



Federal Democratic Republic of Ethiopia

Ministry of Industry



PCP Ethiopia: Early Achievements



By: Mebrahtu Meles (PhD)
State Minister
Ministry of Industry

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Introduction- Ethiopias Vision



Ethiopia aims to achieve middle-income status by 2025 while developing CRGE

Leading country in light manufacturing sector in Africa by 2025

- **Rapid Economic Growth - annually by 11% till 2025**
- **Increased contribution of industrial sector to GDP: form 14% in 2015 to 28% by 2025**
- **Manufacturing (%GDP) - 5%(2015) to 18% (2025)**

Phase 1: Enhancing the productivity of major industries (2013-15)

Phase 2: Diversifying and emerging new key industries (2016-20)

Phase 3: Building up high-tech industries (2021 -25)



... Introduction

- Long Term National Development Plans
- Industrial Development Strategy
- Priority sector identified:
 - Agro-Processing
 - Leather
 - Textile
- Manufacturing road Map is developed
- 13 years strategic plan developed
- GTP II launched & country expected to maintain double digit growth
- ISID-PCP Lounched.Eth. Selected as Poilot

Ethiopian Industrial Development Roadmap (2013-2025)



September 2013
Addis Ababa



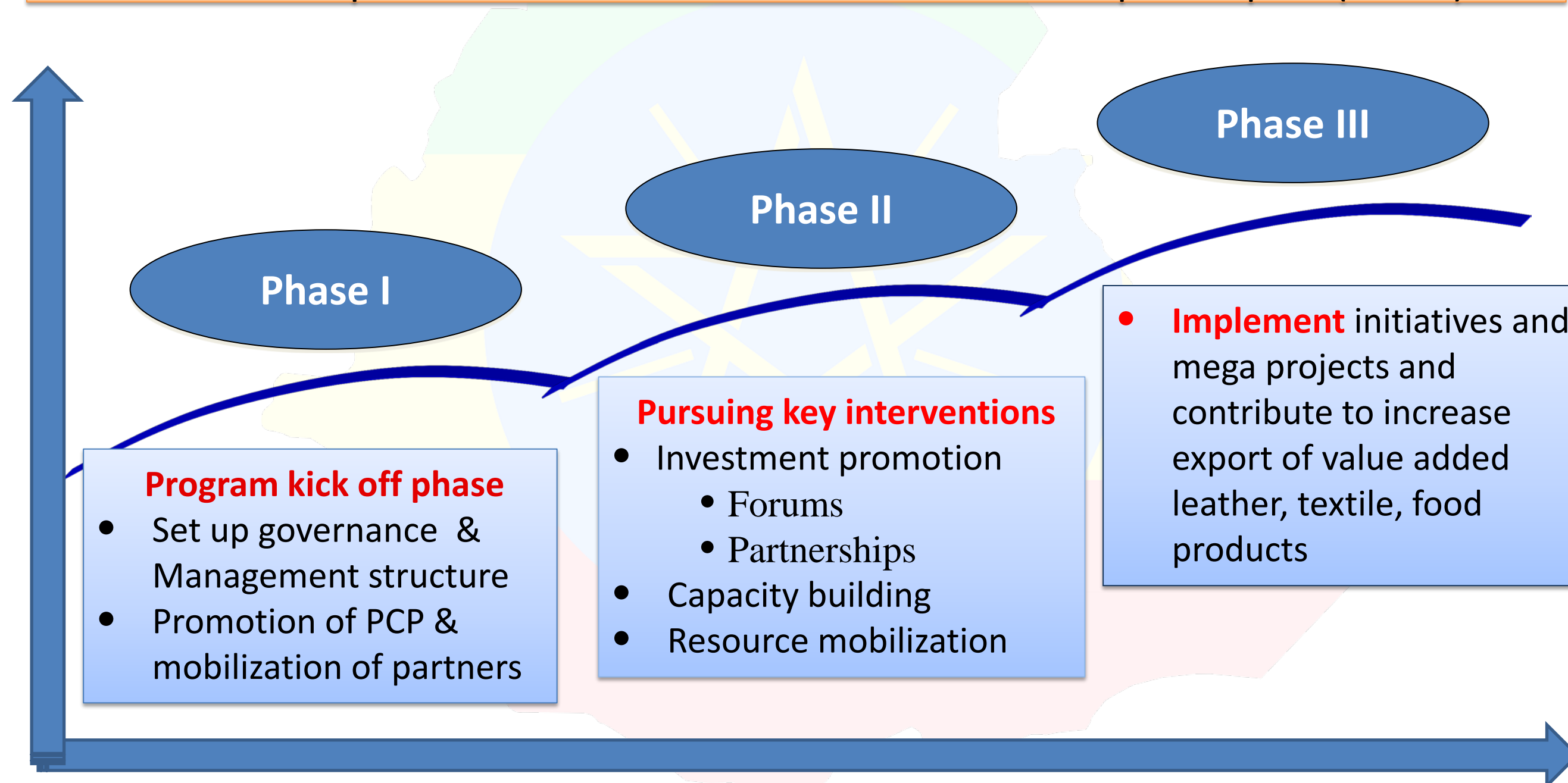
ISID-PCP: Major milestones

- ISID Forum I:
 - PCP launched
- ISID Forum II:
 - Ethiopia selected as a pilot
 - Program developed and endorsed by government
- ISID Forum III (Side event at ffd3):
 - Global leaders renewed commitment for ISID-PCP
- ISID Forum IV:
 - Reporting early achievements



