



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MASTER OF BUSINESS ADMINISTRATION

**DETERMINANTS OF OILSEEDS AND PULSE EXPORT
PERFORMANCE IN ETHIOPIA: THE CASE OF SELECTED
EXPORTERS**

PREPARED BY: HILINA DAGNAHEW

ADVISOR: NIBRETU KEBEDE (PhD)

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EXPORTERS**

A RESEARCH PAPER SUBMITTED TO ST. MARY'S UNIVERSITY

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BY: HILINA DAGNACHEW

ADVISOR: NIBRETU K (PhD)

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BY: HILINA DAGNACHEW

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

JUNE, 2025

ADDIS ABABA, ETHIOPIA

Declaration

I declare that this Masters of Business Administration. Thesis is my original work, and has never been presented for the award of any degree in this or any other university and all source of materials used for the thesis have been duly acknowledged.

HILINA DAGNACHEW

Signature _____

St. Mary's University

JUNE, 2025

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List of Acronyms and Abbreviations

ACOS	Agricultural Commodity Supply
ADB	African Development Bank
CSA	Central Statistical Agency
DC	Domestic credit
DFE	Dynamic fixed effects
ECM	Error Correction Model
FDRPE	Federal Democratic Republic People of Ethiopia
FAO	Food Agency Organization
GDP	Gross Domestic Product
GMM	Generalized Method of Moments
IFS	International Financial Statistics
IMF	International Monetary Fund
IO	Industrial organization
LDC	Least Developed Countries
LPI	Logistics Performance Index
MDG	Millennium Development Goal
MOFED	Ministry of Finance and Economic Development
MOT	Ministry of Trade
MT	Metric tone
NBE	National Bank of Ethiopia
NEPAD	New partnership for African development
OLS	Ordinary Least Squares
REER	Real Effective Exchange Rate

Abstract

The performance of oilseeds and pulse export in Ethiopia encountered a number of influencing factors that deter its performance. The research address independent variables foreign price level, production/productivity, quality of the product, Infrastructure/rural feeder road availability and real effect exchange rate are critical. The major objective of this study was to identify and analyze to what extent those major determinants affect the performance of oilseeds and pulse export in Ethiopia. Multiple leaner regressions are employed using SPSS version 27 software to examine the effects of the selected variables on the performance of export oilseeds and pulse. From 200, oilseeds and pulse exporters 130 have been taken residing Addis Ababa city using simple random sampling(Carvalho's) Sample Size Determination table)technique as primary sources of data. The findings implied that the foreign price level' production/productivity, quality of the product and real effect exchange rate were found to be positively and significantly affect export performance. Whereas, and Infrastructure/rural feeder road were found not to be as such influential factors to deter performance of oilseeds and pulse export in Ethiopia. Based on the findings of the study it were recommended that enhancing productivity, keeping quality of the product, making stable foreign exchange rate and improve the foreign price level are all important.

Key words: performance, export, determinants, significant, pulse, oilseeds

Chapter One: Introduction

1.1 Background of the Study

Export performance is the relative success or failure of the efforts of a firm or nation to sell domestically produced goods and services in other nations and it can be described in objective terms such as sales, profits, or marketing measures or by objective measures such as distributor or customer satisfaction, (Allaro, 2018). Ethiopia is a landlocked country situated in the Horn of Africa. With an area of 1.14 million square kilometers, it is the African continent's second biggest country. Ethiopia is bordered by Somalia and Djibouti in the east, Sudan to the west, Kenya in the south and Eritrea in the north. In 2018, Ethiopia was the second fastest-growing economy in the world, with a gross domestic product (GDP) growth rate of 10.28% (WDI, 2016). Although the country is still one of the poorest countries in the world, with a per capita GDP of only US\$ 573 in 2014, over the period of 2003 to 2018, it has managed to achieve an astonishing 11% GDP growth rate on average. The country is predominantly an agrarian where agriculture contributes more than 70% in total employment and more than 40% in total GDP. The share of international trade to its GDP is more than 40%, of which imports contribute more than two-thirds. This high share of imports to exports creates pressure on the foreign exchange management for Ethiopia. In this backdrop, it is crucial for the country to enhance its foreign earnings where an increase of export can play a vital role.

Ethiopia has a diversified climate that is suitable for the production of a variety of crops. Historically, the country is famous for its production of oilseeds and pulses. Now, these items can be a major source of export earnings for the country next to coffee. However, the export procedures for agricultural products especially oilseeds and pulse are quite long and cumbersome, which undermines the country's competitiveness in the global market. In the face of the sharp reduction of the tariff in international trade, one of the major sources of increasing competitiveness for the traded items of any country remains in the ability to supply goods in the fastest possible time. This fact has shifted the focus of any country towards improving the status of trade facilitation measures (EPOSPEA, 2016).

Countries that are pursuing trade-led economic growth and development, improving the determinants of export performance, such as foreign price level, production/productivity, product quality, Real Effective Exchange Rate, infrastructure/rural feeder road/ are crucial factors. Countries can improve their competitiveness by increasing productivity, reducing the time and costs required for transportation and regulatory requirements involved in the process of exporting or importing any goods. Sometimes, these costs can be a substantial part of the value of the traded items, especially if the value of the time required is taken into account. The significance of trade facilitation by simplifying the regulatory process and procedures of cross-border trade, improving the conditions of transit procedures, and increased and efficient use of information and communication facilities has gained momentum and due importance in recent times (Yishak, 2018).

Completion of any cross-border trade requires fulfilling regulatory and documentary requirements involving parties from both private and public sectors. To perform any such transaction completely, it requires harmonization and cooperation among many actors, service providers and regulators from both home country and partner country. Failure to meet these regulatory and documentary requirements or lack of proper coordination among the actors involved entails significant delays to complete the whole process of exporting, which eventually increases the costs of the items being traded. Improving the productivity, quality measures, procedural and regulatory requirements through necessary reforms such as reducing the amount of certification needed and decentralization or online availability of services can have a significant impact on the predictability of the whole business process and profitability for the parties involved. (ERCA, 2017)

In a nutshell identifying and examining the factors that significantly affect Ethiopia's export performance should facilitate the design of policies to improve the performance and ultimately overall economic growth (prizzon, 2018). The objective of this paper is thus to look at the factors behind the poor export performance of oilseeds and pulse in Ethiopia. The paper identifies the major supply capacity and foreign market access factors and examines how much these factors affect the country's export performance.

1.2 Statements of the Problem

Studies on export performance have proliferated in the last decades (Bank, 2019). Significant progress has been made in developing better theory and knowledge of the export performance. However, the field of inquiry is characterized by a diversity of conceptual, methodological, and empirical approaches that inhibit the development of clear conclusions regarding the determinants of export performance.

In this paper, an updated review and synthesis of the empirical literature on determinants of Ethiopia export performance is offered. Despite the various constraints facing the export performance of Sub-Saharan Africa, developing countries in general and Ethiopia in specific, these primary commodity exports have a significant importance to the economy. Therefore, in order to improve its performance a close look at these constraints and analyzing them is indispensable (Ibrahim, 2018). When we look at the case of Ethiopia, according to access capital report (2010), the country's exports reached a notable amount of \$2 billion in the just completed fiscal year, 2009/10. This export level is an impressive 38% increase from the \$1.5 billion in exports registered in the previous year, and nearly three times the average annual export level of the prior decade (2000-2009).

Even though there is improvement in exports since recent years, it is not as such satisfactory. For instance, Exports of goods in Ethiopia are only about 7% of GDP, compared to an average of near 30% of GDP in Sub-Saharan Africa. Growth rates are also very modest if we make a comparison with Asian countries over a decades-long time frame. For example, Ethiopian's total exports were higher than that of Vietnam in the 1980s but are now just a tiny fraction: \$2 billion in Ethiopia versus \$65 billion in Vietnam (ERCA, IMF, 2020).

Ethiopian export is based on agricultural products which constitute a substantial component of external trade generating a significant portion of export earnings. For instance, according to data from MOT during the fiscal year (2015/16), total export in value were \$ 3.081 billion in addition to this when we look at the composition of commodities; coffee, oilseeds, chat, pulses in that order have contributed an average about 28, 17, 9 and 7 percent of total export earnings respectively which is almost 46.11% together.

From this we can see that the country's exports are highly concentrated in few agricultural commodities (MOT report 2015/16) and Ethiopia's total export earnings by value declined by 8.5% in 2015/2016 from the previous year. A fall in global commodity prices is the main reason for this drop.

Countries export earnings are derived from only four principal Agricultural commodities such as coffee, oilseeds, pulse and khat, (Alemayehu, 2019). On the other hand, international organizations have often recognized that Africa's exports still face market access problems in the international markets (UNCTAD, (2002), UNIDO, 2020). However, Ethiopia's exports, declining prices for its exports, and limited destinations for Ethiopian exports. Both supply and demand side problems are typical African problems: For example, more than 50% of African share in total world exports is still very low, amounting to 0.01% in 2006 (WTO, 2019). In this regard, (Alemayehu, 2019) and (Abay and Slater, 2019) argue that Ethiopia's external trade has major problems both on the supply side – its dependency on few primary products, characterized by large fluctuations in volume; and a very high degree of concentration of exports on few commodities – and on the demand side – a low income elasticity for the type of commodities that Ethiopia exports.

Having the above information, Even though there is a remarkable increase in the export sector it is not as intended and data shows that the export growth rate of Ethiopia is low as compared to African countries with similar features of economic structure and other features (Yishak, 2018). In considering those gaps, this paper will try to identify the key determinants of export performance in Ethiopia to come up with recent and reliable information that informs for responsible bodies and for deciding correct decision in policy making.

1.3 Objectives of the Study

1.3.1 General objectives

The general objective of the study is to examine the determinants of oilseeds and pulse export performance in Ethiopia.

1.3.2 Specific objectives

- To analyze the effect of production on export performance
- To examine the effect of product quality on export performance
- To examine the effect of product price on export performance
- To examine the effect of physical infrastructure on export performance
- To investigate the effect of exchange rate on export performance
- To assess the relationship between export performance and its determinants.

1.4 Research Questions

Based on the proposed problems and review of related literature, this study seeks to answer the following questions:

1. What is the effect of productivity, quality, and price on oilseeds and pulse export performance?
2. What is the effect of physical infrastructure on oilseeds and pulse export performance?
3. What is the effect of Real effect exchange rate on oilseeds and pulse export performance?
4. What is the relationship between export performance and its determinants?
5. What are relative importance of major factors that determine pulse and oilseeds export performance of the country?

1.5 Significance of the study

The study has significance in broadening the knowledge about the existing export trade activities, performance and problems of the export trade in Ethiopia, most importantly that of oilseeds and pulse export performance. The major contributions of the study fall into three categories: namely; (1) to provide recent information on the major factors influencing the performance of oilseeds and pulse export in Ethiopia to subsequent research works in the area,

(2) as source of information for exporters to take their own internal decisions as to improve their capacity and enhance their performance and competitiveness, (3) the government and other concerned stakeholders may also take their own remedial actions so as to promote export

1.6 Scope of the study

The scope of this study is limited to the analysis of oilseeds and pulse export performance determinants only for identifying the constraints and prospects of oilseeds and pulses exports towards achieving the country's development objectives. The study excluded the rest determinants of export performances and other types of exportable agricultural commodities. The research was bound in studying the export performance determinants in Ethiopia: using primary data from survey. The scope of the study can be discussed in terms of the issue under investigation (conceptual scope), geographical area, methodological aspects, and unit of analysis.

- **Conceptual scope:** This study was conceptually delimited to examine the determinant of oilseeds and pulse export on export performance by considering selected variables (foreign price level, productivity/production, quality, physical infrastructure, exchange rate. Dependent and independent variables measure using five **likert** scales.
- **Geographical scope:** This study includes selected exporters in Addis Ababa city administration other regional exporters didn't addressed because of the current country's situation, time, and resources. The study is delimited in terms of geographical location because of the above limitation.
- **Methodological scope:** Methodologically the study uses a descriptive and explanatory type of research design. Therefore, this study focused on the determinant of oilseeds and pulse export in Ethiopia the case of selected exporters.
- **Time:** The timeframe of the study is from December 2025 to June 2025.

1.7 Limitations of the Study

The area, export performance determinants, being vast and crucial for growth and development, many determinant measures could be used for determining export performance. However, a short period of time and budget constraints is other limitations in conducting this research paper and unwillingness of some exporters to give exact information during survey regarding general export performance determinants in Ethiopia another limitation of the study that imposed lots of work on the researcher in organizing the data.

1.8 Definition of Terms

Agricultural product export: Agricultural export means shipping any agricultural commodity or product whether raw or processed out of the port of a country or selling of agricultural goods produced in the home country to other markets.

Export performance: The outcome of a firm's activity in an export market with respect to financial outcomes, the extent to which a firm's strategic goals were achieved and the firm's level of satisfaction with their export.

Pluses: pulse is another name for a number of dried legume seeds from pod plants including kidney beans, chickpeas, peas, lentils, soya beans, peanuts, Horse beans, Haricot beans, dry peas and Vetches.

Oilseeds: Oil Seeds refer to all class of seeds from which oil is derived. Oil Seeds that are grown and traded as commodities include: soybeans, cottonseed, rapeseed, nigger seed, and sesame and sunflower seeds. After the oil seed extraction process, the residue can be used as a source of protein for animal feed, creating products such as oil-seed cake and press cake. **Export Market**

Environment: Foreign country market environment.

Determinants: Export determinants in this context are major factors that affect export performance positively or negatively or significantly or insignificantly.

1.9 Organization of the study

The paper had been organized in such a manner to have five chapters. Chapter one deals with a brief introduction of the study. The next chapter is regarding overview of the determinants of oilseeds and pulse export performance. Chapter three is concerned about study methodology, data sources and model specification. The fourth chapter was about Research Result. The last chapter consists of conclusions and policy implications of the study.

Chapter Two: Related Literature Review

2. Overview Of Determinants Of Export Performance

A conceptual definition of export performance addresses two parts: export and performance. Export is the international marketing related decisions and activities of internationally active firms (Neviv and Cavugil, 2017).

