchase 2 or 3 pieces for their own home use. This way there will not be much sale. In places like these, purchase for the establishment is an official business and involves approval of head of department as this forms part of office expenditure. Thus if any sale were to be made in places like these, it has to be done through a different approach rather than by the method presently employed by the homeworkers. Therefore, in addition to the lack of market, there is also lack of understanding as to the method to be used to obtain sale from the market which they are now in contact with.

The difficulty of finding customers is due mainly to the fact that they are blind. This is worse for those who have

just arrived in Kuala Lumpur from outside states and who are not familiar with the roads and places here. For those who have just been here, there is great limitation as to the number of places that they would be able to visit. In some cases, it is fortunate that there are some fellow homeworkers who are willing to sell for these new comers. Furthermore, in Kuala Lumpur and Petaling Jaya, they have to compete with the sighted caneworkers such as retailers and individuals. These sighted people are in a better position to find market.

If only this difficulty of finding market can be solved, then the condition of the homeworkers can be improved.

II - ESTABLISHMENT OF SALES ORGANISATION

As we have seen in the past pages, the present condition of the homeworkers is due to the difficulty of finding market for the rattan products that they produced. Settlement Grants valued from \$60.00 - \$130.00 which are given to them when they left the Gurney Training Centre are of not much help because this money will be used up within a short time, and then the next source of finance will be from the sale of their rattan products. Thus the real help would be in helping the blind to obtain larger amount of income from this source. This can be done by solving the problem of finding market for their products. Recognising this, the Malayan Association of the Blind has proposed to set up a sales organisation in Kuala Lumpur. This organisation has the main objective of finding market for the homeworkers. The proposed organisation will work this way. It will try to obtain orders and distribute these orders among the homeworkers equally. It will also supply the raw material required to produce the products to fulfil the orders. After collecting the products, it will pay the homeworkers on the spot minus the cost of material, transport or any other cost which the organisation deems necessary. These products will then be delivered to those customers who have ordered them. Thus with the establishment of a sale organisation, the homeworkers will not have to bear the problem of finding market for their product and of financing the raw material requirement. They will become producers only and will be doing their share of production in their own homes.

While the benefit to the homeworkers of the establishment of such workshop is indeed beyond doubt, we have to have some idea as to the extent of the available market which this proposed sale organisation will cater. Besides being a benefit to the homeworkers, this organisation should also be likewise to the Malayan Association of the Blind and not a burden. A market research towards the finding out of the available total market would be an accurate way of gauging the market and the size of their purchase. Here, as an alternative to survey, I have proposed to merely indicate where the market for rattan products lies without going to the extent of finding out the actual size of this market.

The establishment of this sale organisation would try to serve the market which would not be of much difference from the Kinta Valley Workshop. The market which the workshop has already been dealing with can serve as a guide or indication as to the availability of the market here in Selangor or in neighbouring states. In other word, are the types of market that the workshop serves present here? To answer this question, it is necessary at first to know what are the types of market that are being served by

the workshop. With reference to the Table 4 it is noticed that the market can be divided into 4 sections:-

- a) Government Departments
- b) Commercial Departments
- c) Estates
- d) Private Organisations

From the discussion on the 4 sections of the market, it is found that in the Government Departments, the purchasers consist mainly of J.K.R. Ipoh, Ipoh Municipality and also Departments under the Ministry of Defence, and also Mental Hospital in Perak. With regard to commercial departments, the customers consist of retailers in rattan wares, departmental stores and supermarket. The estates are made up of those engaged in rubber, tea and oil palm plantation. Private organisations consist mainly of local organisations like Ipoh Swimming Club and Perak Turf Club.

Having known the various sections of the market, the next step is to find out whether the same thing exists here in Telangor - which the proposed sale organisation is going to serve mainly.

