



# INVESTMENT OPPORTUNITIES, POTENTIALS & INCENTIVES @Federal and Regional Level

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*Prepared by Ethiopian Chamber of Commerce and Sectoral Associations(ECCSA)*

ECCSA has Investment Promotion Directorate in which it provides Investment Information, Advisory Service, Business Matchmaking Service, Organize Business Forums/Mission, Business/ Investment Development and Support Services

## I. General Description of the Country

<b>OFFICIAL NAME:</b>	Federal Democratic Republic Of Ethiopia (FDRE)
<b>Capital city:</b>	Addis Ababa (Capital city of Africa and the seat of many international organizations)
<b>Boundary:</b>	The total length of boundary is 5,311 kms (337 kms with Djibouti; 1,626 kms with Somalia; 1,606 kms with Sudan; 830 kms with Kenya; 912 kms with Eritrea)
<b>Area:</b>	Estimated to be 1.14 Million square kilometers
<b>Arable land:</b>	Estimated to be 513,000 square kilometers (45%)
<b>Irrigated land:</b>	Estimated to be 34,200 square kilometers (3%)
<b>Topography:</b>	Ethiopia has different landscapes including wide plateaus. The highest point is 4620 meters above sea level (Ras Dashen Mountain in the North) and the lowest point (in the World, too) is more than 100 meters below sea level (Dallol in Danakil Depression, Great Rift Valley).
<b>Climate:</b>	Tropical monsoon with wide topography-induced variation. Much of Ethiopia has a surprisingly temperate climate by African standards because of its different elevations.
<b>Population:</b>	100+ million.
<b>Language:</b>	Amharic is the working language. English is widely spoken particularly in business transactions and in many Federal institutions as an alternative working language. Other major languages are Oromiffa, Tigrigna and Somali.
<b>Regional states:</b>	Tigrai, Afar ,Amhara, Oromia, Somale, Benshangul Gumuz, SNNPR, Gambella, Harari, Dire Dawa, Addis Ababa City Adimistration.

## **II. Investment Opportunities and Potentials at the Federal and Regional Level**

Ethiopia is the world's 27th biggest country by land size. Due to its geographical location and varied topography, it is suitable for producing some of the most sought-after food crops in the world – coffee, tea, tobacco, cereals, oil seeds, pulses, a wide variety of vegetables and fruits, spices and sugar cane, among others.

Due to its elevation, much of Ethiopia has quite a temperate climate in comparison with other African countries. Ethiopia has an elevated central plateau whose height fluctuates between 2,000 and 3,000 metres above sea level.

### **1. Agricultural Sector**

Ethiopia has huge investment potentials for agricultural development. Investment in agriculture sector of the region is found to be more attractive and profitable in diverse sub-sectors ranging from food products, industrial raw materials to bio-fuel production. The sector contributes about 86% of exports. It has suitable climate and types of soil required for the production of variety of food crops. The major food crops grown are cereals, pulses, and oil seeds. Owing to its suitable agro-ecological makeup, Ethiopia remains a very promising investment hub for crop production both for domestic and foreign investors.

A broad range of fruits and vegetables and cut flowers are among fast growing export agro products. There are huge investment potentials in most parts of the country on the following crop productions:

- Food crops/cereals like maize, wheat, barley, teff, millet, and sorghum;
- Cash crops like sesame, Niger seed, rape seed, line seed, ground nut, safe flower and sun flower, soya bean, haricot bean, horse beans, chickpeas, lentil and field peas, coffee, tea and cotton.

Those investors engage in the agriculture projects would benefit depending on the type of the project 3-9 years of income tax exemption.

