Grow with Ethiopia!

Exciting Opportunities in Food & Beverage Processing

By Dr. Yifru Tafesse

September 09, 2020
Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

Juice
Edible Oil
Red Meat
Poultry

Incentives & Endowments
Ethiopia, building on its rapid economic growth in recent years, has introduced a Home-Grown Economic reform program and a robust 10 year plan which are expected to contribute towards developing a modern and competitive economy.

**Population**
- Total: 100m (est. 2019/20), growing at 2.07% pa

**Macro-economic performance**
- **GDP/capita**: $985 (2018/19)
- FDI inflow: $3.3 Bn (2019)
- FDI growth: 50% (2012 - 2017)

**Health outcomes (2010 to 2019)**
- Under 5 mortality: down to 53 from 77
- Life expectancy: up to 66 from 55

**Literacy**
- 49%

**Rapid and sustainable economic growth**
- One of the fastest growing economies in the world
  - 9.5% average GDP growth over 10yrs
  - Shared growth: 15 %age points decline in poverty headcount ratio, life expectancy improvement, etc..

**Young and productive population**
- Second most populous country in Africa
  - 100 million population, growing at 2.3 million annually
- Young and productive age group accounts for 60% of the population

**Favorable destination for FDI**
- One of the top destinations for FDI
  - Since 2012 FDI inflows to Ethiopia have been growing by 50% P/Y on average
  - Ethiopia is the largest recipient of FDI in the East Africa & the 5th largest recipient of FDI in Africa

**Clear vision for development**
- Vision 2030: become a middle income country
- Homegrown economic reform with further liberalization & support to create a dynamic private sector
- Wide-ranging incentives for priority sectors
The GoE has embarked on major reform agendas to improve the ease of doing business and catalyze private sector investment

**VISION:** Placing Ethiopia among the TOP 100 Doing Business (DB) ranking Countries in 2021 ..... with an economic reform agenda for job creation and sustainable growth

**Improving the ease of doing business advances:**

- **Entrepreneurship and new startups**
- **Formalization of businesses**
- **Competitiveness/productivity of local**
- **Investment attraction and retention**
- **More and better jobs creation**
- **Transparency and accountability in public delivery**
- **Efficient tax administration/domestic mobilization**

**Short-term reforms: reform achievements**

- Company name publication requirement removed
- Lease rental agreement requirement removed
- CSS at MEST (covering tax and authentic action oriented)
- Legal base for the application of software replacing cash register machine created

- Electronic single window system piloted
- Deferred payment: pre-arrival & advance payment implemented
- Number of documents required for import & export reduced by 10-15 for export, 11-14 for import
- Risk level for both import & export improved (more yellow & green reducing the need for physical inspection)
- E-certificate of origin implemented

- E-filing & e-payment on goods
- Large taxpayers (1,800 e-filing taxpayers)
- Tax payment through banks
- Online medium tax payers branch opened in AAI
- Fiscal lease VAT refund system introduced

---

**Moving from short to medium-term**

- Medium and long term reform action points slight revised based on results and learning so far
- As we move into medium-term action items, there is need to focus on:
  - Full & effective implementation of short-term reforms
  - Deeper and high impact reforms that significantly reduce time & cost (process streamlining, re-engineering, use of IOT solutions etc)
- All reforms must be implemented by 31 December, 2019
- Communicating reforms to all users and soliciting feedback is vital to socialize reforms and take corrective actions, as needed.
- Indicator on public procurement may be included in UII score by 2020

---

**Our reform agenda aims to overcome the aforementioned challenges through comprehensive and well-synchronized set of measures**

- **Macroeconomic reforms**
- **Structural reforms**
- ** ease business constraints**
- **Build confidence**
- **Rebalance growth and enhance productivity**
- Jobs, Inclusive growth, and poverty reduction

---

**FEDERAL NEGARIT GAZETTE**

**PROCLAMATION No. 1138/2020**

[Details of proclamation]
Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry
  Juice
  Edible Oil
  Red Meat
  Poultry

Incentives & Endowments
The government of Ethiopia sees the untapped and lucrative agro-industry sector as one of the major engines to bring about structural transformation.

