

Federal Democratic Republic of Ethiopia

**Policy Dialogue on Industrial Development
in Ethiopia (Phase 2)
Study on Implementation Support of
‘Champion Product Approach’
Final Report**

March, 2014

Japan International Cooperation Agency

(JICA)

Foundation for Advanced Studies on

International Development

(FASID)

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Exchange Rate

1.00 Ethiopian Birr (ETB) = 5.31 JPY

1.00 USD = 102.80 JPY

Calculated by OANDA Currency Converter (<http://www.oanda.com>) on 29th January 2014.

Abbreviations

6 th ECITF	6 th Ethio Chamber International Trade Fair
ACCSA	Addis Ababa Chamber of Commerce and Sectoral Associations
AGOA	African Growth and Opportunity Act
APIDD	Agro Processing Industry Development Directorate (Ethiopia)
CAWEE	Centre for African Women Economic Empowerment
CP	Champion Product
CPA	Champion Product Approach
DFID	Department for International Development (UK government department)
EC	e-commerce (trading by inter-net)
ECCSA	Ethiopian Chamber of Commerce and Sectoral Associations
ECEA	Ethiopian Coffee Exporters Association
ECF	The Ethiopian Competitiveness Facility
EIFICCOS	Ethio-International Footwear Cluster Cooperative Society
EKI	Ethiopian Kaizen Institute
ELICO	Ethio Leather Industry PLC
ETB	Ethiopian Birr (Ethiopian currency)
ETV	Ethiopian Television
FASID	Foundation for Advanced Studies on International Development (a consulting company in Japan)
FeMSEDA	Federal Micro & Small Enterprises Development Agency (Ethiopia)
GRIPS	National Graduate Institute for Policy Studies
IP	Item Presentation
JATA	Japan Association of Travel Agents
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
LIDI	Leather Industry Development Institute (Ethiopia)
MOCT	Ministry of Culture and Tourism (Ethiopia)
MOFA	Ministry of Foreign Affairs (Ethiopia)
MOI	Ministry of Industry (Ethiopia)
MOM	Ministry of Mines (Ethiopia)
MOT	Ministry of Trade (Ethiopia)
OVOP	One Village One Product
PP	Point Presentation
PR	Public Relations
SCAJ	Specialty Coffee Association Japan
SKU	Stock Keeping Unit
SNS	Social Networking Service
TICAD	Tokyo International Conference for African Development
TIDI	Textile Industry Development Institute (Ethiopia)
VMD	Visual Merchandising
VP	Visual Presentation

Introduction: Overview of the study

0.1 About the Champion Product Approach

0.1.1 Background and objective of the Champion Product Approach

Despite Ethiopia's current high GDP growth rate, its secondary industries, especially the manufacturing industry, have suffered low growth. In addition, the vulnerable private sector has been recognized as an obstacle to foreign and domestic investments and to promoting exports. To overcome these problems and achieve further industrial development, the Ethiopian government has expressed an interest in Asia's industrial development experience, and has exchanged policy dialogue with JICA on industrial development policy and strategies since 2009. The purpose of this dialogue is to build up the capacity of the Ethiopian industry by studying Asian countries' actions.

The participants in the dialogue pointed out problems in the industrial policies in Ethiopia. These include "focusing on the speed over quality," "a lack of consensus among stakeholders, including the private sector," "a weak consideration of needs of demand side," and "a lack of high-level, cross sectional policy adjustment mechanism." In this context, in the first policy dialogue meeting held in January 2012, the Japanese mission proposed the demand-and-customer-oriented Champion Product Approach (CPA) to boost Ethiopia's export and enhance industry. The CPA is an experimental approach "to discover 'champion products' that embody the uniqueness of the Ethiopian culture and historical background, and are of the highest quality; and to promote these products in overseas premium markets." It is expected to improve the image of Ethiopia and contribute to increasing exports. The CPA attracted attention from Ethiopian officials in the first policy dialogue meeting. In July 2012, the same week as the second policy dialogue meeting, JICA co-organized a "Champion Product Seminar" with MOI and the ACCSA in Addis Ababa. This seminar introduced the CPA, explained the potential of Ethiopian products based on policy dialogue members' preliminary research, and discussed future tasks for the CPA. A growing interest in the CPA in public and private sectors resulted in its experimental use as a follow-up to industrial policy dialogue meetings. In December 2012, the task force, organized primarily by MOI, has considered the implementation of this approach. JICA supported it through the Study on Implementation Support of CPA between 2013 and March 2014. This final report, therefore, aims at reporting the activities done in Ethiopia and Japan, analyzing the results of the Study with issues and providing the recommendation for CPA full implementation.

0.1.2 Champion Product Approach in the big picture of export promotion approaches

Before reporting on the project study activities, this section discusses the position of the CPA in the big picture of export promotion approaches.

0.1.2.1 Framework of export promotion initiatives

In general, the export promotion initiatives of governments and their related organizations are categorized as shown below.

Figure 1: Framework of export promotion initiatives

	Category	Target	Examples of Supports
Up- stream Down- stream	Improving Enable Environment	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Developing a market information services Developing certified export advisors Optimizing custom procedures Improving the access for financial services
	Raising Awareness	<ul style="list-style-type: none"> Non-Intender 	<ul style="list-style-type: none"> Organizing seminars on general understanding and benefits of export (e.g. by introducing successful cases) Providing information on export promotion supports available
	Building Export Readiness	<ul style="list-style-type: none"> Intender New Exporter 	<ul style="list-style-type: none"> Providing financial support/ technical assistance to improve production management Providing financial support/technical assistance to comply with certifications required by importing countries
	Identifying Sales Opportunities	<ul style="list-style-type: none"> Intender New Exporter Experienced Exporter 	<ul style="list-style-type: none"> Providing financial support to participate in trade shows Sending/receiving trade missions Setting up and running a show room
	Closing Export Deals	<ul style="list-style-type: none"> Intender New Exporter 	<ul style="list-style-type: none"> Providing technical support on business talks Providing learning opportunities on export procedures
	Export		

Source : Prepared by FAISD based on Nathan Associates Inc(2007)

0.1.2.1.1 Improving enabling environment

“Improving enabling environment” removes domestic impediments or constraints for export and facilitates export. Developing a market information function in export promotion organization, reforming custom procedures, and improving the access for financial services all fall under this category.

0.1.2.1.2 Raising awareness

“Raising awareness” refers to awareness of the benefits of exporting and a general understanding of exporting as a means of making non-intenders into intenders. This includes seminars on general understanding and benefits of export (e.g., by introducing successful cases) and information on available export promotion supports.

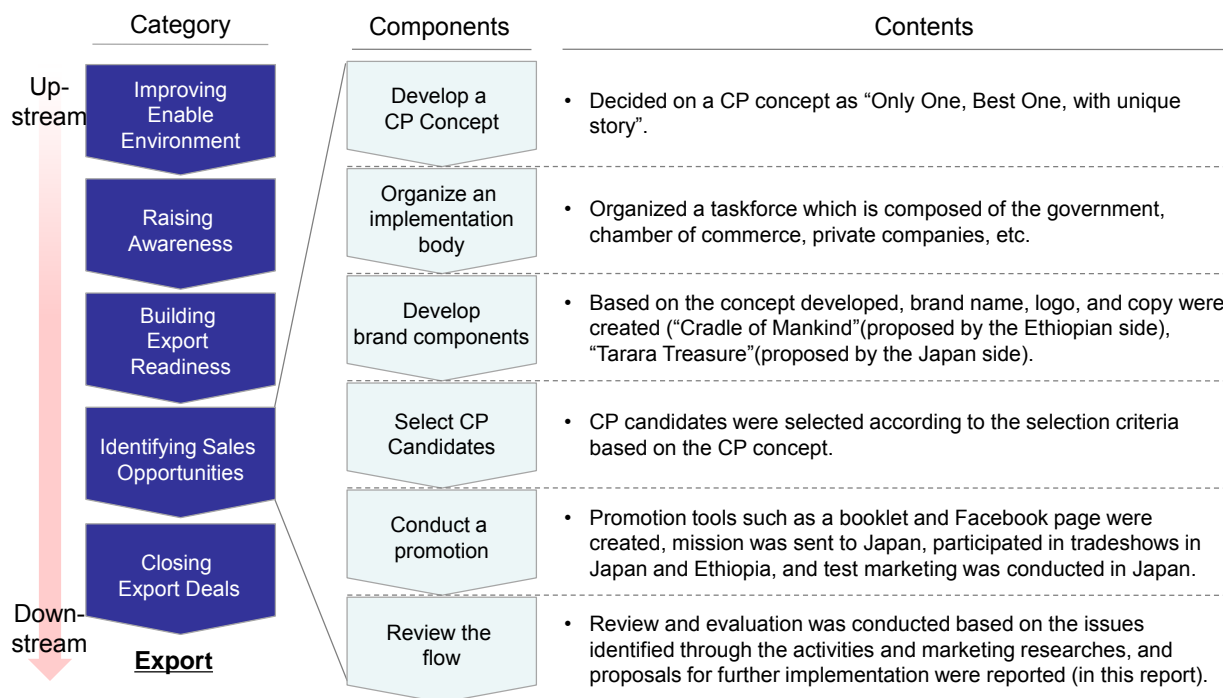
0.1.2.1.3 Building export readiness

“Building export readiness” provides learning opportunities for intenders and new exporters to acquire the knowledge and skills so that they can be an experiences exporters. Providing financial support and technical assistance to improve production management or to comply with certifications required by importing countries falls under this category.

0.1.2.1.4 Identifying sales opportunities

“Identifying sales opportunities” helps intenders, new exporters, and experienced exporters to promote their products to buyers, and support matching between exporters and buyers. Participation in trade fairs and trade missions and setting up and running a show room are major examples of this category.

Figure 3: Components of the CPA implementation in 2013



Source: Prepared by FASID

As shown in the figure above, the CPA is an initiative of identifying sales opportunities. That is, the CPA’s purpose is neither improving the enabling environment, nor raising awareness, nor building export readiness, nor closing export deals.

Also, the figure above shows an important difference between the CPA and ordinary support for identifying sales opportunities. This is because the CPA aims to develop an overarching group brand of Ethiopian products, and the improvement of the country’s image through an integrated promotion under this brand. The CPA does promote individual companies’ products, but its focus on the country’s image is a public good. Even companies not selected as CP will benefit from the CPA.¹

¹ In Japan, there is a similar initiative to support selected companies to export products in foreign markets. However, this initiative supports individual companies separately, and does not support a group brand such as a sector brand or country brand.

0.2 Overview of the Project Study

0.2.1 Purpose of This Project Study

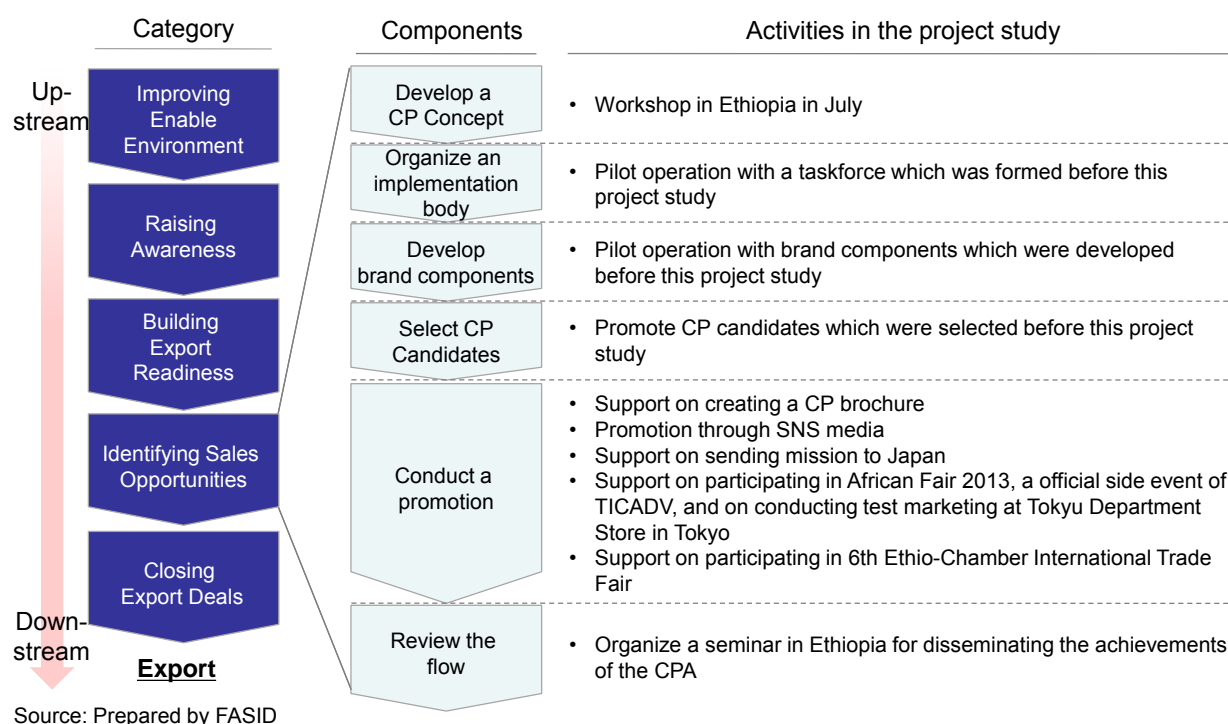
This project study is meant to support the institutionalization of the CPA by MOI, ECCSA, and private companies, and to support mid/long-term export promotions' development and institutionalization. Also, the project study aims to develop the CPA as an export promotion approach applicable to other developing countries. More specifically, it aims:

- (1) To conduct pilot implementation of the CPA
- (2) To facilitate public-private partnership in Ethiopia
- (3) To improve the country's image of Ethiopia through promoting CP at a TICAD V side event (African Fair 2013) and other promotion channels
- (4) To facilitate cooperation with Japanese companies
- (5) To conceptualize the CPA

0.2.2 Overview of the Activities

To achieve these purposes, the project study performed the following activities:

Figure 4: Activities of the project study



Chapter 1 reports the details of these activities.

Chapter 1 Activities in the Project Study

Activities, Survey and Follow-up of Tokyo Events from May to July 2013—

[Trade Fair] TICAD V Side Event in African Fair2013

[Test marketing] Africa is Beautiful!

Trade Fair and Survey in Ethiopia from October to December 2013—

[Trade Fair] 6th Ethio Chamber International Trade Fair

[Preliminary/basic survey for branding] DENTSU mission

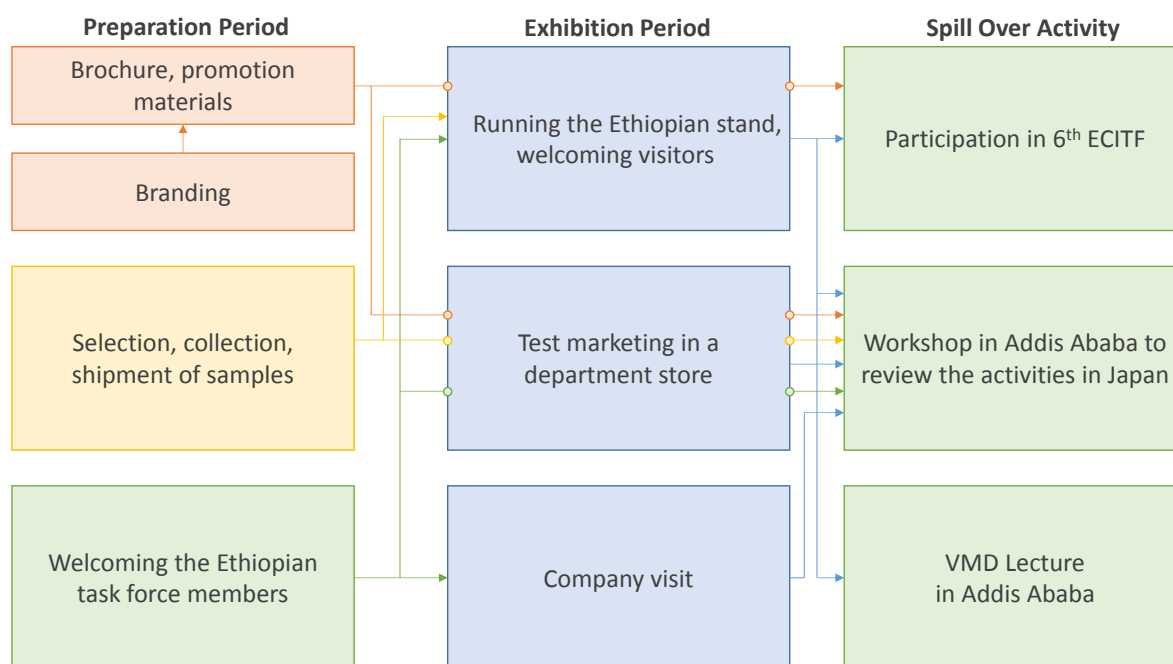
**[Stakeholder Analysis] Interviews with ministries and its related organization, and
sectoral associations**

[Trade Fair] TICAD V Side Event in African Fair 2013

1.0 Outline of Activities at the African Fair

The following activities were organized in preparation for the exhibition at African Fair 2013.

Figure 5: Outline of activities for exhibition at African Fair



1.1 Production of a brochure for the African Fair

(Appendix 2 Tarara Treasure brochure)

1.1.1 Support for listing sectors and companies

At the start of project study work in May, the task force members in Ethiopia had already selected exhibitor companies² within four sectors (textile, opal jewelry, processed agricultural products, and tourism). A brochure was produced based on this selection for promotion. The task force and its subcommittee inspected the selected companies in reference to the field survey conducted by JICA since 2012 (Appendix 1: Brief Report on Company Visits). Also, a questionnaire survey to company executives tested the companies' philosophy, sociality, and previous experience trading with overseas counterparts. At this time, no company was selected in the tourism sector.

² Total 11 companies, i.e.: textile = MUYA Ethiopia, Sabahar, Trio Craft, YeFikir Design, opal jewelry = Salem's Design, Entoto Beth Artisan, Orbit Ethiopia, processed agricultural products = Beza Mar Agro Industry, Ecopia, Terra, Ethiopian Spice Extraction Factory

1.1.2 Cooperation and support for publication of the brochure

Brand name and brand logo: In this project study, the brand name “Tarara Treasure” and its logo mark are used.

Figure 6: Ethiopia CP brand logo “Tarara Treasure”



Tarara means “high mountains” in Amharic. Addis Ababa, the capital, lies at an altitude of 2,400 meters. The name “Tarara Treasure” and strong image of “highland” conveys the message of sending treasures from the country. The cover page of the brochure entails the concept of “Ethiopia with mountains with a height above 4,000 meters (Tarara),” and explains that “many pieces of treasure have been manufactured from good quality materials nurtured under its harsh climatic conditions.”

At the time when a decision was made to apply this logo, national staffs at JICA Ethiopia Office pointed out that the spelling and phonetics of “Tarara” would be incomprehensible to Ethiopians and that it should be spelled “Terara.” However, “Tarara” was decided to be used as it has a sense of rhythm reminiscent of a tune of a song, and eventually attendees at the meeting agreed to “Tarara.”

In October 2013, as the JICA Ethiopia Office produced this brochure in English for the Ethiopian trade fair, its staff again raised this issue. However, “Tarara” was again the favorite due to its good sound, its use for nearly a half year, and the spreading brand awareness due to promotion activities through SNS such as Facebook. Indeed, this logo is expected to be in use on a tentative basis during the period of this project, not a long-term basis: this was also the reason behind the agreement.

On the other hand, Mr. Jacques Dubois from MUYA Ethiopia proposed a logo type and a logo mark that embody a copy of the Cradle of Mankind, now being applied in the publications of the MOCT.

However, the purpose of this brochure and exhibitions at African Fair was to change the conventional, rather negative, image of Ethiopia prevailing in Japan, through introduction of high-quality, unique Ethiopian products. The JICA Headquarters considered that the “Tarara Treasure” logo would be more appropriate as its design, since it gives a completely new image for the Japanese market, and “Tarara Treasure” was adopted as a champion product brand name. The brochure’s design motif shall reflect the vision of “Tarara Treasure.”

Figure 7: African Fair 2013: Ethiopia booth logo “Cradle of Mankind”



It should be noted, however, that the logo proposed by Mr. Dubois is also attractive. In order to survey the response of Japanese consumers to them, both of these two logos were arranged to be in the booth. The Cradle of Mankind logo would be in the booth of the Federal Democratic Republic of Ethiopia, while the Tarara Treasure brand logo would be used on champion products therein. At the same time, a space was allocated in the brochure to introduce these Ethiopia booth logos at the African Fair exhibition. During the African Fair, a questionnaire survey was conducted among visitors to identify which logo should be used in the future on champion products.

Editorial principles for production of the brochure: The purposes of the brochure are to provide information about 11 participating companies, to highlight four sectors with potential in the Japanese market (textiles, opal jewelry, processed agricultural products, and tourism) and to depict an image of Ethiopia. For most Japanese consumers, Ethiopia is simply an African nation. Its historical and cultural background is not known. Detailed information about each company alone may not help the Japanese build an image of Ethiopia. In this context, we drew up a set of editorial principles to convey the overall image of the country by fostering understanding of the features, historical background and social significance of four major Ethiopian sectors. To this end, the title page spread displays craftsmanship and informs consumers of the attractive features of the product. The following page on explains the foundations of Ethiopia, its cultural background, and job creation within its industries and comments on its various major industrial sectors. The layout is a two-page spread, with large headline text followed by commentary and image photos: underneath, side-by-side square box sections, 75mm x 75mm, introduce each company. This page composition makes it fairly easy to make changes should the selected company be replaced with another one in the future. Following the introduction of each sector, one page gave a commentary on the origin and the concept of the champion product.

Visitors to the African Fair 2013 gave this brochure a good response. They found it useful because it included all participating companies' information. On the other hand, it was difficult to know how the visitors regarded Ethiopia after reading the brochure.

Figure 8: Tarara Treasure brochure basic layout (B5 4C/4C 16P)



Collection of data and photo materials: Manuscript preparation for the brochure used interview sheets the JICA provided for the task force members in their meeting with each company. In addition, the following materials were searched and some were used: a one-page summary of each company based on the project study in the previous policy dialogues; information on the website of each company (extract); “Handcraft of Ethiopia,” a book written by Mr. Dubois; “ADDIS LIFE,” several journals published in Ethiopia; books published in Japan; and scholarly literature available on the Internet and/or accessible through Google Scholar.

1.1.3 Potential Champion Product Companies listed

Most of the 11 companies in the brochure went on to participate in the 6th Ethio Chamber International Trade Fair described in 1.9, organized in Addis Ababa in November and December 2013. We would like to introduce these 11 companies here. Selection was made in reference to the result of the visit to the companies by the task force members as well as the results from the questionnaire survey among company executives with a focus on the following four issues:

- (1) Capacity (in terms of production and vision);
- (2) Export experience;
- (3) Capacity/flexibility to respond to export demands; and
- (4) Marketing/promotional tools/materials

Table 1: Rating table from the visit to the companies by the task force members

No.	Company	Criteria for Rating	Rating Scales			
			Excellent	Very Good	Good	Average
I. Orbit		1.	X			
		2.			X	
		3.	X			
		4.				X
II. Sabahar		1.		X		
		2.	X			
		3.		X		
		4.	X			
III. Entoto Beth Artisan		1.	X			
		2.			X	
		3.		X		
		4.			X	
IV. MU YA Ethiopia		1.	X			
		2.		X		
		3.	X			
		4.	X			
V. Salem's Design		1.		X		
		2.			X	
		3.		X		
		4.			X	
VI. YeFikir Design		1.		X		
		2.			X	
		3.		X		
		4.		X		
VII. Trio-craft		1.		X		
		2.		X		
		3.		X		
		4.		X		

(extract from Appendix 1: Brief Report on Company Visits)

11 companies listed in the brochure are as follows:

(1) Sabahar: An atelier set up in 2004 by Ms. Kathy, a Canadian with NGO work experience. It makes cotton and silk products. It uses only cotton grown in Ethiopia and Ethiopian Eri silk but imports Mulberry silk from India. Eri silk requires spinning and therefore creates more jobs than Mulberry silk. In Ethiopia, spinning a thread is traditionally a woman's job. Sabahar claims 50 regular female employees inside, and 70-80 part-time female workers. Weaving is a man's job and there are 50-70 male workers. The company weaves three scarves or one tablecloth in a day. However, it takes two days to warm the loom. It exports 50% of their products and sell the other 50% at the gallery within the premises, and would like to raise the proportion of exports. While a product differentiation strategy focused on the design of the product would

be difficult to apply in Europe, it is difficult to maintain quality levels in Ethiopia. Therefore, the company uses designs that are simple and often outsourced. Once well-known Italian designer provided Sabahar designs.



Picture 1: Gallery within Sabahar.



**Picture 2: Weavers working in Sabahar.
The line on the ground is one of the results
of KAIZEN.**

(2) MUYA Ethiopia: Sells hand-woven cotton fabrics such as cotton gauze and handmade, modern ceramics. Female weavers and spinners with low social status³ and ceramic artists are its core production workers. It offers various training programs for technical and quality improvement. An Ethiopian designer, French interior decorator and Sudanese-Greek engineer jointly run the business. They set up a partnership in 2005, having worked together in production of large banners in traditional fabrics to decorate the arrival and departure lobbies at Addis Ababa airport. MUYA means occupation or talent in Amharic. They make and export various textile products, such as stole and cushion covers, and ceramic interior decoration items to France, Austria and to the United States. The interior decorator, Mr. Dubois, was in charge of the design and construction of the Ethiopia booth at Osaka Expo in 1970.



**Picture 3: Gallery within the MUYA
Ethiopia atelier**



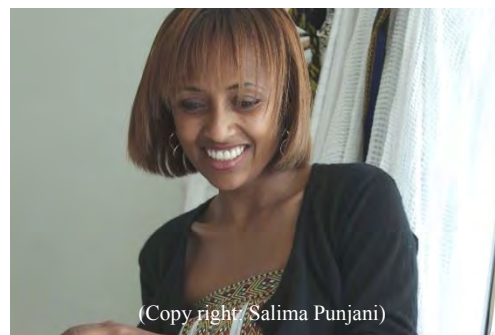
**Picture 4: Weavers working in the
MUYA Ethiopia atelier**

³ Although weaving is considered a man's job in Ethiopia, MUYA Ethiopia trains women.

(3) YeFikir Design: Uses the Ethiopia’s own cotton gauze materials and adopts colorful hand-woven textile patterns to design, make and to sell modern and traditional dresses and fashion items. It tries to make as much use as possible of natural dyes and geometric pattern fabrics called “Tilet” used traditionally for Ethiopian costumes. Each pattern has its own meaning or represents a story. Mrs. Fikerte, the owner/designer, used to be a researcher in child psychology. She happened to study problems of children with parents working in the hand-woven industry under harsh conditions. She participated a show in Paris and NY ethical fashion week. Her items were featured in Ethiopian Airlines’ in-flight magazine (2012 winter edition) and she attracts wide attention as a budding designer.



Picture 5: Traditional geometric pattern called as Tilet



Picture 6: Mrs. Fikerte, Owner and designer

(4) Trio-craft: Sells interior textiles, including curtains, rags and cushion covers, with designs and in colors inspired by Ethiopian traditional designs. A factory was set up in Kenya when the husband of the owner was transferred to Kenya. The company supplies interior textiles such as cushion covers and table runners to Serena Hotel, a luxury hotel in Kenya. Thereafter, the owner returned to Ethiopia. Now, the company tailor-makes products for foreigners in Ethiopia and for export. The main material is cotton. Every item is hand-woven at the factory.

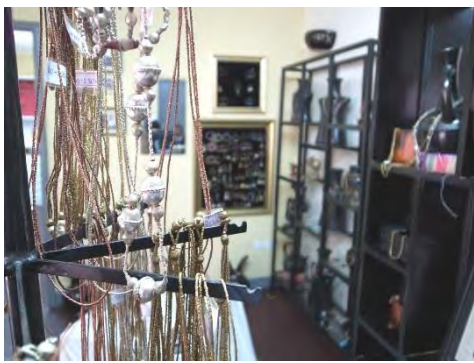


Picture 7: Trio Craft cushion covers



Picture 8: Trio Craft carpets

(5) Entoto Beth Artisan: Makes necklaces, bracelets and other accessory items, using recycled metals such as bullets. HIV/AIDS infected people came together at Entoto Beza Church where, according to legend, there was a holy water to cure the disease, and an NGO started making accessories so that the patients could earn a living. The NGO has been profitable. More than 100 women work at the factory to make, control, and ship products. They recycle bullets used in the conflicts—most often found near the border with Eritrea—into metal beads and make accessories with these beads. They use three materials: brass, silver-plated nickel and copper. The purchase price depends on the weight of the beads used. Entoto Beth Artisan ships to major fair trade shops in the United States and sometimes takes client requests for a particular design.



Picture 9: Gallery within the Entoto Beth Artisan atelier



Picture 10: Women working in the Entoto Beth Artisan atelier

(6) Orbit Ethiopia: Mr. Tewodros, who came to Japan for the African Fair, manages this gemstone polishing company. In addition to its main offering, opal, it treats 20 other kinds of gemstones. Chocolate opal was discovered 20 years ago and since then the share of Ethiopian opal in the world market had increased to 30% in 2008. Its price is approximately one-third that of equivalent Australian opal but it is thick enough to be cut in various designs. On his flight to Hong Kong 13 years ago, the person sitting next to Mr. Tewodros told him about Ethiopian opal and he began his jewelry business. Now he has 30 employees, including gemstone polishers. He has purchased a new gemstone polishing machine and plans to increase his workforce to 70 people. He uses VMD in his in-house gallery, after learning it from a Japanese specialist of the CPA study team⁴ in exhibition display, during his visit to Japan.

⁴ Group of consultants and specialists organized for this project study.



Picture 11: Orbit Ethiopia employees polishing gemstones



Picture 12: Orbit Ethiopia in-house gallery

(7) Salem’s Design: Ms. Salem, one of the owners, first sold two handmade necklaces to her friends seven years ago. Thereafter, her products became popular among tourists, foreigners living in Ethiopia and the Ethiopian people for their sophisticated designs and quality materials. Salem’s Design has been expanding rapidly from jewelry to home accessories and gifts. Its products have expanded from Addis Ababa to the foreign market. It now has 70 employees, including 30 weavers and 37 women weaving baskets at home or other places. The latter bring their products to the company every Friday. Ms. Salem gets tips on gallery display from the display of the shops in the United States and Europe when she goes there as well as from the Internet.



