

**GLOBAL COMMODITIES FORUM**

**7-8 April 2014**

**Increasing value retention in Ethiopian  
horticulture**

by

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The views expressed are those of the author and do not necessarily reflect the views of  
UNCTAD.



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Flag of Ethiopia

## Ethiopia: Country Profile



### Unique Aspects

- Own alphabet
- Julian calendar and 13 months in a year
- Cradle of Mankind

### Country facts:

- **Full name:** Federal Democratic Republic of Ethiopia
- **Government Type:** Federal State
- **Population:** 90 Million(Est.)
- **Capital:** Addis Ababa
- **Area:** 1.13 million sq km, twice of France
- **Membership of International Organizations-** United Nations (UN), African Union (AU), Intergovernmental Authority on Development (IGAD), Common Market for Eastern and Southern Africa (COMESA)
- **Currency:** Birr, exchange rate 1\$= Birr 19.50
- **Main exports:** Coffee, hides, oilseeds, flowers
- **International dialing code:** +251
- **Standard Time** +0300 UTC
- **Official languages:** Amharic, English
- **Location:** 9°01'N 38°44'E; on the horn of Africa
- **Boundaries with** Kenya, Djibouti, Somalia, Eritrea, Sudan and South Sudan.

# Ethiopia: Land with 13 Months of Production

- Endowed with Diverse Topographical , agro ecological and Climatic Conditions
  - Altitude – Ranges from -120 Meters B.S.L to 4, 600 Meters A.S.L
  - Three Distinct Agro Ecological Zones
    1. Tropic
    2. Subtropic Temperate zone
    3. Temperate

