

Short Bio

As a Business Development Advisor of Industrial Parks Development Corporation, Tewodros is responsible for developing business development strategy on new business opportunities in order to diversify revenue streams, improve profitability and help the company to sustain its business. Prior to joining IPDC, Tewodros was Business Development Area Manager for the Kate of Tokyo of Japan. He also served as Business Developer of BASF Ethiopia TRO, Project Manager at Japan External Trade Organization of Ethiopia Office.



ETHIOPIA INDUSTRIAL PARKS

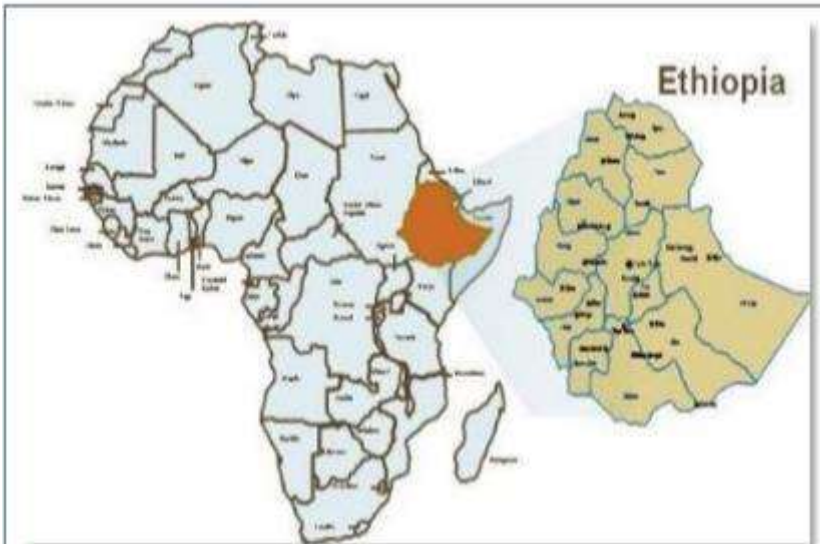
UNLOCK DRY PORT INVESTMENT POTENTIAL IN INDUSTRIAL REAL ESTATE



Overview Of The Ethiopian Business Landscape



- Ethiopia has a clear vision for industrialization, which builds off its rapid growth in recent years and its strong track record in attracting FDIs



Rapid economic growth

One of the fastest growing economies in the world

- 10% average growth over the past 13 years
- In 2020, the Ethiopian pharmaceutical market was estimated to be valued at **\$700M**
- + 10% average growth expected in the following years
- Ethiopia exported **\$140M** of textile product in 2020
- The country aims to increase to export **\$30bn** a year by **2030**

Favorable destination for FDI

One of the top destinations for foreign direct investment (FDI)

- Ethiopia accounts for 18.5% of all jobs created through FDI in Africa in 2018

Young and productive population

Second most populous country in Africa

- 112 million people, growing at 2.3 million annually
- Young and productive age group accounts for 60% of the population

Clear vision for development

- Ensure quality growth
- Improve productivity and competitiveness
- Undertake institutional transformation
- Ensure private sector's leadership in the economy
- Ensure equitable participation of women and children
- Build climate resilient green economy

Home Grown
Economic Reform
through Private
Sector
Engagement

Create
BEE

Population

Total: 112m (est. 2019)

Economics

GDP/capita: \$856 (2019)
FDI inflow: \$3.2bn (2016)
FDI Growth: 46% (2016)