Picture 13: Gallery of Salem’s Design



Picture 14: Earrings of Salem’s Design

(8) Beza Mar Agro Industry: Produces and sells various kinds of honey, including coffee honey, creamed honey and forest honey. It also purifies and exports bee wax. It started to produce honey in 2003 and exported its product for the first time from Ethiopia to Europe in 2006. In 2010 it sold one thousand 270g bottles in the United States for \$ 5-7 each. Beeswax is also being for \$6.5 per kilo. The company has already obtained the organic and fair-trade certification in Germany. THE BODY SHOP also uses its products as “social” raw materials. More than 7000 species of flowering plants are in Ethiopia and there is great potential for production of unique kinds of honey. Some types are known for their healing properties. An overwhelming majority of inquiries from Japan are about coffee honey. Quantities of coffee honey being

produced are very limited and there is also a high demand for this product in other countries. Its supply therefore lags demand.



Picture 15: Mr. Haile, Beza Mar Agro Industry's owner.

He established a producers' association of honey and bee wax.



Picture 16: Samples of Beza Mar Agro Industry (honey and bee wax)

(9) Ecopia: Makes and sells completely additive/color free, organic food and cosmetic items. Dr. Mitstal, an Ethiopian from Germany with a doctorate in chemistry, founded the company. Previously she worked at the United Nations, granting permission for the import of industrial drugs. She discovered that pectin, a chemical compound necessary for making jams, could be replaced with an indigenous plant of Ethiopia. She made use of her discovery and started making and selling organic jams. Besides jams, the company sells other organic items with Ethiopian ingredients, including dried tomatoes (popular among foreigners in Ethiopia), face cream made from mescal flowers (Calla Lily, symbolic flower of Ethiopia. The cream ensures effective protection of people with albinism); and moringa powder (a dietary supplement with moringa extract. It contains a host of nutrients with a good nutrient balance).



Picture 17: Ecopia's atelier



Picture 18: Examples of Ecopia products (cream, massage oil, soap etc.)

(10) Terra: Produces many damask roses. They have a more elegant fragrance than other roses and are recognized as such. Work has been underway to increase yields from cultivation. Terra produces essential oils from this rose, chamomile, lavender and geranium. It also produces damask rose water and dried petals.



Picture 19: Terra products (essential oil, dried flower)



Picture 20: Cultivated Damask roses

(11) Ethiopian Spice Extraction Factory: Produces various types of spices, including gingers, a natural kosher pectin, and frankincense, which exudes as a milk a juice that hardens on exposure to air. African ginger is highly popular overseas as it has a stronger flavor and a more intense taste than Asian ginger and gives a stronger boost. The Ethiopia Spice Extraction Factory exports dried and sliced African ginger to Europe and India.



Picture 21: Ethiopian Spice Extraction Factory's Products (ginger oil, ginger oleoresin)



Picture 22: Ethiopian Spice Extraction Factory's Products (dried ginger)

1.1.4 Achievements and Challenges

This brochure was distributed in the African Fair 2013 which took place in the Pacifico Yokohama for four days from May 28 to June 2 in 2013. Headquarters anticipated distribution of 1000 copies, but the number turned out to be higher: 450 copies had been distributed by the end of the first day. An additional 800 copies had also been passed out before the end of the event. It therefore appears that the brochure was an efficient dissemination of champion products and an appealing Ethiopian image. However, there were various

limitations in the brochure's production. Resource materials collected were far from enough to prepare a manuscript for each page, due to time constraints. In particular, literature available in Japan was limited when trying to write the background of the Ethiopian industries. The website of each company and some of the interview sheets collected by task force members did prove to be useful.

Photo quality needed to be high. We were fortunate to have photo materials supplied by C62 Media, a media production company in Ethiopia which produces "ADDIS LIFE," and by Ms. Salima Punjani, an Ethiopian photographer and marketing director of YeFikir Design, one of the exhibitor companies. Their photos were excellent, conveying an Ethiopian atmosphere and champion products' quality, uniqueness, and craftsmanship. Future promotions of CPA should consider a budget and schedule for local photo shooting and editorial guidelines for stock photos.

Photo quality also dictates readers' first impression of a company. Product photo selection became an issue this time due to photo resolution. Resolution should be 350 pixels per inch for printed material and 72⁵ for a website. This knowledge of resolution is necessary for those responsible for sales promotion in each company. Online image editing software (e.g., PIXLR <http://pixlr.com/>) can confirm or reduce the resolution of a particular photo without using expensive applications such as Adobe Photoshop. Such software should therefore be shared.

⁵ 1 inch = 2.54 cm

1.2 Public relations activities through SNS

1.2.1 Media selection and drafting a site concept

To select a Japanese website to be created and operated for this project study, from a cost standpoint, we focused on comparing three major free SNS: Facebook, Google+ and Twitter. We chose Facebook for efficacy.

Figure 9: Comparison among major SNS media

	Facebook	Google+	Twitter
Effectiveness	⊙ Many information can be post, and a lot of users	✕ Many information can be post, but not so many users currently	✕ A lot of users, but information to be post is limited
Easiness of updates	○ No special skill is necessary	○ No special skill is necessary	⊙ No special skill is necessary, easy to update like short message
Easiness of Analysis	○ Analysis tool is provided	○ Analysis tool is provided	✕ Necessary to add analysis tool
Cost	○ Free	○ Free	○ Free
Easiness of Maintenance in Ethiopia	○	○	○

Source: Prepared by FASID

The site concept was set, as follows:

Figure 10: Facebook page concept

Why	In order to promote CP to buyers and consumers
Who	To Japanese buyers and consumers as target
When	During the period of project study
Where	Through Facebook page
What	Not only introduce CP, but also posting articles with stories which will arouse audiences' interest in this export promotion approach in Ethiopia
How	where necessary, refer to initiatives in Japan which use Facebook page to promote products in the community

Source: Prepared by FASID

1.2.2 Management of the Facebook page

In accordance with the aforementioned site concept, to make sure contents on the Facebook page would evoke empathy, make readers cheer for the project, and motivate purchase and sharing with friends, we decided not only to post the basic information about products and companies but also the background information, e.g., the history and culture of Ethiopia, the current situation and challenges it faces, how the product came about, and information on the production process.

Figure 11: Examples of information to be posted on the Facebook page

Purpose	Examples of information to be posted
Introduce CP	<ul style="list-style-type: none"> ✓ Product information (specification, price, etc) ✓ Company information (basic information such as contact and address)
Arousing Interest	<ul style="list-style-type: none"> ✓ Ethiopian history and culture ✓ Ethiopian's current situation and issues ✓ Ethiopian initiatives on export promotion ✓ Background stories of CP and its companies

Source: Prepared by FASID

From May 29, 2013, when the Facebook page was created and made public, through January 31, 2014, a total of 26 posts have been made. Below is an illustration that shows their status, as an example.

Picture 23: Example of Facebook page posted



1.2.3 Achievements and Challenges

The number of likes was 119. The total number of people who viewed the contents related to this page during African Fair 2013 and the test marketing at Tokyu Department Store from May 29 through June 9 was 1,214. It was able to do extensive promotion when events were being organized in Japan. However, afterwards, the amount of access hardly increased, remaining around 100 views since then.

Regular posting is important for promotion through the Facebook page and maintenance workload is therefore high. When a page is managed by a public entity, in particular, it becomes necessary to undertake official process (verification and approval by a third party, etc.) to prevent improper posting, making promotional posting more burdensome than it is for others.

In the future, when considering media for promotional activities, we must take into account the cost of workload associated with such management and cost effectiveness.

1.3 Welcoming the Ethiopia task force mission

1.3.1 Schedule of the mission

To make a presentation at the African Fair scheduled to take place in Japan from May 28 to June 3, six Ethiopian task force members⁶ visited Japan. To carry out other duties such as a visit to the test marketing organized at Tokyu Department Store and collecting Japanese market information relevant to each sector, the schedule was as follows:

May	27	Mon	16:10	Leave Addis Ababa		
	28	Tue	17:25	Arrive in Tokyo		
	29	Wed	10:00	Discuss with Mr. Yuzawa in JICA headquarters		
			13:30	Prepare for African Fair 2013		
	30	Thurs	10:00	Interview with a buyer of Tokyu department store		
			14:00	Interview with the CEO of Emerald Club		
			15:30	Participate in African Fair 2013		
	31	Fri	9:30	Interview with the CEO and a designer of HASUNA	10:00	Interview with BxE
				11:00	Interview with Ryohin-keikaku Inc.	11:00
			12:00	Presentation from DENTSU	14:00	Interview with SME Support Japan
					14:00	Interview with DOSOSHIN
June	1	Sat	10:00	Participate in African Fair 2013	10:00	JICA seminar (SS cooperation)
						11:25
			PM	Free	13:00	JICA seminar (BOP)
	2	Sun	10:00	Marketing research in Ginza and Nihonbashi		
			15:00	Close African Fair 2013 and pack the samples	19:00	Leave the venue
	3	Mon	10:00	Wrap up seminar with Mr. Yuzawa, Prof. Kenichi Ohno and Prof. Izumi Ohno		
			12:30	Lunch Reception organized by JICA		
			14:00	Participate in Ethiopia Business Seminar in JETRO		
19:55			Leave Haneda			
4	Tue	13:30	Arrive in Addis Ababa			

1.3.2 Visiting Japanese companies

On their arrival on May 28, and prior to visiting various companies on the morning of May 29, the task force attended a lecture by Mr. Saburo Yuzawa, executive director at the Institute for International Trade and Investment and an advisor to JICA on the CPA proposal, about the characteristics of the Japanese market. He referred to the link between its unique culture and climate. He mentioned that most Japanese consumers are shopping experts and that many internationally renowned manufacturers choose Japan for test marketing. He also strongly requested the mission to try to understand the Japanese market even when walking around in the town. He also raised 9 points indicated below as something to be kept in mind in order to know the Japanese market.

⁶ Mr. Ahmed Nuru (MOI), Mr. Endalkachew Sime (ECCSA), Ms. Nigest Haile (CAWEE), Mr. Tadiwos G. Belete (Boston Partners), Mr. Tewodros Sintayehu (Orbit Ethiopia) and Mr. Wondwossen Meshesha (ToMoCa Coffee)

(1) Japanese Perfectionism

In general, American manufacturers' total production produces 3% defective products. But Japanese manufacturers do not accept such failure. Japanese have an aversion to failure and in many cases one failure will lead to the loss of clients.

(2) Buyers' Upper-hand Over Sellers

The Japanese market is an especially traditional buyer-dominant market.

(3) Trust is Most Valued Business Ethic in Japan

Trust is the basis of transaction. Once it has been established, it is possible to get a big order with only one phone call, probably because Japanese society is far more homogenized than European or American societies.

(4) Curiosity is Important for Creating New Products & Import Goods

Many products come to Japan from overseas. Japanese are curious about new things and welcome these products with great enthusiasm. Ethiopian products are no exception.

(5) Frequent Gift Rituals

It is a frequent practice to send gifts to friends, family members, and business contacts. There are traditional, seasonal gifts twice a year in summer and winter.

(6) Product Appearance (Package) Highly Valued

Based on the gift rituals, the Japanese pay attention to gift wrapping, considering it a part of the product itself.

(7) Women Led

In Japan, while men dominate manufacturing, women dominate in the purchase of goods for family and themselves.

(8) Fad-Driven

The Japanese are eager to obtain something new and popular, though not necessarily a well-known brand.

(9) Health-Conscious

Japan is an aging society, and one out of three Japanese people suffers some type of allergy.

The taskforce members then visited the following organizations, which were arranged based on the taskforce requests.

(1) Emerald Club (organization supporting women entrepreneurs)

Mrs. Nigest, the CAWEE (Center for Accelerated Women's Economic Empowerment) representative, visited the Emerald Club and was explained the circumstances facing Japanese women entrepreneurs, support from the government, and the background and management of Emerald Club. It has been sending two to three missions per year to organizations of women entrepreneurs supported by Cambodia, Singapore, Vietnam, South Korea, the Philippines and China. Mrs. Nigest informed that an ABW (African Business Women) trade fair would be organized in Ethiopia in September 2014 and requested the Club send its mission to this fair. The consultant later sent information about this trade fair to the Club.

(2) Hasuna (jewelry)

Mr. Tewodros from Orbit Ethiopia visited the Hasuna and discussed the details about quality and sales price of opal in Japan with the owner. As its quality was very special, the owner expressed her wish to visit soon to observe opal mining and processing in Ethiopia.

(3) BxE (cosmetics and agricultural products)

Mr. Endalkachew of ECCSA and Mr. Wondwossen of ToMoCa Coffee visited BxE. A staff of BxE explained the trade of shea butter with its counterparts in Africa like Ghana and Burkina Faso, as well as the past project to produce soap locally in Ghana, and talked about the problems in trading with Africa. Shea butter trade started only with Ghana. However, when no alternative was available in a bad crop year, the product quality dropped and clients complained. Also, it is difficult to obtain organic certifications for African products even if they are organically cultivated. Traceability and quality management are hard to enforce. BxE sells the shea butter produced in Ghana and in Burkina Faso not as organic, but as wild (natural) shea butter.⁷ Mr. Endalkachew explained that the Chamber of Commerce would put more effort into agricultural products and that Ethiopian agricultural products such as shea butter, sesame seed, rose oil, honey would have potential in the cosmetic industry. However, when asked the production volume of these products, Mr. Endalkachew was unable to present detailed data about their production volume and quality, and was therefore neither specific nor convincing, as the visiting mission did not include a person who knew shea butter. The staff commented that the supply of rose oil lags behind the demand in Japan, that it would be difficult to keep it in stock on a continuous basis without a long term purchase plan, and that Damask rose essential oil, known for its quality, would have a potential in this context. The three representatives then visited a day spa “Cynthia Garden” managed by BxE. The taste of Japanese people in the interior and the company’s aesthetic sense there were explained.

(4) DENTSU (advertisement)

Mr. Endalkachew, Mr. Tadiows, Mr. Wondwossen and Mr. Tewodros visited DENTSU. Following the presentation by DENTSU about their work, they discussed with the staff of DENTSU emphasized the need for a national Ethiopian brand and DENTSU submitted an image proposal. Mr. Tadiows was very impressed with this presentation and suggested a mission to Ethiopia to do it again. This proposal was accepted and a mission comprised of six DENTSU staff was to visit Ethiopia in October 2013.

(5) Ryohin Keikaku (textile)

Mr. Ahmed, a policy advisor in MOI and core member of the taskforce, and Mrs. Nigest visited the company. A staff referred to the product development project that Ryohin Keikaku had implemented in Kenya as an example and advised them “to get information from the internet and learn about more products which have

⁷ There is no indication as such attached to the product. When an inquiry is received from a consumer whether or not it is organic, the company explains that it is wild (natural).

proven to be popular all over the world.” Ryohin Keikaku invited them to visit its flagship store in Yurakucho on June 2. Unfortunately, this was not possible, as Mr. Ahmed had a seminar to attend the whole day and Mrs. Nigest would be at the African Fair. Mr. Ahmed commented that the products dealt by Ryohin Keikaku at cheaper price was probably different from the concept of adding value to goods and selling them at higher price in a niche market, which is what CPA requires.

(6) Organization for Small & Medium Enterprises and Regional Innovation (support for small and medium-sized enterprises)

Mr. Endalkachew visited the organization. A staff at the internationalization support center explained the definition of small and medium-sized enterprises in Japan, the current circumstances in which small and medium-sized enterprises find themselves as senior managers age, the role of his organization, and support for companies aiming to expand into a foreign market. In a question and answer session. Mr. Endalkachew asked about the lending mechanism in detail, such as the Basic Fund Scheme (investment from the fund) and the Upgrading Programs (advanced business). Mr. Takayama gave an explanation based on the cases in Japan.

(7) DOSOSHIN (tourism)

Mr. Tadiows, Mr. Wondwossen and Mr. Tewodros visited the company. A staff from the sales department explained that the tourism industry to Ethiopia had not yet attracted many customers in the Japanese market. DOSOSHIN sends 2,000 customers per year to a tour in Kenya and only 100 or so to Ethiopia. The mission members introduced tourist spots in Ethiopia, including nine World Heritage Sites and the spa under the management of Mr. Tadiows. DOSOSHIN asked Mr. Wondwossen from ToMoCa Coffee for his cooperation if its coffee study tour would be held in Ethiopia.

(8) Shibuya Tokyo Tokyo Store (Department store)

Mr. Ahmed, Mrs. Nigest and Mr. Endalkachew visited the store. They visited an “Africa is Beautiful!” fair in Shibuya Scramble 1 “POP UP STAGE B” on the ground floor in the west wing of the shop. The event featured the champion product. Then they sat down with a buyer at the Department store, and an event organizer, who was in charge of event planning and management. The buyer referred to changes in consumer tastes in the Japanese market and explained that the Japanese consumers had become interested in organic products, fair trade, and the environment following the collapse of the bubble economy (mid-90s). The organizer thanked Ms. Kurumi Shiratori of Africa Rikai Net⁸ for meeting a delivery deadline to the department store this time. The buyer pointed out that failure to meet a deadline would lead to the loss of trust in Japanese business.

(9) Shops in department stores in Ginza and Nihonbashi (marketing research)

⁸An NGO hosted by Ms. Kurumi Shiratori. It works to increase the income of producers, promote employment, and reduce poverty through the improvement of the quality of African products and information sharing. <http://africa-rikai.net/>

Mrs. Nigest had already been to developed nations many times and did not seem interested in any particular item at Japanese department stores. However, she checked the quality and prices of items similar to those displayed as CPA product candidates, such as shawls and necklaces. She was very surprised to find that a small handbag in a shop at Nihonbashi Takashimaya had a price tag of over JPY 100,000.⁹ She often referred to this price when discussing her impression about the Japanese market. It convinced her that in Japan, high-quality goods can sell even at high prices.

1.3.3 Achievements and Challenges

It was beneficial for the taskforce members to visit organizations and companies and to promote the potential of products produced in Ethiopia, such as opal and diverse agricultural products. It was a huge step forward that Hasuna, BxE, DOSOSHIN, and other companies expressed interest in doing business with Africa. While the taskforce members came to Japan and visited these companies on behalf of each sector, the mission did not include capable members who had knowledge about each product and a comprehensive explanation about the background of the industry. It might have been possible to agree to specific business plans directly with Japanese buyers in Japan had the mission brought more in-depth experts about products, like Mr. Tewodros from Orbit. Visitors to the African Fair often asked “could I buy this in Japan?” and “how much is it?” and the mission was likewise unable to answer many of these questions.

On the other hand, it is doubtful whether the mission could look at the Japanese market during their stay, as Mr. Yuzawa explained. The marketing research in Tokyo’s downtown area were only for a half day and scheduled before and after the African Fair. The members did not have enough time to become interested in the Japanese market, learn its characteristics, walk around in the town, and visit shops.

⁹ Gross national income per capita in Ethiopia is JPY 114,330 as opposed to JPY 3,638,990 in Japan (survey conducted by WHO in 2011)

1.4 Participation in TICAD V Side Event African Fair

1.4.1 Preparation for the Trade Fair

The African Fair 2013, a TICADV side event, was organized by JETRO at Yokohama Pacifico from May 30 through June 2. A total of 49 African nations participated (according to the JETRO report, March 7, 2013). Ethiopia also took part in the event, with the Ethiopian Embassy in Tokyo in charge of its exhibition. Each country had a booth 36 square meters large (3 meters long x 12 meters wide). According to JETRO, some 57,000 people (a year-to-year increase of 10,000) visited the Fair.

To ensure the import of produce samples into Japan, two consultants went there on May 18 to visit relevant companies and directly collect the samples with the support of JICA Ethiopia Office. They collected 90 kg of samples from 11 companies and packed in five cardboard boxes. It would have been possible for the consultants and taskforce members accompanying them to share these samples among themselves and import them for personal use, to smooth out import clearance procedures. However, to identify potential problems under normal import/export procedures, the consultants submitted a declaration to customs to clear all the items.

(1) Making a list of product samples to be displayed at the fair

Consultants listed product samples to be displayed at the fair in advance with an indication of specific sample types and the quantity. They sent the list to the 11 companies in Ethiopia with attached photos to underline expectations, and asked them to prepare these samples.

(2) Procedures undertaken to export goods from Ethiopia 1 (first day: Customs)¹⁰

JICA Ethiopia Office prepared and signed a support letter, which MOI, MOFA, and the Customs Bureau signed before starting procedures. Nevertheless, customs opened and inspected every package at the custom inspection corner of Bole International Airport. It spent a great deal of time checking the item against the invoice, attaching the customs number thereto, and wrapping it again. A great deal of paperwork was also required. Even after customs stamped an item to indicate it had been checked against the invoice, it was necessary to obtain a certificate of permission from the cargo office to take it out of bond the next day. Also, jewelry and gemstones could not be exported without a letter of export permission from the MOM. Jewelry were pulled off urgently from the cargo in order to apply to the MOM for its permission.

(3) Procedures undertaken to export goods from Ethiopia 2 (2nd day: Cargo Office)

The next day, we prepared the necessary papers to obtain permission to take the cardboard boxes out of bond and explain the items inside. And then, again, we put an item code number (customs number) to each product on the list and measured the weight. JICA delivered its privileged exemption permit to the cargo office to undertake the procedures with itself as the exporter. This paper can be under the name of all 11

¹⁰ For more details, see Appendix 6 Report on Custom Clearance for the “Champion Product Approach” by Mr. Fekadu (JICA Ethiopia Office Consultant) June 26, 2013.

companies. However if it is prepared by each company, then we would need papers for each company. At this point, it was the end of that shift in the cargo office and another worker who took over requested the letter of import permission issued by the Ministry of Industries. This ensures the product would be imported back into Ethiopia duty-free once the exhibition finished. Mr. Ahmed (head of the taskforce and also head of the mission to Japan) applied for the letter and it was sent to us by fax. We paid the bonded warehouse's storage charge and it released permission to take out the boxes.

(4) Procedures undertaken to export goods from Ethiopia 3 (3rd day: Customs)

On the day of mission departure to Japan, the bonded warehouse finally sent the boxes, and the customs officer declared that the cargo could not be released as the export permission prepared in the cargo office did not indicate the name of the consignee. Mr. Ahmed called and negotiated with the airport customs director. He wrote a letter there, assuring that he would assume full responsibility, and finally it became possible to have the boxes released. The five cardboard boxes went through security check.

(5) Procedures undertaken in Japan to import goods 1 (1st day: Customs Japan)

Usually, when Japan imports commercial cargo like this, customs agents make import and export declaration at each airport. However, even such customs agent cannot process cargo the same day it comes in. At least three days are required. This procedure proved to be difficult, as it was done on a personal basis with little time to spare.

Goods of taxable value up to JPY 300,000 can be taken out by paying duties at normal customs. More valuable goods need to be taken to business customs to be processed. The number of customs clearances depends on the number of destinations: when four persons share goods worth JPY 800,000 to make a declaration of goods worth JPY 200,000 each, if the destination of these imported goods is the same, then customs clearance needs to be done all together and goods need to be processed at business customs. This time, the jewelry from Orbit Ethiopia under the management of Mr. Tewodros put the cargo's total taxable value was way over JPY 300,000. The tax rate is determined by the processing condition of the product. Since Orbit Ethiopia did not attach a detailed statement on its jewelry (worth JPY 7,550,000), customs warned it would be unable to compute tax liability and a statement of items was urgently prepared. The tax rate for each product, including 5% uniform consumption tax, is indicated below.

Jewelry (cut and processed)	5-6%
Gemstone (stone)	no tax
Bag	10%
Sundry article	5-6%
Coffee (raw beans)	no tax
Coffee (roasted beans)	12-15%
Honey (artificial)	50% or so
Honey (natural)	25% or so (considered artificial without a certificate showing it is natural)

Non-purchased samples are also subject to taxation. It is therefore necessary to prepare an invoice for all import items.

Ecopia products were recognized as cosmetics. The import of these was not allowed, and the items were to be stored at customs. Import cosmetic items into Japan need to be authorized and approved under the Pharmaceutical Affairs Law. A certificate for import of medicines and medical devices, which serves as a permit in this context, will be issued upon the submission of necessary paperwork to the Kanto-Shinetsu Regional Bureau of Health and Welfare. However, in response to our inquiry, the Bureau confirmed that even this certificate would not suffice for hand-carried cosmetic samples, because the relationship between the event organizer and the person bringing these samples was not clear. Import of cosmetics for personal use is allowed up to a certain quantity.¹¹

Those goods not allowed to go through customs under the Pharmaceutical Affairs Law and other relevant laws and provisions were disposed of or sent back to its place of origin as the team departed. Storage of a 15-kg cargo at Narita Airport until its disposal or its return to the place of origin would cost JPY 3,500 every three days. Plants (raw coffee beans), food items (honey, ginger) and CITES-listed species (identified with the scientific name registered in the treaty) need to go through quarantine, regardless of their taxable value. Submission of a confirmation that they are display only and would not be tasted may sometimes exempt those food items from quarantine. We managed to get Beza Mar honey imported without an import permit. It was possible to import Terra essential oil as this is considered a sun-dry article in Japan. Customs did not make any particular remark about dried ginger and liquid ginger extract.

If re-export procedures are undertaken at the time of import declaration, the goods will be exempted from consumption tax. According to Narita Airport Customs, a refund of this tax will be made upon submission of the export/import application. However, the tax office confirms that re-export would have to be arranged at the time of the import of the goods. There are three types of procedures for this. One is to submit an application in advance and not to pay taxes. The second is to pay taxes once and get a refund on them at the time of re-export. Both these procedures require photo evidence to verify the goods (in the case of machinery, using individual number), can vary and be complex, and usually require a customs agent's attention. Inquiries were sent to customs agents for a rough estimate of their services. They would charge JPY 11,800 for paperwork for two items, JPY 5,000 for making arrangements, plus inspection fees, and other costs. It would take a half day to one day for the agent to complete the work. The third type of procedure is the ATA Carnet.¹² If Ethiopia were a signatory to the conventions governing ATA Carnets, it would have been possible to apply for an ATA Carnet in Ethiopia, have it issued in Ethiopia, and clear customs without paying duties and import taxes. Unfortunately, it is not.

Due to an ATA Carnet's unavailability and the large number of products to be displayed, it was found more economical to send back these products with the taskforce members in their baggage and duties

¹¹ 24 packages per item in a normal size; 120 packages per item if the product is 60 g or 60 ml or less.

¹² The ATA Carnet is the international structure based on the "Customs Convention on the ATA Carnet for the Temporary Admission of Goods (ATA Convention)" signed by world major nations. ATA is a combination of the acronyms standing for Admission Temporary in French and Temporary Admission in English.

and pay import taxes.

(6) Procedures undertaken in Japan to import goods 2 (2nd day: Customs)

The day before, upon arrival at Narita, import started at 1900hrs but could not be completed. Working time at Narita Customs is organized into day and night shifts, and the process had to start all over again the next morning. After all, the samples arrived at the venue of the Fair, Pacifico Yokohama, on the evening of the 29th. There was not much time for preparation before the opening.

(7) Booth design / arrangement of furniture and fixtures

Booth design had not yet been identified by the time when it was set up due to a lack of confirmation from the embassy about the items on display and demarcation. The Ethiopian Embassy said it would invite two coffee trading companies but did not know the volume of items the representatives of these companies might bring. Moreover, one was not expected to arrive until the 30th and, as such, it was necessary to prepare without knowing how much would be displayed. The booth was four frames in size (3 meters long x 12 meters wide). Based on VMD (Visual Merchandising, explained in 1.10.4) theory, two visual presentation (VP) stages were set up on the booth front conductor side, the point presentation (PP) on the product from each company was displayed per sector in the upper side of the furniture and fixtures on the wall where, depending on their height, visitors were not all able to reach, and PP on the product of the same sector was placed beneath. As for the Ecopia products to be stored at Narita Airport Customs, a small number of personal samples provided by a JICA staff, were displayed.

Mr. Dubois suggested raising the middle of the booth with a few steps and setting up an extensive VP stage on top to place not only those samples from respective companies but also Javana and a spinning wheel with sizzling sounds¹³ to represent Ethiopia. The budget was limited up to JPY 100,000, including furniture, fixtures and panel printing, and the stage could not be set up. However, Mr. Ota, former director of the Ethiopia office, and JICA staff used Ethiopia's traditional chairs and engraved balls to set up a VP stage close to the suggestion.

Sufficient space was secured behind the VP stage, so that visitors can walk around within the booth and look at the products of respective companies. Partition walls were not installed on either side, so as to allow visitors to come into the booth from three directions. Tables and chairs were placed in back of the booth for business discussion. However, these were hardly used for their intended purpose and became a rest space by the embassy staff and the taskforce members.

While an attractive display was set up on two VP stages, PP in the back was rather unspectacular. With more of a twist, we might have encouraged visitors to come inside.

Also, as aforementioned, the logo mark that embodies a copy of the Cradle of Mankind proposed by Mr. Dubois from MUYA Ethiopia and the logo mark "Tarara Treasure" were differentiated in

¹³ It originally refers to hot cooking sounds of meat grill. Use expressions to appeal to the five senses in order to promote the product.

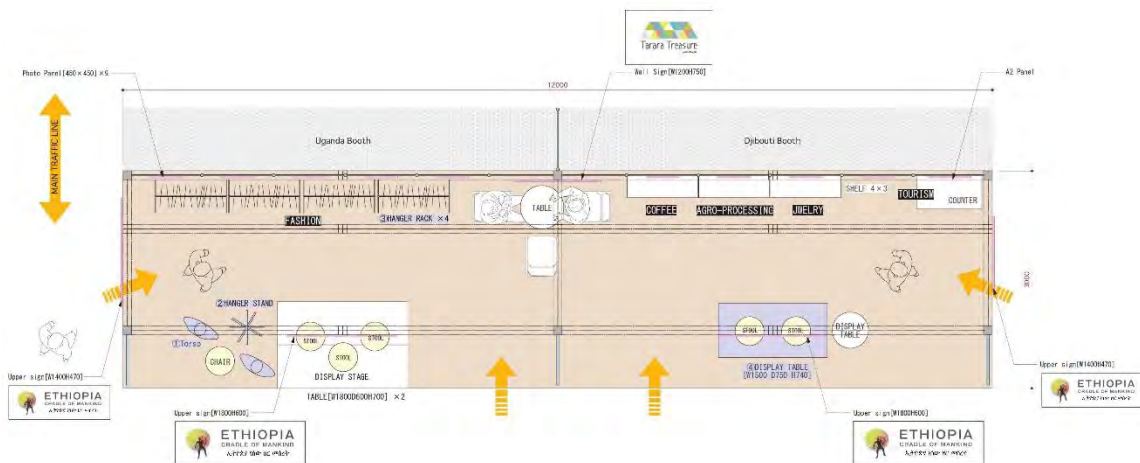
respect of their role and both were displayed. Cradle of Mankind expressed the concept of the Ethiopia booth and was placed in the front left and front right sides. Tarara Treasure, a brand logo for the champion product, was placed in the middle of the wall at the heart of the exhibition. However, what was actually being exhibited within the booth was only champion products (including coffee) and nothing else. Few visitors clearly understood the difference between the two brands.