Government Departments: As mentioned earlier, two of the Kinta Valley Workshop's major customers are the Ipoh Municipality and J.K.R. Ipoh. Their requirement being refuse and labour round baskets, which are being used in carrying rubbish etc. Here in Telangor, such baskets are still used by the Municipal workers and J.K.R. workers in such big towns as Kuala Lumpur and Klang. Even if we are to consider only Kuala Lumpur, the requirement would definitely be larger than that of Ipoh which is the chief buyer from the workshop. In addition to this, there are other towns in this state to augment the size of the market. Ministry of Defence made a large purchase of waste paper basket from the workshop; this is for the supply of the arm forces. There are other items besides the waste paper basket which are required by the departments under this Ministry like linen basket. Even if other departments of the government service do not use large number of round cane items, there is definite use for office materials like desk tray and waste paper basket. This can be extended also to other offices outside government service. Hospitals can be another source of market for cane product like linen basket. Thus the departments under the government service can be one of the best market for rattan products.

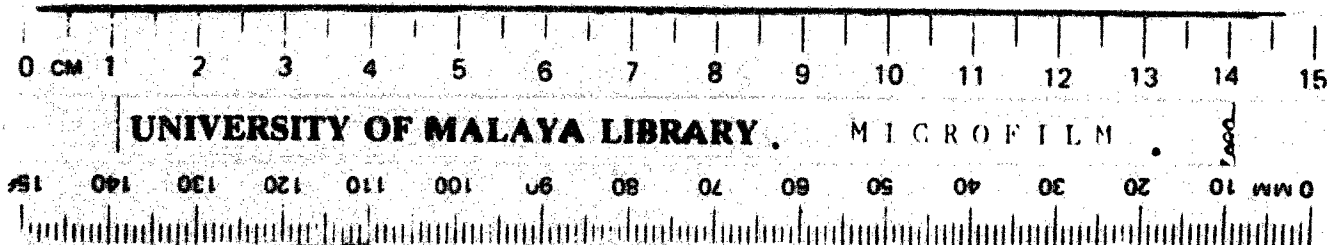
Commercial Organisation: In the discussion about the workshop, we have noticed that retail dealers in rattan products buy large amount of products for resale to their customers. Here in Kuala Lumpur there are rattan dealers which although being a source of competition can also be a very good market for the products of the proposed sale organisation. These retail dealers have their own

customers from which the sale organisation can benefit by being a supplier to these retailers for resale to these customers. Any requirement which the retailers need can be drawn from the organisation. This helps a great deal in distribution and reaching customers which the workshop might not have known. There are large commercial departmental stores like Field Supermarket, Hook Lee & Co. and others dealing in both grocery and textile. Some of them purchase hamper basket from the workshop during the month of December for the Christmas. Besides the Christmas they also cater for other festive seasons such as Chinese New Year. Thus there are also requirement for baskets like cake basket. Sometimes these stores have off-season attraction like having 'Special Offer' which requires certain rattan products to fill in the products offered by them. Big commercial organisations certainly need office products like waste paper baskets and desk trays. Although with regard to these two products, competition from metal desk trays and plastic waste paper basket exists, there is still preference for the rattan waste paper basket.

Estates: In this field, not all estates require extensive use of rattan products. Rubber estates are among this category. Out of 8 estates visited with sizes ranges from 1500 - 8000 acres, not even one has much use of rattan products. The only products used are refuse basket - this is used when weighing rubber sheets and scrap rubber and the requirement for each estate would not amount to more than 2 dozen pieces a year; pangkis are also used in some estates which have to deal with road repair but since road repair does not take place always, the requirement for this product is also low. Requirement in oil palm estates have been indicated by the Koffin Co. Ltd. which have an annual purchase of \$9,000.00 worth of round cane products of various types including labour round basket, pangkis and refuse basket of different sizes. However, it must be reminded that not all oil-palm estates have similar requirement - Sukit Raja Oil Palm Estate near Klang have had no use at all of rattan products. With regard to tea plantation, the need is chiefly on plucking baskets which are used in carrying tea leaves. Thus we find that requirement in some types of estates is low and in some types is high. What is plain to us is that in this state and in neighbouring estates, there are many extensive estates of types mentioned. Even though their requirement may be centred to two or 3 types of products, the overall size of this requirement is definitely going to be large, for all the estates added.

The market for rattan is not limited to those discussed above only. Private organisations or clubs dealing with recreational activities are present in Selangor. Items like school bags are still used by school children; in face of competition from other types of bags made from other materials. Market baskets have ready market among house wives and small decorative items like miniature elephant, monkey and cat made of rattan can be of attraction to tourists for souvenirs.

