

Federal Democratic Republic of Ethiopia

**Champion Product Approach
Implementation Assistance Survey
in Ethiopia (Phase 2)
Final Report**

February 2017

**Japan International Cooperation Agency
(JICA)**

**Foundation for Advanced Studies on
International Development
(FASID)**

Dentsu Inc.

IL
JR
17-028

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Abbreviations

AALF	All African Leather Fair
CPA	Champion Product Approach
EHL	Ethiopian Highland Leather
EIC	Ethiopian Investment Commission
EIPO	Ethiopian Intellectual Property Office
ELIA	Ethiopian Leather Industries Association
FASID	Foundation for Advanced Studies on International Development
FOB	Free on Board
GDP	Gross Domestic Product
HHI	Herfindahl-Hirschman Index
ICCPA	Implementation Committee for Champion Product Approach
JFW-IFF	Japan Fashion Week International Trade Fair
ISO	International Organization for Standardization
JICA	Japan International Cooperation Agency
JIS	Japan Industrial Standard
JETRO	Japan External Trade Organization
LIDI	Ethiopia Leather Industry Development Institute
MOA	Ministry of Agriculture (Ethiopia)
MOFA	Ministry of Foreign Affairs (Ethiopia)
MOI	Ministry of Industry (Ethiopia)
MOLF	Ministry of Livestock and Fisheries (Ethiopia)
MOT	Ministry of Trade (Ethiopia)
MOQ	Minimum Order Quantity
NGO	Non-Governmental Organization
OEM	Original Equipment Manufacturing
OJT	On-the-Job Training
PDC	Products Development Center
SNS	Social Networking Service
sq ft	Square feet
TICAD	Tokyo International Conference for African Development
UNIDO	United Nations Industrial Development Organization
VM	Visual Merchandising

Chapter 1 Outline of the Study

Chapter 1 Outline of the Study

1.1 Background

Ethiopia has maintained a relatively high Gross Domestic Product (GDP) growth rate in recent years. The secondary industry – especially the manufacturing sector – however, remains an obstacle for the realization of sustainable economic growth and the export expansion as an important source of foreign exchange. In 2009, ex-prime minister of Ethiopia, Meles Zenawi, officially requested that the Japanese government learn the East Asian economic development and industrial policy from the Japanese side. JICA and the National Graduate Research Institute for Policy Studies (GRIPS) have held policy dialogues and working-level talks on the key issues of industrial policy with the Ethiopian side, including Ethiopian prime minister and Cabinet ministers since 2009 (Study on Industrial Policy Dialogue in Ethiopia [From June 2009 to May 2011], and Study on Industrial Policy Dialogue in Ethiopia (CPA Phase 2) [From January 2012 to June 2016]). During these dialogues, a particular export promotion program “Champion Product Approach” (CPA) was proposed in 2012. CPA is a unique program aimed at improving the country’s image through exporting high-quality products embodied by the Ethiopian history and culture. The CPA project sets the long-term goals: Establishment of “better” image of Ethiopian products led by “champion products” and export promotion of all Ethiopian goods.

The “Study on Implementation Support of ‘Champion Product Approach’ in Policy Dialogue on Industrial Development in Ethiopia (Phase 1)” (CPA Phase 1) was conducted in FY 2013. The study intended to accumulate practical experience in the market, including participation of partner companies’ display at African Fair as Tokyo International Conference for African Development (TICAD) V side event, test marketing at Tokyu Department Store, and their display at an international trade show in Ethiopia. The knowledge gained through these experiences was instrumental in putting together a manual entitled “Introduction of Champion Product Approach Case of Ethiopian Export Strategy Ver1 2014” (the CPA manual) as a tool to review the concept of CPA and to put the idea into practice.

CPA Phase 1 demonstrated that high-quality Ethiopian products have great potential to be accepted in the Japanese market, although no contract has been signed with a Japanese company during the study. To achieve the goal of the CPA project, the study highlighted that Ethiopian products need to gain “better” and “excellent” international recognition in the global market at both the country level and the product level by the branding of the high-quality products as well as their promotion. Also, the CPA Phase 1 raised the issue that no framework was constructed to encourage the Ethiopian side to take the initiative in the approach. Accordingly, “Champion Product Approach Implementation Assistance Survey” (CPA Phase 2) was started to implement as practical assistance for these remaining issues.

1.2 Purpose of the Phase 2 study

The CPA Phase 2 study is intended to increase the effectiveness of CPA as a tool to facilitate exports through an implementation of branding and promotion strategies with the Ethiopian initiative. There are four main tasks for the achievement of the purpose:

1. Review the CPA Phase 1 study;
2. Implement various measures for all candidate champion products (i.e. prepare video and photos and make use of them, and provide ideas for promotional activities that would encourage the Ethiopian side to demonstrate an initiative);
3. Conduct branding and promotional activities with a particular focus on a target sector; and
4. Revise the CPA manual and prepare an action plan about lessons and knowledge.

1.3 Summary of the study

1.3.1 Implementation activities

The four tasks mentioned in 1.2 above are described in detail in Table 1-1.

Table 1-1 Activity plan and deliverables

Task	Activity	Deliverable
1. Review the CPA phase 1	Review the CPA phase 1 and, based on this, prepare an inception report for the CPA Phase 2, and then reference materials on CPA for the Implementation Committee of CPA, ICCPA	Inception report Reference materials on CPA
2. Implement various measures for all candidate champion products	Prepare video and photos through a series of workshops and TV meetings with ICCPA on "Pride of Creation," the branding concept of champion products, as the theme. Brainstorm sessions to review various measures, so as to make use of video and photos, encourage the Ethiopian side to take the initiative, and support activities to put these measures into practice	Video and photos Ideas for promotional activities
3. Conduct branding and promotional activities 1) Branding with a particular focus on a target sector 2) Activities in Japan to promote target products	Based on the results of market surveys both in Japan and Ethiopia, from among six (6) product groups selected in the CPA phase 1, choose one (1) sector the highest potential in the Japanese market. In addition, from that sector, select those companies suitable to be part of branding trial and promotional activities through an on-site survey in Ethiopia. Identify a brand concept (a brand promise) and a branding tool at workshops and TV meetings with both ICCPA and participating companies Implement promotional activities, e.g., participation in exhibitions, doing test marketing. On the occasion of an exhibition, a delegation is to be invited to	A method to select a target sector for branding Brand promise, branding tool (brand name, brand logo, brand book, etc.) Report on promotional activities

	Japan so that the Ethiopian companies can get hands-on experience in the Japanese market. Analyze the outcome of branding trial and promotional activities	
4. Revise the CPA manual and prepare an action plan	Building on the activities and deliverables in Task 2 and Task 3, revise the CPA manual. Also, extract success stories and lessons and reflect on these in the manual. The revised manual shall be shared with ICCPA. For the CPA sustainability and with the outcome of discussions with ICCPA, prepare an action plan.	Revised CPA manual Action plan

1.3.2 Implementation schedule

The above activities, primarily scheduled by March 2016, are continuing by February 2017 for continuous brand management started-up in CPA Phase 2. The modified implementation schedule of CPA Phase 2 with the extension period is shown below:

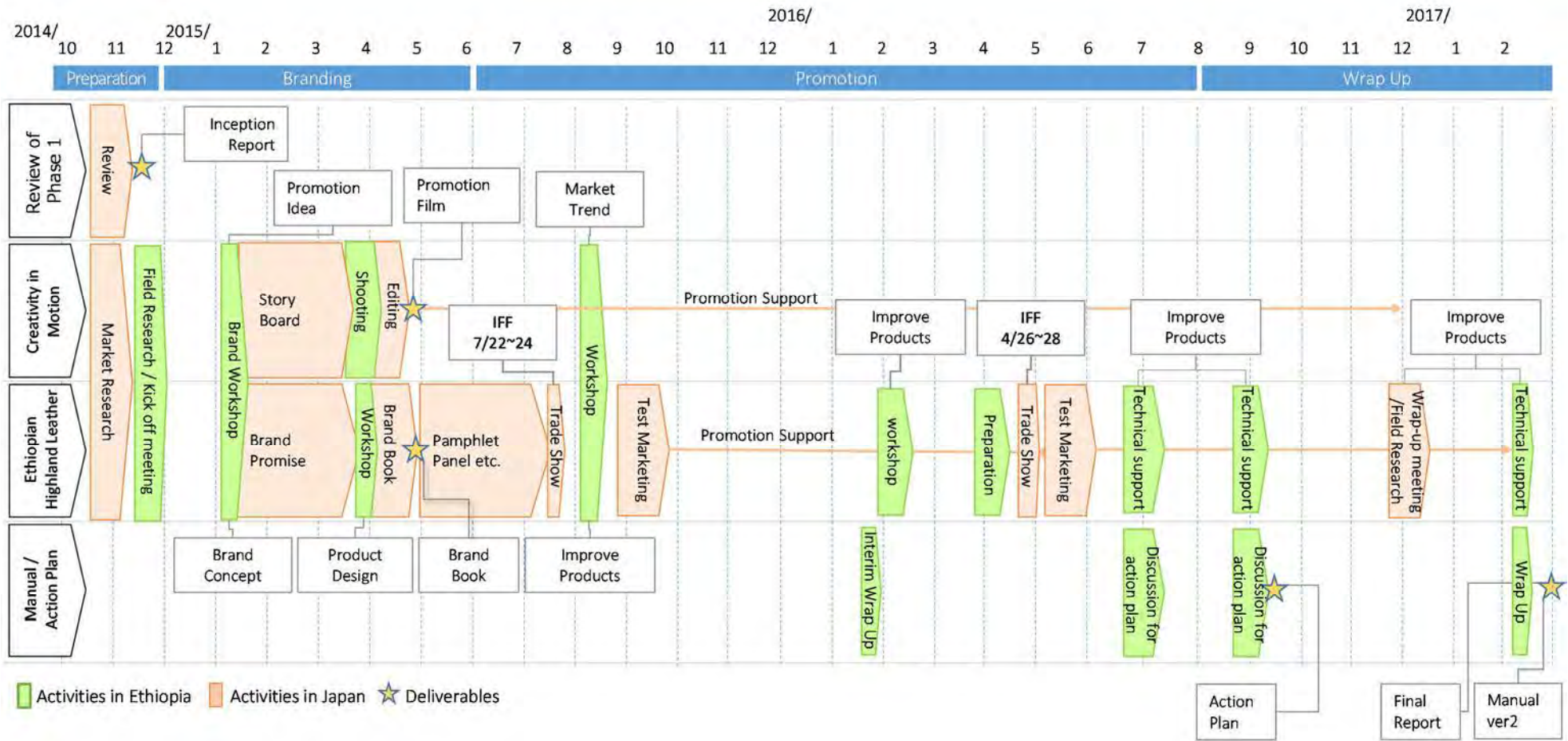


Figure 1-1 CPA Phase 2 implementation schedule (including extended period)

Table1-2 shows the surveys conducted in Ethiopia by the Japanese expert and visits to Japan.

Table 1-2 Field survey and visit to Japan

Delegation	Objectives	Schedule
No.1	<ul style="list-style-type: none"> -Launch ICCPA, appoint the chairman, nominate leading members -Approve an action plan for branding trial and test marketing -Identify one sector -Gather information to select companies in the chosen sector for branding and promotional activities 	15 October – 6 December, 2014
No.2	<ul style="list-style-type: none"> -Suggest and discuss directions for production of a brand video, featuring all CPA sectors -Suggest and discuss directions for sheep leather branding (as a selected sector) -Find local subcontractors involved in video production 	7 - 22 January, 2015
No.3	<ul style="list-style-type: none"> -Brand video shooting -Production of graphics for a brochure and a brand book -Development of leather products for participation in IFF(International Fashion Fair) -Preparation for the “Ethiopia Business Investment Seminar” in Tokyo 	23 March – 11 April, 2015
1 st Visit to Japan	<ul style="list-style-type: none"> -Displayed Ethiopian products in the Ethiopia Business Investment Seminar in commemoration of inaugural flight between Addis Ababa and Tokyo -Held a preview for leather material distributors (wholesalers) 	21 – 30 April 2015
No.4	<ul style="list-style-type: none"> -Share brand promise and tools with stakeholders involved in branding of champion products - Discussions concerning a registered trademark of branding as well as its maintenance and management -Preparation for IFF, coordination of cooperation -Confirmation of progress in production of sample products for IFF, request to accelerate the preparation 	7 -14 June, 2015
2 nd Visit to Japan	<ul style="list-style-type: none"> -Participated in the IFF (Displayed EHL products) -Attended the seminar “leather trend in Japan” and “business manner seminar” 	15 – 26 July 2015
No.5	<ul style="list-style-type: none"> -Survey on quality standard of leathers -Organize a workshop to set the leather goods quality criteria and accreditation and to discuss a plan of future activities and confirmation 	13 - 27 September, 2015
No.6	<ul style="list-style-type: none"> -Support partner companies in technical improvement and business deal -Discuss how to set a system for brand management 	8 - 22 November , 2015
No.7	<ul style="list-style-type: none"> -Organize an interim wrap-up meeting for sharing the issues, making an action plan for the extended period and agreeing on the activities during the period. -Develop new products for the IFF exhibition in Tokyo 	24 January- 21 February, 2016
No.8	<ul style="list-style-type: none"> -Preparation for IFF exhibition -Support the production of exhibition samples -Conduct survey on Ethiopian readiness for brand management 	20 March - 10 April, 2016
3 rd Visit to Japan	<ul style="list-style-type: none"> -Participated in the IFF (Displayed EHL products) -Visited several places including Shikoku Towel Industrial Association and its member companies, Japan Grove Industrial Association and its member companies, and an inspection company 	19 – 30 April 2016

No.9	-Support partner companies in technical improvement and business deals -Have meetings with relevant organizations for action plans -Conduct survey on LIDI capacity and other donors' work in the leather sector	26 June - 10 July, 2016
No.10	-Support partner companies in technical improvement and business deal -Have meetings with relevant organization for action plans -Conduct survey on LIDI capacity and other donors' work in leather sector -Conduct survey on the issues of quality hides in the upper stream of the value chain for Ethiopian leather production.	21 August - 5 September, 2016
4 th Visit to Japan	-Visited several places including Imabari city government, Ehime Textile Technology center, Shikoku Towel Industrial Association and its member companies, Tokyo Metropolitan Leather Technology Centre and an inspection company. -Held wrap-up meeting by main counterparts of EHL	26 November – 3 December 2016
No.11	-Information collection survey for quality improvement of leather materials in Ethiopia, especially on raw materials, tanneries, and leather products -Survey on LIDI's capacity of testing and analysis including test demonstration by LIDI's staff -Report the results of CPA2 and discussion for the future of CPA	12 - 22 February 2017

1.3.3 Implementation structure

The activities in the CPA phase 2 study were inaugurated mainly by the Ethiopian Investment Commission (EIC) in collaboration with the Implementation Committee of Champion Product Approach (ICCPA) chaired by the EIC Director. The following figure shows the agreed structure of the Study with ICCPA. The CPA Phase 2 was originally intended to select a target product for finding market opportunity and to conduct focused promotional activities. As a result of the survey on the potential of Ethiopian products and marketing research, Ethiopian leather items and materials, particularly sheep leather, were selected as the target products. Leather Industry Development Institute (LIDI, a governmental organization to support the leather sector), Ethiopian Leather Industry Association (ELIA, an industry group), and private companies that produce leather materials and leather products joined the ICCPA, and those organizations and enterprises serve as principle actors on the CPA project.

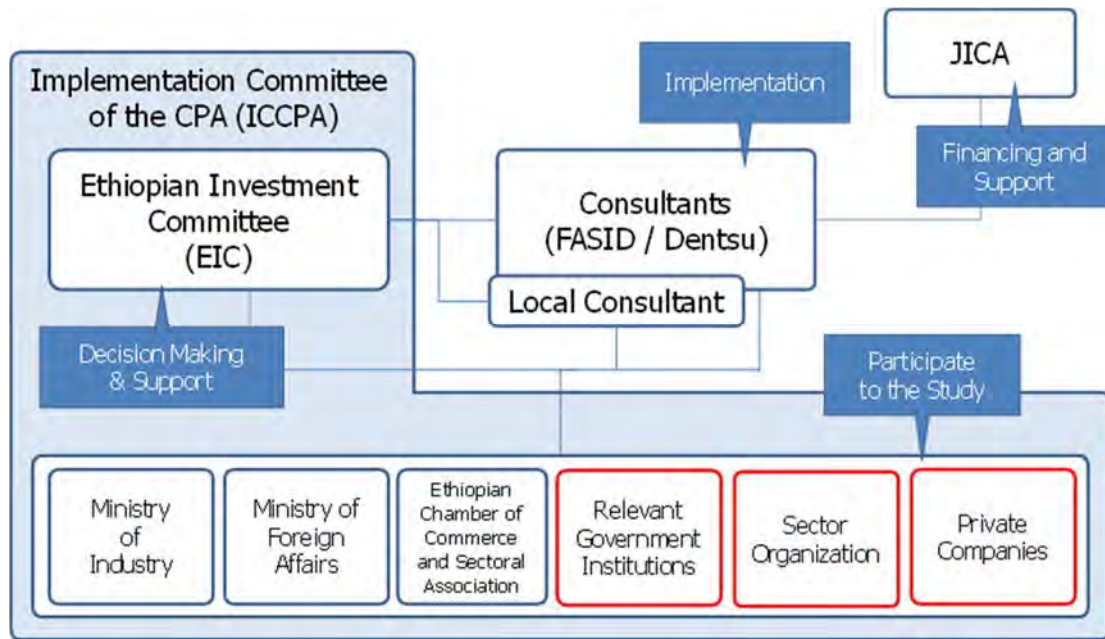


Figure 1-2 Implementation structure of these works

The ICCPA members and their roles are described in Table 1-3.

Table 1-3 ICCPA membership

Member	Role	
Ethiopian Investment Commission	Process Owner / Approver	Represent the ICCPA as the key decision maker
Ministry of Industry	Contributor	Give inputs based on the experience in the Phase 1 Assign governmental institute as a process owner for the target sector branding.
Ministry of Foreign Affairs	Contributor	Disseminate the CPA and the promotional film as a tool for business diplomats. Support an Ethiopian Embassy's official to support the CPA's activity in JAPAN.
Ethiopian Chamber of Commerce and Sectoral Associations	Contributor	Give inputs based on the experience in the Phase 1. Support to disseminate the CPA locally and internationally.
Member for Sector branding	Role	
Governmental Institution	Approver	The decision maker of sector branding. Give professional inputs and opinions. Technical support
Sctoral Association	Contributor	Give professional inputs and opinions to help making decisions. Disseminate the brand and manage the brand in the target sector.
Representative of Private Companies	Contributor	Give professional inputs and opinions to help making decisions. Utilize the brand video and tool kit in actual operation. Participate the promotional activities in Japan.
Partner companies	Executer	Utilize the brand video and tool kit in actual operation. Participate the promotion activities in Japan. Give feedback to the ICCPA.

Chapter 2 Review of the CPA Phase 1

Chapter 2 Review of the CPA Phase 1

2.1 Outline of the CPA Phase 1

CPA Phase 1 aimed to verify the effectiveness of CPA as an export promotion policy, by organizing an institutional framework for CPA that would be applicable for other developing countries as one of the export promotion measures. The activities in CPA Phase 1 are as below:

1. Implement CPA on a trial basis
2. Facilitate public-private partnership activities in Ethiopia
3. Improve the image of Ethiopia by promoting champion product
4. Collaborate with Japanese companies
5. Systematize the lessons and knowledge learnt from CPA

Figure 2-1 shows the stages of export promotion measures from upper to downstream. CPA Phase 1 focused on identifying sales opportunities in which activities with extracted components were implemented.

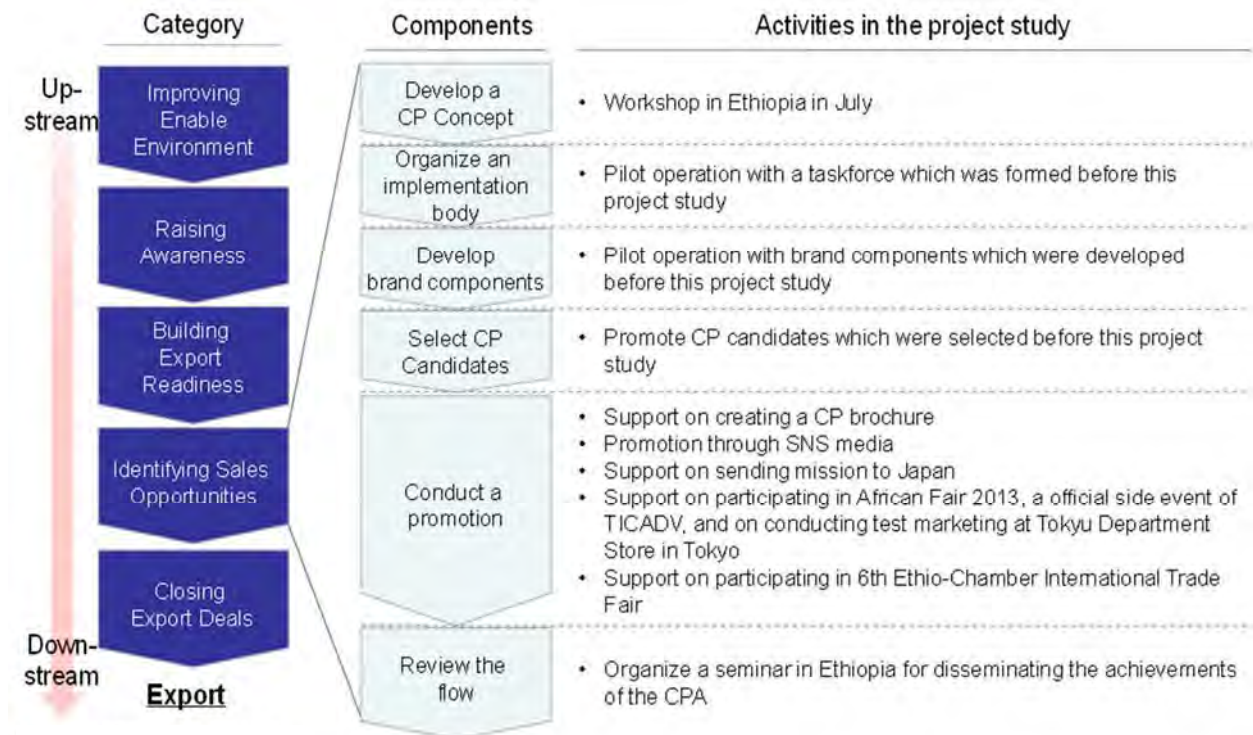


Figure 2-1 Activities in CPA Phase 1

2.2 Remaining issues for CPA Phase 2

The outcome of CPA Phase 1, collected by the questionnaire/hearing survey at the African Fair and the test marketing, indicates that the Ethiopian products have enormous potential to be accepted by customers in Japan. Also, the exhibitions in Ethiopia enhanced the Ethiopian stakeholders' initiatives toward the CPA. However, no business contract has been signed between the partner companies and the Japanese dealers to import Ethiopian champion products during CPA Phase 1.

At the end of CPA Phase 1, the following challenges (issues) were identified for the facilitation of CPA¹.

(1) The CPA and export promotion policy

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

CPA Phase 1 was positioned as a pre-project study by JICA. For further support in the future, the position of CPA in the Ethiopia's export promotion policies upon obtaining a political commitment for CPA must be clarified.

(2) Sales opportunities

1) Organize an implementation body

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

CPA Phase 1 proved the inadequate involvement of relevant Ethiopian ministries and agencies due to the lack of a bureau with dedicated staff for the CPA in Ethiopia. To continue the CPA project, it is indispensable to set up a concrete organizational structure for the CPA in Ethiopia.

2) Develop a champion product concept

Challenge 3: Defining the concept of champion products more clearly

Challenge 4: Defining the targeted market of champion products

The champion product's concept was not shared as a common specific image among relevant organizations and companies sufficiently. Taking "unique feature" for example, the concept was interpreted differently among them. It is necessary to have a shared common understanding about the concept by making sure of or improving the concept.

3) Develop a champion product brand

Challenge 5: Internalizing the brand and understanding its importance

¹ Policy Dialogue on Industrial Development in Ethiopia (Phase 2) Study on Implementation Support of Champion Product Approach Final Report (March 2013)

Challenge 6: Securing coherence between different brand levels

The brand value of champion products is not exclusively for marketing purposes. The internalization of the brand (i.e. a process of sharing the value within the company, nurturing the brand, and gaining confidence) is of importance to enable the brand quality worthy. Furthermore, for active CPA promotion, selection and concentration to prospective sector might be effective. In that case, the selected/concentrated sector must ensure consistency with the industry brands that will be created.

4) Select champion product candidates

Challenge 7: Clarifying selection criteria and procedure of champion products

Although selection criteria and method were given before selection, the criteria did not target a broad range of companies in CPA Phase 1, and the selection process was not always clear. Ensuring transparency in criteria and selection process for choosing a champion product is the essential element to facilitate the CPA project even further.

5) Conduction promotion

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

The promotional activities in CPA Phase 1 indicate many points of note that can ensure the project's success, for example, identifying a target, appropriate selection of promotion place, and usage of appropriate promotional tools with necessary information.

(3) Issues in other categories

1) Improving enabling environment for export

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

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

Ethiopian companies have a weak connection with peers in the same industrial sector. CPA Phase 1 revealed the issues that individual companies cannot deal with (e.g. to improve export mechanism, to develop human resource specialized in export management business, to conduct financial services and to improve customs procedures, to collect/distribute market information) It is highly recommended that the government cope with those issues expeditiously.

2) Raising awareness and recognition

Challenge 11: Promoting the CPA to Ethiopian companies and gaining wide recognition of the CPA

The scope of criteria for the selection of champion product candidate companies was not extensive and the selection process was also opaque. There is growing importance to disseminate information on the CPA project to a wider range of businesses and entrepreneurs and to gain recognition of the CPA in pursuit of the purpose to find prospective candidate products. In fact, the CPA project team received inquiries about how to join the project by some Ethiopian companies attracted by a champion product displayed in the exhibition in Ethiopia. Increasing awareness and recognition of the CPA in the Ethiopian market would contribute to finding potential champion products.

3) Company capacity building

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 assistance which makes a “direct impact on sales,” such as VM, and motivates companies to actively participate in the CPA

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

Challenge 15: Nurturing potential CPA companies

For individual companies, there is a limitation to collect all necessary information about the target market and to improve their product quality. Accordingly, a sectoral governmental agency and a private intermediary organization are expected to provide such information and technical assistance to the individual companies.

4) Closing export deals

Challenge 16: Understanding business practice in target markets, including understanding of differences in business culture, and concluding contracts

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

In response to CPA Phase 1, many Ethiopian companies requested for “market information.” On the other hand, it seems that the Ethiopian companies’ participation in promotional events does not exploit a valuable opportunity to get in touch with Japanese buyers. The Ethiopian companies must collect the market information through buyers, and the companies must understand the importance of differences in business customs.

5) Others

Challenge 18: Creatively utilizing human and organizational resources in Ethiopia

Having a business sense and expertise, the Ethiopian diaspora, whom the Japanese experts met during CPA Phase 1, gave inspiration to CPA stakeholders. It is also noticeable that the study spotlighted the networks including NGOs for educating and training of entrepreneurs and associations of female entrepreneurs in the leather industry. It is expected to assist such networks to promote the project.

2.3 Responses to the challenges in CPA Phase 2

Table 2-1 shows the summary of the responses to the 18 challenges taken over from CPA Phase 1 and to what extent those issues have been solved (i.e. achievement levels) during CPA Phase 2. The in-depth report on the activities in CPA Phase 2 is described after Chapter 3.

CPA Phase 1 focused on support to open up a new market for any Ethiopian products. Subsequently, CPA Phase 2 run a branding promotion after a target product was selected. With the activities during CPA Phase 2, the project marked a significant progress in the leather sector in terms of the clarification of the CPA concept, shaping a shared understanding of the CPA among Ethiopian stakeholders, as well as the awareness on the importance of branding promotion. On the other hand, there is room for addressing the remaining issues related to product development, capacity in a promotion, and support service to individual companies by the government. The issues and recommendations raised in CPA Phase 2 are shown in Chapter 7.

Table 2-1 Activities in CPA Phase 2 against the issues of CPA Phase 1

Issues pointed out in CPA Phase 1	Activities in CPA Phase 2 (Achievement levels are described by the following symbols.) ◎: Already achieved ○: Likely be achieved △: Partly achieved ×: Not achieved
Challenge 1: Defining the role of the CPA in Ethiopia's export promotion policy	<ul style="list-style-type: none"> • Involvement of relevant organization to the activities <p>(○) The utility of the CPA is gradually being recognized within the Ethiopian government. Also, the understanding on importance of branding for industrial development and export promotion is moving toward deeper.</p>
Challenge 2: Building a cross-sectional implementation body (decision making, implementation, consultation, etc.)	<ul style="list-style-type: none"> • Establishment of ICCPA structure <p>(△) As a promotional body of the project, ICCPA was organized by both governmental and private stakeholders, while its function is still narrow and independent-minded activities are not carried out yet.</p>

<p>Challenge3: Defining the concept of champion products more clearly</p>	<ul style="list-style-type: none"> • Taking place a brand workshop <p>(☉) A brand workshop was held for ICCPA and, participants obtained a clear understanding of the CP concept.</p>
<p>Challenge 4: Defining the targeted market of champion products</p>	<ul style="list-style-type: none"> • Conducting a market research in Japan • Conducting a survey on potential of Ethiopian products <p>(☉) The Japanese experts decided to select the Japanese market as a target. As a result of the above-mentioned research and survey, the leather industry was selected as a targeted sector, and sheep leather was chosen as a targeted product.</p>
<p>Challenge 5: Internalizing the brand and understanding its importance</p> <p>Challenge 6: Securing coherence between different brand levels</p>	<ul style="list-style-type: none"> • Brand Development of Ethiopian Highland Leather • Brand Development through “Creativity in Motion” <p>(○) Our brand “Ethiopian Highland Leather” was created with taking advantages of the material’s features. In addition, a cross-sectional brand “Creativity in Motion” was built.</p>
<p>Challenge 7: Clarifying selection criteria and procedure of champion products</p>	<ul style="list-style-type: none"> • Selection of partner companies <p>(○) Partner companies in the leather industry were selected based on criteria.</p>
<p>Challenge 8: Selecting a promotion means, such as media and contents, to reach the targeted buyers and consumers</p>	<ul style="list-style-type: none"> • Creation of promotional tools • Conducting a promotion on sheep leather in Japan <p>(○) Promotional tools such as booklets and posters were created to embody the brand concept.</p>
<p>Challenge 9: Establishing an export promotion organization, which removes disincentives, with cross-sectional export promotion policy</p> <p>Challenge 10: Implementing export promotion policy through human resource development in export business, financial support services, efficient customs clearance, market information services, etc.</p>	<p>No specific activities are provided</p> <p>(×) According to the hearings from governmental organizations and private companies, it seems the expected results have not been produced, while they are addressing the issues.</p>
<p>Challenge 11: Promoting the CPA to Ethiopian companies and gaining wide recognition of the CPA</p>	<ul style="list-style-type: none"> • Organizing a brand workshop • Providing technical assistance for partner companies in the leather industry <p>(○) The Japanese experts raised awareness on the CPA for ICCPA members. In the wake of our continuous efforts, it can be said that the awareness about the project is increasing in Ethiopia.</p>

<p>Challenge 12: Strengthening information services on target markets, which will be useful for product development, as well as technical support system for quality improvement</p>	<ul style="list-style-type: none"> • Investigating capacities of LIDI • Capacity building through visits to Japan <p>(△) As a result of the investigation of LIDI, it became clear that the governmental organization provide merely “elementary” technical assistance and “basic” information to companies, which is inadequate to enter the “mature” markets in developed states.</p>
<p>Challenge 13: Strengthening information services on target markets, which will be useful for product development, as well as technical support system for quality improvement</p> <p>Challenge 14: Improving products to meet target markets’ needs and demand for quality based on information collected in the process of expanding sales channels</p> <p>Challenge 15: Nurturing potential CPA companies</p>	<ul style="list-style-type: none"> • Technical support to partner companies such as VM, product development and business manner seminar • Capacity building through visits to Japan <p>(△) Partner companies are becoming highly motivated for technology acquisition especially after the exhibition in Japan, but the technology has not been utilized enough so far. There is a remaining problem that only a few products meet the quality requirements in the “mature” markets regardless of our technical assistance for product development.</p>
<p>Challenge 16: Understanding business practice in target markets, including understanding of differences in business culture, and concluding contracts</p> <p>Challenge 17: Providing support to succeed in business negotiations, including understanding business information, improving business manner, and preparing contract documents</p>	<ul style="list-style-type: none"> • Capacity building through visits to Japan • Support for dealing with buyers <p>(△) Several Ethiopian corporations among partner companies started to deal with Japanese companies or under business negotiation. Note, however, that some Japanese companies are not fully satisfied with Ethiopian company’s response.</p>
<p>Challenge 18: Creatively utilizing human and organizational resources in Ethiopia</p>	<ul style="list-style-type: none"> • Use of local human resources • Consideration about collaboration with other donors <p>(○) In CPA Phase 2, human resources in Ethiopia are actively used. Coordination and cooperation in assistance to the leather industry are also discussed.</p>

Chapter 3 Trial of Measures for Candidate Champion Products

Chapter 3 Trial of Measures for Candidate Champion Products

3.1 Branding in CPA Phase 1

This chapter commences with a review of the branding activities in CPA Phase 1, which are the basis for CPA Phase 2. During the field survey in CPA Phase 1, Japanese expert groups conducted market research to look into Ethiopia’s historical and modern-day assets in three representative regions below:

- The North (Aksum and Lalibera for historical and geographical landscape),
- The South (Yirgachefe and Chenchu for coffee, textiles, and traditional produce like ginger), and
- Addis Ababa and its suburbs (urban landscape and industry development, Ambo for rose farms).

As a result, the experts identified Ethiopia’s inherent brand assets as follows:

Table 3-1 Ethiopia’s unique brand assets

Historical Brand Assets	
History/Origin	<ul style="list-style-type: none"> • Ethiopia’s incomparable geographical features • Place where human beings originated • Unique history and culture compared to other African countries
Tradition/Culture	<ul style="list-style-type: none"> • Stock seeds/origins of various agricultural products (coffee, honey, ginger, etc.) • Traditional wisdom and technique
Today’s Brand Assets	
People/Human resource	<ul style="list-style-type: none"> • Enthusiasm and honesty • Craftsmanship (proficient skill)
Vision	<ul style="list-style-type: none"> • A strong vision to underpin the growth of the country • Leadership among African countries
Light manufacturing industry showing a remarkable growth	<ul style="list-style-type: none"> • Textile industry • Leather industry • Jewelry goods • Agricultural and processed food products, etc.

With a clear picture of the historical and today’s assets in mind, a brand concept “Pride of Creation” was proposed, and both the Ethiopian and Japanese sides formed a consensus on the concept in CPA Phase 1.

THE PRIDE OF CREATION.

The Cradle of Mankind. Ethiopia.

The land where mankind first started creation.

The delicate hands that were gifted only to humans.

This precious gift has been used to create things that had never existed.

And even now, the land brims with the passion to create something new,
with the pride that we have seen the very beginning.

A new challenge of Africa's largest growing nation begins.

The Pride of Creation.

ETHIOPIA

Figure 3-1 Draft brand concept agreed in CPA Phase 1

In CPA Phase 2, the Ethiopian stakeholders and Japanese experts shaped the brand concept “Pride of Creation” into a brand video and website for promotional activities through branding.

For the embodiment of the brand concept “Pride of Creation” and promotion of the branding activities, the concept was elaborated with a creation of a promotional video and website.

3.2 Branding workshop

3.2.1 Identification of Ethiopia's unique assets

In January 2015, a brand workshop as an activity of CPA Phase 2 was held for ICCPA in Addis Ababa. At the start of the workshop, the importance of branding was reviewed. The experts introduced branding practices in Sweden, Spain, and New Zealand as successful cases (best practices) with an explanation about effects of branding (see Figure 3-2).

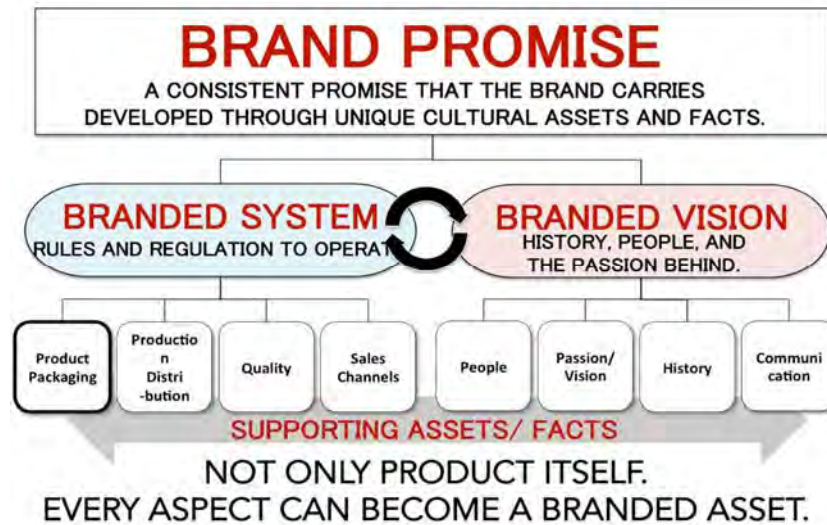


Figure 3-2 Identified brand structure (extracted from the workshop material)

<What is a brand? Primary explanation related to brands>

A brand is not simply a logo or label design; it is an intangible asset – the “inherent value” of a product, service, or company. The approach to branding is utilized not only as ordinary corporate marketing materials but also for improvement in corporate value, even for revitalization of local communities in a countryside in recent years.

For regional brand development, first of all, it is essential to extract any types of elements, including a production system, a distribution mechanism, cultural backgrounds, a passion of producers, and an approach to manufacturing, which may become sources for the “inherent value.”

Second, “brand promise,” which pledges the various identified elements (“inherent values”) to the consumers, is described. The brand promise defines the value that the brand provides, and it serves as an understanding and guarantee of quality for the consumers. For the producers, it also contributes to the decision-making process and motivation for studying and creating a consistent brand vision (i.e. what kind of people does create the brand? Based on what kind of image?) and brand system (what are the quality control and operating standards necessary to fulfil the promise?).

<Explanation of terms used in the figure>

- Brand Promise:

“Brand promise” is a concept that provides a source of entertainment to the consumers by transforming the facts of a particular product or service into an attractive and consistent “value” for a target market. When the inherent value penetrates deeper into both the brand producers (inner) and to the consumers (the brand recipients), the value functions as the driving force that creates unique attraction and consistent expectations for the product or service. For the realization

of the brand promise, it is necessary to share a “brand vision” for all of the stakeholders, including the product or service provider side (producers, sellers, employees, etc.). The “brand promise” must be operated under a consistent “brand system” from product/service development to distribution.

- Brand Vision:

Brand vision is a brand that will shared by the producer side. It comprises the basis of the brand promise, and it encourages the producers to create a common will with their prides and motivations after the brand promise is prescribed. The brand vision serves as a locomotive to realize the brand promise with various elements, including cultural background, craftsmanship, and dedication of the persons involved with the brand.

- Brand system:

“Brand system” comprises the basis of the brand promise along with brand vision, and it serves as a mechanism of the value chain, which is constructed and improved after the brand promise is specified. The system can be comprised of broad elements such as the product itself, package, quality control methods, and product distribution system.

<Brand example>

In the workshop, the experts explained about the internationally renowned textile brand “Harris Tweed” as an example of the brand structure and concept. Harris Tweed produces hand-weaving textiles made by the island residents from virgin wool shorn in the Outer Hebrides islands of Scotland, which is a well-known brand derived from local historical industry in the region.

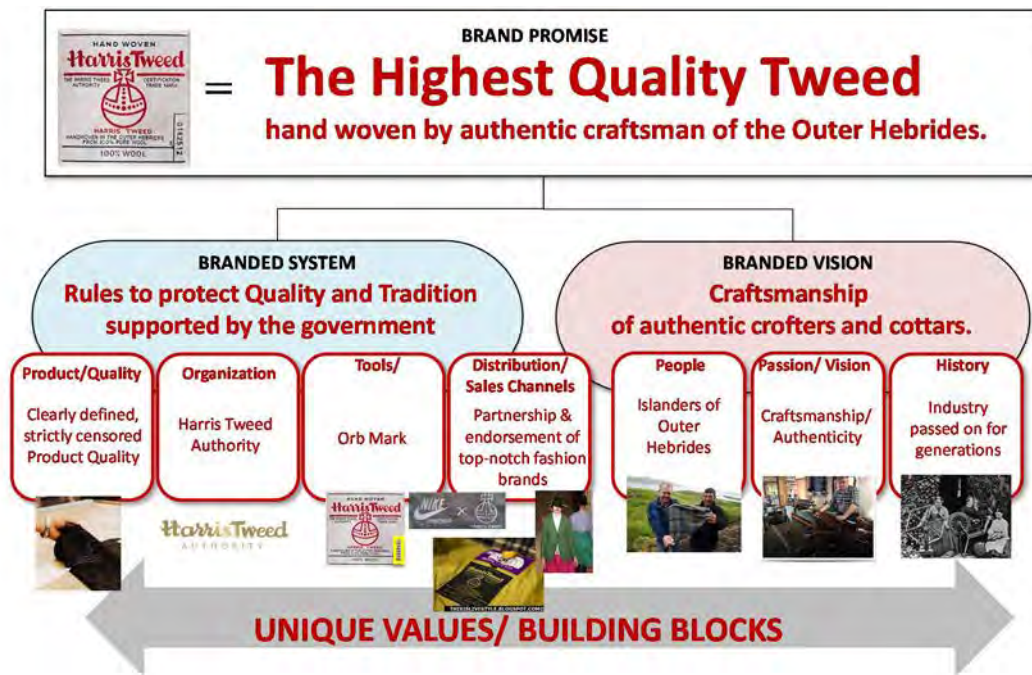


Figure 3-3 Brand structure of Harris Tweed

- Brand Promise of Harris Tweed:

Harris Tweed views the inherited unique techniques and production since ancient times as value, and it provides brand promises: “local (limited) production” and “hand-weaving by artisan techniques.” With these concepts, Harris Tweed formed a brand system for sharing the vision and techniques throughout the community, such as strict quality control standards and an operating organization. “In the present day, where mass production in large-scale factories has become mainstream, the inherited “localism” and “artisan techniques” gained broad acceptance as an appealing brand promise by the customers as well as people involved in the fashion industry around the world.

- Brand vision of Harris Tweed:

The authentic techniques and craftsmanship, handed down from people to people over the centuries, are shared by all stakeholders as a “will” and “pride” of everyone who work for the brand. Also, the history and brand story constitute appealing parts of the brand.

- Brand system of Harris Tweed:

The Harris Tweed’s traditional manufacturing methods and techniques are protected by laws legislated by the British government. Only products that passed strict quality control standards are given an official label (the license of the British Royal Family) by the Harris Tweed Authority, the brand management organization.

As the example of Harris Tweed shows, strong brand shares the vision among everyone involved with the brand to fulfil the promise based on a clear and appealing brand promise, and it also possesses quality control standards and a management organization. In other words, a strong brand has such functioning structure that all of the facts, including a brand and service itself, the brand producers, components and elements, are organically combined to realize a single brand promise.

3.2.2 Set a production policy for brand video

As for a brand video production policy, the following three draft policies were suggested in the brand workshop to express the brand concept “Pride of Creation” proposed in CPA Phase 1.

