



Presentation about Investment & Trade Opportunities in Ethiopia

February 17/2015

Athens

Ethio-Greece Bilateral Relation

- Ethiopia and Greece have had long-standing, traditional friendly relations
- The first Greek missions to Ethiopia dates from 1917, with the establishment of the Greek Consulate, which became Greek Embassy in 1935
- Immigrants from Greece have been present in Ethiopia in the service of the Emperor or nobility since at least the mid-18th century.

- Ethiopia has an Embassy in Greece since 1951

Ethiopia-Greece Business Relation

- In spite of Ethiopia and Greece have longstanding diplomatic relations, their relation in trade is low and the number of investors is also very small when compared with other European countries
- Although the two countries signed trade agreements in 1933, 1955 and 1959, the volume of trade between them remains very low
- The total trade volume between the two countries between 2009 and 2013 was over 83.2 million USD

- Ethiopia mainly exports items such as sesame, coffee, beans and roses while it imports from Greece aluminium and medicine
- However the trade relation between the two countries has shown an increase in 2013 with a growth rate of 34%

ETHIOPIA AT A GLANCE

- **Population** 94 million
- **Area**..... 1.14 million km²
- **Geographical Location**..... Within 15° North of the Equator, at cross roads between Africa, Asia and the Middle East
- **Temperature** Mean annual average of 20°C

- **Rainy Seasons** Receives big rain during June, July & August and small rain during February & March
- **Time Zone**.....GMT + 3 Hours
- **Capital City** Addis Ababa, seat of the Federal Government, AU, UNECA
- **Political System**... Federal Democratic Republic

Government Efforts Over The Last Two Decades

1. Democratization & political stability

- Adoption of new constitution
- Establishment & development of autonomous Regional States
- Good governance

2. Formulation of correct policies & strategies

- Continuous economic reform programs
- Building institutions that support the private sector development

3. Human resource development

Access to Primary Education

Higher Education

Technical & Vocational Education

4. Infrastructural Development

Power

Road

Telecommunication

Major Achievements

- **Political stability**
- **Macro-Economic stability**
- **Rapid economic growth**
- **Increased investment (LOCAL & FOREIGN)**
- **Poverty reduction**

Major Investment Opportunities

- Ethiopian Economy is still young with a vast untapped resource and range of Investment opportunity.
- The Country has comparative advantage in
 1. Agro Processing
 2. Textile & Garment
 3. Leather and leather products
 4. Sugar and related industries

5. Chemicals Industries

6. Pharmaceuticals industries

7. Metal and Engineering Industries

I. AGRICULTURE

1.1 COMMERCIAL FARMING

- **Arable land** - about **51 million hectares** (**45% of the total area of the country**),
- **Cultivated area**- **only about 20%** of the available land
- **Irrigable area**- **about 10 million hectares** of which **only some 3%** is irrigated

- Availability of **big rivers and river basins** (10 major rivers) for:-- **Commercial crops such as coffee, tea, sugar cane, cotton, tobacco, palm, rubber, rice, spices - food crops such as cereals, pulses and oil seeds**
- 10 lakes & underground water resource
- **Annual rain fall 1,200-2,000 mm**
- 18 major agro-ecological zones and 49 agro-ecological sub zones

AGRICULTURE Cont

- * **Food Crops** : Wheat, maize, beans, peas, lentils, soybeans, chick peas, pulses, etc
- * **Oil Crops** : rapeseed, linseed, groundnuts, sunflower, Niger seed and cotton seed
- * **Beverage Crops** : Coffee and tea.

* **Cotton** : Over half a million hectares of
land

* **Feed stocks for bio-diesel:** Jatropha
Castor oil

* **Sugarcane, Rubber , palm tree,**
Tobacco plantations

* **Horticulture**

* **Floriculture**

1.2) Livestock Farming

- **Population** : Ethiopia is No. 1 in Africa with number of Livestock



Activities in Livestock farming

- **Modern Commercial livestock breeding and animal fattening.**
- **Production & processing of meat, milk and eggs.**
- **Ostrich, civet cat and crocodile farm.**

1.3 Apiculture

- **Ethiopia is a leading producer of honey and Beeswax in Africa**
- **About 10 million bee colonies**
- **Over 800 honey source plants**

II. MANUFACTURING INDUSTRY

2.1. TEXTILE & GARMENTS



- **Spinning, weaving and finishing of textile fabrics**

- **Production of garments**

2.2. LEATHER & LEATHER PRODUCTS

- **Tanning of hides and skins up to finished level.**

- **Production of Leather Products.**

2.3.AGRO PROCESSING

Food and beverage products –

- Processing and preserving of meat products
- Processing and preserving of fruits and vegetables
- Integrated production and processing of dairy products
- Processing and preserving of fish and fish products

- Processing of crude and refined edible oil
- Production of flour and bakery products including spaghetti , macaroni, baby food
- Production of starch, starch products and cornflakes
- Processing of animal feeds
- Sugar production
- Brewing and wine making, bottling of mineral water etc.

