

Manufacturing Africa is a regional programme that 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)

Quarterly newsletter – Ethiopia – September 2020



SNAPSHOT OF OUR WORK

In Ethiopia MA aims to raise £500 million in foreign direct investment (FDI) across priority manufacturing sub-sectors – apparel, textiles, livestock processing, leather products, pharmaceuticals, edible oils, high value-added food products and packaging – through support to 50-70 deals over seven years. We will work in close collaboration with the Ethiopian Investment Commission (EIC), Agricultural Transformation Agency (ATA), private sector association and other development partners. We are also open to discussing support in other sectors with high development impact potential. MA provides transaction facilitation (TF) services to investors and manufacturers, and technical assistance (TA) to government entities, investment promotion agencies (IPAs) and business associations.

From April to August 2020, MA supported eleven investment transactions that have the potential to contribute £239 million in FDI and create or protect 2,900 direct jobs. We have finalised support for 4 out of 11 approved TF deals.

Highlights of our recent work include:



Source: Ethiopian Investment Commission



Supporting a climate-smart, integrated crop and dairy livestock processing operation.

Following the UK-Africa Investment Summit, the UK Department for International Trade (DIT), MA, EIC and ATA have been working hand in hand to help United Green set up a sustainable agriculture system with maximum rural community impact. The project is at an early stage and aims to help transform the sector through 15,000 hectares of low-GHG emission conservation agriculture feed and forage plantations, 10,000 dairy cow production units producing 90 million litres of raw milk per year, and a state-of-the-art dairy processing facility with an annual production capacity of 75,000 MT of processed dairy products. MA is supporting United Green by providing introductions to stakeholders, capital sources and other market information, e.g., consumer trends.

"The MA team has enabled United Green to more prudently develop the business and investment model, by providing the greater context of Ethiopia's economic and political development process and situation," said Rod Bassett, Director Agriculture & Dairy, United Green



Facilitating funding for a baby food producer

Promasidor (a multinational consumer goods company) together with an Ethiopian partner company seeks to invest in baby cereal production. Major information gaps in the feasibility study threatened to delay investment approval. The company requested MA's support to understand quality control certification options, identify local suppliers of packaging materials, source raw materials, and evaluate demand in regional export markets. MA's support enabled the company to source agricultural inputs directly from farmers (thereby boosting farmer incomes). The planned investment could improve key consumer goods for the poor by filling a critical market gap for baby food such as textured soya bean product and baby cereal. It could also create 90 direct jobs and downstream job opportunities through the local sourcing of raw materials.

"The support from the Manufacturing Africa team was especially useful in understanding the broader regional market potentials for exporting out of Ethiopia. In addition, the team coordinated discussions with ATA to source agricultural inputs directly from local farmers," said Simon Rose, Group Director Promasidor.



Supporting a greenfield PPE manufacturer

MA is supporting a greenfield PPE manufacturer access finance to establish a production plant. The parent company is based in the UK and planning to expand business operations beyond PPE manufacturing in Ethiopia. MA's initial support covered two main areas: working with management to develop a short feasibility study on PPE manufacturing and a business plan to share with potential investors and make introductions on short notice to potential investors.



Source: Ethiopian Investment Commission

"The support of the Manufacturing Africa team has been very helpful. We could not have done those introductions to the banking sector ourselves. The local knowledge and expertise on advancing the feasibility study have been essential to moving this deal forward," said Charles Parker, Wellstone Partners Medical Supplies.

We currently prioritise support to investment deals that are COVID-19-relevant, i.e., manufacturers that want to produce PPE or other pharmaceutical products. We also support developmental investment deals that are COVID-19-resilient, especially agri-business deals.

We are interested in working and collaborating with you

- Are you planning a new manufacturing investment in Ethiopia or expanding your current operations
- Is your organisation supporting investments in agro-processing, pharmaceuticals, textile, circular economy or other priority manufacturing sectors

Please reach out to Mefthe Tilahun to get in touch with the MA programme (see the contact information at the bottom of the newsletter).

COVID-19 Technical Assistance support

From the onset of the COVID-19 crisis in Ethiopia, the EIC through support provided by Manufacturing Africa and other development partners has been working to ensure consistent communication through timely information to investors and manufacturers. The EIC shared weekly [newsletters](#) during the rapidly evolving crisis and set up a [website](#) with comprehensive information on government actions, regulations and other matters of interest such as available logistics options. In addition, EIC established an investor engagement team who conducted a survey to understand major challenges faced by investors (70% in the manufacturing sector) and supported manufacturing companies that repurposed their production towards relevant goods such as PPE. Read more about EIC [support for PPE manufacturing](#).

USEFUL INFORMATION

[Local PPE Catalogue](#): This catalogue aims to provide transparency on local PPE manufacturers. Manufacturers provided the information featured in this catalogue. If you have any questions or would like to contact manufacturers featured on this catalogue, please reach out to covid-19.response@ethio-invest.com

[Africa Medical Supplies Platform](#): Launched in June 2020, this platform provides immediate access to an African and global base of vetted manufacturers and strategic procurement partners. African Union member states can purchase certified medical equipment such as diagnostic kits, PPE and clinical management devices with increased cost-effectiveness & transparency.

[Reopening and reimagining Africa: How the COVID-19 crisis can catalyse change](#). This article proposes a three-step process to reopen economies in a way that safeguards lives and livelihoods

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

If you have any questions about the programme or would like to subscribe to the newsletter, please reach out to:

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