

HANDS-ON INVESTMENT GUIDE

Amhara
Regional
State
Ethiopia

Horticulture
Floriculture and Dairy





Dear Investor



With much pleasure I am introducing you this practical investment guide of Amhara Regional State.

We welcome you as investor warmly and are ready to receive you, notably when you are active in horticulture, dairy and agro-processing.

Amhara has not only a favorable climate and good soils but also lots of facilities for investors like an international airstrip, a state-of-the-art cargo center and a fast developing infrastructure. Above all it has a beautiful environment with great potential.

Come and convince yourself!"

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Mr. Gedu Andargachew (Ato Gedu),
President of the Amhara Regional State

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Fast facts

Geography: Amhara Regional State covers an area of 170.000 square kilometres.

Population: Over 20,2 million people live in the state, of which 56% is between age of 15-60 years.

Climate: Mean annual rainfall varies from 300 mm to 2,000mm and annual mean temperatures mostly lies between 15-21°C.

Economy: Agricultural sector is by far most dominant, accounting 90% of the economy.

Language: Amharic, though English is used in schools and international business communication.

Political system: the region complies with a multi-party democracy system of the country.



Geography

Amhara Regional State is one of nine regions within the Federal Democratic Republic of Ethiopia. It is found to the north and northwest of the country bordering with Tigray in the north, Afar in the east, Oromia in the south, Benishangul Gumuz in the south-west and the Republic of Sudan in the west. The region has an

area of 170.000 square kilometres; twice the size of the Netherlands and Belgium combined. Administratively, it is divided into 19 zones, 167 districts and 40 urban administrations, of which three are metropolitan cities. Its capital city is Bahir Dar, located on the shores of Lake Tana out of which the Blue Nile flows.

Population

Over 20,2 million people live in Amhara Regional State. It is the second most populous region in Ethiopia. Of the total population, 56% are between the ages of 15 and 60 while 43,1% are below the age of 14 - implying a strong manpower resource. Nearly 87% of the population lives in rural area while the remaining are urban dwellers. Population density is the highest in West Gojam zone while is lowest in North Gondar. Bahir Dar, Gonder, Debre Tabor, Dessie, Kombolcha, Debre Birhan and Debre Markos are the most prominent cities and towns with population size of over 50,000 people.

Climate

The mean annual rainfall of the region varies from 300 mm to 2,000mm while annual mean temperatures mostly lies between 15-21 °C. The region generally receives high rainfall. Areas in north-western part of the region bordering Sudan and the eastern parts bordering Afar are mostly lowland while the majority of the central and south-eastern part of the region is midland or highland. Ethiopia's largest inland body of water, Lake Tana, as well as the highest peak of the country Mount Ras Dashan are located in Amhara region. Abay (the Blue Nile), Beles, Tekezie, Angereb, Athbara, Mili, Kessem, and Jama are major rivers within the region.

Economy

Agriculture, tourism and trade are the major economic endeavours within Amhara region. The agriculture sector is by far the dominant one accounting for 90% of the economy. Farming and livestock account for 80% and 20% respectively within the sector. The major crops grown in the region are cereals, oilseeds, pulses, vegetables and fruits. About 27,9% of the livestock in Ethiopia, 30,7% of the poultry, and 18,5% of the beehives are found in the Amhara region. The region is home to the famous tourist sites of the rock-hewn churches of Lalibela, Gondar Castle, Siemen Mountain and Monasteries inside Lake Tana.

Language

Amharic is the official language of Amhara Regional State. It is also the official language of the Federal Government of Ethiopia. However, Afan Oromo, Agew, Tigrigna and other languages are also spoken in some areas within the region. English is the medium of instruction at school and international business communication; many people in Government offices and major towns speak the language.

Political System

The political landscape of the region complies with a multi-party democracy system of the country. The regional house of people representative is the law making body. All laws made at regional level should be aligned with Federal proclamations and strictly adhere to the constitution of the Federal Democratic Republic of Ethiopia.