ISID-PCP Implementation Road Map

- The selection of Ethiopia as a pilot country considered tremendous privilege
- ISID-PCP fully embraced by the GOE
- ISID-PCP incorporated into the national economic development plan (GTP II)





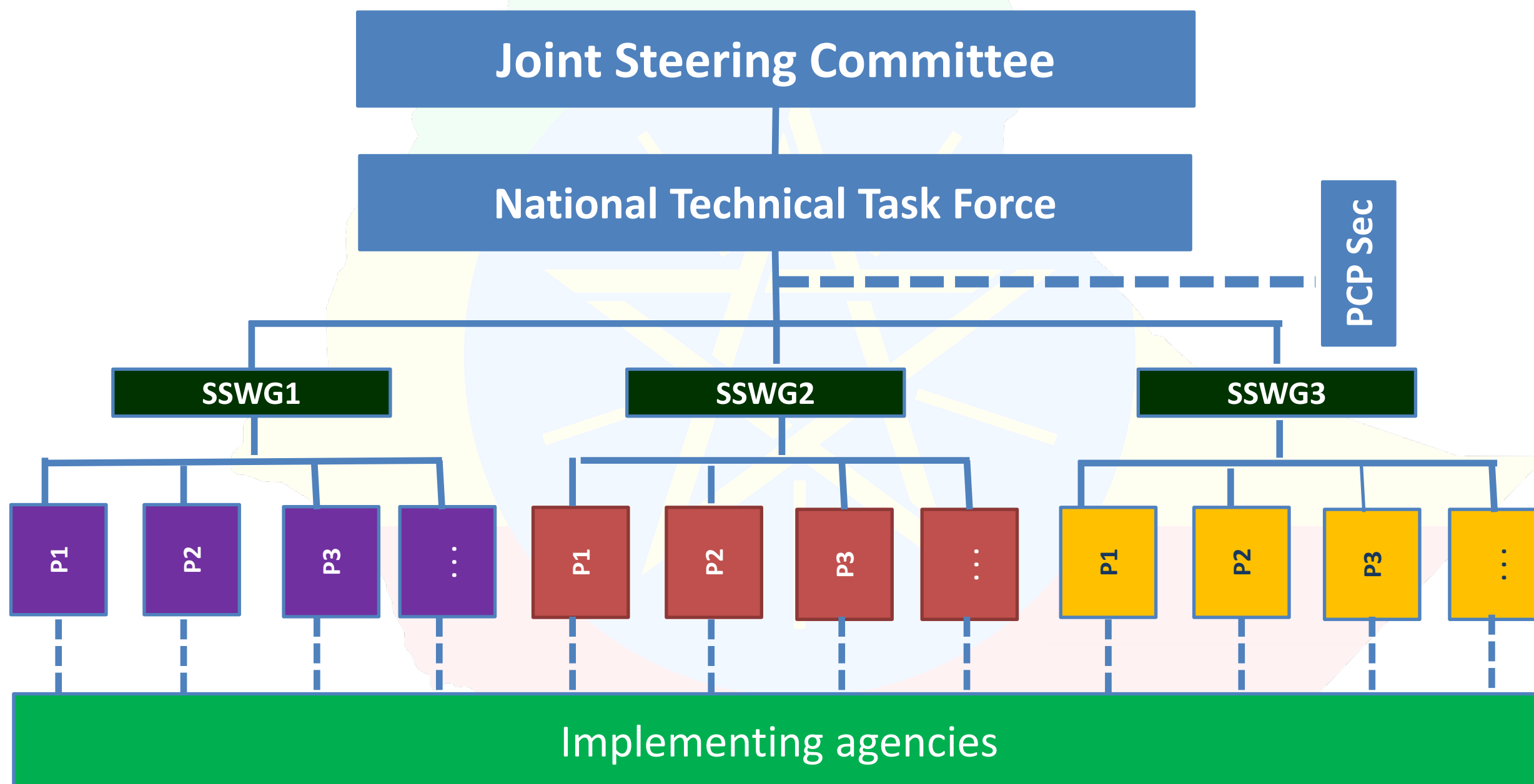
PCP Eth: Early Achievements

- Following the endorsement of PCP Eth pilot program by H.E. the PM, at **ISID-II FORUM** key initial activities were undertaken
 - Set up Governance structure
 - Establish PCP secretariat
 - Putting in place an effective M & E system
 - Close supervision and monitoring by PCP Eth leadership
 - Weekly review meeting
 - Regular High Level Joint Steering Committee meeting under the leadership of MOFEC
 - PCP mainstreamed into the MOI reporting system



... Early Achievements

Governance & Management Structure of PCP



Note: SSWG – Sub-Sector Working Group, P – Project



Early . . .

