

Business opportunities in ethiopia economics essay



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As there are lot of business opportunities in Ethiopia in different sectors, as it is not possible to address all of them. But try to concentrate and search opportunities on some of basic and important business sectors for foreign investors

3. 1 Business Opportunities in Manufacturing Sector

The manufacturing sector plays an important role in economy of Ethiopia it has almost a share of 5% of GDP and 37. 8% to the annual output value of industrial production in 2008/09 (Central Statistical Agency Statistical Abstract 2009). The important manufacturing sectors in Ethiopia are production of food, beverages, tobacco, textiles and garments, leather goods, paper, metallic and non-metallic mineral products, cement and chemicals. The production of textile and garments, leather products and agro-processing are one of the most important areas for investment, because of its geographical advantage of easy and fast access to Middle-East and Europe.

In manufacturing section we discussed on business opportunities in textile and garment industry and leather product.

3. 1. 1 Textile and garment

In 1939 under the Italian government supervision and technology, the first textile factory was opened. Presently the current textiles industry involves in the process of spinning, weaving and processing. Ethiopia has five public textile factories producing mostly work-wear garments for the domestic

market. Numerous privately-owned factories produce shirts, suits, work clothes and uniforms for national and foreign markets.

Ethiopia's textiles and clothing industry is undergoing major development, aided by the presence of a cheap, skilled and highly-motivated workforce. This surge has been helped by the country's impressive economic growth over the past years. Ethiopia's enormous export potential is made possible by the wide availability of raw cotton and other natural fibers and Ethiopia's access to domestic, regional and international markets.

The basis for the full cycle of business opportunities and the enormous growth potential for the textile industries is the local production of cotton. Large-scale production is carried out under irrigation, mainly in the Awash Valley, which has more than 50, 000 hectares under cultivation. Another 45, 000 hectares of high-quality cotton is cultivated by small-scale farmers. There still exists huge potential for the expansion of cotton cultivation in Ethiopia, especially in the Omo-Gibe, Wabi Shebelle, Baro Akobo, Blue Nile and Tekeze River basins. The production of cotton is well integrated into the textile sector, with garment factories relying heavily on domestically produced cotton.

Available within Ethiopia are all essential ingredients for a competitive textile industry: raw materials, low wages and low energy costs. This gives the country a comparative advantage over other countries and regions. The Ethiopian Government is actively promoting the further modernization of the textile sector with the aim of attracting foreign investors that can penetrate the global market.

Output and Products

Ethiopia's textile manufacturing industry embraces both medium and large public and private enterprises. Their main activities include spinning, fabric formulation, dyeing, finishing and sewing.

The Ethiopian textile industry is the third largest manufacturing industry, only second to the food processing, beverage and leather industry. In the fiscal year 2000/01, with a total output value of 699. 91 million birr (1USD= 8. 6 birr), the contribution of textile industry to GDP was 1. 35% and 8. 31% to the output value of the manufacturing industry.

The Ethiopian textile sector mainly produces 100% cotton textiles. Each enterprise produces one product range, such as cotton yarn, cotton fabrics, bed sheets, blanket, knitwear etc. All the cotton yarn in the Ethiopian market is supplied to the local handlooms. It is estimated that the annual hand-loomed fabric is around 95 million square meters.

Supply of raw material and accessories

Out of the raw materials used by textile enterprises, cotton is widely grown in Ethiopia and it is easily available from local suppliers. Other materials including chemical fiber, wool, dyestuffs and chemicals as well as a small share of lint depend on imports.

Export Market

Data from Ethiopian Export Promotion Agency show that the fiscal year 2000/01 witnessed apparent increase over the previous year both in the variety and quantity of textile export. Variety increased from 6 kinds, mainly

cotton yarn and bleach cloth made from pure cotton, to over 20 kinds including gray cloth pure cotton, bleach cloth, knitwear, bedding products etc. Among them, gray cloth made from pure cotton is the major export item, roughly contributing to 2/3 of the total export quantity.

Ethiopia's textile export is mainly targeted at European and African markets. In Europe, the export destinations for Ethiopian textiles are Italy, Sweden, and Belgium etc. African major export destinations are Djibouti, Kenya, and Swaziland etc.