Policy A: Lively Ethiopia

Vividly portray people devoting themselves to produce goods and their enthusiasm for manufacturing. The present challenge for people to create new products and various high-quality products shines a spotlight on the quality.

Policy B: Moving Forward

Evoke the image of Ethiopia moving forward with a sense of pride in its achievements in manufacturing. The video shows young people, children, seniors, farmers, and artisans among others. They talk to the camera in turn – sometimes walking and sometimes running – describing the history of Ethiopia and expressing their aspiration for the future. Through these people’s depictions, the video sends a strong message from the country trying to move forward in unity.

Policy C: Sound of Creation

Write lyrics that convey the message of “Pride of Creation” and put them to a piece of music well known among the Ethiopians. Ethiopian people sing this song in turn in various places. The song not only physiologically conveys a positive image of the country: by creating the song with people in Ethiopia to generate a spectacular movement involving the country as a whole.

ICCPA members commented, saying: “Policy A is very attractive in appealing the uniqueness of Ethiopia including its scenery to the world,” “Policy B is effective in promoting the modern image of Ethiopia,” and “Policy C is also fascinating but dance and songs seem to be difficult to express for the Ethiopian because of their calm characteristics.” It was agreed that these policies would be discussed among the ICCPA members after the workshop to make a final decision. As a result of the discussion, Policy A “Lively Ethiopia” was determined, and then the Japanese experts began work on a brand video.

In the second part of the workshop, participants conducted a brainstorming session according to the discussion points. The participants were invited to come up with their ideas as to what promotional activities might be effective in Ethiopia for internal branding and to encourage active involvement of stakeholders on the Ethiopian side and to do presentations. Some promotional activities, such as showing the video on flights operated by Ethiopian Airlines, selling products at duty-free shops at the airport, encouraging the overseas Ethiopian embassies to get involved, holding a champion product contest, were suggested as activities that the Ethiopian side can organize on its own.

At the conclusion of the workshop, both sides agreed that the objective of this branding exercise was not a “country branding” as part of the strategy to build the country image but a “manufacturing branding” that underpins Ethiopian industries. The Ethiopian side indicated the necessity to involve the relevant ministries in the CPA project.

Idea Brainstorming Sheet

Country Branding - How could we drive Participation?

1. WHO do we want to involve?

2. WHAT could we do to motivate people, and participate take action to live up to the brand?

3. WHERE and HOW could we promote our brand towards global consumers?

Areas to be discussed.

THE PRIDE OF CREATION.

1. WHO do we want to involve?

2. WHAT could we do to motivate people to participate, and take action to live up to the brand?

3. WHERE and HOW could we promote our brand towards global consumers?

Figure 3-4 Presentment at brainstorming session (handout worksheets)

How do we want to involve ?	How could we motivate people ?	Where and How could we promote ?
Brand Ambassadors	Create a contest	Special events
Ethiopia Airlines	Award people (prodedure, design)	Show videos in Ethiopia Airlines
Sectoral Associations	Brand Guideline Booklet	Sell products in duty free shop
NGOs & Active Organizations	Screen around city	Print Media
Ethiopian Embassies Abroad	TV CM/Print Media	Give away to foregn people
Local Media		Trade fair/conference

Figure 3-5 Activities suggested by workshop participants for promotion

3.2.3 Identifying a brand concept

Several TV conferences were organized between Addis Ababa and Tokyo to discuss the brand concept “Pride of Creation.” Given that “Land of Creation,” the new Israeli tourism marketing campaign, was launched in that year, it was agreed to find another way to express the “Pride of Creation” while also preserving Ethiopia’s energy, texture, and soul as well as the idea behind the concept intact.

The following three new directions were suggested to ever more emphasize those elements considered to be Ethiopia’s historical assets (i.e. “the place where human beings

originated and where manufacturing originated” as well as the one considered to be its current asset, i.e., “highest economic growth rates in Africa”).

Direction A: Power of Creation

Express the engine for Ethiopia’s rapid economic growth precisely because of its historical advantage as a “starting point of manufacturing” with the perspective that Ethiopia is “the place where human beings originated and where manufacturing originated.”

Direction B: Creativity in Motion

Portray Ethiopia’s dynamism and great creativity as a country that continues to generate something new since the dawn of time and to bring surprises and impressions to the world.

Direction C: Born to Create

Express the power of creativity in Ethiopia, where human beings have been creating something new since the dawn of humanity.

In consequence of a series of discussions held with the Ethiopian stakeholders, “Creativity in Motion” was chosen as the final brand concept, which embodies Ethiopia’s increasing enthusiasm. The concept expresses the brand promise that aims to generate new value with pride in the place where human beings and manufacturing originated (Figure 3-7).

CREATIVITY IN MOTION

The Cradle of Mankind. Ethiopia.
The land where mankind first started creation.

The delicate hands that were gifted only to humans.
This precious gift has been used to create things that had never existed.

And even now, the land brims with the passion to create something new,
with the pride that we have seen the very beginning.
A new challenge of Africa’s largest growing nation begins.

The Pride of Creation.
ETHIOPIA

Figure 3-6 Draft concept which was ultimately agreed

3.3 Brand video

3.3.1 TV conference for brand video

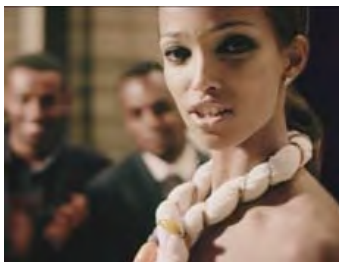
The Japanese experts organized TV conferences between Addis Ababa and Tokyo to discuss the structure and a scenario of the promotional video in detail. A draft scenario of the promotional video was presented, and discussions were held with the ICCPA members.

Locations for video shooting and the cast members were selected with the local video crews and finalized in consultation with the ICCPA members. Locations for the video were to be places involving individual champion product sectors (i.e., leather, textile, coffee, honey, opal, and rose) as well as the products of these sectors, so that the Ethiopian could exemplify Ethiopia's energy, texture, and soul. Ethiopia's scenery and its modern face (e.g., office buildings, arts, scenes from a marathon) were also to be filmed so that the country brand image of Ethiopia would be depicted throughout the video. As a result of discussions with local film crews and the ICCPA members about the cast members to be featured in the promotional video, Mr. Gash Aberra Molla, a cultural celebrity in Ethiopia; Ms. Hawi Negese, a model; and Mr. Abayneh Ayele, a marathon runner, were recruited.



Gash Aberra Molla (Seleshi Demissie)

A musician and an environmental activist. His music is used in this brand video. He played a leading role in the Gash Abera Molla Environment & Development Association, a project launched to renew the image of the capital, Addis Ababa. He actively participates in volunteer work and has received some international awards.



Hawi Negese

A model from Addis Ababa. She loves fashion and design and is an opinion leader among young people.



Abayneh Ayele

A young Ethiopian marathon runner (age 27). He is a member of the Ethiopian national team and has been a familiar face at many international competitions since 2010. He is a young athlete who currently enjoys attention from other runners, fans, and the sporting press in Ethiopia.

Figure 3-7 Cast members featured in the brand video

The delegation (March 23, 2015–April 11, 2015) was dispatched to produce the brand video along the agreement above. The shooting members included Japanese experts (art director, etc.), an Ethiopian director, and shooting staff, including a photographer.

3.3.2 Local video shooting

For the promotional video, in order to ensure that technical assistance was provided to Ethiopian stakeholders and that Ethiopia’s energy, texture, and soul were embodied, the Japanese experts requested cooperation from the Ethiopian film crews, e.g., the producer, assistant director, and cameraman, and shot in collaboration with them. In the selection process of Ethiopian collaborators, three groups of directors and camera operators were interviewed to determine the quality of their previous works and to evaluate their enthusiasm for this project, before the final selection (See Tables 3-2, 3-3).

Table 3-2 Division of roles between the Japanese and local crews

	Japanese crews	Ethiopian crews
Roles for Video Production	<ul style="list-style-type: none"> - Overall supervision - Consider and decide on the video scenario - Review the video shooting principles and methods - Consider and create a shooting schedule - Consider and identify shooting locations and cast members - Consider video shooting equipment 	<ul style="list-style-type: none"> - Support preparation for shooting as well as actual shooting - Select possible shooting locations and candidates for cast members - Go location hunting for the video - Negotiate with cast members - Negotiate with relevant authorities to get permission to shoot a video

Table 3-3 Main shooting locations

Shooting category	Locations
Featuring champion products	<ul style="list-style-type: none"> • Aster Bunna Coffee (Addis Ababa): coffee and people roasting coffee beans • ELICO (Addis Ababa): leather, craftsmen • LIDI (Addis Ababa): leather, craftsmen • Sabaharr: textile and craftsmen • Beza Mar (Butajira): honey factory, factory workers • Orbit (Addis Ababa): opal, genuine stone, jewelry workers • Mentaye Flowers (Debre Zeit): roses, plant growers
Natural and modern scenery in Ethiopia	<ul style="list-style-type: none"> • Sululta: natural landscape in Ethiopia • Ethiopian Airlines (Addis Ababa): airplane, cabin crew • Capital Hotel (Addis Ababa): modern buildings, shooting of a model (Hawi Negese) • Yod Abyssinia (Addis Ababa): Ethiopian dance • Meskel Square (Addis Ababa): marathon runner, children • C62 media (Addis Ababa): modern office • Bole area (Addis Ababa): modern townscape • Fekadu's Art Gallery (Addis Ababa): artist • Megabiskate (Addis Ababa): skateboarder

3.3.3 Discussion on editing policy and agreed points

After the shooting in Ethiopia, the Japanese experts edited the footage in Japan and finalized a promotional video after discussions with the local ICCPA members. First, the Japanese experts received comments on the provisional edition from the ICCPA members. The comments included: “it shows a positive image of Ethiopia,” “the champion products are attractively introduced in the modern image of Ethiopia,” and “the film includes tourism resources like nature in Ethiopia, and features what we think our country looks like.” Second, we discussed the scenario, structure, and length of the video and agreed with them. With regard to the animated version featuring traditional Ethiopian portraits, the ICCPA members requested that the scenario be modified to make these portraits look more like traditional Ethiopian works. Then, the portraits was agreed. Finally, the Japanese experts adjusted the color, sound, and music of the footage, and the final edition was once again approved by the ICCPA members.

3.3.4 Completion of the brand video

The completed promotional video not only introduces products of Ethiopia but also features various aspects of Ethiopia, including people involved in the production of goods as well as Ethiopian culture and nature, as shown in Figure 3-8.



Figure 3-8 Some shots featured in the brand video

The Japanese experts uploaded the video on the websites of JICA and the home page of “Creative in Motion” (see Paragraph 3.4). The “Creativity in Motion” video was shown on Ethiopian Airlines flights and at a seminar co-hosted by JETRO and the Embassy of Ethiopia in Japan on 23rd April 2015 at the JETRO head office to promote investment in and trade with Ethiopia. The video received acclaim.

However, any effective routes has not been found for disseminating the video yet. Even in Ethiopia, the recognition of the video has been limited to people in the young generation who use video sites such as YouTube. The ICCPA members proposed using the video for a public screen in Addis Ababa, but no concrete actions have been taken. Even though JICA signed a MOU with Ethiopian Airlines to run the brand video on the airplane, the video has seldom been used.

In parallel with “Creativity in Motion,” the MOCT and other ministries have started to develop original Ethiopian brands. It is important to continuously discuss how they can share the brand concept.

3.4 Creation of a website

3.4.1 Web contents

Given that the website will be maintained in Ethiopia, Tumblr – a free blogging platform – was chosen as its main platform. (Tumblr has become popular across the world since 2007 for its low cost and ease of use.) Furthermore, based on the assumption that the range of candidate champion products will expand in the future, Instagram – a free photo-sharing social network application – was downloaded, and an account was created to set up the content in a way that will encourage the participation of various sectors. Many companies and organizations are now able to upload and share photos related to CPA themes.

The website’s content was settled upon through discussions with the Ethiopian side and based on the feedback received from Ethiopia (See Figure 3-9). The website consists of four parts: (1) a promotional video featuring the championship product approach; (2) photos showing how wonderful Ethiopia is; (3) a feature on highland leather as a selected sector (Introduction of the brochure); and (4) what the champion product approach is.

The website was produced with the following points:

- A horizontally scrollable design to be visually “fashionable”;
- Facebook page buttons and Twitter page buttons at the bottom of every page to ensure an easy jump to these outside pages;
- An inquiry button at the bottom of the page to make inquiries on any page.

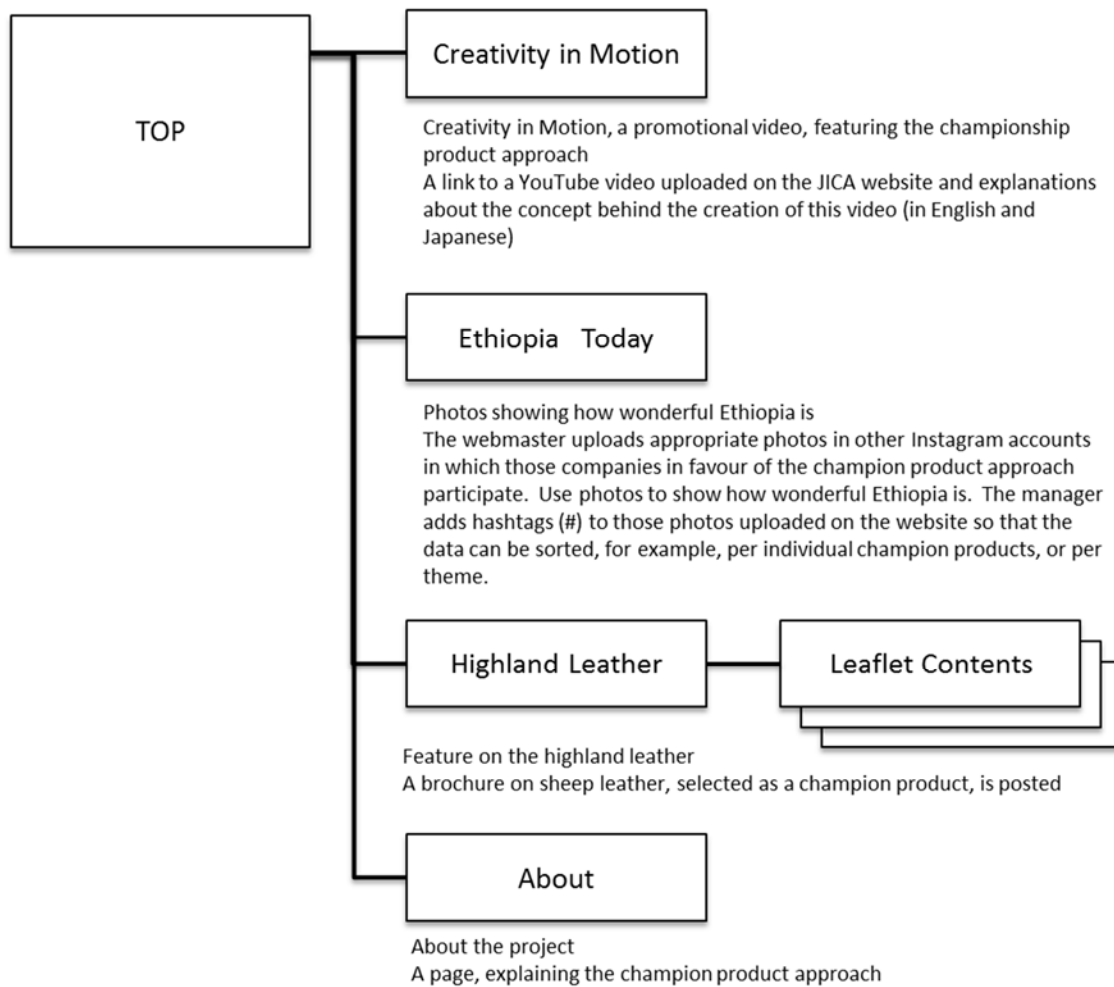


Figure 3-9 Site map for the website “Creativity in Motion”

Table 3-4 Information on the website

Domain name	www.ethiopiancreation.com
Period of registration for the domain name	10 years
Domain name holder	Ethiopian Investment Commission

3.4.2 Web content management system

The content of this website is more or less divided into two sections: the CPA and highland leather. The EIC (Ethiopian Investment Commission) was appointed as the “webmaster” to control all of the champion products, to pave the way for adding other sectors in the future.

The role of a webmaster is to:

- Manage and host the website properly to prevent hacking/defacement or authorize access;
- Keep the website content updated to maintain the same flair and tone throughout; and

- Select and upload appropriate photos for the website from the photos uploaded on Instagram by participating companies in every sector.

On this website, the Instagram platform is used for “Ethiopia Today,” a page contributed to mainly by CPA partner companies for providing up-to-date information. The companies/organizations, which take part in the CPA and which were granted the right to upload photos and articles on the official Instagram page under agreement with the EIC, can also post photos and articles related to individual sectors. Such companies/organizations are referred to as “Instagrammers.”

Instagrammers have the following tasks:

- To liaise with participating companies/organizations in the sector and to gather (and inspect, if necessary) materials for photoshoot backgrounds;
- To upload photos and articles into Instagram that contribute to upholding and promoting the brand identity of each sector; and
- To add an appropriate hashtag (#) to each photo, so as to make the site more user-friendly.

With a view to maintaining the website in Ethiopia, the Japanese experts prepared updating manuals for the web operation, set an adequate period for testing, and shared uploading guidelines with the Ethiopian side through Skype meetings. As of February 2017, the website is not often uploaded in Ethiopian side. More frequent uploading and information transmission by the Ethiopian stakeholders, including the EIC, are expected to share cross-sectoral knowledge of the brand.

3.5 Verifying the effects of measures for all champion product candidates

In CPA Phase 2, the Japanese experts conducted test marketing of Ethiopian products through branding activities. As a model case, they verified the effects of “Creativity in Motion” on the market’s receptivity and the potential for changing attitudes in the Japanese market. The effects on market receptivity were verified by comparison of the changes in consumers’ attitudes before and after watching the video and website. (For the survey design, see Figure 3-10.)

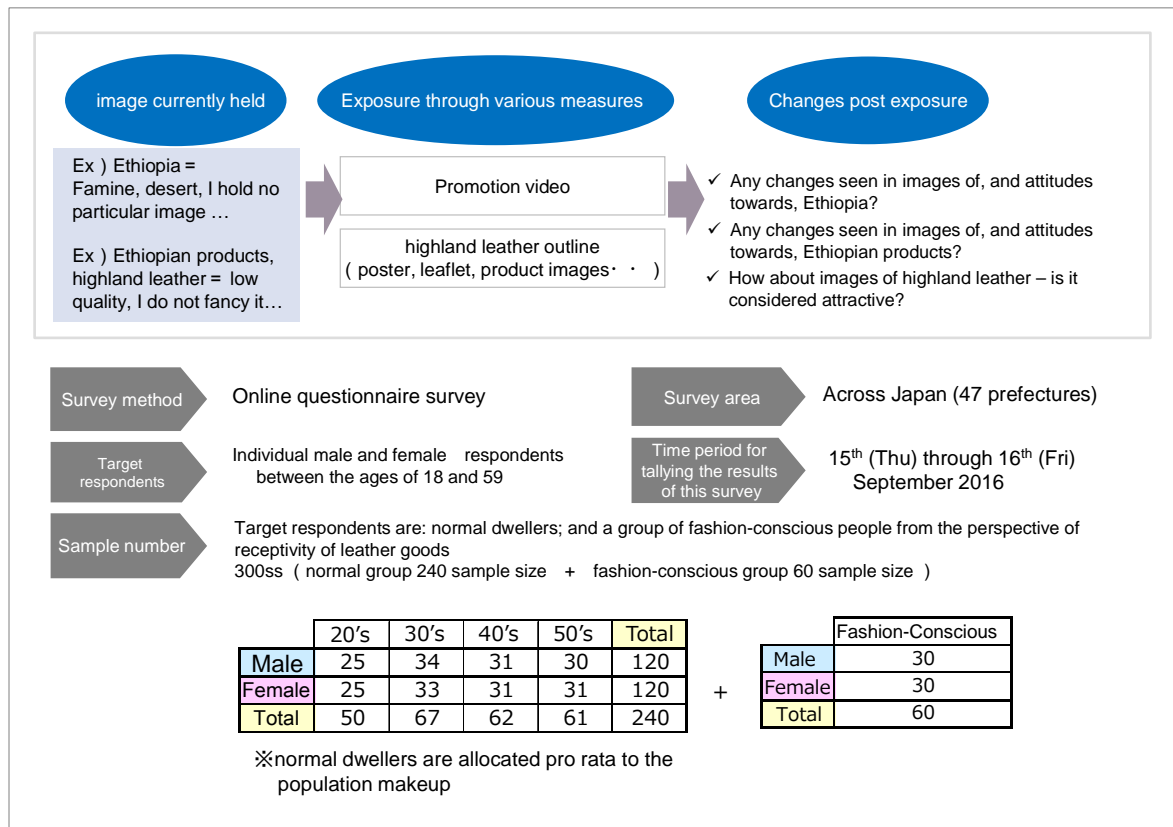


Figure 3-10 Survey design for effects verification

(1) Change in attitudes toward Ethiopia resulting from contact with “Creativity in Motion” (Change in the Ethiopia’s country image following contact with the brand)

The overwhelmingly highest score for the country image among ordinary consumers before the presentation of the video was “A country in Africa (49.6%).” The second-/third-highest items included “Many highly athletic persons (30.0%),” “Impoverished country (21.3%),” and “Poor public security (19.6).” More than 20% responded with “No particular impression or image (20.4%).” The results showed that superficially, many persons had a negative image of the country.

After contact with the brand concept video and website, there was an increase in positive image items and a decrease in negative image items. In particular, items related to manufacturing such as “Many persons who are skilled with their hands (38.8%),” “Can feel the spirit of manufacturing (35.4%),” “Technically skilled (27.1%),” and “Have artisan spirit (27.1%)” showed large increases of 20–30 points. The potential for improving the country’s image could be confirmed through broader recognition of “Creativity in Motion” promotion (for details, see Figure 3-11).

(2) Change in attitude toward Ethiopian products (Made in Ethiopia) resulting from contact with “Creativity in Motion”

Regarding products made in Ethiopia, the item “No particular impression or image” also dropped considerably (from 67.5% to 28.8% among ordinary consumers), and there was an

increase in scores for most items. Items related to the level of quality, such as “High quality” (from 2.1 % to 39.6 %) and “Image of being carefully produced” (from 2.5% to 31.7%), showed particularly large increases of 30–40 points among ordinary consumers. There was also a large increase in receptivity toward Ethiopian products; in particular, there was a large improvement in positive image (for details, see Figure 3-12).

(3) Favorable impression of the produced materials (brand video, website)

For both the video and website, high proportions of the responses from the consumers were “Made a strong impression” and “Good sense,” and the produced materials were highly evaluated. In particular, the impact of the brand video was highly valued (for details, see Figures 3-13 and 3-14).

There were several comments in the open comment space as well, including the following examples.

-“I did not know before that the country produced not just coffee but a wide range of products. I would like to see a variety of Ethiopian products” (a woman in her 30s).

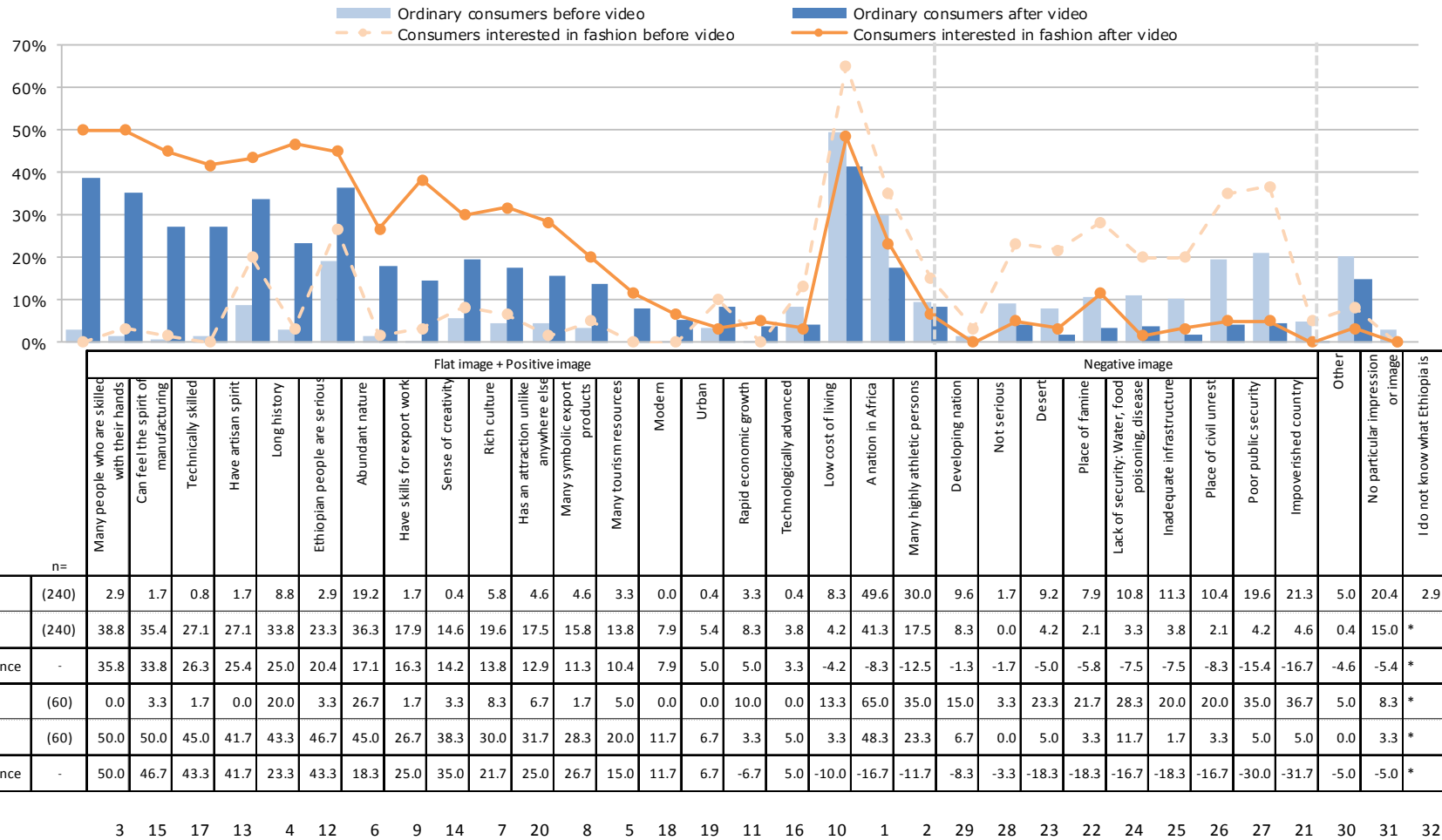
-“I remembered the term 'Ethiopian refugees,' and I thought the country was poor; however, after seeing this video, I learned that there are many creative people, and my impression completely changed” (a man in his 40s).

The Japanese experts confirmed the potential for contact with the brand helping to effect a large change in the attitudes toward Ethiopian products.

The fact that there was a definite change in attitudes toward Ethiopia and Ethiopian products following contact with “Creativity in Motion” can be described as a significant result that indicates both the receptivity of the brand concept in the premium market and the potential of the branding approach itself. The Japanese experts also confirmed that there is high potential among consumers for the world view contained in the concept and the produced materials.

On the other hand, the key issues continue to be expanding brand recognition and ensuring exposure. Some other issues were also highlighted, including the absence of the brand manager on the Ethiopia side during the project. In addition, independent brand operation on the Ethiopia side was not achieved with regards to brand management and operation or with regards to promotion of the produced materials. The main reasons for these issues are attributed to the national character and culture of the Ethiopian people as well as the level of development of business skills. In the future, what is most needed is a resourceful approach toward continual brand maintenance and management, including training of personnel, gaining the involvement of related parties, and system improvements.

Q2: What kind of impression or image do you have of Ethiopia? *If you have no impression or image, select No. 31 "No particular impression or image".
 Q13: What kind of impression or image do you have of Ethiopia after watching the video presentation?



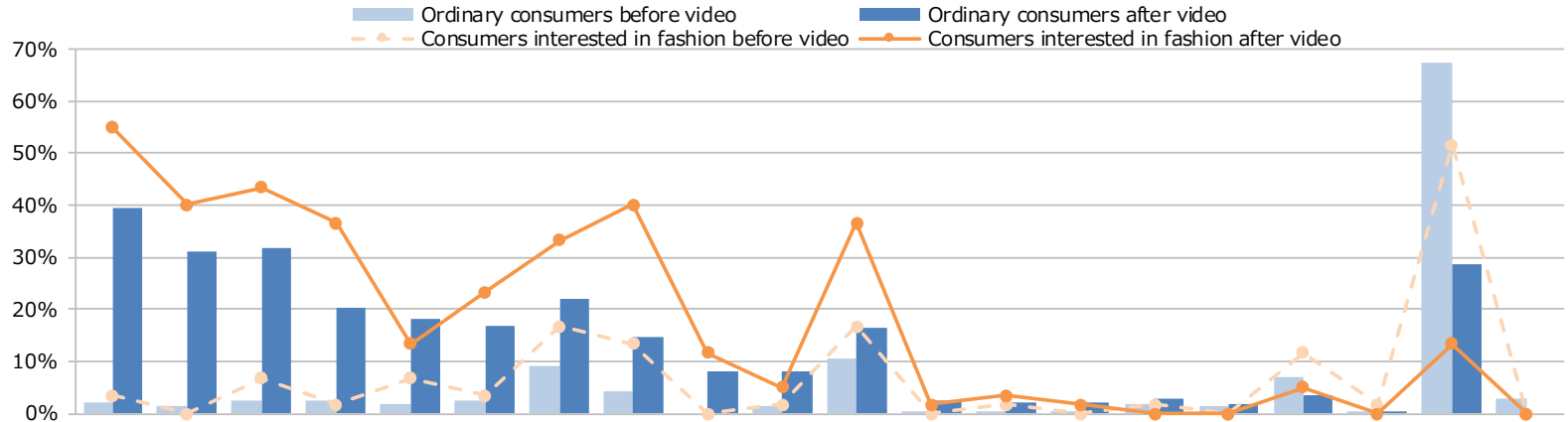
*Sorted in descending image of score differences for "Flat image + Positive image" and "Negative image" *Items marked with " * " were not asked. *The difference is the score difference [After – Before] among ordinary consumers.

Figure 3-11 Changes in impression and image of Ethiopia

Q3: What impression or image do you have of **Ethiopian products (products with the "Made in Ethiopia" label)**?

*If you have no impression or image, select No. 19 "No particular impression or image".

Q22: What impression or image do you have of **Ethiopian products (products with the "Made in Ethiopia" label) after seeing the video, poster, and leaflets?**



		n=	1	11	12	10	13	14	16	7	8	15	5	6	3	9	2	4	17	18	19	20
			High quality	Technically skilled	Image of being carefully produced	High level of dedication	Good sense	Very fashionable	Sense of tradition	Make a strong impression	Dependable	Cool	Unique characteristics	Frequently subject of media or conversation	The products suit my tastes	Popular	Selling well	Feel familiar	Buying is a kind of volunteer activity	Other	No particular impression or image	I do not know what Ethiopia is
Ordinary consumers	Before	(240)	2.1	1.3	2.5	2.5	1.7	2.5	9.2	4.2	0.0	1.3	10.4	0.4	0.4	0.4	1.7	1.3	7.1	0.4	67.5	2.9
	After	(240)	39.6	31.3	31.7	20.4	18.3	16.7	22.1	14.6	7.9	7.9	16.3	2.5	2.1	2.1	2.9	1.7	3.3	0.4	28.8	*
	Difference	-	37.5	30.0	29.2	17.9	16.7	14.2	12.9	10.4	7.9	6.7	5.8	2.1	1.7	1.7	1.3	0.4	-3.8	0.0	-38.8	*
Consumers interested in fashion	Before	(60)	3.3	0.0	6.7	1.7	6.7	3.3	16.7	13.3	0.0	1.7	16.7	0.0	1.7	0.0	1.7	0.0	11.7	1.7	51.7	*
	After	(60)	55.0	40.0	43.3	36.7	13.3	23.3	33.3	40.0	11.7	5.0	36.7	1.7	3.3	1.7	0.0	0.0	5.0	0.0	13.3	*
	Difference	-	51.7	40.0	36.7	35.0	6.7	20.0	16.7	26.7	11.7	3.3	20.0	1.7	1.7	1.7	-1.7	0.0	-6.7	-1.7	-38.3	*

*Items marked with " * " were not asked. *The difference is the score difference [After – Before] among ordinary consumers.

Figure 3-12 Changes in impression and image of "Made in Ethiopia"

Q4: Please select the choice that is closest to your opinion concerning of **Ethiopian products (products with the "Made in Ethiopia" label)**.

Q14: Please select the choice that is closest to your opinion concerning of **Ethiopian products (products with the "Made in Ethiopia" label) after watching the video.**

Ordinary consumers

Consumers interested in fashion

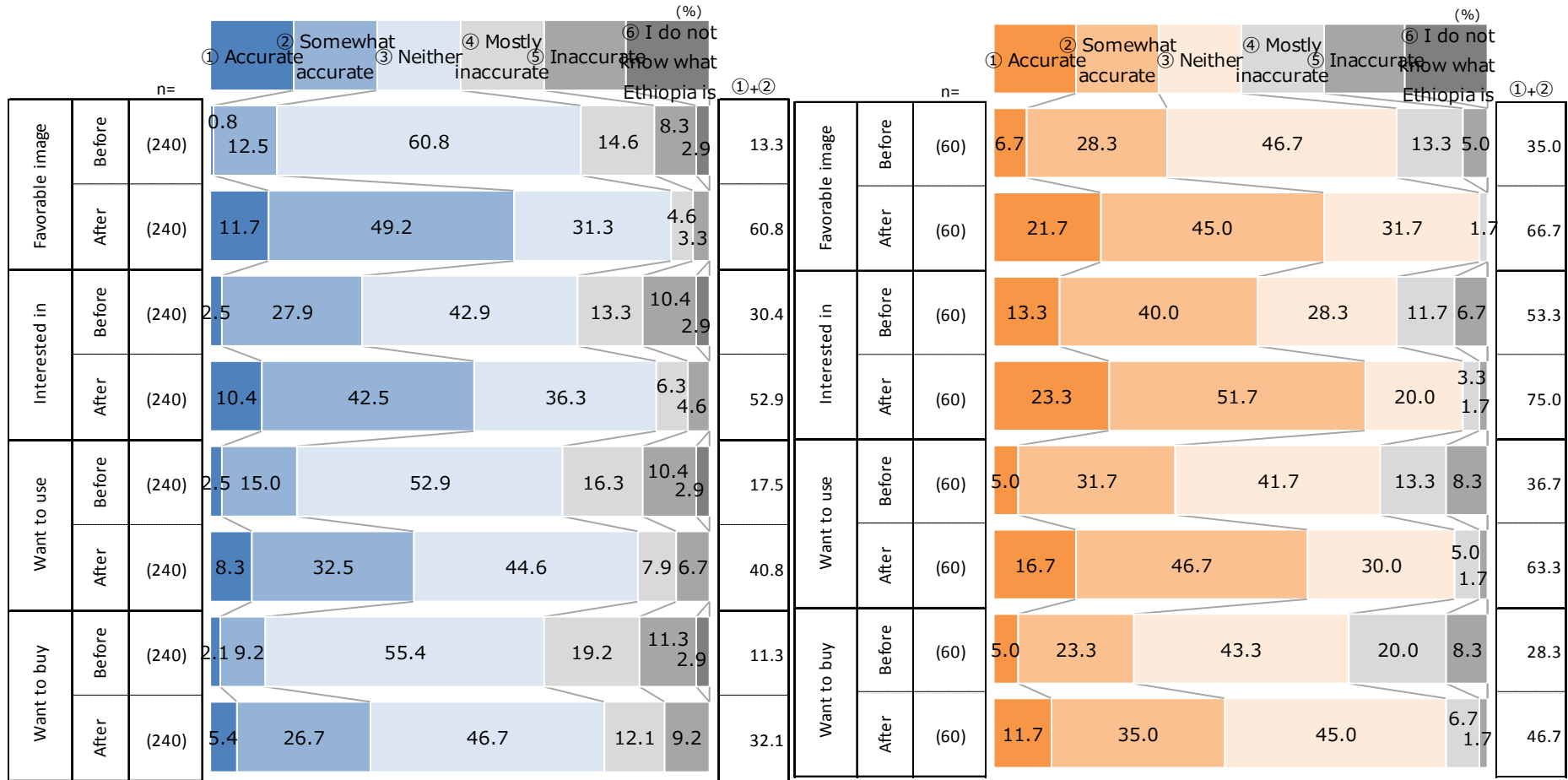


Figure 3-13 Changes in scores for "Made in Ethiopia"

Q9: Please view the video and select the most appropriate response for each of the following items.

Q15: Please view the Ethiopia website and select the most appropriate response for each of the following items.

* Red boxes: Top 3 items for each attribute



Figure 3-14 Impression and image of promotional tool

Chapter 4 Activities in Leather Sector
– Trial of Branding and Promotion
(Oct 2014 – Jan 2016)

Chapter 4 Activities in Leather Sector – Trial of Branding and Promotion (Oct 2014 – Jan 2016)

4.1 Identifying a target sector

4.1.1 Domestic market research

In the Japanese market research, the Japanese experts focused on the five sectors of leather, textile, jewelry, agricultural processed products, and coffee beans. To complete an efficient study within a limited time frame, the Japanese experts divided the research into two phases: (1) a quick review and (2) a detailed survey.

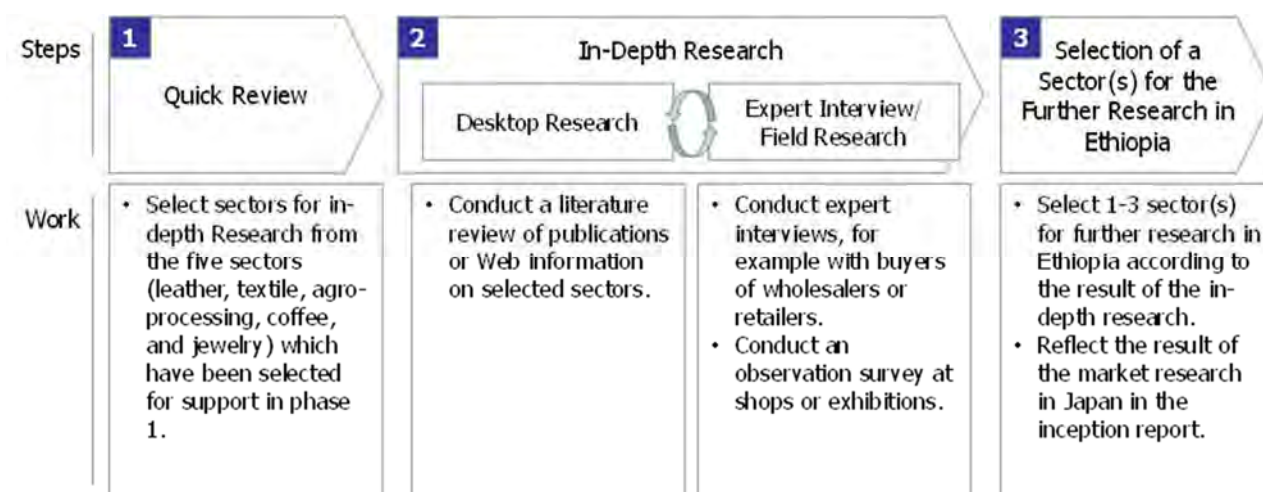


Figure 4-1 Steps of the market research in Japan

In the quick review, the five target sectors were comparatively analyzed based on the three criteria described below after the literature review (see Table 4-1).

Table 4-1 Selection criteria for the quick review

	Criteria	Details
1	Uniqueness & Originality	<ul style="list-style-type: none"> Whether there is a uniqueness and originality that enable branding and differentiation from competitors
2	Fitness with a Branding Approach	<ul style="list-style-type: none"> Whether the branding of the product contributes to increasing the value and sales, and to eventually improve/renew the country image of Ethiopia
3	Competitive Environment	<ul style="list-style-type: none"> Whether there is a chance for market entry/share expansion by quantitative indicators (like HHI) and by qualitative information (like the degree of uniqueness & originality of the product)

For the quick review on the competitive environment, the Japanese experts used the “Herfindahl-Hirschman Index,” also called “the Oligopoly Index,” which shows the degree of the competitive positions of companies in a certain sector of an industry. HHI 10,000 means “monopoly,” and “0” means “completely competitive competition.” The results of the quick review in the five sectors are shown in Table 4-2.

Table 4-2 Results of the quick review

Two colored columns are the sectors selected for the In-depth Research.