The GoE has identified **agro-processing** as one of the priority manufacturing sectors for investment.

<table>
<thead>
<tr>
<th>GDP</th>
<th>Employment</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>67%</td>
<td>34%</td>
<td>24%</td>
</tr>
<tr>
<td>33%</td>
<td>66%</td>
<td>76%</td>
</tr>
</tbody>
</table>

**Other (Service 39%, Industry 28%)**

**Agriculture**

**Source:** NBE Annual Reports 2017/2018 and 2018/2019; ILOSTAT, 2019
Agro-processing capabilities represent an important bridge between current national advantages in agriculture and potential future advantages in light manufacturing ...

<table>
<thead>
<tr>
<th>Current national advantages in agriculture in Ethiopia</th>
<th>Near-term diversification opportunities</th>
<th>Long-term diversification opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals, staples and industrial crops (coffee, oilseeds)</td>
<td>Cartons, crates, lids, tins, plastic wrappers, sealable bags (poly-bags), tetra pack, paper labels, etc.</td>
<td>Collection and packaging equipment manufacturing</td>
</tr>
<tr>
<td>Fruits and vegetables, pulses</td>
<td>Pasta and biscuits, UHT milk, high quality feedlot/abattoir, edible oils, fresh-cut packaged F&amp;V for export</td>
<td>Agri-mechanization, other industrial processing, and cold storage equipment</td>
</tr>
<tr>
<td>Animal husbandry, incl. cattle, poultry, shoats</td>
<td></td>
<td>Logistical and other transport-related equipment manufacturing</td>
</tr>
</tbody>
</table>

Packaging and labeling (e.g., cardboard boxes, glass bottles, and jars) | Grain milling, dairy processing, fruits and vegetables, nuts, tomato paste, edible oil processing | Basic transport and logistics services; storage/warehouse services (cold/dry)
... Recognizing this link, several Ethiopian government actors have embarked on efforts to support growth in the sector, with flagship initiatives such as the ACCs/IAIPs

**Agricultural Commercialization Clusters (ACCs)**

Rapid, sustained and inclusive development of priority agricultural commodity value chains in a geographically-focused approach that provides a strategic and commercially viable platform for the implementation of multiple, priority interventions for agricultural transformation-led growth and rural transformation.

**Integrated Agro-Industrial Parks (IAIPs)**

Adapts food park and industrial zone concepts to catalyze large investment in industries for processing and value addition of agricultural input, with heavy focus on provision of basic and agro-processing infrastructure development, shared services, and investment incentives. Firms located in IAIPs will source raw materials from the ACCs.
Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

- Juice
- Edible Oil
- Red Meat
- Poultry

Incentives & Endowments
The global processed food and beverage market has been growing in the last two decades with USA, Germany & Netherlands leading the market.

The world’s food manufacturing industry has been growing rapidly over the past years.

- Processed foods accounted ~ 80% of global food sales, estimated at 4 trillion USD, in 2002.
- The average annual growth rate of the exports of the world’s food manufacturing industry from 2001 to 2011 was 9.6%.

Major processed F&B exporters include U.S, Germany and Netherland.

- U.S processed food exports are mainly ready-meals, dairy products, non alcoholic and alcoholic beverages, and snacks.
- Germany, Italy and Spain export highly-processed food (such as ready meals, including frozen food).

Ethiopia’s industrial sector is growing faster than other sectors, and within the sector the food and beverage processing industry has been growing at 60% CAGR.

