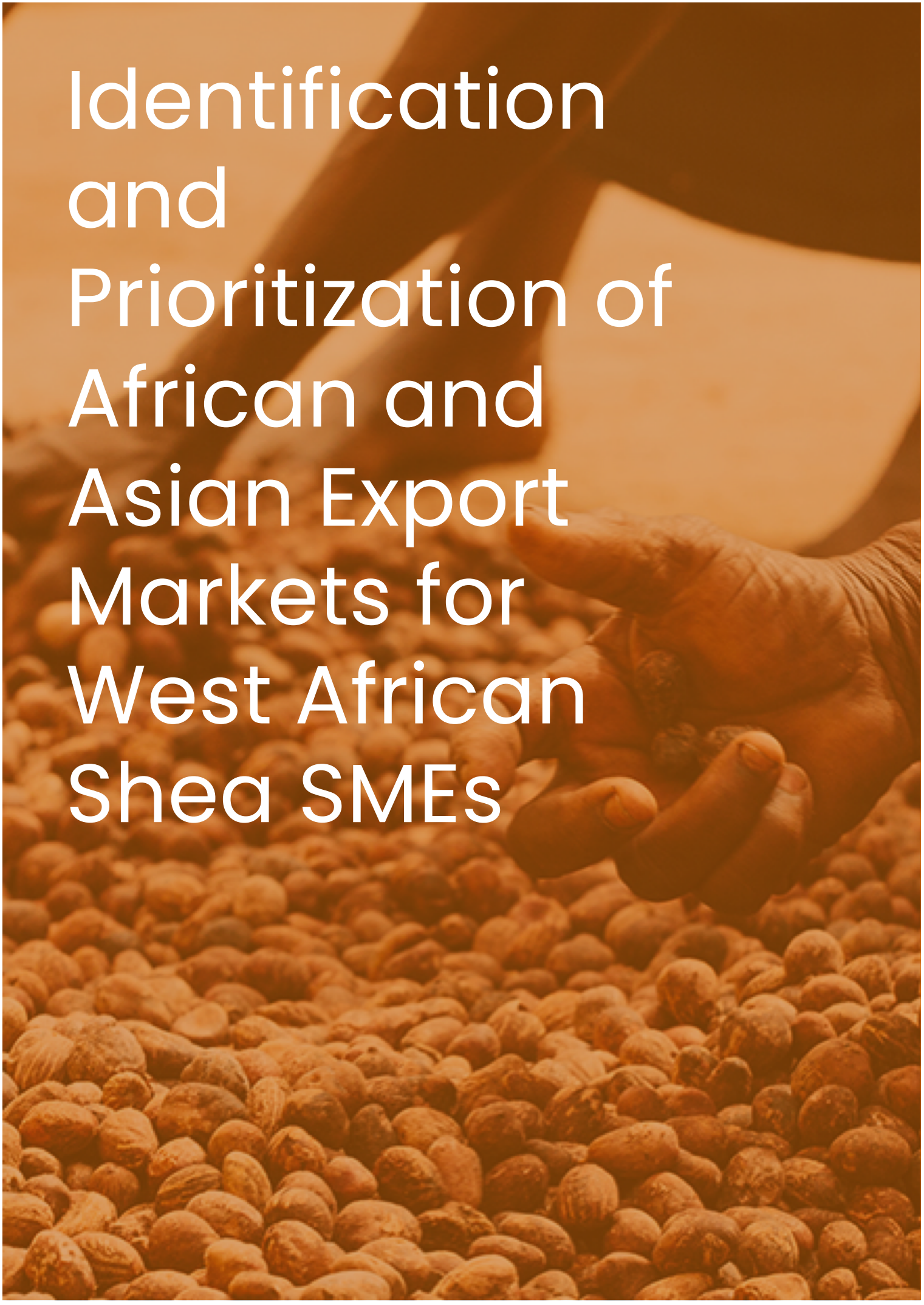

Identification and Prioritization of African and Asian Export Markets for West African Shea SMEs

ABOUT THIS REPORT

Prepared by Partnership for Natural Ingredients (PNI) for Global Shea Alliance (GSA) as part of Supporting the Inclusive Commercial Development of the Shea Value Chain Program funded by the Enhanced Integrated Framework (EIF)

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1.

INTRODUCTION

Partnership for Natural Ingredients (PNI) was contracted by Global Shea Alliance (GSA) to identify the six best trading opportunities between shea businesses in Benin, Burkina Faso, Mali and Togo and export markets in Asia and other African nations.

This study is part of a recently launched GSA program – Supporting the Inclusive Commercial Development of the Shea Value Chain - funded by EIF. The initiative will stimulate pro-poor growth in Benin, Burkina Faso, Mali, and Togo by expanding demand for value-added shea products, supporting small businesses to access international markets, and improving trade-related incomes for women collectors and processors.

2.

ACRONYMS

African Continental Free Trade Agreement	**AfCFTA**
Economic Community of West African States	**ECOWAS**
Enhanced Integrated Framework	**EIF**
Food and Agriculture Organization of the United Nations	**FAO**
Free Trade Agreement	**FTA**
Generalised System of Preferences	**GSP**
Global Shea Alliance	**GSA**
Harmonized System for classifying goods	**HS**
Information and Communications Technology	**ICT**
Least Developed Countries	**LDC**
Most Favored Nation	**MFN**
Partnership for Natural Ingredients	**PNI**
Preferential Trade Agreement	**PTA**
Sanitary and Phytosanitary Measures	**SPS**
Small and Medium-sized Enterprise	**SME**
Trade Analysis Information System	**TRAINS**
United Nations International Trade Statistics Database	**UN COMTRADE**
World Trade Organization	**WTO**

3.

DEFINITIONS

Shea Ingredients: **Artisanal or manufacturing shea kernel and butter**

Most advantaged Nation: **Provision of international trade agreements in which each member State commits itself to give to the others any advantage that it would grant to a third State.**

Shea Products: **Finished products using shea as input such as chocolates, cosmetic products and soap.**

Generalized System of Preferences: **Program of trade preferences for goods from developing countries established by several developed countries, as an exception to the system of the most favored nation.**

4.

EXECUTIVE SUMMARY

On the basis of an economic analysis, this study determines the most promising export markets in Africa and Asia for West-African shea exporters in Benin, Togo, Burkina Faso, and Mali. Specifically, the study comprises of two different assessments: (i) a trade analysis, which determines supply and demand advantages; and (ii) a market index, which determines the scale of potential target consumers and businesses. Both analysis focused on the identification and prioritization of personal care markets to most closely align with the products sold by beneficiary businesses of the EIF project.

On the basis of these two assessments, we find that the most promising markets for the export of shea ingredients and related finished products are China, Japan, South Korea in Asia and South Africa, Angola, and Kenya in Africa. Nigeria, Ghana and Cote d'Ivoire also present compelling export markets in Africa but were excluded from final selection at GSA's request due to their domestic shea markets.

4.

We selected the supply and demand factors in the text box to determine target export countries in Africa and Asia as well as associated barriers to entry and the greatest demonstrated demand.

The analysis included data on shea trade in the food industry to provide GSA with a summary of the potential export markets; however, we then decreased the importance of these markets in the final analysis and selection in order to prioritize personal care markets. This prioritization elevated the best export opportunities for SMEs in beneficiary countries.

Additionally, the trade factor weightings in this study are designed to be adjusted to the priorities of exporting businesses. However, we found that adjusting the factor weights to target businesses exporting both shea butter and finished products produced the same country rankings.

With the exclusion of countries with domestic shea markets, we ranked South Africa, Angola, and Kenya as the best potential export opportunities for Benin, Burkina Faso, Mali, and Togo. In Asia, we recommend China, Japan, and Malaysia followed by South Korea within a close margin. The summary results of the trade analysis are in figure 1 on the next page.

Supply Factors

- Tariffs on shea kernels and butter
- Tariffs on finished products containing shea butter
- Preferential trade status between beneficiary countries and target export countries
- Overall enabling environment of target export countries

Demand Factors

- Export of finished products containing shea
- Growth in exports of finished products containing shea
- Import of shea kernels and butter
- Import of finished products containing shea butter
- Import of ingredients similar to shea butter

4.

Figure 1. Trade Analysis Summary and Rankings

Africa Summary and Rankings

	Shea Tariffs			Shea Imports			Shea Exports	
Countries	Products	Ingredients	Enabling Trade Environment	Ingredients	Products	Substitutes	Products	weighted avg rating
Angola	3.67	7.78		0.00	1.91	2.46	0.48	3.36
Cameroon	2.23	1.11	0.00	0.04	0.33	1.29	1.45	1.08
Cote d'Ivoire	10.00	10.00	5.08	10.00	0.58	0.85	2.96	5.55
Ethiopia	2.23	3.33	3.94	0.00	2.60	7.93	1.37	3.35
Ghana	10.00	10.00	5.53	6.20	1.56	3.61	4.86	6.20
Kenya	3.53	2.22	7.58	0.12	0.91	8.31	3.10	3.65
Nigeria	10.00	10.00	0.38	2.62	1.05	2.46	5.75	5.32
South Africa	4.85	5.69	10.00	1.95	10.00	10.00	10.00	7.70
Tanzania	2.66	0.00	4.09	0.08	0.49	3.55	1.83	1.76
Uganda	0.00	2.22	6.89	0.00	0.83	3.73	1.64	2.02
Factor weight	**20%**	**20%**	**10%**	**5%**	**10%**	**15%**	**10%**	

Asia Summary and Rankings

China	9.29	8.86	5.54	0.08	10.00	10.00	10.00	8.69
India	10.00	0.00	2.26	5.17	0.21	9.74	7.22	4.71
Indonesia	2.61	8.48	4.46	0.00	0.32	0.50	6.23	3.43
Japan	10.00	10.00	10.00	0.02	1.23	4.16	6.40	6.51
Malaysia	6.97	10.00	7.85	10.00	0.54	4.18	5.91	6.00
Pakistan	0.00		0.00	0.00	0.04	3.39	3.06	1.04
Philippines	6.06	9.47	3.50	0.00	0.24	0.31	3.63	3.91
South Korea	10.00	8.97	8.64	0.15	1.03	1.98	6.30	5.80
Thailand	10.00	6.96	5.31	0.00	0.91	0.13	6.67	4.79
Vietnam	0.43	6.84	4.24	0.00	0.20	1.02	3.62	2.43

4.

To determine the market index, we assessed the following demographic factors and market attributes most likely to drive increased sales potential related to personal care markets in the target export countries:

- Population size of target consumer – women residing in urban areas.
- Consumption of personal care products
- Consumption of organic products (Asia analysis)
- Presence of arid climate
- Level of Internet penetration to approximate opportunity for online sales
- Francophone affinity

The selection of the factors, their specific weightings, and index computation is based on the expertise of the lead markets investigator with input from the project general manager and the GSA.

Again, we centered our analysis on the personal care industry as these types of shea ingredients and products mostly closely align with production of SME businesses having export potential in Benin, Burkina Faso, Mali, and Togo. We didn't produce a food market index because those those export opportunities are readily viewed in the trade analysis and don't require a special targeting for the specific types of personal care products sold by EIF project beneficiaries.

