

Lessons Learned on Potential “Champion Products”

Team Ethiopia

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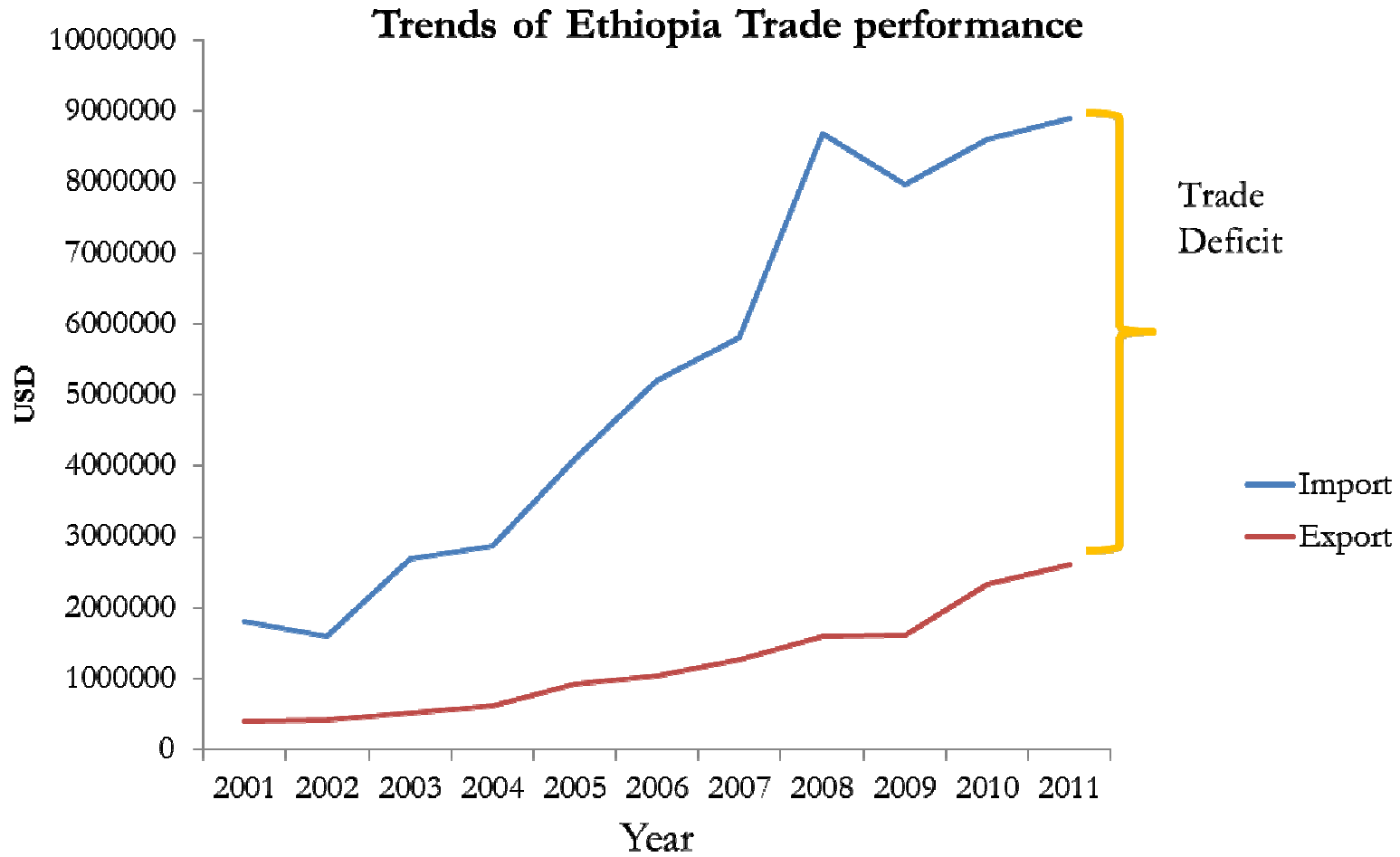
I. Background

II. Some Examples on Potential Champion Products

III. Lessons learned

IV. Conclusion

I. Background



Source: International Trade Centre

I. Background

Con't...

- The way medias depict the image of a country!
- The way consumers perceive the image of a country!
 - Has a positive or negative implication on what a country produce & trade!
- A country image matter for Export performance!
- How is Ethiopia's image portrayed... ?

I. Background

Con't...

- How “Champion Products” are related to country image.
- Examples:
 - Japan → High Quality Manufacture Products;
 - Italy and Germany → Durable Engineering Products;
 - Holland → Flowers (roses);
 - Bangladesh → Good Textile Products;
 - Colombia and Mexico → ????
- Back again:
 - How is Ethiopia’s image portrayed... ?

I. Background

Con't...

Which Ethiopia?



