

Invest in Ethiopia



Industrial Parks
An Emerging Manufacturing Hub of Africa



WHY INVEST IN ETHIOPIA?

Fastest growing economy: Average annual GDP growth rate of 10% for the last recent years and ranked second next to Bangladesh in economic development amidst COVID 19, among the top 5 FDI destinations in Africa for the past 3 years

Africa's 2nd most populous country: ~110+ million & growing at 2.3 million annually Active and trainable labor force of ~50 million

Favorable market access factors: Strategic location/proximity to EU, USA, Middle East, & Asia Preferential trade agreements and bilateral investment treaties, huge local market and import substitution potentials

AGOA and EBA: Duty-free, quota-free market access to the USA & EU, GSP. Member of COMESA and AfCFTA with a market volume of 1.2 billion population: Potential market access to 1.2 Bill population Preferential duty treatment to markets such as China, India, Japan, Canada, Australia, Turkey, New Zealand

Competitive infrastructure & skills development: Africa's 1st electric-driven railway: 4-12 hours from Industrial Parks to Djibouti Port

Africa's aviation hub: - Ethiopian Airlines serving +100 international destinations- Largest cargo network and terminal in Africa

Cost-competitive, renewable and clean energy: -Electricity rate at 3 US cents/kwh: One of the lowest in the world

Trainable workforce with competitive wage - More than 50 Universities with ½ million student Population - >1,300 technical & vocational education and training schools with annual intake of 1 million

Extensive development of Industrial Parks- Specialized Industrial Parks dedicated to priority sectors - World-class sustainable eco-Parks ready for 'plug-and-play', serviced land developed with horizontal infrastructure and bare land to be transferred up on the Ethiopian Investment Board's approval.

INDUSTRIAL PARKS INVESTMENT

Industrial Park developers and enterprises benefit from a special tax and other financial incentives package that are coupled with efficiency-enhancing facilitation support and investment protections.

Income tax exemption period: - Industrial Park enterprises are eligible for income tax exemption in accordance with the schedule provided under the incentive legal frame works.

A period averaging 8-10 years depending up on the sector of engagement and the export market share and also supply of products to exporting enterprises, where IP developers will receive up to 15 years income tax exemption

Loss carry forward: - If an investor incurs a loss during the income tax exemption period he/she is allowed to carry the loss forward for half of the income tax exemption period after the period expires, the seal being five years.

Export tax exemption: With the exception of hides and skins all export products are exempt from export tax.

Exemption from customs duty: - Capital goods, construction materials, spare parts, vehicles, raw materials for export, personal effects and other items provided under the relevant instruments can be imported free of customs duty.

Exemption from Tax Salary: foreign national employed by an Industrial Park Enterprise that has undertaken to export its produce is exempted from paying income tax on their salary depending up on the portion of the export volume from the total production up to five consecutive years starting from the date on which the enterprises obtained business license license.

Franco valuta: Franco valuta import of raw materials is allowed to enterprises engaged in export processing and beneficiaries of export trade duty incentive schemes.

Export credit guarantee scheme: Exporters can benefit from the export credit guaranteescheme, which is presently in place in order to ensure an exporter receives payment for goods shipped overseas in the event the customer defaults, reducing the risk of exporters' business and allowing it to keep its price competitive.

Streamlined and expedited procedures: Enterprises entering to invest within Industrial Parks receive expedited procedures in terms of licensing, permits, registration certificates, tax identification number, customs clearance etc.

Ethiopia's Industrial Park Overview

The Government of Ethiopia places high focus on IPs development and expansion and thus has planned to construct state-of-the-art Industrial Parks located along key development corridors – each with distinct specialty in priority sectors.

These Industrial Parks will be developed and financed through different mechanisms ensuring a sustainable and inclusive partnership between the Government and private Industrial Park developers.

The Government has, therefore, made Industrial Parks development an area open for both domestic industrialists and FDI investment and has succeeded in attracting IP developers to privately develop and operate various Parks. Furthermore, investors planning on entering the Industrial Parks are meticulously selected to ensure cohesive and cordial relationships among tenants with a shared vision of ensuring higher productivity and competitiveness in the Park.