**Table 1: Regional States suitable for some major crop cultivation**

Type of crop	Regional States suitable for cultivation
<b>Rice</b>	<ul style="list-style-type: none"> <li>• West central highlands of Amhara Region (Fogera, Gonder Zuria, Dembia, Takusa and Achefer),</li> <li>• North West lowland areas of Amhara and Benshangul Regions (Jawi, Pawi, Metema and Dangur),</li> <li>• Gameblla regional state (Abobo, Etang woredas ),</li> <li>• South and south west Lowlands of SNNPR (Beralee, Weyito, Omorate, Gura Ferda, Menit),</li> <li>• Somale Region (Gode),</li> <li>• South Western Highlands of Oromia Region (Illuababora, East &amp; West Wellega and Jimma Zones),</li> <li>• Benshangul Gumz</li> </ul>
<b>Wheat and Barley</b>	<ul style="list-style-type: none"> <li>• Highlands and mid highland areas of the country,</li> <li>• Oromia Region (Bale and Arsi Zones),</li> <li>• Amhara Region (North Gondar and North Shewa),</li> <li>• Irrigated wheat development is possible in the Afar, Gambella, SNNPR and Somali Regions</li> </ul>
<b>Corn</b>	Corn grows in the mid highland areas of the country, usually found in all regions. Major corn producing areas are SNNPR and Oromia regions.

**Source: Ministry of Agriculture & Rural Development**

**Coffee and Tea farming:-** Ethiopia is Africa’s leading producers of coffee Arabica. Due to its fertile soils, Ethiopia is the sixth biggest coffee producer and the third biggest Arabica bean producer in the world. The word coffee is said to come from ‘kaffa’, a region where coffee has been a wild crop. It is the major source of foreign exchange for the country accounting for 50-60% of total exports. Ethiopia’s tea is some of the best quality tea in the world. In Ethiopia, coffee and tea grows in almost all administrative regions, particularly in SNNPR (Sidama, South and North Omo, Kafa, Gamogofa, Wolaita and Gedeo), Amhara, and Gambella.

Investment opportunities in coffee and tea are: Large-scale commercial coffee and tea production, Coffee roasting and packing, particularly for international markets.

**Oilseeds and Pulses:** Most oilseeds are grown all over the country. The oil seeds grown in Ethiopia could be grouped based on their ecological requirements. The major potential areas of oil crops are Humera, Metema, Jawi, Chewaqa and Mankush. Cultivation of pulses like beans, peas, chickpeas, lentils, soybeans, etc. is also common in Ethiopia. Cultivation is carried out in both the highland and lowland areas of the country mainly by peasant farmers; therefore, production is possible in all regions of the country.

**Sugar Cane plantation:-** Ethiopia has suitable soil and climate for sugar cane plantation.

**Horticulture and Floriculture farming:-** With diverse agro climate zones, the long growing season and the availability of water for irrigation, most fruits and vegetables can grow well in Ethiopia. Ethiopia is currently ranked 2nd in floriculture exports in Africa and among top 4 exporters in the world. The country is also the EU cut flower market's fourth biggest non-EU exporter.

Investment Opportunities include floriculture, fruit and vegetable processing. Investment opportunities in the Horticulture and Floriculture Sector are:

#### **Fruits and Vegetables**

- Fruits: Mango, banana, papaya, avocado, citrus, grape, pineapple, Pear and plum
- Vegetable: green beans, snow peas, broccoli, okra, tomatoes, green chili, potatoes, cabbages cauliflower, eggplant, cucumber, pepper, onion, and asparagus
- Land: suitable for organic certification for growing fruits and vegetables.

#### **Flowers**

- Roses are the most widely produced variety of flowers in the Ethiopian highlands. Other types include gypsophila, hypericum, Limonium, chrysanthemum, carnations, static and pot plants. Roses are the most widely produced variety of flowers.

## Herbs and Spices

The major spices cultivated in Ethiopia are Ginger, hot pepper, fenugreek, turmeric, coriander, cumin, cardamom, and black pepper. In Ethiopia, due to the existence of varied agro ecologic conditions and edaphic factors, the country is said to be the origin of few spices and herbs such as Aframomum, coriander, and long pepper and a range of Spices. Most of the spices cultivated in Ethiopia are Ginger, Hot pepper, Fenugreek, Turmeric, coriander, Cummins, Cardamoms, and Black pepper. The potential areas for seed spices are Amhara and Oromia regions, while low land spices are dominantly produced with further potential in SNNP and Gambella regions. The total potential for low land spice farming is estimated to be 200,000 ha.