Promotion of ISID-PCP

- Extensive on-boarding & awareness raising activities conducted
 - **ISID Forums**
 - COMESA Forum
 - Road shows (China, Italy etc.)
 - Africa Industrialization Day
- Stakeholders reaffirmed their commitment for the successful implementation of the PCP

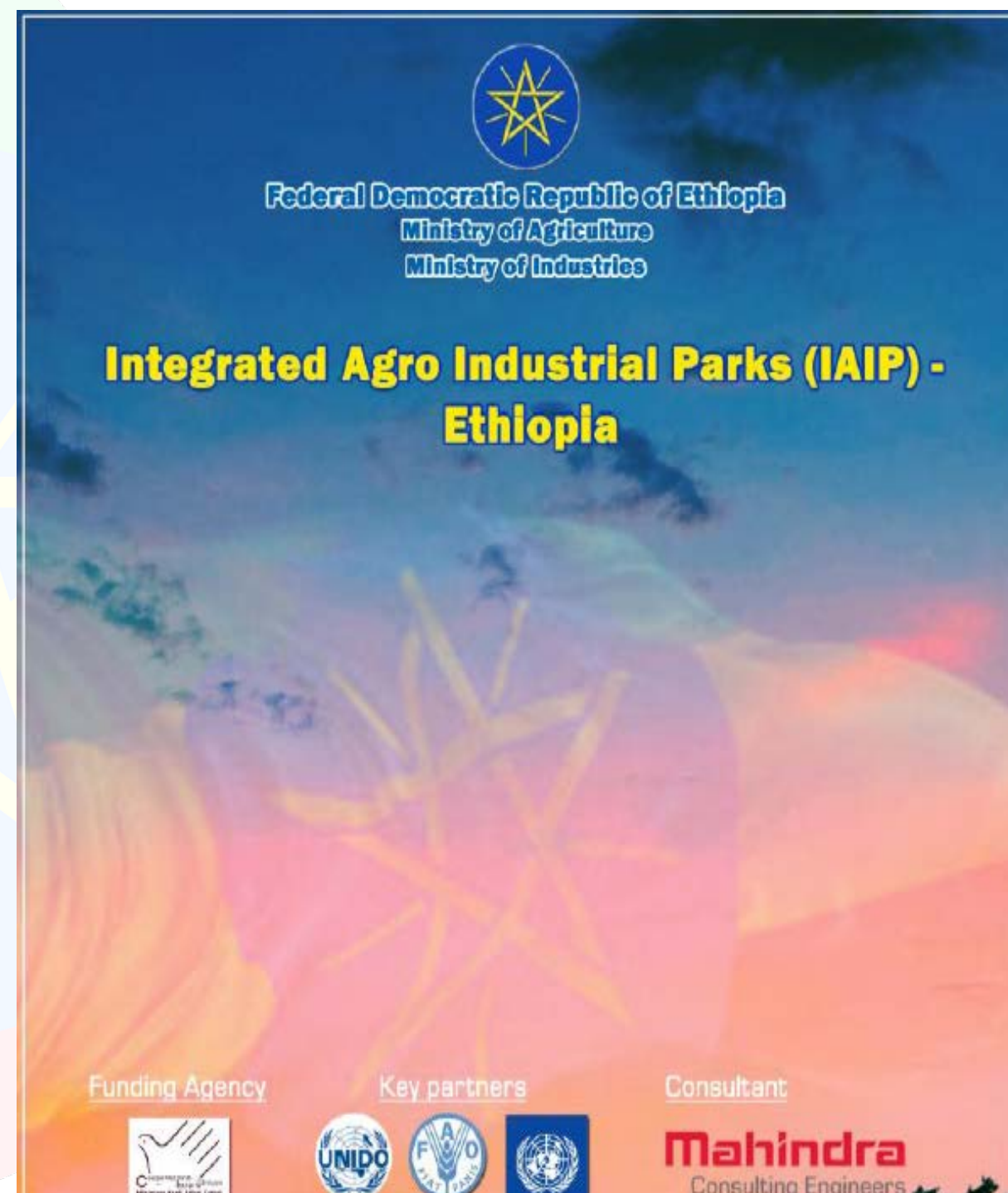




Early . . .

PCP-Component One is: AGRO-Processing SECTOR/AGRO-FOOD

- Master plan development for the establishment of IAIPs at four strategic locations finalized
- Resource mobilized from for feasibility study & infrastructure development. **UNIDO, Italy, FAO, UNDP**
- Investors showing interest to invest in the IAIPs.