Thus we find that the market that existed for the workshop in Kinta Valley can also be found here in Selangor. Therefore, the proposed sale organisation can really look forward to serve this market both for the benefit of the homeworkers and the Malayan Association of the Blind.

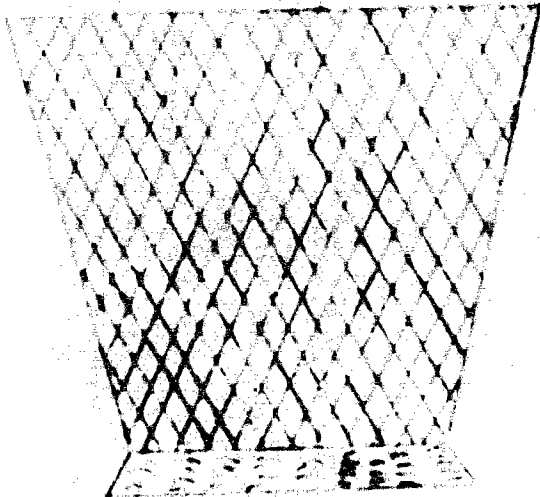


APPENDIX

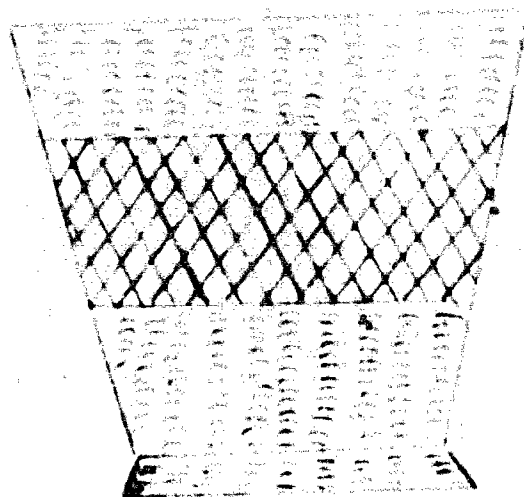
Diagram I

Waste Paper Basket

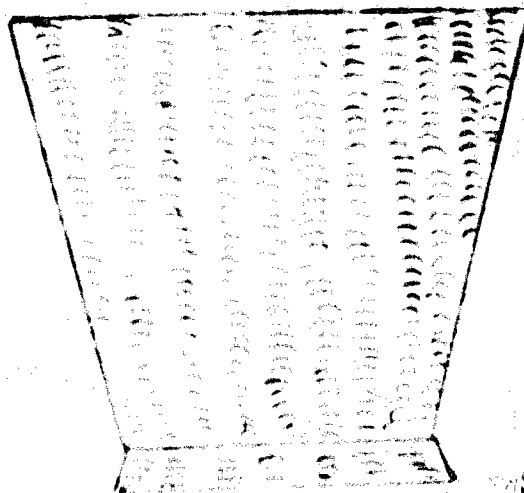
Open - Type



Half Open Type

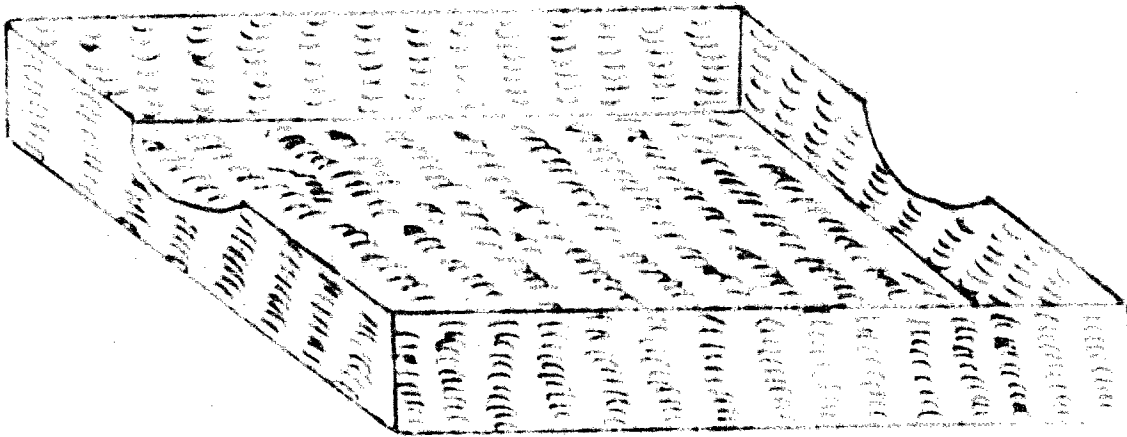


Close Type

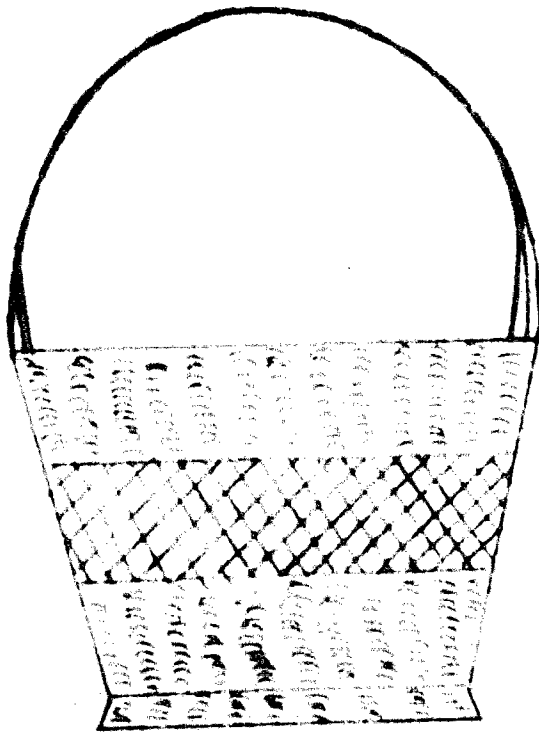


Scale 0.2":1"

Diagram 2

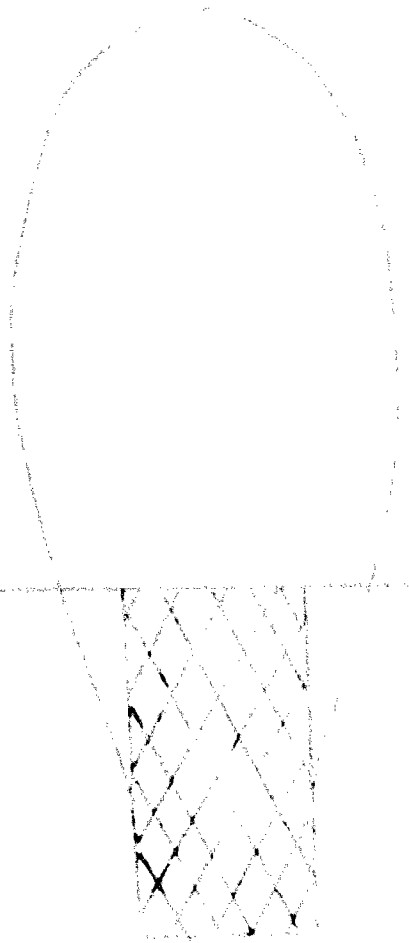


Desk Tray



Market
Basket

Scale 0.2" : 1"