**Cotton farming:-** There is huge potential for cotton cultivation in the country especially in the awash valley where large scale cultivation under irrigation is found. Other areas in the country are also suitable for cotton cultivation.

**Forestry and Forest products:** Forest products and natural gum are another area of investment in Ethiopia. The country is endowed with distinct climatic conditions that enable it to grow diverse plant species used for industrial and pharmaceutical purposes. Acacia, Commiphora and Boswellia are just one group of the various plant species grown in the arid and semi-arid areas which produce gums.

**Rubber and palm tree Plantation:-** Ethiopia has the potential for the production of rubber and palm oil. Many areas in the south western part of Ethiopia have both the required soil and climate conditions to grow palm oil and rubber in large scale.

**Livestock farming, Fishery and apiculture:-** Considerable opportunity exists for investments in rearing and breeding of livestock as well as development and the production of honey and bee wax.

**Fishery and Aquaculture:** Ethiopia's potential for fisheries development is limited to its freshwaters and most of the lakes that are located close to urban areas. Ethiopia is one of the few countries processing indigenous Nile Perch (*Latus niloticus*). "Brown Trout and Rainbow Trout" have also been introduced into the rivers found in the Bale highlands.

**2. Manufacturing and Agro-Processing Sector:-** The major manufacturing activities are in the production of food, beverages, tobacco, textiles and garments, leather and leather products, paper and paper products, food and beverage products, packaging, pharmaceutical, metallic and non-metallic mineral products, cement, chemicals and the like. According to the Federal Government investment incentive investors invest in the manufacturing sector depending on the project would benefit 2-15 years income tax exemption.

**Textile and Garment:-** Ethiopia has abundant and easily trainable labor force. The sector grew 7 folds since 2008. There is access to major markets in the world including USA that imports 40% & UK that imports 10% of Ethiopian textile. Investment Opportunities includes commercial cotton production, spinning, weaving and garment.

***Opportunities in the Textile and Garment Sector for private sector:***

- Textile manufacturing: Manufacturers producing any cloth or goods prepared by weaving, knitting or felting.
- Garment manufacturing: Manufactures producing any article of clothing such as dresses, suits, shirts, trousers made prepared from textile/fabric
- Components and Trim manufacturing: Manufacturers producing materials used as components & decorations of garments such as zippers, buttons, plastics, threads, elastics, carton boxes, poly bags, hangers, printing, etc.

Those investors engaged in the above investments would benefit 6 years income tax exemption.

**Food and Beverage products:** Ethiopia has huge potential for the production of food and beverages. The opportunities are processing of meat and meat products, fish and fish products, fruits and vegetables, integrated production and processing of dairy products, sugar processing, processing of animal feed, bottling of mineral water, brewing and wine making.

**Tannery and Leather Products:-** Ethiopia possesses the 2nd largest livestock population in Africa and 10th in the world, and currently only 50% of hides and skins are being utilized. Manufacturing plants can supply major markets in the world including Italy, USA, & Germany. Investment Opportunities includes Tanning of hides and skins up to finished level leather products.

***Opportunities in the Leather Sector for private sector :***

- Tanning of hides and skins
- Accessories: soles, synthetic sewing thread, plastic linen, shoelaces, zippers, buckles
- Chemical inputs manufacturing for tannery use
- Footwear, gloves and other leather products manufacturing capacity.

**Chemical and Chemical Products:-** Manufacture of basic chemicals based on local raw material including fertilizers and nitrogen compounds; caustic soda and soda ash; soap and detergent; paints, varnishes, writing and painting inks; man-made fibers, etc.