Key Anchor Principles

- **Specialized Parks:** Enhancing economy of scale and efficiency through the development of specialized/clustered Industrial Parks that are dedicated to priority sectors such as Apparel and Textile, Leather and Leather Products, Pharmaceuticals, Agro-processing etc
- **Export oriented:** Government provision of Industrial Park incentives and support measures targeted at increased export performance and competitiveness;
- **Technology transfer, Skills development and competitiveness:** Creating and developing a pool of trained industrial work force & enabling environment for skills attraction & retention which will lead to enterprise competitiveness;
- **Vertical integration:** Enhancing backward and forward linkages in the economy;
- **Sustainability:** Maintaining high environmental standards through the utilization of environment friendly technologies, zero liquid discharge systems and other socially sustainable facilities such as housing accommodations for staff through various schemes and arrangements, etc.

QUICK FACTS ABOUT INDUSTRIAL PARKS

BOLE LEMI I AND II INDUSTRIAL PARKS OVERVIEW

Park infrastructure

Land size

- Phase I: 156 Ha
- Phase II: 171 ha

Specialization: Textile, garment and Leather

Industrial spaces overview:

- Phase I: 20 sheds in total; 10 (5,500) and 10 (11,000) s.m.
- Phase II: a total of 107 ha serviced ready to be used for Industrial purposes

Sustainability facilities: Effluent Treatment Plant

Logistics overview: Located in the Capital of Ethiopia with close proximity to Bole International Airport

Population: Over 3 million people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park occupancy:

- Phase I: Fully occupied
- Phase II: ~ 85 ha serviced land is available
- Number of companies: 12 Companies
- Sheds occupied: All 20 of them

Land is available for development of own manufacturing facilities.



HAWASSA INDUSTRIAL PARK OVERVIEW

Park infrastructure

Land size

Phase I and Phase II: Total 300 ha Location

Phase 1 - 1.4 million m² (140ha)

Specialization: Textile and Apparel

Sheds overview: 52 sheds in total; 37 (5,500) and 15 (11,000)

Sustainability facilities: Zero Liquid Discharge (ZLD)

Logistics overview: Located in the Southern part of Ethiopia and will soon have a multimodal logistics service provided by DHL and Ethiopian Airlines

Lab

Population: 5 million people in 50 km radius

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing in different modalities but expat dormitories has been built

Park occupancy – fully occupied

Number of companies: 22 Companies

- Sheds available: None
- Land is available for development of own manufacturing facilities.

MEKELE INDUSTRIAL PARK OVERVIEW

Park Infrastructure

Land size

- Phase I: 75 Ha

Specialization: Textile and Apparel

Shed's overview: 15 sheds in total; 4 (3,000), 6 (5,500) and 5 (11,000)

Sustainability facilities: Advanced Conventional Effluent Treatment Plant

Logistics overview: Located in the Northern part of Ethiopia with close proximity to the port of Assab and Massawa

Population: Close to 250,000 people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy

- Number of companies: 10 Companies
- Sheds occupied: 13

Land is available for development of own manufacturing facilities.

KOMBOLCHA PARK OVERVIEW

Park Infrastructure

Land size

- Phase I: 75 Ha

Specialization: Textile and Apparel

Sheds overview: 9 sheds in total; 7 (5,500) and 2 (11,000)

Sustainability facilities: Conventional Effluent Treatment Plant

Logistics overview: Located in the North Western part of Ethiopia with close proximity to the port of Djibouti

Labor Overview

Population: Close to 150,000 people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy

- Number of companies: 4 Companies
- Sheds occupied: All 9 of them

Sheds available: None

DIRE DEWA PARK OVERVIEW

Park Infrastructure

Land size

- Phase I: 150 Ha

Specialization: Multi sectors

Sheds overview: 15 sheds in total; 4 (3,000), 6 (5,500) and 5 (11,000)

Sustainability facilities: Zero Liquid Discharge (ZLD)

Logistics overview: Located in the Eastern part of Ethiopia with very close proximity to the port of Djibouti and the Addis - Djibouti railway station