Ownership and geographical distribution of textile enterprises

Due to the reform undertaken by the Ethiopian government in recent years, such as privatization and the favorable conditions for the inflow of foreign and domestic private investment into the textile sector, ownership of the industry has diversified. Various type of ownership, such as public enterprises, privately owned enterprises, shareholding corporation, partnership enterprise and individual enterprises etc have come into being and developed.

Broadly classifying the enterprises into public and private, there are currently 19 public and 16 private enterprises which makes a total of 35 enterprises. Most public enterprises are large scale, playing leading roles, as evidenced by the number of enterprises and employees, total output values, income from sales etc.

Most textile enterprises are situated in densely populated large or medium cities. Out of the total 35 textile enterprises in Ethiopia, 18 are in Addis
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Ababa, the capital city. Textile enterprises located in Amhara and Southern (S. N. N. P) regions are 6 and 5 respectively.

Marketing System of textile products

Products such as yarn, fabric and blanket made by Ethiopian textile enterprises are usually distributed by private trading companies to the local market. The export of the product is mainly handled by the enterprises themselves.

Imported textile hold a large market share in Ethiopian market and nearly one thousand small-scale family-owned trading firms and a small number of large trading companies are engaged in the import business of textile.

Favorable Conditions for the Development of the Textile Sector in Ethiopia

Abundant Cotton Resources

Ethiopia covers an area of 1. 1036 million square kilometers and boasts vast fertile land, rich geographical and weather conditions, and abundant water resources. Domestic cotton production has already developed to a certain scale and for a long time it has made major contribution to satisfying the requirement of fiber by the textile sub-sector. Ethiopia has a large area of irrigated farmland which is very suitable for planting cotton. There is also great potential for further expanding the cultivation and increase the current yield.

Abundant cheap labor resource

With a population of more than 70 million, and with cheap cost of labor,

Ethiopia can provide sufficient labor force with cost-competitiveness for the <https://assignbuster.com/business-opportunities-in-ethiopia-economics-essay/>

development of labor intensive textile sub-sector. The cost of labor in the Ethiopian textile sector is not only lower than some Asian nations with developed textile sector, such as China, India, Pakistan but also than some African countries such as Tunisia, Mauritius, Kenya, etc.

Support through policy and incentives

Ethiopia identifies textile as the key industry to the development of industrialization as well as the exploitation of local resources to promote export in accordance with the policy of Agriculture Development led Industrialization (ADLI). The long-term strategy of the Ethiopian government is not only to develop the textile and garment industry and expand shares in domestic market, but also to develop a competitive, profitable industry in the export market.

The Ethiopian government has been steadily pushing towards market-oriented reform by means of developing the private sector, deregulating rigid control over the economy, liberalizing foreign exchange, lowering tariff rate, etc. Given that export promotion is of paramount importance, the government has issued a series of export incentives. All in all, in terms of macroeconomic policy, the Ethiopian government has created an enabling environment for the development of textile sub-sector.

Investment policy and incentives

According to the newly revised investment policy, the minimum capital required for foreign investors has been lowered, creating a conducive investment environment.

- The minimum capital requirement for foreign investors on a single investment project has been reduced to 100, 000 USD from 500, 000 USD for solely invested projects and for joint venture it has been lowered to 60, 000USD from 300, 000USD.

In addition, a series of investment incentives have been put in place, such as:

- Remittance of foreign currency of profit and dividends from investment
- Exemption from income tax from 1-5 years etc.

In order to promote export, various flexible taxation encouragement measures have been undertaken such as export tax refund, tax coupon and bonded warehouse. Simplified procedures have greatly shortened customs clearance time.

The Ministry of Trade and Industry has launched textiles and garment export forum to attract domestic textile and garment exporters into the discussion of issues and future development for textile and garment sector in order to promote the export of textiles and garments.

Increased Domestic Demand

Ethiopia has a large territory with a large population. The growth rate of the population is 2. 7%, creating a large potential market.

According to the country economic development program, the average growth rate of GDP in the coming years will reach around 7%. As a result of

the development of economy and the progress in reduction of poverty as well as the improvement of people's living standards, it is believed that not only the present market demand would increase, but also a new market demand will arise. Currently the Ethiopian per capita fiber consumption is roughly 1kg, which is far below the world's average level of 8.7kg and Africa average level of 3.2 kg. It is estimated that domestic fiber demand will increase at an annual rate of 5% and the large and continuously increasing domestic market will fuel the development of the textile sector.