With the exclusion of the domestic shea markets, the market index identified South Africa, Angola, Cameroon as the highest potential African markets and China, Japan and South Korea as the highest potential Asian markets for export.

Figure 2 – Market Index Summary and Rankings

Asia Market Index

Market	Market Potential Index	Market Potential Rank
China	468	1
Japan	427	2
South Korea	133	3
India	50	4
Hong Kong	39	5
Singapore	28	6
Indonesia	23	7
Thailand	22	8
Philippines	13	9
Malaysia	7	10
Vietnam	4	11

Africa Market Index

South Africa	804	1
Nigeria	413	2
Angola	118	3
Ghana	89	4
Cameroon	89	5
Côte d'Ivoire	79	6
Democratic Republic of the Congo	70	7
Senegal	62	8
Kenya	59	9
Tanzania	47	10
Ethiopia	37	11
Zambia	25	12
Uganda	17	13
Mozambique	17	14
Zimbabwe	16	15
Madagascar	14	16
Chad	13	17
Niger	11	18
Somalia	11	19
Malawi	8	20

4.

Final Recommendations & Analysis

To produce a final recommendations, we converted the market index to a scale of 1-10 and then combined the trade analysis and marketing index to produce a final rating shown in figure 3.

China, Japan, and South Korea emerged as the best export opportunities and are therefore the 3 recommendations in Asia.

With the exclusion of countries with domestic shea markets, South Africa, Angola, and Kenya emerged as the best export opportunities in Africa.

The remainder of this report includes detailed sections describing our trade analysis, market index, final recommendations and analysis, and illustrative businesses from the recommended nations.

Figure 3. Combined Rankings

Asia Combined Rankings

Countries	trade factor rating	market index rating	combined rating
China	8.69	4.68	6.68
Japan	6.51	4.27	5.39
South Korea	5.80	1.33	3.57
Malaysia	6.00	0.07	3.03
India	4.71	0.50	2.60
Thailand	4.79	0.22	2.51
Philippines	3.91	0.13	2.02
Indonesia	3.43	0.23	1.83
Vietnam	2.43	0.04	1.24

Africa Combined Rankings

South Africa	7.70	8.04	7.87
Nigeria	5.32	4.13	4.73
Ghana	6.20	0.89	3.55
Côte d'Ivoire	5.55	0.79	3.17
Angola	3.36	1.18	2.27
Kenya	3.65	0.59	2.12
Ethiopia	3.35	0.37	1.86
Tanzania	1.76	0.47	1.11
Uganda	2.02	0.17	1.10
Cameroon	1.08	0.89	.98

5.

TRADE ANALYSIS

The trade analysis aims at determining the most promising export opportunities in Asian and Africa from Benin, Burkina Faso, Mali, and Togo. In this analysis, we include 10 Asian and 10 sub-Saharan African economies selected based on their 2019 gross domestic product.[1]

A distinction is made between *shea ingredients*, which include shea kernels and shea oil/butter, and *shea products,* which use shea as an input and include chocolates, cosmetics, and soap. This distinction is important because these two categories represent distinct product groups. For instance, shea ingredients involve less processing and most of the value addition occurs within the shea industry. Shea products, on the other hand, involve a higher level of processing and most value addition takes place outside of the shea industry.

The analysis proceeds on the premise that an ideal export market will have the lowest constraints in terms of supply, and have the highest relative demonstrated demand for shea ingredients and products exported from the 4 selected countries. We first address supply-side factors, followed by demand-side factors, and then provide a preliminary ranking of ideal markets in Asia and Africa.

1. Top 11 economies based on data from the World Bank were selected. Data can be accessed here

6. SUPPLY-SIDE FACTORS

6.1

TARIFFS ON SHEA INGREDIENTS

Tariffs are product specific taxes on imports imposed by the importing country. These taxes help inform the identification of an ideal export market because a market with low tariffs represents lower export costs, which would imply more competitive exports in that market vis-a-vis other markets.

Tariff data was gathered based on two Harmonized System (HS) Codes for *shea ingredients*: HS 120799 (for raw shea or shea kernels) and HS 151590 (for shea butter). Data on tariffs imposed by different Asian and African markets on *shea ingredients* exported by Benin, Burkina Faso, Mali, and Togo are represented in Figure 4. Note that this data includes the lowest possible tariff rate available for Benin, Burkina Faso, Mali, and Togo to export to each market, which may or may not be based on a most-favored-nation (MFN) basis.

India imposes high tariffs on both shea kernels and shea butter, whereas Japan and Malaysia have zero tariffs on both products. In Africa, East African countries such as Tanzania, Kenya and Uganda have high tariffs, whereas West African countries, such as Ghana and Nigeria, have zero tariffs on shea ingredients coming from Benin, Burkina Faso, Mali and Togo due to ECOWAS (Economic Community of West African States), a regional economic union in West Africa.

The lower the tariffs, the lower the eventual price of shea ingredients in a given market. A lower price, in turn, would be beneficial for exporting firms in Benin, Burkina Faso, Mali, and Togo to attract customers and gain market share in a specific market.

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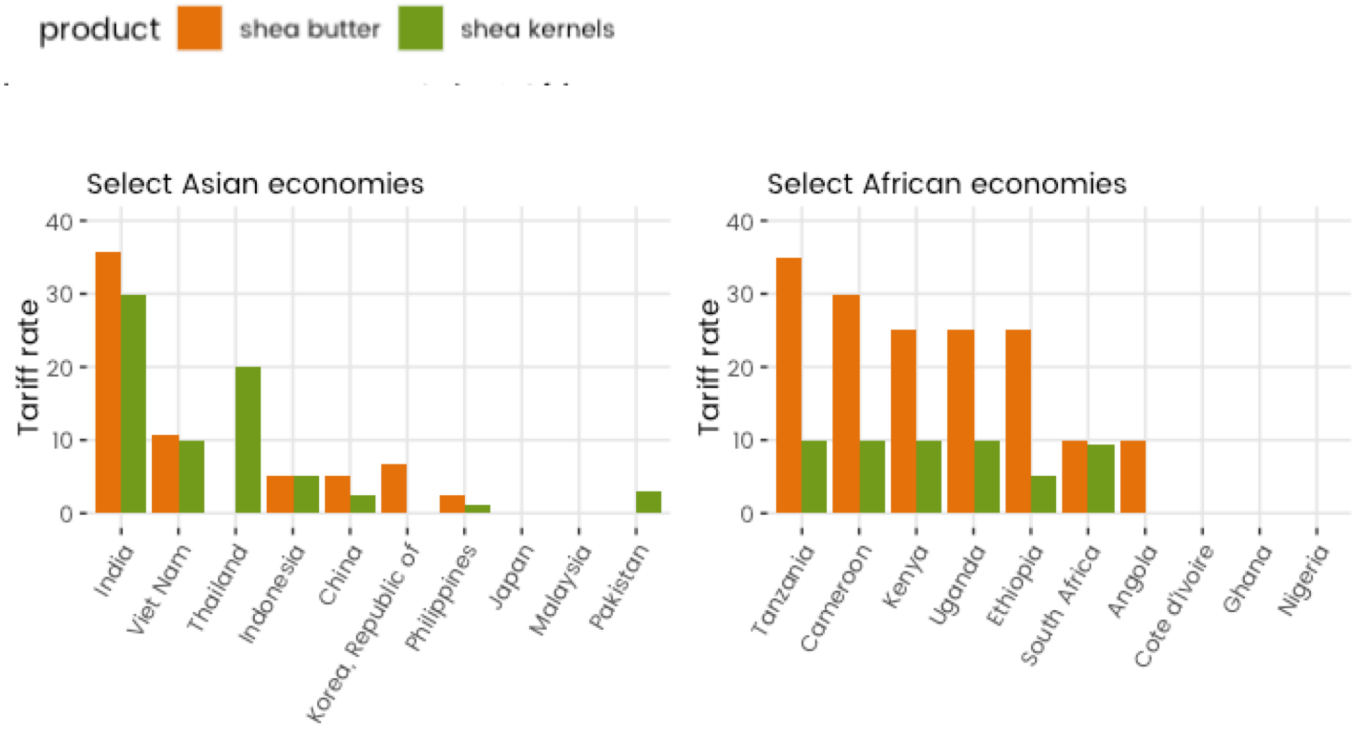
Figure 4. Average Tariff on Shea Ingredients faced by Benin, Burkina Faso, Mali and Togo



Notes: Data from WTO tariff database. Data for Ethiopia from TRAINS.

6.2

TARIFFS ON SHEA PRODUCTS

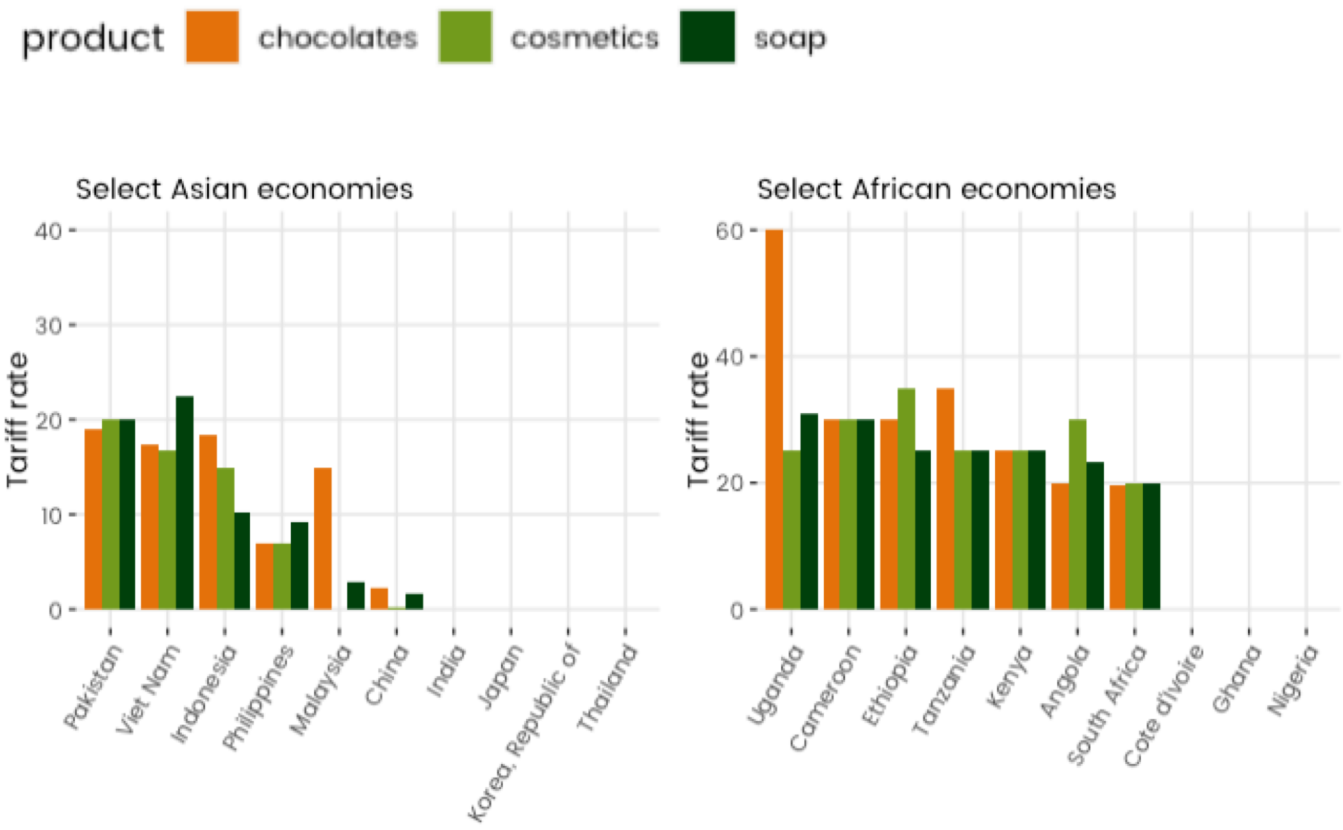
While the focus of this study is the identification of prospective shea markets, it is important to assess tariffs on *shea products* to analyze whether promotion of cosmetics, soap, and chocolate, might be a more effective strategy in comparison to *shea ingredients*.