Criteria	Category										
	Leather	Textile	Agro-processing				Coffee			Jewelries	
	Leather products/ materials	Textile products/ materials	Sesame	Honey	Bees wax	Ginger	Essential oil of Damask Rose	Green beans	Regular Coffee	Opal	Accessories
Uniqueness & Originality	○ <p>-Tanned Ethiopian sheep skin is very smooth and soft as compared as hair sheep in other countries. It is also durable even with the thinness from 0.4 to 0.5mm. (Shimizu, 2007)¹ -Ethiopian sheep leather is extraordinary fine and supple. It is highly valued worldwide. (Product manufacturer)</p>	△ <p>Uniqueness cannot be found with cotton and silk itself. However, there are some unique products such as "Netela" which is a thin and soft cotton-gauze with "Tilet", an Ethiopian traditional motif.</p>	△ <p>Uniqueness could not be found in Ethiopian sesame as far as it is researched in the QR.</p>	△ <p>Although there is a uniqueness in taste with some honeys made in a traditional way, not so much for normal honey for export(Wholesaler).</p>	△ <p>Uniqueness could not be found in Ethiopian bees wax as far as it is researched in the QR.</p>	△ <p>Uniqueness could not be found in Ethiopian ginger as far as it is researched in the QR.</p>	△ <p>Uniqueness could not be found in Ethiopian damask rose as far as it is researched in the QR.</p>	○ <p>Ethiopian coffee has a distinctive uniqueness in taste and it has inimitability because the reason for its uniqueness is unknown (Wholesaler).</p>	△ <p>Ethiopian coffee has a distinctive uniqueness in taste, however, whether roasted coffee keeps this uniqueness is not clear as far as it is researched in the QR</p>	○ <p>Ethiopian opal has a distinctive uniqueness in coloring (high play-of-color). Also crystal is large (thick) and can be processed into various forms (Wholesaler). * Though, Ethiopian opals are easy to chip, and aging is relatively strong.</p>	△ <p>There are some products which uses Ethiopian motif such as coffee neckless. However, uniqueness which is shared by many companies is limited.</p>
Fitness with Branding Approach	○ <p>There is a chance that branding works for increasing value and consequently improving country image, since there are successful examples of branding leather products for consumers and leather materials.</p>	○ <p>There is a chance that branding works for increasing value and consequently improving country image, since there are successful examples of branding leather products for consumers and leather materials.</p>	× <p>There is a very limited possibility that branding works for increasing value and consequently improving country image, since most of the import sesame are intermediate goods used for processed food such as sesame oil.</p>	○ <p>There is a chance that branding works for increasing value and consequently improving country image, since major part of import honey are for consumer goods where branding can have a strong effects on consumer's perception and behavior.</p>	× <p>There is a very limited possibility that branding works for increasing value and consequently improving country image, since most of the import bees wax are intermediate goods used for processed goods such as cosmetics or wax.</p>	× <p>There is a very limited possibility that branding works for increasing value and consequently improving country image, since most of the import ginger are intermediate goods used for processed food. Some import ginger are used for consumer goods such as spice, but its market would be limited and impact of the branding will be small.</p>	○ <p>There is a chance that branding works for increasing value and consequently improving country image, since import essential oils are for consumer goods where branding can have a strong effects on consumer's perception and behavior.</p>	× <p>Ethiopian coffee already has an established brand in Japanese coffee market, and additional effect to increasing value and improvement in country image by the CPA would be limited.</p>	× <p>There is a very limited possibility that branding works for increasing value and consequently improving country image, since most of the import regular coffee (except for those imported by franchised coffee shop chain) are intermediate goods used for processed food such as canned coffee.</p>	○ <p>There is a chance that branding works for increasing value and consequently improving country image, since import opals are for consumer goods where branding can have a strong effects on consumer's perception and behavior.</p>	○ <p>There is a chance that branding works for increasing value and consequently improving country image, since import opals are for consumer goods where branding can have a strong effects on consumer's perception and behavior.</p>
Competitive Environment	○ <p>Import sheep leather market in Japan is low oligopolistic market (its HHI is 1,804). The market share of Ethiopia is 0.8%, ranked at 11th. Since the degree of oligopoly is relatively low, and Ethiopia has a certain share, competitive environment is favorable.</p>	△ <p>Import scarves market in Japan is high oligopolistic (its HHI is 3,393). Although the degree of oligopoly is relatively high, the potential exists according to its good performance of Sabahar in the test marketing in 2013.</p>	○ <p>Import sesame market in Japan is low oligopolistic (its HHI is 1,361). The market share of Ethiopia is 3%, ranked at 7th. Since the degree of oligopoly is relatively low, and Ethiopia has a certain share, competitive environment is favorable.</p>	× <p>Import honey market in Japan is high oligopolistic (its HHI is 3,713). In the past 3 years, there is no export from Ethiopia. Since the degree of oligopoly is relatively high, and Ethiopia has no share currently, it would be difficult to enter the market.</p>	○ <p>Import bees wax market in Japan is low oligopolistic(its HHI is 1,550). The market share of Ethiopia is 9%, ranked at 6th. Since the degree of oligopoly is relatively low, and Ethiopia has a certain share, competitive environment is favorable.</p>	× <p>Import ginger market in Japan is high oligopolistic (its HHI is 5,095). In the past 3 years, there is no export from Ethiopia. Since the degree of oligopoly is relatively high, and Ethiopia has no share currently, it would be difficult to enter the market.</p>	× <p>Import essential oil market in Japan is low oligopolistic (its HHI is 1,279). The market share of Ethiopia is 0.03%, ranked at 56th. Although the degree of oligopoly is relatively low, the potential of expanding market share would be limited because of the current marginalized share.</p>	○ <p>Import regular coffee market in Japan is high oligopolistic (its HHI is 1,880). The market share of Ethiopia is 5%, ranked at 6th. Although the degree of oligopoly is relatively high, competitive environment is favorable since Ethiopia has a certain share with established reputation in such an oligopolistic market.</p>	○ <p>Import regular coffee market in Japan is high oligopolistic (its HHI is 2,505). The market share of Ethiopia is 2%, ranked at 8th. Although the degree of oligopoly is relatively high, competitive environment is favorable since Ethiopia has a certain share in such an oligopolistic market.</p>	× <p>The market of import jewelries (excluding diamond and pearl, but including opal) in Japan is low oligopolistic (its HHI is 1,734). The market share of Ethiopia is 0.18%, ranked at 19th. Although the degree of oligopoly is relatively low, the potential of expanding market share would be limited because of the current marginalized share.</p>	× <p>There is a certain needs and demand for ethical products which have unique selling stories. On the other hand, Ethiopian products do not have a distinctive uniqueness, and the potential to enter the market would be limited.</p>

* Brackets "()" shows citation or interviewee.

1. Shimizu, Masanori (2007) "About Sheep Leather", Hikaku Kagaku Vol.52, No.4. pp.153-157

Given the results of the quick review, the Japanese experts determined to survey two sectors – leather and textile – in detail. In the detailed survey, field research was conducted, including a literature review and a hearing with experts, on the following three viewpoints and six items (see Table 4-3) so as to analyse the applicability of these sectors as target sectors.

With respect to the market, the Japanese experts analyzed the distribution structure in the Japanese market (whether there are any obstructs in the value chain, and whether it is possible to define the target group), the market size and future growth (especially after the entry to the target market), and customers’ needs/trends (ways and means of branding that are suitable to the target population). Concerning the competition, they analyzed the degree of competition and the possible strategy for entering the sector, as well as barriers for foreign companies (the legal system and import/export regulations). Regarding the application of a product to the CPA, the Japanese experts decided to conduct a survey in Ethiopia to understand the uniqueness of an Ethiopian product. The survey included determining if a product meets the current high-quality standards, and whether there is a demand in the Japanese market.

Table 4-3 Design of detailed survey

Viewpoint	Surveying matters	Surveying contents
Market	Distribution structure	<ul style="list-style-type: none"> • Situation of value chains of suppliers, wholesalers, and retailers in the target sector • Clarification of direct target customers
	Market size & growth	<ul style="list-style-type: none"> • Quantitative estimation based on consumption, shipping, import, and other volumes • Qualitative evaluation if quantitative estimation is difficult
	Customer characteristics, trend in needs	<ul style="list-style-type: none"> • Characteristics of end users, trend in needs, and characteristics of direct target customers (wholesalers, retailers) (such as QCD-related requirements)
Competition	Situation of competition	<ul style="list-style-type: none"> • Situation of competition based on the number of competitors and the state of shares • Possibility of creating a niche market by differentiation
	Situation of entry barriers	<ul style="list-style-type: none"> • Existence/nonexistence and degree of entry barriers based on trade barrier (tariff/non-tariff), legal regulations, exclusive distribution channels, the above-described situation of competition, etc.
Suitability for CPA	Uniqueness as Ethiopian product	<ul style="list-style-type: none"> • Whether is the product deep-rooted in the country's culture and history?

The results of the survey on the leather and textile sectors are shown below (see Tables 4-4 and 4-5). Each item in the table was rated separately, either at level A, B, or C. Those items whose conditions are considered preferable are rated as level A. Level B items are those whose conditions should be qualified and, to a certain extent, compared to level A items; their conditions are considered preferable or are currently hardly considered preferable yet are believed to have improvement potential. Level C items are those whose conditions are not considered preferable but are believed to have some improvement potential.

Leather sector

With regard to the leather sector, the Japanese experts conducted the survey mainly in Japan's leather goods market and raw material (sheep leather) market. The main survey items focused on leather shoes in relation to the leather goods market and sheepskin in relation to the raw material market in the analysis of the competitive environment. As Figure 4-5 shows, three out of six items (market size/ growth potential, status of competition, and identity as a product from Ethiopia) were rated as level A, whereas one item (market characteristics) was rated as level B, and the last one (entry barrier) was level C. In conclusion, the comparative market share of imported goods is increasing, and there are concerns about the fact that leather wholesalers tend to reduce their inventories. However, sheepskin can be differentiated via the internationally recognized uniqueness of materials from Bangladesh and other competitors. It is therefore expected that Ethiopian sheepskin with its appealing characteristics can be launched onto the market where various needs exist.

Textile sector

With regard to the textile sector, the Japanese experts focused the survey on Japan's textile product market and textile raw material market. Because the textile sector covers a wide range of business and labor activities, the market for scarves² and the market for cotton fabrics were selected as the main survey items in relation to the textile product market and the textile raw material market, respectively. As a result, no item gained a level A rating, whereas three out of six items (market size/ growth potential, market characteristics, and entry barrier) were rated as level B, and level C was given to two items (status of competition and identity as a product from Ethiopia) (see Table 4-5).

In the situation where the market size remains unchanged or shrinks, and where imported goods maintain a high level of the market share, a certain need for ethical products can be seen. However, given that very few businesses possess a high degree of monopoly power in Japan's textile markets, Ethiopian products are hardly competitive in terms of price, and opportunities for market entry are limited. Thus, it can be concluded that the textile sector was not to serve as a target sector for this project.

² In this case, scarves include: a shawl, head scarf, mantilla (to cover the shoulders and arms like a shawl), veil, and other similar products.

Table 4-4 Summary of the detailed survey on leather industry

[Legend]
A: Positive/supportive
B: Neutral
C: Negative

Research Items	Judgment	Results
Market	Industry structure	- <ul style="list-style-type: none"> Direct customers are product wholesalers and retailers in the case of imported leather products, and materials wholesalers and product manufacturers in the case of imported leather materials. Leather wholesalers tend to reduce inventory due to the shrinking market, and import-on-order is the basic transaction style.
	Market size and growth	A <ul style="list-style-type: none"> Both the leather products market and the leather materials market are shrinking. On the other hand, the demand for imported goods is increasing, and the share of imported goods in the market is expanding.
	Market characteristics	B <ul style="list-style-type: none"> Wholesalers and product manufacturers are demanding strongly on quality, cost, and delivery (QCD) in Japan. On the other hand, there is diversification of consumers' needs and, consequently, the same for product manufacturers.
Competitor	Competitive environment	A <ul style="list-style-type: none"> The degree of oligopoly in the sheep leather materials market is low, and the Ethiopian materials are competitive in price. By differentiating from other countries based on Ethiopian leather's uniqueness and originality, there is a chance to expand the share.
	Entry barrier	C <ul style="list-style-type: none"> Leather wholesalers that intermediate transactions tend to avoid inventory, and if exporters cannot export in a small lot size or delivery lead time is too long, the entry into the market might get difficult.
Country	Uniqueness and originality	A <ul style="list-style-type: none"> Since climate and natural features can be a source of uniqueness and originality in this category, there is a potential to find uniqueness in Ethiopian leather through the process of branding.
Overall Judgment	O	<ul style="list-style-type: none"> There is a concern in transactions with wholesalers that avoid taking inventory risk. However, in the favorable market environment where the demand for imported goods is growing and the share of imports is expanding, Ethiopian goods can be differentiated from those of other countries by the uniqueness of the material which is acknowledged world-wide, and can expand the share, attracting certain consumer segments of the market with diversified needs.

Table 4-5 Summary of the detailed survey on textile industry

[Legend]
 A: Positive/supportive
 B: Neutral
 C: Negative

Research Items		Judgment	Results
Market	Industry structure	-	<ul style="list-style-type: none"> Direct customers are apparel manufacturers, product wholesalers, and retailers in the case of importing textile products, and fabric wholesalers and trading companies in the case of importing cotton fabrics.
	Market size and growth	B	<ul style="list-style-type: none"> The market size of the scarf market and the cotton fabric market has not changed or been in a decreasing trend in recent years. The import penetration ratio has been already at a high level, and expansion of the share of imported goods is not expected.
	Market characteristics	B	<ul style="list-style-type: none"> Wholesalers and product manufacturers are demanding strongly on QCD, as so in the leather sector. There is a favorable trend of stable popularity of organic cotton products or “ethical fashion.”
Competitor	Competitive environment	C	<ul style="list-style-type: none"> The degree of oligopoly in the textile products market is high, and the Ethiopian products are not competitive in price. As for the textile materials market, the potential for market entry is low in the degree of oligopoly and current record of export by Ethiopia.
	Entry barrier	B	<ul style="list-style-type: none"> Entry barriers, such as legal barrier, were not found as far as they were researched.
Country	Uniqueness and originality	C	<ul style="list-style-type: none"> Some uniqueness have been identified in Ethiopian goods like Netela; however, they are not convincing enough as a competitive advantage in the market where organic/ethical textile products and materials are abundant, especially from Southeast Asia and other African countries.
Overall Judgment		X	<ul style="list-style-type: none"> In the market, which has been saturated or decreasing, the share of imported goods is high, and there is an opportunity with the trend of “ethical” consumer awareness. However, considering the nature of the oligopolistic market, the current price competitiveness, and the lack of a strong originality of Ethiopian goods, the market entry would be difficult.

In view of the results of the surveys mentioned above, the leather sector is expected to have relatively high market potential in Japan and thus be able to bring about the effects of the brand in a competitive market environment for achieving differentiation. The Japanese experts therefore decided that the leather sector – “sheepskin” in particular, as it would be easier to highlight the characteristics of this raw material – should be the focus of a field study.

4.1.2 Selection of partner companies

As a result of the Japanese market study, the Japanese experts concluded that the leather sector should be the focus of the survey on implementation assistance. To determine whether or not there would be companies capable of exporting goods to the Japanese market, a field study was conducted in November 2014 in Ethiopia. In this study, they selected companies for the implementation of the CPA (referred to as “partner companies”). Accordingly, the Japanese experts visited 31 leather and leather goods companies, many of those being based in Addis Ababa, and interviewed them. These companies were selected from among the following “candidate” companies.

- (1) Companies selected by the Ethiopian Leather Industries Association (ELIA), an association of leather goods manufacturers, from among those companies registered with the Ethiopian Leather Industries Development Institute (LIDI), an agency affiliated with the Ethiopia Ministry of Industry;
- (2) Companies involved in the project supporting women entrepreneurs in the leather sector, an initiative of the United Nation Industry Development Organization (UNIDO). UNIDO has provided assistance to the leather sector in Ethiopia for more than 20 years;
- (3) Peers recommended by the companies the Japanese experts visited;
- (4) Companies recommended by the advertising agency that published the Ethiopian Airlines in-flight magazines as well as English magazines for the wealthy, and that had previously featured leather goods.

The companies selected as the candidates were screened in the areas of market competitiveness, corporate vision and feasibility (see Table 4-6). Regarding the election, the following points were considered:

1. Market competitiveness (whether a company makes unique and high-quality products to enter the overseas market, or whether it has the potential to make such products),
2. Corporate vision (whether a company agrees with the intent of the CPA, joins the project and is willing to develop the company), and
3. Feasibility (whether a company has export experience and production capacity).

Table 4-6 Survey items of the field survey

Viewpoint	Surveying matters	Surveying contents (classification of partner companies that are subject to the survey)
Market Competitiveness	Originality Uniqueness	<ul style="list-style-type: none"> • Existence/nonexistence of products using sheep leather materials or sheep leather (tanners, makers) • Existence/nonexistence of the style of Ethiopia in the design (makers) • Adoptive power to product development delivering the brand value (tanners, makers)
	Quality	<ul style="list-style-type: none"> • Quality of products (existence/nonexistence of potential possible to improve through technological guidance by experts in anticipating the advancement into the Japanese market) (tanners, makers) • Response to chemical regulations in the European market (tanners)
Company vision	Company vision Approval to CPA concept	<ul style="list-style-type: none"> • Company philosophy, environmental consideration (tanners, makers) • The sense of resonance toward CPA concept, willing to change the image of Ethiopia, by companies and company managers (tanners, makers)
Feasibility	Production capability	<ul style="list-style-type: none"> • Company-scale, the degree of adequacy of facilities and output, etc. (tanners, makers)
	Export experience	<ul style="list-style-type: none"> • Existence/nonexistence of overseas export experience, especially to markets of advanced countries (tanners, makers)

As a result of the study, the Japanese experts confirmed that there are reputable companies that can export tanned leather and leather goods to Japan. Ten partner companies – four goods and garment manufacturers, two footwear manufacturers, and four tanneries – were selected, and then those companies were requested to cooperate with us as partner companies. One of them, Ethiopia Tannery funded by Pittards plc. in the United Kingdom, declined to take part due to the extreme difficulties it had experienced in its efforts to enter the Japanese market³. The other remaining nine companies expressed their willingness to cooperate⁴. The outline of these nine companies is as follows:

³ They made a note that a unit of trading with Japanese companies is small and that the quality demand required by Japanese companies is rigorous.

⁴ It should be noted that Pittards Products Manufacturing, an affiliate of Pittards plc., recommended by a person in charge of EIC, became involved in April 2015. Ethiopia Tannery provided products to be displayed at the product launch event for leather and leather goods wholesale suppliers in April 2015 and at the International Fashion Fair (IFF) in July 2015, yet its participation was limited in scope.

Table 4-7 Results of field survey on leather related companies

NO	C	Company Name	P.C	Criteria			Overall Comments
				U	V	F	
1	T A N N E R Y	ELICO Awash	●	A	B	A	- It produces high quality sheep leathers for export constantly (its destination includes Japan), and its production capacity is large enough (50,000SF/day). Its water treatment facility is also confirmed. - Its quality highly appreciated by the Japanese expert. - The company's readiness for export deals with Japanese companies is appreciated.
2		Company A		A	C	-	- Not willing to participate to the project
3		Bahirdar	●	B	B	A	- It produces good quality sheep leathers for export constantly (its destination includes Japan), and its production capacity is large enough (20,000SF/day). Its water treatment facility is also confirmed. - The company's readiness for export deals with Japanese companies is appreciated.
4		Dire	●	B	B	A	- It produces good quality sheep leathers for export constantly (its destination includes Japan), and its production capacity is large enough (28,000SF/day). Its water treatment facility is also confirmed. - It has been selected as winner of the regional award for Africa in the Fourth Tannery of the Year competition in 2014. - The company's readiness for export deals with Japanese companies is appreciated.
5		Company B		B	B	B	- It produces good quality sheep leathers for export constantly, and its production capacity is large enough. However, its environmental treatment might be an obstacle for export deals with Japanese companies.
6	G O O D S & G A R M E N T S	Leather Exotica	●	A	A	C	- Though its export experience and production capacity are rather limited (e.g. about 40-50 bags/week), its products have a remarkable quality even against the Japanese market standard, and their designs are unique with cultural messages behind. Its high aspiration to contribute to the improvement of the country's image and high commitment to the quality are in align with the PJ's objectives. - The company is willing to develop a variety of products that are made of sheep leather. This creativity will help us find the potential of Ethiopian sheep leather. - The company's potential to contribute to the brand development and to play a role as a medium of the brand promise is appreciated.
7		Kinaff	●	B	A	B	- It has sheep leather products, majorly garments, with satisfactory quality, that is controlled in a certified management system (ISO9001/2008). Its high commitment in quality should be remarked. It also has a constant export experience (e.g. Germany), and its production capacity is satisfactory (e.g. about 625 bags/month). - The owner has strong passion for creating leather products and leather itself. His commitment to leather will help us find the potential of Ethiopian sheep leather. - The company's potential to contribute to the brand development and its readiness for export deals with Japanese companies is appreciated.
8		Zaaf Collection	●	B	A	C	- Though its export experience (some export deals with the US companies since last year) and production capacity are rather limited, its products have a satisfactory quality, and their designs are unique with cultural messages behind. Its high aspiration to contribute to the improvement of the country's image and high commitment to the quality are in align with the PJ's objectives. - The company's potential to contribute to the brand development and to play a role as a medium of the brand promise is appreciated.
9		Modern Zege	●	B	B	A	- It produces good quality sheep leathers products for export constantly (e.g. the US, Europe, and Middle East), and its production capacity is large enough (e.g. about 3,900 bags/month). - The company's readiness for export deals with Japanese companies is appreciated.
10		Company C		B	B	B	- Though the product's quality needs some improvement for the high-end Japanese market, it has enough export experiences (e.g. the US) and production capacity (e.g. about 250 bags/month). However, these are not decisive enough. - The owner's commitment to the leather sector and his experience and knowledge should be noted. He was the member of Taytu project by UNIDO and visited Japan as a member of promotional delegation with the former prime minister.
11		Company D		B	B	C	- Its products have certain quality, and also the company has supportive vision. However, its export experience (e.g. Canada (but not stable)) and production capacity is limited (e.g. about 125 bags/month).

NO	C	Company Name	P.C	Criteria			Overall Comments
				U	V	F	
12		Company E		B	B	C	- Its products have certain quality and some uniqueness in design, and also the company has supportive vision. - Also its production capacity is satisfactory (e.g. about 600 bags/month). However, its export experience is rather limited (it has just had some spot export deals with some companies in the US).
13		Company F		B	B	C	- Its products have certain quality, and also the company has supportive vision. It also has a constant export (e.g. the UK). However, its production capacity is limited (e.g. about 60 bags/month).
14		Company G		B	B	C	- Its products have certain quality and some uniqueness in design, and also the company has supportive vision. However, its export experience and production capacity are limited.
15		Company H		B	C	-	- Not willing to participate to the project (Not Ethiopian company)
16		Company J		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
17		Company K		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
18		Company L		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
19		Company M		C	-	-	- It has sheep leather products (gloves), but the quality of the products is not satisfactory yet for the high-end Japanese market.
20		Company N		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
21		Company O		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
22		Company P		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
23		Company Q		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market (its product is currently only for the local market).
24	F O O T W E A R	ENZI	●	A	A	C	- Though its production capacity is rather limited (so far have outsourced the production function to other factories, but will install their own factory in the coming January), its products have a remarkable quality even against the Japanese market standard, and their designs are unique with cultural messages behind. - Its high aspiration to contribute to the improvement of the country's image and high commitment to the quality are in align with the PJ's objectives. - It also has constant export experiences in high-end markets (e.g. the US, the UK, and Hong Kong). - The company's potential to contribute to the brand development and to play a role as a medium of the brand promise is appreciated.
25		ELICO Fontanina Shoe factory	●	A	B	A	- It has a variety of sheep leather products with competitive quality, that is controlled in a highly organized management system with KAIZEN system incorporated. Also, its production capacity with a modern factory is remarkable (25,000 pairs/month). - The company's readiness for export deals with Japanese companies is appreciated.
26		Company R		B	A	B	- Not Ethiopian company
27		Company S		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
28		Company T		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
29		Company U		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
30		Company V		C	-	-	- It has sheep leather products, but the quality of the products is not satisfactory yet for the high-end Japanese market.
31		Company W		C	-	-	- It has no sheep leather products and no uniqueness though LIDI recommended it as high potential company. The quality of the products is not satisfactory yet for the high-end Japanese market.

4.2 Identifying a brand concept for the target sector

The leather sector, especially the sheep leather, was selected as a target sector and as a “sub-brand” under the brand concept of “Creativity in Motion” among all of the champion products. Ethiopian sheep leather is an iconic product that embodies “Creativity in Motion” (see Chapter 3). Thus, the entire concept and the progress made in brand video production were shared and reviewed at a branding workshop to build a brand (see Figure 4-2 below).

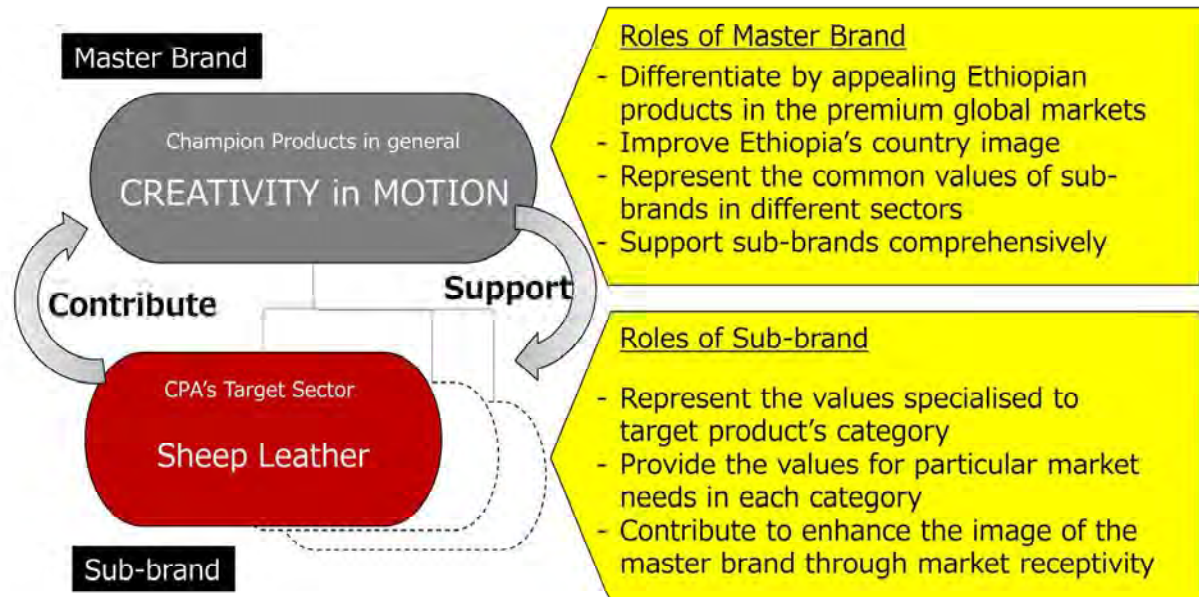


Figure 4-2 Relation between master brand and sub-brand

As with the master brand, a branding workshop was organized to consider draft brand concepts and brand names that extract and embody the unique values of the sheepskin produced in Ethiopia. As for the sub-brand, the Japanese experts proposed and created a brand logo for marketing.

4.2.1 Branding workshop

A workshop was organized in Addis Ababa in January 2015 with the goal of building a brand concept, considering a brand name, and creating a brand logo (ICCPA B). Prior to the workshop, the Japanese experts reported the information collected during the first field study in November 2014, the outcome of the interview with a person in charge of the laboratory at LIDI, and the characteristics of highland hair sheep leather. At the workshop, the Japanese expert raised the following three points:

- (1) Ethiopian sheep leather is a valuable material with four rare characteristics: thinness, lightness, strength, and flexibility. It has high potential for producing something very different from traditional leather products.
- (2) Ethiopian sheep leather has softness like that of a baby's skin.
- (3) Ethiopian sheep leather can come in a variety of colors.

It was emphasized that Ethiopian sheep leather with these characteristics would overturn the conventional perception of leather as being “heavy,” “stiff,” and “binding” and that it would have potential as a totally new type of “thin,” “light,” “soft,” and “comfortable” leather material.

To agree on the brand creation policy, four draft policies, brand concepts, brand names, and brand logos were proposed as indicated below. Each proposal tried to underline the characteristics of Ethiopian sheep leather to demonstrate that it is a completely new type of leather material.

Policy A: Highland Leather -The Highest-Quality Sheep Leather from the Highlands

Policy A emphasizes a geographical feature of Ethiopia, focusing on the "High Altitude (Highland) " and the Ethiopia-specific highest quality of a leather material.

Policy B: Air Leather - Feather-Light Leather with Unlimited Possibilities

Policy B describes the functional characteristics of the thinness and lightness of Ethiopian sheepskin, figuratively referred to as “air,” to promote leather material with unique characteristics.

Policy C: Summer Leather - Leather is No Longer Reserved for Winter

The images of “thin” and “light” from the functional characteristics of the Ethiopian sheepskin make one want to wear this leather material in the summer, thus creating new demand diverging from the fixed idea of leather for autumn and winter.

Policy D: Sheep Cloth - Light as Silk. Comfortable as Cotton. No More Limits to Leather

From the functional characteristics of Ethiopian sheepskin, such as “thin” and “light,” Policy D emphasizes the possibility of having leather that is “light as silk, pleasant as cotton”. This points to a high degree of freedom to wear and use such a material.

At this workshop, the above four draft policies were discussed. Various views and comments were expressed, including:

“Ethiopian Highland Leather that represents Ethiopia and includes a country name in the brand name is good to emphasize that a product is Ethiopia-specific.”

“Air Leather is easily translated to be a new leather material because it captures well the functional characteristics of sheepskin in Ethiopia.”

In preparation for the product display at an exhibition in Japan that was scheduled as part of this study, discussions were held to identify an iconic item (an iconic product) and variations of color that express more vivid characteristics of Ethiopian sheepskin. With regard to an iconic item, “T- shirt” and “ballet shoes” were mentioned as items that may differentiate light and thin Ethiopian sheepskin from other leather materials. Regarding the variations of color, bright colors were selected to symbolize a departure from the conventional image of “heavy” leather materials.

4.2.2 Define the brand concept, choose a brand name, and create a brand logo

Through the field study as well as reviews and consultations with stakeholders, the ICCPA B members reached a consensus on Policy A “Highland Leather.” In addition, they decided on the brand concept, brand name, and brand logo (see Table 4-8).

It was also agreed with the Ethiopian side that, in line with the agreed concept, six “brand stories” should be created to highlight the main promises the brand will make and that a brand book, a flyer, and other promotional tools should be created to send out a consistent message. These brand stories were created in such a way as to describe the distinctive characters (uniqueness) of Ethiopian Highland Leather in a customer-friendly manner, in a motif of numerical figures associated with Ethiopian Highland Leather (see Table 4-9)

Table 4-8 Ethiopian Highland Leather brand concept with name and logo

Brand concept	Light, thin, and soft. Yet, strong, and durable. World's highest-quality sheep leather made in the highlands of Ethiopia
Brand name	Ethiopian Highland Leather
Brand logo	

Table 4-9 Ethiopian Highland Leather’s brand story

3.5 Million Years Ago Ethiopia, the Cradle of mankind.	Ethiopia is the birthplace of human beings: the land where humans began creation. In producing new inventions, such as coffee, one after another, Ethiopia has always created new things that had never previously existed in the world. Ethiopia's versatile wisdom and dependable techniques for craftsmanship have been passed on for generations, causing the country to become Africa's largest growing country during the past decade. Ethiopian Highland Leather is a crystallization of the pride, enthusiasm, and craftsmanship of Ethiopians, a flagship industry of Africa's largest growing country.
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26 Million Sheep The largest population of sheep in Africa	Ethiopia's sheep population is 26 million. That is a world-class figure and the highest in Africa. Sheep is a very familiar part of life for the people of Ethiopia, supporting people's lives in various ways. Sheep leather has historically been one of the major industries of Ethiopia. Out of the millions, only a handful with the very-best-quality skin become labeled as highland leather, to be delivered to the rest of the world.
3000 Meters Ethiopia's highlands have bred a special type of hair sheep.	Ethiopia is blessed with a pleasant climate for its low latitudes, thanks to its highlands of more than 3,000 meters in elevation. Because sheep raised in Ethiopia have no need to protect their bodies from the bitter cold, they are distinguished by their incredibly thin skin. This sheepskin is so thin that it can be fashioned into sheep leather unlike any other in the world.
0.35 mm Surprisingly thin and light yet, strong with dense fibers	Thin sheepskin is what makes for thin and light sheep leather. The skin of the special-hair sheep raised in Ethiopia is approximately 0.8 mm thick. The amount of fat in an Ethiopian hair sheep's body is a lot less than that of a typical wool sheep because they have no need to protect their bodies from the cold. Thin sheepskin and the skilled craftsmanship of Ethiopian tanners have enabled the creation of amazingly thin, light, yet strong leather with dense fibers. It can be thinned down to 0.35 mm, enabling a delicate finish, flexibility in movement, and more freedom to be used to create innovative products, previously unheard of leather.
1860 Pores/cm ² Soft, smooth, and heavenly texture comes from the fine skin structure	Another major characteristic of Highland Leather is its fine and soft texture. The sheep bred in the Ethiopian highlands have increased hair pores, which number up to 1860 per square centimeters. The number of hair pores results in fine and superior grain patterns, enabling the leather to be surprisingly as soft and comfortable as a newborn's skin.
100+ Colors A new look and feel to leather	Life is simply colorful in Ethiopia. Highland Leather comes in 100+ unique colors that are made from Ethiopians' unique sense of colors and their long-practiced dyeing techniques. The wide variety of vivid and happy colors can drastically change the traditional image of leather into something totally new.

4.2.3 Creation of brand book

It is important that once a brand has been created, all stakeholders – brand administrator, product manufacturers, companies engaged in product marketing – understand and share the values of the Ethiopian Highland Leather brand so as to maintain and protect the brand. For this purpose, a tool for brand stakeholders (“brand book”) was created.

Introduction – what this book is for

As a tool for all stakeholders, the book highlights rules and objectives in the introduction to maintain the Ethiopian Highland Leather brand as an important asset.

Our story

The brand concept and brand stories are to be explained for (internal) stakeholders, and our story is to be reviewed and shared to gain a common understanding of promotional activities.

Our vision

The following brand visions are to be shared by all Egyptian Highland Leather stakeholders in dealing with the brand.

1. We create a new standard.
2. We create with craftsmanship and pride.
3. We create a “New Ethiopia.”

Our logo

Logo guidelines set out points of attention and a set of rules as to how the Ethiopian Highland Leather’s brand logo should be used. A policy is also explained that the brand logo should be displayed in partnership with other companies.

Brand visual kit

Visual designs as below, which can be used in brand presentations and brand promotional activities, are shared to ensure the common interpretation of the brand concept:

1. brand logo, 2. photo related to Egyptian Highland Leather, 3. design elements, and 4. promotional tools (flyer, poster, tag, etc.).

How we manage our brand

The agreed-upon brand management structure is described. The organizational structure, role of brand management, and criteria for brand-name quality assurance are set out.


4.2.4 Registering a brand as a trademark

For the legal protection of the Ethiopian Highland Leather brand, the brand was registered as a trademark both in Japan and in Ethiopia. The Japanese experts emphasized that there are no similar trademarks and which registration category/ target market is the most suitable for Egyptian Highland Leather in the preliminary surveys.

(1) Preliminary surveys, target countries

Before trademark registration, domestic (in Japan) and overseas surveys were conducted to verify whether similar trademarks had already been registered. Specifically, a domestic survey and an overseas summary survey were carried out on the leather material classification (Classification 18) as well as on the assumed classifications of the end products made of leather (Classifications 9, 14, 16, and 25).

Table 4-10 The candidate trademark for registration

Figure :		
Word :	ETHIOPIAN HIGHLAND LEATHER	
International Classification Number:	09 —“leather mobile phone case,” etc. (similar classification:11B01, etc.) 14 —“leather key ring,” etc. (similar classification : 13C02, etc.) 16 —“leather stationaries,” etc. (similar classification : 25B01, etc.) 18 —“leather, bag,” etc. (similar classification : 21C01 and 34C01, etc.) 25 —“glove, clothes, shoe,” etc. (similar classification : 17A01, 17A04, and 22A01, etc.)	
Methods/ Scopes of Survey	Japan	Performed a trademark search in “TM-SONAR” brand database <ul style="list-style-type: none"> • application to be filed before 26 January 2015 • date of international registration/ date of subsequent designations before 24 November 2014
	Overseas	Performed a trademark search in “SAEGIS” brand database <ul style="list-style-type: none"> • Trademark applications filed immediately prior to the survey are not recorded in the data. • Common law survey is not included. • Surveyed regions: North America (five countries), Central America (seven countries), South America (12 countries), the Caribbean (22 countries), Europe (56 countries), Middle East (16 countries), Africa (34 countries), Asia (25 countries), Oceania (seven countries)

As a result of the preliminary surveys, the Japanese experts found that, in Japan, there is no “conflicting” trademark as long as Classification 18 “leather material” (leather raw materials) is concerned, so the registration of the brand should be possible. Yet, there are six “Highland” trademarks in the assumed classifications of end products made of leather; thus, there is a possibility of trademark infringement. As for overseas countries, there was a “Highland Leather” trademark in the United Kingdom (UK) that is now expired. From the surveys, it can be said that there are a number of trademarks using “Highlands” in Classification 18 and in other related classifications. Thus, as in Japan, the Japanese experts cannot deny the possibility that the registration of this brand may be considered an unauthorized use of a trademark.⁵

⁵ This survey was a screening survey with the goal of finding out the same trademark, and it does not guarantee that there is no “similar” trademark in existence. The comments on this survey do not reflect the views of local experts.

(2) Discussions with the relevant stakeholders in Ethiopia

Based on the results of the preliminary surveys, details were discussed and confirmed, including: countries in which a trademark application should be filed; classifications to be specified in the application; and who should be an applicant. Concerning the target countries for trademark registration, LIDI hoped to “register the brand as a trade mark in as many countries as possible.” It was agreed upon, however, that an application should first of all be filed as soon as possible in those countries where the brand must be registered as a trademark in any case and that an application should be filed in Ethiopia and Japan.

With regard to the question of classification in the registration process, it was suggested in April 2015 that Classification 18 (leather material) should be specified in the application only this time and that the two brand names should be joined up: i.e., “Ethiopian Highland Leather as a leather brand” and “the brand of a local manufacturer.” Both EIC and LIDI wanted to specify as many classifications as possible in applications for end products; discussions were to be concurrently held as to who should bear the cost of applying for and registering a trademark.

As a result, it was agreed upon that the Japanese experts should apply for trademark registration in Japan on behalf of the Government of Ethiopia and that only Classification 18 should be specified in the application. Regarding trademark registration in Ethiopia, according to the information provided by the Embassy of Ethiopia in Japan, various rights owned by Ethiopia as a government are aggregated in, and managed by, the Ethiopian Intellectual Property Office (EIPO) within the Ethiopian Ministry of Science and Technology. In September 2015, when Japanese experts and other stakeholders visited EIPO, it was indicated that a consultation committee should be set up to bring together stakeholders and to prepare for trademark registration. Also, in September, EIPO indicated that it would be difficult to become an applicant and suggested that LIDI be made an applicant instead to proceed with the preparation. Eventually, discussions were held in Ethiopia among LIDI, EIPO, and ELIA. Then, it was agreed that ELIA should be an applicant and be assisted by LIDI. At the end of September 2015, ELIA filed an application with EIPO, specifying the abovementioned classifications, and the application was accepted.⁶

(3) Registration in Japan

Prior to the first presentation of the brand at the Japan Fashion Week - International Fashion Fair (JFW-IFF), an application dated 10 July 2015 was filed and accepted in Japan. It will take about five months for the patent office to examine the application and, should there be no irregularities, registration fees will be paid to complete the process.

The trademark registration information is as follows. So that the Ethiopian government could manage this trademark at the end of this CPA 2 study, the applicant was the Federal Democratic Republic of Ethiopia government.

Trademark registration number: No. 5817743

⁶ ELIA bore the cost of filing an application in Ethiopia.

Designated goods classification: International Classification 18th Class
(Clothes for companion animals, bags, vanity, umbrella, horse riding equipment, leather)

Trademark owners: Federal Democratic Republic of Ethiopia

Application number: 2015-065853

Filing date: 2015 July 10

Registration date: 2016 January 8

(4) Registration in Ethiopia

EIPO is an office in charge of trademark registration and administrator, and the CPA brand was applied and registered as follows.

Trademark registration number: No.113-15 / 12/2015

Designated goods classification: International Classification 18th class
(companion animals for bags class-bag cargo, vanity, umbrella, horse riding equipment, leather)

Trademark owners: Federal Democratic Republic of Ethiopia

Filing date: 7 September 2015

Date: 7 September 2016

4.3 Development of promotional tools

4.3.1 Small booklet

In the creation of the Ethiopian Highland Leather brand, a small booklet was created as a brand promotional tool that shows the value of this brand in a simple manner (printed 2500 sets).

TV conferences were organized with the Ethiopian side to discuss “a way to make Ethiopian Highland Leather look attractive” and to agree on the copies, photos, and designs to be featured in the booklet. The small booklets were distributed at the Ethiopian Business Seminar, held in Japan, in April 2015, at a product launch event for leather wholesalers, and on Ethiopian Airlines flights for passengers.

A brand guide brochure was created for distribution to Japanese buyers at JFW-IFF hosted by The Senken Shinbun Company, Japan’s largest trade show for the fashion industry) organized in July 2015 (printed 5000 sets). Samples of leather materials were embedded in the last page to allow people to feel the beautiful texture of Ethiopian sheepskin. This brand guide brochure will enable additional printing in Ethiopia via a simplified bookbinding style without leather samples, and the data for printing have already been delivered to Ethiopia.

In addition to use at IFF and other venues of business discussions, the completed brand small booklet and brand guide brochure have been distributed as marketing tools at shops selling the products,

and as sales floor promotion tools. This is because the shops selling Ethiopian Highland Leather are limited, and the applications of these tools are also limited. Nevertheless, the Japanese experts received overall positive comments from the partners that distributed the booklets, which include:

- "These can be used for customer service, and will boost our ability to persuade customers" (retail industry).
- "I have been using the pamphlet that was created by the project as I make my sales rounds. It has been highly popular, and I hope to continue using it in the future" (trading company).

These comments indicate that the booklets played a large role in promoting an understanding of Ethiopian Highland Leather.

4.3.2 Production of a poster

The poster was produced for display at IFF and other exhibitions and events, and at shops that have concluded business deals. Unlike leaflets that explain the product characteristics in detail, eye-catching body copy was developed to communicate the brand concept and to have a powerful impact at a glance. The poster was produced in Japanese and English (A: visual version, 1000 delivered; B: Japanese/English versions, 500 each delivered). They are being used at places including IFF sites and the shops of companies that have concluded business deals. The new shops that sell the products are limited, and the applications of the poster are also limited, but it is expected that the opportunities to use it will expand with the further growth of product commercialization in the future.

4.4 Understanding situations of the leather industry in Japan

4.4.1 Summary of the product launching event

Before organizing promotional activities, there needs to be an avenue in Japan for Japanese leather goods manufacturers to access sheepskin. The leather and leather goods industries in Japan are unique in that wholesalers import leather materials from overseas and distribute these to manufacturers. Many of leather goods manufacturers in Japan are small and medium-sized companies. Their needs are diversified and yet their trading volume is small, so these small and medium sized companies do not trade directly with overseas tanners: They go through wholesalers in Japan (see Figure 4-3). Very few transactions are being done directly with their overseas counterparts. For the start of the promotional activities of Ethiopian Highland Leather, the Japanese experts targeted leather distributors in Japan. Then, a series of promotional activities began in Japan, with, first of all, a product launch event for leather and leather goods wholesale suppliers.

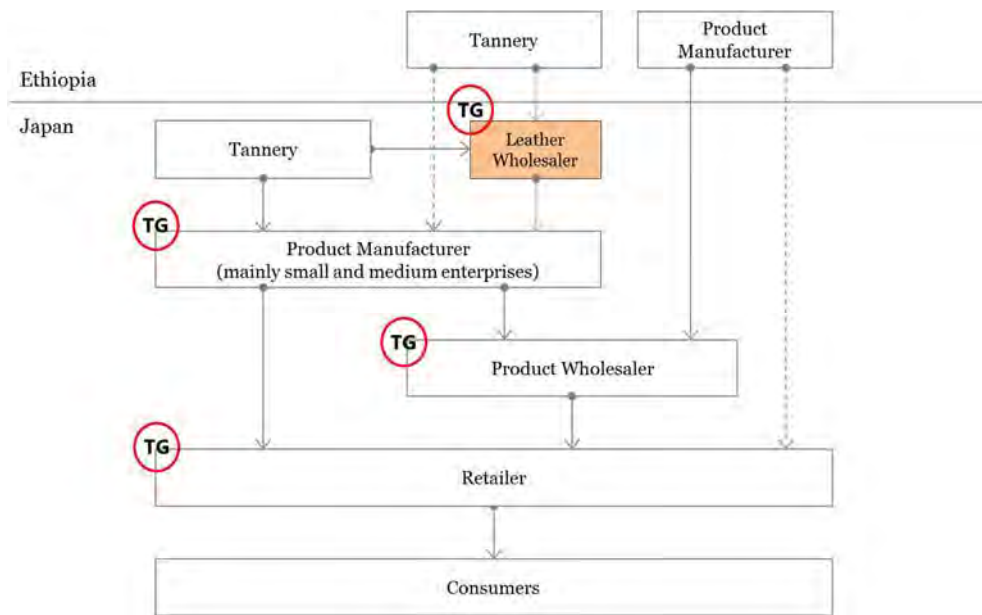


Figure 4-3 Distribution system of leather products in the Japanese market

The Ethiopian Highland Leather product launch event was organized in Japan on 24 April 2015 with 15 people from eight leather wholesalers. One of the delegates from Ethiopia was the director of ELIA.

The product launch event started with a presentation to provide Japanese leather wholesalers with necessary information on the Ethiopian Leather Industry as well as on the Ethiopian sheepskin. The products of four Ethiopian tanners were being displayed at the venue and, after the presentation, the Japanese wholesalers were invited to have a close look at these products and to discuss business with the two delegate members. Comments received from those wholesalers who took part in the event are listed below. Many of them were satisfied with the quality of leather but requested a change in lot size (see Table 4-11).

