

Federal Democratic Republic of Ethiopia
Ministry of Trade and Industry of Ethiopia
Ethiopian Leather Industry Development Institute
Ethiopian Leather Industries Association

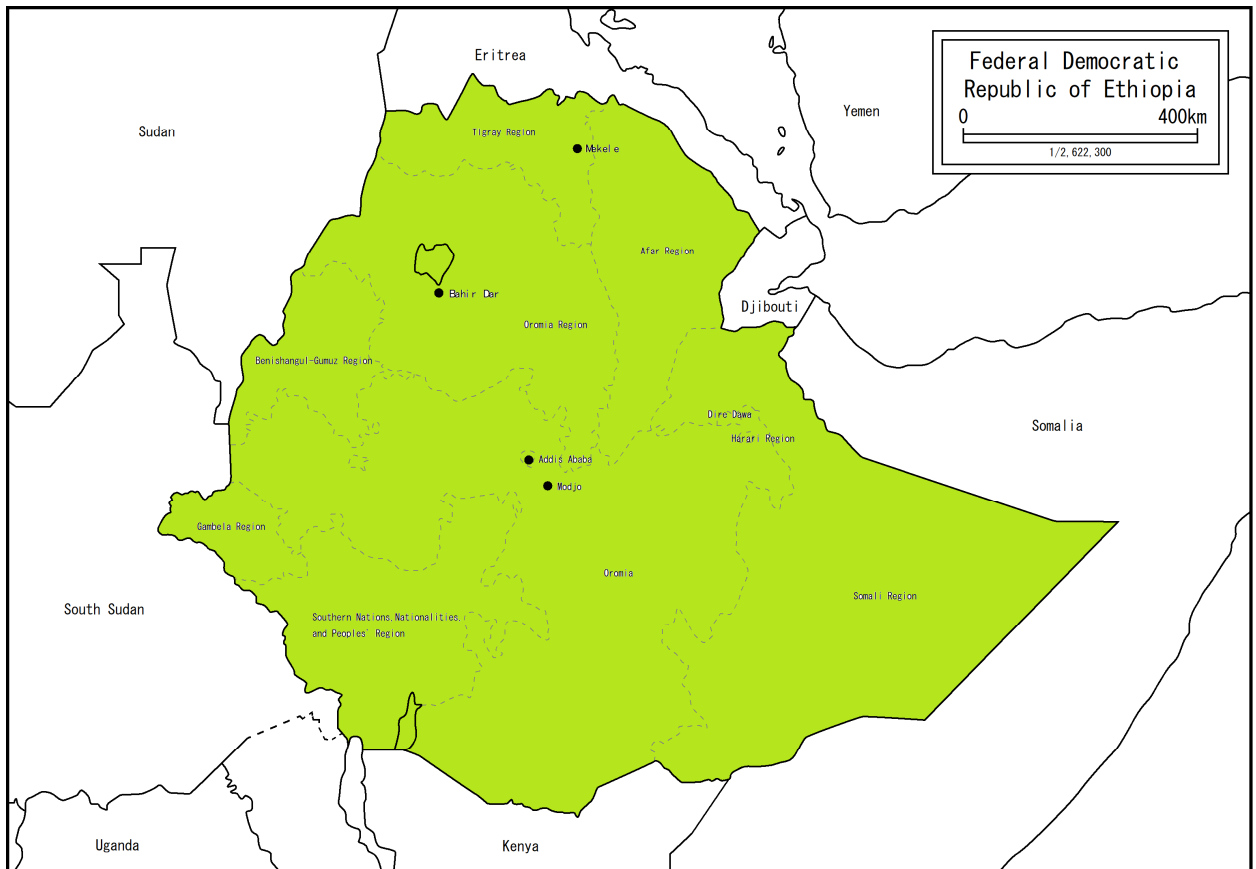
Ethiopia
Industrial Promotion Project
(Export Promotion) (Phase 1)
Final Report

November 2020

Japan International Cooperation Agency(JICA)

Foundation for Advanced Studies
on International Development (FASID)

Map



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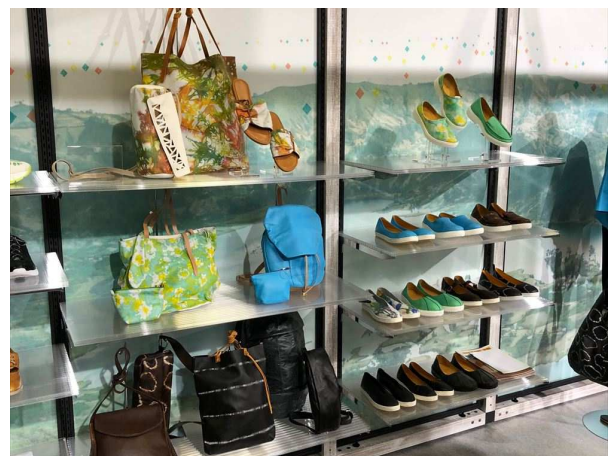


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Abbreviations

ALLPI	Africa Leather and Leather Products Institute
AGOA	African Growth and Opportunity Act
ATA	Agricultural Transformation Agency
COMESA/LLPI	Common Market for Eastern and Southern Africa/ Leather and Leather Products Institute
COVID-19	Coronavirus Disease 2019
C/P	Counterpart
CP	Champion Product
New CP	New Champion Product
CPA	Champion Product Approach
CPA1	Policy Dialogue on Industrial Development in Ethiopia (Phase 2) Study on Implementation Support of 'Champion Product Approach'
CPA2	Champion Product Approach Implementation Assistance Survey in Ethiopia (Phase 2)
DFID	Department for International Development
EC	electronic commerce
ECEA	Ethiopian Coffee Exporters Association
ECTA	Ethiopian Coffee & Tea Authority
ECRA	Ethiopian Coffee Roasters Association
EHL	Ethiopian Highland Leather
EIB	European Investment Bank
EIC	Ethiopian Investment Commission
EIPO	Ethiopian Intellectual Property Office
EKI	Ethiopia Kaizen Institute
ELIA	Ethiopian Leather Industries Association
ELICO	Ethio-Leather Industries P.L.C.
EP	Enterprise Partners
ETB	Ethiopian Birr
EU	European Union
EUIPO	The European Union Intellectual Property Office
EUTM	The European Union Trade Mark
IC	Implementation Committee
ICR	Inception Report
ICT	Information and Communication Technology
IPDC	Industrial Parks Development Corporation of Ethiopia
JICA	Japan International Cooperation Agency
JCC	Joint Coordination Committee
LIDI	Ethiopian Leather Industry Development Institute
LIDI TWG	LID Technical Working Group
MLC-CETP	Modjo Leather City Common Effluent Treatment Plant
MOFA	Ministry of Foreign Affairs
MOTI	Ministry of Trade and Industry
NGO	Non-Governmental Organization

OJT	On-the-Job Training
PDC	Product Development Center
PDM	Project Design Matrix
POP	Point of Purchase Advertising
PPE	Personal Protective Equipment
SCAJ 2019	SCAJ World Specialty Coffee Conference and Exhibition 2019
SDGs	Sustainable Development Goals
SNS	Social Networking Service
TBD	To be determined
TTF	Transformation Triggering Facility
UNIDO	United Nations Industrial Development Organization
USD	United States Dollar
VAT	Value Added Tax
VMD	Visual Merchandizing

Executive Summary

Project Outline

The Ethiopia Industrial Promotion Project (Export Promotion) has been implemented to carry out an alternative export promotion method, different from existing mass-market promotional activities, which is a promotion of Ethiopian products with a unique identity and high quality to premium/niche markets. This project has been composed of two components: “Ethiopian Highland Leather (EHL) component” and “New Champion Product (New CP) component.” The project has been implemented in two phases: Phase 1 (June 2017 to November 2020) and Phase 2 (December 2020 to January 2022).

From the Ethiopian side, the three implementation organizations/agencies have taken responsibility for the project, i.e., the Ministry of Trade and Industry of Ethiopia (MOTI), the Leather Industry Development Institute (LIDI), and the Ethiopian Leather Industries Association (ELIA).

Activities of the Ethiopian Highland Leather Component in 1st Phase

EHL Material and Product Development

In Phase 1, the project provided technical supports with an emphasis on producing samples meeting the requirements and quality standards of developed countries’ markets as well as on transactions with buyers and participated in trade shows held in France in September 2018, September 2019, and January 2020, and the trade show in the US in February 2020 to put them into practice. After the first trade show, both the quality of samples and customer service was improved, leading to improved results at the subsequent trade shows. Nevertheless, only a few sample orders have developed into subsequent orders for actual products, suggesting the continued need for technical support.

For tanneries, the project provided support for technologies that add value through eco-friendly processing and upcycling, including finishing techniques taking advantage of the characteristics of EHL and tie-dyeing using vegetable-tanned leather and low-grade leather. Through this technical support and the trade shows that were held, it became clear that products with a strong message, such as vegetable tanning and tie-dyeing, attract high levels of demand in overseas markets. This highlighted the importance of sales strategies in line with the target market.

For manufacturers, the project provided technical supports to improve the quality of their sheep leather products and their customer service. Although some companies received orders for samples in promotional activities in the previous phase, the number of sample orders that led to the order of actual products was extremely limited due to the poor quality of the samples, the delivery delays, and inadequate communications with the buyers. Based on these lessons learned, experts were dispatched to those companies to provide technical supports. As the result, the number and certainty of orders for samples received at the trade show exceeded those in the CPA2 as a result of the creation of samples tailored to the target market, support for business negotiations, and detailed promotion plans. Unfortunately, the spread of COVID-19 has caused the cancellation of many sample orders, but this has highlighted issues that need to be addressed in Phase 2, such as adapting to the increased international prevalence of electronic transactions.

EHL Brand Development and Management

Based on the EHL brand concept and brand story established in the previous phase, a brand strategy

that leverages the brand value of EHL was developed with the C/P. After conducting the market research in the EU and desk research on the other potential trade shows, it was decided to target Premiere Classe Paris/Who's Next in Paris.

To begin the enhancement of the brand management system, the project started to implement the registration of EHL in the European Union Intellectual Property Office (EUIPO). After conducting the preliminary survey that investigated the existence of any similar trademarks registered in the same region, ELIA submitted the application form to the EUIPO. The registration of the trademark in the EU was completed in January 2020.

The EHL certification criteria for finished leathers were comprised of on-site inspection and physical and chemical testing of sample leathers by LIDI. Although the standards were drafted following international standards, given the current situation of Ethiopian tanners, the testing capability of LIDI, and the non-existence of an international standard for sheep leather products, the standards, and its system were revised in stages based on the results of the tests. Through the implementation of the tests for two times and a series of discussions with relevant stakeholders, the 3rd draft of the EHL certification criteria for finished leathers was agreed with the C/P. Besides, ELIA awarded EHL certificates valid for one year to 2 tanneries in August 2019.

The draft of certification criteria for EHL leather products was also developed and agreed with relevant stakeholders. It was agreed that the leather manufacturers who wish to use EHL required to 1) submit a receipt from EHL certified tanneries, and 2) submit a quality control checklist before shipment. Before the trade shows, the certification process was tested and conducted OJT on the usage of the quality check sheet with quality control staff at partner companies.

Due to the spread of COVID-19, experts had to return home in the middle of their activities and it was not possible to finalize both certification criteria agreed with the C/P and the partner companies, the finalization of the certification criteria for EHL finished leathers and EHL leather products will be carried out in Phase 2.

To scientifically prove the strength of EHL, a joint survey was conducted between LIDI and Tokyo University of Agriculture and Technology. The result showed that one of the reasons Ethiopian sheepskin retains its physical strength is because of the difference in thickness of the papillary layer. The result was compiled and used as one of the promotional tools at trade shows.

Activities: New Champion Product Component in the 1st Phase

Brand Development of the New Champion Product

Based on the discussions between MOT and industry organizations, the eight sectors were selected as new CP candidates: Teff, sesame, chickpeas, red peppers, roasted coffee, beef, frankincense, and honey. The project conducted meetings and visited related organizations, producers, and markets for detailed information collection and discussion. The roasted coffee was then approved as a new champion product in March 2018. For activity operations for brand development, ECTA had a role in adjusting the opinions of related stakeholders. ECEA and ECRA which have deep connections to ECTA compared with the other stakeholders have been involved as members of the implementation committee.

The project participated in the International Coffee Day event in December 2018, to announce the

national committee for the brand and quality management. The Brand Logo candidates were selected after a series of discussions and a competition, and finally, one was selected in the stakeholder meeting in August 2019. At the SCAJ 2019 held in Tokyo in September 2019, ECEA put up a booth of the Ethiopian Coffee, and the project supported the presentation of national coffee brands at the trade show. Support was also given for the creation of brand leaflets, the design and construction of the trade show booth. In addition to the promotion at the booth, ECEA explained the background of the launch of the national brand, the value of the brand, and the future brand management system, at the seminar on the country of origin. It has been planned that the certification criteria for Ethiopian Coffee would be developed and also the trademarks for the brand logo would be registered in the national and international markets. The application would be started, after the Ethiopian Coffee Association would be organized and decided as the brand owner.

For the “Creativity in Motion”, a brand for the Ethiopian export industry including EHL, the promotional film, and website were produced during CPA2. As of October 2020, the installation on the hosting server owned by MOTI has been pending and the website has not yet been updated. This will be attended in Phase 2 with MOTI’s initiatives.

Achievement of the Project Objectives

One of the outputs of the EHL component is the production of high-quality EHL brand leather materials and leather products. The test trial of the EHL Leather Material and Product Certification Criteria and Operation System (first draft) was conducted after May 2019. After the results were reviewed, the second trial was carried out for the trade show in January 2020. Based on these results, it was aimed to complete the EHL certification system by April 2020. However, the Japanese experts could not implement activities in Ethiopia due to the pandemic of COVID-19 after the end of March, the activities were suspended. It is expected to finalize the system when EHL certification is updated in Phase 2. Then, the project will receive an application from partner companies, which will lead to the achievement of Indicator 1-1). Indicator 1-2) was achieved. Due to the reports from the partner companies, a total of 57 sample orders have been confirmed since the trade show in September 2018, exceeding the target figure, 30 orders. The second output is the appropriate management and international recognition of the EHL brand. Both of the two partner tanners were certified by the EHL brand in August 2019, which met Indicator 2-1). Indicator 2-2) was not achieved. Of the 46 visitors to the EHL's booth at the trade show in France in January 2020, 11 (24%) had known about EHL beforehand. This is probably because many of the answer persons stopped by the booth by chance.

The actual value of exports of EHL materials and products by the partners is approximately USD 7,000 of the two tanners (as of September 2019) (indicators 1-1), and the actual exports of bag and shoe manufacturers totaled 7 orders of EUR 3,419.94 and 983.33 USD (as of June 2020) (indicators 1-2). Thus, the indicators have not been achieved. Further efforts including diversification of promotion methods will be made in Phase 2 to achieve the objectives. Two bag manufactures started communication with five new buyers, but they have not yet received a firm order (Indicator 1-3).

Regarding the other component (New Champion Product), the expected output is the brand development of a new CP. Coffee was selected as a new CP to be developed, and a logo was created as part of the branding. On the other hand, registration of Ethiopian coffee’s trademark in the country has been

delayed. There is a plan to set up an association to oversee various producers' associations in Ethiopia, and this organization may be the brand owner. After this is established, it will apply for the trademark registration as the brand owner.

Activities Plan in the 2nd Phase

Regarding the 2nd phase, the project had several discussions with the C/P about the activity plan, and the C/P mostly approved the plan. Then, the project proposed the plan to the participants in the 6th JCC meeting held on October 14, 2020. In the meeting, the project explained the target figures at the start of the 2nd phase, target market and approach for each sub-sector, concrete activity plans in each market, and the necessity of extension of 2nd phase duration. The participants agreed on the target figures and the direction of the activity and requested an extension of the duration. In the future, based on the discussions in the meeting and the requests from companies, the project continues to hold discussions with MOTI, LIDI, and ELIA, and form a consensus between C / Ps on the specific activity plans.

1. Project Outline

1.1 Background of the project

During the 2012 policy dialogues, which was continued from June 2009 between Ethiopia and Japan, the Champion Product Approach (CPA) was proposed as a specific step in export promotion. The CPA is a strategy for promoting export through discovering unique (only one) and high-quality (best one) “Champion Products” that reflect a country’s culture and historical background, and selling of those products at overseas premium markets, thereby improving the images of the products and the country. And it results in increasing the country’s exports, which is the ultimate goal.

The “CPA implementation support survey phase 1” (CPA1) was run from May 2013 through February 2014 to make the CPA concept clear and testing its efficacy. During the “CPA implementation support survey phase 2” (CPA2) (Nov. 2014 - Mar. 2017), the leather sector was selected for pilot following market research. As pilot activities, brand development, product development, and promotional activities targeting Japanese markets were carried out. A brand specializing in sheep leather made in Ethiopia, “Ethiopian Highland Leather” (EHL), was launched. EHL attended a trade show in Japan twice and engaged in business negotiations with over 340 companies in a total of six days. Although some orders for sample products were placed, a few contracts were signed due to the inadequate quality of the samples and late delivery, and other reasons. Ethiopian Leather Industry Development Institute (LIDI) and Ethiopian Leather Industries Association (ELIA) and the partner companies felt the possibility of success in the international market, and becoming keenly aware of the demanded quality level, requested concrete technical support in design, quality, and production management.

Throughout phases 1 and 2, in tandem with assistance to the leather sector, another brand aimed at promoting the Ethiopian manufacturing industry in a cross-sectoral manner: “Creativity in Motion” was launched with a promotional video and website. The Ministry of Foreign Affairs of Ethiopia (MOFA) and the Ethiopian Investment Commission (EIC) are introducing these items when they welcome foreign diplomatic and business mission representatives, and the Ethiopian Airlines shows the video on its flights. Yet, the use of these items has been rather limited.

In response to the request from the Ethiopian government, this project is an export promotion support for continuous implementation of CPA based on the results up to CPA 2 as described above. This project stands as one of three components of the JICA supported Industrial Promotion Project agreed in July 2016. Other components of this JICA project include the Industrial Policy Dialogue and the Investment Promotion/Industrial Parks Development.

1.2 Objectives

This project aims to carry out an alternative export promotion method, different from existing mass-market promotional activities, which is the promotion of Ethiopian products with a unique identity and high quality to premium/niche markets. This project has been composed of two components; “EHL component” and “New Champion Product (New CP) component.” The purposes of each component are as follows;

For EHL component:

To increase export of sheep leather (finished leather and final product)

For New Champion Product component:

To expand sheep leather case to other champion products

The project aims to build on CPA2, to carry out activities focused on sheep leather, and to establish the efficacy of the CPA (“EHL component”). At the same time, the CPA will be introduced into new sectors to facilitate medium-term industrialization in Ethiopia (“New CP component”). In this way, the project aims to indicate the way to carry out activities in export promotion of Ethiopian products with a unique identity, thereby contributing to industrial development in Ethiopia.

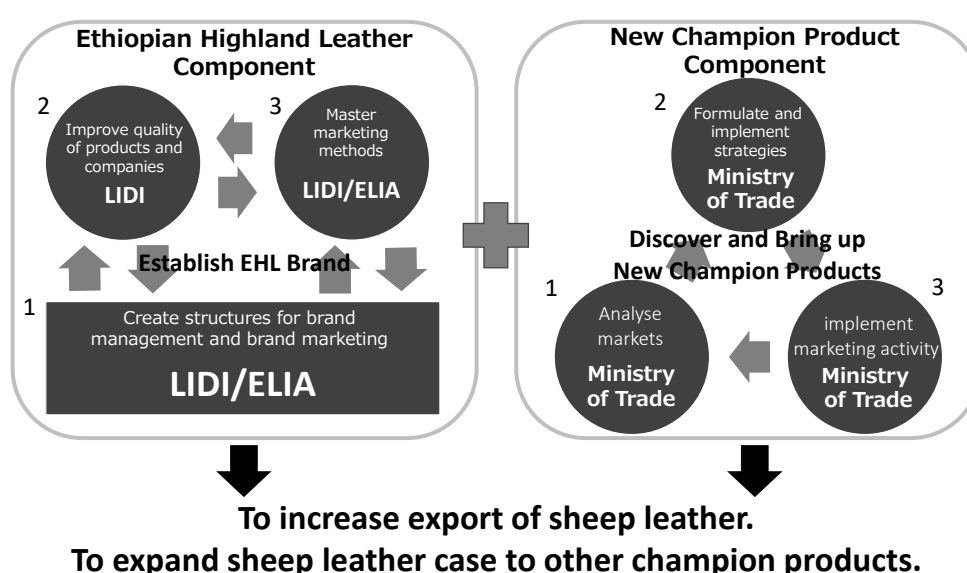


Figure 1: Two components of this project

Table 1: Project summary

Project Title	Ethiopia Industrial Promotion Project (Export Promotion)
Duration ¹	1 st Phase: June 2017- November 2020 2 nd Phase: December 2020 - January 2022
Ethiopian Implementation Organizations	Ministry of Trade and Industry (Restructured from the Ministry of Trade in 2018) Leather Industry Development Institute Ethiopian Leather Industries Association
Target area	The whole Ethiopia and international market
Overall Goal	To increase export as well as to expand the brand recognition through the champion products approach and its promotion.

¹ Initially the duration was; 1st phase: June 2017 – June 2020, 2nd phase: July 2020 – January 2022. However, the 1st phase was extended by 5 months due to the global expansion of COVID-19 from early 2020.

Project Purpose	Component 1 (Ethiopian Highland Leather) To increase export of sheep leather (finished leather and final product) Component 2 (New Champion Product) To expand sheep leather case to other champion products
Outputs	Component 1 (Ethiopian Highland Leather) 1 Quality EHL branded finished leather and leather products are available 2 EHL brand is properly managed and internationally recognized Component 2 (New Champion Product) 3 Another champion product brand is developed
Inputs	Ethiopian Side : Counter parts' focal person, Office space with the necessary equipment, Activity cost Japanese Side : Experts, Activity cost

The Project Design Matrix (PDM) is attached as appendix1, which was agreed in the 4th Joint Coordination Committee (JCC) meeting held in July 2019.

1.3 Ethiopian implementation organizations

There are three implementation organizations/agencies in this project, i.e., the Ministry of Trade and Industry of Ethiopia (MOTI), LIDI, and ELIA. To meet the aforementioned objectives, they are expected to assume the roles listed below.

Table 2: Roles and objectives of relevant organizations/agencies

Organization	Roles and Objectives
MOTI	【Role】Promote the CPA as an export promotion strategy and identify other potential champion products.
	【Objective】Learn how to discover and back up a new champion product through market research, strategy formulation (brand development), and promotional activity.
LIDI	【 Role 】 Transfer technology to respective companies, to support promotional activities, brand management, and marketing efforts.
	【Objective】Learn how to support respective companies for the aforementioned activities.
ELIA	【Role】Implement the EHL promotional campaign as well as in brand management.
	【Objective】Learn how to carry out the aforementioned activities / set up a structure to ensure continuous marketing efforts and brand management.

Regarding the new CPA component, after the target sector decided to coffee in March 2018, MOTI asked the project to work on brand development in collaboration with the Ethiopian Coffee and Tea Authority (ECTA), which oversees the entire coffee industry value chain under the Ministry of Agriculture. In consultation with ECTA, the project decided to organize an implementation committee (IC) including the Ethiopian Coffee Exporters Association (ECEA), the Ethiopian Coffee Roasters Association (ECRA), and the Ethiopian Intellectual Property Office (EIPO) to work on specific brand development activities,

since the stakeholders in the coffee industry were diverse. As consensus across the industry, the project will get approval in stakeholder meetings to finalize the brand development. For preparing to hold the stakeholder meetings and their preparatory meetings, a Technical Group was formed consisting of practitioners from each group participating in the IC in February 2019.

1.4 Target area

The whole of Ethiopia shall be a target area because locations of production of sheepskins are to be unspecified, upstream businesses in the leather industry will also be covered, and new sectors such as agricultural products and other manufacturing businesses may be involved in the project period.

Besides, some developed countries' markets are included in the export promotion. The project follows up business meetings, trade shows, and other promotional activities in those countries.

1.5 Basic policies

The CPA2 wrap-up meeting in December 2016 reviewed CPA2, considered the next actions, and built a consensus among concerned parties on the EHL brand strategy. As for the assistance to the leather sector, it is important to be mindful of the consensus when formulating strategies and to encourage the Ethiopian side to take initiative on all sorts of occasions. The basic policies of this project are laid out as follows;

Table 3: Basic policies of the project

Basic Policies in Terms of Technical Aspects
<ul style="list-style-type: none"> ● Share the CPA concept among concerned parties. ● Set a tangible target (i.e., trade show participation) and thereby increase the efficacy of technical assistance. ● Leverage the channel of communication to a wide range of stakeholders and try to create spin-off effects. ● Quote EHL as a success story and promote the CPA.
Basic Policies in Terms of Administrative Aspects
<ul style="list-style-type: none"> ● The counterparts are the subject of activities. ● The project ensures coordination with industrial policy dialogues to bolster the efficacy of the project. ● The project coordinates with other partners working in Ethiopia's leather sector in TWG arranged by MOI and based on the Strategy Paper by COMESA/LLPI. ● The project adds and/or replaces experts if needed for a flexible implementation to achieve objectives.

2. Activities: Overall Project Plan and Operation

2.1 Plan and overview of the implementation

The following activities related to the project's operations were implemented, while the activities related to the EHL component and the new CP component are reported in Chapters 3 and 4.

(1) The installation of the project office as well as procurement and management of office equipment and supplies

During the first dispatch of Japanese experts in July 2017, the establishment of a project office was discussed with the main counterparts ELIA, LIDI, and MOT, among others. As a result, the project office was set up in the secretary's office of Mr. Hailekiros, the deputy director of LIDI. Following the establishment of the project office, the items listed in table 4 below were purchased and installed. The procured equipment has been operating properly and it is expected to be utilized continuously during the 2nd phase to be started in December 2020. In May 2018, another space was also provided inside the office of the Ethiopian Coffee & Tea Authority (ECTA) in the Mexico area for project operations. New equipment for this space had not been procured.

Table 4: Office equipment (Locally Procured)

Equipment name (manufacturer and model number) and quantity	Purchase Price	Operating Status (as of September 2020)	Management Plan (as of September 2020)
Laptop PC (Toshiba C50, C55-COREI5): 2 units	1,425USD	In operation	To be used in the 2 nd phase
Stabilizer 1,500 W: 1 unit	1,150ETB	In operation	To be used in the 2 nd phase
Multifunction printer (Toshiba E-STUDIO 2802AF): 1 unit	37,499.99ETB	In operation	To be used in the 2 nd phase

(2) Establishment of the implementation structure and the holding of regular meetings

Consequent to consultation with the stakeholders in Ethiopia, the project decided to hold the Joint Coordination Committee (JCC) meeting once every six months, the implementation committee regular meeting (monthly) of the EHL component, and the implementation committee regular meeting (every other week) of new CP component to manage the project. The project has also organized the Technical Working Group (LIDI TWG) within LIDI to discuss technical and instruction methods such as a design with LIDI experts who guide partner companies with Japanese experts. The LIDI TWG is positioned as a technical committee under the implementation committee and held biweekly meetings until July 2018. After that, however, meetings are held on an as-needed basis. This is due to an increase in activity at each company as a result of continuous preparation for trade shows, and the higher efficiency of holding individual meetings with representatives of each department. Furthermore, the collaboration with LIDI representatives who

should participate in the TWG is a remaining matter that needs to be revisited in the implementation of the 2nd phase. In addition to the difficulty of providing on-site guidance to LIDI representatives who are in a position to teach in each company, other factors have been identified as obstacles including payment for daily allowances and travel expenses and ensuring adequate transportation for employees on working visits to the companies in question, therefore, we can't say it was enough to bring out the ownership. At the same time, the transition from OJT during the Japanese experts' visits to companies to other technology transfer methods is also under consideration for the 2nd phase and to be decided through the discussion with the C/P.

As the new CPA, activities have been conducted with IC organized around ECTA and the relevant Technical Group. Stakeholder meetings were held in August 2019, while meetings were held as needed for the SCAJ World Specialty Coffee Conference and Exhibition 2019 (SCAJ 2019) organized by the Specialty Coffee Association of Japan in September 2019.

(3) JCC meeting

A total of six JCC meetings were held during the 1st phase of the project. The summary of the meetings is shown in Appendix 2.

(4) Collaboration with other components of the Industrial Promotion Project

This project is positioned as part of the JICA's Industrial Promotion Project, and its progress has been shared at management policy meetings held before dispatching personnel for on-site policy dialogues. However, restrictions on the foreign currency holdings of each company have been constraining the objective of this project, the expansion of export. Attention should be paid to policy and institutional issues in export promotion, while items will be presented on the agenda for policy dialogues as necessary.

(5) Utilization of local consultant

The market research for the new CP component and the brand development after deciding on coffee as the target sector had been outsourced to an Ethiopian advertising company. The company had been working on the development of a coffee brand book for the project and gave a presentation of the brand significance and the process of selecting the brand logo at the stakeholder MTG held in August 2019 to get an approval of the brand logo. Besides, the completed brand book was re-edited and printed as a leaflet for external use and used for publicity at SCAJ 2019. The company also revised and printed the leaflet and designed the trade show booth wall of the EHL component, and worked on rebuilding the Creativity in Motion website.

On the other hand, Ms. Bethel Dagnachew, who had been engaged in the management of ELIA's All African Leather Fair and worked in a private company in the leather sector (operational management and PR), was hired as a project officer. From July 2018, Ms. Bethel was replaced by Ms. Azalech Solomon, who had previously worked on a JICA project in the water sector and participated in a training course of JICA in Japan. The project officers were mainly responsible for coordinating between the C/P and the consultant team and liaising with the partner companies.

(6) PR activities

The public relations activities conducted throughout the project's implementation period are shown in table 5.

Table 5: PR activities

	Period	Details
1	November 2017	Publication of a related article in Leather Science, Volume 63, Issue 2 (article by experts on activities of CPA 2) "Observation of the Reality of the Ethiopian Leather Industry" Michiro Aihara, Makoto Matsumoto
2	November 23, 2017	Trade show and explanation of leather products at the National Reception held at the Japanese ambassador's residence in Ethiopia
3	December 2017	JICA Ethiopia Newsletter, October–November 2017: Publication of articles on activities at the National Reception
4	March 2018	Japan Association for Nilo-Ethiopian Studies Newsletter, No25-3 Introduction of JICA project activities in the column "Champion product approach supporting export promotion by JICA" ²
5	June 2018	Participation in All African Leather Fair held at Millennium Hall, Addis Ababa "Ethiopian Highland Leather"
6	June 20, 2018	Lecture for Japanese student "Product Development in Developing Countries" by Institute of Developing Economies Advanced School, JETRO
7	July 11, 2018	Lecture in JICA's training course "Developed Market Oriented Export Promotion Strategy / Marketing Strategy (A)" "Champion Product Approach - Export Promotion & Marketing of Ethiopian Products"
8	August 9, 2018	International Leather Maker (Publication on the website of a leather industry magazine) "Ethiopian Highland Leather heading for Paris fair debut" ³
9	August-September 2018	A web banner placed in eNews letter of International Leather Maker
10	December 6, 2018,	Exhibit and explanation of leather products at the National reception held at the Japanese ambassador's residence in Ethiopia (photo 1)
11	March 27, 2019	Acceptance of 12 students from International Christian University High School for overseas training at a partner company (visit to Ramsay Shoe factory)
12	August 2019	The national brand presented at the coffee sector stakeholder meeting The Ethiopian Herald (English-language newspaper) Capital (English-language newspaper) Art TV news (TV news)
13	October 2019	Trade show in France in September 2019 Contribution to the newsletter of the JICA Ethiopia Office
14	October 2019	Trade show in France in September 2019 Contribution to Africa Hiroba's Facebook page
15	October 2019	Article on exhibitors at Who's Next IMPACT in the French online magazine Leather Fashion Design https://leatherfashiondesign.fr/6-marques-6-demarches-smart/

² http://www.janestudies.org/drupal-jp/sites/default/files/JANES_NL25_3_20180316.pdf (Accessed on 2018. 9. 19)

³ http://internationalleathermaker.com/news/fullstory.php/aid/5826/_Ethiopian_Highland_Leather_heading_for_Paris_fair_debut.html (Accessed on 2018. 9. 19)

16	November 2019	Lecture in 2019 JICA's training course "Export Promotion and Marketing Strategies for Developed Markets"
17	January 2020	Acceptance of a study mission from JICA Sudan office (project briefing and visiting partner companies)
18	February 2020	Exhibit and explanation of leather products at the National reception held at the Japanese ambassador's residence in Ethiopia
19	May 2020	The bags made by ShirShir Ethiopia are on sale at Green Rose, a select shop in Nagoya, Japan, and were introduced on the shop's blog.
20	June 2020	The sandals made by Kootkeet are on sale at Artwork Blue, a select shop in the Kanto area, Japan, and were introduced on the Facebook page of JICA Private Sector Development Group.
21	July 2020	The articles of Kootkeet's sandals being sold in Japan were posted on Facebook and Twitter by JICA public relations office.

(7) Change in operational policies due to the spread of COVID-19

Since the first case of COVID-19 was confirmed in Ethiopia in March 2020, the number of cases in the country has continued to increase as of September 2020. Japanese experts who had traveled to the country in March were forced to shorten their stay and return home. The original plan was to hold the 6th JCC meeting in April 2020, with the 1st phase ending in June of the same year. However, due to restrictions on travel to Ethiopia after March, it was decided to extend the implementation of the 1st phase of the project until the end of November 2020 and postpone the 6th JCC meeting to October of the same year. When the decision was made to postpone the meeting, it was assumed that the meeting would be held in Ethiopia, however, since the spread of COVID-19 in Ethiopia had not yet been brought under control and that the travel restrictions by JICA were still in place, it was decided to hold the JCC meeting online, and to hold the preparatory meeting for the JCC meeting with the C/P online as well.

During the postponement of the 6th JCC meeting, a market survey of the global leather industry was conducted by desk research. The results of this survey and the outcome of the trade shows that the project participated as well as the global spread of COVID-19 infection have led to a reconsideration of the EHL brand strategy. Also, the project did the follow-up support after the trade shows to partner companies by e-mails and made interviews with partner companies to discuss the impact of COVID-19 on their companies and the feasibility of manufacturing personal protective equipment (PPEs). The status of each partner company under the spread of COVID-19 is described in Appendix 3, and the impact on activities related to EHL brand management and certification standards is detailed on p.48, respectively.

2.2 Dispatch of experts

The dispatch period of the experts who traveled to Ethiopia and other countries throughout the project implementation period is shown in Appendix 4.

3. Activities of the Ethiopian Highland Leather Component

Output 1. Production of high-quality EHL brand leather materials and products

3.1 [Activity 1-1] Strengthen product competitiveness of selected companies (product design, product quality, production line management, and marketing)

In the 1st phase, the project provided technical supports with an emphasis on producing samples meeting the requirements and quality standards of developed countries' markets as well as on transactions with buyers and participated in trade shows held in France in September 2018, September 2019, and January 2020, and the trade show in the US in February 2020 to put them into practice. After the first trade show, both the quality of samples and customer service was improved, leading to improved results at the subsequent trade shows. Nevertheless, only a few sample orders have developed into subsequent orders for actual products, suggesting the continued need for technical support.

The field activities planned for Output 1 were completed in March 2020, when the Japanese experts returned from Ethiopia following the spread of COVID-19. In the subsequent period of extension, promotional support has been provided for the delivered products.

(1) Technical support for tanneries

The survey conducted in CPA2 revealed that leading tanners in Ethiopia use chemicals from major manufacturers in Europe and India and that their quality itself poses no problem. Since ELIA also purchases basic materials such as lime and salt for tanners, the procurement of these chemicals was deemed to be relatively stable. Therefore, technical support was provided following a support plan developed based on the premise that the procurement of chemicals was stable, focusing on high added value. In reality, however, since the tanners turned out to be reluctant to purchase chemicals used for new technology, the technical support was limited to the types of chemicals that were relatively easy to procure. The method of vegetable tanning taught as part of the technical support provided complies with the requirements of developed markets that are sensitive to environmental and health issues, so this attracted a high level of interest from customers in France and the US.

While the softness, thinness, and durability of EHL are the hallmarks of Ethiopian sheep leather, its production requires high-quality rawhides. However, it has been difficult to improve methods of rawhide preservation and the distribution of rawhide in the Ethiopian supply chain. With the government's decision to eliminate export tariffs on semi-finished leather, the percentage of high-quality raw hides in the domestic market is expected to be reduced further. In light of this situation, the project provided support for technologies that add value through eco-friendly processing and upcycling, including finishing techniques taking advantage of the characteristics of EHL and tie-dyeing using vegetable-tanned leather and low-grade leather. Through this technical support and the trade shows that were held, it became clear that products with a strong message, such as vegetable tanning and tie-dyeing, attract high levels of demand in overseas markets. This highlighted the importance of sales strategies in line with the target market.

1) Selection of partner companies

A support system has been incorporated into the project to create model companies by selecting

specific companies to be “partner companies” and providing them with intensive support. In 2017, 29 tanners were operating in Ethiopia. Three companies were selected in December 2017 from a list of candidate companies based on selection criteria determined in discussions with the C/P.

Tannery Selection criteria

- ① Being an ELIA member
- ② Being a local affiliate in Ethiopia
- ③ Having sufficient experience in and the potential for export
- ④ Producing high-quality leather
- ⑤ Having experience in sheep leather producing
- ⑥ Holding quality control and environmental certificates (ISO9001, ISO14001, etc.).

Support target companies (partner companies)

- ① Bahirdar Tannery⁴
- ② ELICO Awash Tannery⁵
- ③ Colba Tannery

However, Colba Tannery did not agree to a memorandum requesting its active participation in project activities and provision of information for establishing a barometer, resulting in its withdrawal from project activities.

In March 2018, the C/P and tanners attended a briefing session on the technical support policy. Proposals were made regarding technical support for vegetable tanning and finishing techniques that could add value to lower grade semi-finished leather.

Table 6: Finishing techniques proposed to Ethiopian tanners

	Name	Characteristics
1	Wax finishing, paper crush effect	Glossy wax finish with crush effect
2	Double face	Reversible leather with suede and grain sides finished in different colors
3	Pigment finishing with transparency look	Pigment finish with a glossy and transparent surface, as if finished with aniline used for high-grade leather
4	Pigment finishing with soft-touch	Pigmented leather normally produced by tanners in Ethiopia finished with a softer texture.

Subsequently, it was decided that technical support should be provided for wax finishing and pigment finishing with a transparency look, which were in strong demand.

2) Technical support for leather production technology

In response to the above proposal, a visit was paid to each company to investigate the current situation

⁴ <http://www.bahirdartannery.com/> (Accessed on 2018.1.10)

⁵ <http://www.elicopl.com.et/> (Accessed on 2018.1.10)

(photo2). In addition to interviewing management team members and people in charge, a survey was conducted on the production line and the quality of finish of the end products. The results indicated that Ethiopian tanners were chronically overstocked with low-grade finished leather.

Low-grade leather is usually sold with a variety of surface finishes. The chemicals used for such finishing processes are less accessible in Ethiopia, and the end products often turn out to be unsellable due to a lack of adequate finishing techniques. In the meantime, high-quality leather accounts for less than 10% of the total production of each tanner, even with collective sales of leather of grades 1-3, and the market demand for this leather is so high that there is no need for promotional activity.

In the international market, chrome leather, which contains heavy metals, tends to be avoided. In contrast, there is a growing demand for healthier and more environmentally friendly leather materials, such as vegetable-tanned and chrome-free leather. In light of this situation, production techniques for vegetable tanning and processing techniques such as tie-dyeing and waxing, which add value to low-grade leather, have begun to be taught as part of the project. Vegetable tanning, as healthy and environmentally friendly, adds value through making vegetable-tanned leather different from chrome leather. Tie-dyeing and waxing can reduce the appearance of scratches on crust leather of lower grades (leather as intermediate material before the finishing process). Project members and people in charge of LIDI visited partner companies to provide technical support for vegetable tanning and learning about finishing techniques.

In addition to the transfer of technology described above, the tanners asked for assistance with the types of dyes, their characteristics, and compatibility, solutions to problems arising in daily operations, as well as improvements in the flexibility and colorfastness of chrome-tanned leather. Technical support was provided for each request through lectures, experiments in the companies' laboratories, and on-the-job instruction (photo3-5).

Since the number of chemicals that could be used in this technical assistance was limited, technology was transferred to people in charge of LIDI only through supplementary work, while the actual process from tanning to finishing was performed by the technicians at the tanners. Despite their knowledge of theory, the people in charge of LIDI had only a few years of experience in the field and lacked technical skills. LIDI will need to enhance its approach to help its employees gain experience in the field (at tanneries) and transfer their skills to the tanners to reproduce the same quality of leather by looking at samples.

3) Technical support for quality control

In parallel with assistance for production technology, technical support was provided for quality control. First of all, an investigation on quality control standards and their system of operation revealed that two of the partner companies had their standards established based on ISO standards shared by LIDI. The content of the standards was well regulated as ISO standards and was in line with the items produced by those tanners. In addition to this grading, the inspection process also included the determination of thickness and color differences checked against samples.

Although the grading and inspections were based on these clear standards, many customers complained about color differences, variations in quality within the same grade, and differences in thickness. These complaints seem to arise from discrepancies in the assessments of each person in charge. In quality control, it is important to reduce discrepancies in individual assessments. To narrow the discrepancies in

individual interpretations of the evaluation criteria, an Amharic translation of the criteria was distributed to tanners to be placed on each inspection table.

Crust leather of lower grades (grades 5-6) needs to be sorted into more detailed categories again, as there are various quality levels contained within the same grade. The selection of crust and wet blue leather (moist chrome-tanned leather as intermediate material) taking into account the finishing process will make leather of grades 5-6 more competitive. Acceptable levels of damage for crust leather that can be used for pigment finishing with transparency look and crust leather that can only be used for wax finishing vary, so the selection process needs to be more rigorous.

Besides, the overall process had become quite complicated, often causing products of different grades (checked and unchecked items) to be mixed up. Improvements were proposed to provide clear guidelines for the process from the determination of thickness and inspection to packing and pre-shipment sampling inspection.