Easy access to international market

In the latter half of the 20th century, the consumption of fiber products all over the world has increased five times, while the world population has increased only 1.4 times. The improved living standards quality of human beings has created 2/3 of the increase in fiber production. In recent years, along with the revival of world economy, particularly the economic growth of U. S. A, Europe and Japan, the market demand has increased. In 2000, import volume of textiles in the world amounted to US \$167.13 billion. The United States and EU were the two largest textile importers, occupying 39.2% of the world's textile import value.

Africa Growth Opportunity Act (AGOA)

In May 2000, the United States approved Africa Growth Opportunity Act (AGOA) to give sub-Saharan region of Africa, specifically 48 countries, special preferential trade policy. In August 2001, Ethiopia was entitled AGOA qualifications and is one of the 18 beneficiary countries which can export textiles and garments to the United States free of duty and without quota restrictions.

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“ Everything but Arms” of the European Union

The European Union (EU) has given preferential trade policy to the Lesser Developed Beneficiary Countries (LDBC) including Ethiopia. Accordingly, Ethiopia is a beneficiary of Everything but Arms initiative of the EU in which all Ethiopian export products except arms can enter the EU market free of duty and without quota restrictions.

Common Market for Eastern and Southern Africa (COMESA)

Ethiopia is a member of the Common Market for Eastern and Southern Africa (COMESA) agreement embracing 20 countries in Eastern and Southern Africa with a population of approximately 353 million. Exports and imports with member countries enjoy preferential tariff rates.

Bilateral Agreement

Ethiopia has signed bilateral trade agreements with 16 nations such as Russia, Turkey, Yemen etc which provide legal framework for enjoying most-favoured-nation treatment and removing tariff barriers. According to Generalized System of Preference (GSP), most of the products made in Ethiopia enjoy tariff treatment in the United States, Canada, Switzerland, Norway, Sweden, Finland, Austria, Japan and the majority of EU member nations.

3. 1. 2 Leather products

Ethiopia exports processed and semi-processed hides and skins to the world market. Some of the products, such as Ethiopian highland sheepskin (which has gained an international reputation for making gloves), are known for

their quality and natural characteristics. Ethiopian hide and skin exports include pickled sheep skin, wet blue sheep skin, crust sheep skin, wet blue goat skin, crust goat skin, crust cow hides, finished garment leather, finished glove leather, lining/upper leather, suede leather, full grain leather, embossed leather and patent leather.

The manufacturing and export potential of finished leather and leather products (such as leather garments, footwear, gloves, bags and other leather articles) is also highly promising.

Production capacity of hides and skins

Ethiopia has a major comparative advantage in the raw materials sector needed for the leather sector which makes it in principle very appropriate for leather product exporting: Ethiopia has the largest livestock production in Africa, and the 10th largest in the world. Ethiopia's livestock population is currently estimated at 35 million cattle, 21 million sheep and 16.8 million goats. Annually it produces 2.7 million hides, 8.1 million sheepskins and 7.5 million goatskins.[1] This comparative advantage is further underlined by the fact that the cost of raw hides and skins constitute on average between 55 to 60% of the production of semi-processed leather (Kiruthu 2002).

These data are provided by LLPTI and ETA. Muchie (2000: 539) provided slightly different estimates for the late 1990's: 30 million cattle, 24 million sheep and 19 million goats, while CSA (2002) provided diverging figures for 2000/01, especially in the case of skins: 35.4 million cattle, 11.4 million sheep and 9.6 million goats.

Leather processing categories and suppliers

With in the leather sector, the CSA distinguishes two broad categories. The first one is the tanning/dressing of leather, manufacture of luggage and handbags, while the second concerns the manufacture of footwear. The footwear enterprises are more numerous, but smaller in terms of employment than the former category. For example, in 1999/2000 out of 53 leather establishments, 38 (72%) were in footwear, employing only 49% of the total persons engaged (CSA 2002). Since the downfall of the Derg, a rapid expansion has been taking place in the tannery sub-sector. In 1990 there were only eight tanners, consisting of six public and two private plants. In November 2002, 19 tanneries were registered with the Ethiopian Tanners Association (ETA): 15 private and 4 public ones; the latter are in the process of privatisation. Furthermore, six private tanneries are in development.