**Drugs and Pharmaceuticals:-** Ethiopia's pharmaceutical market expected to grow by 15% annually and to reach \$1 billion by 2020. Ethiopia has potential to serve as export hub for the >\$20 billion pharmaceutical market in Africa. Manufacture of pharmaceuticals and medicinal products in the form of tablets, capsules, syrups and injectable. Manufacture of inputs of basic pharmaceutical products.

**Paper and paper products:-** manufacturing of pulp from indigenous raw materials, paper and paper products, packages,

**Plastic products:-** used as inputs for construction of building, vehicles or other industrial products. High pressure pipes, pipe fittings, shower hoods, wash basins, insulating fittings, office and school supplies and fittings for furniture.

**Construction and Building materials:-** manufacture of lime, gypsum, marble, granite, limestone, etc. Basically include General construction, Building construction, Road construction, Water well drilling, Mineral exploration drilling and Real estate development.



**Computer and Electronic Products:** manufacturing of computer, electronic and related products exempted from income tax for 5 years.

### 3. Service Sector

#### Tourism and Hotel

Ethiopia is Known as ‘Land of Origins’, among the world’s best destination for tourism. Ethiopia is home to several cultural and historical heritage sites, nine of which are included in the UNESCO list of world heritage. Natural attractions, magnificent scenery, surprising cool climate, rich flora and fauna, important archaeological sites and hospitable people. Priority for investment in grade one tour operation, star designated hotels, lodges & restaurants, and construction/development of tourist sites. Duty free privileges on capital goods/spare parts, construction materials and vehicles. 5 years of income tax exemption for those who invest on the five specified regions:

- Bale and Semen mountain national parks
- Rift valley lakes (Abyata Shalla and Abaya Chamo)
- Guralta Mountains (Wekro, Hawzen and Adigrat)
- Erta Ale (Dalol, Hadar, Afdera and Asela lakes)

**Table 2: Types of tourist attractions and examples of specific attraction**

Attractions	Region	Specific Attractions
Historical attractions	Tigray	- Yeha palace - Amazing carved obelisks, Christian festivals and relics in Axum - Negash Mesgid in Eastern Tigray - Debre Damo monastery
	Lalibela	- 11th century remarkable rock hewn churches
	Gonder	- Castles and palaces
	Harar	- The walled Muslim city with 99 mosques and the centre for the coffee trade;
	Dire Dawa	- Lega Oda- cave paintings
	Oromia	- Palace of Jimma Aba Jiffar

		- Debre Libanos monastery
<b>Natural attractions</b>	Amhara	- Blue Nile, Lake Tana, Tis Abay – ‘Smoke of Fire’ and Some 20 of these islands shelter churches and monasteries - Semien Mountains - Ras Dashen, home to Walia Ibex
	Oromia	- Bale Mountains, home diverse wild animals; - Sof Omar- the largest cave in Africa
	Afar	- Great Rift Valley Lakes, National Parks, Ertale, Dallol- salt area
	SNNPR	- Rift valley lakes, Omo National Park, Nech Sar National Park
<b>Cultural attractions</b>	All over the country	- More than 80 nations and nationalities, each with its own language and culture, different styles and costumes, ceremony, color, traditional restaurants and cultural centers

**Health:-** Opportunities for investment in areas by constructing own building as general hospitals and specialized hospitals.

**Education:-** Ethiopia aspires to attract internationally reputable educational institutions, universities and training centers. The following areas some of the opportunities for foreign investors by constructing own building: Science and technology colleges, college of business and marketing, school of medical science, vocational training centers and the like.

**4. Mining:-** Ethiopia offers excellent opportunities for mineral prospecting and development. Geological studies have identified a favorable geological environment hosting a wide variety of mineral resources. Ethiopia is the only producer of opal in Africa, major gold exporter, and emerging country for oil and natural gas exploration. Mining potentials: gold, potash, platinum, opal, iron, tantalum, marble, granite, limestone etc. Incentives in the mining sector:

- Lower corporate income tax rate of 25% for large-scale mining projects
- Loss carry forward for 10 years.
- Accelerated depreciation on straight line basis over useful life of four years.
- Customs duty and other tax-free import of equipment, machinery, vehicles and consumables.