For example, if a market has very high tariffs on *shea ingredients*, but low tariffs on *shea products* (India is an example of such a market), it might be more effective to shift promotion from *shea ingredients* to *products*.

Figure 5 shows average tariffs on chocolates, cosmetics, and soap exported from Benin, Burkina Faso, Mali and Togo based on relevant HS codes associated within each of these product categories.[2] Among Asian countries, China has low tariffs on *shea products*, whereas India, Japan, and Korea have zero tariffs on imports of these products. Among African economies, import tariffs on these products in Côte d'Ivoire, Ghana and Nigeria are zero—again due to the impact of ECOWAS. As previously noted, a country with lower tariffs is generally an ideal export market.

2. HS codes for chocolates: "180620", "180631", "180632". For cosmetics: "330499". For soap: "340111","340130","340120"

Figure 5. Tariffs on Products Using Shea as an Input



Notes: Data from WTO tariff database. Data for Ethiopia from TRAINS.

6.3

TRADING STATUS BETWEEN COUNTRIES

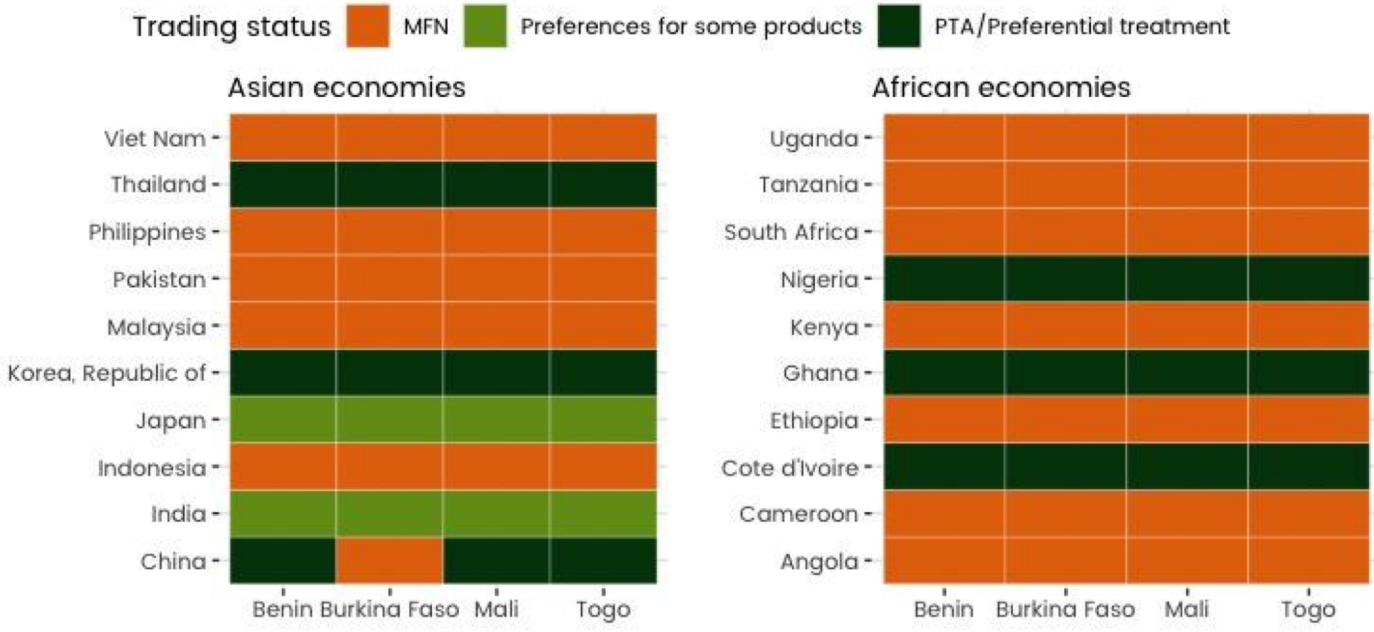
Some tariffs are low or zero because of the existence of an FTA (Free Trade Area) between Benin, Burkina Faso, Mali and Togo, and the markets being analyzed. One area of interest might focus on whether *shea ingredients or products* qualify for preferential treatment under an FTA or GSP (Generalized System of Preferences) when exported to a particular economy. While FTAs between countries reduce tariffs on most goods to zero and are bilateral, GSP schemes are unilateral and assign tariff-free treatment on specific goods to designated countries. Figure 6 represents whether *shea ingredients and products* between Benin, Burkina Faso, Mali, and Togo and the given economies are traded under MFN status, or qualify for preferential treatment under an FTA or GSP.

Trade under MFN status means that the four focal countries of this study receive no favorable treatment in terms of tariffs faced compared to other countries that might export shea to these markets. International trade, by default, happens under MFN status.

Two curious areas to observe are India and China's Generalised Scheme of Preferences (GSPs). India's GSP scheme does not apply to HS 120799 (Raw shea) but applies to shea butter[3], whereas China's GSP scheme does not apply to Burkina Faso.[4] Similarly, Japan's preferential tariffs do not apply to soap or cosmetics (an inconsequential point as the MFN tariff on those products is zero). Given the preferential scheme for India and Japan applies to only some of the *shea ingredients and products*, the relationships are labeled green in Figure 6.

3. Details about India's preference scheme, included the countries and product coverage, can be found here
4. An overview of China's preference scheme can be found here

Figure 6. Trading Status for Shea Ingredients & Products



Notes: Data from WTO tariff database

6.4

TRADING STATUS BETWEEN COUNTRIES

Qualification under a GSP scheme does not necessarily mean tariffs are zero: India's preferential tariff on HS 151590 (shea butter) is still 35.8% (but lower than the MFN rate of 100%). However, the existence of a PTA or GSP scheme might indicate an enabling trade environment extending beyond tariffs, in areas like border checks and product standards. For example, under ECOWAS, there is mutual recognition of sanitary and phytosanitary (SPS) certificates[5], which means that once certified by the home country, the exporter does not need additional certification to export a given agricultural product to other countries within ECOWAS.

Changes related to the African Continental Free Trade Agreement (AfCFTA) will affect trading relationships in the future, which may re-shape the implications of the facts outlined above.

5. A primer on SPS measures can be found here

6.4

ENABLING TRADE ENVIRONMENT

While this indicator is not specific to shea products, it is nonetheless useful to consider the overall trade environment of the countries under consideration. An enabling trade environment includes the efficiency of border administration, domestic market access, availability, and use of ICT and operating environment. A more enabling environment in an economy reduces "hidden" trade costs and makes it easier to export to a country.

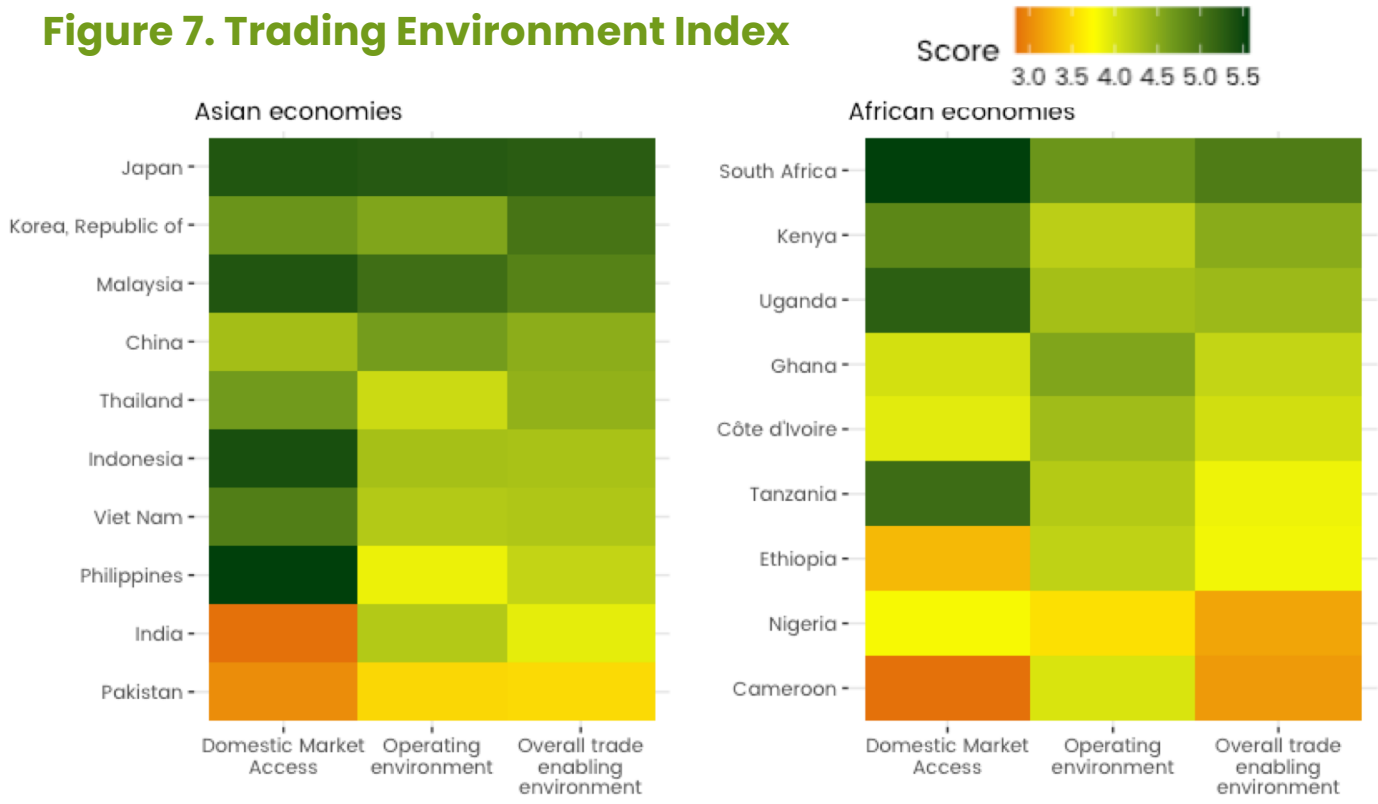
To obtain a trade environment score, we use data gathered by the Global Alliance of Trade Facilitation.[6]

6. Data from Global Alliance for Trade facilitation can be accessed here

This database ranks each economy on a scale from 1 (worst) to 7 (best) on 57 different indicators, which are then combined into 7 pillars.