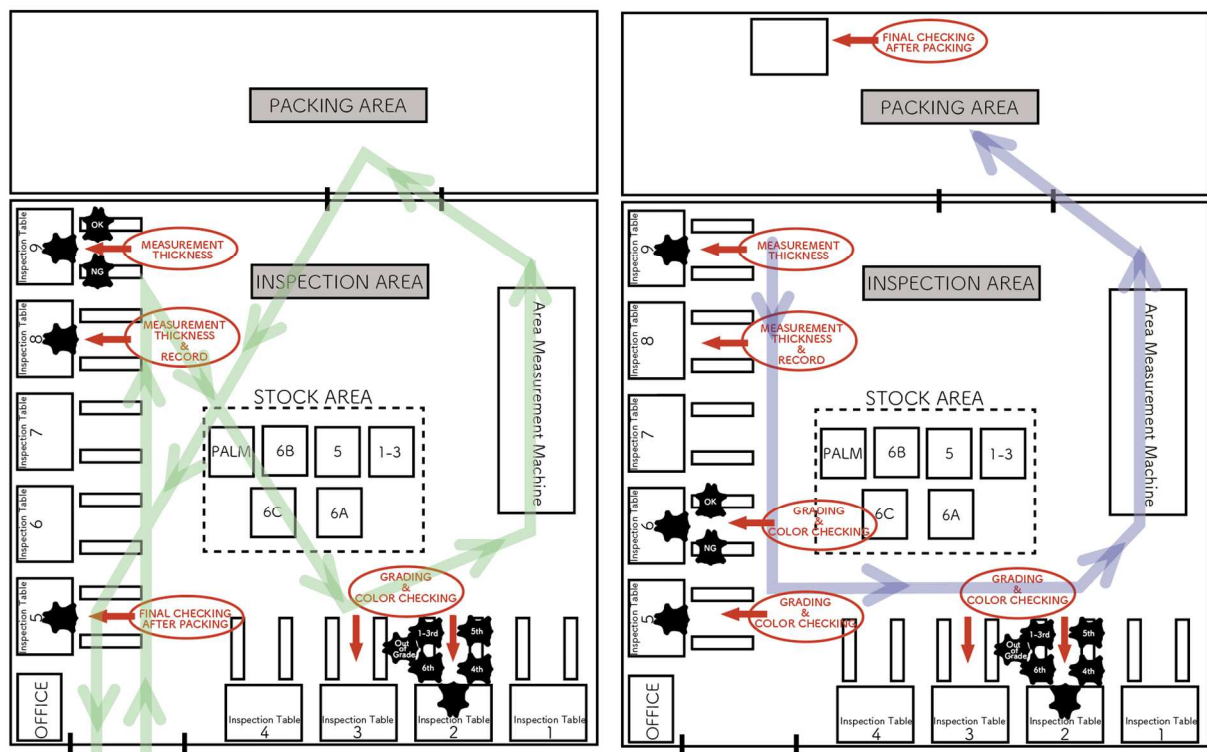
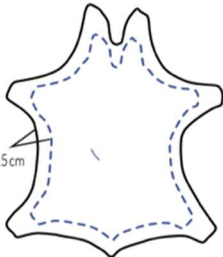
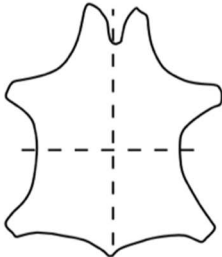
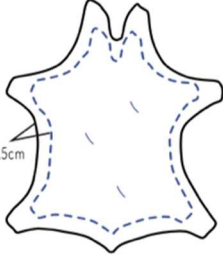
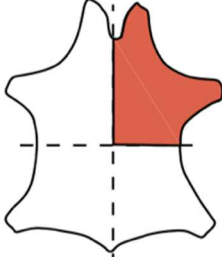
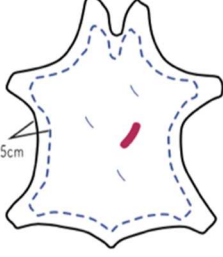
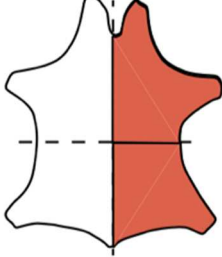
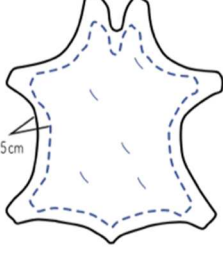
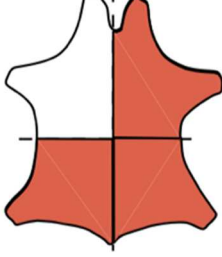
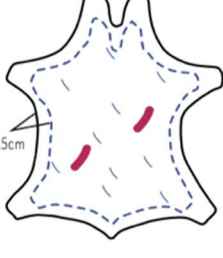
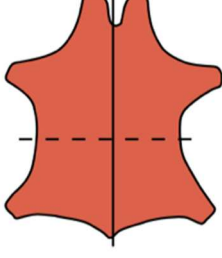
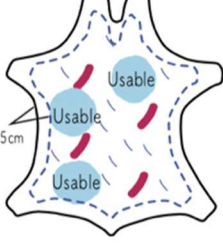
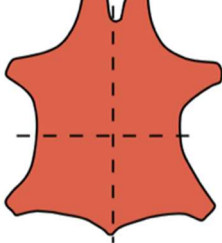


Figure2: Inspection process performed by the inspection department of partner companies (left: current condition, right: suggestion for improvement)

Table 7: Table 7: Comparison of ISO Standards (left) and Ethiopian companies' grading systems (right)

I	 <p>Acceptable range: 90-100%</p>	 <p>No defect in any section</p>
II	 <p>Acceptable range: 75-89%</p>	 <p>Defect in 1 section</p>
III	 <p>Acceptable range: 60-74% Up to 3 minor defects</p>	 <p>Defect in 2 sections</p>
IV	 <p>Acceptable range: 45-59% Up to 5 minor defects</p>	 <p>Defect in 3 sections</p>
V	 <p>Acceptable range: 25-44% Up to 10 minor defects</p>	 <p>Defect in all 4 sections</p>
VI	 <p>Acceptable range: 15-24%</p>	 <p>Overall defective</p>

In the meantime, the factories had become severely contaminated with paint used during the finishing process, while equipment such as sprayer machines was not being cleaned properly. These conditions did not become a problem since these factories had mainly handled standard colors such as black and brown. However, to produce light-colored leather, including more fashionable colors, it was necessary to put up curtains to prevent dust from entering and to rearrange the position of the machines. Since this would involve major modifications, the following suggestions were made as measures that could be put in place with immediate effect.

- ① Always store finished leather with the grain side on the other grain side, to prevent contact with shavings and dust on the flesh side.
- ② Make sure to filter prepared liquid soon to prevent contamination.
- ③ Clean the leather surface with a cloth before moving it to a spray machine for dyeing.
- ④ Check dyed leather for stains immediately after the dyeing process, and if a stain is found, immediately report it to the spray booth, stop the machine, take measures such as cleaning, and restart the process.
- ⑤ Add fluorescent lamps to increase illumination.
- ⑥ Use one sprayer for light colors and the other for dark colors separately.
- ⑦ Stop operation and clean sprayers and ironing machines at least once every six months.

After these suggestions were made, workers were observed cleaning leather before starting to work, storing leather with grain sides facing each other, and cleaning the spray booth, and spray guns. Nevertheless, continued support is considered necessary to ensure these actions become routine.

(2) Technical support for manufacturers of leather products, such as shoes and bags

Support was provided to Ethiopian manufacturers of leather products to improve the quality of their sheep leather products and their customer service. Although some companies received orders for samples when they attended the trade show held in Japan in the CPA2, problems arose in the quality and time taken for delivery of the samples. Also, the companies were unable to provide accurate information in response to customer requests. As a result, the number of sample orders that led to the order of actual products was extremely limited. The poor quality of the samples was attributed to a lack of understanding of their importance, as the companies thought it was acceptable to resolve the issues at the mass production stage, as well as a lack of technical competence to reproduce samples of the same quality as the exhibited products without assistance. Delivery delays were mainly due to the time it took to organize the leather materials for delivery.

Based on these lessons learned, experts were dispatched to those companies to provide technical support as part of the project. Besides, the project targeted the European market, which is considered to be less demanding in terms of quality control of leather products than the Japanese market. As described in section 3.1 (1), support was provided for tanners to differentiate their products without using high-grade leather to tackle the problems with the quality of leather materials.

Since this was the first time for many companies to participate in this project, the level of technical

support required was quite rudimentary. However, the number and certainty of orders for samples received at the trade show exceeded those in the CPA2 as a result of the creation of samples tailored to the target market, support for business negotiations, and detailed promotion plans. Every time project members participate in a trade show, there is an increase in the number of continuing interactions with clients and small lot orders. Such transactions have also revealed problems that arise when customers make payments. Unfortunately, the spread of COVID-19 has caused the cancellation of many sample orders, but this has highlighted issues that need to be addressed in the 2nd phase, such as adapting to the increased international prevalence of electronic transactions.

1) Selection of partner companies

As with the tanners, six firms were selected in December 2017 from a list of candidate firms based on the selection criteria determined in discussions with the C/P. A memorandum was signed between each partner company and the project to formalize their commitment to participation in the project.

Manufacturer selection criteria

- ① Being an ELIA member
- ② Being a local affiliate in Ethiopia
- ③ Having sufficient experience in and the potential for export
- ④ Producing high-quality leather
- ⑤ having experience in sheep leather manufacturing

Support target companies (partner companies)

■ Bags and accessories

- ① Kootkeet⁶
- ② Yezichalem Meaza⁷ (declined the support in January 2020)
- ③ Entoto Beth Artisan⁸
- ④ Shirshir Ethiopia (joined in April 2019)⁹
- ⑤ ELICO Universal Leather (joined in October 2019)
- ⑥ Abka Leather (joined in December 2019)¹⁰

■ Shoes

- ① Sheba Leather¹¹ (declined the support in July 2018)
- ② Ramsey Shoes (terminated the support after the discussion between the company and project in September 2019)
- ③ Tikur Abai Shoes¹²
- ④ Ambessa Shoe¹³ (joined in May 2019)
- ⑤ Natural Footwear Studio¹⁴ (joined in December 2019)

⁶ <https://kootkeet.com/> (Accessed on 2018.1.10)

⁷ <http://www.indezi.no/vare-leverandorer/yezichalem-meaza?tm=menyside> (Accessed on 2018.1.10)

<https://www.oliberte.com/pages/where-its-made-oliberte-gear/> (Accessed on 2018.1.10)

⁸ <https://www.facebook.com/Entoto-Beth-Artisan-233271773470318/> (Accessed on 2018.1.10)

⁹ <https://www.shirshirethiopia.com/> (Accessed on 2020.10.22)

¹⁰ <http://www.abkaleather.com/> (Accessed on 2020.10.22)

¹¹ www.shebaleather.com (Accessed on 2020.10.22)

¹² <https://www.tikurabbayshoe.com/> (Accessed on 2020.10.22)

¹³ <https://www.anbessashoesc.com/> (Accessed on 2020.10.22)

¹⁴ <http://www.natural-shoe.com/> (Accessed on 2020.10.22)

■Garment

① Kinaff Leather¹⁵ (joined in June 2019)

Among the above companies, Yezichalem Meza decided to withdraw from the project after 2020 due to difficulties in covering the costs for manufacturing samples. At the same time, since the policy of support offered by the project based on the CPA did not include the provision of markets requested by Sheba Leather, both parties agreed that support would be discontinued in July 2018. Support for Ramsay Shoe was terminated after discussions, as the company's representative deviated from the plan without consulting project members during its participation in the trade show in September 2019.

2) Technical support for manufacturers of bags and leather products

Before the above selection, a visit was paid to each company to investigate the current situation. Interviews with management team members and people in charge, as well as a survey, were conducted concerning the production line and the quality of finish of the end products. As a result of the survey, the following issues were identified as common to all the companies:

- ① Variation in the size and shape of the finished product
- ② Variations in the position of parts, brand logo, etc.
- ③ Damage to the leather material surface caused by the inadequate adjustment of the sewing machine
- ④ Defective seams
- ⑤ The adhesive on the surface of leather material and contamination such as dust on the lining material
- ⑥ Poor storage condition of the finished product, such as horizontal stacking
- ⑦ Production inefficiency









Many of these issues seemed to be caused by a lack of standards for maintaining uniform quality and the fact that workers were performing tasks based on their criteria and judgments. Besides, due to a high rate of labor turnover, many companies have been unable to train skilled workers capable of instructing other workers and managing and supervising the production line. These facts suggested the need for “promotion of visualization for the improvement of quality and productivity (standardization of operation processes)” and “introduction of in-line inspection” to identify defective products at the earliest possible stage and prevent them from being passed on to the next stage of the process. These measures seemed to be more effective than the enhancement of individual technical skills in ensuring that companies see improvements in a short period, with less susceptibility to changes in the retention rate of trained employees and an improved level of consistency.

To ensure the implementation of the 3S and establish this as a routine before starting support for quality control and productivity improvement, one of the partner companies (1) used a cleaning checklist, a management ledger for hazardous materials, and a tool management record (2) cleaned tables before and

¹⁵ <http://www.kinaff.com/> (Accessed on 2020.10.22)

after work (3) disposed of unnecessary items and (4) organized the warehouse continually. Since the company has approximately fifty employees, it was easy to communicate with middle management as well as to see the results of these measures, which helped to improve motivation for the entire company to engage in the 3S. Employees are now more aware of the 3S and have taken the initiative, for example of changing the layout of their workspace and writing up each team's performance on a whiteboard before leaving work.

Table 8: Examples of improvement through implementing and becoming familiar with 3S

Before improvement		After improvement	
	Boxes and glue cans piled up randomly.		Useless objects no longer take up space.
	Boxes of waste occupied the space.		Waste has been disposed of to organize the space better. Space was turned into the cleaning tool storage area.
	Boxes were randomly piled up.		Boxes are organized in line.
	Some obstacles were blocking the way and it was difficult to reach the stock.		Unnecessary items were removed and space was organized to facilitate staff to take the stock. * The photo was taken in the process of improvement.

	<p>The area for cutting zippers was dark and lacked tables. Lengths were uneven as they were cut on cardboard</p>		<p>Installation of a table for cutting zippers (with a fixed ruler) ensured the finished products were of uniform length.</p> 
	<p>The stock was not organized and it took time to find items.</p>		<p>Items are organized by color (with labels) *Label letter-size needs to be changed.</p>
	<p>Hazardous objects were left on the table</p>		<p>Management of dangerous items with tools (pincushion/magnet)</p> 

3S was followed by an attempt to introduce in-line inspections. The project gave a presentation to compare pictures of products with variations first to show employees the lack of uniformity in their products. Subsequently, experts guided to make them aware of differences and errors during operations. Defects were marked with the experts explaining why products were considered to be defective. Besides, the lack of skills causing the production of defective products was identified based on the in-line inspection to provide necessary technical guidance. At the same time, technical guidance was provided on the straight-cut method, correction and introduction of patterns, improvement of the gluing process, and adjustments to reduce sewing machine traces, particularly focusing on the following basic aspects (photo6-9).

- ① Parts supposed to be symmetrical should be made symmetrical.
- ② Parts supposed to be straight should be straightened.
- ③ Parts supposed to be at right angles should be at right angles.

Through the above technical support, products are manufactured with a focus on centering and symmetry. Awareness of in-line inspection and quality has certainly been increasing as workers share

pictures of rejected products in the workplace and make voluntary judgments of quality in group work. Employees shared the following problems, tasks, measures, and improvements (Table 9).

Table 9: Problems, tasks, measures, and improvements shared by employees of bag manufacturers

Problems	<ul style="list-style-type: none"> · Obstacles posed by lack of preparatory work · Preparatory work assisted by sewers at their desks (inefficient preparatory work) · Insufficient repair and inspection (preparatory work level) · Lack of accessories · Shortage of machines (Some machines are shared by all teams.)
Tasks/measures	<ul style="list-style-type: none"> · Employment of experienced personnel · Division of responsibilities and tasks by section · Cooperative use of machines
Improvements	<ul style="list-style-type: none"> · Increase in the number of conversations and meetings related to work between employees · Increase in the level of improvement through conversation

One company moved its factory during the project period. This company asked for advice on the maintenance of production lines in the factory to improve productivity. After the provision of support by the project, the company began to receive positive feedback on its product quality from its clients. The effect of the support offered by the project has become a business incentive, encouraging the company to invest in expert advice.

3) Support for shoe manufacturers

A similar survey was conducted on shoe manufacturers. The results revealed that while most of the companies had sufficient space and were well-equipped, the following problems were identified in each process.

- ① Variation of the color of left and right shoes caused by the failure to check the color and gloss of the leather material
- ② Variations in the shape of the toes and the heights of the heels caused by inaccurate visual measurement of the material on wooden molds
- ③ Variation in the position of the brand logo
- ④ The curve of the finished product is not smooth as the materials are not cut in the preparation stage.
- ⑤ Asymmetry of Balmoral, Blucher, and the tongue
- ⑥ Contamination such as un-erased silver lines and adhesive on the leather material surface
- ⑦ Loose insoles caused by the lack of shaving the insole edge

In the past, the shoe manufacturers eligible for support were provided with Kaizen guidance by the Ethiopia Kaizen Institute (EKI) and technical support by the EU Transformation Triggering Facility (TTF). Despite such support, a lack of distinction between quality standards in the production line (standards to distinguish between Products A and B) emerged, as had been the case with bag manufacturers. Therefore, although there was a risk of deviation from the quality standards demanded by the customers, the finished products were inspected based on the quality standards required for the Japanese market. This resulted in a high rate of defective products. This was shared with middle management personnel and the people in charge to identify problems in the line. (photo10-11)

Table 10: Product inspection results based on Japanese mid-level quality standard

Defective part	Percent defective	Defective part	Percent defective
Asymmetry in the position of eyelets	100%	Sole peeling	15%
Asymmetrical facings	100%	Defective height (upper / heel)	40%
Asymmetrical tongue	100%	Poor appearance (defect / spot)	100%
Defective inner cut	100%	Sewing defect (skipped stitches / misalignment)	20%
Defective insole appearance	100%	Upper and inner wrinkling	60%

After guidance was provided on the above-mentioned problems which were revealed by the inspection of the finished products, spot checks demonstrated a quality improvement. However, with the allocations of employees varying by the status of inbound and outbound orders, it was difficult for staff to acquire the necessary technical skills. This situation has prevented an improvement in the quality of the products.

4) Support for Product Development

The project provided the partner companies with product development support continuously for participation in the trade shows in France and the USA. As the bag manufacturers had little experience in producing products using sheep leather, the project began by focusing on how to make the best use of the characteristics of the material. Likewise, although the shoe manufacturers had experience in handling sheep leather, Japanese experts, the companies' focal persons, and LIDI expert discussed designs focusing on the characteristics of the sheep leather material (photo12-16).

Sheep leather is thin, flexible, and elastic compared to cowhide, and since the grain side (the hair side of tanned leather) is also delicate, highly skillful cutting, sewing, and molding techniques are required. For this reason, the project also improved the production environment by preparing thinner needles and threads than those normally used for cowhide.

In the process of sample production at shoe manufacturers, the focal person of the LIDI Product Development Center (PDC) was accompanied by experts on visits to the partner companies (photo17). The

partner company representatives, having initially been skeptical about the effect of support, began to cooperate in the procurement of intermediate materials such as shoe soles since they saw the samples made with the expert support and were encouraged by the efforts of the company's personnel. Through being involved in such support, the designs proposed by the focal person of LIDI PDC also improved.

It was difficult for other focal persons of PDC to coordinate with other assignments because they usually worked in their office. Also, due to dissatisfaction with the amount of daily allowance and transportation expenses, the focal persons were rarely accompanied by the experts to each company. Furthermore, the technology transfer method in which the focal persons received support from Japanese experts in the partner companies' workshops is also considered to be one of the reasons why PDC's involvement was limited. Originally, the focal persons were in a position to provide designs to companies, so they shouldn't have received supports from Japanese experts in front of the company staff.

The information of the completed samples was compiled in catalogs when we participated in each trade show. The catalogs were composed of product photos, prices, delivery, and size. Regarding the pricing, bag manufacturers, which mainly export to limited numbers of ethical brands in developed countries, tended to offer higher prices than the same quality product distributed in overseas markets. Conversely, shoe manufacturers that mainly produced mass products such as shoes for the domestic market, military shoes, and safety shoes for the overseas market tended to offer cheap prices.

In each case, the basis for estimation such as raw material costs and factory production capacity is ambiguous, and the expert team proposed the reexamination.

Also, regarding the delivery, both the shoe and bag manufacturers had set the period under the condition that they could produce the product in the same productivity with products they had made and that all the materials were available. If the delivery was short, the companies considered that the customer would receive it well, however it was unlikely that the delivery would be met. So, the expert team proposed the reconsideration for the delivery.

The sample development for the trade show in Paris in September 2018 was started in April 2018 when we had completed the partner company selection and the concrete support plan had been approved.

The sample development for second participation in the trade show in Paris in September 2019 was started from January 2019 (see p.58) based on lessons learned in the first participation. In the sample development for the second participation, after the discussion about the design concept, the expert team gave the partner companies some assignments as follows;

- ① Read and check the exhibitor report in the Paris trade show in January 2019 and find which kind of competitors we have and which kinds of trend and demand are there.
- ② Determine the direction of design or technique you want to use, and present the expert team your idea by utilizing the information you could collect such as photos.
- ③ In assignment 1 and 2, find THREE directions/designs/techniques which are common among the exhibitors.

In April 2019, the project visited each company and received the assignment answers. Although there were different methods such as "creating an imageboard", "summarizing in PowerPoint", and "submitting

a design picture," the proposed designs, such as ethical concept and small bags, reflected the international market trend by utilizing characteristics of sheep leather. In the proposals, improvement in design ability and thinking ability was recognized (photo18). From May, the partner companies started sample development concretely in line with their design ideas in April. Until September, the companies had tried improving the design level of the samples to be able to display at the target trade show. The expert team provided technical supports to make improvements while utilizing most of its strengths.

(3) Production control support for middle management personnel

As part of the technical support offered to the companies, production control support has been provided to company representatives and department heads as liaison officers in each company. Besides, business seminars and trade shows, which will be discussed in the next section, were also held to reinforce the capabilities of middle management personnel.

Manufacturers of bags and leather accessories have improved the quality of their samples through the aforementioned technical support and participation in trade shows, and their samples have begun to win actual product orders. Some of the department heads (and managers in SMEs) attending trade shows are becoming more aware of the difference between the quality of their products and the quality expected in developed markets. Sharing these perceptions with the production line and drawing a clear line between Products A and B will also help change the mindset of workers. In terms of communication skills with customers, after several trade shows, some companies have reached the stage where samples are being considered by their customers, while others have managed to exchange emails and messages on an ongoing basis.

Since tanners and shoe manufacturers tend to be large, it takes time for middle management personnel to whom experts provide technical assistance to have their knowledge reflected in the company's policies and shared with production line workers. In the 2nd phase, as travel and periods of activity are still restricted, it is important to consider the target markets and strategies described in "3.9. (7) Additional market research" and focus on promotion to provide efficient support.

(4) Improvement of business transactions

The project held seminars on basic marketing knowledge, customer relationship management, negotiation techniques, etc., to improve business transactions and practice for the trade shows. It was held three times in September 2018 for the first trade show, and after that, it was held once before the participation in the trade show with the theme in line with lessons learned in the previous trade show participation.

1) 1st Seminar "Marketing 101" (March 2018 / 7days)

The participants learned fundamental and important marketing tools and case studies by participating in the workshop so that they could utilize them in the preparation for the trade show in Paris set as Key Goal Indicator. The purpose of the seminar was for the participants from each partner company to learn how to use fundamental marketing tools and maintain motivation as a group toward participation in the trade show.

2) 2nd Seminar "Customer Relationship Management (CRM) " (May 2018 / 4days)

The second seminar focused on methods of preliminary approaches to possible customers based on CRM methods requested of the participants in the first seminar. The participants analyzed the potential customers in the European market using the marketing tools they had learned to begin actual approach activities (photo19).

3) 3rd Seminar “Communication to Negotiation” (July 2018 / 3days)

The purpose of the final seminar was the acquisition of communication and negotiation skills. The lecturer explained how language, tone of voice, and body language influenced the decisions of the other party so that the participants to be able to hold constructive negotiations with buyers in the trade show, and a role-play training assuming negotiations with buyers was held in the final day.

4) 4th Seminar “Interfirm Collaboration” (August 2019 / 1day)

In interviews with each partner company before the 4th seminar, it was found that they were worried about the difference between the project and their own sales strategy, prioritization between their operations, and participation in the project and cooperation with other companies. Therefore, the seminar was held to confirm the merits of interfirm collaboration and build a sustainable environment for the collaboration, and set goals for each company that could be achieved through the project activities.

Although the number of sample orders increased from 2018 to 2019, a lot of deals were terminated in communications between the companies and clients. Such terminations were often caused not only by delays in the response from the companies but also by the lack of response from the clients. It was thought that the cause was largely due to the companies' stance to win sample orders forcibly, despite insufficient confirmation of potential customer requests in business negotiations at the trade show.

5) 5th Seminar “connect sample orders to firm orders” (December 2019 / 1day)

The theme of the 5th seminar was to build a relationship with potential customers, which was necessary to connect sample orders to firm orders. The experts shared their knowledge on how to make appropriate proposals after disclosing customer needs in business negotiations in a booth of trade shows. Besides, the interview sheet for the negotiations was improved according to the proposals from the experts so that more detailed information could be collected in the interview.

(5) Collaboration with other partners

In February 2018, a meeting was held to seek cooperation from and exchange information with the main donors supporting the leather sector. At the invitation of the EP, representatives from the JICA, UNIDO, EU, and SOLIDARIDAD gathered to share information on their activities. The status of each donor's activities as of February 2018 is as follows.

Table 11: Activities of each partner for Ethiopian leather sector support (as of February 2018)

Partner	Project name	Activity details
EU	Modjo Leather City Common Effluent Treatment Plant (MLC-CETP)	A preliminary investigation on feasibility is currently in progress. The findings will be submitted to the European Investment Bank for financial assistance. The UNIDO will cooperate with the Industrial Parks Development Corporation of Ethiopia (IPDC) at the implementation stage.
	Transformation Triggering Facility (TTF)	Technical support has been provided by dispatching foreign experts to multiple shoe manufacturers to contribute to export promotion. The project will be terminated unless the MoFEC requests its continuation
UNIDO	Cluster Development Support	The organization has been continuing to cluster together small and medium companies in each region of Addis Ababa. The organization has supported, Mercato Cluster consisting of three groups, Teramaji, Tesfa, and Rediet; Kirkos Network consisting of two groups, Lomi and Bela; and EFICOS involving shoe manufacturing companies in Yeka Michael.
SOLIDARIDAD	Green Tanning Initiative	A project funded by the EU and initiated by SOLIDARIDAD, a Dutch NGO. The 1 st phase was operated as a joint venture with Stahl targeting Batu Tannery, Wallia Tannery, and Sheba Tannery. This project focuses on more environmentally friendly technologies and chrome-free tanning methods based on cases in India. Market needs are also secured by cooperation with buyers in the Netherlands, and the results seem to be promising. Technical support, quality control, and other monitoring activities are supported by the project team organized within LIDI.
EP	Market Development Approach	The project is aimed at solving problems in economic activities throughout the leather sector. For leather materials, the organization cooperates with pharmaceutical companies such as STAHL, Schil & Seilacher, and BASF, marketing companies, and organizations certified by Leather Working Group. For promoting the export of leather products, the project focuses on marketing and technical support for bag manufacturers through input supply chain management in partnership with Made By Ethiopia and Ethiopian Industrial Inputs Development Enterprise (EIIDE).

The TTF, which is supported by the EU, completed its activities in 2019. The activities of the MLC-CETP have been suspended since July 2020 due to the spread of COVID-19, which has prevented the officials of the European Investment Bank from visiting factories, but the acquisition of sites is underway. As acquisitions cost more than the available budget of the Oromia State Government, this may be included in the European Investment Bank's loan to the Ethiopian Government. A feasibility study has already been conducted by the European Investment Bank (EIB), and the MLC-CETP will be managed by the MOTI

and LIDI. The most suitable technology for centralized wastewater treatment is currently under consideration. As the EU will not bear the entire cost of construction of the facilities, Japan's proposal may be accepted. The division of roles among the partners remains undecided volatile and will continue to shift between the UNIDO, MOTI, and LIDI. In the future, implementation of environmental measures and improvement of working conditions will be prerequisites for the promotion of leather materials, and cooperation with the project of the MLC-CETP seems to be an effective option.

The UNIDO has been providing Cluster Development Support, and the member companies of the Lomi cluster consisting of women entrepreneurs, including companies who are participating in the project. The Lomi cluster also attended the MAGIC trade show held in the United States, where the project had a booth in February 2020. Since the project was seeking additional partner companies to participate in the trade show at that time, information was shared with the representatives of the UNIDO to make arrangements to avoid duplication of companies.

The Green Tanning Initiative of SOLIDARIDAD holds workshops on environmental friendliness in which manufacturers also participate, and companies participating in the project also attend their workshops

(6) Impact of COVID-19 on each company

As the spread of COVID-19 remains out of control in the partner countries and at home, the partner companies have reported a decline in sales due to a drop in demand for leather materials in the market. At Bahirdar Tannery, although employees are taking paid holidays to continue production, production is down to about a third of what it was in February 2020. In addition to the drop in customer orders, the inability of Ethiopian Airlines to arrange cargo flights on time due to the priority given to transporting medical supplies has caused the companies to lose customers. ELICO Awash Tannery is hedging its risks since it has a group company that manufactures bags and shoes. The group company continues to receive orders for boots from the police and the military, with production reduced to about half the normal volume.

Manufacturers of leather products have also reduced their personnel and switched to the production of face masks and other products to maintain employment. The project has also provided support including investigation on sales channels for face masks through the JICA Ethiopian office and provision of ideas for the development of leather products to help combat infectious diseases. For more information on the impact of COVID-19 on the partner companies, see Appendix 3.

3.2 [Activity 1-2] Strengthen technical and training capacity of LIDI and ELIA (product design, product quality, and marketing)

(1) Technology transfer to partner companies by professional staff and experts from LIDI and ELIA

In September 2017, the project sent a research team consisting of staff from LIDI and Japanese experts to European countries (Finland, France, Italy, and Spain) to research for market selection purposes. Also, in the EHL certified tanners' certification process, LIDI specialists were involved in brand establishment and promotion activities, such as on-site inspections of each tanner. In technical support for tanners, tests on levels of understanding and activity reports to LIDI's upper management were performed in

collaboration with the representatives from LIDI, encouraging them to participate in the project.

In assisting manufacturers in the production of samples, LIDI staff have aimed to accompany experts to learn how to support companies. However, this initiative has not been successful due to problems in managing schedules, transportation, and daily allowances. For the 2nd phase, it will be necessary to discuss with representatives of LIDI to determine a method of technology transfer other than OJT.

The ELIA welcomed Daniel Getachew as the new Secretary-General following the retirement of Mr. Abdissa, Secretary-General, and Mr. Teshome, former Deputy Secretary-General, at the end of 2018. Under the new administration, discussions are underway on brand management and effective marketing strategies to ensure the promotion of the EHL brand on an ongoing basis. In particular, Daniel has participated in the design and implementation of the certification process for EHL certified tanners with the above-mentioned experts from LIDI. He has also been actively involved in the planning and organization of seminars at AALF.

(2) Collaboration with the Product Development Center of LIDI and the Regional Design Studio of COMESA/LLPI

The COMESA Leather and Leather Products Institute (COMESA/LLPI), headquartered in Addis Ababa, was reorganized as the Africa Leather and Leather Products Institute (ALLPI) by the general meeting held in January 2018. This converted it into an organization that supports not only the member states of COMESA but also the leather industry in the African countries at large. In 2021, the International Union of Leather Technologists and Chemists Societies Congress will be held in Addis Ababa, hosted by the ALLPI.

In 2017, COMESA/LLPI prepared a strategy paper for the Ethiopian leather sector and attempted to make adjustments amongst the donors concerned, but this has not led to any concrete initiatives so far. A flagship studio was planned to be built on the premises of the headquarters in Addis Ababa at the start of the project, and the construction of the Regional Design Studio, which was to be linked to LIDI's Product Development Center (PDC) for design guidance, was not finished until the 1st phase completed.

3.3 [Activity 1-3] Analyze Ethiopia's leather value chain bottleneck and propose countermeasures

During the 1st phase, the Ethiopian government tightened regulations on wastewater treatment of tanneries and suspended their operation, while in May 2019, due to a stagnation in imports, the government abolished the high export taxes on semi-finished leather, such as crust leather and wet blue leather, which had been in place for nearly a decade. According to an interview with the Secretary-General of ELIA in September 2020, despite quality issues arising from this deregulation, exports of semi-finished leather to India and Turkey have been on the increase.

(1) Shortage of leather materials

In the leather industry, most leather goods manufacturers are small and medium-sized enterprises with up to fifty employees, while many of the shoe manufacturers have large production lines and hundreds of employees. Common challenges faced by these businesses include raw material shortages, delays in delivery by tanners, and poor quality of leather materials. In particular, small and medium-sized enterprises

order leather materials from tanners for orders from overseas companies, but the materials do not arrive on time, causing delays in delivery of products to overseas clients and a lack of business continuity. Besides, the delivered leather is often damaged and unusable. Even major shoe manufacturers with tanners in their company group complain about the quality of leather supplied by their tanners. This situation does not just reflect upstream industry issues, but also a lack of tanners with the finishing expertise capable of concealing surface damage on lower grade leather and applying fashionable colors or unique textures. Before export tariffs on intermediary materials such as wet blue and crust leather were increased significantly, Japanese and European companies mainly purchased such intermediate materials and added value to their products through the finishing process.

➤ **The response of the project**

The above problems highlighted the need for support for tanners, leading to the implementation of technology transfer and provision of support in quality control for tanners to improve their finishing techniques.

(2) Shortages of other intermediate materials

In many cases, companies with an overseas customer base are supplied with the necessary intermediate materials by their customers as the orders come through. It seems possible to resolve the issue through developing relationships with the customers. Also, some companies design their products in such a way as to avoid using intermediate materials, such as zippers, as much as possible. Shoe manufacturers also often receive supplies of intermediate materials, including presentation boxes, from their overseas customers. However, although both shoes and bags are leather products since many more types of intermediate materials are used in shoes than in bags, they still face many problems in the procurement of materials for outsoles and insoles. This is thought to be one of the main reasons for their low product planning capabilities.

➤ **The response of the project**

The project members had an opportunity to have a meeting with the YKK and a joint-stock company established within ELIA. ELIA's joint-stock company, which has been taking part in the joint purchase of chemicals for tanners, has bonded warehouses in airports with priority allocation of foreign currency. The company wishes to start joint purchases of zippers for shoe companies in the future. In the meanwhile, the YKK decided to launch a factory in Ethiopia in April 2020, where its key challenge will be the expansion of its domestic sales channels. Cooperation with the two companies will continue to be monitored.

(3) Factors discouraging companies to improve quality in each company

The tendency of bag manufacturers is most of their sales come from export to developed countries and they depend on a limited number of customers. Such companies' clients are Western ethical brands such as ABLE¹⁶, OLIBERTE¹⁷, and SAVANNA METRO¹⁸ that develop the business online without having physical stores. The quality demanded by these companies tends to not be very high, the unit price the customers buy is high. As a result, Ethiopian bag manufacturers are dependent on a small number of ethical brands, and some companies rely almost entirely on orders from a single company for their sales. Although

¹⁶ <https://www.livefashionable.com> (Accessed on September 22, 2018)

¹⁷ <https://www.oliberte.com/> (Accessed on September 22, 2018)

¹⁸ <http://savannametro.no/> (Accessed on September 22, 2018)

there are risks in being so dependent on one company, since they provide made-to-order products with designs, specifications, and accessories, there are few opportunities for the improvement of their product planning skills.

In the meantime, shoe manufacturers have outlets in Addis Ababa and other main cities in Ethiopia, and their sales in the domestic market are also large. As low-price and low-quality products are preferred in the domestic market, the production system focuses on speed and cost rather than quality. Military shoes and business shoes exported to Sub-Saharan African countries are not required the quality high. Under these circumstances, even if technology transfer that contributes to improving the quality of production lines is provided, it is difficult to establish the technology. Ethiopian shoe manufacturers also have the backing of the domestic market as high tariffs are imposed on imported goods, and foreign-affiliated companies based in Ethiopia are not allowed to sell finished products in Ethiopia in return for receiving preference. Thus, even if the exports do not grow, there is no problem in maintaining the business of each shoe manufacturer, and the companies' motivation for improving the quality cannot be maintained.

➤ **The response of the project**

During the production of samples for the four trade shows, those factories with relatively large production lines were asked to organize sample production teams, with members given technical support to improve the quality of their samples. This made it possible to ensure a certain level of quality for the samples to be exhibited at the trade shows. At the same time, however, the companies have been unable to identify defects such as sewing problems, pinhole damages, measurement differences, and colorfastness of products ordered at the trade shows without inspection by specialists. This suggests that inspection is an issue that needs to be addressed in the future.

(4) Foreign currency transactions

In some cases where trial orders were placed, subsequent transactions were refused as Ethiopian companies were unable to open a bank account overseas. In transactions assisted in the CPA2, Ethiopian companies' inability to remit foreign currencies to an overseas bank made it impossible to issue credit notes for defective products. A credit note is a document that promises a refund, issued by the exporter to the importer. Ethiopian companies that cannot issue credit notes have to deal with defective products by sending out replacements. Since many tanners do not accept exchanges or refunds, on-site inspection by the ordering customer is usually required.

Many clients in the U.S. and Europe, especially small firms, prefer to pay by credit card. Many customers placing small orders with multiple partner companies for delivery at the same time also often prefer shipment in a single package to reduce shipping costs. However, it is difficult to fulfill these requests since payments to Ethiopian companies are limited to wire transfers, and the items shipped from each company must reconcile with the payments made to the account of the company concerned. This is an obstacle in terms of business with small companies.

➤ **The response of the project**

Interviews with Japanese companies operating in Ethiopia through the JICA Ethiopian office revealed that the regulations allow for refunds and that some companies can refund money. Based on interviews with companies, payments of up to USD10,000 to Ethiopia using PayPal have been possible since December

2019. Also, electronic payments via VISA appeared to be possible in some banks (from August 2020).

(5) Water contamination

Difficulty in dealing with water pollution is a major obstacle to business continuity for Tanneries; however, it is a necessary measure to penetrate the international market. Along with the improvement of water treatment facilities, the environment-friendly tanning technology that the project is working on will be a desirable countermeasure in the international market.

In Addis Ababa, the five tanners located in the city have been asked to improve their wastewater treatment facilities. This is to ameliorate water pollution and damage from odors in the surrounding area. Companies that cannot comply will have their operations suspended. In January 2019, a similar ordinance was issued in the city of Modjo in the Oromia region. The deadline before the suspension of business was only a mere 15 days after the ordinance was issued, so four tanneries were suspended. Tanneries need to pay in foreign currency to import the water treatment facilities. It is also related to the foreign currency transaction issue described above.

➤ The response of the project

Information was gathered on the development of the MLC-CETP, which is carried out by the UNIDO and the EU with financing from the EIB.

(6) Changes in export controls

The closing down of tanneries due to the shrinkage of the market has resulted in a reduction in the demand for rawhides in the upstream part of the supply chain. In addition to the abolition of export taxes on crust leather, ELIA and rawhide producer organizations also held discussions with the government on consent for exports of wet blue and pickle leathers, which are semi-manufactured goods in the upstream part of the production process. In January 2020, the decision was made to abolish export taxes on wet blue leather and pickle leather. Currently, it is unlikely that project partners with facilities up to the finishing stage will start exporting intermediate products at low cost following this decision. On the one hand, the government's decision is a testament to the fact that the Ethiopian leather industry as a whole is facing a more difficult export situation, and that the Ethiopian nation overall is facing a more urgent need for foreign exchange reserves. On the other hand, these policy changes may hinder the distribution of good quality leather in Ethiopia in the future.

➤ The response of the project

As part of the market study which started in March 2020, the export potential of semi-finished leather, such as wet blue and pickle leathers, was also investigated. It has been nearly ten years since Ethiopia stopped exporting semi-finished leathers, and it will take time to establish a new market for semi-finished leather. Also, the distribution price of semi-finished leather is lower than that of finished leather. Even if a new market is established for semi-finished leather, it is unlikely to lead to a significant increase in sales.

(7) The popularization of electronic payments

The limited distances and travel time involved often challenge to build relationships with customers at trade shows. With the growing number of platforms for virtual trade shows and marketplaces for b2b transactions, the trend towards electronic commerce seems unlikely to abate, even once the threat of the

COVID-19 has subsided. In Ethiopia, participation in virtual trade shows and marketplaces is less constrained by time and distance and is seen as a powerful promotional opportunity, especially in the European market, particularly in light of the small-time difference. However, to promote such online transactions, it will be necessary to conduct promotional activities and also make payments online.

➤ The response of the project

In August 2020, Abyssinia Bank, which has its head office in Addis Ababa, Ethiopia, launched international payment transactions with Visa. Advice will be provided to the partner companies to help them adopt these electronic payment systems and facilitate their transactions with foreign countries.


Output 2. Proper management and international recognition of the EHL brand

3.4 [Activity 2-1] Development of the brand strategy (target market, budget, products (appeal point, item, design), pricing, and promotional materials)

(1) EHL brand concept defined in CPA2 and the selection of target market candidates

Based on the EHL brand concept and brand story established in the CPA2 (Table 12), a brand strategy that leverages the brand value of EHL was developed with the C/P. The selection of the target markets (countries) was discussed at a meeting held in Tokyo in December 2016 at the end of CPA2, and the C/P named countries and regions including Japan, Europe, the US, Russia, and Hong Kong as potential markets. Besides, an agreement was reached based on the concept of the CPA to focus on activities in countries and regions where high-quality is a key requirement. Based on these discussions, the project decided to target Europe (EU member states) for market research and to select target markets based on the research results.

Table 12: EHL brand concept developed in CPA2

Brand Name	Ethiopian Highland Leather
Brand Logo	
Brand Concept	'Light, thin, and soft. Yet, strong and durable. World's Highest quality sheep leather made in the highlands of Ethiopia.'
Brand Story	<ul style="list-style-type: none">● Ethiopia is the birthplace of humanity 3.5 Million Years Ago.● 26 Million Sheep live in the highland of Ethiopia.● Ethiopia's highlands which reach up to 3000 meters have bred a special type of hair sheep.● It can be thinned down to 0.35mm yet durable. It enables to create more innovative products.● EHL comes in 100+ colors that are made from the Ethiopians' unique sense of colors.

(2) Market research and determination of target markets in Europe

Finland, France, Italy, and Spain were selected as the four target countries for market research in Europe for the following reasons: 1) they are established as key markets for fashion, leather materials, and products in Europe, 2) they are the key markets in the north, central and south of the continent to identify each one with different geographical characteristics, 3) there are important fashion trade shows in these markets.

This research was conducted from September 13th to 27th 2017 with aims to identify the characteristics of each region in Europe and markets suitable for maximizing the strengths of EHL, as well as to demonstrate research methods and networking methods to the accompanying LIDI staff through OJT. The delegation was composed of 2 Japanese Experts, 4 LIDI staff who are members of TWG, in total 6 people. The research results in each country are as follows.

1) Finland (Helsinki)

Trade show visited 1: HABITARE 2017

Summary	A large-scale trade show focusing on interior design. Top-class exhibitors not only from Northern Europe but also from all over the world participate in the fair, where visitors can get a glimpse of colors in fashion and the latest trends.
Period	09/13/2017 – 09/15/2017
Frequency	Once a year
Number of exhibitors	136
Visitors	Professionals & Public (55,964 people, including those from Forma)
Venue (Organizer)	Messukeskus, Helsinki

Trade show visited 2: FORMA AUTOMN 2017

Summary	Finland's largest giftware, home decor, and home decoration trade show. As with Habitare, Europe's latest color and design trends are introduced. Relatively many leather goods are also exhibited.
Period	09/14/2017 – 09/17/2017
Frequency	Twice a year
Number of exhibitors	574
Visitors	Professionals & Public (55,964 people, including those from Habitare)
Venue (Organizer)	Messukeskus, Helsinki

One of the reasons for visiting Finland's market is to seek a "new market" or a "less competitive market." Both HABITARE and FORMA mainly exhibit products related to interior design focusing on furniture rather than on items that are traditionally made of leather, such as footwear and bags. However, many of the interior design products and much of the furniture are manufactured partially using leather. At the same time, many products suitable for developing new products using leather (pillows and cushions) were also exhibited. Exhibitors were highly interested in our explanation of the EHL.