The over-tone of the word performance, in the literature sense, does not pose any problem for it is the act of carrying out or accomplishing something such as a task or action. When it comes to economics, this word has been defined in many ways and no unifying principle has underlined its quantification. However, in the context of current study, Export performance is defined as: (i) the success or failure of the efforts of a nation to sell domestically produced goods and services in other nations markets (Zou and Stan, 2021) (Stan, 2018); (ii) the export effectiveness, export efficiency and continuous engagement in exporting (Shohom, 2017); (iii) the composite outcome a nation's international sales (Shoham, 2017); and (iv) the three sub-dimensions which encompasses sales, profit and growth (Madsen, 2020).

Many researchers investigating about how firms perform in exporting have identified a lot of factors as determinants of export performance (Abay and Slater, 2019). These determinants have been classified differently; however, a major classification has been as controllable and uncontrollable.

The controllable determinants are internal firm-level and uncontrollable are external environmental determinants (Abay and Slater, 2019). (Siringoringo, 2019) Identified four groups: external, operational, internal and informational barriers, whereas (Leonidou et.al, 2018) moved from the basic distinction between internal barriers associated with organizational resources/capabilities and the company's export strategy and external barriers related to the home and host environment within which the firm operates.

Classifying the determinants of export performance into internal and external factors is theoretically justified as the two categories correspond to different theoretical bases. Specifically, internal determinants are justified by the resource-based theory, while external determinants are supported by the industrial organization theory.

The resource-based theory conceives a firm as a unique bundle of tangible and intangible “resources” (assets, capabilities, processes, managerial attributes, information, and knowledge) that are controlled by a firm and that enable it to conceive and implement strategies aimed at improving its efficiency and effectiveness. The resource-based theory contends that the principal determinants of a firm’s export performance and strategy are the internal organization resources. In contrast, the industrial organization (IO) theory argues that the external factors determine the firm’s strategy, which in turn determines economic performance.

The logic is that the external environment imposes pressures to which a firm must adapt in order to survive and prosper (O’cass, 2002) (Julian, 2020). Therefore, discussing the findings of this review along the internal versus external and controllable versus uncontrollable dimensions is theoretically sound and practically significant. Hence, in this study, those determinants of export performance relevant to the topic identified from different kinds of literature including both internal factors of exporters and external conditions more specifically government support services and export related facilities are reviewed as follows.

According to the World Bank, Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. It includes the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services.

(Alemayehu, 2019) Has clearly stated different trade theories that answer the question why trade between countries exist. For mercantilist the desire to accumulate precious metal (gold bullion) was an important matter. Against this background the principal of the classical school, absolute and comparative advantages have emerged. The rigidity of the classical schools assumptions about the structure of costs, among others, led to the evolution of the neoclassical (or orthodox) trade theories. This theory was followed by trade theories based on technological gaps and imperfect competition models (Alemayehu, 2019).

2.1 Export Performance and its Determinants in developing countries

Export performance is the relative success or failure of the efforts of a firm or nation to sell domestically produced goods and services in other nations and it can be described in objective terms such as sales, profits, or marketing measures or by objective measures such as distributor or customer satisfaction, (Allaro, 2018). When we look at the export share of the African continent in the world trade, it has been experiencing a gradual decline since 1960. The share of the Africa's export in the world export which stood at 5.52% in 1960 declined gradually to 2.87% in 2007 before increasing to 3.45% in 2008. This share in total world export is far below the share of the Asian continent in world trade has been enjoying an upward trend the share of the African continent and the developing America continent. Thus the trends showed that Africa has been losing market shares in exports in relative terms. Perhaps, this dismal trend can be linked to the composition of Africans merchandise trade. There is also depressing performance in terms of agricultural raw materials exports. Except for a country such as Benin that has over 50% of its exports in agricultural raw materials, a sizable number of the SSA countries share of the exports are below 20% (Adetunji, 2011) (Busari, 2021).

Mold and (prizzon, 2018) also tried to indicate that one of the most extensively cited stylized facts of African trade performance is that the continents share in world merchandise trade, measured in value terms, has declined steadily since 1980, from around 6 per cent to around 2 per cent in the late 1990s, with a subsequent mild recovery in the 2000s to around 3 percent. That decline in the world share of exports has been particularly marked for Western and Southern Africa. However, as (Morrissey, 2005) argues, this does not mean that trade is unimportant for Africa: compared to other developing country regions, Sub-Saharan Africa (SSA) tends to have high export/GDP and Import/GDP ratios that are higher ratio of trade to GDP.

Based on the trade theory of Comparative advantage, Africa continues to produce and export its raw materials or primary goods, where it is said to have the comparative advantage as (Amin et.al, 2007) identified. But the comparative advantage theory has been disappointing as African countries have been forced in to the role of exporting raw material and other primary commodities with little or no development impact. Most of the Sub-Saharan African countries depend almost on primary commodities for their foreign exchange earnings.

According to (Ibrahim, 2021), in developing countries, especially Sub-Saharan African (SSA) countries, pattern of exportable goods is dominated by primary agricultural products. There are very limited accesses in the international markets for the export of processed and semi-processed agricultural products; moreover the countries are facing a decline in the prices of primary goods in the international market. However, LDCs basic focus was only to solve problems related to supply side bottleneck without paying much attention to the demand side problems or in some cases taking the demand side for granted. The export sector of SSA is highly affected not only by domestic policies but also by international policies including the performance of the world economy and other exogenous factors like institutions, government's commitment, natural resource and intensity and prevalence of poverty.

On the other hand, according to a study conducted by (Busari, 2021), SSA countries have significantly liberalized their trade regimes over the past two decades or thereabout. Although, the pace and patterns of trade policy reform vary among countries, the general trend tends towards lower barriers to trade. This is evident in the significant reduction of tariffs and non-tariff barriers, removal of exchange rate control and elimination of export marketing boards among other trade reform measures. While the study was able to confirm the distortions caused by trade barriers on export performance, there is not much evidence that the adoption of trade policy reforms since, the mid 1980th have produced a significant agricultural export response. Declining infrastructure investment, particularly transport infrastructure (air/sea port, railways and roads) have generated substantial transaction costs and dampened the response of agricultural exports to the more favorable trade environment being witnessed, since the mid-1980s.

In addition, factors external to an individual country such as relative prices and income of trading partners appears to be more important determinants of exports than a country own structural adjustment policies. This, however, does not imply that, at the margin, structural adjustment policy reform is not beneficial. The simple point is that there are many factors other than a structural policy that helps explain the poor agricultural export performance of SSA countries. Domestic policies are necessary to reduce the various constraints on supply response increase transport and marketing efficiency and encouraging investment. To benefit from agricultural trade, SSA countries need to increase the flexibility and efficiency of resource use so that they can be competitive in global markets.

(Fugazza, 2018) Also classified determinants of export performance into external and internal factors like (Allaro, 2018) where external factors are related to market access conditions and other factors affecting import demand. Apart from trade barriers and competition factors foreign market access is also determined by transportation costs, which include geography and physical infrastructures. On the other hand internal factors refer to supply side conditions. Supply capacity is also affected by location -related to elements, which may for example; affect access to raw materials and other resources. It also depends up on factor costs such as labor and capital. He also stated that, besides resource endowment, factor costs are essentially the outcome of economic policy and the institutional environment. Access to technology, which is likely to affect the productivity of the external sector, may be also an important determinant according to the above author.

On the other hand (Charles and D Jebuni, 2022) outlined that the availability and quality of infrastructural services are critical to economic activity in terms of determining the costs, profitability and viability of different economic activities. They also influence the attractiveness of different countries/locations for investment, and the type of economic activities.

In general since the export sector is affected by a multiplicity of causes in low income countries especially Sub-Saharan African countries there have to be a precise analysis concerning this sector.

2.2 Ethiopia's oilseed Export performance

(Haile, 2016), Oilseeds are high value export products standing as the second foreign exchange earner products of Ethiopia. Growth and improvement of the oilseed sector can substantially contribute to the economic development at national, regional and family levels. Among oil seeds, sesame is by far the major export product in terms of both export quantity and value following coffee. Ethiopia has high quality sesame seed varieties that are suitable for a wide range of applications, the Humera, Gondar and Wellega types being the major ones.

Many smallholders and a limited number of large commercial farms grow sesame seeds. Sesame is utilized as a cash crop both for major and minor producing areas. Sesame production is characterized by labor intensive, low-input rain-fed agriculture. Current productivity levels are low but the potentials to increase the production and productivity are huge. Sesame productivity can be increased with higher input levels and improved technologies. Arable virgin fertile lands are also available and can offer good opportunities for organic and sustainable sesame production. These areas can be cultivated on a large scale and can meet organic certification standards. Sesame seeds provide a good base for acquiring a comparative advantage on the world market. In this regard, the government enhances investments in commercial agriculture with an extended package of incentives for investors.

The major sesame producing regions in Ethiopia are Tigray, Amhara, Oromia and Benshangul Gumuz which contribute more than 90% of total sesame output. Amhara, Tigray and Oromia contribute 94.4% of national aggregate sesame production (i.e. 44.1%, 43.4% and 6.9% respectively) in the year 2018/19.

More than 580,000 small holder farmers are reported to have been engaged in sesame farming that cultivated 185,912 hectares in 2018/19 during the main cropping season and contributed 56.4% of production. Private commercial farms had a share of 43.6% of total sesame production in the stated year. Unlike other cereal crops, the bulk of the harvest (more than 70%), of sesame is marketed. The percentage of yield utilized for sale varies across the producing regions. It ranges between 62.2 % in Amhara and an estimated 79.8 % in Tigray. This signifies that sesame is mainly produced as a cash crop.

Hitherto, sesame trading in Ethiopia was characterized by a long value chain, which includes producers, village traders or collectors, brokers/wholesalers, exporters, retailers and local consumers. Smallholders in the Ethiopian sesame seeds value chain depend on middlemen, due to the small quantities to be sold and lack of efficient market information system. Under this traditional market, small holder producers had a low bargaining power. Price discovery was not based on forces of demand and supply and do not reflect current international market prices. Information asymmetry and vertical integration of market were typical characteristics of the then prevailing market. This traditional sesame trading practice is now transformed to be traded exclusively through the ECX market (Annual magazine ECX, 2018).

The buying price of sesame for export is largely determined by the evenness (uniformity) of color, taste, dryness and purity. These are important purchasing requirements for importers. In the last five years, both the production and export of sesame is expanding and the country's exports are performing better in the growing world market. In the stated years, Ethiopia ranks 5th in export quantity and revenue following India, Myanmar, China and Sudan. Since sesame contributes more than 89% of the export earning of oil seeds it has become the 2nd foreign currency earning crop after coffee. Ethiopian sesame seed market covers quiet a wide range of countries all over the world. The growing demand in the world market and the available capacity to expand sesame production signify its potential to contribute to the economic growth of Ethiopia.

Despite some operational problems that need to be addressed, the performance of sesame marketing in the ECX market is so far very promising. All stakeholders, specifically small holder farmers and traders (suppliers) are well aware of the new market system and are fully involved in it. However, sesame production and marketing in Ethiopia is still faced with various challenges that need to be addressed. These include fluctuation in foreign price level, a low level of productivity, poor quality, poor market information system and underdeveloped market infrastructure among others. Market infrastructures are poorly developed in the major producing areas. The absence of adequate road network, market information, and foreign market level are still major challenges which need to be addressed to improve the quantity and quality of sesame production and marketing. Hence, sesame exporters are facing problems of impurities such as dirt, branches, stones, etc. This poor quality of sesame supply with high impurity level needs more cleaning costs to get it ready for export. This, in turn lowers the competitiveness of sesame export. Because of the low quality of sesame, importers in many developed countries purchase sesame seeds and resale it at a very high price through adding value in cleaning and hulling. Reducing this wide gap in the selling price of sesame requires quality improvement at all level (ECX, (2018).

2.3 Ethiopia's Pulses Export performance

According to pulse sector investment profile (2018), Pulses form a substantial portion of Ethiopia's diet, especially for peri-urban and rural consumers, and its domestic demand rises from time to time, along with its domestic price. White pea beans and chickpeas are important crops within the Ethiopian pulses export sector. Ethiopia exports a sizeable amount of pulses to the global market. The total export volume and value of pulses has increased from 224,875 tons in 2016/17 to 353,646 tons in 2018/19, and US\$ 137.9 million in 2010/11 to US\$ 251.02 million in 2013/14 respectively. Based on export earnings in 2018/19, pulses are Ethiopia's fifth most important export crop. Some chief export pulses are chickpeas, faba beans, field peas, haricot beans, and lentils. Pulses are the fifth largest export crop, after coffee (21.9%), oilseeds (20%), gold (14%) and chat

(9.1%), with a share of 7.7% contributing US\$ 250.7 million to export earnings in 2017/18, EIC, (2021). Ethiopia exports pulses to numerous African countries, as well as in Asia, Europe, the Middle East and the United States of America. Some chief pulse destinations are Yemen, the Republic of the Sudan, the United Arab Emirates and South Africa. These countries' importance as a destination for Ethiopia's pulses fluctuates from year to year. Whereas demand for Ethiopian pulses rose steadily in Italy, India and Yemen, Romania, the Kingdom of the Netherlands and the Kingdom of Belgium, demand was inconsistent for the United Arab Emirates, the Sudan, the Islamic Republic of Pakistan, the Kingdom of Morocco and the Kingdom of Saudi Arabia. Therefore, Ethiopia must work on ensuring a constant demand for its pulse exports, but it will be challenging to sustain continual demand by country. The export coverage of import has been 33.3%, 28.9% and 26.8% for the years 2016/17, 2018/19, 2020/21 respectively (Seid, 2022).