The annual sheep and goatskin production of an estimated 15. 6 million skins falls below the capacity of the 19 tanneries (LLPTI). According to the ETA, the current daily capacity of the tanneries of 133, 450 skins is being utilized for only 50. 1%, while this percentage is higher for hides (65. 6%), albeit of a much lower daily capacity of 5, 055 hides. All but one tannery can produce skins, while only half of them have the capacity to produce hides.

Regarding small-scale footwear producers in Addis Ababa, some studies have been undertaken (e. g. Tebarek 1997, Tseguereda 2002 and Zewdie et. al. 2003, this volume). There is a clear cluster of such producers in a specific part of Merkato, the largest open-air market in Africa. Within this cluster (i. e. Woreda 5), there is a sub-cluster called Shera Tera, where there are not only many producers, but also the largest concentration of suppliers of almost all

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raw materials necessary for shoe production. The very existence of a well-developed system of suppliers in the footwear sector represents one of the main assets of small shoe producers. The ability of suppliers to manufacture a wide variety of products with short delivery times allows the shoe producers to postpone to the last moment their purchase of inputs.

Products

“ Sheep and goats skins represent the bulk of Ethiopian leather production. Ethiopian highland sheepskins (cabretta), in particular retain a high reputation in international markets for some natural characteristics of clarity, thickness, flexibility, strength and compact texture which make them especially suitable for high quality gloves, sports equipment and garments. Goat skins classified as Bati-genuine and Bati-typeare characterised by thick, highly flexible and clean inner surfaces and are in high demand for the production of fashion leathers, especially suede (...). Hides, in stead are not regarded as particularly attractive in international markets due to the poor quality and the small size of the zebu, the most common bovine in Ethiopia.” (Bini 2002: 17).

The Ethiopian leather and leather product sub-sector produces a range of products from semi-processed leather in various forms to processed leathers such as shoe uppers, leather garments, stitched upholstery, school bags, handbags, industrial gloves, and finished leather. Such leather products have been exported to markets in Europe, the USA, Canada, Japan and the Far East. There is also export to countries in Africa, in particular to Nigeria and Uganda, as well as to the near East, i. e. Yemen. The market for leather products is mainly international and not domestic.

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Export

During the past two decades leather and semi-processed hides and skins have constituted the second major export product of the country with between 10 and 20 % of total foreign earnings, second only to coffee with between 50 and 60% of earnings (apart from the late 1990's when it was just under 10%). The percentage has been fluctuating, and the most recent figures indicate a decrease in exports. In 2000/2001, 12, 170 tons of skins and hides were exported, generating 618 million Birr (almost US \$ 73 million); this accounted for 17. 2 % of total foreign earnings. However, in the 2001/2002 fiscal year a smaller volume (10, 462 tons) of skins and hides were exported, and, as a result, only 481 million Birr was obtained, accounting for 14. 1 % of total foreign earnings (Addis Tribune 2002). It has to be said though that the year 2000/2001 witnessed a peak in the foreign earnings in this sector.

The largest share of the foreign earnings comes from sheepskins; in 1995 sheepskins, mainly in pickles, accounted for 66% of the total of US \$ 61. 3 million in foreign earnings by the leather sector, while this percentage was 18% for (wet-blue) goatskins and 16% for hides and other skins (Muchie 2000: 549). It is also sometimes claimed that the large majority (i. e. 90%) of all the sheepskins that are produced in Ethiopia are exported. The importance of Ethiopian exports relative to other African countries, can be indicated by the share Ethiopia contributes to total African skin exports: 51% in the case of sheep and 30% in the case of goats. Exported products go in particular to the UK and Italy; in 1996 these countries took up 27% and 26% respectively (Kodama 2001 and Muchie 2000).

Constraints for development

Supply

A major problem with the leather sector is the by-product status of hides and skins: Cattle, goats and sheep are mainly used for meat (cf. Kodama 2001 and Worku 2002). Thus, the product, i. e. hides and skins, arrives when meat is needed, not when it is appropriate for leather processing. In Ethiopia meat is needed in three waves because of religiously induced fasting seasons and festivals; for example, in Amhara, which provides the largest volume of sheepskins, these festivals are Easter (April), Ethiopian New Year and Mesqal (September), and Christmas and Timqat (January).