2) France (Paris)

Trade show visited 1: APPAREL SOURCING PARIS

Summary	Apparel-related international trade show for many different categories for men, women, and children. It is characterized by networking engaging buyers and suppliers at the venue more often than that at other events, creating opportunities for new suppliers and buyers to exchange information.
Period	09/18/2017 – 09/21/2017
Frequency	Twice a year

Number of exhibitors	229
Visitors	Professionals Only (15,473 people, including those from Avantex)
Venue (Organizer)	Messe Frankfurt

Trade show visited 2: AVANTEX PARIS

Summary	A trade show focusing on textiles held next to the venue of the foregoing Apparel Sourcing. The event attracts exhibitors and buyers from Europe, Southeast Asia, East Asia, Central Asia, and other regions.
Period	09/18/2017 – 09/21/2017
Frequency	Twice a year
Number of exhibitors	69
Visitors	Professionals Only (15,473 people, including those from Apparel Sourcing)
Venue (Organizer)	Messe Frankfurt

The French market is very competitive and attracts buyers from all over the world. However, the majority of the buyers and suppliers at APPAREL SOURCING PARIS were from China, and although negotiations were actively conducted at each booth, prices and quantities seemed to be more frequently discussed than quality, designs, and standards. Meanwhile, the latest technology for materials and printing on their surface was presented at AVANTEX PARIS.

3) Italy (Milan)

Trade show visited 1: MICAM

Summary	Shoes, bags, and other fashion items mainly made of leather were on display at the trade show, where products of the highest level in the world are exhibited.
Period	09/17/2017 – 09/20/2017
Frequency	Twice a year
Number of exhibitors	365
Visitors	Professionals Only (57,187 people, including those from MIPEL)
Venue (Organizer)	ASSOCALZATURIFICI (Italian Footwear Manufacturer Association)

Trade show visited 2: MIPEL

Summary	MIPEL is one of the world's highest-profile trade shows of leather products. It is known as a trade show that constantly incorporates the latest trend in leather products.
Period	09/17/2017 – 09/20/2017
Frequency	Twice a year
Number of exhibitors	162
Visitors	Professionals Only (57,187 people, including those from MICAM)
Venue (Organizer)	Aimpes Servizi S.r.l.

Trade show visited 3: THE ONE MILANO

Summary	Focusing on women's clothing, this trade show attracts top-class accessories, leather, apparel, fabrics, and many other lifestyles and fashion industries.
Period	09/22/2017 – 09/25/2017
Frequency	Twice a year

Number of exhibitors	174
Visitors	Professionals only (22,000 people, including those from The White Milano)
Venue (Organizer)	Ente Fieristico Mifur

Trade show visited 4: THE WHITE MILANO

Summary	Focusing on women's clothing, this trade show attracts top-class accessories, leather, apparel, fabrics, and many other lifestyles and fashion industries.
Period	09/22/2017 – 09/25/2017
Frequency	Twice a year
Number of exhibitors	452
Visitors	Professionals Only (22,000 people, including The One Milano)
Venue (Organizer)	Ente Fieristico Mifur

Italy is also famous for being at the top of the fashion/leather industry. It was a remarkable gain for the LIDI staff who attended the trade shows to be greatly impressed by the quality and design, and they were motivated for future product planning. At the same time, however, some felt the big difficulty of competing with those top products, understanding the current quality level of Ethiopian products against the top international market. All the members of the survey team agreed that there was no choice but to admit that it is unrealistic at the moment to hold a trade show in Milan, which had been a target market strongly desired by LIDI and ELIA.

4) Spain (Madrid)

Trade show visited 1: MOMAD

Summary	This is a trade show of shoes, leathers, bags, and other items covering fast and young casual, contemporary, metro, and ethical fashion.
Period	09/20/2017-09/24/2017
Frequency	Twice a year
Number of exhibitors	220
Visitors	Professionals only (18,545 people)
Venue (Organizer)	IFEMA

Trade show visited 2: BISUTEX

Summary	This is a lifestyle-related trade show of jewelry, accessories, leather, bags, and textiles.
Period	09/20/2017-09/24/2017
Frequency	Twice a year
Number of exhibitors	309
Visitors	Professionals only (42,354 people, including those from INTERGIFT)
Venue (Organizer)	IFEMA

Trade show visited 3: INTERGIFT

Summary	A trade show of various types of gift products, handmade products, textiles, and other items
Period	09/20/2017-09/24/2017

Frequency	Twice a year
Number of exhibitors	398
Visitors	Professionals only (42,354 people, including those from BISUTEX)
Venue (Organizer)	IFEMA

Ethiopian standards for quality and design seemed still premature also with those of Spain. Some LIDI staff felt that Spain is still a potential target market when compared with Italy. However, all the members of the study team agreed that the level of the Spanish market was still too high as a short-term target.

5) Summary

The following points were discussed in the meeting held by the delegation after the market research.

- ① Since Italy's level is very high, it seems difficult to enter its market at the moment. Conversely, the possibility of entering the Spanish market is higher than that of entering the Italian market. The possibility of future entry into these markets should be explored based on a step-by-step plan.
- ② In the French market, the entry itself did not seem to pose any significant difficulties, but the emphasis of exhibitors and buyers at the trade shows that the project visited appeared to be on "mass consumption and prioritizing cheap sales," which is not suitable for the targets of EHL. In Europe, where the fashion industry is flourishing, there is a wide variety of trade shows in the same market.
- ③ The research revealed that the Finnish market, which offers a wide range of opportunities and is easier to enter, is the most suitable, as it seemed to be highly likely for EHL to be able to demonstrate its strengths in new fields (cushions, rugs, pillows, and furniture products).
- ④ Since it is important to offer value-added products with a story as well as improved quality to sell the EHL brand in Europe, the following aspects also need to be taken into account:
 - Ecological: An eco-friendly approach using vegetable-tanned leather and recycled materials
 - Ethical: 100% leather produced as a by-product of edible meat, contributing to the Ethiopian economy
 - Original: Unique designs and handwork unique to Ethiopian companies

At the trade shows in Spain and France, while many people highly evaluated Ethiopian sheep leather, there were also logistical concerns. In particular, it was pointed out that customs clearance operations were constantly delayed, making it almost impossible to deliver products on time. These raised problems are likely to become one of the biggest obstacles to putting businesses on track in the future.

(3) OJT of LIDI staff on research and networking methods

The following four members of LIDI accompanied the market research:

- ① Mr. Sisay ABEBE (PDC bag and garment designer)

- ② Ms. Dagnew NEGASA (Quality Control, Leather Engineering Department)
- ③ Mr. Kasahun Hailu ESHETU (PDC footwear designer)
- ④ Ms. Tinsae AFEWORK (Marketing Department)

Mr. Sisay and Mr. Kasahun, who belong to PDC, received guidance from product development experts while discussing topics including how to judge the level of quality and which differences are remarkable between European and Ethiopian products. In the meantime, Ms. Tinsae of the Marketing Department and Ms. Dagnew of the Leather Engineering Department received guidance from marketing experts. By actively communicating with exhibitors, they learned the basic idea of maintaining the quality of products and gained knowledge of color coordination and trade show methods at the trade shows they visited. At a later date, the four members submitted a report on the market research (Appendix 5).

(4) Strategies for exhibiting at trade shows

Based on the results of the market research, the continuation of research on the Finnish and Scandinavian markets as potential venues for future trade shows was proposed to the C/P (Appendix 6). However, in subsequent discussions with LIDI and ELIA, there was a request to review the target markets and trade shows, covering issues such as expanding markets to Europe without limiting them to Scandinavia and exhibiting at large-scale events where the potential for acquiring new customers has been established based on the knowledge gained from the previous marketing activities of LIDI and ELIA. To this end, secondary research was carried out focusing on the three potential trade shows proposed by LIDI for the September 2018 trade show (Table 13).

Table 13: Comparison between the candidate European trade shows proposed by LIDI

	Premiere Classe Paris	ILM	MOMAD Shoe
Grading	A	C	B
Duration	7 - 10 September 2018	1 - 3 September 2018	7-9 September 2018
Location	Paris, France	Offenbach, Germany	Madrid, Spain
Visitors	50,000 (Professionals)	6,000 (Professionals)	18,000 (Professionals)
Exhibitors	750 brands	320 brands	220 brands
Items	Shoes, leather goods, jewelry, and other types of accessories.	Leather goods, bags, and accessories	Shoes, and other leather goods
Fact	Quality level: High - middle standard Major leather materials: Not only leather.	Quality level: High standard Major leather materials: no data	Quality level: High standard Major leather materials: Cow(majority), Sheep

	Exhibitor ratio: International Entry barrier: Mid	Exhibitor ratio: International (local majority: no data) Entry barrier: High	Exhibitor ratio: International (Local majority) Entry barrier: Mid-High
	One of the world-famous trade shows in the fashion industry. Visitors and exhibitors come from all over the world, including Asia and North America. Due to diversification, this trade show can be appropriate for the inauguration.	Due to information on the website (limited number of visitors and web catalog and brand list), this trade show's quality threshold and competition with other exhibitors are expected to be higher and more demanding than the other two trade shows.	The quality of the products is still too high for the EHL. Several year hardships to be expected if enter the market.

The trade show selected from this research was Premiere Classe (held in February and September each year) in Paris, France, which was considered to have the highest potential as a target market. After discussions with the C/P, it was decided that the project would take part in Premiere Classe Paris in September 2018.

Based on the market research results, EHL brand strategies were established for the target markets to prepare for product development and promotional activities (Table 14). The original plan was to conduct research both in the US and European markets, but this was canceled following this decision.

Table 14: Setting EHL brand strategy toward Premiere Classe Paris

strategy	Decision
Market	<ul style="list-style-type: none"> Trade show to participate : Premiere Classe Paris (September 2018) (Place : Paris, France) Target market : EU market The trade show is expected to attract visitors not only from France but also from Europe and the rest of the world. The project aims to expand into the European market, with France as the entry point.
Budget	<ul style="list-style-type: none"> The project will cover the entire cost for the trade show including the participants' travel fees.
Products	<ul style="list-style-type: none"> Ecological : Tanners will display vegetable and semi-vegetable tanned leather as an eco-friendly and health-conscious leather material. They also display semi-aniline, wax finishing, paper crush effect, and pigment finishing with transparency look as the unique upcycling chrome tanning leather. Original : The design and composition of the bag and shoe items will be decided by the designers from each company, LIDI staff, and Japanese experts, with consideration of characteristics of each company as well as characteristics of each leather material. The color

	range of the products will consist of earth colors.
Price	<ul style="list-style-type: none"> ● Since the major buyers in Premiere Classe Paris are targeting middle to upper-middle-class customers, the FOB price will be decided according to the retail price ranges from 200 to 300USD.
Promotional tools	<ul style="list-style-type: none"> ● Based on the market survey results, brochures developed in CPA2 is to be modified ● EHL brand tag, catalog, and EHL business cards are to be developed.

During the market research in Europe, there was criticism from some buyers about the picture of a young girl holding a lamb used in the brochure on the basis that it seemed hypocritical from an animal welfare perspective. Therefore, a correction was suggested to the C/P. The photo was replaced and contact information and the text in the document were updated (Appendix 7). These updates were re-commissioned to an Ethiopian advertising production company (Krimson PLC) based in Addis Ababa. The subcontracting company carried out various PR work, including the organization of EHL tags, brochure translation into French, and the interior design of the trade show booth with panels summarizing the results of comparative studies. These tasks were directed by experts to ensure quality.

To create greater visibility for the EHL brand, explanatory material (in English and French) about EHL was created as a promotional initiative to highlight the brand management and its quality control efforts to buyers at the trade show. This material was in three parts: 1) a description of EHL and the contact details of its partner companies, 2) an introduction to vegetable-tanned and tie-dyed leather materials as key innovations of EHL, 3) a scientific rationale explaining the characteristics of EHL. This explanatory material can be used on a stand-alone basis or in combination as a set. At the French trade show held in September 2019, a hundred copies of this material were prepared in English and another hundred copies in French. Around half of the copies in each language were distributed. At the MAGIC trade show held in February 2020, information on four companies attending with the support of other donors was also included. The project collaborated with other donors to create greater visibility for the brand. Two hundred copies of the material in English were prepared for the MAGIC trade show, with around half of these copies eventually distributed to customers.

The CPA manual developed during the CPA2 was revised to be used as a reference outlining the experiences of developing a series of brand strategies and attending trade shows. The content will be finalized following consultation and review by the C/P in the 2nd phase.

3.5 [Activity 2-2] Reinforcement of the brand management system (personnel, finance, intellectual property registration)

To begin the enhancement of the brand management system, the project started investigating the applicability of the European Union Trade Mark (EUTM) with the European Union Intellectual Property Office (EUIPO) after deciding to participate in trade shows in Europe in March 2018. As the project was concerned that the Ethiopian government might be required to satisfy certain conditions (such as being a member state of the Paris Convention) to qualify for this, the project investigated the possibility of Japan applying on behalf of the Ethiopian government. The results revealed that in Yirgacheffe, a coffee

production area in Ethiopia, there had been registrations under the Government of Ethiopia in the past. Since Article 5 of the EUTM regulation¹⁹ specifies that "any natural or legal person, including any authority established under public law, may be the proprietor of an EU trademark", the project decided to work towards the goal of the application by the Ethiopian government.

To investigate the possibility of registering EHL's trademark in parallel with the above, the project requested an international patent office that handles trademark registrations in Europe to look into the existence of any similar trademarks registered in the same region (Table 15). Although it turned out that there were some similar trademarks in both trademark classes and thus a possibility of objection, it was still thought likely that the registration of the trademark would be accepted. Therefore, the office recommended the application and the project agreed with the C/P to proceed with the application.

Table 15: Details of EHL's preliminary research for the registration of the trademark in EU

Trademark	Ethiopian Highland Leather
Classification	International Classification Class 18 - leather, bags, and the like International Classification Class 25 - gloves, clothing, shoes, and the like
Target countries	28 EU member countries

In May 2018, discussions were held with the brand owner, ELIA, taking into consideration the results of the investigation described above, to decide who would make the application. Based on these discussions, a decision was taken to proceed with registration in the name of the Ethiopian government, just as had happened in Japan. A visit was paid with the EIPO with representatives of ELIA to request the submission of an application. Although the EIPO agreed to cooperate, no further progress was made. Consequently, the project members considered applying through MOFA, but as it also took some time for the parties involved to make adjustments, finally the ELIA, the brand owner, decided to apply. The application was submitted to the EUIPO through an international patent law firm in October 2019. After a three-month publication period in the EU, the registration of the trademark in Classes 18 and 25 was completed in January 2020 (Figure 3).

¹⁹ <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32017R1001&from=EN> (Accessed on 2018. 9. 23)



Figure 3: Trademark registration certificate in EU

3.6 [Activity 2-3] Establishment of brand certification criteria and system

(1) Certification criteria and system for EHL leather materials

From May 14-16, 2019, the project held the first brand management workshop, which was divided into three parts--C/P, partner companies (tanners), and partner companies (shoe/bag makers) (photo20). There, draft certification criteria for the EHL finished leather, leather products made from EHL-certified leather, and their management systems and allocation of responsibilities were discussed. At each workshop, ELIA gave a presentation covering 1) what is a brand, and 2) the current status of EHL brand management and the importance of establishing EHL quality standards and an operating system. After that, experts explained the gap between the current level of Ethiopian quality and global quality standards. After the discussion about the minimum required quality standards attainable in quality inspection and brand management in Ethiopia, the flow and division of roles in using these as a certification system, and the schedule going forward, we have reached a consensus on the 1st draft of the EHL certification criteria.

The EHL certification criteria were developed following international standards. In the meantime, given the current situation of Ethiopian tanners, the testing capability of LIDI, and the non-existence of an international standard for sheep leather products, the standards were revised in stages based on the results of on-site inspections by LIDI staff and tests of sample materials. It was also agreed that the practicality of the operation of the certification process would be tested by reflecting the feedback from customers on the

brand at the trade shows. Through this process, the EHL brand certification criteria and the process would be finalized by April 2020 (Figure 4).

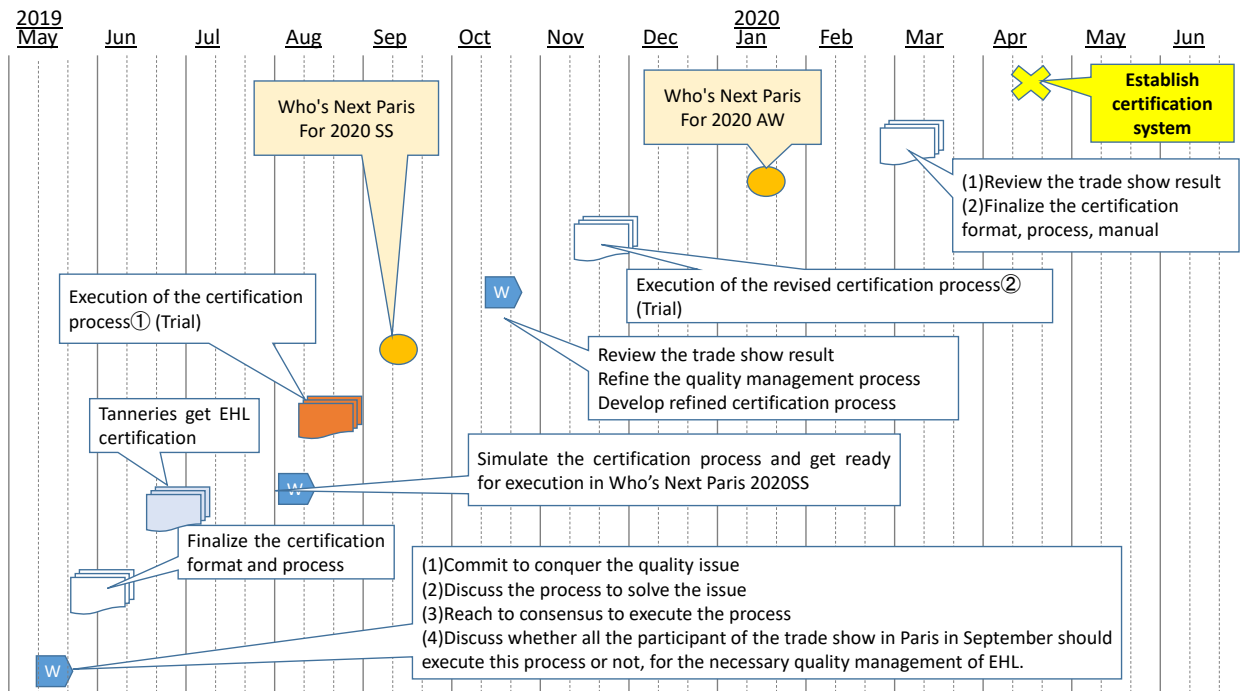


Figure 4: The schedule for the establishment of the EHL certificate system

The 1st draft of the certification criteria for EHL finished leathers (Table 16) consists of 1) an on-site inspection and 2) physical and chemical testing of sample leathers. In the first criterion, leather material is evaluated according to items on a checklist (Table 17), with a score of 70 or more required for a pass. To avoid discrepancies in evaluation between different evaluators, each item is evaluated according to three categories - Poor, Fair, Good - and the total scores are tabulated. In the second criterion, three leather samples are collected during the on-site inspection to conduct the following tests (the test method is based on ISO standards) in the LIDI laboratory.

i) Physical properties test

(tensile strength, tensile fracture elongation, tear strength, frictional fastness (dry and wet))

ii) Chemical test (hexavalent chromium, formaldehyde, pH)

Table 16: The 1st draft of certification criteria for EHL finished leathers
(Agreed in May 2019)

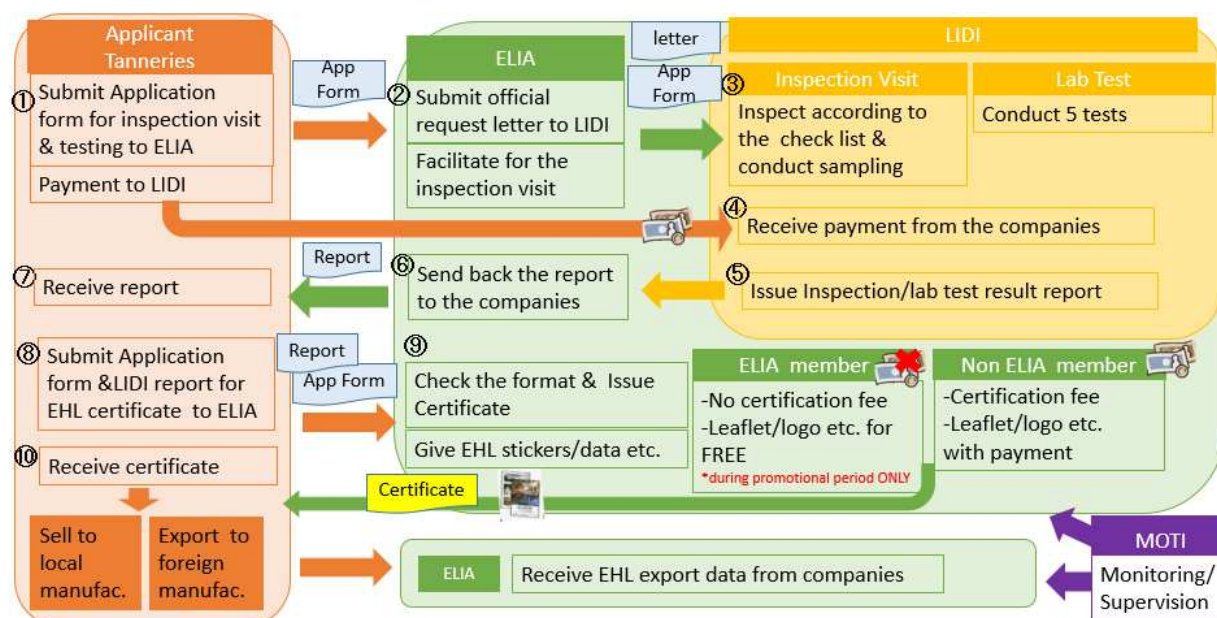
No.	Category	Criteria	Standard	Methodology	Reference
1	Eligible Applicants	Companies which produce finished sheep leather	<ul style="list-style-type: none"> ●Tanning-Finishing machinery are equipped /operated ●Waste water treatment plant are equipped/operated 	Inspection visit by LIDI using check sheet	check sheet will be prepared by LIDI (by 7 th June)
2	Origin of raw skin	①hair sheep skin ②They are sourced from highland area in Ethiopia	<ul style="list-style-type: none"> ●Check which type of raw hide and skin are used for EHL production (hair sheep) ●Check the procurement record of raw hide and skin ●Check whether tannery implements segregation system according to their procurement area 		
3	Physical test (lab)	①Tensile strength(N/mm2)	<ul style="list-style-type: none"> ●Shoe upper/bag/leather goods: more than 20 ●Garment: more than 25 ●Glove: more than 25 ●Veg. tanned leather: TBD ●Suede: TBD 	ISO 3376	International Union for Leather Technologists and Chemists Society (IUP/IULTCS)
		②Elongation at break (%)	<ul style="list-style-type: none"> ●Shoe upper/bag/leather goods: more than 40 ●Garment: less than 60 ●Glove: less than 50 ●Veg. tanned leather: TBD ●Suede: TBD 		International Union for Leather Technologists and Chemists Society (IUP/IULTCS)
		③Tear strength (N/mm)	<ul style="list-style-type: none"> ●Shoe upper/bag/leather goods: more than 25 ●Garment: more than 35 ●Glove: more than 35 ●Veg. tanned leather: TBD ●Suede: TBD 	ISO 3377-2 * double edge tear test	International Union for Leather Technologists and Chemists Society (IUP/IULTCS)
		④Rubbing fastness (dry and wet)	<Dry fastness> ①pigment finish: at least 3-4 grade ②Pale shade and natural finish: at least 3-4 grade ③Dark shade and natural finish: at least 2-3 grade <Wet fastness> ①pigment finish: at least 2-3 grade ②Pale shade and natural finish: at least 2-3 grade ③Dark shade and natural finish: at least 2 grade	ISO 11640 *Sample size: min. 3 pieces / leather article (random sampling based on the company's business deals) *Sampling will be done by LIDI during the inspection visit	Japan eco leather label http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/
4	Chemical test	①Chromium VI	<ul style="list-style-type: none"> ●For adult (skin contract and non skin contract): Not detectable at the time of test * *A detection limit: 3mg/kg, 	ISO 17075	Japan eco leather label http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/
		②Formaldehyde and ph	Formaldehyde: <ul style="list-style-type: none"> ●For adult (skin contract): 75mg/kg ●For adult (skin non contract): 300mg/kg Ph: <ul style="list-style-type: none"> ●≥3.5 (for all leathers) 	Formaldehyde: ISO 17226-1(HPLC) or ISO 17226-2 (colorimetric analysis) ph: ISO 4045	
		③Use of REACH certified chemicals	All the chemicals used for the leather productions are REACH certified chemicals. *Companies submit the REACH certificates upon request from LIDI/ELIA or the buyers	Check on the application form Check during the inspection visit	<ul style="list-style-type: none"> ●REACH regulation.: https://echa.europa.eu/web/guest/regulations/reach/legislation ●Restricted Azo dyes: http://exporthelp.europa.eu/update/requirements/ehir_eu15_02v001/eu/auxi/eu_cherest_entry43_annexXVII_r1907_2006.pdf
5	Validated period of EHL certificate	-	one year	-	-
6	Fee for test	Inspection visit(1-2ppl)	Applicant companies pay cost (or (provide in-kind) for the visit: ①air fare fee ②Transportation ③Lunch (if the inspection continued for 1 day)	-	-
		Lab test	①tensile strength: 200ETB ②Tear strength: 200ETB ③Rubbing fastness (dry and wet): 100ETB ④Chromium VI: 258ETB ⑤Formaldehyde: 258ETB TOTAL: 1,016 ETB/sample	-	-

EHL certification lasting one year is awarded by ELIA to tanners whose results from both on-site inspections and LIDI laboratory tests pass the threshold.

Table 17: Items on the checklist used for on-site inspection

Items (score)	Contents	Checking Method
Raw skin (25)	①hair sheep breed ②Raw skin sourced from Ethiopian highlands	①Visual confirmation ②Verification by rawhide procurement records
Production Quality Control /Environment Management (25)	Production quality control for tanning, finishing, and wastewater treatment.	①Visual confirmation ②Verification by quality control records (figures/indicators)
ISO and other certifications/ worker health and safety (25)	①Acquisition of ISO9001 (Quality) 、 140001 (Environment) ②Provision of protective gears to workers	①Visual confirmation ②Interviews and visual confirmation
Chemicals (25)	Procurement of chemicals from REACH-certified chemical companies	visual confirmation of the chemical warehouse, Verification by chemical procurement records

The certification process was determined as follows: tanners apply for certification to ELIA and receive a certificate from ELIA after passing both inspections conducted by LIDI. Then they were allowed to export their leathers as EHL-certified leathers overseas or sell them to domestic manufacturers (Figure 5).



**Figure 5: 1st draft of EHL brand management system for finished leathers
(Agreed in May 2019)**

Following the consensus on the 1st draft of certification criteria for EHL finished leathers, on-site inspections and sample leather testing were conducted at ELICO Awash Tanney and Bahirdar Tannery

(photo21-22). The results of the first on-site inspections at both companies exceeded the EHL criteria. ELICO Awash Tannery scored 80 points and Bahirdar Tannery 81 points. The results also revealed points for improvement. The inspection reports were shared with both companies and they were also visited individually for feedbacks. While ELICO Awash Tannery was asked to renew ISO 14001 and ISO 9001, Bahirdar Tannery was advised on the establishment of a quality control department in the production process and monitoring of basic indicators for wastewater treatment to discuss future improvement measures.

Three samples were picked randomly from the samples of the main and most commonly manufactured types, colors, and grades of each company's products collected in the on-site inspections. Physical property tests and chemical tests were conducted on them in the LIDI laboratory. Although the samples mostly met the criteria in the chemical tests, the results of the physical property tests revealed that the tearing and tensile strengths did not satisfy the criteria established in the 1st draft. This appears to be attributable to the fact that the strength criteria for each product (mainly cowhide products) were applied for the certification criteria for EHL finished leathers due to the non-existence of international standards for sheep leather products. Based on these test results, it was decided that the criteria established by an Indian research institute that has an academic relationship with LIDI would be applied to the tensile and tear strength tests, while the Ethiopian companies and their C/P agreed on the certification criteria for EHL finished leathers shown in Table 18 (2nd draft). The revised parts are indicated in bold. Based on the results of the EHL certification process described above, ELIA awarded a certificate valid for one year to ELICO Awash Tannery and Bahirdar Tannery in August 2019 as EHL certified tanners (Figure 6) (photo23-24).

Based on the 2nd draft, 2nd on-site inspections were conducted in ELICO Awash Tannery on 3rd October 2019 and Bahirdar Tannery on 4th October 2019 respectively. The results from the on-site inspections were not so much different from the 1st inspection however, these experiences provided opportunities to confirm the certification flow and implementation methods among LIDI and ELIA, which helped them enhance their ownership of the branding activities. Concerning the physical and chemical tests on the leather samples, only for the physical test, there was a slight variation from the criteria set in the 2nd draft due to different characteristics in individual skins.

As a result of the discussions with C/P, the criteria were left unchanged, but the following points were revised in terms of the operation of the certification system. Besides, to enable more objective and impartial judgment of acceptance or rejection, the results of the on-site inspection and the scores of physical and chemical tests will be presented in a summary sheet (Figure 7), and only tanners who pass both tests will be permitted to use the EHL brand for one year.

Certificate of Registration



This is to certify that the company:

Ethio-Leather Industries P.L.C. (ELICO) Awash Tannery

Akaki Kality Subcity, Woreda 06, House Number 138, P.O. BOX 9281 Addis Ababa,
Ethiopia

Complies with the requirement of

Ethiopian Highland Leather Quality Standard

Ref: 2019-08/01

for the following scope of certification:

Manufacturing Finished Sheep Leathers

Certificate NO.: 2019-08/01

Issue Month: August 2019

Original Certification Month: August 2019

Certification Effective Month: August 2019

Certification Expiry Month: July 2020

Daniel Getachew

Secretary General

Ethiopian Leather Industries Association (ELIA)



Registered by Ethiopian Leather Industries Association (ELIA)
Kirkos Subcity, Meskel Square Lion Building 6th Floor, P.O. Box 12898 Addis Ababa, Ethiopia
Tel: +251 11515 61 44 / FAX: +251 11550 89 35 / Email: elia.aalf2@gmail.com
www.elia-aalf.org

Figure 6: EHL certificate of registration

**Table 18: The 2nd draft of certification criteria for EHL finished leathers
(agreed in August 2019)**

No.	Category	Criteria	Standard	Methodology	Reference
1	Eligible Applicants	Companies which produce finished sheep leather	<ul style="list-style-type: none"> ● Tanning-Finishing machinery are equipped /operated ● Waste water treatment plant are equipped/operated 		
2	Origin of raw skin	① hair sheep skin ② They are sourced from highland area in Ethiopia	<ul style="list-style-type: none"> ● Check which type of raw hide and skin are used for EHL production (hair sheep) ● Check the procurement record of raw hide and skin ● Check whether tannery implements segregation system according to their procurement area 	<ul style="list-style-type: none"> ● Inspection visit by LIDI using check sheet 	Check list
3	Physical test (lab)	① Tensile strength(N/mm ²) ② Elongation at break (%)	Finished leather for: ① Tensile strength <ul style="list-style-type: none"> ● Shoe upper/bag/leather goods: more than 2015* ● Garment: more than 2515** ● Glove: more than 2515** ● Veg. tanned leather: TBD ● Suede: TBD ② Elongation at break (%) <ul style="list-style-type: none"> ● Shoe upper/bag/leather goods: more than 4035* ● Garment: less More than 6040** ● Glove: less More than 5040** ● Veg. tanned leather: TBD ● Suede: TBD 	Test method: ISO 3376	International Union for Leather Technologists and Chemists Society (IUP/IULTCS) *Indian Standard: 5914:1970 **Indian Standard:11230-2003
3	Physical test (lab)	③ Tear strength (N/mm)	Finished leather for: ③ Tear strength (N/mm) <ul style="list-style-type: none"> ● Shoe upper/bag/leather goods: more than 2515* ● Garment: more than 35 ● Glove: more than 35 ● Veg. tanned leather: TBD ● Suede: TBD 	Test method: ISO 3377-2 * double edge tear test	International Union for Leather Technologists and Chemists Society (IUP/IULTCS) *Indian Standard:5914:1970
		④ Rubbing fastness (dry and wet) *dry 10cycle/ wet 10 cycle	<Dry fastness> ① pigment finish: at least 3-4 grade ② Pale shade and natural finish: at least 3-4 grade ③ Dark shade and natural finish: at least 2-3 grade <Wet fastness> ① pigment finish: at least 2-3 grade ② Pale shade and natural finish: at least 2-3 grade ③ Dark shade and natural finish: at least 2 grade	Test method: ISO 11640 *Sample size: min. 3 pieces / leather article (random sampling based on the company's business deals) *Sampling will be done by LIDI during the inspection visit	Japan eco leather label http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/
4	Chemical test	① Chromium VI	<ul style="list-style-type: none"> ● For adult (skin contract and non skin contract): Not detectable at the time of test * *A detection limit: 3mg/kg, 	ISO 17075	Japan eco leather label http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/
		② Formaldehyde and ph	Formaldehyde: <ul style="list-style-type: none"> ● For adult (skin contract): 75mg/kg ● For adult (skin non contract): 300mg/kg Ph: <ul style="list-style-type: none"> ● ph: ≥3.5 (for all leathers) 	Formaldehyde: ISO 17226-1(HPLC) or ISO 17226-2 (colorimetric analysis) ph: ISO 4045	
		③ Use of REACH certified chemicals	All the chemicals used for the leather productions are REACH certified chemicals. *Companies submit the REACH certificates upon request from LIDI/ELIA or the buyers	Check on the application form Check during the inspection visit	<ul style="list-style-type: none"> ● REACH regulation.: https://echa.europa.eu/web/guest/regulations/reach/legislation ● Restricted Azo dyes: http://exporthelp.europa.eu/update/requirements/ehir_eu15_02v001/eu/auxi/eu_cherest_entry43_annexXVII_r1907_2006.pdf

X July 2019

To: XXXX Tannery

From: Leather Industry Development Institute (LIDI)

EHL certification score sheet (summary)

No.	Item	Score allotment (points)	Company's result (points)
1	Inspection visit	100	XX points
TOTAL		100 *more than 70points is pass	XX points Pass/ Fail

Lab test			
No.	Item	Score allotment (points)	Company's result (points)
1	Tensile strength	35 35: X (average) \geq standard 25: standard (-10%) \leq X (average) < standard 15: standard (-20%) \leq X (average) < standard(-10%) 0: X (average) < standard (-20%)	XX
2	Elongation at break (%)	30 30: X (average) \geq standard 20: standard (-10%) \leq X (average) < standard 10: standard (-20%) \leq X (average) < standard(-10%) 0: X (average) < standard (-20%)	XX
3	Double Tear strength	35 35: X (average) \geq standard 25: standard (-10%) \leq X (average) < standard 15: standard (-20%) \leq X (average) < standard(-10%) 0: X (average) < standard (-20%)	XX
TOTAL		100 *more than 70points is pass	XX points Pass/ Fail
4	Rubbing fastness (dry & wet)	Pass: average above the standard Fail: average below the standard	Pass/ Fail
5	Chromium VI	Pass: average above the standard Fail: average below the standard	Pass/ Fail
6	Formaldehyde	Pass: average above the standard Fail: average below the standard	Pass/ Fail
7	pH	Pass: average above the standard Fail: average below the standard	Pass/ Fail
TOTAL			Pass / Fail

**The company which scores more than 70 points as well as pass all the chemical and rubbing fastness tests is entitled to receive EHL certification*

Figure 7: EHL Summary sheet for physical and chemical tests

<Major changes from the 2nd draft to the 3rd draft>

- On-site inspection
 1. (Leather sampling method) Three pieces of dark leather (black or brown) will be sampled at random to check for rubbing fastness.
 2. Tanners that cannot confirm the traceability of raw skin (i.e. they cannot prove that where their raw skins come from) are excluded from the EHL certification process.
- The detailed of the summary sheet
 1. A minimum of 70 points out of 100 is acceptable for on-site inspection. Only tanners which also meet the criteria for physical and chemical testing will be awarded EHL certification for one year.
 2. (Physical test) For the tear and tensile test, when the average of the leather tests is up to -10% of the certification criteria, it is considered acceptable as the margin of errors. In total 70% or more is acceptable.
 3. (Rubbing fastness and chemical test) There is a great demand from customers in view of the results of the trade show as well as a risk of damaging the value of the brand if we receive any complaints from customers. Therefore, regarding the rubbing fastness and chemical tests, they are only acceptable if the average score is above the standard.

Table 19 shows that the 3rd draft of certification criteria was finally agreed upon with the C/P based on the above after the 2nd on-site inspections. It was also agreed that the checklist for on-site inspections would be revised based on the results of the trial (Appendix 9).

The initial plan was to finalize the certification criteria in the 1st phase, but due to the spread of COVID-19, experts had to return home in the middle of their activities. As it was not possible to discuss, review, and finalize the 3rd draft of the certification criteria agreed with the C/P and the partner companies, the finalization of the certification criteria will be carried out in the 2nd phase.

**Table 19: 3rd draft of certification criteria for EHL finished leathers
(agreed in December 2019)**

No.	Category	Criteria	Standard	Methodology	Reference
1	Eligible Applicants	Companies which produce finished sheep leather	<ul style="list-style-type: none"> ●Tanning-Finishing machinery are equipped /operated ●Waste water treatment plant are equipped/operated 		
2	Origin of raw skin	①hair sheep skin ②They are sourced from highland area in Ethiopia	<ul style="list-style-type: none"> ●Check which type of raw hide and skin are used for EHL production (hair sheep) 【Mandatory】 ●Check the procurement record of raw hide and skin ●Check whether tannery implements segregation system according to their procurement area 	●Inspection visit by LIDI using check sheet	Check list
3	Physical test (lab)	①Tensile strength(N/mm ²) ②Elongation at break (%)	Finished leather for: ①Tensile strength ●Shoe upper/bag/leather goods: more than 15* ●Garment: more than 15** ●Glove: more than 15** ●Veg. tanned leather: TBD ●Suede: TBD ②Elongation at break (%) ●Shoe upper/bag/leather goods: more than 35* ●Garment: More than 40** ●Glove: More than 40** ●Veg. tanned leather: TBD ●Suede: TBD	Test method: ISO 3376	*Indian Standard: 5914:1970 **Indian Standard:11230-2003
	Physical test (lab)	③Tear strength (N/mm) ④Rubbing fastness (dry and wet) *dry 10cycle/ wet 10 cycle 【Mandatory】	Finished leather for: ③Tear strength (N/mm) ●Shoe upper/bag/leather goods: more than 15* ●Garment: more than 35 ●Glove: more than 35 ●Veg. tanned leather: TBD ●Suede: TBD <Dry fastness> ①pigment finish: at least 3-4 grade ②Pale shade and natural finish: at least 3-4 grade ③Dark shade and natural finish: at least 2-3 grade <Wet fastness> ①pigment finish: at least 2-3 grade ②Pale shade and natural finish: at least 2-3 grade ③Dark shade and natural finish: at least 2 grade	Test method: ISO 3377-2 * double edge tear test Test method: ISO 11640	International Union for Leather Technologists and Chemists Society (IUP/IULTCS) *Indian Standard:5914:1970 Japan eco leather label http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/
	Chemical test 【Mandatory】	①Chromium VI ②Formaldehyde and ph ③Use of REACH certified chemicals	●For adult (skin contract and non skin contract): Not detectable at the time of test * *A detection limit: 3mg/kg, Formaldehyde: ●For adult (skin contract): 75mg/kg ●For adult (skin non contract): 300mg/kg Ph: ●ph: ≥3.5 (for all leathers) All the chemicals used for the leather productions are REACH certified chemicals. *Companies submit the REACH certificates upon request from LIDI/ELIA or the buyers	ISO 17075 Formaldehyde: ISO 17226-2 (HPLC) (colorimetric analysis) ph: ISO 4045 Check on the application form Check during the inspection visit	Japan eco leather label http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/ ●REACH regulation.: https://echa.europa.eu/web/guest/regulations/reach/legislation ●Restricted Azo dyes: http://exporthelp.europa.eu/update/requirements/ehir_eu15_02v001/eu/auxi/eu_cherest_entry43_an nexXVII_r1907_2006.pdf
5	Validated period of EHL certificate	-	one year	-	-
6	Fee for test	Inspection visit(1-2ppl)	Applicant companies pay cost (or (provide in-kind) for the visit: ①air fare fee ②Transportation ③Lunch (if the inspection continued for 1 day)	-	-
		Lab test	①tensile strength: 200ETB ②Tear strength: 200ETB ③Rubbing fastness (dry and wet): 100ETB ④Chromium VI: 258ETB ⑤Formaldehyde: 258 500ETB TOTAL: around 1, 258 500 ETB/sample	-	-

(2) Certification system for EHL leather products

The 1st draft of certification criteria for EHL leather products (Table 20) agreed upon at the first brand workshop held on 14-16 May 2019 are as follows:

- ① Submission of receipt to verify that products are manufactured with EHL-certified leather.
- ② Submission of a quality control checklist prior to shipment of the final product (Figure 8).
(e.g. whether or not exterior surfaces are clean, shapes and colors are symmetrical, accessories are defective, nails and needles are properly managed and free of contamination, etc.)
- ③ If products are manufactured using a combination of EHL and different materials, the ratio of EHL shall be at least 50%.