2.4 Internal and External Determinants for Performance of Export

Determinants of export performance can be split into external and internal components. External components include market access/entry conditions and a country's location vis à vis international markets. Internal components are related to supply-side conditions. Foreign demand is influenced by various elements. Firstly, it is strongly linked to geography (the structural component). Typically, countries at the centre of a fast growing region are more likely to benefit, *ceteris paribus*, than countries situated outside that region. Second, it is likely to be related to competition and trade policy (the market access/entry component), which could have, in principle, a similar impact on trade than geography. Finally, both the quantity and quality of physical infrastructures (the development component) are expected to play important roles (Yishak, 2018)

Internal export barriers are intrinsic to the firm and are usually associated with different firm-level determinants, such as: firm specific characteristics and product characteristics (Julian and O'cass, 2021); firm structural characteristics, market orientation, market

strategy factors, management attitude and perception, export marketing strategy and marketing mix variables (Zou and Stan, 2021). Even though there are many Export Performance determinants studied by various researchers such as, terms of Trade, (TOT) Trade openness (TO), Exchange growth rate (EGR), Foreign Direct investment (FDI), but keeping these constant and the writers need to analyze other determinants which the researchers face in his regular tasks and informally raised by market actors during field visits like, Foreign price level, productivity, Infrastructure, Real Effective Exchange Rate and product quality are determinants of pulse and oilseeds export in Ethiopia (Yetsedaw, 2016).

1. Foreign Price Level

The price of exports on the international market is one of the major determinants of export growth especially for countries which depend on the exportation of agricultural products whose prices fluctuate from time to time. A study in South Africa by Edwards and (Golub,2004) found that foreign prices have a strong impact on manufacturing sector's export growth. They used time series data and got a significant positive coefficient of foreign prices. A similar study in Sub Saharan African countries by (Rafik and Svedberg, 2015) also revealed that protection in form of export quotas and price decline of primary commodities accounted for one third of the total world market share loss by Sub Saharan Africa.

Production /productivity

World supply is the greatest factor affecting farm pulse price changes from year to year. Planting intentions or acres planted area first indicator of what production levels (supply) might be expected. Production, of course, is very dependent on weather conditions. Extreme weather conditions (drought, excessive moisture, early freezing, etc.) impact yields, production and supply levels.

In addition to price expectations, a key factor influencing acres planted in any region is the economic competitiveness of pulse crops compared with other potential crops the producer might consider. Pulse crops are grown in both the Northern and Southern hemispheres, where planting and harvesting seasons vary, again adding complexity to an understanding of the global pulse industry's supply-demand conditions.

Productivity is below potential due to: low input usage, especially chemical fertilizers capable of increasing yields in field trials by 10 to 80 percent; limited availability of seed and limited familiarity with the variety of existing pulse types, and; limited usage of modern agronomic practices. The recent increase in sesame seed production in Ethiopia, up to 400,000 metric tons, was more as a result of land area used for cultivation of the crop than the increase in productivity. The near stable yield of the past decades is no more the case on the ground and in some area of the North West part of the country sesame yield per hectare is alarmingly low. There are reports indicates that in some mentioned areas the productivity of both commercial and small farmers is going down below 3 quintals/ha. This situation has caused productivity of the crop per hectare to be very far below the Estimated FAO potential yield, which is about 16 quintals/ha, Ministry of Agriculture, annual report(2018).

The challenges facing Ethiopian oilseeds and pulses involve how to increase its yield, considering that the current trend showed increased productivity was not a bumper harvest as a result of farm plots productivity but rather achieved through the unsustainable way of increased land area for cultivation of the crop. It is there for, high time that stakeholders come out with measures and new technologies that can sustain and increase the productivity of the crop in Ethiopia. Twelve species of pulses are farmed in Ethiopia. Of the different varieties, faba beans (commonly known as horse beans) account for the largest share of production, at 36%, followed by haricot beans (17%) and chickpeas (15.3 %). Other pulses, such as mung beans, lupines, lentils, dry peas and vetches, make up the remaining 31.7% Shahidur Rashid et al., (2016).

Lentils and chickpea are predominantly cultivated on dark soils on residual moisture – a prevalent type of soil in Oromiya's North and West Shewa zones, South Wollo, South and North Gonder, the East Tigray zone, Amhara's West and East Gojam zones and the Goro zones of the Southern Nations Nationalities and People's Region (SNNPR). Field peas and faba beans are cultivated throughout the main season on black and red soils, predominantly in Oromiya, Tigray, Amhara and SNNP regional states. Haricot beans are grown in the warmer and fairly dry parts of Ethiopia, mostly along the Rift Valley, and production is increasing in the SNNP region, and Benshangul-Gumuz and Gambella regional states (Ministry of trade, 2018).

Smallholders cultivate 95% of the harvested area and 90% to 95% of pulses, oilseeds and cereals production (CSA, NBE, MoFED). Cultivation of pulses like chickpeas, red kidney beans and white pea beans is common in Ethiopia and is carried out in both the highland and lowland areas of the country, mainly by peasant farmers. The country also has a number of pulse-processing factories. Pulses, especially red kidney beans, are produced through major cooperatives that exist along the major regions of Ethiopia, such as Tsehay and Mrcha Union in Oromiya. Chickpeas are exported with a contract-based linkage between large-sized business and small farmers' organizations (unions) such as ACOS Ethiopia. While pulses are grown throughout Ethiopia, production is mostly in the Oromia and Amhara regions – combined, these regions account for 79% of field pea production, 79% of haricot bean (including white pea bean) production, 85% of faba bean production and 92% of chickpea production NABC and FMECWM,2015

Small scale farmers in Ethiopia grow various crops for own consumption and economic benefits. Pulses are among the crops produced in all the regions of the country after cereals (CSA, NBE, MoFED, Statistics, 2022)

According to the Ethiopian Pulses, Oilseeds and Spices, Exporters Association, the country secured 466 million USD from the export of oilseeds and pulses in 2015/2016 fiscal year, it has shown an over 20% increase compared to the 2014/2015 fiscal year. The significant potential is evident for productivity gains in the pulses sector. National pulses productivity on average was 15.52% in 2014/15. Comparisons between existing yields with worldwide and on-farm trial benchmarks reveal that Ethiopia has significantly lower yields of faba beans and chickpeas than international yields and on- farm trial suggest is possible.

For instance In 2015/16 pulses production is expected to be 16,417 thousand qt, it decreases by 19.7% from 2014/2015 and similarly the land cultivated for pulses have also decreased by 19.4%.

2. Product Quality

The most recognized definition of quality is one based on physical specifications, including foreign material, color, damage and degree of soundness. Competition in the international pulse markets continually will push the standards for quality to higher levels as suppliers attempt to differentiate their product from that of the competition. Consistency arguably is the most important aspect of quality and convincing the customer, whether domestic or international, to accept the product.

Estimates suggest that the magnitude of post-harvest loss in Ethiopia was tremendous ranging from 5% to 26% for different crops. This figure is quite large especially for Ethiopia where great majority of people is food insecure. Post-harvest grain loss is the loss of grains (quality and/or quantity) between the moments of harvest and consumption. Grain storage is the practice of keeping grain in store houses, heaps, bulks and bags in such a way that seeds should retain both food and seedling value, provided with certain conditions like ventilation, fumigation and optimum temperature and humidity. Whereas, the purpose of storing seeds is to preserve planting stocks from one season until the next. Crop losses occur at all stages of the post-harvest handling, including pre-processing, transportation, storage, processing and packaging and marketing. Grain losses could arise either from poor post-harvest handling or from production over and above the capacity of the available stores, or both. It is therefore important to recognize that post-harvest grain management (PHGM) practices and capacities (and not just production and marketing) are important for many reasons including the achievement of food security objective (MOA, 2009)

Oilseed and Pulses quality is an ill-defined term that means different things to different people. It largely depends on the grain type and its end use. It includes a range of properties that can be defined in terms of physical (moisture content, test weight, kernel size, total damaged kernels, heat damage, broken kernels, stress cracking, breakage susceptibility), sanitary (fungi and mycotoxin count, insects and insect fragments, rodent excrements, foreign material, toxic seeds, pesticide residue, odor, dust), and intrinsic (milling yield, oil content, protein content, hardness, density, starch content, feed value, viability, storability) quality characteristics.

Sesame quality grading was performed by the Ethiopian Quality and Standards Authority until the recent inclusion of sesame in the Ethiopia Commodity Exchange (ECX) system. Export sesame seed types have to fulfill the standards set by the authority as well as the minimum agreed international standards. Ethiopian sesame is identified and graded as Humera/Gondar, Wellega and red sesame each having mixed types and its oil content ranges 43-56%. The minimum international standard of oil content is 52%, 48%, and 45% for first, second and third grades respectively. On the other hand, the minimum acceptable moisture content is 6-8% for all grades (Winands and Biersteker, 2023).

Before reaching at export processing and storage level, sesame production in Ethiopia has to pass through a series of long chains as explained in section 5.3.(MoARD,2006/07) disclosed that sesame exporters are facing problems of impurities such as dirt, branches, stones etc. The percentage of these foreign bodies is estimated to be 7 - 9%, whereas the internationally agreed standard is 2% for first grade, 4% for second, and 6% for third grade sesame. Cleaning this low quality sesame to make it exportable would obviously require high costs of labor and machinery which in turn reduces competitiveness in the global market.

3. Infrastructure/ rural feeder roads

A key component of any logistics program is transportation management and economics-essentially, the logistics and costs associated with the movement of your supplies and products from A to B. Managing your transportation program have never been more crucial to business success. In terms of *logistics*, your competitive advantage depends on an ability to maintain production schedules and the efficient delivery of product to international markets. In terms of cost, transportation constitutes the single largest segment of overall logistics cost and must be managed carefully to avoid negative impact on your firm's bottom line. One of the major factors affecting export supply capacity is the domestic transport infrastructure. It is likely to play an important role especially in the early stages of export sector development (UNCTAD, 2005). Most African countries are characterized by poor transport infrastructure, which is a major impediment to trade, competitiveness and sustainable development (UNCTAD, (2002),UNIDO, 2020); (Bacchetta, 2017)), and isolates countries, inhibiting their participation in global production networks. Due to poor internal transport infrastructure African transport costs are high making their exports expensive and uncompetitive and reducing foreign earnings from exports (UNCTAD, 2022). The analysis of African trade flow shows that their relative volume is low due to poor infrastructure (Limao and venables, 2019) Therefore, improvements in transportation services and infrastructure can lead to improvements in export performance (Fugazza, 2018) (Clarke, 2005) (Francois, 2006) (Edward and odendaal,, 2020).

It has been shown that infrastructure affects trade via altering transport costs (Lima and Venables, 2019); (Edward and Odendaal, 2020). In this context, (Edward and Odendaal, 2020) argue that infrastructure directly affects transport costs by determining the type of transport used (for example, the type and quality of roads determines the maximum size of trucks) and delivery time for the goods. (Bagozzi et al., 2019) have analyzed the effects of infrastructure on trade through its influence on transport costs and found a positive relationship between the quality of infrastructure and the volume of trade. (Fugazza, 2018) also finds that the internal transport infrastructure has a significant and positive impact in raising exports. The overall logistics performance is low in Ethiopia compared to relevant peers. As per the reports of World Bank Report, 2013, [24] the World Bank Logistics Performance Index (LPI) provides a comprehensive measure of the state of trade logistics in a country facilitates comparisons with other countries. Ethiopia ranks at the lower end of the surveyed countries (141 out of 155 countries in 2012). It is below not only the average for sub-Saharan Africa in all the six key dimensions of logistics performance measured, but also lags behind in the direct comparison with neighboring Kenya and Tanzania; yet it is only slightly lower performing as landlocked Rwanda. Ethiopia is generally considered “logistics unfriendly.” The difference from individual countries in East Asia such as China, Korea, and Vietnam, as well as the grouping of East Asia and Pacific, is even starker. The logistics system in Ethiopia is not improving over time. According to the LPI; the ranking of Ethiopia shows a relative deterioration between 2007 and 2012. In the first LPI of 2007, Ethiopia still ranked 104 out of 150 economies; in 2010, it ranked 123 out of 155 economies; and in the most recent version in 2012, Ethiopia reached only 141 out of 155.

The situation gets even more worrisome if one includes the consideration Djibouti, Ethiopia’s only gateway to the world in terms of land transportation. Djibouti ranked 145, 126, and 154, respectively for 2007, 2010, and 2012 (World Bank, 2013). According to infrastructure development in Ethiopia, the 2012/13 World Economic Forum (WEF) World Competitiveness Report, has ranked 119 out of 144, countries which is far behind Vietnam and China (95 and 48, respectively), but relatively better than Tanzania and Uganda (132 and 133, respectively) (Bank, 2019).

4. Real Effective Exchange Rate

The price of one currency in terms of another is called exchange rate. Exchange rates play a central role in international trade because they allow the computation of the relative prices of goods and services produced in different countries thereby allowing the comparison of those prices across countries. Changes in exchange rates are described either as depreciations or appreciations.

There are two indicators to measure exchange rate changes. These are Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER). The NEER is a weighted average of major bilateral nominal exchange rates, with weights based on the trade shares reflecting the relative importance of each currency in the effective exchange rate basket. Real Effective Exchange Rate (REER) is based on the IMF definition of the real exchange rate that is real exchange rate as price of domestic currency against foreign currency. The calculation of the average real exchange $REER = E \cdot P^* / P$ Where E is the nominal exchange rate, P^* is the consumer price index of the foreign country and P is the domestic consumer price index (Ethiopia in this case).

Depreciation of the real exchange rate enhances the competitiveness of the domestic goods and for the foreign goods. On the other hand, an appreciation in real exchange rate will decrease competitiveness of home goods in international markets. Therefore, there is a positive relationship between exchange rate and export growth rate or performance. Meanwhile, the real effective exchange rate (REER) of the Birr has been appreciating since 2010/11 due to higher domestic inflation relative to that of its major trading Partners. Yet, in 2018/19, the REER appreciation was merely 1.1 percent compared to 11.9 percent in 2016/17 due to slowdown in domestic inflation.

2.5 Empirical Literature Review

Export is broadly defined, as the change in the composition of a country's existing export product mix or export destination (Solomon and Semen, 2019) and (Siegel, 1991). Many developing countries follow export led growth strategy; Export diversification is considered as the progression from traditional to non-traditional exports. By providing a broader base of exports diversification which enables to lower instability in export earnings and get better growth through improved technological capabilities via broad scientific and technical training as well as learning by doing, facilitation of forwarding and backward linkages. Developing countries have been struggling with the challenge of expanding and diversifying their export baskets for a long time. When the export is concentrated in a few primary commodities, there can be serious economic and political risks by reducing foreign exchange earning which are relevant to those developing countries that leads scarcity of machineries. Due to unemployment increases and the country may become politically unstable therefore, export diversification aims at mitigating these economic and political risks. By the same taken many researchers put their own findings as stated bellow.