**5. Energy Sector :-** the potential of Ethiopia’s renewable and non renewable energy resource is large, with the economically feasible hydropower potential estimated at 45,00

MW. It has large potential for geothermal energy generation. Also opportunity in electricity generation, off – grid transmission & distribution of electricity.

**5. Information and communication Technology:-** Investors are also encouraged to invest in lucrative information and communication technology development that can deliver great returns. There is Industrial Village in Addis Ababa ready for domestic and foreign investors.

**6. Construction Sector:-** Ethiopia has extensive opportunities in the construction industry, particularly in the construction of roads and industrial buildings, including low cost housing. Grade 1 construction contracting , real estate development and water works construction contracting including water-well drilling.

### **III. Federal Government Support to Priority Areas**

1. Custom duty exemption
2. Income tax holiday
3. Export incentives
4. Loss carry forward
5. Remittance of profit, dividends, principals and interest payments on external loans
6. Provision of land at very competitive rental price

#### **1. Customs Duty Exemption**

- Manufacturing or agriculture who has invested and created permanent employment opportunity for at least 50 Ethiopian nationals shall be entitled to import, at any time duty-free capital goods necessary for the existing enterprise;
- In another area investment eligible for customs duty shall be allowed to import duty –free capital goods necessary for the existing enterprise up to 5 years .
- Customs duty exemption of spare parts worth up to 15% of the total value of the capital goods imported.

- Any investor participating in the manufacturing industry can import free-duty motor vehicles necessary for the establishment of a new enterprise or the expansion or upgrading of the existing enterprise.
- An investor eligible for a duty-free privilege who purchases construction materials or capital goods from local manufacturers will receive a refund on the customs duty paid for raw materials or goods utilized as inputs in the production of these goods.
- Investment capital goods that are imported without customs duty payment or payment of other taxes imposed on imports can be transferred to another investor who has a similar privilege.

**Table 3: Areas of investment eligible for customs duty exemption (applicable to foreign investors)**

<b>1. Manufacturing</b>
a. Food industry
b. Beverage industry
c. Textiles and textiles products industry
d. Leather and leather products industry
e. Wood products industry
f. Paper and paper products industry
g. Chemical and chemical products industry
h. Basic pharmaceutical products and pharmaceutical preparations industry
i. Rubber and plastics products industry
j. Other non-metallic mineral products industry
k. Basic metal industry
l. Fabricated metal products industry
m. Computer, electronic and optical products industry
n. Electrical products industry
o. Manufacturing of other equipment
p. Machinery and equipment industry

q. Vehicles, trailers, and semitrailer industry
r. Manufacturing of office and household furniture
s. Integrated manufacturing with agriculture
<b>2. Agriculture</b>
a. Crop production
b. Animal production
c. Mixed ( crop and animal) farming
d. Forestry
<b>3. ICT</b>
<b>4. Generation, transmission and supply of electrical energy</b>
<b>5. Hotel and tourism</b>
a. Star designated hotels ( including resort hotels) and motels, lodges and restaurant
b. Tour operation of grade one
<b>6. Grade I construction contracting( including water well drilling and drilling for mineral exploration)</b>
<b>7. Education and training</b>
a. Secondary and higher education by constructing own building
b. Technical and vocational training service including sport
<b>8. Hospital services by constructing own building</b>
<b>9. Architectural and engineering works and related technical services technical testing and analysis</b>

Source: EIC

## 2. Exemption from Income Tax

- A. Any investor who invests to establish new entries shall be entitled to income tax exemption as specified in the below table. The period of exemption from income tax begins from commencement of date of production or provision of service by the investor.

