



Grow with Ethiopia!

Exciting Opportunities in Food & Beverage Processing

By Dr. Yifru Tafesse

September 09, 2020

Content



Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

Juice

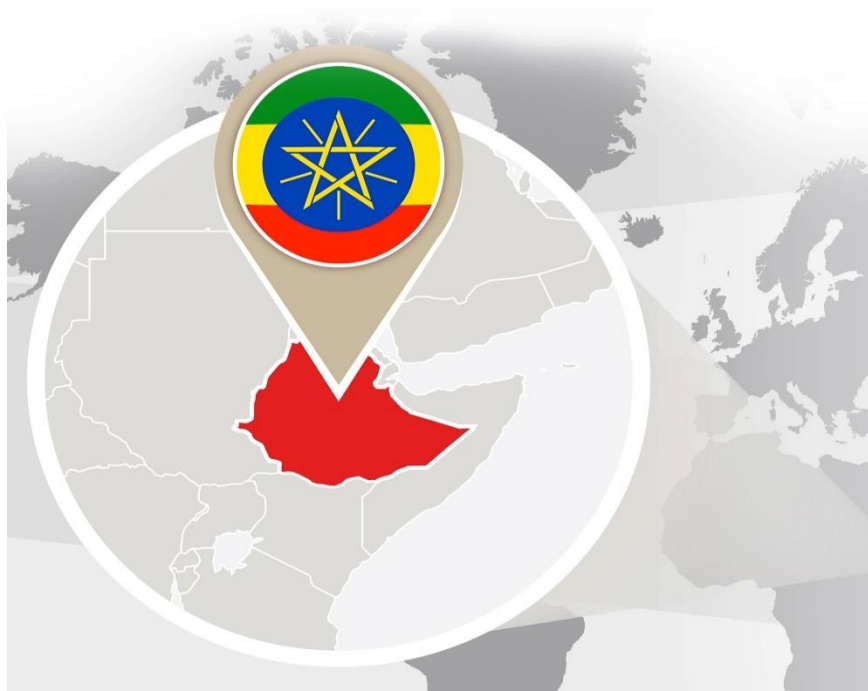
Edible Oil

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



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

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%

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 pu delivery
- Efficient tax administration/**domestic mobilization**

Short-term reforms: reform achievements

1 STARTING A BUSINESS

- Company name publication requirement removed
- Lease/rental agreement requirement removed
- OSS at MOTI (covering tax and authentication) created
- Legal base for the application of software replacing cash register machine created

2 GETTING CREDIT

- Directive to include MFIs and credit registry system adopt
- Credit information system cc to over 5% of adult population
- Movable properties security

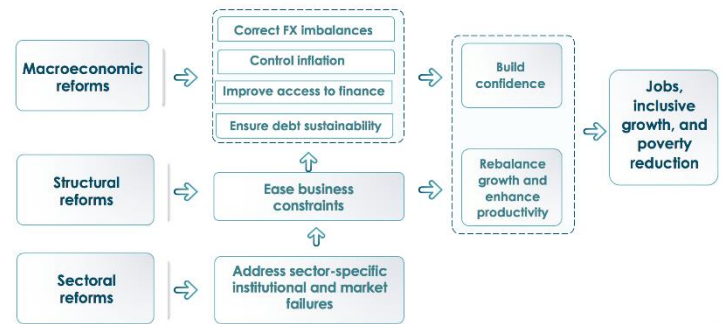
3 TRADING ACROSS BORDER

- Electronic single window system piloted
- Deferred payment; pre-arrival & advance ruling implemented
- Number of documents required for import & export reduced by 4(12-10 for export; 11-9 for import)
- Risk level for both import & export improved (more yellow & green) reducing the need for physical inspection
- E-certificate of origin implemented

4 PAYING TAX

- E-filing & e-payment on grad large tax payers (2,800 e-fillin payers)
- Tax payment through banks in
- Dedicated medium tax payers branch opened in A/A
- Risk-base VAT refund system introduced

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



Moving from short to medium-term

- **Medium and long-term reform action points slight revised** based on results and learnings so far
- As we move into medium-term action items, there is high need to focus on:
 - **Full/effective implementation** of short-term reforms
 - **Deeper and high-impact reforms** that significantly reduce time & cost (process streamlining/reengineering, use of ICT 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 DB score by 2020



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ፌዴራል ነጋሪት ጋዜጣ

FEDERAL NEGARIT GAZETTE
OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

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ግዕዝ አዋጅ ቁጥር: ፲፩፻፳፱/፳፱ ዓ.ም የኢንቨስትመንት አዋጅ ገጽ ፲፱፻፲፪	Content Proclamation No. 1180/2020 Investment Proclamation Page 12383	
አዋጅ ቁጥር: ፲፩፻፳፱/፳፱ የኢንቨስትመንት አዋጅ	PROCLAMATION NO. 1180/2020 INVESTMENT PROCLAMATION	
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የአገሪቱን ኢኮኖሚውን ዓለምአታዊ ተወዳዳሪነት የሚያፋጥን፣ የወጪ ንግድን የሚያስፋፋ፣ ሰፊ እና ሞራት ያለው የሥራ ልዩ ስራ የሚፈጥር፣ እንዲሁም በተለያዩ ዘርፎች መካከል ዘላቂ እና ተመጋጋቢ ትስስርን የሚያሳድሞ የኢኮኖሚ ሥርዓት መዘርን በማስፈለግ	WHEREAS it has become necessary to create an economic framework that fast-tracks the global competitiveness of the National economy, increases export performance, generates more and better employment opportunities, and facilitates sustainable and entwined linkage among various economic sectors;	

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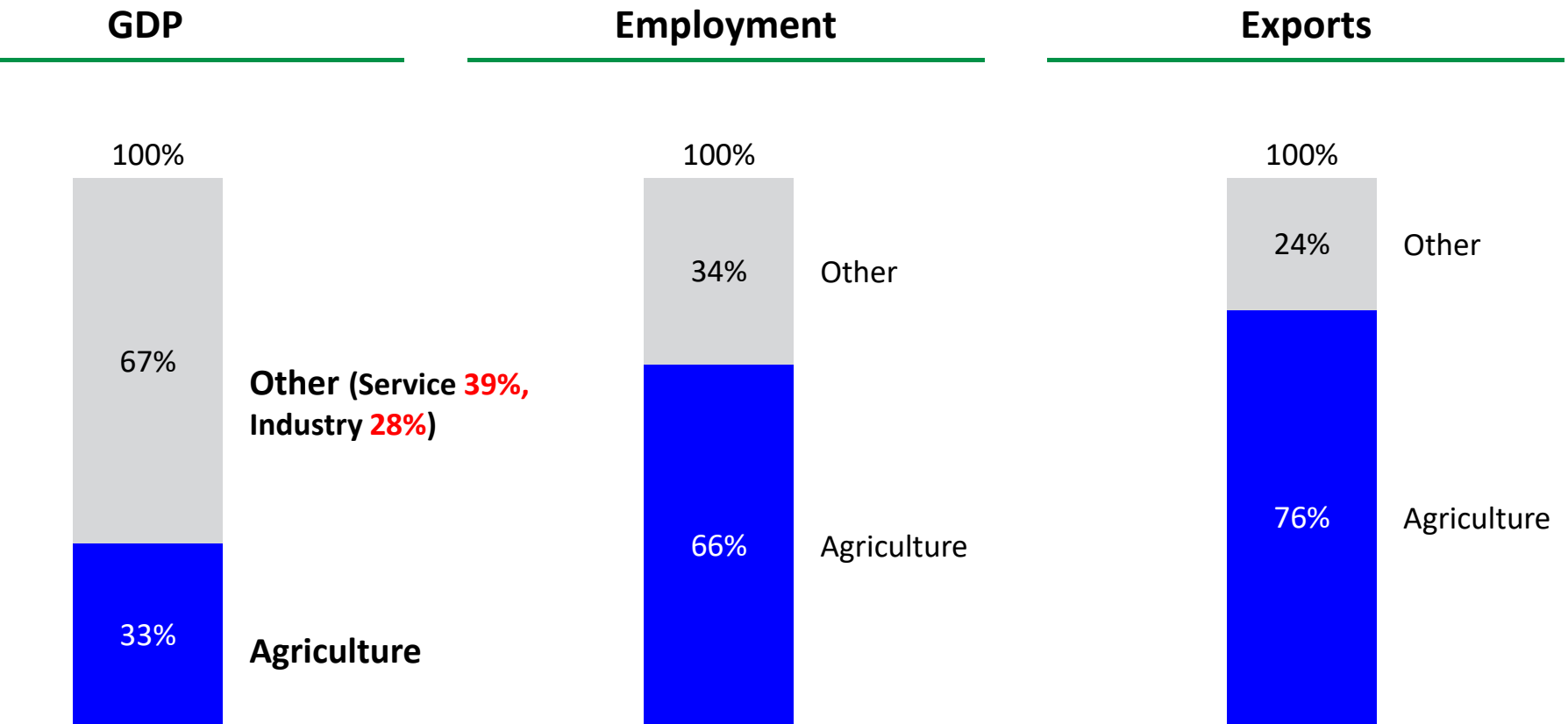
Red Meat