Flower
Basket

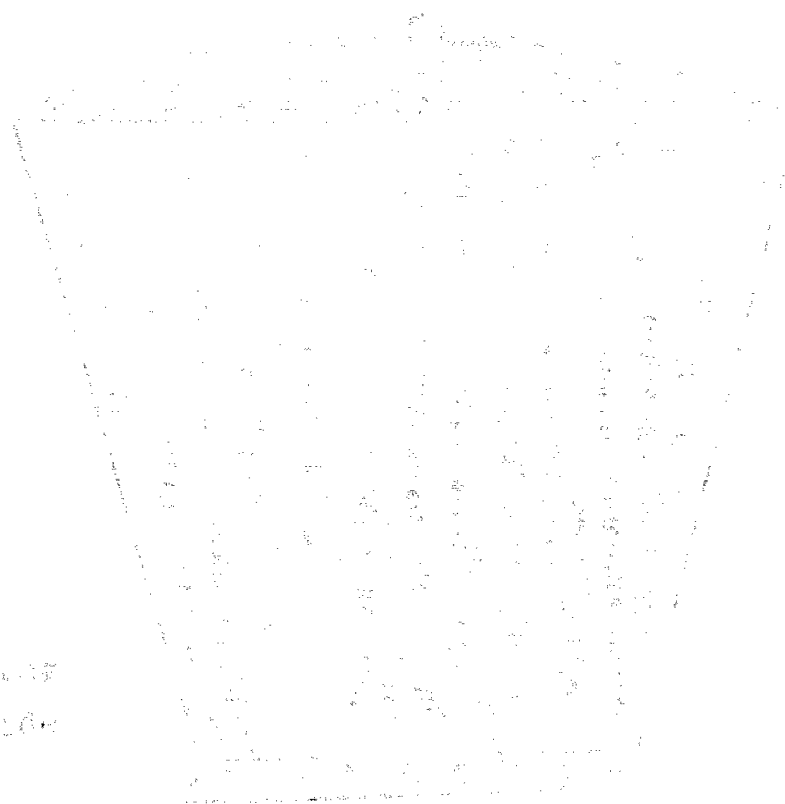


Sewing
Basket

Scale 1/2" = 1"