Horticulture: National Business Overview

The horticulture sector in Ethiopia is growing rapidly. Annual fresh vegetables and fruits production in

2013 was estimated to be 4 million metric ton (MT). Smallholder farmers are the principal suppliers of fruits and vegetables; accounting for over 98% of the national production. Fruit and vegetable production in the smallholders sector is mainly rain fed. Few are using irrigation.

Fast facts

National business overview:
Export of vegetable products from Ethiopia: 170.000 MT (2013). Export of fruit: 16.000 MT (2013); total production was 400.000 MT (2013)

Business within Amhara:
1,2 million ha irrigable land; with three identified horticulture potential corridors: Tana; Kobo; Shewa Robit/ Debre Birhan.

Specific opportunity products:
garlic, tomato, potato, onion, grapes, cabbage, peppers, beetroot, orange and tropical fruits.

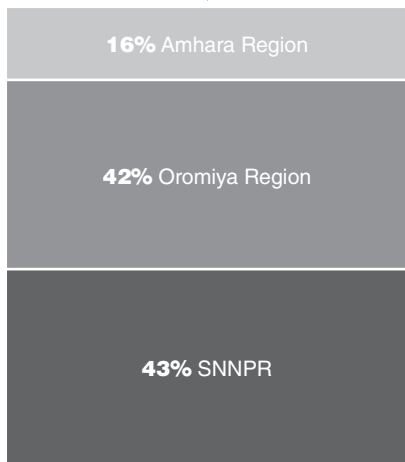
Exports of vegetable products from Ethiopia increased from 66.000 MT in 2009 to 170.000 MT in 2013. Value of vegetable exports increased from less than US \$10 million to more than US \$300 million. Important export markets for vegetables are the surrounding countries (Djibouti, Somalia, and Sudan); the main products were non-graded fresh vegetables. Interestingly high value fresh food products (including graded and pre-packed vegetables and fresh hers) account for only 11% of the total export. Most of these products are exported to the United Kingdom (UK), United Arab Emirates (UAE) and the Netherlands.

Ethiopia exported over 16.000 MT of fruit in 2013 from a total production of 400.000 MT. Djibouti, Somalia, UAE are the main destinations for Ethiopian fruits. From European

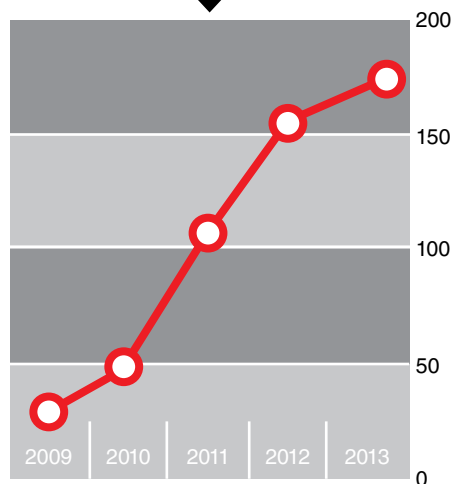
countries the major importers were the Netherlands and Russia. Most of the fruit currently exported are in the form of fresh, concentrate or dried. Fruits like guava, banana, and mango are exported in dry form. This type of business has not been exploited in Ethiopia but has a high potential when looking at experience of Asian countries.

On the other hand, the country imported over 60.000 MT juice during the same year; import has been increasing by 1900 MT per annum since 2009. Tomato juice (35%), mixed juice (18%) and pineapple juice (18%) are the top three imported juices to Ethiopia.

