



**JIMMA UNIVERSITY**  
**COLLEGE OF BUSINESS and ECONOMICS**  
**MBA PROGRAM, ADDIS ABABA**

**CHALLENGES AND OPPORTUNITIES OF ETHIOPIAN  
COFFEE EXPORTERS ASSOCIATION.**

*A Thesis Submitted to the School of Graduate Studies of Jimma University in  
Partial Fulfillment of the Requirements for the Award of the Degree of Master of  
Business Administration (MBA)*

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**September 2020, ADDIS ABABA**

## **DECLARATION**

I declare that the research report entitled “**Factors Affecting Coffee Export in Ethiopia: Case study of Ethiopian Coffee Exporters Association**” submitted to Research and Postgraduate Studies’ Office of Business and Economics College of Jimma University is original and it has not been submitted previously in part or full to any university.

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**September 2020**

## **CERTIFICATE**

We certify that the Research Report entitled “**Factors Affecting Coffee Export in Ethiopia: Case study of Ethiopian Coffee Exporters Association**” was done by Mr. Mandefro Mershalo for the partial fulfillment of Master’s Degree under our supervision.

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## LIST OF ABBREVIATIONS

CSA:	Central Statistical Authority
DMC:	Domestic Market Characteristics
E.C:	Ethiopian Calendar
ECEA :	Ethiopian Coffee Exporters Association
ECX:	Ethiopia Commodity Exchange
E.F.Y:	Ethiopian Fiscal Year
EMS :	Export Marketing Strategy
FDRE	Federal Democratic Republic of Ethiopia
FAO :	Food and Agriculture Organization
FDRE :	Federal Democratic Republic of Ethiopia
GDP :	Gross Domestic Product
GNP:	Gross National Product
GOE:	Government of Ethiopia
IACO:	Inter Africa coffee Organization
ICO :	International Coffee Organization
IMG:	Imperial Government of Ethiopia
MoT:	Ministry of Trade
PMGSE:	Provisional Military Government of Socialist Ethiopia.
TGE:	Transitional Government of Ethiopia
UNDO:	United Nations Development Organization
UNDP	United Nations Development Program
USAID:	United States Agency for International Development
USD:	United States Dollar
USDA:	United State Department of Agriculture
WB:	World Bank
WBG:	World Bank Group



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## ABSTRACT

*Ethiopia as birthplace of coffee with immense potential of organic coffee, however, has not yet fully utilized its potential in generating revenue from export. This Research project designed to identify Challenges and opportunities of Ethiopian Coffee Exporters Association. For the study, both primary and secondary data were collected using appropriate data collection instruments. The study employed census method instead of sampling due to low population size of members of the association and used descriptive statistics to analyze data. It was found that Ethiopian coffee export volume has been increasing whereas trend of export value shows fluctuation but unit price per ton has been declining significantly. In addition, the acceptance of Ethiopian coffee in foreign market is moderate, due to inadequate information about Ethiopian coffee in foreign market and coffee quality related issues. According to the study, most coffee exporters' do not have business strategic plan and lack adequate capital during peak coffee supply period in local market. Increasing quality awareness at all level, from production to international market, strong promotion of Ethiopian coffee to the rest of the world and improving existing support to coffee exporters by concerned government bodies are the main recommendations forwarded by this research.*

*Key Words: Coffee, Export, and Quality*

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 BACKGROUND OF THE STUDY**

Coffee is a major popular beverage and an important commodity cash crop in the world. It is also the second most valuable commodity next to fuel. 90 percent of coffee production takes place in developing countries. Coffee has grown mostly by small farmers all over the world. Around 25 million small producers rely on coffee for a living worldwide. From this population majority small producers exist in developing countries.

Coffee is produced in more than 60 countries; three of them account for more than half of the world's production: Brazil, Vietnam and Columbia. The world annual coffee production is around 7 million tons, of which Brazil produces one-third.

Ethiopia is widely known to be the birthplace of coffee Arabica, which is demonstrated by its variety and quality of beans. Ethiopia is the center of origin and diversity of coffee. Coffee plays a pivotal role in the socio-economy of the country. It employs more than 25 percent of the economically active population and contributes more than 25 percent of the country's foreign exchange earnings. Annual coffee export from Ethiopia in year 2011 E.C. is around 231,000 tons valued at around US\$ 763 million. (Ethiopia Tea and Coffee Authority, 2018)

Currently, Ethiopia is the leading Arabica coffee producer in Africa, the fifth largest coffee producer and the tenth coffee exports worldwide. Ethiopian coffee is intrinsically organic and renowned for its superior quality. Smallholder farmers produce 95 percent of Ethiopia's coffee (Tefera, 2013). It is produced under several types of production systems, including forest, semi-forest, garden, and plantation coffee (Tulu, 2008). Forest coffee is grown in the wild under natural forest cover and is gathered by farmers from trees with minor tree maintenance. Semi-forest coffee is also grown in forest conditions, but there is some limited maintenance by

farmers, mostly annual weeding. This type of coffee has clearly delineated boundaries of ownership, although the trees usually are located away from agricultural plots. Garden coffee is defined as coffee from trees planted by farmers in the vicinity of their residences. It is often intercropped with other crops or trees. Plantation coffee is grown on large commercial farms, private as well as state farms. Modern production practices such as irrigation, modern input use, mulching, stumping, and pruning are often applied in this case. While reliable recent statistics are lacking, it is estimated that these different production systems make up about 10, 35, 50, and 5 percent, respectively, of total coffee production in the country (Kufa, 2012).

Coffee has been an important commodity which has got greater attention by the government of Ethiopia. It is the first cash crop that the Ethiopia Commodity Exchange (ECX) started trading operations in April 2008 G.C in order to advance coffee markets in the country. The principal export markets for Ethiopian coffee are: Germany, United States of America, Saudi Arabia, Belgium, and Italy respectively.

According to Coffee Platform of Ethiopia (2012G.C), Coffee marketing in Ethiopia comprises the following transaction chain:

Primary level coffee transaction centers: It is a place where coffee farmers and suppliers transact coffee. They are located near to the coffee farms.

Primary cooperatives: Immediate members are farmers, and are typically geographically organized. Primary cooperatives are somewhat limited in capacity and do not generally access export markets directly.

Secondary cooperatives: These are larger cooperatives consisting of a collection of primary cooperatives.

Ethiopian Commodity Exchange (ECX): It is the secondary level where coffee transacts in Ethiopia Commodity Exchange. The coffee transactions take place in Addis Ababa.

International coffee market: The third level where Ethiopian coffee transacts is the international market. At this level, exporters sell coffee to foreign importers. In Ethiopia green coffee is only permitted to be exported by Ethiopian Nationals and persons of Ethiopian descent.

Despite positive image of the country as birthplace of coffee, a strong local coffee culture, genetic diversity and easy branding opportunities, diverse agro-ecology and climatic conditions, unique distinct characters of coffee quality, a favorable national agriculture ecosystem for coffee development, the country, however, so far failed to fully capitalize its potential. Moreover, the coffee sector has had to endure various challenges, including the limited improvement in productivity, less attention to the branding of differentiated coffees, non existence of price risk management, long supply chain and related transactional costs. (FAO, 2014)

Efforts have been made from the government of Ethiopia to improve and support the sector; the results are visible but still small. So far some studies have been undertaken in Ethiopia related to the export performance of coffee. Most of the researches were focused on production and productivity of Coffee, Value chain of coffee and performance of coffee exporting cooperatives. In Ethiopia, there are 104 private coffee exporters, 11 coffee unions and one coffee association with the name Ethiopian coffee exporters association. The association has 102 members of coffee exporters, which have cover 85 percent of total Coffee Export volume of the country. This study was mainly focused on Challenges and opportunities of Ethiopian Coffee Exporters Association in coffee export business.

## **1.2 BACKGROUND OF THE ORGANIZATION/CASE AREA**

Ethiopia Coffee Exporters Association (ECEA) is one of the prominent business associations in the country with the prime objective of promoting Ethiopian coffee in the world market.

ECEA provide different services to its members and serves as a focal institution for the working and business relationship between the Government and its members, its members and Ethiopian coffee importers.

ECEA has office in Addis Ababa, at Ethic-China Friendship Street, Medina Tower. Currently has 102 exporters; represents over 85% of the country's coffee export share; and the association is member of

- Specialty Coffee Association of America (SCAA),
- Specialty Coffee Association of Europe (SCAE),
- Specialty Coffee Association of Japan (SCAJ) and
- African Fine Coffee Association (AFCA)

Major Services Provided by ECEA:

- Coordinates coffee exporters aimed at securing the utmost benefit by increasing both the quality and quantity of coffee export;
- Keeps members informed with price movements in current international coffee markets;
- Promotes Ethiopian fine coffee and participate in various specialty coffee exhibitions and conferences to make Ethiopian coffee known all over the world;
- Provides trainings and hold seminars on coffee transaction and quality;
- Aware members of the Association on Government policies and regulations that are directly related with the sector; and
- Plays conciliatory role on conflicts that arise among members of the Association and between Association members and the Government.

### **1.3 STATEMENT OF THE PROBLEM**

In Ethiopia, Coffee is one of the most important sectors. Since around 25 percent of Ethiopia's foreign trade is attributed to this product, and the production process engages almost 25 percent of the working population. (Tamiru Deresa, 2016). Ethiopian coffee production systems consist of forest, semi-forest, garden or cottage and plantation production systems. The largest portion of coffee production comes from small holder farmers. More than 64percent of the coffee comes from Oromia, 35 percent from SNNP and the remaining 1 percent from Gambella regional States. Eight popular varieties of Ethiopian coffee that have demanded across the world wide include Yirgacheffee, Harer, Sidama, Limmu, Jimma, Tepi, Bebeke and Lekempti. For the last several years its relative predominance in the export sector is decreasing because of increased contribution of other agricultural products like horticulture and floriculture. (Ethiopia coffee and Tea authority, 2017)

Currently, Ethiopia is the leading Arabica coffee producer in Africa, the fifth largest coffee producer and tenth coffee exporter worldwide. The Ethiopian coffee sector, is very important for the country and for its economic development due to the reasons that: (i) as a major source of cash income and provider of employment, it supports millions of farming families (about 25 million) and, (ii) coffee is the first item in terms of revenue generated from export with a share of about 25 percent. (UNDO, 2014), (UNDP, 2012)

Ethiopia is endowed with a good production environment for growing coffee with a combination of appropriate altitude, temperature, rainfall, soil type, and ph. Ethiopia is the center of origin for Coffee Arabica. Ethiopia produces a range of distinctive Arabica coffees and has considerable potential to sell a large number of specialty coffees. (Coffee Platform in Ethiopia, 2012)

Even though Coffee is the major source of foreign currency in Ethiopia, Coffee export of the country is instable. For instance between the year of 1997 and 2001 export of coffee from the country declined by 9.11 percent but in contrast from the year of 2007 to 2011 the export supply grows by 4.3 percent (ICO, 2011). In addition to its fluctuation the growth of coffee export supply in the last two decades (1991-2010) is too low; it has been growing on average only by 0.041 percent per annum. (Tadese Gebreyesus,2015).



Ethiopia has promoted coffee exports with intensive policy support and other measures, the results are visible but still small. The current government of Ethiopia encourages private investment in the coffee industry to promote a market economy including liberalization of the coffee sector, lifting price ceiling of any kind, streamlining of export licensing procedures, removal of price control, currency devaluation, foreign exchange auctioning, creation of relatively better investment environment through new investment code and regulations , launching of new export promotion strategy, suspending all the export taxes, the recent establishment of the Ethiopian Commodities Marketing Authority and the Ethiopian Commodity Exchange (ECX). This was undertaken as a means of increasing producer prices, thereby encouraging production, and maximizing export earnings.