Table 20: 1st draft of EHL certification criteria for leather products (Agreed in May 2019)

No.	Category	Criteria	Methodology	Check Item
1	Eligible Applicants	●Companies which produce shoes/leather goods/garment etc. using EHL	Application form with EHL certificate copy +receipt	ELIA check the application form, the purchase record (receipt issued by tanneries) and copy of EHL certificate submitted by applicants
2	Proportion of EHL to the products	●More than 50% (shoe upper, bags, garment, leather goods) if the products are made with other materials	Application form	ELIA check the application form
3	Valid term for tag/hot stamp	●Purchased lot based on the application form		
4	Fee for tag/hot stamp	●ELIA member: free ●Non-ELIA member: TBD	* Use of hot stamp machine is required the payment to LIDI	
5	Quality of products	●No defects in appearance ●symmetry shape/color ●Quality stitch and cut ●No defective accessories ●No nail/broken needles etc. contain in the export products	Copy of quality check sheet to ELIA Inspection visit will be conducted upon the request from LIDI/ELIA	See check list

Quality Check Sheet for EHL ለ EHL ምርት የጥራት መፈተሻ ሰንጠረዥ													
Company Name የከምፓሊ ከም								Defect Ratio (%) ((③÷①) * 100)					
Delivery date የመሰጠቱ ቀን				Inspected by ፍተሻ ያዝነደው ሰው		Submission Date ቀን							
Inspection date ፍተሻ የተካሄደበት ቀን	Style No. ከታይል ቁ.	Color የምርቱ ቀለም	QTY order ብዛት	①QTY Inspected ፍተሻ የተካሄደበት ምርት ብዛት	②QTY Accepted ተቀባይነት ያገኘ ምርት ብዛት	③QTY Rejected ተቀባይነት ያላገኘ ምርት ብዛት	Inspection Result የምርት ፍተሻ ውጤት					Signature	
							Body / Lining አካል/ገፍን	Shape ቅርፅ	Sewing ስፈት	Metal Accessories ብረት ነክ መለዋወጫዎች			Brand mark የብረንድ ምልክት
							Stain(Leather), Scratches, Wrinkles, Fold, Glue stain/Glue overflow ቆሽሽ፣ ጨረቆች፣ መጨመሪያ፣ አጥፋት፣ የመስከትን ተርፎ መታየት	Asymmetry / Distorted- Shape, Incorrect size ተቀባይ ቅርፅ የያዘ፣ ያልተቀባይነት ያለው ያለው	Accuracy/Defective Thread stitching በትክክል መስፋፋት ማረጋገጫ	Rust, Scratches ገንጥ፣ ጨረቆች	Movement is smooth? (magnet, straps, Zipper) በጣራ ሁኔታ ላይ ይገኛል? (የፌልግ ጥንቅብ፣ ዘለበት ዚፕ)	Incorrect position/size/shape በትክክል/ቦታ ላይ/ መጠን/ቅርፅ ያለመቀመጥ	
TOTAL ጠቅላላ													
Remarks አስተያየት													

Figure 8: Quality check sheet for EHL

Figure 9 is the 1st draft of the EHL certification process for EHL leather products. Each company submits an application to ELIA for the use of the EHL brand and a receipt for the leathers purchased from an EHL-certified tanner. Once permission is granted, the companies loan the EHL branding hot stamp and start manufacturing their products. After the products are finished and inspected, the companies submit the quality control checklist (Figure 8) to ELIA and receive EHL tags and brochures from ELIA.

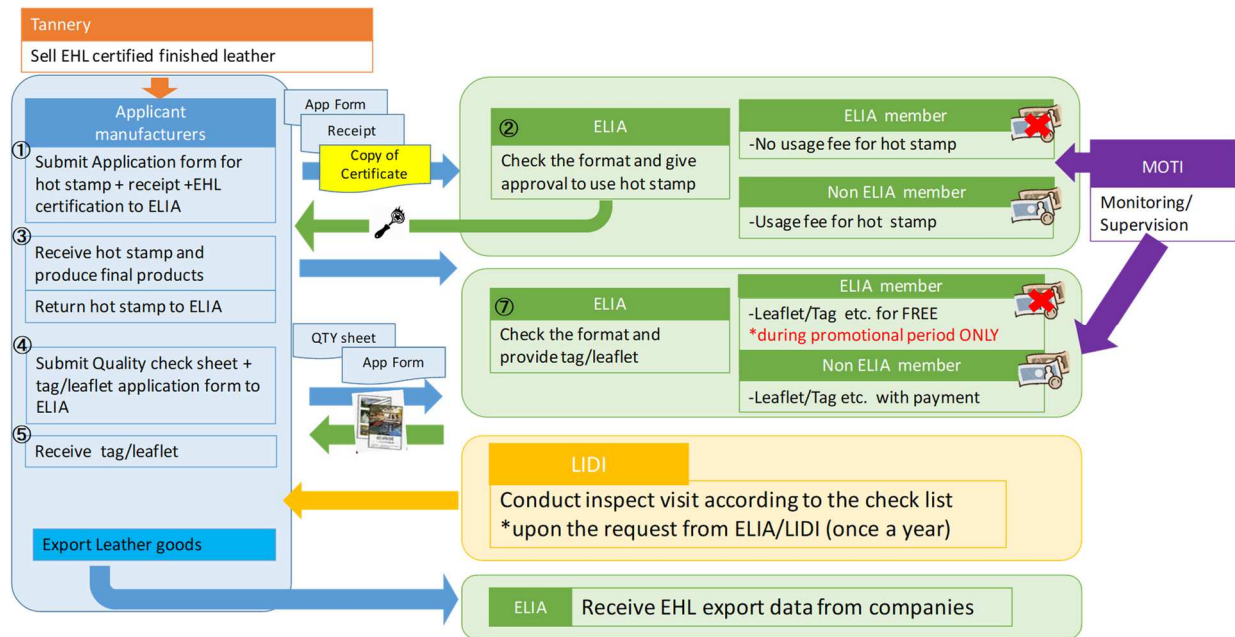


Figure 9: EHL certification system flow for leather products (agreed in May 2019)

In the trial run of the certification process before the trade show in September 2019, the companies were unable to conduct final inspections using the quality control checklist due to the delay in the delivery of leather. This reduced the time they could spend on preparing samples. Therefore, the quality control checklist was used by some companies during the second trial run for the trade shows in January and February 2020. Besides, the production process of the samples ordered after the trade show included 1) the submission of the application for borrowing the EHL branding hot stamp, 2) the application for use of EHL tags and booklets, 3) inspection of products using the quality control checklist and 4) support for brand management. To perform the inspection described in 3), technical transfer was done by the Japanese experts who oversee quality control to conduct final inspections of products through OJT before they were shipped, and instructions on how to fill out the quality control checklist were provided to them.

Many small companies do not record the type and number of defects they find as part of their quality control checks. Since some people in charge of quality control are not used to writing numbers in charts, many companies have difficulty in recording the numbers. The checklist has been updated in Amharic to make it easier to use, but until this is established as a routine, it is important to continue OJT training at the company.

As for the application procedures described in 1) and 2), some companies complained about having to

make an application for each order and asked if each company could purchase an EHL branding hot iron. These requests and the future operating system will continue to be discussed in the 2nd phase with ELIA and Ethiopian companies to consider how to create a brand management system that is easy for more companies to use while maintaining the value of the EHL brand.

3.7 [Activity 2-4] Creation of guidelines for brand usage (criteria for use of logos, tags, etc.)

As part of the promotional strategy to increase awareness of the EHL brand and encourage more Ethiopian companies to use the EHL brand, the project decided to provide free use of EHL tags, brochures, and logos to ELIA member companies during the pilot period of the EHL certification system. At first, only partner companies were eligible for using EHL tags and logo during the pilot period, however, there were requests to use EHL tags, brochures, and logos from companies overseas other than trade show purposes through the partner companies who were actively promoting EHL to their existing customers. In response to this request, in addition to submitting the application mentioned above in 3.6, concluding an MOU between the companies and ELIA regarding the use of the EHL logo was considered. This topic will be discussed continuously in the 2nd phase.

As for the cost of printing and content revision of tags and brochures, securing financial resources within ELIA and establishing a royalty system was discussed with ELIA. After the completion of the 1st phase, details of the royalty system will be discussed in the 2nd phase. The content of the brand book created in the CPA2 will be revised once the brand certification criteria have been finalized. Eventually, the brand book will be made available for download on the website in the 2nd phase.

3.8 [Activity 2-5] Comparative study on sheep leather for scientific evidence

A joint survey was conducted to perform a comparative analysis between the skins of sheep raised in the highlands, lowlands, and other areas of Ethiopia to discover Ethiopian Highland Sheep Leather scientific characteristics by Japanese participants (Scleroprotein and Leather Research Institute of the Faculty of Agriculture of Tokyo University of Agriculture and Technology, Tokyo Metropolitan Leather Technology Center, and Sapporo General Pathology Laboratory) and a participant from Ethiopia (LIDI Research Lab). One of the objectives of the study was to summarize the results of this survey and scientifically demonstrate to buyers the reasons why Ethiopian Highland Sheep Leather was thin, soft, and strong at the trade show in September 2018.

In March 2018, the project dispatched Professor Yoshihiro Nomura of the Faculty of Agriculture of Tokyo University of Agriculture and Technology to Ethiopia for field research and sampling, but due to the unstable condition of the country, he was unable to travel to Oromia Region. Therefore, at a later date, LIDI staff visited the highlands (2959 m) in Northern Oromia and lowlands (797 m) in the south and conducted sampling. Menze specimens sampled in the northern highland area and Wankae specimens sampled in the southern lowland were sent to Japan preserved in formalin and ethanol. Analyses including electrophoresis of collagen, amino acid analysis, electron microscope observation, elastin staining, collagen staining, and glycosaminoglycan staining analyses were performed. Some of the same specimens were also used to

perform electron microscope observation and physical property tests such as tear strength at the LIDI research laboratory.

According to the results of the electron microscopic observation, the collagen fiber density and the collagen fiber diameter of Menze seemed to be thick, but the collagen density was higher in Wankae, and the study conducted in Japanese research institutes revealed no obvious difference between Menze and Wankae species. Likewise, the study conducted at LIDI's research laboratory did not find any significant difference in physical strength, and scores were higher in Wankae species in some tests. Sheep from Hokkaido, north Japan, exceeded the data of Ethiopian sheep. Based on these findings, the plan to demonstrate the characteristics of Ethiopian sheep leather to buyers at the trade show in September 2018 based on scientific evidence was deferred.

Leather's strength depends on the thickness and density of the reticular layer, which starts from the bottom of the papillary layer. Viewing the cross-sectional structure with an electron microscope showed that the thickness of the papillary layer of the Ethiopian sheepskin was 40% when the sample was reduced to 0.4mm, which was the lowest, and we observed that enough of the reticular layer thickness was left to maintain that strength. For the 0.4 mm thick samples, the papillary layer was 100% in the Indonesian sample and 60% in the South African sample (Photo20-22). From this experiment, we could posit that one of the reasons that Ethiopian leather can maintain strength even when it is as thin as 0.4 mm is because of the difference in thickness of the papillary layer.

The results of the comparative study were shared with LIDI and ELIA (Figure 10). After discussion, they agreed that since the experiment had clearly shown that that Ethiopian sheepskin retains its physical strength even when finished thinly because of the thinness of its grain side layer, this should be used for promotional purposes.

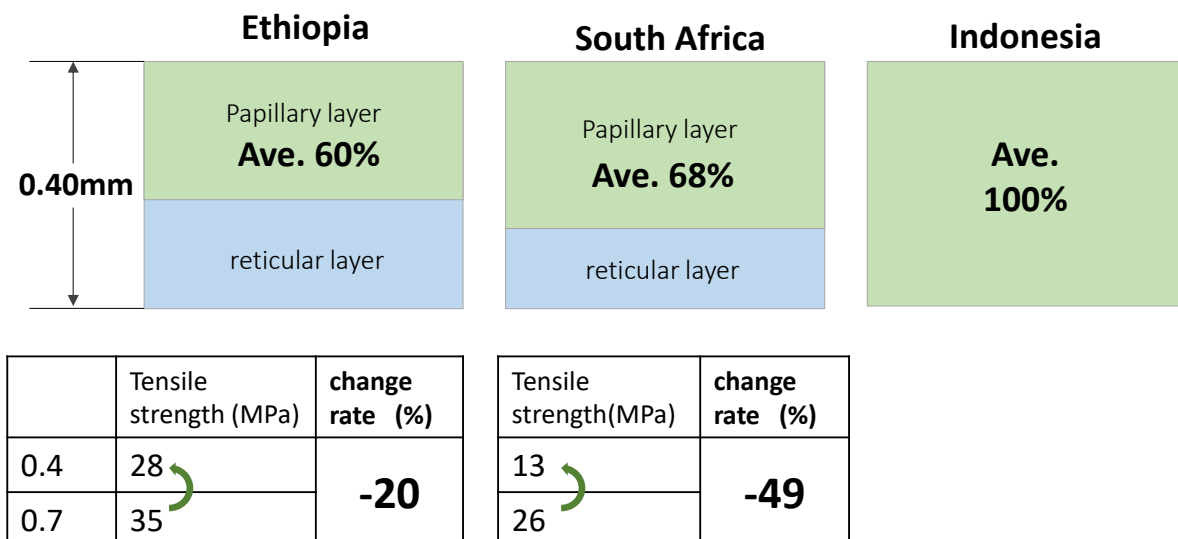


Figure 10: Comparison among three countries' sheep leather strength in thickness 0.4mm

Based on these results, panels and materials were prepared to explain the scientific reasons why

Ethiopian sheepskin can be thinned while retaining its strength for promotion at the trade shows from September 2019 onwards. The content of the panels has been simplified as much as possible and is mainly used by the representatives of tanners to explain the characteristics of Ethiopian sheep leather (Figure 11).

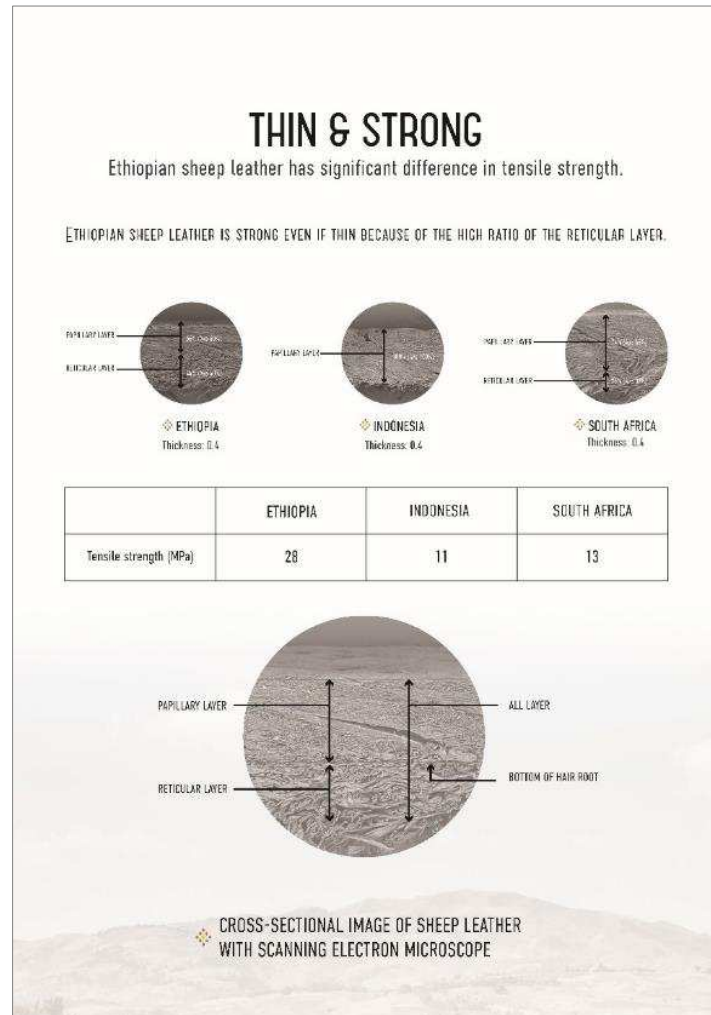


Figure11: Panel describing the characteristics of Ethiopian sheep leather based on the scientific data

3.9 [Activity 2-6] Brand promotion (promotional materials, website, trade show, journal, and display)

To promote the brand, the project participated in trade shows in the French market in 2018 and the American market in 2019 as decided in discussions with LIDI and ELIA. The issues identified in the trade shows were fed back to the technical support in the production of samples and business seminars to make improvements for upcoming trade shows. The support was also aimed at learning methods of exhibiting following the theory of visual merchandising and research on trends in the international market. In addition to the representatives of each company, representatives from LIDI and ELIA as well as Japanese experts

attended the trade shows.

After several trade shows, there has been an improvement in the quality of products, promotional methods, and staff's negotiating skills with customers. As a result, the number of sample orders has increased. However, only a few orders for actual products have been placed after sample orders. Support was also provided in early 2020, focusing on methods of follow-up to suppliers and improvements in the quality of samples. The COVID-19 pandemic emerged just after the companies were starting to have a more consistent dialogue with customers about improving samples, with several companies beginning to receive actual product orders.

(1) Participation in overseas events such as trade shows

In light of the results of the market research conducted in 2017 and the issues identified through participation in the trade shows, three trade shows in France and one in the US have been held since September 2018. Although activities in the U.S. market were not planned initially, since there was some discrepancy with the markets that the shoe manufacturers were targeting at the trade shows in France, the project attended Footwear Sourcing and Project Womens at MAGIC, a fashion industry trade show held in Las Vegas in February 2020.

1) Premiere Classe Paris Porte De Versailles (Paris / 7~10 September 2018)

① Formulation of promotion plan

In the second JCC meeting, the project obtained approval for the participation in the trade show in France in September 2018 and the preparation schedule. Although the project had to increase the number of business trips of experts to provide technology transfer for finishing leather material, other major activities were broadly carried out according to the schedule below.

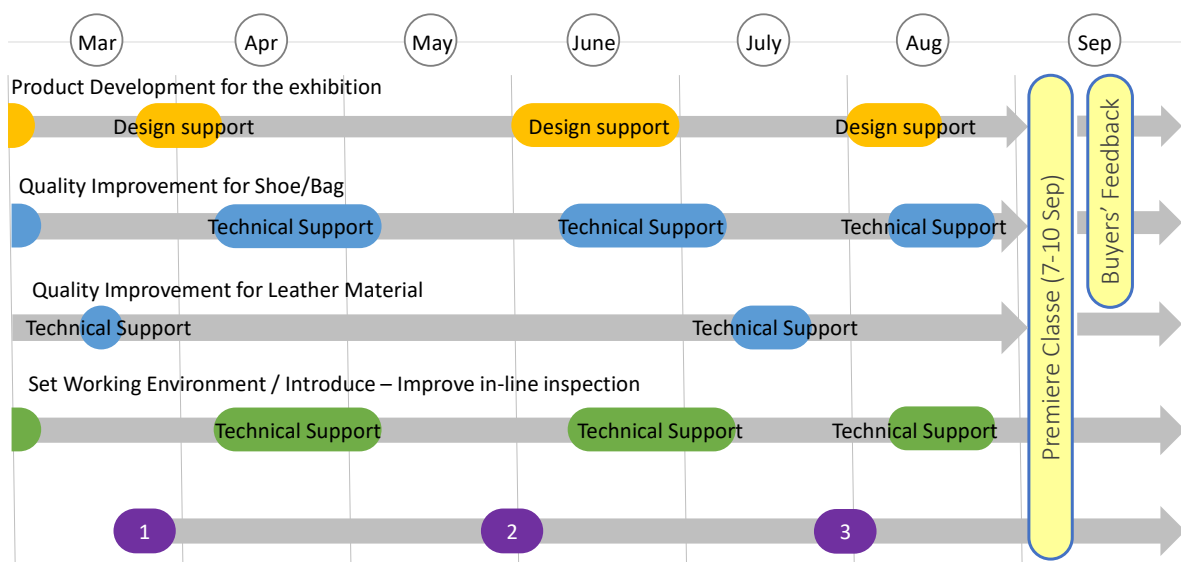


Figure 12: Support plan for the trade show in September 2018

② Participation in the trade show

Premiere Classe Paris Porte De Versailles is one of the largest trade shows in the fashion sector in the world. It is held in January and September each year, and exhibitors must pass a screening by the organizers to be eligible to participate. The Premiere Classe Paris Tuileries, which has an even tighter limit on the number of exhibitors, is also held in March and September each year, coinciding with Paris Fashion Week.

Trade show name	Premiere Classe Paris Porte De Versailles
Period	September 7 (Friday) - 10 (Monday), 2018 9: 00-19: 00 (close at 17:00 on the last day)
Venue	Parc des expositions de la Porte de Versailles 1 place de la Porte de Versailles 75015 Paris HALL 3
No. of exhibitors	1,400 (Including Who's Next held at the same time)
No. of visitors	43,500 (Including Who's Next held at the same time)
EHL booth	24 square meters

The business meetings held by the participating companies with visitors at their booths for four days yielded the results described below. However, the number of business meetings held was smaller than at the trade show held in Japan during the CPA2, suggesting that there were still many issues to be addressed in the approach to the new market (photo25-26).

No. of visitors	110 (The number of visitors with whom we exchanged business cards and information)
Business Type	Retailers 26%, Whole sellers 12%, Manufacturers 21%, Unchecked 27%, Others (Agent, designer, Media) 14%
Result	Trial Order / Sample Order =13

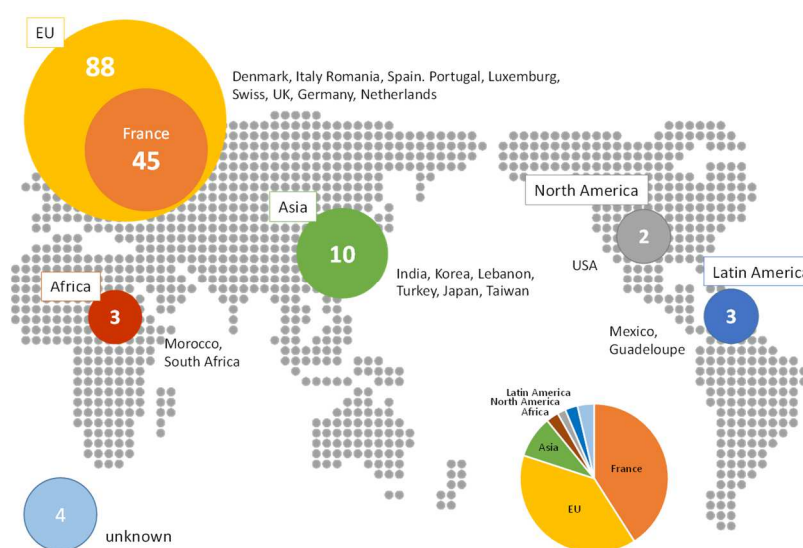


Figure 13: Analysis of visitors to the EHL booth at Premiere Classe Paris by region

The breakdown of visitors by region is as described above. Although the number of visitors from outside the EU was lower than expected, visitors from France accounted for approximately 50% and there were many opportunities to meet with potential customers from the EU, which is the target market of the project.

③ Individual negotiations with French companies

In parallel with participation in the trade show, the project planned product development using EHL branded leather materials at French companies to raise the profile of the EHL brand in the European market. During the delegation, the project had opportunities to negotiate with the following two individuals and introduced the leather materials to them.

Mr. Olivier Lapidus, designer and former artistic director at Lanvin

Although he rated the quality of the leather itself highly, he pointed out the quality of the finishing needed to be improved. He also proposed coordination of gloves with a scarf based on the same motif by making full use of the softness and smooth texture of sheep leather. At the same time, given the difficulty of manufacturing bags with soft materials and the growing awareness of animal rights, he suggested that the project developed the concept of “Made in Ethiopia” to incorporate other materials, such as cotton and silk, as well as leather products.

Mr. Jean-Marc Loubier, CEO of First Heritage Brands (Affiliates: Robert Clergerie, Delvaux)

He asked questions about the water treatment used at the tanners, as well as about the dyeing techniques for bright and pale colors. He then exchanged opinions with all of the Ethiopian participants on what a brand was and how Ethiopian Highland Leather could differentiate the products from others.

④ Discussion in the wrap-up Meeting

The delegates shared lessons learned in the wrap-up Meeting held after returning to Ethiopia;

- ① Need more information about sales point, price in EUR, leather material price of each grade, and per Sqm, chemicals were needed to promote in the European market.
- ② Need a review of the line up (backpack, pouch, and removable tassel, etc. and research for trend color and design.
- ③ The bag's price is 20% higher than other exhibitors (same quality's product).
- ④ Need enough preparation to start a business with European (especially French) buyers. (Import VAT, Transportation cost (Cargo, DHL, and Ship, bank transfer cost)
- ⑤ More Ethiopian motif in the booth to appeal “Made in Ethiopia” more.
- ⑥ Need symbolic products so that visitors can understand the products are made from Sheep leather.
- ⑦ Need giveaway, and welcome drink and snacks such as coffee and kolo.

Interviews conducted a week after returning to Ethiopia revealed that some companies had sent emails to customers with whom they had exchanged information and started preparing samples according to their orders, while others have still not taken any action.

2) Who's Next held on September 6-9, 2019

① Promotion planning

Premiere Classe Paris Porte De Versailles has been merged with Who's Next, which was held at the same time. Who's Next has a new area called IMPACT, which features companies and products with ethical and ecological concepts, and EHL decided to exhibit in this area in a meeting with the organizers in advance. To structure the trade show under the concept of the trade show area, EHL began preparations in January 2019. It also shared its plans for differentiation by featuring vegetable-tanned and upcycled leathers such as waxed and tie-dyed leathers and adding ethical elements with the companies, as well as LIDI and ELIA.

Table 21: Preparation Schedule for Who's Next in Sep. 2019

1. Concept Development	Jan. 2019 Start meeting to discuss the concept Apr. 2019 Share the concept "Ethical + Ecological"
2. Concept Embodiment	Apr. 2019 Start sample development Apr. 2019 Start veg-tanned leather production May 2019 Discussion with the organizer and select the venue
3. Brand Management System	May. 2019 Brand Management Workshop (1) Jun-July 2019. Inspection activities for Brand certification Aug. 2019 Brand Management Workshop (2)
4. Skill Grade-up and Company Target Setting	Jun. 2019 Business Seminar (1) Aug. 2019 Business Seminar (2)

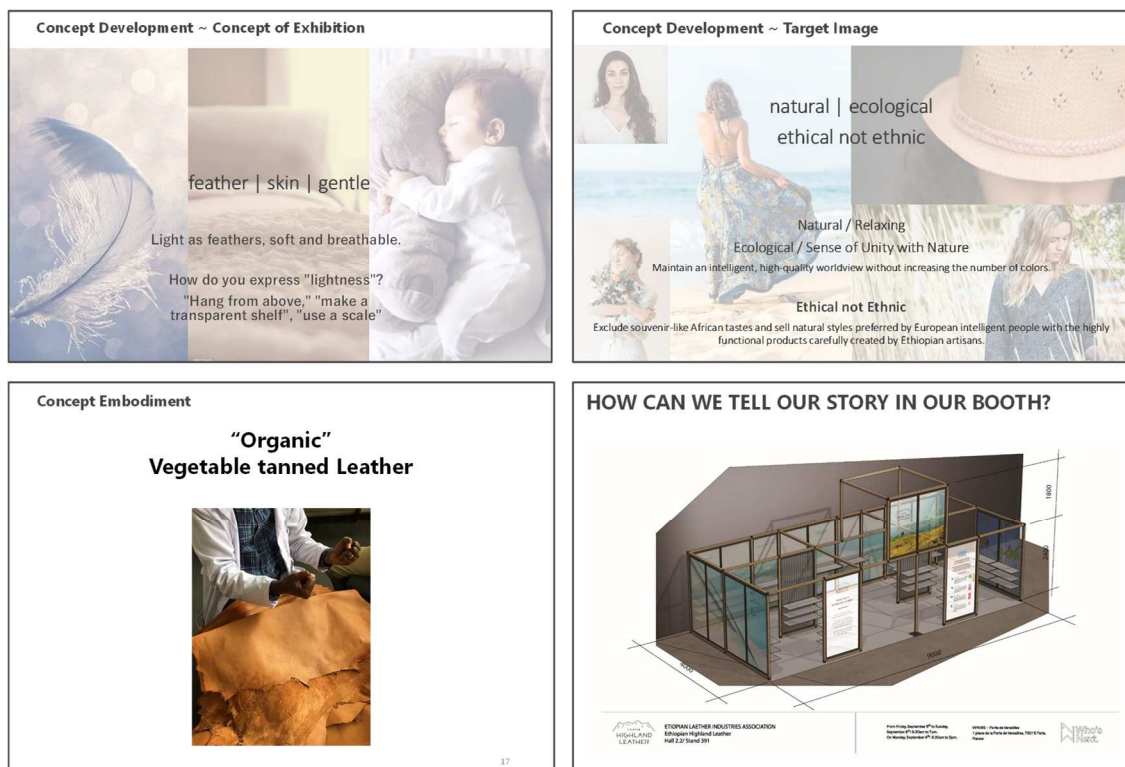


Figure 14: Image Boards to share the promotional strategy among the project members

Due to the increase in the number of participating companies, the size of the booth was also expanded (36 sqm for 10 companies). In the previous trade show, the booth was made up of the minimum amount of materials provided by the organizers for sustainability purposes post-completion of the project. In contrast, the booth at this year's trade show was decorated with pictures of landscapes of Ethiopia to represent the brand's concept and make the booth more attractive to visitors. The front panel described the brand concept of EHL and how the EHL brand can contribute to the achievement of the SDGs (photo27-31). Participants were also required to wear t-shirts and workshop coats with the EHL logo (female staff also wore ethnic clothing). As novelties, collapsible animal figures such as elephants and lions made of pieces of leather were distributed to the visitors with whom business negotiations were conducted.

② Participation in Who's Next

As a result of the above improvements, enhancement of the quality of samples, and customer service of the companies, a total of 198 negotiations were conducted at the booths, up nearly 200% compared to last year. The total number of sample orders also improved to about 40.

Trade show name	Who's Next
Period	September 6 (Friday) - 9 (Monday), 2019 9: 00-19: 00 (close at 17:00 on the last day)
Venue	Parc des expositions de la Porte de Versailles 1 place de la Porte de Versailles 75015 Paris HALL 1 & 2.2
No. of exhibitors	Approx. 1,400
No. of visitors	43,675
EHL booth	36 square meters

Table 22: Number of negotiations conducted in each sub-sector in Who's Next in Sep. 2019

	9/6	9/7	9/8	9/9	9/10	total
Bag	34	20	28	8		90
Shoes	15	10	14	6		45
Garment	11	7	6	6		30
Material	8	12	8	3	2	33
total	68	49	56	23	2	198

France: 54% Other EU: 27% Asia/Oceania:8% Africa: 2% North America: 0.5% South America: 0.5%

Table 23: Segmentation of negotiation partners by sub-sector in Who's Next in Sep. 2019

	Retailer	Whole Seller	Manu-facturer	Others	Designer	Consultant	Agent	PR	Showroom
Shoes	22	10	2	1	1	1	2	2	
Bag	48	10	9	1	2	1	4	2	1
Garment	11	1	5		3		3	2	
Material		2	24						
total	81	23	40	2	6	2	9	6	1

Since this trade show was held mainly for the spring/summer collection and finished products, it was anticipated that leather materials would again struggle to create interest, since the number of business discussions on leather materials at previous trade shows had been quite limited. To tackle this problem, appointments were set up before the trade show, primarily with manufacturers of leather products. Overall, 11 negotiations were conducted both during and after the trade show (including with an organization of manufacturers and a multi-brand shop selling finished products). The quality of buyers was high, and two tanners received sample orders.

These achievements reflect the benefits of a clear brand concept meeting market needs, as well as the development of booth design and samples under the concept, resulting in a consistent presentation of the brand overall. In contrast, shoe manufacturers struggled to win deals, probably since they were not so well matched with the types of visitors at the trade show. There were many small retailers, and it was difficult to conduct negotiations that would lead to the large orders expected by shoe manufacturers. According to both exhibitors and experts, bright colors such as light blue, green, tie-dye, and vegetable tanning, which were the signature colors of the brand, were not seen as being in tune with trends in the French shoe market. Since a large number of retailers visited the trade show as in the previous year, it was felt that better strategies should have been put in place for the shoe manufacturers this year. At the previous trade show, shoe manufacturers received more sample orders than bag manufacturers, so they had not focused on this matter.

The nationalities and characteristics of visitors at the trade show overall were similar to the previous year. Half of the visitors were from France and visitors from Europe accounted for 80% of the total, with about 10% from Asia and almost no visitors from North America.

③ Points for Improvement

The following points for improvement were suggested by experts who attended the trade show and at the wrap-up meeting held with ELIA and partner companies after returning to Ethiopia:

- ① The relationship between the EHL brand and each company is unclear. The relationship between the brand and each company should be indicated using methods such as the installation of a panel with the logo of each partner company under the brand logo and tag line.
- ② The description of the SDGs attracted attention but it should be summarized more simply as there was too much text.
- ③ Utilization of industry-government staff. It is necessary to assign specific roles.
- ④ The negotiation sheet has many points to follow that are unclear and requires more detailed items.
- ⑤ Not many buyers returned to the trade show. The method used to make appointments needs to be reconsidered.

The project decided to consider future measures for the shoe manufacturers, after returning to Ethiopia, including participation in other trade shows and implementation of pre-matching.

3) Who's Next held on January 17-20, 2020

Following the trade show in September 2019, the project exhibited at Who's Next in January 2020. Shoe manufacturers were excluded based on the lessons learned from the previous show, and the promotional activities were focused on four bag manufacturers, one garment company, and two tanneries. The trade show continued to attract customers' interest in the concept of eco-friendliness and upcycling, exhibiting vegetable-tanned, wax finish, and tie-dyed leather products. However, there was a significant drop in the number of negotiations to 70 due to the public transport strike that took place throughout most of the period that the trade show was on.

Trade show name	Who's Next
Period	January 17 (Friday) - 20 (Monday), 2020 9: 00-19: 00 (close at 17:00 on the last day)
Venue	Parc des expositions de la Porte de Versailles 1 place de la Porte de Versailles 75015 Paris HALL 6
No. of exhibitors	Approx. 1,400
No. of visitors	42,565 * Although this number was announced by the organizer and almost the same as the previous trade shows, the area around the EHL booth was quiet.
EHL booth	36 Square meters

As in the previous show, tanneries that had organized meetings with potential customers before the trade show managed to conduct a certain number of negotiations, while bag and garment manufacturers suffered a significant decrease in the number of deals. In contrast, some of the customers from the previous show visited the trade show again and ordered samples. This kind of continuity in negotiations had never been seen before. It was most likely the result of repeated participation in trade shows and business seminars.

Table 24: Number of negotiations conducted in each sub-sector in Who's Next in Jan. 2020

	1/17	1/18	1/19	1/20	total	In Sep. 2019
Bag	5	8	5	15	33	90
Shoes	-	-	-	-	-	45
Garment	2	1	2	0	5	30
Material	12	7	6	7	32	33
total	19	16	13	22	70	198

Table 25: Segmentation of negotiation partners by sub-sector in Who's Next in Jan. 2020

	Retailer	Whole Seller	Manu-facturer	Others
Bag	17(48)	6(10)	6(9)	8(1)
Garment	3(11)	0(1)	0(5)	2(0)
Material	2(0)	2(2)	29(24)	
total	22	8	35	10

*The numbers in brackets are the number of business meetings in the trade show in September 2019.

4) Footwear Sourcing/Project Womens at MAGIC held on February 4-7, 2020

Participation in Who's Next showed that it was difficult for the shoe manufacturing industry to win deals that would lead to large orders due to a large number of retail buyers. Therefore, secondary research on trade shows specializing in footwear and interviews with experts were conducted to explore the possibility of separating only shoe manufacturers and participating in different trade shows.

Table 26: Comparison of shoe trade shows in Europe and the USA

	FOOTWEAR SOURCING AT MAGIC	Gallery Shoe	Expo Riva Schuh	CMC LA MARKET WEEK & LA KIDS MARKET	THE ATLANTA SHOE MARKET
Duration	4-7 Feb 2020	08-10 Mar 2020	11-14 Jan, 2020	12 –15, Jan, 2020	15–17, Feb, 2020
Location	LAS VEGAS, USA	Dusseldorf, Germany	Riva del Garda, Italy	California, USA	Atlanta, USA
Organizer	UBM, Informa Markets	Igedo	Expo Riva Schuh	California Market Center	Southeastern Shoe Travelers Association
Visitors	16,300	9,800+	12,000+	A few hundred	5,000
Exhibitors	1,200	400 (600 brands)	1,474	3,000+	800
Items	Shoes	Shoes (Mainly Shoes for Women)	Shoes	Apelles, Shoes, leather goods, and other types of accessories.	Shoes
Fact	Quality level: Medium (volume shoe) Exhibitor: From 29+ countries (Mainly China? Need to consider the FN Platform at Magic?) Entry barrier: Low https://www.ubmfashion.com/shows/footwearsourcing	Quality level: Medium-High Exhibitor: domestic 35%, International 65% Visitors: Germany, Italy, Spain, Portugal, France and the Netherlands Entry barrier: Mid https://gallery-shoes.com/	Quality level: Medium (volume shoe) Exhibitor: China, India, Brazil, Italy and other 35 countries Visitors: 1. Italy, 2. Germany, 3. Spain, 4. France, 5. UK ... Entry barrier: Low https://exporivaschuh.it/en	Quality level: Medium-High Exhibitor: Visitors: Entry barrier: Mid http://www.californiamarketcenter.com	Quality level: Medium-High Exhibitor: International Visitors: Retailer Entry barrier: Mid https://www.atlantashoemarket.com
	As a part of USAID and UNIDO activities, the focal person has rich experience to welcome Ethiopian delegates. Some Ethiopian shoe makers has achieved some orders in the exhibition, so they have some understandings about the trend.	It is characterized by well-organized categorization and gallery format exhibition (it is easy to prepare but difficult to express Ethiopian features). The gallery shoes was started after GDS was terminated a few years before, however the downtrend has not been changed.	Riva Schuh is a trade fair concentrating on mass product on medium prices shoes. Main visitors come from south European countries where elegant design shoes are popular. So, it would be difficult for Ethiopian companies to develop samples which can win the visitors' interest.	The quality level would not be difficult to enter but the size of exhibition is smaller than others and we could not find clear information if an area dedicated to shoe was set up.	One of the biggest shoe exhibition in US market. It is characterized by well-organized categorization and gallery format exhibition (it is easy to prepare but difficult to express Ethiopian features).

The research was conducted on trade shows specializing in footwear to be held in Europe and the United States by the end of this phase. Subsequently, the study focused on the above five trade shows which were of the ideal size to generate large orders required by Ethiopian shoe manufacturers and compared their details.

After careful consideration, the project decided to participate in the “Footwear Sourcing” category of the MAGIC trade show in Las Vegas, USA, based on the fact that the trade show was focused on products for both men and women, that Ethiopian companies including the partner companies had experience in exhibiting at trade shows and an understanding of market characteristics, and that the US market was already the largest export market for shoes in Ethiopia. Besides, since this trade show also targets shoes and the materials necessary for their production, tanners also decided to participate. Moreover, MAGIC has another category called “Project Womens”, which highlights apparel brands and accessories for women. It was also thought to be a suitable venue for exhibiting EHL brand bags, so bag manufacturers also decided

to participate. In the past, Ethiopian companies have participated in each of the MAGIC categories with the support of other donors, and EHL was the first Ethiopian brand to pass the screening criteria of “Project Womens” for participation.

The US government’s decision to restrict air traffic from China to prevent the spread of COVID-19 has led to the withdrawal of hundreds of Chinese companies from the show. As a result, the Footwear Sourcing and Sourcing categories were drastically reduced in size.

Before the trade show, it was thought that most of the visitors to Footwear Sourcing would be wholesalers. In reality, however, the majority of visitors were from the retail industry, including major retailers and many small business owners selling their products online. While the withdrawal of a large number of Chinese companies from the show may have been a factor explaining the low attendance by wholesalers, the fact that so many retailers who rely on e-commerce as their principal sales channel because they lack a large domestic presence attended the event suggests there has been a shift in distribution channels in the US in recent years. To attract more retail customers, it is important to offer promotional materials and concepts that customers can use to market their businesses. It also appeared that the preferential tariffs under the African Growth and Opportunity Act (AGOA) needed to be re-emphasized and highlighted. It had been thought that the large wholesalers were already aware of these. The retailers who came to Project Womens tended to be smaller than those who came to Footwear Sourcing. They requested a credit card settlement and asked for samples from each company with their shipments. According to advice from Japanese companies with sales networks in the U.S., there needs to be more emphasis on the concepts behind the materials, such as eco-responsibility and upcycling (photo32-34).

Table 27: Number of negotiations conducted in each sub-sector in MAGIC in Feb. 2020

		1/18	1/19	1/20	Total (sector)	Total (booth)
Shoes	10	15	13	26	64(TBC)	76
Leather	1	4	4	3	12(TBC)	
Bag	-	27	18	2	47	66
Garment	-	10	5	4	19	
total	11	55	40	33	142	

Table 28: Segmentation of negotiation partners by sub-sector in MAGIC in Feb. 2020

	Retailer (incl. EC)	Whole Seller (Distributor)	Manufacturer	Others	unknown
Shoes	26	11	0	7	21
Leather	1	2	4	4 (designer)	1
Bag	39	0	0	1	7
Garment	13	1	1	1	3
total	79	14	5	14	32

There was a large difference in the ratio of the number of sample requests to business discussions for each company at MAGIC. One of the participating companies received three sample requests from 13 negotiations. One company received one sample order from 19 discussions, while another achieved five sample orders from nine negotiations. One company that had achieved a high ratio of sample orders from its negotiations commented at the wrap-up meeting that it followed the business negotiation tips and tricks it had picked up from the workshop organized by the project. The other companies asked for the materials from this workshop to be shared again.

(2) Participation in All African Leather Fair

All African Leather Fair (AALF), which had previously been run by ELIA, was first managed by Messe Frankfurt in 2019. The company is the world's largest trade show organizer based in Germany and is managed by Trade and Fairs Consulting, the company's official representative in East and Central Africa.

The project has also been participating in AALF as EHL until 2018, and this has been a useful way of raising EHL's profile in Ethiopia. Held in November 2019, the fair was focused on products and attracted a lot of interest, particularly in the brand conference, "Trademark for Quality Assurance and Value Addition of Your Leather Products, 'Ethiopian Highland Leather'" (photo35-36). The conference was attended by about 70 participants (full capacity), including tanneries and development partners. The first part of the presentation was a talk by ELIA on the EHL brand. This was followed by a panel discussion between LIDI, two partner tanners, and four Japanese experts from the project, moderated by a professor from Addis Ababa University. At the conference, a first-time trial initiative defining and certifying the notion that "Ethiopian sheep leather is good" as a brand theme was very well-received. Some development partners, such as UNIDO, expressed a desire to explore collaboration possibilities, while the lively Q&A session, which went on well beyond its scheduled time, showed there was a high degree of interest in EHL. During the fair, many Ethiopian companies expressed an interest in using the EHL brand, and about 25 companies became new ELIA. Due to the pandemic, AALF 2020 has been postponed until next year.

(3) Post-trade show follow-up

1) Follow-up to tanners

At Premiere Classe held in September 2018, tanners eventually shipped three samples, but email communication with customers petered out without any trial orders coming through. The main reason for this was a failure to reach a final agreement on the price. In the meantime, the low number of negotiations at the trade show also seems to have contributed to the failure to close deals, highlighting the need for measures to increase the number of negotiations as a priority. Based on these lessons, support for finding potential new customers was provided before the trade show in September 2019. Through an agent in France providing support for overseas participants at trade shows, various requests for meetings were sent out, focusing mainly on French leather clothing manufacturers. As a result, a total of around 30 negotiations were conducted. The negotiations themselves were very successful, with two companies placing a total of four sample orders with a high possibility of product orders to follow. These included a large sample order of more than 1,000 square feet. To build a lasting relationship with these customers, tanners set up a showroom at the Ethiopian Embassy in France when they exhibited in January 2020 (photo37). During a

series of promotional activities, most of the sample requests received by the tanners were for aniline-finished chrome tanned leather, with only a few requests for samples of vegetable tanned hides although technical support had been provided for this at the trade show. In the meantime, buyers showed intense interest in vegetable-tanned end products, a trend that was also observed in the US. As in the past, while there is strong demand for the smooth texture of chrome leather, reluctance to sell vegetable tanned leather to tanners is also considered to be a factor here.

