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Ethiopia hosts first major international agro-industry investment forum

Co-organized by the Government of Ethiopia and UNIDO, the First International Agro-Industry Investment Forum, held from 5 to 7 October in Addis Ababa, was attended by over 1,200 people, including by representatives of the private sector and financial institutions.



The opening session of the forum at the headquarters of the United Nations Economic Commission for Africa.

The three-day event featured panel discussions that covered topics relating to Ethiopia's investment climate, financing options, as well as opportunities in the agro-food processing, textiles and garments, and leather and leather products sectors.

In his opening remarks, UNIDO Director General Li Yong highlighted that Ethiopia is working hard to put the right conditions in place to accelerate its industrialization.

"The Government has mobilized its own resources and allocated a substantial budget for agro-industrial infrastructure. It is also continuously improving its policy framework to attract foreign direct investment (FDI). With FDI flows to the country amounting to over USD 2 billion in 2015, Ethiopia is becoming a hot spot for investors, especially in textiles and garments," said Li.

Throughout the forum, panelists underlined their support for the development of integrated agro-industrial parks (IAIPs), a key component of the national Growth and Transformation Plan II and part of UNIDO's Programme for Country Partnership (PCP) in Ethiopia.

"The initiative we see today on the agro-industrial parks is an ambitious step to the next level. And rightly so. They are the expression of a forward looking political vision to achieve sustainable investment and value addition for the benefit of a nation, its young people and vulnerable groups. I believe these parks are well-placed to achieve many objectives at once," said Koen Doens, who represented the European Commission.



DG Li Yong delivering opening remarks.



DG Li Yong with high-level dignitaries during a family photo.



Business partnerships forming on the sidelines of the forum

Participants received a directory of investment opportunities, prepared by UNIDO, that featured 58 Ethiopian companies operating in the agro-food processing, textiles and leather sectors.

Nearly 160 formal business-to-business (B2B) meetings were arranged between Ethiopian companies and foreign investors over the course of the three days of the forum. Many informal B2B meetings were also arranged by foreign investors and local entrepreneurs themselves. In addition, UNIDO helped organize over 20 business-to-government meetings.

Over 80 per cent of local and international private sector representatives said that they intend to follow-up on business opportunities after the Forum.

In addition, an exhibition showcasing products of local and international companies was on display for the course of the event.



A 3D model of an integrated agro-industrial park viewed by participants at the forum.



Field visit to the Eastern Industrial Zone in Dukem, Ethiopia.

On the third day, over 200 participants took part in a field visit to a privately-owned Eastern Industrial Zone in Dukem, Ethiopia. The industrial park covers an area of 5 square kilometers and houses shoe and textile factories, among others.



DG Li Yong in family photo with representatives of development finance institutions.

Partners pledge support for the PCP in Ethiopia

The Director General conducted a series of meetings on the sidelines of the Forum, including a working lunch with representatives of development finance institutions, development aid agencies and the UN Country Team. Partners commended UNIDO's convening and leading role with regard to inclusive and sustainable industrial development in Ethiopia and voiced their readiness to join hands to support the implementation of the PCP.

The European Investment Bank (EIB) expressed interest in financing one integrated agro-industrial parks and will continue dialogue with the Government of Ethiopia and UNIDO in this regard. In addition, the Government of Ethiopia has officially requested financial support from the EIB for the establishment of the Modjo Leather City. In response, the EIB has expressed its intention to move forward with the related financing package. The European Union also expressed their intention to co-finance the Modjo Leather City through the provision of technical assistance resources.



The African Development Bank confirmed that the PCP is now integrated into their country programme and that it stands ready to support the Government in the development of IAIPs.

The International Finance Corporation, the private sector investment arm of the World Bank Group, confirmed that they will continue working with the local financial sector to help bridge the financing gap.

The International Fund for Agricultural Development also voiced their strong support for the PCP and their interest in aligning current and future Ethiopia programmes with relevant PCP components.



UNIDO DG Li Yong meeting with Laura Frigenti, AICS Director



Laura Frigenti visits a shoe manufacturing cluster, part of a UNIDO leather project.

The Italian Agency for Development Cooperation (AICS) reaffirmed their support of the Government of Ethiopia and UNIDO, in particular for the development of integrated agro-industrial parks and key sectors such as leather. AICS is a major donor of the PCP for Ethiopia, with projects ranging from the development of the coffee and moringa value chains to stemming migration. The newest addition is a project on youth and women entrepreneurship that was officially launched on the sidelines of the forum. Co-funded by AICS and the Austrian Development Cooperation, the project aims to increase job opportunities for women and young people by promoting entrepreneurship in the agro-processing, leather and textile sector.

International agro-industry investment forum to become an annual event

In his closing remarks at the forum, Hailemariam Desalegn, the Prime Minister of Ethiopia, stated, "It is our firm belief that with the concerted effort of our government, partners and the growing private sector, Ethiopian manufactured products will soon break into the global market with quality and diversity. We realize partnerships are key for success in these endeavors, and we call on each and every one of you to join hands with us for mutual benefit."

Building on the success of the event, the Government of Ethiopia has pledged to make the investment forum an annual event.

Complete coverage of the forum, including the individual sessions and side events, videos and photos, can be found on the forum's webpage at: <https://isid.unido.org/aife1.html>

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