Vegetable Production (2012/13) Regional Share



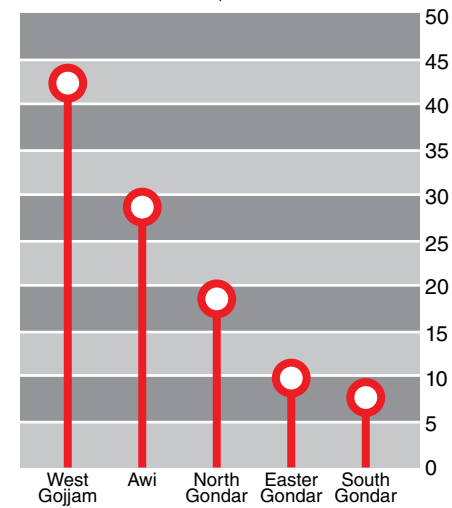
Vegetable Export Volume in 1000 MT



Vegetable Import in MT



ANRS Vegetable Production (2012/13) Zonal Share



The Business within Amhara Region

The Amhara Regional State produced 16% of the total national horticultural products in 2013. The region is suitable for range of vegetables and fruits. Among others the region has ample potential in potato, garlic, onion and pepper but production of lettuce, Swiss chart and beetroot are also increasing. The fruits produced in the region include orange, lemon, mango, papaya, banana guava and avocado. Apple is a recent introduction in the highlands of North Shewa and South

Wolo. Given its diverse agro-ecology and rich water resource it is possible to introduce any type of horticultural product in the region.

A study by the regional Bureau of Agriculture shows a total irrigable land of 1,2 million ha. Three distinctive horticultural potential corridors are identified during the study: Tana, Kobo and Shewa Robit/ Debre Birhan.

Tana corridor encompasses areas within the surrounding of the regional capital Bahir Dar city. These include Fogera, Dumbia, Koga, Beles, Kosober and other pocket areas along Lake Tana or Abay River. A study conducted by Ethiopian Investment Commission (EIC) indicated that there is over 270.000

ha of land suitable for fruit and vegetable only around Lake Tana and Abay River. Currently the government has launched irrigation scheme of 7.000 ha in Koga (40 km from Bahir Dar city), 7.000 ha in Fogera area (60 km from Bahir Dar) and 5.000 ha in Dumbia north of Lake Tana.

The Kobo corridor is another important potential for fruits and vegetables. There is a big ground water reserve that spans from Kobo in the north to Girana in the south with estimated irrigable potential of 96.000 ha as per estimation by the Regional Bureau of Agriculture. An area of 5.000 ha is now covered by irrigation but the plan is to expand this to 29.000 in the next ten years. The Kobo corridor is suitable for different vegetables such as onion, garlic, tomato, cabbage, lettuce, green mung beans as well as perennial fruits like mango, avocado and orange.

The Shewa Robit corridor grows a mix of lowland and highland fruits and vegetables. Areas closer to Debre Birhan have potential for highland vegetables and fruits such as apple, beetroot and potato while the Shewa Robit valley with similar agro-ecology to Tana and Kobo is suitable for onion, tomato, cabbage, banana and mango. Shewa Robit valley has a total irrigable land of over 33.000 ha.

Specific Opportunity Products

Garlic

Ethiopia is the seventh biggest producer of garlic in the world; with China being the biggest producer. Ethiopian garlic production has mostly been for domestic consumption but an important export business opportunity exists to Europe and Middle East. The main exporters to these destinations are Asian countries; particularly China and India. The Amhara region grows over 100.000 MT of garlic per annum; accounting for over 52% of the national production. The region has also the highest yield per ha of 11 MT/ha.

Looking at these figures and facts, on the ground there are visible business opportunities in garlic production, processing, canning and export. Such products can be marketed in dried and/or powdered form aside from the fresh vegetable. Garlic is a convenient vegetable for export as it has a shelf life of six to nine months provided it is stored in a conducive environment with regulated temperature and moisture.

(Cherry) Tomato

Ethiopia exported about 19.000 MT of tomato worth of US \$7 million in 2012. The major destination countries were Djibouti (8.700 MT), Somalia (7.800 MT) and UAE (2.200 MT). Processed and canned tomato, juices, sauces and ketchups are consumed by urban households, restaurants and hotels within Ethiopia. Currently the country imports over 1.300 MT of tomato paste and 1.500 MT of tomato juice to meet the existing supply gap. The Amhara region particularly Tana and Kobo corridors have significant production volume of tomato.

Business opportunity lies in both fresh export and processed tomatoes. Fresh cherry tomato, whose production is picking up in Ethiopia, commands a lucrative market in the European Union and Middle East.

Potato

The Amhara region produced over 300.000 MT of potato (nearly 40% of the national production). The region has one of the highest yields per ha of 10 MT/ha - though this still remains far below with a potential of 100 MT/ha.

