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U.S. END MARKET ANALYSIS FOR KENYAN HOME DÉCOR AND FASHION ACCESSORIES

December 2017

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TABLE OF CONTENTS

TABLE OF CONTENTS	ii
ACRONYMS AND ABBREVIATIONS	iii
1. EXECUTIVE SUMMARY	4
2. TARGET PRODUCTS	6
3. GENERAL CHARACTERISTICS OF THE U.S. MARKET FOR TARGET PRODUCTS AND PERFORMANCE OF KENYAN GOODS IN THE U.S. MARKET	8
3.1. Kenyan Exports to the U.S. Market	9
4. U.S. MARKET STRUCTURE, CHARACTERISTICS AND TRENDS	11
4.1. Market Size	12
4.2. Market Segments	13
4.3. Market Trends	15
4.4. Dealing with Buyers	16
5. U.S. TARIFF STRUCTURE	18
6. NON-TARIFF REQUIREMENTS	19
6.1. AGOA Rules of Origin	19
6.2. Standards and Certifications	19
6.3. Packaging and Labeling	22
6.4. Customs Procedures	23
7. U.S. DISTRIBUTION	25
7.1. Supplier Selection	25
7.2. Contract and Payment Terms	26
7.3. Distribution Channels	26
7.4. Retail Channels	28
8. SALES PROMOTION	30
8.1. Key Trade Fairs	30
9. COMPETITION AND PRICES	31
9.1. Key Competitors and Prices Range	31
9.2. Critical Success Factors and Performance on each Factor	33
9.3. Sector Success Factors and Performance on each Factor	33
10. RECOMMENDATIONS	34
10.1. Suggested Buyers	34
10.2. Export Strategy	35
APPENDIX I: JUSTIFICATION FOR TARGETING WOMEN IN THE KENYAN HOME DÉCOR AND FASHION ACCESSORIES SECTOR	39
APPENDIX II: FUNDAMENTALS OF NICHE MARKET STRATEGY	40

SUGGESTED MARKET STRATEGY	40
NICHE MARKET STRATEGY FOR HOME DÉCOR & FASHION ACCESSORIES SECTOR	40
APPENDIX III: IMPORT PROGRAM BY HS CODE	45
APPENDIX IV: BIBLIOGRAPHY	63

ACRONYMS AND ABBREVIATIONS

ACTIF	African Cotton and Textiles Industry Federation
AGOA	African Growth and Opportunity Act
APHIS	Animal and Plant Health Inspection Service
CIF	Cost, Insurance and Freight
CSPC	Consumer Safety Product Commission
CSR	Corporate Social Responsibility
D&A	Designers and Agents
DOC	Department of Commerce
EAC	East African Community
FTC	Federal Trade Commission
FOB	Free on Board
FWS	Fish and Wildlife Service
GSP	Generalized System of Preferences
HS	Harmonized System
HTSUS	Harmonized Tariff Schedule of the United States
IPPC	International Plant Protection Convention
MDF	Medium Density Fiberboard
MMF	Manmade Fiber
MSME	Micro, Small and Medium Enterprises
NGO	Non-governmental Organization
R&D	Research and Development
RFQ	Request for Quote
RIN	Registered Identification Number
SME	Small and Medium-Sized Enterprise
TSCA	Toxic Substance Control Act
UNCTAD	United Nations Conference on Trade and Development
USDA	U.S. Department of Agriculture

I. EXECUTIVE SUMMARY

This report provides market data at a product level for use by Kenyan exporters interested in the United States (U.S.) market and to support the National African Growth and Opportunity Act (AGOA) Strategy and Action Plan for Kenya.

The home décor and fashion accessories sector has the capacity to further the goals of increasing women and youth participation in manufacturing by providing greater access to economic opportunities. In 2016, the top performing Kenyan product categories in this sector represented \$5.2 million in exports to the U.S. The U.S. is the largest importer in the world in all categories, and the fourth largest in jewelry.

This report analyzes the top supply growth opportunities for Kenya based on the U.S. import demand. It also presents the current market trends in the U.S. for Kenya to better compete internationally. In addition, the Kenya Vision 2030 makes the recommendation for "a better and more inclusive wholesale and retail trade sector." Accomplishing the goal of increasing efficiency, lowering transaction costs and strengthening trade as well as linking trade to wider local and global markets requires:

- Understanding the demands of the international market and the trends that influence the global exports to the U.S. market;
- Understanding the advantages of the Kenyan market in key product categories, competitiveness in raw material sourcing, and the international competitors participating on the global stage;
- Sharing a detailed explanation of U.S. brands supply management and distribution trends; and
- Recommending several high-priority investments and opportunities that will best position Kenya within this sector and help to build a strategic advantage in a competitive marketplace.

Within the market analysis, six Harmonized System (HS) product level categories are presented:

- Articles of leather, harness, travel goods, etc.
- Manufactures of plaiting material, basketwork, etc.
- Other made textile articles, sets, etc.
- Jewelry, precious stones, metals, coins, etc.
- Works of art, collectors' pieces and antiques.
- Articles of wood.

These six product categories are also described in Section I and have demand in the U.S. market. The greatest opportunity for an export-import relationship between the U.S. and Kenya is demonstrated by:

- The size of imports (\$126 billion in 2016) as market potential in the U.S.;
- Growth of imports to the U.S. from global export partners that ranges from zero for jewelry to 8 percent in works of art;
- Growth of imports to the U.S. under AGOA specifically (5 percent to a total of \$19 billion in 2016);
- An existing import/export relationship between the U.S. and Kenya in all six categories;
- A pattern of growth within the product categories in exports from Kenya to the U.S.

To direct current and future Kenya exporters to take advantage of these import opportunities to the U.S., the market analysis provides:

- The historical import purchase volumes to the U.S. at the product level;
- The global value of competitors for U.S. imports at the product level;
- The global price competition of U.S. imports at the product level;

- The AGOA export standards, certifications and Rules of Origin required to export to the U.S;
- The various criteria, definitions and promotional landscape to supply the U.S. market;
- The constraints and opportunities in Kenya as well as strategic recommendations to capture niche export market opportunities; and
- Suggested buyers and trade fairs relevant to the sector.

2. TARGET PRODUCTS

The list of target products for the home décor and fashion accessories sector was developed based on the following considerations:

- a) Qualify for AGOA or GSP eligibility;
- b) Demonstrate the ability to increase macroeconomic stability;
- c) Have the potential to create enhanced equity and wealth creation for the poor;
- d) Motivate infrastructure development; and
- e) Demonstrate the potential to create investment and innovation.

The home décor and fashion accessories sector is developing in Kenya. Historically, it was made up of small family-based artisans working in the informal sector popularly known as “Jua Kali.” Although the informal sector is made up of many talented artisans, the infrastructure for supply chain management to manufacture export quality items is lacking. However, through young and innovative entrepreneurship, a new generation of small and medium-sized enterprise (SME) exporters with enhanced quality and market knowledge is emerging in Kenya. The sector is diversifying to include Kenyan enterprises with improved business operations. These enterprises serve various segments of the market – ranging from luxury products to handmade artisan crafts. Although Kenya export volumes to the U.S. are currently small, accounting for roughly \$5.1 million in 2016, the sector’s diversity, both in export business models and product supply, offers a unique opportunity for growth and the ability to serve multiple niche U.S. market segments. The U.S. retail market and the possibilities of the niche market are important stepping stones for SME in Kenya to advance competitiveness and take advantage of the AGOA legislation.

The Harmonized System: Home Décor and Fashion Accessories

U.S. import data is collected from the HS, which is an international nomenclature classification of products for customs purposes. The products identified at the HS level in the home décor and fashion accessories categories are shown in Table I below and selected for the following reasons:

1. Manufactured in some volume in Kenya;
2. Represent large import potential into the U.S. market;
3. Demonstrate a buying trend in increased purchase level;
4. Have the capacity to reach niche market opportunities in the U.S.

Table I: Harmonized System Codes – Home Décor and Fashion Accessories Sector

HS Chapter	Range	Description	Specific Kenyan Exports and Potential New Products	Justification
42	4201-4206	Articles of leather, harness, travel goods, etc.	Handbags, totes, travel luggage, wallets, leather accessories, belts, small leather goods	Leather value chain is a priority manufacturing sector for Kenya Kenya is the third largest livestock producer in Africa
44	4407-4421	Articles of wood	Olive wood bowls, serving utensils, salad servers, wood carvings, walking sticks, small furniture items, collectables, statues	Kenya has a long and rich history in wood carvings Many of the woods with strong export potential such as ebony are no longer legal to export due to extreme deforestation Rough estimates show that 60,000 people are employed in the wood carving industry in Kenya
46	4601-4602	Manufactures of plaiting material, basketwork, etc.	Sisal rugs, baskets, organizers, desk accessories, wall hangings	In sub-Saharan Africa, 84% of female non-agricultural workers are informally employed 23,000 MT of sisal are produced annually in Kenya ¹ 80% of the fiber is exported, China is the largest importer of Kenya sisal for value add addition
63	6301-6310	Other made textile articles, sets, etc.	Home textiles – pillows, tabletop, runners, placemats, napkins, throws	The textile value chain is a priority manufacturing sector for Kenya Kenya has 52 textile mills, of which only 15 are currently operational and they operate at less than 45% of total capacity ²
71	7113-7117	Jewelry, precious stones, metals, coins, etc.	Gold, ruby, emerald, zoisite, green garnet, brass, glass beads, ceramic beads	Gold production was more valuable for the sector than the other precious minerals, peaking at Ksh 1,290,288,000 in 2003 ³
97	9701-9704	Works of art, collectors' pieces and antiques	Mostly art, soapstone carvings	The country's first major auction of East African art was held at Circle Art Agency in Nairobi in 2013 ⁴

¹Noah, E. and Waithaka, M. 2005. Kenya Sisal Industry Report.

²Chemengich, M., Vaid, V., and Karuiki, F.G. 2013. Policy Research on the Kenyan Textile Industry: Findings and Recommendations..

³Noah, E. and Waithaka, M. 2005. Gemstones and Jewelry in Kenya. Export Processing Zone Authority. Nairobi, Kenya.

⁴ Stewart, C. 2016. "Nairobi's Vibrant Art Market Points to a Boom." *Financial Times*. 2017.

3. GENERAL CHARACTERISTICS OF THE U.S. MARKET FOR TARGET PRODUCTS AND PERFORMANCE OF KENYAN GOODS IN THE U.S. MARKET

According to UN Comtrade statistics, the U.S. imported close to \$123.2 million in the home décor and fashion accessories sector in 2016. In fact, U.S. retailers depend on foreign manufactured goods for 90 percent of their purchases.⁵ Of the six categories highlighted below, the U.S. was ranked first in global exports for four and fourth in HS Code 71 (jewelry) and 44 (articles of wood). Between 2012 and 2016, exports to the U.S. experienced a minimum flat and maximum 9 percent growth under the codes, which demonstrating the ongoing viability of these products in the U.S. market (see Table 2).

AGOA beneficiary country imports represented close to \$28.2 million, or roughly 23 percent, of total imports in the sector. The HS Codes identified below represented 6 percent of all imports coming into the U.S. from AGOA beneficiary countries in 2016.⁶

HS Code 42: Articles of Leather, Harness, Travel Goods

1. U.S. imports represent 18.9 percent of world imports for products in HS Code 42.
2. In 2016, the U.S. imported \$13,292,245.
3. In 2016, the U.S. ranked first in world imports in this category.
4. U.S. import growth in value between 2012 to 2016 was 2 percent.
5. The largest exporter to the U.S. in this category for 2014 was China at \$8,541,451.
6. The second largest importer in this category is Japan at 5,585,459, representing 7.9% of the global purchases.

HS Code 46: Manufactures of Plaiting Material, Basketwork, etc.

1. U.S. imports represent 30.7 percent of world imports for products in HS Code 46.
2. In 2016, the U.S. imported \$559,683.
3. In 2016, the U.S. ranked first in world imports in this category.
4. U.S. import growth in value between 2012 to 2016 was 1 percent.
5. The largest exporter to the U.S. in this category for 2014 was China at \$275,081.
6. The second largest importer in this category is Japan at \$241,029, representing 13.3% of the global purchases.

HS Code 44: Manufactures of Wood Articles

1. U.S. imports represent 15 percent of world imports for products in HS Code 44.
2. In 2016, the U.S. imported \$19,526,301.
3. In 2016, the U.S. ranked fourth in world imports in this category.
4. U.S. import growth in value between 2012 to 2016 was 9 percent.
5. The largest exporter to the U.S. in this category for 2014 was China at \$10,067,563.
6. The second largest importer in this category is China at \$ 4,250,806.

HS Code 63: Other Made Textile Articles, Sets, etc.

1. U.S. imports represent 26.8 percent of world imports for products in HS Code 63.
2. In 2016, the U.S. imported \$14,638,525.
3. In 2016, the U.S. ranked first in world imports in this category.
4. U.S. import growth in value between 2012 to 2016 was 4 percent.
5. The largest exporter to the U.S. in this category for 2014 was China at \$7,095,628.
6. The second largest importer in this category is Germany at 4,161,863, representing 7.6% of the global purchases.

HS Code 71: Jewelry, Precious Stones, Metals, Coins, etc.

1. U.S. imports represent 10.5 percent of world imports for products in HS Code 71.
2. In 2016, the U.S. imported \$65,347,119.
3. In 2016, the U.S. ranked fourth in world imports in this category.

⁵UN Comtrade Statistics. <https://comtrade>.

⁶UN Comtrade Statistics. <https://comtrade>.

4. U.S. import growth in value between 2012 to 2016 was 0 percent.
5. The largest exporter to the U.S. in this category for 2014 was India at \$9,521,822.
6. The largest importer in this category is Switzerland at 99,675,030, representing 15.9 percent of the global purchases.

HS Code 97: Works of Art, Collectors' Pieces and Antiques

1. U.S. imports represent 41.7 percent of world imports for products in HS Code 97.
 2. In 2016, the U.S. imported \$9,889,730.
 3. In 2016, the U.S. ranked first in world imports in this category.
 4. U.S. import growth in value between 2012 to 2016 was 8 percent.
- a) The largest exporter to the U.S. in this category for 2014 was France at \$2,486,051.
- b) The second largest importer in this category is the United Kingdom at 3,779,574, representing 15.9 percent of the global purchases.

Table 2: U.S. Imports – Data for HS Code of the U.S. Fashion and Home Sector⁷

Code	Product Label	Imported Value 2016 (USD Thousands)	Annual Growth in Value Between 2012-2016 (% P.A.)	U.S. Ranking in World Imports	Average Distance of Supplying Countries (Km)	Average Tariff Estimate Applied by The Country (%)
42	Articles of leather, harness, travel goods	13,292,245	2	1	10,819	6.6
63	Other made textile articles, sets	14,638,525	4	1	10,679	7.6
71	Jewelry, precious stones, metals, coins, etc.	65,347,119	0	4	8,577	0.8
44	Article of wood	19,526,301	9	4	7,803	0.6
46	Manufacture of plaiting material, basketwork, etc.	559,683	1	1	11,458	2.9
97	Works of art, collectors' pieces and antiques	9,889,730	8	1	7,555	0.0
	TOTAL	123,253,603				

Distance in import location does not inhibit volume in these HS categories. This implies that shipping costs are in line with margin expectations. In other words, distance is not a barrier to purchases if cost is controlled and meets the business expectation of overall margin.

Import tariffs apply to all classifications except HS 97 works of art. This is an advantage for Kenya, which has tariff-free access under AGOA in all classifications. It translates to a direct cost advantage in four of the six classifications if manufacturing costs match the competition's.

3.1. KENYAN EXPORTS TO THE U.S. MARKET

In terms of value, the largest Kenyan exports are jewelry and works of art. However, Kenyan exports of these five categories to the U.S. are still low, compared with traditional suppliers such as Mexico, China or India.

⁷ UN Comtrade Statistics. <https://comtrade>.