The Japanese experts obtained from the Japanese manufacturers that MOQ (Minimum Order Quantity) required in the initial transaction is about 1, 000 – 2,000 sq ft (square feet). The minimum size of the MOQ that the Ethiopian tanner usually requests is 5,000 sq ft, which is a huge gap between the Japanese and Ethiopian sides.

Table 4-11 Comments from wholesale dealers' questionnaires

No.	Category	Issues identified
1	Quality	<ul style="list-style-type: none"> The quality of samples was well appreciated But 2 wholesalers showed a concern on if quality products could be stably/sustainably supplied, and wanted to know the details on inspection/checking.
2	Cost	(No comments on price in the questionnaire.)
3	Delivery Lead-time	<ul style="list-style-type: none"> 2 wholesalers showed a concern on the lengthiness of the delivery lead-time.
4	Delivery Lot size	<ul style="list-style-type: none"> 4 wholesalers showed a concern on the minimum order lot size.
5	Others	<ul style="list-style-type: none"> 1 wholesaler pointed that low color fastness* limits the usage of leathers. 1 wholesaler pointed that the size of Ethiopian sheep leather limits the usage of leathers.

* **Fastness** refers generally to robustness (resistance). In the leather sector, it means color fastness, showing resistance of the material dyed, such as a dye, e.g., "degree of color staying in the material" or "the difficulty of fall colors." In Japan, the test methods are stipulated by Japanese Industrial Standards (JIS). The results are shown in the numbers of five classes from first grade in semi-class increments (such as 2.5).

4.4.2 Visit to the glove manufacturing cluster in Shikoku

Sheepskin is a popular glove material, and there is strong demand for Ethiopian sheepskin among glove manufacturers in Japan. Some Japanese companies are already trading with Ethiopian companies. In April 2015, during the visit of Ethiopian representatives to Japan, they visited the glove manufacturing cluster in Higashi-Kagawa in Kagawa Prefecture at the request of ELIA's director and were accompanied by the Japanese expert. They visited three glove manufacturers and one tannery. They brought samples of leather materials and discussed with Japanese counterparts about the quality of Ethiopian sheep leather. Overviews of these four companies in Shikoku are listed in Table 4-12, and the comments received from these companies in Shikoku regarding the quality of Ethiopian sheep leather are listed in Table 4-13.

Table 4-12 Overview of the companies visited

Companies	Main product	Trade history with Ethiopia	Potential for trade
Company A (tannery)	Sport sheep leather, cow leather	Started business 20 years ago. Currently trading with Bahir Dar. Used to import pickled skins. Now import only finished leather. Inform the counterpart of our tanning and coloring requirements as well as information to be treated as a trade secret, such as the amount of the tanning agent, duration of the soaking period, and water temperature so that we can get what we want. In principle, import non-dyed finished leather so that dyeing and re-shaving are done in our own factory to improve the quality.	Raw leather materials are in high quality and should continue to be traded.

Company B	Dressing gloves	Have traded with Pittard. Overall, satisfied. Deal in only finished leather.	Satisfied with current trade. Wish to continue and expand trade in the future should the quality improve and the delivery be made on time.
Company C	Sport gloves: golf gloves, batting gloves, etc.	Did trade with some in the past. As of now, have received some samples from Pittard to make a decision about where or not to do business with Pittard in the future.	Willing to do business, as the quality is high. That said, is concerned about whether the same high standard of product could be guaranteed in the future.
Company D	Sport gloves: golf gloves, batting gloves, etc.	Have done no direct business. Until 20 years ago, had bought a large volume of pickled skins from Japanese tanneries. Currently, the volume has decreased.	Is concerned about fastness durability to use the material for sport gloves. Will use the material to make gloves at our factory to see the durability and condition of the final product so as to decide whether or not to do business with Ethiopian counterparts.

Table 4-13 Main comments received from glove manufacturers

Raw skins	<ul style="list-style-type: none"> -Thin, good strength, quality exceptionally high for production of gloves compared to hair sheep leather materials from other countries. Used to try those from Eritrea and Uganda, but the quality was much inferior. -What is ranked as Grade 4 in Ethiopia is ranked as Grade 1 in neighboring countries, and some are totally useless. -The fact that the quality of law leather skin is high is known to everyone in this industry.
Tanning and finishing techniques	<ul style="list-style-type: none"> -The quality of raw skin is high, but finishing techniques are poor. Use Indonesian law, leather skin finishing techniques are very adequate, although its quality is inferior to that from Ethiopia. -As for finished leather, the quality remains unstable due to the damages sustained during the tanning process and the poor storage facilities. If finishing techniques are inadequate, it is hard to consider using it. -The quality is affected during the tanning and dyeing process, so tanning and dyeing techniques are important. -With regard to the Ethiopian sheep leather currently in our use, the quality of those in black or in chocolate color is more or less satisfactory, but those in pale colors are inferior quality. -With regard to Ethiopian sheep leather, the quality is substantially reduced during the finishing process. It is therefore ideal for Japanese companies to set up a tanner and a factory in Ethiopia under their own tanning process quality control. The results of leather strength testing indicate that the strength of Ethiopian sheep leather is sufficient for fashion leather gloves. Yet, the loss of color is a concern. On the other hand, Ethiopian sheep leather is not suitable for golf gloves. Fastness and durability are important. -Have a feeling that products offered by local tanneries are technically inadequate. Sport gloves are not lined, so a good texture is crucial. Not only the grain side but also the suede side need to be processed properly; otherwise, it cannot be used.

Delivery	<ul style="list-style-type: none"> -Current local business partners may take up to seven to eight months to make the delivery once an order is placed. On top of this, there are many other troubles, such as products being kept at some place in route for a will call. -Poor storage facilities undermine the quality. The farther the place of production, the greater the number of troubles that occur during shipping: In this sense, trading with Ethiopia, far away from Japan, is a high risk. -To procure products directly from Ethiopia is highly risky due to the number of delivery days and the due date compliance.
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Currently, many Japanese tanneries are located in Himeji City, Wakayama City, and Soka City, of which only three tanneries deal with Ethiopian sheep leather. Labor cost and manufacturing overhead are relatively high compared to those for imported products, which pushes up the price of domestically manufactured end products. The demand for golf gloves is affected by economic ups and downs and has thus shrunk in recent years. All of these factors have reduced both their market share and the number of tanneries. Many leather goods manufacturers import finished leather directly from overseas tanners.

A total of 2.06 million pairs of leather dressing gloves and 6.7 million pairs of golf gloves are annually sold in the Japanese market, out of which 1.4 million pairs are made of natural leather. A large volume of sheep leather was imported in Japan from Spain and Greece. Yet, as the number of meat sheep has decreased, trading in sheep leather has gone down. Currently, Indonesia is the biggest exporter. Leather gloves account for 30 to 40% of the total production of gloves; the majority of them are priced at more or less JPY 10,000. Unlike in the past, those at a premium price do not sell well.

Many of those companies in the glove manufacturing cluster in Higashi-Kagawa have set up factories overseas and started production there. As a consequence, efforts to build talent pools in Japan have been hampered. Most artisans in Japan are in their 50s and 60s: Inspiring a new generation of talented young artisans is necessary if the cluster is to maintain a consistent Kagawa brand identity.

Under these circumstances, in the opinion exchange with the glove manufacturing cluster, the Japanese experts heard many positive opinions regarding the increased awareness about Ethiopian sheep leather, although the voice of concern about a conflict with Japan’s domestic leather industry was heard through the efforts of the CPA.

From the above, the considerations for and cooperation with the Japanese leather sector are summarized as follows.

4.4.3 Consideration of cooperation with the leather industry in Japan

(1) Needs and expectations of the Japanese leather sector

1) Quality improvement of the leather

Before Ethiopia’s government limited the export of raw hides and skins, the trading scale with Japan was second only to that with Italy. Then, expectations for the potential of Ethiopian sheep leather increased, and they are still high today. Therefore, if Ethiopian domestic tanneries’ technology is improved

and the concerns regarding fastness and strength are dispelled, it is highly possible that the import of the final products will be increased via manufacturing bases in third countries.

2) Products

Due to the movement of Japanese companies to move their production bases overseas and to increase labor wages in recent years in Asia, Ethiopian domestic manufacturers could have the opportunity to start trading with Japanese companies if they could improve their technology.

3) Brand establishment

The interviewed tanners and glove manufacturers previously knew the comparative advantage of Ethiopian sheep leather's unique quality. In particular, because their main battlefield is the domestic niche premium market, they have high expectations that branding will provide high added value to the leather material.

(2) Threat to Japanese leather sector

Japanese tanners have felt that the technological improvement of Ethiopia domestic tanneries is a threat to them. Similarly, glove manufacturers feel that the technical improvement of Ethiopia domestic manufacturers is a threat.

1) Possibility of cooperation

The glove maker cluster in Kagawa Prefecture has begun efforts to brand "Kagawa gloves," and it is worthwhile to create double-name products with the brand tags of Kagawa gloves and Ethiopian Highland Leather. However, the Kagawa glove is at a stage where a concept model can be developed to transmit a brand image toward the premium market. It is difficult to expect the order in bulk. In addition, because a lot of special processing is required that cannot be manufactured in Ethiopia domestic tanneries, such cooperation is difficult at the moment.

To give consideration to each of the threats that Japan tanneries and manufacturers have felt, it is important to deepen exchanges between producer organizations and to explore the road of cooperation.

4.5 Exhibition at JFW-IFF

Following the product launch event for leather wholesalers in April 2015, an exhibition at JFW-IFF hosted by The Senken Shinbun Company was arranged in July 2015. The purpose of the participation was to inform customers of leather wholesalers, manufacturers, and retailers of the values of Ethiopian sheepskin and thereby to stimulate their demand, as well as to invite partner companies from Ethiopia and to provide them with the opportunity to learn exhibition procedures and the advantages of product displays.

4.5.1 Select exhibiting companies

The six representatives of the partner companies were invited to Japan for the exhibition at IFF. Prior to their visit in April 2015, a seminar was organized in Ethiopia to explain the objectives of IFF. Following this seminar, 10 companies were selected in reference to the points of consideration listed below.

Table 4-14 Selection points of partner companies for JFW-IFF in Japan

Selection Point	Detailed Contents
Participation and contribution to the phase 2 activities	Number of times to participate the CPA2 meetings and TV conference in the past.
Submission of motivation statement	The motivation to participate IFF is clearly written in a A4 paper and the paper is handed in time.
Submission of new design/ sample for IFF	Along the advice given by the Japanese experts, production plan with drawings or improved samples are submit in time. This is subject to only manufacturing companies among the partner ones.
Production of samples in time	The company should make the samples on the basis of the submitted production plan. The products should be suitable for IFF, which mean high quality with uniqueness. The products should be sent in time. This is subject to only manufacturing companies among the partner ones.
Provision of sheep leather	The company in tannery should provide high-quality sheep leather to partner manufacturing companies. This is subject to only 4 tanneries among the partner companies.

Through this selection, the five persons listed below were finally invited to IFF. Also, an officer in charge of LIDI was also invited from the Ethiopian government.

Partner companies and organizations:

1. Leather Exotica
2. Modern Zege
3. Pittards Products Manufacturing/ Ethiopia Tannery (one person to represent both companies)
4. ELICO Awash Tannery/ ELICO Fontanina (one person to represent both companies)
5. Dire Tannery
6. LIDI

4.5.2 Basic concept for the exhibition

Branding in this study involved building a brand of leather materials. Yet to deliver the message about its characteristics, e.g., “durability,” “lightness,” and “softness,” to buyers at the exhibition in a

comprehensive manner, it was necessary to display those products by making full use of these characteristics. These products are also to be in a set of 10 standard colors⁷ so as to express the new potential for leather materials as described in the brand book as well as to make a strong impression on buyers. All of the tanners took their share of responsibility for the 10 requested colors so that the each partner companies could make their products with exactly the same colors.

4.5.3 Assistance with product development

Following visits by the Japanese expert to respective companies, a production development workshop was organized in April 2015. In this workshop, it was agreed with the participants that three product images (“lightness,” “durability,” and “beauty”) should be pursued in developing products under the CPA brand concept, which would highlight the characteristics of Ethiopian sheep leather. In other words, "light" and "strong" refer to making products using the sheep leather’s features. Meanwhile, "beautiful" refers to creating products that have complete matching between the materials and design.

Products manufactured by individual Ethiopian companies lack in originality, as do the characteristics of these companies. To express this originality, the participants considered which should be given more attention: overwhelming artisan techniques, culturally inherited goods manufacturing or innovative designs. Regarding decoration, although some companies use Ethiopia’s unique patterns and colors, no company tried to achieve beauty in products by featuring the characteristics of sheep leather.

Sheep leather’s “softness and thinness” are linked with the difficulty with manufacture in the product development process. A hard stiffener helps with maintaining the overall shape of the products, but it compromises the softness of sheep leather and the texture of the material. To overcome these constrains of sheep leather the following three techniques were suggested in the workshop that may help respective companies to develop what could be a flagship product by making full use of the characteristics of sheep leather.

Quilting

It is possible to have the tension to create a form by using this technique. In addition, it is possible to create larger products from small pieces of leather because seams become difficult to see.

Gathered

It is possible to create a form by using this technique. Even in bag making, it is possible to create the form for the same reason. The soft gather that this leather can produce is not seen in other leather.

Mesh

Thinner-cut tape can be used without wasting leather. Furthermore, because it is possible to make a seam where tape is overlapping, this method can help to make products with whatever sizes and whatever shapes are needed.

⁷ These 10 colors are: cinnabar, orange, yellow, yellow-green, aqua, turquoise, violet, hot pink, pearl white, and charcoal grey.

Based on the discussion in the workshop, the Japanese expert suggested that each partner company ameliorate existing products and decide to display improved products, including a shopping bag and snood (tubular scarf) (by Leather Exotica), flat shoes, and a scratch bag (by Modern Zege), glove and T-shirt (by Pittards Products Manufacturing), and moccasin shoes and trainers (by ELICO Fontanina).

4.5.4 Display at the stand

The stand was set up to match the brand image with white wall panels. Samples of the leather materials that these tanners provided were displayed on the wall panels, whereas the products of respective companies were laid out on the table in front. The brand video *Creativity in Motion* was run, with the monitor being placed to face the walkway, i.e., main touring route. To encourage visitors to stop by and to take a look at these products, coffee was offered by Ethiopia's TOMOCA Coffee Japan. Ms. Hiroko Samejima, designer and producer of leather products in Ethiopia, kindly agreed to display the products of *andú amet* (her own company) in the stand.



Figure 4-4 Ethiopian Highland Leather exhibition stand

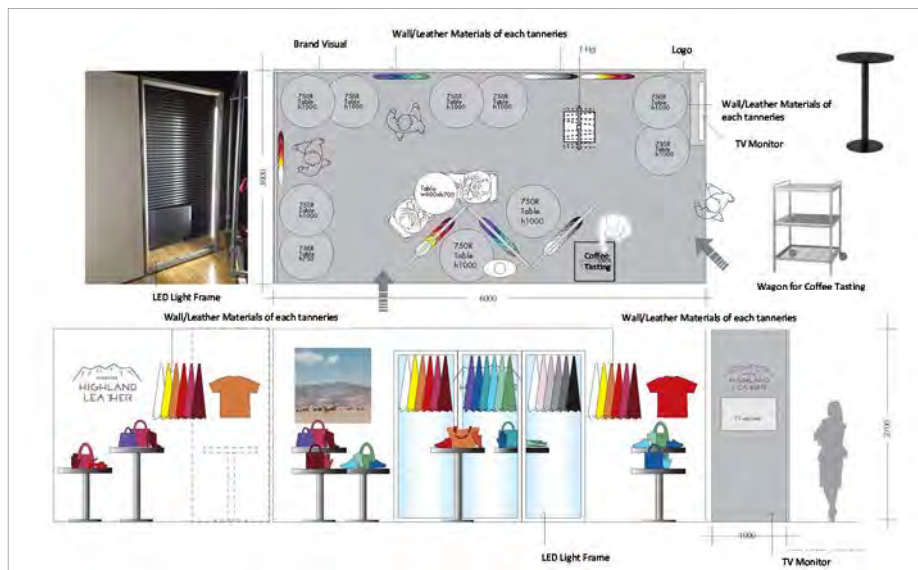


Figure 4-5 Ethiopian Highland Leather stand layouts

4.5.5 Exhibition summary

JFW-IFF was held from 22 to 24 July 2015 in the West Exhibition Hall at Tokyo Big Sight. A total of 14,254 people visited during the exhibition period, and 440 companies displayed their products. In our CPA2 stand, the partner companies were able to have IFF set business negotiations with three Japanese companies. (These three companies are major corporations with many stores across Japan.) In three days, business talks and negotiations were done with some 150 companies in the stand. During the exhibition, two partner companies received orders worth JPY 2.3 million in total from the Japanese companies.



Figure 4-6 Breakdown of visited companies in the exhibition stand, by sector

At the exhibition, the Japanese experts asked visitors what they would need and what they think should be improved. Visitors were also to fill in the questionnaire. Nearly half of the respondents mentioned that design improvement would be required, and many respondents expressed concern about the deadline for delivery, the cost of shipping, and the product quality inspection system as possible impediments to trade (see Figure 4-7).

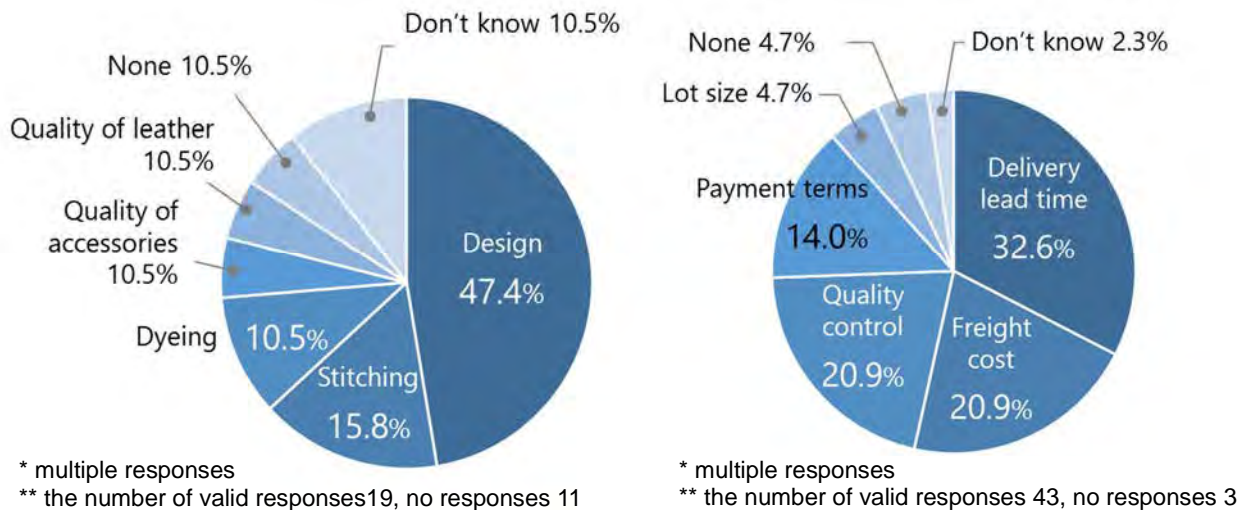


Figure 4-7 Visitor requirements and concerns

Comments received from visitors during business negotiations are shown in table 4-15.

Table 4-15 Comments from the visitors to JFW-IFF stand

Items	Comments
On Product	<p>“An amazing material regarding touch and color.” (Manufacturer)</p> <p>“Very soft, suitable to product for babies.” (Retailer)</p> <p>“Well presented, but some adjustments will be necessary for practical use”. (Department Store)</p> <p>“Stitching can be improved.” (Retailer)</p> <p>“Models for gloves and shoes should be adjusted for Japanese consumers.” (Wholesalers Retailer)</p> <p>“Some concerns on the inspection if you can keep the level of quality control even after the current OEM contracts are over.” (Retailer)</p> <p>“Concerned about color fastness.” (Manufacturer, Wholesaler, Retailer)</p>
On Price	<p>“Leather sheets are not expensive considering the unrivalled quality.” (Department Store)</p> <p>“Shoes are surprisingly low-priced, considering the quality of the leather.” (Wholesaler, Retailer)</p> <p>“Jackets and bags are expensive. If the FOB (Free on Board) price is around 200-250USD, the retail price in Japan will be 2000-2500USD (10 times of the FOB price).” (Retailer)</p> <p>* Regarding bags, shoes, and other articles, the retail price will be 3-4 times the FOB price.</p>
On Place/ Distribution/ Sales channel	<p>“Minimum lot size is large for the segmented Japanese market (for both leather sheet and product). Especially for new items, we cannot take a big inventory risk.” (Wholesaler, Retailer)</p> <p>“It would be difficult without a wholesaler/agent who intermediates transactions in terms of communication, quality control, etc.” (Retailer)</p> <p>“If there is an established business scheme, it would be much easier to start the business.” (Department Store)</p> <p>“What will be a tariff if we ask to deliver leather sheets to our Chinese factory, and then import products from China?” (Manufacturer)</p> <p>“Is it possible to prepare a product tag on how to care the product?” (Retailer)</p>

On Promotion	<p>“We can do the double-name with the Highland Leather brand. Rather, we want a product tag explaining the value of Ethiopian Highland Leather in order to justify the premium.” (Retailer)</p> <p>* Also, there was a customer who requested the data from the poster to use in her/his shop.</p> <p>** There was a customer who agreed to use about doing the double-name tag with Ethiopian Highland Leather.</p>
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For the CPA products, many visitors were surprised at the softness of the Ethiopian sheep leather. The Japanese experts confirmed that the intention of the exhibitor side, promoting the material itself as a new possibility of use, was conveyed enough to the visitors. On the other hand, the Japanese experts heard many voices of concern about its color fastness and about the accuracy of the results of the testing done at the Institute of Leather Research of Japan, with people claiming that only good data were chosen intentionally to show. As for the final product, the visitors mentioned some issues in the pattern, sewing level, and inspection system in the Japanese market. These comments are related to the production technology capacity and production management system of Ethiopia companies, emphasizing how every business should work energetically to improve their technology. Of course, it is also important to provide more information on the fact that some companies have extensive experience with trading with the United States and Europe.

The price particularly discouraged visitors from attending the exhibition. While it was generally tradable amount for leather material itself, visitors said the product’s final price was high. Because high-quality leather material is already expensive in Ethiopia, it would be necessary to facilitate cooperation between tanneries and manufacturers for high-quality leather distribution at a moderate price in Ethiopia.

For distribution, for both the leather material and the final product, the lot size for MOQ (minimum order size = minimum order quantity) became a problem. MOQ is usually small in the Japanese market. Suspecting the instability of the quality, the visitors were hardly comfortable with starting any business before the MOQ issue was solved. The Ethiopian side needs to know this business environment and set the MOQ low for the first time of trading at the beginning, for example.

For promotional methods, some visitors stopped to see the stand much more than the others did, and their impression was favorable overall. Many also requested the sales of promotional materials and goods, which left us a new problem; how promotional materials and goods can be made available to the customer after successful promotion in the exhibition.

4.6 Workshop in Japan (July 2015)

During their stay in Japan, these five Ethiopian partner company representatives and a LIDI officer in charge also attended sessions, field works, and exercises in preparation for an exhibition at IFF. Their visit program schedule was as follows:

Session 1 Brand system (lecture on 17 July, field works on 17 and 22 July)

DENTSU lectured on the importance and components of the brand system and introduced Harris Tweed (England) and the Imabari towel (Japan) as examples of local product branding. In the lecture, it was emphasized that every organization should understand specific methods for building and managing a brand system and its issues. In particular, with regard to the Imabari towel, a visit to a flagship shop in Minami Aoyama (Tokyo) was arranged. During an IFF period, the board chairman of the Shikoku Towel Manufacturer Association was invited to give a lecture on the association's branding activities and system. In the session, it was recommended that the goods should be wrapped together with Highland Leather brand tags.

One of the delegates commented: "Our realistic option for Ethiopian leather sector at this moment is OEM production as we have not had any business connection and trading experience abroad. However the clients hardly allow us to put our own brand on OEM products. In such circumstances, it must be considered an effective strategy for the Highland Leather Brand."

Session 2 Understanding the market (lecture and field work on 18th July)

Two professional staff members in the leather section at Senken Shinbun Company lectured on overall trends in the Japanese fashion industry; market trends for leather items, including bags, accessories, and shoes; and key points in the success of Highland Leather in the Japanese market. He also provided the important aspects for the Ethiopian participants about the characteristics/needs of the Japanese market as well as about product development/ improvement. After the lecture, they gave individual advice on the products of their respective companies.

Thereafter, the delegates visited retailer outlets, department stores, and specialized stores in Ginza and Yurakucho (both are famous shopping districts in Tokyo) to do market research. At the end of this session, the delegates came to understand the Japanese leather product market by saying, "It was found to become 2 poled segments in the Japanese market, one is the middle and high price range and the low price range. We are surprised to be very high quality even at the low price range, such as UNIQLO. There is high consumer demand for quality in the Japanese market."

Session 3 Display technique (lecture • field work on 20, 22 through 24 July)

The day before the opening of IFF, once furniture and fixtures were set up in the stand, an exercise was organized for the delegates to learn how to design a product display in such a manner as to effectively communicate the values of the brand. A retail display design expert lectured on the components and role of visual merchandising (VM) techniques (e.g., grouping, colorizing, etc.) before the delegates displayed their products.

At the conclusion of the exhibition, comments were received from the delegates, including: "I am very impressed by the effect of VM, which attracted a lot of customers to the stand displayed in the theory of VM" and "After seeing the impact of VM, I hope my staff should lean it for our product display."

Through his or her real-life experiences, each delegate was able to learn the significance of setting display themes as well as the importance of VM.

Session 4 Business negotiation skills (lecture on 17 July, field work on 17 and 22 July)

A lecture on business negotiation and skills was arranged for the delegates to understand the Japanese way of business. To value customers' trust and loyalty to the brand, the delegates were enlightened on business practices in the Japanese market so as to properly attend to customers visiting the stand. A lecturer from IFI⁸ explained the Japanese characteristics (timekeeping practices, consumers' attitudes toward the brand and their purchase intentions, etc.) and points to keep in mind during business negotiations in Japan. Following the lecture, a tour was organized for the delegates to visit and inspect the outlets of those companies with which business negotiations would be arranged at IFF. Then, the delegates prepared presentation materials for the negotiation.

In the wrap-up session after the exhibition and business negotiations with the Japanese buyers, comments were received from the delegates, including: "I was very surprised at the too-much detailed points and demands from the Japanese buyers" and "I have learned that it is necessary to prepare the strategy to and the survey of the clients before we meet them. "

4.7 Support for trades with buyers

4.7.1 Measures to promote trades with buyers

Following the results of IFF, the Japanese expert team continued to help to promote trades between the partner companies and buyers.

(1) Received 60 orders of shopping bag and snood

Shopping bags and snoods displayed at IFF were sold at its marketing events in November 2015 (in Tokyo, Osaka, and Hiroshima) by Company E, a consulting company that offers tips for color coordination to corporate entities as well as to individuals. Sixty orders were placed. An Ethiopian company needed to procure a small lot of leather materials, but it took a long time to negotiate with a tanner due to the small-lot procurement. The delivered products received favorable comments; however, a staff member in Company E pointed out the mistakes of cutting in some delivered products.

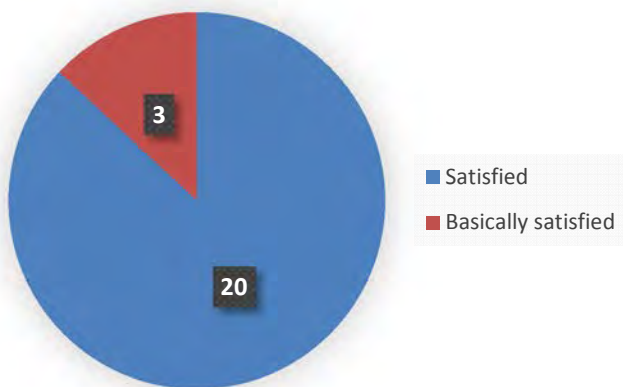
⁸ Acronym standing for institute for the fashion industries

(2) Received orders of 600 pairs of flat shoes

An Ethiopian company received an order for 600 pairs of flat shoes from Company F, which operates 50 outlet stores across Japan, selling ethnic goods. Initially, a delivery was to be made in mid-September; nevertheless, due to the power cut at a factory in Ethiopia and the resulting disruption of the production schedule, problems related to funds' transfer from Japan, as well as air transportation delays to Japan, the ordered products were delivered in mid-October. After the delivery, the Japanese experts received a report on the defects of the shoes from Company F, saying that the “left and right shoe had a different design,” “some delivered shoes were filthy”, and “purchased shoes were broken soon after a customer started to use.” In each case, the Ethiopian company re-delivered the replacement. Consequently, the company took an additional order of 600 shoes in April 2016.



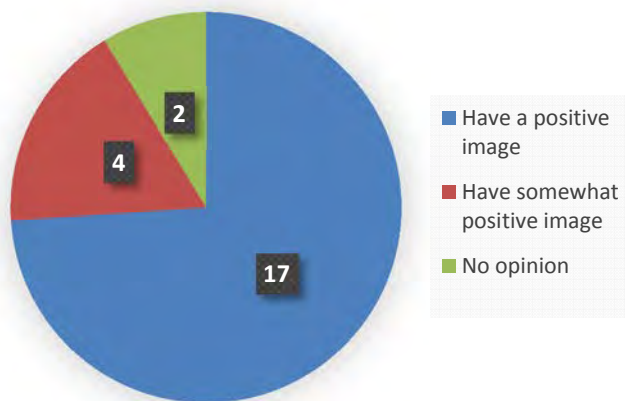
Figure 4-8 Examples of defects of delivered items



Comments:

- Leather material seems soft and I felt like affectionate. Indeed, it was very soft and smooth to the touch. Color was beautiful too.
- Quality that I've never experienced.
- Recommended shoes were very comfortable.
- Kawaii*, easy to use, foot comfort
- I immediately decided to buy this shoes after I tried to wear.

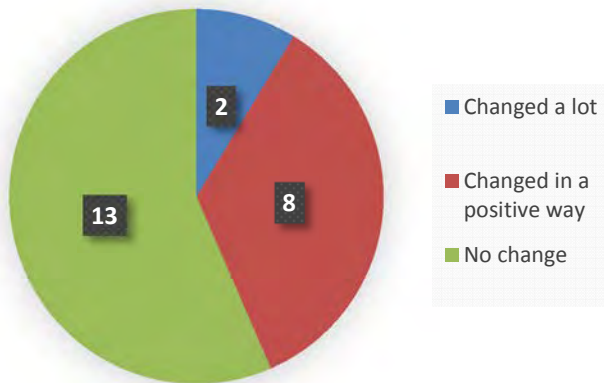
Figure 4-9 Satisfaction with the product



Comments:

- [Have a positive image]
- I've never seen such soft and softly colored leather in Japan.
- Very good quality.
- Fashionable logo and tag. It is like fair trade product.
- The best quality sheep leather.
- I think it is good idea to create a product made of local sheep skin by local people.
- [No opinion]
- This is the first time to buy EHL brand, so I don't know whether it is durable or not.

Figure 4-10 Image of Ethiopian Highland Leather brand



Comments:

- Ethiopia is a country manufacturing something good products.
- I was surprised at these lovely products.
- Ethiopia became familiar to me.
- I haven't thought of Ethiopia but I understood the country has amazing assets.
- I didn't know about this kind of leather.
- I only knew Abebe Bikila, Olympic marathon champion, before coming here.

Figure 4-11 Change in image after purchased Ethiopian products

(3) Received orders of 750 pairs of gloves

An Ethiopian company received a small lot order for products in stock by Company G in October 2015. Company G provides product planning and selling to brands and retail stores in Japan. In November 2015, the person in charge at this company visited the Ethiopian company at the time of his business trip to Italy. The Ethiopian company also received inquiries from two department stores about ladies' gloves, but no specific business deal was concluded. Glove is main product of the Ethiopian company; therefore, the company is used to dealing with inquiries quickly. Also, the leather price remains at a stable price level. Although the Japanese company was not frustrated with the deal, 5% of the delivered products were returned to the Ethiopian company due to the problems of the size and quality of the material.

(4) Moccasin shoes: consideration → declined to order

An Ethiopian company received a sample order of moccasin shoes from Company I and was interested in the moccasins displayed at the exhibition. The sample enjoyed a good reputation as being comfortable shoes. However, the problem with the adhesion strength of the insoles became clear, and Company I declined to order the shoes. In other cases, Ethiopian companies could not receive orders due to their low-quality samples.

(5) Leather materials

Ethiopian companies received inquiries about the leather material, but only a few companies were able to start trading with Japanese companies. There were obstacles; for example, Ethiopian tanners set the MOQ, and they sell leather materials in a mixture of various grades from 1 to 5 in packages. Particularly, apparel manufacturers and department stores express a strong desire to buy only the highest-quality leather materials.

4.8 Promotional activities of CPA

4.8.1 Promotional activities in Japan

In the CPA Phase 2, the Japanese experts transmitted the information on the CPA's activities to media in collaboration with the JICA public relations department, taking advantage of a great opportunity to display at the exhibition and to visit Japan. As a result of the active public relations campaign, the CPA's efforts attracted paper media (*Asahi Shimbun* newspaper, *Nikkei Sangyo Shimbun* newspaper, etc.) and broadcast media (BS-TBS, JWAVE, etc.), which contributed to gaining a wider recognition of European Highland Leather in Japan.

4.8.2 Promotional activities in Ethiopia

(1) United States–Africa business summit (“Doing Business in Ethiopia”)

In February 2016, in the “Doing Business in Ethiopia” session at the United States–Africa Business Summit that convened in Addis Ababa, champion product approach initiatives were taken up as an example of the export promotion measures being undertaken in Ethiopia. Ethiopian Highland Leather products launched in Japan were displayed at the summit venue for visitors.

(2) Meeting with minister of foreign affairs of Ethiopia

In February 2016, a meeting was held with Dr. Tedros, Minister of Foreign Affairs, and champion product approach initiatives were explained to the minister. The meeting was uploaded as a news event to the website of the Ministry of Foreign Affairs of Ethiopia. The minister posted a tweet on his Twitter account about the “Creativity in Motion” brand video.

4.9 Setting up a structure for brand maintenance and management

4.9.1 Workshop for brand operational management

A two-day “brand operational management workshop” was organized in Addis Ababa in September 2015 for the partner companies and the pertinent organizations. The workshop was designed to encourage the partner companies and the pertinent organizations to launch brand management. Specifically, presentations and discussions were focused on the following three issues: “ways to control the quality,” “ways to launch a brand in the world,” and “actions for next steps.”

On Day 1, participants were invited to put down in their own words their ideas about the selection standard of a tannery, quality control (testing), symbolic products, and symbolic promotion in respective formats prepared by a Japanese expert before they had discussions in groups. In the discussion about quality control, some comments were given such as: “This is not realistic and too strict is,” “This is too loose. The brand of premium properties cannot be maintained,” “Cumbersome test up to this point is unbearable to the both sides of test provider and receiver,” and “It cannot be a convincing quality assurance in this degree of a test.”

On Day 2, representatives of ELIA and partner companies gave a presentation on quality control methods and media strategies for the representatives of EIC, LIDI, and JICA to encourage the private companies to take the leadership of the brand management. In the presentation, presenters expressed their intention to address the quality management and public relations campaign (see Table 4-16).

Table 4-16 Resolution for brand management – four items

Selection Standard For Tannery	'Input' criteria	Ethiopian Highland Leather is produced in specified areas 3000 m and above, such as Gojjam, Gonder, Tigray, Sellale, Jimma, Wollega, etc. <ul style="list-style-type: none"> It is produced from unique species of sheep: "hair sheep," not "wool sheep" or "blackhead," to maintain a soft, fine grain, thin, yet strong quality.
	Process' criteria	Ethiopian Highland Leather should be produced by tanneries in Ethiopia with the capacity to process finished leather. Ethiopian Highland Leather goes through physical and chemical tests conducted by the Ethiopian government (LIDI) to guarantee its softness and durability. Its process is certified by ISO (International Organization for Standardization) 9001, which requires an operation system with a designated level of skill and technology. It is also certified by ISO 14001, which requires environmental friendliness.
	Output' criteria	Ethiopian Highland Leather is high-quality leather whose grade ranges from 1 to 5.
Quality Control Testing	Name of the test	Certification test
	Testing objective	Quality assurance of tanneries
	Test method	<ul style="list-style-type: none"> Physical test (strength, softness, safety, durability, etc.) Chemical test (banned chemicals, etc.) Process inspection
	Sampling method	LIDI goes to tanneries for inspection
	Whom (to be tested)	Tanneries (which finish the leather)
	Who (to test it)	LIDI
	When (timing & frequency)	Once every year
	Where (venue)	At tanneries
Symbolic Product	We will develop unique/symbolic products to express the uniqueness of Ethiopian Highland Leather Product Idea: Glove with elegance, glove with sports function, Jacket and skirt with sensible touch against skin, Baby shoes not to ruin baby's delicate skin, Lady's bag with no accessories but great materials with contemporary color design	
Symbolic Promotion	We will deliver the brand message at trade shows, storefronts, events, posters, magazines, or any types of media to establish this brand. Advertisement Idea: Trade show at Addis Ababa, Milan, Paris, Hong Kong, Shanghai, Tokyo, etc. Posters at tanneries, leather goods shop, airports, touristic places, embassies, government organizations, and customers around the world Sponsoring event such as an international leather exhibition	

The presentation featured not only what had been achieved so far, i.e., the “brand video” and “brand book,” but also the “brand vision.” By doing so, it was possible for both the audience (the government) and the presenter (industry organizations) to see the brand’s potential. In particular, as a “brand vision,” the so-called “double-name tag” potential was submitted. In other words, the vision draws a picture where the Ethiopian Highland Leather brand tag would be put on the product with the tag of an American/European top brand, i.e., double-name tag. In the future, when the brand will have achieved a sufficient level of recognition and status, American/European brands may compete against one another in an effort to promote Ethiopian Highland Leather as proof of a top-notch product. The participants fully understood that efforts were required to maintain and manage the brand and to keep moving toward that goal.

4.9.2 Clarification of the stakeholders’ roles

EIC, ELIA, LIDI, and EIPO discussed the question of what duties and responsibilities should be discharged in the framework of Ethiopian Highland Leather brand management. The roles of ELIA, LIDI, and EIPO were marshalled regarding (1) what each organization’s mission is; (2) what skills are necessary to fulfill the mission; and (3) what the necessary capacity is. The heads of three organizations – LIDI, ELIA, and EIPO – agreed about the brand management structure on the next day of the workshop through meetings to confirm the particular roles of each organization.

ELIA

As an industry association, its primary mission should be to lead a brand (=mission), but the association has only four people (=capacity). The association has difficulty with coming together as a collective (=skills) because it is a collective entity of private companies. Therefore, ELIA will take the initiative with support from LIDI.

LIDI

Originally, as a research institution involved in the development of the leather industry, LIDI is in a position (=mission) to support brand management. However, LIDI’s objective is primarily to “research” on quality and process (=skills), not covering human resource development, to lead brand activities (capacity). LIDI will assist ELIA, and LIDI should become a laboratory mainly in charge of quality management.

EIPO

EIPO is a government office that manages intellectual property. It took the initiative to lead a brand (=mission) only for Ethiopia coffee. As an executive body to support legal proceedings, it has no knowledge and skill to work in quality control and promotion with leather. Also, EIPO cannot afford to put any new responsible staff in this sector (=capacity). EIPO should focus exclusively on the execution of

legal procedures for the brand. A process for trademark registration was designed in such a way that an application for registration should be submitted by ELIA, whereas registration should be processed by EIPO. As for a process for authorizing the use of the brand logo, it was agreed that LIDI should look into the quality control standard and that only those with a recommendation prepared by LIDI as a result of its investigation should be authorized by EIPO.

EIC

EIC is going to be the sole organ to control and manage horizontal branding in Ethiopia not for specific sectors but for all sectors. All branding management should be handled with each sector’s stakeholders. EIC can support general Web content management on the branding and expansion of the CPA to other sectors. EIC should not be involved in the Ethiopian Highland Leather brand itself and should instead engage in Web content management as a “Creativity in Motion” brand manager.

The brand management operating structure agreed upon is shown in Figure 4-28.

Table 4-17 Ethiopian Highland Leather brand management structure

Organization	Roles	Main duty
Ethiopian Investment Commission (EIC)	manager in charge of overall CPA activities	Web content management
Ethiopian Leather Industries Association (ELIA)	brand owner chair a regular meeting of brand stakeholders with assistance from LIDI plan and carry out brand promotion activities	selection and recruitment of a brand manager initial tasks (i.e., trademark registration, rules on organization and operation) trademark/logo design management, legal matters facilitate discussion at a meeting of stakeholders plan and carry out brand promotion activities
Ethiopian Leather Industry Development Institute (LIDI)	brand supporter set down the brand quality standards, and check assistance in planning and implementation of brand promotion activities	selection and recruitment of a quality control manager initial tasks (i.e., set down the inspection methodology) selection of accredited tanneries, inspection implementation process management
Ethiopian Intellectual Property Office (EIPO)	brand approver register trademarks as well as authorize such trademark registration in accordance with LIDI recommendation authorize new tanneries to use the brand logo.	selection and recruitment of a person in charge of trademark registration/licensing undertake legal procedures in relation to trademark and logo

4.10 Consideration of issues identified in the interim wrap

An interim wrap-up meeting was held in February 2016 with Ethiopian stakeholders. In the meeting, issues were identified during and after the exhibition in Japan as those that became apparent during subsequent continuous business negotiations, and solutions to these issues were considered. They are shown in the flow of the leather industry value chain (see Figure 4-12).