Despite positive image of the country as birthplace of coffee, a strong local coffee culture, genetic diversity and easy branding opportunities, diverse agro-ecology and climatic conditions, unique distinct characters of coffee quality, a favorable national agriculture ecosystem for coffee development, the country, however, so far failed to fully capitalize its potential. Moreover, the coffee sector has had to endure various challenges, including the limited improvement in productivity, low returns for farmers, inconsistency in quality, poor agricultural practices, less attention to the branding of differentiated coffees, none existence of price risk management, long supply chain and related transactional costs from farm to port of discharge and a lack of access to capital at the bottom end of the value chain. (UNDP, 2012)

Studies have been undertaken in Ethiopia coffee sector. Most of the studies in the area consider either the supply side or the demand side determinants of coffee, especially problems related to Coffee production, value chain of coffee and determinants of coffee. (Teshale Fekadu,2017), (Tameru Deressa, 2016), (UNDP, 2012) and (UNDO, 2014). Little focuses has been given to challenges and problems faced on coffee exporters to improve coffee export based on the existing production and export potential. In Ethiopia, there are 104 private coffee exporters, 11 coffee unions and one coffee association i.e. Ethiopian coffee exporters association (ECEA). Currently ECEA has more than 102 exporters; represents over 85 percent of the country's coffee export share. (ECEA,2019). Because of this high coffee export share, this research project was planned to asses factors affecting coffee export performance of members of Ethiopian coffee exporters association.

## **1.4 OBJECTIVES OF THE STUDY**

### **GENERAL OBJECTIVE**

The Main objective of the research is challenges and opportunities of Ethiopian coffee Exporters Association

### **SPECIFIC OBJECTIVES**

1. To identify internal factors that affect members of Ethiopian coffee exporters association
2. To identify external factors that affect members of Ethiopian coffee exporters association
3. To assess support framework of the Ethiopian coffee exporters association

### **RESEARCH QUESTIONS**

1. Are there any internal factors of coffee exporters association that affect their coffee export Business?
2. Are there any external factors of coffee exporters Association that affect their coffee export business?
3. Are there any gaps on support framework of Ethiopian coffee exporters Association?

## **1.5 DEFINITION OF TERMS**

1. Export: means shipping the goods and services out of the port country.
2. Exporter: The seller of such goods and services based in the country of export.
3. Importer: the overseas based buyer.
4. Agricultural exporting firm: is defined as an agricultural exporting firm located in Ethiopia which exports agricultural products grain and coffee.
5. Export performance is defined as the outcome of exporting products and services into foreign markets. It can be measured in terms of objective and subjective measures
6. Service: defined as the intangible activities and performance designed by interactive process in order to satisfy customer needs and expectations, and convince them, this process could be done by using tangible products
7. Price: defined as the amount of money or value of other items with utility needed to acquire a product or services
8. Place/distribution: the enterprise exports coffee along with valuable services to the customers through different distribution mechanisms.
9. Promotion: this includes all of the tools available to the marketer to transform their message about the products to the target market; moreover, this consists of communication/promotional mix (e.g. advertising, sales promotion, personal selling, e marketing, and public relationship)
10. Customer Satisfaction: is an attitude-a person's general orientation towards a total experience of importing coffee. Satisfaction comprises both cognitive and emotional facets and relates to previous experiences, expectations and social networks
11. “coffee” means the fruit of a coffee tree or parts of such fruits in whatever form and processing;
12. “red cherry coffee” means the red fruit of a coffee tree picked after it is naturally ripened but not pulped;

13. “coffee with pulp” means a red cherry coffee picked timely and dried in bed or a place made by cement or in other technically allowed means but not hulled;
14. “washed coffee with parchment” means red cherry coffee which has been pulped, fermented or not washed and dried with its husk through allowed technical procedures set by the Authority or relevant regional states;
15. “washed coffee” means red cherry coffee which has been removed its sticky mucilage and parchment through allowed technical procedures set by the Authority or relevant regional states;
16. “semi-washed coffee” means dried and pulped red cherry coffee with its sticky mucilage through allowed technical procedures set by the Authority or relevant regional states;
17. “natural or sun dried coffee ” means coffee with pulp hulled, cleaned and sorted through allowed technical procedures set by the Authority or relevant regional states;
18. “special coffee” means coffee certified in its special production, process and quality by standards of relevant organ and sell in a better price than the other coffees;
19. “supply coffee” means coffee processed by industries located in the production area for delivery directly to the Ethiopia Commodity Exchange or export processing industries;
20. “export coffee” means raw, roasted, roasted and grinded or processed in other value added form in compliance with the country’s export quality standard and buyer needs for export;
21. “first level coffee transaction center” means a center of transaction for red cherry coffee or coffee with pulp transaction upon being authorized by appropriate government organ of the coffee producing areas;
22. “coffee transaction” means the lawful buying and selling of coffee in first level coffee transaction centers, exchange market, foreign market or in other alternative transactions options between producers, suppliers, exporters, value added industries and foreign coffee importer companies as well as wholesaler and retailers;
23. “coffee quality control” means inspection and control of the picking, transaction, processing, storage, roasting or roasting and grinding, packaging and transportation of coffee, in

accordance with acceptable norms and quality standards, to ensure delivery of coffee to consumers in its natural state;

24. “coffee processing” means a process which includes washing coffee, semi washed coffee and natural and sun dried processing of coffee in first level and export processing industries in accordance with the country’s quality and grade requirements and the buyers’ needs as per the authorized technical procedures;
25. “coffee producer” means small-scale coffee farmers, coffee farmers’ co-operatives and commercial growers;
26. “coffee trade” means acts including buying coffee from producers or produce, processing and supplying to the Ethiopia Commodity Exchange, exporting raw or roasted or roasted and grinded coffee, distributing, retailing with license from the appropriate government organ;

## **1.6 SCOPE THE STUDY**

The scope of the study is limited to see export performance of members of Ethiopian coffee exporters association. This research will not assess Production and productivity of coffee, Coffee value chain at local and regional level, problems of cooperatives and private coffee exporters

## **1.7 SIGNIFICANCE OF THE STUDY**

Since good performance of export sector is one of the tools to enhance economic growth, the outcome of this paper helps those agents working in coffee export sector to identify major problems and challenges facing the sector. In addition, it serves as a reference for further study on related topics.

## **1.8 ORGANIZATION OF THE PAPER**

The research project organized into five chapters: Chapter one contained the introduction part dealing with research problems, objectives, and scope and significant of the study. The second chapter is discussed the review of related literatures about the subject matter. In chapter three research methodologies is discussed, how was obtained the important information and the appropriate tools to collect the data. Chapter four focuses on secondary and primary data analysis and discussions. The final chapter, chapter five, is discussion summary, conclusion and recommendations part.

# CHAPTER TWO

## REVIEW OF RELETED LITERATURES

### 2.1 THEORETICAL LITERETURE

Export represents a viable strategic option for firms to internationalize and has remained the most frequently used foreign market entry mode (Manolova et al., 2010). From a macro-economic perspective, the expansion of a country's export can enhance the accumulation of foreign exchange reserves, raise the level of employment, increase national productivity, and drive economic growth (Ural, 2009). A country's ability to compete successfully in the world markets, ability to maintain a favorable balance of trade, and ability to control its external payment situation reflect the economic strength of the nation.

From a company perspective, selling in international markets benefits firms through enhanced revenues and greater productivity owing to the learning effects associated with exporting (Manolova et al., 2010). Studies stressed that engaging in export helps firms improve the utilization-rate of production capacity, develop superior management capabilities, enhance innovation in product and process, and consequently, strengthen financial performance (Damijan and Kostevc, 2006)

Export performance represents the extent to which a firm's objectives, both strategic and financial, with respect to exporting a product to a market are achieved via the execution of the firm's export marketing strategy (Navarro et al., 2010; Papadopoulos and Martín, 2010). In the export marketing literature, researchers have used both financial and strategic measures for export performance, and measures of satisfaction with the export venture (Rodriguez et al., 2013; He and Wei, 2011; Zou and Stan, 1998). The *Financial* performance dimension measures the extent to which firms achieve their results relative to their competitors in terms of financial measures such as sales, market share, profitability, and sales revenue etc. (Lisboa et al., 2011; Murray et al., 2011).

The *Strategic* performance dimension of export performance captures firms' strategic goals in the export market, such as, competitiveness, strategic position, global market share, and

maintenance of good relationships with the importer in the foreign market (Cavusgil and Zou, 1994). And, finally, the *Satisfaction-related* dimension of export performance captures the extent to which managers were satisfied with their firms' performance in terms of certain specified indicators and/or satisfaction with overall export performance (Cadogan et al., 2002).

Coffee is a plant with red fruits, called red cherries, that grows in tropical areas where the interchanging of arid and humid climates are the perfect match for its growth (Joo et al., 2010). Coffee therefore originated and cultivated in South America, Asia and Africa lands, which, although classified as tropical, host different humidity levels, temperature and climate changes accommodating the creation of 100 different species of coffee plants. Among them, however, only two are used for worldwide commercial purpose: the Coffee Arabica and coffee Robusta (Jray, 1980)

Coffee is the world's favorite beverage and most traded commodity (Barbosa et al., 2014). Coffee has been an important commodity which has got greater attention by the government of Ethiopia. It is the first cash crop that the Ethiopia Commodity Exchange started trading operations in April 2008 in order to advance coffee markets in the country. (ECX, 2008).

According to the International Organization for Standardization (ISO 2000), Quality is described as "the ability of a set of inherent characteristics of a product, system or process to fulfill requirement of customers and other interested parties". These inherent characteristics can also be called "attributes. For coffee, the definition of quality and the attributes considered have probably evolved through the centuries. But nowadays, this definition varies along the production-to-consumer chain (Leroy et al., 2006). At the farmer level, coffee quality is a combination of production level, price and easiness of culture; at the exporter or importer level, coffee quality is linked to bean size, lack of defects and regularity of provision, tonnage available, physical characteristics and price; at the roaster level, coffee quality depends on moisture content, stability of the characteristics, origin, price, biochemical compounds and organoleptic quality (Leroy et al., 2006). It should be noted that each consumer market or country may define its own qualities; at the consumer level: coffee quality deals with price, taste and flavor, effects on health and alertness, geographical origin, environmental and sociological aspects (ISO 2000)



## 2.2 EMPIRICAL LITERATURE

Ethiopia is a developing East African country going through political, economic, social and technological transitions. The country's development strategy has the objectives of promoting rapid economic growth with a stable macro-economic environment, and enhancing the integration of the country's economy with the world economy. In this endeavor, due emphasis has been given to the promotion of exports.

Ethiopia is the birthplace and is the largest producer of Arabica coffee in Sub-Saharan Africa countries and it is ranked the fifth largest coffee producer in the world next to Brazil, Vietnam, Colombia, and Indonesia by contributing about 7 to 10 percent of total world coffee production. Coffee is the most important to the Ethiopian economy with about 25 million peoples has been directly or indirectly deriving their livelihoods from coffee product. Coffee is Ethiopia's number one export item. From the total exports of the country coffee was the dominant export commodity accounting for approximately 25 per cent of the country's total exports, on average. But, its share of total export earnings has gradually declined in recent years as a result of increased exports of other commodities such as gold, flowers, chat, textiles, and leather products. (FAO, 2014) and (Ethiopia coffee and Tea authority, 2017).