In Figure 7, the rating of two pillars (domestic market access and operating environment) which are important from the perspective of exporters, as well as the score for the total business environment are represented, along with a rating for the overall trading environment, which combines ratings on all 7 pillars. Countries in Figure 7 are ranked based on a rating of the overall trading environment. Japan has the highest score for the overall trading environment among Asian economies, while South Africa is the best-performing economy among African economies. To illustrate this ranking, it takes an average of 36 hours in South Africa to check import documents compliance, whereas it takes 172 hours in Nigeria.

Figure 7. Trading Environment Index



Notes: Data from Global Alliance of Trade Facilitation. Data for Angola unavailable.

7. DEMAND-SIDE FACTORS

7.1

EXPORT OF SHEA PRODUCTS

A country that exports large amounts of *shea products*, such as chocolates and cosmetics, is an ideal market for exports of *shea ingredients*. For example, a high value of chocolate exports would indicate potential demand for shea as an input, which is not registered in existing trade flows for shea. Exporting *shea ingredients* to countries with production and export of *shea products* will also allow exporters to embed themselves in stable value chains, which can lead to additional positive spillovers such as higher productivity and quality upgrades. For example, this working paper by the World Bank reviews the economic literature on the impact of global value chains on exporters, particularly exporters of agricultural products. A market that produces and exports shea products provides ideal avenues for value chain integration.

For this study, we gathered data for *shea products*, including chocolates, cosmetics, and soap. We then identify HS codes associated with those products at the 6-digit level and gather export data for those codes.[7] Only those codes likely to use shea as an input are included in *shea products*. For example, in cosmetics, HS codes related to eye make-up are excluded because those are not products that normally use shea as an input.

7. HS codes for chocolates: "180620", "180631", "180632". For cosmetics: "330499". For soap: "340111","340130","340120"

7.1

EXPORT OF SHEA PRODUCTS

Figure 8 ranks economies in the two regions by their total exports of *shea products*. Performance for each product category can be judged by the color in the grid. Green represents a high level of exports whereas red represents low levels of exports. A "missing" color or blank indicates that no trade was recorded for those products (meaning it was either zero or very low). Log scale is used to ease representation and comparison across markets. The reader can obtain export values by taking the exponent of the log values.

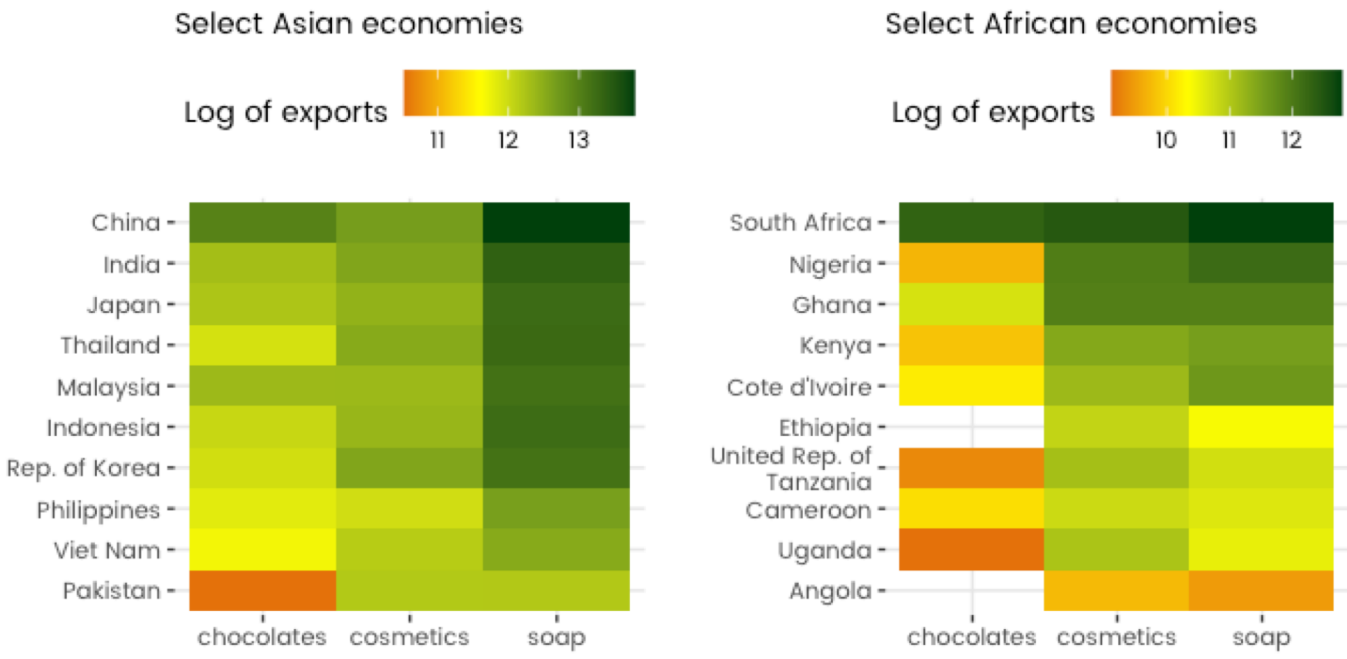
China is the economy with the highest level of exports of the selected products in Asia, while South Africa is the best performer in Africa. We found that the level of exports of different products are not necessarily correlated.

For example, Nigeria has a very low level of chocolate exports, but a relatively high level of cosmetics and soap exports.

This analysis enables us to assess which countries have a high potential demand for shea ingredients, without relying on national indicators, which are harder to obtain and aren't standardized across countries. A high level of exports of chocolates, cosmetics or soap indicates potential demand for shea and shea butter as an ingredient in those products.

Apart from looking at the level of exports of the three product categories, we also considered export growth over the last few years to identify growing markets which might provide better export opportunities in the future.

Figure 8. Export of Shea Products in 2018



Note: Data from Comtrade based on figures in 2018 (figures for 2019 were unavailable for some of the economies)

7.2

GROWTH RATES OF EXPORTED SHEA PRODUCTS

Figure 9 shows the growth rate (%) of derived products (between 2014 and 2018) for select Asian and African economies. The figure highlights the difference between using growth and level indicators. For example, while China is the best performing Asian economy based on level of exports, Pakistan is the best performing in terms of growth rate in the past 4 years. Economies in Figure 9 are ranked based on growth in combined exports of chocolates, cosmetics and soap between 2014 and 2018.

Figure 9. Percentage Growth in Exports of Derived Products (2014-2018)

Notes: Data from Comtrade.

7.3

IMPORTS OF SHEA INGREDIENTS

One way to directly measure demand for shea in a particular market is to look at the current level of imports of those ingredients, specifically shea kernels, and oil/butter. A high level of imports of shea ingredients signals demand for those ingredients in the domestic market.

The problem with calculating the exact imports of shea ingredients, however, is the lack of a dedicated HS code for shea. For example, shea kernels are often included in HS code 120799, which is a general category for "oil seeds and oleaginous fruits". Looking at the imports under this HS code for various markets also doesn't identify the exact amount of imports that are shea related. Similar problems occur with shea butter, imports for which are recorded under the general category "Other Vegetable fats and oils and their fractions" (HS 151590).

An alternative is to use the Food and Agriculture Organization (FAO) data on trade in Karite nuts (Shea nuts) and Butter of Karite nuts.[8]

However, this database lacks figures for many of our target countries, and the year-wise availability is also inconsistent. These data gaps render the FAO data unusable for our analysis.

To circumvent this challenge, we use imports under HS code 120799 (used for shea kernels) and HS 151590 (used for shea butter), but instead of looking at total imports for each of our 20 countries under these codes, we only include imports from the major shea producing countries. We adopt this approach because most imports coming from shea producing countries under these codes will be composed of shea ingredients. This assumption is corroborated by national exports data of shea producing countries and allows us to build an indicator that ranks countries based on their demand for shea ingredients.[9]

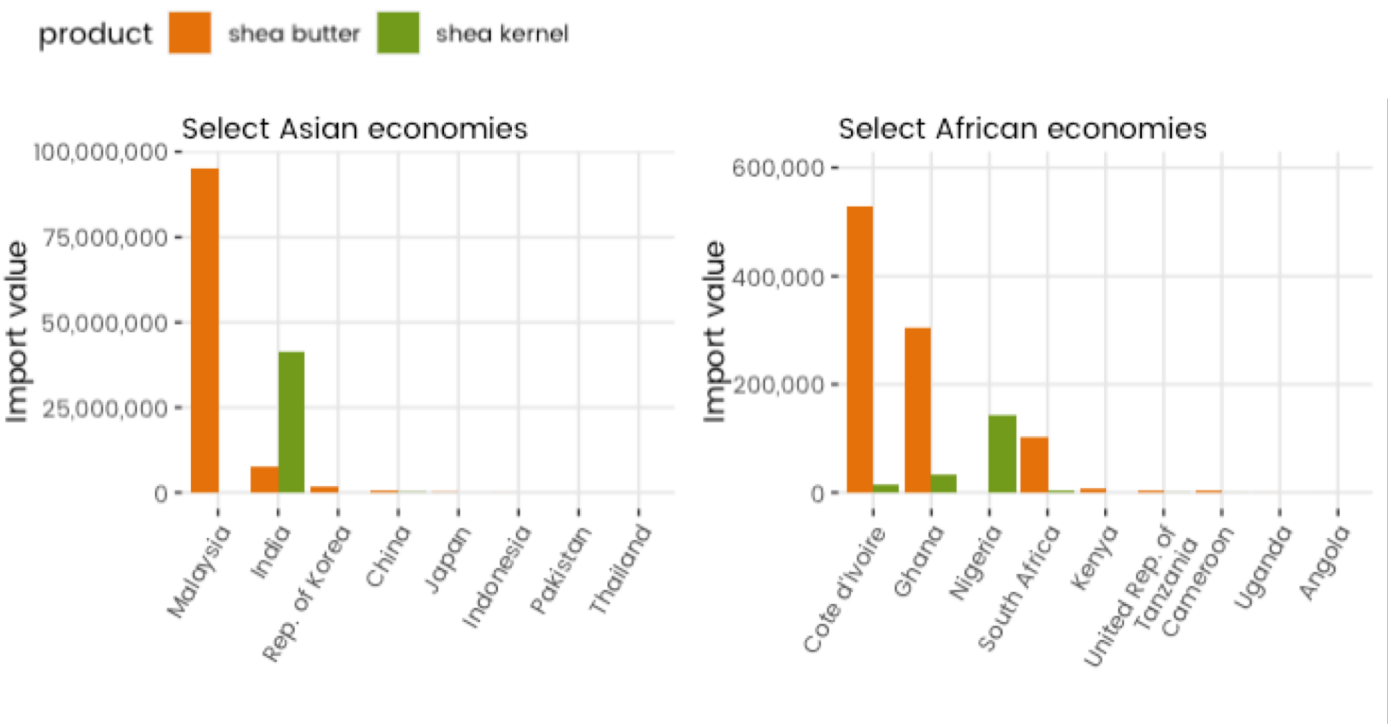
8. Data can be accessed here
9. Specifically, we use export data at the national tariff line level, which allows us to decompose exports under HS 120799 and 151590 from West Africa into shea and non-shea exports. 98.5% of exports under HS 120799 AND 85.5% of exports under HS 151590 were shea related.