**Table.4. Areas of investment eligible for income tax exemption**

<b>Areas of Investment</b>	Addis Ababa and special Zone of oromia surrounding Addis Ababa	Other Areas
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**1. Manufacturing**

1	Food industry	1 up to 5 years	2up to 6 years
2	Beverage industry	1up to 3 years	2up to 4 years
3	Textile and textile Products industry	2up to years	3 up to 6 years
4	Leather and leather	1up to 5 years	3 up to 6 years
5	Wood products industry	2 years	2 years
6	Paper and paper Products industry	1up 5 years	2up to years
7	Chemical and chemical products and	2 up to years	3 up to 6 years
8	Basic pharmaceutical products and pharmaceutical preparations in duster	4 and 5 years	5 and 6 years
9	Rubber and plastics products industry	1 and 4 years	2and 5 years
10	Other non-metallic mineral products industry	1up to 4 years	2 up to 5 years
11	Basic metal industry (excluding mining of minerals)	3 up to 5 years	1 up to 6 years
12	Fabricated metal products industry (excluding machinery and equipment)	1 and 3 years	2 and 4 years
13	Computer, electronic and optical products industry	2 up to 4 years	3 up to 5 years
14	Electrical products industry	2 and 4 years	3 up to 5 years
15	Machinery and equipment in duster	5 years	2 years

16	Vehicles, trailers ,and semitrailers industry	2up to 5 years	2 up to 6 years
17	Manufacturing of office and household furniture ( excluding those made of ceramic)	1 and 4 year	2 and 5 years
18	Manufacturing of other equipment (jewelers and related articles musical sports equipment, games and toys and similar products)	1 years	2 years
19	Integrated manufacturing with agriculture	4 years	5 years

## 2. Agriculture

i. Crop production (Except growing of fiber crops, medium-term spices, aromatic or medicinal crops, perennial fruits, beverage crops and other perennial crops )	2 or 3 years	3 Up to 6 years
ii. Animal production(Except farming of wild animals and production of milk, eggs and similar products )	2 or 3 years	3 or 4 years
iii. Mixed ( crop and animal) farming	3 years	4 years
iv. forestry	8 years	9 years
<b>3. ICT</b>	4 years	5 years
<b>5 Generation, transmission and supply of electrical energy</b>	4 years	5 years
<b>5. Industrial development zone</b>	10 years	15 years

Income tax exemption allowed also in the following conditions:

*B.* Any investor who invests in eligible areas to establish in regional states: Gambela; Benshangul /Gumuz; Afar (except in areas within 15 kilometers right and left of the Awash River) the regional state of Somali;; Guji and Borena zones ( in oromia, regional state);South Omozone, segen ( Derashe, Amaro, konso and Burji); Bench-Majizone, Konta

Zone Dawro Zone Keffa Zone Konta and Basketo special woredas (in southern Nations, Nationalities and peoples Regional states) shall be entitled to an income tax deduction of 30% for three consecutive years after the expiry of the income tax exemption period.

C. An investor who expands or upgrades his existing enterprise and increases in volume at least by 50 percent of its attainable production or service rendering line at least by 100 percent of an existing enterprise is entitled to the income tax exemption period specified in the table.

D. An investor who has invested within an industrial Development zone shall be entitled, in addition to what is provided, to 2 years income tax exemption if the investment is made in an industrial zone located in Addis Ababa or special zone of Oromia or to 4 years income exemption period if the investment is made in an industrial Zone located in other areas, provided that exports 80% or above of the product from manufacturing industry or supplies as production input to an investor who exports products.

### **3. Export Incentives**

- With the exception of semi-processed hides and skins (export tax rate is 150%) no export tax is levied on export products of the country.
- Any investor who exports or supplies to an exporter as products or service input at least 60% of his products or services shall be entitled to income tax exemption for 2 years in addition to the exemption period provide under Table 4 above.
- Voucher System: A voucher book is a printed document to be used for recording balance of duty payable on raw materials imported for use in the production of goods for external market. The beneficiaries of the voucher scheme are also exporters.
- Bonded Factory and Manufacturing warehouse: products wholly engaged in exporting their products that are not eligible to use the voucher scheme can have license that enables them to operate such warehouse.