Coffee production in Ethiopia is almost exclusively situated in the two regions of Oromia and the Southern Nations, Nationalities, and People Regions (SNNPR) in the south and west of the country. The varieties of distinctively flavored coffee beans produced in Ethiopia, based on their contribution to the country's export, are Jimma, Gimbi, Lekemti, Sidama, Yirgacheffe and Harar. These coffee types are internationally recognized and they command better prices. (Tadese Gebreyesus, 2015)

Coffee purchased in Ethiopia through one of three main channels: from exporters, cooperative unions, and directly from private estates. Exporters generally purchase their coffee through the Ethiopian Commodities Exchange (ECX). Private estates that hold their own export license may sell and export directly to international buyers. Coffee lots of Ethiopia's many primary cooperatives are generally channeled through one of the four cooperative unions, Oromia coffee cooperative union, Yirgacheffe Coffee cooperative union, Sidama Coffee Cooperative Union and Kaffa Coffee cooperative union. In general, Coffee marketing in Ethiopia comprises three

transaction chains: Primary level (at cooperatives and coffee transaction centres), Ethiopian Commodity Exchange and third level at International coffee market. The third level where Ethiopian coffee transacts is the international market. At this level, exporters sell coffee to foreign importers. In Ethiopia green coffee is only permitted to be exported by Ethiopian Nationals and persons of Ethiopian descent. (Ethiopia coffee and Tea authority, 2017) and (UNDP, 2012)

Ethiopian coffee was exported on average to about 50 countries annually over the period 2005 to 2020. The largest share of coffee exports went to Germany (33%), Saudi Arabia (12%), and Belgium (8%) Japan (7%) USA (6%), France (5%), Italy (5%), Sudan (4%) and other countries (20%). (Bart Minten, Seneshaw Tamru, Tadesse Kuma, and Yaw Nyarko, 2014)

[See appendix 4, Ethiopian coffee export by destination].

Regarding coffee export, even though it is the first item in terms of revenue from export its share of total export earnings has gradually declined in recent years. Trend for the last several years shows that the share of coffee in foreign exchange earnings will further decline. (Tadesse Gebreyesus, 2015)

Export supply of coffee of Ethiopia is affected by export price of coffee, domestic production of coffee, physical infrastructure and world supply of coffee affects coffee export supply significantly. (Tamiru Deresa, 2016). In addition long duration of export document process, coffee quality, export barrier from country destinations, delay in transportation, communication barrier, lack of international market knowledge, export administrative procedures, unofficial fee in export documents processing, incapable to supply coffee in time by members, private traders intervention and delay of shipping are influence export performance. (Tadesse Gebreyesuse, 2015)

According to The Coffee Exporter's Guide by the International Trade Centre, coffee is usually graded on the basis of one of more of the following criteria: Altitude and region, Botanical type, Preparation (wet or dry process; washed or natural), Bean size, shape or color, Number of defects, Roast appearance and cup quality (flavor, characteristics, cleanliness) and Bean density. (ICO, 2018)

To improve export performance of coffee, the government of Ethiopia has established Ethiopian Coffee and Tea Authority, and Ethiopia Commodity marketing Authority. In addition the government provides coffee marketing and quality control proclamation (proclamation no. 1051 /2017) and council of ministers regulation to provide for coffee marketing and quality control (Regulation No. 2018)

### **2.3 COFFEE PRODUCTION AND QUALITY**

Coffee is the most important agricultural commodity and beverage enjoyed throughout the world. Ethiopia is the home and basis of inherent resource of coffee Arabica. The Arabica plant is more delicate: in fact, it needs particular soils and climates for its survival, it usually grows at high altitudes, with temperatures ranging from 15° to 24°C and an average annual rainfall of 1500-2000 mm (factors that are found in the coffee cup in the form of a pleasant aromatic complexity).

In order for the coffee plant to produce the first red drupes it is necessary to wait between 2 and 4 years from the moment it leaves the nursery. Afterwards, it is usual to consider the fifth year as the moment of the first good market harvest; while between the plant's tenth and fifteenth years is when the productive life of the plant sets, and just over thirty years is the conclusion of its life cycle. The drupe needs 7 to 11 months to reach its full maturity (and thus change from green to intense red).

According to the International Organization for Standardization (ISO, 2000), Quality is described as "the ability of a set of inherent characteristics of a product, system or process to fulfill requirement of customers and other interested parties". These inherent characteristics can also be called "attributes. For coffee, the definition of quality and the attributes considered have probably evolved through the centuries. But nowadays, this definition varies along the production-to-consumer chain (Leroy et al., 2006). At the farmer level, coffee quality is a combination of production level, price and easiness of culture; at the exporter or importer level, coffee quality is linked to bean size, lack of defects and regularity of provision, tonnage available, physical characteristics and price; at the roaster level, coffee quality depends on

moisture content, stability of the characteristics, origin, price, biochemical compounds and organoleptic quality (Leroy et al., 2006). It should be noted that each consumer market or country may define its own organoleptic qualities; at the consumer level: coffee quality deals with price, taste and flavor, effects on health and alertness, geographical origin, environmental and sociological aspects (ISO, 2000)

The coffee growers in Ethiopia integrate coffee production into their strategic family livelihoods by cultivating food related crops for home consumption. Small scale coffee farmers do not have the chance to sell their products at competitive prices in the remote areas of the country (ODI, 2009). According to Aklilu and Ludi (2010), farmers faced different challenges even if the coffee marketing arranged by the government. They pointed out insufficient regulation of coffee price by the government where suppliers and collectors fixed their own price which is generally lower than the market price as stated by the government.

## **2.4 COFFEE EXPORT OF ETHIOPIA**

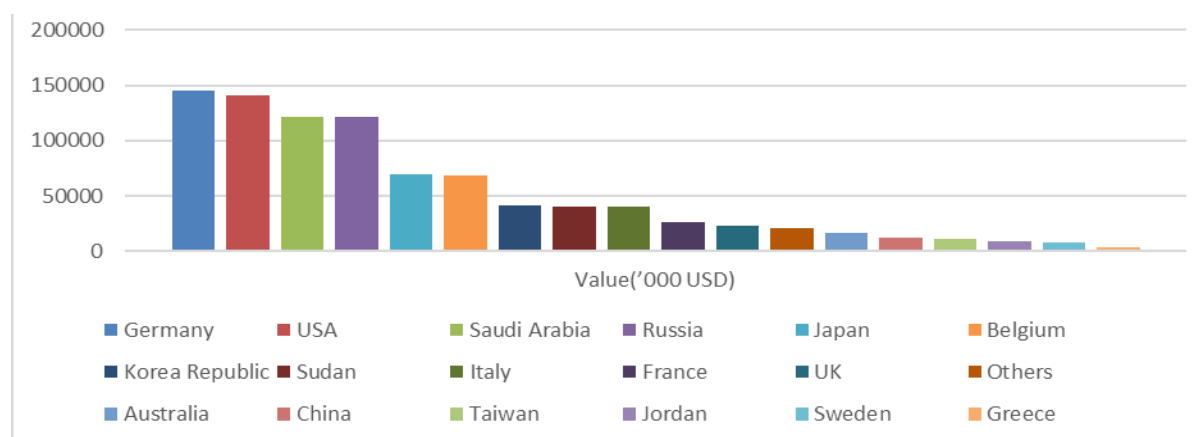
Coffee is the most important foreign currency earner for Ethiopia economy. Ethiopia exports coffee to over 62 countries annually. Based on the coffee export data in 2017/18, the principal export markets for Ethiopian coffee were: Germany, Saudi Arabia, Japan, United States of America, Belgium, Sudan and Italy. (See next Table for their share and Appendix 4 for details).

**Table 1. Ethiopian Coffee Export by destination in years 2009 and 2010 E.C**

Country	2009E.C.			2010 E.C		
	Volume (MT)	Value ('000 USD)	%Share (Volume)	Volume (MT)	Value ('000 USD)	%Share (Volume)
Germany	40107	135985	17	51634	145101	22
Saudi Arabia	36313	131772	16	37406	120993	16
Japan	25861	83696	11	23461	69192	10
USA	23877	130380	10	26657	140900	11
Belgium	20770	86159	9	17410	67906	7
Sudan	10959	23803	5	14558	39839	6
Italy	11189	46578	5	10893	39839	5
Korea Republic	11874	46578	5	10060	41618	4
France	10059	50809	4	8816	26642	4
UK	6388	33418	3	4651	23211	2
Australia	4917	21360	2	3854	16532	2
China	1749	8229	1	2712	11746	1
Russia	3334	10246	1	3186	120993	1
Jordan	2931	10993	1	2467	9181	1
Greece	1472	4763	1	1267	3890	1
Taiwan	2775	13916	1	2423	10825	1
Sweden	2263	9777	1	1730	7648	1
Others	14337	48705	6	10391	20917	4
<b>Total</b>	<b>231175</b>	<b>897167</b>	<b>100</b>	<b>233576</b>	<b>916973</b>	<b>100</b>

Source: Ethiopian Coffee and Tea Authority

**Graph 1: Ethiopia Coffee Export value by destination in 2017/18 GC**



Source:ICO

Coffee is backbone of Ethiopia's economy due to; it is the important source of foreign currency and directly and indirectly absorb high share of courtiers labor force. For this study, regarding as source of foreign income, during the 2017/18 (2011 E.C.) marketing year alone, Ethiopia registered a record almost 763 million U.S. dollars from coffee exports (See Table 2 below).

Regarding volume, coffee export of Ethiopia is increasing, whereas the price of Ethiopian coffee in world market has been decreasing. Because of policy issues, different supports to exporters and currency devaluation, coffee exports volume have been increasing. But Ethiopia as birthplace of coffee Arabica, production and export potential, existing demand of coffee on international market, world population growth, and Ethiopian coffee export volume increment is not satisfactory.

In addition, Ethiopian coffee average price per ton in USD in world market has been continually declining for the last five year in the world market (Table 2 below).

**Table 2: Five years coffee export of Ethiopia by Value and Volume**

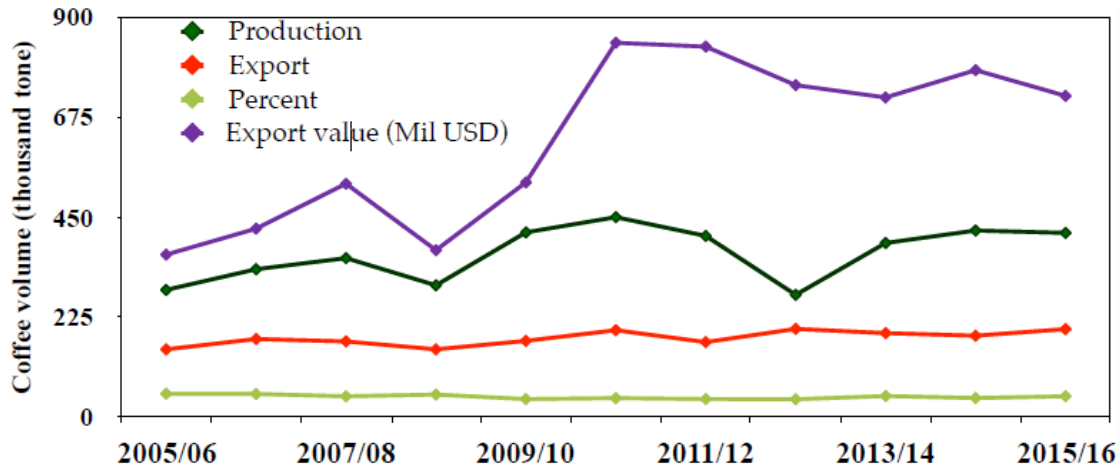
	<b>Years (E.C)</b>	<b>Sum of QTY (Ton)</b>	<b>Sum of FOB_FOREIGN</b>	<b>Price per ton in USD</b>
1	2007	183,781.23	780,026,897.53	4,244.32
2	2008	198,500.90	722,042,652.19	3,637.48
3	2009	225,667.67	882,473,754.48	3,910.50
4	2010	238,465.55	838,152,167.00	3,514.77
5	2011	230,764.42	762,977,049.85	3,306.30
<b>Grand Total</b>		<b>1,077,179.76</b>	<b>3,985,672,521.06</b>	<b>3,700.10</b>

Source: Ethiopian Coffee and Tea Authority

Ethiopia exported an increased volume of coffee to the international market. However, the revenue generated from this large volume of coffee exports has not increased significantly as a result of reduced international market coffee prices, lack of strong promotion about Ethiopian

coffee by concerned government bodies on international market, and lose of quality in harvesting, processing, transportation and packaging.