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



Agro-processing capabilities represent an important bridge between current national advantages in agriculture and potential future advantages in light manufacturing ...

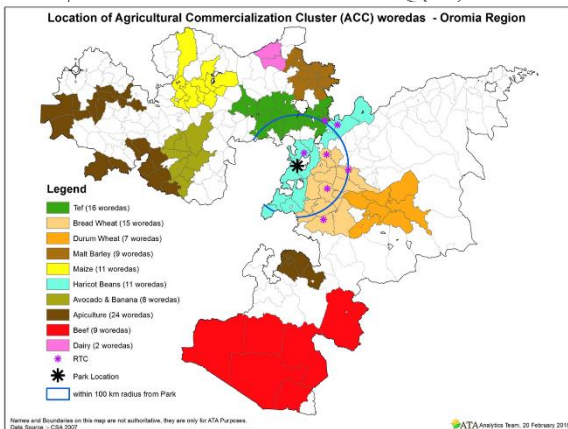
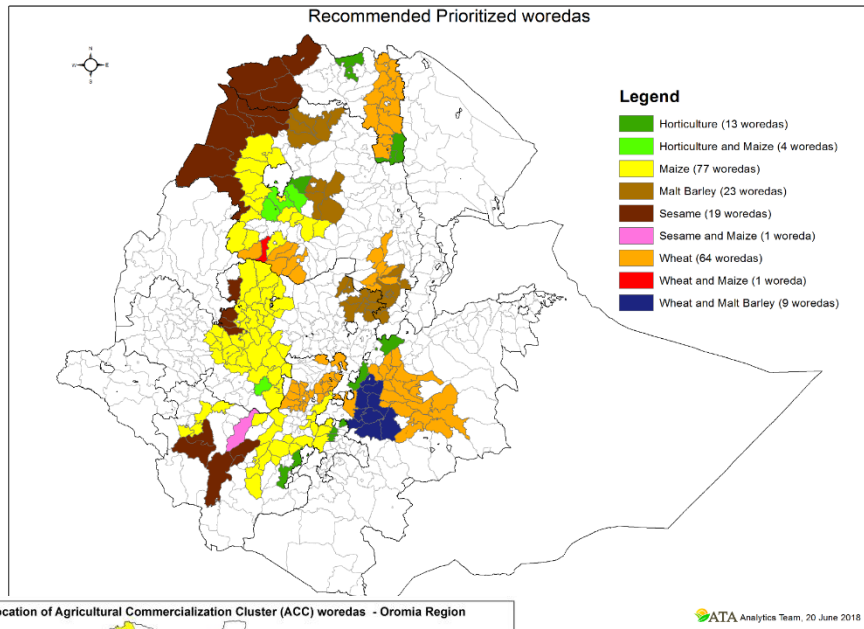


	Raw Produce	Auxiliary Inputs	Processing	Trading & Marketing
Current national advantages in agriculture in Ethiopia Cereals, staples and industrial crops (coffee, oilseeds) Fruits and vegetables, pulses Animal husbandry, incl. cattle, poultry, shoats		Packaging and labeling (e.g., cardboard boxes, glass 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)
Near-term diversification opportunities		Cartons, crates, lids, tins, plastic wrappers, sealable bags (poly-bags), tetra pack, paper labels, etc.	Pasta and biscuits, UHT milk, high quality feedlot/abattoir, edible oils, fresh-cut packaged F&V for export	Advanced transportation and logistics; marketing and branding standardization & grading; finance
Long-term diversification opportunities		Collection and packaging equip. manufacturing	Agri-mechanization, other industrial processing, and cold storage equipment	Logistical and other transport-related equipment manufacturing

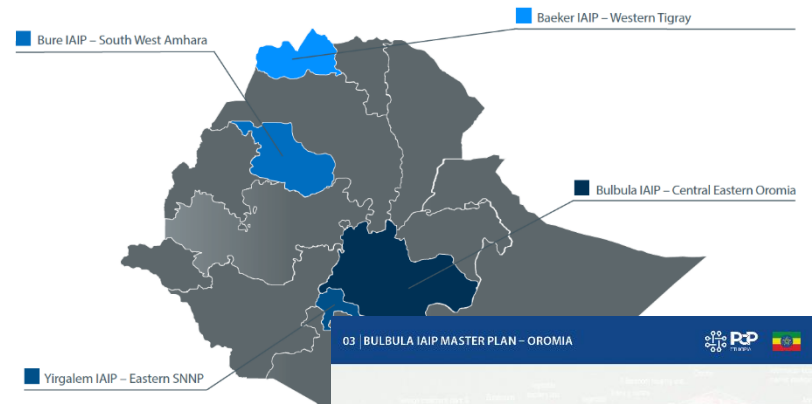
... Recognizing this link, several Ethiopian government actors have embarked on efforts to support growth in the sector, with flagship initiatives such as the ACCs/IAIPs

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



02 | SELECTED IAIPs ON THE MAP OF ETHIOPIA



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

03 | BULBULA IAIP MASTER PLAN - OROMIA



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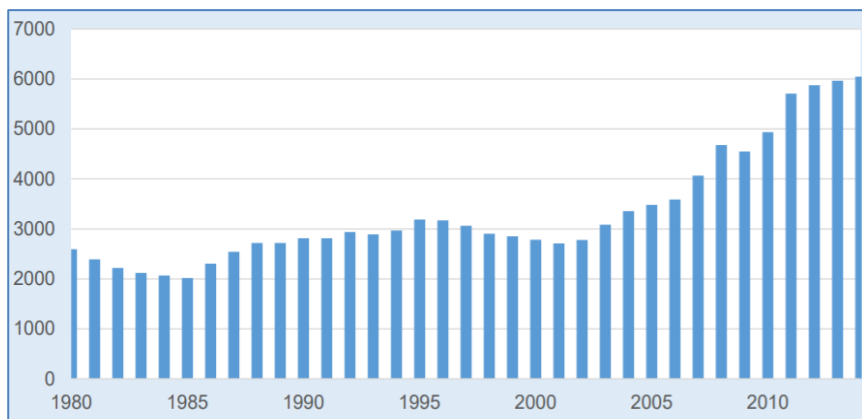
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Incentives & Endowments