Page 4

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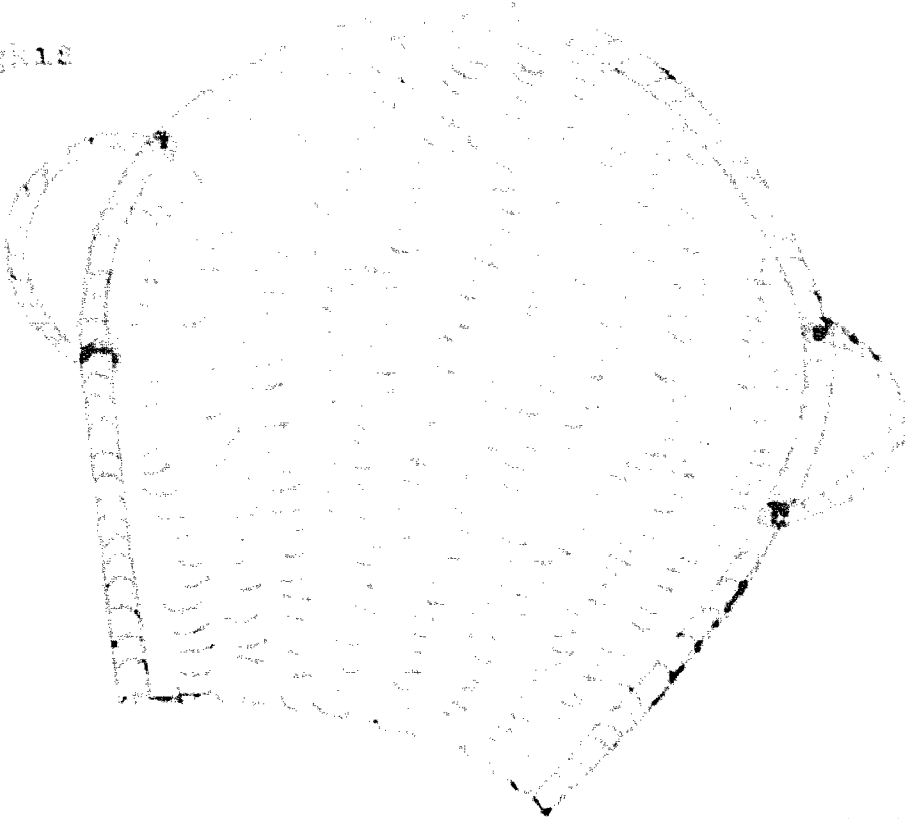
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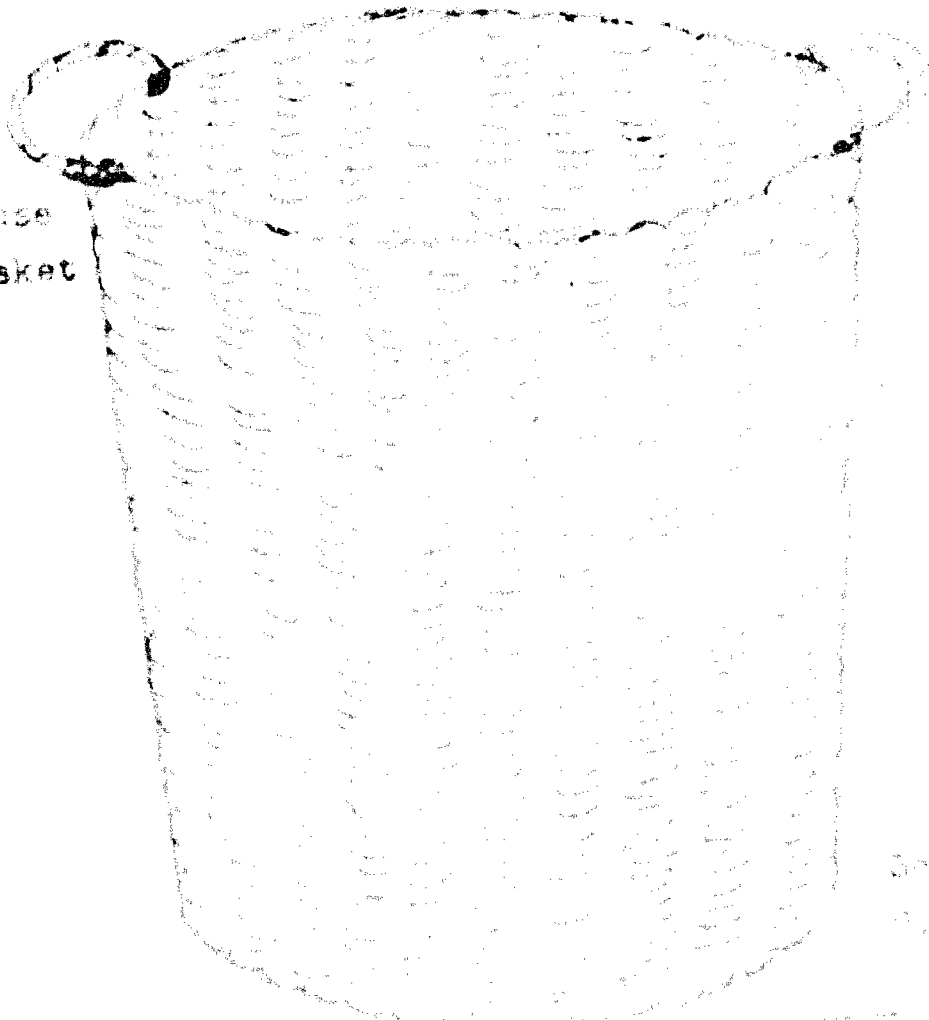