**Industry accounts for 23% of GDP; with the fastest growth rate at 37%**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry</th>
<th>Services</th>
<th>Agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>47,6 (11%)</td>
<td>5,2 (13%)</td>
<td>19,6 (41%)</td>
</tr>
<tr>
<td>2014</td>
<td>55,6 (16%)</td>
<td>26,7 (48%)</td>
<td>21,4 (39%)</td>
</tr>
<tr>
<td>2015</td>
<td>64,5 (22%)</td>
<td>30,8 (43%)</td>
<td>23,2 (36%)</td>
</tr>
<tr>
<td>2016</td>
<td>73,0 (23%)</td>
<td>31,5 (43%)</td>
<td>25,4 (35%)</td>
</tr>
<tr>
<td>2017</td>
<td>80,6 (23%)</td>
<td>34,6 (43%)</td>
<td>27,5 (34%)</td>
</tr>
</tbody>
</table>

**CAGR**
- 37%
- 11%
- 9%

Inside industry, FBPI had a 13% share in 2015, growing with 60% from 2013 onwards.

**Industry segment breakdown in 2014 (BN USD)**

<table>
<thead>
<tr>
<th>Industry sector</th>
<th>FBPI</th>
<th>FBPI sub-sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>7.5</td>
<td>12% FBPI</td>
</tr>
<tr>
<td>(Excluding FBPI)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>0.5</td>
<td>21% FBPI</td>
</tr>
<tr>
<td>Electricity</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>and water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining and</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>Quarrying</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Growth in FBPI is largely dominated by the beverage industry:**
- Beer, mineral water and lemonade have the largest volume in the processing of food and beverage
- The food industry dominated by grain milling and bakery industries

**FBPI growth to be augmented from agro-processing IPs:**
- 17 agro-processing integrated parks are planned to be constructed with 4 already under construction
- Out of the 7 industrial parks established since 2014, 2 will encompass agro-processing

Despite its growth, FBPI’s share in Ethiopia’s GDP is low; this compounded with a growing domestic demand has resulted in high value of imports.

Ethiopia's FBPI share to GDP is significantly low at 2%.

Contribution of the sectors to GDP in 2017 (BN USD)

<table>
<thead>
<tr>
<th></th>
<th>FBPI</th>
<th>Industry (Excluding FBPI)</th>
<th>Services</th>
<th>Agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>15%</td>
<td>18%</td>
<td>51%</td>
<td>15%</td>
</tr>
<tr>
<td>India</td>
<td>9%</td>
<td>14%</td>
<td>62%</td>
<td>15%</td>
</tr>
<tr>
<td>Congo</td>
<td>15%</td>
<td>27%</td>
<td>39%</td>
<td>20%</td>
</tr>
<tr>
<td>Benin</td>
<td>7%</td>
<td>14%</td>
<td>56%</td>
<td>23%</td>
</tr>
<tr>
<td>Uganda</td>
<td>5%</td>
<td>15%</td>
<td>55%</td>
<td>25%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>2%</td>
<td>21%</td>
<td>43%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Processed commodities consumption in Ethiopia (MN USD)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereal and oilseeds</td>
<td>10,436</td>
<td>11,386</td>
<td>11,762</td>
</tr>
<tr>
<td>Livestock</td>
<td>2,317</td>
<td>2,527</td>
<td>2,611</td>
</tr>
<tr>
<td>Fruit and vegetable</td>
<td>4,817</td>
<td>5,256</td>
<td>5,429</td>
</tr>
<tr>
<td>Fiber crop</td>
<td>4,641</td>
<td>5,065</td>
<td>5,285</td>
</tr>
</tbody>
</table>

Ethiopian import value of processed F&B (MN USD)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>281</td>
<td>126</td>
<td>464</td>
<td>465</td>
</tr>
</tbody>
</table>

Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

Juice

Edible Oil

Red Meat

Poultry

Incentives & Endowments
Value Chain Summary

Fruit juice (I/III)

1. Despite its significant potential, there is limited domestic juice processing in Ethiopia; which, coupled with rising demand, is leading to a steep (140%) increase of juice imports (17.23 MN in 2017 from USD 9.6 MN in 2015).