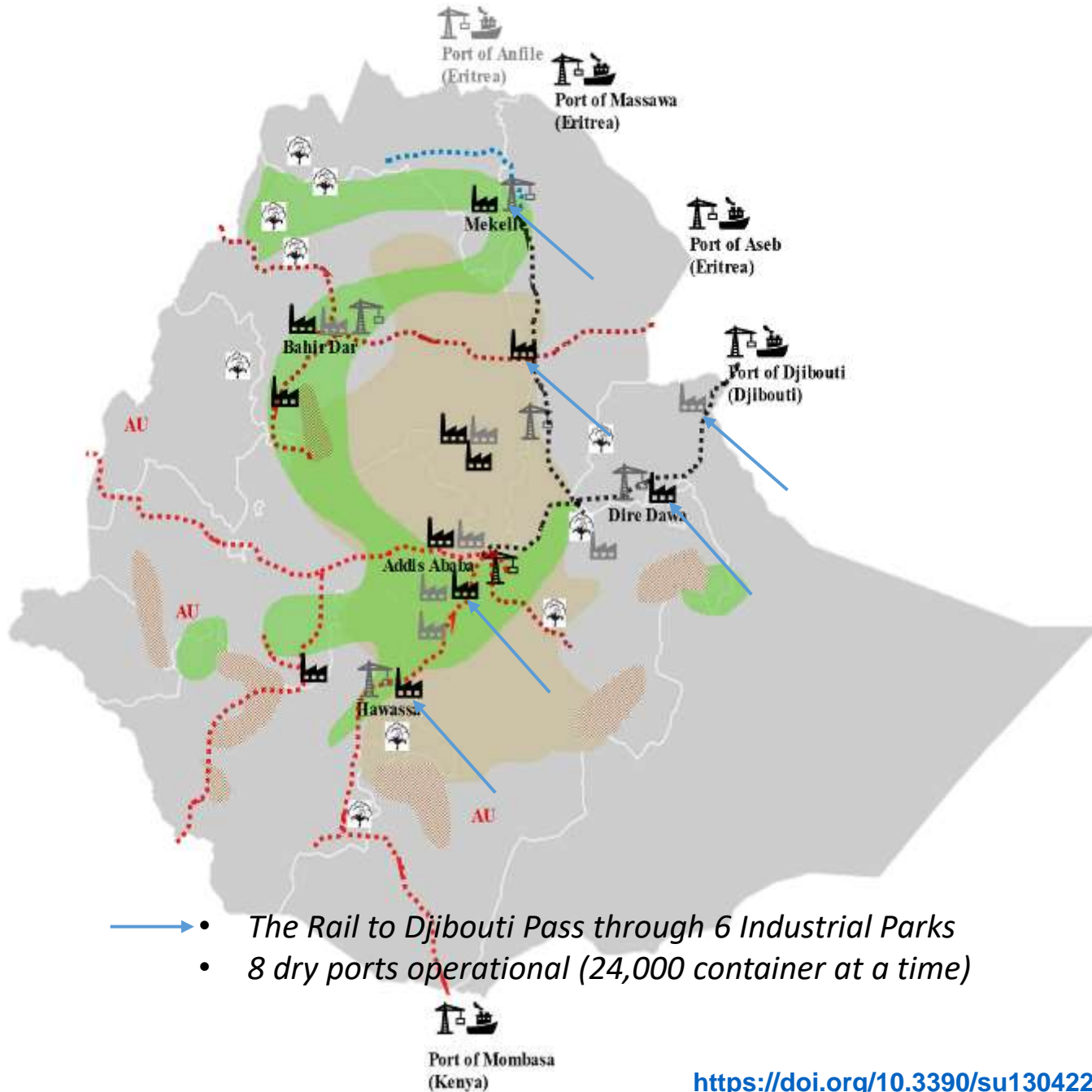
Health

Health spend: \$2.7bn
Health spend/capita: \$27
Health spend/GDP: 5%
Availability of EDMs*: ~70%

Literacy

52% of total population

Main Export Goods, Industrial Parks and Transport Network



- Coffee
- Oilseed crops
- Principal grain area (teff, sorghum, barley, wheat, oats, maize)
- Cotton
- Gold
- Operating industrial parks (textile, pharmaceutical, agro-processing, assembling)
- Planned industrial parks
- Operating dry ports
- Planned dry ports
- Current railway network
- Planned railway network
- Railway network (under construction)
- Sea port
- Planned sea ports

