TICAD IV Follow-up Initiatives Program for African Products to Enter the Japanese Market: Results of Evaluation Service for African Products

Development Cooperation Division
Trade and Economic Cooperation Department
Japan External Trade Organization (JETRO)
Evaluation Service Implementation

Workflow

- Embassies in Tokyo
  11 countries, 142 products

- Japanese diplomatic missions abroad (MOFA)
  1 country, 10 products

- JETRO overseas offices
  16 countries, 240 products

Submission of samples

TICAD IV Follow-up Initiatives, Program for African Products to Enter the Japanese Market, Evaluation Service for African Products
April 16, 2009 (Thursday) 9:30 – 17:30, and April 17, 2009 (Friday) 9:30 – 16:00
Sixteen experts evaluated 392 products submitted by 22 countries

Collection of individual reports
Compilation of general report

Meeting to Report Results of Evaluation Service
## Breakdown of Submitted Samples by Country (1)

<table>
<thead>
<tr>
<th>Country name</th>
<th>Submitted product samples</th>
<th>Number of products</th>
<th>Route</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>Cassava flour, salt, nuts, soybeans, dried fruits, coconut cereal, coffee, shea butter, cotton, children's clothing</td>
<td>10</td>
<td>E, J</td>
</tr>
<tr>
<td>Botswana</td>
<td>Dried fruits, baskets, key chains, accessories, figurines made of ostrich eggshells, candles</td>
<td>10</td>
<td>E</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>Dried fruits, hibiscus, nuts, confectionery (toffee)</td>
<td>7</td>
<td>J</td>
</tr>
<tr>
<td>Cameroon</td>
<td>Dried fruits, ginger powder</td>
<td>7</td>
<td>E</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>Liqueurs, chocolate, coffee</td>
<td>9</td>
<td>J</td>
</tr>
<tr>
<td>Egypt</td>
<td>Herbal tea, spices, frozen vegetables and fruits, jam, juice, oil, glass crafts, towels, ceramic tiles</td>
<td>68</td>
<td>E, J</td>
</tr>
<tr>
<td>Eritrea</td>
<td>Stone materials for construction purposes (marble, granite)</td>
<td>1</td>
<td>E</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Sesame, coffee, shoes</td>
<td>4</td>
<td>E, J</td>
</tr>
<tr>
<td>Ghana</td>
<td>Dried fruits, spices (grains of paradise), shea butter products, masks, art pieces, drums, accessories, apparel, cummerbunds, fabrics</td>
<td>47</td>
<td>E, J</td>
</tr>
<tr>
<td>Kenya</td>
<td>Jam, spices, oil, black tea, essential oils, shea butter products, soap, skin lotion, accessories</td>
<td>63</td>
<td>J</td>
</tr>
<tr>
<td>Malawi</td>
<td>Macadamia nuts, oil, honey, cassava flour, black tea, coffee, soybeans, pigeon beans, rice, soap, handmade paper, canes, baskets</td>
<td>16</td>
<td>E, J</td>
</tr>
</tbody>
</table>

*E: Submitted via Embassy, J: Collected by JETRO overseas office*
Breakdown of Submitted Samples by Country (2)

<table>
<thead>
<tr>
<th>Country name</th>
<th>Submitted product samples</th>
<th>Number of products</th>
<th>Route</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mali</td>
<td>Dried fruits (mango), cotton</td>
<td>2</td>
<td>J</td>
</tr>
<tr>
<td>Mauritius</td>
<td>Canned tuna fish, curry powder, jam, beauty essence, suits, shirts and other garments</td>
<td>10</td>
<td>E</td>
</tr>
<tr>
<td>Namibia</td>
<td>Devil’s Claw Root powder</td>
<td>1</td>
<td>J</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Cassava flour, shea butter products, indigo dye and other dyes</td>
<td>12</td>
<td>J</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Black tea, coffee, baskets, accessories, folk art pieces</td>
<td>13</td>
<td>E</td>
</tr>
<tr>
<td>Senegal</td>
<td>Hibiscus, herbal tea, spices, jam, honey, baobab powder, shea butter products, oil, milky lotion, soap, cotton, coffee</td>
<td>49</td>
<td>J</td>
</tr>
<tr>
<td>South Africa</td>
<td>Rooibos tea, wine, fruit bars, kigelia products, masks, carved wooden objects</td>
<td>16</td>
<td>E, J</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Black tea, spices, herbs, vanilla, cacao, sesame, organic cotton</td>
<td>14</td>
<td>J</td>
</tr>
<tr>
<td>Uganda</td>
<td>Dried fruits, vanilla beans, hibiscus oil</td>
<td>24</td>
<td>J</td>
</tr>
<tr>
<td>Zambia</td>
<td>Organic honey, bees wax, peanuts</td>
<td>3</td>
<td>J</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Macadamia nuts, black tea, juice, tomato sauce, batik</td>
<td>6</td>
<td>E</td>
</tr>
</tbody>
</table>