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

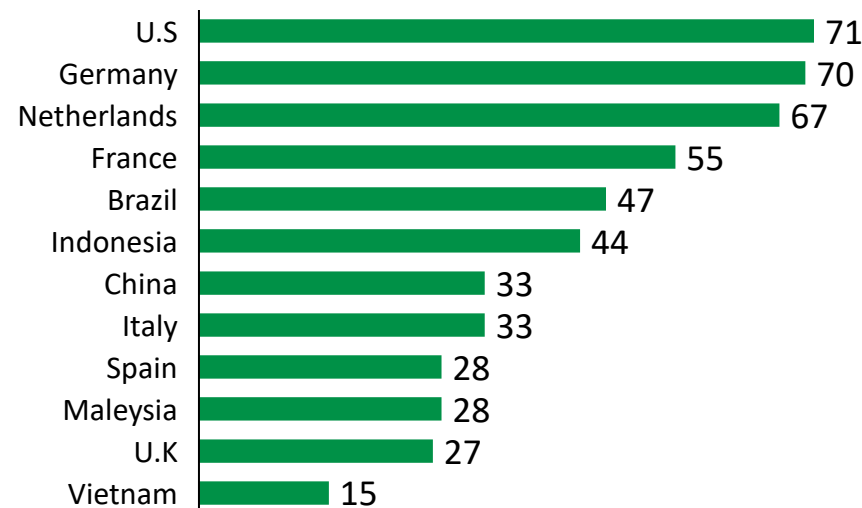
Total shipment value of world's major 73 countries' food industry (BN USD)



- 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

Total shipment value of world's major food & beverage product exporters in 2014 (BN USD)

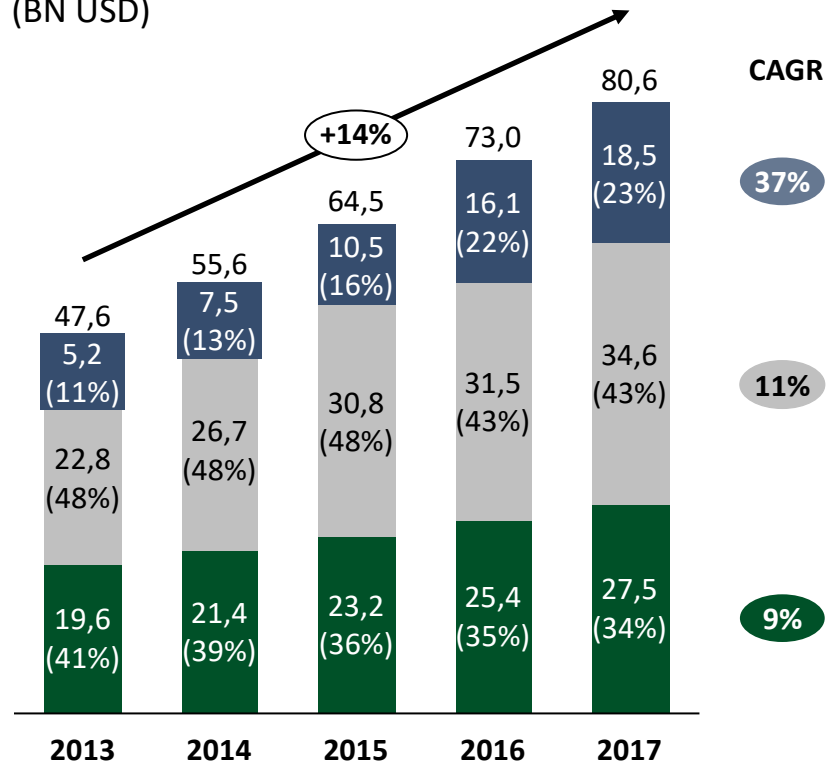


- U.S processed food exports are mainly ready-meals, **dairy products, non alcoholic and alcoholic beverages, and snacks**
- **Germany, Italy and Spain** export highly-processed food (such as ready meals, including frozen food)

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

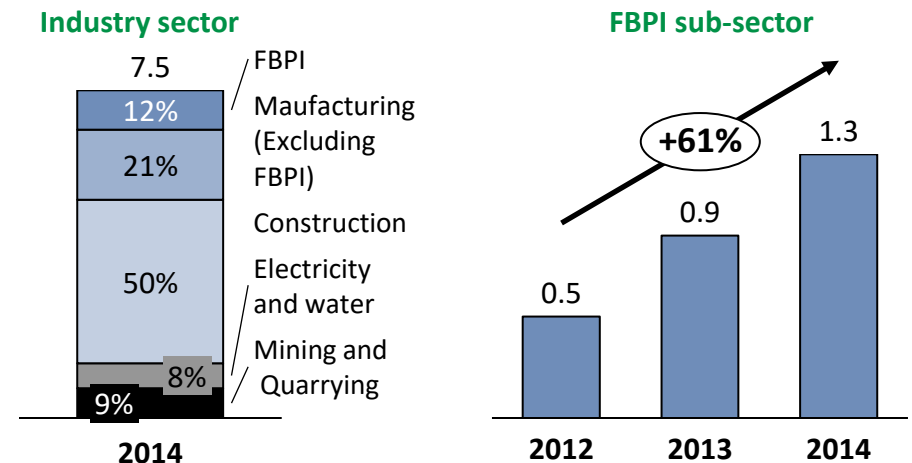
Industry accounts for 23% of GDP; with the fastest growth rate at 37%

Industrial sub sector's contribution to GDP (BN USD)



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

Industry segment breakdown in 2014 (BN USD)



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

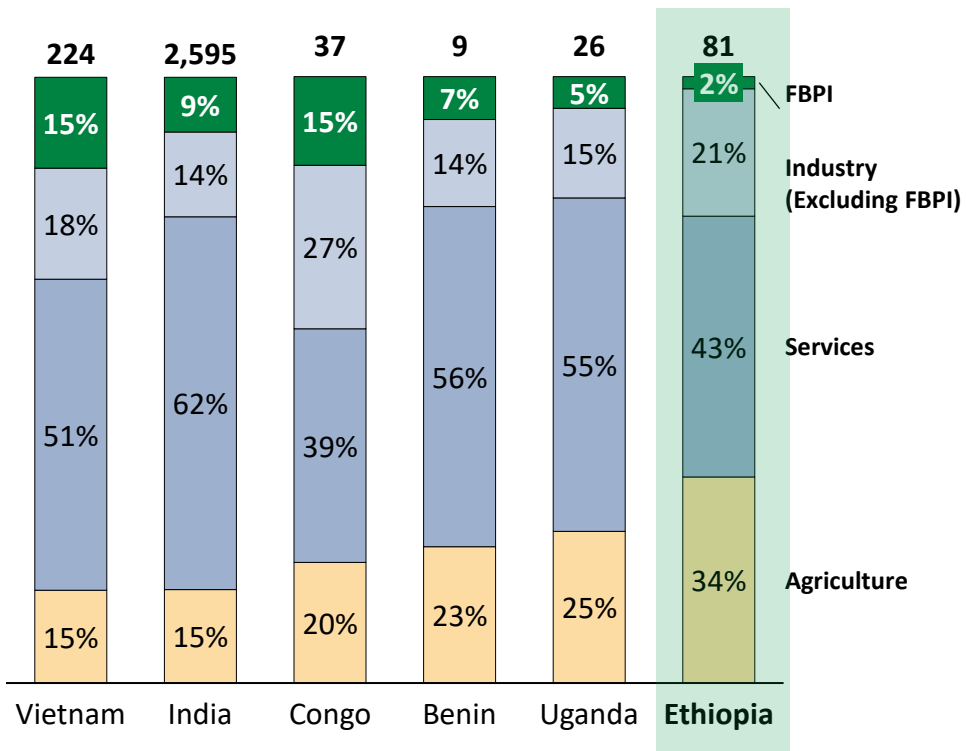
FBPI growth to be augmented from agro-processing IPs:

- 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

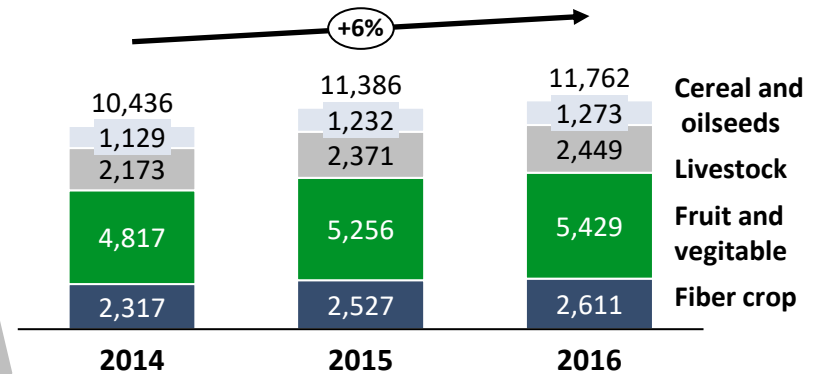
Ethiopia's FBPI share to GDP is significantly low at 2%

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

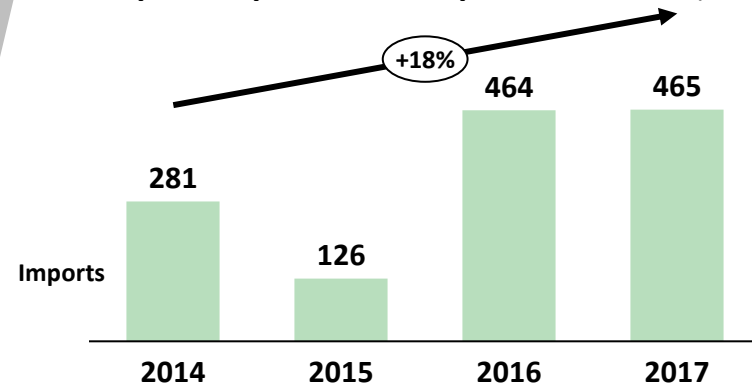


...While demand for processed food is increasing at 6%, resulting in high imports

Processed commodities consumption in Ethiopia (MN USD)



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



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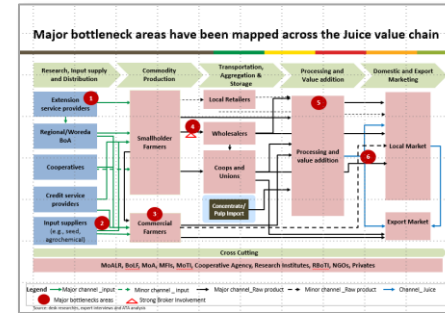
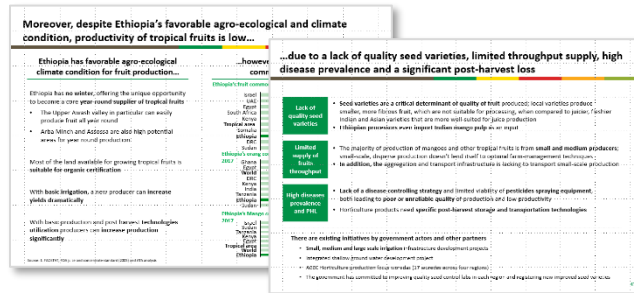
Incentives & Endowments

Value Chain Summary

Fruit juice (I/III)



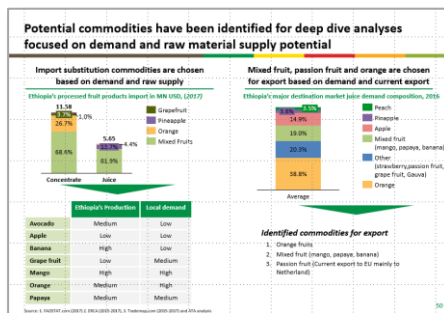
1 Despite its significant potential, there is limited domestic juice processing in Ethiopia; which, coupled with rising demand, is leading to a steep (140%) increase of juice imports (17.23 MN in 2017 from USD 9.6 MN in 2015)



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

Products	Description	Market demand	Complexity of processing
Not From Concentrate (NFC) Juice	Obtained by juicing raw fruit and processing by heat, before or after sealing in containers, so as to prevent spoilage	High for local and international markets	Low
Concentrate (Pulp)	After fruits are juiced, the product is filtered through a processor to extract excess water resulting in concentrate or pulp	High for local and international markets	Medium
From Concentrate (FC) Juice	Water is added back to the concentrated juice followed by a pasteurization process, before being packaged	High for local and international markets	Medium

Recommended for short term focus: NFC and FC Juice

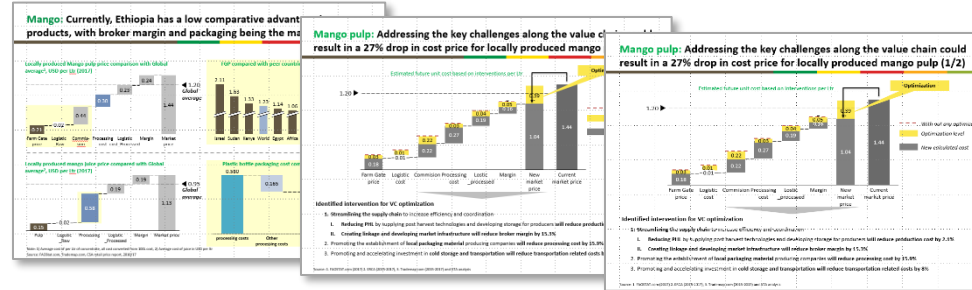
Juice has three main product types, with NFC and FC juice being recommended in the short term

Value Chain Summary

Fruit juice (II/III)



- 3 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%

- 4 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

To enable the fruit processing sector to reach its full potential, a two-stage implementation plan is recommended		
	Stage 1: Year 0 – Year 4 Scale-up production and capabilities	Stage 2: Year 5 onwards End to end processing & quality
Market structure	<ul style="list-style-type: none"> Import substitution Focus on juice processing by meeting processing demands through pulp or concentrate imports Generating the required economies of scale for production Developing product types (both pulp and juices) that are suitable for both local and international markets through R&D 	<ul style="list-style-type: none"> Export generation Develop local processing capacity for pulp and concentrate production – end to end processing capacity development Ensure quality of both raw and processed product Focus on international markets
Key bottlenecks	<ul style="list-style-type: none"> Foreign limitations to improve the necessary raw materials for production Limited availability of improved seed variety and seedlings Limited 2nd processing capacity High cost of packaging materials 	<ul style="list-style-type: none"> Underdeveloped market system Limited quality assurance and oversight High cold chain and logistics cost
Key interventions	<ul style="list-style-type: none"> Ensure sufficient farm access for processors to develop required varieties Strengthen and support research centres to start agricultural production through outgrowing schemes and contract farming Promote establishment of packaging industry 	<ul style="list-style-type: none"> Develop the implementation capacity of quality assurance institutes Promote PPP investment to accelerate cold storage and transportation investment

Value Chain Summary

Fruit juice (III/III)