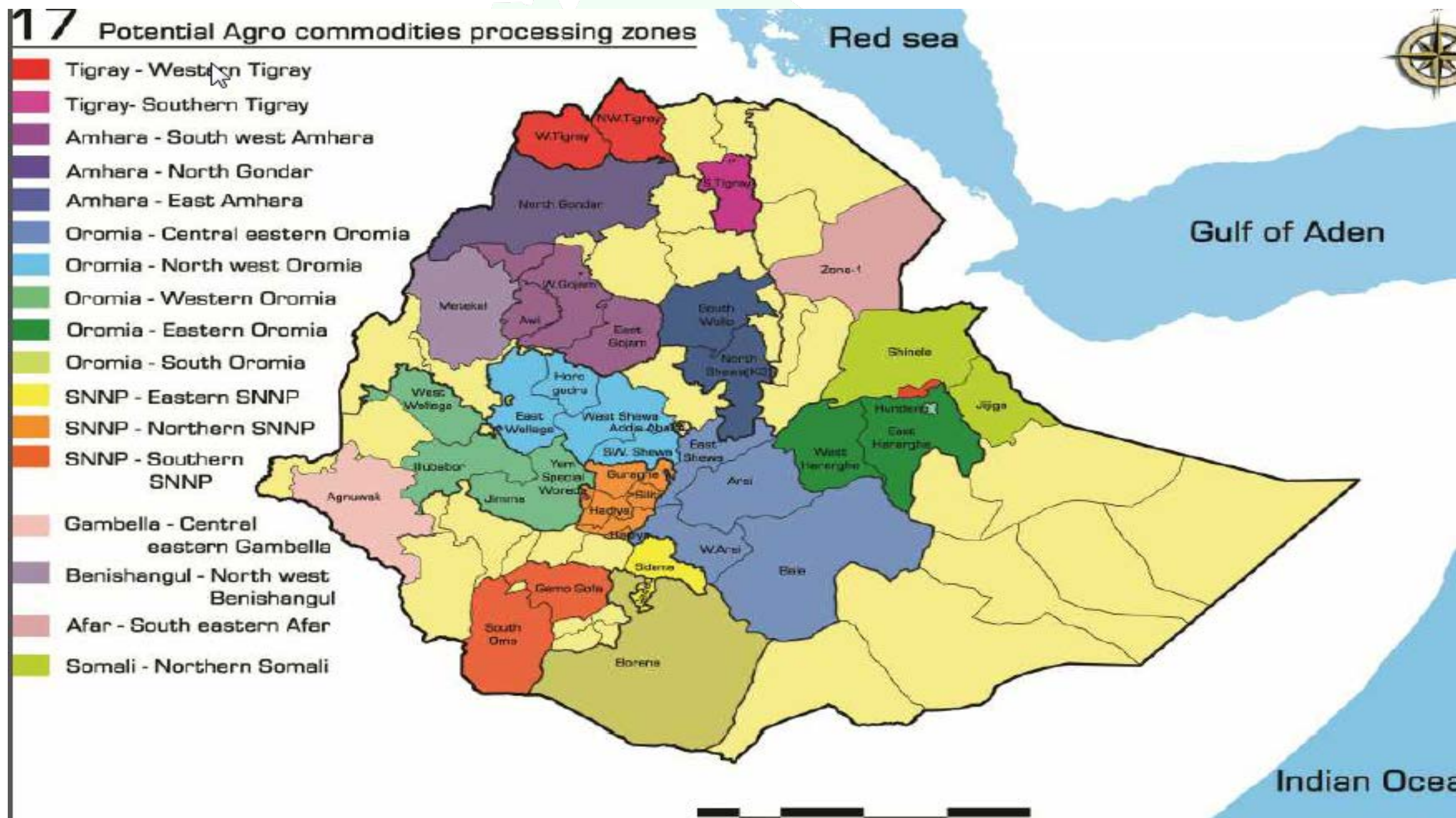


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17 Agro Industry Growth Corridors selected



