

Introduction to : **Ethiopia**



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Introduction & Background



Ethiopia is very big!

The following countries combined are smaller than Ethiopia:

Land Area Comparison		
Country	Sq. Miles	Sq Km.
France	210,026	543,965
Spain	195,363	505,988
Total	405,389	1,049,953
Ethiopia	440,284	1,140,331

Ethiopia is 5 times bigger than the UK

Interesting Facts:

- ▶ Ethiopia with 81 million people and Nigeria with 140 million combined account for 25% of the total African population.
- ▶ Ethiopia is the diplomatic capital of Africa by being the head quarters of the AU and UN-ECA and having the fourth largest number of diplomatic missions in the world next to New York, Washington and London.
- ▶ Ethiopia is the only country in Africa, Middle East, Asia or the Americas where the U.S. has two Ambassadors.



ETHIOPIA HAS THE OPPORTUNITY TO BECOME AN AGRICULTURAL POWERHOUSE, DRIVEN BY SMALLHOLDER FARMERS...



- **Ethiopia's population of 96 million is growing at 2.89% annually.**
- **85% of the total population is engaged in agriculture, which accounts for 46% of GDP.**
- **Between 2004 and 2014, Ethiopia registered an average 10.9% real GDP growth rate (versus 5.4% averaged by other sub-Saharan African economies).**
- **Agricultural production in the first 3/4 of the 2013/14 fiscal year increased by 15%.**

Ethiopia's World Production Ranking

Maize	16 th
Coffee	8 th
Sesame seeds	6 th
Chickpea	5 th
Teff	1 st

GOVERNMENT HAS CREATED VAST AND MEANINGFUL INCENTIVES FOR INVESTMENT IN AGRICULTURE

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1. Customs duties exemption (including imports of agricultural machinery and equipment) and export duties exemptions for products and services developed domestically

100% exemption from the payment of import customs duties and other taxes levied on imports is granted to an investor to import all investment capital goods as well as spare parts worth up to 15% of the value of the imported investment capital goods.

2. Income tax exemption (5 years)
3. Loss carry forward (2 years)
4. Government subsidizes seeds, fertilizer and gasoline
5. Accessibility and availability of land and resources

Any income derived from an approved new manufacturing and agro-industry investment or investment made in agriculture, is exempt from the payment of income tax for up to 5 years of investment with 2 years of loss carry forward -- thereafter the universal corporate income tax rate is 30%.

More than 80 million hectares of arable land is available, coupled with infrastructure investments from the government of up to \$70B over five years.

The 2013 Ease of Doing Business Index (World Bank and IFC) ranks Ethiopia at #4 against 34 other low-income countries worldwide.

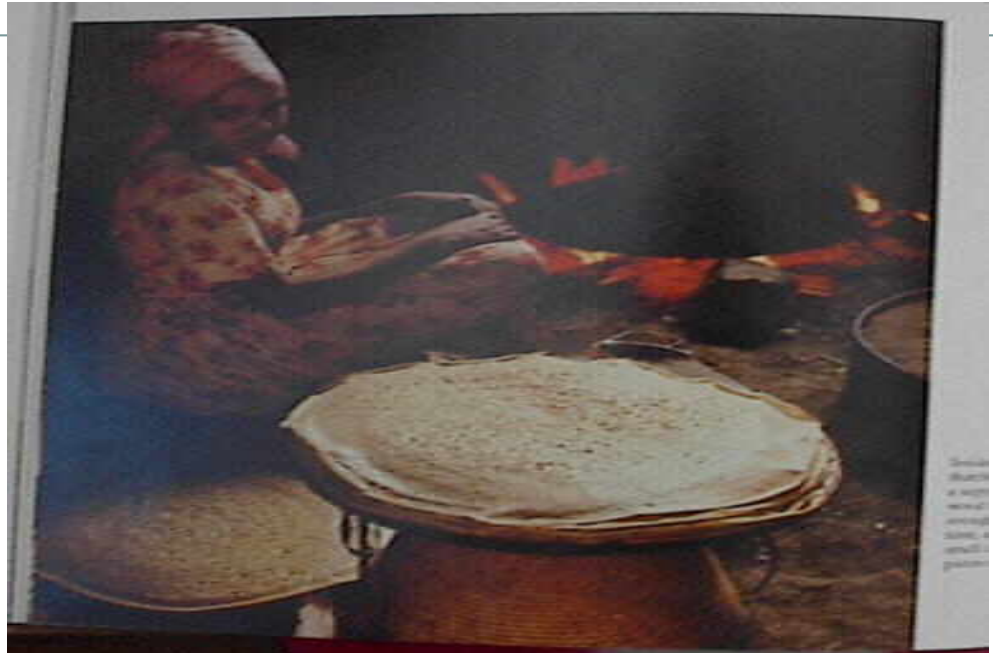
Agriculture Led Development in Transformation





Introduction to Teff

- **Teff is an ancient grain grown in modern day Ethiopia by over 6 million small holder farmers**
- **Teff is a very small grain until recently found very difficult to use with modern heavy farming machinery although a variety of this grain is grown commercially in many parts of the world as animal feed.**
- **The original Teff seeds have also been found in the historic tombs of Egyptian nobility**
- **Today it is an estimated \$580 million business domestically in Ethiopia with less than 0.5% being exported**
- **Over 93 million people depend on Teff as staple food item**



Investment Opportunities



- **Large scale mechanized farming**
- **In some cases at a cost of to 40% below western farm costs**
- **What could you grow:**
 - Cereals & Pulses for export markets and domestic markets
 - Sugar cane
 - Citrus & Macadamia nut plantations
 - Wheat
 - Horticulture crops
 - Oilseed Crops and Edible oil production
 - Dairy
 - Aquaculture
 - Etc.

Thank You!