Key bottlenecks are raw fruit availability (limited supply), high cost and low quality input, and fragmented supply chain.

Additionally, processors are incurring very high processing cost due to the high cost of packaging and transportation.

2. To allow for targeted investment and specialization, potential commodities and product types are selected.

Mixed fruit, Orange and grape fruit are chosen for import substitution and mixed fruit, passion fruit and orange are chosen for export generation.

Juice has three main product types, with NFC and FC juice being recommended in the short term.
Currently, Ethiopia does not have price competitiveness in juice and concentrate production; it can become highly competitive if supply chain, packaging and transportation challenges are addressed, reducing costs by 34%.

- **Streamlining the supply chain can significantly reduce costs (PHL and broker margin) by 17.4% and ensure stable supply**
- **Promoting the establishment of packaging material producing companies can reduce packaging costs by at least 15.9%**
- **Finally, encouraging the acceleration of investment in cold storage and transportation could reduce costs by an additional 8%**

To allow for the fruit processing industry to reach its full potential a 2 phase approach is recommended:

- **Phase 1** - Promoting the expansion of processing capacity and increasing fruit production (yield and volume); while in parallel, allowing import of pulp or concentrate to satisfy the growing input requirement of processors
- **Phase 2** – During this phase, end-to-end processing of juice will be achieved, discontinuing pulp and concentrate imports; and reaching international markets by ensuring quality of both raw and processed products
**Value Chain Summary**

**Fruit Juice (III/III)**

5. COMESA, MENA, EU, and China have been identified as destination markets along requirements and specific market segments.

| Four major destination markets were identified based on five key criteria |
|---|---|---|---|---|---|
| Destination market | Raw fruit input | Imports | Value of exports | Import | Value of imports |
| COMESA | ✔ | ✔ | ✔ | ✔ | ✔ |
| MENA | ✔ | ✔ | ✔ | ✔ | ✔ |
| EU | ✔ | ✔ | ✔ | ✔ | ✔ |
| China | ✔ | ✔ | ✔ | ✔ | ✔ |

Four major destination markets (COMESA, MENA, EU and China) are identified as major destination markets.

Within each market, focus is given to market segments that have less stringent quality requirements and are price sensitive.

6. To pilot the potential of the designed interventions, a geography-focused implementation plan has been prepared.

Potential sourcing areas (Upper awash, Wolayita, Arba Minch, Didessa and Assossa) have been identified and integrated initiatives focusing on input supply, farm production and market linkage have been developed.

High level implementation plan including targets and intervention sequencing for 3 IAIP (Bulbula, Bure and Yirgalem) and private processors outside of IAIP has been developed.
Content

Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

Juice

Red Meat

Poultry

Incentives & Endowments
Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

Juice
Edible Oil
Red Meat
Poultry

Incentives & Endowments
**Value Chain Summary**

**Red Meat (I/III)**

1. Ethiopia has the second largest livestock population in Africa and ranks in the top ten globally; yet has relatively low exports of red meat.

![Image](image0.png)

The current production of meat per livestock is low compared to other livestock producing countries - Ethiopia's red meat export growth has been inconsistent over the past 5 years.

2. Currently Ethiopia's red meat price is not competitive in the international market due to high cost of production; 19-30% higher than the global average depending on the specific red meat product.

![Image](image1.png)

- Red meat prices are high due to primary market prices, inconsistent supply of livestock, limited availability of sufficient livestock that fulfills export standards, prevalence of livestock disease and limited development of the feed industry.
- Additionally, traders/middlemen at different stages of the value chain are significantly augmenting prices.
Value Chain Summary

Red Meat (II/III)

3. Addressing issues in livestock development with commercial ranching approach can lead to Ethiopia becoming highly competitive in international markets.