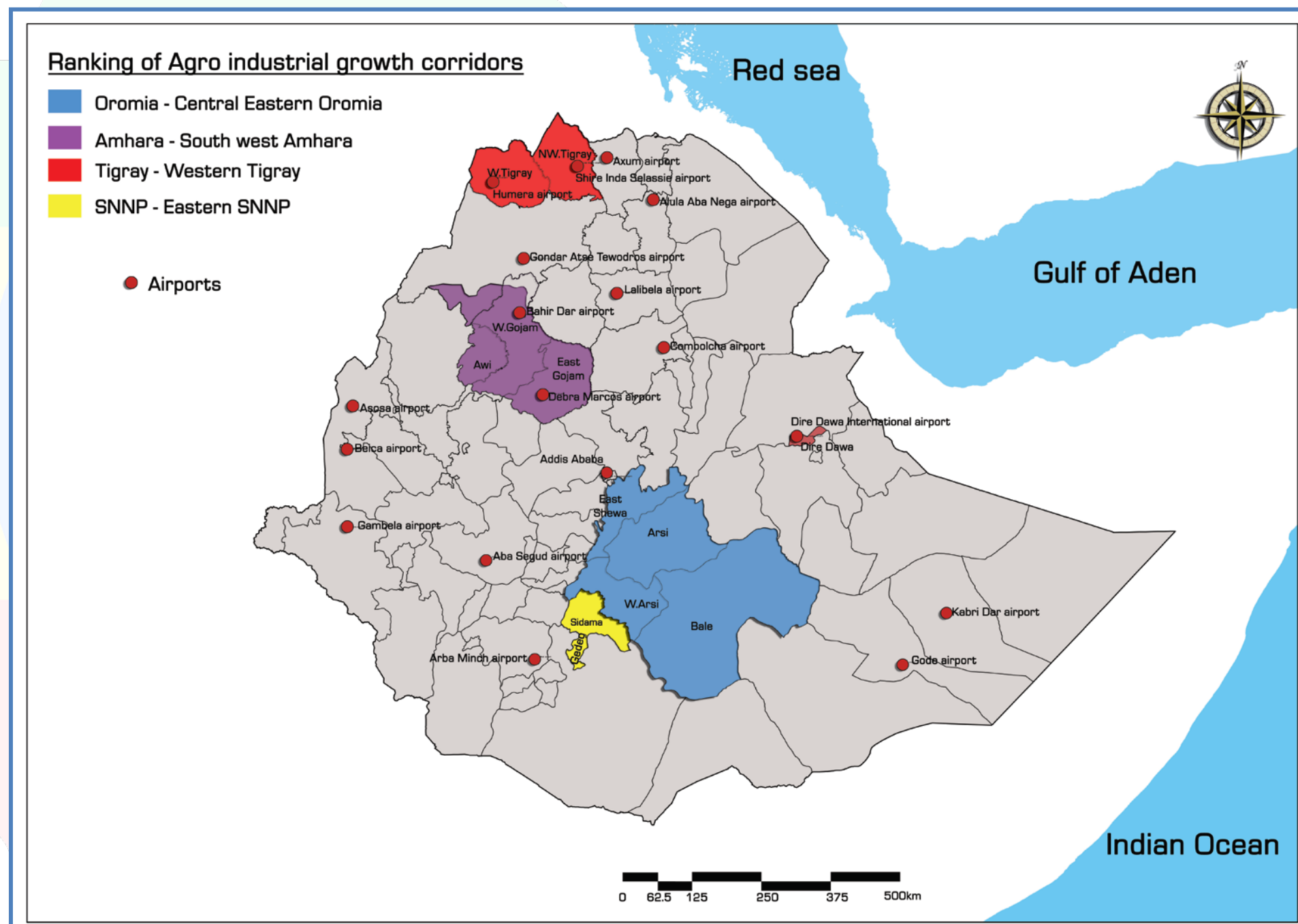


IAIPs

Four ACPZs selected for piloting IAIPs

Selection Criteria:

1. Production potential
2. Triggering Effect
3. Infrastructure
4. Market potential
5. Access to support services
6. Attractiveness for investors





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Integrated Agro Industrial Park (IAIP) - Ethiopia