The triangle in pastel is the Tarara Treasure logo motif, and the panels indicating the sector name and POP of each company¹⁴ had a combination of these triangles, with a view to brand unity. The embassy provided a few bags of coffee at the opening of the Fair, with more coffee and opals from Global Gemstone Corporation on the second day. Remaining wall space displayed photos of Ethiopian landscapes and people taken by Mr. Salima Punjani, marketing director at YeFikir Design.

Figure 12: African Fair 2013: Ethiopia Booth elevation view



Figure 13: African Fair 2013: Ethiopia Booth floor plan



¹⁴ POP stands for **P**oint of **P**urchase advertising: paper was an advertising medium, on which the name and price of the product, headline, explanation and illustration were handwritten. It is a common, simple, yet effective, tool.

Picture 24: The CPA booth at African Fair 2013



1.4.2 Booth management

The Ethiopia booth was located on the right side from the front main entrance of the Fair, the best location.

Many visitors stopped by, especially during the coffee ceremony on the second day.

On the second day, before the opening time, five to six family members of embassy personnel arrived and requested space for the coffee ceremony. The two VP stages were shifted to left and right to create a space in the middle. It was a good idea that gave many people had a chance to learn Ethiopia's unique manners for drinking coffee. However, the back row hallway was cut off in the middle as behind the scene of the coffee ceremony several people involved in the event were sitting and the embassy personnel put buggies there. This interrupted visitor traffic, reducing the number of people visiting the display of honey and other agricultural products: most visitors ended up looking either at the textile display on the left or at the jewelry display on the right. It became difficult for visitors to take time to look at products, sacrificing the decorum and calculated flow line of the first day. The booth as a whole became rather cluttered.

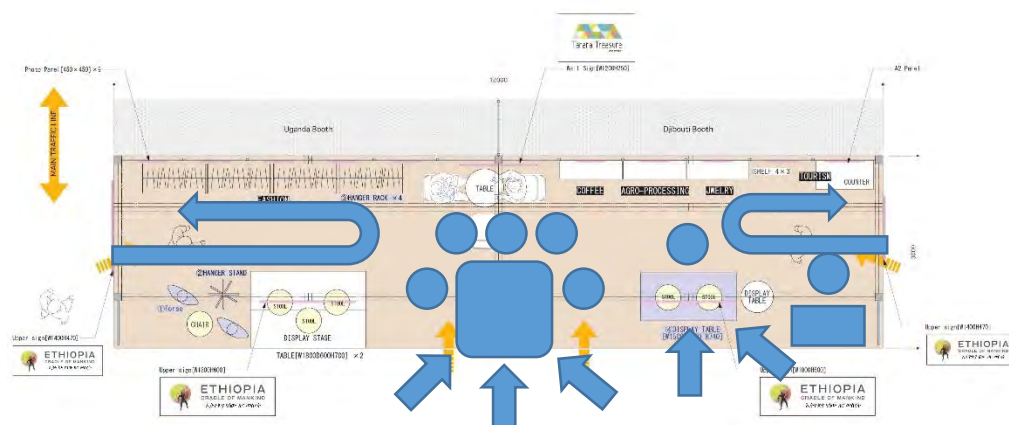
On the other hand, the number of visitors was bigger than anticipated, and the taskforce members were fully occupied to attend to them. They did not have time to visit other booths. The majority of visitors were groups of women and couples. Products which attracted both genders were displayed, and female customers visiting the booth with their boyfriends could take time to enjoy the display.

The consultant did not have background knowledge of Ethiopia sufficient to answer visitors' questions. Many were not necessarily proficient in English and JETRO and JICA's interpreters could not attend them all. The consultant was therefore obliged to answer many questions from them. We extend our appreciation to Mr. Ota, former director of the Ethiopia office, for his help in explaining the exhibition to the visitors.

At the same time, while attracting as many visitors as possible to the booth, anti-theft measures became important. The VP stage on the right displayed Orbit Ethiopia's jewelry and gemstones, and accessories from Salem's Design and Entoto Beth Artisan. The display shelf behind held opal necklaces and others were being exhibited. Mr. Tewodros of Orbit Ethiopia meant to stand by the opal exhibition while it was up and take full responsibility for it. However, the exhibition space had ended up being divided into the front and the back sides, so either a taskforce member or Japanese consultant had to keep an eye on one side of the opal exhibition while Mr. Tewodros occupied the other. Many visitors came to the front VP stage and it would have been difficult for one person to keep an eye thereon. Although there was no loss of accessory items, on the last day after the exhibition had been closed, Mr. Tewodros reported that some of the gemstones had gone missing.

Staffers who could explain things rarely stood by the textile exhibition, except for the occasional taskforce member. As a result, the visitors seemed to spend less time there. The jewelry display always had someone standing there for security purposes, which made it possible to explain the characteristics and attractive features of products produced in Ethiopia.

Figure 14: African Fair 2013: flow of people in the CPA booth on the second day



Initially, 1,000 copies of the brochure were prepared. Nearly 400 had been distributed on the first day, and we printed more. In the end, 1,800 copies were distributed in four days. Novelties,¹⁵ worth US\$ 1.00 a piece and purchased in the Addis Ababa souvenir shopping area when the consultants went to Ethiopia to collect articles for exhibition, were given to a questionnaire respondent. Only 200 pieces had been prepared and 213 people answered the questionnaire. Had we prepared more novelties, we could have gotten questionnaire responses from a larger number of visitors. Although some questions concerning price were included in the questionnaire, there was no price tag attached to the product samples in display this time, and only Mr. Tewodros could explain the price of jewelry items.

1.4.3 Inquiry from Japanese companies

During the Fair, the Japanese and the Ethiopian Prime Ministers (Mr. Hailemariam and Mr. Abe) visited the Ethiopia booth and enjoyed coffee. Their visit was covered by many media members. In addition, from Ethiopia, the minister of MOM, the first lady, and the minister of MOFA visited the Fair and showed their interest in the champion product project. The exhibition was widely covered by the media, including:

- (1) TV Asahi “Super J Channel” aired on June 2
Introduction of Ethiopian textile products. The reporter picked a YeFikir Design dress and interviewed Mrs. Nigest, as shown in the TV program.
- (2) TV Tokyo “Future Century Zipangu” aired on June 10
Mr. Akira Ikegami, reporter, made a comment on the Entoto Beth Artisan accessories manufactured with recycled metals.

1.4.4 Visits to Japanese companies

During the Fair, inquiries for detailed product information were received from 17 Japanese companies (the number of business cards given to JICA, consultants and JETRO staff members in the Fair. There is no data

¹⁵A memento to be distributed free of charge to promote a particular merchandise. This time, in order to promote Ethiopian products, mobile phone charms and small figurines were distributed to questionnaire respondents..

on the number of business cards exchanged directly between the taskforce members and the Japanese companies). The number of inquiries about the shawls of MUYA Ethiopia, about those of Sabahar, and about the ornaments of guinea fowls of MUYA Ethiopia was the biggest, and there were also inquiries about the honey of Beza Mar Agro Industry, YeFikir Design dresses, ToMoCa Coffee, Terra's damask rose products, ginger products of Ethiopian Spice Extraction, and the small accessory case woven using plant distributed as a novelty.

Later, a questionnaire was emailed asking exhibitor companies whether or not they had received inquiries from Japan following the African Fair. Five companies responded:

(1) YeFikir Design

"Upon receipt of inquiries from several companies by email, we sent a response. Since then, we have not received any further correspondence."

(2) Ecopia

"Inquiries were received from several companies by email. However, as we are unable to raise our in-house production capacity, we had to decline the order." Only a very limited number of Ecopia products were in display. Mrs Mitslal, Ecopia representative, took part in the discussion organised as a TICADV side event, and it is believed that inquiries might have been received from those people who had listen to her in this discussion.

(3) Entoto Beth Artisan

"Upon receipt of inquiries from several companies by email, we sent a response. Since then, we have not received any further correspondence."

(4) Beza Mar Agro Industry

"Upon receipt of inquiries from Japanese trading houses by email, we sent a response. Since then, we have not received any further correspondence."

(5) Orbit Ethiopia

An inquiry was received from a company selling ethical jewelry. Negotiation continued up to a discussion of a plan to survey the mine sites. However, it was judged that the survey itself would be premature and it was not realized.

1.4.5 Activities by the taskforce members upon their return home

When the six taskforce members returned home, a debrief session was organized, but only two of them took part (Mr. Ahmed, Mrs. Nigest) and feedback to each industry had to wait until a workshop in July.

Of returned product samples, some scarves of MUYA Ethiopia were stained and Entoto Beth Artisan products had been broken and gone missing. Following discussion, the companies acknowledged that the

Japanese side tried sincerely to deal with problems by, for example, ironing items before returning them, that their products had been popular at African Fair, and that their products had been sold in volume during the course of test marketing at Tokyu Department store. They therefore agreed that compensation would be unnecessary. However, as a replacement for furniture and fixtures rented from Entoto Beth Artisan difficult to find in Ethiopia, it was agreed that the Japanese side would purchase these and deliver them at the time of the next visit to Ethiopia. (These were returned to Entoto Beth Artisan at the time of Trade Fair activities organized in November 2013.)

1.4.6 Achievements and Challenges

(1) Constraints in respect of the Import/export structure

Due to time constraints, product samples to be displayed were imported and exported in carry-on baggage. Customs became a big problem. It was difficult to prepare due to a lack of information about regulations and procedures. However, customs officers in Ethiopia were diligent and they never asked for a bribe. They simply followed the rules and did not allow any flexibility. Since the CPA African Fair required a large number of product samples to be displayed, it took a great deal of time. It should become much easier when one company is to export its product to Japan as the number of the items to be processed should be limited.

In Japan as well, we were obliged to start importing all over again when the next day work shift began and another officer took over. Some samples were not allowed in due to insufficient documents or regulations. This may become an issue when importing/exporting real merchandise. Many of the problems associated with the import procedures to be followed in Japan may be resolved with the use of customs agents. (This being the case, those agents still need to have the correct information provided to them in advance.) A letter between the ministries and agencies involved could have facilitated the procedures. The letter from JICA was useful in that the customs officer in charge collated the customs number voluntarily basis. He mentioned that they should be more flexible in dealing with our consignment should there be a letter from the Ministry of Foreign Affairs to the Customs asking for cooperation.

A hearing survey among Ethiopian exhibitor companies demonstrated that, when exporting products from Ethiopia, the government does not grant permission for export unless the buyer submits a proof of deposit payment. A buyer sends a deposit (some say 50% of the price, others say the full amount) in advance. Upon wire transfer of the money into the bank account, permission is granted (a small quantity of exports does not require a deposit payment). This would be no problem in transaction with a company with whom there was already a sense of trust established. However, many companies feel this would become an impediment to transactions with new partners.

(2) Promotion of the potential of the products produced in Ethiopia (quality and diversity)

A big achievement was that it was possible to make visitors understand a new image of Ethiopia at the fair through the charm of Ethiopian products. For many visitors, Ethiopia is still associated only with the image of coffee, marathon and famine. The champion products looked gorgeous, were in high quality, and persuaded the visitors to shake off such conventional image. Opals and other new products are sources of

Ethiopian pride in their volume and quality, vis-à-vis other countries in the world. This attracted the interest of Japanese consumers and businesspeople alike.

(3) Attract the buyers and the consumers

During the company visit, the taskforce members could have talked about the potential and listed possibilities with more detailed information and stories about the uniqueness of Ethiopian products. The taskforce members are either top management of respective companies or directors at ministries and agencies. During their visit to Japan, they sought inspiration through the study of Japanese markets, discussion and exchange of views with JICA and Japanese traders and organizations to facilitate export promotion between two countries. However trade fairs clearly require capable attendants to provide detailed formation in the booth for the buyers and consumers.

(4) Understanding of the Japanese market

The taskforce members realized that there are differences among sectors between small-scale traders dealing with African goods and big department stores expecting high quality products. On the other hand, company visits and marketing research within the limited time were not enough to grasp the Japanese industry and its needs. Members should have allocated more time and made better preparation.

(5) Collaboration with the embassy

When the embassy organized a second-day coffee ceremony, it caused the aforementioned crowd control issues. It also arranged several companies' arrival, and we were unable to get the correct information about the display items to be brought in by these companies, which impeded the distribution of the exhibition space within the booth and arrangements for gadgets. Exhibitor passes for the taskforce and consultant had not been arranged either and were delivered just before the arrival of high level officials and participants of TCAD V to the African Fair. This made taskforce members concerned that their entry might not be allowed. This disorder were caused through miscommunication and lack of coordination among stakeholders related to the Ethiopian booth.

It also seems that the regulation imposed by the African Fair organizer was lax. The ceremony, using fire and beverage might not been accepted had it been requested properly. And yet, the organizer let it go and did not give any warning even when a crowd of people expanded into the gallery. (During the Fair, the officers from the Health Center came twice for inspection. They saw there was boiled coffee and did not make any remark.)

The person or group in charge of exhibition needs to prepare a good plan and the relevant people should support it by following the plan in a coordinated way.

1.5 Questionnaire survey conducted at African Fair

1.5.1 Purpose and method of the questionnaire survey

This time, during the African Fair, within the Ethiopia booth in the venue, a survey in a questionnaire format was conducted. Its purpose was to collect comments from visitors on the champion product and on Ethiopia for future reference to build the brand of the champion product and to devise a market strategy. Specific survey items are as follows:

- (1) What was a particularly attractive merchandise among those on display? And why?
- (2) Points which need to be improved in order for the merchandise to be accepted in the Japanese market:
- (3) Criteria for deciding whether or not to buy a similar merchandise:
- (4) Comments on the booth display:
- (5) Comments on the two kinds of logo marks:
- (6) What kind of image did you have about Ethiopia?
- (7) Having visited the booth, is there any change in the image that you have had? And why?
- (8) Other (attribution: gender, age group, private customer or buyer):

One to two questionnaire surveyors were in the Ethiopia booth each day and collected responses from 213 visitors—both male and females in all age groups from 10s to 70s who came to see the Ethiopia booth. Novelties of Ethiopia products (small items for the price of 10-20EBT) were given to questionnaire respondents. Novelties were purchased in the Mercator market and in souvenir shops during the visit to Ethiopia to collect display items. On the last day of the fair, all the novelties had been distributed and the questionnaire survey closed midday.

1.5.2 Main results

(1) Age and gender differences in preferences

Gender differences in merchandise preferences were obvious: women were interested in shawls, jewelry, and accessories while men were interested in agricultural products. Many male respondents may have ticked agricultural products as their item of their interest because the majority of products were for female customers, such as textiles and jewelry, and the agricultural products inevitably caught their eye. Shawls were highly popular among visitors in their 20s to 40s, while opals proved to be more popular among visitors in more senior age group. Honey was also popular among visitors in the senior age groups.

(2) Initiatives to promote Ethiopia's uniqueness

Many respondents pointed out that, in order to make Ethiopian merchandise more appealing to the Japanese consumer, proactive promotion, in particular an emphasis on Ethiopia's uniqueness, is important.

(3) Safety is as important as quality and price

Many customers emphasized the importance of quality, price, safety and hygiene.

(4) Comments on the booth display

Almost all respondents commented that the booth display was (very) good.

(5) There was little awareness about the logo marks.

Many respondents said the logos were “difficult to understand” or “did not make impact.” More than half had no answer.

(6) 70% of visitors said that their image had been changed.

70% of the respondents said that, having visited the booth, their image of Ethiopia had changed.

1.5.3 Achievements and challenges

The results of the questionnaire shows that 70% of the respondents who saw the champion products on display had their image of Ethiopia improved, justifying further investment in this promotion channel. However, there is little recognition of “Tarara Treasure” as the champion product brand. Many favorably evaluated the logo image, and it is necessary to keep it exposed together with the concept message.

In addition to the characteristics of the Japanese market that expert consultant Mr. Yuzawa introduced to the taskforce members, the questionnaire demonstrated it would be critical to identify target genders, age groups, and other key demographics, as indicated in 1.6.2. This need should inform the medium and images of further information about the Ethiopian merchandise.

Shawls and other textile items were popular especially among women in their 20s and 30s. Thus, their marketing image should focus on young women and appear on an e-commerce site, magazines, and free papers.

On the other hand, opals were popular among people in their 40s and up. This may be because it is generally believed that opals are expensive, that the cut and the design of an opal were mostly orthodox. However, since the discovery of chocolate opals 20 years ago, the Ethiopian opal has increased its share in the world market to 30% and its price is approximately a third of the cost of equivalent Australian opal. Furthermore, it is thick and can be cut in various designs. Given such competitive advantage over products from other countries, marketing activities targeted at people in their 20s and 30s, who have not normally been interested in opals and were not interested this time, are considered important. In other words, Ethiopian opals can catch the eye of those who have not been a target for opal and other jewelry dealers in the past. For this, it is necessary to establish relationship with jewelry shops, which can promote its design and affordability.

The questionnaire indicated that marketing targeted at the health conscious is important for food items such as honey. For health food, imaging strategy is important, but more important is a marketing technique to firmly promote its efficacy and high quality. For this purpose, advertisements (tie-up ads) and direct mail will be effective tool.

The notes from the questionnaire surveyors on the survey method follow.

(1) Correlation between the products on display the questionnaire items

With regard to the question asking respondents to select the merchandise they found attractive from among the products on display, it would have been easier for respondents to answer this question if options were indicated in a way easier to pick, i.e. “1: shawl,” “2: xxx.” This would have made it possible to get a correct survey result.

(2) Indication of a reference price

If a reference price had been indicated, a survey on the fair price would have been possible. By the way, a survey on the price was to be conducted as part of the questionnaire survey at Tokyu Department store, but permission was not obtained from the department. (In the survey to be conducted by Tokyu, a comparison of reaction between different customer groups (African Fair visitor's vis-à-vis normal customers) and a comparison with the merchandise from other countries were planned.)

(3) Effects of the display layout change made on the 3rd day

On the 3rd day, a jewelry display started at 1500hrs and due to a crowd watching the coffee ceremony, there was not much sideways flow of people within the booth. Few people took a time to see all merchandise. As a result, on the 3rd day, it was difficult to get a response in the questionnaire as to what attracted the attention of visitors.

(4) Effects of novelties

Distribution of novelties to visitors in asking them to fill in the questionnaire was highly effective. On the other hand, there were some respondents who filled in the questionnaire half-heartedly just because they wanted novelties.

(5) Positive bias

There is few negative comments in the questionnaire results, but listening to the visitors when they are filling it in, it is evident that respondents do not write everything they think. Many people would not put negative comments in their response to the questionnaire (although they would make negative remarks in their conversation with the survey staff) and would write only what they think positive. These were people who came to the African Fair, and they might have had empathy for, and understanding of, Africa on their own right and would have wanted to encourage Africa. We should not have neglected any negative comments just because there were few. We should have been more careful not to miss negative comments on the assumption that there might be someone who thought likewise.

(6) Arrangements for respondents

On the first day a space was allocated for visitors to sit down to fill in the questionnaire, for the convenience of senior people. From the second day onwards, due to a layout change, there was no such space.

1.6 Comments from Japanese buyers

The Japanese consultants visited DOSOJIN (Tour Company) and Hasuna (Jewelry) to follow the discussion done in the visit of the taskforce members when they were in Japan. And we interviewed African Square (dealer of African goods) which had already some business with Sabahar and MUYA Ethiopia before this study started. This section also included the comments from some private traders who came to the Ethiopian booth in African Fair, Yokohama. Their findings and comments are as follows.

1.6.1. DOSOSHIN (Tour Company)

The company once consulted Mr. Wondwossen of ToMoCa Coffee, a taskforce member, about its “Ethiopian coffee tour” project. The project attracted certain attention on Facebook, but the tour was not organized, because its concept—a combination of tourism and coffee farm tour—was tepid for buyers and people involved in the coffee business. JETRO organizes a tour for professional coffee buyers in coordination with the JICA Ethiopia Office. The main line of business of DOSOSHIN is tours for tourists and a tour of such quality for professionals is difficult for them to organize.

1.6.2. Hasuna

We visited Hasuna to know whether it would go to Ethiopia or not. It was because the owner of Hasuna wanted to visit Ethiopia for Opal trade in the discussion with Mr. Tewodros (Orbit Ethiopia), after the visit should be reviewed in-house to verify whether the environment at mine sites satisfies HASUNA’s ethical standards. It was found that the visit was cancelled because of the risk of trade of Ethiopian opal. The delicate opal may be broken due to weather conditions and mishandling after customers buy in Hasuna. The degree of these risks is not measurable as the Ethiopian opal has not yet established its reputation on quality and breakage. And as Hasuna has set own ethical policy for trading, it needs to check the process of Ethiopia opal in Ethiopia before trade with Ethiopia.

1.6.3. African Square

(1) Background of the business and the line of merchandise

The owner of African Square travelled in Africa 22 years ago and started importing tea. That was the start of the business. The staff still goes to Africa on business two to three times a year. The main purpose of the trips is to develop, manage the production of, and undertake procedures for exporting merchandise. They now sell products from 13 countries and would like to expand the product line.

To find merchandise, they first collect information available in Japan from friends and acquaintances, then travel to Africa. They take advantage of local trade fairs (e.g., SISAO organized biennially in the western Africa). They rarely sell what they find in Africa. They develop a product by setting a delivery date, specifying the color and size, and improving the quality. It is an achievement if one product is developed per year. Their most popular product is a bag woven using sisal yarn. It has become a trend to keep such item in summer. Baskets from Morocco, Tunisia, Madagascar, Ghana, Burkina Faso, Senegal, and Kenya are also popular.

(2) Ethiopian products dealt by African Square

African Square assigns Beza Mar Agro Industry as its agent to export “Honey in the Forest” produced in Ethiopia. It has thought about importing other Beza Mar Agro Industry products; however, due to a lack of some attractive characteristics, it would be difficult to differentiate Beza Mar Agro Industry products from those of other countries. Coffee honey (only the Guatemalan product is currently being distributed in Japan) is rare, but African Square does not buy it as it is not sure of the taste. Indeed, promoting something for its rarity would not create a solid customer base. It may sell well if a big trading house sells it as one of various kinds of honey, but that is difficult, if not impossible, for African Square to do given its size.

“Honey in the Forest” is easy to eat and has a strong, specific flavor. It is being produced by traditional methods, and has a story to sell. It put the product on the market a month ago, six months behind the initial marketing schedule, for many reasons. One was filtration. Ethiopian filters are too small and would filter everything, including pollen, changing the taste. To minimize filtration, African Square chose to filter in Japan. In fact, one should filter immediately after honey is collected and is still soft, ideally locally. African Square collects honey once a year, working on a small scale. African Square does not see any possibility that sales would increase in the future and therefore sees no incentive to ramp up production.

The volume of trade with Sabahar will not climb easily because its shawl cannot compete against the mass-produced, cheaper one from Asia. While the Sabahar shawl is excellent, proportionately it is more expensive. We wish we could promote the product in the Japanese market but African Square does not have much know-how in such promotion activities and such promotion will not appeal to the current customer base. The product of MUYA Ethiopia would be attractive if it has the brand name of “lemlem”.¹⁶

(3) Trade with Ethiopia

Ethiopia tends to give late responses to email. Also, the advance payment system is being applied and the delivery of the product takes time. Paying a deposit is not a problem.

Business will be done through local intermediaries unless we are there. In Kenya there is an agent who can take care of everything, including buying products from various producers. If we could find a similar agent in Ethiopia, that will be of great help. In Ethiopia, there is “Counter Part,”¹⁷ an NGO established with assistance from USAID, which introduces African products.

Although we see the potential in Ethiopia, we have hardly seen any other places apart from Addis, and we do not know what products are in fact available.

(4) Import food items

At the time of import, items are bonded once for inspection (which takes more or less one week) and then import procedures are taken. The result of inspection remains effective for one year and can be renewed, so the same item does not need to be submitted to inspection every time (it depends on the item). However,

¹⁶ <http://www.lemlem.com/> A super-brand established in 2007 by Liya Kebede, a supermodel from Ethiopia. MUYA Ethiopia produces shawls and others to be sold under the brand name.

¹⁷ <http://www.counterpart.org/>

if other kinds of Ethiopian produced honey produce problems, all honey may be subject to inspection once again. The Ministry of Health, Labor and Welfare set up a system of monitoring inspection. It wants to collect inspection information about items the quarantine station knows little about. The decision is up to them and the company cannot request its imported items to be put to monitoring inspection; if selected, inspection, which would cost JPY 100,000 per item, would be done free of charge.

(5) What is unique about it?

African Square tends to look for local features, but customers in fact do not care about the characteristics of, or the difference in, the products from various countries. Fashion accessories are chosen because they are “cute” or “user-friendly.” To increase sales volume, a product needs to be popular among many people. This means erasing the locality: it would be difficult to ask consumers to understand Ethiopian features of the product. On the other hand, when it comes to honey and coffee, the story behind the product is what appeals to customers.

(6) Criteria for selecting goods in the place of production

If the question is uniqueness and quality, uniqueness is more important. It is possible to improve quality over time by doing business and providing training. However, a product without market appeal will hardly sell even if it is of high quality.

In order to improve the quality after the product has been put on the market, we give a visual and specific explanation about what needs to be improved by showing items returned by customers.

Customers choose to do business with someone with whom they can have a specific discussion, who can speak English or French and who does not require an interpreter, who is contactable by phone and email, who responds quickly, and who has a meticulous display. Customers may do business with a shop owner as well as with a producer’s group in a village.

(7) Potential of other merchandise

Cosmetics can sell only in a package and backed up with the brand name. African Square imports an essential oil from Madagascar but it does not sell at all. The sales may go up if a trading house with the power of branding promotes the Madagascan essential oil as effective. Leather product is potential in Japanese market. However, Japanese consumers are connoisseurs, making it hard to sell them.

1.6.4. Trader of Ethiopian rose water

Having working for NGOs in East African nations, one Japanese trader wanted to sell quality African products in the Japanese market to change Africa’s established image towards.

I came to know Terra’s rose water and rose petals at African Fair and since then, I have been in touch with Dr. Ghanem by email. I also plan to sell their products in the Ethiopian domestic market once these have been put in the Japanese market. Compared to the rose water from Bulgaria, Iran, and

Turkey, a grassy smell remains in the Ethiopian rose water. However, some users prefer such a fragrance and I believe that it being an Ethiopian product could be the novelty.

I had rose petal samples sent from Terra. I imagined these would be individual separated petals but they were in fact flower buds. My idea was to use these as an ingredient for rose tea. Stems would cause a bitter taste, and I gave up its import. Also, insects were attached to those samples and I judged it difficult to commercialize a product of such condition. Petals are subject to plant quarantine or animal quarantine and this is also an issue. Commercialized products, such as rose tea bags, are not subject to plant quarantine or animal quarantine.

Rose water sells in the Japanese market for JPY 1,000 to JPY 4,000 per 100 ml. In order to sell rose water in Japan as a lotion, it has to be sold under the name of a cosmetic manufacturing company. I have started liaising with several companies, and some requested me to present various certificates. I checked the certificates that Terra had already obtained but there was none which might be useful in Japan. I would like to commercialize the product by the end of this fiscal year. However, due to a late response, and in consideration of procedures required in the future to deal with claims from clients, I now have a feeling that this trade may be difficult.

This time, at the time of the commencement of negotiation with Terra, I thought that the fact Terra was selected as a CPA merchandise and that it had the backing of JICA and the Ethiopian government would ensure its credibility. I also referred to their record in previous transaction that they had exported their products to Dr. Hauschka in Germany. However, I was disappointed, when I started negotiations with the company, with their late response and with the poor condition of the samples received from them (rose water in empty mineral water plastic bottles, petals in supermarket plastic bags). In the Japanese market, a prejudice against Ethiopia is strong. Just because their product is selected for CPA, would the Japanese consumers feel assured and go to buy it? As a buyer, I expect the company to ensure the quality as the CPA selected from sample preparation to contracts.

The Ethiopia booth at African Fair was very beautiful. Once in trade, I feel a gap between the appearance and the quality of the product. I can deal with it as I am doing this as my personal business, but a company would give up the trade at this point. On the other hand, I believe that the quality management for cosmetics in Japan is the best in the world. If you succeed in business here, you can start business in any other country. Also, as the Ethiopian currency inflation will go up in the future, I am concerned the product price may hike. (This time, the samples were on a Euro basis.) Also, I hear that there would be a lot of trouble in making a remittance to a bank in Ethiopia in order to proceed with the transaction, and I am worried about it as well.

I went to see products displayed in booths of other countries at African Fair and talked to them, but there was no company that I would want to do business with.

1.6.5. Coffee bean trader (raw coffee beans)

The Specialty Coffee Association Japan (SCAJ) organized a fair at Tokyo Big Site in October 2013 and we asked a few Japanese buyers for their comments on the Ethiopian beans (see the Box below this section) there. Overall they find the quality high. The first thing everyone mentions is its nice aroma. They then go

on to say that, although its price is high, it is popular and they cannot remove it from their product line. On the other hand, pesticide residues were detected in Ethiopian raw coffee beans and a total ban on imports was temporarily placed in 2008. This remains a concern.

The brand image of Ethiopian coffee beans has already been established both in Japan and abroad. While including such a product in CPA may help other products, the coffee sector requires not more marketing but quality management to fall in the EKI category.