7.3

IMPORTS OF SHEA INGREDIENTS

Figure 10 shows estimated imports of *shea ingredients* (shea kernel and shea butter) from West Africa. The values of imports are small (or zero) across a number of countries. Inter-Africa trade in shea is very low: the biggest importer is Côte d'Ivoire, which imported around 520,000 USD worth of shea ingredients between 2016 and 2018. Two big markets based on current trends are Malaysia and India. Malaysia is a large importer of unrefined shea oil/butter, while India imports a lot of raw shea kernels (and some unrefined shea/butter).

Figure 10. USD Imports of Shea Ingredients from West Africa (2016-2018)



Notes: Data from Comtrade.

7.4

IMPORTS OF SHEA SUBSTITUTES

We measure the import of shea substitutes to estimate potential demand for shea ingredients, which cannot be imputed using existing trade flows. Consumption of close substitutes of shea in a market is a signal that consumer preferences will be welcoming towards shea as well.

Three ingredients are identified as substitutes of shea butter based on (i) product characteristics and (ii) end use of products. These include palm oil, cocoa butter and coconut oil. These three fats and oils have a number of common uses, such as their use in cosmetics and soap products, and also in the food industry.

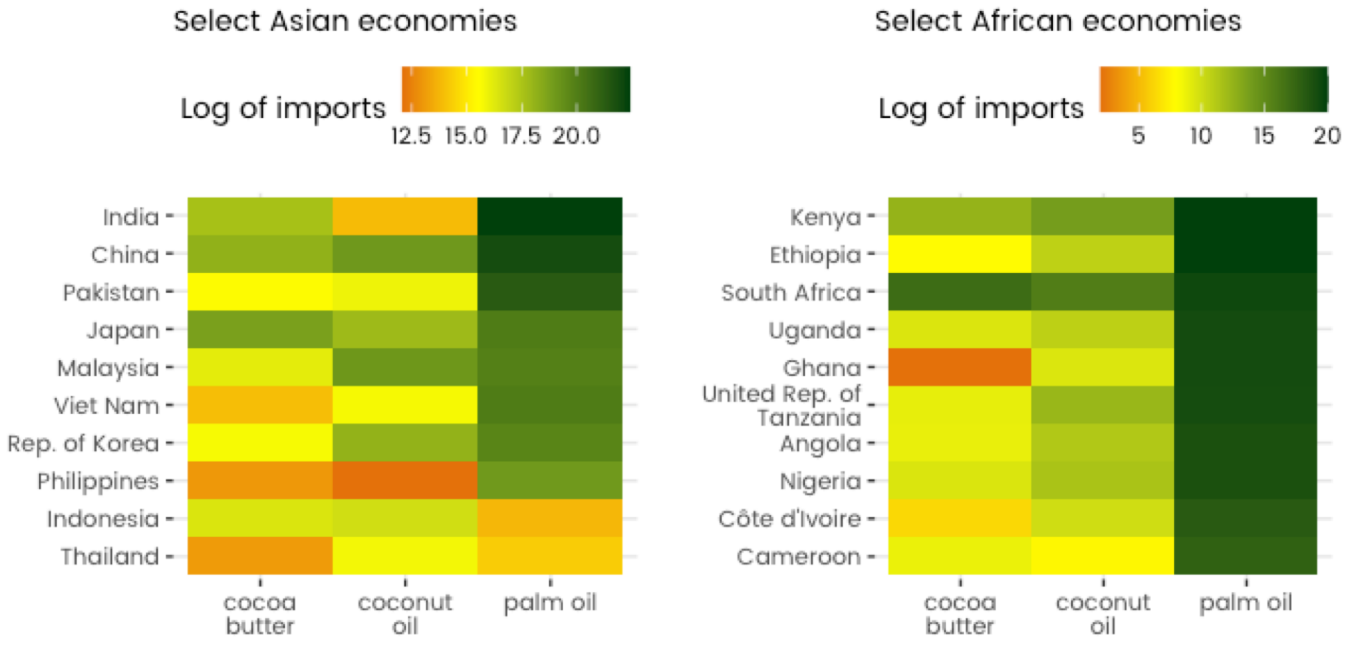
Imports of these 3 categories of ingredients are calculated based on associated HS codes.[10]

10. Coconut oil: HS 151311 and 151319, Palm oil: HS 151110 and 151190, Cocoa butter: HS 180400.

Figure 12 depicts the imports of shea substitutes in select African and Asian economies. Log scale is used to ease representation and comparison across markets. The reader can obtain export values by taking the exponent of the log values.

India is the biggest importer of shea substitutes, largely due to high imports of palm oil. Almost all African economies also have high imports of palm oil, with Kenya's imports being the highest. As before, the "missing color" below indicates that no trade was recorded for those products (meaning it was either zero or very low). Markets exhibiting high imports of these substitutes are also markets where shea could be introduced as a potential alternative. Additional advantages of shea with respect to palm and cocoa could be highlighted in a marketing or outreach program to build a market share for shea, which currently is quite low (see Figure 10 as an example).

Figure 12. Import of Shea Substitutes in 2018



Notes: Data from Comtrade.

7.5

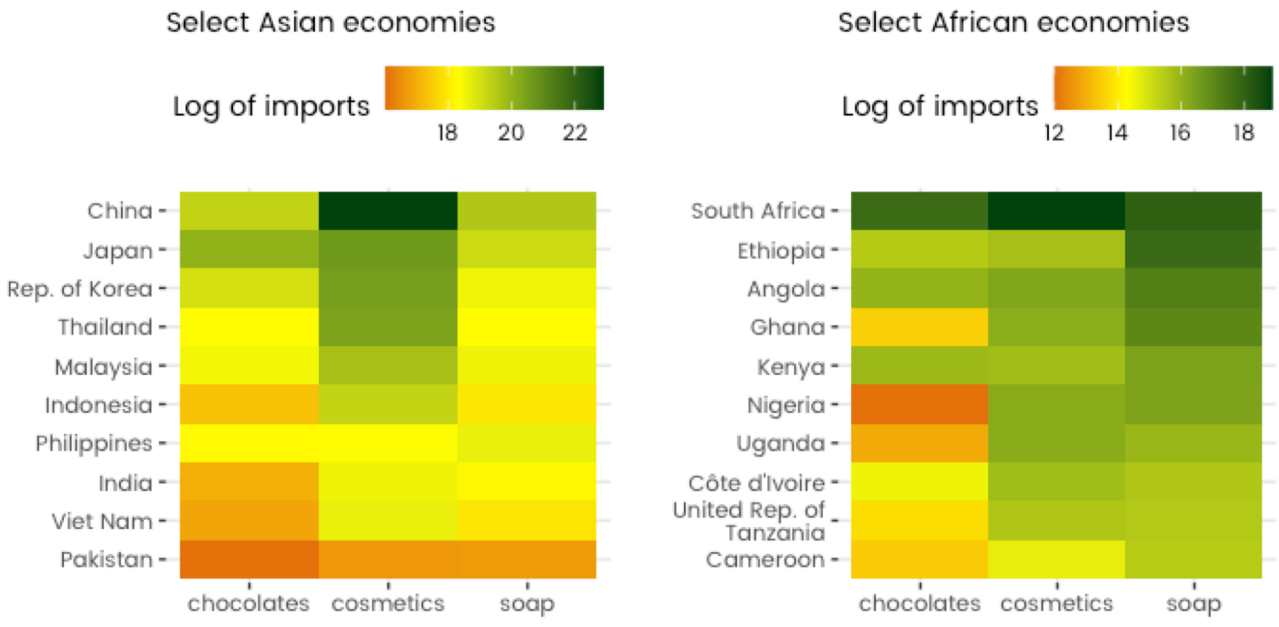
IMPORTS OF SHEA PRODUCTS

While this study focuses on ideal markets for shea ingredients, considering countries that are ideal markets for shea products may also be useful. In some circumstances, it may be more profitable for companies to export finished products that use shea as an input instead of selling shea as an ingredient. This can occur, for instance, when tariffs for shea products and ingredients are very different, or when one market is more saturated than the other.

Figure 11 ranks countries based on their imports of *shea products*, such as chocolates, cosmetics, and soap. Figure 11 is similar to Figure 8 earlier in this paper, with the difference being the focus on imports. Log scale is also used to ease representation and comparison across markets. The reader can obtain export values by taking the exponent of the log values.

China is the biggest market for *shea products* in Asia, while it is South Africa in the case of African countries. Note that Asian economies have relatively high imports of cosmetics, while African economies have relatively high imports of soap.

Figure 11. Imports of Shea Products in 2018



Notes: Data from Comtrade. Data for Cameroon is from 2017.

7.6

TRADE RANKINGS

The countries are rated across 7 different indicators on a scale from 0 to 10 (with 10 being the best performance)[11], with each indicator assigned a weight based on our understanding of its relevance in defining an ideal market for the EIF project beneficiaries. In the accompanying spreadsheet, these weights can be shifted in order to examine changes in ranking based on weighting. Table 11 lists the factors used in identifying ideal markets and the default weights assigned to each factor.

Based on the below weights and rating for each of the factors, we derive a final rating based on each factor weighted by the factor weight. If a rating for a particular factor was missing, the country's "simple average" rating was assigned as the rating instead.

Please see the accompanying spreadsheet for further information and to change the factor weights to see how the ranking changes in real-time.

While rating countries for the factors *exports of shea products* and *imports of shea products,* chocolate imports are excluded, since that is not the target industry for LDC exporters in our 4 countries. Additionally, the importance of palm oil imports in *imports of shea substitutes* has been reduced to ensure it does not dominate the rating of that factor.

The top three markets thus identified using the factor weights in Table 1 for Asia were: **China, Japan and Malaysia**.

With the exclusion of those countries with domestic shea markets, the top three markets identified for Africa were: **South Africa, Kenya, and Angola.**

11. For trade based indicators, the market with the highest import/export is assigned a rating of 10, and the other markets are assigned a rating relatively. For example, if the highest value of trade is 100, and the second highest is 91, the first country will have a rating of 10, and the second will have a rating of (91/100*10) 9.1. For tariff indicators, rating is assigned based on percentage difference with respect to the maximum tariff. Markets with 0% tariff (which is great for our 4 exporters), are assigned a rating of 10, markets with the highest tariff are assigned a rating of 0, and other ratings are assigned with the formula (Max tariff-Actual tariff)/Max tariff*10

Figure 13. Factors Used in the Final Ranking of Markets

Factor	Factor weight (sum to 100%)
Tariffs on shea ingredients	20%
Tariffs on shea products	20%
Enabling trade environment	10%
Exports of shea products	10%
Imports of shea ingredients	5%
Imports of shea products	20%
Imports of shea substitutes	15%

8. MARKET INDEX

For the market index analysis, we begin with a broad set of potential markets, to allow those with the strongest potential to emerge naturally throughout the estimation process. We analyzed the 20 largest markets in Sub-Saharan Africa, as determined by total population and 11 markets in Asia, selected by both their population size and market development.[12]

12. United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, custom data acquired via website. https://population.un.org/wpp

8.1

DEMAND FACTOR:
TARGET POPULATION ESTIMATE

Demand-driven (bottom-up) market sizing analysis for consumer products begins with defining and estimating the target population.