I. Background

Con't...

Background of Preliminary Survey

- In middle of May 2012 a preliminary survey team headed by H.E. Mr. Suburo Yuzawa arrived in Ethiopia from Japan.
- With the new strategy to Ethiopia in search of “Champion Product”.
 - To look for a potential Ethiopian product that can enhance the image of the country.
 - To help the promotion of Ethiopia's Export.
 - To find way in which the Ethiopian product enter in premium-market.
- Purpose:
 - To share lessons we (Ethiopian team) have learned engaging with the Japanese team and experience of some companies, which are producing potential “Champion Products”.

I. Background

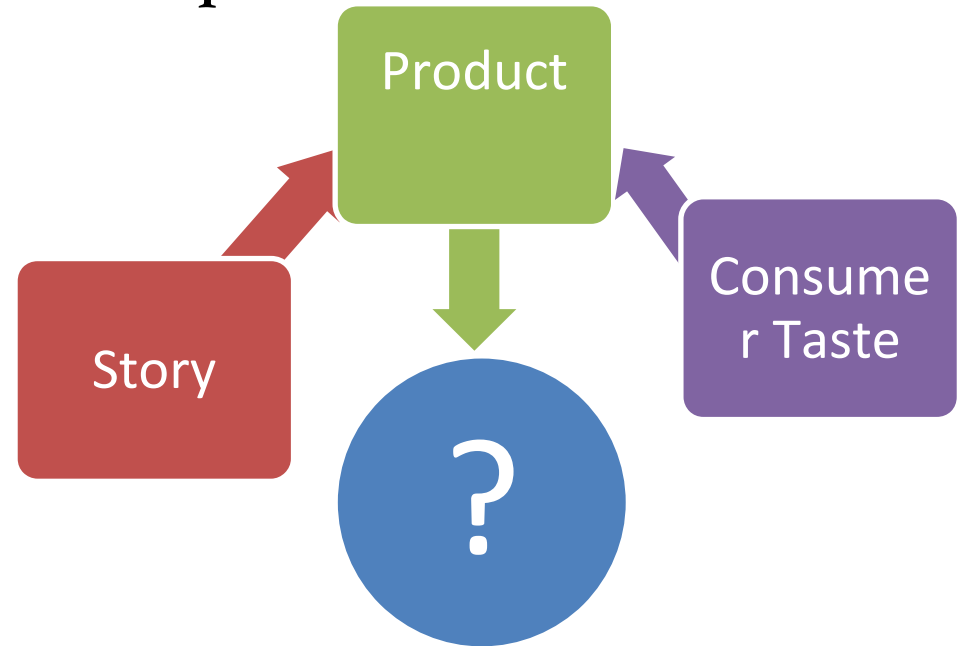
Con't...

The issues need to be flagged

How does “Champion Product”:

- enhance a country image?
- promote country’s export?
- enter in the premium market?

Aspects of the Solution



Unique & Best one product

What peculiar characteristics that “Champion Product” need to comprise?

II. Potential “Champion Products”

1. AGRO-PROCESSING

2. TEXTILE

3. LEATHER

1. Why Agro-processing?

- Main priority area in the GTP.
- An improvement in the sector:
 - Improve over 80% population who stayed mainly in agriculture (value-chain).
 - Contribute significantly to the economy, at large.
- Ethiopia has so many products in this sector that can produce to outshine other competitors. For instance,
 - Coffee (origin);
 - Honey (unique types),
 - Sesame (high quality), etc.

1. AGRO-PROCESSING

Example 1

Oromia Coffee Farmers Cooperative Union

- Supplies *high quality coffee Arabica*.
- *Organic* certified and provides organic coffee.
- Ensures *traceability* of its products.
- Pursues *fair trade* to fulfill its social responsibilities.
- On the process to *start value added* coffee products.



1. AGRO-PROCESSING

Example 2

To. Mo. Ca. Coffee

- Long history of coffee roasting:
 - Five **unique roasting techniques**.
 - **Adjusts** roasting techniques on **demand**.
- Entered in **the premium markets** of North America, Europe, Middle East, Japan and Australia.
- Prepared **different Packaging** for different consumers.
- Preparing **coffee related** product (**Coffee Candy**) that was completely absent in Ethiopia.



1. AGRO-PROCESSING

Example 3

Beza Mar Agro Industry

- Certified **organic honey** producer.
- Provides **unique honey** from different regions. For example,
 - Lalibela, Zequala, & Sekota: **White and grainy honey** due to the *labiate* flora.
 - Southern Ethiopia: **Coffee honey**.
 - Bedele & Bale: **Wild forest honey**.
- Processing Ethiopian unique **Teji (honey wine)** for export.