Funding Agency



Key partners



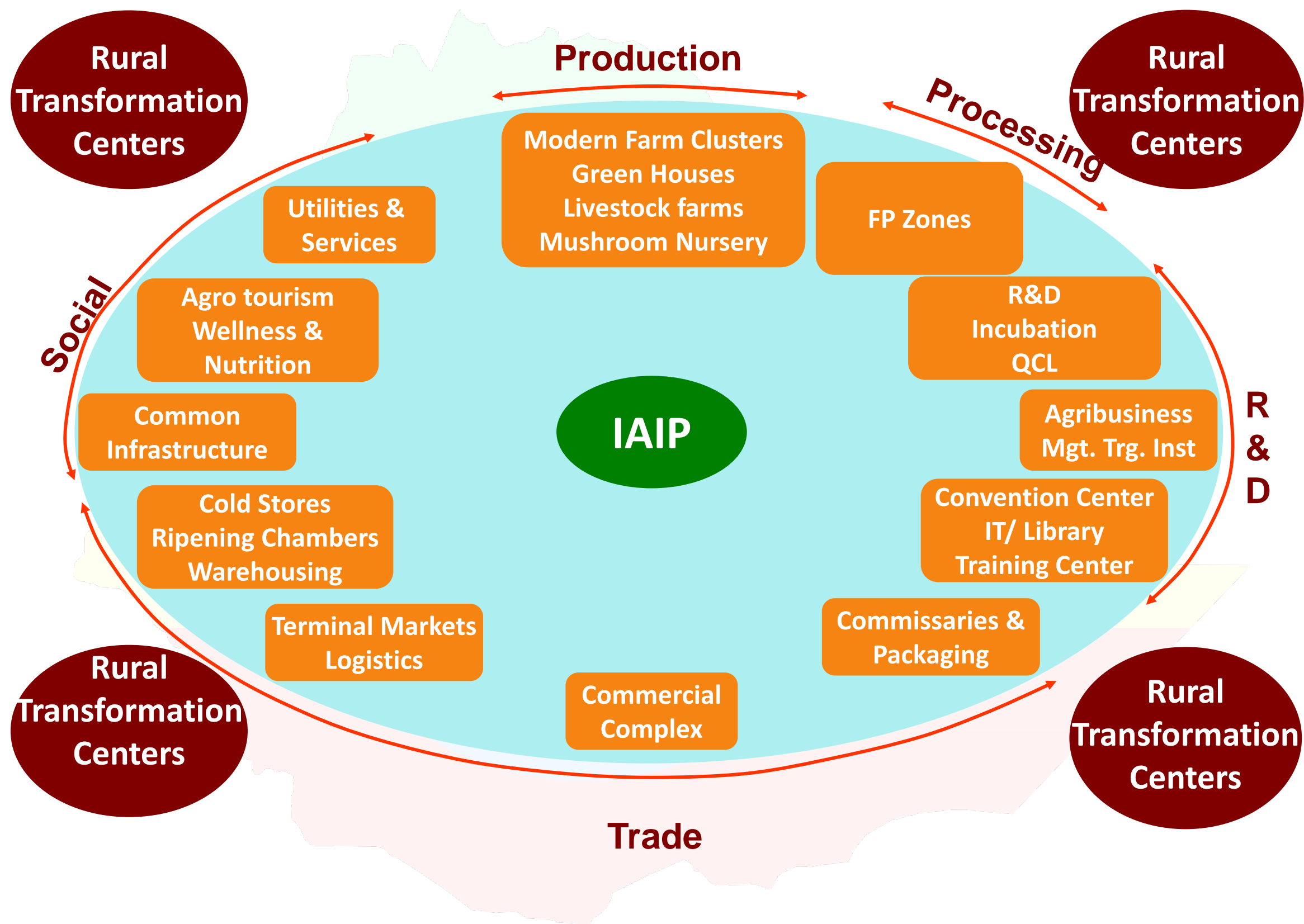
Central Eastern Oromia - Aerial view

International Consultant

Mahindra
Consulting Engineers



Business Model for IAIPs





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Funding Agency



Key partners



Central Eastern Oromia
Rural transformation centre - Aerial view (typical)

International Consultant

Mahindra
Consulting Engineers



IAIPs

What are the Outcomes of the IAIPs Feasibility Study?

The feasibility studies indicate:

- Large investment required to set up and operationalize IAIPs
- **Investment in the parks 30 Billion ETB (1.5 Billion USD)**
- **Infrastructure development of the four IAIPs require 870 million USD**
- Create investment opportunities for **> 400 companies**
- Expected to generate **> 400,000 direct employment** opportunities in short term.
- **Significant role for private sector, development financial institutions and development partners**

IAIPs are incorporated as top priority in the GTP II



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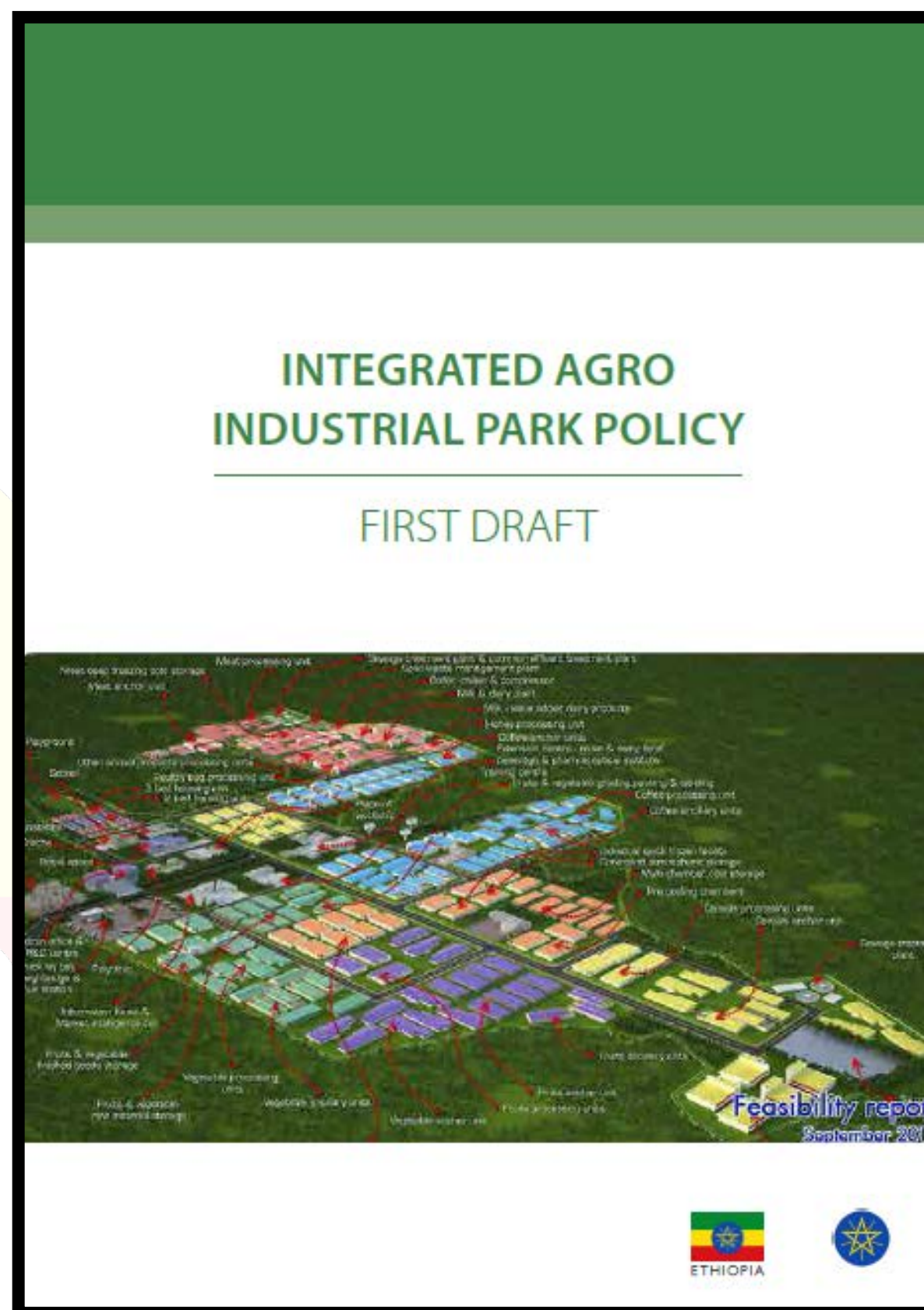
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IAIP Policy to facilitate effective implementation of the initiative