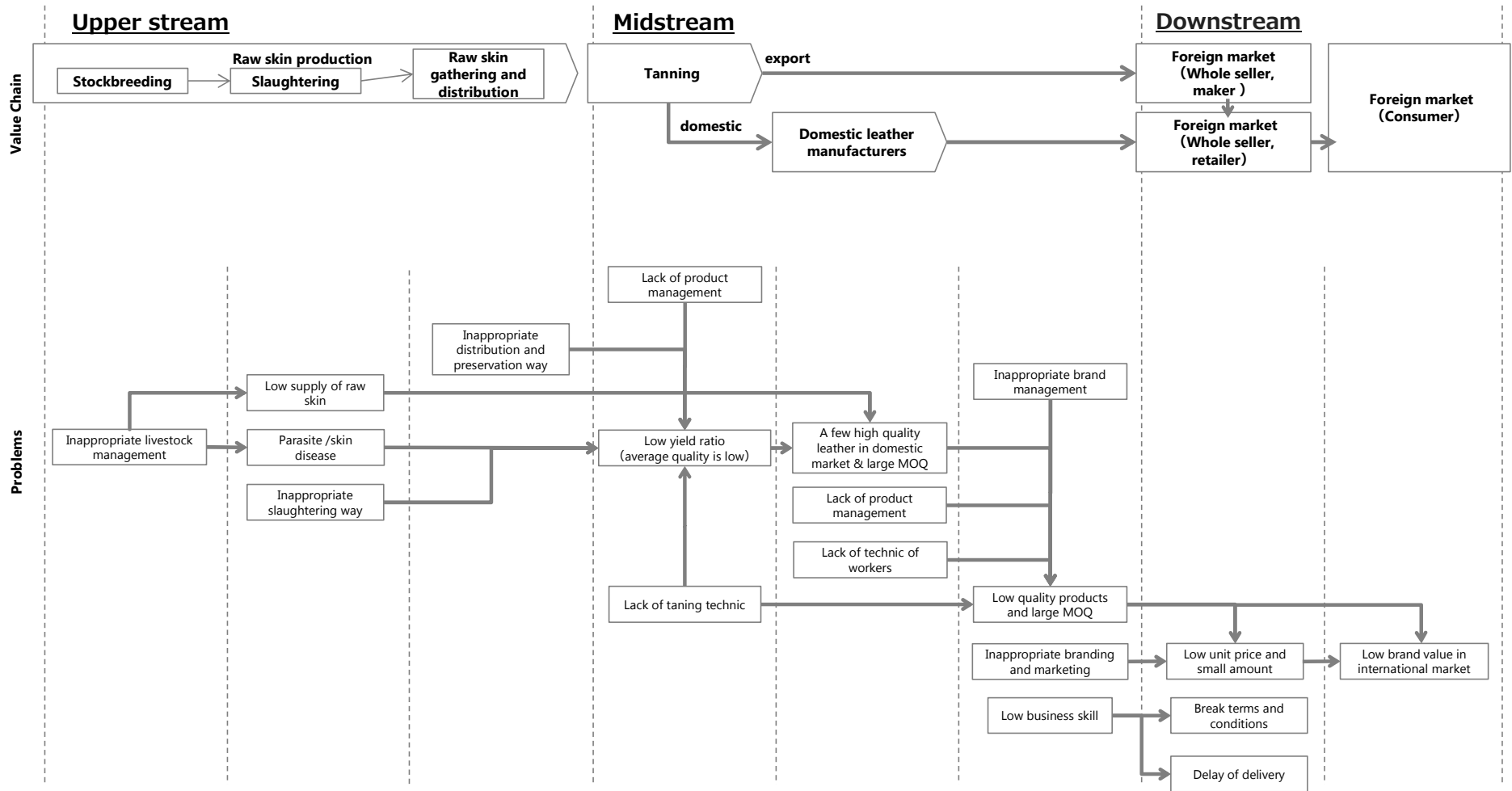


Figure 4-12 Leather sector value chain in Ethiopia and the problems

These issues were discussed in view of four points, i.e., branding, quality control, minimum lot, and delivery date, with possible solutions among Japanese experts and the participants. They are summarized below.

Branding-related issues and solutions

Currently, the price of sheep leather produced in Ethiopia is 20%–30% higher than the unit price of those produced in Bangladesh, Indonesia, and China and exported to Japan. Given the yield loss due to the sale of a package, it stands more or less on par with the ones produced in Spain or Italy concerning price. On the other hand, the market price for the final product is usually 300-400% of its cost price on FOB. Given the price on FOB indicated by Ethiopian companies, and because a large amount of leather is used especially in fashion items, those items command exceptionally high prices.

The gap between supply and demand became apparent, as what the Japanese side wants is “supply of product with brand equity at a reasonable price,” whereas what is to be supplied by the Ethiopian side is “a branded product with no brand equity at a relatively high price.”

In the face of these issues, short-term measures were provided, including:

- (1) development of new items by companies with more efficient use of leather;
- (2)-(4) brand promotion mainly by manufacturer organizations, competitive price, and competitive sales package.

Medium- to long-term measures:

- (5) collaboration with Japanese manufacturer organizations;
- (6) the need to tackle parasites and skin diseases in the upstream in the value chain under the initiative of the MLF.

Table 4-18 Solutions to branding-related issues

Actions		Responsibility			
		Company	Producers Association	Government	
Short term	1	DEVELOP NEW ITEMS (cost-value-efficient item)	★	-	○ LIDI
	2	PROMOTE THE BRAND to differentiate from low-price-products	○	★	○ MOFA / MOT
	3	COMPETITIVE PRICE of finished leather.	○	★	○ LIDI
	4	COMPETITIVE SALES PACKAGE.	○	★	○ LIDI
Middle and long term	5	COLLABORATE WITH JAPANESE PRODUCERS ASSOCIATIONS (e.g. Invite them to Ethiopia under cooperation with MOFA. Participate in Tokyo Leather Fair)	-	★	○ MOFA / MOT
	6	TACKLE PARASITES AND SKIN DISEASES and give technical support for slaughter to make raw skin's quality better.	-	-	★ MOA

Quality control–related issues and solutions

The Japanese quality standard is more rigorous than those in the United States and Europe. In particular, a high level of fastness is required for leather products. In this latest initiative, there have been cases in which the Ethiopian side fails to appreciate the robust quality standard upheld in Japan and submits poor-quality samples, thus resulting in a breakdown of business negotiations. Even samples that did not line up with orders placed by Japan with respect to color and/or size were delivered, reflecting the lack of an appropriate management structure on the Ethiopian side. These incidents involving the low quality of samples and/or mistakes in processing orders for a few samples ended up raising deeper concerns about the quality control and product inspection procedures undertaken by Ethiopian companies. Low levels of product design attributable to Ethiopian companies' low levels of exposure to overseas markets, and the low quality of accessories available in Ethiopia were also considered problematic. The gap between supply and demand became apparent: Japanese companies want “high quality and stability,” whereas the samples provided by Ethiopian companies prove to be “low quality.”

For these issues, short-term measures were shown:

- (1) understanding by companies of the level of quality required by Japanese market participants;
- (2) mobilize manufacturer organizations to bring in new companies;
- (3) launch of a pre-delivery product inspection structure through government–industry–private sector cooperation.

Medium- to long-term measures include:

- (4) improve the design and technique in the whole industry through industry-government cooperation; and
- (5) encourage inward investment in Ethiopia by overseas businesses to improve the quality of accessories available within Ethiopia.

With regard to (4), it was noted that Ethiopian Competitiveness Facility (ECF) provides funding for inviting engineers based on recommendations by the respective companies, and the need to involve ECF was discussed.

As for (5), the need to involve Ministry of Foreign Affairs (MOFA) and EIC was also discussed.

Table 4-19 Solutions to quality control–related issues

Actions		Responsibility			
		Company	Producers Association	Government	
Short term	1	UNDERSTAND JAPANESE QUALITY REQUIREMENTS (manufacturing, design, quality control) in real deals.	★	○	○ LIDI
	2	CERTIFY NEW COMPANIES in line with the quality assurance of EHL brand.	-	★	○ LIDI
	3	DO PRE-DELIVERY INSPECTION (PDI).	★ Execution	★ Guideline	★ LIDI
Middle and long term	4	IMPROVE DESIGN AND TECHNIC in the whole leather industry. (e.g. collaboration with Ethiopian Competitiveness Facility)	-	★	★ LIDI
	5	ATTRACT FOREIGN INVESTMENT to Ethiopia for technology transfer in the field of material/accessory/design	-	○	★ MOFA/ EIC

Minimum order quantity–related issues and solutions

Compared to the United States and European markets, Japanese markets impose rigorous quality requirements. Due to Japan’s great market diversity, usually a product is ordered in small volumes and needs to come in multiple colors and sizes. A total of 1000 sq ft of leather materials coming in a few colors would be ordered. Regarding a final product, as few as 100 items per product version may be ordered. On the contrary, the MOQ set by Ethiopian tanners is 3,000-5,000 sq ft per color. In the distribution network within the Ethiopia, leather materials are known for their high MOQ, and the chance of overstocking inventory is among the reasons for manufacturers to set a high price. The gap between supply and demand becomes apparent: Japanese companies want “trade in smaller volumes,” whereas Ethiopian companies are unable to accommodate the needs of their Japanese counterparts.

Short-term measures:

- (1)-(2) development of flagship products by companies (consolidate orders from multiple companies into one and thereby reduce the chance of overstocking inventory)
- (3) tanners’ and manufacturers’ cooperation to reduce MOQ requirement, to be facilitated by manufacturer organizations.

As with solutions to branding-related issues, (4) the need to tackle parasites and skin diseases in the upstream in the value chain under the initiative of the ministry of agriculture was discussed as a medium- to long-term measure.

Table 4-20 Solutions to minimum order quantity–related issues

Actions		Responsibility			
		Company	Producers Association	Government	
Short term	1	DEVELOP BUSINESS TEMPLATES for smooth communication with buyers.	-	★	-
	2	FIND AND SUPPORT AN AGENT which can mediate between both countries' companies (e.g. as a subsidiary of ELIA).	○	★	-
Middle and long term	3	STRENGTHEN A ROLE OF THE EMBASSY IN JAPAN (e.g. Japanese market research, dealing support)	-	○	★ MOFA
	4	IMPLEMENT KAIZEN in partner companies to establish smooth internal communication.	○	-	★ MOI /LIDI
	5	SIMPLIFY IMPORT/EXPORT PROCEDURES	-	○	★ EIC(MOT)

Delivery date–related issues and solutions

The delivery date must be respected beyond Japanese markets, and swift actions are required in response to orders or inquiries from customers. Ethiopian tanners and manufacturers were behind schedule by one to two months to process orders for samples and missed the required delivery date. They disregard the fact that they are in the grip of frequent power cuts when they come up with timetables, which may be one of the factors. There have been cases where inaccurate or incomplete documentation to declare shipment to customs authorities results in a further delay in delivery. It often happens that inquiries – especially those in the wake of troubles – would not be processed promptly. These issues are not limited to Ethiopia: Many Japanese companies have indicated that, given their previous experiences, they would not – or wish not to – be involved directly in trade.

Against these issues, short-term measures were given as follows:

- (1) creation of business templates by manufacturer organizations;
- (2) efforts to be made by manufacturer organizations to find and support trading agents;
- (3) the need to increase the role of the Embassy of Japan in Ethiopia in making a market survey and in facilitating trade.

Medium- to long-term measures include:

- (4) implementation of *Kaizen* by partner companies, to be facilitated by LIDI and MOI;
- (5) the need to streamline import/export procedures across the government by EIC and MOT.

Table 4-21 Solution to delivery date–related issues

Actions		Responsibility			
		Company	Producers Association	Govern ment	
Short term	1	DEVELOP AND PROMOTE A 'SIGNATURE ITEM'	★	-	-
	2	DIVERSE THE SIGNATURE ITEM VARIATION (color/size/motif variation)	★	-	○ LIDI
Middle and long term	3	TANNERIES-MANUFACTURERS COOPERATION (mutual inventory risk taking by long-term/consistent commitment)	-	★	-
	4	REDUCE LOW GRADE SKINS by tackling parasites/skin diseases and giving technical support for slaughter	-	-	★ MOA

Chapter 5 Activities in the Leather Sector
– Actions after the Interim Wrap-Up
(Feb. 2016 – Nov. 2016)

Chapter 5 Activities in the Leather Sector – Actions after the Interim Wrap-Up (Feb. 2016 – Nov. 2016)

At the January 2016 interim wrap-up meeting, many issues were raised with regard to this project as well as the immediate need to address these issues. After meetings with the Ethiopian stakeholders, additional actions in response to the issues were summarized (see below).

Table 5-1 Activities after the interim wrap-up

Actions	Specific activities
Support for product development and quality improvement	
Action 1: Understanding of the quality required by Japanese market	
Action 2: Initiative to improve design and technology	
Action 3: New product development	(1) Produce a product sample in Ethiopia
	(2) Technical support based on business negotiations
	(3) Support for product development toward exhibition in Japan
Action 4: Development of flagship products	
Action 5: Initiative for implementation of pre-delivery product inspection	
Display at the Exhibition and Other Promotional Activities	
Action 6: Brand Promotion	(1) Display of Products at the exhibition in Japan
	(2) Brand promotional activities by ELIA
	(3) Other promotional activities in Japan
	(4) Evaluation of effects of brand promotional activities in Japan
Action 7: Creation of business templates	
Action 8: Increase in the role of the Embassy of Ethiopia in Japan and MOFA	
Visit to Japan in April 2016	
Action 9: Cooperation with Japanese industry association	(1) Visit to Shikoku Towel Industrial Association
	(2) Visit to Japan Glove Industrial Association
	(3) Visit to inspection company
Research on Structural Problems in the Ethiopian Leather Sector	
Action 10: Strengthening of competitiveness by reducing order quantities	
Action 11: Promotion of cooperation between tanners and manufacturers	
Action 12: Initiative to deal with issues in the upstream of the value chains	
Action 13: Improvement in the quality of leather materials and yield rate	
Building of Brand System	
Action 14: Operation of accreditation system	
Efforts for Other Issues	
Action 15: Activities to encourage inward investment in Ethiopia by foreign companies	
Action 16: Introduction of <i>Kaizen</i> activities	
Action 17: Streamlining of import/export procedures	

These activities were carried out from February 2016 as follows.

5.1 Support for product development and quality improvement

5.1.1 Action 1: Understanding of the quality required by the Japanese market

Due to language barriers, cultural differences in business, and, above all, differences in perception of the quality of products, CPA partner companies often failed to understand the requests of buyers who had been exposed to CPA products from Ethiopia. As a result, there were many cases in which no proper action was taken in response to inquiries from Japan and an opportunity to enter a trade agreement was missed. In order to avoid such mishaps, Japanese experts provided assistance to the trading partner companies and escorted Japanese companies during their stay in Ethiopia.

Following the product display at IFF in April 2016, several Japanese companies requested that the Ethiopian companies produced samples. Japanese experts dealt with questions from the respective companies and provided technical assistance in production of samples.

When focal persons from these companies visited Ethiopia, Japanese experts introduced them to their respective partner companies. Every tanner had management staff to take care of customers, yet in many of these tanners, the management had little product understanding, and it had seemed that they more often than not are unable to furnish sufficient explanations to customers. When this happens, there would be differences between what Japanese side asked to the management staff and the interpretation of the orders by production staff.

These cases indicate the need for a clear, sharp line defining to what extent a public actor (i.e., JICA) can take responsibility over the business trade among private actors.

5.1.2 Action 2: Initiative to improve design and technology

The question of whether or not the brand can be maintained in the future depends on the question of whether or not the partner companies are capable of acquiring technical capabilities to maintain brand equity, which then depends on whether or not they could acquire the adequate skills to meet the brand equity requirements. Currently, the partner companies' skills of production and design are trailing behind those in the developed brand, and support activities are necessary to continuously improve designs and skills. The Japanese experts assisted the partner companies in product development and conducted a survey on LIDI capabilities with a focus on putting a sustainable support system in place.

In order to ascertain capabilities of LIDI, interviews were conducted with designers from the Product Development Centre (PDC), staff from the Leather Technology Directorate, and staff from the Consultancy Directorate, all of whom belong to LIDI.

Shoes PDC

Staffing:

The center has four designers, one pattern maker, one sample maker, and three researchers.

Responsibilities:

1. Upon receipt of a design from a customer company, a sample is made and the materials required are identified. These projects incur costs, including: 350 ETB for making a design from a sketch and 150 ETB for making a pattern from the design. Half of the cost is borne by LIDI. A design prepared by a PDC designer requires the same amount.
2. Download a design sample.
3. The design prepared in 2 above is displayed at the annual exhibition named All African Leather Fair and is also placed in the magazine published by PDC three times a year, inviting the respective companies to make use of it. A total of 350 companies use PDC services.

Issues of concern:

There is a shortage of equipment and materials (shoe tree, accessories, etc.). There is a lack of opportunities for staff to visit overseas markets to see the latest trends, understand the level of quality required, and polish their own designs and improve the quality of their products. During the survey period, the staff raised the question of how they should make a new product with a new concept and a new design when they can refer only to what is available online. Lack of skills to process the CAD data is also an issue (although they do have a software called “shoe master”). Domestic-user companies say that there is nothing new released designs/products and that they are therefore not interested in it.

Bag & Garment PDC

Staffing:

The center has five designers, who all draw designs and patterns and make samples.

Responsibilities:

1. Make patterns and samples based on designs, provide these designs, patterns, and samples to the respective companies, provide training to the respective companies
2. Samples made by these designers as products targeting overseas markets are displayed at All African Leather Fair. Yet, majority of companies make use of designs offered as ones targeted at domestic markets. Each of these designers draws 30 designs per annum (more or less). Costs to be incurred from preparation of samples and patterns and from consultation services would be less than 900 ETB at a maximum.

Issues of concern:

Accessories compatible with the designs are not available. Efforts to draw designs are often wasted since they are obligated to change designs due to a lack of accessories. They wish to keep reflecting the Ethiopian culture in their designs. For this purpose, they want have a chance to receive short- to medium-term design training, display their work at overseas exhibitions, and visit overseas exhibitions. To date, except for during their stay in India for study, they have never visited any overseas exhibition.

Leather Technology Directorate

Staffing:

The directorate has 42 staff members: nine of them with master's degrees and one with a doctorate degree. The company has the Product D&R Team, Education Team, Industrial Consulting Team, Business Development Team, and Facility Management Team. Responsibilities are distributed among these teams.

Responsibilities:

At the affiliated research and development lab, companies can conduct R&D activities by paying the actual costs. At the rate of about twice per week, requests are received from companies. No complaint has been filed to date; yet, according to the interviewees, the staff lack skills and knowledge. In particular, substantial improvements are required in the area of production (e.g., chrome free, vegetable tanning, etc.). An Italian company used the LIDI facility to develop products with the use of chemicals of its making. Based on the outcome of its endeavor, this Italian company has been transferring its technology and concurrently selling its chemicals to individual Ethiopian companies. In addition to the research and development lab, the directorate has a testing lab, where up to 3,600 requests for product testing are annually received from companies.

Issues of concern:

The staff believe there is a need to increase the precision of test results by comparing the result for every test item with that of overseas institutes. As for the methods for maintenance, trouble-shooting, and for equipment use, they feel training is required.

Consultancy Directorate

Staffing:

The directorate has seven staff members.

Responsibilities:

They work as consultants and provide consulting services to up to 25 mostly SME companies. Start-up consultants undergo OJT with Indian experts for two to three months.

Issues of concern:

Although these companies expect them to be highly equipped with the skills of IT solutions, inventory control, garment design, glove design and production, they are aware that they lack such skills and knowledge. An interview with a company which received consulting services from Consultancy Directorate: Two engineer-designers were sent to a company for a year to provide training. The Japanese experts visited this company and interviewed them about the quality of training provided. Although they were highly satisfied with LIDI services, the company recognized the need for a well-developed design training program.

LIDI does not have separate staff in charge of design or production management support. It seems that the bottom line is to “make what you design.” Division of labor is a concept applied in companies, and organizations providing training to these companies may as well adopt this concept. If you are in charge of both design and production, you will most likely come up with a design which can be easily translated into a product. Given that most of LIDI staff in charge of technical guidance are Indian experts, concerns were raised that these experts might have lacking experience in designing for American and European markets. Flat pattern cutting is generally applied in India and this method is thought unsuitable for leather jackets and similar items.

There being few if any opportunities to be exposed to overseas markets is also an issue. For example, you can see online photos of a particular product yet you can learn what is good about this product or what makes this product distinguished from others only by seeing and touching it. This is an issue which concerns not only LIDI staff but also Ethiopian designers and craft workers across the board.

5.1.3 Action 3: New product development

(1) Creation of product samples in Ethiopia

The Japanese experts stayed in Ethiopia from June–July and August–September 2016 for two weeks per trip and provided technical assistance to create product samples based on a request from each local company. Some Japanese companies requested the Ethiopian companies to make samples and patterns for reference; however, staff of the local companies could not understand the concepts of the Japanese side. In response to that, the Japanese experts explained the Japanese company’s intention. Also, the experts provided advisory services for the improvement of the first product samples in terms of the sewing quality and consistency of patterns.

(2) Technical assistance based on business negotiations with the company

Following the first product display at IFF in April 2016, multiple business negotiations have been ongoing between Ethiopian partner companies and Japanese buyers, and these

negotiations will run until the end of CPA Phase 2 in March 2017. Many of these negotiations have reached a round where sample preparation is being negotiated or post-sample-delivery negotiations are under way. In the meantime, Japanese experts have gone between the two sides by email and by phone to coordinate their schedule, have been to Ethiopia twice, and have also provided technical guidance to Ethiopian companies undergoing business negotiations. Again, it has become apparent that, while high levels of technical prowess are required by Japanese market participants, levels of production management at Ethiopian companies are still low. Specific examples are shown below.

1) Company A

An order for shoe samples was placed by a retail company at IFF in 2016 on the assumption that an order for final products would follow. Company A employs four designers: Two are mid-level employees who have been with the company for eight years, and the other two are newer employees who joined the company four years ago. The two mid-level employees were trained by a German expert for half of a year after they joined the company. One of the two newer employees was sent to a factory in China for a year. Their supervisor (design department manager) is on par in knowledge and experience with these four designers and does not have any skills to teach people working under him.

Following the product display at IFF, in order to finalize the product samples as per order, Japanese experts visited the factory for three days, and they were unable to overcome technical issues. Eight years is long enough to master the skills necessary to manufacture shoes, which does not require expertise. Yet, a lack of human resources for providing technical guidance to peers and a lack of access to high quality products have hampered the company's progression to the next level. EKI has introduced *Kaizen* to Company A, but this has not yet resulted in actual improvement in product quality.

2) Company B

Company B received an order from a Japanese company with which they had been in business negotiations since 2015. At the latest exhibition, Company B received a request for samples from two other Japanese companies. Although Chinese experts are involved in product development onsite, a new employee who joined the company only two years ago, fresh out of school, is in charge of line management and product control. There has been no professional guidance and training on production and development. Eventually Company B managed to prepare samples with a quality level satisfactory to the Japanese companies; however, product failure was found following the delivery and they need to take actions to remedy this.

As seen in these examples, problems facing individual Ethiopian companies stem from a lack of human resources and limited opportunities to receive proper training. New employees

traditionally can learn from senior employees with knowledge and experience to gain skills and deepen their knowledge. However, even those companies which have been selected as partner companies do not have “senior” employees equipped with professional education and skills. Some companies employ foreign technical experts – yet a majority of those nonlocal experts are from emerging nations and hardly understand the quality standards required on developed markets. It seems that this is a prevailing issue across the Ethiopian apparel business.

(3) Assistance in product development for exhibition in Japan

In preparation for the latest product display at IFF, attention was paid to the cultures of the respective companies in assisting them in a wide range of areas from offering design templates to the technical guidance necessary for putting final touches on samples. At the previous exhibition, it became apparent that final products would be accepted highly in Japanese markets. Therefore, new suggestions were made not only in respect of these companies’ primary products but also about new products that could be developed by applying the skills these companies already possessed. The goal of the display was to showcase a new and wide variety of products. As a result, seven manufacturers completed 27 kinds of samples, as opposed to the previous display of 10 types of samples by five manufacturers.

5.1.4 Action 4: Development of flagship products

In order to reduce excess inventory, it is recommended that several companies cooperate to combine orders and to develop flagship products. For this purpose product development efforts were undertaken between the respective companies and Japanese experts in preparation for IFF.

The respective companies gave consideration to the possible amount of hide available to them and developed nearly 30 kinds of products. A few orders for samples were placed for some of these products. At the same time, Japanese companies mentioned that, from the viewpoint of differentiating themselves from others, a product that anyone can handle would not be attractive. The question is whether or not any of these “developed products” can establish themselves as “flagship products,” and it would take some time to see the market performance of these products before a conclusion can be drawn.

Given Ethiopian companies’ sense of design, in order to demonstrate their technical prowess to offer original equipment manufacturer (OEM) production services on a sustainable basis, a proposal should be made about getting orders from Japanese companies for samples on customer specifications

5.1.5 Action 5: Initiative for implementation of pre-delivery product inspection

To maintain the brand equity, efforts need to be made to make the pre-shipment product inspection more rigorous and to decrease the percentage of defective products. With the aim to encourage implementation of the pre-delivery product inspection within the Ethiopia, discussions were held between LIDI and Japanese experts.

During their stay in Ethiopia, Japanese experts had a series of discussions with LIDI staff in charge of the matter. These discussions focused on two issues: what this “pre-delivery product inspection” should be and on what criteria a product inspection should be conducted in the case where no clear requirements are set by customers? It was difficult to make LIDI staff understand the concept of “the level of quality required by market participants.”

In the Ethiopia, there is no company offering product inspection services to inspect final products. European and American companies usually do not request a third-party product inspection, but such inspections have been a requirement in the past. On the other hand, when it comes to leather materials, there are experts who professionally conduct product inspections. Back when Japanese tanners still imported pickled leather and other types of leather materials, they were involved in the product inspection of these materials. Still, they exercised quality control prior to these materials being exported overseas. According to one of these product inspectors, a lack of a “unified” grading system among individual tanners is, in itself, a significant problem. Previously, the Ethiopian Standard Institute randomly would pick a specimen and inspect it prior to export before issuing a certificate. No such procedures are currently undertaken.

5.2 Display at the exhibition and other promotional activities

5.2.1 Action 6: Brand promotion

(1) Display at the exhibition in Japan

1) Selection of partner companies

New products were developed for the purposes of displaying them at an exhibition in Japan (the IFF in April 2016) as well as meeting requirements for improvement to be submitted by Japanese buyers during subsequent trades. In the selection process, the companies which attended a design workshop with Japanese experts (at Harmony Hotel in Addis Ababa) as part of this survey were asked to develop and submit new product samples within a set deadline. Their product quality, production capacity, and their visions for their futures as companies were evaluated. As a result, the companies listed below were selected as IFF participating partner companies and were approved by LIDI and ELIA.

- 1) Pittards Products Manufacturing (gloves, garment, bags/fancy goods)
- 2) Modern Zege (shoes, bags/fancy goods)
- 3) Kinaff Leather (garments, bags/fancy goods)
- 4) Ayni's Design (bags/fancy goods)
- 5) ELICO Awash Tannery/Fontanina Shoe (leather materials, shoes)
- 7) Sheba Leather (shoes)
- 8) AB Leather (bags)
- 9) Hafde Tannery (leather materials)
- 10) Bahirdar Tannery (leather materials)

2) Product display at IFF

JFW–IFF in April 2016 was held from April 26–28, 2016, in the West Exhibition Hall at the Tokyo Big Site. During the exhibition, more than 10,000 people in total visited the stands set up by approximately 430 exhibitor companies. Here the Ethiopian Highland Leather brand had an opportunity to have “individual” business negotiations with five Japanese companies. Moreover, the brand had business negotiations with approximately 190 companies in its stand. An “individual business negotiation” is a service offered by the IFF organizer, which allows companies selected (based on paperwork they would file in advance) to have business negotiations with buyers in a separate room for 30 minutes.

At the exhibition, the Ethiopian visitors and Japanese experts set up the stand by taking in the design concept applied at previous display (e.g. the wall should be a white tone, there should be bright colors) to remind visitors that this display was a follow-up to the previous one and to gain wider recognition for the brand. In addition, a leather model airplane was displayed as an iconic item⁹ to portray the “lightness” and the “thinness” of Ethiopian Highland Leather products. The promotion video “Creativity in Motion” was played. Ethiopian coffee was served to encourage visitors to stay in the stand.

⁹ An object which serves in an easily comprehensible manner to define the character of a proposal or an argument to be put forward.



Figure 5-1 IFF Ethiopian Highland Leather stand in 2016

Due to a limited number of stand staff members and a time-consuming questionnaire for visitors, the Japanese experts chose to conduct an online questionnaire survey. In the breakdown of those companies involved in business negotiations, manufacturer accounts for the largest share (39%) followed by retail businesses, and distributors at 27% and 16%, respectively. In the breakdown of total visitors to the exhibition, manufacturers, retail businesses, and distributors made up 18.8%, 32.8%, and 13.9% of the total, respectively. It is apparent that the Ethiopian Highland Leather stand attracted attention particularly among manufacturers.

In the previous survey, nearly half of the respondents referred to the product design as an issue for improvement. In this survey, 27.6% of the respondents showed concern with the design, but the proportion of those referring to the design as an area for improvement decreased to nearly 25%. On the other hand, those respondents expressing concerns about the quality of materials increased to nearly 25%.

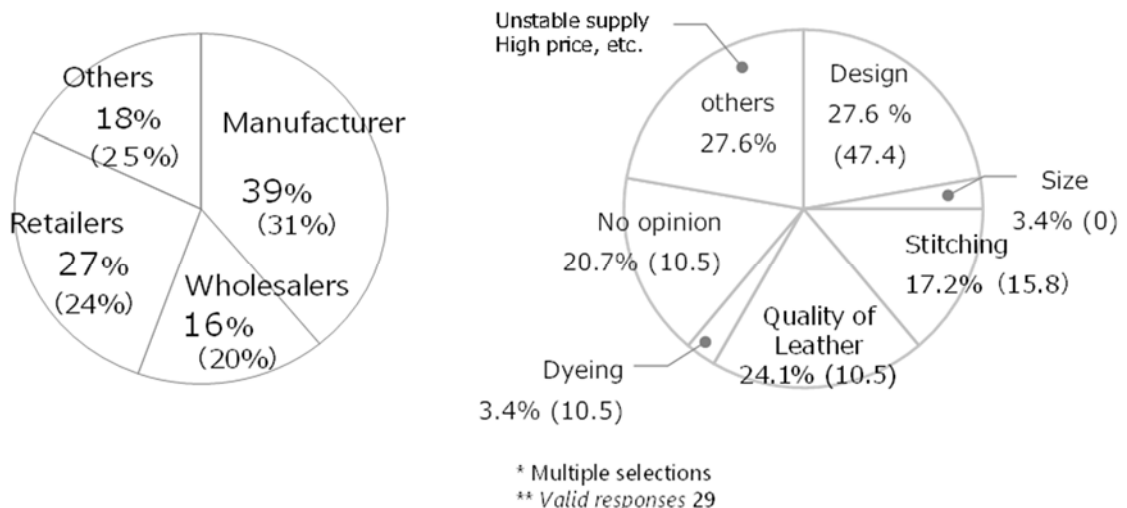


Figure 5-2 Breakdown of the types of business which negotiated with Ethiopian companies and comments on improvement points

These changes in tendency should be the outcome of design assistance offered in the lead-up to the exhibition and may also be attributable to the fact that a larger number of buyers actually picked up the products to see whether they would like to trade in them in the future. Japanese staff attended to the visitors in the stand this year, as had been arranged in July 2015 (for the first display at IFF), and they remarked that individual visitors had stayed in the stand longer and that it had been possible to organize a business negotiation based on specific conditions.

The followings are comments received in the questionnaire survey as well as during business negotiations in the stand.

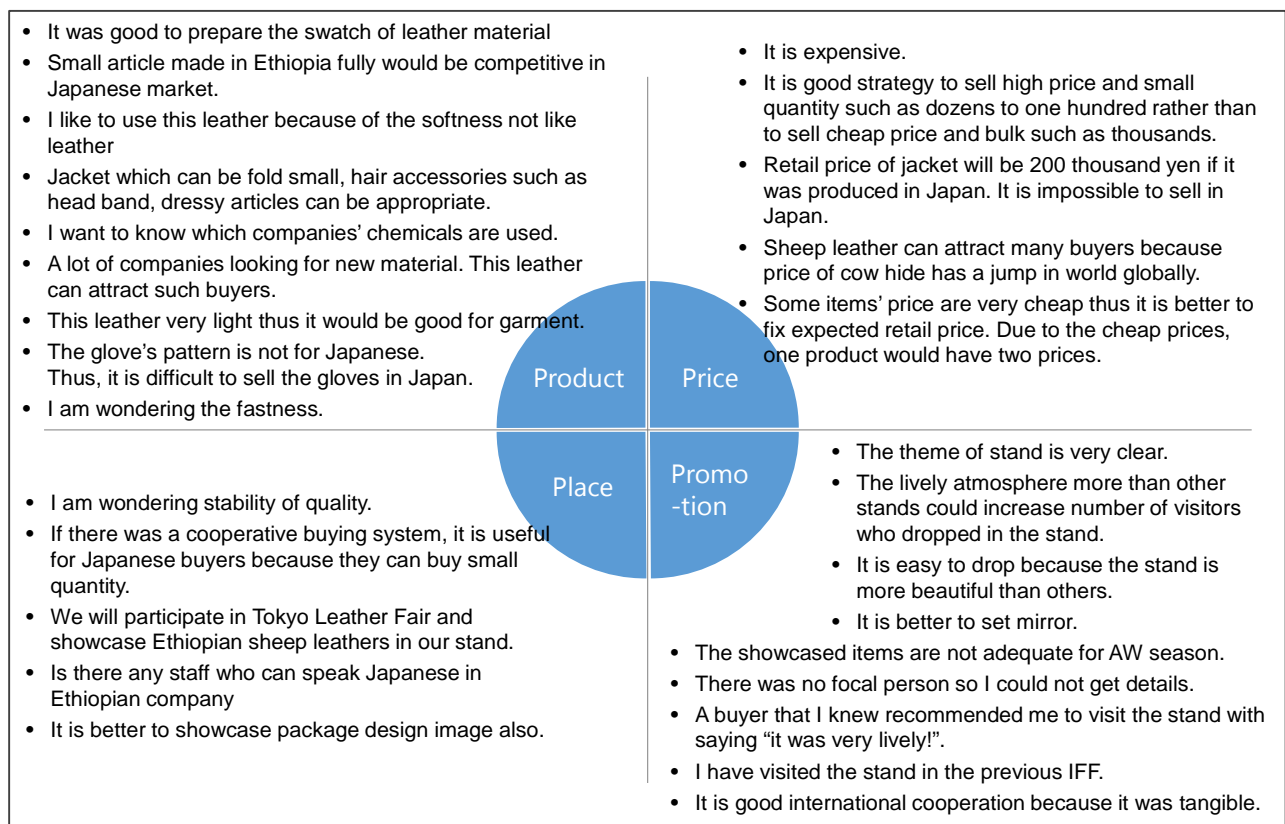


Figure 5-3 Comments from the visitors during the business meetings

A definite conclusion can be drawn that visitors fully appreciated the intention of exhibitors to continuously launch new lines of products made of leather materials. At the same time, many still voiced their concerns about the product inspection system. It is therefore important for the respective companies to continuously work on technical improvements and to build on their previous experiences in trading with overseas companies.

Regarding pricing, many considered final products – especially the garments – FOB re quite expensive. At the same time, some believed that products offered by vertically integrated

companies from tanner and manufacturer were inexpensive in price. As a new issue of concern, price discrimination has emerged. This time the Ethiopian side set their price only in a FOB origin and did not set a sales price (sticker price). Some regarded it as a cause of concern for being charged different prices for the same product in the same market when trading with multiple Japanese companies is launched. Given these comments, it is necessary to make efforts to furnish further information to visitors.

In the area of distribution, thanks to the efforts made by Ethiopian companies to lower the minimum order quantity requirements for both leather materials and final products, few expressed concern. Many asked for information about the joint purchase structure to respond to the needs of small retail businesses who may not be able to meet the minimum order quantity requirement and would like to be referred to agents so as to avoid direct trading.

(2) Brand promotional activities by ELIA

At some overseas exhibitions where member companies display their products, the Ethiopian Highland Leather promotion program has been launched, using free-standing banners and posters. Also, the suggestion was made that Ethiopian Highland Leather promotion activities be launched at the All African Leather Fair (AALF) organized by ELIA. However, due to a lack of funds, AALF has not been held since 2015. At the board meeting in November 2016, a plan for Ethiopian Highland Leather promotion activities at the below-listed exhibitions and Ethiopian Highland Leather promotional magazine ads is expected to be put forward for approval. ELIA intends to submit proposals to MOI and respective donors in the future with a view to securing a budget to cover its activities.

Exhibitions: Asia Pacific Leather Fair (Hong Kong, China), Magic Show (Las Vegas, US), All China Leather Exhibition (Shanghai, China), Lineapelle Leather Fair (Milano, Italy)

Magazine Ads: Leather International Journal (published in London, UK), International Leather Maker (published in London, UK), Indian Leather Journal (published in New Delhi, India)

(3) Brand promotional activities in Japan

The following activities have been carried out in Japan as part of the continuous promotion of the Ethiopian Highland Leather brand.

1) Additional production of promotion tools (posters in Japanese/English & free-standing banner)

Posters and free-standing banners were produced as new promotion tools. Banners were produced in Ethiopia and are also used by ELIA and partner companies for their displays at overseas exhibitions.



Figure 5-4 Free-standing banner and hot stamping

2) Use of trial hot stamping

A branding iron to be pressed on products manufactured by partner companies using Ethiopian Highland Leather has been launched on a trial basis. Products to be launched in the autumn/winter 2016 will bear the iron mark. It was difficult to have a branding iron in a size that can be pressed against small leather goods manufactured in Ethiopia. An order was placed with a Japanese company and the final product was delivered to ELIA.

3) Involvement of influencers in promotional activities

An arrangement was made to involve influencers (influential persons) – mainly “reader models” who are active bloggers and social networking service (SNS) users – in promotional activities targeting fashion-conscious women. Consideration was given to age group/target audience group, style of writing (whether they put a photos of whole view of product), and blog/SNS follower numbers in a comprehensive manner. From this the five influencers listed below were selected. The outcome of this arrangement is as follows:

[Blog Posts]

PV (number of visits)	16,457
UU (number of unique users)	14,956
Reaction (persons)	Positive by 358; FB share by 72; 7 comments; number of readers 13,298

[SNS posts]

Total number of SNS posts	12 Twitter posts; 8 Instagram posts; 2 Facebook posts
Reaction (persons)	Twitter: 20,394 followers: good by 73 persons, retweet by 1 person Instagram: 49,360 followers: good by 2,626 persons; 85 comments Facebook: good by 20 persons; 3 comments

4) Publicity in the Japanese media

In concurrence with the product display at IFF 2016, a press release was issued, causing wide and positive reactions, as shown below. Many media outlets put a positive spin on these promotional activities.

Ehime Shimbun Newspaper (circulation 290,000)	“Learn Strategy to the Sheep Leather Branding” (April 22, 2016)
Senken Shimbun Newspaper (circulation 200,000)	“High Quality International Companies Participate” (April 26, 2016) “Visitor’s Voice” (April 27, 2016)
NHK World TV	“Learning from Japan’s Brand Strategy” (May 13, 2016)

(4) Evaluation of the effects of brand promotion activities in Japan

In order to evaluate the receptivity to and the future potential of the Ethiopian Highland Leather brand following test marketing in Japanese markets, a consumer survey was carried out. For details of the survey design, please refer to Chapter 3.5. Initially, product images and information that these products were manufactured in Ethiopia were disclosed to consumers to see their receptivity thereto. Then various tools of promotion (brand leaflets and posters) portraying Ethiopian Highland Leather brand concept, selling points, and its worldview were shown to consumers together with those product images, so as to ascertain their receptivity thereto. This is the method applied to evaluate the branding approach as well as Ethiopian Highland Leather branding.

1) Change in attitude toward Ethiopian leather products after contact with the Ethiopian Highland Leather brand

The image of Ethiopian leather products showed improvement in the majority of items after contact with the Ethiopian Highland Leather brand. Items related to the level of quality such as “high quality” and “image of being carefully produced” showed particularly large increases of 20–40 points among ordinary consumers. (The increase was 40 points or more among consumers with an interest in fashion.)

The comments in the open comment space also confirmed high brand receptivity, such as:

- “Ethiopia has a long history, and I thought that the leather goods made by people with such skills and creativity must be of high quality” (woman aged 20s).
- “I became interested in a variety of products created based on sensibilities different from those in in Japan” (woman aged 30s).

The scores related to the desire to buy Ethiopian leather products improved for all products after the presentation of the Ethiopian Highland Leather brand materials. The largest increases in scores among ordinary consumers were for shoes (sneakers) for the men and handbags for the women. Among the consumers interested in fashion, the largest increases were for shoes (sneakers) and the reversible canvas tote bags for the men and handbags for the women.

2) Favorable image of produced materials (brand leaflets, poster)

A large percentage rated the poster and leaflets as making a “strong impression” and of “good sense,” and the impression from all of the materials was consistent. Score results were particularly high among consumers interested in fashion.

Contact with the Ethiopian Highland Leather brand not only improved the scores for leather products but also improved the evaluations of other Ethiopian products and Ethiopia’s image. This confirmed the potential of an approach to improving the country’s image by establishing flagship brands.

The fact that there was a definite change in attitude toward Ethiopian products following contact with the brand shows the high potential for the brand concept and worldview in the premium market. Receptivity was particularly high among consumers with high fashion sense, and it is believed that the design of a brand which will be accepted by the target market was successful. In addition, the potential of an approach to improving the Ethiopia country image and the perception of “Made in Ethiopia” by improving the image of the leather sector was also confirmed.

However, since product commercialization is limited and the number of shops selling the products is small, brand recognition is insufficient. To expand the number of selling shops in the future, in the same way as the Creativity in Motion brand, the key issues will be continual brand management and the construction of a strategy for capturing recognition on the Ethiopian stakeholders.

■ In the same way as "Made in Ethiopia", the scores improved for the majority of "Ethiopian leather products" items. Items related to the level of quality such as "High quality" and "Image of being carefully produced" showed a particularly large increase of 20 – 40 points among ordinary consumers. (The increase was 40 points or more among consumers with an interest in fashion.)

Q5: What kind of impression or image do you have of **leather products produced in Ethiopia**?

*If you have no impression or image, select No. 22 "No particular impression or image".

Q18: What kind of impression or image do you have of **Ethiopian Highland Leather** after viewing the video, website, poster, and leaflets?

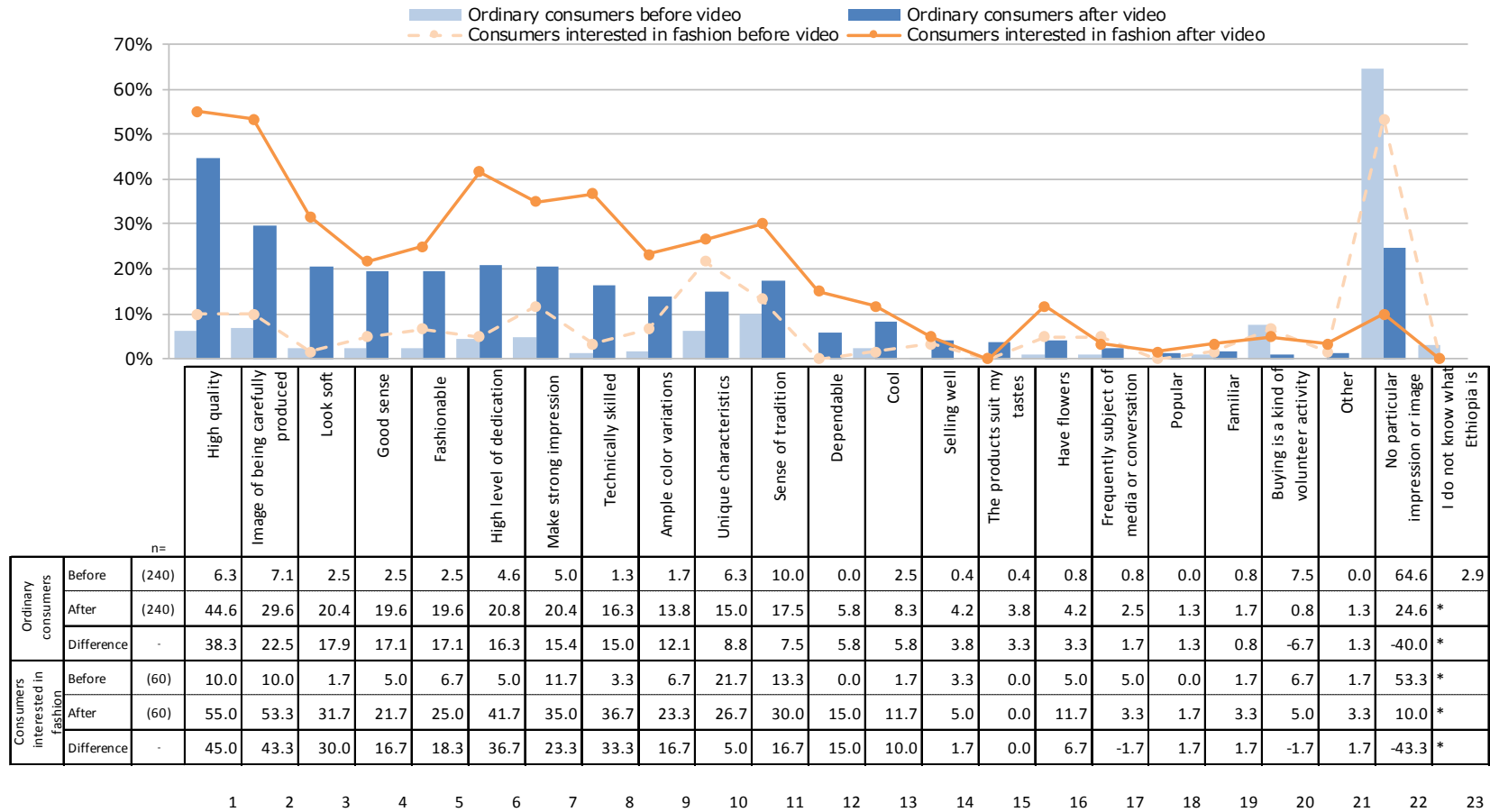


Figure 5-5 Changes in impression of Ethiopian leather products

Q7 & 8) Do you want to buy these leather products made in Ethiopia?