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Overall Evaluation

**Strengths**

- Materials and ingredients that are unusual in Japan, developed on the basis of a diverse natural environment
- Africa’s unique history and appealing product background information

=> Emphasize these features to differentiate African products from products manufactured in other regions

**Challenges**

- Strengthening of product quality and safety
- The existence of rival products manufactured in other regions

=> Understand the specific characteristics of the Japanese market and improve product competitiveness in both quality and price

【Level of weighted average values】
- Great potential: 90 points
- Some potential: 60 points
- Not much potential: 60 points
- No potential: 0 points

Weighted average: 57 points
Food Sector (219 Products)

- Great potential: 32 votes (7%)
- Some potential: 311 votes (70%)
- Not much potential: 83 votes (19%)
- No potential: 18 votes (4%)

【Product aspects that were good】

- **Novelty**
  - Ingredients unfamiliar in the Japanese market (baobab, jackfruit, and marula)

- **Natural ingredients**
  - Matches the trend towards natural products

【Product aspects that need to be improved】

- **Safety and reliability**
  - Component analysis tables and other documents are a must

- **Rival products**
  - It is necessary to enhance price competitiveness and differentiate from Asian products

Weighted average: 54 points
Great potential: 7 votes (10%)

Some potential: 48 votes (65%)

Not much potential: 19 votes (26%)

No potential: 0 votes (0%)

【Potential/Challenge in the Japanese market】

Natural ingredients
- Organic additive-free dried fruits are popular among female consumers

Novelty
- Ingredients indigenous to Africa (jackfruit, marula)

【Product aspects that need to be improved】

Organic certification
- Acquisition of organic certification will improve competitiveness

Size and firmness
- Emphasis on ease of consumption

Packaging
- Packaging that will preserve fragrance, flavor and texture
Food Sector
b. Herbs, Spices, and Herbal Tea (74 Products)

- Great potential: 11 votes (6%)
- Some potential: 141 votes (81%)
- Not much potential: 23 votes (13%)
- No potential: 0 votes (0%)

Weighted average: 58 points

【Potential/Challenge in the Japanese market】
Market expansion
- The market for herbal tea is expanding each year

【Product aspects that need to be improved】
- Organic certification
  - Obtaining organic certification will secure traceability and provide additional value
- Packaging
  - Packaging that preserves fragrance and prevents tea leaves from spilling
- Level of recognition
  - Highlight products’ indications and effects and provide interesting product stories
Potential/Challenge in the Japanese market

| Novelty            | Many ingredients are novel to Japanese consumers |

Product aspects that need to be improved

| Flavor                  | Jam products with low sugar content prevail in the Japanese market
|                         | It is necessary to adjust the pectin content and acidity |
| Packaging               | Should reflect the palatability and characteristics of products |
| Level of recognition    | Introduction of ingredients and examples of how the product may be eaten |
Potential/Challenge in the Japanese market

<table>
<thead>
<tr>
<th>Natural ingredients</th>
<th>• Match the trend towards healthy and natural foods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>• Texture and size are just right</td>
</tr>
</tbody>
</table>

Product aspects that need to be improved

<table>
<thead>
<tr>
<th>Packaging</th>
<th>• Improvement of design</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic certification</td>
<td>• Obtaining of organic certification and JAS Organic Certification would differentiate the product from rival products</td>
</tr>
</tbody>
</table>
Food Sector
e. Honey (5 Products)

【Potential /Challenge in the Japanese market】

<table>
<thead>
<tr>
<th>Rival products</th>
<th>• Chinese products are inexpensive and their quality has improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelty</td>
<td>• Ingredients that are rare in Japan (mangrove etc.)</td>
</tr>
</tbody>
</table>

【Product aspects that need to be improved】

<table>
<thead>
<tr>
<th>Safety and reliability</th>
<th>• Removal of residual antibiotics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Airtight bottles/jars</td>
</tr>
<tr>
<td>Packaging</td>
<td>• Design that makes the product stand out against rival products on the same shelf</td>
</tr>
</tbody>
</table>
Food Sector
f. Frozen Vegetables, Fruits and Juices (19 Products)

【Potential/Challenge in the Japanese market】

- **Rival products**
  - Intense competition among both domestic and imported products

【Product aspects that need to be improved】

- **Safety and reliability**
  - Compliance with safety standards for removal of residual pesticides and foreign matter