**Graph 2: Trends of Coffee Production & Marketing of Ethiopia**



Source: Ethiopian Coffee and Tea Authority

## 2.5 COFFEE PRODUCTION, CONSUMPTION AND EXPORT PERFORMANCE OF TOP PRODUCERS IN THE WORLD

Ethiopia is one among the largest producing and exporting countries of coffee products in the world. Coffee production has heavily contributed to both domestic and foreign earnings in the country. Moreover, coffee also serves as a primary source of labor, especially for the rural smallholder farmers.

Ethiopians, Africa's top coffee consumers, want to keep the beans at home. The below pie charts are drawn using the average data from 2010 -2016 extracted from International Coffee Organization for the purpose of comparison. They show us the share of coffee consumed domestically and exported to the rest of the world. It is found that above from average. Vietnam exported above 92 percent of the total production and domestic coffee consumption is about 8 percent which can be concluded that it has been a main source of foreign exchange for the country. Similarly, Columbia has exported above 86 percent of the domestic production annually and the remaining 14 percent is consumed home.

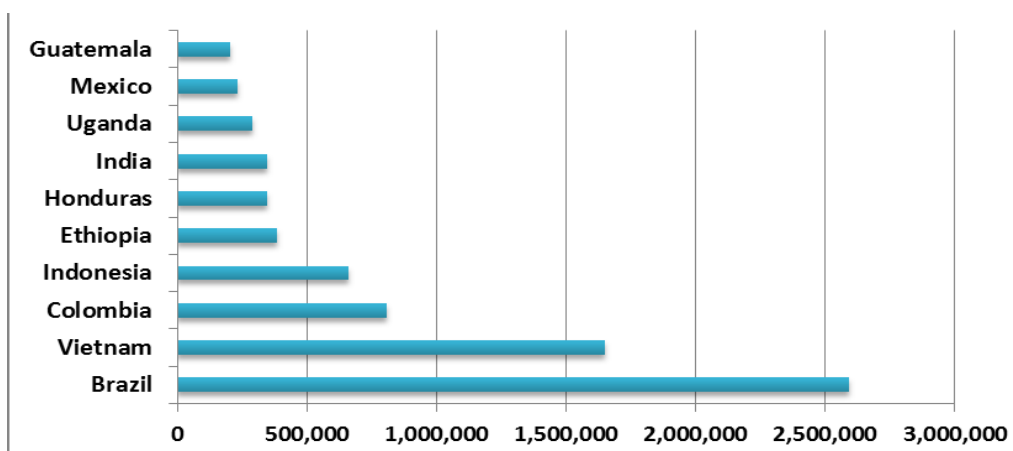
In contrast to this, for the last seven years, the share of domestic consumption and export volume is comparably balanced in the case of Ethiopia with consumption slightly higher than the export volume.

**Table 3: Top ten Coffee producers and their coffee production in 2016 G.C**

Rank	Country	Coffee Production (Metric Tons)
1	Brazil	2,592,000
2	Vietnam	1,650,000
3	Colombia	810,000
4	Indonesia	660,000
5	Ethiopia	384,000
6	Honduras	348,000
7	India	348,000
8	Uganda	288,000
9	Mexico	234,000
10	Guatemala	204,000

Source: world atlas

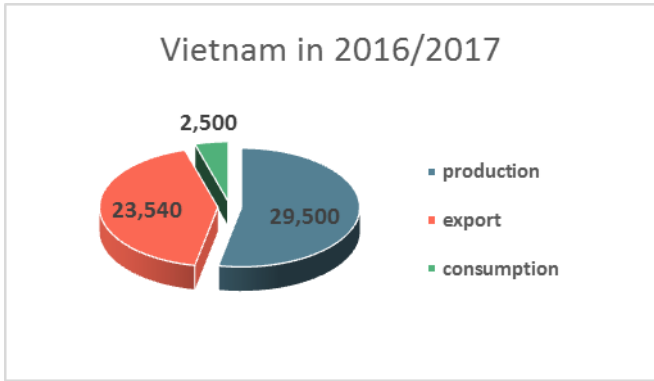
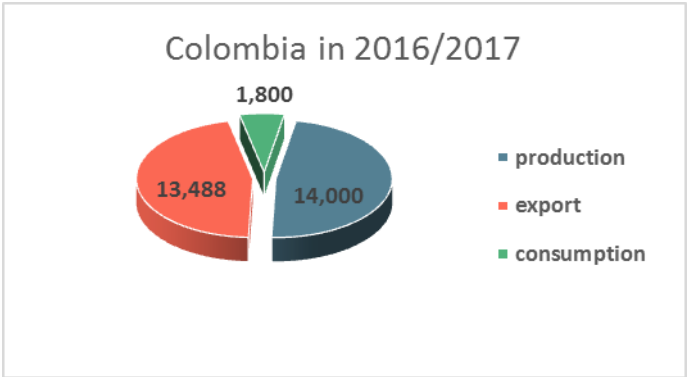
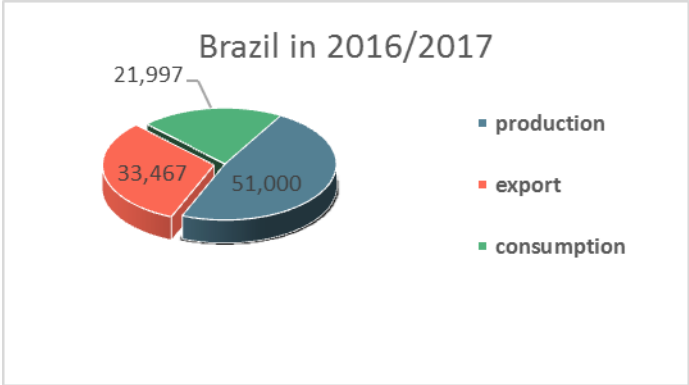
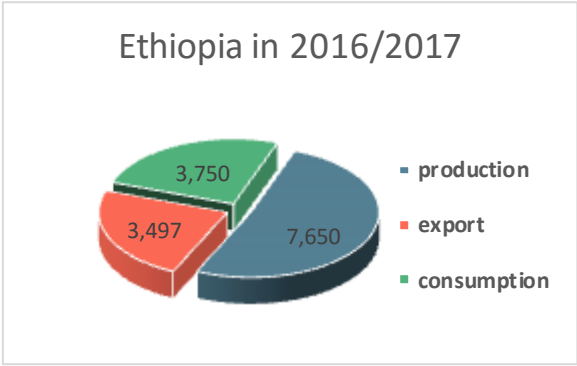
**Graph 3: Top ten Coffee producers and their coffee production in 2016G.C**



Source:ICO

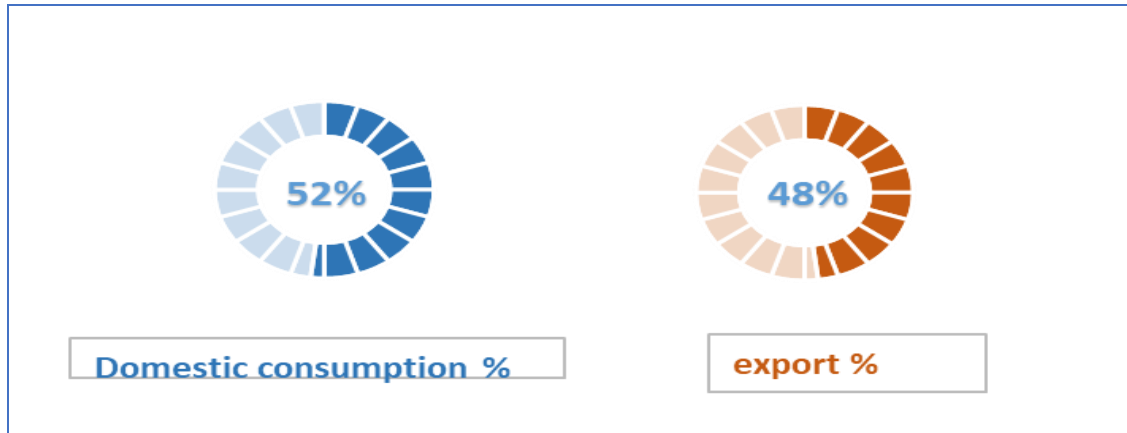
**Graph 4: Coffee Production, consumption and Export Performance of Top five coffee Producing countries**





Source: ICO

**Graph 5: Ethiopian coffee export and domestic consumption share**

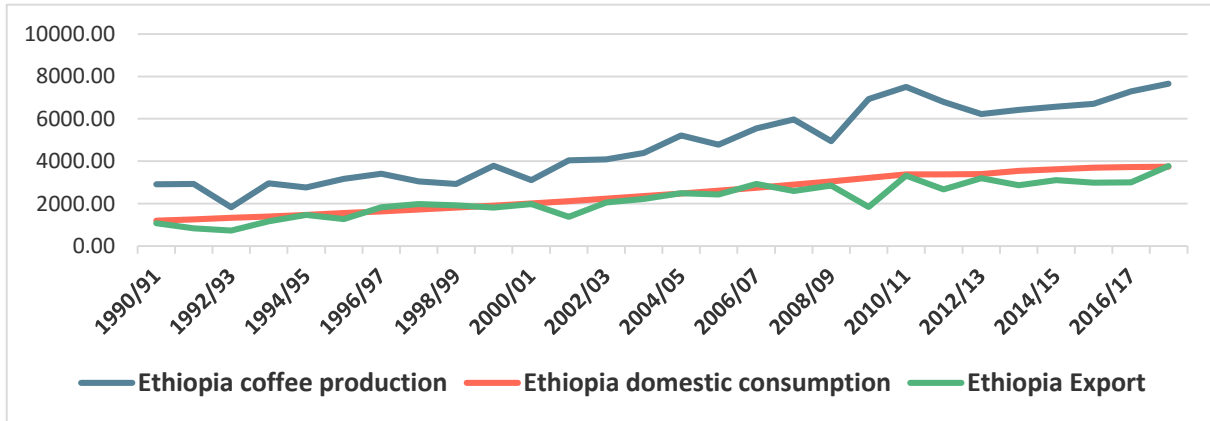


Source: ICO

Generally, high consumption at home, increase local coffee market competition, reduces export volume and foreign income of a country. Compared to the top coffee producers like Vietnam and Colombia, the amount of coffee being consumed at home is by far larger in Ethiopia. According to the data extracted from the international coffee organization, the average share of coffee being exported and consumed domestically for the last ten years is estimated to be 48 percent and 52 percent respectively.