Quality

As a result of this by-product status, not enough attention is paid to maintaining the quality of the hides and skins. Different serious problems at the source impacting on the leather quality are: flay cuts, putrefaction, animal diseases (ekek), branding, poor pattern, dirt and dung, hides/skins are not sold when prices are considered to be too low (deteriorating quality), etc. Estimates of the loss to the Ethiopian economy due to such problems reach US \$ 14 million per year. In order to address these problems, (pilot) projects are underway with the participation of ESALIA, CFC, UNIDO, FAO, UNIC and others.

At the same time, meat consumption, especially in the rural areas, is intertwined with the system of food security. Unless the food security of peasants is ensured, the meat consumption will not increase.

Berhanu and Kibre (2002) have made an interesting study of competitiveness in the Ethiopian leather sector. For the tanning sector, they have concluded that the main factors affecting competitiveness are:

low capacity utilization;

the poor economic infrastructure: inefficient infrastructure and inefficient bureaucratic structures combined significantly raises the transaction costs of firms, making it difficult to compete nationally or internationally;

the technology employed is not updated (regularly), in particular the lack of learning in production management;

the lack of hard currency to purchase spare parts and inputs;

the relative lack of export support and/or promotion services

For the leather footwear firms, the main factors affecting competitiveness are the poor quality of domestic leather, and the high cost of (imported) inputs.

They conclude that resource endowment is not enough for competitiveness, and that, similarly, the availability of cheap and abundant labour by itself does not seem to be sufficient to compete internationally. Labour costs in Ethiopia, for example, are estimated to be lower than those in China: the basic wage in Ethiopia is around US \$ 0, 7 per day, or almost 6 Birr, while it is around US \$ 1 in China. Most relevant with respect to technology is the lack of timely and efficient maintenance, modification, and innovation. This has in

particular to do with the lack of spare parts (foreign currency shortage), and unsatisfactory learning effort exhibited by labour and management.

3. 1. 3 Recommended Modes of Entry in Manufacturing Sector

Recommend mode for Textile and Garment Industry & Leather products

The government of Ethiopia invites companies to participate in the investment of Ethiopia's textile industry. Foreign companies can participate in this industry in the following three forms:

1. By setting up wholly-owned (sole) enterprises by themselves.
2. By setting up enterprises in joint venture with Ethiopian companies.
3. By establishing cooperation with Ethiopian public enterprises. These enterprises, which are in the process of privatization by the government, have their own future prospects and plans. Some wish to expand their enterprises by installing new and modern machinery and equipment, some would like to develop their human resources through training. Some would like to study new market opportunities, etc. Therefore, there are various ways of cooperation with these enterprises, which may require discussion with specific enterprises. However, there are three forms of cooperation which applies to all enterprises which foreign investors can participate.

These are:

- a) Joint venture
- b) Wholesale ownership

c) Contract Management

d) Direct investment

3. 1. 4 SWOT Analysis

Strength

Availability of excellent resources/huge domestic raw material base

Abundant and inexpensive labour force

Attractive investment incentive packages and tax structure

Substantial growth industries: average of circa 10-30% per sector.

Weakness

Lack of trained management and skilled worker

Quality of finished product

Lower Productivity in various segments.

Industry is highly dependent on Cotton and raw leather.

Lack of Technological Development that affect the productivity and other activities in whole value chain

Opportunities

Large, Potential Domestic and International Market.

Product development and Diversification to cater global needs.

Scope for move toward garment infrastructure and value added production

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Scope for effectively exploiting markets with phase out quota regime effectively

Scope for Technology up gradation on equipment front

Threats

Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.

International labor and Environmental Laws.

To balance the demand and supply.

To make balance between price and quality.

3. 2 Business opportunities in Agriculture Sector

Agriculture is the backbone of the Ethiopian economy. The sector contributes about 43% of the GDP and 86% of exports. The export of Ethiopia is dominated by coffee and oil seeds, which together accounted to 50. 6% in 2008/09. Other principal export commodities are ‘ chat’, flowers, pulses, and live animals.

Ethiopia with 18 major agro-ecological zones and various agro-ecological sub-zones has a suitable climate for growing over 146 types of crops.