White honey



Teji

1. AGRO-PROCESSING

Example 4

Ecological Products of Ethiopia (ECOPIA)

- Produces High quality:
 - Organic food & beverages.
 - Natural cosmetics, etc.
- Ensures **traceability** to all its products.
- Labels nutrient contents of all products.
- **Demand oriented**: health conscious.
- Pursues **fair trade**.
- Supplies different varieties of **organic fruit jams**, **sun-dried vegetables**, etc.
- Has different and good quality **packaging**.



Fruit wine



Fruit Jams



Dried fruit

1. AGRO-PROCESSING

Example 5

Ethio Agri-CEFT Plc.

- Processes **unique products** from a plant called Endod.
- Often referred as ‘**African Soapberry**’.
- Ethiopian **Scientist Aklilu Lemma** discovered the **medicinal & bio-pesticides** values of Endod.
 - Control **Schistosomiasis**: killer diseases & endemic to 76 tropical African, Latina America and Asia countries.
 - Control **zebra mussels**: infests water intake pipes.



Endod plant



Infested pipes

1. AGRO-PROCESSING

Example 6

Selet Hulling PLC

- Produces **high-quality Humera sesame**.
- Certified: **HACCP, ISO 22000 and Organic**.
- Grants **100% traceability** of its product.
- Pursues **fair trade** in fulfilling social responsibilities.
- Has negligible **environmental pollution**.
- Prepared to produce **value added** products.
- Enjoys a **high premium price** in Japan & EU, etc.
- Dedicates to **sustain supply** of its product.



**FARM
HUMERA**



**HULLED
SESAME**



**JAS, EU, NOP
CERTIFIED**

1. AGRO-PROCESSING

Other Potential “Champion Products” =Teff

- Ethiopian’s for century have been cultivating *Teff* selectively.
- Discovered that it is **gluten-free diet that does not irritate celiac disease**. For instance, in USA about 1 in 133 people are suffering from this disease (source: Fasano *et al.*, 2003).
- Ordinary Ethiopian quality ranks:
 - *Manga (high quality white teff)*;
 - *Nech teff(white teff)*;
 - *Sergenga (white mixed with black teff)*;
 - *Tikur (black teff)*.



Soup



Bread



Cake

2. Why Textile?

- It is one of the focus sector in the GTP.
- Country has untapped potential in sector due to:
 - Cheap labor, power and land.
 - The comparative advantage if it can use AGOA, etc.
 - Unique way of traditional designs making clothes for century.

2. TEXTILE

Example 1

MUYA Ethiopia Plc.

- Makes use of **traditional Ethiopian artisan knowledge** to penetrate a high-end market.
- Produces unique products **embedded in the culture** of Ethiopian society.
- Entered in high-end markets, such as **in New York, Tokyo, Athens, Vienna and Zurich.**
- Sole supplier of one of the most renown brand-
- and **“lemlem”** in by Ethiopian supermodel Liya Kebede.



2. TEXTILE

Example 2

Sabahar Plc.

- Makes a story of Ethiopian legend **Queen of Sheba**.
- Produces pure **organic** silk products & silk blended with Ethiopian cotton.
- Uses long history of **tradition Ethiopian weaving style**.
- Produces **naturally dyed** plant (e.g. uses Ethiopian unique flower (Adye Abeba/meskel flower/
- Fulfilling **social responsibilities**.
- Currently it is selling its products in more than 14 countries in the world.



3. Why Leather?

- Identified as priority sector in the GTP.
- Ethiopia is endowed with a huge cattle population.
- Has unique and high-quality (highland) sheep skin, which is an uncommon in the rest of the world.
- Cheap labor and can easily be trained.

3. LEATHER

Example 1

SoleRebels

- Ethiopian **artisan heritages** blended with **modern design tests**.
- Provides **customer taste designs**.
- **Global consumer brand** from Africa
- ‘**Made in Ethiopia**’ tagged products.
- The CEO awarded as **Social Entrepreneur of the Year** (in 2012) at World Economic Forum.
- Pursues **fair trade** in fulfilling social responsibilities.



sandals



\$60



\$65



III. Lesson Learned

- Peculiarly characteristics of companies producing potential “Champion Products”:
 - ✓ Produce **demand-oriented** (consumer based) products;
 - ✓ Produce **organic products**;
 - ✓ Ensure **traceability** of their products;
 - ✓ Introduce **Ethiopian Unique way of doing**(e.g. artisan knowledge);
 - ✓ Indicate **Ethiopia as the source** of the resource/product.
 - ✓ Grant **sustainability** of product supply.

IV. Conclusion

Adopting ‘Champion Product’ as one of export promotion strategies of Ethiopia can play indispensable role to:

- ✓ Enhance Ethiopia’s image;
- ✓ Help products to enter in the premium-market;
- ✓ Help narrow its trade deficit.

Thank You!