Table 3: U.S. Imports from Kenya⁸

HS Code	Product Description	Value In 2016 (\$ '000)	U.S. Imports from The World Annual Growth (% In Value) 2012-2016	Share of U.S. Import (%)	% Of World Imports into The U.S.
46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	126	-6	1	31
44	Articles of wood	395	-12	8	15
97	Works of art, collectors' pieces and antiques	1,069	21	66	42
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles	457	-2	2	19
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	141	1	4	27
71	Jewelry, precious stones, metals, coins, etc.	2,989	12	0	10
TOTAL		5,177			

Within these export categories, the following import trends to the U.S. market are noteworthy:

1. The HS Code 71 jewelry has the largest export value of all the categories analyzed. The category increased 12 percent in exports from 2012 to 2016. The U.S. imports 7 percent of Kenya exports in this category.
2. In HS Code 97 works of art, the U.S. imports 66 percent of Kenyan exports, showing a strong demand within the U.S. market. The category's exports increased by 21 percent from 2012 to 2016, highest growth percentage in all the categories analyzed.
3. HS Code 97 works of art is the second largest export category in Kenya behind HS Code 71 jewelry, demonstrating strength on both the supply and demand side.
4. In HS Code 42 articles of leather, 19 percent of Kenyan exports supply the U.S. market.
5. HS Code 44 articles of wood, accounts for the sharpest drop of 12 percent in exports from 2012 to 2016. Coupled with increased regulation on both the supply and demand side of the model, it raises the question of sustainability in this category.
6. Although HS Code 42 basketry experienced a 6 percent decline in exports from 2012 to 2016, the U.S. market accounts for 30 percent of the global imports, making this a strong category for increased U.S. sales.

⁸UN Comtrade Statistics. <https://comtrade.un.org/>

4. U.S. MARKET STRUCTURE, CHARACTERISTICS AND TRENDS

The U.S. is the world's largest, and perhaps most open market for manufacturers exporting from developing countries. U.S. imports of most manufactured products from developing countries exceed 50 percent or more of the imports of similar products by the European Union. The trends within this large and growing U.S. market are changing rapidly. Some of the U.S. market trends that affect purchases and sourcing within the home décor and fashion accessories sector include:

1. **E-COMMERCE** is no longer the little sister of brick-and-mortar retail. As per the National Retail Federation, e-commerce transactions are expected to hit \$327 billion in 2017, up from \$202 billion in 2011. More brick-and-mortar-focused retailers are expanding their online presence to increase the percentage of their sales from this channel (see Table 4).⁹ Many home décor and craft products are increasingly being sold online.
2. **NEW MICRO BRAND, DIGITAL-ONLY COMPANIES** are growing their share of the U.S. market by building platforms within mobile consumer channels, marketing and advertising solely via social media. These retailers distinguish themselves by their well-defined niches and smart promotional strategies. Their ability to build a base that is focused on a direct customer relationship protects their profit margins and gives them a competitive advantage through strong customer loyalty.¹⁰ Some of the top web platforms are Etsy, Novica, Ben Franklin, ConsumerCrafts, Shopify, eBay and Amazon.
3. **THE SIZE OF BRICK-AND-MORTAR STORES IS BECOMING SMALLER** because foot traffic is on the decline. According to the National Association of Realtors, at 47 square feet of retail space per capita, the U.S. has more retail square footage than any other country worldwide. However, sales per square foot continues to decline. Retail store sales in the U.S. fell from \$35 billion in 2009 to \$17 billion in 2013. After decades of growth, retailers are reconsidering size in favor of productivity, measured by profit per square foot. In the U.S. and around the world, this attention to productivity will likely increase as digital technologies enable more efficient use of square feet and more consumers buy outside the retail store setting.¹¹
4. **THE CONSIDERATION OF SOCIAL AND ENVIRONMENTAL ISSUES BY GLOBAL BRANDS** has enabled brands to build loyalty and deliver on the demands of their consumer base by understanding that in today's business environment, their customers choose brands not solely based on price and features, but also on social and environmental issues.¹²
5. **CORPORATE SOCIAL RESPONSIBILITY (CSR)** growth and messaging can differentiate a company's online message, allowing for more dynamic social media messaging and capturing the tech savvy customer by building brand loyalty. Businesses are collaborating with local non-governmental and private sector actors to improve economic and environmental conditions through purchasing choices and criteria. Costco and Starbucks have led the way among retail outlets by adopting above-minimum-wage pay, a trend that consumers say heavily influences their purchase decisions. This trend leads consumer goods and retail companies to recognize the need to better represent the customer's broader set of desires and values to capture their purchasing dollars.¹³
6. **WOMEN'S EMPOWERMENT** through sourcing can act as a subset category of a CSR program. When products are particularly marketed to women, this strategy can help the consumer understand the benefits and values the company is working toward, beyond the purchase value, hence increasing brand loyalty. This can specifically benefit women in Kenya's formal sector and provide market opportunities for women to be upgraded from a solely informal manufacturing setting. See Appendix I for more details.

⁹ National Association of Retailers. <https://nrf.com/>

¹⁰ National Association of Retailers. <https://nrf.com/>

¹¹ National Association of Retailers. <https://nrf.com/>

¹² National Association of Retailers. <https://nrf.com/>

¹³ Swee Hoon, A., and Gill, S. 2012. Connecting with digital marketing. The National University of Singapore Business School: Think Business. (2012) <http://thinkbusiness.nus.edu/article/digital-marketing>

Table 4: E-commerce Retail Sales Trends 2014-2017¹⁴

Quarter	Retail Sales (\$millions)		E-commerce as a Percent of Total	Percent Change from Prior Quarter		Percent Change from Same Quarter a Year Ago	
	Total Retail	E-commerce		Total Retail	E-commerce	Total Retail	E-commerce
2 nd quarter 2017	1,256,232	111,542	8.9	0.5	4.8	4.1	16.2
1 st quarter 2017	1,250,055	106,383	8.5	1.0	4.7	5.1	15.4
	1,237,663	101,606	8.2	1.7	1.7	3.8	14.2
4 th quarter 2016	1,184,753	89,078	7.5	0.0	2.1	1.3	14.7
4 th quarter 2015	1,184,473	87,225	7.4	1.1	3.8	1.6	14.7
	1,171,458	84,019	7.2	1.5	4.4	1.0	14.3
3 rd quarter 2015	1,153,584	80,451	7.0	-1.4	3.6	1.8	14.8
	1,170,098	77,659	6.6	0.4	2.1	3.9	14.2
2 nd quarter 2015							
1 st quarter 2015							
4 th quarter 2014							

4.1. MARKET SIZE

U.S. imports for the product categories presented in this market analysis were worth \$126 billion in 2016. Between 2012 and 2016, demand in the U.S. market increased for wood articles (9 percent), works of art (8 percent), textile items (4 percent), leather articles (2 percent), and woven items, such as baskets (1 percent), while demand for jewelry remained constant.

When AGOA beneficiary country imports to the U.S. are isolated, there was an increase in all product HS categories of imports to \$19.3 billion in 2016 up from \$18.1 billion in 2015. The selected HS categories represent 23.8 percent of all products imported into the U.S. from AGOA beneficiary countries (see Table 5).

Within the categories analyzed, Kenya accounts for a relatively small percentage of exports from AGOA countries to the U.S. market. It should be noted that of all the categories analyzed, category 97 works of art represents the largest U.S. import value. This, coupled with the fact that 66 percent of Kenya's exports go to the U.S., makes it a strong category to invest in increased capacity.

¹⁴ Chart developed from IBM DeveloperWorks

Table 5: U.S. Imports from AGOA Beneficiary Countries¹⁵

PRODUCT HS CATEGORY	VALUE IN 2012	VALUE IN 2013	VALUE IN 2014	VALUE IN 2015	VALUE IN 2016
71 Jewelry, precious stones, metals, coins, etc.	\$3.3 million	\$3.1 million	\$3.7 million	\$2.9 million	\$3.1 million
97 Works of art, collectors' pieces and antiques	\$51.2 million	\$58 million	\$59.1 million	\$74.3 million	\$56.6 million
42 Articles of leather, harness, travel goods	\$7.6 million	\$9 million	\$11.5 million	\$9.5 million	\$9.9 million
44 Articles of wood	\$13.7 million	\$16.1 million	\$17.5 million	\$18 million	19.5 million
46 Manufactures of plaiting material, basketwork, etc.	\$4.3 million	\$4.7 million	\$5.3 million	\$4.5 million	\$5.7 million
63 Other made textile articles, sets	\$4.7 million	\$3.4 million	\$3.3 million	\$5.2 million	\$5.7 million
Total HS category AGOA imports	\$71.1 million	\$78.2 million	\$82.9 million	\$96.4 million	\$81 million

4.2. MARKET SEGMENTS

Market segmentation is a strategic approach which involves dividing a broad target market into subsets of consumers or businesses by common needs, interests or priorities. This process allows for the design and implementation of more customized marketing strategies to target customers. Through careful segmentation and targeting, businesses can often achieve a competitive advantage to become the preferred choice of consumers, thus gaining market share (see Table 6).

¹⁵ UN Comtrade Statistics. <https://comtrade.un.org/>

Table 6: Market Segmentation¹⁶

Segmentation	Purpose	How Market Segmentation Serves the Consumer	Example of Products In Kenya
Behavioral	Better matching of customer needs	Customer needs differ. Creating separate products for each segment is more inclusive	The need to provide product diversity to serve various markets like institutions and families
Demographic	Enhanced profits for business	Customers have different disposable incomes and vary in how sensitive they are to price. By segmenting markets, businesses can raise average prices and subsequently enhance profits	Small leather goods for mid-level price point and larger statement pieces for higher price targeted consumer
Psychographic	Better opportunities for growth	Market segmentation can build sales. For example, customers can be encouraged to "trade-up" after being sold an introductory, lower-priced product	The need to expand product offering across price demographics
Sociographic	Retain more customers	By marketing products that appeal to customers at different stages of their life ("lifecyle"), a business can retain customers who might otherwise switch to competing products and brands	Providing newness to the consumer to retain customer satisfaction, based on design, materials, new uses, etc.
Geographic	Target marketing communications	Businesses need to deliver their marketing message to a relevant customer audience. By segmenting markets, the target customer can be reached more often and at lower cost	Building a marketing message that can communicate product attributes and reason to buy in a region, city or town

The U.S. market's variety, size and customization potential provides multiple market opportunities for Kenyan exporters. The opportunities range from product diversity both in product function and ability to reach various customer demands within the different market segments. As Kenyan export businesses continue to expand their product segmentation, there exists an increased opportunity to serve the multi-dimensional segmented consumer industry. Since the U.S. market continues to focus on niche segmentation in a large and competitive retail environment, Kenyan exporters will need to clearly define the market they can best serve based on the consumer target criteria.

¹⁶ East Africa Trade and Investment Hub, 2017

4.3. MARKET TRENDS

The global home décor market has a forecast period of 2015-2020, and it is expected to be valued at **\$664 billion by 2020**. This projected growth is driven by an increased interest in the home décor market by consumers. The factors that contribute to the growth of this sector are:¹⁷

1. **Expansion of the real estate industry:** According to U.S. Census Bureau data, the value of private residential construction in the U.S. attained a market value of \$4,083,074 in 2014, up from \$2,958,138 in 2009. Individual expenditures on furnishing and household equipment has shown a significant growth through these years. Further, increasing disposable income and growth in the real estate industry will fuel market growth in developed countries in coming years. Higher demand is also driven by the increase in the number of home owners particularly in emerging economies, and increased renovation of home interiors and exteriors. Growth in this sector is also driven by the growth of residential and commercial sectors, as well as an increase in the growth rate of new construction especially in Asian countries.
2. **Globalization** has made it easier for consumers to buy home décor products from around the globe. This, along with the growth in the real estate market, have contributed to growth of this sector.
3. Consumers prefer to **use online retailers** for buying home décor and fashion accessories at a discounted and affordable price. Companies have taken advantage of this trend to sell their products and increase their profit margins by reducing the distribution costs.
4. Growth opportunity in this market has also come about through **improved lifestyles and an increase in disposable income**. Urban culture has influenced individual lifestyles. The UN database shows that 54% of the world's population lived in rural areas in 2014. There is an expected shift to urban areas going forward, therefore creating more demand for home décor products.
5. There is also a rise in the number of consumers preferring **eco-friendly products** because of their minimal impact on the environment. Eco-friendly home décor and fashion accessories products are gaining high acceptance among consumers. Those operating in this market are consolidating their efforts into developing eco-friendly products to capitalize on the increasing demand. The trend shows an increasing cost of raw materials; and the availability and cost of metal, wood, plastic, glass, leather, rattan, fabrics, and stone that are used to make home products affects cost in manufacturing. The cost of raw material for floor coverings has increased, including the manufacturing of tiles, wood and laminate, vinyl and rubber, carpet and rugs, and linoleum, cork, bamboo, and concrete. By 2020, it is forecasted that the cost of some raw materials such as plastic and glass will decrease, making them favorable for the home décor market.

4.3.1. TOP GLOBAL TRENDS FOR SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The report *State of Sustainable Supply Chains 2016*, published from research conducted during a two-week period in June 2016, identifies critical issues for sustainability and supply chain departments.¹⁸ Over 500 professionals from around the globe contributed to this research survey. These are the global trends that emerged during the 11th Annual Sustainable Supply Chain Summit held in London:

- a) Over 34 percent of executives who were polled said they are incentivized to develop sustainable supply chains which is considered a major factor to mitigate supply chain risk.
- b) More than 47 percent of the executives surveyed identified human rights protection as the number one driver in sustainable supply chain development.
- c) The cultivation of supplier diversity within the chain was also a contributing factor.

¹⁷ Home Decor Market by Product (Furniture, Textiles (Rugs, Bath Textiles, Bed Textiles, Kitchen and Dining Textiles, Living room Textiles), Floor coverings (Tiles, Wood & Laminate, Vinyl & Rubber, Carpet & Rugs) - Global Opportunity Analysis and Industry Forecast, 2014 – 2020. Allied Market Research. 2015.

¹⁸ Ernst and Young. 2016. The State of Sustainable Supply Chains: Building Responsible and Resilient Supply Chains. United Nations Global Compact.

- d) Twenty percent of the executives surveyed stated that industry collaboration is the single most exciting opportunity. The second most exciting opportunity is creating a circular economy and the third is resource efficiency, at 17 percent and 12 percent respectively.

Sustainable supply chain management is critical for Kenyan companies targeting the U.S. market. The areas that constitute sustainable supply management include interrelated supply components including sustainability of raw materials supply, wage and labor conditions, accurate and competitive product costing, production controls to ensure on-time delivery and a quality product. On the demand side, it is critical to maintain open and transparent communication with the customer on order status, and to provide information on product attributes both from a marketing and performance perspective. The key components of supply chain management mitigate risk for both the buyer and seller when managed properly and increase risk exposure if there are gaps within the system.

4.3.2. UNDERSTANDING U.S. RETAIL MARKET TRENDS IN HOME DÉCOR AND FASHION ACCESSORIES

Market trends affect the way SME position their products. The current U.S. dynamics of the retail and global market are affected by the following current trends:

- a) The explosion of internet sales
- b) The closure of brick-and-mortar¹⁹ stores
- c) Price competition in a flat market²⁰
- d) The ability of consumers to easily conduct price comparisons using technology
- e) The favoring of Asian manufacturing to cut cost but not product diversity
- f) Long standing manufacturing relationships allowing for fast fashion and cyclical trends for retailers to catch the consumer
- g) A company's ability to hold less inventory

To fully engage in this type of market, diverse strategies are required. Niche marketing can be used as a stepping stone and is advantageous to SME in Kenya as a building block to engage more fully in the U.S. retail market.

4.4. DEALING WITH BUYERS

Kenyan exporters need to cultivate business reputations and increase trust with buyers. This is an ongoing activity that requires effort and time, especially when exporters are new to the market. The best strategy is to provide realistic expectations of quality and volume for the buyers. For example, new Kenyan companies embarking on export missions or trade shows should promote what is available without overpromising. Under-delivering or not delivering goods damages a business. Most U.S. buyers are not attuned to the potential of Kenyan AGOA eligible products. Their limited knowledge of the product diversity in Kenya makes Kenya an investment and sourcing destination within this sector.