- The Rail to Djibouti Pass through 6 Industrial Parks
- 8 dry ports operational (24,000 container at a time)



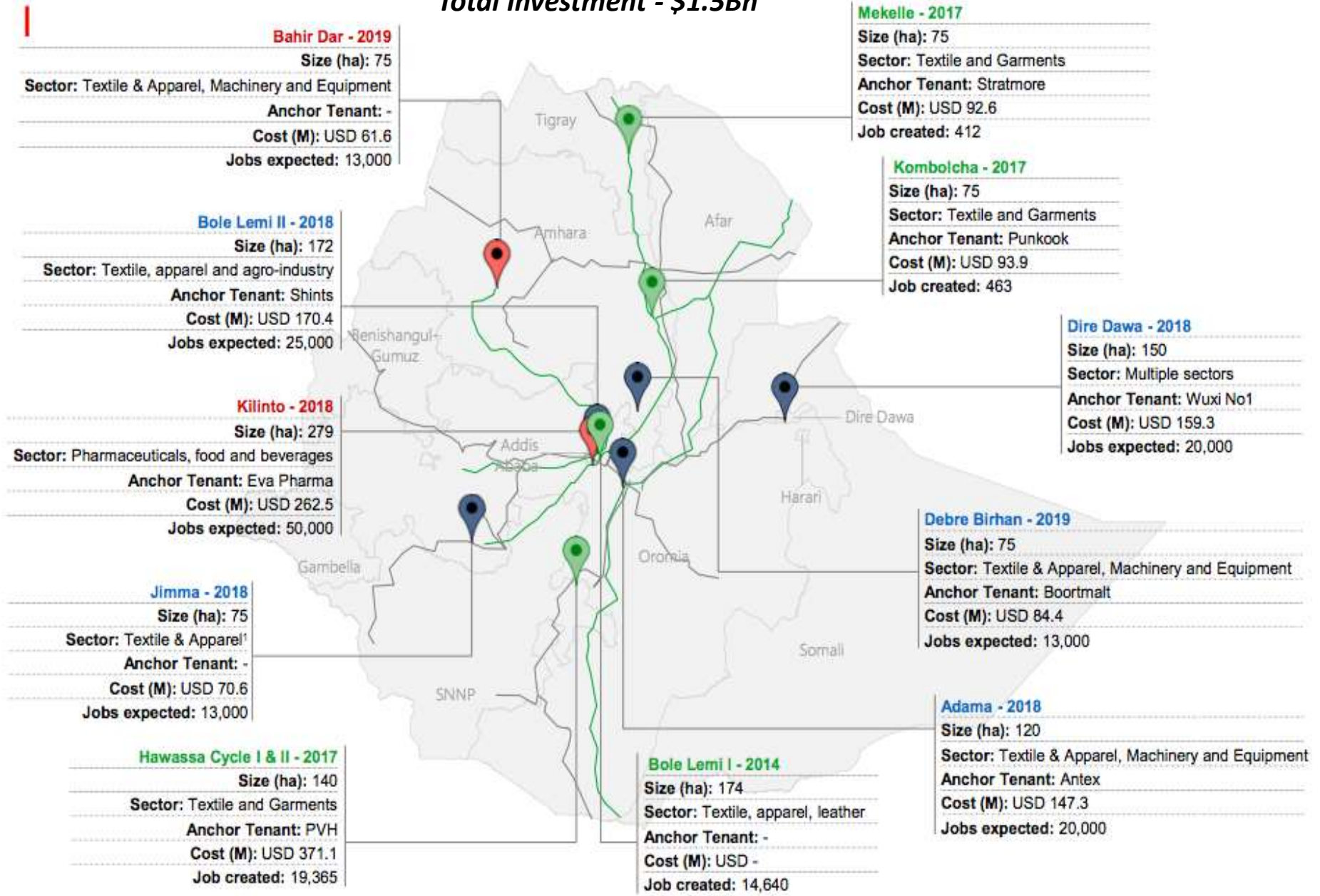
- 90% of the country's trade pass through Djibouti
- Alternative Trade Corridors under development