There are two reasons behind increment of domestic supply the one is that domestic coffee consumers do not compromise on quality of coffee and there is no need to packing and standard setting. They made less effort on domestic supply and it is less costly than that of foreign. So that traders as well as producers prefer to supply for domestic market rather than they export. The second one is some exporters supply to nearby country illegally (contraband) with better return and this assumed as domestically consumed amount of coffee

**Graph 6: Trend of domestic consumption, production and export volume**



Source: ICO

Though there exist fluctuations in the quantity of coffee produced and the export level of coffee, the amount of coffee being consumed domestically does not show any decrement. Therefore, a decrease in the domestic production is totally reflected in the decrease of export volume. That is, whenever, the domestic production level decreases, the export volume will decrease but not the consumption level.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 SOURCES OF DATA AND DATA COLLECTION TECHNIQUES**

Data for the study were obtained from primary and secondary sources.

The primary data was collected through survey and interview.

Survey data was collected from members of coffee exporters' association using survey questioner whereas interview was conducted using semi structure questioner.

Informants for the interview are key officials working in coffee marketing from Coffee and Tea Authority. In addition to survey and key informant interview, documents related to the research was reviewed

#### **3.2 TARGET POPULATION AND SAMPLING METHOD**

*Total population of the study is 102* (total members of coffee exporters association.)

Using different sample size determination formula with 95% confidence interval, calculated result of sample size and total population is almost the same. There for, the research was conducted *Census method* (Total population) instead of using sample.

#### **3.3 DATA COLLECTION**

The survey was conducted from November 21 to October 5/2019. More than 87 percent of members of coffee exporters association responded for survey questioner on their meeting (Annual meeting of Ethiopian Coffee Exporters Association) that was holed at November 21 at Intercontinental hotel, Addis Ababa. The remaining respondents, not completed the questioner at the meeting as well as not presented on the meeting were responded after the meeting. Secondary data collection, including document review and discussion with experts of Ethiopian Coffee and Tea Authority and leaders of Ethiopian Coffee Exporters Association were conducted from September 15 to October 15/2019 G.C

### **3.4 METHOD OF DATA ANALYSIS**

The survey data collected for this study was processed by *SPSS* (Statistical Package for Social Scientists)

The data was analyzed using *Descriptive Statistics*. The interview and document evidence/findings were analyzed and interpreted to further explain survey findings of the research.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1 DATA PRESENTATIONS, ANALYSIS AND DISCUSSIONS[

##### 4.1.1 BACKGROUND OF RESPONDENTS

To conduct the survey, data were collected through questioner. Out of 102 members of coffee exporters association 95 were responded for the survey. Majority of them were responded for the questioner during their annual meeting on November 21, 2019 at Addis Ababa. Out of total population, the response rate is about 93.1 percent which is higher response rate.

In this study, respondents are working as Vice manager, marketing manager and export manager of Ethiopian Coffee Exporting Association. About 37 respondents are vice managers, 26 are export managers and the remaining 32 are marketing managers. The following table summarizes the position and work experience of the respondents in the organization

**Table 4: Respondent's position and work experience in the organization**

Position of the respondents in the company		
Responsibility	Respondents No	Percentage Share
General Manager	0	
Vice manager	37	38.9%
Marketing Manager	32	33.7 %
Export Manager	26	27.4%
Total	95	100.0%
Years' experience of the Respondents		
years' experience	Respondents No	Percentage Share
<5	18	18.9%
6 to10	36	37.9%
>10	41	43.2%
Total	95	100%

Source: own computation.

As it is shown in the table above the position of respondents is appropriate to respond and provide accurate information to the survey. In addition, the number of years worked by those respondents is very crucial. According to the above information on the table about 81% of respondents have experience of above five years in the organization. It assumed that they have good experience and can give accurate information on the area

#### 4.1.2 INTERNAL FACTORS OF COFFEE EXPORTERS ASSOCIATION

**Table 5: Respondents Response to questions related to internal factor**

Questions	Response				
Experience of the company in coffee export	<5	5 to 10	11 to 15	>15	Total
	0	12	38	45	95
	0%	12.6%	40%	47.4%	100%
Does the manager has international coffee business experience	Yes	No	Total		
	95	0	95		
	100%	0%	100%		
Does your company has skilled man power problem and its affected your performance	Highly affected	Affected	Unaffected	Total	
	0	32	63	Total	
	0%	33.7%	66.3%	100%	
Does your company has marketing strategy	Yes	No	Total		
	32	63	95		
	33.7%	66.3%	100%		
* Why your company not develop and use its own market strategy	lack of skilled man power	lack of awareness	shortage of time	Total	*Those who Saied “no” for Market strategy question
	16	14	33	63*	
	25.4%	22.2%	52.4%	100%	
Finance related problems in your coffee export business	Shortage of working capital	High rate of bank interest	Too much formality of bank	Total	
	39	33	23	95	
	41.1%	34.7%	24.2%	100%	
* Did you gate adequate amount of credit from banks for your coffee business?	Yes	Some times	Not at all	Total	* in relation to the above finance relate question
	26	69	0	95	
	27.4%	72.6%	0%	100%	

Source: own computation

As illustrated on the above table, out of the total members of coffee exporters association, majority of the respondent, which account 87.4 percent responded that their company has more than Ten years' experience in coffee export. I.e. majority of coffee exporters have good experience in coffee business in local and international market. In addition, according to the study, all the coffee exporting company managers in the association have international coffee business experience. Moreover, 66.3 percent of respondents responded that their company has not faced skilled man power problem. However, the remaining 33.7 percent said they have faced shortage of skilled manpower. According to discussions with same exporters, they faced shortage of manpower especially on coffee quality inspection and testing activities for their organization.

Strategic plan is one of key tools for companies to compute and succeed in their businesses, especially for those who involve on international business. Based on this survey result, as stated on table 5 above, 66.3 percent of coffee exporting companies have not developed and used their own strategic plan. For the equation "why their company has not develop and use strategic plan?" about 52.2 percent of them responded that shortage of time as the main reason. The remaining 25.4 percent and 22.2 percent responded that they have lack of skilled man power and lack of awareness respectively to develop and use strategic plan.

Related to financial issues, according to the table 5, 41.1 percent of exporters were faced shortage of working capital. According to key informant dictation, they faced shortage of capital especially on pick coffee harvesting and marketing time in Ethiopia. To cope up the shortage, 27.4 percent only always get adequate amount of credit from banks, whereas the remaining 72.6 percent sometimes get lone to cover their working capital for coffee export business



### 4.1.3 EXTERNAL FACTORS OF COFFEE EXPORTERS ASSOCIATION

#### 4.1.3.1 COFFEE EXPORT VOLUME, QUALITY AND MARKET PRICE

This part deals about volume, quality and price of coffee from respondents in order to test whether the coffee export for the last five years have shown increment or not , what was demand of Ethiopian coffee in the world market , price in local and international market and other related issues.

**Table 6: Respondents Response to questions related to Coffee Export  
Volume, Quality and Market Price**

Questions	Responses				
	Increase	Decrease	Total		
Export volume	71	24	95		
	74.7%	25.3%	100%		
Acceptance of Ethiopian coffee in foreign market regarding quality	Very High	High	Moderate	Less Acceptable	Total
	0	37	58	0	95
	0%	38.9%	61.1%	0%	100%
Demand for the Ethiopian coffee in world market	Very High	High	Moderate	Less Acceptable	Total
	7	60	28	0	95
	7.4%	63.1%	29.5%	0%	100%
What is your opinion concerning the purchase price of coffee in local market?	Very cheap	Cheap	Affordable	Expensive	Very expensive
	0	0	0	63	32
	0%	0%	0%	66.3%	33.7%
What is your opinion concerning the price of the Ethiopian coffee in foreign market?	Very cheap	Cheap	Satisfactory	High	Very high
	33	62	0	0	0
	34.7%	65.3%	0%	0%	0%
Is your company sold coffee on international market less than purchasing price	Yes	No	Total		
	44	51	95		
	48%	52%	100%		
Is there any case of your coffee export being rejected by the International customer?	Yes	No	Total		
	17	78	95		
	17.9%	82.1%	100%		
Problem on international market regarding Ethiopian coffee	High quality of other countries coffee	high supply of other countries coffee	low quality of Ethiopian coffee	lack of information about Ethiopian coffee	Total
	0	17	37	41	95
	0%	18	38.9	43.1	100

Source: own computation

It can be observed in the above table that from the total number of respondent those who said there was increment on export volume of coffee from year to year accounted about 74.7 percent, and the rest 25.3percent said it is decreased. Ethiopian Coffee and Tea Authority five years report of coffee export volume of Ethiopia support this data analyses result (presented in section 2.4.and appendix IV)

Coffee quality is very competitive issue and constantly changing to meet changing customer demand. The acceptance of Ethiopian coffee in foreign market regarding quality is moderate. According to respondents, 61.1 percent from total respondents respond as quality of Ethiopian coffee is moderate in international market, but regarding demand 7.4 percent said very high and 63.1 said high percent, which accounts 70.5 percent of the total. Only the remaining 29.5 percent said moderate .This shows that demand of Ethiopian coffee is high but the acceptance is moderate because of quality loss in production, harvesting, processing, and transportation and packaging. In addition, 43 percent or the respondent respond that problem regarding Ethiopian coffee in international market is lack of adequate information about Ethiopian coffee in foreign countries.

As presented on the table above, purchase price in local market is high in relation to sales price in foreign market. According to the survey result, 66.3 percent of the respondent responds that purchase price of coffee in local market is very expensive, where as 34.7 percent said price of Ethiopian coffee in foreign market is very cheap and the remaining 65.3 percent said cheap. In addition, almost half of the coffee exporters, about 48 percent have experience of selling coffee in foreign market below their purchase price. The main reasons to sell coffee below purchase price are; exporters demand for foreign currency to import different items, unfair compaction between coffee exporters in local market and lack of government intervention to stabilize market and to save farmers from unfair price demand in future.

For the question "Any case of your coffee export is being rejected by the International customer?" about 18 percent said yes but the majority of the respondents said "no". Even though the ratio is low, as of key informant discussion, rejection of supplied coffee to their partners is mainly because of quality related issues. This is supported by the survey respondents' response : For the question "problem on international market regarding Ethiopian coffee" 18 percent of the

respondent said high supply of other countries coffee, 38.9 percent said low quality of Ethiopian coffee and 43.1 percent responded the lack of adequate information about Ethiopian coffee

#### 4.1.3.2 MARKET STRUCTURE AND COMPUTATION

Table 7: Respondents Response to questions related to Market Structure and Computation

Questions	Response				
	Yes	No	Total		
Is there competition between coffee exporters in Ethiopia	95	0	95		
	100%	0%	100%		
How do you cope up with the competition, if yes?	Decreasing Price when we sell	increasing Price when we buy	Total		
	32	63	95		
	33.7%	66.3%	100%		
Where did you buy Coffee for export?	Ethiopian commodity exchange	Cooperatives	other suppliers & farmers	Own farm	Total
	58	0	37		951
	61.1%	0%	38.9%		100%
*Did you get the right quantity of coffee that you purchased from ECX?	Yes	Sometimes	Not at all	Total	*Those who buy coffee from ECX
	39	19	0	*58	
	67.2%	32.8%	0%	100%	
Did you get the right Quality of coffee that you purchased from ECX?	Yes	Sometimes	Not at all	Total	*Those who buy coffee from ECX
	16	42	0	*58	
	27.6%	72.4%	0%	100%	
*What benefit(s) you are obtaining from ECX?	Reducing cost	Reducing time	Others	Total	*Those who buy coffee from ECX
	13	45	0	*58	
	22.4%	77.6%	0%	100%	
*What problems you faced on ECX?	Bureaucracy	Corruption	Lack of efficiency	Total	*Those who buy coffee from ECX
	20	17	21	*58	
	34.5%	29.3%	36.2%	100%	

Source: own computation

As can be seen from the above table, there is competition between those coffee exporters and they compute with each other by decreasing price of seals as well as increasing price when they bought. The majority, about 66.3 percent of coffee exporters reaction for market competition, is

to increasing price , This cope up mechanism has created artificial coffee price in the local market and will create unnecessary price demand by farmers for future.