When describing the attributes for a principal buyer for this sector in Kenya, a few benchmarks help to determine what makes a buyer "market ready":

- a) Are they currently doing business in Africa?
- b) Do they currently have a port of export in the East African Community (EAC) region? Is it possible for producers in Kenya to quote prices from their current port of export?
- c) Do they have a business that is compatible with the current product categories?
- d) Do they have a niche business promoting a product with social impact attributes?
- e) Are they aware of AGOA import benefits?

¹⁹ Brick and Mortar (or B&M) refers to a physical presence of an organization or business in a building or other structure. The term brick and mortar business is often used to refer to a company that possesses or leases retail stores, factory production facilities, or warehouses for its operations.)

²⁰ A trend in which the trading range for the broader market does not move either higher or lower, but instead trades within the boundaries of recent highs and lows. A flat market signals lagging investor interest as market participants await an indication regarding the direction of the next move.

- f) Can producers demonstrate that they are more price competitive under AGOA, based on comparative duty costs from Asia?
- g) Is there a mission or CSR focus within the buying parameter? If not, is international sourcing a core component of their product assortment?
- h) Can Kenya production fill capacity in short supply situations elsewhere in the global market?

5. U.S. TARIFF STRUCTURE

AGOA provides duty-free status to selected U.S. imports originating in selected sub-Saharan African countries. To qualify for duty-free status under AGOA, the products must adhere to the following requirements:

- c) The products must:
 - a) Be included in the list of GSP-eligible articles, or
 - b) Be in the list of AGOA products, or
 - c) Be a qualifying apparel item.
- d) The products must be imported into the U.S. directly from an AGOA beneficiary country or pass through another country in a sealed container and addressed to a location in the U.S., and
- e) The products must be “growth, product, or manufacture” of the AGOA beneficiary country by fulfilling the Rules of Origin requirements.

Import data shows that many home décor and accessories products enter the U.S. under the No Program Allocated and the GSP. In both cases imports are duty-free or very low duty (see Appendix 3).

6. NON-TARIFF REQUIREMENTS

Customs require compliance with procedures and certifications that are mentioned in this chapter. The following non-tariff regulations must be followed to export from Kenya.

6.1. AGOA RULES OF ORIGIN

For a product to qualify for AGOA preferential treatment, it must comply with the Rules of Origin. The Rules of Origin are as follows:

- f) Items must be “growth, product or manufacture” of one or more AGOA beneficiary countries.
 - a) Non-textiles: If a product is made from foreign material that are imported into an AGOA beneficiary country, to be used in the production of an AGOA eligible product, the cost of the materials produced in the AGOA beneficiary country, plus the cost of processing, must equal at least 35% of the product’s appraised value when the product is sold for export into the U.S. For U.S. origination materials, the total of up to 15 percent of the 35 percent local content value (as appraised at the U.S. port of entry) would qualify for AGOA preferential treatment.
 - b) Apparel and textiles: The Rules of Origin requirements for apparel and textiles include:
 - i. Textile or textiles articles originating entirely in one of more lesser-developed beneficiary sub-Saharan African countries;
 - ii. Eligible hand-loomed, handmade, or folklore articles and ethnic printed fabrics.
 - g) Certificate of Origin: A Certificate of Origin from the manufacturer is given to the importer prior to presentation of entries to the U.S. Customs Service claiming an AGOA preference. The importer is required to possess the Certificate of Origin and can present it upon demand by the U.S. Customs Service. The visa arrangement establishes documentary procedures for each shipment of eligible textile and apparel products from a designated beneficiary sub-Saharan African country to the U.S. as outlined by the U.S. Department of Commerce International Trade Administration.

6.2. STANDARDS AND CERTIFICATIONS

The most relevant standards and certifications for Kenyan firms in the home décor and fashion accessories sector include the HS Code product categories in leather, basketwork, wooden articles, textiles, jewelry and works of art/collectors’ pieces. The U.S. standards and certifications in Table 7 are required for the selected products to enter the U.S.

Table 7: Standards and Certifications for the Home Décor and Fashion Accessories Sector

HS Code	Product Examples	Product Procedures For Imports	Product Standards & Certifications For Imports
HS Code 42: Articles of leather, harness, travel goods	Leather or simulated leather trunks, suitcases, traveling bags, sample cases, instrument cases, brief cases, ring binders, billfolds, wallets, key cases, coin purses, card cases, French purses, dressing cases, stud boxes, tie cases, jewel boxes, travel kits, gadget bags, camera bags, ladies' handbags, shoulder bags, purses, pocketbooks, footwear, belts (when not sold as part of a garment) and similar articles	<p>If the product is derived from domesticated animals (cattle, pigs, sheep & goats):</p> <ul style="list-style-type: none"> U.S. Department of Agriculture (USDA) requirements: Animal and Plant Health Inspection Service (APHIS) inspection at the port of arrival Port of entry must be at a USDA designated port Check with U.S. Customs regarding standards <p>If the product includes textiles:</p> <ul style="list-style-type: none"> Compliance with U.S. Customs, Department of Commerce (DOC), U.S. Federal Trade Commission (FTC), and Consumer Safety Product Commission (CSPC) standards <p>If the product is derived from an endangered species or wildlife:</p> <ul style="list-style-type: none"> Compliance with the requirements of the U.S. Fish and Wildlife Service (FWS) <p>If the product is derived from exotic wildlife or endangered species:</p> <ul style="list-style-type: none"> Entry at a designated FWS port and compliance with the FWS and customs advance notification and port of entry inspection requirements 	<p>Check with U.S. Customs regarding:</p> <ul style="list-style-type: none"> Whether the product is subject to quarantine requirements. If yes, a permit is required, and reservations made for a quarantine facility: Whether a permit is required The marking requirements If there are any certification requirements <p>Leather Products 16 CFR 24, Guides for Select Leather and Imitation Leather Products²¹ (Guide to the manufacture, sale, distribution, marketing, or advertising of all kinds or types of leather or simulated leather, including footwear)</p>
HS Code 44: Articles of wood	Olive wood bowls, serving utensils, salad servers, wood carvings, walking sticks, small furniture items, collectables, statues	<ul style="list-style-type: none"> Compliance with USDA port-of-entry inspections and other requirements Compliance with Federal Plant Pest Act Compliance with Plant Quarantine Act Compliance with FTC and CPSC standards Compliance with Fish and Wildlife Service (FWS) licensing, permit, country of origin permit, import documentation and record keeping requirements (applies to products incorporating endangered woods) 	<p>See Miscellaneous and Processed Products Manual at the following link for a comprehensive list of regulations and requirements for wood products: https://www.aphis.usda.gov/import_export/plants/manuals/ports/downloads/miscellaneous.pdf</p> <p>The exporter must also observe supply side restrictions and bans on logging and export of certain woods</p>
HS Code 46: Manufactures of plaiting material, basketwork, etc. ²²	Plaited articles in sheets: Mats, matting and screens Basketwork and wickerwork	<p>Baskets and Wickerware:</p> <ul style="list-style-type: none"> Compliance with USDA random port of entry inspections, import restrictions and quarantines, and any other requirements 	<p>No permits or licenses needed to import baskets or wickerwork</p> <p>Random inspections by the USDA depending on the port of entry, Country of Origin, and risk of contamination of the product's material</p>

²¹ Leather Products 16 C.F.R. 24, Guides for Select Leather and Imitation Leather Products

²² Hinkelman, E.G. 2003. Importers Manual USA: The Single Source Reference for Importing 4th edition.

HS Code	Product Examples	Product Procedures For Imports	Product Standards & Certifications For Imports
	<p>Other shaped plaited articles: Bags, handbags and luggage.</p> <p>Articles plaited in: Straw, osier, willow, bamboos, rushes, reeds, strips of wood, raffia, strips of other vegetable matter, bark, unspun natural textile fibers, monofilament, strip and similar forms of plastic and paper strips</p>	<ul style="list-style-type: none"> Compliance with the Federal Plant Pest Act and Plant Quarantine Act <p>If the products are not derived from an endangered species:</p> <ul style="list-style-type: none"> Compliance with random USDA port of entry inspection based on Country of Origin, port of entry, and risk of contamination by the material <p>If the products are derived from an endangered species:</p> <ul style="list-style-type: none"> Compliance with the requirements of the FWS including license, permit, Country of Origin certificate, import documentation, and recordkeeping requirements Entry at a designated FWS port and compliance with the FWS and customs advance notification and port of entry inspection requirements 	<p>Most countries have domestic laws regarding the exporting of endangered species. Both the exporting country and U.S. requirements must be met</p> <p>Required certifications:</p> <ul style="list-style-type: none"> Certificates of export, origin, sanitation, inspection, from the Country of Origin or export as required by Customs Copy of airway bill or bill of lading Copy of invoice Phytosanitary certificate if importing rice straw baskets originating from North Korea or grapevine baskets <p>If an endangered species, FWS Import Declaration Form 3-177 original and three copies and specific marking and labeling requirements on the outside of the container</p>
HS Code 63: Other made textile articles, sets, worn clothing etc.	Throw rugs, bedding and pillows	See Section 5.5 U.S. Customs Procedures	<p>See A Guide to United States Apparel and Household Textiles Compliance Requirements at the following link for a comprehensive list of standards and certifications required to import into the U.S.</p> <p>https://www.nist.gov/sites/default/files/06272016-guidetousapparel and household textiles.pdf</p> <p>This includes:</p> <ul style="list-style-type: none"> Flammability standards Labeling requirements Secondhand stuffing requirements
HS Code 71: Jewelry, precious stones, metals, coins, etc.	Necklaces, bracelets, earrings, rings, and precious stones	See Section 5.5 U.S. Customs Procedures	<p><u>Lead-Containing Jewelry Law.</u> California Health & Safety Code Section 25214.1 et seq. prohibits any person from manufacturing, shipping, selling or offering jewelry for retail sale in California if the jewelry contains lead above specified levels, and requires that the jewelry be made entirely from specified materials. Businesses of all sizes are subject to the law. A warning that the jewelry might contain lead above the specified levels is not an acceptable “safe harbor.”</p> <p>The buyer may require a seller to provide a Lead Certificate attesting that the jewelry being sold does not contain a level of lead that would prohibit the jewelry from being sold or offered for sale in California pursuant to the law</p>

HS Code	Product Examples	Product Procedures For Imports	Product Standards & Certifications For Imports
			For each Purchase Order, a buyer may require a Lead-Containing Jewelry Certificate or a substantially similar worded certificate
HS Code 97: Works of art, collectors' pieces and antiques	Wall paintings; sculptures; Kisii stone	See Section 5.5 U.S. Customs Procedures	

6.3. PACKAGING AND LABELING

The Textile Fiber Products Identification Act requires that most textile products have a label attached listing:

1. The generic names and percentages by weight of the constituent fibers in the product;
2. The name under which the manufacturer or other responsible company does business or, in lieu thereof, the registered identification number (RIN) of such company;
3. The name of the country where the product was processed or manufactured.

The Textile Fiber Products Identification Act also contains advertising and recordkeeping provisions. It requires that a label be affixed to each textile product and, where required, to its package or container in a secure manner. Such label shall be conspicuous and shall be of such durability as to remain attached to the product and its package throughout any distribution, sale, re-sale, and until sold and delivered to the ultimate consumer.

Example of Import Carton Label

CONSIGNEE:
 SHIPPER: COMPLETE NAME AND ADDRESS OF SHIPPER
 SIDE MARKING:
 P.O. #
 STYLE #
 SIZE:
 COLOR:
 QTY:
 CARTON NO: _____ OF _____
 ORIGIN: MADE IN _____
 GROSS WT: KGS or LBS
 NET WT: KGS or LBS
 CARTON DIMENSIONS: X X CBMS or Inches
 CUBIC METER: M

Country of Origin: All products imported into the U.S. must conform to 19 CFR 134, Country of Origin marking regulations. These regulations require that every article of foreign origin (or its container) imported into the U.S. be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit, and in such a manner as to indicate to the ultimate purchaser in the U.S., the English name of the Country of Origin of the article at the time of importation.

Wood Packaging: Wood packaging materials must adhere to the USDA and APHIS import regulations.²³ The rule requires that wood packing materials must be treated and marked. Wood packing materials include pallets, crates, boxes and dunnage used to support or brace cargo. If the wood packing materials do not

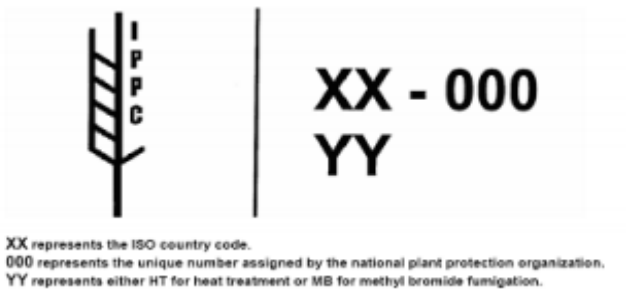
²³ Importing into the United States: A Guide for Commercial Importers. Revised 2006. United States Customs and Border Protection.

comply with the import regulations, they will be subject to immediate export along with the accompanying cargo.

Treatments: Treatments for wood packaging material are heat treatment to a minimum wood core temperature of 56°C for a minimum of 30 minutes, or fumigation with methyl bromide.

Wood packing materials must be marked with the International Plant Protection Convention (IPPC) logo.²⁴ Paper certificates of treatment will not be accepted.

Figure 1: IPPC Logo



6.4. CUSTOMS PROCEDURES

U.S. Customs and Border Protection require certain procedures to be followed to import merchandise into the U.S. Many times, importers will have additional requirements for exporters, based on their specific standards and guidelines for suppliers. It is important to know the requirements of U.S. Customs and the specific requirements of the importer.

Documents Required by U.S. Customs for Exporters

- h) Commercial invoice for all products **OR** pro forma invoice that includes the following:
 - a) Written in English
 - b) Full address of shipper/exporter
 - c) Full address of consignee/importer
 - d) Port of entry to which merchandise is destined
 - e) Country of Origin
 - f) Style number
 - g) P.O. number
 - h) Complete item description
 - i) Quantity
 - j) Unit price and total in U.S. Dollars
- i) Shipping terms: Free on Board (FOB), Cost, Insurance and Freight (CIF), Ex Works, etc.
- j) Complete description of the merchandise including the contents of the item (i.e. 100% cotton, plastic, wood)
 - k) Complete name and address of the factory that produced the merchandise
- k) Export packing list forms are available from the commercial stationer and/or the freight forwarder and include:
 - a) Seller and buyer
 - b) Shipper
 - c) Invoice number
 - d) Date of shipment
 - e) Mode of transport
 - f) Carrier
 - g) Itemizes quantity
 - h) Description

²⁴ Importing into the United States: A Guide for Commercial Importers. Revised 2006. United States Customs and Border Protection.

- i) The type of package (box, crate, drum, or carton)
- j) The quantity of packages
- k) Total net and gross weight (in kilograms)
- l) Package marks and dimensions
- l) A country of origin certificate is required for all products and is prepared by the exporter and submitted to the importer before the importer claims the products at U.S. Customs.
- m) A visa for textile items with the visa stamp is affixed to the commercial invoice and is issued by the proper Kenyan authority.
- n) Airway Bill or Bill of Lading
- o) Electronic Export Information Filing
- p) GSP certificate if required.
- q) Toxic Substance Control Act Statement (TSCA) if applicable.

U.S. Customs Procedures for U.S. Importers

AGOA Form 750I: The U.S. importer must request duty-free treatment under AGOA on customs entry form 750I by placing a “D” in column 27 in front of the U.S. tariff number that identifies the imported article.

- a) To receive AGOA preference on a good of a tariff item with SPI “D” in the “Special” column of the Harmonized Tariff Schedule of the United States (HTSUS), the importer will continue to file the entry summary with SPI “D” and without duty.
- b) To receive AGOA preference on a tariff item with the SPI “A” in the “Special” column of the HTSUS (and thus no “D”), the importer will file the entry summary with SPI “A” but without duty.
- c) U.S. Customs appraisal: It is the responsibility of the importer to use reasonable care in the appraisal of goods. See https://www.cbp.gov/sites/default/files/documents/icp001r2_3.pdf for information on how custom’s value is calculated. This calculation includes:
 - Packaging costs
 - Selling commission
 - Royalty and licensing fees incurred by a buyer
 - The value of free assistance that may have been provided to the buyer conditional upon the sale
 - “Direct costs of processing” include the cost of labor, engineering or supervisory quality control, machinery costs (and depreciation of machinery and equipment), and Research and Development (R&D) costs.