# Potential of Ethiopia in Horticulture

**ETHIOPIA**

**90 MILLION POPULATION**



**Highly Disciplined and Trainable**

**43 MILLION WORKING FORCE**

**ETHIOPIA**

**125 Billion Cubic Meter of Surface Water**



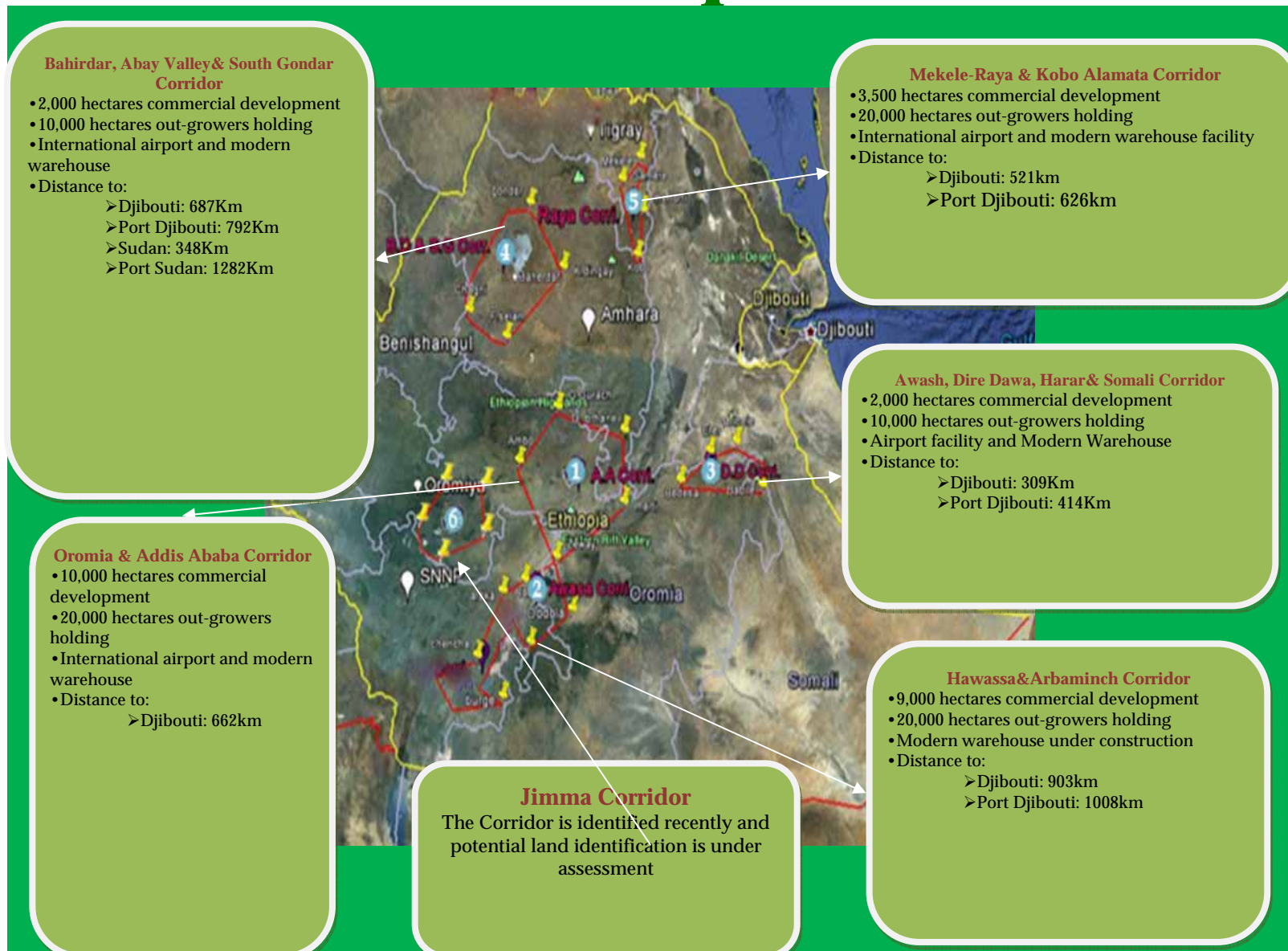
**THE WATER TOWER OF EAST AFRICA**



**More than 4.5 Million Hectares Irrigable Land**

- Supportive policy Frame Works
- Very Minimal Land Lease Rates
- Geographical Proximity to Europe and Middle East
- Ethiopian Airlines Flying to 67 Destinations

# Major Horticulture Corridors in Ethiopia



# Types of Investment in Horticulture

No	Ownership	No of Investors				Total
		Flower	Vegetable	Fruit	Herbs	
1	Local Investors	26	16	2	2	46
2	Foreign Direct Investment	52	5	1	3	61
3	Joint Venture	6	1	1	1	9
<b>TOTAL</b>		<b>84</b>	<b>22</b>	<b>4</b>	<b>4</b>	<b>116</b>

# Volume of Export and Income Generated

Year	Flower		Vegetable and Fruit		Total Value (in mill USD)
	Qty (in million stems)	Value (in million USD)	Qty (in 000s ton)	Value (in mill USD)	
<b>2004/05</b>	83.00	12.60	37.65	15.95	<b>28.55</b>
<b>2005/06</b>	186.45	21.97	34.55	12.74	<b>34.71</b>
<b>2006/07</b>	478.04	63.60	42.08	16.95	<b>80.55</b>
<b>2007/08</b>	1,021.52	111.70	41.12	18.53	<b>130.23</b>
<b>2008/09</b>	1,294.97	130.71	39.83	17.41	<b>148.12</b>
<b>2009/10</b>	1,636.72	170.20	66.41	31.86	<b>202.06</b>
<b>2010/11</b>	1,804.70	184.00	93.01	40.00	<b>224.00</b>
<b>2011/12</b>	2,102.11	212.56	123.60	53.15	<b>265.71</b>
<b>2012/13</b>	2,257.29	211.89	137.66	52.63	<b>264.52</b>