Consumers in urban areas have greater access to discretionary packaged goods products, and it is through large urban areas that foreign beauty products will be imported. In defining the target population for each market, we have restricted it to consumers who reside in urban areas.

Additionally, women are the largest consumers of skincare products, with men's skincare products comprising less than 9% of global sales volume.[13] Thus, our target demographic will focus on female populations. Note, however, that population demographics in all markets indicate approximately 50/50 split between male/female, so the impact of this factor on the results of the analysis will be minimal.

13. "Shea Moisture Demographics and Consumer Insights." Numerator, snapshot.numerator.com/brand/shea_moisture.

Figure 14. Target Population Estimates

China	422,746
India	228,504
Indonesia	76,031
Japan	59,326
Philippines	25,720
South Korea	20,849
Thailand	18,165
Vietnam	17,852
Malaysia	12,028
Hong Kong	4,056
Singapore	2,788
Nigeria	51,716
South Africa	20,236
Democratic Republic of Congo	20,151
Ethiopia	12,186
Angola	11,096
Tanzania	10,304
Ghana	8,633
Cameroon	7,566
Kenya	7,394
Côte d'Ivoire	6,753

Note: Figures in thousands

8.1

DEMAND FACTOR:
HOUSEHOLD CONSUMPTION OF PERSONAL CARE & BEAUTY PRODUCTS

While basic personal care items (including soap, shampoo) are considered a non-discretionary consumer expenditure, other beauty products are typically discretionary consumer expenditure, primarily serving a consumer "want" rather than a "need" (including body moisturizer, cosmetics, facial moisturizer). Discretionary beauty products also adhere to "expandable consumption" patterns, indicating that if there are more products at-hand in the household, consumption of those products are likely to increase.

The range of product options in beauty categories is vast, spanning an equally wide range of price options. Consumers who are price-sensitive will gravitate towards mass-market products produced by global, multi-national packaged goods manufacturers, as these firms leverage their scale to produce low-priced items.

End-consumer products produced for export from Benin, Burkina Faso, Mali, and Togo are more likely to serve a niche market, appealing to consumers who are seeking an authentic, artisanal, imported product (often able to command a price premium)[14], with these same consumers willing to view some imperfections and variation in product quality as an indicator of authenticity. This places the products in this analysis more firmly in the category of "discretionary spend" beauty products.

A consumer's historical beauty expenditure, willingness and ability to pay for beauty products are important determinants of market potential for the end-consumer shea-centric beauty products in this analysis.

14. Pettinger, Tejvan, et al. "Niche Products." *Economics Help*, 9 Jan. 2018: here.

To estimate these factors, data incorporated into the analysis include: Gross National Income per Capita, Import of Beauty Products Per Capita, Household Consumption of Personal Care Products Per Capita, and Cosmetics Spend per Capita.

Figure 15. Annual Household Consumption of Personal Care & Beauty Products in USD

Singapore	$301.21
Hong Kong	$271.62
Japan	$155.02
South Korea	$151.06
Thailand	$43.15
China	$27.44
Malaysia	$20.29
Philippines	$19.19
Indonesia	$11.92
India	$8.10
Vietnam	$7.79

South Africa	$31.53
Angola	$10.86
Ghana	$9.49
Senegal	$9.31
Cameroon	$8.42
Côte d'Ivoire	$7.65
Kenya	$7.55
Nigeria	$7.41
Zambia	$6.32
Zimbabwe	$6.00

8.1

DEMAND FACTOR:

ADJUSTMENT FOR CONSUMPTION OF ORGANIC PRODUCTS

The shea-based beauty products produced by manufacturers in Benin, Burkina Faso, Mali and Togo will likely be familiar to most African consumers in terms of product form, packaging, and level of finish. However, for consumers in Asia, these products may appear in a more "natural" state than other competitive products

Therefore, an adjustment that accounts for the consumer's interest in purchasing "natural" products can help us to further define markets with the strongest demand. For the purposes of this analysis, a base of 30% of volume potential has been subject to adjustment based on the per capita consumption of organic products in that market, as an indicator demand for "natural/organic" products. This adjustment was only applied in the analysis for Asian markets.

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Figure 16. Adjustment based on Annual Consumption of Organic Products in Euro

Japan	€11.15
South Korea	€6.44
China	€5.54
Hong Kong	€4.14
Singapore	€2.73
Vietnam	€0.18
Thailand	€0.17
Malaysia	€0.17
Philippines	€0.17
Indonesia	€0.17
India	€0.15

8.1

DEMAND FACTOR:
ADJUSTMENT FOR WEATHER

Shea butter and shea-based beauty products are typically sought for their moisturizing benefits.[15] Consumers who live in more arid climates have an elevated need for beauty products with a moisturizing benefit. For the purposes of this analysis, a base of 10% of volume potential has been subject to adjustment based on the average precipitation level by market.

15. Watson, Kathryn. "Shea Butter for Your Face." *Healthline*, Healthline Media, 22 July 2019: here.

Figure 17. Average Precipitation in Depth (mm per year)

China	645
India	1,083
South Korea	1,274
Japan	1,668
Thailand	1,622
Vietnam	1,821
Philippines	2,348
Hong Kong	2,400
Singapore	2,497
Indonesia	2,702

Niger	151
Somalia	282
Chad	322
South Africa	495
Kenya	630
Zimbabwe	657
Senegal	686
Ethiopia	848
Angola	1,010
Zambia	1,020
Mozambique	1,032
Tanzania	1,071
Nigeria	1,150
Uganda	1,180
Malawi	1,181
Ghana	1,187
Cote d'Ivoire	1,348
Madagascar	1,513
Cameroon	1,604
Demoractic Republic of Congo	1,646

8.1

DEMAND FACTOR:
ACCESS TO PRODUCT

Product availability can substantially limit the sales volume potential. Simply put, consumers cannot purchase what they do not have access to.

Beauty products have grown online sales faster than most other categories within the packaged goods sector. Many characteristics of beauty products make them compatible with online sales: they are non-perishable, have a wide product selection which is easier to accommodate online than in a physical store; are light and relatively easy to ship, and are typically bought well in advance of their consumption occasion (i.e. they are infrequently bought on a 'distress" or "instant consumption" shopping trip).

By adjusting sales volume potential by penetration of internet users, we can better approximate the availability of e-commerce options and better account for other disparities in product distribution infrastructure by market. For the purposes of this analysis, a base of 30% of volume potential has been subject to adjustment based on internet penetration by market.

Figure 18. Internet Penetration

South Korea	96%
Hong Kong	89%
Singapore	88%
Japan	85%
Malaysia	81%
Vietnam	70%
Philippines	60%
Thailand	57%
China	54%
Indonesia	40%
India	34%
South Africa	56%
Côte d'Ivoire	47%
Senegal	46%
Nigeria	42%
Ghana	39%
Zimbabwe	27%
Tanzania	25%
Uganda	24%
Cameroon	23%
Ethiopia	19%
Kenya	18%
Angola	14%
Zambia	14%
Malawi	14%
Madagascar	10%
Mozambique	10%
Democratic Republic of Congo	9%
Chad	7%
Niger	5%
Somalia	2%

8.1

DEMAND FACTOR:
LANGUAGE AFFINITY

Effective communication facilitates cross-border trade, easing negotiations between businesses and increasing the likelihood that consumers will gravitate towards imported goods. Research has shown that two countries which share a common language trade 42% more than two otherwise similar countries which do not have a linguistic connection.[16] From the consumer perspective, even in the e-commerce channel, where there has been a longstanding assumption that web-browsing consumers are comfortable navigating in English, 75% of consumers say that they want products to be presented to them in their native language.[17]

As Benin, Burkina Faso, Mali, and Togo are all French-speaking countries, export markets with higher percentages of French speakers within the business community present more attractive trade opportunities. Thus, we have accounted for the prevalence of French speakers in each of the target markets, allocating up to a 42% lift in volume potential for markets that are predominantly French-speaking among urban populations.

Note that, for the purposes of this study, we concentrate on French speakers within the business community rather than amongst the overall population.

16. "The Power of Tribes", *The Economist*, January 2012: here.
17. "Can't Read, Won't Buy: 2014", Common Sense Advisory (CSA Research): here.

Figure 19. Percentage French Speakers Among Urban Population [19]

Vietnam	5%
Thailand	5%
China	0%
India	0%
Malaysia	0%
Japan	0%
Philippines	0%
Hong Kong	0%
Indonesia	0%
Singapore	0%
South Korea	0%
Cameroon	100%
Chad	100%
Côte d'Ivoire	100%
Democratic Republic of Congo	100%
Madagascar	100%
Niger	100%
Senegal	100%
Ghana	5%
Mozambique	5%
Angola	0%
Ethiopia	0%
Kenya	0%
Malawi	0%
Nigeria	0%
Somalia	0%
South Africa	0%
Tanzania	0%
Uganda	0%
Zambia	0%
Zimbabwe	0%

8.2

RECOMMENDED MARKETS

To determine the recommended top 3 markets in each region, we conducted a market sizing estimation exercise in each region.

We first sized the target consumer base. Starting with the total population of the country, we narrowed to urban and female population.

We then derived the per capita personal care consumption factor in each market. This figure was calculated considering multiple inputs into a regression analysis, including gross national income per capita, import of beauty products per capita, household consumption of personal care products per capita, and cosmetics spend per capita.

The per capita personal care consumption factor was applied against the population base, to yield a sales potential figure. The sales potential figure was then adjusted by remaining factors.

In the Asia analysis, we allowed for up to 30% of the sales volume opportunity to be affected by the level of organic product consumption per market. In both the Asia and Africa analysis, we then allowed up to 10% of the remaining sales volume opportunity to be adjusted based on climate moisture (where more arid climates indicated higher sales volume potential), up to 30% of remaining volume potential to be adjusted by the level of internet penetration per market (to approximate and adjust for consumer access to purchase the product) and up to a 42% volume lift based on the prevalence of Francophone business people by market (to account for trade facilitation due to language affinity).

When combining all the factors above, the best market opportunities in Africa and Asia are presented in these charts.

Figure 20.

Market	Market Potential Index	Market Potential Rank
China	468	1
Japan	427	2
South Korea	133	3
India	50	4
Hong Kong	39	5
Singapore	28	6
Indonesia	23	7
Thailand	22	8
Philippines	13	9
Malaysia	7	10
Vietnam	4	11
South Africa	804	1
Nigeria	413	2
Angola	118	3
Ghana	89	4
Cameroon	89	5
Côte d'Ivoire	79	6
Democratic Republic of the Congo	70	7
Senegal	62	8
Kenya	59	9
Tanzania	47	10
Ethiopia	37	11
Zambia	25	12
Uganda	17	13
Mozambique	17	14
Zimbabwe	16	15
Madagascar	14	16
Chad	13	17
Niger	11	18
Somalia	11	19
Malawi	8	20

9. FINAL SELECTION & RECOMMENDATIONS

To make our final selections of the best potential market opportunities, we first converted the potential market index to a score of 1-10 by dividing each index score by 100 so that it can be similarly compared to the trade factor rankings. We then combined the market index and trade factor analyses by adding the two scores together and dividing the total score by 2. A final country score of 1-10 is then represented that assigns 50% value to the trade factor and market index analyses.