<https://doi.org/10.3390/su13042208>

Ethiopian Industrial Parks Development Corporation (IPDC)



Total Investment - \$1.5Bn



Why to Consider Industrial Parks in Ethiopia as a Hub

- The Parks are strategically located in a close proximity to Resource and well equipped with Infrastructure

The Industrial Parks can serve as Dry port



Industrial Parks may serve as;

1. Customs controlled territory
2. Transaction in Hard currency
3. Import/Export Clearance at the Gates of the Parks

Industrial Parks may take forms of;

1. Export Processing Zones
2. Special Economic Zones
3. Logistics Hubs
4. Free Trade Zones

Truck less Station

List Of Key Fiscal Incentives Applicable For Industrial Park Developers

- There are important incentives available for developers in these industrial park as from the construction phase

Fiscal Incentives

1. Duration of corporate income tax holiday:

For industrial park developers 15 years of tax exemption from the date of issuance of business license.

2. Loss carry forward: Carry forward of losses incurred during tax exemption period. The period is performance-based, sector and location specific

3. Customs duty exemption on capital goods, construction materials, accessories and spare parts, and vehicles

4. Exemption from customs duties on imported vehicles (2 SUVs and 3 hybrid SUV / hybrid automobile vehicles)

5. Land lease: long term land lease holding arrangements

Indode Logistics Park (Planned)

- The location is in the proximity of the Djibouti Railway station



Addis Ababa – Djibouti Railway

Location: Indode in Oromia region of Ethiopia, Oromia special Zone surrounding Addis Ababa

Key Facts

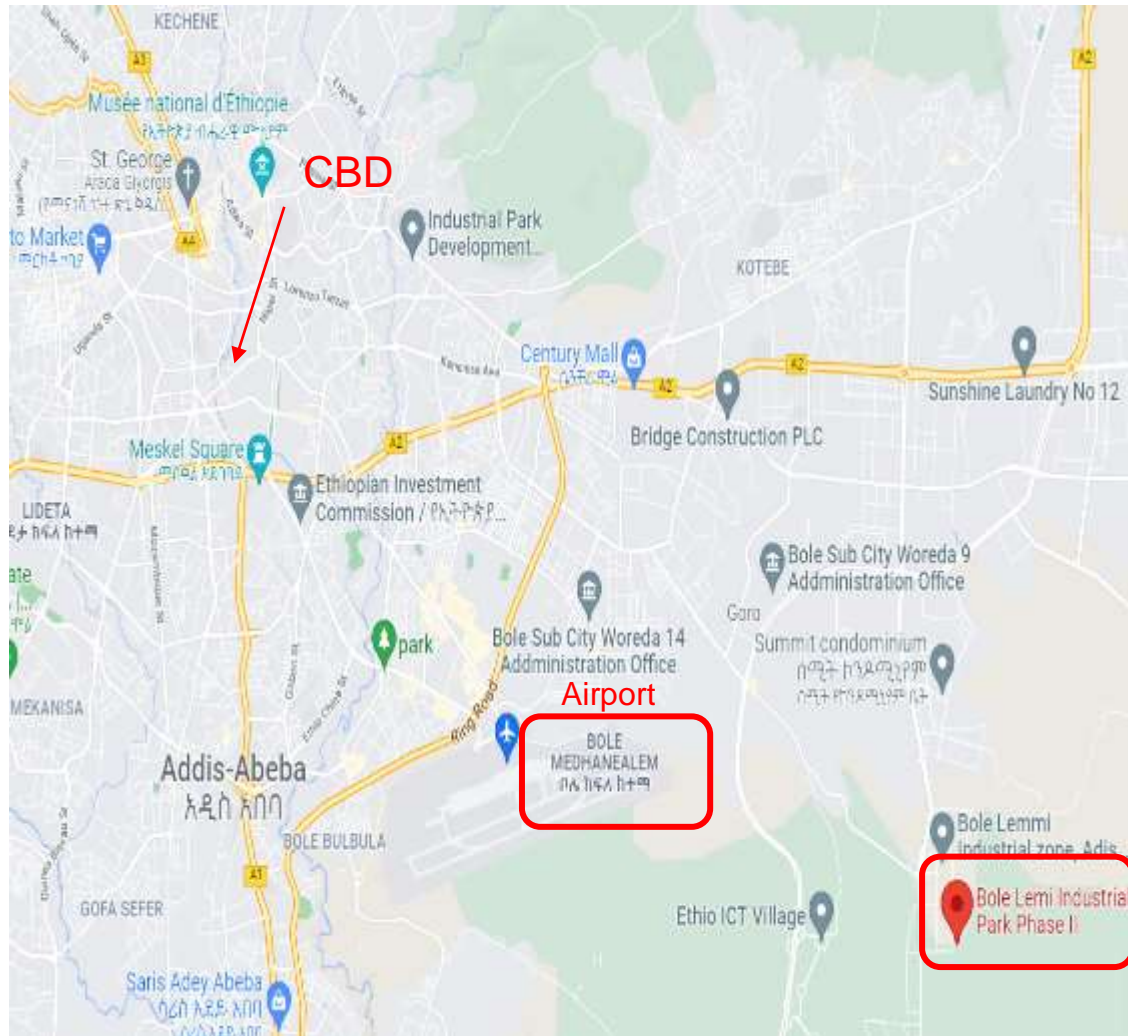
- First cross-border electrified railway in Africa, part of the Belt and Road Initiative
- Line of **753 km** between Addis and the Port of Djibouti
- 90 ha of space allocate for the logistics park
- The Port of Djibouti handles over 90% of Ethiopia's international trade