2) Follow-up to manufacturers

In September 2018, two shoe manufacturers and three bag manufacturers that exhibited at the trade show in France conducted 65 negotiations and secured nine sample orders as well as opportunities for company visits after exchanging emails. However, only five of these nine sample orders were shipped. Only a few of the negotiations led to continued email exchanges subsequently. The companies still seemed unaware of the importance of providing good quality samples, and many samples turned out to be defective. Hence, many samples had to be remade or else replaced. This delayed shipments until December. The importance of the quality of the first sample for securing follow-on orders and trial orders highlighted the need for support to be provided to the companies after the trade show.

After the trade show in September 2018, discussions were held concerning the design and quality of samples, as well as issues concerning brand consistency, unfocused promotional strategies, and inadequate preparation for entry into the French market. It was recognized that companies lack awareness of the importance of the quality of samples and that this prevents them from producing samples of similar quality to the items on display at trade shows without the benefit of guidance from and inspection by experts.

Based on these lessons learned, preparations for the trade show in September 2019 began with a consideration of the themes behind the previous trade show in January that year. Samples and promotion methods were also developed following these trade show themes so the overall approach would be more attractive to buyers. As a result, 165 negotiations were conducted, exceeding the number at the previous event, and the total number of companies placing orders for samples increased to around 30. After the trade show, from late September to October, specialists were dispatched to follow up with the companies concerning communication with their customers. After receiving orders for samples, each company needed to make several corrections before shipping the products. This reflected the fact that some issues were only detected by the experts in their final inspections, such as poor sewing quality, scratches, measurement discrepancies, and colorfastness defects. Failure to detect these defects without inspection by experts is one of the key quality control issues faced by the companies.

The quality of communication with customers regarding the production and delivery of the first sample is also an important skill for subsequent transactions. However, some problems have been noted, including delays in delivery of leather materials, failure to inform customers of potential delivery delays due to the defects described above, delays in responding to customer inquiries, and the absence of any subsequent responses from customers.

Following the shipment of samples after the trade show in September 2019, Kootkeet received an order for 90 EHL-brand sandals, with delivery scheduled for the end of March (photo38). The order was placed by Prime Corporation, a Tokyo-based wholesaler operating directly-managed stores selling imported

items of different brands. The company has been operating stores in Tokyo and Kanagawa since June (photo39). POPs were created in the stores to advertise JICA's support, and information on the product releases was also posted on JICA's social media accounts. The company initially placed sample orders for a waist bag and two pairs of sandals. However, the order for the waist bag was canceled due to the poor quality of sewing in the first sample. In the second sample, an order for one of the sandal pairs was also canceled because differences between the color of the cowhide used for the straps and the sheepskin used for the rest of the shoe were not properly addressed. An order was, however, placed for the other pair of sandals. Shirshir Ethiopia completed delivery of 24 bags (four different varieties) to Green Rose, an import boutique in Aichi Prefecture. The company placed a small order without requesting a sample at the trade show in France in September 2019. As Green Rose normally pays electronically for purchases from Europe and Asia, experts were needed for assisting with the completion of the payment process by wire transfer at the bank counter. Support was also provided for the delivery of samples and products, including tips on using stiffening material and packaging techniques to prevent the products from being pushed out of shape when shipping. This kind of attention to detail will ensure that the samples remain intact when shipped, and will reassure and convince customers and contribute to the development of the business.

Companies have reported cases of cancellation of orders during the preparation of samples due to the COVID-19 pandemic, as well as the sudden loss of contact with customers in the middle of email discussions about specifications and cancellations of product orders mid-way through production. In the meantime, some companies have managed to complete and deliver sample orders by keeping their clients informed of their progress while getting samples ready. Some companies have also been requested to get in contact with their customers once project activities resume; others have been asked about their plans by the owner of a French leather fashion online magazine, which suggests that their promotional activities have had some impact.

Immediately after participating in the trade show, tanneries received orders from their manufacturing partners for samples and leather for the production of actual products. However, tanneries have been struggling to respond to small orders, while quality and delivery times from the manufacturers, an area of a complaint previously, still need to be improved. Tie-dyed products, which have been marketed as upcycled leather at trade shows since fall 2019, is a technique that can be used for production in small batches. ELICO Awash Tannery produces leather using this technique, and ELICO Universal Leather, a group company, processes leather into bags and jackets. These have started to be sold in the domestic market.

(4) Awareness survey at trade shows

During the trade show, a questionnaire survey was conducted to find out about the profile of the brand in the market and evaluate the results of project activities. The survey consisted of interviews with visitors at the booth. In three days, 46 people were asked if they had heard about EHL before they visited the booth. In total, 11 respondents (23.9%) said they had heard of EHL. This was almost half of the target of 50%.

Did you know the Ethiopian Highland Leather before you came to this booth?

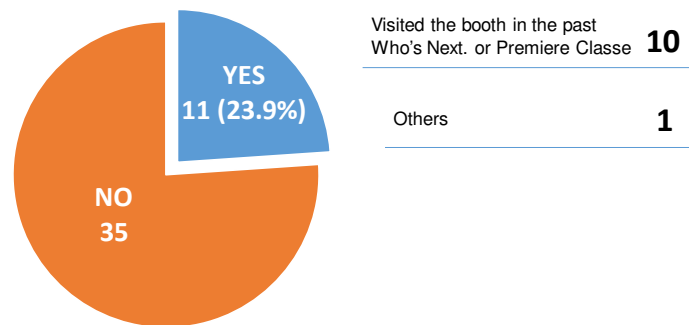


Figure 15: Result of the EHL Brand Awareness survey

(5) PR activities for brand products

The project decided to advertise the brand according to the timing of the trade show in Pari in September 2018. Among the leather industry magazines suggested by ELIA, the project decided to place an advertisement in the International Leather Maker²⁰ for its regional coverage, focus on digital transmission, and a large number of subscribers (17,823 subscribers (2017)). Since the profile of the EHL brand was low and its brand value was not established, the project assumed that using print advertising would not be effective. Therefore, the project negotiated with the publisher and requested them to feature the project and the French trade show in an article on their website. A web banner was also placed in the newsletter published several times a week by the same publisher, and the banner was linked to the page on the website of Creativity in Motion announcing our participation in the trade show. The article in International Leather Maker and information on the Paris trade show were featured in the Ethiopian media. The above article was quoted on the websites and social media, including Twitter of newspaper companies, Addis Standard and The Reporter, Semonegna, and LTV, as well as public media and ministries' websites such as the Ethiopian News Agency and EIC.

²⁰ <http://internationalleathermaker.com/> (Accessed on September 27, 2018)



Figure 16: Article in International Leather Maker
"Ethiopian Highland Leather heading for Première Classe Paris trade show in Paris"

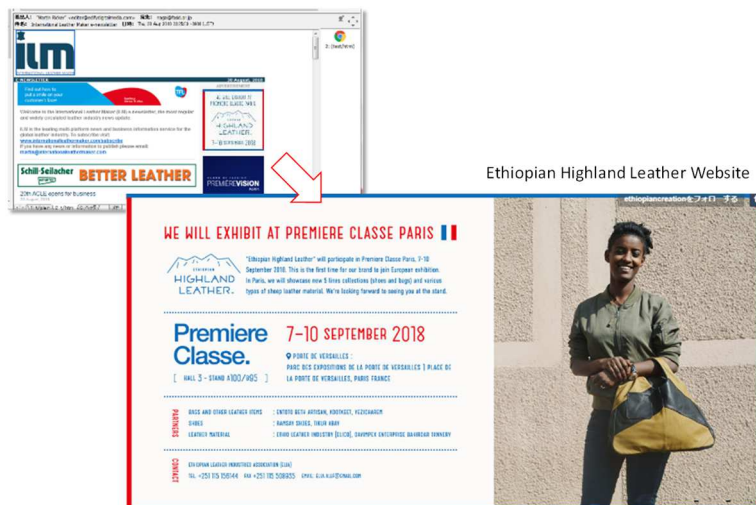


Figure 17: Web banner in International Leather Maker eNews Letter linked to the special page on the website

(6) Collaborative projects with European brands

Since September 2018, negotiations have been ongoing on the sale of collaboration products with European brands. This has developed into plans to sell limited edition products in collaboration with an Italian luxury bag brand as well as with a Paris-based Japanese artist who has worked with prominent luxury brands.

The primary purpose of this project was to establish the status of EHL as a brand and to attract potential customers for future trade shows, with discussions also held on developing negotiations into business deals depending on the reputation of the products concerned. The initial plan was to provide bag brands with EHL-brand leather materials and manufacture products at these brands' factories. However, if the entire manufacturing process could be completed at factories in Ethiopia, the technology used at the factories for this process would most probably improve and the cost of manufacturing would be borne by Ethiopian companies. For this reason, samples were produced by Ethiopian companies under the supervision of the brand designers. Japanese designers considered having artists paint on the bags manufactured by Ethiopian companies. Before the spread of COVID-19, discussions had been underway between brands and artists on producing samples and the presentation of their work, but these discussions have been suspended.

(7) Additional market research

To make the 2nd phase activities effectual to increase the export figure of the Ethiopian leather industry, it is important to expand the target markets and target items based on the experience of promotion activities in the 1st phase. To consider the activities, additional market research was conducted from March 2020, when the 1st phase was extended. In the research, we reviewed the markets, distribution channels, consumption trends in each region and country of the world, and overviewed the leather sector in Ethiopia, and examined the market strategy for the EHL and other leather materials and final products in the 2nd phase.

Trade statistics estimated the export potential of Ethiopia's leather sector to be close to \$ 40 million. Although Ethiopia lifted-up tax on the export of semi-finished leather, its unit price is low. So, even if the quantity increased due to the lifting, the export figure accumulated would be small. The export potential was estimated also as small. It was about one-sixth of finished leather.

Regarding the finished leather, the export potential was recognized in China and Vietnam. To contribute to the growth of the domestic shoe industry, a strategy was considered to promote shoe upper leather in those countries first. China is the largest market for the Ethiopian leather sector. However, the production bases of multinational cooperation have already begun to move to other Asian countries, and the growth margin as an export market for leather materials is small. Conversely, production needs in China are still high due to the comparative advantage in high technological capability which Chinese manufacturers have. Therefore, it would be necessary to propose such Chinese manufacturers quality- and functional leather, such as EHL and eco-leather.

To increase the export figure, it will be indispensable to enter the supply chain of multinational cooperation. Due to the technical level of the Ethiopian shoe manufacturers and the domestic supply chain that is still under development, it would be important to gradually enter the supply chain from shoe upper (intermediate products) suppliers for shoe manufacturers in North Africa. North Africa is one of the hubs for offshore production of leather goods for European multinational cooperation. With the benefits of the African continental free trade agreements, it would be useful to start entering the supply chain as a shoe uppers and shoe upper leather supplier to African countries which has been functioned as production bases for the European market.

Regarding the African market, it would be effective to promote exports of leather shoes, which have a comparative advantage on price in the South African market, where the retail market has been established.

Regarding final products such as bags, due to the production scale, it would be difficult to make a substantial contribution to the achievement of national export target figures. On the other hand, it plays an important role in establishing the EHL brand, and it is necessary to continue promotional activities for the final products in Europe and the United States, the sources of fashion trends.

To support the industry, the Ethiopian government needs to conduct overseas market research on leather materials and final products to understand its position in the global market. To facilitate overseas transactions of each company, it is necessary to relax foreign currency regulations and loan conditions for capital investment and purchase of intermediate materials.

3.10 Meetings

See “2.1 (2) Establishment of the implementation structure and the holding of regular meetings” (p.5).

4. Activities: New Champion Product Component

Output 3. Development of a new champion product brand

4.1 [Activity 3-1] Promotion of champion product approach

The C/P for activities related to the new CP component is MOTI. To facilitate the smooth operation of the project, the project and the project team of MOTI have been holding regular meetings about once every two weeks, where they establish activity plans, confirm the progress of activities, and discuss the details of the activities. However, after coffee was selected as the target sector, the focus shifted to meetings with ECTA, which is the C/P in the sector nominated by MOTI as well as with focal personnel of ECEA and ECRA. The project carried out a status report on the current situation to MOTI once a month and also requested to participate in the implementation committee meeting of the coffee sector.

As the coffee sector has many stakeholders, there was a concern about the difficulty in summarizing opinions. After consultation with ECTA, it was decided that there should be four members of the implementation committee (IC) in the coffee sector as a representative: ECTA, ECEA, ECRA, and MOTI.

Table 29: Four organizations and major participants constituting the implementation committee in the Ethiopian coffee sector

Affiliation	Position	Name
MOTI Export Promotion Directorate General	Director-General	Mr. Assefa Mulugeta
	Director	Ms. Haimanot Tibebe Kassaye
	Senior expert	Ms. Yodit Alemayahu
ECTA	Deputy Director-General	Mr. Shafi Oumer
	Director	Mr. Dassa Daniso
ECEA	General Manager	Mr. Gizat Worku
ECRA	President	Mr. Minilik Habtu

4.2 [Activity 3-2] Identification of potential champion products

After the discussions between MOTI and industry organizations, the following eight sectors were selected by MOTI and the project as new CP candidates (Table 30):

Table 30: New CP candidates and names of related industry organizations

No.	New CP candidate	Name of related industry organizations
1	Teff	Ethiopian Pulses Oil Seeds and Spices Processors & Exporter Association
2	Sesame	Ethiopian Pulses Oil Seeds and Spices Processors & Exporter Association
3	Chickpeas	Ethiopian Pulses Oil Seeds and Spices Processors & Exporter Association
4	Red peppers	Ethiopian Pulses Oil Seeds and Spices Processors & Exporter Association Ethiopian Spices, Aromatic and Herbs Products Growers and Processors Association (ESAHPGPA)
5	Roasted coffee	Ethiopian Coffee and Tea Development and Marketing Authority
6	Beef (meat)	Ethiopian Meat Producer-Exporters Association

7	Frankincense	Natural Gum Marketing Enterprises/Association
8	Honey	Ethiopian Apiculture Board (EAB)

In August 2017, the project held a workshop to introduce the activities of CPA including EHL and branding, and invited industry organizations related to MOTI and new CP candidates. The summary is as shown in Table 31. After the project team gave a presentation, each industry organization presented eight new CP candidate sectors based on four perspectives, namely, 1) characteristics unique to Ethiopia, 2) market competitiveness, 3) feasibility, and 4) industry environment. After the presentations, there were lively discussions with questions and answers on topics such as how to increase added value by branding Ethiopian products and how to apply EHL and other cases to Ethiopia.

Table 31: Outline of brand workshop

Date and time	August 23, 2017, 10:00–16:00
Location	MOT Head Office, 8F Meeting Hall
Chairperson	Mr. Assefa Mulugeta, Director of MOT Export Promotion Directorate
Number of participants	Ethiopian members: 27, Japanese members: 4, total: 31
Main participants from C/P	MOT (Minister of Trade, Export Promotion Directorate, Oilseeds and Pulses Marketing Directorate, Information and Advisory Directorate) Ministry of Livestock and Fisheries Agricultural Transformation Agency (ATA) Ethiopian Pulses Oil Seeds and Spices Processors & Exporter Association Ethiopian Coffee Roaster Association Ethiopian Apiculture Board Natural Gum Marketing Enterprises/Association Ethiopian Coffee and Tea Development and Marketing Authority Allana (Meat processing company)
Project team participants	Japanese experts (Okada, Fujinami, Suzuki, and Bethel) Krimson PLC
Agenda	Morning: Presentation on branding 1. Introduction “What are brands?” 2. Case study 1 “Creativity in Motion”--Manufacturing branding in Ethiopia 3. Case Study2 “Ethiopian Highland Leather” --The first “Champion Product” brand under the concept of “Creativity in Motion” Afternoon: Presentation by 8 new CP candidate sectors 4. Introduction “What is Market Research?” 5. Presentation of “Potential Champion Products” (related Ethiopian organization) 6. Summarization and Comments

Based on the information on individual sectors obtained in the foregoing workshop, the project visited the following related companies and organizations to collect further information (Table 32). The project also visited markets, producers, and industry organizations in the city of Addis Ababa selling honey, teff, red peppers, and chickpeas to study products, prices, and sales situations.

Table 32: Visited industry organizations related to the 8 new CP candidate sectors

Organizations visited	Related new CP candidate	Information obtained
Ethiopian Commodity Exchange (ECX)	Coffee, sesame	A value chain for domestic and foreign transactions in Ethiopia
AKSEKER ETHIOPIA CASING PLC Group (Allana Group)	Meat	Overview and issues of the meat industry in Ethiopia, interviews on the export situation, and a visit to meat factories
Natural Gum Marketing Enterprises/Association	Frankincense	Vegetation and types of natural gum, the grading system, and interviews on the export situation
Ethiopian Coffee and Tea Development and Marketing Authority	Coffee beans Roasted coffee	The coffee export situation, the grading and inspection system, and a visit to roasters
Warka Trading House	Sesame	Interviews on the export situation, the possibility of processed products, and factory visits

4.3 [Activity 3-3] Investigation of the characteristics and market of potential champion products

(1) Market research in Ethiopia: selection of champion product candidates

The project conducted detailed market research (in-depth research) on the sectors selected as shown above. The results of the survey in each sector were evaluated on a three-point scale for 6 research items as shown in Table 33 and overall evaluation was summarized based on the average of these items. Coffee was ranked in first place and honey in second place.

Table 33: Evaluation results of the market survey on 8 new CP candidate sectors

Research Items		Fresh Meat	Honey	Chickpea	Teff	Sesame	Pepper	Coffee	Natural Gum
Market - Market size and growth		3	2	3	2	2	1	3	1
Competition - Competitiveness within the exporting countries		1	1	2	3	3	2	2	2
Environment of the sector - Difficulties		1	2	2	1	2	2	2	1
Industrial Environment in Ethiopia - Institutional Support		2	3	2	2	2	1	3	2
Ethiopian Companies' General Status - Possibility of Processing		2	2	3	2	1	1	2	2
Fitness with the CPA	Uniqueness	1	3	1	3	2	1	3	3
	Impact	3	3	1	1	2	1	3	1
Overall Evaluation (average points)		1.8	2.2	2	2	2	1.2	2.5	1.7

Evaluation: 3=High, 2=Fair, 1=Low

Detailed market research: filtering potential candidates for champion products

Of the eight sectors subject to the market survey, for teff, honey, and sesame, the project implemented by ATA²¹ had decided to start branding and international promotion support before and after the market research. Following the process of sector selection in the previous phase, in-depth research was to be conducted on the top two sectors. However, since support for honey by ATA had already been determined, a discussion was held on whether to select coffee as the sole single candidate at this point. This was then approved by JCC on March 19, 2018.

4.4 [Activity 3-4] Development of the brand concept of the selected champion product by sharing EHL experience

After the coffee sector was decided upon, the project first had a meeting with the MOTI and confirmed the activities with ECTA as the C/P. The project then had a meeting with Mr. Shafi, Deputy Director-General of ECTA, and agreed on the following points.

1. Set ECTA as the C/P and also consolidate a contact point with JICA into ECTA, while ECTA aggregates the opinions of other stakeholders.
2. Organize kick-off meetings hosted by ECTA for ECRA, ECEA, Ethiopian Women in Coffee, and Ethiopian Coffee Growers, Producers & Exporters Association, which are the main stakeholders.
3. The activity scope of this project specializes in the creation of the coffee sector brand in Ethiopia, and the project will be completed when this activity ends.

As described above, ECTA had a role in adjusting the opinions of each stakeholder. Since ECEA and ECRA have deep connections to ECTA compared with the other stakeholders, ECTA requested the project to involve them as members of the IC. The president of ECRA, Mr. Menelik, who has participated in seminars on CPA's activities as a representative of the coffee sector since 2013. Based on the experience, he was selected as Chair of the Technical Group explained below, and had a principal role in brand development activities.

On May 24, 2018, a kick-off meeting was held with representatives from each relevant organization, MOTI, and JICA Ethiopia office, where the project explained this project and its background and agreed on its purpose and scope of activities.

(1) Announcement of the activity schedule for International Coffee Day

The International Coffee Day event was held on December 4-5, 2018, at the United Nations conference hall. The goal in this event was, as the government, to announce the national committee for the brand and the quality management. However, as of November, due to the delay because of government restructuring and other reasons, it was clear that finalizing the brand logo would be difficult, so we switched the content to present the importance of a national branding with high value-added in the Ethiopian coffee industry and focused reporting about JICA-supported activities for the brand development. On the day of the presentation (December 5), Mr. Minilik of ECRA, who is the IC's secretary, served as the moderator, and

²¹ ATA is Secretariat of an Agricultural Transformation Council chaired by the Prime Minister, supported by the Bill & Melinda Gates Foundation.

three people, including from this project, gave a presentation titled "Opportunities in Value Addition." Mr. Minilik brought up the issue of adding value to coffee in light of the current domestic situation vis-a-vis roasted coffee (the difficulty of getting high-quality coffee beans, etc.). After that, Mr. Willem Boot, who has been involved in coffee exporting in Ethiopia for many years, expressed the importance of using marketing to clarify targets and create a strategy. Also, Ms. Kimberly Easson of the Coffee Quality Institute spoke about efforts to add value to coffee being a starting point for social responsibility. Mr. Dawit Lemma of Krimson PLC (representative for the local subcontractor) represented our project with a presentation on JICA's CPA program (including Creativity in Motion's promotional video) and branding efforts in the coffee sector (photo40).

(2) Composition of the Technical Group

On the Ethiopian side, due to limited opportunities for meeting with the management group from ECTA, which is a core IC member, and due to their limited contribution to the project, Mr. Minilik of ECRA and Mr. Gizat of ECEA suggested organizing a Technical Group composed from working-level officers, and this group held two meetings this term. In addition to the members listed below, the project officer and the local subcontractor joined.

Table 34: Technical Group members

Title	Name	Organization
Chair	Mr. Minilik Habtu	President, ECRA (also IC member)
Co-Chair	Mr. Gizat Worku	Secretary General, ECEA (also IC member)
Secretary	Ms. Mekdes Gizachew	Coffee Market Research & Promotion Expert, ECTA
	Mr. Samson Tesfaye	Team Leader, EIPO
	Mr. Berhanu Gezahegn	Coffee Quality Inspection & Certification Center, ECTA

(3) Decision of the Brand Logo

In September 2018, we conducted a field survey and held discussions with the C/P based on the core brand values we collected. After that, ECTA/ECRA/ECEA held a competition, and discussions in the IC narrowed down the 12 logos submitted by the four candidate companies to two logos from two companies.

In January 2019, IC tried to assemble over 100 stakeholders including exporters and manufacturers, to make a final selection, but only about 10 people attended, so no decision was made. We received reports that ECTA's delay in sending out a letter until the day before the meeting affected the number of participants.

Later, the stakeholder meeting was held on August 5, 2019. Over 150 attendees gathered to introduce the activities of this project and to propose the final candidate for the national brand logo (photo41-42). Although some attendees complained that the logo design was not shared until it was at the final stage and requested revisions of the details of the design, stakeholders decided to proceed with the finalization and agreed to present it to overseas markets at SCAJ 2019 held in Japan in September 2019. The meeting was also featured in Ethiopian media such as television and newspapers.

(4) Participation in SCAJ2019 as ECEA and holding of seminars

From September 12 to September 14, 2019, ECEA put up a booth at SCAJ 2019 held at Tokyo Big Sight (photo43-44). The project supported the presentation of national coffee brands at the trade show. Support was also given for the creation of brand leaflets, the design and construction of the trade show booth (some of which were also covered by the Value-Added Forest Coffee Production and Sales Promotion Project), and the invitation of ECRA representatives. In addition to the promotion at the booth, ECEA Executive Director Gizat explained the background of the launch of the national brand, the value of the brand, and the future brand management system, at the seminar on the country of origin. The seminar, which more than the expected number of participants attended, attracted a great deal of interest.

Visitors to the trade show ranged from coffee roasters and wholesalers to coffee shop owners and coffee enthusiasts, and their evaluations of the coffee were generally high. To increase the visibility of national brands, it is important to continue to display the brands at trade shows and to link Ethiopian specialty coffees with the brand image. Some visitors expressed their desire to purchase Ethiopian specialty coffee from small export companies and producer groups with proper management of the process, as well as the quality of a national brand, to ensure a smooth export process.

At this trade show, tasting and cupping were performed for each specialty coffee, and the promotion was very different from a conventional coffee trade show and display of green coffee bean samples. As a result, various problems in booth management were observed, including issues with the preparation of coffee beans for tasting and with customer service. The brand promotion also encountered difficulties, such as the failure of exporters to give a presentation to properly explain the relationship between national brands and their brands. During the trade show period, workshops on brand management system construction and quality standard setting were held for ECEA, ECRA, ECTA, and exporters. The management system was to be reconsidered after they returned to Ethiopia.

(5) Follow-up after SCAJ 2019

After the trade show, a follow-up meeting was held with ECEA and ECRA in Ethiopia (ECTA was absent). Based on the discussions at the workshops held in Tokyo, they decided to build the following certification flow (Figure 18). Regarding the certification criteria, it was decided that the conventional ECTA grading system would be used and that the cut line would be set by the Steering Committee, consisting of ECTA and major producer groups, according to each year's production of coffee beans. The attendees also decided to register trademarks for the brand logo in each market in the world with the support of their partners, starting with the registration of trademarks in Ethiopia with EIPO, and get registered by the International Coffee Day held in Addis Ababa in November 2019, which however has not been completed as of November 2020. There is a plan to set up an Ethiopian Coffee Association to oversee various producers' associations in Ethiopia, and it has been taking time to determine who would own the brands.

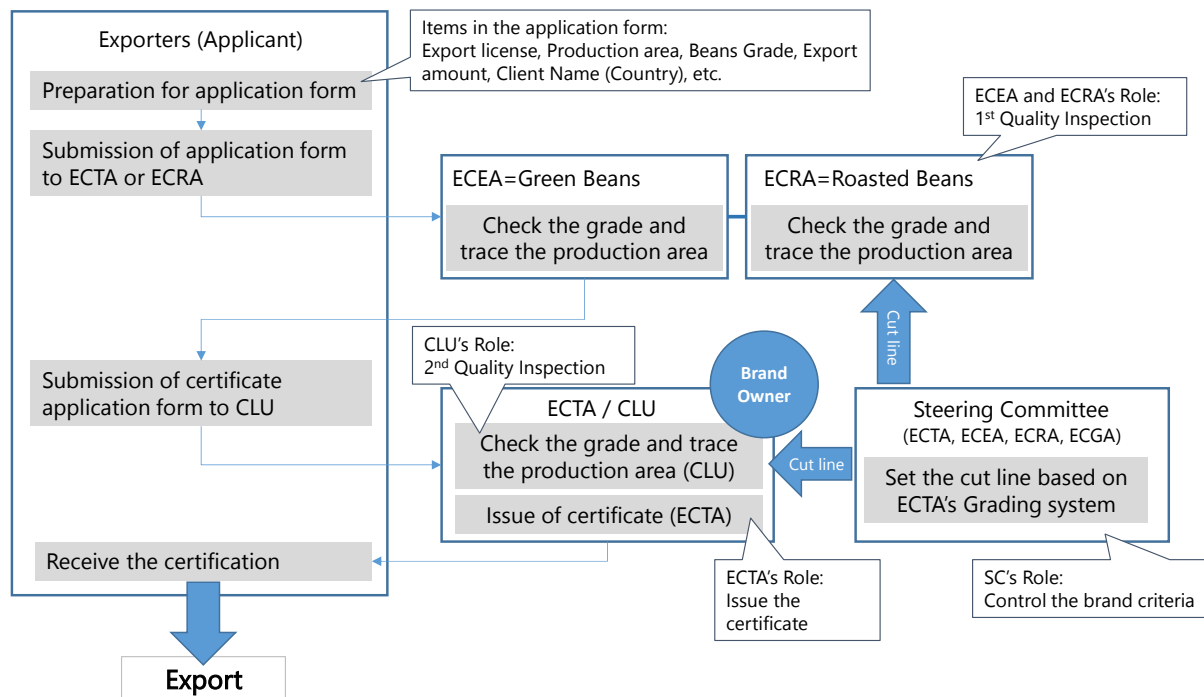


Figure 18: Certification flow of Ethiopian coffee national brand (proposal)

4.5 [Activity 3-5] Unify national branding activities

For the “Creativity in Motion”, a brand for the Ethiopian export industry including EHL, the promotional film, and website were produced during CPA2. The brand was launched at the initiative of the EIC, and it was expected that MOTI would take the lead in disseminating information about each sector through its website and other means. The first step was to correct the information caused by the change of the responsible, such as transferring the contact information from EIC to MOTI. The project also asked Krimson PLC to revise the website to improve the usability of the horizontal scrolling website and to prepare a format for smartphones. Although these tasks have been completed so far, the installation on the hosting server owned by MOTI is pending and has not yet been updated. It is needed to continue checking with MOTI staff to update the system in the 2nd phase.

Ethiopia's export industry-related brands include Land of Origin in the tourism sector and Ethiopian Highland Leather in the leather sector, as well as Ethiopian Coffee, which the project supported the development of, and Go Ancestral, an agricultural product developed by the ATA. The Land of Origin in particular has got a lot of exposure, and the Taste of Origin has been used as a variation of this brand in the overseas promotion of agricultural products. These are national brands for agricultural (processed) products, industrial products, and services aimed at export promotion, and MOTI has recognized the need for improvement due to the lack of coordination between the brands.

4.6 [Activity 3-6] Analysis of bottlenecks in export promotion and proposal of countermeasures

Before beginning activities, the project investigated the issues in the value chain of the Ethiopian coffee sector.

Table 35: Issues in the value chain of the Ethiopian coffee sector

Upstream	<p>Since farmers prioritize fast cash generation and prefer to avoid the trouble of harvesting twice, they pick together from unripe beans to overripe cherries (= strip picking). In JICA's forest coffee project, two containers of orange cherries are classified as grade 2, and a greater amount of grade 3 cherries are harvested per bag of red, fully ripe cherries classified as grade 1. Changes including the improvement of access to agricultural technical instructors and harvesting technology are being made, but their incorporation is limited.</p>
Midstream	<p>When coffee is processed by the washed method, the process must be started within 10 to 12 hours of harvesting, and the cherries must also be fully ripe. Strip picking by farmers pointed out in the upstream section poses problems for such restrictions. Although washed coffee beans are traded at a price 20% higher than dried beans in the international market, the washed beans account for only 30% of the total export volume of Ethiopia, making it difficult to add value. One cause of this is that loan conditions under the government's monetary policy prevent small producers' associations from operating washing stations.</p>
Downstream	<p>After the Ethiopian Commodity Exchange was established in 2008, it has struggled to implement traceability. This makes it difficult for buyers to specify detailed production areas. Producers also have difficulty maintaining ongoing business relationships with overseas customers who have been buying their products from specific regions, discouraging them to produce high-quality coffee. The profit allocation rate for farmers in coffee-producing countries is generally 1 to 3%, but the income earned by Ethiopian farmers is lower than the figure.</p> <p>The successful examples of Colombia and Guatemala demonstrate that comprehensive promotion in the global market requires the initiative of a nationwide producers' association. Although there are many associations by region in Ethiopia, there has not been a nationwide producers' association with a high level of producers' coverage, such as the Colombian Coffee Growers Association and the National Coffee Association of Guatemala.</p>

The project conducted an analysis based on the information obtained during the activities, the industrial policy dialogue, and investment promotion, and the industrial parks development project to propose measures to the Ethiopian Government.

Particular downstream issues raised from the project activities were shared with the Ethiopian side in meetings with the C/P for brand management, it was shared that it would be necessary to pay particular attention to maintaining quality linked to the brand promise in the future.

5. Achievement of the Project Objectives

5.1 Progress

The project objectives, outputs, and indicators set in PDM ver.4 (revised in July 2019), and their progress as of the end of September 2020 are as shown in Table 36.

Table 36: Project progress

Project Purpose Component 1 (Ethiopian Highland Leather) To increase export of sheep leather (finished leather and final product)	Indicator	1-1) Partner companies (tanners)' export value of EHL finished sheep leather to France, other European countries, etc. increases by 880,000 USD by June 2021. 1-2) Partner companies (manufacturers)' export value of EHL branded sheep leather products to France, other European countries, etc. increases by 164,500 USD by June 2021. 1-3) New buyers increase by 60% in France and other European countries, etc. by June 2021.
	Progress	1-1) [Too early to verify, as the target time is June 2021] 4,200 USD and approx. 300,000-400,000 JPY (3 orders of 2 tanners), as of October 2019. 1-2) [Too early to verify, as the target time is June 2021] 3,419.94 EUR and 983.33 USD (7 orders of 2 shoe manufacturers), as of June 2020. 1-3) [Too early to verify, as the target time is June 2021]
Component 2 (New Champion Product) To expand sheep leather case to other champion products	Indicator	2) Under the brand developed in this project, coffee is showcased in trade show(s) in the target market by June 2021.
	Progress	2) [Achieved] The national brand was launched in SCAJ 2019 (trade show in the booth and seminar).
Outputs Component 1 (Ethiopian Highland Leather) 1 Quality EHL branded finished leather and leather products are available	Indicator	1-1) ALL of 8 partner companies (manufacturers)' products (shoes, bags, and garments) can pass the quality criteria of the EHL brand by June 2021. 1-2) Partner companies can get 30 sample orders after participation in international trade shows by June 2021.
	Progress	1-1) [As scheduled] To be monitored after finalizing the EHL brand certification criteria. 1-2) [Achieved] ① After the trade show in August 2018, 2 tanners got 2 sample orders, 3 bag manufacturers 3 sample orders, and 2 shoe manufacturers got 3 sample orders. ② After the trade show in September 2019, 2 tanners got 2 sample orders, 4 manufacturers (bag and garment) got 9 sample orders, and 1 shoe manufacturer got 2 sample orders. ③ After the trade show in January 2020, 5 bag manufacturers got 7 sample orders. ④ After the trade show in February 2020, 6 manufacturers (bag and garment) got 20 sample orders, and 1 shoe manufacturers got 2 sample orders.
2 EHL brand is properly managed and	Indicator	2-1) All of 2 partner companies (tanners) get the certification of EFL finished leathers by June 2021.

internationally recognized		2-2) More than 50% of visitors in the trade show in France in January 2020 recognize the EHL brand.
	Progress	2-1) [Achieved] All of the 2 tanners got the certification of the EHL brand in August 2019. 2-2) [Not achieved] 24% of the visitors to the EHL booth had known EHL before at the trade show in January 2020 (46 samples).
Component 2 (New Champion Product) 3 Another champion product brand is developed	Indicator	3) The brand is registered in Ethiopia by June 2020.
	Progress	3) [Not achieved] ECTA was at the preparatory stage for registration in the country as of September 2020.

EHL (Component 1)

One of the outputs of the EHL component is the production of high-quality EHL brand leather materials and leather products. The test trial of the EHL Leather Material and Product Certification Criteria and Operation System (first draft) was conducted after May 2019. After the results were reviewed, the second trial was carried out for the trade show in January 2020. Based on these results, it was aimed to complete the EHL certification system by April 2020. However, the Japanese experts could not implement activities in Ethiopia due to the pandemic of COVID-19 after the end of March, the activities were suspended. It is expected to finalize the system when EHL certification is renewed in the 2nd phase. Then, the project will receive an application from partner companies, which will lead to the achievement of Indicator 1-1). Indicator 1-2) was achieved. Due to the reports from the partner companies, a total of 57 sample orders have been confirmed since the trade show in September 2018, exceeding the target figure, 30 orders.

The second output is the appropriate management and international recognition of the EHL brand. Both of the two partner tanners were certified by the EHL brand in August 2019, which met Indicator 2-1). Indicator 2-2) was not achieved. Of the 46 visitors to the EHL's booth at the trade show in France in January 2020, 11 (24%) had known about EHL beforehand. This is probably because many of the answer persons stopped by the booth by chance.

The actual value of exports of EHL materials and products by the partners is approximately USD 7,000 of the two tanners (as of September 2019) (indicators 1-1), and the actual exports of bag and shoe manufacturers totaled 7 orders of EUR 3,419.94 and 983.33 USD (as of June 2020) (indicators 1-2). Thus, the indicators have not been achieved. Further efforts including diversification of promotion methods will be made in the 2nd phase to achieve the objectives. Two bag manufactures started communication with five new buyers, but they have not yet received a firm order (Indicator 1-3).

New Champion Product (Component 2)

The expected output is the brand development of a new CP. Coffee was selected as a new CP to be developed, and a logo was created as part of the branding. On the other hand, registration of Ethiopian coffee's trademark in the country has been delayed. There is a plan to set up an association to oversee various producers' associations in Ethiopia, and this organization may be the brand owner. After this is established, it will apply for the trademark registration as the brand owner.

6. Activity Plan in the 2nd Phase

6.1 Activity Plan in the 2nd Phase

The 2nd phase is scheduled from December 2020 to January 2022. We had several discussions with the C/P about the activity plan, and the C/P mostly approved the plan. Then, we proposed the plan to the participants in the JCC meeting held on October 14, 2020, with the teleconferencing system. In the meeting, we proposed the new target figure based on the results of the 1st phase, the target markets and export potentials in each sub-sector, approaches to derive them, and activities based on each approach.

(1) Target Figures at the start of the 2nd phase

Regarding the target figure for the 2nd phase, we proposed as follows. For the EHL branded leather materials and EHL branded final products, we have not been able to achieve in the 1st phase. So, we proposed to keep the figures as the target amount in the 2nd phase. Besides, we proposed the target amount for the whole leather sector in line with LIDI's 2020/21 target. When I consulted with the focal person of LIDI during we had considered the downward revision due to the achievement in the 1st phase and the influence of COVID-19, we found that LIDI also revised the target figure downward to 100 million USD. Therefore, we decided to set the figure as the project target to contribute to the achievement of LIDI's target figure and proposed at the JCC meeting. We will continue to hold meetings with LIDI to check the monthly export performance and market trends.

- ① EHL branded leather material 880,000 USD
- ② EHL branded final products 164,5000 USD
- ③ Whole Leather sector 100,000,000 USD

(2) Target market and approach for each sub-sector

Based on the results of the additional market research conducted from March 2020 (see p.69), we proposed some target markets where the export potential is recognized in each sub-sector and some markets that would be important for establishing the EHL brand in the future. We also proposed some approaches to utilize African continental FTAs, and, as a response to the market where e-commerce is accelerating, the utilization of the e-commerce platform and an approach to promote the EHL as an ethical brand.

Subsector Export Potential		Target Market	Approach ideas
Leather Material	Sheep finished Leather (23.1MUSD)	Vietnam	Promote Shoe Upper Leather To promote shoe upper leather export could be on the top priority which can contribute to the growth of the Ethiopian shoe industry in parallel.
		China	Promote High-Quality Materials Although the production bases of MNCs have already begun to move to other Asian countries, the

			needs for “Made in China” are still high because of its technological advantage. So, propose leather materials with focusing on quality and functions such as the EHL for Chinese manufacturers.
	Sheep semi-finished Leather (4.1MUSD)	India, Turkey	Promotion for Wet-blue and Crust The international commercial flows may be different from that before Ethiopia restricted the export, and thus a survey on the current commercial flows is required.
	Cow finished Leather (1.5MUSD)	—	Statistically, there is an export potential of 1.5 million USD; however, the actual export potential may be less to high domestic demand.
Final Product	Leather shoes (11.3MUSD)	EU via North Africa	Gradual Penetration in MNC’s SC Start from shoe upper production base, and join gradually in MNC’s supply chain. Shoe upper is easy to produce and does not need to procuring intermediate materials such as sole, last, and mold.
		Africa	Utilize Regional Trade Advantage It is possible to promote shoes “made in Ethiopia”, which have a comparative advantage in price and quality, not only in East African countries but also in South Africa where the retail market has been established.
	Bags and other leather articles (1.12MUSD)	USA, EU	Establish the EHL Reputation The production scale of EHL cannot have a big impact on the governmental export target. However, EHL promotion in the US and European markets will be effective to establish the EHL brand reputation.
		African	Promote the EHL as Symbol of the Continental Unity As the inauguration of the African continental FTA, EHL brand products can be promoted as a symbol of unity.

(3) Concrete activity plans in each market

Based on the above approaches, to consider what kind of activities can be considered in each target market, we proposed specific activity plans to the participants in the JCC meeting and asked for their opinions about other activities that should be added.

1) Promotional Activity Plan in African Market (Leather material, Shoes, Bag, and Other Leather Articles)

Since ELIA has already started promotional activities to penetrate the African market under the cooperation with MOFA, and it has been considered easier to start deals in the African market, compared to other international markets, we first proposed the promotional activities in the African market as a short-term activity.

- ① To hold seminars at Ethiopian Embassies in African countries for potential buyers, and set the showcase in the embassies.
→As an extension of the activities, seminars, and showcases at Ethiopian embassies/consulates in the US can involve the Ethiopian diasporas and their communities.
- ② To support equipment and VMD in ELIA duty-free shop (EHL goods and other leather goods) at Bole International Airport.
- ③ To distribute EHL give-away at international conferences held in Addis Ababa (e.g. AU general assembly).

2) Promotional Activity Plan in Other target markets (Leather material, Shoes)

To improve the export of Ethiopian leather products, it is indispensable to enter the supply chain for multinational companies that deploy SPA (Specialty store retailer of Private label Apparel) strategy worldwide. In addition to the activities for the African market, we proposed the following activities.

- ① **Participate in the trade show to promote the leather materials and shoes, and penetrate to European MNCs' (Global SPA, Category killer) supply chain.**
 - ✓ Focus to promote shoe upper leather in this project.
 - ✓ As commodities, Ethiopia has a competitive advantage in the time gap and geographic distance to reach the European Market.
 - ✓ Start as a supplier of shoe upper (intermediate items) for North African shoemakers

- ② **Invite European MNCs in AALF.**

We proposed to focus on the promotion of shoe upper leather. Ethiopia has a comparative advantage in access to the European market in terms of the time difference and geographical distance over Asian production sites. Meanwhile, due to the technical level of the Ethiopian shoe manufacturers and the domestic supply chain that is still under development, we also proposed a strategy to gradually enter the supply chain from shoe upper (intermediate products) suppliers for shoe manufacturers in North Africa.

3) Promotional activities for EHL branded products in other target markets

By establishing the reputation of the EHL brand in the Western market, the value of Ethiopian leather products can be increased. Therefore, we proposed to continue to promote to the Western market while improving the way from the 1st phase.

- ① **e-commerce promotion in the market**

The spread of COVID-19 is accelerating the transition to e-commerce in the fashion business transaction. On the other hand, it is necessary to respond to changes in market needs such as expanding demand for interiors. We propose participation in virtual trade shows, the introduction of an e-commerce platform, development, and promotion of new product categories to respond to the market changes.

② Brand strategy in line with the ethical story

In a virtual trade show, buyers need to evaluate a product without touching it. In such a promotional venue, the story as an ethical brand and new visuals and video materials that appeal to the story are indispensable.

(4) Discussion about the Activity Plan

Regarding proposals in target markets, approaches, and activities, due to the spread of COVID-19 has stagnated people's movements and many transactions have been transferred to EC platforms, the participants agreed the plans of "utilization of EC platform" and "participation in virtual trade shows" as indispensable activities. At the same time, there was a request for training for the utilization of the EC platform.