7. U.S. DISTRIBUTION

7.1. SUPPLIER SELECTION

An average U.S. importer spends roughly half its revenue purchasing goods and services. Hence, a company's success is highly dependent on its interaction with suppliers. The procurement manager or buyer managing these supplier relationships holds an extremely valuable role, many times managing substantial purchasing budgets that must yield a return on investment to keep the company profitable. This role requires buyers to define and measure what "best value" means for the company and to then execute procurement decisions accordingly.

The supplier selection process can vary significantly between organizations, but in general, it is the process through which a buyer identifies, evaluates, and contracts suppliers. Finding viable new suppliers is challenging, mainly due to the need to verify the supplier's ability to meet the buyer's numerous requirements. Supplier non-performance on even the most basic level can have dire consequences for the buyer, so the supplier evaluation process is important.

Depending on the buyer's request, a supplier may need to provide:

1. Request for Quote (RFQ) or "bids" for the contract
2. Contract terms, such as price, lead-time and payment terms
3. Product samples that meet the buyer's specifications
4. Reference checks, financial statements
5. Price negotiations to arrive at the contract terms
6. Standards, certifications and control process for U.S. export
7. Monitoring of supply during the life of the contract
8. Communication methods that are timely and accurate
9. Policies, procedures and training to ensure adherence to quality standards
10. Product testing to ensure performance to the buyer's requirements
11. Supplier site visits to the production facility and interviews with staff

Because identifying and qualifying potential suppliers can be time-consuming and costly, buyers often develop a long-term contact base consisting of qualified suppliers. However, to survive in an intensely competitive marketplace, it is often important to not only maintain existing suppliers but also to discover and develop new ones.

Several factors can make a new supplier favorable:

1. A structural cost advantage over existing suppliers
2. Favorable import/export regulations in its home country like AGOA
3. A product innovation in technology, product design or performance
4. The ability to help the buyer stay ahead of the competition
5. Meeting supplier diversity goals, when preference is given to disadvantaged businesses, small businesses, minority or woman-owned businesses.

7.2. CONTRACT AND PAYMENT TERMS

The supplier selection process culminates in a contract between the buyer and the supplier. The contract specifies the actions of both the buyer and supplier, such as how the contract will be executed in non-payment terms, the buyer's payment terms, or how the supplier will be paid.

Payment terms vary depending on the different types of importers. With the development of large, long-term supplier relationships, and with key export partners in Asia, many U.S. importers are accustomed to having their exporters fully fund their own production, allowing the buyer's payment terms to extend from net 30 to 60 days based on the receipt of merchandise in their distribution center.

This can be problematic for suppliers that cannot match these payment terms. Regardless of a supplier's ability to offer net terms on a contract, payment terms must be negotiated at the contract phase, particularly if it limits the supplier's ability to deliver orders based on cash flow requirements. Payment terms expected within this sector is net 30 to 60 days upon inspection of goods.

A buyer's payment terms can also be specified as contingent on certain actions by the supplier. These can take the form of penalties for late shipment, quality defects, or shipping outside of specified instructions on packing or labeling, among others.

7.3. DISTRIBUTION CHANNELS

The chart below defines key distribution channels for the U.S. market. Within the home décor and fashion accessories sector, various channel types are accessible depending on the product type, price point and level of service that a Kenyan exporter can provide. For example, mass market discount chains like TJ Maxx have exported traditional decorative and gift products from Kenya. A relatively low value category, the price point is attractive to this channel, but reorder volumes have historically been a constraint for both the buyer and seller. This type of product has also been the focus of traditional U.S. alternative trade organizations who see the economic benefits of engaging with the informal craft sector for job creation.

For more design niche products, Kenyan exporters can find opportunities with lifestyle brands and specialty retailers interested in artisan handmade products and accessories that introduce a new point of view to the market. These buyers require significant customer service and the ability of an exporter to work with multiple points of contact within their organization. In addition, the product must present a value to their large assortments to attract interest and create a brand differentiation to their consumers.

Table 8: U.S. Key Distribution Channels²⁵

CHANNEL TYPE	IMPORT METHOD	CHARACTERISTICS	U.S. EXAMPLES
Discount/ Mass market chain	Import merchandise directly through their own sourcing agents and from exclusive overseas production facilities	<ol style="list-style-type: none"> 1. High volume 2. Low price 3. High turnover 4. Strict shipping 5. Strict charge back policies 	<p>Wal-Mart Target TJ Maxx Sam's Club K Mart</p>
Lifestyle brands	Mixed import sourcing model-wholesalers, distributors, direct importing	<ol style="list-style-type: none"> 1. Higher price 2. Better seller margins 3. Affluent customers 4. Direct to consumer marketing 5. More flexible terms 6. Looking for unique products 	<p>Crate & Barrel Pottery Barn Bed Bath & Beyond Anthropologie West Elm</p>
Catalog	Mixed import sourcing model- wholesalers, distributors, direct importing with agents or export reps	<ol style="list-style-type: none"> 1. Greater flexibility 2. Smaller more frequent orders 3. Flexible terms 4. Need specialty products 	<p>Sundance Smith & Hawken L.L. Bean Horchow Gump's</p>
Department stores	Mixed import sourcing model- wholesalers, distributors, direct importing with agents or export reps	<ol style="list-style-type: none"> 1. Larger volume, program order 2. Lower price points 3. Compete with mass chain at higher price 4. Need product differentiation to compete 	<p>Nordstrom Macy's Bloomingdales, Neiman-Marcus</p>
Alternative trade organizations/ fair trade	Direct relationship with manufactures, artisan groups	<ol style="list-style-type: none"> 1. Trade for economic development 2. Lower price points 3. Mid-level volumes mix of container and air shipment 4. Payment advances/finance production 	<p>Ethical Fashion Fashion revolution Ten Thousand Villages People Tree Equal Exchange</p>
Specialty retailers	Work through wholesalers/ Prefer landed goods	<ol style="list-style-type: none"> 1. Pay in margin to not hold inventory 2. Require domestic shipping 3. Replenish often 4. Long-term relationships with established wholesales 	<p>Smaller size organizations</p>

²⁵ East Africa Trade and Investment Hub, 2017

7.4. RETAIL CHANNELS

The U.S. Census Bureau indicates that total annual U.S. retail sales increased by an average of 4.5% between 1993 and 2015. In today's market, although the U.S. retail industry is expanding, the lingering effects of the Great Recession can be seen in the dramatic shift in consumer buying habits and preferences. The post-recessionary retail industry is all about the empowered consumer, and the most successful U.S. retail chains can deliver what consumers want, quickly and on the purchasing platform of their choice.

There are two methods of retailing in the industry:

- **Brick-and-Mortar Store Retailers:** Those engaged in the sale of products from physical locations that display merchandise to attract customers to make purchases on site.
- **Non-Store Retailers:** Those engaged in the sale of products using marketing methods which do not include a physical location.

Examples of non-store retailing include:

- a) Mobile-only retailing (m-commerce)
- b) Internet-only (e-commerce)
- c) Direct response television advertising
- d) Catalog sales

Functions of a Distribution Channel

Distribution channels are well-organized arrangements that perform the necessary tasks to assist exchange transactions. The basic function of a distribution channel is to provide a link between production and consumption and to create time, place and possession utilities which constitute the added value of distribution.

Distribution channels can be exemplified by the number of intermediary levels that separate the manufacturer from the end consumer. The choice of a distribution channel is determined by factors related to market size, buyer behavior and organization's characteristics. A typical distribution channel must perform various functions.

It is important to know what functions are to be performed, who will perform them and how many levels it requires to make the distribution efforts cost effective.

Each layer of distribution intermediary, who performs some critical function in bringing the product to its final consumer, is a channel level:

1. **ZERO LEVEL CHANNELS:** A zero level channel, more commonly known as direct marketing, has no intermediary levels. A manufacturer sells merchandise directly to the consumer. An example of a zero level channel would be a factory outlet store which bypasses a traditional retail intermediary (e.g. a brand leather tote made in Kenya is sold online directly to the consumer).

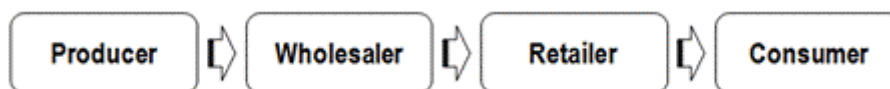


The remaining two channels are known as indirect-marketing channels.

2. **ONE LEVEL CHANNEL:** A one level channel contains one intermediary. In consumer markets, this is usually a retailer (e.g. selling table top textiles to Anthropologie, which marks up the product to sell through its stores to their customers).



3. **TWO LEVEL CHANNEL:** A two level channel has two intermediary levels, a wholesaler and a retailer. A wholesaler typically buys and stores large quantities of merchandise from various manufacturers, which it then breaks into bulk deliveries to supply retailers with smaller quantities (e.g. Swahili Modern, a U.S. wholesaler, purchasing baskets made in Kenya then reselling to Crate and Barrel, a large U.S. retailer). For small retailers with limited financial resources and order quantities, the use of wholesalers makes economic sense. Although they pay a margin for the service, they do not need to hold large levels of inventory.



8. SALES PROMOTION

8.1. KEY TRADE FAIRS

- r) **ARTISAN RESOURCE** (Held in New York in January and August): Artisan Resource at NY NOW is a production-sourcing venue for overseas artisan enterprises to showcase their products and export production capabilities. Artisan Resource connects U.S.- based importers with international producers and exporters. Artisan Resource exhibitors have experience in meeting export demands and are selected for their commitment to design innovation, cultural preservation, social enterprise and sustainability.
- 1. **SANTA FE INTERNATIONAL FOLK ART MARKET** (Held in Santa Fe in July): International Folk Art Market, Santa Fe fosters economic and cultural sustainability for folk artists and folk art worldwide and creates intercultural exchange opportunities that unite the peoples of the world. Each year, over 20,000 visitors come to Museum Hill to experience the market and celebrate folk art, while enjoying international food and music.
- 2. **DESIGNERS AND AGENTS** (Held in New York around February and in Los Angeles around March): Designers and Agents (D&A) is an independent, international trade fair for hundreds of collections and thousands of retailers who define the direction of fashion and lifestyle. Identifying emerging talent and creating an intimate, synergistic environment that fosters relationships between designers and buyers, each of D&A's shows in New York and Los Angeles (which typically attract 3,000 retail and media visitors) are pre-edited, art-directed, and merchandized to create a sense of camaraderie and discovery. D&A features brands from the U.S., Europe, Japan and around the world that are the influencers in the advanced contemporary market, the segment of the women's market that continues to experience consistent growth.
- 3. **COTERIE SHOW** (Held in New York around February and September): Coterie is a premier global marketplace that bridges women's apparel and accessories designers to the international "Who's Who" of Retailers. Coterie builds exclusive shopping experiences from the ground up so that designers and buyers can create a synergy that fuels their businesses. Coterie is a platform for generating revenue and inspiring trends.
- 4. **AMBIENTE** (Held in Frankfurt around February): This show is based in Germany. It attracts European and U.S. buyers. Space is normally very limited since it's usually sold out well in advance. As this show gets repeat customers, it is important to plan early. Ambiente is the world's most important consumer goods trade fair with maximum international attention and a trade audience with significant decision-making authority in the "Dining, Giving and Living" areas.
- 5. **OTHERS AS APPROPRIATE BY PRODUCT**: These may include, for example, online advertising, catalogs and brochures, etc. Online presence through websites and social media platforms, such as Instagram, Facebook, Pinterest and Google search engines, are all important for presenting a business directly to the consumer and to mass market buyers. Kenyan brands in this sector, such as Adele Dejak, SOKO, The Basket Room, Sanabora, Bush Princess, and Sandstorm, have done well in promoting their products through these technology platforms.

9. COMPETITION AND PRICES

9.1. KEY COMPETITORS AND PRICES RANGE

The largest U.S. trade partners for each of the six product categories are shown with typical price points and lead times in the table below (see Table 9).

Operating players in the market compete on certain parameters such as product design, style and quality of raw material, speed to market, reorder turnover and terms of payment.

Important considerations when looking at the U.S. retail market include:

- a) Competition from catalog and internet sales
- b) Seasonal cash flow
- c) Flat prices
- d) Reliance on foreign manufacturers
- e) Vulnerability to cyclical fashion changes and trends
- f) Inventory
- g) Quality control problems.

Considerations that SME in this sector should evaluate are:

- a) Retailers' and buyers' need for a variety of specialty items at lower prices to stimulate fast sales
- b) Cyclical fashion trends and changes
- c) Buyers preference for fast moving items with hot fashion dynamics
- d) Catalog and internet sale platforms and how AGOA benefits can be used in these instances
- e) Inventory control and product quality

Table 9: Price and Origin of Top 3 Countries Exporting to the U.S. by HS Code²⁶

EXPORT COUNTRY	HTS CODE	DESCRIPTION	PRODUCTION LEAD-TIME	PRODUCTION CAPACITY	UNIT PRICE FOB (\$)
42 ARTICLES OF LEATHER, HARNESS, TRAVEL GOODS					
China	4202	Leather women's tote	30 days	10,000 units per month	15-17
Italy	4202	Leather satchel	45-60 days	1,000 units per month	32-45
	4205	Leather ladies' satchel	15 days	100 units per month	15-30
46 BASKETWORK, WICKERWORK & OTHER ARTICLES					
China	4602	Multi-purpose utility basket	30 days	120,000 units per month	1.50-3.50
Vietnam	4602	Sea grass storage baskets	30 days	20,000 units per month	2-5
India	4602	Wooden hand crafted basket	45 days	350,000 units per month	6-8
63 OTHER MADE TEXTILE ARTICLES, SETS ETC.					
China	6307	Printed linen cotton cushion cover	30 days	1,000,000 units per month	3-6 based on units
India	6307	Cotton printed cushion cover	45 days	100,000 units per month	2-5 customizable
Pakistan	6302	Poly/cotton 5-piece coordinated bed set	50 days	1,000 units per month	23-25
71 JEWELRY, PRECIOUS STONES, METALS, COINS, ETC.					
India	7117	Green onyx necklace	30 days	4,000 units per month	7-8
China	7111	925 sterling silver with stone setting	45 days	30,000 units per month	3-8
Mexico	7114	Rose gold bangle	30 days	4,000 units per month	8
97 WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES					
Italy	9703	Framed oil painting	45 days	500 units per month	100-1,500
UK	9702	Set of lithographs	60 days	15 days/set of 6	40-50
Russia	9701	Oil painting on canvas	90 days	2 units per day	1,500

²⁶ Alibaba Group. 1999-2017. <https://www.alibabagroup.com>

9.2. CRITICAL SUCCESS FACTORS AND PERFORMANCE ON EACH FACTOR

Table 10: Cross Sector Critical Success Factors and Indicators

SUCCESS FACTORS	SCHEMES	PURPOSE/PERFORMANCE	OUTCOMES
An enabling business environment	<ul style="list-style-type: none"> • Liberalized trade policy • Tax exemption on importation of goods on export sales • VAT tax model- wholesalers, distributors, direct importing 	<ul style="list-style-type: none"> • Ease in doing business • Improved margins and profitability • Free trade market system • Competitiveness on cost • Speed to market 	<ul style="list-style-type: none"> • More attractive business environment to promote investment • More business interaction • Ease of business set up and operation
Reduced shipment costs and time to port	<ul style="list-style-type: none"> • System to get goods to market that reduces cost • Streamline customs processing to port • Improved infrastructure of freight system • Incentivize air cargo rates to increase competition and speed to market 	<ul style="list-style-type: none"> • Reduced cost load for more competitive product • More attractive export cost for buyers • Improved time to market 	<ul style="list-style-type: none"> • Reduced barriers to landlocked countries • Supply chain sustainability • Freight industry built up for job creation
Increased women's participation in retail and manufacturing	<ul style="list-style-type: none"> • Incentivize education for women owned businesses • Schemes to increase access to capital • Promotion of women-led associations • Increase in women's representation in government 	<ul style="list-style-type: none"> • Improved access to business services • Increased access to regional and export sales • Improved performance and profitability • Sustainable business growth • Contribution to job creation 	<ul style="list-style-type: none"> • Improved contribution toward country GDP • Job creation for marginalized groups • Sustainable supply chain management • Increased exports under AGOA

9.3. SECTOR SUCCESS FACTORS AND PERFORMANCE ON EACH FACTOR

Table 11: Sector Critical Success Factors and Indicators

SUCCESS FACTORS	SCHEMES	PURPOSE/PERFORMANCE	OUTCOMES
An increase in product quality and customer service in the marketplace	<ul style="list-style-type: none"> • Training in technical skills • Cluster and education schemes for business clustering and evaluation of associations • Education on AGOA processes 	<ul style="list-style-type: none"> • Improved quality • Improved productivity • Increased production capabilities • Development of industry system, not informal industry • Awareness of AGOA benefits as a selling feature 	<ul style="list-style-type: none"> • Better competitiveness on product quality and ease of business • Cooperation within the country to provide scale of production capabilities • Leadership within the sector to scale to market opportunities
An increase in labor efficiencies while increasing product quality and speed to market	<ul style="list-style-type: none"> • Training schemes to increase labor focus • Job creation potential through training • Increased earning potential of job force 	<ul style="list-style-type: none"> • The ability to scale to production order • Quality improvements to create sustainable workforce that can compete • Increased workforce participation 	<ul style="list-style-type: none"> • Competing within the EAC and global competitors for market share • Job creation of marginalized women and youth

10. RECOMMENDATIONS

10.1. SUGGESTED BUYERS

U.S. buyers have varying motivations for sourcing products. Their customer segmentation and marketing strategy depend on market characteristics, their brand messaging and product competitiveness or scarcity. The table below provides a list of suggested buyers, demonstrating the niche attributes and describing the specific market characteristics that would help to position Kenya products to these buyers. The niche market type defines how each buyer is competing for market share with the value proposition of how they deliver their brand promise to their customer (see Table 12).