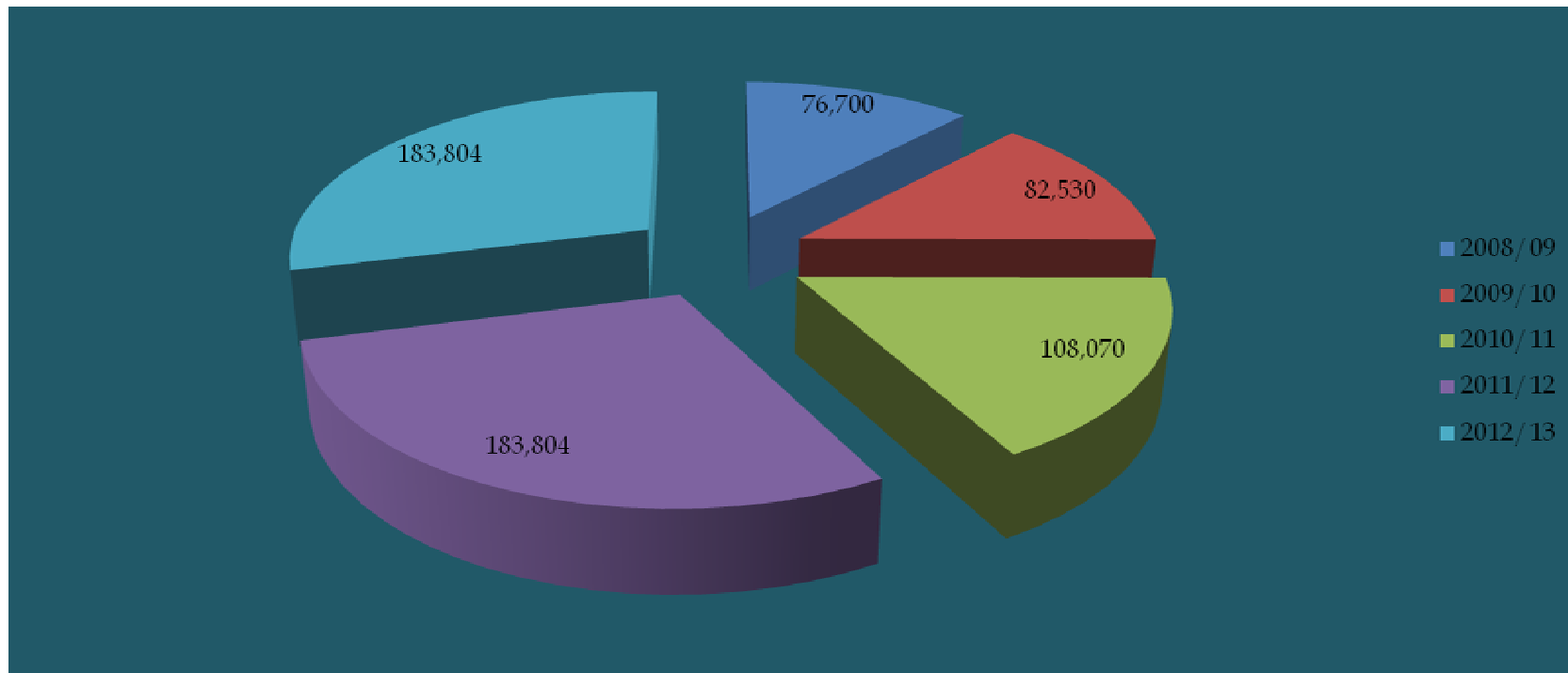




# Policy Options

- Free land
- Five years Tax Holiday
- Tax free Capital goods importation
- 70- 30 Bank loans

# Employment



# Employment Opportunity

- 90% of the work force are females
  - Empowerment
  - Improved household income
  - Better Community
  - Addresses gender equality



# Sustainable Development



## Code of Practice



### EHPEA Code of Practice

- **Bronze - 55 flower farms**
- **Silver - 14 flower farms**
- **Gold - 4 flower farms**
- **GAP - 11 flower farms**
- **MPS - 58 flower farms**
- **Fair Trade- 6 farms**



# Enhancing value Chain

Logistic  
companies

Packaging  
companies

Flower Food  
producers

# Ethiopian Airlines

	2008/2009	2012/2013
Horticulture(Mln Stems)	2.74	5,859.1
Meat(000 metric tons)	10.18	111
Leather and leather products(\$mln)	75.73	496.87

# Value Additions to the Economy



	Current	By 2025
No. of Freighters	6	18
Cargo destinations	24	37

**Total Annual Payment to Ethiopian Cargo:**

XXXXXXXXXXXXXXXXXXXXXXXXXXXX?????



# Ethiopian Airlines Strategic Plan

- Annual Revenue of **US \$ 2 Billion**
- Annual total tonnage of **820 thousand**
- Serving **37 International Destinations**
- Earning annual profit of **US \$ 200 million**
- Market Share in the African Cargo Market of **20%**
- Operating **18 aircraft** by 2025
- Leader in Africa **in Quality Cargo** Services
- Fully implement **IATA e-freight**
- Achieve **Cargo 2000 (C2K) certification** by 2015
- Avail enough capacity for Ethiopian Export Perishable cargo