#### 4. Loss carry forward

An investor who has incurred loss within the income tax exemption period allowed to carry forward such loss, but may not be allowed to carry forward such loss for more than five income tax period.

#### 5. Land Provision

Land shall not be subject to sale or exchange. However, any private investor or organization has the right to use both urban and rural land on lease or rental bases through legal processes. Land in urban/towns of the region is administered on lease, auction and rental systems. On the other hand the rural land has been held by investors on rental basis. The rate of rent differs from region to region, woreda to woreda based on the fertility of the land, accessibility of the area, cultivating the land using irrigation and rain fall. Rural land price is based on distance, location and grades of regional/zonal administration.

***Table 5: Duration of Rural Land allotted for Investment***

S/n	Categories of Project	Upper Limit of Land Rental Agreement
1	Large Manufacturing	for 45 years
2	Medium Manufacturing	for 35 years
3	Small Manufacturing	for 25 years
4	Health Services	for 45 years
5	Educational Services	for 45 Years
6	Others	for 25 Years
7	For Different agricultural Projects	for 20-45 years
8	>= 3-star Hotel around Tourists Area	for 45 Years
9	1-2 star Hotel around Tourist areas	for 40 years
10	Others investment around tourism areas except Hotel	for 25 years

**Table 6: Lease Period for Urban Land allotted for Different Investment Projects**

S/n	Project's Category	Maximum Lease Period (Years)
1	Education, Health, Culture and Sports	99
2	Manufacturing	80
3	Commerce	70
4	Others	70

**Table 7: Investment projects receiving grace period of land lease payment**

No.	Investment Sector	Grace period of land lease payment in years
1.	Manufacturing Industry	4
2.	Agro-Processing Industry	4
3.	Huge Real-estate, four star level hotels	3
4.	Education (as per the grades)	Up to 3
5.	Health	Up to 3

#### **IV. Industrial Parks**

The government places significant importance to industrial parks development and expansion. Located along key economic corridors, connected to ports by electric-powered railway lines and roads. Investors (domestic and foreign) can engage in industrial parks development.

To mention government industrial parks:

- Bole Lemi Industrial park( Apparel & Textile, Leather , 20 sheds, 327ha)
- Hawassa Industrial Park (Apparel & Textile, 52 factory sheds, 300ha)
- Mekelle Industrial Park (Apparel & Textile, Leather , 15 sheds)
- Kombolcha Industry Park (Apparel & Textile, Leather , 9 sheds)

- DireDawa Industry Park (Apparel & Textile, Machinery , Chemical, equipment, 15 sheds)
- Adama Industry Park (Apparel & Textile, Machinery, Equipment, 120ha)
- Kilinto Industry Park (Pharmaceuticals )

To mention privately developed industrial parks:

- Eastern Industrial Park: Located in Dukem, 400 ha, Mixed
- George Shoe Industrial Park: Located in Modjo, 100 ha, Leather
- Huajian International Industrial Park: Located in Lebu,184 ha, Mixed
- Hunan-Adama Industrial Park: Located in Adama, 120 ha, Heavy Machinery & Equipment
- CCECC Dire Dawa Industrial Park: Located in Dire Dawa, 1000 ha, Mixed
- CCC Arerti Industrial Park: Located in Arerti, 100 ha (phase I), Building materials and furniture
- Vogue Industrial Park: Located in Mekelle, 176.7 ha, Textile and apparel
- DBL: Located in Mekelle, 78.5 ha

### **Incentives of Industrial Parks**

- 10-15 years income tax exemption for development of industrial parks depending on park location (10 years if in Addis Ababa or Special Zones of Oromia surrounding Addis Ababa, and 15 years in other areas).
- 60-80 years land lease right at promotional rate; with sub-lease right.
- Reliable electricity at globally competitive rate – government avails dedicated power substation for industrial parks.