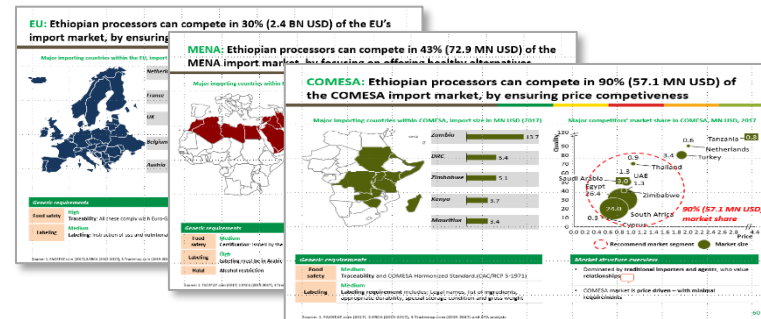


5 COMESA, MENA, EU, and China have been identified as destination markets along requirements and specific market segments

Four major destination markets were identified based on five key criteria

Destination market	State of trade relations	Ease of transportation	Ease of meeting requirements	Demand for identified products	Price Competitiveness
EU	●	●	●	●	●
China	●	●	●	●	●
MENA	●	●	●	●	●
COMESA	●	●	●	●	●
North America	●	●	●	●	●
East Asia	●	●	●	●	●
Latin America	●	●	●	●	●
Southeast Asia	●	●	●	●	●
South Asia	●	●	●	●	●
Oceania	●	●	●	●	●
Central Asia	●	●	●	●	●

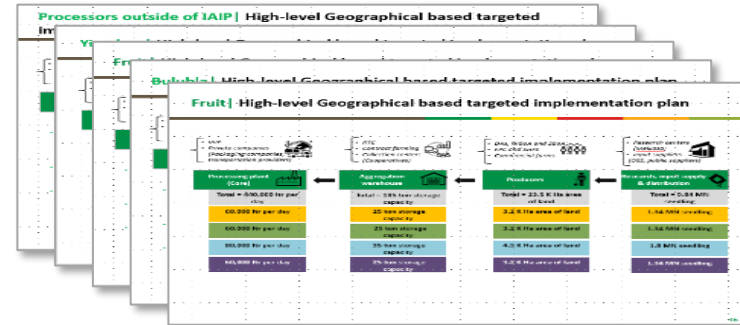
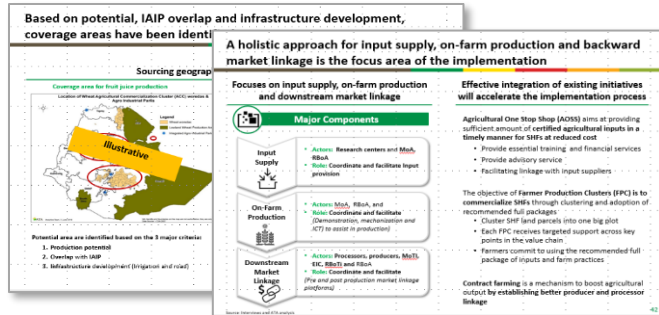
Legend: ● Recommend market destination



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 Assosa) 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

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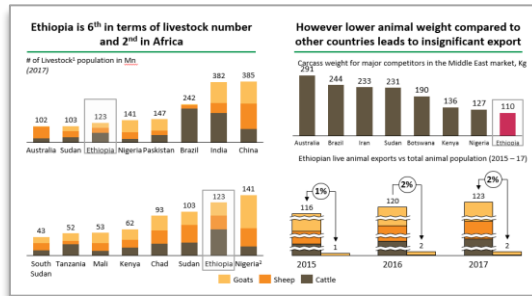
Incentives & Endowments

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

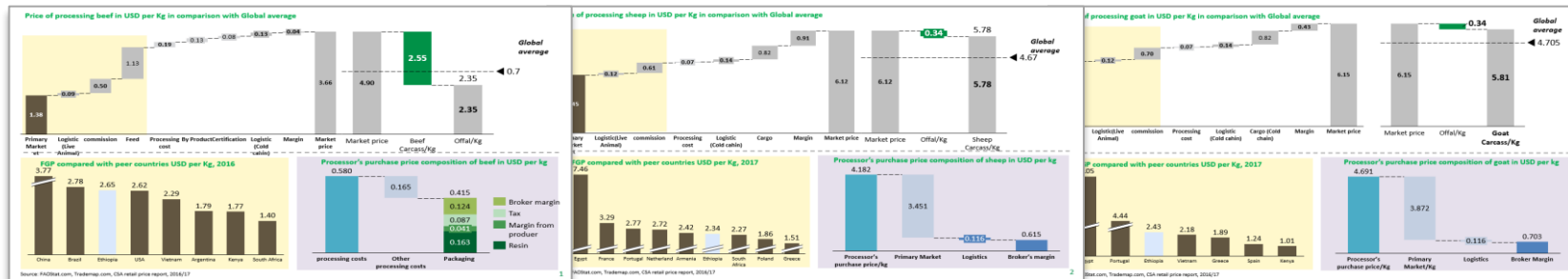


Bottleneck	Description	Implication
A. Raw Material Input	<ul style="list-style-type: none"> Ethiopia's major export destination (e.g., MENA) prefers low land breeds with high fat content and pale flesh <ul style="list-style-type: none"> Goats are preferred from Borena, Afar, and Jinka; Sheep from Somali; and cattle from Borana Highland breeds have darker flesh and chewier texture Highland breeds are only sold as frozen meat; which has low demand and low price However, there is currently a limited lowland breed population size <ul style="list-style-type: none"> Even though Ethiopia is known for its livestock size, only 75% of goat, 25% of sheep and 20% of cattle population nationally is found in the low land areas Without breed replenishment we risk endangering the lowland breed 	<ul style="list-style-type: none"> There is a high unaddressed demand in international markets as there is high appetite for Ethiopian breed Slaughter houses are not working at full capacity – decelerating scale-up and new investments
Limited supply of preferred breed	<ul style="list-style-type: none"> The livestock market is significantly fragmented, unregulated and inconsistent <ul style="list-style-type: none"> There are currently a number of traders between the smallholder and export slaughterhouses adding to the "farm gate" cost of live animals Livestock prices are more attractive across the Ethiopian border, leading to high illegal trade Currently there are no large scale commercial ranches Livestock production has little to not commercialization depending on the geographic area <ul style="list-style-type: none"> In the highlands, SHs use livestock for draft and only sell for slaughter after reaching a certain age In lowland areas livestock size holds high societal importance also due to lack of alternative assets; livestock are sold only when in need of cash 	<ul style="list-style-type: none"> Price fluctuations lead to high inavailability of live animals supply Exporter profit margin are consistently shrinking due to increase of prices Depletion of export suitable livestock population due to illegal trade
Underdeveloped market system		

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

Limited supply of low land breed, which major export destinations prefer, has made Ethiopia fall short of meeting the international demand