- **2.4) Chemicals & Chemical products**
- **2.5) Pharmaceuticals**
- **2.6) Paper and paper products**
- **2.7) Building Materials**

Manufacture of marble, granite, lime, gypsum, limestone, roofing tiles, corrugated sheets, tubes, pipes and fittings.

2.8) Plastic products

2.9) Glass & ceramic

2.10) Metal and Engineering

- **III. Construction - Infrastructure Development**
- First grade construction contracting for:-
 - General construction Grade One
 - Building Construction Grade one
 - Road Construction Grade one
 - Specialized contractor Grade one
- Real Estate Development
- Water Well Drilling
- Mineral Exploration drilling Grade one

IV) Energy

- Electricity generation from renewable sources(hydrpower, wind, solar, geothermal ,biomass, bioethanol)

V) Health and Education

- Building schools
- Science & technology Colleges (universities)
- Colleges for business & marketing
- ICT institutions
- Training centre for hospitality industry

VI) Tourism

- **Huge potential in the tourism industry**

Unique historical, religious, cultural heritage, makes Ethiopia one of the few awe-inspiring tourist destinations in Africa.

Axum Obelisk –an ancient Ethiopian civilization and a symbol of the Ethiopian people's identity



Lalibela –Known as the
“8th wonder of the World”
–a legendary church
carved from a solid rock.



City of Gondar- Famous for its medieval castles
and the design and decoration of its churches

- **Ancient city of Harar**

- **Mosque of Mohammed Al Negashi**
- **Mosque of Sheih Nur Hussein**
- **Blue Nile falls**
- **Attractive archeological sites**

Investment Opportunities IN Ethiopian Tourism Industry are:-

- star designated hotels, lodges and resorts
- international and specialized restaurants
- tour operations grade one

VI. Mining

Ethiopia has huge potential in the mining industry

- Precious and metallic minerals
- Industrial and construction minerals
- Energy minerals
- Extracting oil and natural gas

Government support for priority areas

- Customs duty exemption
- Income tax holiday
- Provision of land at competitive lease prices
- Export incentives

LABOR

- Abundant, trainable & industrious labor force
- Young population - over 50%
- Labor cost in Ethiopia is cheap even compared to African average
 - Daily laborer \$2/day
- Salaries of fresh university graduates \$110/month – \$200/month

Investment Policy and Incentives

- **No restriction on the modality of participation**
- **No discrimination between domestic and foreign investors**
- **Exemption from the payment of customs duty**

Duty free importation of capital goods and construction materials

- Duty free importation of spare parts whose value is not greater than 15% of the total value of capital goods to be imported
- English is the medium of instruction in secondary & higher education
- A number of international and community schools are available

Income tax exemption :

2 up to 7 years for manufacturing or agro-processing and agricultural investments

Carry forward of losses :

half of the tax holiday period

INVESTMENT GUARANTEE & PROTECTION

- **Constitution and Investment Law protect**
- Repatriation of Capital and Profit
- Multilateral Investment Guarantee Agency (MIGA)
- Bilateral Investment Promotion & Protection Treaties (BIPPT) with more than 30 countries. Some are: Italy, Germany, France, UK, Sweden, Spain China, Austria, Netherlands,

One-stop shop services

Time frame

- Issuance of investment permit 4 hours
- Principal commercial registration.... 4 hours
- Issuance of work permits..... 1 hour
- Issuance of business license 4 hours
- Technology transfer agreement
registration4 hours
- Issuance of certificate to foreign investors
to be considered as domestic investors.. 1 hour

WHY INVEST IN ETHIOPIA?

- Political and Social stability
- Correct policies & strategies
- Macro-economic stability
- Enormous investment opportunities
- Strategic location
- Simple investment procedures
- Abundant, cheap & trainable labor force
- Wide market opportunities
- Competitive investment incentives

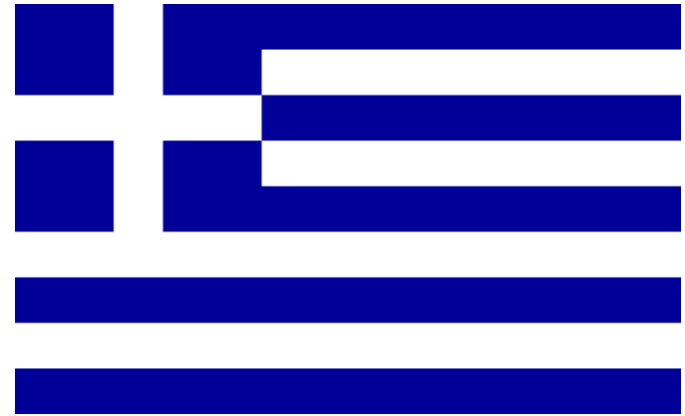
Trade Opportunities

- Export trade is growing steadily from year to year in terms of variety, value and volume.

The major export items: all organic products

- Coffee- Coffee Arabica
- Oil seeds
- Pulses
- Spices
- Gold
- Flower
- Fruits and vegetables
- Live animals
- Meat and meat products
- Leather products
- Textile & Garment

- Ethiopia One of the fastest growing Economy in the World.



Thank you!!