3. 2. 1 Food and beverage crops

Maize

Maize is an important crop in Ethiopia. It is grown in the mid highland areas of the country. There are huge tracts of land in all regions suitable for maize

farming. Maize is mainly produced in SNNPR and Oromia regions where there are about 1. 77 million hectares under cultivation.

Wheat and Barley Farming

Wheat and barley are mostly grown in the highlands and mid highland areas of the country mainly in Oromia (Bale and Arsi Zones) and some parts of Amhara (North Gondar and North Shewa) Regions.

Wheat and barley are the main cereal crops in the country with about 1, 095, 436 and 1, 398, 215 hectares under cultivation, respectively. The potential for the private sector in agro-processing and out growers' scheme of development is significant. It offers excellent opportunities for production of wheat under irrigation in the Afar, Gambella, SNNPR and Somali Regions.

Oil seeds and pulses

A variety of oil seeds (e. g. sesame, rapeseed, linseed, groundnut, sunflower, Niger seed, cotton seed, etc.) are grown in Ethiopia. The demand for sesame has been increasing in the global market making sesame an increasingly important export commodity in Ethiopia. In 2008/09, Ethiopia exported 287, 000 tons of sesame valued at 356. 1 million USD, accounting for 24. 6% of the total export earnings. Rapeseed, linseed, groundnut, sunflower, Niger seed and cotton seed also serve as raw materials for the domestic edible oil industry.

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. Currently, the

country exports a large quantity of pulses to the international market. There are also a number of factories that process pulses in the country.

Rice Farming

Rice could suitably grow in many parts of the country. The predominant potential areas are:-

West central highlands of Amhara Region (Fogera, Gonder Zuria, Dembia, Takusa and Achefer);

North West lowland areas of Amhara and Benshangul Regions (Jawi, Pawi, Metema and Dangur);

Gameblla regional state (Abobo and Etang Woredas)

South and South West Lowlands of SNNPR (Beralee, Weyito, Omorate, Gura Ferda and Menit);

Somali Region (Gode);

South Western Highlands of Oromia Region (Illuababora, East and West Wellega and Jimma Zones).

Spices

The major spices cultivated in Ethiopia are ginger, hot pepper, fenugreek, turmeric, cummins, cardamoms, corianders and black pepper. Currently, there are nearly 122, 700 ha under spice farming. Spice production reached 244, 000 tonnes per year. The potential areas for the cultivation of spice are

Amhara and Oromiya, SNNP and Gambella regions. The potential for low land spice farming is estimated to be 200, 000ha.

Coffee

Ethiopia is one of Africa's leading exporters of coffee generating most of its export earnings. Coffee is grown over 600, 000 hectares, the largest of these areas lie in the south and south western highlands of the country. More than 60% of Ethiopian coffee is produced as forest or semi-forest coffee. The four main coffee growing regions in Ethiopia are: Harrar, Ghimbi, Sidama /Yirgacheffe, and Jimma/Keffa.

The country has more genetic diversity among its coffee varieties than any other county. Nine different varieties are cultivated in the four major growing areas.

Tea

Ethiopian tea is some of the best quality tea in the world. Ethiopia's current annual tea production from three private estates is approximately 7000 tons of black tea per annum. The total area covered by tea plantation is 2700 ha and the country only produces black tea but has potential to grow all types of tea. Investment potential exists in large-scale commercial tea production and modern tea blending and packing industries. The tea industry in Ethiopia has been lacking investment. The Government has been proactive to increase private investment in tea plantations. As part of its privatization program for state owned enterprises, in 2000, two estates covering 2, 109ha for \$27milliom USD were sold to private investors. Moreover, an Indian company that owns and runs the Tata Tea Estate has signed an agreement

with a domestic owned private company to manage the tea estate. The company will transfer the latest technology of tea planting, growing, harvesting and manufacturing of black tea, assist in planting tea in 5, 000 hectares of land and also have the option of investing in the equity of the company at a future date.

3. 2. 2 Horticultural crops

Due to Ethiopia's good agro-climatic circumstances it is able to produce fruits and vegetables throughout the year. Both the low- and highland areas offer good opportunities. The major fruits and vegetables growing areas of the country are summarized as follows

East Hararghe (eastern part of the country) with vegetables dominating,

East Shewa (Central Ethiopia in Oromia Regional State) produces both fruits and vegetables including tomato, green beans, orange, mandarin, papaya

West S