Table 12: Suggested Buyers for Niche Markets In Kenya

NICHE MARKET TYPE	SUGGESTED BUYER	CHARACTERISTIC OF MARKET
Product Niche – Home Category	West Elm – NYC	Artisan purchases, high value consumer, commitment to women’s empowerment, high value price point
Product Niche – Home and Fashion	Citizenry – NYC	Millennial demographic, e-commerce model platform, loyal consumer base, modern product mix, high value price point
Product Niche – Home and Fashion	World Market – San Francisco, CA	Large distribution channel of both 280 stores and online, price more moderate to low, higher volumes
Product Niche – Home and Fashion	Swahili Modern – Eugene, OR	Niche in African products only, wholesaler to many larger retailers, seen in the market as EAC leader in product sourcing, FTF member
CSR Niche – Home and Fashion	Ten Thousand Villages – Akron, PA	Oldest fair trader in North America, mission based non-governmental organizations (NGO), Forbes Magazine most ethical company
CSR Niche – Fashion	Kate Spade Inc. – NYC	Multinational public fashion company, CSR program on production development to employ women in Kenya, dedicated U.S. staff for CSR sourcing

Sustainable supply chain sourcing and management: Fashion companies of both low and high value are working toward sustainable supply chain management. This consists of integrating environmentally and financially viable practices into the complete supply chain lifecycle, beginning at product design and development, continuing through material selection and manufacturing, to include the final stages of packaging, transportation and distribution. Sustainable supply chain management can assist Kenyan organizations by not only reducing their total carbon footprint, but also by optimizing their end-to-end operations to achieve greater cost savings and profitability. All supply chains can be optimized using sustainable practices.

Sustainability in the supply chain encompasses different priorities for Kenya, such as:

- a) Environmental stewardship (e.g. sourcing certified good wood from Kenya)
- b) Conservation of resources (e.g. using renewable resources in product, sisal)
- c) Reduction of carbon footprint (e.g. investing in low energy production processes)
- d) Financial savings and viability (e.g. conserving resources wisely)
- e) Social responsibility (e.g. employing marginalized populations)

10.2. EXPORT STRATEGY

The Kenya export strategy advice for this sector is derived from the market analysis, product attributes and market differentiation to increase access to the U.S. market. Appendix 2 provides more information for Kenyan exporters that are interested in learning more about the fundamentals of suggested niche market strategy in product, CSR and women empowerment.

The key outcome of the market analysis is to provide a market-driven export strategy that incorporates supply chain management, market trends, key U.S. market conditions and customer behavior. By embracing the full value chain proposition within the sector, it provides a well-informed and far-reaching strategy that can deliver on the various complexities of the international market. The export strategic objectives which allow the sector in Kenya to progress from an emerging supply country to a competitive supply country in the U.S. market are:

1. To have economic, social, and environmental impact measurements met against international standard and certifications that importers and buyers require within the industry to increase overall market competitiveness.
2. To create an enabling business environment in Kenya to increase, aid and promote business growth through women's socio-economic advancement and their opportunities to participate in the economy. This includes graduating women from the informal economy to the formal economy.
3. To build a niche market strategy for Kenyan products with high U.S. export potential.
4. To capitalize on and communicate Kenya's market differentiators to attract buyers.
5. To define education and training requirements to formalize the industry sector and increase competitiveness.
6. To identify capital requirements and access to finance limitations to bolster the industry and increase financially sustainable business transitions.
7. To improve production efficiencies that contribute to product price competitiveness, by increasing production capabilities, product quality and overall attractiveness to international and regional markets.

Table 12: Kenya Export Strategy Objective to Increase U.S. Market Exports

EXPORT STRATEGIC OBJECTIVES	CONSTRAINTS	RECOMMENDATIONS
To have economic, social, and environmental impact measurements met against international standards and certifications that importers require to increase overall competitiveness	<ul style="list-style-type: none"> • Low level of value addition • Lack of process or knowledge of certification requirements • Supply side constraints on quality and source of materials • Access to information • Access to third party verifiers • Prohibitive cost based on volume 	<ul style="list-style-type: none"> • Partner with third party verifiers to reduce cost to SME • Provide funding for key category testing • Provide third party verifier training by product class and test requirements
To create an enabling business environment in Kenya to increase and promote business growth through women's socio-economic advancement and their opportunities to participate in the economy	<ul style="list-style-type: none"> • Predominance of SME operating in the informal sector, not operating as an industry • Very little understanding of buyer requirements at a firm level • Limited competitiveness in price, speed to market, product innovation and technology 	<ul style="list-style-type: none"> • Build a national strategy to support women in the creative industries • Focus on women entrepreneurs, through market readiness program in partnership with international agencies in order to align with strategic objectives
To build a niche market strategy for Kenya products with high U.S. export potential	<ul style="list-style-type: none"> • Lack of market readiness • Lack of access to consistent quality of raw materials • Limited exposure to U.S. buyer requirements • Access to high quality consistent labor 	<ul style="list-style-type: none"> • Strengthen the national value chain, through better product development, innovation and retail presence • Build mentorship or SME pop up initiatives in collaboration with domestic retail chains
To capitalize on and communicate Kenya's market differentiators to attract buyers	<ul style="list-style-type: none"> • Lack of market readiness • Lack of visibility of Kenya's product capabilities • Example of market ready Kenya brands to follow • Expense of developing marketing message for smaller firms 	<ul style="list-style-type: none"> • Improve product development in terms of quality, diversity and compliance to standards in collaboration with public sector agencies • Develop an online platform to sell and showcase the Kenyan product diversity and talent • Link creative capital to larger industries to support market differentiation – tourist, fashion and women's empowerment
To define education and training requirements to formalize industry sector and increase competitiveness	<ul style="list-style-type: none"> • Underdeveloped technical skills • Inadequate equipment and machinery • Limited pool of middle management for hire • Limited access to qualified trainers 	<ul style="list-style-type: none"> • Enhance institutional alignment among education and training centers and trade support institutions. • Organize training within business associations to facilitate: • Export and customs procedures for SME • Promotion and training of new management from existing SME
To identify capital requirements and access to finance limitations to bolster the industry and increase financially sustainable business transitions	<ul style="list-style-type: none"> • High cost and difficulties of accessing credit and finance • Limited investment programs for SME businesses • Pre-finance order options without buyer-secured letter of credit 	<ul style="list-style-type: none"> • Develop bank initiatives for SME size loans worth under \$2 million • Develop group lending schemes

EXPORT STRATEGIC OBJECTIVES	CONSTRAINTS	RECOMMENDATIONS
To improve production efficiencies that contribute to product price competitiveness, by increasing production capabilities, product quality and overall attractiveness to international and regional markets	<ul style="list-style-type: none"> • Low level of value addition • Supply constraints on quality and price of materials • High cost of production and built-in systemic inefficiencies • Informal manufacturing processes that limit productivity 	<ul style="list-style-type: none"> • Support trainers from South Asia to evaluate and improve education on production efficiencies and product price competitiveness within the product classification • Link informal sector to formal model to provide access to market and training

The action plan to expand exports from Kenya to the U.S. is drawn from the major trends investigated within this report as they relate to supply side constraints and market demand expectations. The action plan aims to build a sustainable supply chain within the sector that can serve U.S. buyers by meeting international standards of quality and performance. The gaps in the system consist of limited exposure and the need for education and training in supply chain management. Depending on the market segmentation, for small artisan communities or small emerging brands, the exposure to market demand will differ and therefore the training will need to be customized. To access the U.S. market supply chain stability, increased productivity and reduced product price are all key components to competitiveness.

Access to the market through trade shows or other means can provide an excellent opportunity to understand the competitive landscape. However, until supply management is stabilized, either by meeting or exceeding buyer expectations, the market linkage component will be unstable for both the buyer and the seller. Exporters' lack of basic supply management knowledge exposure to trade markets could be detrimental to their growth and sustainability.

Table 13: Proposed Export Strategy Actions

Objectives	Proposed Actions	Outputs	Key Participants	Budget	Comments
Invest in education and exposure of SME to supply chain management and processes	Educate, develop and organize a formal industry to better preform against market demand	Viable market ready Kenyan creative industry	Private sector, educators, local government, U.S. Government	Medium	Requires a specific strategy and timeline to execute multi-stakeholder engagement
Improve trade linkages with the U.S. market and increase awareness of Kenya differentiators and market viability	Engage sector players across industries to maximize exposure and resources and leverage partnerships	Buyers identified; trade promotion adequately supported; Kenya identified as source location; international export expansion	Private sector, educators, local government, U.S. Government	Medium/High	Requires multi-stakeholder engagement across disciplines and markets
Improve value chain competitiveness	Provide education, market exposure and investment in value chain sustainability	Improved price competitiveness; enabling business environment created; Compete internationally and win market share	Private sector, educators, local government, U.S. Government	High	Requires identification of specific needs within the industry to execute multi-stakeholder engagement and deliver training and resources aligned to the need and current skill set
Facilitate and expand export supply	Increase access to capital for business expansion, bulk raw material purchases in increased quality and lower cost	Increased production output; increased sales; increased income	Public sector, private sector	High	Requires identification of specific needs within the industry to execute multi-stakeholder engagement and deliver training and resources aligned to the need and current skill set

APPENDIX I: JUSTIFICATION FOR TARGETING WOMEN IN THE KENYAN HOME DÉCOR AND FASHION ACCESSORIES SECTOR

To demonstrate the need to boost women's participation in the home décor and fashion accessories sector, the Kenyan facts related to gender are:

- Women make up 29 percent of the formal labor force.²⁷
- Women's earnings are on average 58 percent lower than men's.²⁸ Women and men are occupationally segmented.
- On average, women work longer hours (12.9 hours) compared with those of men (8.2 hours), yet they earn less because more of these hours are not remunerated.²⁹ Women make up nearly half of all Micro, Small and Medium Enterprises (MSME), but their businesses tend to be smaller, are less likely to grow, have less capital investment than male-owned firms, and are twice as likely as male-owned firms to be operating from home. Female-owned MSME report only 57 percent of the income earned by their male counterparts, and their businesses generate 40 percent of total MSME employment.
- Women cited access to finance and lack of access to credit as a major constraint to growing their businesses.³⁰ Only 39 percent of women have accounts in formal financial institutions, while most women depend on informal sources for financing.
- Only 13 percent of firms in Kenya have females in top management.
- Most women's labor in Kenya is concentrated in the informal sector. Women's retail businesses generally start small, grow very slowly, and end up small compared to those of men.
- Most women lack entrepreneurship skills and have limited knowledge of how to successfully run a business. This lack of knowledge is a key constraint in women's ability to access markets.

²⁷ Kenya Human Development Report 2001. United Nations Development Programme. 2002.

²⁸ Engendering development through gender equality in rights, resources, and voice. Mason, Andrew D.; King, Elizabeth M. 2001.

²⁹ Raising the Productivity of Women Farmers in Sub-Saharan Africa. Saito, K., H. Mekonnen, and D. Spurling. 1994.

³⁰ Sessional Paper No. 2 of 2005 of Development of Micro and Small Enterprises and Employment Creation for Poverty Reduction. Nairobi. Kenya Welfare Monitoring Survey III. Government of Kenya. 1997.

APPENDIX II: FUNDAMENTALS OF NICHE MARKET STRATEGY

SUGGESTED MARKET STRATEGY

Niche marketing is a targeted marketing plan that focuses on one section of the market (buyer or consumer) that has high potential to connect with a product or service. Niche marketing targets strategically selected buyers or outlets that have high concentrations of these targeted consumers. For Kenya, this targeted approach cultivates product lines that have high market demand and low competition at the level of specificity. This can create conditions for high income potential and therefore a profitable niche spot within the market place (see Figure 2). At lower volumes, a niche market position can represent high earning potential and customer retention on products that are unique to the marketplace, based on the specific skill, materials, or design.

Figure 2: Niche Market Diagram³¹



NICHE MARKET STRATEGY FOR HOME DÉCOR & FASHION ACCESSORIES SECTOR

The niche market strategy for this sector can be classified into four distinct types of marketing approaches. These approaches define a company's competitive edge by finding different ways of being unique in the marketplace. By differentiating product, service, or brand, a Kenyan company can establish a unique position in the market. Market niche positions a company to better target its potential customer, and communicate its specialized attributes, which articulate to the buyer the reason to buy its products.

The following business attributes do not set a company apart from the competition. All companies need to compete in these core competencies to attract and retain customers.

1. Being a Quality Centric Business

Quality first is not only about products, but is about all aspects of business operations. Since your product represents your business in the market, quality assurance cultivates long-term business relationships with any buyer.

Examples include testing your product with consumers and assessing product performance against the competition before releasing to the buyer. Do you know if your leather bag is color fast, if your salad bowl is food safe, or if your brass earrings have lead?

2. Customer Service First

Buyers require a company to work diligently to ensure customer satisfaction. An accurate and timely service mindset will keep a buyer engaged and assured that a company is working in its best interest. This is particularly critical when developing a new buyer/seller relationship.

³¹ *Niche Marketing: Explore the Strategy of Niche Marketing.* Marketing Schools.org. <http://www.marketing-schools.org/types-of-marketing/niche-marketing.html>

Examples include on-time accurate communication with your buyer, easy to use pricelist and clear images of your product offering, and doing research to understand the buyer's market, including price, customer preferences and distribution channels.

3. The Price Value Proposition

Although pricing a product below market price might attract some buyers, it will not differentiate a product in the long run. Being cheaper than the competition on price is not a stable proposition because the competition can change their price to match yours at any time.

Examples include offering price for value on a product, knowing that the product can perform for the consumer, and understanding that your manufacturing process will guarantee equal quality by unit.

4. Focusing Market Expertise

Establish expertise by focusing on one niche to develop market specialization. This market-specific expertise will enable a company to specialize in, and appeal to, the needs of their target market. Otherwise, a company may not hold enough appeal to the wider audience.

Examples include crafting a product point of view and value proposition in your brand to set yourself apart from the competition. Be specialized for your market, your price value, offer your customer a clear reason to buy.

A niche market strategy for this sector can be classified in the following types of marketing approaches.

I. Product Niche

A product that has a specific characteristic that is not available within an existing supply chain is a niche product. This could include handmade products unique to Kenya, products of indigenous Kenyan materials, products employing unique techniques in weaving fiber or printing material that is not sourced elsewhere or is in short supply from other source locations. The unique product characteristics motivate the buyer. When competing in a product niche in a crowded marketplace, the following strategies can help to distinguish companies by offering a competitive edge.