- **Size and shape**
  - Adjust the size and thickness of slices of frozen vegetables and fruits to meet Japanese standards
Food Sector

**g. Chocolate Candy and Cacao (7 Products)**

- **Great potential**:
  - 0 votes (0%)

- **Some potential**:
  - 9 votes (60%)

- **Not much potential**:
  - 1 vote (7%)
  - 5 votes (33%)
  - No potential

**Potential/Challenge in the Japanese market**

**Rival products**
- Chocolate: major Japanese confectionary companies practically monopolize the market; popular brands dominate the imported products sector
- Cacao: distribution channels from South America are already established

**Product aspects that need to be improved**

**Safety and reliability**
- Compliance check against the Food Sanitation Act

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**Weighted average: 38 points**
Food Sector
h. Cassava (8 Products)

【Potential/ Challenge in the Japanese market】

Rival products
- Cassava imported from Thailand accounts for 90% of the supply and has good quality

【Product aspects that need to be improved】

Safety and reliability
- Prevention of residual hydrogen cyanide and SO₂

Market selection
- Re-examination of target markets
Food Sector

i. Coffee (8 Products)

【Potential/Challenge in the Japanese market】

<table>
<thead>
<tr>
<th>Level of recognition</th>
<th>Novelty</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mocha produced in Ethiopia</td>
<td>• Bourbon variety produced in Rwanda</td>
</tr>
</tbody>
</table>

【Product aspects that need to be improved】

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Flavor and fragrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• For the two products above: African producers should find partners who will carry out the roasting process in Japan, and export green coffee beans</td>
<td>• Other: re-examination of ingredients and measures for freshness control</td>
</tr>
</tbody>
</table>
Food Sector

j. Black Tea (6 products)

【Potential/Challenge in the Japanese market】

Rival products
- Well-known producing countries: India, Sri Lanka, and China
- Well-known processing country: the UK

Safety and reliability
- Low use of pesticides is a strong selling point

Flavor and fragrance
- The CTC (“crush, tear, curl”) method results in consistent flavor, which is also a strong selling point

【Product aspects that need to be improved】

Organic certification
- Acquisition of the JAS Organic Certification would serve as a powerful marketing tool

Packaging
- Improve print quality, paper quality and wrapping, so that the contents do not spill out
Food Sector
k. Sesame and Soybeans (5 products)

【Potential/Challenge in the Japanese market】

- Excessive weight on imports
  - Dependence on imports
  - Soybeans: Japanese trading companies control trade routes

【Product aspects that need to be improved】

- Preparation of documents
  - It is necessary to prepare quality control tables, component analysis results for residual pesticides, etc.

- Organic certification
  - Products can be differentiated by obtaining organic certification

- Packaging
  - It is necessary to improve packaging and labeling even for products intended for bulk export

Weighted average: 57 points
Not much potential: 1 vote (11%)
No potential: 0 votes (0%)
Some potential: 8 votes (89%)
Food Sector
I. Alcoholic Beverages (5 Products)

【Potential/Challenge in the Japanese market】

<table>
<thead>
<tr>
<th>Market scale</th>
<th>Rival products</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The liqueur market is small, and African brands are not recognized</td>
<td></td>
</tr>
<tr>
<td>• Wine: competition is intense, and prices are collapsing</td>
<td></td>
</tr>
</tbody>
</table>

【Product aspects that need to be improved】

<table>
<thead>
<tr>
<th>Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Narrow down on the targets</td>
</tr>
<tr>
<td>• Establish business relations with Japanese importers/distributors with good marketing skills</td>
</tr>
</tbody>
</table>
Cosmetic Products of Plant Origin (88 Products)

Potential/Challenge in the Japanese market

<table>
<thead>
<tr>
<th>Natural ingredients</th>
<th>• Ingredients that make use of Africa’s natural conditions (shea butter, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of recognition</td>
<td>• Shea butter products have a high level of recognition</td>
</tr>
<tr>
<td>Novelty</td>
<td>• Ingredients that are rarely seen in the Japanese market (kigelia, etc.)</td>
</tr>
</tbody>
</table>

Product aspects that need to be improved

| Level of recognition | • Ingredients other than shea butter have a low level of recognition          |
| Packaging            | • It is necessary to use bags and containers with high protective properties |

Weighted average: 63 points
Cosmetic Products of Plant Origin

a. Oils and Aromatherapy Products (41 Products)

【Potential/Challenge in the Japanese market】

<table>
<thead>
<tr>
<th>Natural ingredients</th>
<th>• Growing demand for natural oils of plant origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Versatility</td>
<td>• A wide range of applications: body care items, soap, aromatherapy oils, candles, etc.</td>
</tr>
</tbody>
</table>