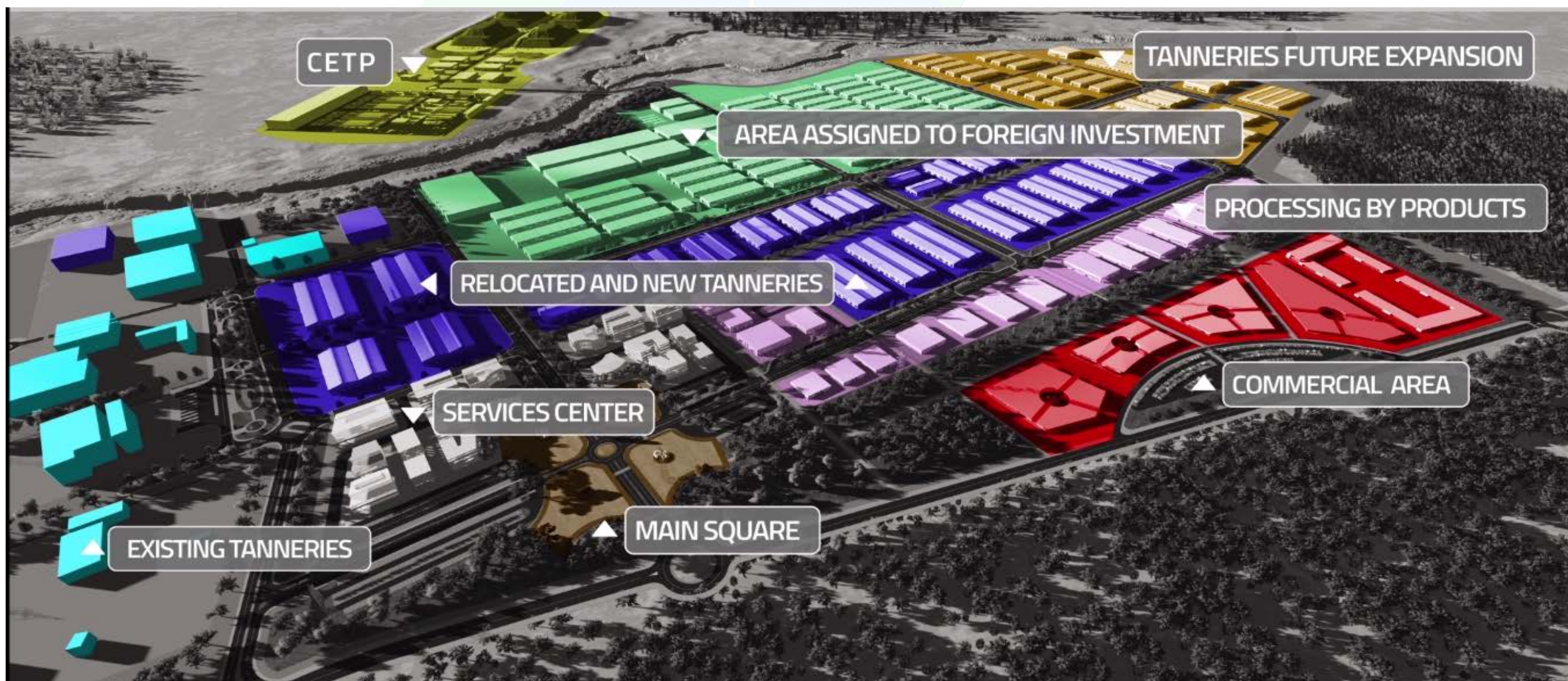
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PCP-Component Two is: LEATHER AND LEATHER PRODUCTS SECTOR

- MLC (Highly organized and capacitated cluster of tanneries)
- An environmental friendly leather industry
- Attractive business environment for investors