- a) **Be first in the market:** By being first to market, a company will be able to take advantage of having no competition for their product. This is also known as the first-mover advantage. However, it can take time to gain market acceptance of new ideas, but in a sector built on newness to the customer, being innovative and creative and offering something new is a differentiator, if a company is positioning its product to the right target market.
- b) **Leveraging expertise:** Being perceived as an expert in the market bestows on a company a level of trust, which transfers to trust of products. A company can establish leadership in different areas, such as technology, marketing or sales. Develop a reputation through knowledge-sharing activities, such as writing blogs, and articles or presenting webinars to help new and existing customers recognize the company's area of expertise. For example, what is sisal and how is it grown in Kenya for the purpose of weaving baskets? What are the unique attributes of the Kenyan horn, or the importance of cattle in Kenyan history?
- c) **Make your products stand out:** Study the competitors and learn how they target their products to buyers and consumers, then reposition your product with your solution. A company can capitalize on their competitors' marketing by making sure their product is the next generation either in function, market trend, or product performance. This will give the company a competitive edge. For example, how can you mix materials only available in your region of the world to deliver a new product to the market?
- d) **Maintaining a competitive edge:** Once a company has defined its competitive edge, it must work to maintain it. The competition will constantly work to improve their products and build their expertise to compete. A company must strive to ensure that its product continually solves its customers' problems in new ways. By focusing on this goal, the company can stay ahead of its competition. For example, how does a transparent value chain give the customer information about

how your product was made? How does this build confidence in your product and deliver trust to the consumer?

- e) **Breadth of product line:** It is important for a company to offer a selection of products to the customer. Product coordination, when possible, can offer the customer a reason to buy more than one item. Offering a larger assortment can increase the size of purchases. In today’s business environment, it is also important to offer customizable variation to a product if the buyer can meet the purchasing requirements of customization. An example would be developing variation on a product to allow choice, customization based on market demographic to capture more customers or offer more options, all for the results of increased sales.

2. Social or CSR niche

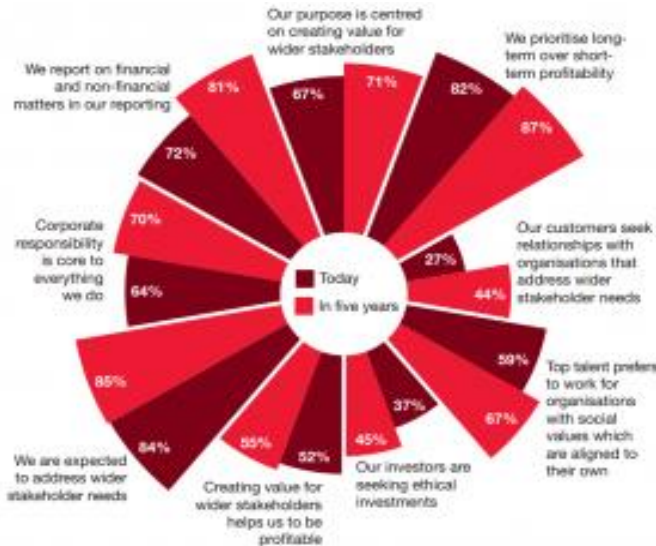
A product should provide an opportunity for a buyer organization to demonstrate its principles and desires to effect change within the socio-economic context the purchase provides. CSR programs tend to look for opportunities to reach marginalized populations where the program relationship can have an impact within the local context. The impact potential of the purchase is the reason to buy.

s) Top CSR statistics³²

- Corporations gave \$17.8 billion to charities last year
- 55 percent of consumers are willing to pay more for products from socially responsible companies
- 65 percent of Fortune 500 companies offer matching gift programs
- 93 percent of the world’s largest 250 companies now publish annual CSR reports

According to the 2016 PwC Global CEO survey, 64 percent of business leaders say that CSR is core to their business rather than being a stand-alone program. The reason CEOs care about CSR is because they care about building trust with consumers, partners, governments, and their employees (see Figure 3).

Figure 3: Reasons for the Expansion of CSR Programs from 2016-2021³³



This is becoming more and more important as trust in business has been declining. According to the 2016 PwC Global CEO survey: “There is a body of research supporting the idea that, when there is a high level of trust in a company, it drives business performance by attracting new customers and retaining existing ones. A high level of trust also makes employees more committed to staying with the company, partners are more willing to collaborate

³² Double the Donation Research

³³ Double the Donation Research

and investors more prepared to entrust stewardship of their funding. Consequently, those organizations that can build trust seem to garner significant benefits.”

- t) There are evidence-based reasons why companies are investing more in CSR. In 2016, the intangible factor of “trust” in business is something most global leaders recognize as something that will impact their bottom line. They acknowledge that CSR is a core business strategy to increase trust among their stakeholders.
- u) As the millennial consumer population grows, it is more critical that companies instill a model of social responsibility. Research shows that CSR is necessary to attract what is becoming one of the largest market segments. Millennials are particularly tech savvy, and easily research a company to understand their ethical record and labor practices. Many millennials believe it is their duty to do their part in making the world a better place, and this demographic does not want to support companies who do not take responsibility for the planet and the people in it.
- v) Employee confidence is also tied to a company’s CSR reputation. A recent Deloitte survey found that 70 percent of millennials acknowledged that a company’s commitment to social responsibility influenced their choice to work there.³⁴ Companies looking to hire millennials, soon to be the largest generational segment of the workforce, will need to embrace CSR to attract and retain talent.

The advantages that lead corporations to embrace CSR as a growth strategy are:

- a) **Innovation** in the context of CSR brings a huge benefit to a company and society. For example, during a talk by Geoff McDonald, the Unilever Global Vice President for Human Resources, Marketing, Communications and Sustainability, he shares Unilever’s product development strategy using the “lens of sustainability”. McDonald says that Unilever has innovated new products such as hair conditioners that use less water. Without the lens of sustainability, and the company’s R&D efforts, such a product would not be developed.
- b) **Cost savings** is one of the easiest places for a company to start engaging in sustainability. Whether it’s using less packaging or less energy, these savings can add up quickly. For example, based on Unilever’s 2011 CSR goals, the company installed energy monitoring meters on several pieces of equipment at its Covington, Ga. Plant and thereby reduced their energy savings by 20% in 2015. This resulted in a cost savings of \$600,000.
- c) **Brand differentiation** is one of the primary reasons for companies embracing CSR. Companies such as Timberland find their voice and incorporate the company’s values into their business model. More companies are taking this approach to integrate the values of the companies from stockholder through to consumers.
- d) **Long-term thinking** is critical to protect a company’s future. McDonald from Unilever says, “The only reason we’re doing sustainability is to drive the growth. CSR is an effort to look at the company’s long-term interest and ensuring that the company’s future is... well... sustainable.”
- e) **Customer engagement** through CSR is a new way for companies to communicate with their customers. For the past few years, Walmart has established itself as a leader on environmental efforts. In 2008, Walmart ran an ad campaign designed to raise awareness about the environment and the product choices consumers could make when shopping at Walmart stores. Since the message is about something “good,” it can often be an easier, softer sell, a different way to talk to your customers.

3. Women’s empowerment niche

This niche represents a product or service that is sourced from a women-owned business and that promotes women’s economic empowerment. This may include products that are sold retail in the U.S. and are made at a women’s cooperative or woman-run SME in an emerging economy. The potential impact of the purchase is the reason to buy. Not only has international trade positively impacted Kenya in the past, it has also impacted gender equality in the export industries that employ mainly women, especially in the formal sector. It has also improved working conditions. Today, women in Kenya work in every area of the

³⁴ 2018 Deloitte Millennial Survey

economy and must be considered for the country to grow and develop.³⁵ Kenya has seen high growth in exports and use of female labor in the textile industry.³⁶ Addressing gender in trade policy and integrating women into more technologically advanced and dynamic sectors facilitates women's empowerment and lessens current gender inequalities.³⁷

The challenges that women face in business can be used to successfully position women owned Kenya businesses in this market niche. In addition, the CSR program strategy can be linked to women's empowerment by positioning the needs of women in Kenyan businesses to a U.S. corporation CSR program. In this way, investment in building business infrastructure as well as outlets for product purchases to empower women can be actualized.

³⁵ Gender and trade liberalization in Kenya: The case of women retail traders Kiriti-Nganga, T. (2015)

³⁶ *Gender and Economic Growth in Kenya Unleashing the Power of Women*. Ellis, A., Cutura, J., Dione, N., Gilson, I., Manual, C., and Thongori, J. World Bank. 2003

³⁷ Gender and trade liberalization in Kenya: The case of women retail traders. Kiriti-Nganga, T. (2015)

APPENDIX III: IMPORT PROGRAM BY HS CODE

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
CHAPTER 42: ARTICLES OF LEATHER, SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILKWORM GUT)		
CATEGORY 4201: SADDLERY AND HARNESS FOR ANY ANIMAL (INCLUDING TRACES, LEADS, KNEE PADS, MUZZLES, SADDLE CLOTHS, SADDLE BAGS, DOG COATS AND THE LIKE), OF ANY MATERIAL		
42010030	Dog leashes, collars, muzzles, harnesses and similar dog equipment, of any material	AGOA, GSP
42010060	Saddlery and harnesses for animals nesi, (incl. traces, leads, knee pads, muzzles, saddle cloths and bags and the like), of any material	AGOA, GSP
CATEGORY 4202: TRUNKS, SUITCASES, VANITY CASES, ATTACHÉ CASES, BRIEFCASES, SCHOOL SATCHELS, SPECTACLE CASES, BINOCULAR CASES, CAMERA CASES, MUSICAL INSTRUMENT CASES, GUN CASES, HOLSTERS AND SIMILAR CONTAINERS; TRAVELING BAGS, INSULATED FOOD OR BEVERAGE BAGS, TOILETRY BAGS, KNAPSACKS AND BACKPACKS, HANDBAGS, SHOPPING BAGS, WALLETS, PURSES, MAP CASES, CIGARETTE CASES, TOBACCO POUCHES, TOOL BAGS, SPORTS BAGS, BOTTLE CASES, JEWELRY BOXES, POWDER CASES, CUTLERY CASES AND SIMILAR CONTAINERS, OF LEATHER OR OF COMPOSITION LEATHER, OF SHEETING OF PLASTICS, OF TEXTILE MATERIALS, OF VULCANIZED FIBER OR OF PAPERBOARD, OR WHOLLY OR MAINLY COVERED WITH SUCH MATERIALS OR WITH PAPER		
42021100	Trunks, suitcases, vanity & all other cases, occupational luggage & like containers, surface of leather, composition or patent leather	AGOA, GSP
42021221	Trunks, suitcases, vanity and attaché cases and similar containers, with outer surface of plastics	AGOA, GSP
42021229	Occupational luggage and similar containers, with outer surface of plastics	AGOA
42021240	Trunks, suitcases, vanity & attaché cases, occupational luggage & like containers, surfaces of cotton, not of pile or tufted construction	AGOA, GSP
42021281	Trunks, suitcases, vanity & attaché cases, occupational luggage and similar containers, with outer surface of manmade fiber (MMF) materials	AGOA
42021289	Trunks, suitcases, vanity & attaché cases, occupational luggage and similar containers, with outer surface of textile materials nesi	AGOA
42021900	Trunks, suitcases, vanity cases, attaché cases, occupational luggage & like containers, surface of vulcanized fiber or paperboard nesi	AGOA
42022130	Handbags, with or without shoulder strap or without handle, with outer surface of reptile leather	AGOA
42022160	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesi, n/o \$20 each	AGOA, GSP
42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesi, over \$20 each	AGOA, GSP
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
42022235	Handbags with or without shoulder strap or without handle, with outer surface of textile materials, wholly or in part of braid, of abaca	AGOA, GSP
42022245	Handbags with or without shoulder strap or without handle, with outer surface of cotton, not of pile or tufted construction or braid	AGOA, GSP
42022270	Handbags with or without shoulder strap or without handle, with outer surface containing 85% or more of silk, not braided	AGOA
42022281	Handbags with or without shoulder strap or without handle, with outer surface of MMF materials	AGOA, GSP
42022289	Handbags with or without shoulder strap or without handle, with outer surface of textile materials nesi	AGOA
42022910	Handbags with or without shoulder strap or without handle of materials (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber or paperboard), paper cover, of plastics	AGOA, GSP
42022920	Handbags with or without shoulder strap or without handle of materials (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber or paperboard), paper cover, of wood	AGOA, GSP
42022950	Handbags with or without shoulder strap or without handle of materials (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber or paperboard), paper cover, of materials nesi	AGOA
42022990	Handbags with or without shoulder straps or without handle, with outer surface of vulcanized fiber or of paperboard, not covered with paper	AGOA
42023130	Articles of a kind normally carried in the pocket or handbag, with outer surface of reptile leather	AGOA, GSP
42023160	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, nesi	AGOA, GSP
42023210	Articles of a kind normally carried in the pocket or handbag, with outer surface of reinforced or laminated plastics	AGOA, GSP
42023220	Articles of a kind normally carried in the pocket or handbag, with outer surface of plastic sheeting, nesi	AGOA, GSP
42023240	Articles of a kind normally carried in the pocket or handbag, with outer surface of cotton, not of pile or tufted construction	AGOA, GSP
42023280	Articles of a kind normally carried in the pocket or handbag, with outer surface of vegetable fibers, not of pile or tufted construction, nesi	AGOA, GSP
42023293	Articles of a kind normally carried in the pocket or handbag, with outer surface of MMF	AGOA, GSP
42023299	Articles of a kind normally carried in the pocket or handbag, with outer surface of other textile materials	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
42023910	Articles of kind usually carried in pocket or handbag (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber or paperboard), paper cover, of plastics	AGOA, GSP
42023920	Articles of kind usually carried in pocket or handbag (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber or paperboard), paper cover, of wood	AGOA, GSP
42023950	Articles of kind usu. carried in pocket or handbag (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber or paperboard), paper cover, of materials nesi	AGOA
42023990	Articles of a kind normally carried in the pocket or handbag, with outer surface of vulcanized fiber or of paperboard	AGOA, GSP
42029110	Golf bags, with outer surface of leather or composition leather	AGOA
42029190	Cases, bags and containers nesi, other than golf bags, with outer surface of leather, of composition leather	AGOA, GSP
42029204	Insulated beverage bag w/outer surface textiles, interior only flexible plastic container storing/dispensing beverage thru flexible tubing	AGOA, GSP
42029210	Insulated food or beverage bags with outer surface of sheeting of plastic	AGOA, GSP
42029215	Travel, sports and similar bags with outer surface of cotton, not of pile or tufted construction	AGOA, GSP
42029220	Travel, sports and similar bags with outer surface of vegetable fibers, excl. cotton, not of pile construction	AGOA, GSP
42029231	Travel, sports and similar bags with outer surface of MMF textile materials	AGOA, GSP
42029239	Travel, sports and similar bags with outer surface of textile materials other than MMF, paper yarn, silk, cotton	AGOA, GSP
42029245	Travel, sports and similar bags with outer surface of plastic sheeting	AGOA, GSP
42029250	Musical instrument cases, with outer surface of plastic sheeting or of textile materials	AGOA, GSP
42029291	Bags, cases and similar containers with outer surface of textile materials, of MMF except jewelry boxes	AGOA, GSP
42029297	Bags, cases & similar containers with outer surface of sheeting of plastic materials, not containers for CDs or cassettes, or CD or cassette players	AGOA, GSP
42029910	Cases, bags and similar containers, nesi, of mat. (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber, or paperboard), paper cover, of plastics	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
42029920	Cases & similar containers, nesi, of materials (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber, or paperboard), paper cover, of wood, not lined with textile fabric	AGOA, GSP
42029950	Cases, bags & similar containers, nesi, of materials (outer surface of leather, sheeting of plastics, textile materials, vulcanized fiber, or paperboard), paper cover, except of wood or plastic	AGOA
42029990	Cases, bags and similar containers, nesi, with outer surface of vulcanized fiber or of paperboard	AGOA, GSP