Q20 & 21) (After watching the video and seeing posters and leaflet) Do you want to buy these Ethiopian leather products?

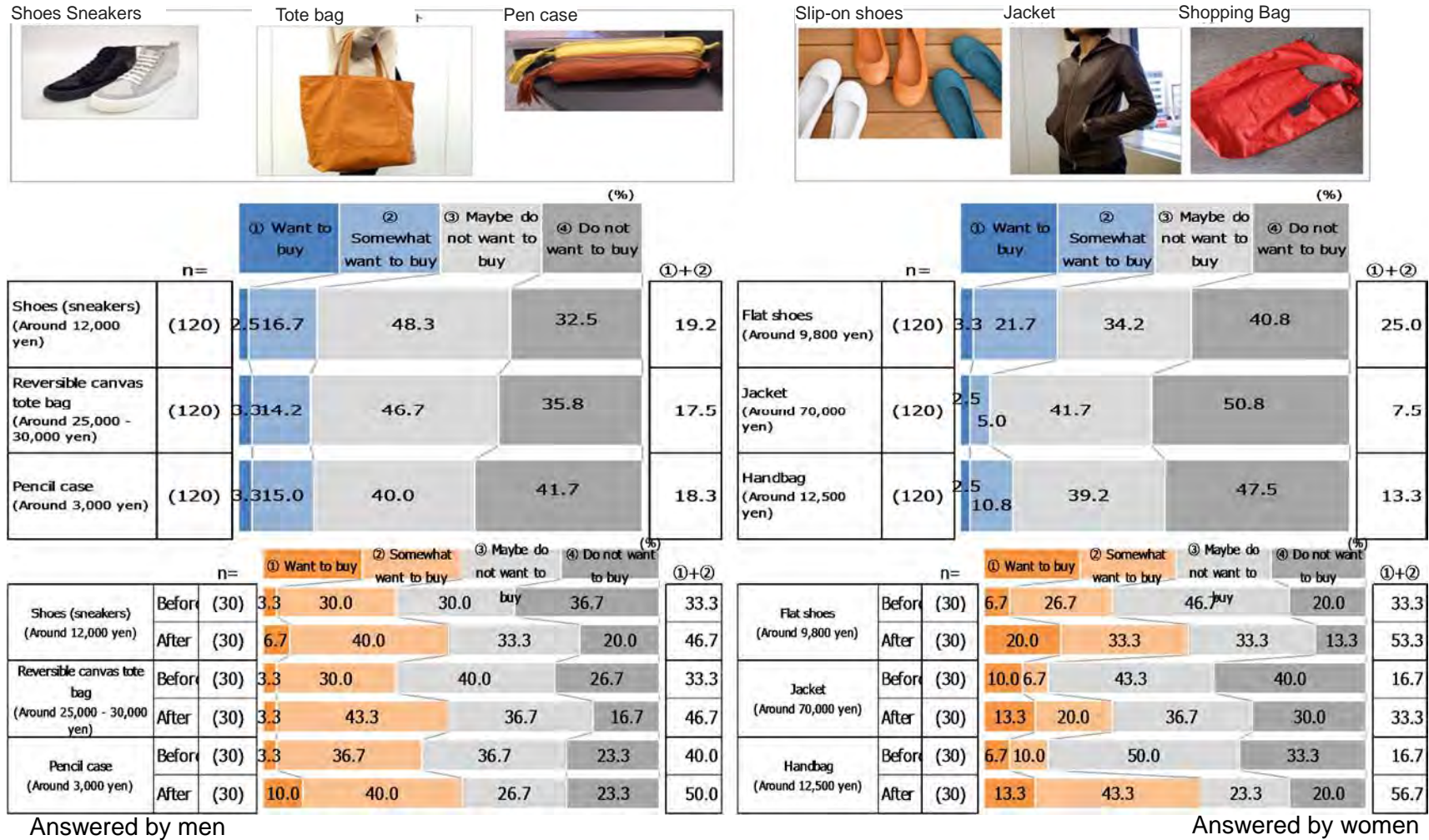


Figure 5-6 Changes in mind for purchase of Ethiopian leather products

Q 16) Please check the appropriate item about your impression for the poster after you saw it.

Q 17) Please check the appropriate item about your impression for the leaflet after you read it.

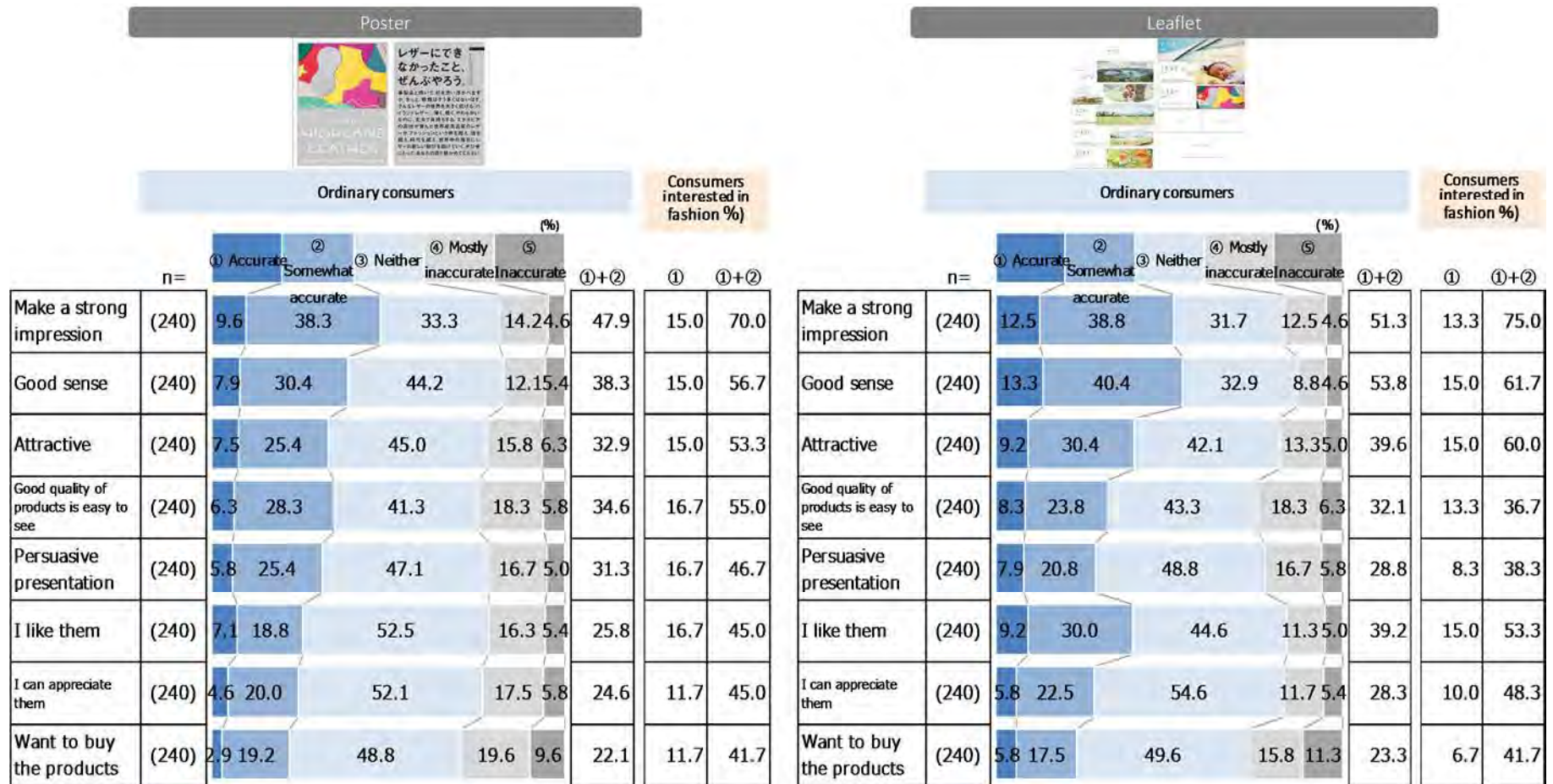


Figure 5-7 Evaluation for poster and leaflets

Q 23) Please check the appropriate item that is the closest to your opinion on Ethiopia (country itself) and products made in Ethiopia.

Q 24) Why did you become interested in Ethiopian products? Please answer your reasons concretely.

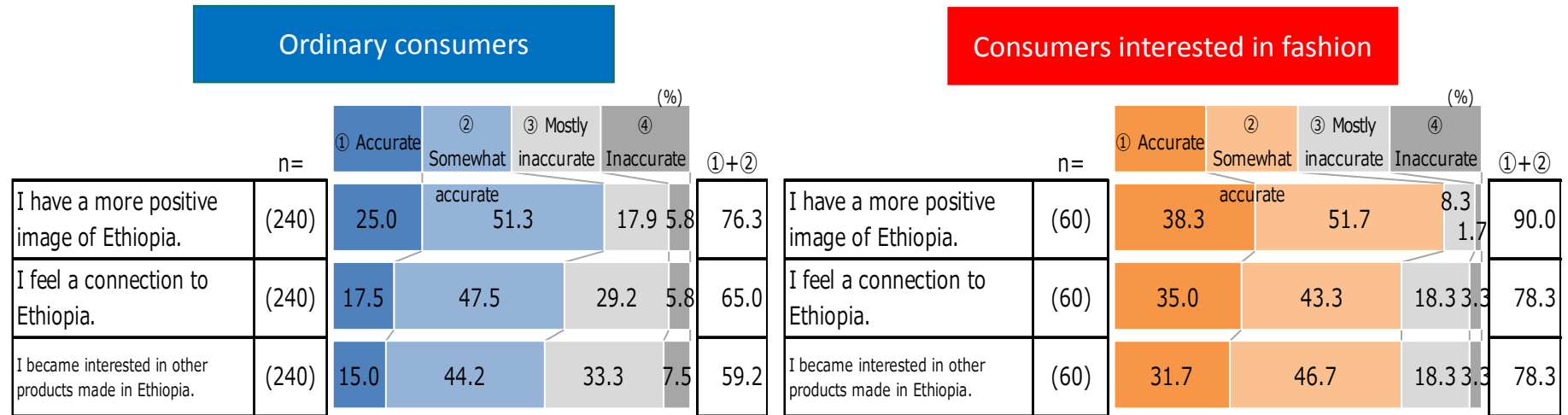


Figure 5-8 Changes in impression of Ethiopia's brands

5.2.2 Action 7: Creation of business templates

At the time of the product display at IFF 2015, it was noticed that the exhibitors were often unable to provide sufficient information to visitors on a minimum quantity, a delivery date, and FOB amongst other things. At the same time, Japanese buyers visiting stands were not sufficiently proficient in English to collect information and this became an obstacle to communication. The Japanese experts, thus, decided to prepare for a template for the product display at IFF 2016.

First of all, the Japanese experts created the list of displayed products with a space to attach a photo of a sample and sections to fill out information on FOB, delivery date, and minimum order quantity, etc. Once companies filled out this template, the information was collated into an Ethiopian Highland Leather catalogue, which was then used as a reference material during the IFF. Print-out copies or PDF copies were distributed to those visitors asking for a copy of the catalogue.

Another template was created, on which information on business cards exchanged during business negotiations as well as information about business negotiations should be fill in. Based on those details filled in on this template, once the exhibition was over, follow up actions were taken to keep every visitor updated.

5.2.3 Action 8: Increase of the role of the Embassy of Ethiopia in Japan and MOFA

Every Embassy of Ethiopia plays a large role in terms of collecting information in target markets and sending information about Ethiopian companies. To date, the Embassy of Japan in Ethiopia has organized various seminars, has extended invitations to Ethiopian companies to Japan, and has also responded to inquiries from Japanese companies. Yet, the Embassy of Ethiopia in Tokyo has less knowledge of the leather industry than agriculture, which it tends to focus on; this is why their involvement has never been secured.

The Embassy of Japan in Ethiopia proposed they send a letter to potential customers for the product display of the IFF 2016. The Ethiopian ambassador sent invitation letters to those companies which had business negotiations at the product display of the IFF 2015. The invitation letter indicated that the embassy is willing to set up business negotiations at the venue of the IFF 2016 in response to requests from the companies. Indeed, business negotiations were held with several companies. Also, following the product display at the IFF 2015, the Embassy of Ethiopia in Japan received inquiries from some companies. The Embassy staff are dealing with these inquiries in collaboration with the Japanese experts.

Meetings have been held with Ms. Hirut, business diplomacy directorate director, on a number of occasions, thereby proactive involvement of Ethiopian Ministry of Foreign Affairs in

CPA activities has been secured. Through Ms. Hirut's intermediary, the Japanese experts presented a proposal on the introduction of Ethiopian Highland Leather brand products as in-flight duty-free items to Ethiopian Airlines. The proposal is still under consideration in regard to whether wallets, clutch bags, women's shoes, stationary, and scarves suggested by partner companies should be included in their in-flight duty-free shopping.

5.3 Visit to Japan in April 2016

5.3.1 Action 9: Cooperation with Japanese industry associations

Regarding future promotional activities in Japanese markets, collaboration with leather goods manufacturer organizations would be indispensable if only to minimize concerns of Japanese companies over competition. Cooperation in respect to market needs and technical collaboration should also be possible. Lessons can be learned from cooperation with manufacturer organizations – not only in the leather sector – which have put great effort in branding local industries, including brand management-related issues. The representatives from Ethiopian partner companies ELIA and LIDI took an opportunity (when they were invited to Japan in preparation for the product display at IFF 2016) to pay a visit to Shikoku Towel Industrial Association in Imabari City in Ehime Prefecture and to the Japan Glove Industrial Association in Higashi-Kagawa city in Kagawa Prefecture.

(1) Visit to Shikoku Towel Industrial Association

Shikoku Towel Industrial Association is a manufacturer group in charge of the management of the Imabari Towel brand. Ten years ago when the association launched a branding project, the majority of member companies were operating under supply OEM agreements with industrial giants, and over 90% of them were in deficit. The output in 2014 was more or less comparable to what it used to be in the early days of the project. Yet, 114 out of 116 member companies are now in surplus. With stronger brand equity, the brand value has increased, pushing up the price by 20 to 30% even under the same OEM arrangement and raising profit margins. The association let its members use the Imabari Towel logo at JPY 5 per copy and sells 70 million brand tags per annum across the association. Revenues from sale of tags are earmarked for expenses for the Imabari Towel brand operation/management as well as for putting up displays at domestic and overseas exhibitions.

(2) Visit to Japan Glove Industrial Association

A lecture was given on the Japanese glove market at the Japan Glove Industrial Association, and the representatives had an interview with a representative of a company based in Higashi-Kagawa city. The visit to the city gave them an opportunity to understand that the

tanning technique highly appreciated by Japanese companies is focused on texture and moisturized feeling. They were also informed of a drop in glove sales in Japanese markets due to the declining birth rate, global warming, and economic downturns. Although 70% of gloves manufactured in Japan are made of artificial leather, sheep leather produced in Ethiopia was appraised as a material with a high standing and thus has high potential for products.

(3) Visit to an inspection company

To better understand the level of quality required by Japanese market participants, during IFF 2016, LIDI staff and leaders from the respective companies visited a product inspection company in Chiba Prefecture. That product inspection company carries out inspections on a whole range of apparel. As is often the case, products once inspected overseas would undergo a product inspection in Japan at the request of clients. The company advised the visitors that the percentage of defective products should be kept at 1% if they would wish to trade with Japanese companies on a continuous basis.

The company conducted a general, as well as standard, product inspection on those samples the respective companies brought, and gave some advice. In respect of fastness and sewing, all the samples met the criteria. However, many of these samples were ranked as Grade B due to a trace of pen marking (marking on the material for cutting), stray leather cement/glue, and scars. (Grade A means the product “passed” the product inspection, whereas Grade B means the material failed to set the inspection criteria). The company in Chiba noted that the maximum admissible range of shades among materials with the same color, the maximum admissible size of inherent stains, etc. would need to be agreed with clients beforehand during negotiations, but the abrasion seen on the surface of these samples was simply out of the question.

Following this visit, it is expected that the Ethiopian side would have to also visit Japan for a better understanding of the level of quality required by Japanese market participants.

5.4 Research on structural problems in the Ethiopian leather sector

5.4.1 Action 10: Strengthening of competitiveness by reducing order quantities

Japanese companies need to meet the need of today’s Japanese consumers by offering a wide variation of products manufactured in small volume and thus want a small-volume trade. On the contrary, Ethiopian tanners will face increases in tanned skin unit prices unless they process skin at constant volume in drums.

Before the interim wrap-up meeting convened last year, an ELIA director meeting was held in December 2015. At the meeting, LIDI and ELIA representatives discussed the fact that large minimum lot sizes determined by tanners hampered trade with overseas companies. At the same time, in domestic trade, opportunities are extremely limited for small- and medium-sized

Ethiopian manufacturers without affiliated tanners to access high-grade small-lot sheep leather. The Japanese experts requested ELIA to select companies to take part in the product display at IFF 2016 from the viewpoint of whether or not tanners should be able to provide Ethiopian manufacturers with high-grade small-lot leather, and this proposal was accepted. Therefore, it became possible for Ethiopian manufacturers to set a minimum order quantity based on the demand of Japanese buyers. Although it was not put into writing as a guideline, the Ethiopian side has come to acknowledge the need of undertaking initiatives to ensure this type of cooperation in Ethiopia.

A Japanese agent company, Sun Rich Consultant, was founded up in January 2016. The company has already launched a campaign in Japan to market Ethiopian Highland Leather products. Mr. Arai, a company representative, used to stay in Ethiopia as a JICA volunteer and in the capacity of a development consultant. Building on his previous experience and having assessed its market potential, he started to trade in sheep leather in Japanese markets. He joined forces with Ethiopian companies to promote the product display at IFF 2016. Currently, through this company several Japanese companies are studying the feasibility of trading with Ethiopian companies. On the other hand, there are some numbers of Ethiopian companies that do not like to have the mediation of these agents and prefer direct trading with Japanese clients.

5.4.2 Action 11: Promotion of cooperation between tanners and manufacturers

To take actions to accommodate the minimum order quantity required by Japanese market participants, minimum order quantities allowed between tanners and manufacturers within the Ethiopia need to be lowered. For this purpose, a proposal was made to raise awareness for the need to lower minimum order quantities across the industry in overseas and domestic transactions under ELIA's initiative. In the selection of companies invited to IFF, those tanners who sell leather in small quantity to manufacturers within Ethiopia were picked.

At the IFF the product display in April 2016, the respective companies suggested to visitors during negotiations that a small volume order could be accepted. For example, Pittards Products Manufacturing developed a jacket and would accept a minimum order quantity of one piece. Sheba Leather would accept a minimum order quantity of 120 pairs per model for its sneakers, while Hafde Tannery would agree to take a minimum quantity of 500 sq. ft. per order for its leather materials. These quantities were not imposed on them by Japanese experts; Ethiopian companies voluntarily came up with these quantities. This may be a sign of their mindset change, as they may have started thinking that entering a trade first – no matter how small it may be in quantity – could be important.

5.4.3 Action 12: Initiatives to deal with upstream issues in the value chain

One of the main reasons for Ethiopian tanners to package-sell a mixture of grade 1 to 5 hides is that the quality of raw hide and skin is inferior. Market demand of grades 1 to 3 hides is high, yet its share in total production accounts for no more than 15%. This is why a package sale is a way to prevent overstocking the grade 4 and 5 hides. Only raw materials without scars and skin disease, properly treated and stored when and after the animal is slaughtered, can be turned into high-grade sheep leather. This is why it was agreed between ELIA and Ministry of Livestock and Fisheries (MOLF) at the interim wrap-up meeting to identify issues in the upstream in the value chain and consider solutions thereto, as shown below.

Following the reshuffle of government ministries, MOLF was set up as a spin-off from the division in MOA in charge of the livestock and fishing industries. Before the “independence” of this division from MOA, to lower the rates of skin diseases and parasites in livestock veterinary products had been distributed to farmers across the country and a program had been implemented to educate and train agriculture instructors. There has been no visible positive outcome obtained and data has not been shared as opposed to what was initially envisaged. On the other hand, ELIA has yet to conduct a questionnaire survey among its member companies.

The Japanese experts conducted a hearing survey at the time of their field visit during the additional period; this was an interview survey among staff at the ELIA office, individual tanners, and person/s in charge at MOLF. As a result, in the upstream of the value chain from farmers to tanners the issues shown in the diagram below as well as actions being undertaken in Ethiopia emerged.

Table 5-2 Issues in the upstream in the value chain and measures

	issue	Measures taken so far
Livestock farmer	<ul style="list-style-type: none"> • Sheep headcount in Ethiopia is 28.8 million of which 6.2 million have been vaccinated, 5.5 million have fallen ill, 2.3 million have been treated, and 3.7 million has died of disease. • Sheep headcount numbers per family farmer in Ethiopia are between 1 and 9 in 30% of cases. Family farmers who do not engage in sheep rearing make up 65% of the total farming population. Sheep rearing is not the main source of income. • Farmers are aware of the commercial value of sheep skin. The hide of more than 70% of reared sheep is in distribution. The hide with many scars is not accepted by buyers, and the price goes up and down depending on the size. • Compared to the price of their meat, the cost of the hide is low. Sheep meat is traded at US\$ 250.00, whereas the hide of a sheep is priced at US\$ 2.50 to US\$ 5.00 • Histories of skin diseases and parasites will be lost in trades between farmers and collectors, and as such, it is difficult to motivate sheep farmers to improve the environment in which livestock are produced to improve the quality of the hide. • Younger generations have moved away to town and cities and the average age of the farm operator has increased. 	<ul style="list-style-type: none"> • A regulation on middlemen (Proclamation 814, 2015), which is not yet implemented. • A pilot farm set up in Debre Zeyit by Pittards (for 2-3 years at the cost of US\$ 40,000). 60–70% of leather sold and bought as TR. Only in a few occasions, if at all, raw hide was rejected. Materials available in Ethiopia were used. Rapidly growing lambs, weight gain increased by 80–100%. The farm land was on lease from the government, the lease renewal was not agreed with the government, and the project was cut off.
distributor	<ul style="list-style-type: none"> • supply and demand are not in equilibrium – a complete buyer’s market. • Bacterial growth due to shortages (reselling) as well as reusing of salt being used as a method of preserving hides and skins, non-use of antimicrobial additives, particles of these additives being coarse • Histories of skin diseases and parasites will be lost in trades between farmers and collectors, there are few pricing criteria available other than the preservation status and the size of the material • There are many middlemen and distribution requires much time 	<ul style="list-style-type: none"> • A regulation on middlemen (Proclamation 814, 2015), which is not yet implemented. • A quarterly regular meeting is convened between Low hide supplier Association, LIDI, ELIA, and MLF.
tanner	<ul style="list-style-type: none"> • 30–60% of rawhide is rejected and is put to use for lining. Interim products (pickling, wet-blue) can be exported to overseas highly skilled tanners, if exporting of such products is allowed. • In order to raise revenue by selling what remains, raising the price is what needs to be done. Yet, the price is withheld due to competitions in overseas markets. compete overseas. • The proportion of leather sold and bought as TR is 10–15%. • Due to spare parts shortages, they may not be able to pay sufficient attention to the care and maintenance of the equipment they use. • Lack of technique of tanning 	<ul style="list-style-type: none"> • Tanners should develop their own distribution networks (e.g. Dire Tannery has seven depots) • Recruit tanning and finishing workers from overseas, e.g. India • package-sell a mixture of grade 1 to 5 hides • develop new products, e.g. chrome free, vegetable tanning

5.4.4 Action 13: Improvement in the quality of leather materials and yield rate

Improving the quality of raw hide and skin in the upstream in the Ethiopian leather industry is of importance (as discussed in 5.4.3). Initiatives aimed at increasing the yield of leather materials also need to be undertaken in collaboration with not only ELIA, LIDI, and the respective companies but also with MOLF.

5.5 Building of a brand system

5.5.1 Action 14: Operation of accreditation system

ELIA needs to increase the number of companies that support the brand concept so that it could put in place a sustainable structure for brand maintenance and management. For the

purpose of putting an accreditation system in place, preparations for the operation of the accreditation system were made in collaboration with ELIA, EIPO, and LIDI.

Companies that want to use the Ethiopian Highland Leather brand apply to the ELIA and have their samples tested by the Institute of LIDI. If the company and the product reach the quality standards of the brand, the certificate is issued from the ELIA. Based on the discussion on inspection methods, factory inspection procedures has been proposed by LIDI (see Figure 5-9). Companies that have obtained the certification then deliver samples to LIDI every year.

Table 5-3 Proposed procedure for certification of tanners

STEP.	Activity	Timespan	Expected output remark
Step 1.	Communicate the inspection plan to tanneries selected as per ELIA criteria	3 days	Confirmation of inspection plan
Step 2.	Take representative samples as per sampling criteria of processed sheep skins	1 day per 2–3 tanneries	Samples with identification code
Step 3.	Prepare price notification as per pre-set price index and confirm payment	3 days	Payment receipt from LIDI Finance, Purchase, and Resource Management Directorate
Step 4.	Conduct test as per international and in- house test methods	5 days per tannery	Checked and approved worksheet
Step 5.	Prepare test report along with standard requirements	1 day per tannery	Checked and approved test report
Step 6.	Notify test result to respective tanneries, brand managers of LIDI, EIPO, and ELIA	1 day per 2– 5 tanneries	Confirmation of receipt
Step 7.	Follow up any corrective action if discrepancy is noted	1 month per tannery	Start from step 1 and follow each step

N.B. Annual onsite inspection/sampling will be conducted upon negotiation with respective tanneries in accordance with the nature of production and order availability.

Individual tanners wishing to use the Ethiopian Highland Leather brand are expected to apply for approval from ELIA. That said, ELIA does not currently have anyone in charge of Ethiopian Highland Leather brand management and is yet to produce an application form template. Moreover, ELIA has not issued an official notice to a respective company; although there have been a few inquiries from companies, there has so far been no case where the aforementioned factory inspections were carried out. Discussions were held between EIPO and Japanese experts over the question of how EIPO should be involved in the accreditation system. A response was eventually received, saying that ELIA is an applicant in respect of trademarks within Ethiopia and that EIPO should not be involved in granting accreditation to ELIA group companies.

As the above discussion attests, a failure to get the accreditation system going is mainly attributable to ELIA’s staff and budget shortage as well as lack of knowledge of operational procedures. Assistance from LIDI and MOI is expected.

5.6 Efforts for other issues

5.6.1 Action 15: Activities to encourage inward investment in Ethiopia by foreign companies

The manufacturers in Ethiopia always refer to low-quality accessories as an issue. The needs of the Ethiopian company may not be a motivation for foreign manufacturers to move in and sell high-quality accessories in Ethiopia. In order to resolve this particular issue, Ethiopian government needs to take the initiative to encourage overseas manufacturers to come to Ethiopia with the goal of substantially boosting domestic demand. Although measures aimed at promoting activities to encourage inward investment in Ethiopia by overseas companies were put together and submitted to the attention of MOFA and EIC, no specific CPA activities have yet been launched in response thereto.

5.6.2 Action 16: Introduction of *kaizen* activities

The introduction of *kaizen* activities is believed to be an effective way to improve the quality of products among the relevant partner companies. LIDI is supporting introducing *kaizen* activities to companies belonging to the leather industry in collaboration with Ethiopian Kaizen Institute. To facilitate the introduction of *kaizen* in the partner companies, meetings with LIDI's officers in charge of the CPA were held. The Japanese delegation visited a shoe manufacturer that introduced *kaizen* activities supported by LIDI with a view to understand to what extent LIDI is involved in their in-house activities. The visit revealed that the Ethiopian Kaizen Institute was implementing these activities without the LIDI consultant's involvement.

5.6.3 Action 17: Streamlining of import/export procedures

It is reported that an Ethiopian company that tried to procure materials from overseas suppliers could not finish sample production by the deadline designated by a Japanese company because of the time-consuming custom procedure in Ethiopia. Also, some Japanese companies say the procedures for trading goods from/to Ethiopia is too complicated. As it stands, the Ethiopian side has not been showed significant action in reaction to the CPA activities regardless of the discussions with EIC and MOT. Therefore these relevant authorities should be involved and agreed to a consistent and clear procedure to be established.

Chapter 6 Activities in the Leather Sector
– Further Strengthening of the Brand System
(Nov. 2016 – Feb. 2017)

Chapter 6 Activities in the Leather Sector – Further Strengthening of the Brand System (Nov. 2016 – Feb. 2017)

To review the past activities with a view toward completing CPA Phase 2, a workshop for starting up the Ethiopian Highland Leather brand system and a study tour in Japan were conducted for the Ethiopian counterparts to gain a better understanding of branding in December 2016. During the workshop, the brand certification and product inspection systems were discussed to maintain the quality of products. In response to the workshop's results, two Japanese experts were sent to Ethiopia in February 2017. The detailed activities are described below.

6.1 Implementation of the visit to Japan

6.1.1 Introduction on the visit

Ethiopian counterparts were invited to Japan designed to establish the Ethiopian Highland Leather brand management system, launch the management as well as facilitate improvements in the sheep leather materials and products. The delegation from Ethiopia comprised governmental officials (four from LIDI and the Ministry of Industry) and counterparts from the private sector (ELIA's president and four from private companies). The second secretary in charge of business and economic affairs within the Ethiopian Embassy in Japan accompanied the delegation during part of the visit.

6.1.2 Study tour

(1) Visit to Imabari Towel-related parties

The delegation visited Imabari Towel-related parties in Imabari City, Ehime Prefecture, to learn about the role of the local government and industry groups in promoting a local brand as well as how private companies use the local brand. The destinations of the delegation included Shikoku Towel Industrial Association, towel manufacturers, the municipality of Imabari City, the Textile Technology Center, and other public/private parties.

1) Commerce and Industry Promotion Division, Industry Department, Imabari City

The delegation listened intently about the local government's support for industry, such as through subsidies. Imabari City aims to vitalize the local brand Imabari Towel, which is expected to make a large contribution to the city's tax revenue through the benefit increase for local companies. The municipality recognizes its important role in providing beneficial information to the local industry and in coordinating subsidies.

2) Textile Technology Centre, Ehime Institute of Industrial Technology

The delegation learned about the efforts of a public technical institute to promote industry. The Textile Technology Centre provides information through seminars and technical training for local human resource development. Also, the center plays a leading role in creating high-value-added products with material manufacturers and universities, supporting human resources capacity building for product planning and promotion, and introducing appropriate industrial designers to the local industry through business matching.

3) Shikoku Towel Industrial Association

The delegation visited the Shikoku Towel Industrial Association again after its last visit in April 2016. They learned about the role of industry groups, more precisely, Imabari Towel gained recognition as a high-quality and high-value-added product by branding, and such efforts influenced not only the individual company but also the entire local towel industry. This time, the association explained practical information about brand management, including the application system of a brand certification, screening, database management, and material control of tags, and packaging. Sales of materials is a significant funding source for the promotion of Imabari Towel and for operational management. Moreover, the delegation observed a demonstration of a water-absorbability test called the “precipitation method,” which is a necessary step to certify Imabari Towel, and they learned about how the local brand is managed through the required processes.

4) Masaoka Towel Co., Ltd.

The delegation toured the production process and quality-control process before shipment. During the quality-control process, the delegation learned that the manufacturer removes defective items even with a small scratch, which is a necessary step to maintain the brand’s value. The manufacturer believes that such high-level production and branding efforts can deliver a clearer message about the high-quality products to the customers.

(2) Visit to leather-related institutions in Japan

The delegation visited a leather-related research institution to improve the quality of the technical assistance by LIDI. Additionally, the delegation toured a tanner and an inspection company in Japan to understand how the leather sector and the apparel industry in Japan maintain their quality-control systems and technical strength as well as how to use such systems and power to improve the quality of leather materials and products in Ethiopia.

1) Tokyo Metropolitan Leather Technology Centre

The delegation toured the main facility, including the exhibition hall, tanning equipment, and constant temperature and humidity testing room, and witnessed a live demonstration at the electronic

microscope room. To understand the level of a leather material test by LIDI, the test results for the same material analyzed by both LIDI and the Tokyo Metropolitan Leather Technology Centre were compared. There was no large difference in the test results.

2) Ito Sangyo Co., Ltd. (Tanner)

The delegation toured a factory after the owner gave a brief explanation about his company. The owner emphasized that Ethiopian sheep leather has high demand for use in sports gloves, while Greek and Spanish lamb leather tends to be used for dress gloves and clothing in the Japanese market because of its natural characteristics, with fewer scuffs and scratches compared to Ethiopian sheep leather. Also, he pointed out that the leather samples brought from Ethiopia are thick and that those samples smell, are unevenly colored, and have scuffs and scratches.

3) Kato Knit Press (Inspection Company)

The delegation toured a company's inspection process. The owner of the enterprise explained the importance of third-party inspection for ensuring safety from the customers' perspective as well as its effects on improving brand value. The owner also mentioned that feelings of trust can be seen worldwide for the Japanese-style inspection system and high-quality inspection services. For instance, European companies tend to start production in a developing country after a Japanese company has established an inspection system at the local level.

6.2 Brand workshop in Japan

6.2.1 Summary of brand workshop

In December 2016, a brand workshop was held in Tokyo for nine delegates from Ethiopia. In light of the lessons learned from the study tours in Imabari City and the suburbs of Tokyo, the delegation exchanged views on the direction of their branding strategy and examined the brand management structure.

6.2.2 Results of brand workshop

(1) Branding strategy

The delegation actively discussed the direction of the branding strategy, with the brand vision, target markets, and market competitors in mind. First of all, regarding the future vision, there were some comments about Ethiopian Highland Leather's aims, including "premium high-quality products appealing to the customer, which can be differentiated from cheap leather products"; "organic, less

chrome and eco-friendly products”; “Ethiopian sheep leather balances its natural unique characteristics with high quality”; and “the only one product that is produced by traditional craftsmanship and modern technology.”

Next, the following types of target markets were mentioned: (1) premium and mature markets in which customers require high levels of quality (e.g., Japan, Germany, Switzerland, Northern Europe), (2) markets with a large population, large purchasing power, with access to the global market (e.g., the United States), (3) emerging countries’ markets (e.g., Russia and China), and (4) international business and trading hubs (e.g., Hong Kong, Asian gateways). It was clarified that the Ethiopian Highland Leather brand aims to build a brand by seeking high quality.

On the other hand, the following countries were mentioned as competitors in the market: (1) China (China procures raw materials from Ethiopia and produces leather items within the country. At the same time, there are concerns about violation of Ethiopian Highland Leather’s intellectual property rights. Also, cheap leather products made in China are competitive in price.); (2) India (India also procures raw materials from Ethiopia and produces leather items within the country. Cheap leather products made of Indian leather collected and produced within the country have price competitiveness.), (3) Pakistan and Bangladesh (As raw skin exporters, both countries are rival competitors in the global market.), and (4) Italy (Italy has gained considerable market share in luxury leather products and produces leather goods made of Ethiopian raw skins.).

(2) Brand management structure

In terms of quality assurance and brand delivery, the following topics were discussed to build an effective brand management structure.

Quality Assurance

On the day after the visit to the inspection company, the participants shared the recognition that the Ethiopian side needs to establish a structure for quality improvement and assurance. In the workshop, the participants agreed to explore a new direction for the Ethiopian side by introducing a certification system for tanners and a customer-conscious inspection system for Ethiopian Highland Leather’s products.

Brand Delivery

In the discussion on brand delivery, the delegation exchanged views about (1) budgeting systems (how to secure a sufficient budget for brand management) and (2) personnel distribution/staff assignment. Regarding the budgeting system, there are three types of funding sources: membership (a system that collects membership fees from the member companies and/or application fees for granting a certification), Royalties (a system that collects royalties from each country; for instance, royalties are calculated based on a number of used brand tag), and subsidy. It was agreed that the delegation

would promote improvements in systems for collecting application fees for certifications and royalties to obtain a brand tag.

As for personnel positioning for brand management, three of the following posts were assigned to ELIA's director-general and two staff members from LIDI.

- Brand manager: Supervises the activities of brand management
- Quality assurance manager: In charge of quality control
- Brand delivery manager: In charge of promotional activities

The quality assurance manager and brand delivery manager are supervised by the brand manager, who collaborates closely with ELIA's president and board of directors.

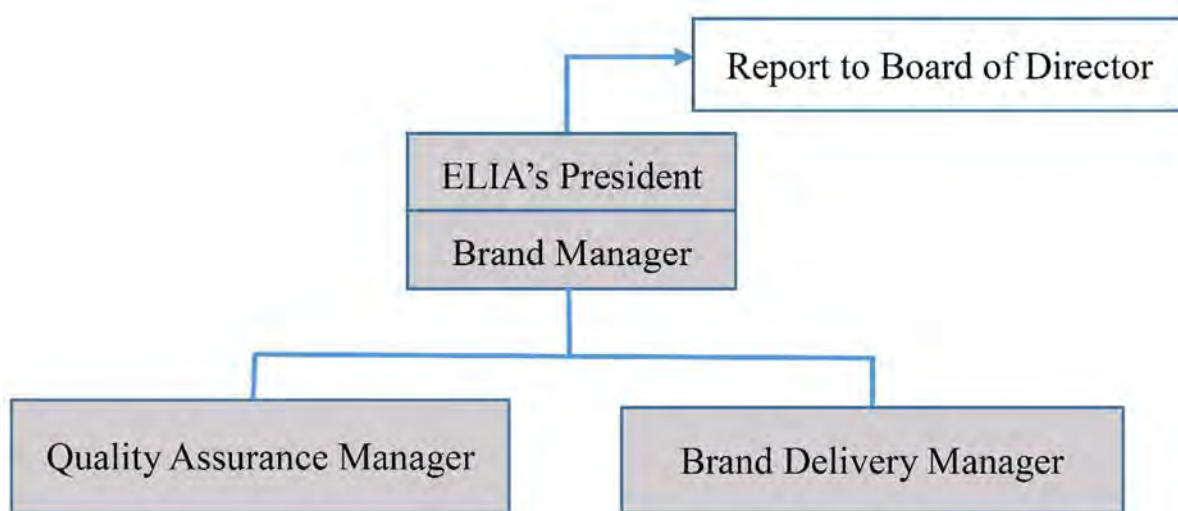


Figure 6-1 Agreed brand management structure

6.3 Research on LIDI's testing and analytical capacities for the quality of Ethiopian leather materials

6.3.1 Overview of the mission to Ethiopia

At the workshop in December 2016, the delegation discussed that LIDI would build an accreditation system for quality assurance and launch an inspection into further activities for Ethiopian Highland Leather's branding. To assist with the introduction of the systems in terms of professional knowledge on leather-related skills, Japanese experts were sent to Ethiopia with the support of the Tokyo Metropolitan Leather Technology Centre and the Leather Industrial Technology Support Centre of the Hyogo Prefectural Industrial Technology Centre. The experts pointed out a difficulty in introducing uniformed accreditation and inspection systems for branding. Thus, it was

decided to have a survey on LIDI to understand its present capacities to conduct a test/inspection for CPA leathers.

6.3.2 Test results of the quality of leather materials and products

(1) Raw material collection points and warehouses in Addis Ababa

In order to check the situation regarding the raw skins, Japanese leather technical experts visited the Addis Ababa Abattoirs Enterprise and raw skin collection points and warehouses in the city. The Addis Ababa Abattoirs Enterprise is a slaughterhouse run by Addis Ababa City that sells raw skins to tanners. Regarding the sheep leather originating from the highland of Ethiopia, the experts commented that the raw skins were inexpensive and competitive compared with those of other countries, and the quality of the raw skins was very high because the fat layer was thinner than those of other types of raw skin.

Addis Ababa is located in the highland and has low temperature and humidity. Therefore, Addis Ababa Abattoirs Enterprise, which delivers raw skins to tanners who have won bids after the daily slaughter, does not preserve the raw skins with salt. Meanwhile, the raw skin buyers in the city who collect the sheep raw skin, which was slaughtered at home, preserve the skins with salt in the warehouse. When the experts visited, the raw skins hardly had a putrid smell. The experts did not point out any problems with preserving the skins.

(2) Tanneries

The experts visited three tanners in Addis Ababa (ELICO Awash Tannery, Dire Tannery, and Addis Ababa Tannery). They gathered information and heard about the production process, the leather material to be produced, basic information such as production capacity and number of employees, the chemicals to be used, etc. The tanners purchased basic chemicals from China, South Korea and India and tanning agents from major leather chemical manufacturers in Europe. Because technicians from the chemical manufacturers visit regularly, information on the use of chemicals is sufficiently available. On the other hand, there was a problem with work efficiency because the number of employees in the factories was larger than in other countries' tanneries. The experts evaluated not only the sheep leather but also the goat suede as having superior quality.

(3) Shoe and glove factories

The experts visited three factories that produce shoes and gloves (Fontanina Shoe Factory, Peacock Shoe Factory, and Pittards Products Manufacturing). The experts pointed out that although the leather material is of high quality, the price of the product has dropped because the sewing and designing techniques are low, and cheap imported items are used, such as for soles and zippers. In the manufacturing process for shoes, manufacturing methods used for high-end shoes were not being used, and methods used for low-price products were mainstream. As a countermeasure, the experts proposed

establishing a tanner that produces hard and durable bottom leather, making full use of the characteristics of Ethiopian cows.

From their research results, the experts suggested that characteristics such as the strength and smoothness claimed by the Ethiopian Highland Leather brand appeared not only in sheep leather but also in cow hide leather and goat suede, and that Ethiopian Highland Leather should develop products to utilize their respective properties. Also, the experts suggested that it is desirable to compare Ethiopian leathers with leather from other countries by using analytical methods to explain their characteristics.

6.3.3 LIDI's testing and analytical capacities

LIDI's Testing and Research Directorate conducts tests such as leather physical property tests, chemical analysis, shoe tests, and water analysis. The lab implements from 3,600 to 4,000 tests per year. Tanners and manufacturers who cannot analyze their products themselves ask the LIDI for testing and analysis. The Ethiopian Government provides subsidies for tanners and manufacturers to be able to request tests by paying a portion of the test fees. The experts visited the facility several times and conducted facility tours, observed demonstrations of tests and examinations by staff of the LIDI, exchanged opinions, and instructed the staff at the site.

(1) Facility tour

During the facility tour, the experts noticed that the LIDI was receiving plentiful aid from international organizations and that it had enough equipment, in comparison with Japanese research institutions. On the other hand, it was revealed that the LIDI did not have sufficient human resources with the knowledge and experience to operate and maintain the equipment. Some of the equipment had no staff members who knew how to use it.