(Lages L, Luis F, Cristiana RL, 2018) Reported Export performances are the relative success or failure of the efforts of a firm or nation to sell domestically produced goods and services in other nations. Export performance can be described in objective terms such as sales, profits, or marketing measures or by subjective measures such as distributor or customer satisfaction. Determinants of export performance can be split into external and internal components. External components include market access/entry conditions and a country's location which include international markets. Internal components are related to supply-side conditions. Foreign demand is influenced by various elements. Firstly, it is strongly linked to geography (the structural component). Typically, countries at the center of a fast growing region are more likely to benefit than countries situated outside that region. Second, it is likely to be related to competition and trade policy (the market access/entry component), which could have, in principle, a similar impact on trade than geography. Finally, both the quantity and quality of physical infrastructures (the development component) are expected to play important roles.

(AgashaNimrod, 2015- 2021)Used VEC model to analyze the determinants of export growth rate in Uganda using quarterly data from 1987- 2006. The researcher estimated export growth rate as a function of Gross Domestic Product (GDP), Terms of Trade (ToT), Real Effective Exchange Rate (REER), Foreign Price level and Foreign Direct Investment (FDI). The results from the long run co-integrating regression show that Gross Domestic Product, Real Exchange Rate and Terms of Trade to affect export growth rate positively and significantly while Foreign Price level were found to affect export growth rate negatively & significantly. FDI was found to be insignificant.

A more comprehensive study on African countries employed a dynamic panel data set for 48 African countries over the period 1987 to 2006 to identify the key determinants of export performance. (AgashaNimrod, 2015- 2021) The results from the pooled regression reveal that unit price of exports, real effective exchange rate, taxes on trade and diversification index to affect export volumes negatively and significantly while income per capita, and share of manufacturing in GDP and FDI inflows as a percentage of GDP to affect export volumes positively & insignificantly during the period 1987 to 2006. A periodic analysis of the same data shows that elasticity of unit price of exports was significant (126%) and negative during 1987 to 2001 while positive and insignificant during 2002 to 2006, Mold and Prizzon (2008).

Edwards and Alves (2005) analyzed the determinants of manufacturing export supply in South Africa used a panel data set of 28 manufacturing sectors using import substitution model. The researchers used dynamic fixed effects (DFE) & Generalized Method of Moments (GMM).

The outcome from the equation estimated on export supply determinants reveal that South African total manufacturing export volume is positively & significantly influenced by relative prices or real effective exchange rate, real foreign income, skilled to unskilled labor ratio and import penetration and rail capacity. On the other hand output deviation from the trend was found to have a negative significant impact, supporting the vent for the surplus hypothesis for South Africa. Unit labor costs and output trend were found to have insignificant influence on agricultural export performance.

On a study made on the factors affecting export performance in three different export categories; total merchandise exports, manufacturing exports & exports of machinery & equipment on nine East & South East Asian countries; China, Hong Kong, Korea Republic, Malaysia, Philippines, Singapore, Taipei, Thailand & Indonesia, used quarterly data from 1990 to 2006. The researcher used Imperfect Substitutions Model & estimated the model using General to Specific Modeling procedure due to variables being stationary in different orders. Results from the long run equation reveal that real exchange rate to have different elasticity's in the three export categories, it was found to have the highest elasticity for merchandise export while lowest elasticity for exports of machinery & transport equipment. Real exchange rate impact also varies among the nine countries, it was found to have the lowest elasticity for the Philippines while the largest elasticity for Indonesia. Contrary to real exchange rate influences, world demand was found to have the highest impact on exports of machinery and transport equipment & lowest impact for merchandise export.

Though the impact of world demand on other countries, Export has been significant, it was found to be insignificant for Indonesia's export in all the three categories. The coefficient of world demand was highly elastic for China, more than one, but less than one for the other countries in the group. Production capacity was found to affect positively and significantly all countries exports. Menji (2010) investigated export performance and determinants in Ethiopia using imperfect substitution model from the period 1981 to 2008. The author used an export function, which estimated by using the export demand and export supply equations. Export - demand equation was collectively expressed as a function of domestic price of exports, nominal exchange rate, foreign price level, real foreign income whereas export- supply function is expressed as a function of domestic price of exports, domestic price level, and a set of other variables which affect export supply such as production cost, trade liberalization, production capacity and others.

The results of the two model showed that merchandise export volumes are significantly influenced by gross capital formation and share of trade in GDP while other variables; terms of trade, real effective exchange rate, foreign income, and foreign direct investment were found to be insignificant. Manufacturing exports equation revealed the foreign income negatively and significantly affected manufacturing exports supply, while the effect of gross capital formation manufacturing export supply was However, the effect of terms of trade, real effective exchange rate, the share of trade in GDP, and foreign direct investment on manufacturing export supply found to be insignificant. The study concludes with recommendations to increase the share of manufactured exports and diversify export base of the country.

(Tekeste, 2018)in his study using co-integration and error correlation models identified some of the main determinants of agricultural export in Ethiopia for the period 1980 to 2010. Empirically tested the relationship between agricultural export performance and its major selected determinants such as terms of trade, gross domestic product, domestic price, world price, kilometers paved roads, and fertilizer input import, and found that all the explanatory variables significantly affect agricultural export performance. (Muhabaw, 2017)has investigated determinants of export performance in Ethiopia using a time series analysis from the period 1974-2011. The author used export equation as a function of trade openness, terms of trade, real effective exchange rate, capital expenditure, real gross domestic product, and domestic credit. His result shows that trade openness, real effective exchange rate, capital expenditure and domestic credit were the significant determinants of the country's exports.

Similarly (N.gouhouo and Makolle, 2021) analyzed empirically the determinants of export trade in Cameroon from 1970 to 2008. The author employed the two Stage Least Square methods to show that exchange rate, trade openness and export lag one period are the main determinants of export in Cameroon. However, their findings as common in most Developing Countries are in contradiction with former studies, mostly because the foreign direct investment was found to be not significant in determining the export performance in the country.

(Lakew, 2018) Assess the prospects for export diversification in Ethiopia by empirically investigating the main determinants of the country's exports, on the one hand, and by highlighting the opportunities that are available both at home and abroad including the challenges that the country's export sector is facing in today's globalizing and integrated world, on the other. The study revealed that real exchange rate, real private sector credit and real private consumption are the significant determinants of the country's exports in the long-run. In the short-run, the main export determinants include real GDP, real private sector credit and real private consumption. (Kiros, 2012) Has logically examined the export growth rate and its major factors in the Ethiopian context using time series data for the period 1980-2010. The author has adopted co- integration and error correction model and found significantly positive as well as negative relationship between foreign price level, and terms of trade with the export growth rate respectively. The gross domestic product also positive and significant but it is not strong. So the foreign price level, terms of trade and gross domestic product appear to be major determinants, whereas the real exchange rate and FDI have no significant effect on Ethiopia's export growth rate.

2.6 Conceptual framework of the study

With regard to the key variables that have been discussed in the review of literatures, different authors argue differently on each of the identified factors that determine performance of export. Therefore, it has been tried to draw some summary of these arguments on those factors as to link it with the conceptual framework of the study. The price of exports on the international market is one of the major determinants of export growth and especially for countries which depend on exportation of agricultural Higher GDP values in the exporting country.

It is expected to have to have a positive impact on exports. For instance, Kumar (1998) in his study on the determinants of export growth in developing countries confirmed that GDP has a significant positive impact export volumes. He also underlined that higher level of production is the main cause of export expansion. So, a higher GDP implies a higher production and hence larger volume of exports. Therefore, we expect a positive relationship between the dependent variable and GDP. Quality of the export products is one determinant of products export competitiveness. Quality is often indicated as one of the most important conditions for entering and remaining in foreign markets. There are different quality standards in developing countries (Christensen et. al., 1987). Export product uniqueness (Stan, 2018) its quality and design (Leonidou et.al, 2018) are positively correlated with firms' export performance. The firm's ability to offer a complete product or brand mix in export markets is positively correlated with export performance (Leonidou et.al, 2018). Thus, from this it can be concluded that the better the quality levels of the product the better its performance of export is to be likely.

Real Effective Exchange Rate in the literature, it is recognized that depreciation of the real effective exchange rate has positive contributions for increased exports while real appreciation of the exchange rate is generally associated with a retard in exports. Thus, the importance of maintaining a realistic real exchange rate is being propagated as a policy remedy to ensure the competitiveness of exports in the world market (Prasad, 2021). Index of trade weighted real effective exchange rate is included in the present study, to empirically test the relationship between this variable and the level of exports. The expected sign of this variable is positive

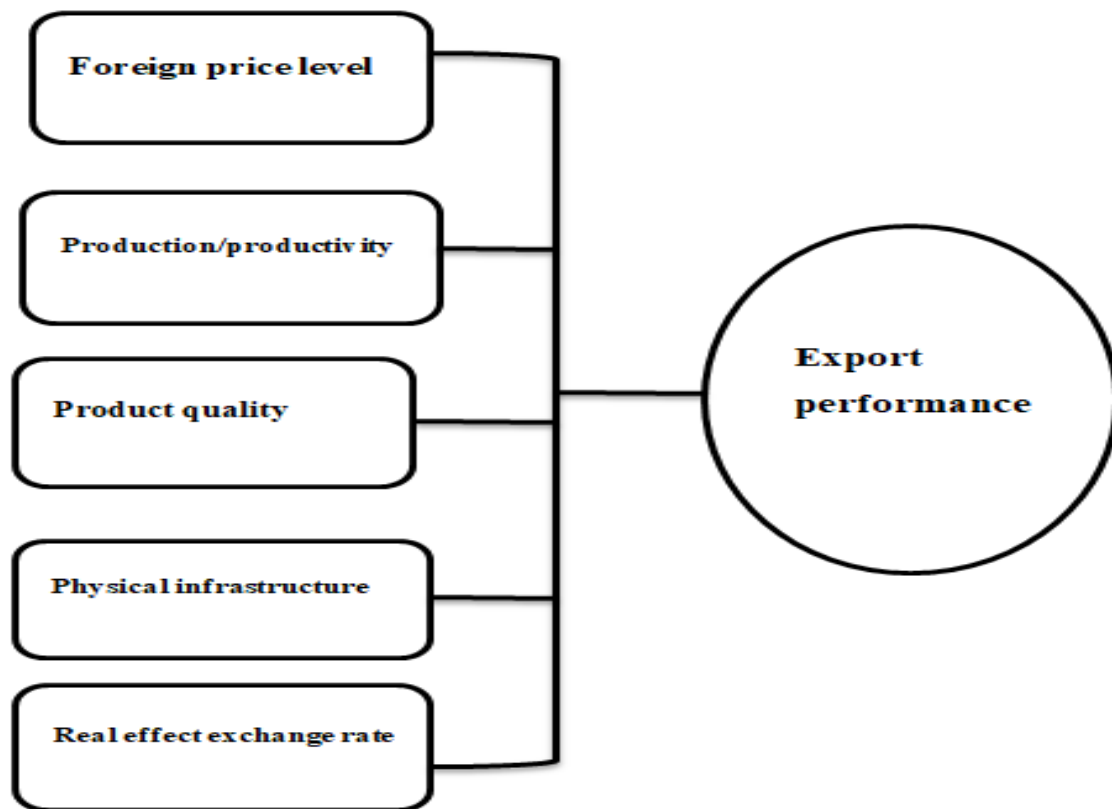
Infrastructure is one of the major non-price factors which affects or constrains exports especially in least developing countries. Of the factors that boost production as well as export supply of commodities, infrastructural facilities come at the forefront. Its development is a key element of countries ability to produce and move goods. Weak infrastructure is a major impediment to trade, competitiveness and sustainable development in most African countries, particularly land-locked and small island countries. It reduces the return to trade and economic activity and hinders growth prospects of a given country.

Infrastructure variable measured by kilometers of total rural feeder roads /the percentage of paved road to total road. In general the determinant variables are believed to influence oilseeds and pulse export performance either directly or indirectly and the diagram shows that the interaction of those variables affect export performance.

Fig2.1. Conceptual Model for determinants of export performance

Independent variable

Dependent variable



Source: *the researcher own diagram, 2025*

The above figure illustrates how five independent variables merge to accomplish movement toward export performance. Export performance should ultimately result from an increase in foreign price level, production, infrastructure/rural paved road quality of products and Real Effective Exchange Rate.

2.7 Critical analysis/literature gap

It observe some of the reviewed empirical studies, despite of using different approaches the results converge while some of them contradict each other. For instance most of the findings support the notion that FDI has a positive influence on export performance. However (Menji,2010) and (AgashaNimrod, 2015- 2021) do no support this contention.

(Tekeste,2012),show the relationship between export performance and the determinants, foreign price level and GDP affect export significantly (Kiros, 2012) in the other way reviewed GDP affect export performance positively and significant but not strong. On the other hand (Lakew, 2018)showed in his study proved that real effect exchange rate is significant determinants of export. (prizzon, 2018) on their studies found the insignificant relationship with real effect exchange rate and export performance. Hence the findings are contradictory this study may resolve the gap between the two.

Considering data analysis method more of the literatures reviewed above has employed the vector auto regressive models to analyze the relationship between export performance and its determinants and some of the data used in these studies was short span averaging twenty to twenty five years. Auto regressive model would probably have to have more lags to be useful for perdition. Having high number of lags leads to over parameterization of the model implying that there is loss in the number of degrees of freedom, especially that they have used many independent variables.as the result, the researcher will employ multiple linear regression models of data analysis and instead of using secondary data the researcher use primary data to assess the performance of oilseeds and pulse export in Ethiopia from the perspectives of the real population/ exporters and the study believed to eradicate high number of lags and over parameterization. Furthermore the study believed to fill the gaps of the above researcher's argument by analyzing critically the relationship between the determinants and the significance on the export performance.