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



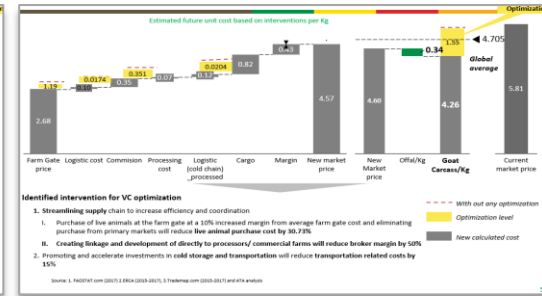
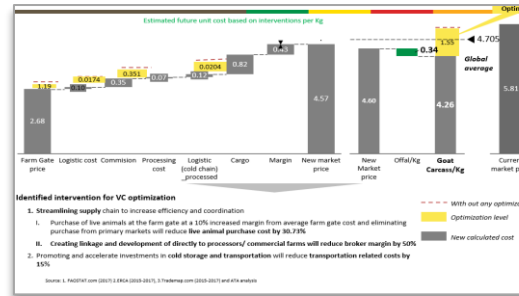
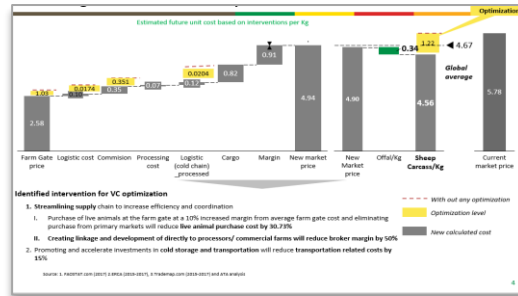
- Red meat prices are high due to primary market prices, inconsistent supply of livestock, limited availability of sufficient livestock that fulfills export standards, prevalence of livestock disease and limited development of the feed industry
- Additionally, traders/middlemen at different stages of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

Value Chain Summary

Red Meat (II/III)

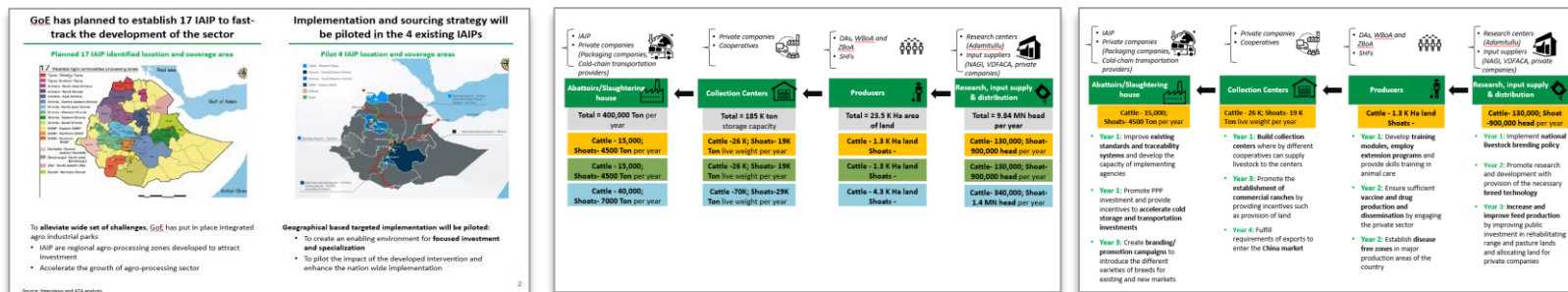


3 Addressing issues in livestock development with commercial ranching approach can lead to Ethiopia becoming highly competitive in international markets



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



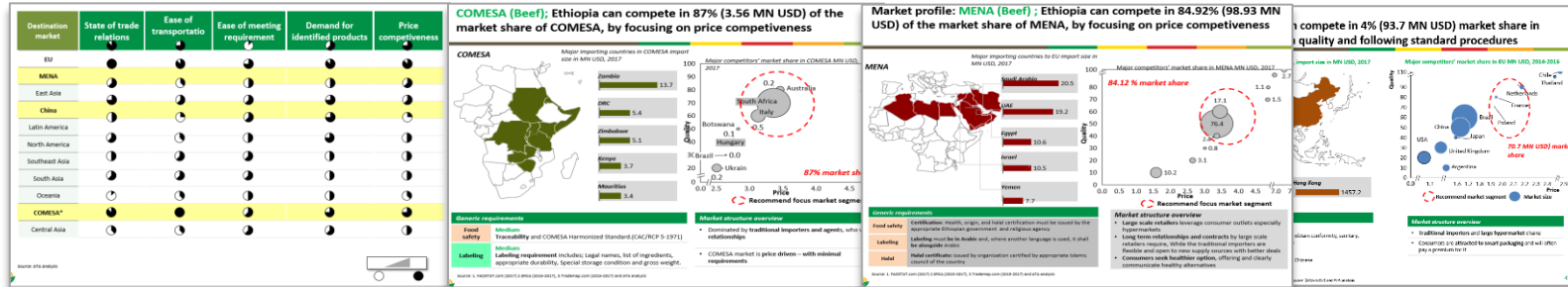
- Establishing commercial ranches in areas with high livestock population, along with establishment of disease free zones and provision of cold chain transportation
- Integrated initiatives focusing on input supply, SHF production and market linkage to be implemented in the geography

Value Chain Summary

Red Meat (III/III)



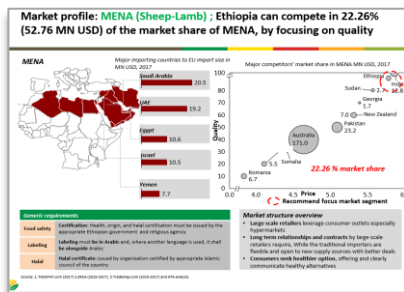
5 Three major destination markets have been identified together with their requirements and recommended market segment; MENA, COMESA and China



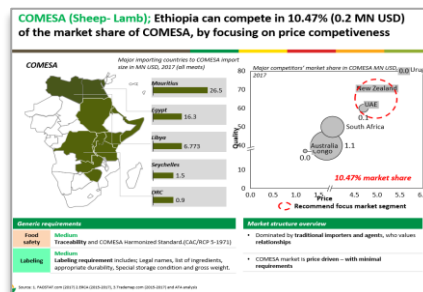
- Currently around 97% of Ethiopia's red meat export is to MENA market
- Ethiopia is the largest exporter of goat meat to MENA market- covering 53% of total market and fetching a higher price- 5.8 USD per KG

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

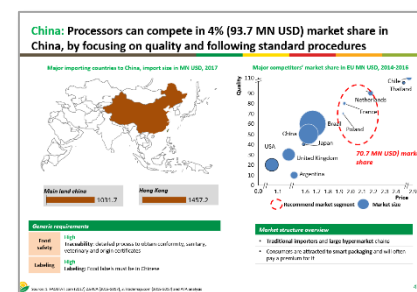
Phase 1: Market expansion in MENA



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

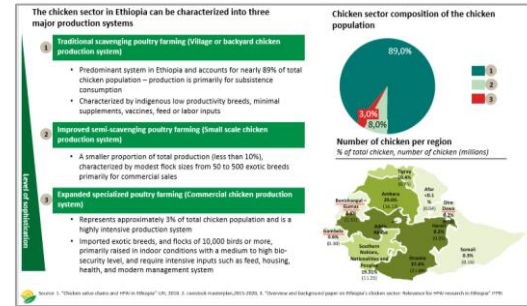
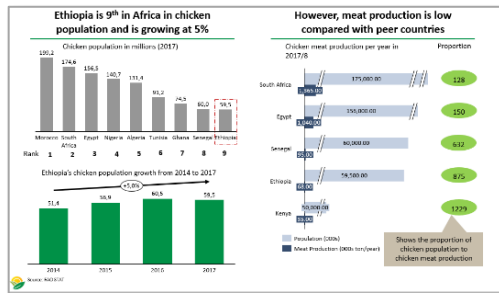
Incentives & Endowments

Value Chain Summary

Poultry (I/III)