Long-term benefits

- Reduce travel times from up to 50 hours down to 10 hours
- On the cost side, the temporary passengers and freight tariffs adopted by the two governments are very competitive compared to road transport giving the railway a competitive cost advantage

Bole Lemi II Industrial Park

- Bole Lemi II is a natural outgrowth of Bole Lemi I which was mainly leased since 2014 to apparel companies



- Private sector Engagement and Investment attraction by IFC**

Bole-Lemi II Characteristics

Location: Addis Ababa, 20 km from city center, 78 km from Mojo dry port, 893 km from Djibouti port

Industrial Park Area

- 172 ha developed land
- 107 ha available for investors

Park Specialization

Ability to cater for most kinds of investors especially in **textile and apparel**

Key Principles of the Park

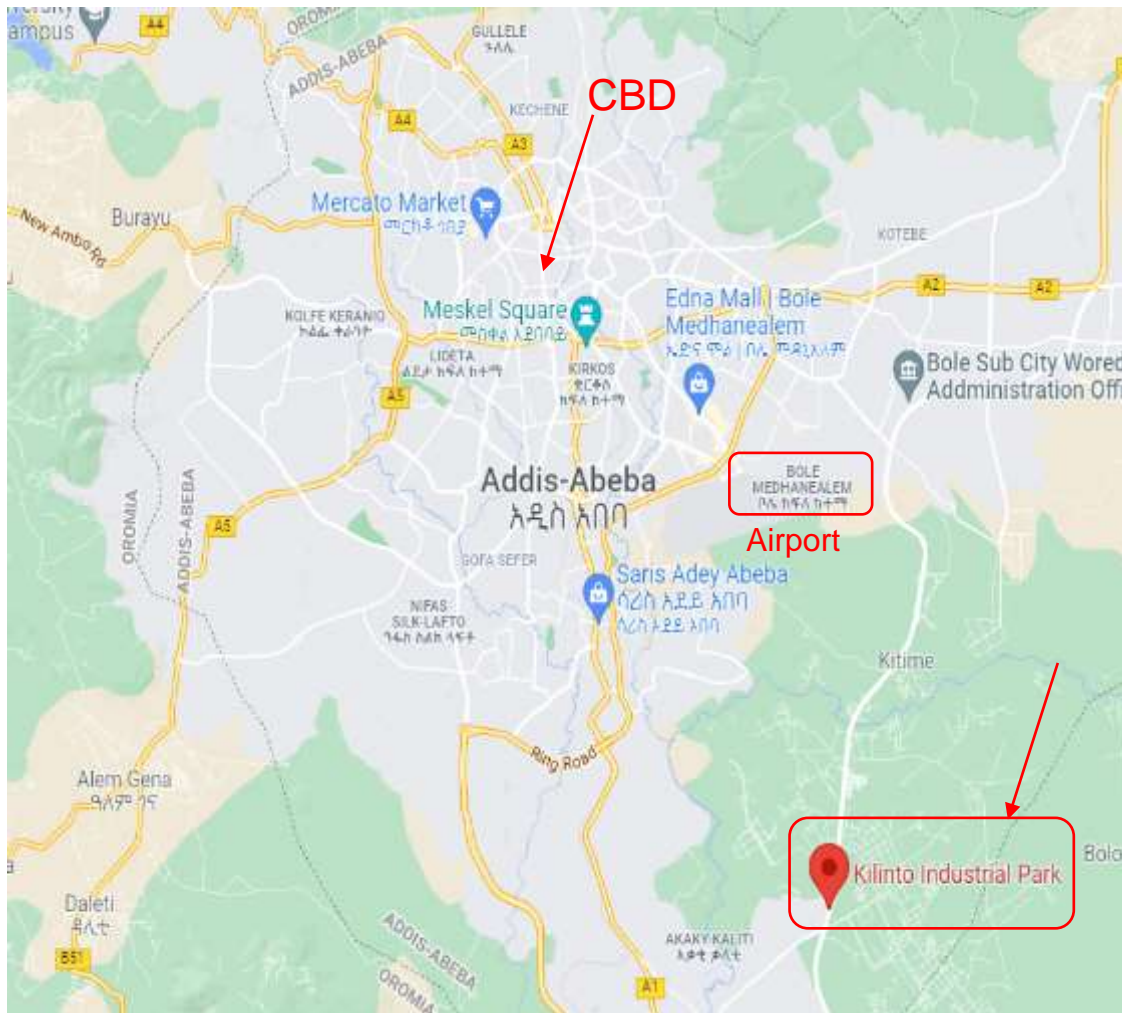
- Skilled labor pool exists for apparel sewing industries in the locality
- Developed with World Bank funding**

Facilities

- Health Center
- Police Station
- One-Stop Shop Services, Commercial Building
- Commercial Buildings
- Fire Brigade & 24/7 Security Services
- Waste Treatment Facilities
- Affordable housing (under construction), Recreational area (under construction)
- Transformer for each individual plot

Kilinto Industrial Park

- Kilinto Industrial Park is a specialized park for the pharmaceutical industry



Kilinto Industrial Park Characteristics

Location: Addis Ababa; 25 km from city center, 78 km from Mojo dry port, 863 km from Djibouti port

Industrial Park Area

- 279 ha developed land
- 177 ha serviced land for manufacturing

Park Specialization

Designed to host investors in the pharmaceutical sector

Key Principles of the Park

- Specialized park
- Sustainability (environmental and social)
- Vertical integration
- Import-substitution oriented
- Skills development and competitiveness

Facilities

- Health Center
- Police Station
- One-Stop Shop Services
- Commercial Buildings
- Fire Brigade & 24/7 Security Services
- Waste Treatment Facilities
- Transformers available with buildings or sheds

- *Private sector Engagement and Investment attraction by IFC*

Potential Assets Across Industrial Parks

- Investment assets can range from trunk infrastructure in initial phases, to anchor tenants, warehousing to support infrastructure (worker housing, TVETS etc)



SEZ Development (Trunk Infrastructure)



Light Industrial Buildings



Warehousing



Worker Housing



Vocational Training Centers



Manufacturing Tenants



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