Coffee is the first cash crop that the Ethiopia Commodity Exchange (ECX) started trading operations in April 2008 in order to advance coffee markets in the country. According to the table above, for export about 60 percent bought coffee from Ethiopian Commodity Exchange (ECX) and 40 percent from farmers and other suppliers. However all marketed coffee in Ethiopia has to go through the ECX to determine the quality standard of the coffee. If the quality of coffee is judged to be of export quality, then it must be exported and cannot be sold locally. From those who purchase coffee from ECX, 67.2 percent said always got right amount of coffee the remaining 32.8 percent respond that sometimes they got right amount of coffee from ECX. Those issues should be considered as strong side of ECX. In addition, according to the respondents, purchasing coffee from ECX has reduced cost and time. But 42.4 percent of respondents who buy coffee from ECX have complained on coffee quality. Matters related to quality on grading, bureaucracy, corruption and lack of efficiency at ECX are same of bottlenecks for coffee export business in Ethiopia according to this Survey result.

#### 4.1.4 RELATIONSHIP BETWEEN COFFEE EXPORTERS AND CONCERNED GOVERNMENT OFFICES

**Table 8: Respondents Response to questions related Government  
Support**

Questions	Response					
The effect of Ethiopian government policies and regulation on your coffee export business.	Highly Affected	Affected	Neutral	Unaffected	Total	
	0	69	26	0	95	
	0%	72.6%	27.4%	0%	100%	
What is your opinion about Ethiopian Government intervention in promoting Ethiopian coffee in international Market?	Very good	Good	Satisfactory	Poor	Very poor	Total
	4	26	37	28	0	95
	4.2%	27.4%	38.9%	29.5%	0%	100%
Support from Ethiopian coffee and tea Authority.	Very good	Good	Satisfactory	Poor	Very poor	Total
	0	23	45	27	0	95
	0%	24.2%	47.4%	28.4%	0%	100%
Support from Trade Minister	Very good	Good	Satisfactory	Poor	Very poor	Total
	0	11	48	36	0	95
	0%	11.6%	50.5%	37.9%	0%	100%
Support from Tax and custom Commission	Very good	Good	Satisfactory	Poor	Very poor	Total
	0	37	26	32	0	95
	0%	38.9%	27.4%	33.7%	0%	100%
Support from Transport and Logistics Agency	Very good	Good	Satisfactory	Poor	Very poor	Total
	0	43	37	15	0	95
	0%	45.3%	38.9%	14.7%	0%	100%
The effect of the last five years socio political situation of Ethiopia on your coffee export Business	High	Moderate	No effect	Total		
	58	28	9	5		
	61.1%	29.5%	9.4%	100%		

Source: own computation

Government intervention in development and provision of conducive policies and regulations, have key impact on a country to improve export business. As illustrated on the above table, 72.6 percent respondents responded that, Ethiopian government policies and regulation has effect (Negative) on their coffee export business. This implies that the government of Ethiopia has to

asses gaps and bottlenecks on policies, strategies and regulations on performance of coffee export business.

Product promotion is key tool to enter in to new market, to maintain existing market, and expand its market share locally and globally in any business. Ethiopia is the birthplace and the largest producer of Arabica coffee in Sub-Saharan, (Arabica Coffee is known with its best quality of aroma worldwide). But, according to the coffee exporters response on this study, Ethiopian government effort on proportioning Ethiopian coffee in world market, as presented on the above table, 27.4 percent said good, 38.9 percent satisfactory and the remaining 29.5 percent said poor. According to this result, significant respondents have complained on Ethiopian government in promoting Ethiopian coffee on world market.

As it is seen on the above table, relationship between coffee exporters and concerned sector bodies (i.e. support to exporters from government offices), above average respondents said that their support has been good and satisfactory. The sector offices support is backbone and curtail for good performance of coffee export business and to improve generation of foreign currency of Ethiopia. However, significant percentage, 28.4 percent, 37.9 percent and 32 percent respondents respond that there has been poor support from Ethiopia Coffee and Tea Authority, Trade Minister, and Tax and custom commission respectively. In the same way, about 15 percent respondents said that support from Transport and Logistics Agency is poor.

## CHAPTER FIVE

### MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.1 SUMMARY

This research project has planned to asses Challenges and opportunities of Ethiopian Coffee Exporters Association. Primarily, the study was used survey data to evaluate the research questions. In addition, key informant interview and document review especially related to production, consumption, export and price of coffee where conducted. The following are major findings of the study, summarized in general, and according to research objectives and research questions

##### General Findings

- For the last five years coffee export data of Ethiopia indicated that export volume has been increasing whereas trend of export value shows fluctuation. But unit price per ton has been declining significantly
- Exporters some-times sell coffee in foreign market below their purchasing price due to high demand for foreign currency to import different items from foreign market,
- There is an unfair competition among coffee exporters in local market especially during pick supply time (coffee harvesting period) in the local market.
- Out of the total coffee production in Ethiopia, share of local consumption is almost the same to export. In this regard, illegal export (contraband) to neighboring countries is considered as local consumption
- In Ethiopia out of total coffee production, around 50% consumed locally. High consumption at home, increase local coffee market competition, reduces export volume and foreign income of a country
- In some instances foreign customers of Ethiopian coffee exporters reject their coffee for quality related issues

## **Internal Factors**

- Most Ethiopian coffee exporters do not have strategic business plan despite their long years' experience in the coffee export sector and experienced managers
- Most of coffee exporters face shortage of working capital during peak coffee marketing period (the peak harvest season for coffee farmers ), forcing them to rely on high interest bank loan with much formalities resulting low return to investment and inefficiency

## **External Factors**

- The acceptance of Ethiopian coffee in foreign market regarding quality is moderate, because quality lost in the entire value chain system, from land preparation to export including harvesting, processing, packaging, transportation and storage
- Lack of adequate information about Ethiopian coffee in foreign market due to low promotion by concerned government bodies
- In relation to world market, purchase price of coffee is sometimes high in local market, because of unfair competition between exporters in the country and due to lack of government intervention to stabilize the market
- Purchasing coffee from ECX has reduced cost and time. But exporters sometimes have not got adequate amount of coffee with standard quality
- Bureaucracy, corruption and lack of efficiency at ECX are some of the bottlenecks for coffee export business in Ethiopia
- No sufficient number of coffee specialist in the market that work on coffee quality control and testing for coffee exporting companies to employ
- The last five years socio political situation of Ethiopia significantly affected the coffee export sector of the country



### **Support framework of the association**

- Ethiopia as birthplace of coffee Arabica, given the existing production and marketing potential, has not yet fully utilized the benefit from the world coffee market. One of the reasons is lack of adequate government intervention in promoting the Ethiopian coffee in the international market.
- Most respondents responded that relationship between coffee exporters and concerned sector bodies is satisfactory. However, the survey result shows it needs further improvement

## 5.2 CONCLUSION

This research study has planned to assess Challenges and opportunities of Ethiopian Coffee Exporters Association. Members of the association constitute 85 percent of the country's coffee export in terms of volume as well as foreign currency earnings. Based on the above stated findings, this research project presents the following concluding remark

Strategy is the grand design or an overall 'plan' which an organization chooses in order to move or react towards the set of objectives by using its resource. It is the pathway along which the organizations move towards its objective. A strategic plan is a company's game plan, which results from tough managerial choices among numerous good alternatives, and it signals commitment to specific markets, policies, procedures, and operations. This survey result shows that most of coffee exporters were not developed their own coffee business strategic plan. Without appropriate business strategic plan, it is difficult to companies to compete current competitive international business environment,

Ethiopia is endowed with suitable climate and an impressive selection of distinctive coffee quality and has the potential to produce large amounts coffee Arabica. Quality is an important attribute of coffee and this attribute of coffee is currently becoming even more important than in the past. Naturally, Ethiopia's coffee has no quality related challenges. Ethiopian coffee only loses its quality due to its harvesting, processing and other factors in the value chain system which starts from planting and harvesting up to its international marketing. According to survey result, quality of Ethiopian coffee in world market quite averaged and need special attention to supply high quality coffee to be competitive in today's world market

According to discussion with some coffee exporters, some exporters supply coffee to nearby country illegally (contraband) for better return without any quality set standard. This illegal export assumed as domestically consumed amount of coffee and contributes to make the ratio of domestic consumption almost equal to export. In addition, high consumption coffee at home, increase local coffee market competition, reduces export volume and foreign income of a country

Export promotion serve as “external resource” that assist companies in overcoming barriers to export and/or dealing with and challenges in penetrating overseas markets. Promoting national exports is top priority for many public policy makers, as national exports involve macroeconomic benefits. Given the important benefits from exporting for national economies as well as for local firms, governments are “obliged” to establish, develop, and maintain effective national export promotion and assistance policies. As of birthplace and high producer of coffee Arabica, which is known by its best aroma and taste, according to survey result, foreign market has lack of adequate information about Ethiopian coffee.

Coffee in Ethiopia has to go through the ECX to determine the quality standard of the coffee. If the quality of coffee is verified of export quality, then it must be exported and cannot be sold locally. The organization, Ethiopia Commodity Exchange, was established to reduce price volatility and incentivize farmers to plant coffee. However, according to survey result, in determining quality of coffee in their testing sections, it is difficult to conclude the organization has maintained its intended objectives.

### 5.3 RECOMMENDATIONS

This research has forward the following recommendations based on findings and discussions on the above sections:

- Supplying quality coffee to the international market should be given great consideration by concerned sector offices
- Increase coffee quality awareness at all levels, from production to international market is crucial to attain maximum benefit from coffee export. Concerned bodies have to work on the entire value chain from land preparation to export , including planting right quality of coffee seed, and maintain all pre and post harvesting activities properly,
- Increase the percentage of coffee with potential for sale as a higher grade or specialty coffee by discouraging the mixing of different coffees and facilitating traceability
- Concerned government bodies should monitor and look into cases of bureaucracy, corruption and lack of efficiency at ECX and take appropriate corrective action ( especially corruption at coffee quality testing and grading at ECX laboratories)
- Business strategy is crucial for the successful accomplishment of coffee export performance. Therefore, top managers of coffee exporting companies should give emphasis to develop and use coffee business strategy in the long term basis to cope up the challenges and to take opportunities in the world market.
- Ethiopian government has to work hard on promoting our coffee to the rest of the world in order to get maximum benefit from the sector. i.e. to be better coffee producing and exporting nation, the government has to plan and implement effective coffee export promotion program, especially promoting our coffee in the world market
- The existing support to coffee exporters is shows average level and should be improved. The government should work on alleviating barriers to coffee exporters and support them on providing information on international coffee market, on training assistance to improve their capacity gap and support on financial related issues.
- Concerned government bodies at ECX should assess problems on their organization in close collaboration with staffs, coffee exporters and other partners

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## APPENDIX I. QUESTIONER

Dear Respondent,

This research questioner is designed to collect data to analyse a masters thesis entitled “Factors affecting coffee export in Ethiopia: ”Case study of coffee exporters association of Ethiopia”. Therefore, your genuine and honest response is a valuable input for the quality and successful completion of the study. All information you present will be kept confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

Thank you in advance for your cooperation and timely response!

