

Export Promotion in Ethiopia

Where Do We Go from Here?



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Addis Ababa, August 2012

Where We Are

- ❑ Ethiopia has promoted exports with incentives, intensive policy support, Export Steering Committee, etc.—results are visible but still small.
- ❑ In 2011, National Coordination Committee was set up under DPM Hailemariam to reinforce action.
- ❑ GRIPS emphasized integrated & customer-oriented export policy with broader policy menu.
- ❑ JICA explained its various export promotion tools.
- ❑ Mr. Yuzawa reviewed lessons from JETRO & Egypt.
- ❑ Recently, Ethiopia & Japan jointly identified some possible champion products.

Remaining Issues for Thought

1. Identification of potential products and markets:
the role of government vs. the private sector
2. Implementation mechanism of the Ethiopian
government
3. Japanese cooperation

1. Government vs. Private Initiative

- Government can and should lead businesses, but firms are the ones that invest money & take risks.
- We need to seriously consider:
 - How to involve and activate Ethiopian producers and exporters more.
 - How to mobilize foreign (Japanese) buyers, trading companies, producers.
 - How much should government lead, and where private initiative should take over, in the local context of Ethiopia (eg. current levels of private dynamism and policy capability).

Policy Possibilities: Seeking Balance

1. *No official selection of product*—create a general support mechanism so any eligible (or “pioneer”) firm can bid and compete for it (Rodrik’s “self-discovery”, matching grants, challenge funds, etc.)
2. *Government should study and select*—it should choose products from in-depth study on business needs & feasibility, then offer support measures (LL→ML→SL, “picking winners”).
3. *Government should guide but not choose*—policy direction and a list of targeted sectors should be given based on in-depth study; within this criteria and framework, firms are encouraged to propose concrete products and compete for support.

2. Implementation Mechanism

- ❑ The current action mechanism (NCC) is new. Its operation should continue to be evaluated; any identified weaknesses should be worked on.
 - Leading person/organization (in substance)?
 - Good coordination among MoFA & Ethiopian embassies, MoT, MoI, MoARD, etc?
 - Lack of staff, budget & experience?
- ❑ Ethiopia has no specialized export promotion agency; it is not yet ready for MATRADE now (PM Meles: “strengthening EIA first”).
- ❑ Sectoral & micro data analysis?

3. Japanese Cooperation

- ❑ After 2 HLF sessions, general awareness and preliminary survey may now be over. We need to move to the action stage and produce results (if Ethiopia and Japan are both willing).
- ❑ For export promotion, Japanese cooperation should also shift from policy dialogue mode (HLFs) to project mode (like kaizen support).
- ❑ Can JICA initiate a new cooperation program? Can JICA & JETRO work together effectively for this? Can we link this to TICAD V?
- ❑ Should Japan assist up to creation of concrete champion products, or assist only in HRD & institution-building (leaving final outcome to Ethiopian effort)?