Promoting the establishment of commercial ranches can optimize the major costs - ensure sufficient and consistent supply, streamline sourcing of primary input, increase productivity, reduce involvement of middle men, shorten fattening period and ensure proper animal management.

4. A targeted geographic based implementation is recommended to pilot a holistic approach to scale-up red meat production.

- Establishing commercial ranches in areas with high livestock population, along with establishment of disease free zones and provision of cold chain transportation.
- Integrated initiatives focusing on input supply, SHF production and market linkage to be implemented in the geography.
Value Chain Summary

Red Meat (III/III)

5 Three major destination markets have been identified together with their requirements and recommended market segment; MENA, COMESA and China

- Currently around 97% of Ethiopia’s red meat export is to MENA market
- Ethiopia is the largest exporter of goat meat to MENA market- covering 53% of total market and fetching a higher price - 5.8 USD per KG

6 Market phasing is recommended for identified destination markets based on their requirements

Phase 1: Market expansion in MENA

Phase 2: Entry to COMESA market

Phase 3: Entry to China market
Content

Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

Juice
Edible Oil
Red Meat

Poultry

Incentives & Endowments
Ethiopia’s chicken population is 9th in Africa, however chicken meat production is very low with a proportion of chicken population to chicken meat production of 875 vs 125 in South Africa.

Despite its high chicken population number which is growing at a 5% rate annually, the current meat production is very low compared with peer countries.

As it stands, Ethiopia’s chicken meat price is not competitive in the global market, >46% higher than the global market price; this is despite Ethiopia having low processing and operational costs.

- Despite having processing and operational costs that is lower than the global average by >48%, Ethiopia’s chicken meat prices are higher than peer countries mainly due to challenges revolving around chicken production.
Value Chain Summary

**Poultry (II/III)**

3. Chicken meat prices are high due to challenges around feed, Day Old Chick (DOC) and low conversion rate of indigenous breed

Feed comprises 70% of the poultry industry and the current price of feed is double of the global average; 0.6USD - Raw material that are used as inputs for feed processing and DOC prices are >50% higher prices than the global average

Indigenous breeds (95% of chicken population), have low feed conversion rate (2.8 vs 1.5 global average) and longer rearing periods (10 weeks vs 6 weeks of broiler breeds)

4. Optimizing the major cost drivers will enable Ethiopia’s chicken meat price to be competitive in the global market

   1. Local broiler pure breed multiplication center will reduce the DOC price by 55%
   2. Using better broiler breed type coupled with boosting soybean & neug production and lifting imposed taxes on the by-products will reduce the feed cost by 34%
   3. Implementing import tariff initiative on premixes and additives will reduce the feed cost by 3%
   4. Adjusting the profit margin to the globally recommended margin (5% - 7%) will reduce the market price by 16%
Value Chain Summary

Poultry (III/III)

5. To reach the optimized price level (in order to compete globally) and to balance the current mismatch between feed demand and supply, the development of the feed processing industry is a precursor to developing poultry processing – as experiences from countries like China, Brazil and Thailand show.

Geographical based targeted implementation will be piloted in Bulbula, Bure, Yirgalem IAIPs, and private processing in Wolkite, Debrebirhan, Wollega, Axum and Mekelle areas

7. Optimized chicken meat prices will enable us penetrate market destinations at close vicinity; MENA, COMESA and China

**Phase 1: Import substitution**

*In the first phase substituting chicken meat imports (that are coming mainly from Brazil) is recommended*

**Phase 2: Export generation**

With price optimization, Ethiopia’s chicken meat will be competitive in three major markets (MENA, COMESA and China). Based on meeting quality & standard requirements, it is recommended to initially focus on MENA then COMESA and gradually into China upon quality improvement.
**Executive summary - Auxiliary Industry**

Various business opportunities exist throughout the Ethiopian value chain as there are limited service providers.