Buyer A:

I trade directly with Ethiopian producers. Of course, the Ethiopian beans are of high quality. However, a few years ago, pesticides were detected from the imported beans and a total ban on imports was placed. Indeed, residue limits for pesticides in coffee are severely restricted. For example, maximum residue limits for a certain type of pesticide in cabbage are 2 ppm, whereas they are 0.02 ppm¹⁸ in coffee. Above the maximum limit, imports will be stopped. This is purely bureaucratic, as the reason is that this pesticide has been filed in advance as the one to be used in cabbage but coffee producers filed that they would not use this pesticide, and yet the import may stop indeed. A small amount of pesticide will volatilize in the bean roasting process and the concern for the residue in coffee beans should not be more than that in cabbage.

Detection of pesticides in the Ethiopian beans was due to recycling of bags and the pesticide attached to the inside of containers. This is why the pesticide not to be in use was detected in beans. And yet, the Ethiopia-produced Mocha has a good aroma, is very popular, and cannot be excluded from the product line.

The main product of our company is coffee grown by contract farms in Brazil and is touted as being “pesticide free.” In fact, this is organic and is granted organic certification in Brazil. However, it is not accredited in Japan, as inspection fees are high and as such it cannot be touted as being organic. But it can be touted as being pesticide-free.

Buyer B:

My main product line is beans produced in Central America, but Ethiopian beans with good aroma and sour taste is highly popular and cannot be excluded. In particular, in recent years, it seems that the popularity of Ethiopian beans is growing throughout the market. Indeed, it is expensive as well. It cannot be helped as its production is low compared to other countries. It may have something to do with the infrastructure at coffee farm. If the price goes down, that would be appreciated, but if the production cannot go up due to the infrastructure at coffee farm, then they could emphasize the product as being “hand-picked” and it will be easier for us to promote their product.

If the production goes up, the number of traders who import the product may go up proportionately. This shows how popular their beans are, and a total ban on imports placed a few years ago was a real headache. When the ban was partially lifted, the taste had deteriorated substantially. Recently, the

¹⁸ It stands for parts per million 1ppm= 0.0001%

volume that our company imports is coming back to the previous level. However, at the time of the import ban, we bought beans from other countries to fill the gap and we cannot immediately go back to buying as much as we used to just because the ban on imports from Ethiopia is now lifted.

Buyer C:

Ethiopian-produced Mocha bean has a good aroma and is already established as a brand. However, some of the beans shipped out in bulk by the agricultural cooperative in Ethiopia are being rated as Grade 2 (G2)¹⁹ or so, possibly due to improper screening, I do not think its quality is so high. If you want to import beans of good quality, it is necessary to specify in detail the farm and/or the grower. Prices vary. I do not necessarily think that Ethiopian beans are expensive.

Buyer D:

[I manage a café and] The Ethiopian bean tends to have a solid customer base. It has a good aroma and its bitterness is soft. Many customers order only the Ethiopian coffee if they like it. Our company used to use the Ethiopia-produced G2 bean. When we switched to the Sidamo²⁰ wash-type,²¹ many customers realized that the taste changed.

Our company roasts the bean to the degree which best fits that particular bean in serving to our customers. In this sense, African beans—beans from Ethiopia, Kenya, and Tanzania—all can be deep roasted. Nevertheless, the Ethiopian bean is small in size and we have to be careful to do deep roast.

¹⁹ Ethiopia's own coffee bean rating. From grade 1 to 8. Grade 1 means 0-3 defects in 300g. The second best Grade 2 means 4-12 defects in 300g—beans in this grade are “sufficiently good enough.” <http://www.eynet.co.jp/02shopping/p2-2-6.htm>

²⁰ The coffee bean produced in the Sidamo region in Ethiopia.

²¹ The method of processing raw coffee beans. Remove the pulp and the parchment with the machine, put the bean into the water, and let it ferment to completely remove the pulp and the parchment. http://www.asahiinryo.co.jp/customer/dictionary/ing_coffee.html

Ethiopia booth at other exhibitions 1: JATA Travel Fair

Dates: Saturday 14th to Sunday 15th September 2013

Venue: Tokyo Big Site

Summary: The biggest travel fair in Asia, 730 companies / organizations from 54 countries took part in the exhibition and there were 131,058 visitors.

The display was organized by the Ethiopian Embassy and MOCT in a four frame space (6 x 6 m). According to the event brochure, agents from eight companies were to come to Japan to attend the Ethiopia booth. However, only two companies, Dhinkineshi Ethiopia Tours and Elmi Tours, actually came. The embassy staff was serving coffee and kolo (Ethiopian small confectionery for coffee) to visitors, as it did at African Fair. Brochures of two exhibitor companies were placed on the table facing the gallery, and MOT staff set up a table and displayed several brochures on it. Panels of sightseeing spots were displayed on the wall. The monitor was installed to run the video made by the government tourism agency. However, no flow line or arrangement had been made to encourage visitors to come into the booth, so no visitors went up to the display and observed it closely. The couch in the booth seemed to be used exclusively by the staff to rest or to have a discussion among themselves.

MOCT staff reported that 2,000 people had visited the booth in two days, but there seemed to be no data to confirm this. Ms. Tanaka, advisor (JICA's expert sent to Ethiopia's MOCT advisor), gave the questionnaire prepared in advance (in English) to a staff member and encouraged him to distribute it to visitors, but he did not seem to be doing anything particular to do so.

Ethiopian Airlines had a separate two-frame booth (6 x 3m) just behind the embassy/MOCT booth, to promote a package tour under the brand name of Ethiopia holiday. Two brochures (one about the company, the other about Ethiopia holiday) were laced on the table and panels of sightseeing spots were displayed on the wall. In the Japanese market, where many exhibitions are organized and people are familiarized with the exhibition, running footage clips and displaying panels on the wall will not catch people's eyes.



Picture 25: JATA2013 Ethiopia Booth

Report from Ms Nami Tanaka, MOCT advisor, at the JATA

Many travellers from Japan to Africa are rich senior people. South Africa and Kenya have a good tourism infrastructure, including road, hotel, restaurant and Japanese interpretation, and the centrepiece of the attraction they offer is large wildlife. It is no wonder that those people choose these attractive countries for their destination in their first trip to Africa. Even if Ethiopia tries to become the “next Africa” for those rich senior people, it is unlikely that these people will choose Africa as their destination for the second year in a row: it is more reasonable to expect them to come back to Africa a few years later. When they do decide to go back to Africa, will they—having become even older—choose a country, such as Ethiopia, where the tourism infrastructure is not in place? Also, many of the sightseeing spots in Ethiopia are associated with Christianity and the history of Christianity. It might be difficult for Japanese people without Christian backgrounds to appreciate the value of these sightseeing spots. (On this point, the DOSOJIN director commented that many Japanese travellers would be satisfied as long as they visit a so-called World Heritage Site and that this should not be an issue.)

Other African booths in the JATA

We visited other booths of African countries there. Some of these were as follows.

1. Angola

The impression of its booth was as powerful as the country itself. It looked as if Angola tried to use this occasion for changing the country’s image for better although there were not core tourist spots promoted. Several different booklets on nationalized jewellery and Angola in general were displayed. Some of them was more than 200 pages in volume. The visitors were given the shoppers with national flag motif and waiting in a queue for free Angola beer.

2. South Africa

There was a mini live show of South African music, where the audience was joining to beat the small drum. It was a good trial for participation. The display had covered many tourist spots such as its culture, nation, urban life and railway tours. An animal key-holder made from beads and wire or an original screen cleaner was given to the visitors who used a Facebook of the South African Tourist Board by pressing the key for “I like it” at the set time of the booth.

3. Egypt

There was an Egyptian palace replica in the booth, in front of that the visitor was able to take photos. A big board was set for the visitors who pasted the cards with their own message to Egyptian people as its political situation was very unstable at that time. It was very interesting as all the booth attendants put on the clothes like ancient Egyptians or the pharaoh (Egyptian King).

Ethiopia booth at other exhibitions 2: SCAJ (Specialty Coffee Association Japan) 2013

Dates: Wednesday 25th to Friday 27th September

Venue: Tokyo Big Site

Summary: Major coffee trading houses, growers, import retailers, roasters, and cup and wrapping material suppliers from various countries took part in the exhibition. There were 91 exhibitor companies, 170 booths, and 22,997 visitors in fiscal 2012.

Ethiopia Coffee Exporters Association (ECEA), an association of coffee growers in Ethiopia, had also set up its display. The Booth was two frames in size (6 x 3 m). No display was made on the wall, and it looked empty compared to the Uganda and the Rwanda exhibition booths nearby.

There was no ECEA staff in the ECEA booth. The embassy staff and a few Ethiopian growers who are ECEA members were attending to customers. I came to the exhibition and visited their booth at around 1400 hrs. It was to be closed at 1600 hrs on the last day, but the Ethiopia Booth had already been more or less cleared and distribution of sample beans and cupping (tasting to see the sweetness, the sourness, the bitterness, the taste, the aroma and the quality of coffee) had already finished. None of other booths had yet started to clear the space. I came back to the ECEA booth at around 1600 hrs and the ECEA staff were already gone: the embassy staff were clearing the booth.



Picture 26: SCAJ2013 ECEA Booth



Picture 27: SCAJ2013 Uganda Booth



Picture 28: SCAJ2013 Rwanda Booth

1.7 Workshop organized in Addis Ababa

1.7.1 The purpose of, and the method applied for, the workshop

A participatory workshop was organized on July 12-13 2013 in a hotel meeting room in Addis Ababa, to which African Fair exhibitor companies, government officials, and private associations in the relevant sectors were invited. There were 30 participants on the first day and 23 on the second.

This workshop fostered consideration of:

- (1) Common understanding as to what CPA is;
- (2) Issues in promoting;
- (3) Solutions to those issues;
- (4) Who should take the initiative in putting these solutions into practice.

1.7.2 Workshop on the first day: Friday, July 12, 2013

On the first day of the workshop, JICA proposed the tentative framework to verify the CPA concept, which composed of three steps: Identification of Potential Products, Promotion and Sales. The concept was tentatively set considering the result of the study done in Japan. In the workshop, it planned a discussion on the concept, but the participants raised no particular question. Therefore, the participants discussed the specific activities done at African Fair and in test marketing in Japan, linking each to a step of the presented concept (see Figure 15). Posting cards on the common board expanded the discussion. Participants further clarified the position of implemented activities. And two concerns were confirmed in the workshop: “what the champion product means” and “the purpose of the champion product approach.”

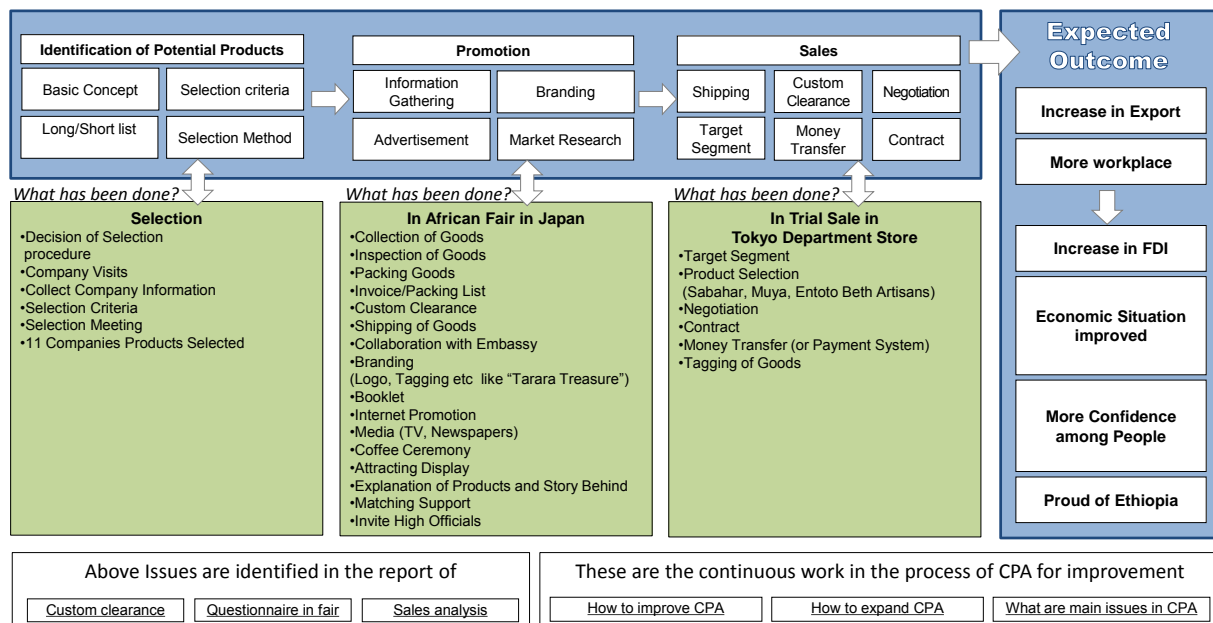
Figure 15: Overall picture of the CPA defined at workshop

What's Champion product?

Product which has Only one Best One with uniqueness & stories for premium markets

Purpose?

Country Image's Improvement



* Some additions / some changes in the layout were made for this report.

Then, a report was made on the export system, which became an issue at the customs in Ethiopia. Many participants agreed this was a concern. One commented it should be necessary to identify issues when taking products back home as well as those related to customs clearance in Japan and general export.

A report was made on the results of the questionnaire survey conducted at African Fair and the result of test marketing. About the results of the questionnaire survey on the logo marks, the company participants pointed out the difficulty of branding and the need to coordinate country, sector, and company brands. Although they understood the difficulty expanding into the Japanese market, it would be difficult for a company to make improvements in product design and others by its own, and it was suggested that these tasks should be tackled at the industry sector level.

Upon receipt of these reports, every participant posted three cards with one issue on the board to visualize what they think are the biggest issues.

In the afternoon on the first day, they were divided into four groups. Each group chose one from the issues raised during the morning session and discussed it in world café²², with three questions to discuss: feasible measures to solve the issue, why such measures would be necessary, and who should undertake these measures. They discussed issues of branding, package, collecting market information, and capacity building for company exports. Discussion was productive and most participants took active part.

This group work was meant to discuss specific solutions and who, including participants, should implement them. However, presentations after the discussion found the issues were generalized, without keeping note of the relevance to CPA, although each group had a heated discussion on the theme they had selected. An explanation about the direction of the discussion would have encouraged more specific improvement in three selected issues (customs, questionnaire survey, test marketing). On the other hand, some participants noted that no reporting or feedback had been provided when they had previously taken part in a Trade Fair and that the workshop had given them an opportunity to think about what to be done in the future.

1.7.3 Workshop on the second day: Saturday July 13, 2013

To increase participation, the second day reduced the original one day program to a half day. In accordance with the CPA project framework discussion on the previous day, participants agreed that the project duration was set to be three years, with the project purpose “to make champion products for exports to raise Ethiopian image.” They were divided into three groups and discussed what activities should be planned regarding three important CPA steps: Identification of Potential Products, Promotion and Sales. They also considered what external assistance might be required from government, private associations and companies. The discussion assumed an unidentified but modest budget.

Members of each group were asked to write on a card how they could support and contribute to project activities as a company representative, a representative of sectoral association, or a government official. The participants had difficulty getting an image of activities and made a mistake at first in indicating them; however, they soon got used to it and eventually activities were listed in a proper chronology.

Next, the workshop discussed project implementation organization for CPA. There was confusion about the difference between the Project Implementing Organization and the Target Group. Some wanted to resuscitate the already disbanded import/export support organization. Since that was not feasible due to time and cost, reference was made to the Ethiopian Competitiveness Facility (ECF), an existing body, to the approval of Mr. Asseged, the ECF’s representative in the workshop.

²² One of discussion tool to share ideas in a rather large group. During the group discussion, the group members except one are shuffled with those in other groups, thereby avoiding the stalemate in discussion and/or discussion becoming tendentious, as well as encouraging a discussion from a different perspective. This one remaining member can explain to new members the background of the previous discussion and this will be a training to systematically summarise the discussion.

Lastly, a discussion was held on how to take part in trade fairs to be held in Ethiopia as part of future CPA activities. JICA explained that they would be able to provide only technical assistance through their consultants and that financial assistance would be impossible. Then, the representative of ECCSA, organizer of the 6th Ethio Chamber International Trade Fair, briefed the workshop on the fair, as participation had already been discussed. A participant asked what kind of services ECCSA could offer on the assumption that exhibition fees would be borne by respective companies, and ECCSA suggested a 15% VAT discount. Mrs. Nigest of CAWEE referred to a Trade Fair to be organized by African Growth and Opportunity Act (AGOA) in Addis Ababa in August 2013 and suggested this fair should be included in the list of exhibitions. The group agreed JICA should produce the English version of the brochure prepared for the African Fair. Mr. Jin, director at JICA Ethiopia Office, promised to give consideration to this request.

1.7.4 Reporting to H.E. Mr. Tadesse Haile, State Minister, Ministry of Trade and Industry

Upon completion of workshop, the JICA staff with the consultants visited H.E. Mr. Tadesse Haile, State Minister, Ministry of Trade and Industry to report on the initiatives undertaken so far. First, they explained the CPA concept. Then Mr. Jin talked on the participation in the African Fair in Yokohama and on the results of test marketing at Tokyu Department store. Then, an outline of the workshop in Addis Ababa and the Action Plan produced as a result were introduced, and the fact that ECF had been referred to as a specific management body in Ethiopia was explained.

H.E. Mr. Tadesse referred to the exports of shoes to Kenya as an example and noted that an increase in production capacity in Ethiopia made it possible to schedule delivery earlier and do a bulk export. A need was recognized to share the concept of CPA more among the decision makers, since CPA is a unique initiative to improve the image of Ethiopia by selling a limited number of products in luxury goods markets. On the other hand, the group considered that this JICA project study activities on CPA should be taken over by its Ethiopian counterpart and a formal instruction was given to Mr. Asseged, who was present there, to continue to follow up the activities.

Later, we visited the ECF office and Mr. Asseged explained to us about the organization. According to him, the new ECF office is specious, and can be used as a CPA office, but one new staff member needs to be hired to cover the CPA business.

ECF is a project aimed at providing funds to private companies and industry associations, to increase their capacity for promoting exports. Funds were supported by the World Bank during the first phase (2012-2013) and by DFID during the second phase expected to run from 2013 through 2015. Financial assistance of 400 million pounds is promised for this three year period. It is comprised of a committee with members from private companies and chaired by the Minister of Trade and Industry (at the time of its establishment). Their activities are divided into four groups, each called a “window.”

(1) Export Development Window

Matching funds to the companies when their proposals for export promotion measures are accepted in the field of agricultural processing, leather goods, and clothing sectors.

(2) Institutions Development Window

Financial assistance to organizations that support and promote exports by companies (training, merchandise inspection, design support).

(3) Chamber of Commerce and Sectoral Associations Window

Financial assistance to chambers of commerce and to private association. Support is either for 100% of proposed business budgets or for 75% of proposed business budgets.

(4) Companies Not Currently Exporting Window

Necessary start-up funds to those companies which have not yet started export activities in the agricultural processing, leather goods, clothing and the chemical sectors.

Measures are being undertaken according to the guidelines to ensure transparency and efficacy in implementation of these windows, from the selection of companies to the flow of financial assistance. For example, the funds are once deposited at the bank and each company is to get a loan therefrom. The selection method is based on the checking of appropriateness of management capacity and the business plan of companies, which would be useful for CPA selection. To the question whether or not coordination with DFID in advance would be necessary if CPA project could move in and start in ECF, Mr. Asseged said ECF was “it is not necessary.”

1.7.5 Achievements and challenges

(1) A common understanding of CPA with the Ethiopian participants:

As a result of this workshop, it was possible to ensure common understanding with the Ethiopian side about CPA. Firstly, the purpose of CPA is to improve the image of Ethiopia by exporting its high quality and unique products that have a sense of its culture and history to high-end markets (especially to niche markets) such as Japan, and the approach can be divided into three stages: 1) Identification of Potential Products, 2) Promotion and 3) Sales. These points were shared without much dispute. The common understanding also proved it would be possible in the future to make use of the basic premise of promotion in African Fair and test marketing at Tokyu Department store.

(2) A common understanding of CPA on the Japanese side:

It was a great achievement that the direction of CPA initiatives could be confirmed among the JICA Ethiopia staff and the study team prior to the workshop, and be shared and agreed with JICA Headquarters upon conclusion of the workshop.

(3) Consideration about the project implementing agency:

In this workshop, a discussion was held on CPA implementing agency, which had become an issue among taskforce members, to clarify the stakeholders in the public and the private sectors. As a result, ECF was selected as a CPA implementing agency. However, ECF is not an organization: it is a program being

implemented under the supervision of MOI and is therefore ad hoc. Although there is no doubt their experience and knowledge would be very useful in planning CPA projects, the fact that the implementing agency itself serves as a secretariat of other projects and that that project is being funded by other donors (DFID) is a problem in ensuring CPA's durability. Therefore, it was agreed that consideration of a suitable implementing agency should be continued.

[Test marketing] Africa is Beautiful!

1.8 Participation in the African products sales event “Africa is Beautiful!”

1.8.1 Event summary

Tokyu Department store organized a sales event featuring products from African nations, “AFRICA IS BEAUTIFUL!”²³ from May 30 through June 10, 2013. This event was planned in conjunction with TICAD V, and in cooperation with a company which organizes “ethical” sales events. Participants collected, displayed, and sold products from 10 African countries (Ethiopia, Kenya, Uganda, Burkina Faso, Ghana, Mali, Morocco, Madagascar, Swaziland and Rwanda). Half the exhibitors companies were new brands landing in Japan for the first time, including four CPA candidate companies: Entoto Beth Artisan, MUYA Ethiopia, Sabahar and Salem’s Design. In addition to these four, the book about the Ethiopian coffee published by “Understanding Africa Project” and the rainforest alliance certified Ethiopian coffee were on sale. Another event entitled “Global Change: Invitation to an Ethical Life” ran from June 10-June 30 at this department store, where the aforementioned African products (40% of the total displayed products) were displayed and sold.

Picture 29: “AFRICA IS BEAUTIFUL!”

Upper left: panoramic view of the venue, lower left: Entoto Beth Artisan products
Right: Sabahar, MUYA Ethiopia shawls



²³ Shibuya Scramble 1 “POP UP STAGE B” on the ground floor in the west wing, Tokyu Toyoko store, Shibuya Station

1.8.2 Visitors

As it was not possible to conduct a hearing survey among visitors and purchased customers at the event, the following description and analysis is based on the interviews with the company owner who planned and managed the event.

There were 711 purchase customers and approximately 40,000 visitors during “AFRICA IS BEAUTIFUL!” on June 10 alone, and consolidated with “Global Change,” approximately 2,000 purchase customers 80,000-90,000 visitors until June 30. Attendees were at the ages of 25 to 70, but most purchase customers were at the age of 35 to 45. The organizer company initially targeted the events at people in their 40s and 50s. Many customers in their 20s bought Entoto Beth Artisan bracelets and pierced earrings. Many African-American, Chinese, and Hong Kong customers also came to the events. In addition, the events were partly advertised through Facebook, and there were people who came to the store, having seen the posts by former cooperation volunteers. Visitors over 40 were surprised to find such beautiful products from Africa. On the other hand, younger visitors seemed not to have any particular image of Africa. Photo panels of smiling children and umbrellas with similar photos printed by MERRY PROJECT²⁴ appealed strongly to a large number of customers.

1.8.3 Sales

“AFRICA IS BEAUTIFUL!” itself recorded sale revenue of JPY 3 million. This figure is average given the space of the venue and the duration of the event, and Tokyu Department store was quite happy with the revenue. Overall, products of a Japanese company which produces hand-woven baskets in Rwanda, bracelets and pierced earrings from Kenya, bags from Ghana, clothes from Mali, and hats from Madagascar were very popular. Sales revenue per customer averaged JPY 4,000 to 5,000.

1.8.4 Media coverage of the event

The aforementioned test marketing at Tokyu were featured in the following media:

- (1) Asahi Newspaper evening edition on June 3 (article about Ethiopian products)
- (2) MY LOHAS on June 4 (there were some comments on Ethiopian products)
- (3) Ethical Fashion Japan on June 4 (article about Ethiopian products)

1.8.5 Assessment of Ethiopian products

The product with sold most was the Entoto Beth Artisan bracelet. It was cheaper than its necklace and sold well, but quickly went out of stock, meaning lost sales opportunities. Sabahar sold 70-80% of its products in stock. It was believed the sales volume was partly due to the unique design of Entoto Beth Artisan and the variation in color and thinness of Sabahar. MUYA Ethiopia was thicker than Sabahar and, in the latter part of the event, closer to summer, its sales volume decreased. The line of MUYA Ethiopia products for

²⁴ <http://www.merryproject.com/>

the event had been taken from stock and leftover stock of certain products to meet the number requirement, limiting the variations in color and design and also lowering sales. Not more than 50% of visitors showed interest in the fact that Entoto Beth Artisan products were produced by female HIV patients. Some people disliked the use of recycled metals such as spent rounds.

The large accessories of Salem's Design and Entoto Beth Artisan hardly sold. They caught the eye of customers, but did not suit Japanese tastes. These are also heavy and cause a stiff shoulder. These may sell well in Europe and in the United States, but smaller, finer and simpler products would be more popular in the Japanese market.

The company which organized this sales event considered the exchange rate, stock, international delivery charge, domestic delivery charge, storage fees and labor costs, and set the price to be four times the cost price. The Ethiopian products on display were purchased at local retail price and were therefore slightly more expensive than products from other countries. However, the sales volume indicated their potential in the Japanese market.

1.8.6 Transaction problems

In this event, it took three weeks on average for the Ethiopian products to be delivered after the order had been placed. A local company in Kenya took two weeks. This company has only 15 workers to produce goods, and yet it could deliver the order for 200 bracelets that quickly. In Kenya and Uganda, many European and American church organizations and the World Fair Trade Organization are involved as intermediaries of trade. There are also private intermediary companies to support trading business. This makes it possible for Japanese companies to do smooth, stress-free business with local counterparts without going into the local market.

This time, "Africa Rikai Net" was in charge of collection, inspection and shipment of the merchandise. However, some items among the Entoto Beth Artisan products did not meet the order or had not been processed properly. Without the inspection before the shipment, there might have been a greater number of such defect items. Entoto Beth Artisan was instructed to pack the products into a plastic bag per product number, attach the model number tag (SKU) thereto, and deliver the products in small portion, but the company was unable to comply. Each piece of merchandise, of 200 pieces and 49 kinds, was nicely put into a cloth bag, but then these bags were randomly packed in a box: it was impossible to confirm which products corresponded to which item on the list. The shipment arrived to the venue just a day before the first day of the event. Upon its delivery, the work commenced to place a price tag onto each item, which proved to be really strenuous with the item number being unknown. Should there be no improvement made the next time or thereafter, transactions with Japanese buyers may not be possible.

1.8.7 Promotion of the Tarara Treasure brand

At the sales venue, the Tarara Treasure brochure, the original tag as well as the shopper with the logo mark were distributed to promote the Tarara Treasure brand. The sales staff took any opportunity to explain that there are many mountains above 4,000 meters in Ethiopia. However, no particular comments were received from visitors on the brand name and the logo marks.

The Tarara Treasure brand concept was indicated on the back of the tag. However, it would have been easier to use if its size was slightly smaller. In particular, it was too big for accessories, and during the course of the event, staff stopped attaching the tag and instead put it in a cotton bag we gave when a product was purchased. Also, when attaching the tag to scarves and other items, it is necessary to cut off its corners so as not to damage the product.

Staff distributed all 200 copies of the free brochure. One customer who had bought a product said the brochure's detailed explanation had been helpful. A sticker of the Tarara Treasure printed thereon was attachable to ready-made paper bags for customers. The sales staff was too busy to attach the sticker, however, and it was hardly used. This kind of shopper may be valuable when there is no bag available prepared by the department store. This time, the department store bag was available and it was troublesome to differentiate the use of these bags. Also, as the brand is still unknown, its advertising effect is questionable.

1.8.8 Achievements and challenges

The owner of the company who organized this trial marketing does not think the obligation of deposit payment is a problem, contrary to many comments received in Ethiopia that it hinders exports. This time, as it became clear which organization and which agency are involved in the necessary preparation, he said that it would be our responsibility to take note and to proceed with the preparation. However, he commented that PayPal is convenient to settle a payment in trade with companies in Kenya and Uganda.²⁵

Furthermore, when it comes to the method of selling the champion product, it was suggested that face-to-face sales may be appropriate for the time being to tell a story. Likewise, sales on the EC site, where the brochure is an effective tool in branding, would be difficult unless the brand becomes known to a certain extent. However, he considered that any added value—for example, a well-known buyer picking up the product—may lead to an immediate sale on the EC site. With regard to the quality and delivery time, he said, “Department stores would not directly buy products at this kind of exhibition. Department stores set very severe requirements and companies like ours need to be involved as a go-between.” The material of the MUYA Ethiopia products was thick, which was a seasonal disadvantage, but its hand-woven cotton material is a story to sell. To show the value of such product, we need to encourage customers to take the product in their hand. For this purpose, a design unique enough to further catch the eyes of visitors was required.

The lessons learned from the aforementioned test marketing are summarized as follows:

- (1) The company which sells the champion product in Japan has no problem with advance payment for goods to be imported, but it finds it inconvenient that PayPal and similar systems are not available in the trade in Ethiopia.

²⁵ An Internet payment service. Users can do payment and cash transfer by using credit card or accounts opened in this service's network. <https://www.paypal.com/>

- (2) Ethiopian products little known in the Japanese market require vendors to be able to communicate their story face-to-face to the Japanese consumers.
- (3) On the other hand, even if little known, a method with strong advertising effects, such as an association with a well-known buyer, may boost not face-to-face sales but) e-commerce.
- (4) The shopping bag with the logo mark printed on it was not very effective.
- (5) The brochure was effective.
- (6) Quality and the design must be considered with a focus on the fashion taste and sense of the season among Japanese people.

[Participation in the trade fair] 6th Ethio Chamber International Trade Fair

1.9 Participation in the 6th Ethio Chamber International Trade Fair

1.9.1 Event summary

The 6th Ethio Chamber International Trade Fair (6th ECITF) was organized for seven days from November 27 to December 3, 2013 in Addis Ababa Exhibition Center in central Addis Ababa.

According to the report and advertisement of ECCSA, 300 companies took part in the event, including those which set up their displays only on the special day designated every other day as well as the small and tiny exhibitor companies which came together to register as one entity. In the venue, there were three pavilions, tents, restaurants, and a stage for companies doing open-air exhibition.

