

## **Investment Opportunity in Agriculture Sector in Ethiopia**

### **A. Background Information**

- Ethiopia has an area of 1.14 million sq. km.
- Out of which 513,000 square kilometers (45%) are arable land and 34,200 square kilometers (3%) is irrigated land.
- The agriculture sector accounts for 41% of the GDP, provides 85% of employment and 90% of foreign currency earning.
- There are 18 major agro-ecological zones and 32 diversified or sub agro-ecologies.
- Temperature ranges from 20°C to 30°C.
- Altitude ranging from -125 below sea level to 4620 m above sea level.
- Annual rainfall varies from 200 to 2500 mm.
- There are two seasons: the dry season prevails from October through May. The wet season runs from June to September.
- Ground water, rivers and rain are sources of water.
- Labor force is available with reasonable cost.
- Land is on lease for a certain period of years.

### **B. Potential sub sectors in Agriculture Sector**

#### **1. Horticulture and Floriculture**

Land for horticulture is available around the capital city and the main cities whereby all the necessary facilities are in place. There is 33,000 ha land available for horticulture.

#### **2. High Value Plantation Crops (Cotton, Palm and Rubber tree)**

Currently we are developing economic zones for commercialized farming. The government is developing the infrastructure and facilities before providing land for investors. It is an ongoing process.

#### **3. Livestock**

Ethiopia is ranked 1<sup>st</sup> place in Africa in terms of Livestock population. We have 52.0 million cattle, 63.1 million small ruminants, 42.1 million poultry and

2.5 million camels. There is an opportunity in rearing, breeding and fattening of livestock.

#### **4. Agro Processing - Food & Beverages**

There are 18 major agro ecological zones and 32 diversified or sub agro-ecologies, thus we have a capacity to grow a variety of food and beverage crops. There are plenty of inputs for agro-processing factories.

#### **C. Investment Proclamation**

- Encourages Value Addition
- Industrial Parks are being developed including food parks for agro processing
- A one stop shop where all the services including land clearance is given in one window is being developed.