Chapter Three: Research Methodology

Under this chapter, the research approach, the research design, target population of the study, the sampling technique, the method and instrument of data gathering, data analysis techniques and ethical consideration of the study have been presented.

3.1 Research Approach

There are three methods that researchers can use to design their research methodology, according to (Creswell, 2019) these research methodologies include quantitative, qualitative, and mixed methods. In order to address relational questions of research variables, quantitative research can be used. Researchers who use quantitative methods look for explanations and forecasts that will affect other people and places. The goal is to establish, validate, or confirm relationships and create broad generalizations that advance theory (Leedy and Ormord, 2018). However, using a qualitative research approach enables the researcher to examine and comprehend a phenomenon's complexity. It is focused on evaluating attitudes, opinions, and behavior subjectively. For this study only qualitative research approach will employ.

3.2 Study Design

Explanatory research is more in-depth because it explains phenomena and makes an effort to justify why a behavior is a way it is. It enables us to comprehend the very nature of what we are looking at, in other words. For example, this kind of research aims to explain social relationships or events, advance understanding of the structure, progression, and nature of social events, connect factors and elements of problems into generalizations, and develop, test, or revise a theory (John, 2007). (2007) the researcher will apply an explanatory research design to address the issues and research questions.

3.3 Study area

This study will be conducted on pulse and oilseeds export. The study engaged in identifying exporter's perceived factors which determine the performance of Pulse and oilseeds export of Ethiopia. To identify those factors data would be collected from exporters found in Addis Ababa City Administration and its surrounding.

3.4 Population of the study

The population of this study includes selected exporters of oilseeds and pulse in Ethiopia. Sampling procedure involves all oilseeds and pulse exporters in Ethiopia. Oilseeds and pulse exporters in and around Addis Ababa will identify as the best sampling frame available in Ethiopia to the target population.

3.5. Sampling Design and Techniques

3.5.1 Sampling techniques

Probability sampling, simple random sampling technique has been employed. It is the ease of assembling the sample. It is also considered as a fair way of selecting a sample from a given population since every member is given equal opportunities of being selected. Another key feature of simple random sampling is its representativeness of the population. Theoretically, the only thing that can compromise its representativeness is luck. If the sample is not representative of the population, the random variation is called sampling error. An unbiased random selection and a representative sample are important in drawing conclusions from the results of a study. Remember that one of the goals of research is to be able to make conclusions pertaining to the population from the results obtained from a sample. Due to the representativeness of a sample obtained by simple random sampling, it is reasonable to make generalizations from the results of the sample back to the population.

3.5.2 Target Population

The target population of the study would be oilseeds and pulse exporters found in Addis Ababa. Before the preliminary survey undertaken by the researcher the total population of oilseeds and pulse exporters had been collected from Ministry of trade registration and licensing department and from Ministry of trade IT department data base and the total exporters of oilseeds and pulse are 200 Among the population 92 are oilseeds exporters and 108 are pulse exporters.

3.5.3 Sample Size

In order to determine the representative sample sizes for the total target population of this study, the researcher applied Yamane's (1967) simplified formula. Accordingly, the required sample size at a 95 % confidence level with a degree of variability (the more homogenous a population the smallest sample size required to be, to obtain a given level of precision). The required sample size can be calculated according to Yamane's formula the uppermost part is for 5%, and the lower one for a 10% level of significance. For this study, the level of precision in the middle of the upper and uppermost parts equal to 5% is used to obtain a required sample that represents a true population.

$$n = \frac{N}{1+N(e^2)} \qquad n = \frac{200}{1+200(0.05^2)} = 130$$

Where “n” is the sample size, “N” is the total population, and “e” is the level of precision. From the total population, 130 respondents were selected from the total 200 employees by simple random sampling technique

3.6 Source of Data

In this study, to improve data quality through cross-checking, several data sources would be used. The data required for the analysis would be collected from primary and secondary sources. The selection of data is based on a good understanding of the operation. Primary data would be collect using structured questionnaires. Secondary data is collected from documents and reports.

3.7 Methods of Data Collection

Primary data would be collected using a structured questionnaire distributed to Exporter Company's. Structured questionnaires are used to collect information clearly and simply. Unstructured questionnaires are used to collect information that requires a thorough understanding of the topic under study. However, it can be difficult to categorize and measure. Therefore, it should be interpreted with caution. Both questionnaires have their limitations. (Dawson, 2002) states that to overcome the limitations of both types, a semi-structured questionnaire should be used and that researchers should preferably use a combination of both. In this study, the researcher used structured questionnaire. The questionnaire consists of structured five-point Likert scale questions with close-ended (structured) questions that help respondents provide everything they know about the cost-cutting and cost-control activities of the company

3.8 Methods of Data Analysis

The questionnaires distributed, collected, coded and analyzed using the statistical package for social science (SPSS 27). The data are analyzed using both descriptive and inferential statistics. Descriptive analysis includes frequency of distribution (to interpret demographic variables of respondents) and mean (to find the mean scores of loyalty dimensions) and inferential analysis was issued for hypothesis testing that include correlations and regression. to examine determinants of oilseeds and pulse export performance in Ethiopia. Multiple Regression analysis is used to identify the significant factors influencing export performance. Multiple regression analysis is used to examine the relationship between the independent variables and one dependent variable.

3.8.1 Descriptive Analysis

Descriptive statistics stands for the conversion of raw data into useful information, which tabulates summarize format (arranging data in a table), ranges, and central tendency (mean and standard deviation). They represent one of the most important early stages of statistical data analysis. This form of statistical analysis can include many outputs, including frequencies, percentages, means, and standard deviation (Pallant, 2007).

3.9 Research Model

The objective of this study is to examine determinants of oilseeds and pulse export performance in Ethiopia. Accordingly, to test the determinants of oilseeds and pulse export performance, the researcher estimated a linear regression model in the following form.

$$EXP = \alpha + \beta_1 V_1 + \beta_2 V_2 + \beta_3 V_3 + \beta_4 V_4 + \beta_5 V_5 + \varepsilon$$

Where, EXP= Export performance

α =Constant

β =Coefficient of estimate

V1 = Foreign price level

V2 = productivity

V3 = Product quality

V4 = Physical Infrastructure

V5 = Real effect Exchange rate

ε = the error term

3.9.1 Method of Data presentation and analysis

Quantitative Approach was used. The available data was analyzed using descriptive types of data analysis, model as per the data, graphs and charts and also try to use econometric model to see export performance and determinants in Ethiopia. According to Marczyk et al. (2005) descriptive statistical procedures allow researchers to describe groups of individuals and events, examine the relationships between different variables, and examine and generalize results obtained from a sample back to the population from which the sample was drawn. Furthermore, descriptive statistics of frequency tables are used to describe the data collected in research studies and to accurately characterize the variables under observation within a specific sample. In this study, the analysis was done with the help of Statistical Package for Social Sciences (SPSS) 20 was employed. The responses in the questionnaire were coded into common themes to facilitate analysis. Data was presented in descriptive form supported by tables, frequency distributions, graphs and percentages.

$$\hat{Y} = b_0 + b_1X_1 + b_2X_2 + \dots + b_pX_p,$$

where $\hat{Y}$ is the predicted or expected value of the dependent variable, X_1 through X_p are p distinct independent or predictor variables, b_0 is the value of Y when all of the independent variables (X_1 through X_p) are equal to zero, and b_1 through b_p are the estimated regression coefficients. Each regression coefficient represents the change in Y relative to a one unit change in the respective independent variable. In the multiple regression situations, b_1 , for example, is the change in Y relative to a one unit change in X_1 , holding all other independent variables constant (i.e., when the remaining independent variables are held at the same value or are fixed). Again, statistical tests can be performed to assess whether each regression coefficient is significantly different from zero.

3.9.2 Econometric Model and Estimation Technique

Multiple linear regressions are a statistical method that allows us to summarize and study relationships more than two continuous (quantitative) variables:

- Two or more variables denoted $X_1, X_2, X_3, \dots, X_n$ are regarded as the **predictor, explanatory, or independent** variable.
- The other variable, denoted y , is regarded as the **response, outcome, or dependent variable**

Because the other terms are used less frequently today, we'll use the "**predictor**" and "**response**" terms to refer to the variables encountered in this course. The other terms are mentioned only to make you aware of them should you encounter them in other arenas. Multiple linear regressions get its adjective "multiple," because it concerns the study of two or more predictor variables. Reliability statistics, descriptive statistics, correlation ANOVA and residual statistics tests were employed in the study.

3.10. Validity and Reliability of Data Collection Instrument

Reliability and validity

Reliability is the degree to which an assessment tool produces stable and consistent results where validity refers to how well a test measures what it is purported to measure. In this study the standardized questionnaire which was developed by (Ng, 2006) was used. However, taking the context of Exporters of oilseeds and pulse, some adjustment was made on the questionnaire as a result pre-testing of the questionnaire was made on some exporters and discussion was made with some exporters in the field then based on the response and comments the questionnaire was amended. Furthermore, in order to insure the reliability of the questionnaire Cronbach Alpha was calculated.

Table3.2: Reliability Statistics

Cronbach's Alpha	N of items
.851	5

Source: Research survey, 2025

Definitions of Variables of the studies

Independent Variables

- **Foreign Price level:** The price of exports on the international market is one of the major determinants of export growth and especially for countries which depend on exportation of agricultural products whose prices fluctuate from time to time (AgashaNimrod, 2015- 2021). When foreign price level increases, the domestic exporters will get incentive to maximize or increase their export.
- **Production/Productivity:** Higher GDP values in the exporting country imply increased capacities for export. It is expected to have to have a positive impact on exports. For instance, (Kumar, 2018)in his study on the determinants of export growth in developing countries confirmed that GDP has a significant positive impact export volumes. He also underlined that higher level of production is the main cause of export expansion. So, a higher GDP implies a higher production and hence larger volume of exports.
- **Product quality:** Quality is the performance of the product as per the commitment made by the producer to the consumer. Such commitment may be explicit or implicit i.e. in terms of written contract or in terms to the quality management expectation of the average consumer of the product. The performance of the product is concerned with the ultimate function and service which the product must provide to the final; consumer.

Road Infrastructure/rural feeder roads: Infrastructure is one of the major non-price factors which affects or constrains exports especially in least developing countries. Of the factors that boost production as well as export supply of commodities, infrastructural facilities come at the forefront. Its development is a key element of countries ability to produce and move goods. Weak infrastructure is a major impediment to trade, competitiveness and sustainable development in most African countries, particularly land- locked and small island countries. It reduces the return to trade and economic activity and hinders growth prospects of a given country. In this study the impact of infrastructure is captured by kilometers of total paved roads. Since the availability of road creates marketing opportunities in the international market and also the absence of such facilities does not bring the desired agricultural export performance of the country.

- **Real Effective Exchange Rate:** In the literature, it is recognized that depreciation of the real effective exchange rate has positive contributions for increased exports while real appreciation of the exchange rate is generally associated with a retard in exports. Thus, the importance of maintaining a realistic real exchange rate is being propagated as a policy remedy to ensure the competitiveness of exports in the world market (Prasad, 1992). Index of trade weighted real effective exchange rate is included in the present study, to empirically test the relationship between this variable and the level of exports. The expected sign of this variable is negative.

Dependent variable

- ❖ **Export Performance:**(i) the success or failure of the efforts of a nation to sell domestically produced goods and services in other nations markets (Zou and Stan, 2021);
(ii) the export effectiveness, export efficiency and continuous engagement in exporting (Shoham, 2017);
(iii) the composite outcome a nation's international sales (Shoham, 2017)and (iv) the three sub-dimensions which encompasses sales, profit and growth (Madsen, 2020).

3.11 Ethical Considerations

Confidentiality and Privacy is the cornerstone of field research. The researcher confirms the purpose of the study and the confidentiality of the information. Respondents ensure that any information collected through data collection tools is used for academic purposes only. The data and documents are kept secure during the study and were not passed on to third parties. The backup of research resources and results was archived. In addition, the study was conducted with the consent of the organization and with consent the responden

Chapter Four: Result, Discussion and Interpretation

4.1 Demographic Profile of Respondents

This section gives an overview of the demographic profiles of the respondents and the exporters of oilseeds and pulse were undertaken. From the survey information about gender, age, educational level and work experience of the respondents were analyzed.

Table 4.1: Demographic Profile of Respondents

Item	Descriptions	Frequency	Percentage
Gender	Male	98	75.4
	Female	32	24.6
	Total	130	100%
Age	Less 25	8	6.2
	26-35	68	52.3
	36-45	51	39.2
	45-55	3	2.3
	Total	130	100%
Work experience	Less than 2 year	26	20
	2-5 years	44	33.8
	6-10 years	46	35.4
	Over10 years	14	10.6
	Total	130	100%
Educational level	Diploma	21	16.2
	Degree	69	53.1
	Masters	40	30.8
	Missed	-	-
Total	Total	130	100%

Source: Research survey, 2025

As presented in Table 4.1, a sample size of 130 respondents was selected for this study out of which zero respondents were ineligible; none of respondents have refused to respond to the questionnaire and none of them accessible thus, respondents yielded a response rate of 100%. It means they have properly answered and returned the questionnaire to the researcher. The sample consisted of 32 female and 98 male participants in the study which holds 75.4% of

The respondents are male and the remaining 24.6% were female. This indicates that the majority of the respondents were males as they are involved in business in developing countries. Regarding the Age, 8 (6.2%) of the respondents are less than 25 years, 68 (52.3%) of them are 26-35 years, and 51(39.2%) of respondent's 36-45years and 3(2.3%) of them were 45-55 years old. The frequency of education levels among respondents was 69 (53.1%) holds university degree whereas 21 (16.2%) holds diploma 40(30.8%) holds master's degree. This indicates that approximately above 53% of the respondents of the oilseeds and pulse are bachelor degree holders the rest are Diploma/certificate and master's degree. The frequency of experience of exporters indicate that majority of them have 6 -10 , 2-5 , less than 2 and greater than 10 years of experience which is 46 (35.4%), 44 (33.8%), 26(20%), 10(10.6%) respectively.