ECCSA allocated 440,000 ETB for promotion activities in the run-up to the event: an announcement aired by two radio stations, reference to the event made during a radio program, newspaper advertisement, and banners to be hoisted in the city. The catchphrase of the event was “Buy Ethiopian,” making it clear there would be sales. Indeed, many companies were selling their products and most visitors came to do shopping. On the other hand, few overseas buyers visited the event and overseas exhibitor companies were aware of the Ethiopian market in setting up their display. During the same period, many people visited Diplomat Bazaar, which may have led the number of visitors at the fair to have been fewer than last year, as is expected.²⁶

1.9.2 Background of The CPA booth

The CPA project study is a trial aimed at an increase in the export volume of Ethiopian products. As such, immediate and visible achievements are difficult to obtain: a long term strategy is required. For this purpose, it is necessary and indispensable to set up a structure to advertise CPA and to ensure cooperation in Ethiopia. From this viewpoint, it was thought necessary to take part in domestic exhibitions to promote high-quality Ethiopian products and the CPA itself. Since the potential is unrecognized even by high-ranking officials of the country's export-related agencies, it is difficult to set up the CPA structure. At the workshop organized in Addis Ababa in July 2014, mentioned in the previous Chapter, the taskforce members who had visited Japan emphasized, as one of the achievements of the mission, that the country's high-ranking officials had visited the booth at African Fair in Yokohama and recognized that the country's products were of high quality and could compete in overseas markets. On the other hand, many participants from the CPA companies questioned the significance of participation in domestic exhibitions as part of export promotion initiatives (whether it could facilitate exports). Although this exhibition is said to be the largest in the country, concern was expressed that there are few visitors every year from the group of people which should originally be the CPA target, overseas buyers. Discussions concluded it had value as a means to let the CPA known domestically, to understand how to prepare an exhibition, and to learn the method for it and the post-event measures to be undertaken.

²⁶ Diplomat Bazaar is an event to sell specialty products from various countries and is organized by the embassies of various countries in Ethiopia. It is a very popular event among foreigners residing in Ethiopia and others.

1.9.3 Exhibition fee and the booth location

At this exhibition, fees for Ethiopian exhibitor companies and for overseas ones are set separately. As part of the JICA project study, since the exhibitor companies were Ethiopian, the exhibition fee for domestic was applied. Also, following the negotiation, Ethiopian companies secured a space on the front right side from the entrance in the first pavilion, the largest area where big companies set up their displays, as the location of the booth.²⁷

²⁷ There were booths of Ethio telecom, Art Metal (exteriors and railing of the stairs) and MIDROC (a conglomerate of the Sheraton manager) set up nearby.

1.10 Involvement of core organizations and exhibitor companies

1.10.1 Purposes of participation in the trade fair

The four purposes set for the participation in the trade fair were as follows:

(1) Disseminate high-quality Ethiopian products and CPA to the visitors

The main purpose is to disseminate high-quality Ethiopian products (CP candidates) and the concept of CPA inside and outside Ethiopia, as previously mentioned in 1.9 above. The target was export-related organizations/agencies as well as general visitors and visitors from foreign countries, although there may not be many.

(2) Identify, ascertain, and capacitate organizations for the trade fair and CPA implementation

To implement the CPA activities, the initiative and ownership of relevant ministries and agencies or sectoral associations are very important. Therefore, one of the purposes was to identify capable organizations which could work together for trade fair, to ascertain their capacity and to capacitate them for CPA implementation. In this report, these will be called “core organizations” hereafter.

(3) Promote exports of exhibitor company products

Overseas visitors, despite their small numbers, were a target in the export promotion of CP.

(4) Identify exclusively domestic resources for the trade fair

To sustain the capacity of the core organization and exhibitor companies on how to prepare and run the trade fair in the future, it was aimed at identifying and using the domestic resources such as furniture, fixtures, exhibition accessories, and promotion agencies for the fair.

One of reflections of the African Fair in Japan is that enough preparation time was not allocated and that almost all preparations were done on the Japanese side. This did not result in strengthening the capacity of the core organization and the taskforce members for overseas trade fairs. Therefore, it was necessary to involve various ministerial agencies and core organizations to the trade fair and to start preparations more than two months before the event. In late September 2013, the study team asked various government organizations and sectoral associations to cooperate for the trade fair and started to study Ethiopian domestic resources based on the information on the Internet and the knowledge gained at the previous visits to Ethiopia. In October, a preparatory meeting was held in Ethiopia with relevant stakeholders, including CPA private companies. That was when we found local resources for furniture, fixtures, and other display materials in Addis Ababa and made the arrangements for the exhibition. From November onwards, we worked with MOI and ECCSA to arrange booth attendants and prepare a questionnaire.

1.10.2 Select sectors and companies, and cooperated core organization for the trade fair

(1) Choose sectors for the trade fair

Companies in six sectors in total, including the four featured at African Fair in Yokohama (textiles, jewelry, processed agricultural products, and tourism), plus coffee and leather goods, were selected for the exhibition. Two sectors of coffee and leather goods in Ethiopia have priority over other Sub Sahara African countries in terms of quality, and it is in these sectors that their originality and the high quality of the Ethiopian products can appeal to foreign markets. At the time of the African Fair in Japan, the Embassy of Ethiopia in Tokyo was to arrange some companies for the exhibition from these two sectors. However, as the information of the arrangements was not shared with the study team, we were unable to liaise with the representation of the sectors. As the sectors of coffee and leather goods have potential and are representative of Ethiopian products, they were decided to be included as CP for the fair this time.

(2) Identify core organization (cooperation organization) in each sector

The study team discussed with relevant ministries about suitable core organizations in each sector, such as government-related agencies and private sectoral associations, which were expected to work together with CPA companies for the Trade Fair. At the beginning, only private sectoral associations were considered as its candidates, but government sector associations were found to be more institutionalized as an organization. Finally, the core organizations were selected as follows. Most of them were governmental based.

Textiles: Ethiopian Textile Industry Development Institute (TIDI) <government related agency>

Jewelry: Ministry of Mine (MOM) <ministry>

Agro-processing products: Ministry of Industry, Agro-processing Industry Development Directorate
<department in charge at ministry>

Tourism: Ministry of Culture and Tourism (MOCT) <ministry>

Coffee: Ethiopian Coffee Exporters Association (ECEA) <private sectoral associations>

Leather goods: Ethiopian Leather Industry Development Institute (LIDI)
<government related agencies>

The study team asked every organization to appoint someone in charge of actual work as a contact and supporting person in charge of the trade fair, as opposed to a head, to make the experience at this exhibition more useful in the future. The team made the same request to MOI and ECCSA to select actual implementing officers.

Between November and December 2013, the study team also interviewed associations and organizations other than six core organizations for the 6th ECITF to understand their management and the issues of their capacity pertaining to their organization roles. All of them were related to export promotion or/and supported private companies (see 1.16 “Issues in organizing an implementation body”). The interview

included some other questions, such as the necessity of a cross sectoral organization as the CPA implementing body, sector specific issues for export promotion, etc.

(3) Selection of exhibitor companies

The study team requested the same companies that exhibited products in African Fair to participate in the trade fair in Ethiopia. It also asked the core organizations in two additional sectors to select some companies suitable for CPA candidates. As a result, it obtained the consent of 10 companies (including Ecopia, which was unable to display its products in Yokohama due to quarantine in Japan) out of 11 CPA. Ethiopian Spice Extract Factory, which sells processed agricultural products, did not participate in the fair, saying “participation in the exhibition will not directly increase sales.”

LIDI recommended three leather goods companies: OK Jamaica Shoe Factory, ELICO, and EIFICCOS. OK Jamaica manufactures leather shoes for a Japanese company in Yokohama, which manufactures and sells leather goods.

We were unable to get cooperation from ECEA (Ethiopian Coffee Exporters Association). We asked them to attend the preparatory meeting and explained to them the CPA concept as well as what we required of them, but we could not get their consent. As a result, we selected three companies: ToMoCa Coffee and Moplaco Trading, which had been part of CPA from the beginning as taskforce members, and Aster Bunna, recommended by one taskforce member. Moplaco Trading sells both raw and roasted beans; ToMoCa Coffee and Aster Bunna, roasted beans only. ²⁸

Instead of Ethiopian Spice Extract Factory, we selected Aster Tej, recommended by one government official. The structure to export Tej, Ethiopian liquor made of fermenting honey and herbs has not yet been set up, but the company is well known in Addis Ababa and is aiming to increase the production of Tej for the overseas market.

1.10.3 Preparatory meeting

On October 17, in the meeting room at a hotel in the city of Addis Ababa, a preparatory meeting included 28 participants from co-organizers, core organizations, exhibitor companies, and the taskforce. At this meeting, we explained the event to government-related agencies, producers’ associations, and the companies which were to take part in CPA for the first time. We also explained what had been done for CPA so far and the significance of participating in domestic trade fairs, emphasizing cooperation among participants in the production of display panels and booth operation.

To increase the participation of companies taking part in a domestically organized trade fair, a lecture on VMD (Visual Merchandising) was organized in the preparatory meeting.

²⁸ ECEA is a coffee growers’ association in Ethiopia. Many of its member companies have already developed sales overseas, and many of these companies sell raw beans. Looking at the coffee value chain, the value to be added by roasting is great. In the Japanese and the European markets, a large quantity of raw coffee beans is supplied from Ethiopia, creating significant barriers to entry for roasters.

Participants raised some questions about the significance of taking part in the exhibition. Would it really make sense, and be profitable, to exhibit products for domestic customers? There were also questions about the arrangement of booth attendants on the day, such as if respective companies should send their booth attendants at the same time they fully occupy the booth space.

1.10.4 Training on Visual Merchandising

Visual merchandising is a method to display merchandise in accordance with certain rules to promote merchandise's appeal to customers, thereby increasing sales. It is extremely cost-efficient, increasing sales significantly with little investment. This time, a specialist was invited from Japan to visit each company in advance to explain a simple mechanism of Visual Merchandising (VMD) and to encourage the company to take part in the seminar. Many of these companies attended the seminar (we also visited four of six core organizations for an interview survey, during which we explained to them VMD and asked them for participation). The exhibitor companies Sabahar and YeFikir Design requested and received individual three-hour training seminars.

Along with MUYA Ethiopia, they received it in their shops. It covered how to set the theme color, how to establish the relationship between VP²⁹, PP³⁰ and IP³¹, and to what extent priority should be given to color coordination focused on colors over material, size, and differences in use.

Sabahar later reported that Visual Merchandising had boosted sales. Ms. Cathy, the owner, said that specific technical transfer such as Visual Merchandising had never provided by other donors who tend to focus on financial assistance. She requested more of this kind of technical assistance should continue in the future. MUYA Ethiopia was instructed to housekeep the products: for example, the corner of image presentation of cushion covers and the actual display of them were apart far in the room, as such, the sales floor's configuration was somewhat confusing to customers. It was suggested that these two displays should be arranged side by side. Later, Mr. Dubois, the owner, reported that the rearrangement had boosted sales and led to positive feedback. YeFikir Design is a made-to-order producer and therefore they have less merchandise to display. Instruction was given to the company as to how to make effective use of a negative space³² and to make their small amount of merchandise look attractive.

Even if organizations and companies support the CPA concept, it is still difficult to secure their involvement. Some were still reluctant to participate in the domestic trade fair, expecting no significant return for export. We were able to introduce Visual Merchandising to exhibitor companies and set up a mechanism to make exhibitor companies see the benefit of taking part in this exhibition. On the other hand, it was difficult to encourage relevant organizations to find something else which might bring such benefits. It is believed that future technical assistance like this will lead to continuity in the initiative to promote CPA.

²⁹ Visual Presentation

³⁰ Point Presentation

³¹ Item Presentation

³² A space without product display.

1.10.5 Achievements and challenges

(1) Getting government-related organizations and producers' associations involved

To create shared purpose between the core organizations and the exhibitor companies, we organized a preparatory meeting for the fare. LIDI and TIDI agreed to actual participation and for cooperation in preparation thereafter, although ECEA took part in no initiatives after the preparatory meeting. A prior briefing was possible with the officer in charge appointed at the section of processed agricultural products, however his supervisor had judged that “CPA is an initiative to be led by ECCSA and it is not necessary for MOI to be involved in that activity” and that this officer in charge would no longer be involved. With regard to jewelry, no response was received from MOM. MOCT expressed that it would attend the preparatory meeting but did not.

In light of such circumstances, H.E Mr. Tadesse, State Minister for Industry, took personal initiative to ask relevant parties for their participation. As a result, it was possible to give an explanation directly to the supervisor of the officer in charge at MOI and MOCT, which then agreed to participate. APIDD also eventually agreed. However, MOM still did not respond.

During the exhibition, visitors from co-organizers were only those from MOI and MOCT (they had their displays set up in other pavilions), and those from ECCSA.

The extent of participation of relevant entities, including core organizations, in exhibition business, is as indicated below.

Figure 16: Extent of participation of relevant entities in exhibition business

	Kick off	Preparation	Set Stand	Run Stand	Follow up
	• Preparatory Meeting	• Offer Data • Cooperate for Logistics	• Meeting • Set stand	• Visit Stand	• Wrap up meeting • Develop Survey
MOI	○	Prepare the questionnaire	X	○	Develop Survey
ECCSA	○	Request cooperation to Participants	Stay in Venue	○	X
LIDI	○	Offer Data, select companies	X	X	X
TIDI	○	Offer Data	X	X	X
APIDD	X	Offer Data, Request to New participants	X	X	X
MOM	X	X	-	-	-
MOCT	X	Offer Data	X※2	○	X
ECEA	○	X	-	-	-

※1 MOCT planned to offer their booklets.

MOCT informed us that a selection of tourism companies would not be made due to possible complaints from companies not selected. We then requested MOCT provide us with brochures to be displayed, but no such material was provided and only the prepared sector panels were displayed.

(2) Getting exhibitor companies involved in activities

The Visual Merchandising seminar entitled “sales can increase with no investment” paid off in getting respective exhibitor companies involved. In order to request their participation in the preparatory meeting, we visited every company and discussed with them how to make their products look attractive: as a result, subsequent collection of merchandise went smoothly.

1.11 Production of an English brochure

1.11.1 Work to revise the Japanese version

In order to distribute it at events in Ethiopia, the brochure distributed at African Fair was translated into English. In doing so, relevant sectors and companies were added and replaced.

1.11.2 Printing in Ethiopia

It was decided that printing of the revised brochure should be arranged in Ethiopia. The consultant visited three offices to get a quotation. Their work being of the same quality, an order was placed with a company as its quote had been cheaper. The company has also provided its services for international organizations and overseas donors. According to the staff in the company, as Ethiopia depends on Indonesia for a majority of paper supply, the company has difficulty obtaining goods of its orders. Sometimes 250-kg paper would be delivered instead of the 150-kg paper ordered.

1.11.3 Achievements and challenges

The delivery of brochures was received on schedule. There was no off-registration but there was layout misalignment which might have been caused at the time of imposition. Also, quite a huge gap in print quality was observed among 1,000 copies. Nevertheless, they were quick to respond by email and we felt no frustration in doing business with this company. With regard to typography, a PDF³³ file had been produced while the photos were being imposed, a problem which can be resolved in future transactions. Their price was higher than Japanese printing companies, and compared to the price of other commodities in Ethiopia, we found it fairly expensive.

³³ Portable Document Format (a format used in computer documents)

1.12 Booth furniture and fixtures and panel production arranged locally

1.12.1 Setting the design concept

This time, it was necessary to display products of 17 companies within a small two-frame space (6 x 3 m). As at African Fair, a stage for visual presentation was set up in the middle and the display was arranged so that visitors could walk around within the booth to see products. Also, the images of each sector were projected on the wall between panels. At African Fair in Yokohama, there was no explanation about each sector and each company³⁴ and the display ended up being rather incomprehensible. This time, a commentary panel for each sector was produced and the panels of the exhibitor companies were placed beneath it. Also, the display was configured to display the products near the panel of each company, so that visitors could view sectors, companies and products in order and find the display visitor friendly.

As for the panel design, a catch copy, image photos, and body copy³⁵ were used to introduce the characteristics and the potential of each sector visually as well as with numerical data, so that visitors could understand the information specifically. The panel was made in A1 size. Each company information panel was in a simple configuration with the company name, explanation copy, and an image photo and was in A4 size. The six sectors and 17 companies were grouped as below.

List of Participating CPA Companies in 6th ECITF

	Hand-Woven, Fashion and Natural Dyed Product		Agro-Processing Product
1	MUYA Ethiopia	11	Beza Mar Agro Industry
2	Sabahar	12	Ecopia
3	YeFikir Design	13	Terra
4	Trio Craft	14	Aster Bottled Honey Tej
	Gemstones, Opal and Jewelry		Coffee Beans
5	Salem's Design	15	ToMoCa Coffee
6	Entoto Beth Artisan	16	Aster Bunna
7	Orbit Ethiopia	17	Moplaco Trading
	Leather Product		Tourism
8	Ethio Leather Industry (ELICO)		No company was chosen. Instead, MOCT introduced four attributes of Ethiopian tourism. 1. Urban 2. History 3. Adventure 4. Nature
9	OK Jamaica Shoes Factory		
10	Ethio International Footwear Cluster Cooperative Society (EIFCCOS)		

The booth designs on the floor plan and elevation view were as follows, which were explained to the exhibitor companies and core organization before the event.

³⁴ Because of the short time to do preparation for the African Fair, and the inability of exhibitor companies and Japanese coordinators to fully discuss the briefing paper.

³⁵ Main text part of an advertisement or any printed matter.

Read more: <http://www.businessdictionary.com/definition/body-copy.html#ixzz2uBZcIHAL>

Figure 18: 6th ECITF: CPA booth elevation view

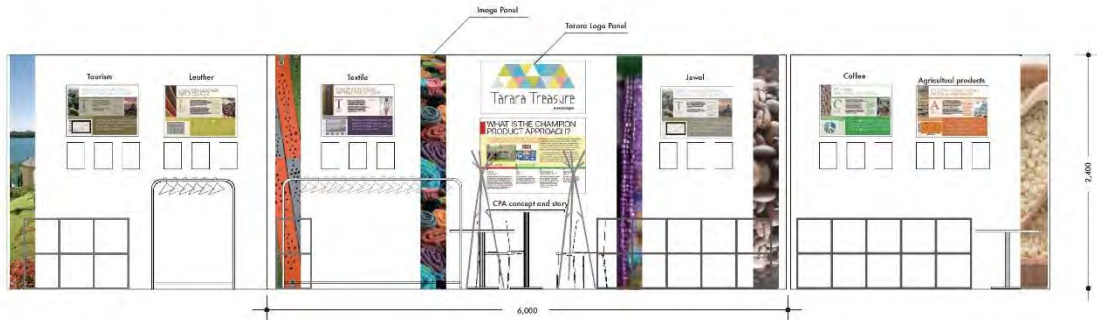
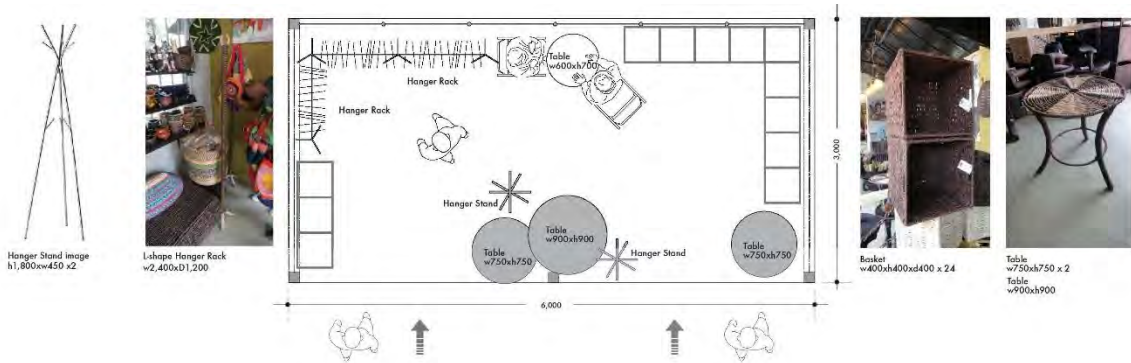


Figure 17: 6th ECITF: CPA booth floor plan



1.12.2 Selection of a production company / coordination with diaspora companies

For selecting a penal production company, we referred to the websites and paid a visit to three companies, Flawless Events, Berry Advertising, and C62 Media. Flawless Events is focused on the management of international conferences. Berry Advertising is a company which made a website for ToMoCa Coffee, a taskforce member, and is highly skilled in design. C62 Media produces company promotional and advertising materials and edits *Addis Life*, a magazine, and *Selamta*, an in-flight magazine of Ethiopian Airlines. It is highly skilled in editing, responds quickly by email, and seemed most appropriate for the production work: we placed an order with it.

Many of C62 Media staff are freelance. There are 11 full-time staffers. The company also has a network in the United States and in Europe, and depending on its amount of work or job, makes use of outside resources. The staff in charge expressed its enthusiasm to contribute to Ethiopian progress with its knowledge, skills and experience. Its work for the CPA booth is shown in the following figures.

Figure 19: Draft sector panel color evolution shown by C62 Media

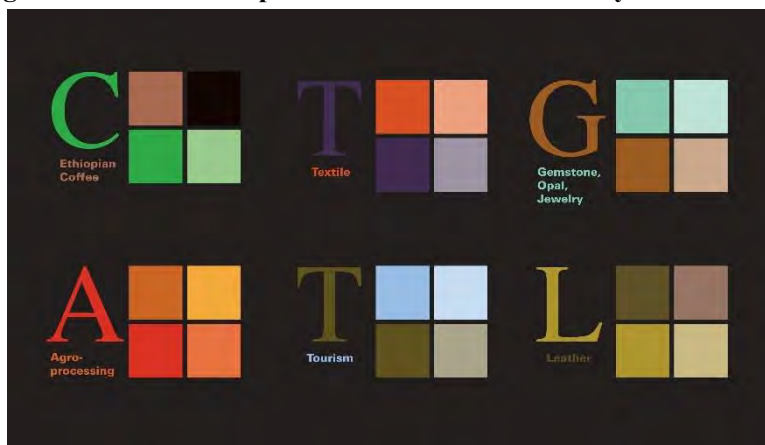


Figure 20: Draft sector panel layout shown by C62 Media



C62 Media started the publication of *Addis Life* as a platform for sending a positive image of Ethiopia to overseas. What they find difficult is that companies in Ethiopia do not understand marketing and its value, probably due to a small number of companies monopolizing power in the market for a long time in many industries.

1.12.3 Panel printing

Eco Printing could do the panel projection and processing we needed. We ordered two in B1 size, six in A1 size, 20 in A4 size and eight 240 mm in height x 30 mm in width banners, and they delivered within two days. The printing quality was sufficient. However, there were some problems: after it had been processed, the panel became quite warped; the company had been unable to cut in accordance with the bonding pins, distorting the square shape of the product became distorted compared to the specified size; and the corners were cut off before delivery. It was also more expensive than panel processing in Japan.

1.12.4 Procurement of booth furniture and fixtures in domestic markets

To procure Ethiopia furniture and fixtures for the display, the city began to look for those items in markets, at retail stores and at supermarkets in Addis Ababa.

Mercato is said to be the biggest open market in Africa and there, a W1,700*D850 oval table would cost approximately 1,700 Ethiopian Birr(ETB), a garden table would be 500 ETB, and a H1,900*W400 single hanging rack would be 700 ETB. At Bambino, a luxurious supermarket where foreigners were living nearby, a plastic hanging rack costs over 1000 ETB. However, the quality of the products sold in these places is poor.

We also visited an atelier where bamboo, the plant abundant in Ethiopia, is processed into bamboo fibers to manufacture a shelf. A H125*W800*D40 (three steps) can be manufactured for 650 ETB and a H125*W1,200*D40 (4 steps) for 1,600 ETB. Eight shelves can be made within two weeks. Compared to other options seen in other markets, it offers a sense of unity in material and a reasonable price. However, an interpreter working for us advised the bamboo shelf would look cheap to Ethiopians. We also visited Drive Tech ETIOPIA in the city which sells imported furniture and fixtures to retailers. Their products are comparatively expensive and yet the quality is low.

At Sal Art Gallery, managed by Mrs. Salsawit, wife of the owner of Orbit Ethiopia, we found a hemp rope table. It is possible to order a table made to a designated size, and we decided to. This company sells products made by female HIV carriers and currently employs 30. We decided to use boxes made with hemp rope—the same material used for the table—as shelf furniture to be attached on the wall. It was possible to create a sense of unity by using those items made with hemp rope. Eventually, furniture and fixtures were order-made but cheaper than ready-made items.

We looked for rings to display scarves and Ethiopian traditional wooden carved children and balls to display accessories in souvenir shops near the central post office, and decided to use them instead of beaded bracelets at the price of about 25 ETB.

1.12.5 Achievements and challenges

(1) Making use of Ethiopia domestic resources

It was possible to arrange the panel design, a projector company, display furniture, fixtures, and brochure printing mostly using Ethiopian domestic resources, and it was possible to set up a booth of high quality with a sense of unity. It was important to show participants and other exhibitors that this could be done. Likewise, by using domestic resources, we could raise the morale of each exhibitor company and give a profound impression to people visiting the exhibition. Many people were surprised to learn the products on display were Ethiopian products, and when we informed them that the furniture, fixtures, and panel production was all made in Ethiopia, a senior visitor was nearly in tears.

It was possible to use those available domestically as replacement for what had been difficult to procure in Ethiopia. The rope used in shoe production was very durable and it was used for accessories and theft prevention. Also, rings and chairs sold in souvenir shops were used as furniture and fixtures to display textiles. It was also possible to buy double-sided Scotch tape at a shop in Ethiopia. It was possible to demonstrate that many problems that can be solved with what is available in the market.

(2) Discovery of human resources and getting those resources involved on the Ethiopian side C62 Media, in charge of panel production, has staff with overseas training, can edit, and designs skillfully. It is not that expensive compared to other companies in Ethiopia. It was very cooperative as the staffers themselves appreciate CPA and want to make the best use of this opportunity to expand their business. Even after the departure of the consultant for Japan, they went to visit various organizations for briefing CPA: they were willing to do more than what they were bound by under the contract of “editing and designing the exhibit.”

In addition, Ethiopian domestic partners smoothed out preparations, as when Sal Art Gallery, managed by Mrs. Salsawit, designed and produced our furniture and fixtures had been commissioned. The remaining work was assigned to two young officers in charge from MOI and ECCSA, respectively, when the consultant left for Japan in October. Although there were some delays and misunderstandings about what they had been asked to do, they did their work cooperatively for the month or so leading to the event. Collection of products for display was smooth as they had informed companies in advance of the type and the quantity required. It is believed they will be important partners in promoting CPA in the future.

(3) Problems in procurement to be made in Ethiopia

There were few ready-made furniture and fixtures of high quality with good design in domestic markets: most are expensive for their quality. And little information is available about where to find them: it was necessary to go see Mercato (the biggest open market), furniture shops, supermarkets and ateliers.³⁶ As a result, we bought order-made furniture and fixtures, at a cheaper price than retail.

As for print processing, human errors during the production process (poor storage, mistakes in cutting panels, and cutting corners) became an issue, rather than the performance of the printer.

³⁶ This time, information about the location of furniture shops etc. was provided in advance by Ms. Kurumi Shiratori, a representative of “Africa Rikai Net.”

1.13 Booth operation

1.13.1 Booth attendants to be dispatched by respective companies

During the exhibition, a few exhibitor companies sent their staff as booth attendants to the booth to explain the products on display to visitors. YeFikir Design, Orbit Ethiopia, Aster Bunna, ToMoCa Coffee and EIFCCOS sent their staff every day; ELICO and OK JAMAICA's staff attended most of the time; and staff of Moplaco Trading Coffee came in for one day during the exhibition. As for the leather goods sector, on the first day of the exhibition, the LIDI officer in charge called us to see if every company had already sent their staff to the venue. Shortly after we informed him that nobody had come from the leather sector, the staff from respective companies immediately came in.

These booth attendants were preoccupied with explaining their own company in the morning on the first day, but gradually became able to explain the sectors and the data indicated in the brochure. They listened to the explanation given by the consultant and learned how to explain the CPA concept and the merchandise in other sectors. They also cleaned the booth, picked up trash in and around the booth, and corrected the placement of the products in the morning. The consultant did not give them any particular guidance as to how to welcome visitors. As such, each booth attendant responded to visitors differently. However, it is thought that the attendance and interest of visitors boosted the morale of each booth attendant and that the best stand award given by ECCSA (mentioned below) was another motivator. Also, the younger the staff, the more enthusiastic they were in various activities. Some expressed their wish to be docents again should a similar opportunity arise.

Picture 30: 6th ECITF: CPA booth



Picture 31: 6th ECITF: Other exhibitors



Entrance Gate



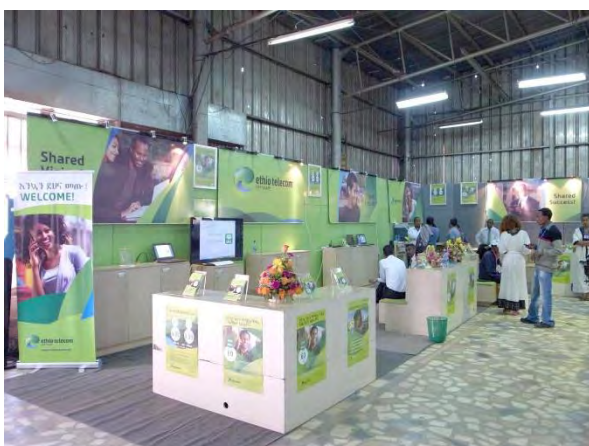
Opening Ceremony



Outside Stands



Pavilion No. 1



Ethio telecom Stand



Midroc Group Stand

The only item which went missing was a 100-g ToMoCa Coffee package, according to the report we received. A request was sent to the companies in advance to collect merchandise on the last day, and more than half of the companies came to the booth at about the specified time.

1.13.2 Visits made by dignitaries, media coverage, and winning the best stand award

Following the opening ceremony on the first day, H.E. Mr. Tadesse Haile, State Minister, Ministry of Trade and Industry, and Mrs. Mulu, ECCSA President, visited the booth with JICA Ethiopia Office Director Mr. Jin, and an explanation was given to them about CPA and the merchandise.