Population: Close to 300,000 people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy

- Number of companies: 5 Companies
- Sheds occupied: 4
- Sheds available: Proposals on all the remaining 11 sheds are being reviewed





ADAMA PARK OVERVIEW

Park Infrastructure

Land size

Phase I: Total 365.5 Ha

Specialization: Multi sectors

Sheds overview: 19 sheds in total; 4 (3,000), 9 (5,500) and 6 (11,000)

Sustainability facilities: Zero Liquid Discharge (ZLD)

Logistics overview: Located only 100 kms away from the capital with very close proximity to the Modjo Dry Port

Population: Close to 220,000 people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy:

- Number of companies: 8 Companies
- Sheds occupied: All 19 of them
- Sheds available: None

KILINTO PARK OVERVIEW

Park Infrastructure

Land size

Phase: a total of 279 ha land and 166 Ha serviced Industrial Land

Specialization: Pharmaceutical sector

Sustainability facilities: Zero Liquid Discharge (ZLD)

Logistics overview: It is situated ~25 km from the capital city, Addis Ababa. KIP is the one of closest Park to Africa's largest international airport

Population: 7 million people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy

- Number of companies: 28 domestic and foreign investors have committed to take serviced land within the Park
- More than 100 ha land is available for investors

DEBRE BIRHAN INDUSTRIAL PARK OVERVIEW

Park Infrastructure

Land size

Phase I: Total 100 Ha

Specialization: Textile & Apparel and Agro Processing

Sheds overview: 8 sheds in total; 8 (5,500)

Sustainability facilities: Advanced Conventional Effluent Treatment Plant

Logistics overview: Located only 130 kms away from the capital

Population: Close to 140,000 people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy

- Number of companies: 4 Companies
- Sheds occupied: 8
- Sheds available: 3 sheds are available

JIMMA PARK OVERVIEW

Park Infrastructure

Land size

Phase I: 75 Ha

Specialization: Textile and Apparel and Agro Processing

Sheds overview: 8 sheds in total; 8 (5,500)

Sustainability facilities: Advanced Conventional Effluent Treatment Plant

Logistics overview: Located in the Southern western Part of Ethiopia

Population: Close to 130,000 people

Plan for sourcing and training: The government has set up a catchment area

Housing: Land available without lease price for companies interested to develop dormitories

Park occupancy

- Number of companies: 2 Company
- Sheds occupied: 3 sheds are occupied

BAHIR DAR PARK OVERVIEW

Park Infrastructure

Land size

Phase I: 100 Ha

Specialization: Textile & Apparel

Sheds overview: 8 sheds in total; 8 (5,500) and 50 ha serviced land

Sustainability facilities: Advanced Conventional Effluent Treatment Plant

Logistics overview: Located in the textile hub of the country where there is a specialized University specific to T&A

Population: Close to 200,000 people

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy

- Number of companies: 1 company
- Sheds occupied: 8
- Sheds available: there is 50 ha of land serviced land for interested investors

ICT PARK OVERVIEW

Park Infrastructure

Land size

Phase I: 200 Ha

Specialization: ICT

Building overview: 5 buildings on a land size of 13.7 hectares

Logistics overview: Close proximity to Addis Ababa Bole International Airport, business community, market, universities and R&D institutions
Labor Overview

Park Occupancy

- Number of companies: 30 company

SEMERA PARK OVERVIEW

Park Infrastructure

Land size

Phase I: 50 Ha

Specialization: Textile & Garment, Leather and Leather Products, Packaging material Production and chemical Industries

Shed overview: 8 sheds in total; 4(5,500) 4(3000)

Sustainability facilities: Effluent Treatment Plant

Logistics overview: The road that links Ethiopia to the port of Djibouti passes near to the Industrial Park plot and close proximity to other two ports.

Population: Close to 200,000 people

Housing: Land is available for companies interested to develop housing schemes for workers in different models.