4.2 Assessment on Foreign price level

The assessments on foreign price level were made on three indicators namely Price volatility of global market, Understanding export procedure and negotiation power of exporters and Understanding export procedure and negotiation power of exporters in the international market. Respondents were asked to evaluate the significance of the above mentioned variables.

Table 4.2: foreign price level table

Variables	Sub-variables	Frequency					Cumulative percentage
		Strongly Disagree	Disagree	Neutral	Agree	strongly agree	
Foreign price level	Price volatility of global market.	-	2	6	26	97	
			1.5%	4.6 %	19.2 %	74.6%	100%
	Understanding export procedure and negotiation power of exporters	-	2	6	39	83	
		-	1.5%	4.6%	30%	63.8%	100%
	Contractual discipline and honor of contractual agreement b/n sellers and Buyers	-	2	6	20	102	100%
		-	1.5%	4.6%	15.4%	78.5%	100%

Source: Research survey, 2025

Foreign price level assessment were made on three indicators namely Price volatility of global market, Understanding export procedure and negotiation power of exporters and Understanding export procedure and negotiation power of exporters in the international market. Respondents were asked to evaluate the significance the above mentioned variables. As presented in Table 4.2, for Price volatility of global market 97(74.6%), 26(19.2%), 6(4.6%), and 2(1.5%) respondents said strongly agree, agree, neither agree nor disagree and disagree respectively. In response to Understanding export procedure and negotiation power of exporters 83(63.8%), 39(30%), 6(4.6%), 2(1.5%) responds and considering understanding export procedure and negotiation power of exporters in the international market was answered 102(78.5%), 20(15.4%), 6(4.6%), and 2(1.5%) strongly agree, agree, neither agree nor disagree and disagree respectively.

4.3. Assessment on production/productivity

Table 4.3 presents the result of production/productivity. The assessment were made on 3 indicators including introducing better varieties of oilseeds and pulse, Maximum utilization of oilseeds and pulse cultivated land potential, Using improved inputs. The results on these indicators were presented in Table 4.3

Table 4.3: production/productivity table

Variables	Sub-variables	Frequency					Cumulative percent
		Strongly Disagree	Disagree	Neutral	Agree	strongly agree	
Production /productivity	Introducing better varieties of oilseeds and pulse	-	-	-	24	104	
		-	1.5%	-	18.5%	80%	100%
	Maximum utilization of oilseeds and pulse cultivated land potential	-	-	-	25	103	
			1.5%	-	19.2%	79.2%	100%
	Using improved Inputs	-	2	1	37	90	
		-	1.5%	0.8%	28.5%	69.2%	100%

Source: Research survey, 2025

Table 4.3 here above or result of production/productivity assessed in the same way to foreign price level were made on 3 indicators which holds, introducing better varieties of oilseeds strongly disagree 104(80%), disagree 24(18.5%), agree 2(1.5%),and pulse, Maximum utilization of oilseeds and pulse cultivated land potential 103(79.2%), 25(19.2%), 2(1.5%) strongly agree, agree, and disagree respectively respond on Using improved inputs also pinpoint strongly agree 90(69.2%), agree 37(28.5%), neither agree nor disagree and agree 1(0.8%) and agree 2(1.5%).

4.4 Assessment on Quality of products

The assessments on Quality of products were made on three indicators: Strong and regular monitoring and evaluation in the value chain, Using Post harvest technologies and knowhow to keep the quality, Traceability of quality control. The results on these indicators were presented on Table 4.4.

Table 4.4: Quality of products table

Variables	Sub-variables	Frequency					Cumulative percentage
		Strongly Disagree	disagree	Neutral	Agree	strongly agree	
Quality of products	Strong and regular monitoring value chain	-	-	-	78	52	
		-	-	-	60%	40%	100%
	Using Post harvest technologies and knowhow to keep the quality	-	-	-	92	38	
		-	-	-	92%	38%	100%
	Traceability	-	-	1	79	50	
				0.8%	60.8%	38.5%	100%

Source: Research survey, 2025

Table 4.4 indicated that, Strong and regular monitoring and evaluation in the value chain, Using Post harvest technologies and knowhow to keep the quality and Traceability of quality control were the sub variables which measure quality of products. Thus, in response considering Strong and regular monitoring and evaluation in the value chain, 52(40%), 78(60%), said strongly agree and agree respectively and the response given for Using Post harvest technologies and knowhow to keep the quality, 38(38%) and 92(92%) of the respondents assure the former 38% strongly agree and the latter 92%agree in using Post harvest technologies and knowhow to keep the quality and considering Traceability of quality control 50(38.5%) respondents agreed it is strongly agree, 79(60.8%) said agree and 1(0.8%) respondents approve its neutrality.

4.5. Assessment on infrastructure/rural feeder roads

The result of responses on infrastructure/rural feeder roads is presented in Table 4.5. The assessment was made on Accessible rural Feeder roads, Coverage of paved roads and Road network and availability of modern market center.

Table 4.5: Assessment of Infrastructure/rural feeder road

Variables	Sub-variables	Frequency					Valid percentage
		Strongly Disagree	disagree	Neutral	agree	strongly agree	
Infrastructure/rural feeder road	Accessible rural Feeder roads	80	50	-	-	-	
		61.5%	38.5%	-	-	-	100%
	Coverage of paved roads	69	61	-	-	-	
		53.1%	46.9%	-	-	-	100%
	Road network and availability of modern market Center	74	50	6	-	-	
		56.9%	38.5%	4.6%			100%

Source: Research survey, 2025

The assessment on infrastructure/rural feeder road was made on Accessibility of rural Feeder roads, Coverage of paved roads and Road network and availability of modern market center. The respondents approved in relation with accessibility of rural Feeder roads strongly disagree holds 80(61.5%) and disagree holds 50(38.5%) respectively, other respondents believed that Coverage of paved road covers 69(53.1%) strongly disagree and disagree 61(46.9%) respectively and Road network and availability of modern market center holds strongly disagree, disagree, neither agree nor disagree and 74(56.9%), 50(38.5%), 6(4.6%) respectively.

4.6. Assessment on Real effect exchange rate

Table 4.6 presents the result of Real effect exchange rate. The assessments were made on the Nominal effect exchange rate, Real effect exchange rate; Competitiveness of home goods in international market might have an impact in determining export performance.

Table 4.6: Real effect exchange rate table

Variables	Sub-variables	Frequency					Cumulative percentage
		Strongly Disagree	Disagree	Neutral	agree	strongly agree	
Real effect exchange rate	Nominal effect exchange rate	-	-	-	82	48	
				-	63.1%	36.9%	100%
	Real effect exchange rate	-	-	-	75	55	
				-	57.7%	42.3%	100%
	Competitiveness of home goods in international Market	-	-	6	37	87	
		-	-	4.6%	28.5%	66.9%	100%

Source: Research survey, 2025

As table 4.6 presents assessment on real effect exchange rate were made on the Nominal effect exchange rate, Real effect exchange rate; Competitiveness of home goods in international market. The respondents identifies 48(36.9%) for strongly agree, 82(63.1%), agree for Nominal effect exchange rate, 55(42.3%) strongly agree, 75(57.7%) agree for real effect exchange rate and 87(66.9%), 37(28.5%) and 6(4.6%) for strongly agree, agree and neither disagree nor agree respectively for Competitiveness of home goods in international market.

4.7. Model Estimation and Discussion of the Findings

4.7.1 Introduction

Here the results and discussion part of the study has been presented in different parts in line with the research questions. The first part focuses on the background information of the respondents and the second section focuses on the one way ANOVA and its discussion of ANOVA was carried out. In the last chapter, multiple linear regressions were run and its outputs were discussed. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS version, 27.

4.7.2 Descriptive Statistics

The responses of the respondents for the variables were measured on a five point Likert scale: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree.

Table 4.7: Descriptive Statistics of oilseeds and pulse export performance determinants

	N	Standard Deviation
<i>(constant)</i>	130	.22184
<i>Comp- P</i>	130	.61247
<i>Comp_ PR</i>	130	.49274
<i>Comp_ Q</i>	130	.33767
<i>Comp_ I</i>	130	.39483
<i>Comp_ Ex</i>	130	.31655
Valid N (listwise)	130	

Source: Research survey, 2025

Table 4.7 shows that the descriptive result of oilseeds and pulse exporters in Ethiopia response Towards the variables (Foreign price level, production/productivity, quality of the product Infrastructure/rural feeder road and real effect exchange rate using the standard deviation.

4.7.3 Assumptions Testing In Multiple Regressions

The basic assumptions should be satisfied in order to maintain data validity and robustness of the regressed result of the research under the multiple regression models. Hence, this study has conducted the assumption tests such as, multi-Collinearity, linearity, homoscedasticity, autocorrelation and normality.

4.7.3.1 Test of Multi-collinearity

Multi-collinearity is a problem that occur when there is a linear relationship between the dependent and each independent variable. Among different tests for the purpose of this research, the VIF test was performed to test whether the data was suffering from a multi-collinearity test. Accordingly, the results of the test indicate the highest VIF is 1.93; which indicates the model performed with no multi-collinearity problem among the explanatory variables, since the problem arises if there is any variable whose VIF result is greater than 10.

Table 4.3: Collinearity Diagnosis

Model		Collinearity Statistics	
		Tolerance	VIF
1.	(Constant)		
	<i>Foreign price level</i>	.742	1.348
	<i>Production/Productivity</i>	.838	1.193
	<i>Product quality</i>	.658	1.520
	<i>Physical infrastructure</i>	.755	1.325
	<i>Real effect exchange rate</i>	.839	1.192

Source: Own Survey, computed in SPSS, 2025.

Tolerance and the variance inflation factor are used to perform collinearity diagnostics on the variables as part of the multiple regression process (VIF). The degree to which the other independent variables in the model do not account for all of the variability of the designated independent is shown by tolerance. If this number is extremely little (less than 0.10), it suggests that multi-collinearity may be possible because of the significant multiple correlation with other variables (Pallant, 2010).

Moreover, the VIF which is simply the tolerance value inversed is provided as the other number (1 divided by tolerance). (Pallant,2010) states that multi-collinearity would be indicated by VIF values greater than 10. The result shows that the tolerance value for each independent variable is (0.742, 0.838, 0.658, 0.755 and 0.839) respectively which are not less than 0.10; therefore, multi Collinearity assumption is not violated. This is also supported by the VIF value, which is 1.348, 1.93, 1.520, 1.325, and 1.192 which is well below the cut-off 10 as shown in the coefficient table.

4.7.4 Test of Heteroscedasticity and Linearity

To test for homoscedasticity(y and linearity, a Scatter plot was used. The scatter plot compares the normalized residuals (ZRESID) to the standardized expected (ZPRED) values. The data graph is depicted in Figure 4.1. To evaluate if the residuals in regression analysis are random, we simply check if they are randomly distributed around zero throughout the whole range of fitted values. When the residuals are centered on zero, it means that the model's predictions are on average correct rather than systematically excessively high or low. Furthermore, regression assumes that the residuals have a normal distribution and that the degree of scattering is constant across all fitted values (Pallant, 2007).

Figure 4.1 depicts how the data is uniformly and randomly distributed around zero. It does not appear to funnel out, and there is no discernible curvature. It does not have an obvious pattern, there are points equally distributed above and below zero on the X axis, and to the left and right of zero on the Y axis. This is indicative of the fact that the conditions necessary for linearity and homoscedasticity have been fulfilled

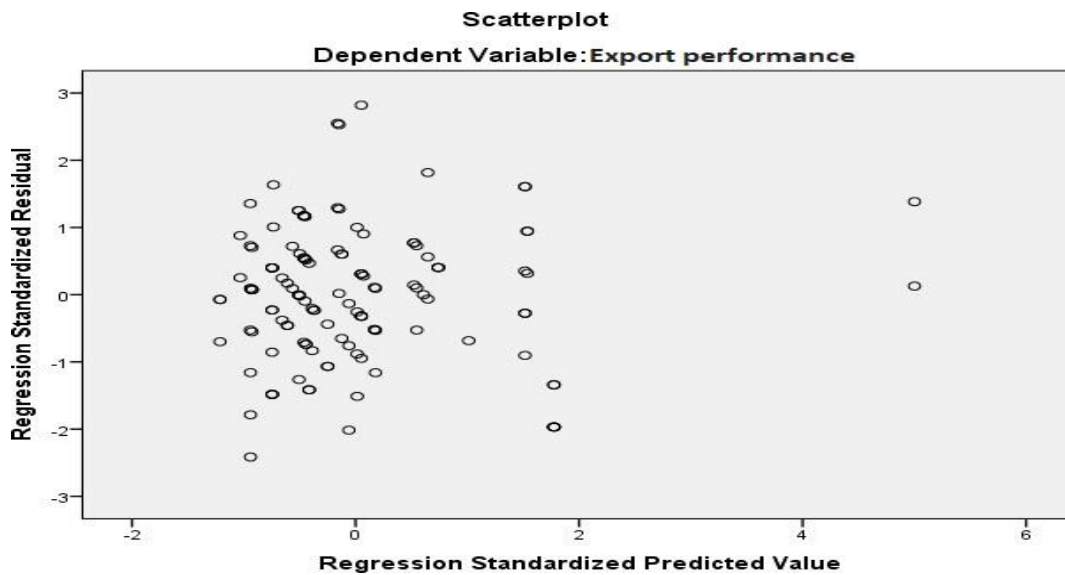


Fig 4.1 Homoscedasticity Test

4.7.5 Normality test

One of the most important statistical procedures is the normal distribution. A normal distribution with a mean of zero and a standard deviation of one is referred to as a standard normal distribution (Garson, 2012). Multiple regression analysis demands that the variables in the sample be naturally distributed. Assume that the histogram was bell-shaped and that the residuals were usually spread around its mean of zero. As seen in Figure 4.2, residuals were normally spread around their mean of zero, indicating that the results were normally distributed and conformed to the normal distribution assumption. Since the figures validated the data's normality assumption, it follows that the inferences drawn regarding population parameters from survey statistics are likely to be correct.