On November 28, the Ethiopia state television reported on the exhibition in the business news (Amharic version) (at 1420 hrs). During the program, an interview with the consultant about the CPA concept was aired. *Ethiopian Herald* English version dated November 28 (1/3P), the Sunday edition of this paper dated December 1 (English version 1/2P) also featured the exhibition, in which CPA was introduced.

At the reception organized by ECCSA on the evening of November 30, the CPA booth won the Best Stand Award. This helped other exhibitors recognize the CPA initiatives.

1.13.3 Contact with visitors

(1) Inquiries from other companies about CPA

Many other exhibitor-companies at this exhibition expressed their wish to be part of CPA in the future: indeed, they invited us to visit their booths and received their product samples. After the CPA booth had won the award, such inquiries from other companies increased. Many wanted to know what criteria the merchandise on display in the CPA booth had been selected and how they could get their product displayed in the CPA booth.

Similar inquiries were received from company owners who did not take part in the exhibition this time. Clearly many visitors were neither general consumers nor buyers but looking for business opportunities.

Some of the inquiring companies seemed to have potential champion products, such as a tour travel company offering eco-tourism trips and an artist using Ethiopia's traditional drawing motifs to produce his work. However, in some cases, it was found that the domain ownership had already been lost when we tried to access to the website address indicated on the business card. Although we gave our business cards at their request, usually, no further inquiry was received.

(2) Inquiries from overseas buyers and potential customers to the exhibitor companies

Most of the visitors were Ethiopian, not overseas buyers. However, a foreign buyer came back to the shop of Aster Bunna later and business negotiations are under way. Also, as the merchandise had become known at the exhibition, many tourists and foreign customers stationed in Addis Ababa on business visited the Orbit Ethiopia shop. Orbit Ethiopia responded to the post-exhibition questionnaire, saying it they could recognize a market of foreigners in Ethiopia.

Although it did not lead to long-term contact, candid comments were received from European and Japanese visitors. A Dutch gentleman found Ecopia's package was poor. When we returned the products on

display to Ecopia, we informed Dr. Mitstal, its owner, of this comment and he responded, saying: “the package is something to be thrown away immediately and there is no point in investing money therein. I consider it more important to make our product distributed at a cheaper price instead.” With regard to the Terra essential oil, a European gentleman who presented himself as a perfumer made a remark, saying: “although it is touted as a luxury, I am not sure whether its quality can be commensurate with it” (he must have been talking about degree of purification and/or fragrance). On the other hand, a Japanese sent to Ethiopia by the Japanese company HIROKI, which manufactures and sells leather goods in Yokohama, commented about the ELICO leather products, saying: “Sewing is sloppy. Moreover, for the products being distributed in Ethiopia, they use second products that cannot be exported and the quality of the leather itself is not good. When it comes to the stained leather, staining is a method applied to disguise the poor quality of the leather, and the goods of a similar quality is available also in China.” This observation was forwarded to the ELICO staff in charge: he appreciated that such opinion was very helpful and wanted very much to receive further information about the reaction of the visitors.

(3) Promotion of CPA to Ethiopian visitors

Many Ethiopian visitors commented that they appreciated the concept to promote high-quality products to overseas and to change the image of Ethiopia and that they did not know such products were available in Ethiopia. Many visitors were surprised to find out that furniture, fixtures, panel design, and printing had all been arranged in Ethiopia. “Price?” “Where is it sold?” and “It is available in Ethiopia?” These were frequently asked questions and since communication in English was not sufficient, we asked the booth attendants to respond to these questions as much as possible.

On the other hand, even after an explanation was given about the CPA concept and the relationship between MOI and JICA, many people still mistakenly took us for buyers from Japan or from China. It was impossible to give a sufficient explanation in English. They also asked if they could taste coffee and honey.

1.13.4 Other exhibitor companies

Next to the CPA booth, there were booths set up by major companies, including: Ethio telecom; a mobile terminal manufacturer, Techno Mobile Ethiopia; and Midroc, a conglomerate of a company which manages Sheraton Addis. As for Ethio telecom and Techno Mobile, although their booths were several times larger than the CPA booth, the display itself was poor. It was difficult to identify which of the other exhibitor companies, has the quality or story to bring us a CP.

There was also a display set up jointly by 60 or so companies with an assistance from FeMSEDA. However, we were unable to identify any companies from among them whose products have the quality and the uniqueness to be champion products. In July, a project study team visited a FeMSEDA shop, which displayed and sold products from various regions. The team felt that, unless the quality would be improved further, it should be difficult to produce merchandise that can sell in overseas high end markets. As far as we could see, the merchandise in their booth had not improved or requires further improvement.

In the third pavilion within the venue, a pavilion-wide display on tourism was set jointly by MOCT and the regional tourism bureau. However, there was no display in more than half of the booths.

The Shimcott eco-tourism project supported by JICA also set up its booth: no photo panel being on display, a JICA logo mark was attached to the wall and one kind of a brochure was placed on the table with one personnel sitting.

1.13.5 Organizing a wrap-up meeting

On December 5, 2013, after the Trade Fair in Ethiopia, the study team held a wrap-up meeting with exhibitors and supporting companies in JICA Ethiopia Office. A total of nine persons from eight companies participated in this meeting. The agenda included the following points:

- (1) CPA booth operation and exhibition at ECITF
- (2) Technical support for Visual Merchandising
- (3) Areas for improvement in CPA

(1) Discussion on CPA booth operation and exhibition at the 6th Ethio Chamber International Trade Fair
The participants in the meeting praised the CPA booth's beautiful display. At the same time, they found the space per company in the CPA booth too small, and a larger space could have presented CPA products better. A participant from Aster Bunna said that a tasting space should have been set in the booth as many visitors have asked about the taste of their products.

Regarding the Trade Fair itself, participants pointed out that "there were many unoccupied booths, and the Fair lacked liveliness," "the timing was overwrapping with the Diplomat Bazaar, and it should be coordinated next time," and "one week was too long." A participant from C62 Media, which made panels for the booth, said that they wanted more time to prepare the panels, face-to-face meetings with exhibitors, and ore systematic collection of information from exhibitors, using a uniform format.

As for the preparation for CPA booth operation, participants commended that "the pick-up of goods went smoothly as the date and goods to be prepared had been informed to the exhibitors in advance" and "it was a good learning opportunity for staff who explained the products in the booth." A down-side was that the names of producers were not easily visible in the display.

(2) Technical support with visual merchandising

As for support using visual merchandising, the participants commented that "While in other booths the tables in front blocked visitors from stepping in, the CPA booth was well designed to prompt visitors to walk around inside the booth." A participant from YeFikir Design said, "The on-the-spot support by visual merchandising was a good learning opportunity, being different from business counselling and lectures on export preparation and technical terms by CAWEE."

Regarding the future, participants pointed out that "In overseas trade fairs, Ethiopian exhibitors' presentation and packaging of their products pale in comparison with other exhibitors. Technical support at overseas trade fairs is also needed," and "improving the country's image is important, but we also need to improve the packaging/labelling and presentation technique of CPA companies."

(3) Areas for improvement in the CPA

The participants pointed out that “the selection process of CPA products should be more clearly explained and crystalized, and it should be systematized.” Another participant talked about the CPA as a whole, saying that “a time-bound project benefits only those companies which luckily participate. It is important to build a sustainable system.” Other opinions were that “it is important to present more focused information on selected companies and their stories” and “the brand of each company is not known in Japan, and therefore an antenna shop should be set up.”

Also requested by participants were information (especially seminars) on Japanese markets for product development, B2B business matching, information on import regulations and certifications, improving packaging to be accepted by buyers and customers, and other support to meet the demands of target markets.

A question was also asked about JICA’s long-term plan on the CPA, including the future of its support and the role of Ethiopian companies. When asked if they would participate in the next exhibition opportunity in Ethiopia, about half the participants expressed their willingness.

1.13.6 Achievements and challenges

The panels did not make any impact on visitors as long as they were just displayed. Few people spent time reading them. Although we tried to reduce the volume of words, it should have been reduced further so that booth attendants could use them to explain details to visitors.

Even for CPA companies which have started exporting, the opportunity to exhibit their products in a major exhibition event is limited in Ethiopia. Most visitors to this ECITF were from Ethiopia. While in-country exhibitions create a good opportunity for direct technology transfer, such as VMD lecturing and training of booth attendants, it is difficult to define the goal of exhibitions and sustain the attention of exhibitors. For these reasons, some exhibitors prefer to display their products at places like Artisan Bazaar, which attract a lot more international visitors. Those event sites have their own selection criteria. It may be worth considering for CPA companies to display their products in those events.

1.14 Questionnaire surveys

1.14.1 Implementation and method

As we did it in African Fair, we conducted questionnaire surveys with booth visitors and exhibitors of this ECITF. A small gift was given to respondents to express our appreciation. Another questionnaire survey was conducted with 16 CPA companies to assess the effect of displaying their products in the CPA booth.

1.14.2 Overview of the result of questionnaire survey with booth visitors

Between November 28 and December 3 (until 2 pm on December 3), 215 visitors filled in the questionnaire. Ethiopian general visitors made up 96.8% of the respondents, and they were all enthusiastic about answering to the questions. Some even spent half an hour looking into displayed products and filling in the questionnaire while listening to explanations by booth attendants. The small gift might have attracted visitors to the questionnaire survey, but more than that, the respondents enjoyed an opportunity to express their opinions at an exhibition site. The questionnaire was printed in Amraha and in English.

Of the respondents, 53% were male and 25.1% were female (unanswered 21.9%). While young people did not make up the majority of visitors, 60% were less than 34 years old. This might be because younger people readily participated in the survey, or the booth attendants felt more comfortable in approaching to younger people.

(1) Recognition of the CPA

Fifteen percent of respondents answered that they had heard of the CPA. This score is higher than expected. In Ethiopia, public information campaign of the CPA was limited to an ETV program and a newspaper article during this ECITF. Perhaps the CPA was featured in ECCSA promotion activities. We regret that the questionnaire did not ask how respondents knew about the CPA. When asked if they were interested in CPA activities, most respondents answered either “yes” or “maybe yes” while some did not answer.

Write-in answers included that “the CPA should be continued,” “the CPA should be publicized across the country through exhibitions in other cities,” “local products were unnoticed due to underdeveloped supply chain, and they should be unearthed,” “more exposure to mass media is needed,” and “interactions with other African countries will help recognize the uniqueness of local products.”

(2) Popular products

The most popular product in the CPA booth was coffee beans, both among males and females. Also popular were opal and other gemstones, scarfs and shawls, textiles for dresses shoes, and leather products such as shoes, bags, and coats. Most respondents regard quality and design as most important, followed by the stories behind products. Price and safety were less important.

Write-in answers included that “CPA products should be exhibited at events where they can be purchased,” and “CPA products should be sold at different prices between Ethiopian and foreigners.”

Table 2: Exhibited products' popularity ranking at the 6th ECITF (number of votes; multiple response)

Male	No	Female
Coffee Beans (58)	1	Dress (33)
Opal (55)	2	Ladies hand Bag (26)
Men's shoes (50)	3	Coffee beans (25)
Jewelry (44)	4	Opal (20)
Scarf & shawl (41)	5	Scarf & shawl (20)
Gemstone (39)	6	Jewelry (17)
Honey (32)	7	Dried petal (13)
Dress (31)	8	Gemstone (12)
Men's coat (30)	9	Ladies' shoes (12)
Essential oil (29)	10	Ladies' coat (12)

1.14.3 Questionnaire survey with exhibitors

Four out of eight companies responded that they had established a contact with buyers, or found new customers, through this ECITF. Among them, Entoto Beth Artisan answered that it was contacted by several Ethiopian buyers. Aster Bunna answered that a French buyer had contacted it and several new customers had visited its shop after learning about it at the ECITF. Aster Tej answered that it had gained trust from foreigners by exhibiting its products at the ECITF.

When asked if the ECITF helped them find potential buyers and clients, six out of eight companies responded that they would agree to a certain degree.

Write-in answers included that “visual merchandising (VMD) should continue as technical support,” “different types of products cannot be displayed under the single logo,” “agricultural products and textiles should not be displayed separately,” “it is better to select just one company per product,” and “a tasting table is needed.” Other comments were that “the CPA has a potential to accelerate public-private partnerships” and “ministries and ministers should more actively engage in the CPA.”

Regarding the future, the respondents proposed to invite buyers from Japan. They also pointed out the need for technical support by designers who are knowledgeable about Japanese markets, technical support of package design, and financial assistance.

1.14.4 Achievements and challenges

The above questionnaires were based on those used at African Fair. MOI staff re-organized the questions and translated them into Amhara, and performed data extraction and analysis. Booth attendants requested survey participation and collected the response sheet.

The number of respondent booth visitors exceeded 200. Other than collecting information, the survey contributed to extending the duration of stay in the CPA booth and created a chance for booth attendants to talk with visitors. The result of the questionnaire survey implied that people in Ethiopia value the stories behind products. This kind of information is useful when promoting the CPA in Ethiopia.

However, the response rate of the questionnaire survey with exhibitors was as low as 50% even though we sent them a reminder was sent to them. It will be a challenge to build a mechanism which draws out active participation from companies.

[Preliminary/basic survey for branding] DENTSU mission

1.15 DENTSU mission to Ethiopia

1.15.1 Background

CPA taskforce members visited DENTSU Inc. as part of their activities in Japan during TICAD V. In the meeting, DENTSU Inc. stressed the importance of branding and suggested some potential approaches to it. Later, an in-house study session discussed how to promote Ethiopian products. This led the taskforce team to request DENTSU Inc. explore the potentials of Ethiopian products. DENTSU Inc. accepted the request.

1.15.2 Objectives

From October 20 to 26, 2013, a six-member DENTSU mission visited Ethiopia. The objectives of the visit were as follows:

- (1) To find potential champion products and visual materials which symbolize three aspects of the country's image: cultural heritage, natural heritage, and local markets groups.
- (2) To discuss with the CPA taskforce on promotion concepts which are feasible to implement, in terms of both contents and operation.

1.15.3 Activities and outputs

- (1) The DENTSU mission visited North (Axum, Lalibera, etc.), South (Yirgacheffe, Chanche, etc.), suburbs of Addis Ababa (Zwai, Ambo) to study local products and tourism resources.
- (2) Based on the information from (1), the mission members discussed how to develop and express the charm and value of local products and tourism resources, to appeal to overseas markets and achieve long-term success. (The final version of the proposal was presented to the taskforce via teleconferencing.)
- (3) Based on the proposal from (2), the taskforce, DENTSU mission members, and other stakeholders discussed what actions should be taken to promote the CPA in Ethiopia.
- (4) The results of the DENTSU mission and subsequent discussion were reported to H.E. Mr. Tadesse Haile, State Minister, Ministry of Trade and Industry.

In the meeting (3) above, about ten persons participated from the Ethiopian side, largely from the taskforce. First, Mr. Higuchi, a member of the DENTSU mission, explained the importance of branding. Second, three sub-groups presented the results of their study in Ethiopia. Third, Mr. Higuchi proposed three strategies for branding the concept of CPA products and their promotional videos and sample labels. Lastly, participants exchanged opinions on the proposed strategies.

Plan A: The Power of Mankind

Plan B: The Origin of the World

Plan C: The Pride of Creation

Various opinions were expressed in the discussion as summarized below. Overall, the proposed plans were supported by participants of the meeting.

- (1) All plans/strategies are fine, and it is difficult to choose just one.
- (2) Proposed plans express the past and future of Ethiopia well.
- (3) Ethiopia is at a turning point. We need to reverse the bad impression of the past.
- (4) A future-oriented message is important while our historical origins must be valued.
- (5) To stress the uniqueness of Ethiopia, should we claim it as the origin of letters and philosophy?
- (6) We need marketing strategies, including targeting and actions in product promotion.
- (7) We would like to request further technical advice on visual marketing tools to change the impression of Ethiopia.

Also in the meeting with H.E. Mr. Tadesse Haile, State Minister (4), Mr. Higuchi explained the importance of branding and presented the three strategies above. Mr. Haile said the following:

- (1) The content of the proposal is quite satisfactory. Proposed strategies originate from the history and culture of Ethiopia.
- (2) An Ethiopian proverb says “Gold is in your hand but it is not appreciated.” Watching the promotional video, I realized that Ethiopia has many precious things like “gold.”
- (3) We need to give Ethiopian culture economic and business values. To do so, branding is particularly important, as it can change the image of our country and attract investors and tourists.
- (4) Past governments undermined Ethiopia’s image. Natural disasters caused huge damage to the people, but the true disasters were inappropriate policy and actions of the past governments.
- (5) The proposed brand concept should be used in product development and marketing.
- (6) We would like to continue the discussion with JICA to move ahead with the proposed strategies.

[Stakeholders Analysis] Interviews with ministries and its related organization, and private associations in the major sectors

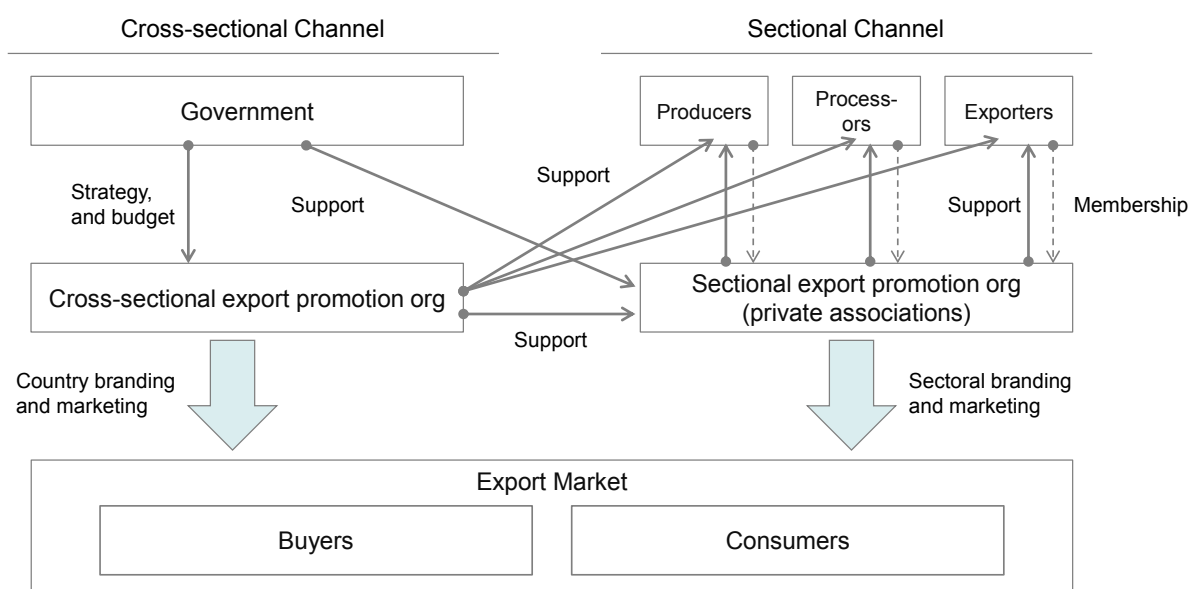
1.16 Issues in organizing an implementation body

Although the project study in 2013 did not cover any activities related to setting up the implementation body of CPA, the research on some organizations like sector organization, sectoral private associations and intermediaries was conducted. This section provides issues identified through the research.

1.16.1 Framework of the analysis

Before stating the issues identified, the framework of the analysis is verified. The analysis was done based on the following standard export promotion channels.

Figure 21: Standard Export Promotion Channels



Source: Prepared by FASID based on Japan Ministry of Agriculture, Forestry, and Fisheries (2012, 198)

In the following, issues in both cross-sectoral export promotion channels and sectoral export promotion channels are analyzed.

1.16.2 Issues in cross-sectoral export promotion channels: the lack of cross-sectoral organization

Since the CPA is a cross-sectoral export promotion approach, it is desirable to have a cross-sectoral organization to implement it, like JETRO in Japan. However, such an organization does not exist in Ethiopia. At present, various organizations promote exports, such as MOI, MOT, MOM, and institutes or directorates under MOI. Specifically, MOT covers agricultural primary products, MOI all other agro-processing products, and MOM minerals including gemstones. Under MOI, LIDI covers leather products, TIDI textiles, and APIDD agro-processing products.

Currently, there is information to establish an Export Promotion Unit (EPU) or Export Promotion Agency (EPA) under MOT; however, the details such as specific mandate and size of the organization are not available. This made it difficult to have a cross-sectoral implementation body which has sufficient authority, budget, and manpower. As a result, the CPA pilot implementation faced a challenge to communicate to different stakeholders and to have them involved in the activities.

1.16.3 Issues in sectoral export promotion channels: weak sectoral private associations

Sectoral private associations such as producers' and exporters' associations play a key role in the other export promotion channel, sectoral export promotion channel. In Ethiopia, there are such associations in the major sectors such as leathers and textiles, in some sectors these associations are playing an important role in marketing and capacity building of the member companies. However, they are not in a firm standing.

The overview of the research is as follows.

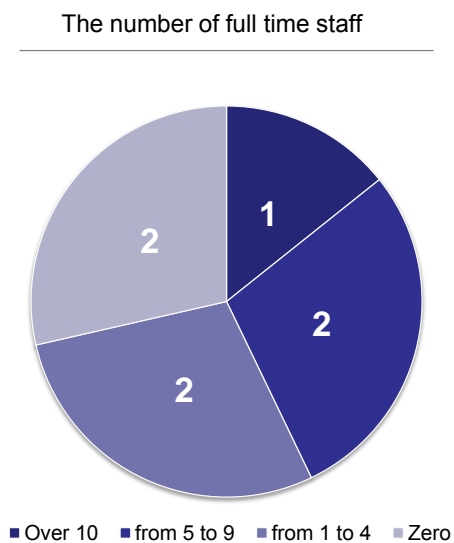
Table 3: The overview of the research

Purpose	To understand the current situation of sectoral private associations in the major sectors	
method	Face-to-face interview	
Subject	Textile	Ethiopian Textile and Garments Manufacturing Association (ETGMA)
	Leather	Ethiopian Leather Industry Association (ELIA)
	Agro	Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA)
	Coffee	Ethiopian Coffee Roasters' Association (ECRA)
	Horticulture	Ethiopian Horticulture Producer and Exporter Association (EHPEA)
	Gemstone	Ethiopian Gemstone Association (EGA)
	Tourism	Ethiopian Tour Operators Association (ETOA)

1.16.3.1 Manpower

Most private associations interviewed have only a secretary office under the board, and are operated with a few full-time staff. Shortage of manpower is a common problem for these associations. Except EHPEA, all associations are operated with under 10 full-time staff, and ECRA and EGA have no full-time staff. In terms of organization structure, only EHPEA has an independent department for marketing and capacity building, and other associations have a secretary office or no such resource at all.

Figure 22: The number of full time staff

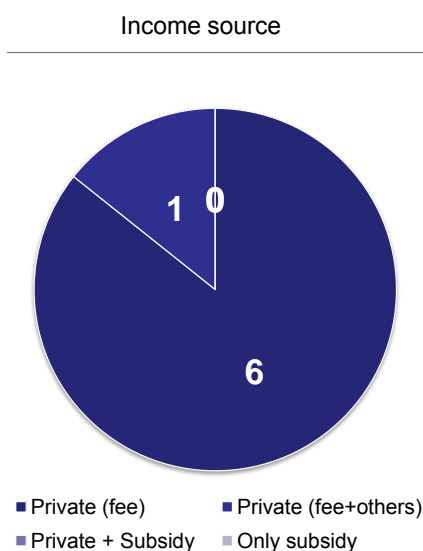


Organization	The no. of full time staff	
Textile	ETGMA	2
Leather	ELIA	4
Agro	EHBPEA	8
Coffee	ECRA	0
Horticulture	EHPEA	17
Gemstone	EGA	0
Tourism	ETOA	5

1.16.3.2 Finance

None of the associations receive any subsidy from the government, and operating income is purely private (except for project finances from donors). Their income sources are mainly membership fees. Except for EHPEA, in the interviews, most associations cited financing as a major issue for their activities.

Figure 23: Income Source

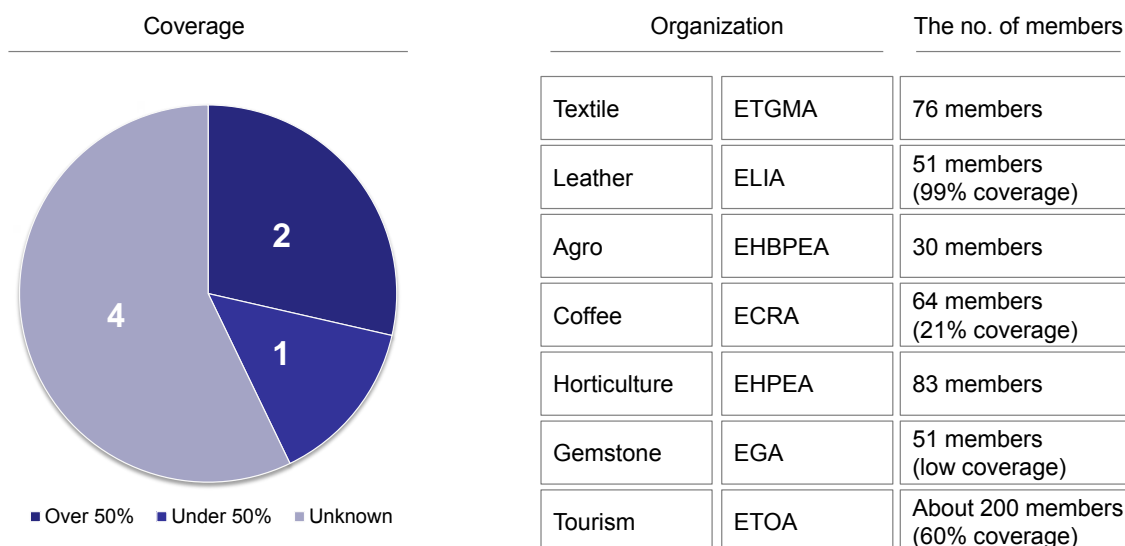


Organization	Income Source	
Textile	ETGMA	Fee(2,000ETB/year, 1,000ETB/registration)
Leather	ELIA	Fee(max20,000ETB/year, 2,000ETB/ registration)
Agro	EHBPEA	Fee(1,000ETB/year, 3,000ETB/registration)
Coffee	ECRA	Fee(2,000ETB/registrat ion)
Horticulture	EHPEA	Fee(1,500ETB/year, 5,000ETB/registration) +Exhibition income
Gemstone	EGA	Fee(2,400ETB/year, 1,000ETB/registration)
Tourism	ETOA	Fee(3,000ETB/year, 5,000ETB/registration)

1.16.3.3 Coverage of the associations

The coverage of the private associations interviewed are low in general, especially in a new sector. ELIA, established in 1994, has a high coverage, but new sectors such as roasted coffee and gemstones are not well organized. ECRA, established in 2005, has a low coverage.

Figure 24: Member Coverage



1.16.3.4 Marketing and capacity building activities

Most of the private associations interviewed do marketing and capacity building activities, though except for EHPEA, all of them are on a project basis, not run by their operating income. Only EHPEA has departments for marketing and capacity building, and conducts these activities as its routine operation. Sector branding is not done by any associations interviewed.

Figure 25: Activities on marketing and capacity building

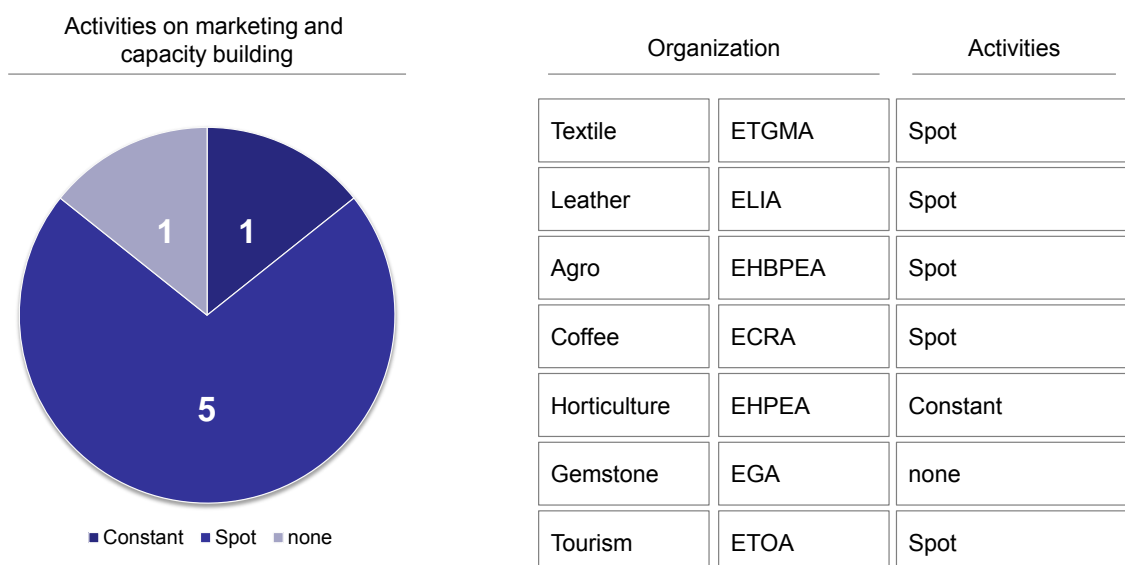


Table 4: Activities of the association in detail

Sector	Organization	Marketing							Other supporting activities							Remark
		Marketing research	Business matching(preparing contact list etc)	Organizing/participating exhibition(Int Dom)	send/receive missions	organizing seminars for buyers	Information on website	Branding(common logo, package)	Set up a guideline (quality, size specification)	Support on certifications	Trainings/seminars on production skills/product development	Consultation(on regulations exporting/shipping, management etc)	R&D	Lobbying/negotiation to Gov.	Info service (on supports available, regulations on import country, etc)	
Textile	Ethiopian Textile and Garments Manufacturing Association (ETGMA)	△	△	△			○			△			○			Web site is being updated
Leather	Ethiopian Leather Industry Association (ELIA)	△	△	○	△	△	○			△	△		○	△		Also established a share company for cooperative purchasing
Agro	Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA)		△	○			○		○	△	○		○		○	
Coffee	Ethiopian Coffee Roasters' Association (ECRA)		△	△						△			○	△		
Horticulture	Ethiopian Horticulture Producer and Exporter Association (EHPEA)		△	○	△		○		○	○	△		○	△	△	
Gemstone	Ethiopian Gemstone Association (EGA)			△									○			
Tourism	Ethiopian Tour Operators Association (ETOA)		△	△			○			△			○	△		

Legend
 ○: constant activities
 △: spot activities
 blank: no activity

1.16.3.5 Issues

As stated, the private associations interviewed perform marketing and capacity building; however, their foundation is very weak without basic resources. On the other hand, the role that these private associations can play is very important for sector development. This has been proven in Japan, where many private associations have been supporting sectoral industry, as the EHPEA supports the horticulture sector in Ethiopia. Though it also owes donors, the horticulture sector in Ethiopia is a part of the value chain to the EU market. Even facing a serious constraint on their resources, private associations are very active to pursue the interest of that sector. In the mid-to-long term, it is important to support these private associations to make the CPA more effective and sustainable.