Mandefro Mershalo

Email: mandefromb19@gmail.com

Mobil: 0916-07-61-67

### General Instructions

- Writing your organizational name is optional.
- where answer is available Tick (√) in the appropriate answer Tick box
- In all cases of more than one answer options Tick (√) in all appropriate answers boxes
- For questions that demands your opinion, please try to honestly describe as per the questions on the space provided.
- Number of pages are 4

1. Name of your Company (Optional ) \_\_\_\_\_`

2. What is your Position in your organization:

a) General Manager                       b) vice Manager

c) Marketing Manager                       d) Export Manager

e) Any other [specify it]\_\_\_\_\_

3. For how many years have you served in your organization

a) Less than 3 year                       b) 3to 5 years

c) 6-10 years                       e) above 10 years

4. Established year of your company in Ethiopian calendar \_\_\_\_\_`

5. Registered initial Investment Capital your company \_\_\_\_\_

6. Number of employees in your company?\_\_\_\_\_

7. For How long have your company been exporting coffee to the International market

- a) Less than 5 years       b) 5 to 10 years   
c) 11 to 15 years       d) above 15 years

8. Your company's coffee Export volume for the last 5 years is

- a) Increasing       b) decreasing

9. If your answer for the above question is 'decreasing', what are the main reasons?

1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

14. Is there any case of your coffee export being rejected by the International customer?

- a) Yes       b) No

15. If yes specify the reasons 1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

16. Problem on international market

- a) High quality of other countries coffee       b) high supply of other countries coffee   
c) low quality of Ethiopian coffee       c) lack of information about Ethiopian coffee   
d) If other specify it \_\_\_\_\_
- 
- 

17. Is there competition between coffee exporters in Ethiopia?

- a) Yes       b) No

18. How do you cope up with the competition, if yes?

- a) Decreasing Price when we sell  b) Increasing price when we buy   
C ) other , specify \_\_\_\_\_

19. Where did you buy Coffee for export? (If your answer is [a], answer questions 19, 20, 21 and 22 otherwise escape them)

- a) Ethiopian commodity exchange  b) Cooperatives   
c) Other suppliers and Farmers  d) Own farm

20. Did you get the right quantity of coffee that you purchased from ECX?

- a) Yes  b) sometimes  c) Not at all

21. Did you get the right quality of coffee that you purchased from ECX?

- a) Yes  b) sometimes  b) Not at all

22. What benefit(s) you are obtaining from ECX? (Mark all if there are multiple answers)

- a) Reducing cost  b) Reducing Time   
c) Other (please specify) \_\_\_\_\_  
\_\_\_\_\_

23. What problems you faced on ECX regarding management?

- a) Bureaucracy  b) Corruption  c) Lack of efficiency

24. Please specify the finance related problems in your coffee export business

(Mark all appropriate answers)

- a) Shortage of working capital  b) High interest rate of Banks   
c) Too much formalities of banks  d) Delay in export realization   
e) If any other problem specify it \_\_\_\_\_

25. Did you get adequate amount of credit from banks for your coffee export business?

a) Yes  b) Sometimes  c) Not at all

26. If your answer is "Not at all" what are the reasons?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

27. Do you have any managers with international experience, working with export?

a) Yes  b) No

28. Does your Company have skilled manpower related problems that affect its performance?

a) Highly Affected  b) Affected  c) Unaffected

29. Do you have coffee marketing strategy? (If your answer is 'Yes' skip to question number 31)

a) Yes  b) No

30. If your answer is No, what are the reasons not to develop and use Marketing strategy?

a) Lack of skilled manpower  b) lack of awareness  c) Shortage of time   
d) If other Reason specify it \_\_\_\_\_

31. How do you rate the Acceptance of Ethiopian coffee in foreign market regarding quality

a) Highly Acceptable  b) Moderate  c) Acceptable  d) Less Acceptable

32. Demand for the Ethiopian coffee in world market

a) Very High  b) High  c) moderate  d) Low

33. What is your opinion concerning the purchase price of coffee in local market?

a) Very cheap  b) Cheap   
c) Affordable  d) Expensive  e) Very expensive

34. What is your opinion concerning the price of the Ethiopian coffee in foreign market?

a) Very cheap  b) Cheap   
c) Satisfactory  d) High  e) Very High.

35. Did you sell coffee on international market below purchasing price in the country?

a) Yes

b) No

36. If your answer is “Yes” what are the reasons to sell bellow purchasing price

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

37. The effect of Ethiopian government policies and regulation on your coffee export business.

a) Highly Affected

b)

) Affected

c) Neutral

d) Unaffected

38. The Effect of Existing documentation legal requirement by Ethiopian government on

Coffee business

a) Highly Affected

b) Affected

c) Neutral

d) Unaffected

39. Please specify the infrastructure problems faced by your firm in coffee export

(Mark all appropriate answers)

a) Transportation

b) Water

c) Electricity

d) Road

e) Port

f) Shipping

40. What is your opinion about Ethiopian Government intervention in promoting Ethiopian coffee in international Market?

a) Very good

b) Good

c) Satisfactory

d) Poor

e) Very poor

41. Support from Ethiopian coffee and tea Authority.

a) Very good

b) Good

c) Satisfactory

d) Poor

e) Very poor

42. Support from Trade Minister

- a) Very good       b) Good   
 c) Satisfactory       d) Poor       e) Very poor

43. Support from Tax and custom authority

- a) Very good       b) Good   
 c) Satisfactory       d) Poor       e) Very poor

44. Support from Transport and Logistics Agency

- a) Very good       b) Good   
 c) Satisfactory       d) Poor       e) Very poor

45. The effect of the last five years socio political situation of Ethiopia on your coffee export

Business

- a) High       b) Moderate       c) No effect

46. If there are any other factors, besides the above mentioned, that can influence /affect

The coffee export performance of your company to international mark, please specify

4. \_\_\_\_\_  
 5. \_\_\_\_\_  
 6. \_\_\_\_\_

47. What are your opinions to improve export Volume of Ethiopian coffee to international?

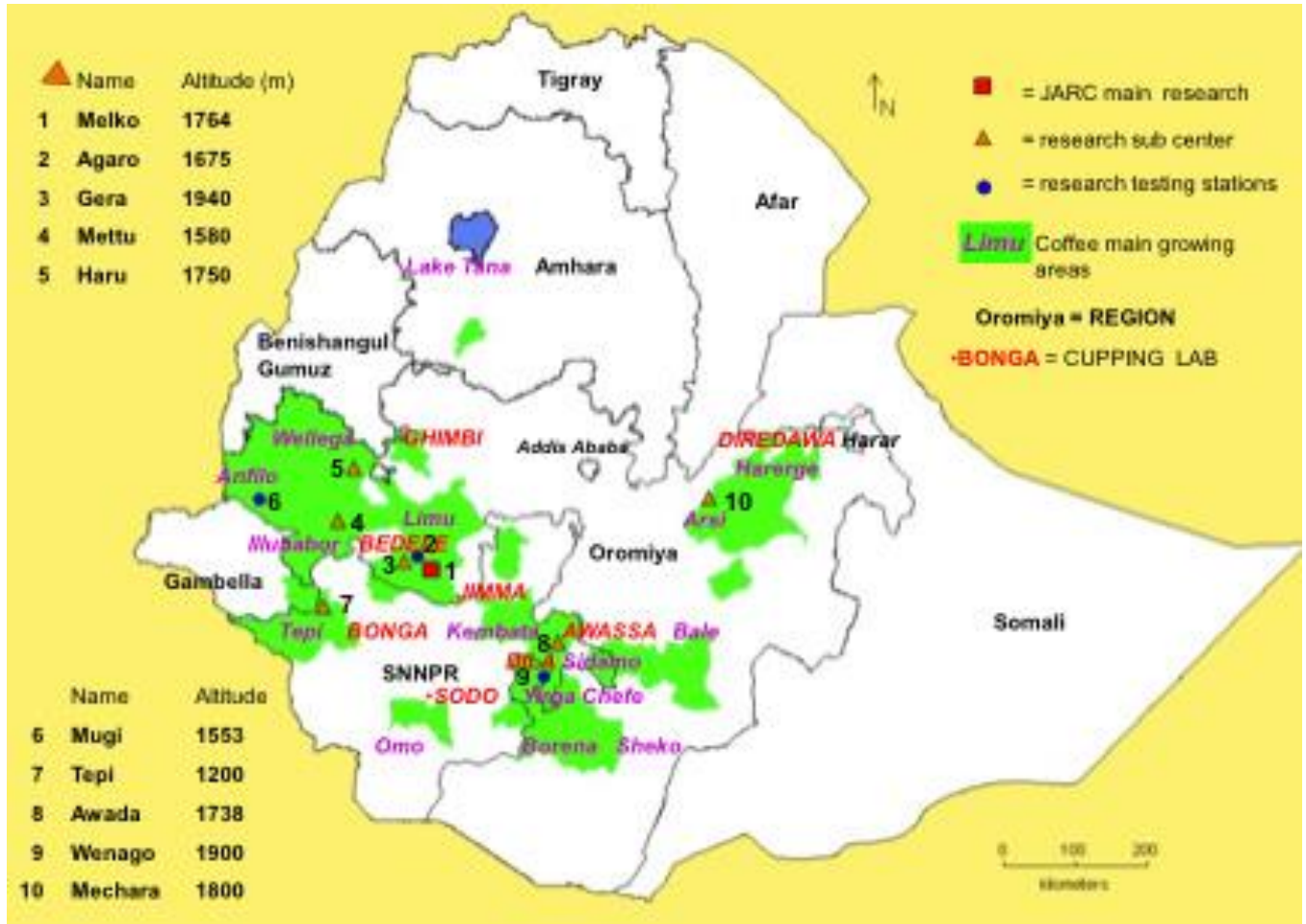
Market

1. \_\_\_\_\_  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_

Phone number \_\_\_\_\_ (Optional)

Thank you for your Patience!!