<table>
<thead>
<tr>
<th></th>
<th>Farmer</th>
<th>Primary market</th>
<th>Store</th>
<th>Processors/Exporters</th>
<th>Dry port/Cargo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Farmers</strong></td>
<td>Transport using porterage or pack animals; average carrying capacity of 30-50 Kg</td>
<td><strong>Trader, wholesaler, cooperative</strong> Transport using pickups, small trucks and even pack animals; average 30-50 qtl capacity of small trucks</td>
<td><strong>Traders/Processors</strong> Transport using pickups, small trucks; average capacity of small trucks is 30-50 qtl</td>
<td><strong>Exporters</strong> Transport using trucks and truck trailers; average capacity of 160 qtl dry cargo vehicle size</td>
<td></td>
</tr>
</tbody>
</table>

**Challenges**
- Damage and quality deterioration of products
- High product loss rate especially for perishable produce
- Expensive service due to low load capacity rates
- Inadequate number and old freight vehicles

**Business opportunity**
- Large scale cold and ambient transportation services
- Freight transportation companies
- Third Party logistics (3PL) service providers

Source: Logistic practices in Ethiopia, Fekadu M.
Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry
  Juice
  Edible Oil
  Red Meat
  Poultry

Incentives & Endowments
Highly attractive policy incentives are availed by the GoE that make investing in the food and beverage processing industry attractive

Major Incentives Include:

<table>
<thead>
<tr>
<th>Fiscal Incentives</th>
<th>Non-fiscal Incentives</th>
<th>Other Incentives</th>
</tr>
</thead>
</table>
| • Income tax holiday.  
  • Agro-processing investors are eligible for income tax exemption for at least 3 years and exporting at least 50% of products are exempt from income tax for 5 years; Investors in prioritized regions are eligible for an additional year income tax exemption  
  • Exemption of income tax up to 10yrs for enterprises locating inside an IP, and 15% for IP developers  
  • Import duty exemption. Investors can import duty-free capital goods and materials to establish new enterprises or expand  
  • Fiscal Export Incentives. With the exception of a few products (e.g. semi-processed hides and skins), no export tax is levied on Ethiopian export products.  
| • Loss Carry Forward. Enterprises that suffer losses during the income tax exemption period can carry it forward  
  • Non-Fiscal Export Incentives. Exporters are allowed to retain 30% of their foreign exchange earnings and retain the remaining 70% of the account balances for up to 28 days  
  • Remittance of Capital. A foreign investor has the right to make remittances out of Ethiopia in convertible foreign currency  
  • Guarantee against expropriation  
| • Land availability. Subsidized land leasing to private entrepreneurs and allocation of sufficient land for feed production  
  • Expedited visa procedure -expedited procedure of securing entry, work permit and certificate of residency  
  • Multiple entry visas for shareholders and general managers  
  • Facilitation of market linkages |
Ethiopia has built [and continues to build] sustainable infrastructure that provides investors with unique market access advantages

As part of the effort to be a light manufacturing hub in Africa by 2025, develop key infrastructure and create a favorable environment for doing business in the country.

<table>
<thead>
<tr>
<th>Main infrastructures</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Availability of Power</td>
<td>• The country’s electricity cost is one of the lowest in the world. Ethiopia has a current capacity to generate 4,500 MW of electricity</td>
</tr>
<tr>
<td><strong>2</strong> Rail Infrastructure / Access to Sea Outlet</td>
<td>• The completion of the Grand Ethiopian Renaissance Dam (GERD) in the coming few years, with its capacity of 6,450MW, will meaningfully change the current production capacity to a $10500+ MW</td>
</tr>
<tr>
<td><strong>3</strong> Development of Industry Parks</td>
<td>• Ethiopia has been investing its resources on infrastructure such as the Addis Ababa-Djibouti railway. The Addis Ababa-Djibouti rail line, which is 756km long, cuts the journey time for goods from Ethiopia to the Djibouti port from days by road to 10 hours or less. Several other railway lines that connect all major corridors of Ethiopia are under construction</td>
</tr>
<tr>
<td><strong>4</strong> Air freight and Transportation</td>
<td>• Extensive development of industry parks in Ethiopia has changed the investment environment of the country. The model has been for the Ethiopian government to construct well-serviced industrial parks which house the prospect of Leather, Pharmaceutical and Textile manufacturing factories as well as Agro-processing companies</td>
</tr>
<tr>
<td></td>
<td>• Africa’s world-class and Star-Alliance member Ethiopian Airlines connects the country to more than 120 international and 60 African destinations, and provides 54 dedicated cargo routes. It also flies to over 22 domestic passenger destinations</td>
</tr>
</tbody>
</table>
17 IAIP are planned by the government but Geographical based targeted implementation will be piloted based on the 4 IAIP