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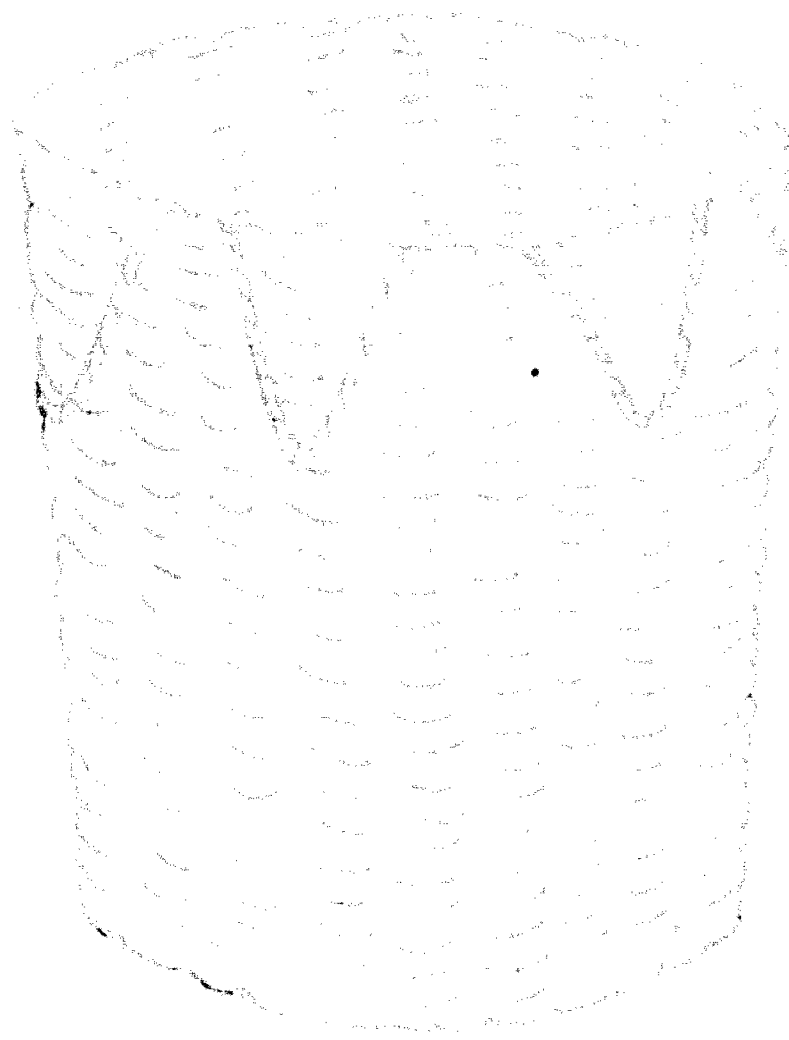
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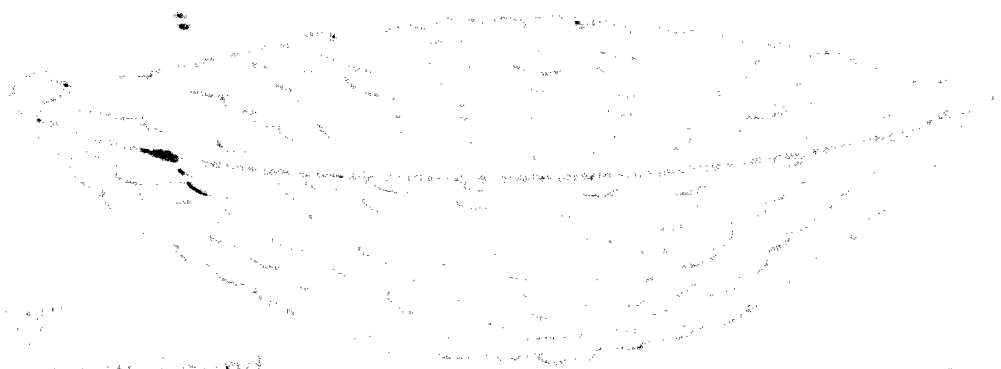
refuse
basket