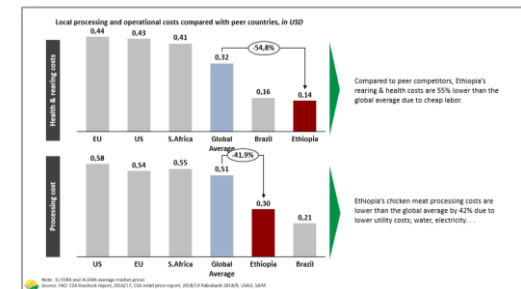
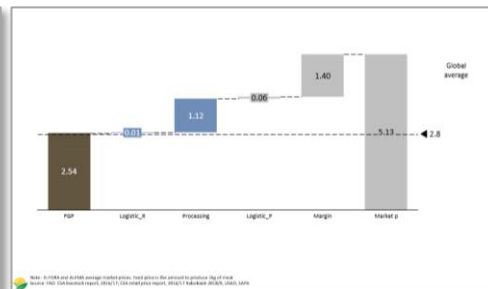
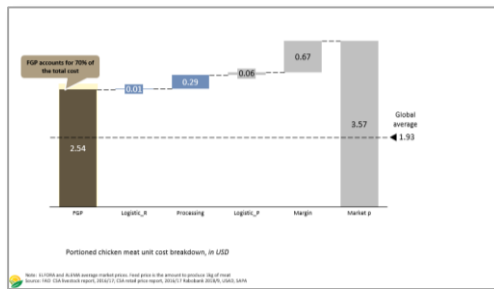
1 Ethiopia's chicken population is 9th in Africa, however chicken meat production is very low with a proportion of chicken population to chicken meat production of 875 vs 125 in South Africa



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

>95% of Ethiopia's poultry industry is dominated by traditional scavenging poultry farmers/producers

2 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



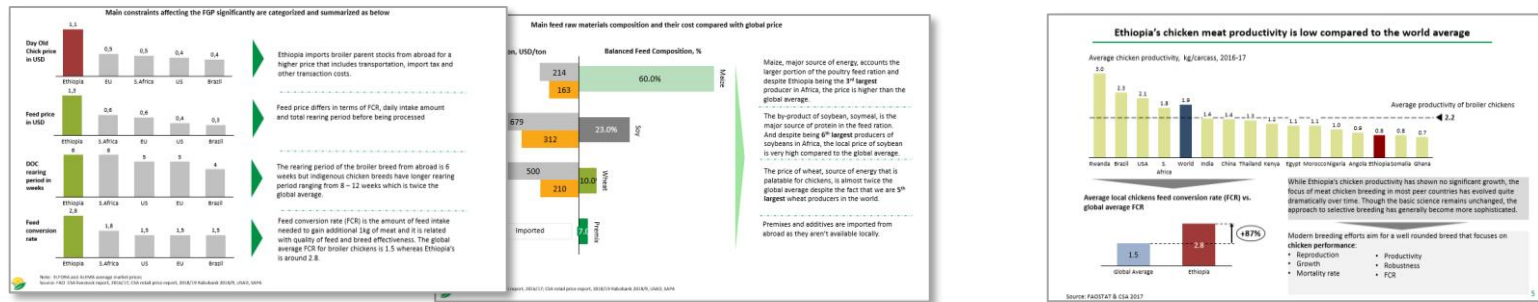
Despite having processing and operational costs that is lower than the global average by >48%, Ethiopia's chicken meat prices are higher than peer countries mainly due to challenges revolving around chicken production

Value Chain Summary

Poultry (II/III)



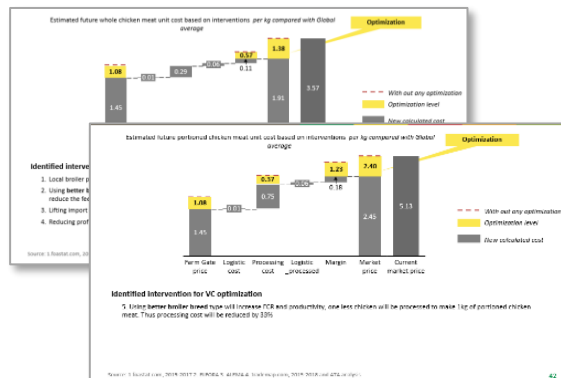
3 Chicken meat prices are high due to challenges around feed, Day Old Chick (DOC) and low conversion rate of indigenous breed



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 6weeks of broiler breeds)

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



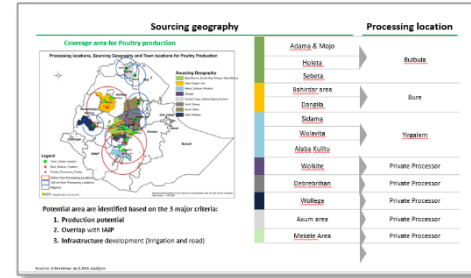
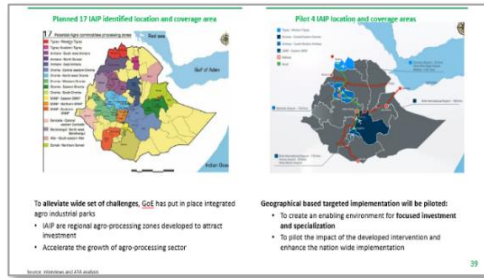
1. Local broiler pure breed multiplication center will reduce the **DOC** price by **55%**
2. Using **better broiler breed** type coupled with **boosting soybean & neug production** and **lifting imposed taxes on the by-products** will reduce the feed cost by **34%**
3. Implementing import tariff initiative on premises 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
- 6 Geographical based targeted implementation will be piloted in Bulbula, Bure, Yirgalem IAIPs, and private processing in Wolkite, Debrebirhan, Wollega, Axum and Mekelle areas



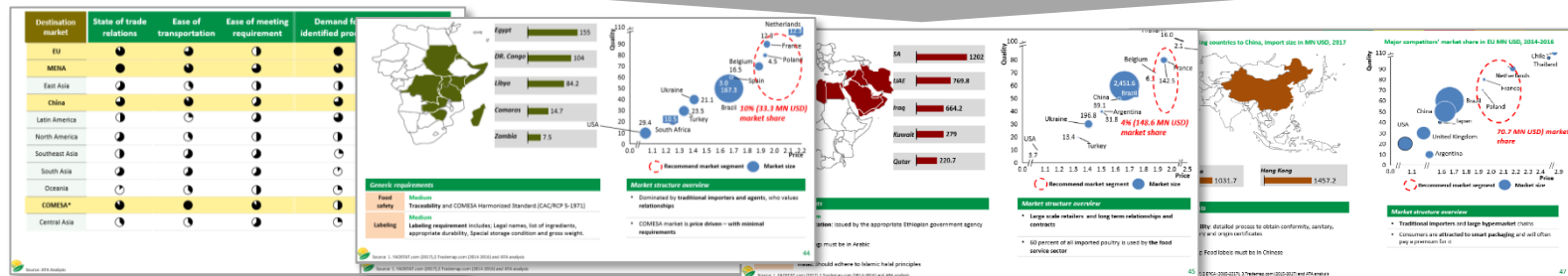
- 7 Optimized chicken meat prices will enable us penetrate market destinations at close vicinity; MENA, COMESA and China