**GoE has planned to establish 17 IAIP to fast-track the development of the sector**

To **alleviate wide set of challenges**, GoE has put in place integrated agro industrial parks
- IAIP are regional agro-processing zones developed to attract investment
- Accelerate the growth of agro-processing sector

**Implementation and sourcing strategy will be piloted in the 4 existing IAIPs**

**Geographical based targeted implementation will be piloted:**
- To create an enabling environment for **focused investment and specialization**
- To pilot the impact of the developed intervention and enhance the nation wide implementation

Source: Interviews and ATA analysis
### Yergalem IAIP

<table>
<thead>
<tr>
<th>Location</th>
<th>SNNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity</td>
<td>Cereals, coffee, fruits and vegetables, dairy, meat and other animal products</td>
</tr>
<tr>
<td>IAIP Status</td>
<td>85%</td>
</tr>
<tr>
<td>RTC status</td>
<td>Dila = 63.3%, honey, milk, egg, fruit and vegetable storage = 65-80%, Live animal holding = 80-87%</td>
</tr>
<tr>
<td>Interested investors</td>
<td>8 projects / fruit, vegetable, coffee and honey/ signed an agreement, 3 have started construction. Other 20 projects have registered</td>
</tr>
</tbody>
</table>

### Bulbula IAIP

<table>
<thead>
<tr>
<th>Location</th>
<th>Oromia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity</td>
<td>Wheat, barley, haricot bean, fava bean, tomato, potato, fruits and vegetables, dairy, fish, poultry, honey and meat</td>
</tr>
<tr>
<td>IAIP Status</td>
<td>55%</td>
</tr>
<tr>
<td>RTC status</td>
<td>Shashemene = 63%</td>
</tr>
<tr>
<td>Interested investors</td>
<td>10 investors have registered / Papaya and black seed oil</td>
</tr>
</tbody>
</table>

### Bure IAIP

<table>
<thead>
<tr>
<th>Location</th>
<th>Amhara</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity</td>
<td>Sorghum, sesame, fruits and vegetables, dairy, meat and other animal products</td>
</tr>
<tr>
<td>IAIP Status</td>
<td>43%</td>
</tr>
<tr>
<td>RTC status</td>
<td>Mota = 55%</td>
</tr>
<tr>
<td>Interested investors</td>
<td>2 investors registered (Edible oil &amp; feed)</td>
</tr>
</tbody>
</table>

### Baeker IAIP

<table>
<thead>
<tr>
<th>Location</th>
<th>Tigray</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity</td>
<td>Sorghum, sesame, fruits and vegetables, honey, dairy, meat and other animal products</td>
</tr>
<tr>
<td>IAIP Status</td>
<td>30%</td>
</tr>
<tr>
<td>RTC status</td>
<td>Maykadra = 30%</td>
</tr>
<tr>
<td>Interested investors</td>
<td>Non registered but 105 project asked to be registered/ red meat and edible oil, 4 unions asked to be registered for RTC</td>
</tr>
</tbody>
</table>
Innovations to help our country grow

Mirafe Marcos, Senior Director, Agri-business and Markets, Agriculture Transformation Agency
Mirafe.marcos@ata.gov.et