Regarding promotion in African countries, MOFA positively stated that it was possible to support promotion through embassies not only in African countries but also in European countries and the United States. Besides, the partner companies requested that we needed to implement the promotional activities not only for leather materials and shoes but also for bags and garments. A focal parson of tanner commented that he was confident that it was possible to penetrate the Western market through the 1st phase activities, and expected that promotional activities in the market could be continued.

(5) The necessity of Extension of 2nd Phase Duration

Following the above proposals, we asked the participants for their views on the need to extend the 2nd phase duration. According to the current plan, the 2nd phase will be completed in January 2022.

Many partner companies commented that it was necessary to extend the duration about one year to achieve the project target figure because the export of their products had been suspended, contact with buyers obtained in the 1st phase had been lost, and the business outlook was not clear for several months due to the influence of COVID-19.

(6) Setting the Concrete Activity Plan to the Start of 2nd Phase

Based on the discussions and the requests in/after the JCC meeting, we will continue discussions with LIDI, ELIA, and MOTI to reach a common understanding about the project export target figure, the duration extension, and the activity plans of the 2nd phase. The 2nd phase will be scheduled to start in December 2020. Toward the start, it is necessary to elaborate on the activities and schedule for 6 months until the expert dispatch can be started (it would be in April 2021 at the earliest).

During that period, we will focus on promotional activities in the African market, where the concrete activities have been started by ELIA and MOFA, and activities that can be supported remotely. Meanwhile, we will discuss and elaborate on activities related to technology transfer to ELIA and LIDI and brand management, which details were not discussed at the JCC meeting.

7. Appendices

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Project Summary		Indicators	Means of Verifications	Important Assumptions
Overall Goal				
To increase export as well as to expand the brand recognition through the champion products approach and its promotion. (Overall Goal is development effect that will come as a result of the achievement of the project purpose after 3-5 years of closing the project.)		The export value of Champion Products (coffee and sheep leather material/final products) will increase by X% and 64% respectively by 2025.	LIDI's annual report, ECTA report	
Project Purpose				
Component 1 (Ethiopian Highland Leather) To increase export of sheep leather (finished leather and final product)		1-1) Partner companies (tanneries) ’ export value of EHL finished sheep leather to France, other European countries, etc. increases by 880,000 USD by June 2021. 1-2) Partner companies (manufacturers) ’ export value of EHL branded sheep leather products to France, other European countries, etc. increases by 164,500 USD by June 2021. 1-3) New buyers increase by 60% in France and other European countries, etc. by June 2021. 2) Under the brand developed in this project, coffee is showcased in exhibition(s) in the target market by June 2021.	1) Project Report (monitoring of partner countries) 2) Project Report	• EHL and coffee are managed as brand products and promoted continuously. • International markets of EHL and new CP do not shrink drastically.
Component 2 (New Champion Product) To expand sheep leather case to other champion products				
Outputs				
Component 1 (Ethiopian Highland Leather) 1 Quality EHL branded finished leather and leather products are available 2 EHL brand is properly managed and internationally recognized Component 2 (New Champion Product) 3 Another champion product brand is developed		1-1) ALL of 8 partner companies (manufacturers) ’ products (shoes, bags and garments) can pass the quality criteria of the EHL brand by June 2021. 1-2) Partner companies can get 30 sample orders after participation in international trade shows by June 2021. 2-1) All of 2 partner companies (tanneries) get certification of EFL finished leathers by June 2021. 2-2) More than 50% of visitors in the trade show in France in January 2020 recognize the EHL brand. 3) The brand is registered in Ethiopia by June 2020. *The registration in the target market will be discussed between MOT and JICA.	1-1) LIDI's report 1-2) Project report 2-1) LIDI's report 2-2) Project report (Questionnaire in the trade show) 3) Project report	International leather market does not shrink drastically.
Activities		Inputs		
Component 1 (Ethiopian Highland Leather) 1-1 Strengthen product competitiveness of selected companies (product design, product quality, production line management, and marketing) 1-2 Strengthen technical and training capacity of LIDI and ELIA (product design, product quality, marketing) 1-3 Analyze Ethiopia's leather value chain's bottleneck, and propose countermeasure. 2-1 Set brand strategy (target market, budget, product (appeal point, items, design), pricing, promotional materials) 2-2 Strengthen brand management system (personnel, financial source, intellectual property registration) 2-3 Establish brand certification criteria and system 2-4 Set guidelines for brand usage (logo, tags, etc.) 2-5 Comparative study on sheep leather for scientific evidence 2-6 Conduct brand promotion activities (promotional materials, website, trade fair, journal, display) Component 2 (New Champion Product) 3-1 Promote champion products approach 3-2 Identify potential champion products 3-3 Analyze product/market of potential champion products 3-4 Develop the brand concept of selected champion product with sharing EHL experience 3-5 Unify national branding activities 3-6 Analyze bottlenecks in export promotion, and propose countermeasure.		Ethiopian Side Personnel <MOT> Export Promotion Directorate <LIDI> Director General Deputy Director General Marketing Directorate Leather Technology Directorate Research and Testing Directorate (Quality Assurance Manager) Footwear Directorate Leather goods and Garment Directorate <ELIA> President Secretary General (Brand Manager) Deputy Secretary General (Brand Delivery Manager) <Private sector> Partner companies Others Office space with necessary equipment Credentials or identification cards Participation to trade fairs and other promoting opportunities.(MOT)	Japanese Side Personnel Dispatch of Experts; Chief Advisor/Export Promotion Brand Management Marketing /International Market Research Product Development Production management Quality management Promotion Visual Merchandising Project Coordinator, etc. Others Promotional opportunities in target market decided in this project •Participation to leather trade fair •Promotional tools such as brochures, posters, advertising at magazines.	Livestock skin disease situation does not worsen than present.

Appendix 2 : JCC Meeting Record

The 1st JCC Meeting

Date, time, and location	August 3, 2017 9:00-12:00 Conference Room, 8th Floor, MOTI Head Quarter
Ethiopian participants	<p><Chairperson> Mr. Assefa Mulugeta, Director General, Export Promotion Directorate, MOTI</p> <p><Vice-Chairperson> Mr. Hailekiros Debesay, Deputy Director General, LIDI Mr. Yigzaw Assefa, President, ELIA</p> <p><Participants> Mr. Terefe Burka, Director of MOFA Business Diplomacy Ms. Haimanot Tibebe, Director, Export Promotion Directorate, MOTI Mr. Hailu Belete, Assistant Expert, Export Promotion Directorate MOTI Mr. Lemma Feyissa, Director, EIC Mr. Welay Yihidego, Senior Expert, Hide and Skin Improvement Department, Ministry of Livestock and Fisheries Mr. Teshome Besufekad, Deputy Secretary General, ELIA Mr. Wubie Mengestu, Deputy Secretary General, Ethiopian Chamber of Commerce and Sectoral Association Ms. Selam Gebrehiwot, IP Development Directorate Director, Ethiopian Intellectual Property Office</p>
JICA and Consult Team participants	<p>JICA Ethiopia Office Mr. Ken Yamada, Chief Representative Mr. Hiroyuki Tanaka, Senior Representative Mr. Emi Kurita, Project Formulation Advisor Mr. Gebeyehu Tuji, Program Officer Ms. Sara Sem, PR Officer</p> <p>JICA Consultant Team (Mr. Nagai, Ms. Okada, Ms. Suzuki) Project Officer Ms. Bethel Dagnachew</p>
Agenda	<ol style="list-style-type: none"> 1. Opening Remarks 2. Self-Introduction from the participants 3. Briefing Session <ol style="list-style-type: none"> i. Role of the Joint Coordination Committee and Purpose of the First Meeting ii. Overview of Champion Product Approach iii. Outline of the Project: Purpose, Schedule, Activities 4. Discussion Session 5. Closing Remarks
Summary	<p>The purpose of the first meeting was to clarify the role of JCC and confirm the details of this project to identify the role of each related organization. As the project involves the government's major policy of export promotion and reflects the significant role of the leather sector in export promotion, participants demonstrated a high level of interest and engaged in an active discussion.</p> <p>The discussion led to the decision to hold the JCC meeting twice a year to monitor this project.</p>

The 2nd JCC Meeting

Date, time, and location	March 19, 2018 9:00-11:45 Conference Room, 8th Floor, MOT Head Quarter
Ethiopian participants	<p><Chairperson> Mr. Assefa Mulugeta, Director-General, Export Promotion Directorate, MOTI</p> <p><Vice-Chairperson> Mr. Teshome Besufekad, Deputy Secretary General, ELIA</p> <p><Participants> Mr. Yirgashewa Teshome, State Minister Advisor, MOTI Ms. Yodit Alemayehu, Senior Expert, Export Promotion Directorate, MOTI Mr. Kasahun Hailu, Lead Researcher / Designer of LIDI Footwear Directorate Ms. Workaferahu Aklilu, Minister Counselor, Ministry of Foreign Affairs Mr. Araya Gebreegziabher, Director, Ministry of Foreign Affairs Mr. Minilik Habtu, President, ECRA Mr. Adisu Tekle, Advisor, ECCSA Mr. Dassa Daniso, Market Development, ECTA Ms. Tigist Bufale, Representative, EIPO Mr. Kiros Weldearegay, Executive, Natural Gum Association Mr. Dawit Lemma, Managing Director, Krimson Aviation Consulting Media & Communication PLC Ms. Hellen Kassa, Krimson Aviation Consulting Media & Communication PLC</p>
JICA and Consultant Team Participants	<p>JICA Ethiopia Office Mr. Ken Yamada, Chief Representative Mr. Hiroyuki Tanaka, Senior Representative Mr. Emi Kurita, Project Formulation Advisor Mr. Gebeyehu Tuji, Program Officer Ms. Sara Sem, PR Officer</p> <p>JICA Consultant Team (Ms. Okada, Ms. Suzuki) Project Officer Ms. Azalech Solomon Project Officer Ms. Bethel Dagnachew</p>
Agenda	<ol style="list-style-type: none"> 1. Opening Remarks 2. Self-Introduction from the participants 3. The progress of the EHL project <ol style="list-style-type: none"> i. Technical Support to the Partner Companies (Shoes & Bags) ii. Market Research Results for New Branding iii. The Project Activity Plan for the next term 4. Discussion and confirmation of the contents presented above 5. Closing remarks
Summary	<p>The purpose of the second meeting was to report the activities of this project conducted after the first meeting held in August 2017 to obtain consent for the future approach through the exchange of opinions.</p> <p>Regarding the EHL component, an update was given on the progress of technical assistance to partner companies since February 2018. In terms of the New CP component, the market research results showing that coffee was selected as the principal new CP candidate were communicated. After a discussion on selecting coffee as a new CP, approval for conducting activities with coffee as a new CP in the future was obtained.</p>

The 3rd JCC Meeting

Date, time, and location	November 22, 2018. 9:00-11:45 8 th floor conference room, MOTI Head Quarter
Ethiopian participants	<p><Chairperson> Mr. Assefa Mulugeta, Director General, Export Promotion Directorate, MOTI</p> <p><Vice-Chairperson> Mr. Teshome Besufekad, Deputy Secretary General, ELIA</p> <p><Participants> Ms. Haimanot Tibebe, Director, Export Promotion Directorate, MOTI Ms. Tinsae Afework, Market Research (Team leader), Market Directorate, LIDI Ms. Munteha Jemal, Director General, Ministry of Foreign Affairs Ms. Workaferahu Aklilu, Japan Desk Officer, Ministry of Foreign Affairs Mr. Belete Moges, Q. gine inspector, Ministry of Agriculture Mr. Tadesse Worku, Director, Ethiopian Intellectual Property Office Ms. Tiruwork Tizazu, Women and youth business support and promotion division head, Ethiopian Chamber of Commerce and Sectoral Association Mr. Shafi Ouma, Deputy Director General, Marketing Development & Regulatory Sector, ECTA Mr. Tatek Girma, Team Leader, ECTA Mr. Gizat Worku, General Manager, ECEA Mr. Minilik Habtu, President, ECRA</p>
JICA, consultant team and other Japanese Participants	<p>JICA Ethiopia Office Mr. Takeshi Matsuyama, Senior Representative Mr. Yoshito Kikuma, Representative Mr. Hiroyuki Amaya, Project Formulation Advisor</p> <p>Embassy of Japan in Ethiopia Mr. Nobuhisa Edamura, Second Secretary</p> <p>JICA Consultant Team (Mr. Nagai)</p> <p>Project Officer Ms. Azalech Solomon</p>
Agenda	<ol style="list-style-type: none"> 1. Opening remarks 2. Participant self-introduction 3. Business reports <ol style="list-style-type: none"> i. Update on project activities ii. Outcome of participation in Premiere Classe Paris (September 7-10, 2018, Paris, France) iii. Update on coffee-sector branding activities iv. Schedule of coming activities 4. Discussion 5. Closing remarks
Summary	<p>The purpose of the 3rd JCC meeting was to report on activities that took place since March 2018 and come to an agreement on how to proceed going forward. During the Q&A, most questions about EHL components concerned promotional activities (for example, the history of trade show decisions, activities other than trade show exhibits, cooperation from MOFA). There was also a question from EIPO about why a brand needed to be newly developed for the new CP components instead of using the Ethiopian Fine Coffee brand. Although many IC members, including from MOTI and ECTA, responded to this question, the discussion was endless, so we decided to hold another discussion session for JCC members at a later date.</p>

	There was also a request to rethink the scope of activities of the new CP components. In response to this request, both the project office and JICA's Ethiopia office repeatedly explained that the scope of this project's activities went only as far as establishing the brand.
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The 4th JCC Meeting

Date, time, and location	July 9, 2019. 9:00-12:45 8 th floor conference room, MOTI Head Quarter
Ethiopian participants	<p><Chairperson> Mr. Assefa Mulugeta, Director General, Export Promotion Directorate, MOTI</p> <p><Vice-Chairperson> Mr. Hailekiros Debesay, Deputy Director General, LIDI Mr. Daniel Getachew, Secretary General, ELIA</p> <p><Participant> Mr. Lealem Tilahun, Director, Ministry of Foreign Affairs Ms. Haimanot Tibebe, Director, Export Promotion Directorate, MOTI Ms. Yodit Alemayehu, Senior Expert, Export Promotion Directorate, MOTI Mr. Ketema Welderufale, PR Expert, MOTI Ms. Desnet Belay, Director, Ministry of Agriculture Mr. Tadesse Worku, Director, Ethiopian Intellectual Property Office Mr. Shafi Ouma, Deputy Director General, Marketing Development & Regulatory Sector, ECTA Mr. Gizat Worku, General Manager, ECEA Mr. Solomon Getu, ELICO Awash Tannery Quality Manager</p>
JICA, consultant team and other Japanese Participants	<p>JICA Ethiopia Office Mr. Makoto Shinkawa, Chief Representative Mr. Masaki Wakai, Representative Mr. Hiroyuki Amaya, Project Formulation Advisor Ms. Sem Sara, PR Officer</p> <p>JETRO Addis Ababa Office Mr. Junki Yamashita, Senior Representative JICA Consultant Team (Mr. Nagai, Ms. Noguchi, Ms. Kon) Project Officer Ms. Azalech Solomon</p>
Agenda	<ol style="list-style-type: none"> 1. Opening remarks 2. Self-Introduction of participants 3. Project report <ol style="list-style-type: none"> i. Overview of project activities ii. Progress of technology transfer at tanneries iii. Progress of technology transfer for manufacturer iv. Results of comparative studies v. Brand management support for tanneries and manufacturers vi. Activities in the new champion product component (coffee sector) vii. Activity schedule for the next term viii. Project monitoring 4. Discussion 5. Closing remarks
Summary	After the activity reports from October 2018 to May 2019 were made by representatives of CPs and partner companies on the progress of the activities of the EHL component and the new CP component, a question and answer session and discussion on the content of the

	<p>reports were held. Regarding EHL promotion, the question arose as to whether participation in the Paris exhibition was sufficient, in light of the failure to connect overseas exhibitions to high-volume orders. In response to the question, participants from the leather sector stressed that it is important to gain the trust of customers through continued participation in the same exhibitions and repeated business negotiations to attract high-volume orders in overseas markets and that the goal of the project is to enter the quality market, which means that bulk orders would be difficult to obtain but sales of products at high unit prices could be expected. Mr. Assefa, the chairperson, said that brands without quality are ineffective, that trust once lost is difficult to restore, and that it would take time for the promotion to bear fruit, emphasizing the importance of continued cooperation between government and industry according to the methods laid out by the project.</p>
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The 5th JCC Meeting

Date, time, and location	<p>December 12, 2019 9:30-12 :45</p> <p>8th floor conference room, MOTI Head Quarter</p>
Ethiopian participants	<p><Chairperson></p> <p>Mr. Assefa Mulugeta, Director General, Export Promotion Directorate, MOTI</p> <p><Vice-Chairperson></p> <p>Mr. Daniel Tadesse, Board Member of ELIA/ General Manager of Kootkeet</p> <p><Participants></p> <p>Mr. Bekabil Lisanework, First Secretary, Ministry of Foreign Affairs</p> <p>Mr. Bereket Yohannes, Export Promotion Expert, Export Promotion Directorate, MOTI</p> <p>Mr. Ketema Welderufaile, PR Expert, MOTI</p> <p>Mr. Berhanu Negus, Director, LIDI</p> <p>Mr. Tsegaab Bekele, Quality Manager, LIDI</p> <p>Mr. Desnet Belay, Director, Ministry of Agriculture</p> <p>Mr. Tassen Negessa, Export Expert, EIC</p> <p>Mr. Yesuf Ademmur, Secretary General, ECCSA</p> <p>Mr. Minilik Habtu, President, ECRA</p> <p>Mr. Solomon Getu, Quality Manager, ELICO Awash Tannery</p> <p>Ms. Hirut Zeleke, General Manager, Shir-Shir Ethiopia</p> <p>Mr. Dawit Lemma, Managing Director, Simply Black Advertisement Plc.</p> <p>Mr. Yonas Desalgne, Manager, Simply Black Advertisement Plc.</p>
JICA, consultant team and other Japanese Participants	<p>JICA Ethiopia Office Mr. Takeshi Matsuyama, Senior Representative</p> <p> Mr. Hiroyuki Amaya, Project Formulation Advisor</p> <p>JICA Head Quarter Ms. Momoko Suzuki</p> <p> Ms. Shoko Hara</p> <p>The Embassy of Japan in Ethiopia Ms. Tasmin Akbar, Second Secretary</p> <p> Ms. Chiaki Shibayama, Third Secretary</p> <p>JETRO Addis Ababa Office Ms. Leyou Sirege, Project Coordinator</p> <p>JICA Consultant Team (Mr. Nagai, Ms. Noguchi, Ms. Suzuki, Ms. Kon)</p> <p>Project Officer Ms. Azalech Solomon</p>
Agenda	<ol style="list-style-type: none"> 1. Opening remarks 2. Self-Introduction of participants

	<p>3. Project Report</p> <ul style="list-style-type: none"> i. Summary of Project activity and the report of the exhibition in Paris (September 2018) ii. Promotion Activity of EHL Leather iii. The added value of EHL leather in the French market iv. Support for the exhibition “Footwear Sourcing at MAGIC” in Las Vegas v. Progress of EHL brand management activity vi. Activity in new CP component vii. Project monitoring and target setting viii. Activity plan in the 2nd phase <p>4. Discussion</p> <p>5. Closing remarks</p>
Summary	<p>The progress of the activities of the EHL component and the new CP component was reported by the C/P and partner companies, followed by a question and answer session and discussion on the content of the reports. Regarding EHL component, it was argued that the 2nd phase should focus on strengthening the capacity building of C/P organizations in consideration of the sustainability of the project activity. In addition, it was also suggested that it may be premature to expand the scope of the project to include products other than sheepskin and coffee. In response to this, JICA explained that the 2nd phase will continue to promote sheepskin export and that the knowledge gained from this project should be applied to the promotion of other leather materials as well. From the new CP component, a question was raised as to why coffee was not included in the 2nd phase. JICA explained that the initial purpose of the coffee brand logo had already been finalized and that they would only continue to support the trademark registration of the brand logo in Japan.</p>

The 6th JCC Meeting

Date, time, and location	<p>October 14, 2020 10:30-11:50 (Ethiopian time)</p> <p>Online</p>
Ethiopian participants	<p><Chairperson></p> <p>Ms. Haimanot Tibebu, Director, Export Promotion Directorate, MOTI</p> <p><Participants></p> <p>Mr. Assefa Mulugeta, Director General, Export Promotion Directorate, MOTI</p> <p>Mr. Bekabil Lisanework, First Secretary, Ministry of Foreign Affairs</p> <p>Mr. Moges Bekele, Head of Event Management Division, ECCSA</p> <p>Mr. Minilik Habtu, President, ECRA</p> <p>Mr. Tewodros Gebremariam, ECTA, Market Research & Promotion Team Leader</p> <p>(The following are from partner companies)</p> <p>Ms. Addishiwot Kinde, Commercial manager, K&T Trading PLC.</p> <p>Ms. Elleni Solomon, Duty Coordinator, Entoto Beth Artisan</p> <p>Ms. Genet Abegaz, Managing Director, ABKA Leather,</p> <p>Ms. Rahwa Aregawi, Communication Manager, Natural Footwear Studio</p> <p>Mr. Wolde Migora, Production Manager, ELICO Awash Tannery</p> <p>Mr. Terefe Alemu, Production Manager, Shir-Shir Ethiopia</p> <p>Mr. Biruk Hailu, Commercial Manager, Davimpex Enterprise Bahirdar Tannery PLC.</p>

JICA, consultant team and other Japanese Participants	<p>JICA Ethiopia Office Mr. Takeshi Matsuyama, Senior Representative Mr. Masaki Wakai, Representative Mr. Hiroyuki Amaya, Project Formulation Advisor</p> <p>JICA Head Quarter Mr. Kenji Ishiduka Ms. Rika Karikomi Ms. Misako Uehara</p> <p>The Embassy of Japan in Ethiopia Mr. Nobuhisa Edamura, First Secretary Ms. Tasmin Akbar, Second Secretary</p> <p>JETRO Addis Ababa Office Mr. Takao Seki, Director General</p> <p>JICA Consultant Team (Mr. Nagai, Ms. Noguchi, Ms. Suzuki, Ms. Kon) Project Officer Ms. Azalech Solomon</p>
Agenda	<ol style="list-style-type: none"> 1. Opening remarks 2. Self-Introduction of participants 3. Reporting session <ol style="list-style-type: none"> i. Summary of the 1st phase activities ii. Activity plan for the 2nd phase 4. Discussion 5. Closing remarks
Summary	<p>The main points of the discussion were 1) the export target figure for the 2nd phase, 2) the activity plan for the 2nd phase and 3) the duration of the 2nd phase (whether it should be extended or not). Regarding 2), participants from the partner companies agreed that it was necessary to use EC platform for the EHL promotion since many trade shows are now shifting to the virtual platform due to the expansion of COVID-19. They also agreed the ideas of “utilization of the EC platform” and “participation in the virtual trade show” which were proposed by the project side. In addition, they requested the project to provide training on how to use those virtual tools. Mr. Bekabil, First Secretary of the Ministry of Foreign Affairs, suggested that the Ethiopian Embassy in not only African countries but also EU countries and the US could support the promotion of the Ethiopian leather products. With regard to 3), many partner companies mentioned that the duration of the project should be extended in order to achieve the target figure since there was a period when exports were completely suspended due to the impact of COVID-19.</p> <p>It was decided that the project will have another meeting with LIDI and ELIA to discuss the contents of the JCC and the results of the discussions on a different day since the focal person of LIDI and ELIA were not able to attend this meeting due to the problem of network connection.</p>

Appendix 3:

The status of each partner company under the spread of COVID-19 (as of August 2020)

Company	Impact of COVID-19
Bag Company 1	<ul style="list-style-type: none"> • Half of the employee stay home. • Cancellation of sample orders obtained at an exhibition in France. • Sales at a shop in Addis Ababa in July 2020 fell to 20-40% of February 2020. • Looking for a market of face masks.
Bag Company 2	<ul style="list-style-type: none"> • The factory is operating with a limited attendance of employees. • The MasterCard Foundation decided to provide assistance with the company. It includes: (1) 6 sewing machines, (2) 3 months' salary for employees (5,000 ETB/person) • A referral from an existing customer in the US let to and order for 200 bags from another customer in the US. • Cancellation of a sample order from a new customer. In some cases, email contact stopped before the order was confirmed. • Looking for a market of face masks.
Bag Company 3	<ul style="list-style-type: none"> • The factory is operating as usual. • Sales at shops in Addis Ababa in July 2020 fell to 20% of February 2020. • After receiving an order from a customer in Spain and completing the production of 55 bags, the order was canceled. • A total of 65 bags order was canceled by 3 customers in the US. • Looking for a market of face masks.
Bag Company 4	<ul style="list-style-type: none"> • Received bulk orders from government agencies (bags, laptop cases, wallets, etc.) • Received an order of 250 cow leather bags from a customer in Denmark. • Sales at stores in Addis Ababa have increased even under the spread of COVID-19.
Garment Company	<ul style="list-style-type: none"> • Cancellations from 4 domestic customers and 2 overseas customer • There were no sales at shops in Addis Ababa in March-May 2020. Sales in June fell to about 25% of February 2020. • Looking for a market of face masks.
Shoe Company 1	<ul style="list-style-type: none"> • 35% of the employees are working at the factory and the rest stay home. • Shoe production for June 2020 fell to about 40% of February 2020. • Sales at shops in Addis Ababa in June fell to 30% of February 2020.
Shoe Company 2	<ul style="list-style-type: none"> • 25% of the employees are working at the factory and the rest stay home. • Shoe production for June 2020 fell to 25% of February 2020. • Received orders from customers in the US and Spain and produced samples. Progress was checked by exchanging photos, but contact stopped before the order was confirmed.
Shoe company 3	<ul style="list-style-type: none"> • Received shoe orders from government agencies continuously. • Sales at shops in Addis Ababa in June 2020 increased to about 120% of February 2020. This was due to the fact that many other shoe shops had closed.
Tanner 1	<ul style="list-style-type: none"> • Producing leathers for its sister companies that produce leather products.
Tanner 2	<ul style="list-style-type: none"> • Many employees are on paid leave and the factory is operating with a limited attendance of employees. • Leather production for June 2020 fell to about 30% of February 2020. • Cancellation from a customer in China.

Appendix 4 Dispatch record of Japanese experts

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travel by own expense

Report on Euro-Market inspection trip

ETHIOPIAN LEATHER INDUSTRY DEVELOPMENT
INSTITUTE



With



JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

REPORT ON EURO-MARKET INSPECTION TRIP

Summited by :-

1. Dagneu Negasa
2. Kasahun Hailu
3. Sisay Abebe
4. Tinsae Afework

October 2017

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1. INTRODUCTION

In line with Japan's ODA (official development assistance), JICA has been putting a lot of resources on two areas of activities. The first is a range of activities that will broadly contribute to improving the business environment of Africa and the second area has to do with such activities that can directly encourage the activities of the private sector of Japan in Africa.

Marketing is one of the key segments in the business world, Periodic test and review for the nature of the market in the dynamic business is a known approach to appear and sustain oneself in the business, Market for industrial commodities requires close and considerable attention to meet its requirement of the need.

Ethiopian Highland Leather (EHL) remains silent to the owner though the world still acknowledge for its incredible intrinsic natural qualities. Having been supported by JICA, great effort has been exerted in branding EHL based on qualifying its attributes through scientific analysis. Inspecting market test and trend for some destinations would unquestionably be helpful to come forward and get into the market. Although East Asia is becoming potential market destination for quality leather products, Europe and USA have also remained potential market places particularly for high-line segment.

Sponsored by the Japan International Cooperation Agency (JICA), via its Champion's Product Approach in Ethiopia, establishment of legally protected patent and intellectual property rights and promotion of Ethiopian highland sheep skin and products has already started. The patent and intellectual property rights protection has already been established in Japan.

To achieve the luxury Leather Products Export through engaging in to the niche, a market inspection Project has been set to understand the trend and set strategy that'll allow Ethiopian local manufacturers enter in to EU and US markets. Taking this in to consideration, a team composed of Ethiopian and Japanese experts has gone to EU to visit selected international trade fairs so that Ethiopian team can learn from the experienced Japanese experts.

2. EXECUTIVE SUMMERY OF THE TRIP

The inspection has begun from Finland (Helsinki). In here the two selected trade fairs were called **Habitare** and **Forma**. Habitare is furniture, interior design and design trade fair for professionals and the public in Helsinki. Many international exhibitors present here the latest trends, shapes and colors. In addition to hundreds of top-class exhibitors as the fair offers interesting exhibitions and special stands on many different topics of the range furniture, interior decoration and design. It was taken place from Wednesday, 13 September to Sunday, 17 September 2017. Forma on the other hand is also a big professional event in the giftware, household goods and home decoration branch in Finland. Visitors will find new colors, trends and ideas from the world of giftware and home decoration it also enables exhibitors to find new customers and meet the present ones, bring their products to attention of both buyers and media and strengthen their company image. It was taken place from Friday, 15 September to Sunday, 17 September 2017 at the same place where Habitare was held but with separate halls.

The second destination selected for the inspection was France (Paris). Paris le Bourget which was more in to textile and garments. In here five different halls with the name “apparel sourcing”, “avantex”, “shawls and scarves”, “texworld”, and “tex world denim” were held in almost similar dates. Paris le Bourget consolidates its position as the European leading sourcing trade fair, offering wide and consistent supplying possibilities for clothing: knitwear, casual wear, sportswear, outerwear and corporate wear. From entry level to top-of-the-range, the offer covers ready-to-wear for men, women, children and accessories, providing solutions to demanding buyers. It was taken place from 18 – 21 September, 2017.

Next to Paris, the team went to Italy (Milan) where two exhibitions called **Micam** and **Mipel** were held at Fiera Milano RHO. The MICAM is the leading international footwear fair, promoted by ASSOCALZATURIFICI ITALIANI, the Association of Italian Footwear Manufacturers. The event is held twice a year in Milan, the fashion capital, in the modern and functional fair grounds of Rho Fiera. In spring and autumn, a sneak-preview of the autumn/winter collections and those for spring/summer of the following year were presented.

Mipel, on the other hand was an international leather-goods show where bags, luggage, sacks, wallets and the full spectrum of leather accessories are presented. MIPEL has always been at the

Report on Euro-Market inspection trip

fore front of the industry and in tune with the market. It is the most authoritative trade fair for the leather-goods industry.

The fourth destination was **MOMAD** shoes – international footwear and accessories trade show taken place in Madrid, Spain. Certain categories, such as Urban & Young, Casual, Contemporáneo, Espacio Metro, Eco, Kids, Bags and Accessories, Point of sale services were all present.

Last but not list the team has returned back to Milan to attend the **white Milano** and **one Milano** trade fairs. White Milano is a 3 day event being held from 22nd to 25th September 2017 at the Via Tortona in Milan, Italy. This event showcases products like contemporary fashion and the cultural reference for the new generation of designers and artists. As a talent scout, season after season, it dictates fashion trends through a scrupulous and constant selection of the coolest collections on the market etc. in the Apparel & Clothing, Lifestyle & Fashion industries. It hosts 300 collections. National and international buyers from: Europe (UK, France, Germany), Russia, Japan, Korea, China and the USA. “THE ONE MILANO” is the new international fair dedicated to top-end prêt-à-porter women’s wear and accessories. This new event merges the knowhow and experience of MIPAP (international trade fair), the prêt-à-porter show organized by Fiera Milano, and of MIFUR, and the fur and leather exhibition organized by the Mifur Exhibition Organization.

3. OBJECTIVE

The general objective of the trip: is to grab some critical success factors (CSF) that would help in launching of EHL in to EU market successfully so as EHL products will be positioned in the market place accordingly.

4. SPECIFIC OBJECTIVES:

- The product idea/trend from the aspects of color, design, touches fashion trend, price, & other attributes and come up with possible opportunities (if any) for EHL products in some margent segments including material trend.
- Customer idea from the kind of products displayed and exhibiter's converse
- To find out the best way to promote EHL products and raw materials in the distribution channel
- Get acquainted with organizers who could possibly introduce EHL to potential buyers' group
- Prospect potential buyers that could be major revenue sources of EHL products in the near future
- To assess the Europe's market test with respect to quality, design, To investigate and device possible means for promotion of EHL products for the identified market line (segment)
- To expose and get acquainted oneself with international market inspection
- To find opportunities for buyers who could be possible revenue sources of EHL in the near future.
- To analyze the gap between Ethiopian leather and leather product manufacturer to the European.
- Using the uniqueness of the Ethiopian sheep skin to make advantageous of Ethiopian leather and leather product manufacturer in European market.

5. TEAM PURPOSE

In all moves the purpose is to serve on scanning of the renowned international fair specially in EU market so as to gain knowledge on existing technologies, trends, product test relevant for global competition by using EHL for the coming season and selecting appropriate market for Ethiopian leather and leather product manufacture's by working Japanese will experienced expertise

6. EXPECTED OUTCOMES

- Industrial networking sources that would move the project forward.
- Comparison and selection of best suitable market place for EHL products.
- Potential buyers for preliminary talk.
- Updated knowledge, trend and experience about the potential European market.
- Knowledge and understanding to support and direct selected Ethiopian manufacturers in a way that they could produce a product appropriate for the selected market.
- Opportunities to reconsider current marketing mix such as pricing level, types of promotion, distribution channel, product attribute
- By studding the market to select which one of country market its best opportunities to Ethiopian manufacturer
- what kinds of approaches should follow to get easily the EU market
- To have knowledge European potential customer what kind of product does preferred?
- For skill and knowledge transferring LIDI young expertise.
- General overviewing of display and visual merchandising technics for future.

7. METHODOLOGY OF INSPECTION

- The inspection has been done through physically appearing to selected exhibitions, making observation on the displayed products, have a generic idea on the kind of design, material, color, feel and visualize the customer preference.
- By conversation with prospective exhibitors with regard to future business deal by showing sample materials and products.
- Through searching feedback from samples and experience of business deals with Ethiopian manufacturers and by exchanging business cards.

8. EXHIBITIONS OVERVIEW



I. HABITARE

products showcased include small quantity of leather bag, footwear, bathroom equipment, curtains, decorations, fireplaces, Furniture, kitchen furniture, lamps, saunas, stoves, tablecloths, dining room fittings, tables, chairs, book shelves and wall units, office furniture, cabinets, shelves, fabrics hangings and wall rugs, textiles, accessories for interior decoration, floor & wall coverings and tiles, in the Architecture & Designing, etc.

Among the displayed products the team has focused on leather made furniture and furnishings, such as sofas, chairs, bags shoes and accessories, rugs, cushions, lamp shades which are specifically made and related to sheep skin however, it has been realized that the products that were made out of leather more pertain to cow hide and goat and major exhibitors were found to be Scandinavians. Keeping general track of visitors was also part of the work that the team has

Report on Euro-Market inspection trip

taken with such regard, it could be said that majority of visitors were individual consumers and number of professionals such as buyers were found to be less. Exhibitors were found to be approachable in which the team has tried to have a discussion with, show sample materials and products together with feedbacks.

The design and color for the scene of exhibition in general and booth in particular are classic in detecting the type and nature of product under showcase. The color of leather based exhibits was in trend for Autumn/Winter which comprising cow, goat and sheep leather substrates. Cow leather products were the major ones as furniture products took the lion share for same products under showcase. Quality of furniture leather was observed to be very high in terms of the approach for finishing and feel of bulk property of the leather. Smaller articles made of sheep leather have also been exhibited. Finished leather for leather product manufactures have been from European tanners (mainly from Italy, Sweden, Denmark, Portugal, and Austria). It has been happened to observe that eco-friendly leather viz. vegetable tanned, reconstituted leather, etc. sound to the market revealing the eco-friendly conscious of the consumer. In general, finished leather for each product was designed to render natural aesthetic feel and look. Some EHL leather swatches have also been showcased to some of exhibitors and found interest for their suitability for chairs and other smaller leather articles.

Therefore, there would be good opportunity for chairs and smaller articles made of EHL leather being produced with the intention of eco-friendly minded approach.

II. FORMA

The fair was held at the same place where Habitare was held but with different halls. It is held twice a year in autumn with several trade fairs. It is more focused on small yet luxurious accessories, like baskets, candles, cards, ceramic products, Christmas items, clocks, crafts, decorative items, furniture, gifts, glassware, home textiles, house wares, jewelry, mirrors, posters, pots, silverware, souvenirs, stickers, toiletries, toys, etc. The team realized that people who came to visit Habitare would defiantly visit forma. There were also articles made out of leather which was a concern for the team. Generally, the participants were found to be open minded and showed an interest for the samples offered finally the team believes that there is an opportunity in the market to develop and introduce variety of EHL products.

III. APPAREL SOURCING, AND AVANTEX

In events, fake leather/fur and leather products have been exhibited with textile clothing: knitwear, casual wear, sportswear, outerwear and corporate wear. From entry level to top-of-the-range, the offer covers ready-to-wear for men, women, children and accessories products displaying the major show. The overall scene of the exhibition was felt to be of high standard. In both events, bags and jackets were major leather products exhibited mainly of cow substrate. The quality of leather for associated products was up to the standard. Fake leather and fake fur products mainly by Chinese and Korean have been displayed with the intention to overtake the use of leather though the quality still far under par with genuine leather. The color of the leather products are also within the trend, Autumn/Winter. .

Among the product groups, the team has focused on fake leather, fur and leather products however, much couldn't be found from the fair as it is more in to textile and garments.

IV. MICAM and MIPEL

In **MICAM** leather products like footwear in different categories such as luxury containing emerging and international designers, contemporary, kids, and cosmopolitan. bags and accessories have been displayed. Products under showcase were produced of cow, sheep and goat leather with first substrate taking major share. Major Lady's shoe and some collection of Men's shoe are made of sheep and goat leather with hand finish. Leather Products are of very high quality where the types finishing being used were found to be highly suitable to the intended final product. Leather products exhibited were almost devoid of heavy finished leather. Light finishing (aniline, semi-aniline), digital print, wax coat, brush off, foil print and perforation are the main finishing approach undertaken eventually rendering leather with natural aesthetic feel and look. To put in a nutshell, skillful finishing techniques have been utilized to explore leather defects to have natural look and feel. Of footwear collections, dress shoe were found dominating. Besides black and white color, earthy colors are dominant ones which in deed are in line with fashion trend.

Report on Euro-Market inspection trip

In **MIPEL** event though dominated by various collections of bags, luggage, sacks, wallets and the full spectrum of leather accessories Casual, fashion, party, contemporary, designer are of higher quality with quality of leather, too. Plat printed leather of various reptile skin pattern was also observed to be used for some bags collection. In addition, sport and kids shoe were also displayed. Leather products were found to rely on European tanners, mainly of Italian ones with the intention of the having their brand in the European market.

MICAM and MIMPEL the two big events inspected in the first Milan trip. Alongside the usual chrome tanned leather, vegetable tanned and semi-chrome leathers were still prevail in the market exhibiting higher quality. Similarly, It was an appealing exhibition because of the many innovations introduced, and the unique displays. The team has found out that it is of a high end exhibition which was more in to “made in Italy” products and there might be a room for EHL producers in the future to participate in the cosmopolitan category.

V. MOMAD

MOMAD is one of the biggest events showcasing the various collections of leather products like leather footwear, bags, Textile and leather plus textile mix products were also exhibited. The quality of leather for the products in the event was nearly similar to the one in Milan except product design and some finishing technique a bit surpassed by the later. Footwear, leather goods, accessories and services to sales point companies, Fast & Young, Casual, Kids, Bags and Accessories, Point of sale services etc. in here it could be said that majority of the products displayed were “made in Spain” and material wise, were made out of cow leather. Majority of the visitors were professionals i.e. Agents, Specialized chains, Independent stores, Manufacturers, Department Stores, Superstores, Importer-Wholesalers, Online shops. It has also been happed to showcase EHL swatches for some of exhibitor and found good interest to procure in the future. Moreover, the intrinsic quality of EHL has been witnessed by some of exhibitor who previously had attachment to our leather industry. BISTEX and INTERGIFT were the other events being surveyed Interior decor, various collections of gifts where leather made bags and partial leather bags were among a few exhibited.

VI. WHITE MILANO AND ONE MILANO

Product groups (one Milano): In the former, leather bags, and footwear have been in showcase though women wear, accessories and fashion accessories of fabric and other non-leather material origin dominated. Leather being used was of high quality rendering top line products.

Product groups (White Milano): leather products looked contemporary and cultural reference for the new generation of designers and artists. The team happened to scout an exhibitor to whom EHL has been known for so long. Despite the quality and delivery phobia of Ethiopian tanner, the natural quality of EHL has been witnessed thereof. For the sake of completeness,

VII. FILO:

FILO was the last event entertained though product from Apparel & Clothing, Gifts & Handicrafts, Textile, and Fabrics & Yarns.

VIII. General technical product overview

Technical things	Futures	Remark
Product design concept	Minimalist	Simple and functionally base with perforation
Product color	Naturalist (earthy colors)	Light intensity color schema
Product category	All types of footwear based on forecasted seasonal	Most of the product future is handmade and hand finished product
Product materials	Cow ,sheep, goat and non-leather	Men`s shoes mainly uses leather sole
Product quality	High with hi tech finishing chemicals	Look simple but with big effort
Product hardware	Less number of accessories	Zip and buckle with perforation ornaments

9. MAJOR FINDINGS

Throughout the inspection, the team has come to know and understand the following points:

- There is high innovation capacity in product development.
- High display skills that support the marketing and branding of the particular product.
- Strong international/regional connection, image and fashion orientation
- Majority are highly skilled European manufacturers that tend to use European tanners
- Sizable domestic as well as regional market.
- High sales of luxury goods and leather furniture (upholstery) because of consumer's disposable income
- Major leather materials are cow.
- A decrease in the use of full leather material (rather textile or synthetics are combined)
- No African players, but Morocco, staging
- Some market places were found to be less open to the new entry
- Very "Eco-Friendly" conscious All countries fairs are following the fashion forecast that means seasonal, color trend, fashion trend, textures, material type, styles and shape of the product
- There is very high creative skill based on the season trend.
- Large number of buyers are expected to come that could give the exhibitors more opportunities
- In general product design concept fall in to minimalist and naturalist preferences.
- Very high competitive environment expected that could drive us to "price war" like situation.
- The majority of buyers are Chinese nationals that give us less option for growth.
- European manufacturer are very high skilled to make luxury products.
- Some booths are not allowed to professional visitors such as designers.

10. RECOMMENDATION

Report on Euro-Market inspection trip

- As has been stated entering in to EU market requires being highly quality conscious and work on product development skills of factories, therefore JICA once selected Ethiopian manufacturers to partner with has to deploy experts who can enhance the performance accordingly.
- Participating in EU market requires an intensive preparation including studying the kind of exhibition selected for participation, how to display products that has similar To be a competent of in European market our manufacturer must have follow the fashion trend
- All Ethiopian manufacturers should understand what is niche market and producing the product as per the market need.
- To get the EU market as a beginning Ethiopian leather goods manufacturer should produce small articles such as male's and female's wallet, key holder, cravat, credit card holder , coin purses, belt, watch strap etc. These small articles should be new, well designed, attractive, creative simple and easier to hold
- As beginning our market target is Scandinavian countries more suitable to Ethiopian leather goods manufacturer.
- It is very high competitive environment place based on this Ethiopian leather goods manufacturer should have Eco- leather products.
- Theme with the kind of product selected and other promotional materials such as flyers and brochures.
- Even if the kind of market is subjected to have a strong regional connection, as EHL has its unique feature, if supplied and very well supported by a creative design and display the team believes that there still exist a room to get in to the market.
- In order to break in to the market especially with the leather supply, selected factories need to be (or at least be willing to get certified as soon as possible) environmentally friendly such as having ISO and social compliance certification.
- EHL should be first introduced for EU market through promotion (Europeans has a tendency to have full information before they perched anything)

11. FUTURE PROPOSAL:

Report on Euro-Market inspection trip

The team has come up with the following proposal on the basis of the experience gained during the mission:

- Planning for Scandinavian countries market penetration and promotion through international fair along with key industry partners to make enhanced business development
- Comprehensively made preparation for designers fair participation as LIDI from Ethiopia side to let visitors know there is such potential institute in Africa serving the sector.

