

TIPS TO EXPORTING

Tips every exporter should know

- The Export sector contributes 30% of the country's Gross Domestic Product. By promoting an export led economy, you contribute to the improvement of lifestyles in the country.
- Kenya aspires for faster economic growth through increased export led activities. Economic recovery efforts therefore target an annual volume growth of 5.7 per cent in the export sector.
- When you get into export trade, you stand to gain in a number of ways. Your business will be cushioned against fluctuations in local demand. You position yourself to utilize your excess capacity. You gain a share of global markets. You stand a chance to increase your sales and profits. You also contribute to the growth of your country's economy.
- To know what markets to export to, consider how attractive they are in terms of demand, size and profits, purchasing power. Consider also the activities of competitors and whether they can be a problem to your entry.
- Establish the potential of the market by undertaking some desk research to establish the size of the population, growth rate and distribution channels.
- Also establish the existence of products similar to yours, the value of their imports, import tariffs, market requirements, per capita income, availability and cost of transport, and contacts in the target market.
- Talk to potential importers and trade promotion organisation in the target market.
- If possible, visit the target market to verify your desk research and undertake assessment on the ground.
- Finally, develop a marketing plan.
- You do not need to be a giant manufacturer to get into the export trade. All you need is a market, the right information and the right skills.
- You will also need a product which can be adapted to meet the market standards and requirements, the right price to make your goods competitive in the export market, and financial and human resources to develop your export business.
- You also need a focused, dedicated, and competent trade promotion organisation to provide you with the necessary market information and marketing skills.
- Ensuring high quality increases chances for the success of products in world markets
- Proper packaging protects, shapes and makes products attractive to consumers. You communicate with your customer through packaging.
- The nature of the product you are marketing, the markets you are targeting and the mode of shipment will determine the type of packaging to use. Thus, packaging should take into consideration the customer's requirements, international standards, and regulations applicable in markets.
- Branding gives product identity and enhances recognition. If a brand is well known and liked, it wins consumer loyalty. Known brands are hard to displace in the market place.
- Timely delivery of your products is also a major plus.
- Once you determine the markets you want to export to, you can access them through direct exporting, indirect exporting or through agents.
- If you choose direct exporting, you undertake the entire process of export marketing from identifying the customer to collecting payments.

- If you choose indirect exporting, you opt to use a commission agent. This is suitable where a firm does not have the required personnel or financial resources to export directly.
- If you chose not to export directly, you could explore possibilities of using agents , distributors, or even franchises.
- Like all other businesses, export marketing carries its own risks. Exporters should be aware of these risks and guard against them.
- Because of distance barriers, an exporter may not understand fully the requirements of the target market.
- Customer tastes may be different and your products may not comply to the changing market requirements.
- Competition may be greater than anticipated.
- Customers may delay payments or not pay at all.
- Fluctuations in exchange rates may decrease profits or result in losses.
- The African Trade Insurance Agency, ATI, provides insurance cover against non-commercial risks associated with export trade. The Export Promotion Council is the national liaison office for ATI.
- Kenya has signed a number of trade agreements that are meant to help you get easy access to export markets.
- The Common Market for Eastern and Southern African States (COMESA) is an agreement between 20 African member states that gives preferential treatment to countries like Kenya in accessing regional markets.
- Exports to the COMESA member states which must be accompanied by a COMESA certificate of origin attract lower duties and taxes.
- Members of COMESA who have signed a Free Trade Area (FTA) are eligible to trade duty free but in conformity with the COMESA rules of origin.
- The ACP-EU Cotonou Partnership agreement provides market access to Kenya's products duty free to the E.U. market.
- The Generalised System of Preferences (GSP) is a preferential tariff system which provides developing countries with market access to all OECD countries whose import duty rates are lower than those levied to developed countries.
- The African Growth and Opportunity Act (AGOA) provides preferential market access to eligible sub-saharan countries. About 6,000 GSP products are eligible.
- The Export Promotion Council (EPC) is Kenya's focal point for the development and promotion of export trade. If you need information and assistance on how to export, contact the Export Promotion Council.
- EPC conducts a number of trade promotion events that can assist exporters improve their business. They include trade missions, trade fairs and exhibitions, buyer-seller meetings, contact promotion programmes, and market surveys and investigations.
- The Council has a Centre for Business Information which contains information on a wide range of issues to guide you in your export trade. Information on how to export, what to export, where to export is available at the Centre for Business Information Kenya (CBIK), a division of the Export Promotion Council. If your business is not in Nairobi, you may access information on exporting, through the District Trade Office nearest to you.
- EPC conducts training courses that can enable you acquire the skills required for export.
- Shows and exhibitions provide an appropriate forum for one-to-one interaction with consumers. Participating in these events gives you an opportunity to

establish networks, enhance your brand, test market your products, and counter competition.

- You require well designed promotional literature such as catalogues, brochures, and business cards for a trade exhibition. Your booth must be well designed to make a strong visual impact of the company and products on display.
- Every year, EPC links Kenya's companies to export markets by facilitating their participation in a number of international exhibitions.
- An annual calendar comprising over 20 exhibitions is released early in the year. You can get to know how to participate in the events by contacting the Export Promotion Council.