Lessons Learned on Potential “Champion Products”

Team Ethiopia

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I. Background

Trends of Ethiopia Trade performance

Source: International Trade Centre
I. Background

- 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

- 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

Which Ethiopia?
I. Background

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”.

Con’t…
I. Background

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.
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.
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.
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.
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).
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-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.
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!