Because the operating procedures of equipment differ by manufacturer, it is necessary to receive guidance from manufacturers' technical staff when the equipment are implemented and also to order maintenance to them. The experts mentioned that LIDI should use equipment provided by manufacturers from which it is easy to request technical staff.

(2) Test demonstration by LIDI's staff

Many problems were pointed out during the test demonstration, such as in the sampling method, the location of the test by test type (e.g., cool and dark place), hazardous chemical management, and regular maintenance and adjustment of equipment, in attaining and acquiring the test results.

Temperature and humidity control is required to conduct physical testing. It is also required to use uniform conditions within the laboratory except for during exceptional circumstances. However,

the temperature and humidity controller was started up just before the test was conducted at LIDI. The sample for a physical test is prepared with a punching die. However, LIDI's punching dies are not maintained well; therefore, the sample shape looked misshapen. Judgements for the color fastness durability test are usually made by visual observation inside of the equipment. Therefore, this equipment should be positioned in a dark room to avoid light. However, in LIDI, the equipment was placed in a room influenced by sunlight and fluorescent light. Accurate test results are impossible in such conditions. LIDI also uses a room affected by sunlight as chemical storage. Although the chemicals are sorted alphabetically on the shelf, there were some chemicals that should be stored in a dark and cool place as well as dangerous chemicals that should be kept in a lock-fast locker on the same shelf.

Many such problems were caused by the lack of basic knowledge. Although some of the staff at LIDI had experience with studying leather technology, no staff members were familiar with practical testing and analysis procedures. It is important to send staff members to universities that can teach such testing and analysis procedures to improve LIDI's capacity. However, there might not be any universities in Ethiopia with enough testing and analysis equipment; therefore, it seems necessary to send staff members to universities in foreign countries.

(3) Exchanges of views and on-the-job-training by technical experts

During the demonstration by LIDI's staff, the experts explained that it is necessary to receive guidance from the equipment manufacturers on the operation and maintenance of individual pieces of equipment. In addition, the experts made some comments and suggestions for settle some problems and supplement basic knowledge of LIDI's staff. Such comments and suggestions by the experts were shared during the final meeting of the mission among Ethiopian and Japanese stakeholders.

Chapter 7 Summary of the Achievement and Recommendations

Chapter 7 Summary of the Achievement and Recommendations

7.1 Remaining issues and recommendations

The CPA project has achieved many positive results, which indicates that the CPA has had tremendous effects. On the other hand, some problems emerged during the activities focusing on the leather industry and the cross-sectoral activities. These issues are summarized along the lines of value chain flows (See Figure 7-1). CPA Phase 1 was concentrated on the downstream of the value chains, such as branding promotion. During the involvement in the leather sector triggered by the display at the IFF, CPA Phase 2 involved identifying the issues in the upper- and mid-streams of the value chains, including quality improvement of materials and products as well as corporate capacity development. These issues were shared with the Ethiopian side. Chapter 7 concludes the CPA2 project with the remaining issues and recommendations.

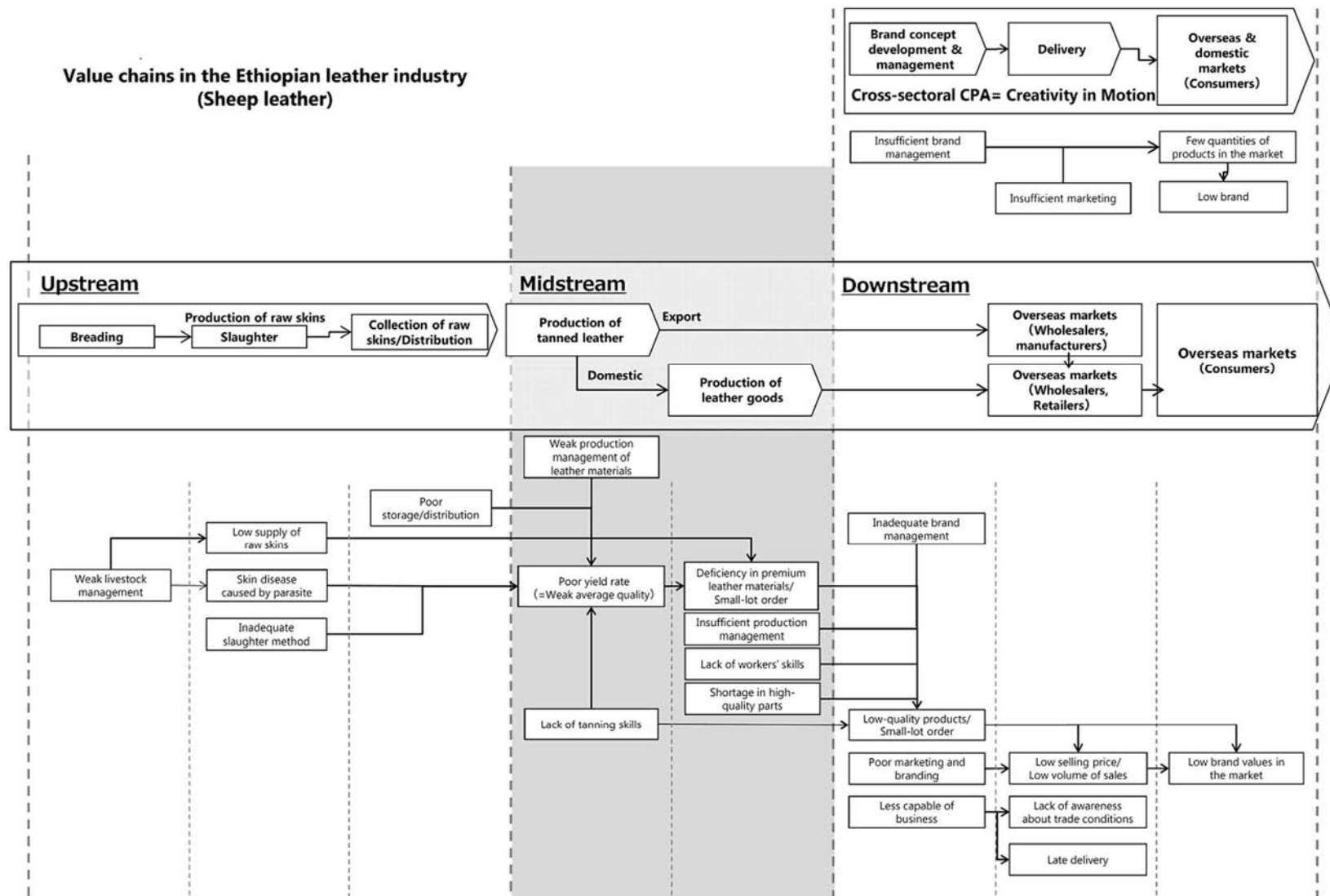


Figure 7-1 Summary of the Issues Involving Value Chains

7.1.1 Remaining issues and recommendations on the downstream of the value chains

Downstream of the value chains, ELIA’s sustainable brand management structure is not quite advanced enough yet. ELIA should secure the necessary human resources for its management, cultivate them to make them capable of management, and establish the structure for generating funds through the brand management.

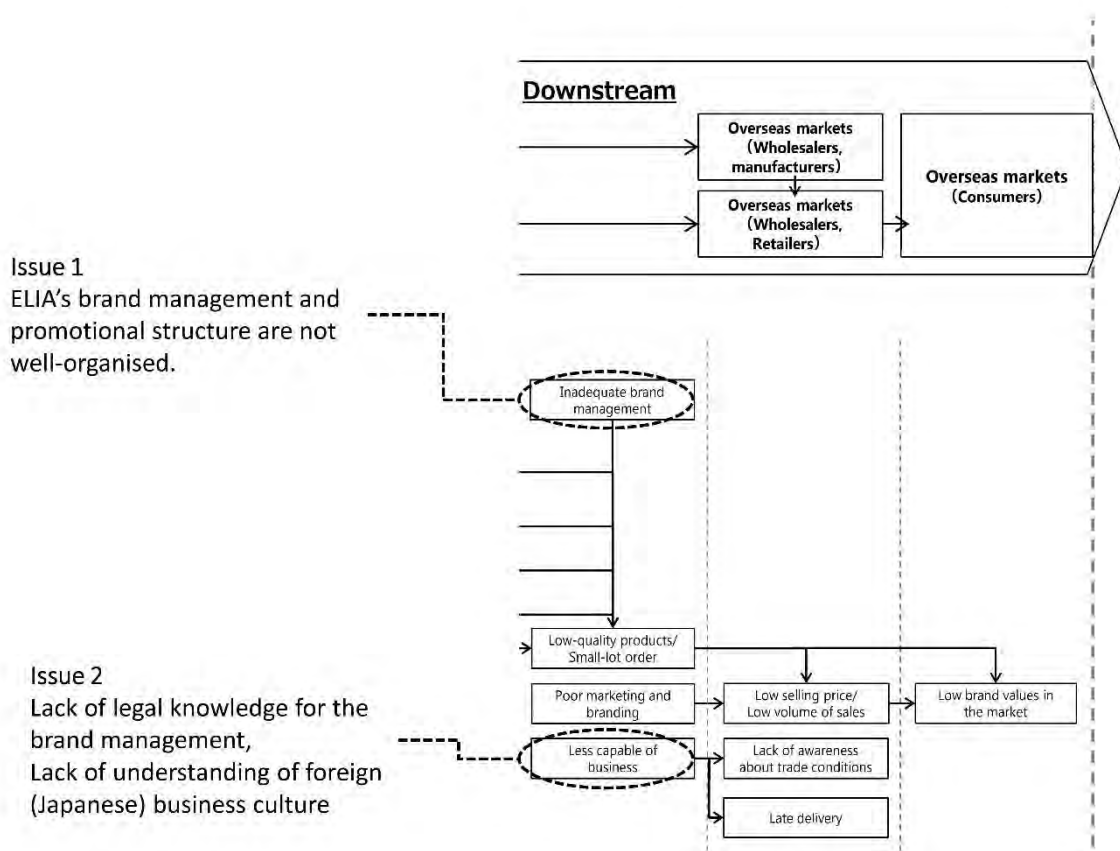


Figure 7-2 Issues on the downstream of value chains

Issue 1 Undeveloped Ethiopian Highland Leather Brand Management/Promotion Systems

Among producers’ organizations in Ethiopia, ELIA has a relatively established organizational structure, with about 65 member companies and 4 dedicated secretaries (a secretary general, a person in charge of a share company, a person in charge of the AALF, and an accountant). The main promotional activities carried out by ELIA so far include product displays at overseas exhibitions and the organization of the AALF in Addis Ababa. For the AALF, 4,000,000ETB (approx. USD 159,000) had been allocated in its budget every year, yet the event defied the huge cash injection by remaining quiet and did not

functioned as a venue for business meetings and networking, which is why MOI and other donors suspended their financial support. The AALF has not been organized since 2015. Thus, a turnaround effort must be made to improve ELIA's capabilities to fund and organize exhibitions to support the respective companies' PR activities.

ELIA has been expected to play the role of brand manager of the Ethiopian Highland Leather. In order to maintain the brand, it is imperative to establish a brand management system and strategy within ELIA to encourage more companies to make use of the brand, so that revenues can be increased to cover budgetary needs. For this purpose, inner branding of the secretary general and ELIA staff, recruitment of professional staff, and education for the secretary staff on marketing and brand management will be necessary.

Recommendation 1-1 for strengthening ELIA's organization as the brand management body

To recruit and foster the fulltime staff to strengthen the management/promotion capabilities of ELIA

In CPA Phase 2, under the strong leadership of ELIA's president, the work was initiated to set up Ethiopian Highland Leather's brand management structure, with ELIA being at its center. In order for ELIA to become a fully-fledged Ethiopian Highland Leather brand manager on its own, it needs to secure human resources and build its brand management capacities. With regard to Ethiopian Highland Leather's PR campaigns, ELIA should plan and run these campaigns on its own, become exposed to overseas exhibitions, and accumulate knowledge (such as utilizing business templates and know-how of promotional tool preparation) as an organization. Also, at the beginning of the brand operation, the activity may be stalled due to a shortage of funds, so support from the government for overseas exhibitions is also expected. Aggressive brand application by ELIA's member companies is also important. The following are the expected roles and contributions of each stakeholder, divided into the government, the industry, and the companies.

Government: Support promotional activities, including overseas exhibitions.

Industry: Employ dedicated staff; plan and implement various promotional activities (develop promotional tools such as business templates and VM).

Companies: Make use of the brand for their own products

Recommendation 1-2 for strengthening the support mechanism of LIDI

To establish a certification system within LIDI for Ethiopian Highland Leather companies and improve LIDI's testing capabilities

It would be effective to establish a brand certification system to widely disseminate the Ethiopian Highland Leather brand and prove the products' quality as well as the companies' technical capabilities. LIDI clarified the certification process during CPA Phase 2; however, it has not been practiced until now because LIDI has not established a substantial structure. It is necessary to organize a substantial structure

within LIDI for practicing this brand certification system. In addition, it will also be useful to facilitate collaboration between LIDI and foreign research institutes, e.g., by conducting inter-lab comparisons of test results to improve LIDI's testing and analyzing capabilities.

Government: Strengthen LIDI's structure for the brand certification system and improve LIDI's testing and analyzing capabilities.

Industry: Encourage ELIA member companies to apply the brand certification.

Companies: Apply for the brand certificate.

Recommendation 1-3 for strengthening relationship among relevant ministries/institutes

To involve relevant organizations such as Ethiopian diplomatic missions to build a collaborative framework with the Ministry of Foreign Affairs and Ministry of Trade

It is of critical importance to collaborate with Ethiopian diplomatic missions stationed in various nations in order to undertake export promotion PR campaigns overseas. Ethiopian embassies providing information and explanations of import/export procedures would increase trust in Ethiopian companies. In addition, the necessity of involving the MOT, which is responsible for export promotion, was debated repeatedly in CPA Phase 2. Collaboration with the Ministry of Foreign Affairs and the Ministry of Trade is important for expanding promotion opportunities for future champion products and for expanding activities to other sectors in order to implement cross-industry export promotion measures.

Government: Involve Ethiopian diplomatic missions stationed overseas in branding promotional activities. The MOT should offer opportunities to promote the Ethiopian Highland Leather brand. Plan and implement cross-sector CPA.

Industry: Ask Ethiopian diplomatic missions stationed overseas for their cooperation when a PR campaign is to be organized overseas.

Recommendation 1-4 for monetization of Ethiopian Highland Leather brand

To establish a basic system of finance resources by registering membership companies

It is necessary to make a system with which ELIA can earn income through branding activities. For example, Imabari Towel in Japan – a successful case of regional brand development – obtains financial resources for brand management by selling brand tags to member companies and operating shops. It is important to learn from such precedents. In addition, ELIA should promote more companies to be involved in Ethiopian Highland Leather branding activities.

Industry: Implement monetizing activities for the brand, e.g., by selling brand tags, and promote the involvement of more companies in branding activities.

Issue 2 Lack of awareness of legal knowledge related to brands and differences in business cultures and business habits

During the course of trading with Ethiopian companies, customers became stressed due to belated responses to orders and inquiries as well as failures in ordering accurately. An estimate asked for by the client was inaccurate, with necessary information missing. Several emails needed to be exchanged to deal with a very simple matter. There are cases where Japanese companies, although willing to enter a trade on a provisional basis, gave up before concluding a contract. Incorrect information about remittance procedures, failure to keep delivery dates, and mistakes in quantities or colors of samples were among the troubles that took place even after a trade was entered. The low recognition of the importance of handling the brand logo and the copyright of the designs is also a future issue.

Recommendation 2 for strengthening support for business promotion and smoothing distribution

To set up a counseling window, hold business seminars, and train personnel through related ministries (MOT, EIC, LIDI, etc.) for foreign trade and business

It would be effective to set up a counseling window and hold business seminars by related ministries/institutes to supplement the insufficient knowledge among companies in Ethiopia on international business and enhance the recognition of intellectual property management to manage the brand properly. The One Stop Shop Services already implemented by EIC to provide information to foreign companies would be a good example to simulate for such counselling services.

Government: Set up a counselling window and hold business seminars (information collection on overseas markets, promote the window and the seminars among domestic companies, etc.).

Industry: Share the information and problems of Ethiopian leather industry with the government

7.1.2 Remaining issues and recommendations on the midstream of the value chains

Not only product development but also quality improvement and reduction of minimum order quantities are required in the midstream of the value chains. LIDI's support for companies during the production process to penetrate overseas markets is also an important challenge.

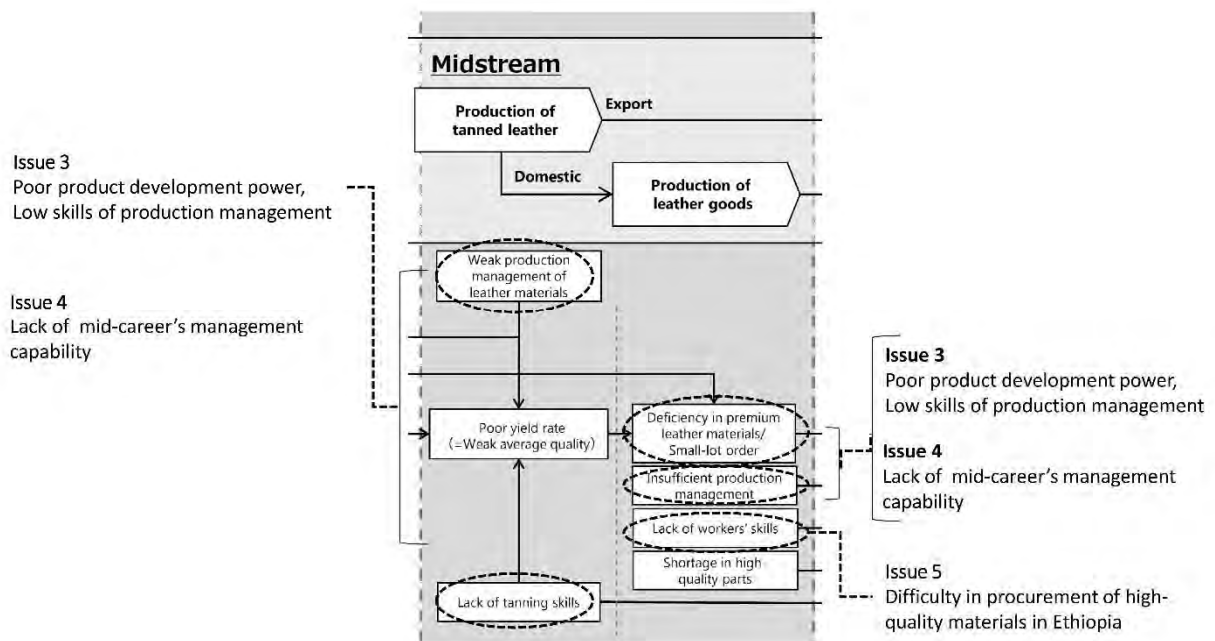


Figure 7-3 Issues on the midstream of the value chains

Issue 3 Companies' low product development capacity and low product quality

The respective Ethiopian companies lack the basic skills to develop products and to flesh out their production management structure. Nowadays, following participation in overseas exhibitions and with assistance from not only JICA but also other donors and the government of Ethiopia, many manufacturers in developed nations have expressed their interest in Ethiopian leather industry companies. Yet, due to the inferior levels of basic product development and production management, there have been cases where products were found to be defective and/or Ethiopian companies failed to meet a deadline.

Efficiency improvement of production and reduction of the mistake rate by kaizen activities currently undertaken in Ethiopia have contributed greatly to improvements in companies' production activities. However, in order to improve techniques such as cutting, sewing, and making shoes, technicians with enough skills for making apparel and leather products are needed.

Recommendation 3-1 for strengthening the technical capacity of companies

To dispatch the experts for technical assistance to partner companies (tanneries and leather products manufacturers) and implement overseas training

During CPA Phase 2, it was observed that Ethiopian leather engineers do not have enough understanding about the requirements of the Japanese market. The government should employ or utilize leather engineers who know the market well to support private companies.

Technical assistance from LIDI is fundamental. The capacity is still low for providing information on overseas markets, guidance on design and technology, and advice on corporate

management, for example, as required by Ethiopian companies that are going to expand into overseas markets. The Product Development Center (PDC) in LIDI is the department in charge of design support to the companies; however, the staff has not been able to grasp the trends in overseas markets. The main reason is that they have had almost no opportunities to gain experience with and learn from visiting the target market. On the other hand, designers and production line managers working in Ethiopian companies also have few opportunities to directly see the products sold in Europe, the US, and Japan.

In order for Ethiopian companies to develop products for developed country markets, it is necessary for each company to nurture and/or hire staff who know the target market's trends well. The government and public institutions need to invite engineers from overseas to provide support for technology and knowledge improvement.

In addition, it is desirable for the staff and engineers who are making the products in factories to also have the opportunity to participate in overseas exhibitions. Many of them have felt that their products do not meet the quality level applied in developed countries, but they have not known exactly where the difference lies.

Government: Dispatch experts to Ethiopian companies who know the quality levels applied in developed countries.

Industry: Plan and implement overseas training programs; send companies' representatives to international exhibitions.

Company: Send staff overseas; employ foreign and/or diaspora engineers.

Recommendation 3-2 for strengthening LIDI's capacity for supporting companies

To provide OJT and overseas training for LIDI staff

It is important to develop LIDI's capacity for improving the technical strength of domestic companies because LIDI is responsible for technical assistance to private companies in the leather sector. It will be effective to involve LIDI staff in the technical assistance activities presented in Recommendation 3-1 and then improve the staff's ability to support companies. LIDI staff should also be involved in the preparation of and product development for displays at overseas exhibitions planned by ELIA and/or the government, so that they would work with dispatched experts to develop products.

Government: Implement an OJT program for LIDI's staff when LIDI dispatches foreign engineers to Ethiopian companies; involve LIDI's staff in preparing overseas exhibitions.

Companies: Participate in OJT programs; share achievements and issues with LIDI.

Issue 4 Insufficient capacity of middle-level management professionals

The top-level managers in the respective companies may be extremely capable, but many of these companies often lack the frontline staff to take charge of production. Even if business negotiations

conclude successfully, trouble occurs during the production phase, which results in a large recall, or an order may not be placed on a continuous basis due to a failure to send samples that meet customers' specifications. This is partly attributed to a lack of middle-level managers, such as a plant manager, a director in charge of production section, or a director in charge of processing contracts and orders.

Recommendation 4 for strengthening middle-level management in the company

To Train (including OJT programs) middle-level management professionals for operational management and quality control and set target for management items within the companies

It is necessary to clarify the problems and management items within the companies and work to accomplish the management items. The government and public institute are expected to support training, including OJT programs for middle-level management professionals.

- Government: Implement training, including OJT programs, for middle-level management professionals.
- Industry: Implement training, including OJT programs, for middle-level management professionals.
- Company: Clarify the problems among intermediate management personnel; set targets for management items.

Issue 5 Difficulty in procuring quality accessories in Ethiopia

Among the leather products produced in Ethiopia, shoes are promising items because they can be made with a small amount of leather materials and the production costs are not affected by the price of expensive sheep leather. They can also benefit from preferential tax treatment for least developed countries. However, many kind of accessories are necessary for shoe production, such as soles, core material, and shoelaces. In Ethiopia, manufacturers must import such accessories because there are few high-quality accessories, even though there are some accessory manufacturers in Ethiopia. In the case of imports, companies are required to buy a certain amount of accessories; hence, the bulk of the business with final buyers tends to be large, creating a challenge for the business in dealing with buyers.

Recommendation 5 for improvement of domestic accessory quality

To organize a joint purchasing group by ELIA

ELIA operates a share company to purchase chemicals for leather processing. Utilizing this share company for purchasing accessories would be the solution to the problem. It is possible for the share company to lease the inventory risk by conducting a needs survey with manufacturers. The company can start by buying accessories that are easy to sell and manage.

- Industry: Implement a needs survey for manufacturers; expand the items managed by ELIA's share company.
- Companies: Utilize ELIA's share company to buy accessories.

7.1.3 Remaining issues and recommendations on the upstream of the value chains

On the upstream of the value chains, CPA Phase 2 involved conducting research to understand the obstacles. Improving the quality of raw materials in the upstream of the value chains seems necessary to improve the quality of Ethiopian sheep leather and add value to it. Improvements in raw materials will not only lead to quality improvements of leather materials and products but also increase the distribution of leather materials and products as well as settle the problems involving the minimum order quantity for leather materials and products, which sometimes becomes the barrier for business with Japanese buyers.

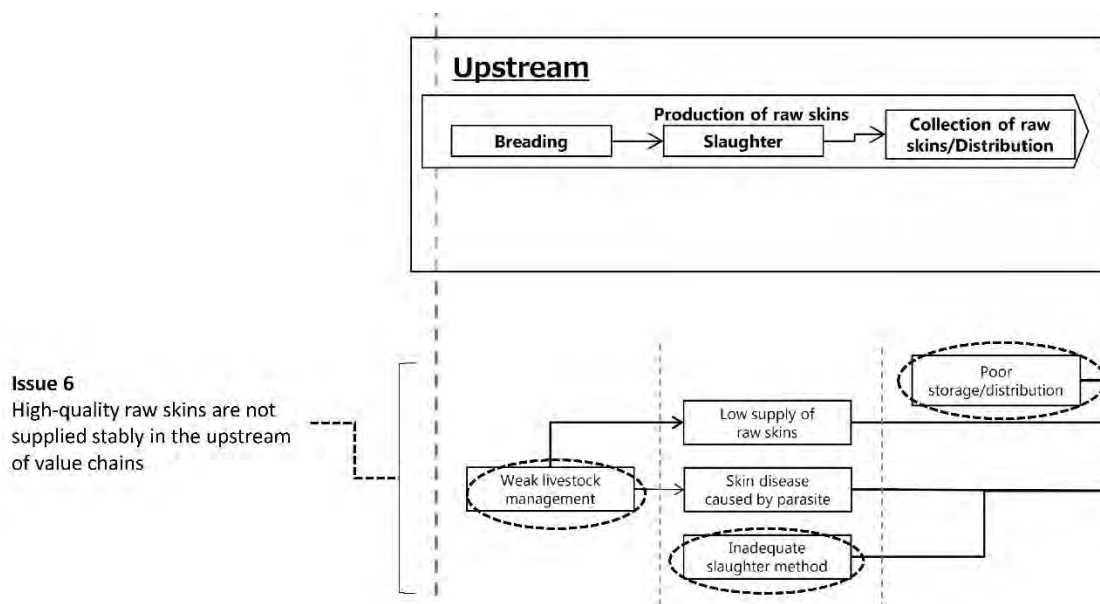


Figure 7-4 Issues in the upstream of value chains

Issue 6 Unstable supply of high-quality raw skin in the upstream value chain

Alongside the product quality improvement, ensuring a stable supply of high-quality rawhide is another important issue to overcome in order to improve the Ethiopian Highland Leather brand's added value. Japan and other developed countries demand high-quality leather, which makes up no more than 10%–20% of the whole range of tanned leather. 40%–60% of raw skin supplied to tanners can be used only for shoe lining. Raw skin with wool does not reveal much about its true quality even when its flesh side is inspected. On the other hand, because salt is used repeatedly for raw skin preservation, raw skin often ends up being contaminated with bacteria and becoming rotten. Compared with the price of sheep meat, the price of raw skin is very low. Due to the few economic incentives, it is difficult to request that farmers breed sheep in appropriate ways (e.g., by utilizing anti-parasitic drugs or reducing excessive whipping) for improving the quality of the raw skin.

The quality control problem for raw skin in the upstream deteriorates the yield of tanneries and forces them to sell leather material in a package comprising different grades (a mixture of grades is sold

in a package, and buyers cannot purchase only the particular grade(s)/s they want). Ethiopian domestic leather manufacturers are also forced to purchase low-quality leather materials that they did not originally need. As a result, stock risk is added to the product price, in which decreases their price competitiveness.

Recommendation 6-1 for conducting detailed research

To verify the effectiveness of sustainable modern breeding methods, and disseminate the modern breeding methods to tanners/large-scale farmers

The issue of minimum order quantity mentioned in the downstream and the middle stream are largely attributable to the limited circulation of high-quality raw skin. During CPA Phase 2, the Japanese experts heard that Pittards had launched a trial farm with modern breeding methods in around 2010. In the trial firm, the sheep grew up larger, with a weight nearly twice the usual, and the proportion of high-quality leather (grades 1–3) jumped to 60–70%; however, the trial firm was suspended afterwards due to issues involving land lease rights. This information is limited, and the actual effects are uncertain. Such modernized methods of breeding sheep would be the solution to the problems in the upstream of value chains. It is necessary to conduct more detailed research on this approach.

Government: Implement research to grasp problems and consider solutions in the upstream value chain; share the results and issues of the breeding methods trial.

Recommendation 6-2 for improvement of raw skin quality

To prepare the breeding environment to improve the quality of raw skins in cooperation, with MOLF

The MOLF must consider its agricultural policy to improve breeding environments, including obligations regarding the usage of anti-parasitic drugs for livestock. The incentives to follow this policy should be understood by farmers, who should implement the policy. In consideration of the current market structure, in which raw skins are very cheap, it is important to indicate to the farmers the harmful effect of parasites on the fattening rate and growth speed of livestock.

Government: Consider policy for preparing good breeding environments for livestock.

7.1.4 Issues in the practices of cross-sectoral CPA

With regards to cross-sectoral CPA implementation, the overall export promotion agency in Ethiopia should take the initiative.

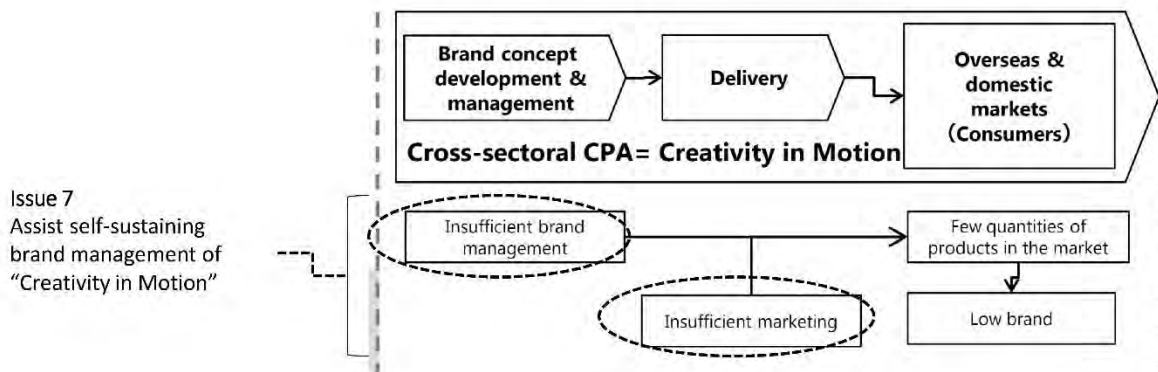


Figure 7-5 Issues in the practices of cross-sectoral CPA

Issue 7 Autonomous operation of the “Creativity in Motion” brand

Regarding the branding of Creativity in Motion, through the CPA Phase 2 activities, the relevant ministries and agencies have understood the usefulness of CPA and are interested in further development of the CPA as an option for industrial development and export promotion. In addition, by creating a brand video together with Japanese creators, the brand and vision were shared, and collaboration between the relevant government ministries and agencies – as well as public–private partnerships – was also advanced. The Ethiopia side should promote cross-sectoral brand management and PR activities, such as by publishing brand videos; however, this is still not self-propelled. In addition, efforts to continuously maintain and manage brands, such as human resource development, involvement of stakeholders, and institutional improvements, have not been initiated. The operational issues of brand videos and websites in cross-sectoral CPA activities are as follows:

Table 7-1 Issues to overcome in order to attain self-propelled branding

Items	Issues
Issues on brand video operation	<ul style="list-style-type: none"> As it took a long time to accept the brand video by the EIC, it was delayed to involve relevant ministries and organizations for the video usage.
	<ul style="list-style-type: none"> PR release was scheduled to take place in Ethiopia at the time of completion of the video, but did not happen. As waiting for the release in Ethiopia, the release in Japan was late. This affected the intended impact of launching the CPA 2 with the video.
	<ul style="list-style-type: none"> Leader of the EIC, which had been promoting the production of the video, suddenly resigned from the EIC. Then, his successor was not appointed on time in EIC. It caused the delay of appointing a video administrator for its effective use.
Issue on web site operation	<ul style="list-style-type: none"> Instagrammers for communication environment and other industries (other than leather) have not been determined for the HP of CPA2. Therefore the HP was not updated as often as it was intended at first.

The fact that the MOCT and other ministries have undertaken branding initiatives and created promotion videos to send out messages on an individual basis should be appreciated in terms of facilitating understanding the importance and implementation of branding and a PR campaign. In terms of leveraging “Creativity in Motion” to build a cross-sectoral brand, the government is expected to deepen collaboration with these movements and deepen cross-sectoral brand management efforts to ensure that messages are correctly delivered to the target (consumers and buyers).

Recommendation 7-1 for utilization of “Creativity in Motion” promotional tools

To start “Creativity in Motion” promotional activities

The cross-sectoral PR campaign in CPA Phase 2 focused on setting tools in place. Various options were discussed with regard to promotional activities and the use of tools, but it was left to the Ethiopian side to put these options into practice. In the future, the government and stakeholders need to thoroughly examine PR campaign methods to identify the person(s) in charge, secure budgets, and come up with a feasible action plan.

As seen in the Ethiopian Highland Leather case, achieving a small but real result leads to the sharing of success stories, thereby allowing the Ethiopian side to take initiative. Should the Ethiopian side fail to build on these success stories and show initiative, it would be difficult to set up an autonomous structure to carry out cross-sectoral PR campaigns. With sharing outcomes in the Ethiopian Highland Leather, it is certainly important to put the plan into practice.

Government: Centralize the brand management structure and clarify the role of this structure; convene regular ICCPA meetings.

Recommendation 7-2 for cooperation with relevant ministries

To share the brand concept between different ministries and agencies to create uniformity in their promotional activities under the “Creativity in Motion” branding

The MOCT tourism brand “Land of Origin”¹⁰ and the creation of a promotional video by the MOT are a few examples of various Ethiopian ministries and agencies sending messaging to overseas markets and investors. The “Creativity in Motion” branding is focused on industrial-sector branding (manufacturing branding). By bringing “Creativity in Motion” into alignment with PR campaigns undertaken by relevant ministries and agencies, the brand will communicate stronger messages.

Government: Set up a system to share the brand concept and reference materials produced between different ministries and agencies.

Industry: Collaborate with the government, make proposals to the government in a proactive

¹⁰ <http://www.moct.gov.et/index.php/en/home-2-en/10-msg-cat/156-ethiopia-announced-new-tourism-brand> (browsed on 26th March 2016)

manner, and discuss with the government.

Recommendation 7-3 for sharing success stories

To organize seminars to introduce the case of Ethiopian Highland Leather while utilizing the activities as a success story (by the MOT, MOFA, and EIPO)

For Ethiopian stakeholders that have had few opportunities to be exposed to successful brand strategy cases, Ethiopian Highland Leather is one of a handful of domestic cases that not only motivates them but also serves as a reference for target setting and developing methods in the future.

Government: Have the MOT, MOFA, and EIC organize seminars, during which stakeholders in the leather sector introduce the Ethiopian Highland Leather case.

Industry: Introduce the Ethiopian Highland Leather case.

7.2 Conclusion

Cooperation among industry, government and the private sector in the implementation of the CPA and of discussions toward solving issues and specific activities brought about great success during CPA Phase 2. As part of the efforts to promote the export of sheep leather products to Japan, the successful experiences that Ethiopian companies achieved in trading with Japanese companies served as considerable driving forces for stakeholders understanding the CPA's purpose and for promoting participation in the CPA.

There are mainly three possible reasons why the CPA generated a significant outcome. First, a target sector was determined logically based on market research. With the Japanese market as a target market, Ethiopian stakeholders and Japanese experts selected sheep leather as a high-potential target product, in light of the results of a feasibility study, to enter the market and a level of industry development in Ethiopia. As a result, a new brand – Ethiopian Highland Leather, made of Ethiopian sheep leather – was inaugurated, and then it developed products closer to the vehicles of the brand message.

Second, strong motivation by partner companies to participate in CPA activities led to the success of CPA Phase 2. The partner companies selected in the CPA Phase 2 continued to practice the CPA with patience to proceed successfully in their dealings with Japanese companies, while overcoming several failures in trading due to having less understanding about Japanese business customs. Such high motivation can be generated by the successful experiences accumulated through face-to-face communication with Japanese buyers in the process of “Make what we can sell.”

Third, a close cooperation and coordination with relevant current agencies and ministries was fostered. In the project aimed at branding Ethiopian sheep leather, which is politically and culturally important, the outcome of the activity was appealing not only for individual companies but also for the

outcome of the whole industry. As a result, it became possible to show the significance of CPA activities to relevant organizations, ministries, and agencies, and to foster their initiatives.

Currently, the cooperation and understanding of the government, industry, and private sector in Ethiopia has been obtained to continue with the CPA activities in Ethiopia. As for the sheep leather products, export transactions with Japanese buyers have proceeded. It would be a pleasure if the future issues and recommendations based on the activities and outcomes from this phase are helpful for the next phase of activities.

Appendix

Appendix 1: Brand video (Story board)

演出コンテ 120秒~180秒

C#1
大地溝のような、
雄大な風景。

C#2
知的なエチオピア人の紳士
が、歩いてくる。

C#3
ポラロイド写真を見せる。

C#4
ルーシーの模型の写真の
ポラロイド写真。
LUCYというサインがされている。

C#5
写真の LUCY に挨拶をする。

C#6
カメラがバンをすると、
機織り機でだれか作業している。
紳士、フレームインしてきて
カメラに語りかける。
カメラ、紳士を追い抜いていく。

C#8
機織りをする人の横顔、
手元。
シルエットのように見える。

C#10
機織りで鮮やかな布がおられていく。

C#11
大地を、鮮やかな布を持って
走る少年。

風の音、同録の音のみ

"The cradle of mankind, Ethiopia"

"It is the land where mankind first started creating."

"Home to an ancient woman who holds the secret to the evolution of humankind."

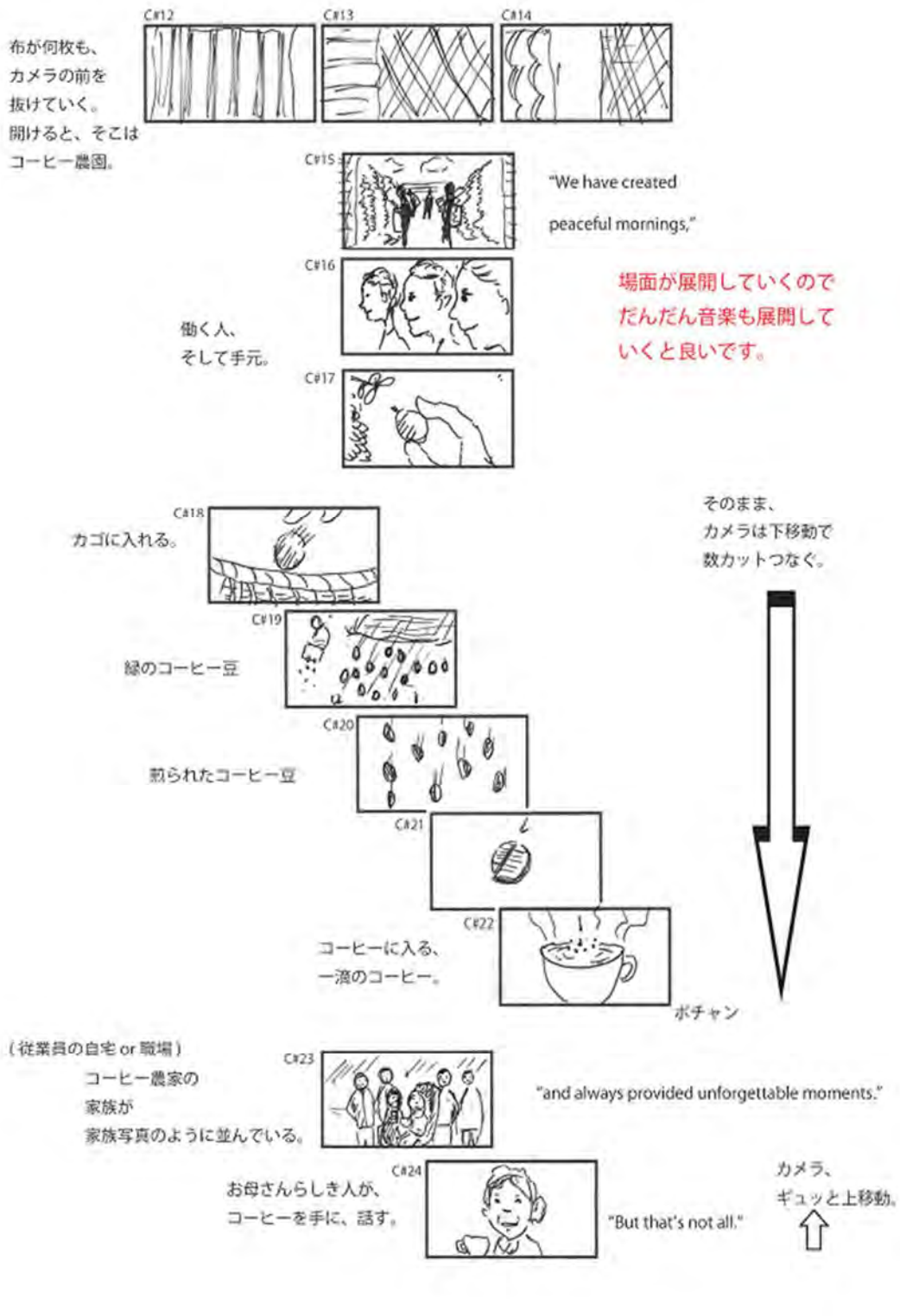
"Hi."