Phase 1: Import substitution

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

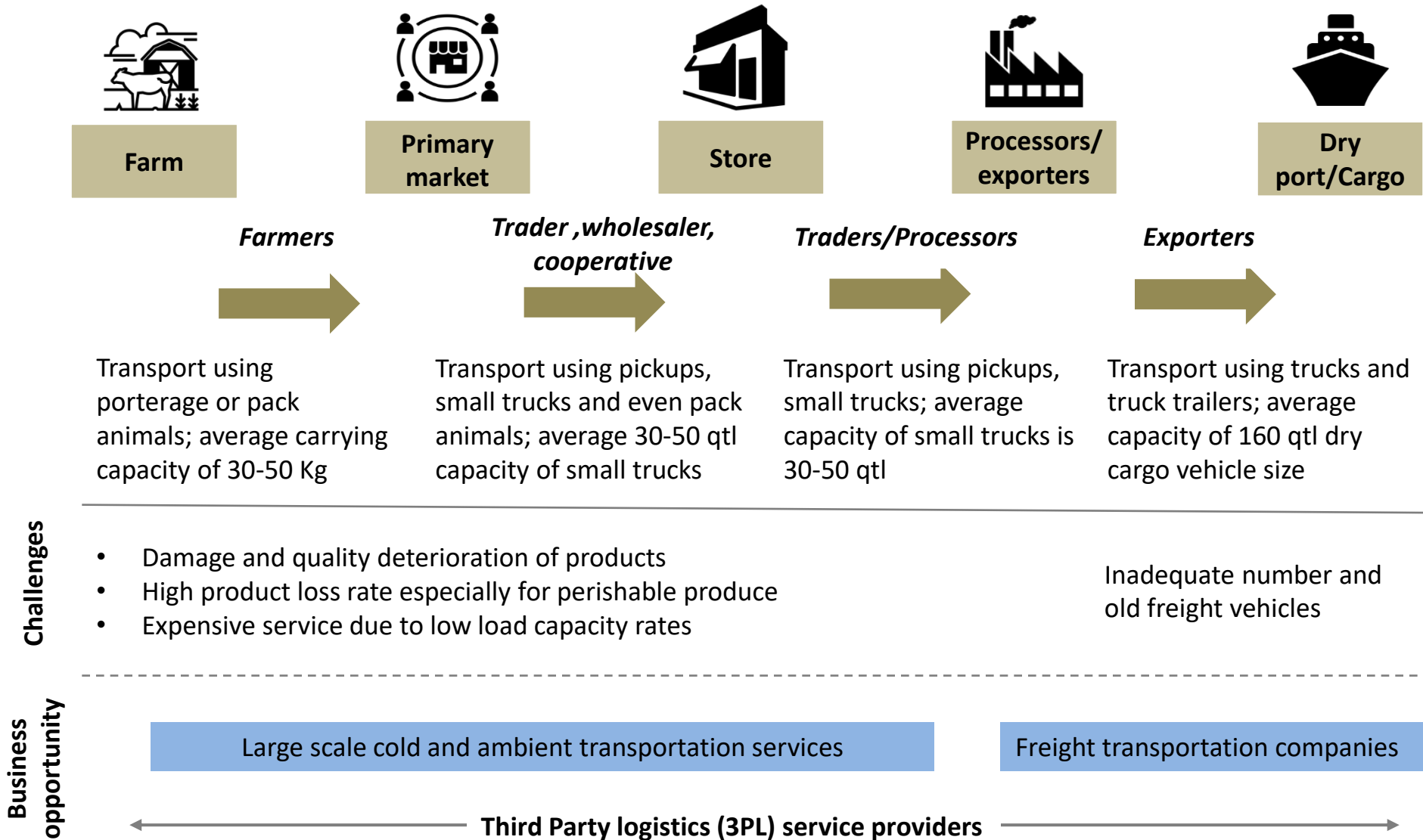
Phase 2: Export generation

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



Content



Country Context

Catalyzing Investment in Agriculture

Food & Beverage Processing Industry

Juice

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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:

Fiscal Incentives

- **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.

Non-fiscal Incentives

- **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

Other Incentives

- **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

GoE Vision

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.

Main infrastructures

Descriptions

1



Availability of Power

2



Rail Infrastructure / Access to Sea Outlet

3



Development of Industry Parks

4



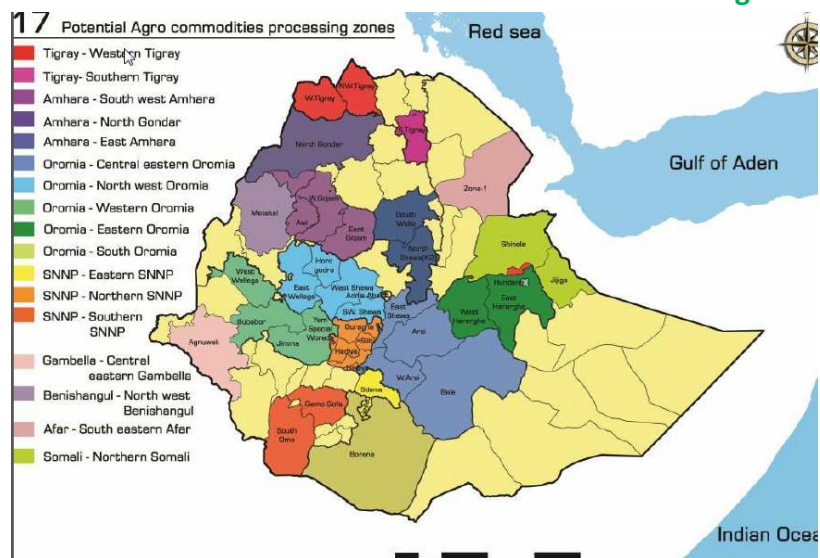
Air freight and Transportation

- 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
- 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 10,500+ MW
- 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
- 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
- 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

17 IAIP are planned by the government but Geographical based targeted implementation will be piloted based on the 4 IAIP

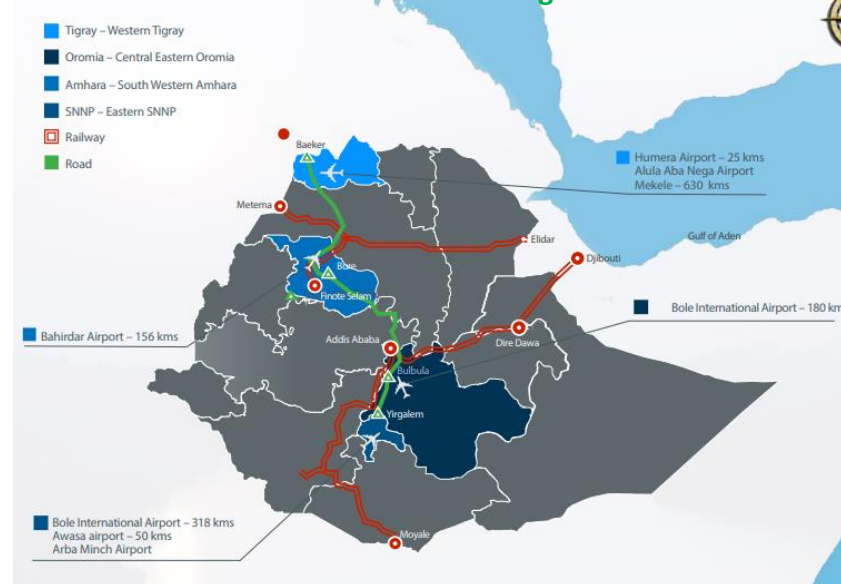
GoE has planned to establish 17 IAIP to fast-track the development of the sector

Planned 17 IAIP identified location and coverage area



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

Pilot 4 IAIP location and coverage areas



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

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

Back-Up: IAIPs profile

Yergalem IAIP

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

Bure IAIP

Location	Amhara
Commodity	Sorghum, sesame, fruits and vegetables, dairy, meat and other animal products
IAIP Status	43%
RTC status	Mota = 55%
Interested investors	2 investors registered (Edible oil & feed)

Bulbula IAIP

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

Baeker IAIP

Location	Tigray
Commodity	Sorghum, sesame, fruits and vegetables, honey, dairy, meat and other animal products
IAIP Status	30%
RTC status	Maykadra = 30%
Interested investors	Non registered but 105 project asked to be registered/ red meat and edible oil, 4 unions asked to be registered for RTC



Innovations to help our country grow

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