Park Occupancy: under construction

- Number of companies: 0
- Sheds occupied: 0
- Sheds available: All



General facts about Industrial Parks

- Located along strategic economic corridors, connected to ports by electric driven railway lines and asphalted roads;
- Close proximity to high labor force pool;
- Ready for plug-and-play, equipped with all the necessary infrastructures
- Tailored fiscal and non-fiscal incentives;
- Strong government support;

Industrial Park Facilities

- One stop service including processing & issuance of permits, licenses, registration certificates, agreements, tax identification number, customs clearance, banking services,
- Dedicated power sub-station
- Waste treatment facilities
- Commercial buildings
- Housing facilities
- Health stations
- Fire brigade
- 24 x 7 security services

INVESTMENT PRIORITY SECTORS

Agro-processing & Horticulture

Abundant natural resources – rich arable land, agro-climatic zones, Agro-processing sector growth at 60% CAGR with an increased local demand for processed foods.

4th largest non-EU exporter to the EU cut-flower market and the 2nd largest flower exporter from Africa

Opportunity: Fruits & vegetables (Fruit crops, juice, tomato); poultry, dairy and red meat; cereals (barley, wheat, maize, oil seeds, edible oil), industrial crops(sugar, coffee), floriculture, herbs, Etc

Leather & Leather products

Ethiopia accounts for 2.5 % of the world livestock population with ~57.83 mill cattle; 28.04 mill sheep and 28.61 mill heads of goat. Every year, the nation produces 5 million tons of hides, 8.1 million tons of sheepskins and 7.5 million tons of goat skins Opportunity: Tanning of hides & skins; leathergarments, footwear, accessories – gloves, handbags, etc;

Pharmaceuticals

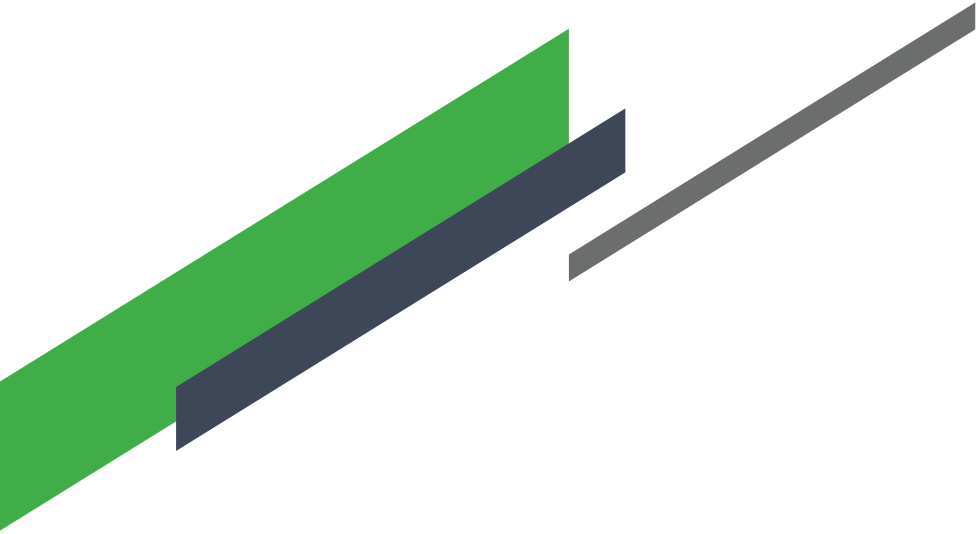
Ethiopia has the potential to serve as an export hub for the > \$ 20 billion pharmaceutical markets in Africa .High local demand, only a few local manufacturers covering < 20% of the demand with its pharma market expected to grow by 15% annually


Opportunity: Finished pharmaceutical products, Generic drugs, etc


ICT

GoE focus on building an inclusive digital economy Key in creating an enabling environment for creative industries and innovation.


Opportunity: IT applications, e-commerce, IT infrastructure, IT equipment manufacturing



 +251-11-661-69-86 | +251-11-661-66-74

 admin.info@ipdc.gov.et

 www.ipdc.gov.et

 **Bishangari Building, Comoros Street**
(Opposite to Kenyan Embassy)
Addis Ababa, Ethiopia