1.17 Wrap Up Seminar

A wrap up seminar was held on February 25, 2014 at a hotel in Addis Ababa for sharing the results of the CPA project study, such as its draft of the final report and the CPA manual, with the Ethiopian stakeholders.

1.17.1. Purpose of Seminar

The purpose of the seminar is as described above: to share the results of the CPA project study with the Ethiopian and the Japanese sides. And, to maximize this opportunity, the following program and activities were added.

- (1) The value and importance of branding and what has been done for branding
- (2) Panel discussion on CPA
- (3) Display of Champion Products
- (4) Questionnaires given to the seminar participants

1.17.2. Seminar program and contents

The summary of the seminar is as follows. (The program is attached later in this section.)

Date and Time 14:20-18:00, 25 Feb.2014

Seminar Venue Jupiter International Hotel Cazanchise, Addis Ababa

Participants 84 persons in total

They are sorted according to their organizations.

The organization they belong to	No.
Government	10
JICA (Included 5 the Policy Dialog ³⁷ members)	15
Embassy of Japan	3
Private company	23
Press	5
Private association	11
Private sectoral association	7
Government association	2
GRIPS/METI* (the Policy Dialog members)	3
Others	5
TOTAL	84

(*)Ministry of Economy, Trade and Industry, Japan

³⁷ The fifth Policy Dialog between Ethiopian and Japanese governments as a High Level Forum was held in Addis Ababa on February 25 (morning), 2014. There were eight mission members who came from Japan to attend it. These members and the Japanese Ambassador to Ethiopia (Mr. Kazuhiro Suzuki) with the embassy staff also participated in the seminar.

The seminar started with Mr. Ahmed as the chair. The opening remarks were read by the director of Corporate Communication Directorate on behalf of H.E.Mr. Tadesse of MOI, which was a co-organizer of this seminar with JICA. Mrs. Mulu, the President of ECCSA, which was also a co-organizer, provided a speech in which he stated that the increase of exports to Japan would be highly expected through the CPA activities.

As a part of the first presentation, the CPA activities performed in the fiscal year of 2013 were presented by a Japanese consultant with PowerPoint slides. Additionally, Mrs. Nigest, a taskforce member and the founder and executive director of CAWEE, presented her involvement in CPA and the impact of CPA. She learned a lot in Japan and made a human network there, which resulted in a new project for women backed by the 1st Lady's Office of Ethiopia. At the end of her presentation, she emphasized the necessity of CPA full implementation with a concrete strategy.

Mr. Higuchi from DENTSU Inc. presented the "value and importance of brand". He stated that a brand was not only logo and label but also was an "emotional tie" between producing companies and consumers through a "promise" made by companies. In other words, it was the promise of companies embodying in their products, and the consumers trust the promise to love the products by purchasing. He and his team of 5 members of DENTSU Inc. visited various places in Ethiopia to understand its culture, religions, and nature and produced a video for promoting a positive Ethiopian country image. By showing the 1st and 2nd versions of the video, the audience understood how to conduct a video production for a country image with various comments and reactions from the people involved. Both of the videos were very beautiful and projected the divine image of the clear Ethiopian mountains. Considerable applause was given by the seminar audience in response to each video.

A CPA manual was introduced in the next presentation, which was based on findings associated with CPA activities in 2013 and targeted government officials, private sectoral associations, and private companies as readers. It was still in the draft stage, and the presenter requested for the Ethiopian stakeholders to improve the manual through further implementation of CPA.

In the panel discussion, there were three points provided for discussion, and the chair summarized each point at the end of discussion. Three points were (1) the panel's view on CPA in 2013, (2) ways and means for improving CPA, and (3) the role of the panel's organization which was either as a government, an association, or private company to support CPA. The four panel speaker were Mr. Endalkachew (ECCSA), Mrs. Nigest (CAWEE), Mr. Dubois (MUYA), and Mr. Murakami (JICA).

As for Point (1), the representatives of CAWEE and the private company said that they had gained a lot from participating in the activities of CPA. Mr. Dubois emphasized the necessity of understanding the industry in the relationship among the economy, society, and culture of Ethiopia and the support for strengthening the supply capacity of the CPA companies by being informed of the results of CPA promotion activities. On Point 2), it was said that additional support, such as technical assistance, should be provided to private companies in order to improve their capacity in quality and quantity. All panels emphasized that the Ethiopian Government had to institutionalize CPA by organizing an implementing core body as JICA alone had led CPA for Ethiopia. At the end of the discussion, Mr. Murakami said that the CPA was based on the concept of Public Private Partnership (PPP) and that CPA should be needed for further development as a model case of PPP in Ethiopia.

On Point (3), the panels said that the Ethiopian Government, especially MOI, should plan the concrete strategy of CPA implementation and that it would be much easier for the associations such as the chamber of commerce and women's group to support CPA according to the strategy, and that the private companies should first put effort toward the export of their products by themselves and then try to use the government support in the various schemes. Every panel also requested for JICA to continue the support for CPA, realizing the partnership among them was crucial.

At the end of the seminar, Mr. Kimura, Deputy Chief Representative on behalf of Mr. Jin, Chief Representative of JICA Ethiopia, gave closing remarks.

1.17.3 Display of potential CPA products

In the seminar, there was a display corner set up for potential CPA products. There were 8 companies that kindly participated (MUYA Ethiopia, Sabahal, Entoto Beth Artisan, Trio Craft, Aster Bunna, Tomoca Coffee, Ecopia). Although it was just a temporary stand without any professional display support and it was exhibited based on the lessons learned in the 6th ECITF with the theory of VMD, it was very appreciated by the seminar participants and became a good promotion of CPA.

Picture 32: Potential champion products displayed in the venue



1.17.4. Result of the Questionnaire

The questionnaire paper was collected at the end of seminar. There were 23 respondents out of 84 participants. A summary and some of the comments given are as follows:

- (1) All 23 respondents said they understood the CPA concept.
- (2) The comments on how to improve CPA further are as follows:
 - There should be technical support to companies which can improve the products for overseas markets.
 - It is necessary to have a core implementing body to facilitate CPA.
 - There should be more cooperation and collaboration among the government, intermediate associations, and private companies in the future (some respondents).
 - JICA's continuous support is needed for CPA (many respondents).

- (3) Comments on the seminar or others topics are as follows:
- The seminar was very useful, and it was requested to have this kind of seminar again (most of the respondents).
 - There was not much time for discussion.
 - The videos were very impressive and splendid (some respondents).
 - The CPA trial was appreciated, and the respondents showed their thanks to the Japanese government and JICA (many respondents).

1.17.5. Achievement and challenges

There were several important achievements in the seminar. First, it was shared with more than 80 seminar participants on the review of the CPA concept and activities done in 2013. In particular, the Japanese members of Policy Dialog, who has been involved in the development of CPA right from the beginning, attended the seminar and shared the progress of CPA with the Ethiopian counterparts. And, Ms. Mulu, the president of ECCSA, presented herself as a symbolic figure of ECCSA's future commitment to CPA collaboration.

Additionally, the results of the questionnaire and the verbal comments from participants revealed that they understood and agreed on the CPA concept in export promotion. The display of CP candidates set in the corner of the venue visually appealed to the participants as clear image of products for CPA. The display and the products had them understand the meaning of CPA directly. In addition to these, most of the participants were moved by the presentation on branding with the effective use of PowerPoint presentations and videos, which facilitated their understanding, too. However, one comment in the questionnaire said that branding was important but still difficult to utilize.

In the panel discussion, some concrete recommendations, such as setting an antenna shop for CPA, were raised. The panels agreed on and facilitated CPA as the approach of PPP. They also realized that the cooperation among the government, sectoral associations, and private companies was inevitable. These mutual understandings among panels are one of most important achievements in the seminar.

Some issues were also found in the seminar:

(1) Time constraint

The content of the presentations became rather superficial as four presentations were packed in one hour. It should have been extended by about one hour for the better understanding of participants, although the starting time was fixed.

(2) Structure of seminar program

The panel discussion provided the participants with clear ideas of the CPA concepts. Therefore, if there was some time spared for questions and answers at the end of panel discussion, it would have helped them better understand CPA.

(3) Preparatory meeting with panels

The plan was to have a preparatory meeting with each panel before the seminar. However, it was not manageable to do so with all four panels because of sudden cancelation of one panel. If the position of the organization each panel belonged to regarding the further action toward CPA was clarified beforehand, the discussion in the seminar could have become more focused. Actually,

the discussion was rather vague and general once it came to the topic on who did what for the future of CPA.

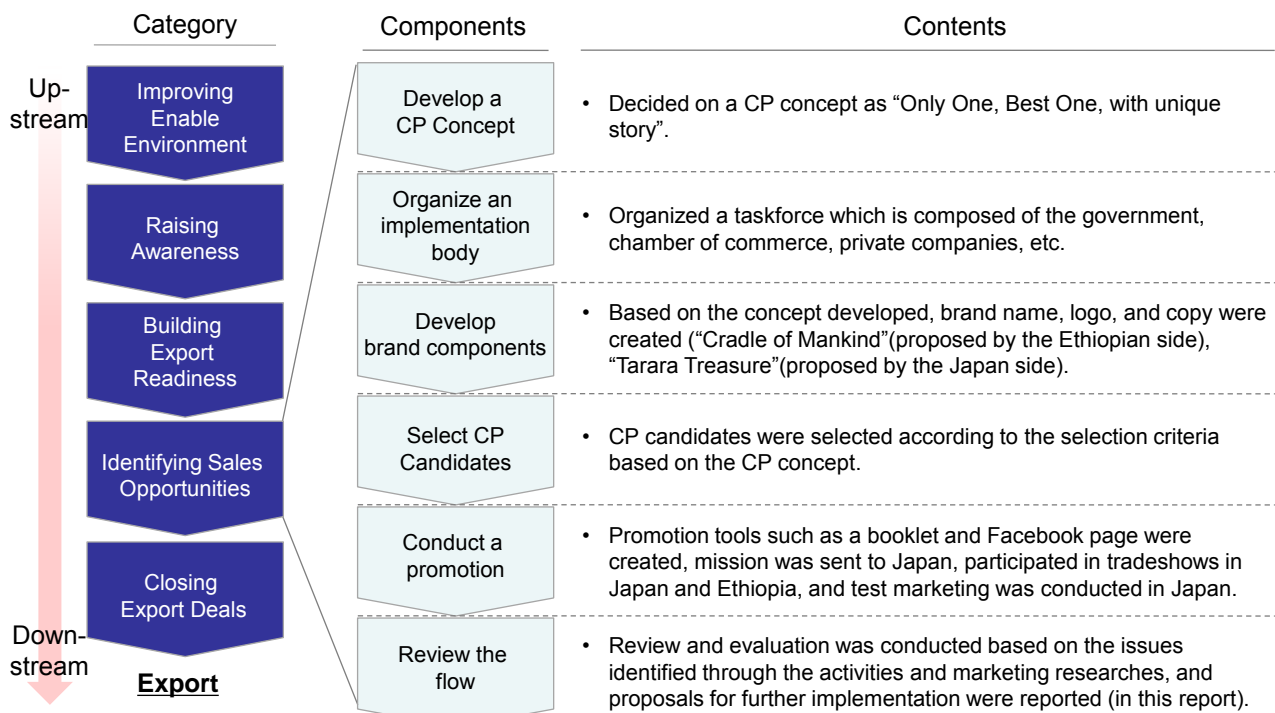
Chapter 2 Issues to be considered

2.1 Assessment of this year's CPA

The objective of the CPA is to expand the export of Ethiopian products by improving the country's image via high-quality products, promoted with various marketing means, such as branding. The underlying idea is that improving the country's image will also increase the export of non-champion products. This study assessed the validity of this hypothesis based on the achievement of this year's CPA, and found some evidence which supports that the objective is being achieved. Evidence includes the results of the questionnaire survey at African Fair and the test marketing at Tokyu Department Store, which suggested that the champion products were accepted by Japanese consumers though some improvements in the products were needed. In short, the CPA can potentially improve the country's image, although no contract has been concluded to export champion products through two events yet.

This chapter describes the issues which became evident through this year's CPA activities for improving country's image, using the framework of components of the CPA implementation in 2013 in "0.1.2 Champion Product Approach in the big picture of export promotion approaches" found in the Introduction.

Figure 26: Components of the CPA implementation in 2013



Source: Prepared by FASID

2.2 The CPA and export promotion policy

Challenge 1: Defining the role of the CPA in Ethiopia's export promotion policy

Currently the CPA is considered a JICA-funded study. In order to conduct it as official launching activities, it is necessary to define its role in Ethiopia's export promotion policy and gain political commitment.

2.3 Identifying Sales Opportunities

2.3.1 Organize an implementation body

Challenge 2: Building a cross-sectional implementation body for the CPA (decision making, implementation, consultation, etc.)

This study could not sufficiently involve stakeholders in ministries as it was not able to have decision-making and secretariat bodies). Through African Fair and the Trade Fair, the study team contacted the ministries but got no response. In order to solve this problem and achieve sustainability, the CPA needs to have a solid and sound system with core bodies for activities.

To implement the CPA in trial, a taskforce was appointed. However, it is an ad hoc group without decision-making power. Therefore it may not be enough to lead the CPA to the next stage. It has not been given any mandate about its role and it consists of managers from ministries and private companies, who cannot spare enough time for the CPA. At the beginning, 14 members were appointed, but only seven members, including five who participated in the program in Japan, remain active. On the other hand, some people outside the taskforce have participated in CPA activities.³⁸

The MOI is in charge of export of industrial products, including agro-processing products. Export of jewelry stones, such as opal, are under the MOM. Export of agro products, such as raw coffee beans and cereal crops, are under the MOT. To make the function powerful and concentrated efficiently, a cross-sectional institution is needed to implement the CPA with different ministries.

In the process of discussing the implementation of the CPA, the Export Promotion Unit (EPU) in the MOT was selected as a candidate for the CPA secretariat. The study team also heard that the government was planning to establish an Export Promotion Agency (EPA). If that is the case, either the EPU or EPA will be able to implement and promote the CPA as part of its duties. However, the establishment of EPU is still under consideration. Furthermore, ECSSA has proposed to function as the implementing institution of the CPA and would be capable both in terms of human resources and office space. The EKI has also responded positively to request for cooperation.

³⁸ Mr. Dawit of C62 Media supports the CPA, a concept close to his firm's branding strategy, and participates in task force activities. Also, Mr. Tewodros of Orbit Ethiopia and his wife are participating actively after his trip to Japan for the exhibition of opal stones.

Regarding government sectoral organizations in CPA-related sectors, some of them are promoting the export of products to a certain degree depending on sectors. In particular, LIDI is positive toward working in quality improvement and marketing through overseas exhibitions with development partners. Many private sectoral associations are disadvantaged in human and financial resources compared to governmental intermediate organizations. Despite this weakness, they are keen to accept things which benefit their business.

2.3.2 Develop a CP concept

Challenge 3: Defining the concept of champion products more clearly

Challenge 4: Defining the targeted market of champion products

At the beginning of this study, we defined a champion product as “a product that has a premium value coming from the uniqueness of Ethiopia’s culture and lifestyles.”³⁹ However, this concept has not been shared and uniqueness is understood differently among stakeholders.

Therefore, there was a need to re-confirm the concept of champion products, and discuss the approach among the Ethiopian stakeholders and Japanese sides. And to do so, a workshop (mentioned in Chapter 1.7) was organized in Addis Ababa after African Fair, but the time was spent sharing an overall image of the approach, not details of the concept. In the near future, stakeholders, such as the CPA implementing institution, intermediate organizations, and champion product companies, need to reconfirm or refine the concept by discussion what ‘the uniqueness’ means and how it would be described in words.

Furthermore, to compete with products from Asia and other regions, companies need to consider the differences between target markets. Some buyers pointed out that the uniqueness of each country is not appreciated by the buyers at a selling point in Japanese markets, and it is more important to be general sellers dealing with seasonal goods, such as sisal hemp bags for spring and summer season. This suggests that the CPA needs to clearly define the market and choose the concept for it.

³⁹ Ethiopia Policy Dialogue Phase 2, The report of the 13th visit (2012 GRIPS)
http://www.grips.ac.jp/forum/af-growth/support_ethiopia/document/2012.08_ET_GH/2012.08Report_web.pdf

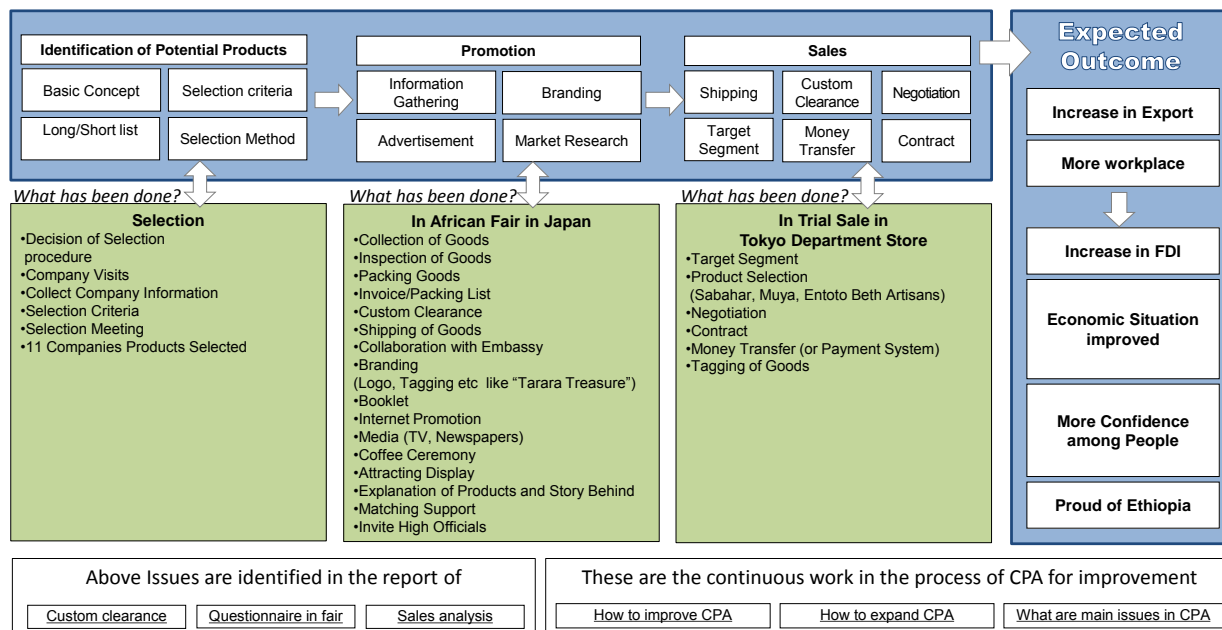
Figure 27: Overall picture of CPA defined at workshop

What's Champion product?

Product which has Only one Best One with uniqueness & stories for premium markets

Purpose?

Country Image's Improvement



※ Some additions / some changes in the layout were made for this report.

2.3.3 Develop a CP brand

Challenge 5: Internalizing the brand and understanding its importance

Challenge 6: Securing coherence between different brand levels

The brand of champion products is valuable not only in the markets but also in companies. As each firm internalizes the brand by sharing, developing, and feeling confident in it, they will be able to maximize its value and improve the quality of products regularly.

To realize the uniqueness of Ethiopian products and Ethiopian itself, the DENTSU mission presented to the taskforce some strategies to express the charm of Ethiopia and appeal to overseas markets. Just like market information in Japan, this type of proposal may best come from outsiders. Here, overseas Ethiopians can play a valuable role as they have outsiders' eyes and find the potentials of Ethiopia.

Currently the CPA is aiming to develop the brand which can improve the country's image and promote champion products. In the future, the Ethiopian government may focus on more promising sectors. In such a case, the CPA needs to seek coherence among the sector brand and country brand together with an individual firm brand.

2.3.4 Select CP candidates

Challenge 7: Clarifying selection criteria and procedure of champion products

When this study started, 11 companies had been already identified as candidates for champion products.⁴⁰ The selection criteria and procedure were set before the final selection of champion products, but the taskforce discussed findings from interviews of candidate companies using a checklist to make the decisions. The criteria was not clear enough, and many companies were not targeted. Another seven companies were added for the Trade Fair. But due to the lack of clear selection criteria, these companies were chosen based on recommendations from intermediate organizations, taskforce members and government senior officials. In fact, at the workshop mentioned in Chapter 1.7, some participants suggested systematizing the nomination and selection of champion products. Also, some exhibition visitors asked about the selection criteria as their companies wanted to be involved. Systematizing the selection of champion products and crystalizing its process is a pressing issue for the CPA.

This kind of system building will boost the products' quality assurance. In general, processed agricultural products from Africa have been slow to build a traceable production system for organic certifications. To get an international standards certification, producers need to bear a large cost and know how to meet high standards. Domestic certification system is also considered effective in improving product quality. There are no global quality standards for coffee beans. The grades which show the quality of Ethiopian coffee beans were set by the Ethiopian authorities and accepted by the world market. If the CPA establishes a well-defined certification standard and procedure, it will be able to assure the quality of Ethiopian products.

⁴⁰ Initially only 11 companies were selected for champion products, and another seven were added for the Trade Fair organized by ECCSA in 2013. In this exhibition, one company declined to participate. Thus, 17 companies participated.

2.3.5 Conduction promotion

Challenge 8: Selecting a promotion means, such as media and contents, to reach the targeted buyers and consumers

As parts of promotion activities in the project study, exhibitions were organized for champion products in Japan and Ethiopia and conducted test marketing in a department store in Japan. The summary of lessons from these experiments are as in the table below.

Table 5: Assessment of the effectiveness of promotion activities

Activity	Result	Issues for improvement
Exhibition in Japan (African Fair)	<ul style="list-style-type: none"> The result of the questionnaire survey shows that the high-quality Ethiopian products improved country's image. 	<ul style="list-style-type: none"> Few buyers requested further information. This suggests the exhibition was not attractive enough. Buyers-only exhibitions, such as a gift show, may be more effective. Showing reference prices might have been useful when asking visitors about their appropriateness. <p>Lesson learned: The target population should be identified before attending each exhibition.</p>
Test marketing at a department store in Japan	<ul style="list-style-type: none"> Ethiopian products were very popular. CPA products can be accepted in Japanese markets. 	<ul style="list-style-type: none"> The Ethiopian companies did not respond to orders promptly when exhibited products were running short. Information on the size of demand was not sufficient. Inspection before export was not done fully. <p>Lesson learned:</p> <ul style="list-style-type: none"> Production system needs strengthening. Export and import system needs streamlining. The companies should know proper inspection and packing are part of basic standards to meet.
Exhibition in the 6 th ECITF in Ethiopia	<ul style="list-style-type: none"> The exhibition improved the impression of visitors and other exhibitors of Ethiopian products. The brochure in English was popular among tourists as a shopping guide. Exhibitors learned display technique through the VMD seminar and hands-on trial in the exhibition. Staffs from exhibitors gained an opportunity to feel how 	<ul style="list-style-type: none"> Only a limited number of visitors to the 6th ECITF were from the target population of champion products. To promote in overseas markets, champion products should be displayed in tourist-oriented shops in Addis Ababa. <p>Lesson learned:</p> <ul style="list-style-type: none"> Check if exhibition visitors are from the target population. Exhibition can be used for various purposes, such as applying techniques

	their products were received by consumers and buyers.	studied in seminar, conducting surveys, and collecting voices of consumers.
Activities common to the above exhibitions and selling	<ul style="list-style-type: none"> • The brochure for CP was popular and ran out quickly. • Exhibitors did not understand the importance of promotion tools, and were not cooperative to the production of the brochure. • Both in Japan and Ethiopia, the order for panels and furniture were placed by the display advisor. These and the displays were highly rated by visitors and exhibitors. 	<ul style="list-style-type: none"> • To answer questions and inquiries, it would be better if each company would prepare a company information brochure and product samples for distribution, particularly in the case of products such as honey. The attendants should know the information on their products well. • The booth should have a space for buyers to see and ask about products without being disturbed. <p>Lesson learned:</p> <ul style="list-style-type: none"> • Promotion tools are important. • Various means should be used at exhibitions to promote the products (e.g., panels, actual products, samples, brochures, booth attendants).

Champion products were exhibited in African Fair and the 6th ECITF. But only a few products were negotiated by buyers. Even the products from Sabahar and MUYA Ethiopia, well known for their quality, have not been exported to Japan through these events.

One of the reasons for failure to attract buyers may be an inappropriate choice of promotion means. African Fair in Yokohama and the Trade Fair in Addis Ababa did not seem to fit the target population.⁴¹ Both exhibitions were aiming more at general visitors. Further study and experiments are needed for target markets to explore more appropriate promotions with the CPA brand.

As for customers, the brochures and SNS can be effective tools to deliver the information on champion products and the aim of the CPA. The information in brochures can be used on different occasions and applicable to various media. For selling processed agricultural products, the tasting is effective.

Many of CPA companies are of small- or medium-size. Even if their products have high market value, they cannot bear the costs of exhibition furniture, product promotion, and international consultants. Therefore, the companies need to utilize domestic resources to build infrastructure for product promotion.

Considering the feature of the CPA and the sizes of participating companies, these sales promotion tools can be best prepared not by individual companies but by private sectoral associations or government sectoral organizations. A feature of the CPA is not to sell each company but to focus on the brand or image of a sector or country. However, in Ethiopia, intermediate organizations have not grown yet.

⁴¹ MUYA Ethiopia's products under the brand name "lemlem" have increased sales at department stores in Japan, competing against other apparel brands. However, MUYA Ethiopia's other products and Sabahar's products, less known to consumers, need to compete against low-quality shawls made in Asian countries. Their products have a good design and quality, but due to a lack of brand power and product promotion, Japanese consumers have not recognized those products' values.

Company visits in Japan made it clear that the Ethiopian side did not have enough information to sell the products. Although the visits were great opportunities for Ethiopian companies to directly contact Japanese buyers and companies, lack of information on champion product companies represented a missed chance to deliver it to Japanese counterparts.

2.4 Issues in other categories

2.4.1 Improving enabling environment

Challenge 9: Establish an export promotion organization, which removes disincentives, with cross-sectional export promotion policy, and

Challenge 10: Implementing export promotion policy through human resource development in export business, financial support services, efficient customs clearance, market information services, etc.

In general, export business infrastructure has not been fully developed in Ethiopia, but companies and sectors with overseas customers and investors have improved an existing infrastructure and distribution system. That is, a buyer-driven creation of value chain has been seen in a limited types of companies and sectors.

By contrast, many CPA companies are small in business size and have not created a strong network within their own sector. The CPA targets high-end markets by stressing the quality and uniqueness of products as their selling points. But a strong demand for exports has not emerged, and therefore it is unlikely that a buyer-driven value chain will take place in the near future.

Some CPA sectors have strengthened their export capacity by improving product values using government support, but even these sectors present many challenges that each company cannot tackle on its own.⁴² These challenges are improving export systems and human resources, including nourishing export agencies and training people in export business; strengthening financial services, including financing business expansion for exports and using land ownership as a collateral for a loan⁴³; improving efficiency of customs clearance, including simpler export documents and speedy customs clearance; accessing

⁴² For example, in the leather sector, the government has banned the export of untanned leather as a step towards exporting leather as industrial products. However, the leather sector faces many problems, such as: inappropriate feeding of cattle by farmers (improper livestock management), inappropriate storage of rawhide in rural areas, and a small supply of rawhide compared to the capacity of tanning factories and lack of modern processing knowledge and facilities in factory. The government has banned the export of opal ore to nurture domestic industries; however, some foreign buyers directly purchase ore from small-scale mining companies, and some producer organizations are requesting the government to allow ore export.

⁴³ People are not allowed to own land. People can borrow money on land lease, but the amount is very low.

information on government-led export promotion initiatives; and others. It is hoped that the government of Ethiopia will take an initiative in tackling these challenges.⁴⁴

2.4.2 Raising awareness

Challenge 11: Promoting the CPA to Ethiopian companies

Currently potential champion products and companies are not thoroughly scrutinized. Therefore, to find out candidates and sustaining the effectiveness of the approach, the CPA needs to be promoted to a wider range of companies and entrepreneurs. In the 6th ECITF, various Ethiopian companies showed their interest in the CPA. Although their products may not meet the criteria for champion products now, it is important to promote the CPA to these companies to find future champion products.

2.4.3 Building export readiness

Challenge 12: Strengthening information services on target markets, which will be useful for product development, as well as technical support system for quality improvement

Challenge 13: Focusing on technical support which makes a “direct impact on sales,” such as VMD, and motivates companies to actively participate in the CPA

Challenge 14: Improving products to meet target markets’ needs and demand in quality, based on information collected in the process of expanding sales channels

Challenge 15: Nurturing potential CPA companies

Considering companies’ limited resources, it is desirable that intermediate organizations, such as private sectoral association, will provide market information and technical support for quality improvement.

The result of the questionnaire survey at African Fair suggests a clear difference in preferences between men and women, and between age groups. It implies a need for segmenting Japanese markets and applying gender-based and age-based targeting strategies.⁴⁵ Furthermore, the result of the test marketing at Tokyo Department Store show other factors of sales performance, including seasons, product design, and preferences particular to Japanese consumers.⁴⁶ Another issue is underestimating the importance of packaging. Firstly, due to an underdeveloped packaging industry, airtight glass containers and different

⁴⁴ Many people pointed out prepayment from buyers as a hindering factor. However, for large-scale transactions, buyers can substitute the letter of credit issued by a bank for prepayment. Therefore, prepayment affects transactions by large- and middle-size companies less.