12. UPCOMING ACTIVITIES

- Selecting partner companies how are willing and committed to work on EHL for EU market
- Working deep market research on northern Europe area.
- Starting product development based on the rough market research result.
- Product development activity at LIDI on leather, footwear and Leather goods with collaboration of partner companies.
- Deep following and acquiring the next seasonal design trends.

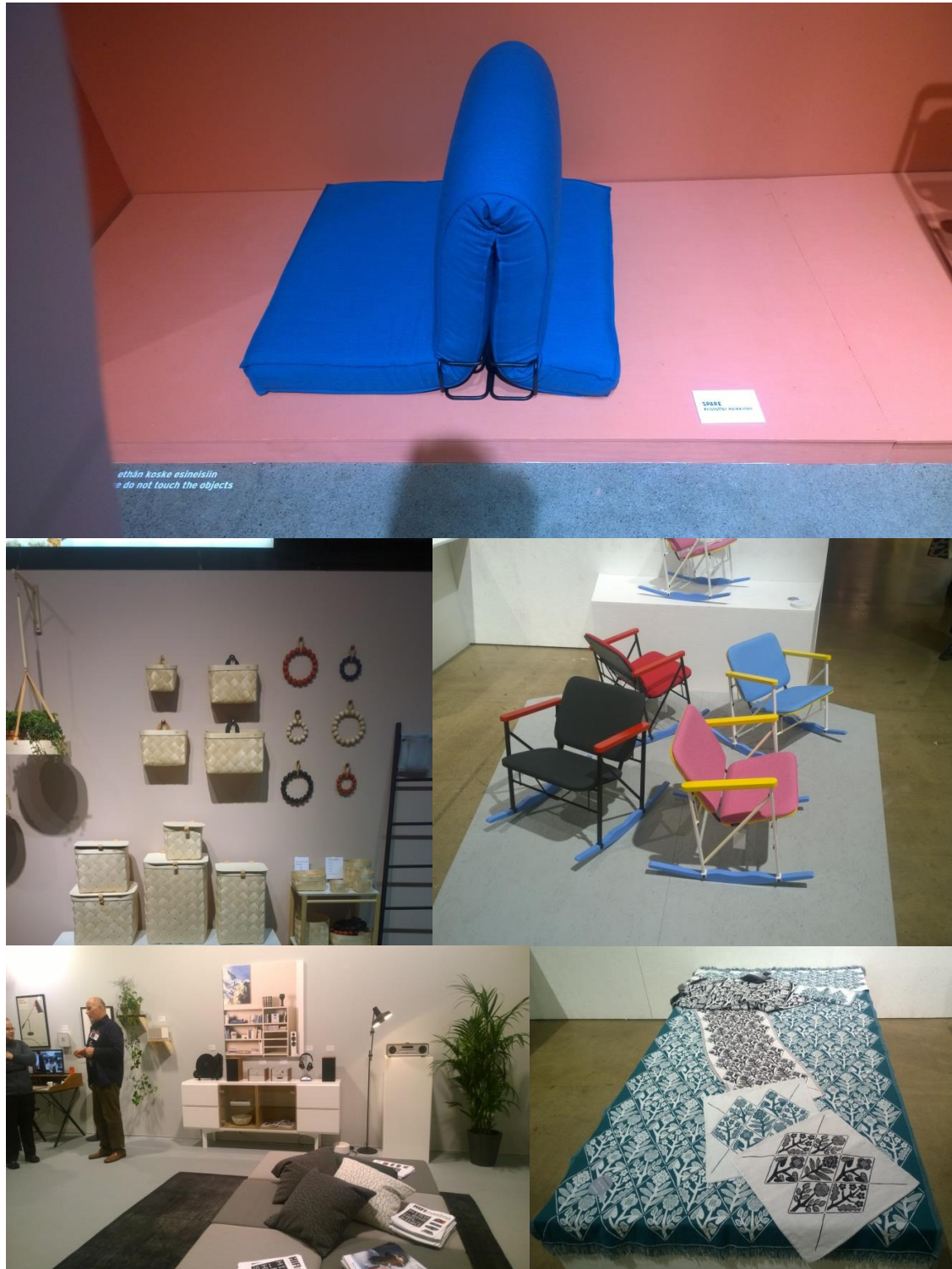
13. PROBLEMS ENCOUNTERED

- Hotel location most of the time located outside of the city ,this create limited information about the end user (consumer) behavior and preference in detail (design and product aspect)
- Very tight schedule.

14. SUGGESTED ACTION PLAN (TENTATIVE)

S/No	Activities	Duration in Months (November 2017 – November 2018)												
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
1	Selection of manufacturers to partner with													
2	Gap assessment													
3	Deployment of experts to fill the gap by JICA													
4	Throw/detailed research of Scandinavian market													
5	Comparison and selection of up to three Scandinavian countries													
6	Making a marketing mix strategy													
7	Selection of three prominent trade fairs from the selected three countries													
8	Giving feedback to designers and experts supporting the manufacturers.													
9	Planning and discussing on the design, costing and making quotation and display (preparation)													
10	Participating accordingly.													
11	Collecting feedback and potential business deals.													
12	Supporting the factories in dealing with the first international market													

15. ANNEX PICTURES AND PRESENTATION



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

HIGHLAND LEATHER
MADE IN ETHIOPIA

ETHIOPIAN LEATHER INDUSTRIES ASSOCIATION (ELIA)

TEL: 251 115 1550444 ELIA.AA172@GMAIL.COM WWW.ELIA-ALE.ORG
P.O.BOX 128595, ADDIS ABABA, ETHIOPIA LION BUILDING 6TH FLOOR (IN FRONT OF PARKEL SQUARE)

WWW.ETHIOPIANCREATION.COM/HIGHLAND_LEATHER



ETHIOPIAN
**HIGHLAND
LEATHER™**




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

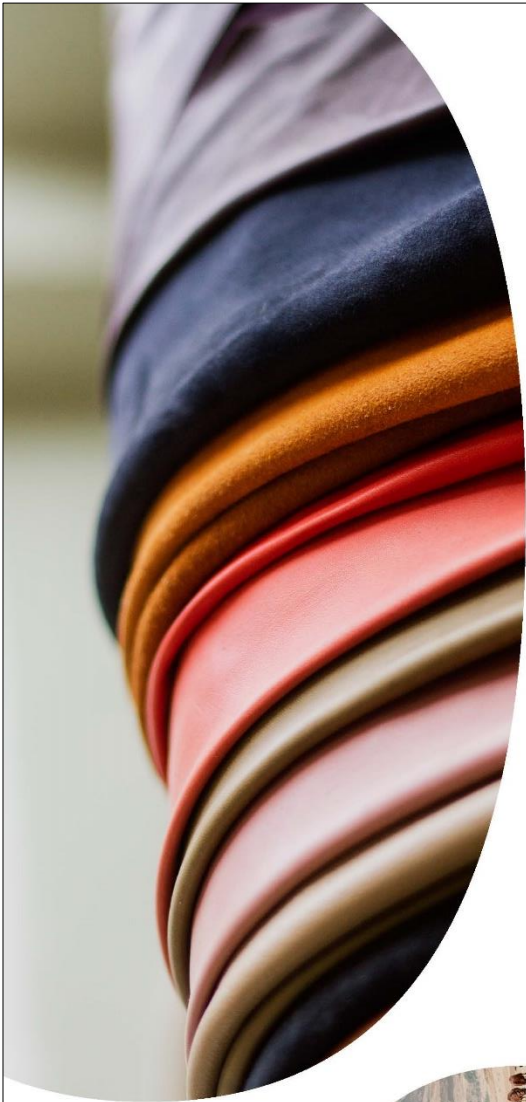


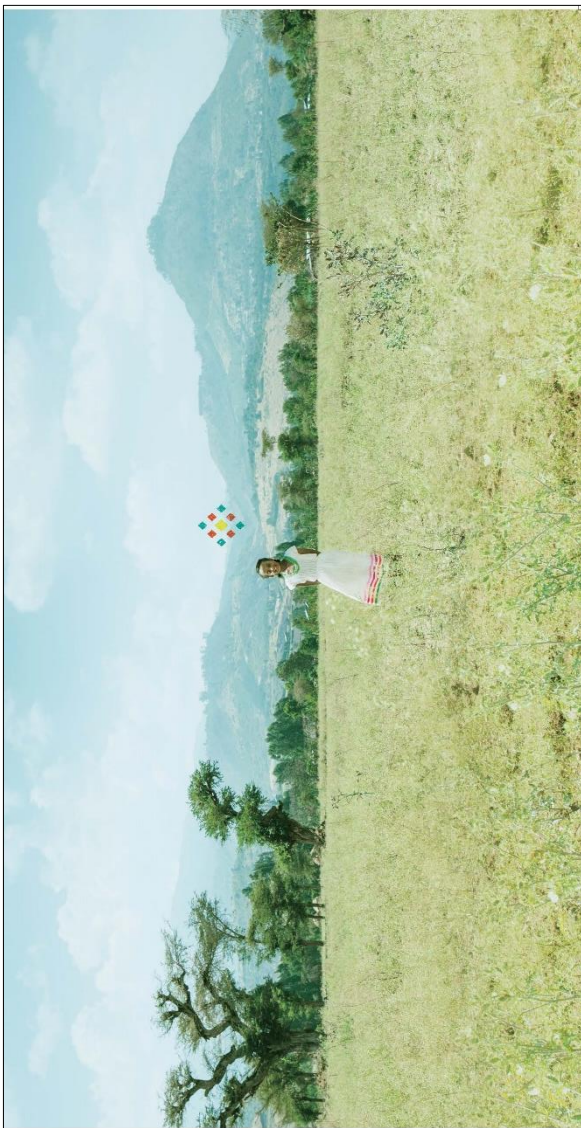
ETHIOPIAN
**HIGHLAND
LEATHER™**





LIGHT, THIN 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 WILD SHEEP SKIN IN THE PHYSICAL ETHIOPIAN HIGHLANDS,
 AND NEATLY FINISHED BY EXPERIENCED CRAFTSMANSHIP OF ETHIOPIAN TANNERS.
 HIGHLAND LEATHER WILL DRAMATICALLY TRANSFORM WHAT IS POSSIBLE WITH LEATHER,
 HOW TO ENJOY LEATHER, AND OUR LIVES WITH LEATHER.





3.5

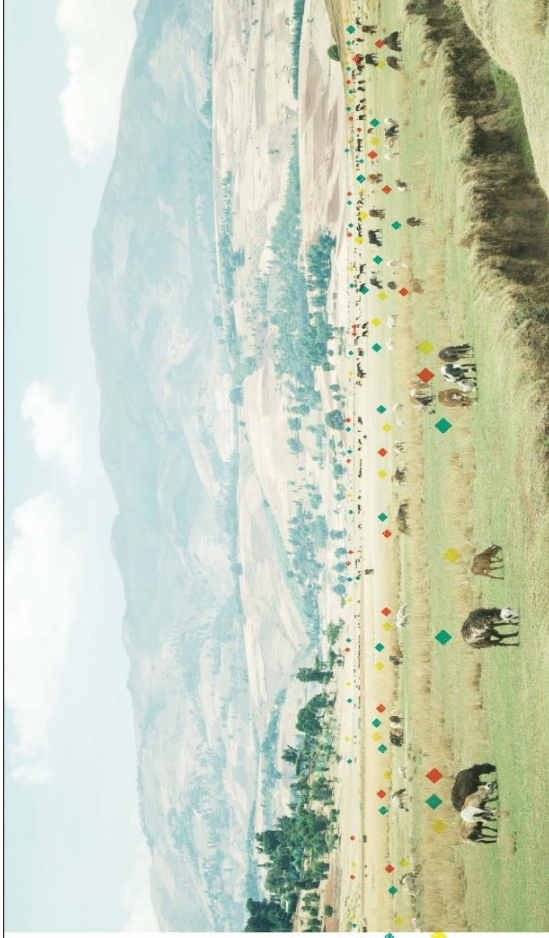
MILLION YEARS AGO

ETHIOPIA, THE CRADLE OF MANKIND
 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 SHEEP

ROAMING FREELY IN THE VAST HIGHLANDS OF ETHIOPIA.

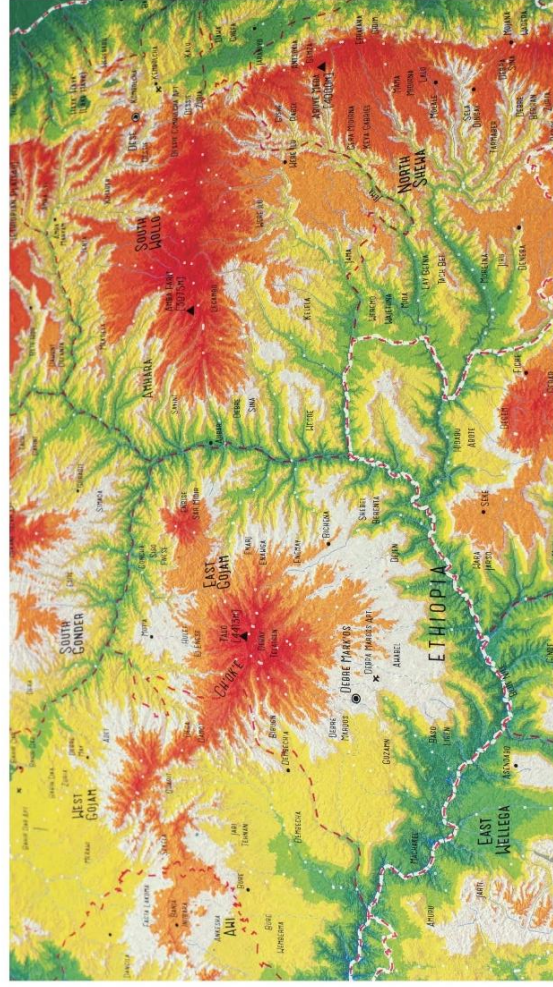
Over 26 million sheep live in Ethiopia. That is a world-class figure, and the highest in Africa. Most of them graze freely in the vast fields of the highlands, in a stress-free environment. Out of the millions, only a handful with the very best quality skin become labelled as Highland Leather, to be 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, LIGHT, AND SOFT. YET, STRONG.

This 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. On top of that, our skilled craftsmanship have enabled this leather to be thinned down to less than 0.35 mm. Amazingly thin, light, and soft. Yet, strong and durable. This quality expands the possibilities of leather to be used to create innovative products, previously unheard of in leather.

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, 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.



What is EHL?

Ethiopian Highland Leather (EHL) is a brand

1. of high quality finished leather of sheep.
2. owned by Ethiopian Leather Industries Association(ELIA), not one company.
3. to generate premium added value to Ethiopian economy.
4. supported by Japanese brand/leather specialists through Official Development Assistance (ODA).



Two advantages of EHL:

(1) Unique sheep species only living in Ethiopian high land area

1. It is a 'hair sheep' with straight hair, not a 'wool sheep' with curled hair.
2. The structure of its skin is very strong to adapt with severe climate of highland even though it is soft and thin.
3. It can be up to 0.35mm thickness with reliable strength and softness (i.e. Majority of golf/dress glove is made with Ethiopian sheep).

(2) Quality control by committed producers and laboratory with international standard

1. It is produced by ISO 9001 / ISO 14001 certified tanneries, only using REACH certified chemicals. Two certified EHL tanneries are in process of Leather working Group (LWG) certification.
2. It is only provided by certified tanneries inspected by Leather Industry Development Institute (LIDI), which is a nation-owned laboratory with international accreditation of scientific study and inspection.
3. Its inspection for certification covers chemical test (Chromium VI, Formaldehyde, PH), physical test (color fastness, tensile/tear strength), and traceability of raw-material.

EHL contacts:

Certified Finished Leather Manufacturers



DAVIMPEX Enterprise
BAHIRDAR Tannery
Pvt. Ltd. Co.
Davimpex Enterprise Bahir Dar Tannery PLC.
Tel: +251-115-159-040 / +251-115-535-978
Fax: 251-115-159-050
Email: bdtcommercial@gmail.com
Website: www.bahirdartannery.com



Ethio-Leather Industries P.L.C. (ELICO) Awash Tannery
Tel: +251-114-707-413
Mob: +251-930-533-474
Email: eliconew@elico plc.com.et / teferi1955@gmail.com
Website: www.elico plc.com.et



Leather Goods Manufacturers



Abka Leather Products
Mob: +251-929-189-427/
+251-911-250-330
Email:
Info@abkaleather.com
genabegaz@gmail.com
Website:
www.abkaleather.com



Amour Leather
Mob: +251-911-855-152
Email:
zemenzege4@gmail.com
amour@amourleather.com
Website:
www.amourleather.com



Ethio-Leather Industries P.L.C. (ELICO)
Universal Leather Products Factory
Tel: +251-114-707-413
Mob: +251-930-533-474
Email: eliconew@elico plc.com.et
teferi1955@gmail.com
Website: www.elico plc.com.et



Entoto Beth Artisan
Mob: +251-912-605-468/
+251-911-540-519
Email:
entotobethartisans@gmail.com
Website:
www.entotobethartisans.com
www.facebook.com/Entotobet
artisan/



KABANA LEATHER
Mob: +251-910-017-038
Email:
kabanaleather@gmail.com
Website:
kabanadesign.com



Kinaff Leather
Mob: +251-945-421-022
Email: fishkinaff@me.com
Website: kinaff.com



Yezichnaem
Mob: +251-911-635-644
Email: dagnaus@gmail.com



KootKeet
Mob: +251-911-383-490
Email: dtaddani@gmail.com



Meron Addis Ababa
Mob: +251-911-122-108
Email:
exoticamer@gmail.com
Info@meronaddisababa.com
Website:
www.meronaddisababa.com



Root in Style
Mob: +251-911-692-063
Email:
rootinstyle@gmail.com
info@rootinstyle.com
tigist.seife@gmail.com
Website:
www.rootinstyle.com



Shirshir Ethiopia
Mob: +251-911-615-876
Email:
shirshirethiopia@gmail.com
Website:
shirshirethiopia.com

Shoe Manufacturers



Anbessa Shoe Share Company
Tel: +251-114-715-454
Mob: +251-912-122-537/
+251-924-425-419
Fax: +251-114-716-779
Email:
anbessa2015@gmail.com
Website:
www.anbessashoes.com



Natural Footwear Studio
Mob: +251-911-571-695
Email:
cheruasfe@gmail.com
Website:
www.natural-shoe.com



Tikur Abbay Shoe P.L.C.
Mob: +251-911-205-527/
+251-983-091-322
Email:
sales@tikurabbayshoe.com/
pdc@tikurabbayshoe.com
Website:
www.tikurabbayshoe.com

Owned by :
Ethiopian Leather Industries
Association (ELIA)
Tel: +251-115-156-144
Mob: +251-975-256-880
Email: elia.aalf2@gmail.com
Website: www.elia-aalf.org



Supported by:
-Leather Industry
Development Institute
(LIDI) of Ethiopia
-Ministry of Trade and
Industry
(MOTI) of Ethiopia
-Japan International
Cooperation Agency (JICA)



EHL's challenge for innovation:



Tie-dye is a dying method newly attached for Ethiopian sheep leather.

The leather is tied with strings during the dying process according to the designs.

This method is inspired by dying method of Kimono, the Japanese traditional clothing. Since tie-dye-Kimono has tradition over centuries, the pattern of tie-dye has become authentic washed by the time.

Please enjoy our craftsmanship.



EHL's challenge for innovation:



Vegie-tan, the abbreviation of vegetable-tanned-leather, is leather tanned with metal-free and vegetable-derived organic materials.

We apply this eco-responsible method to sheep leather to make this as one of unique feature of Ethiopian Highland Leather.

Chrome-free

In addition to Vegie-tan, we also produce leathers tanned without chrome.



EHL research result:



<Research objective>

To quantify physicochemical property of Ethiopian sheep leather

<Sample leather>

Production area Ethiopia, Indonesia and South Africa
 Sample type Crust leather
 Thickness 0.4mm and 0.7mm
 Number 5 pieces (total 30 pieces)

<Researcher>

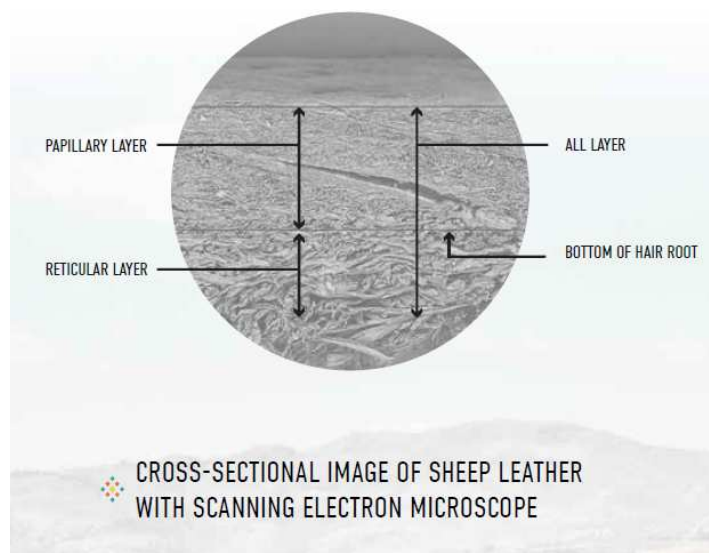
Tokyo University of Agriculture and Technology in Tokyo, Japan

<Research period>

December 7, 2018

<Research result>

Difference in strength derived from its unique fiber structure



EHL research result:

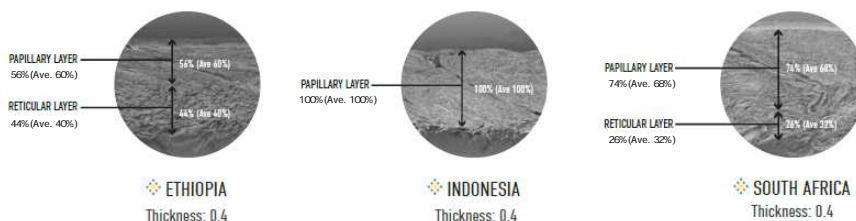


THIN & STRONG

Ethiopian sheep leather has significant difference in tensile strength.

ETHIOPIAN SHEEP LEATHER IS STRONG EVEN IF THIN BECAUSE OF THE HIGH RATIO OF THE RETICULAR LAYER.

- ✓ Difference in strength derived from its unique fiber structure



	ETHIOPIA	INDONESIA	SOUTH AFRICA
Tensile strength (MPa)	28	11	13

Ethiopian Highland Leather (EHL) Brand Certificate Inspection Visit check list for Tannery

Compiled Date: XXXX

Inspection date: _____

Name of the Inspectors: _____

<Applicant Company's Information >

Company Name: _____

Contact Person: _____

Contact Person's phone number: _____

Production capacity (sheep skin): _____

Main products: _____

Export Destinations: _____

I. Origin of raw sheep skin (25pts)

1. Does the tannery procure 'Ethiopian hair sheep' skin (highland sheep skin)?
(Check by observation +confirm the procurement record) **【Mandatory Criteria】**
 - a. Yes
 - b. No (If No, no need for further inspection)

Remarks: _____

2. Does the tannery keep procurement records according to the region/suppliers?
(check the records for the past one year) (poor: 1pt, fair: 2 pts, good: 3pts)
 - a. Yes
 - b. No

Remarks: _____

3. Where are the main areas of sourcing sheep skins for the past one year?

(poor: 2pt, fair: 4 pts, good: 6pts)

Remarks: _____

4. How much is the procurement ratio (%) in each sourcing area for the past one year?

(poor: 1pt, fair: 2 pts, good: 3pts)

Remarks: _____

5. How does the tannery implement the segregation system of raw sheep skins in order to ensure the traceability? (poor: 1pt, fair: 3 pts, good: 5pts)

Remarks: _____

6. Is selection and grading done with respective origin? How does the tannery implement?

(poor: 1pt, fair: 2 pts, good: 3pts)

b. Yes

b. No

Remarks: _____

7. Is the selection and grading result communicated to the supplier?

(poor: 1pt, fair: 3 pts, good: 5pts)

c. Yes

b. No

Remarks: _____

II. Process quality control (25pts)

Production Process/ Section	Parameters Checked	Remark/objective evidence
Beamhouse (poor: 1pt, fair: 3 pts, good: 5pts)		
Tanning (poor: 1pt, fair: 3 pts, good: 5pts)		
Re-tanning		
Crust		
Finishing (poor: 1pt, fair: 3 pts, good: 5pts)		
Quality control (poor: 1pt,		

Article: _____

Type of finishing: _____

Grade: _____

Color: _____

Thickness: _____

No. of pieces: _____

VI. Final Remark

Recommendation: _____

In conclusion, XXXX fulfills XX% of the basic EHL brand requirements according to the overall inspection findings. Hence, the company passes the EHL inspection criteria.

Section	Points	Company's score
I. Origin of raw hair sheep skin	25	
II. Process quality control	25	
III. Implementation of management system	25	
IV. Chemicals	25	
Total	100	

**The company which scores more than 70 points passes the EHL inspection criteria and fails if otherwise.*

End

Compiled by:

Leather Industry Development Institute (LIDI)

Ethiopian Sheep Leather Comparative Research Report



Takase K , Aihara M, Terashima M, Nakamura Y, Nomura Y, and Tsegaab B

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I. Characterization of Ethiopian Highland Sheep in Comparison with Ethiopian Lowland Sheep

Yoshihiro NOMURA¹

Tsegaab Bekele²

1. Purpose

For the international branding of Ethiopian highland sheep leather, it is necessary to characteristic analysis of the raw sheep skin. It is difficult to physicochemical analysis of highland sheep skin in the problem of equipment of Ethiopian laboratory. Ethiopian native sheepskin is impossible to obtain in Japan with quarantine issues and Ethiopian government trade regulation, so test material was sheepskin fixed with ethanol and formalin. In this experiments, we performed amino acid analysis and histochemical analysis.

2. Sampling

The sheepskins for the experiment were sampled in the location indicated in figure1.

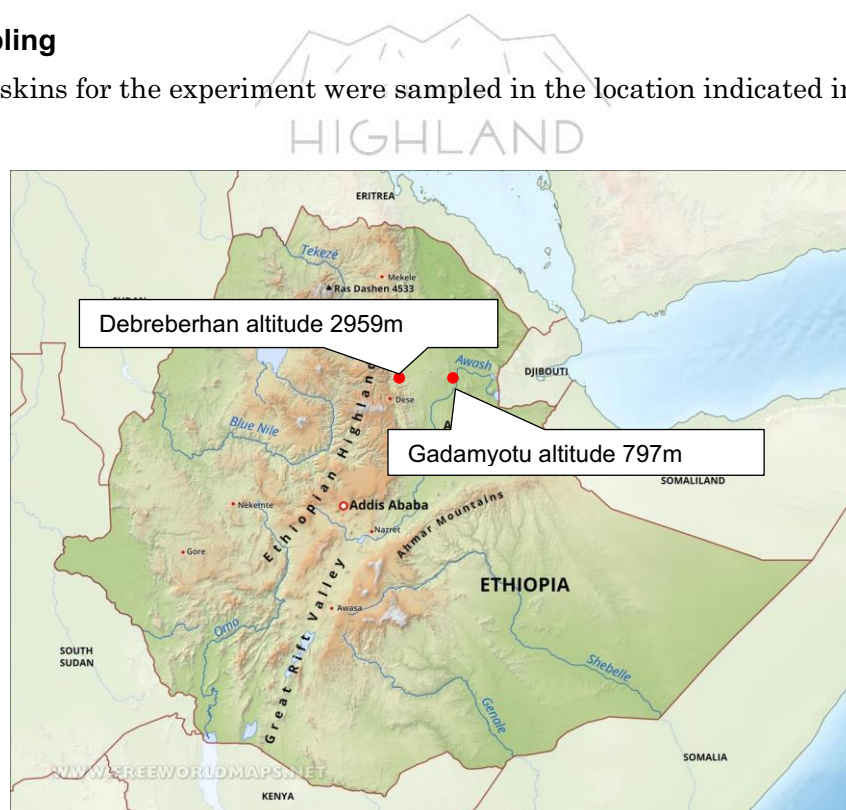


Figure 1: Sampling Points

¹ Professor, Institute of Leather and Scleroprotein, Agricultural Department, Tokyo University of Agriculture and Technology (TUAT)

² Lead Physical/Mechanical Testing Expert Testing and Research Laboratory /Co-MR, Quality Assurance Manager of EHL brand / Leather and Leather Products Research Council Secretary / Ethiopian Leather Industry Development Institute

Highland sheep skin

- Species: Menze
- Sex and age: Male (One years)
- Place: Debreberhan, about 250km from Addis in Amhara region
- Mainly feed on grass
- Marketing age: 6 months and above
- Debreberhan altitude is 2959m, LAT 9.38398/LON 39.33438
- DMS: 9°14'4.14"N/39°11'9.39"E
- Breeding environment: The sheep were raised by farmers on field.



Figure 2: Sampling of Highland Sheep

Lowland sheep skin

- Species: Wankae
- Sex and age: Male (1 years)
- Place: Gadamyotu about 350km from Addis in Afar region
- Mainly feed on grass
- Marketing age: 6 months and above
- Gedamyotu altitude is 797m, LAT 9.73624/LON 40.45683
- DMS: 9°3'46.2"N/40°12'3.33"E
- Breeding environment: The sheep were raised by farmers as member of a family in a small manger.



Figure 3: Sampling of Lowland Sheep

There was no normal slaughter house in the both site and the main slaughtering way was traditional. There were collection sites of skins with salt a common preservation technique. The slaughtering was implemented in Addis Ababa Kera Enterprise. The lowland sheep skins were brought to LIDI and preserved in a refrigerator for two days until the highland sheep were brought.

3. Sampling Method

Samples were then taken from the two sides (one for Ethiopia and one for Japan) of the back bone of one Wankae / Menze sheep skin from the head, belly and hip areas.

- 1) Cut three parts of the head, belly, and hip part
- 2) Cutting area: 10cm * 10cm
- 3) Cut hair
- 4) Cut quadrant
- 5) Dip two pieces in 30% ethanol solution
- 6) Dip two pieces in 18.5% formalin solution

4. Sample Processing Method

The samples were fixed with formaldehyde (Kashima Chemicals Co Ltd). Using the right half of a sheepskin, sampling was performed in 10 cm ×10cm square from 3 places of head, belly and hip. Wool, meat, and fat were removed as much as possible and soaked in 30% ethanol and 18.5% formaldehyde solution. After that, it shipped to Nomura's laboratory in TUAT by DHL.

5. Analytical Methods

Protein, mainly collagen from ethanol fixed samples was extracted with 4M guanidine

HCl containing protease inhibitors. Extracted samples were analyzed by SDS-PAGE. Formaldehyde fixed samples were hydrolyzed with 6N HCl, and were analyzed by amino acid analyzer.

Formaldehyde fixed samples were analyzed by electron microscopic observation in Tokyo Metropolitan Leather Technology Center, and were prepared of skin sample in Sapporo General Pathology Laboratory Co., Ltd . Hematoxylin-eosin (HE, general), Elastica van Gieson (elastin), Masson's trichrome (collagen), Alcian blue (glycosaminoglycan) stain was done.

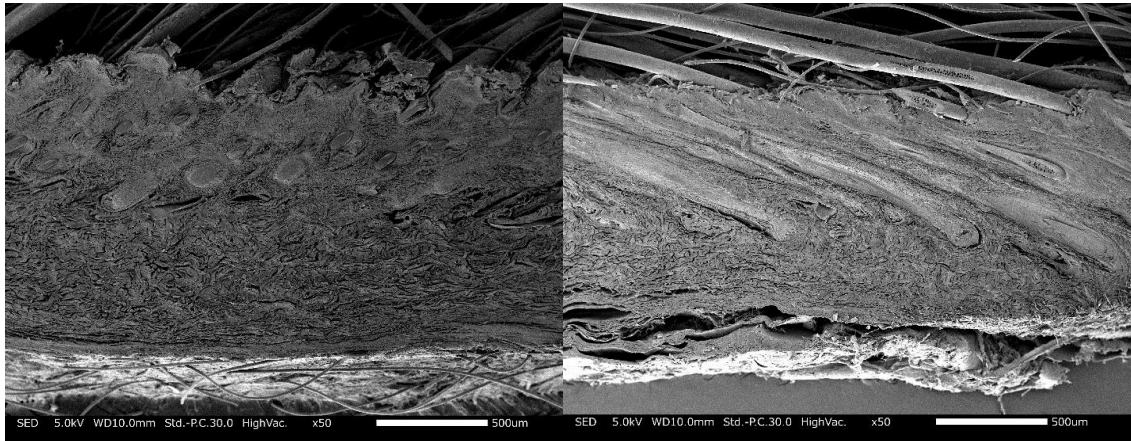
6. Results

1) Electron microscopic observation

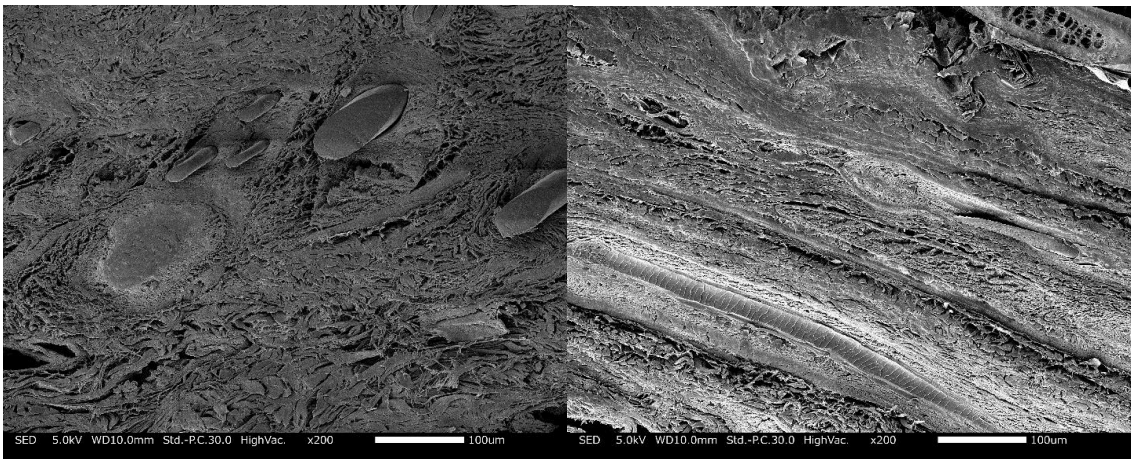
Electron microscopic observation of skin from highland and lowland sheep were shown in Figure 4 to 6.

Papillary layer and reticular layer from head, belly, and hip sheep skin were shown. In reticular layer, the density of collagen fiber from high land sheep skin is denser than that from low land sheep skin. Especially, the density of collagen fiber on hip position from high land sheep skin was denser.

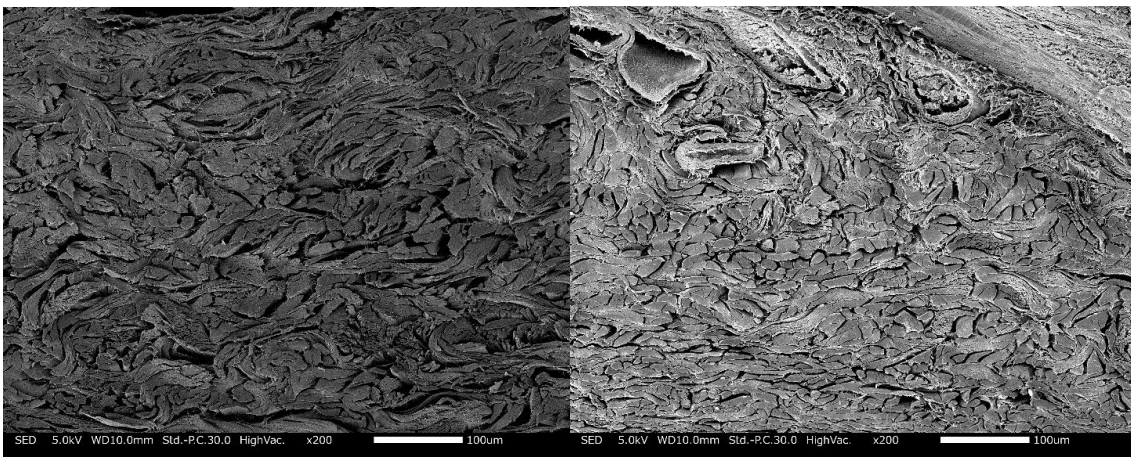




Overall

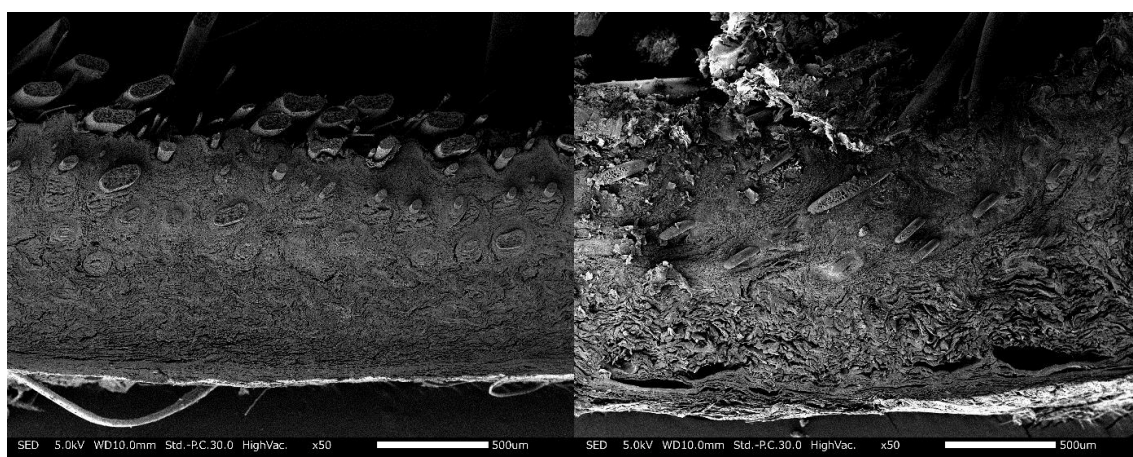


Papillary layer



Reticular layer

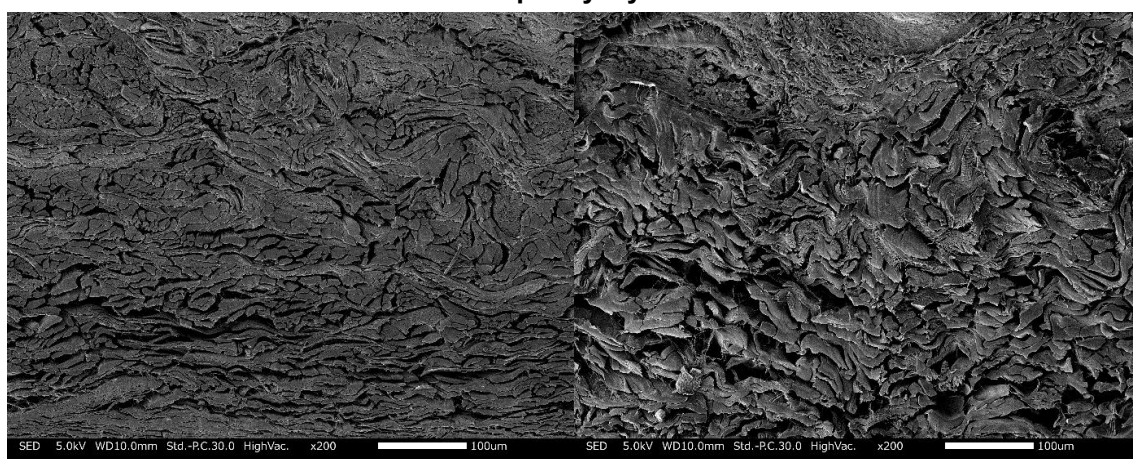
Figure 4: Scanning electron microscope image of Head area on sheepskin from Ethiopia (Left: Highland, Right: Lowland)



Overall

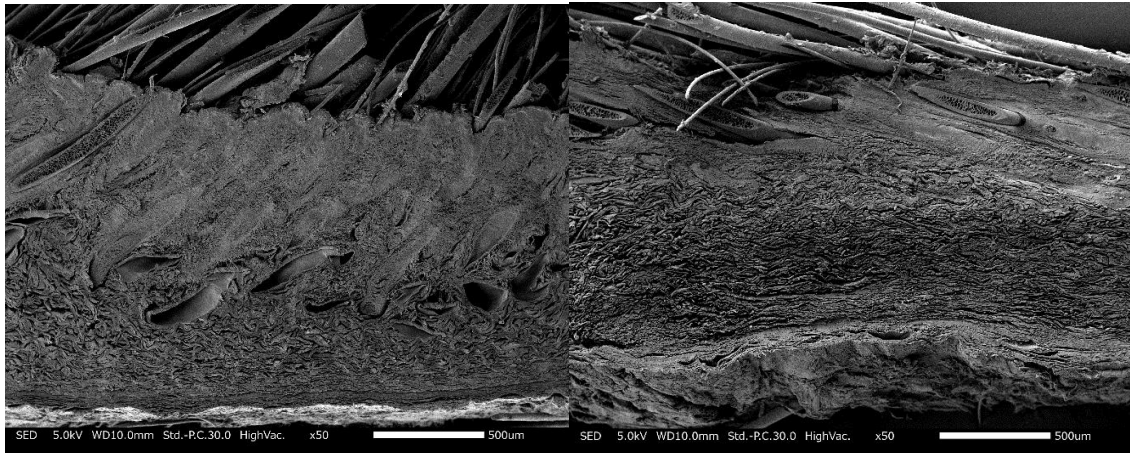


Papillary layer



Reticular layer

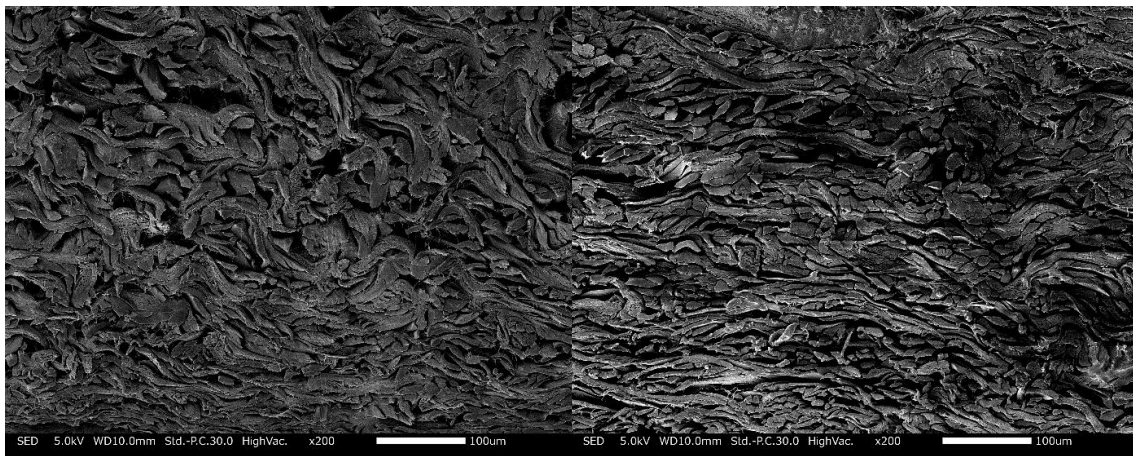
Figure 5: Scanning electron microscope image of belly area on sheepskin from Ethiopia (Left: Highland, Right: Lowland)



Overall



Papillary layer



Reticular layer

Figure 6: Scanning electron microscope image of hip area on sheepskin from Ethiopia (Left: Highland, Right: Lowland)

2) Skin tissue staining observation

In Fig. 7, skin tissue staining image were shown. HE staining was a general staining image. In hip, epidermis of highland sheep skin was thicker than that of lowland sheep skin. Elastica van Gieson stain, that is dark blue stain showed the elastin fibers in the dermis. Elastin fibers were spreading in dermis. In lowland sheep hip skin, elastin fiber were strongly stained than that of highland sheep hip skin. It is considered that lowland sheep have more activity than highland sheep. Masson's trichrome stain show the collagen fibers in dermis. The staining intensity of Masson's trichrome of lowland sheep skin was stronger than that of highland sheep skin. The collagen contents of lowland sheep skin was higher. Alcian blue stained glycosaminoglycan in the skin. The intensity of Alcian blue stain was weak at all sites. So, there was no difference.