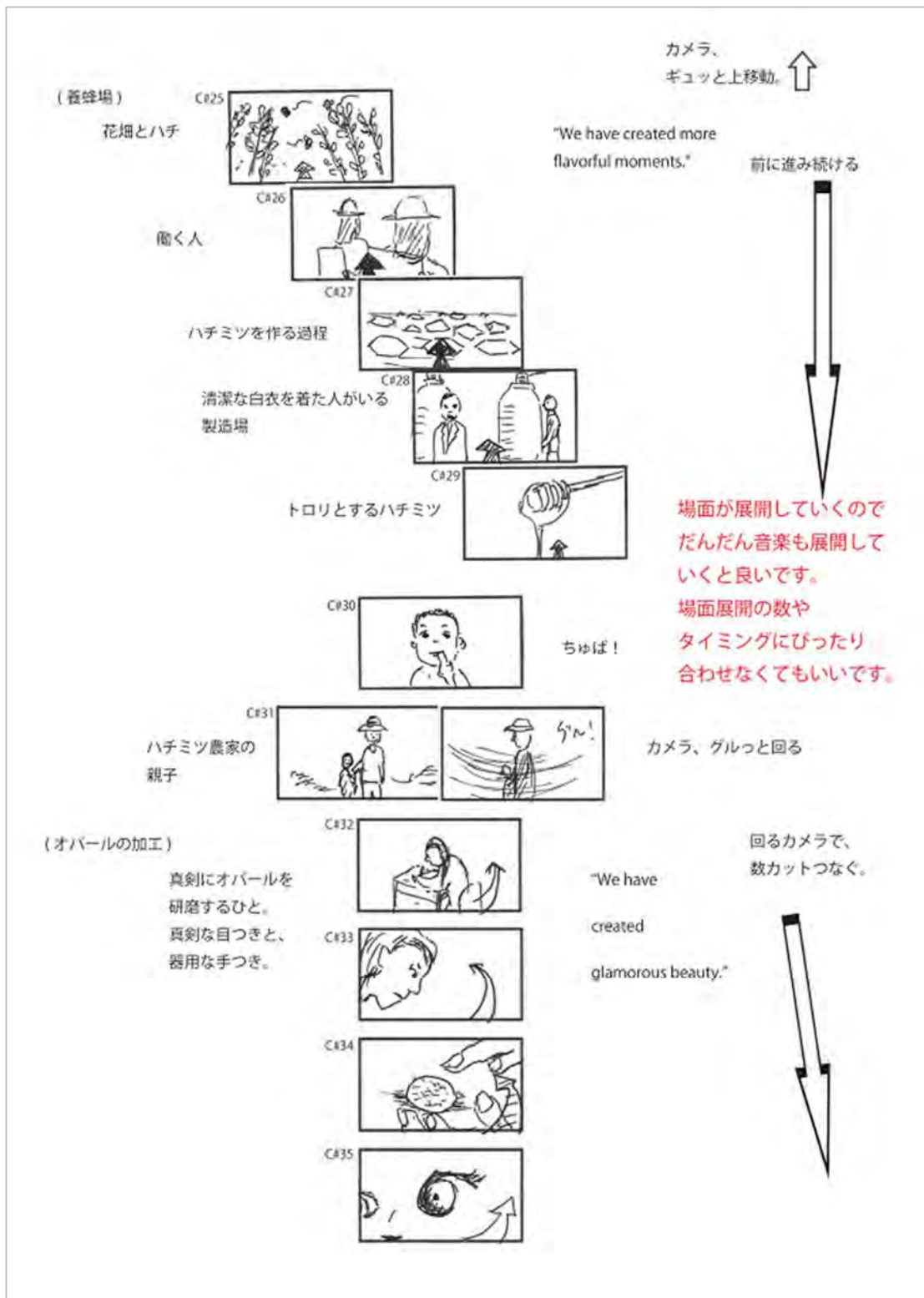
"The land has always created something new,"

カタン、カタン、
と機織りの音。
そこから、この音が
規則的に入り、
このビートから
音楽を始めます。

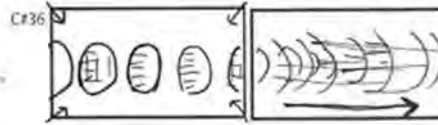
ベースや、他のラインが
徐々に載っていくと
いいかと思います。

"delivering happiness to people around the world."





オパールが
美しく並べられている。



カメラ横にスライドして
ズラッとオパールを見せる。

オパールから
カメラのフラッシュに。



(都会、ホテルの入り口など)

写真を撮られている
ファッションモデル。



"We have created
a new impulse for fasion"

(ステージ風の場所。)

モデルが通り過ぎると、
向こうに、
ステージが。上に、人影。



"And"

振り向くと、
アニメのキャラになっている
冒頭の紳士。



"even now,"

(アーティストのアトリエ)

アーティストが作品作りをしている。



"The DNA of"

(ストリート。スケボーできる場所)

スケートボードをずる若者。



"creation"

(クラブ)

クラブでプレイしているDJ。



"brims to make"

(エチオピア航空の機内)

スチュワーデスが話す。



"something new,"

(道場)

テコンドーの少年たちが
ヤア!とパンチする。



"YAAAAH!!!"

(サバンナ)

びっくりして
走り出すライオン。



(アジスアベバのダウンタウン)
マラソン選手が
走っている。カメラに
話す。



"The land is full of pride "

子供達がうしろに
走っている。



"and passion,"

カメラ、トラックバックをつける。

(それぞれの作業場)
レザー工場のマシン作業
の間を抜ける。



大勢の足音がビートに加わり、
音楽の一番盛り上がる部分を
迎えたいです。

バラ農園の中で作業している
中を抜けていく。



(レストラン?)
エチオピアダンスを
している人たちの中を抜けていく。



モダンなオフィスの中を抜けていく。



活気のある街並みを抜けていく。



大自然を抜けていく。

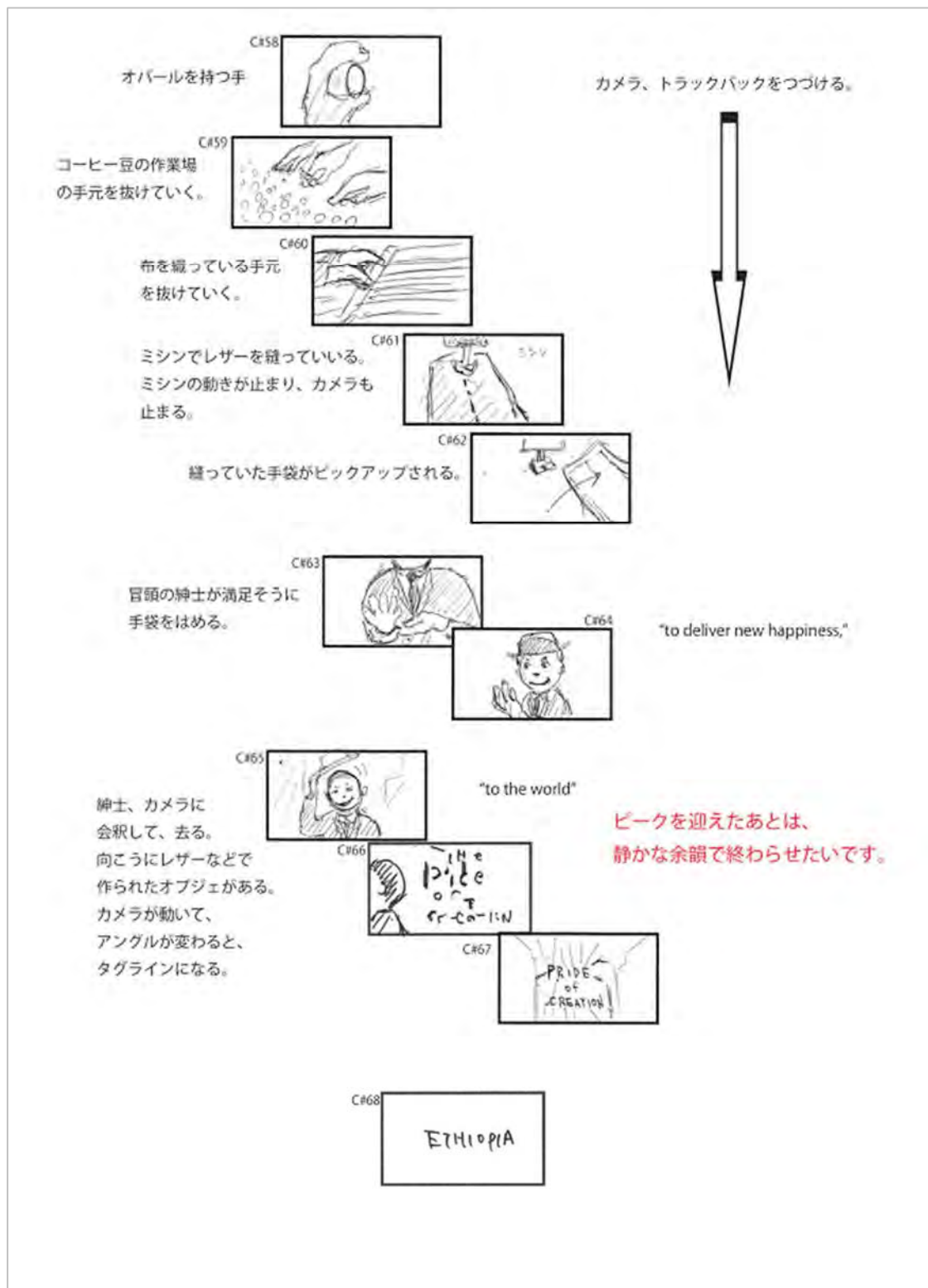


大自然を抜けていく。



太陽。





Appendix 2: Brand book

 <p style="text-align: center;">Brand Book 2016/19/20 16/16</p>	<h3 style="text-align: center;">Table of Contents</h3> <ul style="list-style-type: none"> · Introduction – What this book is for. 2 · Our Story 3 · Our Vision 8 · Our Logo 9 · Brand Visual Kit 14 · How We Manage Our Brand 23 · Key Contacts of Highland Leather 26 <p style="text-align: right;">1</p>
<h3>Introduction</h3> <p>What this book is for.</p> <p>This book is to share the brand principles of Ethiopian Highland Leather with every stakeholder of the brand. It will provide brand guidelines to help the usage of our brand identity.</p> <p>Our story, vision, and logos are important assets that will represent our uniqueness around the world. The guidelines outlined in this book are designed to help you to be consistent in all branded activities, including production, sales, communication, and promotion of Ethiopian Highland Leather.</p> <p>The book will also outline definition and brand management rules for ourselves to sustainably support and safeguard the brand.</p> <p style="text-align: right;">2</p>	<h3>Our Story</h3> <p>The cradle of mankind, Ethiopia. It is the land where Lucy, the most early human ancestor, was discovered. The legendary discovery made Ethiopia to be known as the land where mankind first started creation.</p> <p>Traced back in the earliest times of the nation's history, sheep leather has been one of the major industries of Ethiopia. Since then, Ethiopia had long been known for the excellence of its sheep leather, expanding its demand globally. Ethiopia's unique geography of the highlands have bred a celebrated type of hair sheep with thinner skin, making it ideal for delicate apparel. History and experience with leather has enabled tanneries to polish their craftsmanship with pride and enthusiasm.</p> <p>Today, we proudly introduce the highest quality sheep leather brand "Highland Leather" towards the global market. Its light, delicate, and fine texture allows leather to be applied for various purposes, dramatically shifting the impression of the long known 'leather'.</p> <p style="text-align: right;">3</p>
<h3>Our Story</h3> <p>Brand Concept</p> <h2 style="text-align: center;">Highland Leather</h2> <p>Light, thin, and soft. Yet, strong and durable. The superior quality sheep leather is not like any other.</p> <p>Highland Leather is made from the skin of a special sheep bred in the Ethiopian plateaus at an altitude over 3,000 meters. Sheepskin of this celebrated breed has amazingly thin skin with fine grain patterns. Neatly finished by the skilled craftsmanship of Ethiopian tanners, the highest quality sheep leather is delivered around the world.</p> <p>Highland Leather will dramatically transform what is possible with leather, ways to enjoy leather, and our lives with leather.</p> <p>World's highest quality sheep leather. Proudly Made in the Highlands of Ethiopia</p> <p style="text-align: right;">4</p>	<h3>Our Story</h3> <p>Branded Assets: 6 Stories of Highland Leather ●●●●●●</p> <ol style="list-style-type: none"> 1. 3.5 Million Years Ago <u>Ethiopia, the Cradle of mankind.</u> Ethiopia is the birthplace of humanity. The land where humans first began creation. In producing new inventions like coffee one after another, Ethiopia has always created new things that had never existed in the world. Ethiopia's versatile wisdom and dependable techniques for craftsmanship have been passed on for generations, supporting the country to become Africa's largest growing country of the last decade. Highland leather is a crystallization of the pride, enthusiasm and craftsmanship of Ethiopians, a flagship industry of Africa's largest growing country. 2. 26 Million Sheep <u>The largest population of sheep in Africa.</u> Ethiopia's sheep population is 25 million. That is a world-class figure, and the highest in Africa. Sheep is a very familiar part of life for the people of Ethiopia, supporting people's lives in various ways. Sheep Leather has historically been one of the major industries of Ethiopia. Out of the millions, only a handful with the very best quality skin becomes labeled as Highland Leather, to be delivered to the rest of the world. <p style="text-align: right;">5</p>

Our Story

Branded Assets: 6 Stories of Highland Leather
●●●●●●

3. 3000 Meters

Ethiopia's highlands have bred a special type of hair sheep.

Ethiopia is blessed with a pleasant climate for its low latitudes, thanks to its highlands of over 3,000 meters in elevation. Since sheep raised in Ethiopia have no need to protect their bodies from bitter cold, they are distinguished by their incredibly thin skin. This sheepskin is so thin that it can be fashioned into sheep leather unlike any other in the world.

4. 0.35 mm

Surprisingly thin and light. Yet strong with dense fibers.

Opening new ways to enjoy leather.

Thin sheepskin is what makes for thin and light sheep leather. The skin of the special hair sheep raised in Ethiopia is approximately 0.8 mm thick. The amount of fat in an Ethiopian hair sheep's body is extremely less than that of a typical wool sheep, because they have no need to protect their bodies from the cold.

Thin sheepskin and skilled craftsmanship of Ethiopian farmers have enabled to create the amazingly thin, light, yet strong leather with dense fibers. It can be thinned down to 0.35mm, enabling delicate finish, flexibility in movement, and more freedom to be used to create innovative products, previously unheard of leather.

6

Our Story

Branded Assets: 6 Stories of Highland Leather
●●●●●●

5. 1860 pores/cm²

Soft, smooth, and heavenly texture comes from the fine skin structure.

Another major characteristic of Highland Leather is the fine and soft texture. The sheep bred in the Ethiopian highlands have increased hair pores, which count up to 1860 per square centimeters. The number of hair pores result in fine and superior grain patterns, enabling the leather to be surprisingly soft and comfortable, as a newborn's skin.

6. 100+ Colors

A new look and feel to leather.

Life is simply colorful in Ethiopia. Highland Leather comes in 100+ unique colors that are made from the Ethiopians' unique sense of colors, and their long practiced dyeing techniques. The wide variety of vivid and happy colors will drastically change the traditional image of leather into something totally new.

7

Our Vision

1. We Create a New Standard.

Ethiopian Highland Leather aims to create a new demand for leather in the global premium market.



2. We Create with Craftsmanship and Pride.

Ethiopian Highland Leather should be a showcase of our craftsmanship and pride. Every aspect of the brand from production, sales channels, to promotion, should be handled with the passion to bring our craftsmanship to life.

3. We Create 'New Ethiopia'.

Ethiopian Highland Leather is an important piece of Ethiopia's export strategy to uplift the image of 'Made in Ethiopia', and to contribute as an endorser of the country's rapid growth.

8

Our Logo



Color Scheme

■ BLACK ■ GRAY 50% □ WHITE *The basic 3 colors will be BLACK/GRAY/WHITE, but the logo color should be adjusted accordingly.

9

Our Logo

Isolation

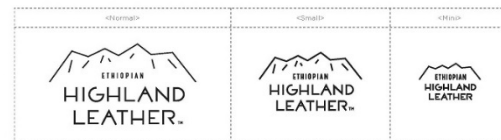


When using the logo, allow a certain area of isolation (protected area) around the logo.

10

Our Logo

Logo Variations

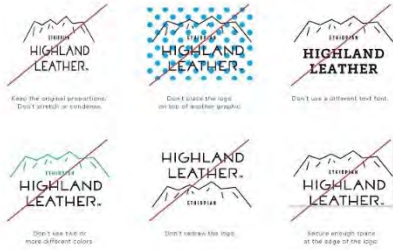


3 logo variations are available depending on the size of application. <small> and <small> size logos should be applied at smaller usage to ensure the logo's legibility.

11

Our Logo

Dos and Don'ts



12

Our Logo

Partnerships

Partnerships and collaborative relationships with designers, brands, and retailers will help our brand to become visible to consumers around the world.

Partnership Example:

In a partnership, it is important to give equal emphasis to both logos, to make the collaboration visible.



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Brand Visual Kit

The Brand Visual Kit is a set of initial key visuals of Highland Leather to be utilized for multiple purposes. Visuals could be used in business presentations and promotional tools such as brochures, posters, store fronts and etc..

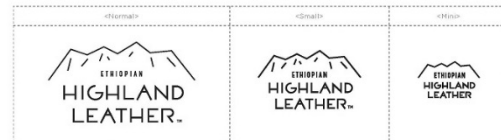
The kit includes the following photography and visuals:

Logos	Photos	Design elements	Printed Materials
-Normal -Small -Hrs	-Highland Leather -Ethiopian Highlands -Ethiopian her sheep -Tanneries and Manufacturers -LEI -Other iconic visuals		-Leaflet -Hrs Leaflet -Brochures -Tags

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Brand Visual Kit

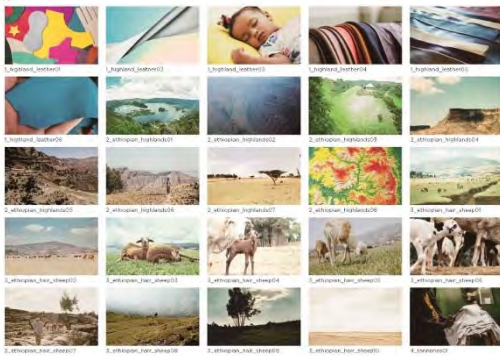
Logo



15

Brand Visual Kit

Photos



16

Brand Visual Kit

Photos



17

Brand Visual Kit

Design elements

18

Brand Visual Kit

Printed Materials

19

Brand Visual Kit

Printed Materials

Mini Leaflet: W20xH48/60 / Tri-fold

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Brand Visual Kit

Printed Materials

Posters-A1: W400xH904

Posters-A2: W400xH416

Usage of silver ink is recommended for the background color.

21

Brand Visual Kit

Printed Materials

Posters-B1

Posters-B2

Posters-B3

22

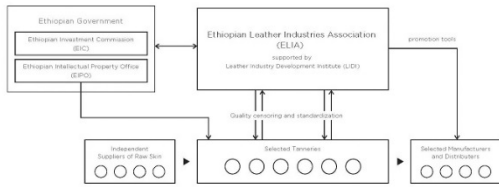
How We Manage Our Brand

Brand management of Ethiopian Highland Leather is led by Ethiopian Leather Industries Association (ELIA), with support of the Ethiopian Government (E.G. / EPO) and the Leather Industry Development Institute (LDI).

Roles and Responsibilities of Brand Management of Highland Leather	
<p>Ethiopian Leather Industries Association (ELIA)</p> <ul style="list-style-type: none"> Owner and manager of Highland Leather Chair periodical meetings with stakeholders of the brand Develop/ implement promotion of Highland Leather with support of LDI 	<p>Ethiopia Intellectual Property Office (EIPO)</p> <ul style="list-style-type: none"> Approver of Highland Leather Register and authorize trademark of Highland Leather License Highland Leather to selected tanneries
<p>Leather Industry Development Institute (LDI)</p> <ul style="list-style-type: none"> Main supporter of Highland Leather Set and check consistent quality standard of Highland Leather Support development and implementation of promotions 	<p>Ethiopian Investment Commission (EIC)</p> <ul style="list-style-type: none"> Overall project management and approval of Ethiopian Champion Products

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How We Manage Our Brand



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How We Manage Our Brand

Quality Standards

Ethiopian Highland Leather should fulfill specific conditions outlined below:

- Made from hair sheep grown in the highlands* of Ethiopia
*Ethiopian Highland Leather is produced in specified areas 3000m and above, such as Gogjam, Gondar, Tigray, Selale, Jimma, Wollega, etc.
- Finished by selected Ethiopian tanneries with experienced craftsman
- Met with international quality standards on physical and chemical properties

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Key Contacts of Highland Leather

Ethiopian Leather Industries Association (ELIA)
Tel: 251 115 156144, fax 251 115509335
email: elik@elias.org.et
web site: www.elia-aaif.com
P.O.Box 12099, Addis Ababa, Ethiopia
Lion Building 6th Floor (in front of Mekele Square)

www.ethiopiancreation.com/highland_leather

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Appendix 3: Mini leaflet

W210xH148 / 6 Pages / Tri-fold



ETHIOPIAN HIGHLAND LEATHER.

LIGHT, SOFT AND BUILT FOR STRENGTH AND DURABILITY. THE SUPERIOR QUALITY OF SAAYI LEATHER IS WHAT MAKES ETHIOPIAN LEATHER THE WORLD'S HIGHEST QUALITY SHEEP LEATHER. FROM SHEEP TO SKIN, SHEEP SKIN IS THE MOST DURABLE AND RESISTANT TO WEAR. ETHIOPIAN LEATHER IS THE MOST DURABLE AND RESISTANT TO WEAR. ETHIOPIAN LEATHER IS THE MOST DURABLE AND RESISTANT TO WEAR.



OPENING NEW POSSIBILITIES OF LEATHER

ETHIOPIAN LEATHER IS THE MOST DURABLE AND RESISTANT TO WEAR. ETHIOPIAN LEATHER IS THE MOST DURABLE AND RESISTANT TO WEAR. ETHIOPIAN LEATHER IS THE MOST DURABLE AND RESISTANT TO WEAR.

ETHIOPIAN LEATHER INDUSTRY ASSOCIATION (ELIA)

NO. 257 TEL. 011-514 FAX. 011-257-50000
 ADDIS ABABA TEL. 011-514-514-514
 P.O. BOX 1000 ADDIS ABABA
 WWW.ETHIOPIANLEATHER.COM





ETHIOPIAN HIGHLAND LEATHER.





STORIES | ABOUT HIGHLAND LEATHER

3.5 MILLION YEARS AGO

ETHIOPIA THE CRADLE OF HUMANITY

Ethiopia is the birthplace of humanity, and the first modern human. The first modern human was born in Ethiopia, and the first modern human was born in Ethiopia.

26 MILLION CATTLE

THE LARGEST POPULATION OF CATTLE IN AFRICA

Ethiopia's sheep population is over 26 million. It is a world-class region, and the highest in Africa. It is a world-class region, and the highest in Africa.

3000 METERS

ETHIOPIA'S HIGHLANDS HAVE ONE OF THE HIGHEST ALTITUDES IN THE WORLD

Ethiopia is blessed with a pleasant climate for its highlands, thanks to its highlands of over 3,000 meters in altitude. Sheep raised here have to stand in perfect health from birth to death.

0.35 MM

SURPRISINGLY THIN AND LIGHT YET DURABLE

The size of the special hair sheep skins of Saayii is thin, light, yet durable sheep leather that can be dressed down to 0.35mm, making Highland Leather to be used in a wide range of products, primarily without the leather.

1860 PORES/CM²

SOFT AND SMOOTH TEXTURE COMES FROM THE CIRCULAR PATTERNS

Sheep bred in the Ethiopian highlands have increased numbers of hair pores, which reach up to 1860 per square centimeter. The number of hair pores is related to the pore patterns, resulting in leather to have surprisingly fine, smooth and comfortable texture, as a woman's skin.

100+ COLORS


ETHIOPIAN LEATHER COMES IN A WIDE RANGE OF COLORS

Highland leather comes in various unique colors that are made from the Ethiopian "unique sense of colors". The wide variety of color palette comes with color retention for years, allowing the traditional usage of leather into creating highly rich.



Appendix 4: Brand leaflet

ETHIOPIAN LEATHER INDUSTRIES ASSOCIATION (ELIA)
TEL: 251 115 153144 FAX: 251 115 338855 EMAIL: ELIA@ELIA.ET WEB: ELIA-KALE.COM
P.O. BOX 123898, ADDIS ABABA, ETHIOPIA LEBEN BUILDING 6TH FLOOR (IN FRONT OF PARKEL SQUARE)
WWW.ETHIOPIANCREATED.COM/HIGHLAND_LEATHER



HIGHLAND LEATHER
WORLD'S HIGHEST QUALITY SHEEP LEATHER,
FROM THE MYSTICAL HIGHLANDS OF ETHIOPIA.



LIGHT, TEND, AND SOFT. YET STRONG AND DURABLE.
THE SUPERIOR QUALITY OF SHEEP LEATHER IS NOT LIKE ANY OTHER.
HIGHLAND LEATHER: THE WORLD'S HIGHEST QUALITY SHEEP LEATHER MADE FROM
A SPECIAL TYPE OF HARD SHEEP BRED IN THE MYSTICAL ETHIOPIAN HIGHLANDS,
AND NEATLY FINISHED BY EXPERIENCED CRAFTSMANSHIP OF ETHIOPIAN TANNERS.
HIGHLAND LEATHER WILL DRAMATICALLY TRANSFORM WHAT IS POSSIBLE WITH LEATHER.
WANTS TO ENJOY LEATHER, AND SOON LIVES WITH LEATHER.



3.5
MILLION YEARS AGO

ETHIOPIA, THE CRADLE OF HUMANITY.

Ethiopia is the birthplace of humanity. It is the land where humans first began creation. In producing new inventions like coffee one after another, Ethiopia has always created new things that had never existed in the world. Highland Leather is another new invention of Ethiopia, a flagship industry of Africa's largest growing country.



26 MILLION CATTLES

THE LARGEST POPULATION OF SHEEP IN AFRICA.

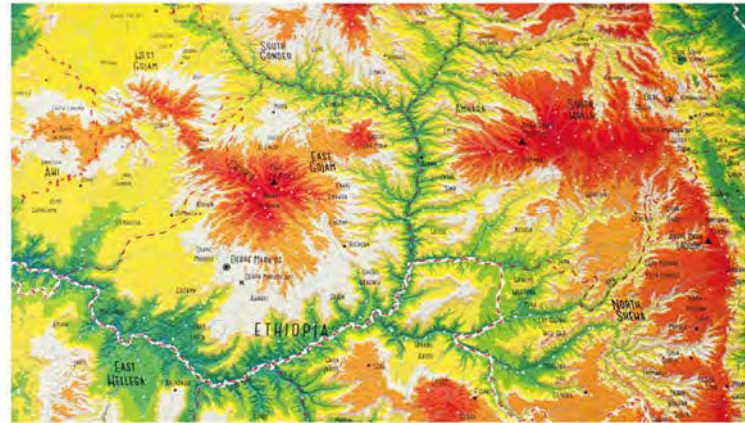
It is not so known abroad, but over 26 million sheep live in Ethiopia. That is a world-class figure, and the highest in Africa. Sheep is a very familiar part of life for the people of Ethiopia, supporting people's lives in various ways. Out of the millions, only a handful with the very best quality skin becomes labeled as Highland Leather, to be delivered to the rest of the world.



3000 METERS

ETHIOPIA'S HIGHLANDS HAVE BRED A SPECIAL TYPE OF HAIR SHEEP.

Ethiopia is blessed with a pleasant climate for its low latitudes, thanks to its highlands of over 3,000 meters in elevation. Since sheep raised in Ethiopia have no need to protect their bodies from bitter cold, they are distinguished by their incredibly thin skin. This sheepskin is so thin that it can be fashioned into sheep leather unlike any other in the world.

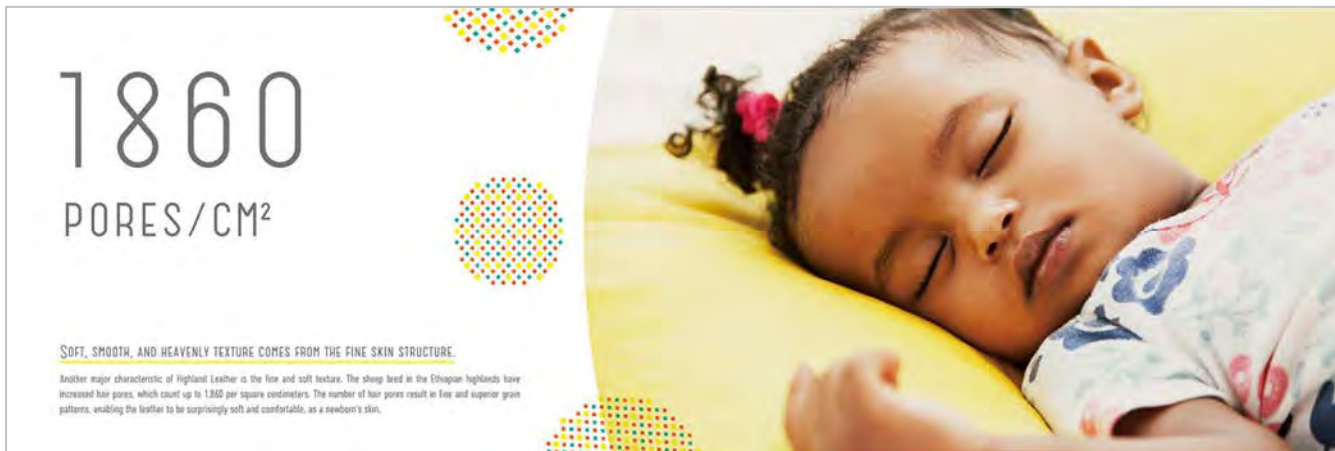




0.35
MM

SURPRISINGLY THIN AND LIGHT. YET, DENSE AND STRONG. OPENING NEW WAYS TO ENJOY LEATHER.

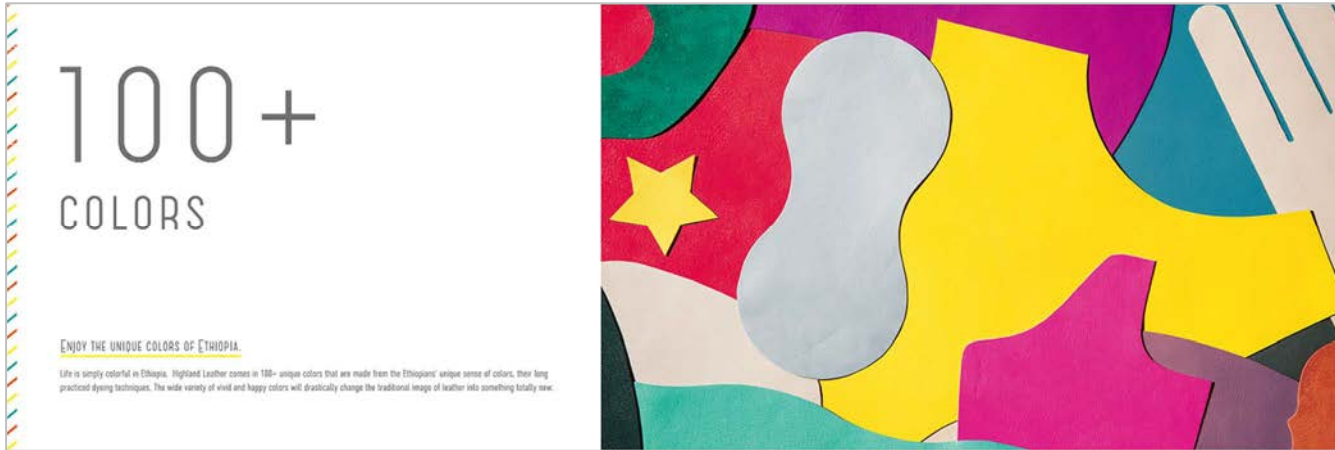
Thin sheepskin is what makes for thin and light sheep leather. The skin of the special hair sheep raised in Ethiopia is thinner than that of a typical wool sheep, because they have no need to protect their bodies from the cold. Thin sheepskin and skilled craftsmanship have enabled to create the amazingly thin, light, yet strong leather with dense fibers. It can be thinned down to 0.35mm, enabling Highland Leather to be used to create innovative products, previously unheard of leather.



1860
PORES/CM²

SOFT, SMOOTH, AND HEAVENLY TEXTURE COMES FROM THE FINE SKIN STRUCTURE.

Another major characteristic of Highland Leather is the fine and soft texture. The sheep lived in the Ethiopian highlands have increased hair pores, which count up to 1,860 per square centimeters. The number of hair pores result in fine and superior grain patterns, enabling the leather to be surprisingly soft and comfortable, as a newborn's skin.



100+

COLORS

ENJOY THE UNIQUE COLORS OF ETHIOPIA.

Life is simply colorful in Ethiopia. Highland Leather comes in 100+ unique colors that are made from the Ethiopians' unique sense of colors, their long practiced dyeing techniques. The wide variety of vivid and happy colors will drastically change the traditional image of leather into something totally new.

OPENING NEW POSSIBILITIES OF LEATHER.
TRANSFORMING WAYS TO ENJOY LEATHER.
IMPROVING OUR LIVES WITH LEATHER.

HIGHLAND LEATHER, MADE IN ETHIOPIA.

Appendix 5: Poster



レザーにでき なかつたこと、 ぜんぶやろう。

◆ 350 MILLION YEARS AGO ◆ 2600 MILLION SHEEP ◆ 3000 METERS HIGH
◆ 0.35 MM THIN ◆ 1860 PORES/CM ◆ 100+ COLORS

WORLD'S HIGHEST QUALITY SHEEP LEATHER
PROUDLY MADE IN THE HIGHLANDS OF ETHIOPIA

革製品と聞いて、何を思い浮かべますか。きっと、種類はそう多くはないはず。そんなレザーの世界を大きく広げる「ハイランドレザー」。薄く、軽く、やわらかい。なのに、丈夫で長持ちする。エチオピアの高地が育んだ世界最高品質のレザーが、ファッションという枠を超え、国を超え、時代を超え、世界中の毎日にレザーの新しい歓びを届けていく。ぜひ手にとって、あなたの目で確かめてください。

WWW.ETHIOPIANCREATION.COM/HIGHLANDLEATHER

NOW, NOTHING IS IMPOSSIBLE WITH LEATHER.

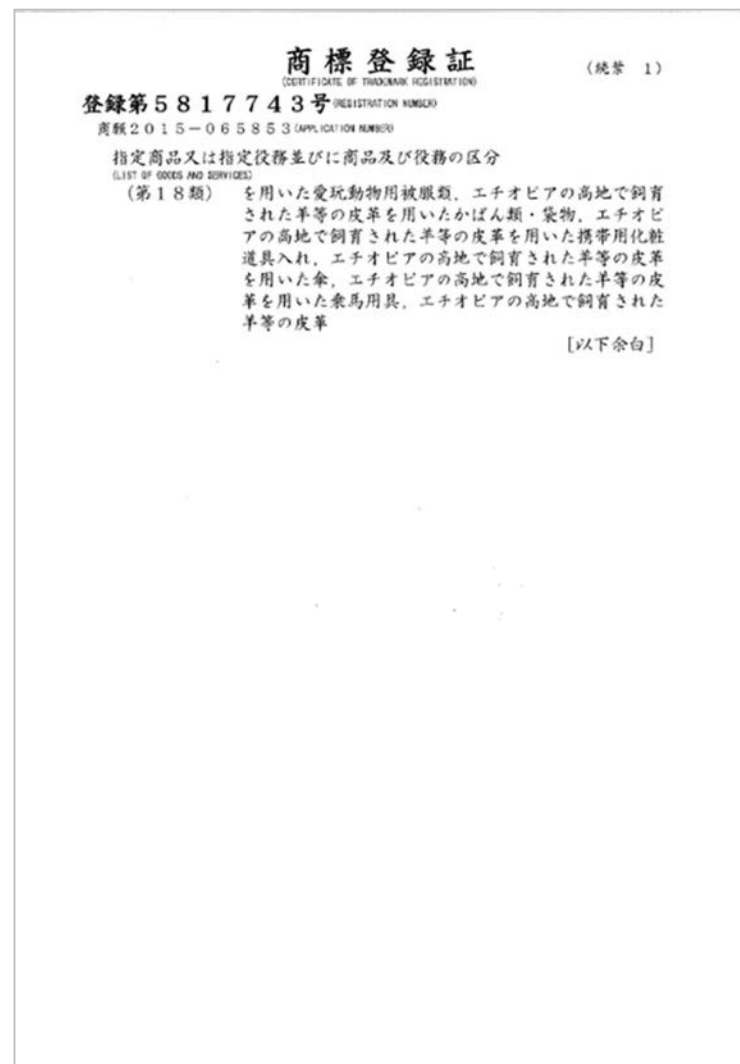
What products come to mind when you hear “made of leather”? Probably not too many. Highland Leather is here to change, innovate, and expand the world of leather. Born in the Ethiopian highlands, this material of world-class quality is durable yet soft, thin, and lightweight. It transcends fashion, national borders, and even time itself to bring the world a joy unlike anything it has never known. One touch and you will see what we mean.

◆ 350 MILLION YEARS AGO ◆ 2600 MILLION SHEEP ◆ 3000 METERS HIGH
◆ 0.35 MM THIN ◆ 1860 PORES / CM² ◆ 100+ COLORS

WORLD'S HIGHEST QUALITY SHEEP LEATHER
PROUDLY MADE IN THE HIGHLANDS OF ETHIOPIA

WWW.ETHIOPIANCREATION.COM/HIGHLANDLEATHER

Appendix 6: Certificate of trademark registration



Appendix 7: Media exposure in Japan

エチオピア発レザラーの「ハイランド・レザラー」
JICAの支援でブランド化
JFW-IFF7月展に9社出展

「売れるものを作る」を目指して
レザージャケットも提案

エチオピアのシニアレザー
 日本市場での存在感を
 一歩ずつ伸ばしている。初回は
 日本市場での存在感を
 一歩ずつ伸ばしている。初回は
 日本市場での存在感を
 一歩ずつ伸ばしている。初回は

エチオピアの14社のJFW-
 IFF7月展に出展する。エチオ
 ピア発のシニアレザーは、JICA
 の支援でブランド化され、今
 秋の日本市場での存在感を
 一歩ずつ伸ばしている。初回は


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2015.7.16 Senken Shinbun “Ethiopian Highland Leather’ branded by JICA’s support. 9 companies participate in JFW-IFF July Expo”

エチオピア産高級羊革バッグで海外進出する
 Meron Seid
メロン・セイドさん (29)

アフリカ東部・エチオピアは畜
 産業が盛んだ。首都アディスアベ
 バに、その牛や羊の革を素材に使
 った革バッグの工場を開いたのは
 24歳のとき。自宅にミンシを
 1台買いつけ、従業員1人を雇った。
 幼いころからデザインやフレッ
 ションに興味があった。大学卒業
 後に衣服デザインなどを学んだ。
 「バッグはどの年齢層も使う。デ
 ザインもしやすく、最初から力を
 発揮できると思った」
 デザインに伝統的なひし形模様
 を採り入れ、縫製にも妥協しない
 製品は話題を呼んだ。間もなく高
 級ホテルが並ぶ一角に直営店を構
 えた。ミンシは4台、常勤従業員
 は6人だ。5月、若い起業家とし
 て国連開発計画（UNDP）の現
 地事務所から賞を受けた。
 新たに挑むのは、先進国への輸
 出だ。エチオピアの羊は高地の涼
 しい気候で育つ。その皮は脂肪が
 少なく薄く強く、世界的に最高水
 準と評価される。日本政府の途上
 国援助を受け、特に高品質の羊革
 を皮革業界が「エチオピア・ハ
 イランド・レザラー」としてラン
 ド化した。それを使ったバッグや
 小物を日本市場向けに製造し、7
 月、バイヤーの集まる展示会に出
 展するため初来日した。
 母国は成長著しいが、国外では
 かつての肌触りの印象が強い。「エ
 チオピアの商品は低品質低価格と
 見られがち。高品質のものづくり
 ができるとイメージを変えたい」
 文：神田明美 写真：井手さゆり

2015.8.20 Asahi Shinbun “Ms. Meron Seid – Expands to International Market with High-Quality Ethiopian Sheep Leather Bag”

 エチオピア

柔らかく 上質なレザー

エチオピアに関して、一体どんなイメージを思い浮かべるだろうか？ コーヒー豆？ マラソンの強豪国？ 今回紹介するのは、エチオピア産の羊の革「エチオピアン・ハイランド・レザー」だ。柔らかく丈夫なこの革は、今、ファッション素材として注目を集め始めている。日本も国際協力の一環として、ブランド化を後押し。その特徴とは――。



世界最高級

カラフルな手袋や靴、ジャケットやスカート——これらはすべてエチオピア産の羊の革で作られている。触ってみると、柔らかくてとても軽い。羊というとウールが採れる羊をイメージするが、エチオピアの羊は、標高3000mの高地で育ったヘアシープ種。革は薄くて軽く、柔らかいのに、伸縮性に優れ、丈夫なのが特徴だ。手触りもしっとりとしてなめらかで、世界最高級の品質と言われている。

スランド化

ゴルフや野球用の手袋、高級車のシート部分にも使われることがあるが、一般的にはあまり知られておらず、流通量は少ない。そこで、エチオピア政府は、付加価値を付け、ファッション素材としてのブランド化を目指す。と、「エチオピアン・ハイランド・レザー」というブランドを作った。

日本も支援

これを支援しているのが日本の国際協力機構（JICA）だ。製品アイデアの提供や、プロモーションなどを手伝っている。日本の服飾業界にもアプローチ、7月に東京都内で行われた日本最大級のファッションの展示会には、エチオピアの皮革企業7社が参加。大勢のバイヤーが訪れ、大盛況だった。展示会には、エチオピア工業省比較産業開発機構マーケティング部長のビルゲネシュさんも来訪。「エチオピアの革の良さを多くの人に知ってもらうため、今後もプロモーションを続けていく」と意気込んだ。将来、エチオピアレザーがファッション界を牽引する日が来るかもしれない。



シープレザーで作られた手袋。内側にはフリース素材やカシミヤを使用している。



(左)皮をなめす工場で働く男性たち
(右)ミシンなどを使い、革製品を作り上げる女性たち

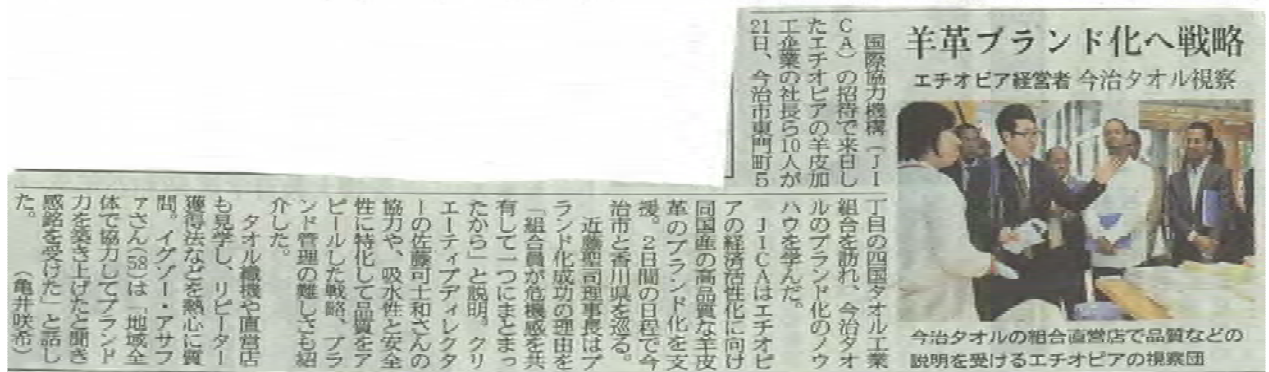


カラフルに染められたシープレザー

エチオピア連邦民主共和国

首都：アディスアベバ
面積：109万7千平方km（日本の約3倍）
人口：約970万人
日本との時差：6時間
産業が盛んで、コーヒーの発祥の地。今年の世界陸上女子マラソンではマレ・ディ/01選手が優勝するなど、陸上競技（特に長距離走）に強い。

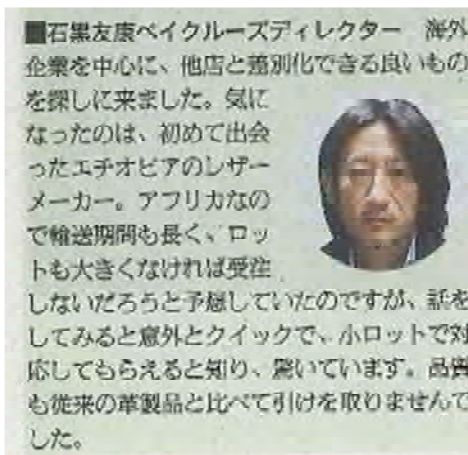




2016.4.22 Ehime Shinbun “Learn the Strategy of Sheep Leather Branding”



2016.4.26 Senken Shinbun “High-quality international companies participate”



2016.4.27 Senken Shinbun “Visitor’s Voice”