

**Federal Democratic Republic of Ethiopia  
Ministry of Agriculture**



# Introduction

- Ethiopia is located In the horn of Africa and shares border with
  - Eritrea in North & NE
  - East by Djibouti and Somalia
  - Kenya in South
  - Sudan in West and SW
- The total area coverage is about 111.5 million ha  
from this 74.3 million ha is cultivable and presently 15.4 million hectares is cultivated.
- 18 Major agro ecological zones in the country
- 32 diversified or sub agro ecologies that are suitable to produce wide ranges of crops and livestock.

- There are a number of crops being produced throughout the country.
- The major food crops include cereals (maize, teff, wheat, barley, sorghum and millet), pulses (haricot bean, chick pea, mug beans, lentil and faba beans), oil seeds (sesame, Niger seed, Linseed, and ground nut).
- The major cash crops are coffee, oil seeds, pulses and cotton.
- Other emerging high value crops include tea for both local consumption and export, spices and Horticulture products specially flowers for exports.

➤ The livestock population is the highest in Africa.

- The major livestock include cattle (52 million),
- small ruminants (63.1 million),
- poultry (42.1 million), camels (2.5 million),
- honey bee colony.

➤ Livestock production accounts for about one third of the output value of the agriculture sector, 15-18% of the national GDP and 5-7% of the total exports.



➤ In Ethiopia, agriculture is the mainstay of the economy

➤ as it accounts for

- 41% of the GDP,
- 80% of exports,
- 85% of the labor force and the main source of raw materials.

➤ The sector is dominated by mixed rain fed small-scale farming.

➤ Small scale farming accounts for 95% of the total area under crops and for more than 90% of the total agricultural out put.

The main features of the Rural Development Policies Strategies are:-

- Holistic Agricultural development
- Human resource capacity building
- Rural land administration and management
- Technology generation & dissemination
- Creating market led agriculture development
- Improving the rural finance system
- Encouraging private investors
- Expanding rural infrastructure
- strengthening non-agricultural rural development

# Major Areas of investment in the *Agriculture sector*

- Cotton
- Palm tree
- Sugar cane
- Rubber tree
- Livestock development(dairy, poultry,)
- Pulses
- Oil Seeds

Horticulture

## Identified and transferred land for Agri. investment

- Totally 3.63 million hectare is prepared for investors
- From the total 350000 hectare of land is transferred to both foreign and local investors through lease agreement





Vast area of Arable land



Conducive Climate



Ethiopia the place of fine/ high land tea



Ethiopia the Birth place of coffee arabica



Ethiopia successful on flower development

# **OVERVIEW OF AGRO-PROCESSING INDUSTRIES**

## **1. The Industrial Development Strategy**

### ***Principles {due Considerations} of the Industrial development strategy:***

- Recognizes the private sector as engine of growth
- Agricultural growth and export the industrial development
- Emphasizes on labor-intensive technology,
- Utilization of local raw materials,
- Recognizes that FDI (Foreign Direct Investment) would play active role industrial development
- Need for state involvement in development support
- Strong participation of the people.

## ***2. Food Related Agro-Industries as well as Beverage***

- Flour, pasta, macaroni, biscuit, bread Injera Industries,
- Spices processing industries
- Meat processing
- Fruits and Vegetables processing
- Processed and packed tea
- Roasted and ground coffee
- Sugar and confectionery
- Dairy products
- Edible Oil
- Honey and beeswax
- Pulses Processing and packing
- Winery and breweries.

### ***3. Areas of Investment (opportunities) of food processing***

- Flour, pasta, macaroni, bakery, biscuits,
- Frozen, chilled, vacuum-packed and canned meat,
- Refined edible oil, Processed oil seeds
- Oleoresin and processed dry spices,
- Pasteurized milk, butter and cheese,
- Canned and packed liquid and dried fruits and vegetables,
- Animal feeds production.
- Roasted and ground coffee
- Tea processing and packing



## ***4. Investment Incentives***

- Exemption from the payment of customs duty and other taxes on capital goods and construction materials,
- Spare parts valued not more than 15% of the total value of capital goods for projects are duty-free,
- Exemption from payment of income tax for 2-5 years depending on the type and location of the project,
- Export incentives.

## ***5. Export Incentives for agro-processed product***

- Free from sales and value added taxes
- Free from all forms of price control by the NBE
- Duty drawback & Voucher scheme
- Bounded manufacturing warehouse scheme
- Export credit guarantee
- Retention and utilization of export earnings and inward remittance,
- Franco valuta import of raw materials for export processing

## ***6. Major challenges of the sector***

- Limitation in product diversification and specialization
- Obsolete and inefficient technology
- Lack of maintenance, rehabilitation, modification, replacement
- Weak production and marketing management skills and capability
- Investment and working capital limitation
- Lack of product competitiveness (quality, standards, price, food safety, packaging, labeling)
- Lack of proper raw material (price, quality, quantity) supply

## Why Ethiopia is the best investment destination?

- ✓ There is political and macro-economic stability
- ✓ The fastest growing Economy/double digit growth/
- ✓ Conducive policy environment and attractive incentive mechanisms
- ✓ Ample and trainable labor
- ✓ Has vast and fertile land
- ✓ Agricultural investment support institutions organized at all level
- ✓ The country is endowed with abundant and diversified natural resources and diverse Agro-ecology
- ✓ There is commitment from the leadership side

Finally,

➤ ETHIOPIA IS THE CRADLE OF MAN KIND, THE BIRTH PLACE OF COFFEE AND LAND OF UNIQUE OPPORTUNITY FOR AGRICULTURAL AND AGRO-PROCESSING INVESTMENT.

➤ The new face of Ethiopia is a country of hope

➤ UK investors should not miss this opportunity. so I would like to invite UK investors to come and invest in Ethiopia.

THANK YOU!!