⁴⁵ Japanese consumers value healthy image of products, as much as price and quality. Developing products for men or unisex products with healthy image can be a differentiation factor.

⁴⁶ Nobody buys thick shawls in summer. Oversized accessories are not popular among Japanese, who are generally slender. To make customers recognize the quality of a product, its design must be attractive enough to be picked up by hand.

shapes or sizes of paper boxes are not readily available in Ethiopia. Secondly, many manufacturers think packaging is not an important issue as boxes and wrapping paper go straight to the trash. Lastly, many manufacturers limit the role of labels to making their products visible. However, these are all crucial matters in mature markets overseas.

The above information on Japanese markets is valuable for manufacturers. However, according to a survey by Global Entrepreneurship Monitor⁴⁷, it is extremely difficult for Ethiopian companies to gather information on their own. Therefore, Ethiopian private sectoral associations and diplomatic missions need to help manufacturers contact buyers, and share information with them.

One of the strongest requests in the study was continuing VMD advice. In the exhibitions in Ethiopia, stakeholders realized the effect of VMD. Some increased sales as a result of hands-on VMD advice in shops. The popularity of VMD comes partly from its easy application and direct effect on sales. And more fundamentally, this type of technical advice might appeal to exhibitors as a new experience since most past support from development partners has been strictly financial. This suggests a need for the Japanese side to continue hands-on technical support in sales technique.

2.4.4 Closing export deals

Challenge 16: Understanding business practice in target markets, including business manner and matters of importance in concluding contracts

Challenge 17: Providing support to succeed in business negotiations, including understanding business information, improving business manner, and preparing contract documents

During this study, many participating companies requested market information. At the same time, some Japanese buyers pointed out that their Ethiopian counterparts tended to delay responding to their inquiries via email. This suggests that the Ethiopian side is not fully using its existing contact with buyers.⁴⁸

On the other hand, the study found that buyers did not consider the prepayment system a burden as long as they knew the timing of shipping, though stakeholders in Ethiopia worried about it. What matters for buyers is prompt replies from Ethiopia to their inquiries by phone and email, on-time delivery, thorough product inspection before delivery, and packaging convenient for retailers.

⁴⁷ <http://www.gemconsortium.org/> Ethiopia ranks lowest (1%) among ninety-six countries in the ratio of new entrepreneurs having more than 25% of customers coming from other countries.

⁴⁸ An Ethiopian company started business with a Japanese buyer before its involvement with CPA activities, but received an order only twice. But this company has not asked the buyer about the reason for stopping business. Such a lack of business mind among Ethiopian entrepreneurs is considered a reason for unsuccessful business deal. Similar incidents happened in the 6th ECITF. Several companies left their business cards recommending their products to the CPA.

In particular, it is important to deliver market information from buyers to manufacturers and to have manufacturers understand the importance of business manners through workshops and seminar, as the links between manufacturers and the market are not evident in Ethiopia.

2.4.5 Others

Challenge 18: Creatively utilizing human and organizational resources in Ethiopia

In the 6th ECITF, overseas Ethiopian people helped CPA activities with their business-oriented attitude, specialized knowledge, and sympathy to the CPA.

In addition, the network between companies, which emerged through exhibiting products and participating in workshops, is an important output of CPA activities. Such a network will ensure the CPA's sustainability. Some company owners expressed their expectation for their employees, who had rarely interacted with other companies, to build a network outside their organizations. In fact, many younger staffers, who were sent from CPA companies to the 6th ECITF, were very eager to learn. These employees will surely enhance the capacity of the companies. In the future, it will be effective to invite not only company managers but also younger staffers to overseas exhibitions.

Mrs. Nigest of CAWEE is now starting up a new project with support from the wife of the prime minister, who visited African Fair. The scope of this project includes supporting women's self-independence using gemstones in Ethiopia. Mr. Tewodros of Orbit Ethiopia, with whom Mrs. Nigest got acquainted through African Fair, gave advice in designing the framework of the project.

The study team also came to know about associations of women entrepreneurs. The members of these associations have a strong bond among themselves, and involved some CPA company managers. These associations can be invited to participate in CPA activities in the future. The principle of public-private partnership suggests the importance of strengthening these networks.

Chapter 3 Proposals

3.1 Summary of Issues

The issues in Chapter 2 were tabled in “Framework of export promotion initiatives” described in Chapter 1 as follow.

Figure 28: Whole image of Issues

Category		Government	Sector	Company
Improving Enable Environment		Stressing a need for cross-sectional export promotion policy, and supporting an export promotion institution, which removes disincentives. Implementing export promotion policy through human resource development in export business, financial services, efficient customs clearance, information services, and etc.		
Raising Awareness		Promoting the CPA to Ethiopian companies		
Building Export Readiness	Product development, production, marketing, etc.	Focusing on technical support which makes a 'direct impact on sales,' such as VMD, and motivates companies to actively participate in the CPA Improving products to meet the targeted markets' needs and demand in quality. Such market information may be collected in the process of expanding sales channels. Nurturing potential CPA companies	Improving products to meet the targeted markets' needs and demand in quality. Such market information may be collected in the process of expanding sales channels.	Improving products to fill the gaps identified through promotion
Identifying Sales Opportunities	Establish an implementation body	Building a cross-sectional system for the CPA (decision making, implementation, consultation, etc.)		
	Develop a CP Concept	Defining the concept of champion products more clearly Defining the targeted market of champion products		
	Develop brand components	Internalizing the brand and understand its importance. Securing coherence between different brand levels		
	Select CP Candidates	Clarifying the selection criteria and procedure of champion products		
	Conduct a promotion	Stressing a need for cross-sectional export promotion policy, and supporting an export promotion institution, which removes disincentives. Implementing export promotion policy through human resource development in export business, financial services, effi	Develop a promotion tools (utilizing Ethiopian domestic resources)	
Closing Export Deals		Providing support to succeed in business negotiations, including understanding business information, improving business manner, and preparing contract documents.	Providing support to succeed in business negotiations, including understanding business information, improving business manner, and preparing contract documents.	Understanding business practice in targeted markets, including business manner and matters of importance in concluding contracts.

3.2 Proposals

Based on the issues identified, three proposals are presented in this Chapter:

- (1) Proposal on the components of the CPA,
- (2) Proposal on the CPA implementation from now onward, and
- (3) Proposal on the improvement of the enabling environment which will increase the sustainability and effectiveness of the CPA.

3.2.1 Proposal on the components of the CPA

Proposal 1

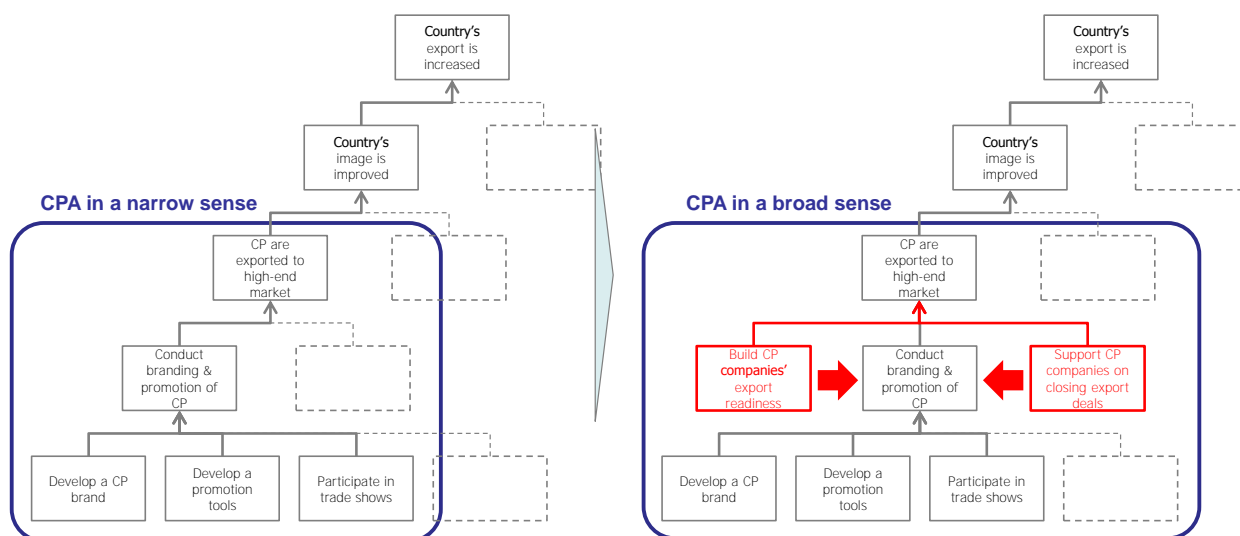
Expansion of the CPA: to increase components over the category of Identifying Sales opportunities

As a result of this project study, issues were found not only in the area of “Identifying Sales Opportunities,” but also in the area of “Building Export Readiness” and “Closing Export Deals” in the framework of export promotion initiatives in Figure 10. This means that the CPA which supports companies to identify sales opportunities might not be sufficient to achieve actual export deals. In order to complement these supports, it is necessary to expand the CPA.

The CPA focuses on branding and promotion, but needs to have CP deliver corresponding values to the brand promise. This requires CP candidate companies to improve their products and business manners continuously based on what has been learned through promotion and marketing research. This continuous improvement will lead to actual export deals and ultimately further improve the country’s image. The CPA needs hands-on support to help companies fulfill this requirement.

Also, this hands-on support is necessary to get a commitment from the Ethiopian government on the CPA. The Ethiopian government wants to see outcomes, at least some successful cases of export deals as a result of the CPA. To make successful cases, there should be hands-on supports to help companies to build their export readiness and conclude export deals.

Figure 29: Expansion of CPA



Source: Prepared by FASID

Specifically, the following activities in different categories should strengthen the CPA’s performance.

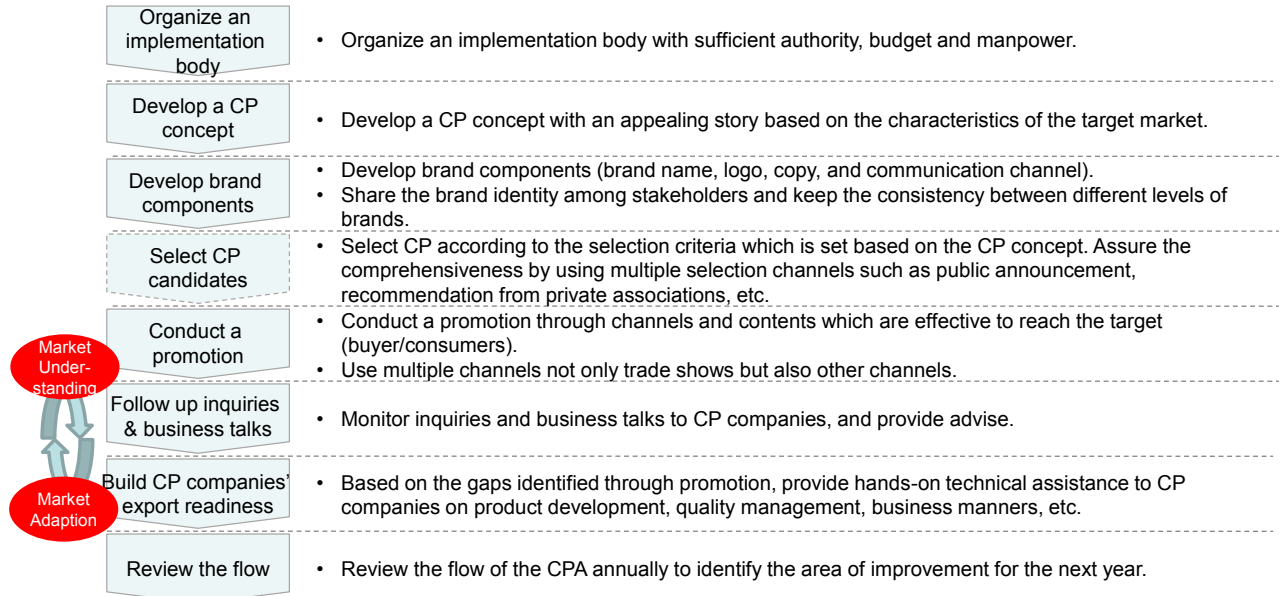
Table 6: Additional activities in the different category in the CPA framework

Category	Activities (Example)
Building Export Readiness	<ul style="list-style-type: none"> • Providing hands-on technical assistance on product development and quality management in order to meet the needs and required quality in the target market
Closing Export Deals	<ul style="list-style-type: none"> • Providing hands-on technical assistance on business manners • Following up inquiries and business talks

Source: Prepared by FASID

The overall flow of the CPA after expansion is as shown below.

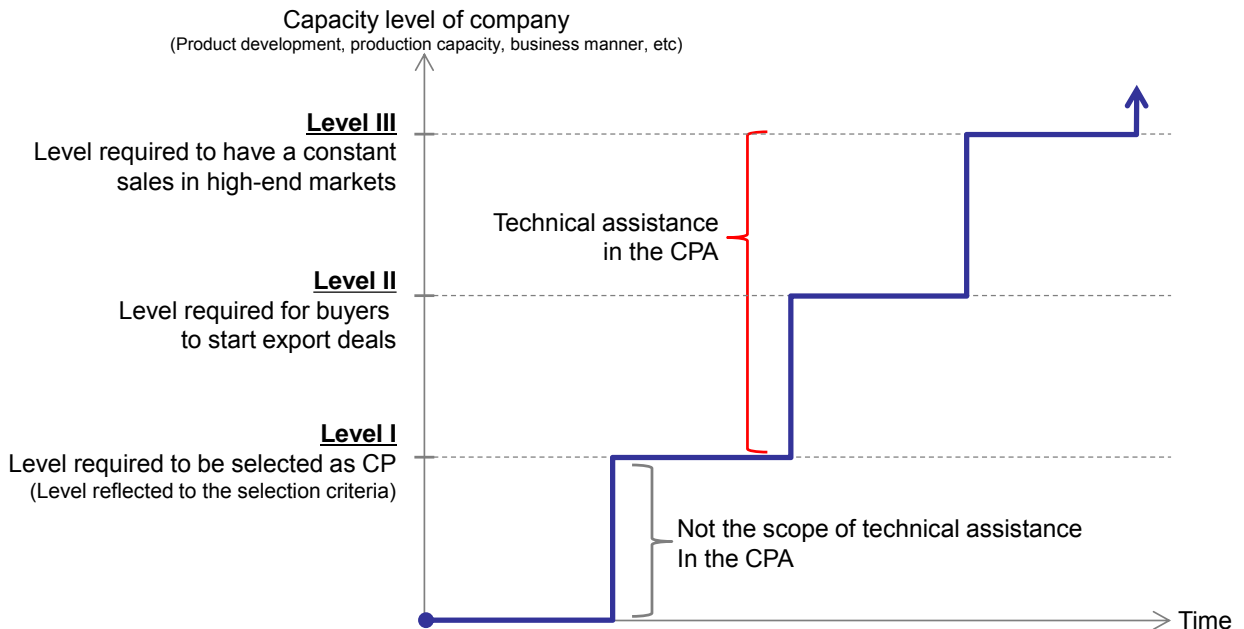
Figure 30: The flow of the CPA in a broad sense



Source: Prepared by FASID

Technical assistance proposed as an addition to CPA is shown below. It also shows the three levels of progress for CPA companies to become real champions.

Figure 31: The scope of technical assistance in the expanded CPA



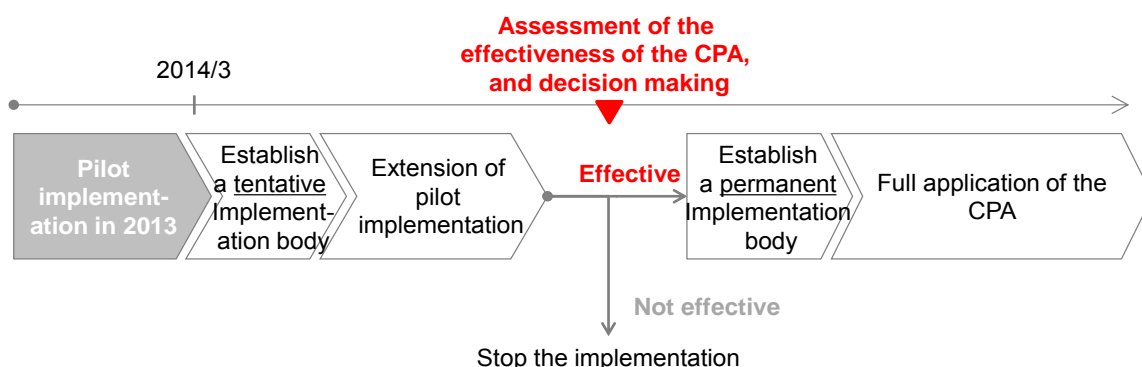
Source: Prepared by FASID

3.2.2 Proposal on the components of the CPA

Proposal 2	Phased implementation of the CPA
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As stated in Chapter 2, it is still difficult to persuade the authorities to make a political commitment on the implementation of the CPA, and its successful results would not be guaranteed. Although the potential of the CPA to contribute to the improvement of the country’s image of Ethiopia has been confirmed, its effectiveness as an export promotion measure has not been fully verified. Thus, at this point, the Ethiopian government may not make a judgment on the applicability of the CPA in Ethiopia, and may start the full implementation of the CPA. What is reasonable at this point is to phase the implementation of the CPA, and continue this year’s pilot implementation to verify the remaining issues, before making a decision.

Figure 32: Road map to the full application of the CPA



Source: Prepared by FASID

Proposal 2-1	Extension of the pilot implementation of the CPA
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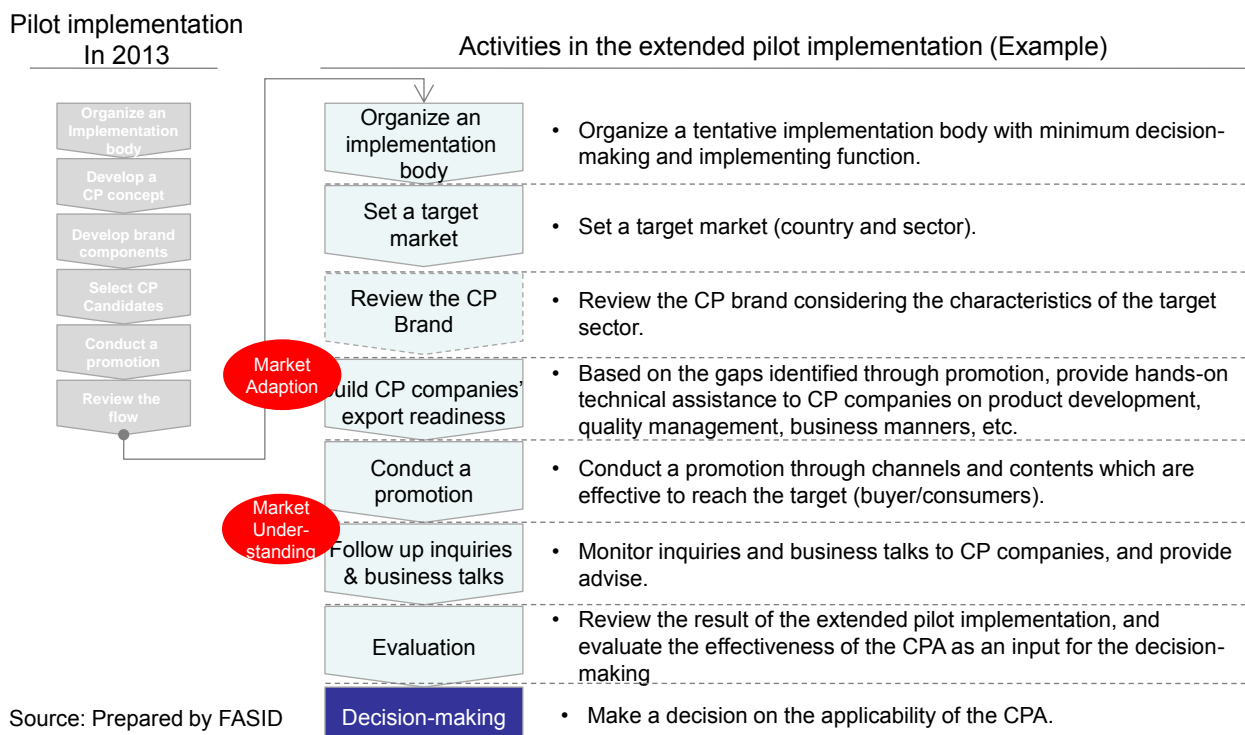
The present project study has not fully verified the effectiveness of the CPA, since activities which help companies build their export readiness and conclude export deals were not included in the activities in 2013. Before the Ethiopian government makes a political decision on the applicability of the CPA, it is necessary to extend the pilot implementation with expansion of the CPA, and collect all the information necessary for the Ethiopian government to make a decision.

In the extended pilot implementation, it is recommended to set a target market clear, and to focus on specific sectors (2-3 sectors) considering the needs and potential in the market. This is because it is better to focus on certain sectors to efficiently verify the effectiveness of the expanded CPA, where some hands-on support will be added, within limited time and resources. Leather and textile are considered promising sectors. However, before making a final decision, it is necessary to consider external factors outside Ethiopia as well as internal factors within it: external factors include the potential of the target

market like the needs and trade barriers (both tariff and non-tariff) , and internal factors include macro situations like political priority, maturity of the sector, and status of sectoral private associations, etc. and micro situations like the production capacity of CP candidates, and their impact on economic development.

The flow of the extended pilot implementation should be as shown below.

Figure 33: Activities in the extended pilot implementation (Example)



To implement the extended pilot implementation, firstly, to establish an implementation body is important. Cross-sectoral export promotion organization like JETRO in Japan would be ideal as an implementation body, but currently there is no such an organization in Ethiopia, and it is unrealistic to establish one for the purpose of the CPA implementation. Thus, the extended pilot implementation is supposed to have a tentative implementation body like a secretariat office under an existing organization related to export. This tentative implementation body is supposed to initiate and coordinate the activities specified above.

Hands-on support based on the results of promotion and its follow-up are supposed to be repeated to bring the CPA candidate companies up to Level III in Figure 31.

When promoting, it is necessary to make the targets clear, and select promotion channels effective to reach those targets (to tackle Challenge 8). For example, Tokyo International Gift Show provided the statistics of the past shows on visitors. According to it, many buyers from retailers in apparel and living-ware sectors visited the shows for finding suppliers. This makes this show a good prospect to find textile buyers. Also, Ethiopian Airlines will enter service between Addis Ababa and Narita from the summer in 2014, and this might be a good opportunity for promotion/sales of CP.

Lastly, when reviewing the effectiveness of the CPA, it is desirable to use the number of export deals as an indicator. However, if the period of the extended pilot implementation is not long enough, this

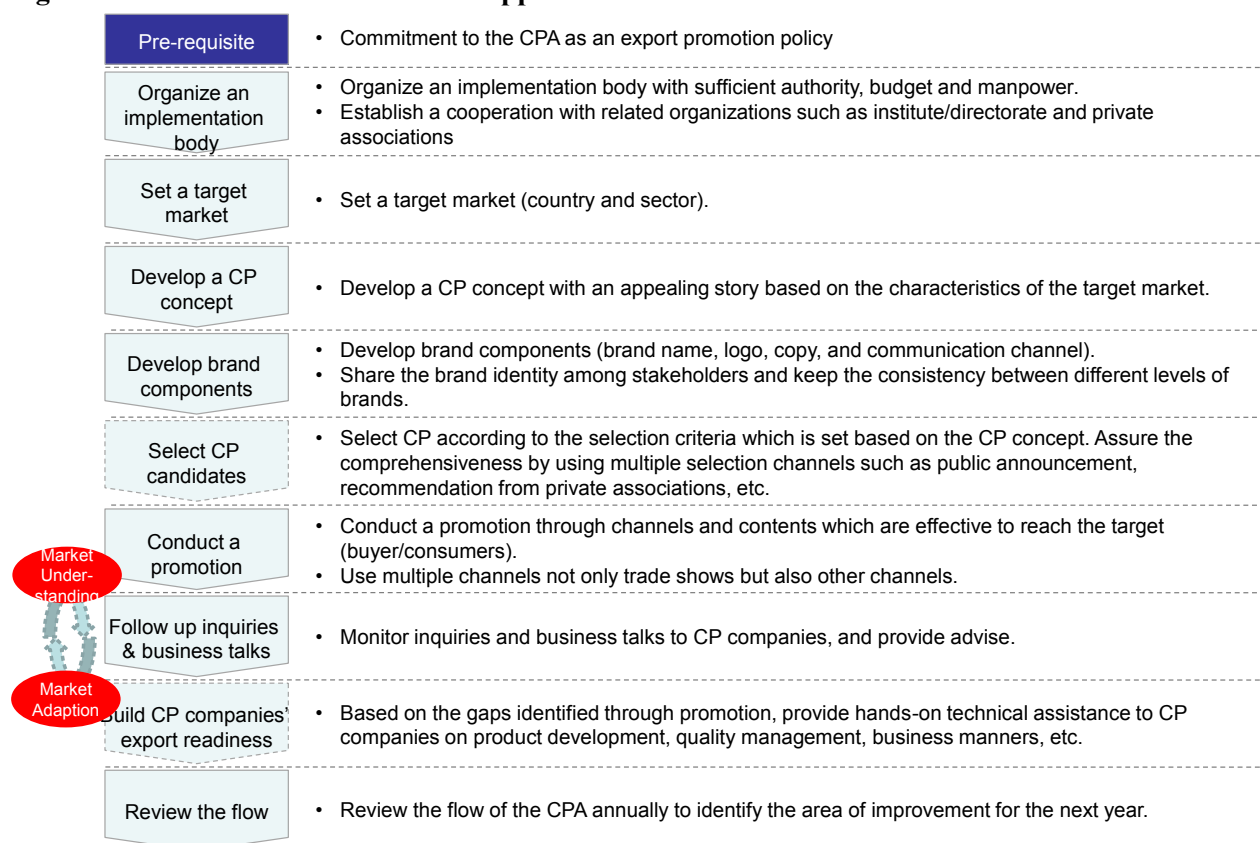
indicator might distort the result. In this case, the number of ongoing negotiations may serve as an alternative indicator, or study may require qualitative assessment by interview to the management of the CP companies on their changes of capacities.

Proposal 2-2	Full application of the CPA after the decision at the policy level
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Full application of the CPA should be done after Ethiopian government sets policy. A permanent, not tentative, implementation body which has sufficient authority, budget, and manpower is indispensable for the CPA's full application. This cannot be achieved without political commitment.

In the full application of the CPA, the following flow is supposed to be done in order.

Figure 34: The flow of the CPA in full application



Source: Prepared by FASID

The concept of a CP should be clear (to tackle Challenge 3). In high-end markets like Japan, high quality is a must, as is uniqueness based on a branded story. Instead of just stating “unique,” companies should prepare a clear statement about how the CP is unique and what value it can promise the market. An external specialist can help here, providing insight on unique assets. Insiders (in this case, fellow Ethiopians) often cannot notice a product’s uniqueness. However, an external specialist’s development of a brand concept should be participatory so that the concept can be internalized.

When selecting CP candidates, it is recommended to introduce a company review process as well as product review process. This is because the management’s attitude is critical to support an export deal.

This flow from promotion to capacity-building should be repeated throughout the period of the full implementation.

3.2.3 Proposal for the improvement of the enabling environment which will increase the sustainability and effectiveness of the CPA

Proposal 3

Support on the development of private associations

The CPA, at least in the case of Ethiopia, is a government-driven export promotion, and the government is expected to play a central role from branding to promotion. That is, in the public-private partnership the CPA expects, the “public” takes the initiative.

However, in the mid-to-long term, it is more desirable that the “private” takes the initiative. For example, JAPAN Brand Development Assistance Program (hereafter JAPAN Brand Program) is a similar approach to the CPA in Japan, with government support only financial for selected projects. In this program, the role of private associations is much larger than in the CPA. Application is allowed only to projects initiated and coordinated by private associations such as producers’ associations or the regional chamber of commerce. In each project, private associations play a key role such as connecting companies in the same sector or category and enforcing the development of common strategies in the target market. In this program, the “private” takes the initiative.

This public-private relationship is what the CPA should envision in the mid-to-long term. Private associations are expected to help support member companies in marketing and technical assistance, to nurture future CP candidates. This is the reason why the CPA should closely cooperate with private associations even from the start.

The public-private relationship envisioned above cannot be achieved only by the CPA. There should be different support programs to develop private associations, such as supports of human resource development or direct financial support to private associations.

Proposal 4

Establishment of cross sectoral export promotion organization and enhancement of export promotion supports

At the same time we develop private associations, it is also important to establish cross-sectoral export promotion organization in the mid-to-long term. This will not only improve the enabling environment for the CPA, but increase the overall exports in Ethiopia. Although the current enabling environment is not a direct impediment to CPA, cross-sectoral issues such as the lack of information about export/import and

inefficient custom procedures make companies less motivated to export. In order to make the CPA more private-driven, these issues should be tackled and solved.

Proposals 3 and 4 are the proposals to improve the enabling environment which will increase the sustainability and effectiveness of the CPA, They are not in the scope of the CPA, but should be considered part of a wider framework of mid-to-long-term export promotion strategy.

3.3 The applicability of the CPA to other countries

The CPA itself is versatile and is applicable to other countries and regions, including sub-Saharan Africa. However, based on this project study, the following factors are considered for the smooth application of the CPA.

The applicability of the CPA to other countries can and should be elaborated more after we complete the CPA's second pilot implementation.

Table 7: Important factors of the CPA application

Existence of cross sectoral export promotion organization	Since the CPA is a cross sectoral export promotion approach, it is desirable to have cross sectoral export promotion organization in advance.
Existence of matured private associations	Since in the CPA there are roles that can be played by private associations such as supports to individual companies, it is desirable to have matured private associations which can provide supports in marketing and capacity building of member companies in advance.
Existence of uniqueness which can differentiate from others	Since the CPA focuses on a CP brand as a group brand, it is desirable to have uniqueness in a country (historically, culturally, etc) which can be base of the brand, and can differentiate it from other countries.
Experience in branding	Since the CPA focuses on branding and it is better that the importance of branding is shared among the stakeholders, it is desirable that there is a past experience in branding such as country branding for facilitating FDI.
Existence of industry which can be value-added	Since the CPA targets high-end markets in developed countries, it is desirable to have industries where it can be value added.

Source: Prepared by FASID

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