

Ethiopia to become the hub of light manufacturing in Africa

Ethiopia's second Growth and Transformation Plan will transform the industrial sector by building more **Industrial Parks** and new **Integrated Agro-Industrial Parks** (IAIPs) around the country.

By 2025, the contribution of the industrial sector to GDP will have increased from 15% (in 2015) to 28%, and of manufacturing from 5% (in 2015) to 18%.

Maintaining its double-digit growth rate, by 2030 Ethiopia will have reduced its carbon emissions to zero by way of its climate resilient green economy (CRGE).

Industrial Parks consist of a geographic cluster of independent firms grouped together, which share infrastructure and take advantage of opportunities for bulk purchasing, selling, the joint organization of training courses, waste disposal & recycling mechanisms and raw material supply arrangements. There is also improved import-export transport and logistics facilitation, shared market utilization and effective security. With the costs pooled among the many enterprises involved, they create an efficient and self-sustaining operation from the outset.

Industrial Parks, of which 12 are planned, have been a priority since the Investment Law was amended two years ago, and contain similar or inter-related industries with key infrastructure such as roads, eco-electricity and water laid on. They include special incentive schemes, planned systematic development of industries and mitigation of environmental pollution. They offer special economic zones, technology parks, export processing zones and free trade zones, all designated by the Investment Board.

IAIPs will include production zones, 'precision farming', and rural transformation centres, which will serve as raw material aggregation points in the catchment areas (100 km radius) of each IAIP. There will be knowledge hubs and research facilities, rural hubs, primary

processing hubs, social infrastructure (such as housing) and agri-marketing.

A total of seventeen IAIPs will be built across all states, and construction of four of them has already begun – in Bahker in Tigray, Bure in Amhara, Ziway in Oromiya and Yirgalem in SSNP. They will help attract more domestic and foreign investment.



Hawassa Industrial Park located in the Southern Nations, Nationalities and Peoples Regional State

Developing and administering the industrial parks is mandated to the **Industrial Parks Development Corporation** which is responsible for preparing and implementing the national industrial parks' master plan and creating the industrial park land bank, which was set up in accordance with an agreement concluded with the regional states.

The first Industrial Parks have so far created jobs for about **70,000** women and men. The firms involved are utilizing local raw materials and creating value chains within the agriculture sector. Their coordinated activities provide for the development of value-added produce, boosting the country's global competitiveness and market access, creating hundreds of thousands of future jobs, and contributing significantly to the development of an industrial-led manufacturing sector. For this reason, it is realistic to assume that Ethiopia will achieve middle income status by 2025.

CONNECT WITH US



@EthioEmbassyUK

Published by the Public Diplomacy Department, Embassy of Ethiopia, London SW7 1PZ

To receive a copy by email, please send an email to press@ethioembassy.org.uk.

A copy is also available online on our website: www.ethioembassy.org.uk.