PCP-Component Three is: TEXTILES AND APPAREL

- Ethiopia has an opportunity to benefit from textile in both regional and international markets
- Textiles and garment company profiles being developed
- Ten large investment projects identified in collaboration with UNIDO
- Promotional materials i.e. brochure and video are being prepared for investment promotion purposes



PCP-Component Four is : Capacity Building

• **Training/Institutional Capacity Building**

- Efforts being made to strengthen the analytical capacity to better generate industrial intelligence and policy, primarily for agro-industries.
- Twenty experts drawn from MOI and EIC participated in a UNIDO training programme
- A project on institutional capacity-building in pipeline

• **Trade facilitation**

- A comprehensive program is being designed to support trade facilitation for Ethiopian products (including competitiveness and market access)

• **Environment**

- **Project on slaughterhouse waste management: finalized**
- Project (\$3.9 million) expected to be financed by China
- Initial consultations with the Chinese Ministry of Commerce undertaken



Way Forward

- **Top priority: Implementation of the 4 IAIP**
 - 1) Mobilization of Resources for the construction of the 4 IAIP
 - 2) Promotion of the 4 IAIP & Projects to Investors

Preparation for an **international investment forum** is underway

**“Unleashing Ethiopia’s Investment Potential”: The
First International Agro-Industry Investment Forum**



Investment Forum

Objectives of the Forum

- To **attract FDI** , particularly for the **light manufacturing sector**
- To **present the conducive business environment in Ethiopia**
- To **establish a platform for B2B** between Ethiopian and foreign companies
- To mobilize resources for the 4 IAIP and Projects

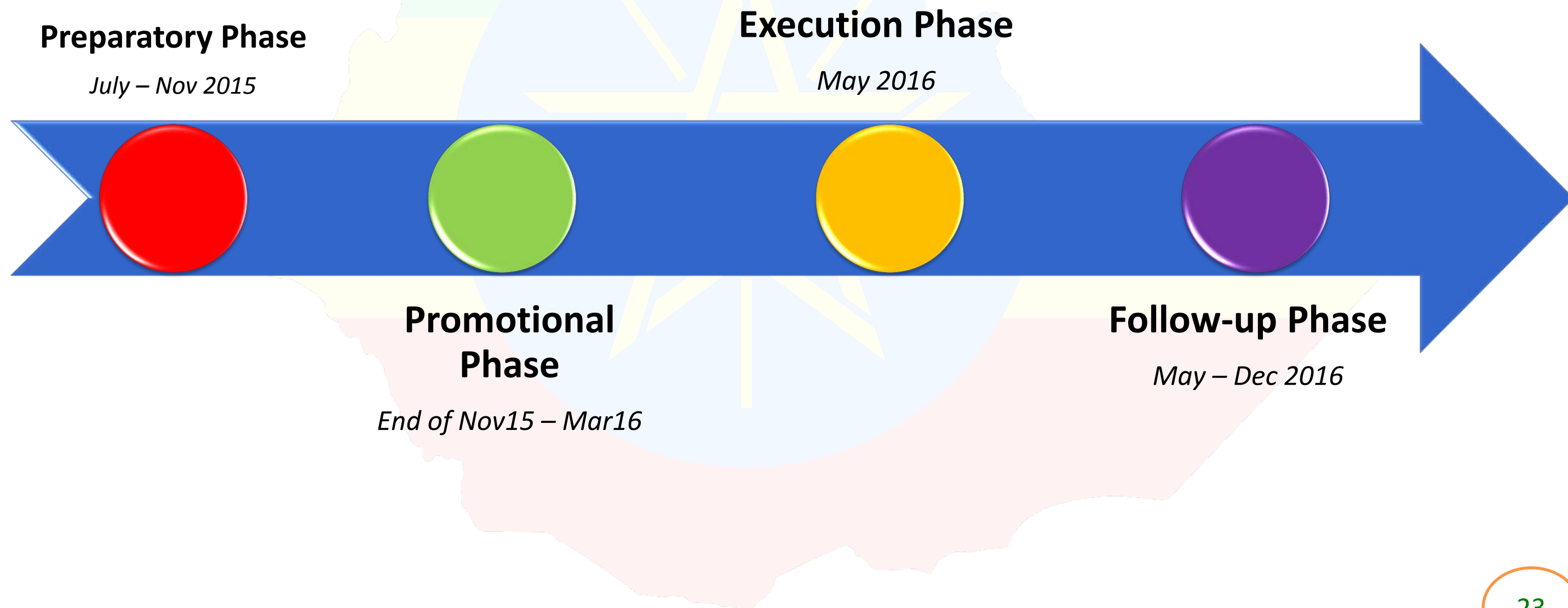
Expected outcome

- Strategic **business alliances** established
- Increased **FDI**
- **Technology and know how transfer** facilitated



Upcoming Event in May 2016 International Investment Forum

Agreed road map to the Ethiopia Investment Forum





Conclusion

- 1. Approval of the 4 IAIP feasibility study and the IAIP policy doc.**
- 2. First International Agro-Industry Investment Forum**
- 3. Resources mobilization**



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Thank you