

MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



AGRI-PROCESSING FOOD SUPPORT

Enabling Food Security and Nutrition Enhancement in Ethiopia

Established in 2014, Addis Dallas Industries PLC is a flour and biscuit manufacturing company located in the Oromia region of Ethiopia. The company's vision is to boost local wheat production and provide nutrient rich food products for a healthy nation that is free of nutritional deficiencies.

The company has a manufacturing facility that produces about 56 million packets of biscuits per year in seven flavors primarily for domestic consumption. 10% of the production is exported to Somalia & Eritrea.

30% of the company's top management positions is held by women and the plan is to have an 80% women employee representation in the expansion project. Further, the company provides training for women to upgrade their skills & knowledge and is planning to build a day care center for its employees.

56

million packets of biscuits per year

30%

of the company's top management positions is held by women

A SNAPSHOT OF ETHIOPIA'S WHEAT SECTOR

3rd Largest wheat producer in Africa

\$450 Million worth of wheat imported annually to meet domestic demand

36% Of domestic processed-wheat consumption is imported (2017)

Government support to local wheat processors:

- Income tax exemption
- Customs import duty advantage

Faces a **19%** deficit of wheat supply annually

THE CHALLENGE

Addis Dallas Industries is looking to double its flour and biscuit manufacturing capacity and venture into the fortified foods segment for children, pregnant women, and low-income households.

The company seeks a foreign investor who can provide financing, support the operational management of the expansion and provide technical expertise to strengthen marketing of products.

Access to funding will promote local economic activity and create new jobs in the community. More importantly, the fortified foods will provide a stable supply to the nutrition development sector that works to improve the nutrition of vulnerable members of the society.

OUR SUPPORT

- **Linkage with sources of finance:** MA performed an investor mapping exercise and identified five potential financiers that it introduced to the company and the expansion project.
- Further, MA has introduced the project to the Agricultural Transformation Agency (ATA) for support on sourcing of wheat.



IMPACT



Job creation: Addis Dallas currently supports 302 direct jobs. After the expansion project, direct jobs will increase to 775 with a larger proportion being rural community low-income women.



Food security: This project will improve supply of fortified food for the government's school feeding project and to non-governmental donor organizations working on food provision (especially for children & pregnant women).



Export and foreign exchange earnings: The expansion will generate additional foreign currency through increased exports to neighboring countries and contribute to foreign currency savings through import substitution.



Backward linkage: Addis Dallas will source the major raw material - wheat – locally from smallholder farmers.

LESSONS LEARNED

Growing companies are disproportionately affected by unfavorable macroeconomic and political-economic factors such as the liquidity position of banks and equity firms' readiness to invest.



This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.

CONTACT US

Christoph Zipfel, Manufacturing Africa Team Leader

Email: info@manufacturingafrica.org