【Product aspects that need to be improved】

<table>
<thead>
<tr>
<th>Marketing</th>
<th>• Sell to specialized companies as ingredients for bulk use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of recognition</td>
<td>• Highlight products’ indications and effects and provide interesting product stories</td>
</tr>
</tbody>
</table>
Cosmetic Products of Plant Origin
b. Shea Butter Products, Soap, and Skin Lotion (47 Products)

【Potential /Challenge in the Japanese market】

Level of recognition
- Soap and skin lotion products containing shea butter have a potential for export

Rival products
- Competition with imported products manufactured in Europe

【Product aspects that need to be improved】

Organic certification
- Organic certification will add value

Packaging
- The container must be airtight; the lid must be easy to open; and the labels and design must be consistent
Fabrics, Apparel, Fancy Goods (29 Products)

【Potential/Challenge in the Japanese market】

Novelty
- Designs that make use of Africa’s traditions and culture
- Products are attracting attention as a new trend on the global markets also

【Product aspects that need to be improved】

Quality
- Improvement of sewing technology and design
【Potential /Challenge in the Japanese market】

**Novelty**
- African print fabrics have been attracting global attention

**Level of recognition**
- Egyptian cotton is recognized as a high-class product

【Product aspects that need to be improved】

**Quality**
- Improvement of sewing technology
- Study of designs that Japanese consumers accept

**Rival products**
- Positioning as OEMs that present an alternative to Asian manufacturing bases

**Safety and reliability**
- Ensuring traceability of the manufacturing process

Fabrics, Apparel, Fancy Goods: Fabrics and Apparel [Cotton, Dyed Fabrics, Towels, Clothing, etc.] (25 Products)
Fabrics, Apparel, Fancy Goods
Fancy Goods and Shoes (4 Products)

【Potential/Challenge in the Japanese market】

| Rival products | • A large number of similar products already exist on the Japanese market |

【Product aspects that need to be improved】

<table>
<thead>
<tr>
<th>Novelty</th>
<th>• Highlight the uniqueness and originality of African culture</th>
</tr>
</thead>
</table>
| Quality          | • Cummerbunds: improvement of width, thickness and fastener design  
                  | • Neckties: insert interlining to give them a stronger body |
【Potential/Challenge in the Japanese market】

**Novelty**
- Materials that make use of Africa’s nature and traditions

【Product aspects that need to be improved】

**Quality**
- Improve quality of wooden material and carving, as well as size of products

**Rival products**
- Differentiate products from rival products by using natural materials unique to Africa

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**Accessories and General Merchandise (54 Products)**

- Weighted average: 63 points
【Potential/Challenge in the Japanese market】

**Novelty**
- Use of traditional African materials not seen in Japan

【Product aspects that need to be improved】

**Quality**
- Create products through collaboration with designers
- Even more refined finish with attention to detail

**Market selection**
- In addition to accessories, development of decorative parts for garments and charms
Accessories and General Merchandise
Baskets, Ornaments, and Other Gifts (46 Products)

【Potential/Challenge in the Japanese market】

<table>
<thead>
<tr>
<th>Novelty</th>
<th>• Simple earthly feeling and design that create a typical African ambiance not seen in Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>• Masks and carved objects: improve quality of wooden materials and carving precision, as well as size of products</td>
</tr>
<tr>
<td>Rival products</td>
<td>• Differentiate products from rival products by using natural materials unique to Africa</td>
</tr>
</tbody>
</table>
Stone Materials for Construction Purposes (2 Products)

【Potential/Challenge in the Japanese market】

Latent possibilities
- Existence of companies unknown in Japan that own giant rock plates and equipment for extracting large raw stones

【Product aspects that need to be improved】

Market selection
- Use in supermarket flooring, etc.

Design
- Take into consideration the color preferences of Japanese consumers

Rival products
- Supply of large-size raw stones with good quality that cannot be found in imports from China

Weighted average: 60 points
Future Initiatives by JETRO

Products evaluated as having high potential for export to Japan, but requiring product improvement

- JETRO support projects
- Provision of information to Japanese companies

Evaluation service’s individual reports

Feedback to Embassies

Feedback to producers

Examples:
- Guidance on product improvement through dispatch of experts
- Japanese market surveys through acceptance of trainees
- Matching assistance through support for participation in exhibitions (FOODEX 2010, etc.)
- Pilot Demonstration Project for Development and Import Schemes
Thank you for your kind attention.

Development Cooperation Division
Trade and Economic Cooperation Department
Japan External Trade Organization (JETRO)