9.1

FINAL SELECTION & RECOMMENDATIONS: ASIA

The recommendations for the top 3 exporting opportunities in Asia are China, Japan, and South Korea as reflected in the following charts. Among the remaining markets in Asia, the trade factor analysis valued Malaysia more favorably and the market index valued India more favorably. Both sets of analyses rated Thailand, the Philippines, Indonesia, and Vietnam in the same descending order.

9.1

FINAL SELECTION & RECOMMENDATIONS: ASIA

Countries	Trade Factor Rating	Market Index Rating	Combined Rating
China	**8.69**	**4.68**	**6.68**
Japan	**6.51**	**4.27**	**5.39**
South Korea	**5.80**	**1.33**	**3.57**
Malaysia	6.00	0.07	3.03
India	4.71	0.50	2.60
Thailand	4.79	0.22	2.51
Philippines	3.91	0.13	2.02
Indonesia	3.43	0.23	1.83
Vietnam	2.43	0.04	1.24

9.1

RECOMMENDATION #1
CHINA

China ranked first in our trade analysis and holds the most promise as an export market amongst all the Asian countries considered. Due to its Generalised System of Preferences scheme for 3 out of our 4 countries (see figure 6), China has low tariffs of 5% on shea butter and 2.5% on shea kernels.

Similarly, it has low tariffs on shea products such as cosmetics and soap. China also has a huge potential demand for shea ingredients and shea products. The country ranks first in 3 out of the 4 trade related indicators used to measure potential demand. It has the highest imports of shea products and shea substitutes along the Asian countries analyzed, and is also the biggest exporter of products which use shea as an input, such as cosmetics and soap.

China was also ranked our top opportunity on our market analysis, driven by the size of the target population.[18] China contains the largest urban population among all markets in Asia. A growing population of the urbanized middle class elevates China's expenditure levels on personal care items and organic products above many other markets in Asia. Although the climate varies substantially by region within the country, overall China has the most arid climate among Asian markets. Although the level of internet penetration is relatively lower than many other markets in Asia, e-commerce remains prevalent and, as such, is frequently deployed as a sales channel.

18. Dotto, Carlotta. "'Little Africa' in China." *New Internationalist*, 25 Mar. 2019: here.

9.1

RECOMMENDATION #2
JAPAN

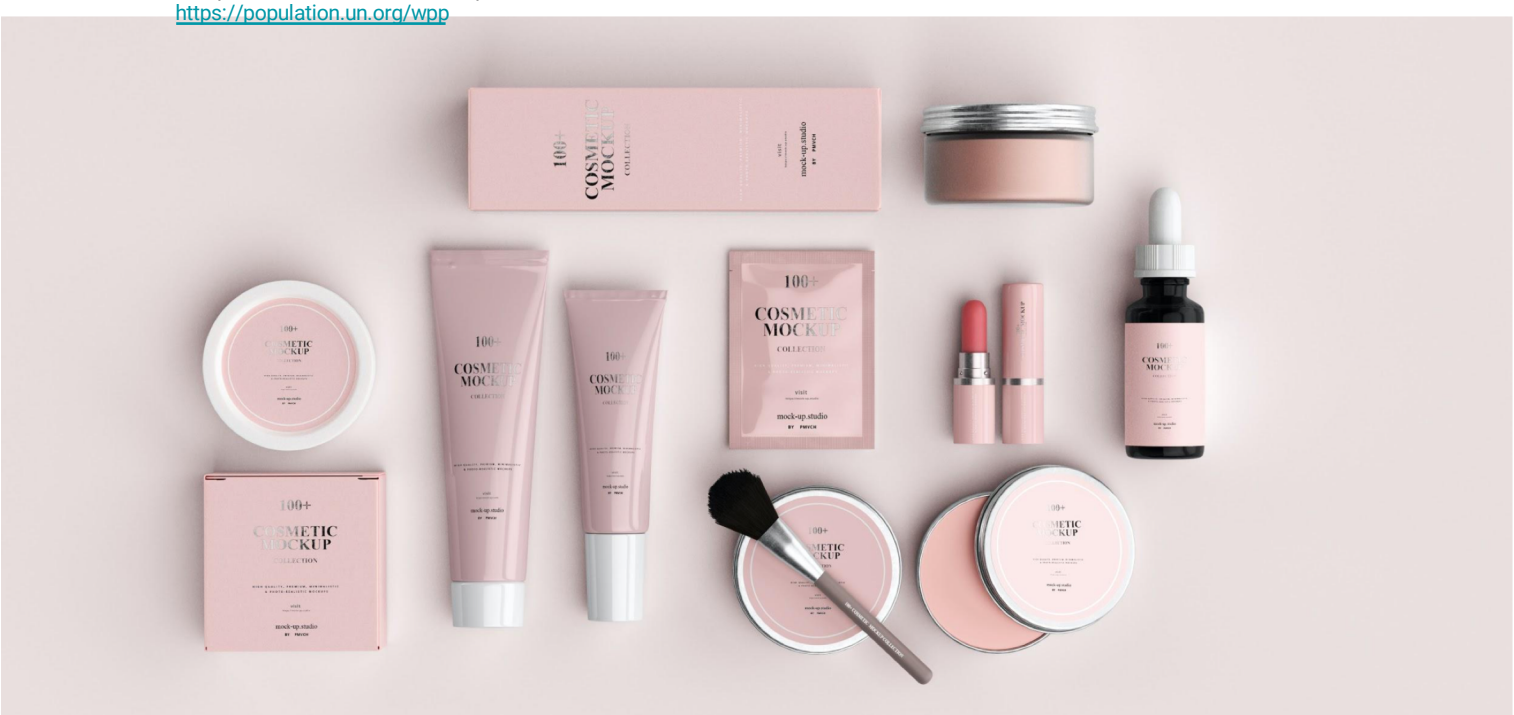
Japan was the second highest-ranking opportunity in Asia in our trade analysis. It features the best trading environment among all Asian countries, which suggests that it will be an open and hospitable market for exports and new products. It has zero tariffs on imports of shea ingredients and products coming from Benin, Burkina Faso, Mali and Togo. While not to the same extent as China, current import trends suggest that it has high potential demand for shea ingredients and products. It has a high value of imports of shea substitutes, and also exports many products such as chocolates and cosmetics that use shea as an input.

Japan was also ranked second in our market analysis. It contains the fourth-largest total population of Asian markets, with a 92% urbanization rate, suggesting strong access to imported products.[19]

Overall, Japan contains the fourth-largest target consumer population amongst Asian markets.

But Japan rises to the #2 ranking in the market analysis primarily due to the high degree of beauty interest among its consumers, with the third-largest expenditure levels on personal care products of any Asian market (more than 5 times the level of China, as a benchmark). Japanese consumers also seek authentic and natural products, as indicated by the highest expenditure level on organic products among all of the Asian countries in this analysis. A moderate climate, a relatively high level of internet penetration as well as a highly-developed product distribution infrastructure also indicate strong market potential.

19. United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, custom data acquired via website. https://population.un.org/wpp



9.1

RECOMMENDATION #3
SOUTH KOREA

South Korea was ranked fourth in Asia on our trade analysis, primarily due to its zero tariffs on shea ingredients, and its enabling trade environment, which is the second best in Asia after Japan. Its imports of shea products such as cosmetics and soap are low, almost 10 times less than China's, indicating potentially low import demand for such products. However, its exports of products which use shea as an input is high, which means it could be a substantial market for shea ingredients and for integration into supply chains of shea products.

South Korea was also ranked as the third most attractive opportunity in our market analysis. The finding is largely driven by a wide-spread cultural interest in beauty amongst consumers, with beauty/personal care expenditures comparable to Japan.

Korean beauty products are trendsetters in the global beauty industry, suggesting that Korean beauty consumers are open to innovation and experimenting with bringing new products into their beauty routines.[20]

Korean consumers also seek authentic and natural products, as indicated by the second-highest expenditure on organic products in Asia (behind Japan). South Korea exhibits a more arid climate on average than most other Asian markets. A very high level of internet penetration and highly-developed product distribution infrastructure will support consumers' access to imported goods.

20. Russon, Mary-Ann. "K-beauty: The rise of Korean make-up in the West." BBC News: here.

9.2

FINAL SELECTION & RECOMMENDATIONS: AFRICA

The combined African trade and marketing analysis produced South Africa, Nigeria, Ghana, Cote d'Ivoire, Angola, and Kenya as the top exporting opportunities.

With the exclusion of countries with domestic shea markets, we are therefore recommending South Africa, Angola, and Kenya.

9.2

FINAL SELECTION & RECOMMENDATIONS:
AFRICA

Countries	Trade Factor Rating	Market Index Rating	Combined Rating
South Africa	**7.70**	**8.04**	**7.87**
Nigeria	5.32	4.13	4.73
Ghana	6.20	0.89	3.55
Côte d'Ivoire	5.55	0.79	3.17
Angola	**3.36**	**1.18**	**2.27**
Kenya	**3.65**	**0.59**	**2.12**
Ethiopia	3.35	0.37	1.86
Tanzania	1.76	0.47	1.11
Uganda	2.02	0.17	1.10
Cameroon	1.08	0.89	0.98

9.2

RECOMMENDATION #1
SOUTH AFRICA

South Africa is ranked first in our trade analysis due to its enabling trade environment, which is the best in Africa. The country is also home to the highest potential demand of shea ingredients and products in Africa. It comes out on top in 3 out of the 4 trade related indicators used to measure potential demand. It has the highest imports of shea products and shea substitutes along the African countries analyzed, and is also the biggest exporter of products which use shea as an input, such as cosmetics and soap. However, its tariffs on shea ingredients and products are high compared to West African markets like Ghana and Nigeria which are part of ECOWAS.

South Africa also ranked first in our market index analysis. It has a substantially higher personal care expenditure, and income per capita, than any other African market. Personal care expenditure is about three times that of the second-tier of markets in this metric. South Africa also contains the third-largest target consumer population amongst African markets, driven by both a large total population, as well as a high degree of urbanization.

Taken together, these data suggest that the market opportunity for South African looms large, with a substantial base of consumers with disposable income to allocate towards beauty/personal care products. Additionally, the South African climate is relatively arid, elevating the need for moisturizing products. The country also boasts the highest level of internet penetration among African markets, suggesting a sizable e-commerce opportunity and more developed product distribution infrastructure.

9.2

RECOMMENDATION #2
ANGOLA

Angola ranked sixth, narrowly behind Kenya, in our trade analysis due to relatively high taxes on shea products and lower levels of imported shea ingredients, substitutes, and also exported shea products. These factors signal a relatively low demand for shea ingredients and products compared to other countries in Africa. Note, however, that its import tariff on shea kernel is 0% while the country imposes a 10% tariff on imports of shea butter. Angola ranks third amongst African countries importing products such as soap and cosmetics which indicates a potential market for shea products Unfortunately, we lacked data sources about the Angolan trading environment, limiting our ability to compare to other nations.