3001-



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about round

scale 1/2 inch

about

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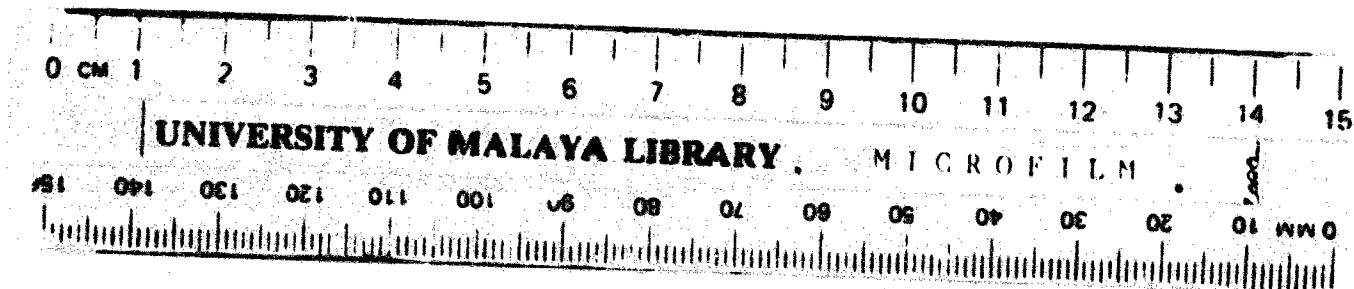
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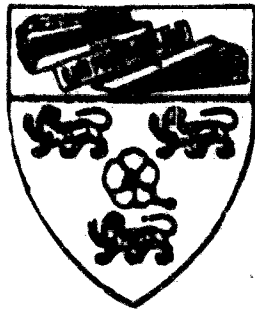
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