CATEGORY 4203: ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, OF LEATHER OR OF COMPOSITION LEATHER:

42031020	Articles of apparel, of reptile leather	AGOA, GSP
42031040	Articles of apparel, of leather or of composition leather, nesi	AGOA
42032120	Batting gloves, of leather or of composition leather	AGOA, GSP
42032155	Cross-country ski gloves, mittens and mitts, of leather or of composition leather	AGOA, GSP
42032160	Ski or snowmobile gloves, mittens and mitts, nesi, of leather or of composition leather	AGOA, GSP
42032180	Gloves, mittens and mitts specially designed for use in sports, nesi, of leather or of composition leather	AGOA, GSP
42032905	Gloves, wholly of horsehide or cowhide leather not specially designed for use in sports, with fourchettes or sidewalls	AGOA
42032908	Gloves, wholly of horsehide or cowhide (except calfskin) leather, not specially designed for use in sports, nesi	AGOA
42032915	Gloves not wholly of horsehide or cowhide leather not specially designed for use in sports, with fourchettes or sidewalls	AGOA
42032918	Gloves not wholly of horsehide or cowhide leather not specially designed for use in sports, nesi	AGOA
42032920	Gloves, mittens and mitts of leather or composition leather, nesi, not seamed	AGOA
42032930	Men's gloves, mittens and mitts of leather or composition leather, nesi, seamed	AGOA
42032940	Gloves, mittens and mitts of leather or composition leather, nesi, not lined, for persons other than men	AGOA
42032950	Gloves, mittens and mitts of leather or composition leather, nesi, lined, for persons other than men	AGOA

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
42033000	Belts and bandoliers with or without buckles, of leather or of composition leather	AGOA, GSP
42034030	Clothing accessories nesi, of reptile leather	AGOA, GSP
CATEGORY 4205: OTHER ARTICLES OF LEATHER OR OF COMPOSITION LEATHER: OF A KIND USED IN MACHINERY OR MECHANICAL APPLIANCES OR FOR OTHER TECHNICAL USES:		
42050005	Belting leather cut or wholly or partly manufactured into forms or shapes suit. for conversion into belting for machinery or appliances	AGOA, GSP
42050040	Straps and strops of leather or of composition leather	AGOA, GSP
42050060	Articles of reptile leather, nesi	AGOA, GSP
CHAPTER 44: WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CORK		
CATEGORY 4405		
44050000	Wood wool (excelsior); wood flour	AGOA
CATEGORY 4409: WOOD (INCLUDING STRIPS AND FRIEZES FOR PARQUET FLOORING, NOT ASSEMBLED) CONTINUOUSLY SHAPED (TONGUED, GROOVED, REBATED, CHAMFERED, V-JOINTED, BEADED, MOLDED, ROUNDED OR THE LIKE) ALONG ANY OF ITS EDGES, ENDS OR FACES, WHETHER OR NOT PLANED, SANDED OR END-JOINTED:		
44091005	Coniferous wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces	AGOA, GSP
44091065	Coniferous wood dowel rod, sanded/grooved/otherwise advanced in condition, continuously shaped along any of its edges or faces but not its ends	AGOA
44092105	Nonconiferous wood (bamboo) continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces	AGOA, GSP
44092905	Nonconiferous wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces	AGOA
44092965	Nonconiferous wood dowel rods, sanded/grooved/otherwise advanced in condition, continuously shaped along any of edges or faces but not ends	AGOA
CATEGORY 4411: FIBERBOARD OF WOOD OR OTHER LIGNEOUS MATERIALS, WHETHER OR NOT BONDED WITH RESINS OR OTHER ORGANIC SUBSTANCES:		
44111220	Medium density Fiberboard (MDF), <= 5 mm thick, for construction, laminated	AGOA, GSP
44111290	MDF, <= 5 mm thick, not for construction, nesoi	AGOA, GSP
44111320	MDF, >5 mm but <= 9 mm thick, for construction, laminated	AGOA, GSP
44111390	MDF, >5 mm but <= 9 mm thick, not for construction, nesoi	AGOA, GSP
44111420	Fiberboard of a thickness exceeding 9 mm, edge worked continuously, laminated, for construction uses	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
44111490	Fiberboard nesoi, of a thickness exceeding 9 mm	AGOA, GSP
44119240	Fiberboard nesoi, density exceeding 0.8 g/cm ³	AGOA, GSP
44119320	Fiberboard, not MDF, of a density >0.5 g/cm ³ but <=0.8 g/cm ³ , edge worked continuously, laminated, for construction uses	AGOA, GSP
44119390	Fiberboard, not MDF, of a density >0.5 g/cm ³ but <=0.8 g/cm ³ , nesoi	AGOA, GSP
CATEGORY 4412		
44121005	Plywood, veneered panels and similar laminated wood, of bamboo	AGOA, GSP
44123125	Plywood sheet n/o 6 mm thick, tropical hard wood outer ply, face ply of Spanish cedar or walnut, not surface covered beyond clear/transparent	AGOA
44123140	Plywood sheets n/o 6 mm thick, with specified tropical wood outer ply, with face ply nesoi, not surface covered beyond clear/transparent	AGOA
44123151	Plywood sheets n/o 6 mm thick, tropical wood nesoi at least one outer ply, with face ply nesoi, not surface covered beyond clear/transparent	AGOA
44123160	Plywood sheets n/o 6 mm thick, with certain specified tropical wood outer ply, surface covered beyond clear or transparent	AGOA
44123191	Plywood sheets n/o 6 mm thick, tropical wood nesoi at least one outer ply, surface covered beyond clear or transparent	AGOA
44123225	Plywood sheet n/o 6 mm thick, outer ply of nonconiferous wood, face ply Spanish Cedar or walnut, not surface covered beyond clear/transparent	AGOA
44123231	Plywood sheet n/o 6 mm thick, at least one outer ply of nonconiferous wood, with face ply nesoi, not surface covered beyond clear/transparent	AGOA
44123256	Plywood sheets n/o 6 mm thick, at least one outer ply of nonconiferous wood, surface covered other than clear or transparent	AGOA
44123930	Plywood of wood sheets, n/o 6 mm thick each, with outer plies of coniferous wood, European red pine face ply, not or clear surface covered	AGOA, GSP
44123940	Plywood of wood sheets, n/o 6 mm thick each, with outer plies of coniferous wood, with face ply nesoi, not or clear surface covered	AGOA, GSP
44123950	Plywood of wood sheets, n/o 6 mm thick each, with outer plies of coniferous wood, nesoi, surface covered, nesoi	AGOA
44129431	Blockboard etc.: plywood nesoi, at least one nonconif outer ply, not surface covered beyond clear/transparent, not w/face ply of birch	AGOA, GSP
44129441	Blockboard etc.: plywood nesoi, at least one nonconiferous outer ply, surface covered other than clear or transparent	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
44129470	Blockboard etc.: plywood nesoi, other outer plies, not surface covered beyond clear/transparent, face ply Europe red pine	AGOA, GSP
44129480	Blockboard etc.: plywood nesoi, other outer plies, not surface covered beyond clear/transparent, face ply nesoi	AGOA, GSP
44129490	Blockboard etc.: plywood nesoi, other outer plies, surface covered other than clear or transparent	AGOA, GSP
44129931	Not blockboard: plywood nesoi, at least one nonconiferous outer ply, not surface covered beyond clear/transparent, not w/face ply of birch	AGOA, GSP
44129941	Not blockboard: plywood nesoi, at least one nonconiferous outer ply, surface covered other than clear or transparent	AGOA, GSP
44129970	Not blockboard: plywood nesoi, at least one nonconiferous outer ply, no particle board, not surface covered beyond clear/transparent, face ply Europe red pine	AGOA, GSP
44129980	Not blockboard: plywood nesoi, at least one nonconiferous outer ply, no particle board, not surface covered beyond clear/transparent, face ply nesoi	AGOA, GSP
44129990	Not blockboard: plywood, veneer panels and similar laminated wood, at least one nonconiferous outer ply, nesoi	AGOA, GSP
CATEGORY 4413		
44130000	Densified wood, in blocks, plates, strips or profile shapes	AGOA, GSP
CATEGORY 4414		
44140000	Wooden frames for paintings, photographs, mirrors or similar objects	AGOA, GSP
CATEGORY 4415		
44151090	Wood cases, boxes, crates, drums and similar packings nesi; cable-drums of wood	AGOA, GSP
44152080	Wooden pallets, box-pallets and other load boards, other than designed for use in the harvesting of fruits and vegetables	AGOA, GSP
CATEGORY 4416		
44160090	Wooden vats, tubs and other coopers' products and parts thereof	AGOA, GSP
CATEGORY 4417		
44170080	Wooden tools, tool bodies, tool handles, broom or brush bodies and handles nesi; wooden boot or shoe lasts and trees	AGOA, GSP
CATEGORY 4418		
44181000	Wooden windows, French windows and their frames	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
44182040	French doors of wood	AGOA, GSP
44182080	Doors of wood, other than French doors	AGOA, GSP
44184000	Wooden formwork (shuttering) for concrete constructional work	AGOA, GSP
44186000	Builders' joinery and carpentry of wood, posts and beams	AGOA, GSP
44187190	Assembled flooring panels for mosaic floors other than those having a face ply more than 6 mm in thickness	AGOA
44187220	Assembled wood flooring panels, other than for mosaic, multilayer, having a face ply more than 6 mm in thickness	AGOA
44187900	Assembled flooring panels, nesoi	AGOA
44189046	Builders' joinery and carpentry of wood, nesoi	AGOA
CATEGORY 4419		
44190040	Wooden forks and spoons for tableware and kitchenware	AGOA
44190080	Wooden tableware and kitchenware, other than forks and spoons	AGOA
CATEGORY 4420		
44201000	Wooden statuettes and other wood ornaments	AGOA, GSP
44209045	Wooden jewelry boxes, silverware chests, microscope, tool or utensil cases, similar boxes, cases and chests, not lined with textile fabrics	AGOA, GSP
44209080	Wood marquetry and inlaid wood; wooden articles of furniture, nesi	AGOA, GSP
CATEGORY 4421		
44211000	Wooden clothes hangers	AGOA
44219020	Wood dowel pins, sanded, grooved or otherwise advanced in condition	AGOA
44219030	Wood blinds, shutters, screens and shades consisting of wooden frames in the center of which are fixed louver boards or slats	AGOA
44219040	Wood blinds, shutters, screens and shades, not consisting of wooden frames in the center of which are fixed louver boards or slats	AGOA
44219060	Wooden skewers, candy sticks, ice cream sticks, tongue depressors, drink mixers and similar small wares, other than toothpicks	AGOA
44219080	Spring-type clothespins made of wood	AGOA
44219085	Clothespins made of wood, other than the spring-type	AGOA
44219097	Articles of wood, not elsewhere specified or included	AGOA

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
CHAPTER 46: MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLANTING MATERIALS; BASKETWARE AND WICKERWORK		
CATEGORY 4601		
46012140	Woven or partly assembled materials of bamboo, for mats, matting and screens	AGOA, GSP
46012190	Mats, matting and screens of bamboo, nesoi	AGOA, GSP
46012240	Woven or partly assembled materials of rattan for mats, matting and screens	AGOA, GSP
46012290	Mats, matting and screens of rattan, nesoi	AGOA, GSP
46012940	Woven or partly assembled materials of willow for mats, matting and screens	AGOA, GSP
46012960	Woven or partly assembled vegetable materials other than bamboo, rattan or willow, for mats, matting and screens	AGOA, GSP
46012990	Mats, matting and screens of willow, nesoi	AGOA, GSP
46019205	Plaits of bamboo and similar products of such plaiting materials, whether or not assembled into strips	AGOA, GSP
46019220	Products of bamboo other than plaits and similar products such as plaiting materials.	AGOA, GSP
46019305	Plaits of rattan and similar products of such plaiting materials, whether or not assembled into strips	AGOA, GSP
46019320	Products of rattan other than plaits and similar products such as plaiting materials.	AGOA, GSP
46019405	Plaits of vegetable materials and similar products of such plaiting materials, whether or not assembled into strips	AGOA, GSP
46019420	Products nesoi, of plaiting materials, bound together in parallel strands or woven, in sheet form, of willow or wood	AGOA, GSP
46019905	Plaits and similar products of plaiting materials (not vegetable), whether or not assembled into strips	AGOA, GSP
46019990	Products nesoi of plaiting materials (not vegetable), bound together in parallel strands or woven, in sheet form, nesoi	AGOA
CATEGORY 4602		
46021105	Fishing baskets or creels made from bamboo	AGOA, GSP
46021109	Baskets and bags of bamboo other than wickerwork	AGOA, GSP
46021121	Luggage, handbags and flat goods, whether or not lined, of bamboo	AGOA
46021145	Basketwork and other articles, nesoi, of one or more of bamboo	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
46021205=	Fishing baskets or creels made from rattan	AGOA, GSP
46021216	Baskets and bags of rattan other than wickerwork	AGOA, GSP
46021223	Articles of a kind normally carried in the pocket or in the handbag, of rattan	AGOA, GSP
46021225	Luggage, handbags and flat goods, whether or not lined, of rattan, nesoi	AGOA
46021245	Basketwork and other articles, nesoi, of rattan	AGOA, GSP
46021905	Fishing baskets or creels made from vegetable materials	AGOA, GSP
46021912	Baskets and bags, nesi, whether or not lined, of willow	AGOA, GSP
46021916	Baskets and bags of palm leaf other than wickerwork	AGOA, GSP
46021918	Baskets and bags of vegetable material, nesoi	AGOA, GSP
46021922	Luggage, handbags and flat goods, whether or not lined, of willow	AGOA
46021923	Articles of a kind normally carried in the pocket or in the handbag, of palm leaf	AGOA, GSP
46021925	Luggage, handbags and flat goods, whether or not lined, of palm leaf, nesoi	AGOA
46021929	Luggage, handbags and flat goods, whether or not lined, made from plaiting materials nesoi	AGOA
46021945	Basketwork and other articles, nesoi, of willow or wood	AGOA, GSP
46021980	Basketwork and other articles, nesoi, of vegetables materials, nesoi	AGOA, GSP
46029000	Basketwork, wickerwork and other articles made directly from plaiting materials or from articles of heading 4601, nesi; loofah articles	AGOA, GSP

CHAPTER 63: OTHER MADE-UP TEXTILE ARTICLES; NEEDLECRAFT SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS

CATEGORY 6301

63011000	Electric blankets – apparel provisions	AGOA eligible under the apparel provisions
63013000	Blankets (other than electric blankets) and traveling rugs, of cotton	AGOA eligible under the apparel provisions
63014000	Blankets (other than electric blankets) and traveling rugs, of synthetic fibers	AGOA eligible under the apparel provisions
63019000	Blankets and traveling rugs, nesoi	AGOA eligible under the apparel provisions

CATEGORY 6302

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
63021000	Bed linen, knitted or crocheted	AGOA eligible under the apparel provisions
63022130	Bed linen, not knitted or crocheted, printed, of cotton, containing any embroidery, lace, braid, edging, trimming, piping or applique work, napped	AGOA eligible under the apparel provisions
63022150	Bed linen, not knit or crocheted, printed, of cotton, containing any embroidery, lace, braid, edging, trimming, piping or applique work, n/napped	AGOA eligible under the apparel provisions
63022170	Bed linen, not knit or crocheted, printed, of cotton, not containing any embroidery, lace, braid, edging, trimming, piping or applique work, napped	AGOA eligible under the apparel provisions
63022190	Bed linen, not knit or crocheted, printed, of cotton, not containing any embroidery, lace, braid, edging, trimming, piping or applique work, not napped	AGOA eligible under the apparel provisions
63022210	Bed linen, not knitted or crocheted, printed, of manmade fibers, containing embroidery, lace, braid, etc. or applique work	AGOA eligible under the apparel provisions
63022220	Bed linen, not knitted or crocheted, printed, of manmade fibers, nesoi	AGOA eligible under the apparel provisions
63022900	Bed linen, not knitted or crocheted, printed, of textile materials nesoi	AGOA eligible under the apparel provisions
63023130	Bed linen, not knitted or crocheted, not printed, of cotton, containing any embroidery, lace, braid, edging, trimming, piping or applique work, napped	AGOA eligible under the apparel provisions
63023150	Bed linen, not knitted or crocheted, not printed, of cotton, containing any embroidery, lace, braid, edging, trimming, piping or applique work, not napped	AGOA eligible under the apparel provisions
63023170	Bed linen, not knitted or crocheted, not printed, of cotton, not containing any embroidery, lace, braid, edging, trimming, piping or applique work, napped	AGOA eligible under the apparel provisions
63023190	Bed linen, not knitted or crocheted, not printed, of cotton, not containing any embroidery, lace, braid, edging, trimming, piping or applique work, not napped	AGOA eligible under the apparel provisions
63023210	Bed linen, not knitted or crocheted, not printed, of manmade fiber, containing embroidery, lace, braid, etc. or applique work	AGOA eligible under the apparel provisions
63023220	Bed linen, not knitted or crocheted, not printed, of manmade fibers, nesoi	AGOA eligible under the apparel provisions
63023900	Bed linen, not knitted or crocheted, not printed, of textile materials nesoi	AGOA eligible under the apparel provisions
63024010	Table linen, knitted or crocheted, of vegetable fiber (except of cotton)	AGOA eligible under the apparel provisions