Meanwhile, our market index ranked Angola third driven due to a high level of expenditure on beauty/personal care items among its population as well as a high per capita income level and imported beauty products per capita. Although it ranks in only the mid-tertile in terms of total population among the African markets in this analysis, Angola is the most urbanized (at a rate of 66%) country in our dataset. This level of urbanization helps to raise it to the fifth-largest market in terms of target population, and suggests that the distribution infrastructure for imported products may make them accessible to many of Angola's consumers.

One note of caution for the opportunity in Angola: the country has a low level of internet penetration (14%), suggesting that a successful strategy to export to Angola will be reliant on sales in physical stores.

Due to this combination of a strong market demographic as well as an established import of cosmetics and soaps, Angola represents a very good opportunity to establish a entirely new shea market in a different geographical region and is therefore our third selection.

9.2

RECOMMENDATION #3
KENYA

Kenya was ranked fifth in the trade analysis primarily due to high tariffs on shea ingredients and products (an almost prohibitive 25% import tariff on soaps and cosmetics) but also substantial import of shea substitutes which could indicate a potential export market for shea as an ingredient. Kenya ranked ninth in the market index analysis due to a smaller target population (low level of urbanization at only 28%) and less household expenditure on personal care products.

With Nigeria, Ghana, and Cote d'Ivoire being excluded due to their domestic shea markets, Kenya presented nearly the next best combined score in our rankings and is therefore our third recommendation.

9.2

ALTERNATIVE RECOMMENDATIONS IN AFRICA:
NIGERIA, CÔTE D'IVOIRE, KENYA

Nigeria, Côte d'Ivoire, and Ghana, presented scores larger than Angola and Kenya but were excluded due to their domestic shea markets:

Nigeria

Nigeria was ranked fourth among most attractive intra-African opportunities in our trade analysis. Due to its ECOWAS membership, it does not impose import tariffs on shea ingredients and products. While its potential demand for shea, based on its imports of shea products and shea substitutes, is low, it is the biggest economy and has the highest population in West Africa, so even a small market share could generate substantial exports from Benin, Burkina Faso, Mali, and Togo. Its low imports can be explained by its high domestic production of shea[21], which may be preferred by consumers and businesses over imported shea. It also exports a lot of shea products, signalling potential demand for shea ingredients as inputs (although imports will have to compete with domestic supply of shea ingredients).

Nigeria ranked second in our market analysis. The strength of the opportunity in Nigeria lies in the size of its target consumer population, which is the largest amongst African markets, at more than two and a half times the size of the second-largest market. The population base in Nigeria is both large and highly-urbanized (51% urbanization), suggesting available access to imported goods. Nigeria also is above mid-level in per capita expenditure on personal care items, and boasts a relatively high level of internet penetration among African markets.

21. According to data by FAO, between 1994 and 2018, Nigeria produced 54% of Shea nuts produced in West Africa.

Côte D'Ivoire

Côte d'Ivoire was ranked third in the trade analysis due to zero tariffs on shea ingredients and products (ECOWAS member country) and a high level of imports of shea products. However, we assess much of the shea imported to Côte d'Ivoire is related to processing for the food industry of less relevance to beneficiary SMEs. Côte d'Ivoire was ranked fifth in our market index because of its smaller target population and household expenditures on personal care products. While French-language affinity with SMEs may facilitate trade, Côte d'Ivoire also has a domestic shea industry that will likely effectively compete against imports from other West African nations.

Ghana

Ghana was ranked second in the trade analysis due to zero tariffs on shea ingredients and products (ECOWAS member country), relatively high levels of import of shea ingredients, and export of shea products. However, our assessment is that much of the shea imports identified in the HS codes are related to shea kernels and butter produced for the food industry which is less relevant to potential beneficiary SMEs from Benin, Burkina Faso, Mali, and Togo. Additionally, the inputs used for export of shea products are likely produced by Ghana's domestic shea industry which would effectively compete with other West African imports of shea ingredients. The marketing analysis produced Ghana as the fourth opportunity behind Angola primarily due to a smaller target population size as well as less spending per capita.

10. ILLUSTRATIVE EXPORT PARTNERS

Following is an illustrative list of potential importing companies from each recommended country:

10.

ILLUSTRATIVE EXPORT PARTNERS

China::

Guangzhou Beauty Cosmetics Co., Ltd.

- Beauty Products Manufacturer (for domestic distribution and export)
- Example of the kind of manufacturer that may be interested in incorporating shea as an ingredient into their products
- https://beautycosmeticangela.en.made-in-china.com/company-Guangzhou-Beauty-Cosmetics-Co-Ltd-.html

Guangzhou Yuzhao Cosmetics Co., Ltd.

- Beauty Products Manufacturer (for domestic distribution and export)
- Example of the kind of manufacturer that may be interested in incorporating shea as an ingredient into their products
- https://vanstour.en.made-in-china.com/company-Guangzhou-Yuzhao-Cosmetics-Co-Ltd-.html

Suzhou Darpool Import and Export Co., Ltd.

- Beauty Products Manufacturer (for domestic distribution and export)
- Example of the kind of manufacturer that may be interested in incorporating shea as an ingredient into their products
- https://darpool.en.made-in-china.com/company-Suzhou-Darpool-Import-and-Export-Co-Ltd-.html

Japan::

Cosme-Kitchen

- Natural & Organic Beauty Products Shop
- Example of the kind of retailer that may carry imported, natural beauty products
- More than 50 retail locations throughout Japan
- Also Operates an eCommerce Store:https://www.cosmekitchen-webstore.jp/

Marks & Web

- Japanese Skincare manufacturer of handmade soaps and cosmetics
- Example of a manufacturer that may be interested in incorporating shea as an ingredient into their products
- More than 80 retail locations throughout Japan
- Also online at: https://www.marksandweb.com/

The Room 806 Salon

- Hairstyling for African consumers in Japan
- Example of a “niche” partner who may stock product and facilitate market entry
- Imperial Roppongi 202, 5-16-52 Roppongi, Minato-ku, Tokyo 106-0032, Japan
- http://www.theroom806.tokyo/index.php/en-us/
- info@theroom806.tokyo

10.

ILLUSTRATIVE EXPORT PARTNERS

South Korea:

Orga Whole Foods

- Natural & Organic Grocery Retailer
- Example of the kind of retailer that may carry imported, natural beauty products
- More than 80 retail locations throughout South Korea
- Also online at: https://www.orga.co.kr/w/index.orga

Itaewon Beauty Supply

- Beauty products shop for ethnically-African consumers in Korea
- Example of a "niche" partner who may stock product and facilitate market entry
- 2F, 162 Itaewon-ro, Yongsan-gu, Seoul (Itaewon-dong)
- http://itwbeauty.com/
- itwbeauty@gmail.com

Honey Hair

- Beauty products shop for ethnically-African consumers in Korea
- Example of a "niche" partner who may stock product and facilitate market entry
- Anjong-ri across from Camp Humphrey, Pyeongtaek 17983
- https://www.naturalbeautykorea.com/
- honeyhairkorea@gmail.com

South Africa:

Wellness Warehouse

- Natural & Organic Products Shop (including beauty products)
- Example of the kind of retailer that may carry imported, natural beauty products
- More than 30 retail locations throughout South Africa
- Also online: https://www.wellnesswarehouse.com/

Faithful to Nature

- Natural & Organic Products Shop (including beauty products)
- Example of the kind of retailer that may carry imported, natural beauty products
- Exclusively online: https://www.faithful-to-nature.co.za/

Essentially Natural

- Natural & Organic Beauty Products Shop
- Example of the kind of retailer that may carry imported, natural beauty products
- Exclusively online: https://www.faithful-to-nature.co.za/

Still Pure

- Beauty Products Manufacturer
- Example of the kind of manufacturer that may be interested in incorporating shea as an ingredient into their products
- 6 Sarel Celliers St, Riebeek Kasteel, Cape Town, 7300, South Africa
- Also online at: http://www.stillpure.co.za/index.html

10.

ILLUSTRATIVE EXPORT PARTNERS

Angola:

Charme Natura

- Beauty Products Manufacturer
- Example of the kind of manufacturer that may be interested in incorporating shea as an ingredient into their products
- Charme Natura, Rua da Rainha Ginga Nº 23, Kibabo Galerias de Luanda, Loja Nº 23, R. Rainha Ginga 23, Luanda, Angola
- Also online at: http://www.charmenatura.com/

Fashion Hair Angola

- Beauty Products Retailer
- Example of the kind of retailer that may carry imported, natural beauty products
- Rua Emilio N'Bindi 70 A Alvalade - Maianga Loja 1, Belas Shopping Mall, Talatona, Luanda, Angola
- https://www.facebook.com/fashionhairangola/

Kenya:

Healthy U

- Online Natural Products Shop
- Example of the kind of retailer that may carry imported, natural beauty products
- Exclusively online at: https://www.healthyu.co.ke/product-category/natural-beauty/

Jipende Afrika

- African-made Products Shop
- Example of the kind of retailer that may carry imported (but African-made), natural beauty products
- Exclusively online at: https://jipendeafrika.com/

Cinnabar Green

- Kenyan manufacturer of natural personal care products
- Example of a manufacturer that may be interested in incorporating shea as an ingredient into their products
- Products sold in 20+ retailers throughout Kenya
- Also online at: https://cinnabargreen.com/

Liku by Squeezie

- Kenyan manufacturer of natural personal care products
- Example of a manufacturer that may be interested in incorporating shea as an ingredient into their products
- Exclusively online at: https://liku.co.ke/

11.

IMAGE SOURCES

1. (p.1) Picking shea nuts, The Global Shea Alliance
2. (p.4) Unrefined shea butter, 2012, Credit: Hopkinsuniv
3. (p.5) Fruits of Vitellaria paradoxa, Shea tree, Mt. Mbati, Cameroon, 2007, Credit: Marco Schmidt
4. (p.11) Green, red and pink soap, Pxfuel
5. (p.12) Cenarrhenes nitida - Fruit of shea tree, 2013, Credit: Mitra.vathy1001
6. (p.16) Soap, Flowers, Oil Coconut oil & Salt, Pixabay
7. (p.18) Handmade organic soap bar, Unsplash
8. (p.19) Chocolates, Credit: Eniko Kis, Unsplash
9. (p.21) Shea Butter Processing, USAID in Ghana, Credit: Douglas Gritzmacher/USAID
10. (p.22) Vitellaria paradoxa (shea tree, karité), eastern Burkina Faso, 2007, Credit: Marco Schmidt
11. (p.23) Seed of the Shea Tree, Credit: Marco Schmidt
12. (p.25) Rose flowers and skin care, Pickpik
13. (p.38) Buttercream bowl, Needpix
14. (p.39) Cosmetic Products, Credit: pmv chamara, Unsplash
15. (p.40) Cream Skin Care, Needpix
16. (p.43) Makeup, Credit: Arista Cron, Unsplash
17. (p.44) Spa, Piqsels
18. (p.45) Handmade organic soap bars, Unsplash
19. (p.47) Essential oil bottle, Credit: Sarah Gualtieri, Unsplash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