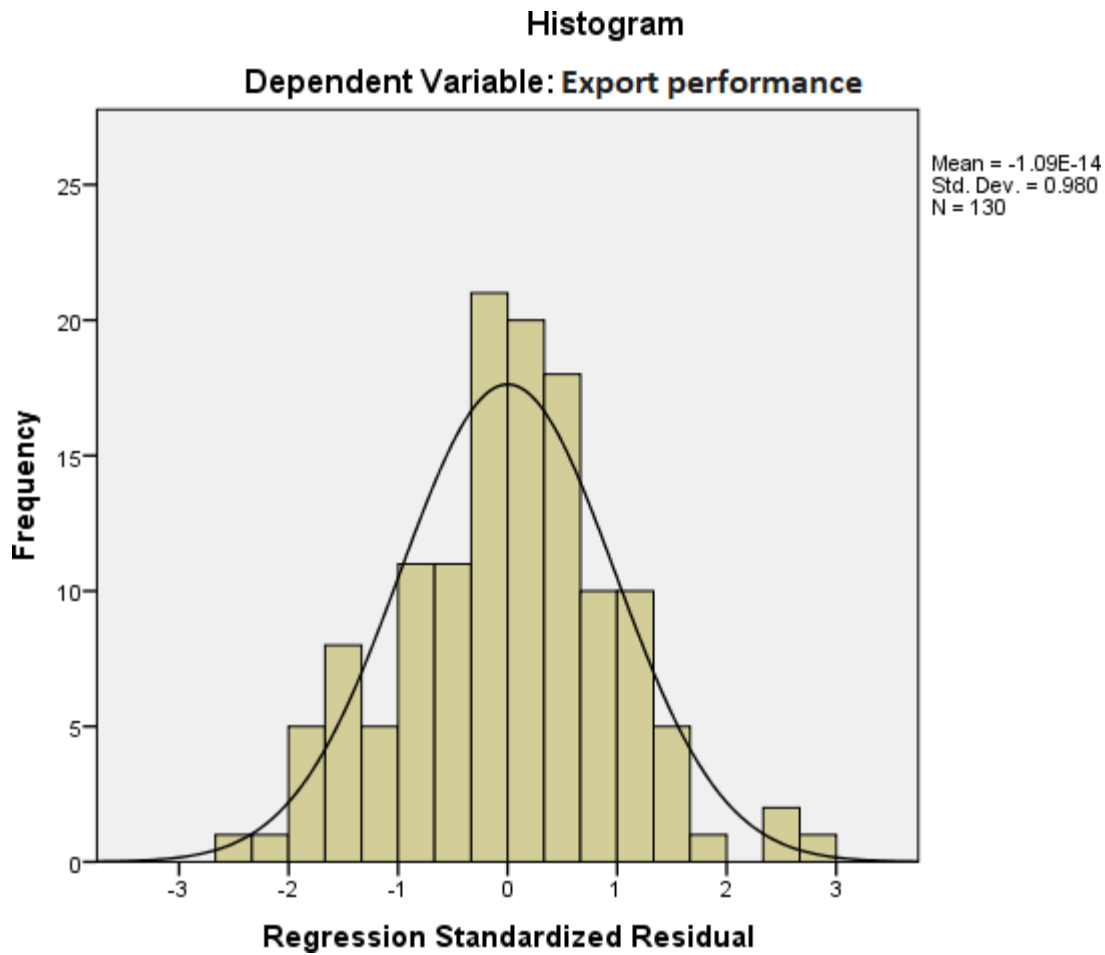


Fig 4.2 Linearity test

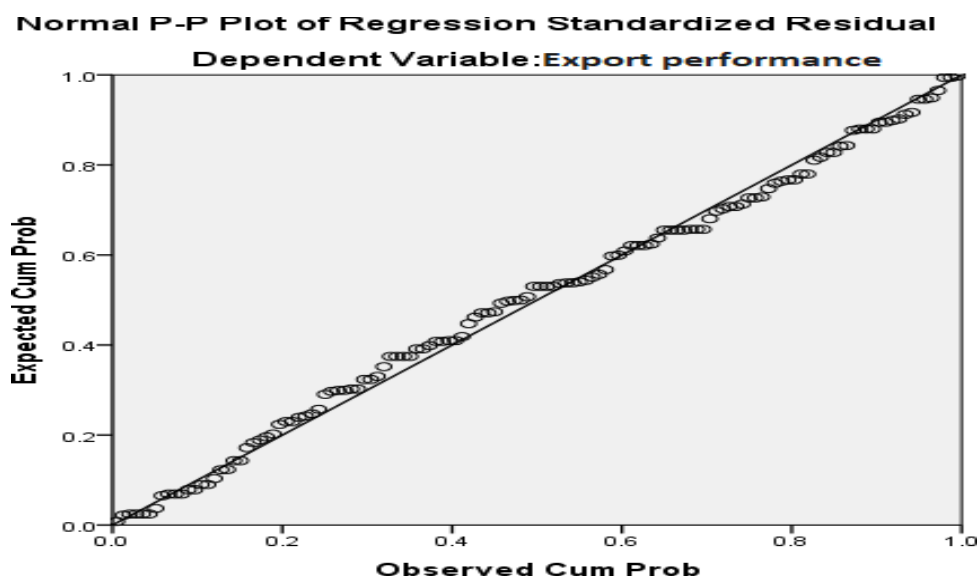


Fig: 4.2 normal p-p plot of regression standardized residual

The normal probability plot is a graphical tool that may be used to determine whether or not a data set is normally distributed (Chambers et al., 1983). It aids us in examining the probability plot and determining how closely the data points match the fitted distribution line. The points fall closely along the straight line if the provided theoretical distribution is a good fit. The data is displayed in comparison to a theoretical normal distribution, with the dots forming an almost straight line. Deviations from this straight line denote a departure from normality. The preceding graphic clearly indicates that the normal probability plot has a significantly linear structure. There are very minor differences between the line fit and the probability plot points. For this data, the normal distribution looks to be a viable model. The probability plot displays a significantly linear trend. As a result, the residuals' normal probability plot indicates that the error terms are indeed normally distributed.

4.7.6 Autocorrelation test

The Durbin Watson (DW) statistic is a test for autocorrelation in the residuals from a statistical model or regression analysis (Akter, 2014). The Durbin-Watson statistic will always have a value ranging between 0 and 4. A value of 2.0 indicates there is no autocorrelation detected in the sample. Values from 0 to less than 2 point to positive autocorrelation and values from 2 to 4 mean negative autocorrelation. The autocorrelation test stat shows a DW value of 1.590 (see table 4.11) which indicates the absence of autocorrelation in the sample

4.7.7 Model summary

The model summary findings indicated that there is a strong ($R = .864^a$) relationship between the independent variables (foreign price level, product, quality, infrastructure, exchange rate) and the dependent variable (export Performance) in selected companies. R-square measured the goodness of fit of the explanatory variables in explaining the variations in dependent variable. The adjusted R-Square ($R^2 = 0.747$) shows the explanatory power of all independent variables involved in the study. Hence foreign price level, product, quality, infrastructure and exchange rate jointly determine (explain) 74.7% of the variance in export Performance whereas 25.3% of the export Performance was determined by the variables which were not included in the study

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.864 ^a	.747	.737	.11378	.747	73.271	5	124	.000

Source: *model outcome*

a. Predictors: (Constant), Foreign price level, Production, product quality, Physical infrastructure Real effect exchange rate.

b. Dependent Variable: Export performance

Table 4.8 shows that the degree level of variance in the measure of performance is presented by the underlying determinant of export performance.

Table 4.9: ANOVA Table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.743	5	.949	73.271	.000 ^b
	Residual	1.605	124	.013		
	Total	6.348	129			
Source: <i>mode outcome</i>						
a. Dependent Variable: Export performance						
b. Predictors: (Constant Foreign price level, Production, product quality, Physical infrastructure Real effect exchange rate.						

The above table 4.9 shows that the significance value of F statistics value is (.000), which is the p-value is less than 0.05, thus the model is significant.

Table 4.10: Regression Coefficient

Model	Unstandardized coefficient		Standardized coefficient	T	Sig
	B	Std.error	Beta		
(constant)	.883	0.066		13.314	0.000
Foreign price level	.195	0.020	.538	9.810	0.000
Production	.143	0.026	.316	5.511	0.000
product quality	.079	0.031	.120	2.550	0.012
Physical infrastructure	.027	0.027	-.047	-0.972	0.033
Real effect exchange rate	.164	0.031	.260	5.286	0.000

Source: model outcome

Dependent variable: EXP (export performance)

Table 4.10 Regression coefficients tells us whether the independent variable associated with it is contributing significantly to the variance accounted for in the dependent variable. Thus, Foreign price level, production/productivity, quality of production, Real effect exchange rate were significantly determined and predicted for the performance of oilseeds and pulse export, since their p-value is **0.000, 0.000, 0.033, 0.012** and **0.000** respectively and less than the level of significance **0.05**

Table 4.11 Multicollinearity test

Collinearity Diagnostics^a

Model dimension	Eigenvalue	Condition Index	Variance Proportions					
			(Constant)	Price level	production	quality	Infrastructure	Real effect Exchange rate
1	5.675	1.000	.00	.00	.00	.00	.00	.00
2	.160	5.959	.01	.39	.07	.02	.05	.02
3	.073	8.836	.01	.31	.60	.08	.05	.00
4	.043	11.541	.01	.15	.10	.04	.84	.21
5	.033	13.115	.01	.13	.22	.38	.02	.65
6	.017	18.351	.97	.01	.00	.48	.05	.13

a. Dependent Variable: Export performance

4.8. Discussion on results

- **Foreign price level** is significantly determines the export performance. The findings also confirmed that there exists a positive and significant association between foreign price level and export performance. Therefore, the alternative suggestion was accepted. Hence, from this finding, it is possible to conclude that the higher the foreign price level the better their export performance is likely to be. Exporters who got higher price in foreign market is relatively larger will be able to export more compared to those with lower price in foreign market. Therefore, foreign price level is found to be one of the key factors determining the performance of export of oilseeds and pulse. According to the regression result of foreign price level has a positive relationship with export performance by a coefficient estimate of 0.195. This means that holding other independent variables constant and when one percent increases in foreign price level, consequently it improves employee performance by 19.5% and the p value of foreign price level is 0.00 reveals that it is statistically significant at 5% level of significance. Accordingly, the result supports the working hypothesis that foreign price level has positive and statistically significant effect on export performance.
- **Production/productivity** was strongly found to have a significant and positive effect on export performance oilseeds and pulse. The results of the multiple linear regressions indicated a positive and statistically significant relationship between production/productivity and export performance. Therefore, the assumption was accepted and if production/productivity increases key export performance likely to be. According to the regression result of Production/productivity has a positive relationshipwith export performance by a coefficient estimate of 0.143.This means that holding other independent variables constant and when one percent increases in productivity, consequently it improves export performance by 14.3%and the p value of monetary Bonus is 0.000 reveals that it is statistically significant at 5%level of significance. Accordingly, the result supports the working hypothesis that Production/productivity has positive and statistically significant effect on export performance. Thus, this outcome is consistent with prior study of Kipsegerwo et al. (2016) and Elisha (201 5).There for production/productivity to be one of the key determinants of export performance
- **Physical infrastructure** was strongly found to have a significant and positive effect on export performance oilseeds and pulse. The results of the multiple linear regressions indicated a positive and statistically significant relationship between production/productivity and export performance.

Therefore, the assumption was accepted and if production/productivity increases key export performance likely to be. According to the regression result of • Physical infrastructure has a positive relationship with export performance by a coefficient estimate of 0.027. This means that holding other independent variables constant and when one percent increases in productivity, consequently it improves export performance by 2.7% and the p value of monetary Bonus is 0.033 reveals that it is statistically significant at 5% level of significance. Accordingly, the result supports the working hypothesis that Physical infrastructure has positive and statistically significant effect on export performance.

- **Quality of products** is at the same time significantly determines the export performance and had a positive relationship. The quality standard for exportable oilseeds and pulse is critical to promote their export performance. The better quality standards or grades of the oilseeds and pulse the better chance that exporters have to increase their export volume, hence, their performance improved. According to the regression result of Quality of products has a positive relationship with export performance by a coefficient estimate of 0.079. This means that holding other independent variables constant and when one percent increases in Quality of products, consequently it improves export performance by 7.9% and the p value of quality of products is 0.012 reveals that it is statistically significant at 5% level of significance. Accordingly, the result quality of products has positive and statistically significant effect on export performance. The results of the model implied that if the quality of oilseeds and pulse improved the performance of export will definitely be improved in a similar way.

- **The findings about real effect exchange rate** also confirmed that there exists a positive and significant association between real effect exchange rate and export performance. Therefore, the alternative suggestion was accepted. According to the regression result of real effect exchange rate has a positive relationship with export performance by a coefficient estimate of 0.164. This means that holding other independent variables constant and when one percent increases in real effect exchange rate, consequently it improves export performance by 16.4% and the p value of quality of products is 0.000 reveals that it is statistically significant at 5% level of significance. Accordingly, the result quality of products has positive and statistically significant effect on export performance. Hence, from this finding, it is possible to conclude that the stable real effect exchange rate the better their export performance is likely to be. A country who have stable real effect exchange rate is relatively larger will be able to export more compared to those with unstable real effect exchange rate in the country. Therefore, real effect exchange rate is found to be one of the key factors determining the performance of export of oilseeds and pulse.

Table 4.12 Summary of the Result in chart

Independent variables	Measurement scale	Sign
Foreign Price level	Significant	+ve
Production/productivity	Significant	+ve
Product Quality	Significant	+v
Infrastructure/rural feeder roads	significant	+ve
Exchange Rate	Significant	+ve

Source: model outcome

Table 14 indicates foreign price level, production/productivity, product quality and Exchange rate were found significant to export performance. This implies that when considering export performance these variables are found sensitive.

4.8.1 Discussion on other studies

The exchange rate can be a potent driver of export performance. Undervaluation (overvaluation) of the currency can bolster (undermine) export competitiveness, as it raises (lowers) returns to entrepreneurial activity, especially in the area of discovering new, high- productivity exports. What matters for incentives is the real exchange rate, the level of which is often rendered uncompetitive in low- income countries by poor macroeconomic management and turbulence in financial markets. Volatility of the real exchange rate is also very high for the same reasons, creating a risky climate for new export investment, as it makes future returns and payments uncertain and as well as leads to the unstable export growth.(Aghion et al 2004).