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
63024020	Table linen, knitted or crocheted, nesoi	AGOA eligible under the apparel provisions
63025110	Damask tablecloths and napkins, not knitted or crocheted, of cotton	AGOA eligible under the apparel provisions
63025120	Plain woven tablecloths and napkins, not knitted or crocheted, of cotton	AGOA eligible under the apparel provisions
63025130	Tablecloths and napkins, other than plain woven or damask, not knitted or crocheted, of cotton	AGOA eligible under the apparel provisions
63025140	Table linen, other than tablecloths and napkins, not knitted or crocheted, of cotton, nesoi	AGOA eligible under the apparel provisions
63025300	Table linen of manmade fibers, not knitted or crocheted	AGOA eligible under the apparel provisions
63025910	Tablecloths and napkins of flax, not knitted or crocheted	AGOA eligible under the apparel provisions
63025930	Table linen, of textile materials other than of cotton, flax or manmade fibers, not knitted or crocheted	AGOA eligible under the apparel provisions
63026000	Toilet linen and kitchen linen, of terry toweling or similar terry fabrics, of cotton	AGOA eligible under the apparel provisions
63029100	Toilet and kitchen linen, other than terry toweling or similar terry fabrics of cotton	AGOA eligible under the apparel provisions
63029310	Toilet and kitchen linen, of manmade fibers, of pile or tufted construction	AGOA eligible under the apparel provisions
63029320	Toilet and kitchen linen, of manmade fibers, nesoi	AGOA eligible under the apparel provisions
63029910	Toilet and kitchen linen of textile materials nesoi, containing 85% or more by weight of silk or silk waste	AGOA, GSP
63029920	Toilet and kitchen linen of textile materials nesoi, containing less than 85% by weight of silk or silk waste	AGOA eligible under the apparel provisions
CATEGORY 6303		
63031200	Curtains (including drapes), interior blinds and valances of synthetic fibers, knitted or crocheted	AGOA eligible under the apparel provisions
63031911	Curtains (including drapes), interior blinds and valances of cotton, knitted or crocheted	AGOA eligible under the apparel provisions

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
63031921	Curtains (including drapes), interior blinds and valances of textile materials other than of cotton or synthetic fibers, knitted or crocheted	AGOA eligible under the apparel provisions
63039100	Curtains (including drapes), interior blinds and valances of cotton, not knitted or crocheted	AGOA eligible under the apparel provisions
63039210	Curtains/drapes, interior blinds, etc. of synthetic fiber, made-up from fabric of subheading 5407.60.11/5407.60.21/5407.60.91, not knitted or crocheted	AGOA eligible under the apparel provisions
63039220	Curtains (including drapes), interior blinds and valances, nesoi, of synthetic fibers, not knitted or crocheted	AGOA eligible under the apparel provisions
63039900	Curtains (including drapes), interior blinds, valances of textile materials other than of cotton or of synthetic fibers, not knitted/crocheted	AGOA eligible under the apparel provisions
CATEGORY 6304		
63041110	Bedspreads of cotton, knitted or crocheted, excluding those of heading 9404	AGOA eligible under the apparel provisions
63041120	Bedspreads of manmade fibers, knitted or crocheted, excluding those of heading 9404	AGOA eligible under the apparel provisions
63041130	Bedspreads of textile materials other than of cotton or of manmade fibers, knitted or crocheted, excluding those of heading 9404	AGOA eligible under the apparel provisions
63041905	Bedspreads, not knitted or crocheted, of cotton, containing any embroidery, lace, etc.	AGOA eligible under the apparel provisions
63041910	Bedspreads, not knitted or crocheted, of cotton, nesoi	AGOA eligible under the apparel provisions
63041915	Bedspreads, not knitted or crocheted, of manmade fibers, containing any embroidery, lace, etc.	AGOA eligible under the apparel provisions
63041920	Bedspreads, not knitted or crocheted, of manmade fibers, nesoi	AGOA eligible under the apparel provisions
63041930	Bedspreads, not knitted or crocheted, other than those of cotton or manmade fibers, excluding those of heading 9404	AGOA eligible under the apparel provisions
63049100	Furnishing articles (excluding those of heading 9404 and other than bedspreads) knitted or crocheted	AGOA eligible under the apparel provisions
63049200	Furnishing articles (excluding those of heading 9404 and other than bedspreads) not knitted or crocheted, of cotton	AGOA eligible under the apparel provisions
63049300	Furnishing articles (excluding those of heading 9404 and other than bedspreads) not knitted or crocheted, of synthetic fibers	AGOA eligible under the apparel provisions
63049910	Wall hangings, not knitted or crocheted, of wool or fine animal hair, the foregoing certified hand-loomed and folklore products	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
63049915	Wall hangings, not knitted or crocheted, of wool or fine animal hair, nesoi	AGOA eligible under the apparel provisions
63049925	Wall hangings of jute, excluding those of heading 9404	AGOA, GSP
63049935	Furnishing articles (excluding those of heading 9404 and other than bedspreads and jute wall hangings) of vegetable fibers (excluding cotton), not knitted or crocheted	AGOA eligible under the apparel provisions
63049940	Certified hand-loomed and folklore pillow covers of wool or fine animal hair, not knitted or crocheted	AGOA, GSP
63049960	Furnishing articles (excluding those of heading 9404 and other than bedspreads) not knitted or crocheted, of textile materials, nesoi	AGOA eligible under the apparel provisions
CATEGORY 6305		
63052000	Sacks and bags of a kind used for the packing of goods, of cotton	AGOA eligible under the apparel provisions
63053200	Flexible intermediate bulk containers of a kind used for packing goods, of manmade textile materials	AGOA eligible under the apparel provisions
63053300	Other sacks/bags for packing goods, of mm textile materials (not flexible intermediate bulk containers), of polyethylene or polypropylene strip or the like	AGOA eligible under the apparel provisions
63053900	Sacks and bags of a kind used for the packing of goods, of manmade textile materials, nesoi	AGOA eligible under the apparel provisions
63059000	Sacks and bags of a kind used for the packing of goods, of textile materials, nesoi	AGOA eligible under the apparel provisions
CATEGORY 6306		
63061200	Tarpaulins, awnings and sunblinds, of synthetic fibers	AGOA eligible under the apparel provisions
63061911	Tarpaulins, awnings and sunblinds, of cotton	AGOA eligible under the apparel provisions
63061921	Tarpaulins, awnings and sunblinds, of textile materials other than of cotton or synthetic fibers	AGOA eligible under the apparel provisions
63062290	Tents other than backpacking tents, of synthetic fibers	AGOA eligible under the apparel provisions
63062911	Tents of cotton	AGOA eligible under the apparel provisions
63062921	Tents of textile materials other than of cotton or synthetic fibers	AGOA eligible under the apparel provisions

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
63064041	Pneumatic mattresses of cotton	AGOA eligible under the apparel provisions
63064049	Pneumatic mattresses of textile materials other than of cotton	AGOA, GSP
63069010	Camping goods, nesoi, of cotton	AGOA eligible under the apparel provisions
63069050	Camping goods, nesoi, of textile materials other than of cotton	AGOA eligible under the apparel provisions
CATEGORY 6307		
63071010	Dustcloths, mop cloths and polishing cloths, of cotton	AGOA eligible under the apparel provisions
63071020	Floor cloths, dishcloths and similar cleaning cloths of textile materials (except dustcloths, mops cloths and polishing cloths of cotton)	AGOA eligible under the apparel provisions
63072000	Lifejackets and lifebelts of textile materials	AGOA eligible under the apparel provisions
63079030	Made-up labels of textile materials	AGOA eligible under the apparel provisions
63079072	Surgical drapes, nesoi, not spun laced or bonded fiber fabric	AGOA eligible under the apparel provisions
63079075	Toys for pets, of textile materials	AGOA eligible under the apparel provisions
63079085	Wall banners, of manmade fibers	AGOA, GSP
63079089	Surgical towels; cotton towels of pile or tufted construction, pillow shells, of cotton, shells for quilts etc., and similar articles of cotton	AGOA eligible under the apparel provisions
63079098	National flags and other made-up articles of textile materials, nesoi	AGOA, GSP
CATEGORY 6309: WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS		
6309000010	Worn clothing	GSP
CHAPTER 71: NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMIPRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL AND METAL, AND ARTICLES THEREOF; IMITATION JEWELRY; COIN		
CATEGORY 7103		
71031040	Precious stones (other than diamonds) & semiprecious stones, simply sawn or roughly shaped	AGOA, GSP
71039950	Precious or semiprecious stones, nesoi, worked, whether or not graded, but not strung (excluding ungraded temporarily strung), mtd. or set	AGOA, GSP
CATEGORY 7104		

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
71041000	Piezo-electric quartz	AGOA, GSP
71042000	Synthetic or reconstructed precious or semiprecious stones, unworked or simply sawn or roughly shaped	AGOA
71049050	Synth. or reconstruct. precious or semiprecious stones, worked, whether or not graded, but not strung (excluding ungraded temporarily strung), mtd. or set, nesoi	AGOA, GSP
CATEGORY 7108		
71081250	Gold, nonmonetary, unwrought (other than gold bullion and dore)	AGOA, GSP
71081370	Gold (including gold plated with platinum), nonmonetary, in semi manufactured forms (except gold leaf), nesoi	AGOA, GSP
CATEGORY 7113		
71131110	Silver rope, curb, etc. in continuous lengths, whether or not plated or clad with other precious metal, suitable for jewelry manufacture	AGOA, GSP
71131120	Silver articles of jewelry and parts thereof, nesoi, valued not over \$18 per dozen pieces or parts	AGOA, GSP
71131150	Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts	AGOA, GSP
71131910	Precious metal (other than silver) rope, curb, etc. in continuous lengths, whether or not plated or clad precious metal, for jewelry manufacture	AGOA, GSP
71131921	Gold rope necklaces and neck chains	AGOA, GSP
71131925	Gold mixed link necklaces and neck chains	AGOA, GSP
71131929	Gold necklaces and neck chains (other than of rope or mixed links)	AGOA, GSP
71131930	Precious metal (other than silver) clasps and parts thereof	AGOA, GSP
71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	AGOA, GSP
71132010	Base metal clad with precious metal, rope, curb & like articles in continuous lengths, suitable for use in jewelry manufacture	AGOA, GSP
71132021	Base metal clad with gold rope necklaces and neck chains	AGOA, GSP
71132025	Base metal clad with gold mixed link necklaces and neck chains	AGOA, GSP
71132029	Base metal clad with gold necklaces and neck chains, nesoi	AGOA, GSP
71132030	Base metal clad with precious metal clasps and parts thereof	AGOA, GSP
71132050	Base metal clad with precious metal articles of jewelry and parts thereof, nesoi	AGOA, GSP
CATEGORY 7115		
71151000	Platinum catalysts in the form of wire cloth or grill	AGOA, GSP

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
71159030	Gold (including metal clad with gold) articles (other than jewelry or goldsmiths' wares), nesoi	AGOA, GSP
71159040	Silver (including metal clad with silver) articles (other than jewelry or silversmiths' wares), nesoi	AGOA, GSP
71159060	Articles of precious metal (other than gold or silver), including metal clad with precious metal, nesoi	AGOA, GSP
CATEGORY 7116		
71161010	Natural pearl articles	AGOA, GSP
71161025	Cultured pearl articles	AGOA, GSP
71162005	Jewelry articles of precious or semiprecious stones, valued not over \$40 per piece	AGOA, GSP
71162015=	Jewelry articles of precious or semiprecious stones, valued over \$40 per piece	AGOA, GSP
71162030	Semiprecious stones (except rock crystal), graded and strung temporarily for convenience of transport	AGOA, GSP
71162035	Semiprecious stone (except rock crystal) figurines	AGOA, GSP
71162040	Semiprecious stone (except rock crystal) articles (other than jewelry and figurines)	AGOA, GSP
CATEGORY 7117		
71171100	Cuff links and studs of base metal (whether plated with precious metal)	AGOA, GSP
71171915	Rope, curb, cable, chain, etc., of base metal (whether or not plated with precious metal), valued at not over 33 cents/meter for jewelry manufactured	AGOA, GSP
71171920	Rope, curb, cable, chain, etc., of base metal (whether or not plated with precious metal), valued over 33 cents/meter, for jewelry manufactured	AGOA, GSP
71171930	Religious articles of a devotional character, design. to be carried on the person, of base metal (whether or not plated with precious metal)	AGOA, GSP
71171990	Imitation jewelry (other than toy jewelry & rope, curb, cable, chain, etc.), of base metal (whether or not plated with precious metal), nesoi	AGOA, GSP
71179020	Rosaries and chaplets of a purely devotional character for personal use, of a material other than precious or base metals, nesoi	AGOA, GSP
71179030	Religious articles of a purely devotional character designed to be carried on the person, nesoi	AGOA, GSP
71179055	Imitation jewelry nesoi, not of base metal, not over 20 cents/dozen pieces or parts	AGOA, GSP
71179090	Imitation jewelry not of base metal or plastics, nesoi, over 20 cents/dozen pieces or parts	AGOA, GSP
CHAPTER 97: WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES		

HS CODE	BRIEF DESCRIPTION	PROGRAM ELIGIBILITY (AGOA, GSP-ELIGIBLE FOR ALL BENEFICIARY COUNTRIES/JULY 2017)
CATEGORY 9701: PAINTINGS, DRAWINGS AND PASTELS, EXECUTED ENTIRELY BY HAND, OTHER THAN DRAWINGS OF HEADING 4906 AND OTHER THAN HAND PAINTED OR HAND-DECORATED MANUFACTURED ARTICLES; COLLAGES AND SIMILAR DECORATIVE PLAQUES; ALL THE FOREGOING FRAMED OR NOT FRAMED		
9701100000	Paintings, drawings and pastels other than of heading 4906	GSP
9701900000	Collages and similar decorative plaques, whether or not framed	GSP
CATEGORY 9702		
9702000000	Original engravings, prints and lithographs, framed or not framed	GSP
CATEGORY 9703		
9703000000	Original sculptures and statuary, in any material	GSP
CATEGORY 9704		
9704000000	Postage or revenue stamps, stamps-postmarks, first day covers, postal stationary (stamped paper) and the like, used, or if unused not of current or new	GSP
CATEGORY 9705		
9705000030	Gold numismatic (collectors') coins	GSP
9705000060	Numismatic (collectors') coins, except gold	GSP
9705000070	Collections and collectors' pieces of archeological historical or ethnographic interest	GSP
9705000091	Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical or paleontological interest	GSP
CATEGORY 9706		
9706000060	Antiques of age exceeding one hundred years, nesoi	GSP
9706000020	Silverware	GSP
9706000040	Furniture	GSP

*Nesoi; nesi; nes: "Not elsewhere specific or indicated"

Sources: www.agoa.info; <https://www.cbp.gov/trade/priority-issues/trade-agreements/special-trade-legislation/generalized-system-preferences>; <https://ustr.gov/sites/default/files/files/gsp/GSP%20eligible%20products%20for%20all%20BDCs%20July%202017.pdf>; <https://hts.usitc.gov/>

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