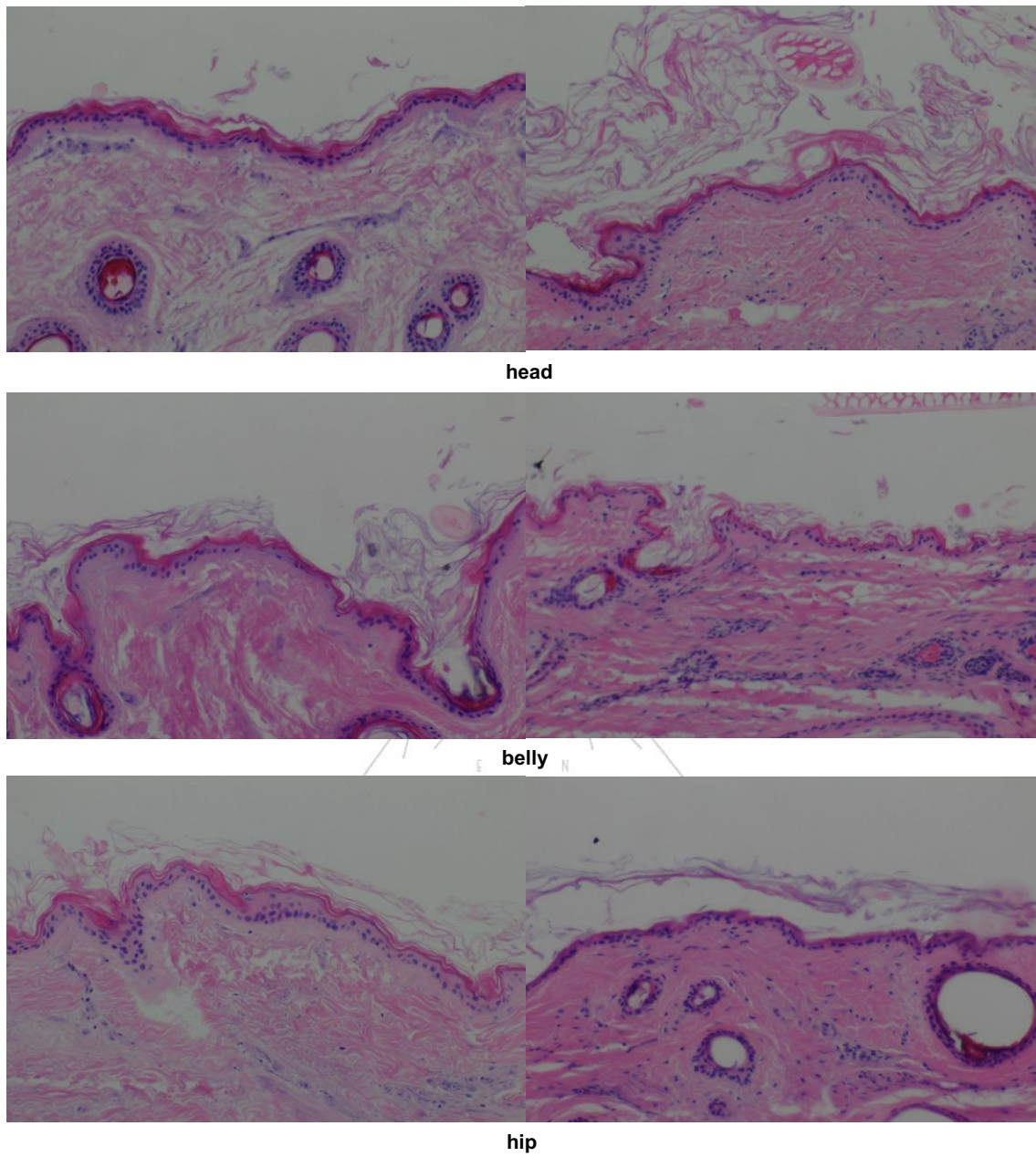
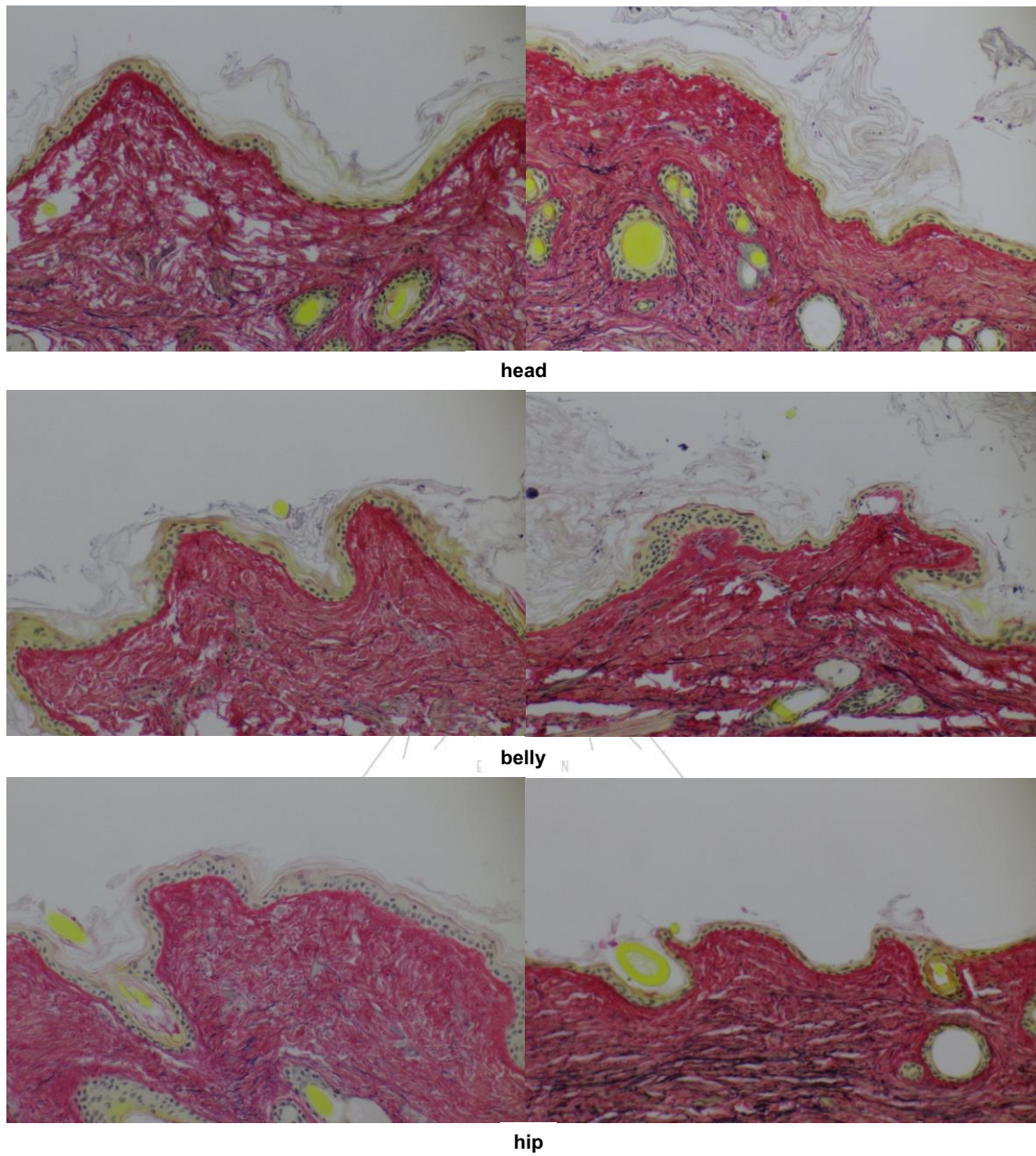
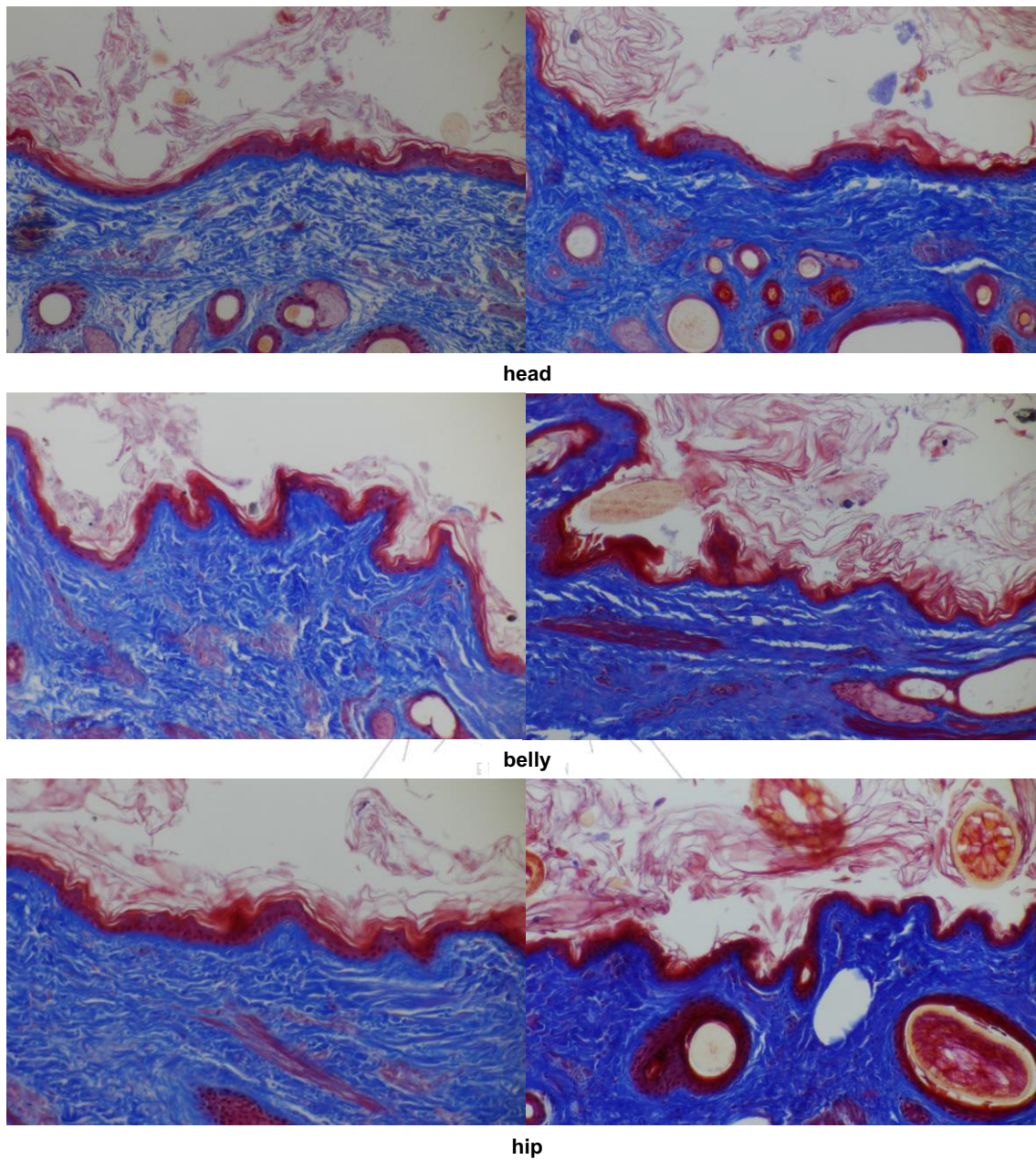


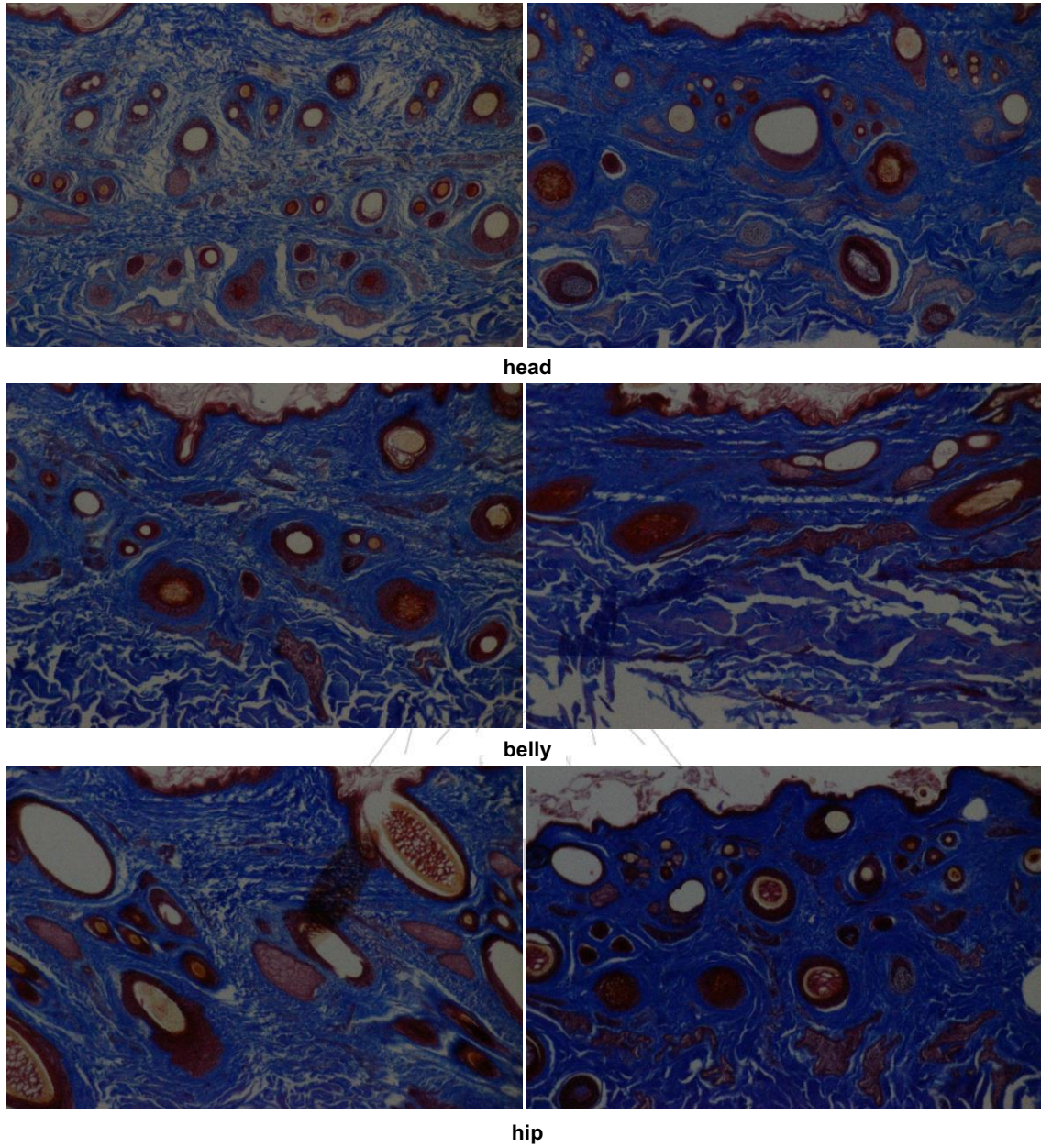
Figure7: Haematoxylin-eosin stained image of sheepskin from Ethiopia (×200)
(Left: Highland, Right: Lowland)



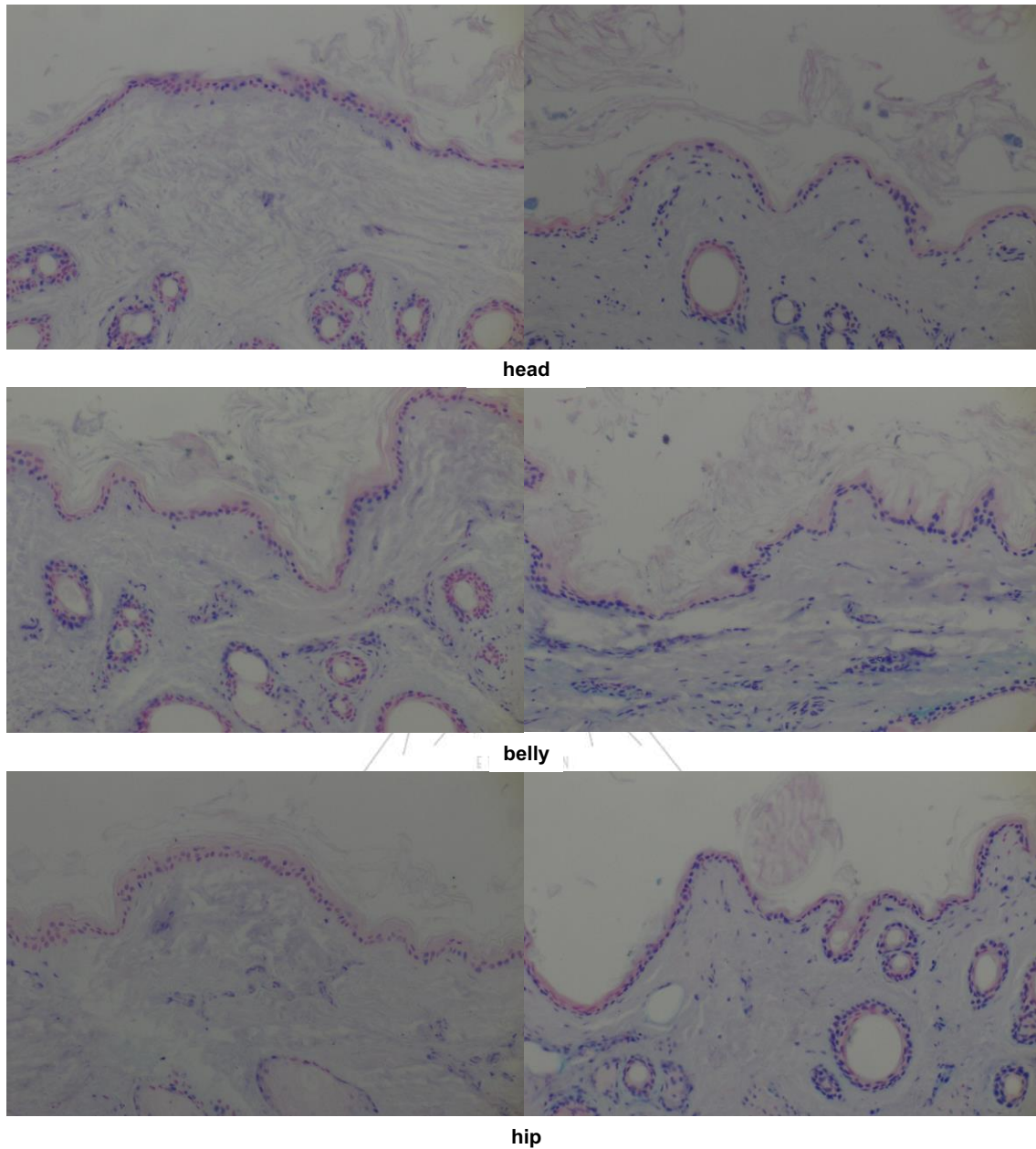
**Figure 8: a van Gieson stained image of sheepskin from Ethiopia (×200)
(Left: Highland, Right: Lowland)**



**Figure 9: Masson trichrome stained image of sheepskin from Ethiopia (×200)
(Left: Highland, Right: Lowland)**



**Figure 10: Masson trichrome stained image of sheepskin from Ethiopia (×100)
(Left: Highland, Right: Lowland)**



**Figure 11: Alcian blue stained image of sheepskin from Ethiopia (×200)
(Left: Highland, Right: Lowland)**

3) Amino acid composition

Amino acid composition of sheep skin were shown in Table 1. Hidroxyproline is the specific amino acid residue of collagen. The contents of hydroxyproline in lowland sheep hip skin was higher than that in highland sheep hip skin. It is considered that the contents of collagen in the lowland sheep hip skin was higher than that in highland sheep hip skin. The tendency was the same as Masson's trichrome stain.

Table 1: Amino acid composition of Ethiopian sheep skin (/1,000AA)

	Highland Sheep			Lowland Sheep		
	head	belly	hip	head	Belly	Hip
Asp	68.5	70.5	71.3	66.6	65.2	61.3
Glu	106.2	111.8	109.4	113.3	108.2	103.3
Hyp	104.7	100.9	95.5	93.5	105.3	117.8
Ser	39	29.7	37.7	29.5	42.6	35.3
Gly	193.1	198.6	178.2	198.5	189.8	201.9
His	8.1	3.1	8.7	0	4.5	5.9
Arg	71	62.4	67.7	68.7	62.9	66.4
Thr	32.1	28.3	34.3	32.1	34	29.1
Ala	72.5	82.6	71.5	83.1	71.5	76.3
Pro	121.7	129.2	118.2	131.2	123.4	130.8
Tyr	0.8	1.4	1.6	2.2	1.1	1.1
Val	32.2	33.9	37.8	33.6	35.3	30.5
Met	11.3	10.4	13.3	4.3	12.8	10
Cys	5.7	6.4	6.6	5.3	5.6	5.4
Ile	21.1	19.7	23.2	21.8	21.1	18.5
Leu	43	40.3	47.5	44.7	43.1	37.2
Hyl	9.9	10.6	10	10.3	10.5	10.8
Phe	24.8	23.9	28.3	24.5	26	23.1
Lys	34.5	36.4	39.3	37	37	35.3

4) SDS-PAGE pattern of collagen from highland and lowland sheep skin.

SDS-PAGE patterns of 4M GuHCl extracts from sheep skin was shown in Fig. 12. There were no difference.

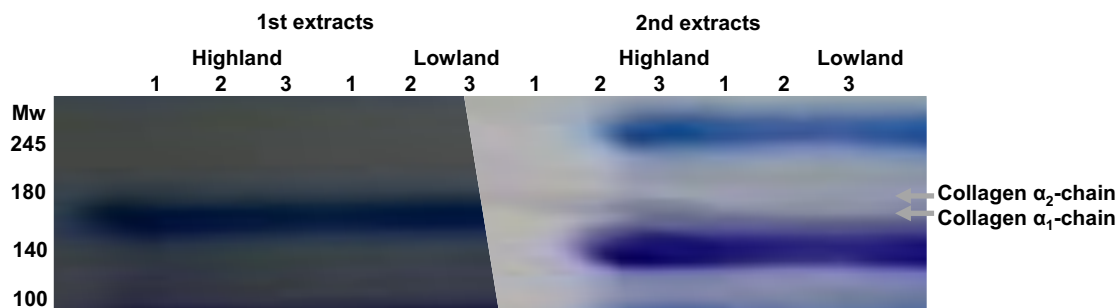


Figure 12: SDS-PAGE patterns of 4M GuHCl extracts from Ethiopian sheep skin

7. Discussion

In this report, morphological observation was done. It is interested in the point of reticular layer in hip skin. Collagen fiber was thinner and larger amount in lowland sheep hip skin. It is not clear the difference of collagen fibers in hip skin, for the species, geopolitics, breeding environment, etc. It is considered that the character of Ethiopian sheep leather has tensile strength in thin leather. It is important to study the tensile strength of slice thinly leather from soft tanning highland and lowland leather.

HIGHLAND
LEATHER

II. Physicochemical Property of Ethiopian Highland Sheep Leather in Comparison with South African and Indonesian Sheep Leathers

Takase K³, Aihara M², Terashima M², Nakamura Y⁴, and Nomura Y⁵

1. Purpose

In this report, we show the characterization of highland sheep leather in Ethiopia. Ethiopian sheep leather is famous as golf gloves with thin and physically strong. The physicochemical property of Ethiopian highland sheep leather was examined to compare that from other sheep leather. So in this study, raw hides from different origins (Ethiopia, Indonesia, and South Africa) were tanned in the same methods.

2. Materials and methods

Sheep skins from Ethiopia, Indonesia and South Africa were purchased ten pieces each from Tanner in Japan (FYSCO Co. Ltd). The five pieces each of 3 materials were split up 0.4 and 0.7 mm at crust condition.

The sample collection site is shown in the figure 13. Samples for physical property test were taken from the site specified by JIS K 6550⁶. For chemical test samples, the surrounding area of JIS K 6550 and the remnants subjected to the physical property test were used. Sample for electron microscopic observation, was used a part adjacent to JIS K 6550⁷.

³ Tokyo Metropolitan Leather Technology Center

⁴ TFL Japan

⁵ Tokyo University of Agriculture and Technology

⁶ The design of JIS K 6550 (Sample collection site) corresponds to ISO 2418:2002.

⁷ The design of JIS K 6550 (Sample collection site) corresponds to ISO 2419:2002.

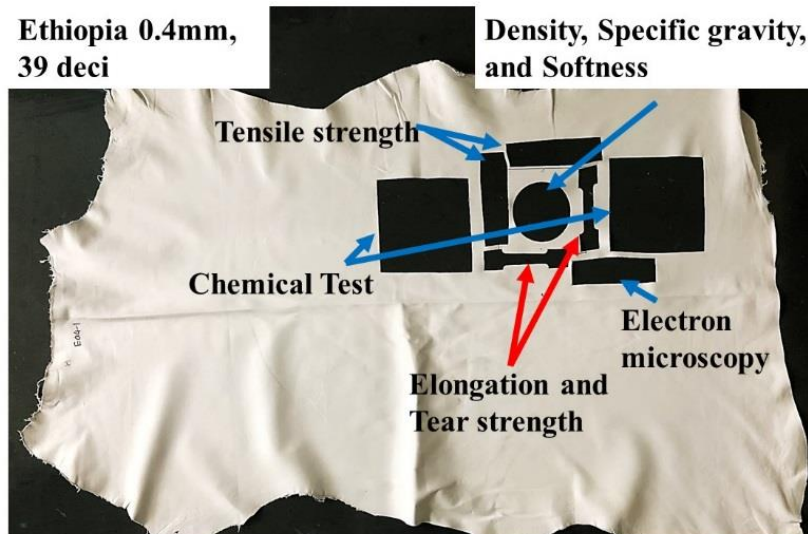


Figure 13: Sampling Method

1) Physical Test: Density, Specific gravity, Tensile strength, Elongation, Tear strength and Softness test

Density and Specific gravity were measured according to JIS K 6505⁸. The measurements of tensile strength, elongation and tear strength were measured using a universal material testing machine (5565 type testing machine manufactured by Instron Co.) according to JIS K 6550⁹. The softness test was measured by a softness tester (manufactured by BLC) based on ISO 17235: 2002 (IULTCS / IUP 36). The measurement was carried out by fixing the sample to a metal ring having a diameter of 20 mm.

2) Chemical Test: Volatile matter, Chromium content and Fat content.

Measurement of volatile matter, chromium content and fat content was carried out according to JIS K 6550¹⁰.

3) Electron microscope observation Test

The cross section of each sample was observed with scanning electron microscope JSM-IT300 (Nippon Denshi Co., Ltd.). For the measurement of the cross

⁸ The design of JIS K 6505 (measurements of density and specific gravity) corresponds to ISO 2589 and ISO 2402.

⁹ The design of JIS K 6550 (measurements of tensile strength, elongation and tear strength) corresponds to ISO 2402 and ISO 3377-1:2002(E).

¹⁰ The design of JIS K 6550 (measurement of volatile matter) corresponds to ISO 4684:2005. The design of JIS K 6550 (chromium content) corresponds to ISO 5398-1:2018(E). The design of JIS K 6550 (fat content) corresponds to ISO 4048:2008(E). In the extraction procedure, N-hexane was used instead of dichloromethane.

section of each samples in thicknesses of the papillary layer and the reticular layer, the captured image was analyzed using analysis software.

3. Result

The average size of each sample is shown in the Table 2. The unit is square decimeter (dm² : Square decimeter). South Africa leather tended to be larger than that from other areas (P <0.001).

Table 2: Area of leather from different origin

(± standard deviation)

	Ethiopia	Indonesia	South Africa
0.4mm	41.2±3.1	43.0±3.1	61.2±4.5*
0.7mm	45.0±4.5	37.8±1.9	75.0±8.2*

1) Density and Specific gravity

Density and Specific gravity is showed in Table 3. In 0.4mm leather, Ethiopia leather tended to have a higher density than other production areas (P <0.001). It is considered that the fibers of Ethiopia sheep skin may be dense in the papillary layer as compared to other production areas. Even at 0.7 mm, Ethiopia was shown to be more dense than South African and Indonesian (p <0.001).

Table 3: Specific gravity of leather from Ethiopia, Indonesia and South Africa

(± standard deviation)

	Ethiopia	Indonesia	South Africa
0.4mm	28±1.0*	26±1.4	26±1.2
0.7mm	44±1.4	38±1.9	46±2.6

Table 4: Apparent density of leather from Ethiopia, Indonesia and South Africa

(± standard deviation)

	Ethiopia	Indonesia	South Africa
0.4mm	0.62±0.04*	0.59±0.03	0.59±0.01
0.7mm	0.59±0.03*	0.49±0.01	0.54±0.02

2) Tensile strength

The results of tensile strength in each production area are shown in Table 4. At 0.4 mm leather, there was no significant difference in tensile strength between

Indonesian and South African ($p = 0.7$). Leather from Ethiopia was shown to be significantly stronger than any other origin ($p < 0.01$).

On the other hand, at 0.7 mm leather, the tensile strength from Indonesian product was significantly lower than that of other origin. It is interesting points that the tensile strength of South African leather has been decreased to about half, while that of Ethiopia leather was only about 20% lower. In other words, it is suggested that the tensile strength of Ethiopia leather is not likely to decrease even if it is made thinner. For the Indonesia leather, the change in tensile strength between 0.4 mm and 0.7 mm was not difference.

Table 4 Tensile strength of leather from Ethiopia, Indonesia and South Africa

(\pm standard deviation)

	Ethiopia	Indonesia	South Africa
0.4mm	28 \pm 8.3*	10 \pm 1.1	13 \pm 3.1
0.7mm	35 \pm 4.1	9 \pm 1.1	26 \pm 2.7

3) Elongation

The results of elongation are shown in Table 5. At 0.4 mm and 0.7 mm leather, the elongation from Indonesia leather was lower than the other production areas. There is no significant difference in elongation of leather from the production areas.

Table 5 Elongation of leather from Ethiopia, Indonesia and South Africa

(\pm standard deviation)

	Ethiopia	Indonesia	South Africa
0.4mm	72 \pm 5.3	48 \pm 3.9	65 \pm 6.1
0.7mm	76 \pm 4.4	58 \pm 5.2	74 \pm 5.7

4) Tear strength

The results of tear strength are shown in Table 6. At Indonesia leather, the tear strength was significantly smaller in both 0.4 mm and 0.7 mm compared to other production areas. The change in tear strength at 0.4 mm and 0.7 mm was confirmed, whereas Ethiopia leather decreased by about 16% (P value = 0.28), while that from South Africa leather was decreased by about 29% (P value = 0.0025). From these results, it was shown that the tear strength of Ethiopia leather is not decreased even if it is made thin.

Table 6 Tear strength of leather from Ethiopia, Indonesia and South Africa

(\pm standard deviation)

	Ethiopia	Indonesia	South Africa
0.4mm	32 \pm 6.8	7 \pm 1.3	30 \pm 3.8
0.7mm	38 \pm 2.8	10 \pm 1.7	41 \pm 3.9

5) Softness

Softness of leather from Ethiopia, Indonesia and South Africa is shown in Table 7. In both 0.4 mm and 0.7 mm leather, Ethiopian leather is inferior in flexibility compared to other production areas.

Table 7 Softness of leather from Ethiopia, Indonesia and South Africa

(\pm standard deviation)

	Ethiopia	Indonesia	South Africa
0.4mm	9.9 \pm 0.4	10.7 \pm 0.2	11.1 \pm 0.1
0.7mm	7.8 \pm 0.5	9.6 \pm 0.4	10.2 \pm 0.4

6) Chemical analysis

Chromium and fat content is showed in Table 8 and 9. There is no significant difference of leather from Ethiopia, Indonesia and South Africa

Table 8 Chromium content of leather from Ethiopia, Indonesia and South Africa

	Ethiopia	Indonesia	South Africa
0.4mm	2.9	2.5	3.5
0.7mm	2.8	2.5	3.7

Table 9 Fat content of leather from Ethiopia, Indonesia and South Africa

	Ethiopia	Indonesia	South Africa
0.4mm	10.6	9.1	14.2
0.7mm	8.9	7.6	11.6

7) Observation with scanning electron microscopy

The ratio of the papillary layer and the reticular layer of leather are shown in Table 10. In both 0.4 mm and 0.7 mm leather, the proportion of reticular layers in Ethiopia leather tended to be larger than that in South Africa. Indonesia leather was cut off the reticular layer.

Table 10 Ratio of the papillary layer and the reticulated layer of leather from Ethiopia, Indonesia and South Africa

(papillary/reticular layer)	Ethiopia	Indonesia	South Africa
0.4mm	60/40	100/0	68/32
0.7mm	46/54	100/0	48/52

Based on this result, the relationship between the ratio of the reticular layer and the tensile strength was investigated. In Indonesia leather, since there were only papilla layers at 0.4 mm and 0.7 mm, they were excluded from statistical treatment. For the 0.4 mm leather from Ethiopia, the correlation between the ratio of the reticular layer and the tensile strength was calculated. There is correlation between the reticular layer and the tensile strength, extremely strong correlation with $R^2 = 0.91$. That is, the tensile strength tended to become stronger as the ratio of the reticular layer became larger. Other cases were similar. The tensile strength of Indonesian leather was weak compared to other production areas, probably because there was not enough reticular layer.

Ethiopia 0.4mm

	Ratio of reticular layer	Tensile strength (MPa)
1	0.4459	27.31
2	0.3088	18.82
3	0.2586	21.44
4	0.6158	32.75
Ave	0.4037	28.438

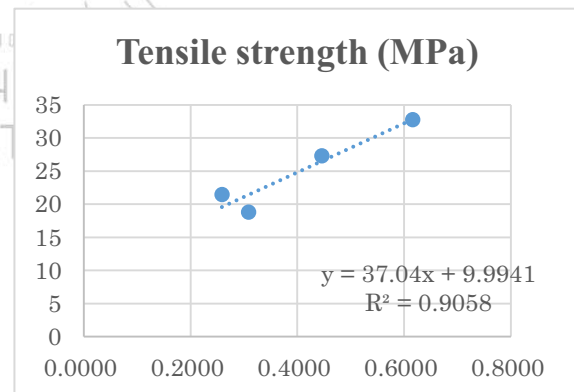


Figure 14: Correlation between ratio of reticular layer and the tensile strength (Ethiopian sheep leather 0.4mm)

In the figure 15, the ordinate represents the tensile strength (MPa), and the abscissa represents the ratio of the reticular layer.

Ethiopia 0.7mm

	Ratio of reticular layer	Tensile strength (MPa)
1	0.5421	36.03
2	0.5848	41.95
3	0.2862	28.96
4	0.4354	34.89
5	0.4354	35.20
Ave	0.4568	35.406

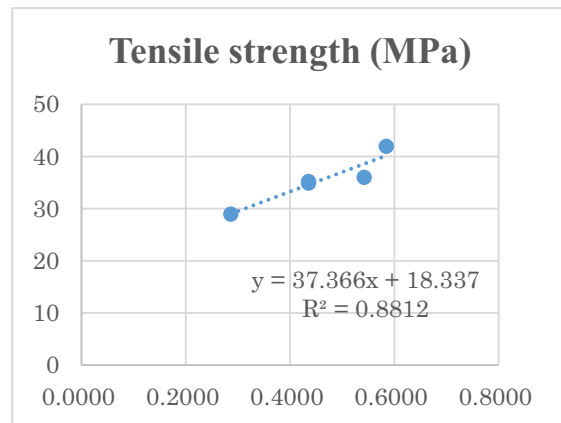


Figure 15: Correlation between ratio of reticular layer and the tensile strength (Ethiopian sheep leather 0.7mm)

South Africa 0.4mm

	Ratio of reticular layer	Tensile strength (MPa)
1	0.2339	12.42
2	0.3971	12.95
3	0.2173	12.38
4	0.2041	10.23
5	0.5415	19.36
Ave	0.3188	13.468

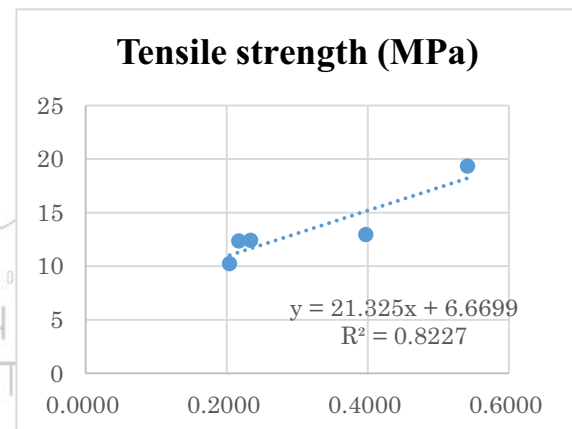


Figure 16: Correlation between ratio of reticular layer and the tensile strength (South African sheep leather 0.4 mm)

South Africa 0.7mm

	Ratio of reticular layer	Tensile strength (MPa)
1	0.5341	30.35
2	0.4230	24.26
3	0.4643	24.79
4	0.5323	28.59
5	0.4465	23.47
Ave	0.4801	26.292

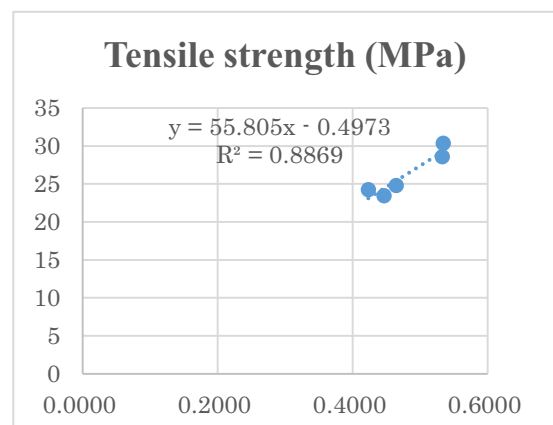
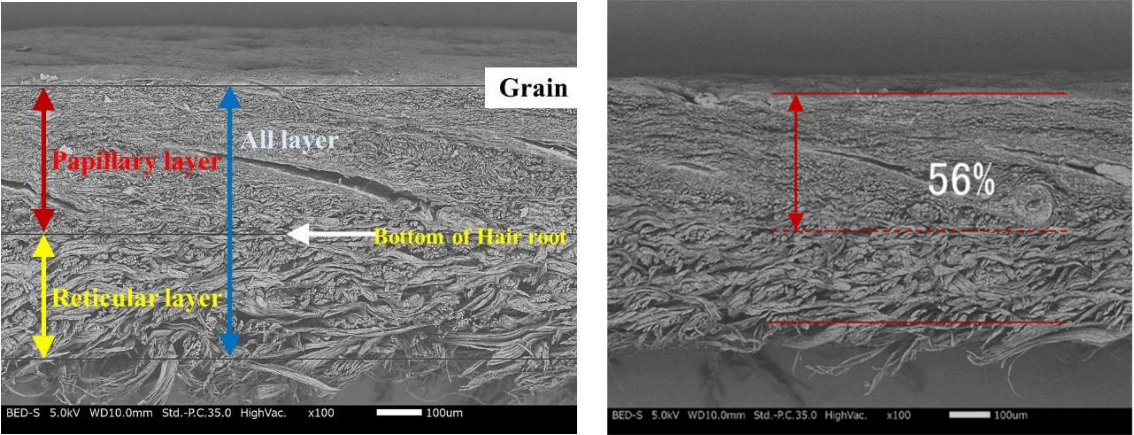
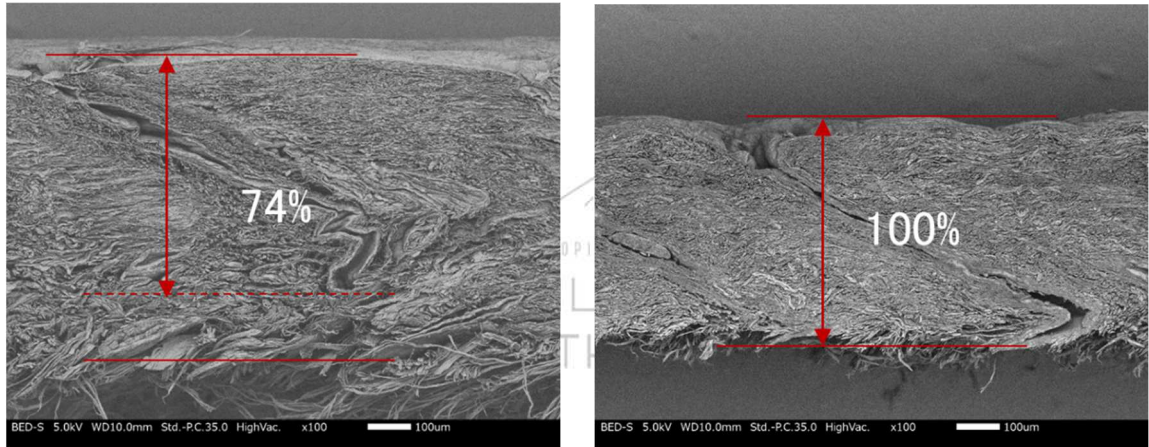


Figure 17: Correlation between ratio of reticular layer and the tensile strength (South African sheep leather 0.7 mm)

The photograph shows the state of the cross section of each production area and the measurement result of the papillary layer.



Ethiopian leather



South African leather

Indonesian Leather

Figure 18: Cross sectional image of sheep leather with scanning electron microscope

end