The real exchange rate can be an important element in determining export performance, diversification and international competitiveness of goods produced in a country (UNCTAD, 2005). It is a key variable that requires close government supervision in any programmed to expand and diversify exports (Biggs, 2007) since its management can influence export performance over a large number of different product groups (Mouna and Reza, 2001).

A stable real exchange rate is conducive to export expansion (Mouna and Reza, 2001).The real exchange rate is often rendered uncompetitive in low income countries by poor economic management and turbulence in financial markets (Biggs, 2007). Ensuring that the real exchange rate adjusts to more realistic levels is a means of enhancing the economy's incentives for exporting and can lead to an increase in the production of export products (De Rosa and Green, 1991); (Oyejide, 2007). While an overvalued currency can undermine export competitiveness through a direct loss of price competitiveness for exporting firms undervaluation of the currency can bolster export competitiveness (Biggs, 2007), enhance the incentives for export activities (Oyejide, 2007) and lead to diversification of exports and leads to increase the growth of (Reza, 2001).

(Kumar, 2018) Conducted a study on the determinants of export growth in developing countries and confirmed that GDP has a significant positive impact on volume of exports. He further said that higher level of production/productivity is the main cause of export expansion since surplus output can be exhausted in the international markets.

Chapter Five: Summary, conclusion, recommendation

5.1 Summary

The vital question investigated in this paper is which factors significantly determine the export performance of Ethiopia. To address this question we use primary data to investigate factors that deter export performance. That is why this study has made an attempt to identify the factors that determine oilseeds and pulse export performance of Ethiopia. In other words, the central question investigated in this paper is whether or not oilseeds and pulse export performance is significantly affected/determined by the major selected explanatory variables such as foreign price level, production/productivity, Quality of products, Real effective exchange rate. To address this question, primarily collected data was utilized. The study used primary data collected from exporters of oilseeds and pulse in Ethiopia. In this study oilseeds and pulse export performance was used as dependent variable and the above mentioned variables expected to determine oilseeds and pulse export performance of the country are used as explanatory variables. The study employed multiple linear regression models. The model passes Reliability statistics, descriptive statistics, correlation ANOVA and residual statistics test, Multi- collinearity test, linearity test, Homoscedasticity test. The estimation begins with the testing of variable.

The evidence from this study suggests that foreign price level, production/productivity, quality of products and real effect exchange rate significantly influence oilseeds and pulse export performance. It was also revealed that during the reform period oilseeds and pulse export has shown improvement there was inconsistency in export performance. It was inferred that oilseeds and pulse export performance demands an appropriate macroeconomic incentive environment and complementary structural policies. Thus, Ethiopia's oilseeds and pulse export performance will be determined primarily by its domestic policies. It was scrutinized that despite the generally open trade regime, industrial countries tend to have restrictions on imports of agricultural products, where much of Ethiopia's export potential is con-contracted.

Further, it is argued that a country's oilseeds and pulse export may fail to grow as rapidly as the world average for three reasons. First, exports may be concentrated in commodity groups for which demand tends to grow relatively at a low rate. Second, export may be going mainly to relatively stagnant regions/blocs. Third, the country in question may have been unwilling or unable to compete effectively with other sources of supply in the international market. For this purpose, exports from rest of the world are treated as competitor to Ethiopia. Therefore; regional trading arrangements (within Africa) should be set to put in economic efficiency, trade, investment, and growth in the region.

The findings also confirmed that there exists a positive and significant association between foreign price level, Production/Productivity, Product quality, Exchange Rate and export performance. Therefore, the alternative suggestion was accepted. Hence, from this finding, it is possible to conclude that the higher the foreign price level the better their export performance is likely to be. Exporters who got higher price in foreign market is relatively larger will be able to export more compared to those with lower price in foreign market. Production/productivity increases key export performance likely to be. The stable real effect exchange rate the better their export performance is likely to be. The results of the model also implied that if the quality of oilseeds and pulse improved the performance of export will definitely be improved in a similar way. Therefore, foreign price level, Production/Productivity, Product quality and Exchange Rate are found to be the key factors determining the performance of oilseeds and pulse Export in Ethiopia.

5.2. Recommendation

The immediate policy recommendation that emerges from this study is that the government in power should attempt to diversify and promote exports in order to fully exploit the benefits of the sector and promote export performance. To resolve the impact of determinants on export performance, a concerted effort should be directed toward productive channels of oilseeds and pulse in the economy so as to enhance sustainable economic growth through increased oilseeds and pulse export and other agricultural products as well.

Therefore, Access to *foreign markets (foreign price level)* is a critical determinant of export performance.

Ethiopia is one of the countries with excessive challenges in cross border trade. Since, the high cost of doing business across borders in Ethiopia and foreign price fluctuation has become a major constraint.

- ❖ The Exporters should focus on trade facilitation procedures which requires the examination of the dynamic gains associated with lowering trade transaction costs and identifying the relative importance of related trade policy reform measures in Ethiopia.
- ❖ In particular, the current state of the law and practice in trade facilitation and the international trading environment in Ethiopia should be examined again. The article focuses on customs law, border institutions, transport and logistics services and various issues related with investment and trade policy. In so doing, it attempts to examine how Ethiopia's WTO Accession and trade facilitation instruments should be streamlined with domestic reform.

The Exporters interventions are suggested to emphasize development of the *production/productivity* structure by focusing on creating both a demand pull and a supply push:

- ❖ Increasing productivity through improved input usage
- ❖ Linking the export market to producers to stimulate quality and supply
- ❖ Strengthening the export sector
- ❖ Moreover, Modern production technologies of oilseeds and pulse must be quickly introduced to upgrade the traditional methods currently used and Encouraging large commercial farms through providing new potential land and enforcing the implementation of different export incentives given for the exporters.

Product quality is an important parameter that determines both the price and volume of pulse and oilseeds exports. Exporters estimate that they reject 10 to 25 percent of produce due to quality standards, which impinges upon both the profitability of exporters and ultimately the prices paid to farmers. The most important quality parameters dictating pulse and oilseeds export quality include: seed size, color, appearance, and existence of

mixtures. Most of these parameters are dictated by the type of pulse variety (traditional versus improved), management practices and post-harvest handling.

Most of the sample exporters had been exporting lower grade standards of oilseeds and pulse. This quality standard is the lower level of quality which affects the gains from export. Hence, the quality improvement and standardization aspect should be given due attention as to promote the performance export of oilseeds and pulse.

- ❖ Therefore, In general the paper highlights the possibility of exposure to international competition and external shock in an export diversification endeavor. Thus, exporters should have strong information sharing mechanism and technology oriented and flexible to meet the requirements of the market in terms of quality and quantity (product differentiation).

In the same token the exporters should force the government to take measure the country to have a *stable exchange rate*. Since, factors such as stable exchange rate, higher foreign price level will lead to improvement in the export performance as the findings of the study depict. Thus, the exporters should give due emphasis to all determinants, especially those have significant effect such as foreign price level, production/productivity, quality of products (oilseeds and pulse in this study), and exchange rate which significantly affect the export performance of oilseeds and pulse in the country.

- ❖ The gap between the official and parallel exchange rate need to be narrowed by maintaining a realistic exchange rate. This will reduce the implicit import subsidy and increases the competitiveness of exports.

5.3 Conclusion

To address this question we use primary data to investigate factors that deter export performance. That is why this study has made an attempt to identify the factors that determine oilseeds and pulse export performance of Ethiopia. In other words, the central question investigated in this paper is whether or not oilseeds and pulse export performance is significantly affected/determined by the major selected explanatory variables such as foreign price level, production/productivity, Quality of products, Real effective exchange rate. To address this question, primarily collected data was utilized. The study used primary data collected from exporters of oilseeds and pulse in Ethiopia. In this study oilseeds and pulse

export performance was used as dependent variable and the above mentioned variables expected to determine oilseeds and pulse export performance of the country are used as explanatory variables. The study employed multiple linear regression models. The findings also confirmed that there exists a positive and significant association between foreign price level, Production/Productivity, Product quality, Exchange Rate and export performance. Therefore, the alternative suggestion was accepted. Hence, from this finding, it is possible to conclude that the higher the foreign price level the better their export performance is likely to be. Exporters who got higher price in foreign market is relatively larger will be able to export more compared to those with lower price in foreign market.

5.4 Suggestion for further study

Based on the scope, limitations and the findings of this research, the following areas of future research are highlighted.

This research was limited to only assessing the determinants of performance of oilseeds and pulse export. Hence, it did not include other commodities other than oilseeds and pulse and focused only on those selected factors from the exporters or the supply side. Therefore, it would be better for future if:

- Other export items to be included
- The effect of infrastructure/rural feeder road on performance of export has to be further investigated as there exist a statistically insignificant association in this study.

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Appendix

Questionnaire

Dear respondents,

This questionnaire is prepared to gather information from companies about “determinants of oilseeds and pulse export performance for selected exporters in Ethiopia.” as partial fulfillment to the completion of the Masters of Business Administration at St. Mary’s University. Your genuine and accurate answers have great contribution to the outcomes of the research. Therefore, you are kindly requested to give genuine responses to the questions below. Please try to answer all the questions you believe are relevant. The responses will be used for data analysis and are marked by case numbers to keep the confidentiality of the respondent. You don’t need to fill in your name. It won’t take more than ten minutes to complete this questionnaire.

Thank you in advance.

Hilina Dagnachew

Phone +251 912910824

Section I: Demographic Information

Instruction: Answer the following questions by putting an ‘X’ sign in the boxes given.

1. Sex: ☐ Male ☐ Female
2. Age: ☐ 18-24 ☐ 25-35 ☐ 36-46 ☐ 47-55 ☐ 56 and above
3. Marital Status: ☐ Married ☐ Single ☐ Divorced
4. Educational Background: ☐ Diploma/Certificate ☐ Degree ☐ Masters ☐ PhD ☐ others
5. What is your current position? _____
6. How long have you been in exporting oilseeds and pulses? _____ years

Section II Performance evaluation

Exporter's agreement

Please put a tick mark for your choice that holds convenient answer.

Note: 1=strongly disagree 2=Disagree 3=Neutral 4=Agree 5=strongly agree

Dimension	Measurement Scale				
2.1 Export policy frame work					
A. There is convenient export policy framework in Ethiopia.	1	2	3	4	5
B. The government evaluates the export performance of oilseeds and pulse in Ethiopia annually.	1	2	3	4	5
C. Exporting Pulse and oilseeds are preferable because of a huge support from the government side.	1	2	3	4	5
2.2 foreign transactions					
A. Compared to domestic sales, your foreign transactions are generally much more Profitable.	1	2	3	4	5
B. The extent of foreign competitors in this export market can decide foreign price Level.	1	2	3	4	5
C. Allows exporters to open retention account to hold a specified amount of their export earnings for a defined period and use their forex holdings for their export business promotion.	1	2	3	4	5
2.3 Relationships between export performance and its determinants					
A. There is a strong relationship between production/ productivity and export performance.	1	2	3	4	5
B. Foreign price level, production, real exchange rate, product quality and infrastructure/rural paved road can be considered as major determinant to export performance in exporter's Perceptions.	1	2	3	4	5
C. The level of infrastructure/rural feeder road is key success factor for export Performance.	1	2	3	4	5
2.4 Quality standards of exported pulse and oilseeds.					
A. There is convenient quality assurance processes in Ethiopia, which help to enhance export performance	1	2	3	4	5
B. In Ethiopia there is fair cost paid for quality testing and certification.	1	2	3	4	5

C. Exporters have enough knowledge on quality standards of exported pulse and oilseeds performance	1	2	3	4	5
2.5 exchange rate strategy					
A. The degree of adaptation of your real effect exchange rate strategy for this export market venture is crucial.	1	2	3	4	5
B. There is stable Real Effective Exchange rate in Ethiopia.	1	2	3	4	5
C. proactive real exchange rate policy is an important macroeconomic policy instrument that governments can use to influence the specialization pattern of country.	1	2	3	4	5

Section III- Export Performance Determinants

3. Determinants

Please put a tick mark for your choice that holds convenient answer.

Note: 1=strongly disagree 2=Disagree 3=Neutral 4=Agree 5=strongly agree

Descriptions	Measurement Scale				
3.1 Foreign price level					
A. There is no price volatility of global market	1	2	3	4	5
B. Exporters in Ethiopia all know export procedure well	1	2	3	4	5
C. Exporters in Ethiopia all know Negotiation power of exporters well.	1	2	3	4	5
D. There is Contract discipline and honor of contractual agreement sellers and buyers in our export practice.	1	2	3	4	5
3.2 Production/Productivity					
A. Introducing better variety of oilseeds	1	2	3	4	5
B. Introducing better variety of pulse					
C. There exists Maximum utilization of oilseeds cultivated land potential to increase its Volume.	1	2	3	4	5
D. There exists Maximum utilization of pulse cultivated land potential to increase its Volume.	1	2	3	4	5
A. All Farmers use improved input to produce oilseed and pulse in Ethiopia.	1	2	3	4	5
3.3 Product Quality					
A. There is Strong Regular Monitoring and Evaluation at various levels in value chain.	1	2	3	4	5
B. Farmers have post-harvest technologies know how to keep the quality of the product.	1	2	3	4	5

C. Quality control is traceable in our country.	1	2	3	4	5
3.4 Physical infrastructure					
A. Rural feeder road is accessible in the country.	1	2	3	4	5
B. modern market centers are moderately accessible in Ethiopia	1	2	3	4	5
C. Road network moderately accessible in Ethiopia	1	2	3	4	5
D. electricity is well installed and operate well	1	2	3	4	5
E. telecom networks are installed and operate well	1	2	3	4	5
3.5 Real effect exchange rate					
A. Nominal Effective Exchange Rate (NEER), is stable.	1	2	3	4	5
B. There is efficient Real Effective Exchange Rate (REER) in Ethiopia.	1	2	3	4	5
C. There is better Competitiveness of home goods in international markets.	1	2	3	4	5