## APPENDIX II: MAP OF MAIN COFFEE GROWING AREAS OF ETHIOPIA



## APPENDIX III: COFFEE PRODUCTION CONSUMPTION AND EXPORT OF TOP COFFEE PRODUCING COUNTRIES

### A. Production

Crop year		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Brazil	(A/R)	43,977	53,428	50,592	55,420	54,698	52,299	52,426	56,764	51,000
Indonesia	(R/A)	11,380	9,129	6,889	13,070	12,818	10,862	12,535	11,491	10,902
Colombia	(A)	8,098	8,523	7,652	9,927	12,163	13,339	14,009	14,634	14,000
Ethiopia	(A)	6,931	7,500	6,798	6,233	6,427	6,575	6,714	7,297	7,650
Mexico	(A)	4,109	4,001	4,561	4,327	3,916	3,591	2,903	3,781	4,000
Vietnam	(R/A)	17,825	20,000	26,500	23,402	27,610	26,500	28,737	25,540	29,500

### B. Consumption

Crop year		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Brazil		17,660	18,390	19,132	19,720	20,330	20,085	20,333	20,508	21,225	21,997
Indonesia		3,333	3,333	3,333	3,667	3,900	4,167	4,333	4,500	4,600	4,700
Ethiopia		3,048	3,210	3,383	3,383	3,400	3,550	3,625	3,700	3,725	3,750
Vietnam		1,021	1,208	1,583	1,650	1,825	2,000	2,200	2,300	2,400	2,500
Mexico		2,200	2,200	2,354	2,354	2,354	2,321	2,347	2,329	2,360	2,400
Colombia		1,291	1,270	1,308	1,439	1,441	1,469	1,505	1,672	1,736	1,800

### C. Export

Crop year		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Brazil		30,292	30,255	34,054	32,149	29,285	32,761	36,876	36,928	33,467
Indonesia		5,667	7,990	5,648	3,645	8,970	8,701	6,679	7,985	6,891
Colombia		8,716	7,196	8,064	7,299	8,842	10,842	12,281	12,302	13,488
Ethiopia		1,868	2,904	3,022	2,832	3,166	3,044	2,872	3,092	3,497
Mexico		2,775	2,567	2,727	3,392	3,353	2,457	2,458	2,311	2,853
Vietnam		17,386	14,591	16,850	21,706	20,665	24,902	21,294	26,437	23,540



## APPENDIX IV: FIVE YEARS COFFEE EXPORT BY DESTINATION (E.C)

	Destination	2007		2008		2009		2010		2011		Total Sum of QTY (Ton)	Total Sum of FOB_FORIGN
		Sum of QTY (Ton)	Sum of FOB_FORIGN	Sum of QTY (Ton)	Sum of FOB_FORIGN	Sum of QTY (Ton)	Sum of FOB_FORIGN	Sum of QTY (Ton)	Sum of FOB_FORIGN	Sum of QTY (Ton)	Sum of FOB_FORIGN		
1	Germany	36,290	141,454,611	41,910	135,919,310	40,302	140,035,199	51,634	145,100,633	34,907	98,617,245	205,044	661,126,997
2	Saudi Arabia	35,880	131,959,864	37,507	111,825,682	36,551	132,932,151	37,406	120,993,430	44,921	117,959,016	192,265	615,670,143
3	United States	18,645	109,362,463	18,552	99,519,921	20,698	116,731,237	26,657	140,900,216	23,659	123,300,699	108,211	589,814,536
4	Japan	22,040	87,639,404	16,722	52,236,074	26,863	87,479,507	23,461	69,191,583	31,105	89,494,749	120,189	386,041,318
5	Belgium	9,622	45,011,886	13,484	54,661,272	19,549	82,542,882	17,411	67,905,564	15,684	55,817,405	75,750	305,939,008
6	Italy	6,841	32,177,294	8,254	34,271,671	10,796	47,126,689	10,893	39,838,527	10,564	35,704,725	47,348	189,118,906
7	Korea democratic Republic	6,412	31,117,484	9,208	40,729,083	11,512	50,069,121	10,060	41,617,481	10,704	42,129,138	47,896	205,662,307
8	France	8,310	32,655,862	12,110	34,312,314	10,575	32,159,111	8,816	26,642,382	5,778	16,288,420	45,590	142,058,089
9	Sudan	10,448	30,018,573	7,765	16,274,998	11,237	24,484,346	14,558	31,879,308	12,808	25,953,207	56,816	128,610,432
10	United Kingdom	4,715	22,841,935	4,566	24,408,710	6,238	33,467,865	4,650	23,211,420	4,032	18,536,564	24,201	122,466,494
11	Australia	3,607	18,562,261	4,275	19,367,465	4,615	20,347,471	3,854	16,531,883	5,029	20,062,893	21,379	94,871,974
12	Spain	1,846	9,051,874	2,774	13,665,510	1,939	10,160,858	2,583	10,978,450	2,514	9,396,558	11,655	53,253,250
13	Taiwan, Province of China	990	4,909,566	1,342	6,285,377	2,736	13,766,374	2,423	10,824,878	3,202	14,990,393	10,692	50,776,588
14	Jordan	2,183	9,741,635	2,322	10,085,388	2,560	10,488,753	2,467	9,180,890	2,873	10,664,465	12,405	50,161,131
15	Sweden	3,387	15,933,899	2,771	10,231,941	2,337	9,799,790	1,730	7,648,383	1,003	4,337,210	11,228	47,951,223
16	China	506	2,805,916	1,192	5,336,487	1,678	8,228,808	2,712	11,746,158	4,008	15,387,220	10,097	43,504,589
17	Russian Federation	1,750	6,407,930	2,070	6,301,922	2,791	8,920,039	3,186	9,779,473	2,731	7,563,216	12,529	38,972,580
18	Canada	1,383	6,701,957	1,425	7,170,912	1,652	7,295,265	1,996	8,564,350	1,576	6,048,476	8,032	35,780,960
19	Netherlands	925	6,067,038	774	4,874,642	1,379	8,002,578	1,333	6,596,172	1,760	9,055,515	6,171	34,595,946
20	Greece	1,698	6,228,266	1,730	5,200,032	1,473	4,763,331	1,267	3,890,230	672	2,319,986	6,841	22,401,845
21	Finland	751	3,960,314	845	3,987,887	1,052	5,381,075	723	3,240,236	1,146	4,754,711	4,516	21,324,224
22	New Zealand	602	4,580,784	654	4,173,966	640	4,001,384	626	4,083,800	729	4,351,370	3,251	21,191,305
23	South Africa	674	3,476,768	847	3,995,222	735	3,583,394	750	3,099,034	793	2,986,764	3,800	17,141,183
24	Israel	804	2,862,469	1,093	2,971,491	976	3,082,451	1,306	3,986,648	942	2,404,050	5,120	15,307,110
25	United Arab Emirates	504	1,725,098	696	1,973,329	1,258	4,358,815	669	2,530,118	1,274	3,856,049	4,400	14,443,409
26	Egypt	375	1,291,583	177	514,879	262	783,443	535	1,517,420	727	1,775,411	2,076	5,882,736
27	Portugal	192	1,007,600	274	986,864	372	1,398,325	339	1,171,371	512	1,308,624	1,688	5,872,784
28	Mexico	240	1,130,463	217	1,142,799	180	1,052,924	294	1,300,235	259	1,180,878	1,190	5,807,298
29	Norway	297	1,544,331	185	906,665	204	1,113,999	83	375,555	129	584,491	898	4,525,040

30	Viet Nam	362	1,650,707	461	1,108,791	211	570,797	461	1,049,174	58	125,184	1,553	4,504,654
31	Latvia	52	334,685			144	773,262	238	1,167,779	410	2,187,374	844	4,463,101
32	Singapore	109	460,810	157	738,312	146	787,533	252	1,088,595	241	1,261,689	904	4,336,940
33	Ukraine			228	631,485	287	762,140	594	1,460,533	534	1,246,583	1,643	4,100,741
34	Hong Kong	96	385,187	58	236,721	89	553,425	148	995,807	273	1,498,932	663	3,670,073
35	Slovenia	114	584,819	114	529,342	247	1,013,604	247	800,676	131	481,139	853	3,409,579
36	Denmark	53	319,249	229	869,138	134	555,748	138	693,592	117	549,186	670	2,986,912
37	Yemen	103	427,440	167	528,300	91	320,490	112	298,341	485	1,144,838	957	2,719,410
38	Poland	180	759,529	332	971,185	112	311,960	90	330,150	96	230,916	810	2,603,740
39	Kuwait	54	176,300	203	534,398	133	421,883	97	369,319	266	1,087,547	752	2,589,447
40	Switzerland	212	715,111	94	326,864	346	892,065	9	65,437	194	438,827	855	2,438,304
41	Ireland	77	405,929	115	515,560	96	421,590			154	589,484	442	1,932,562
42	Lebanon	82	281,157	19	52,320	58	177,627	65	212,175	230	914,717	454	1,637,996
43	Turkey	56	264,790	114	312,144	77	208,619	127	456,757	95	295,691	469	1,538,000
44	Malaysia	38	137,144	9	61,508	19	131,218	173	794,503	124	381,740	363	1,506,113
45	Qatar			36	138,600			200	953,762	50	228,574	286	1,320,936
46	Cyprus					19	49,947	134	617,994	134	541,306	288	1,209,248
47	Estonia			58	132,911	134	392,806	96	242,258	38	79,735	326	847,710
48	India					19	52,910	96	204,022	269	565,333	384	822,266
49	Bulgaria	96	287,549	154	348,785					15	95,163	264	731,497
50	South Sudan							211	474,632			211	474,632
51	Morocco	19	68,572							154	392,234	173	460,806
52	Syrian Arab Republic							192	444,447			192	444,447
53	Iran, Islamic Republic of			16	41,600			19	73,228	97	318,854	132	433,682
54	Georgia			19	56,680	19	53,334	80	214,975	38	100,083	157	425,071
55	Romania			19	43,175	18	117,064	20	124,670	19	107,931	76	392,841
56	Djibouti	48	47,023	67	110,157	74	123,559	44	18,228	49	63,945	283	362,911
57	Lithuania							33	138,365	58	196,200	91	334,565
58	Kenya			26	166,836					21	127,700	48	294,536
59	Chile			8	49,383	25	160,285	9	66,173			42	275,841
60	Albania	19	101,905	19	49,524			19	40,635	19	57,265	77	249,330
61	Palestine	19	65,856					38	161,280			58	227,136
62	Madagascar							19	41,058	77	172,517	96	213,576
63	Armenia	19	74,075	19	48,678			16	32,328			54	155,080
64	Netherlands Antilles									77	153,895	77	153,895
65	Oman							2	16,111	59	135,517	61	151,629
66	Eritrea									80	150,240	80	150,240
67	Swaziland			19	95,239	6	41,667			0	694	25	137,599

68	Algeria	19	90,583					19	44,445			38	135,027
69	Indonesia									38	125,514	38	125,514
70	Libyan Arab Jamahiriya	19	77,461									19	77,461
71	Malta	19	76,190									19	76,190
72	Belarus							19	66,258			19	66,258
73	Croatia									18	58,384	18	58,384
74	Somalia			3	15,006	4	20,000	3	14,975	10	49,981	10	49,981
75	Macau							19	39,365			19	39,365
76	Philippines							0	1,719	0	15,028	1	16,747
77	Nigeria	0	1,402	0	1,353	0	1,046	0	2,971	1	5,489	2	12,261
78	Argentina			2	11,852							2	11,852
79	Mali									0	6,439	0	6,439
80	Austria			1	5,597							1	5,597
81	Bahrain							1	4,375			1	4,375
82	Slovakia	1	4,300									1	4,300
83	Lao People's Democratic Republic					0	953					0	953
84	Thailand									0	540	0	540
85	Seychelles			0	432							0	432
86	Senegal									0	199	0	199
87	Czech Republic							0	198			0	198
	<b>Grand Total</b>	<b>183,781</b>	<b>780,026,898</b>	<b>198,501</b>	<b>722,042,652</b>	<b>225,668</b>	<b>882,473,754</b>	<b>238,466</b>	<b>838,152,167</b>	<b>230,764</b>	<b>762,977,050</b>	<b>1,077,180</b>	<b>3,985,672,521</b>