Business opportunities in potato lie in both production and processing sides. Production and export of fresh potato to neighbouring countries and to EU during off-season is possible. At processing level tangible opportunities exist in potato chips and French fries. Currently, there are only two chips processing companies in Ethiopia (Arif and Hello), other than home or roadside frying. The fact that there is an increasing young population throughout major cities in Ethiopia means that snacks and chips have big market potential.

Onion and Shallots

Ethiopia exported over 13.000 MT of onion in the year 2013 mostly to Djibouti and Somalia. A smaller amount was also delivered to the Netherlands and United Kingdom. Export increased by 71% compared to that of 2009. A study in 2012 by the Centre for the Promotion of Imports from developing countries (CBI) indicated that the Netherlands is the largest onion exporter in the EU (1,1 million MT in 2008, or 29% of all EU onion imports). However, it is also the second major importer mostly from Peru, Mexico and China. Proximity to EU and already existing successful business tie in the floriculture sector between Ethiopia and the Netherlands can pave a way to develop onion export business.

The Amhara region produced about 100.000 MT onion; equivalent to 40% of the national production. Areas such as Fogera, Koga, and Dembia within the Lake Tana corridor as well as others in Qobo and Shewa Robit valleys are the main production sites. Most of the onion produced currently is distributed throughout the country but a smaller quantity is exported to Djibouti and Somalia; particularly from Shewa Robit area. A visible onion business opportunity is fresh export to higher value markets. However, cost and quality competitiveness should be improved by introducing high yielding varieties and technologies.

Fresh Beans and Peas

There is an increasing demand for fresh and chilled green beans and peas in the European market particularly during the Autumn-Winter-Spring period when European production is low. According to CBI (2013) the EU market imports over 200.000 MT per annum of fresh beans and peas from developing countries. The main suppliers are Morocco (98.000 MT), Kenya (43.000 MT), Egypt (24.000 MT) and Guatemala (10.000 MT). The market for such products is highly competitive, especially in the retail channel but quality standards are also extremely strict particularly with regard to pesticide residues and other contamination.

Export of fresh beans and peas from Ethiopia is picking up recently. According to data of Ethiopians Revenue and Customs Authority (ERCA) of 2012 the country exported over 3470 MT of value about US \$6,1 million; annual growth of 20% over previous years. Belgium, the Netherlands and the United Kingdom are the top three destinations for Ethiopian fresh beans and peas. Particular the areas around Lake Tana, Shewa Robit and Kobo Valley in Amhara region are suitable to grow range of green beans and peas. Currently a Belgian company, Durabilis, has started growing peas in Koga area on 50 ha for EU export. The company is also setting up sorting, grading and packing facility that can be utilized by other emerging investors in the region. Another Indian company is setting up a green mung beans production in Kobo area.

Grapes and Strawberries

The EU imports over 270.000 MT or €512 million worth of table grapes from developing countries (DCs). The Netherlands accounted for 50% of the imported volume from DCs. It is also an important player in global trading of strawberries; it is the third importer after Germany and France. Over one third of strawberry import comes from other European countries namely Poland, Spain and France while the remaining is mostly imported from China, Morocco, Turkey, Chile and Egypt.

Ethiopia has strong competitive edge to export table grapes both to the Middle East and EU, especially during the market window of April and May. In 2013, the country exported over 640 MT of strawberry. Yemen (340 MT), the UK (73 MT) and UAE (63 MT) are the top three strawberry importers from Ethiopia, while the Netherlands is ninth with a volume of 10 MT. Many areas within the Amhara region, particularly those around Lake Tana and Kobo, are highly suitable for grapes and strawberries.

Cabbage, Kale and Cauliflower

Cabbage grows best under cool conditions. China, India, Russia, Italy, South Korea, Japan and Poland are top countries in cabbage production. Top five African countries producing cabbages are Kenya, Egypt, Ethiopia, Niger and South Africa. Germany is the leading importer of cabbage with annual value of close to US \$160 million followed by the UK (US \$81 million) and USA (US \$79 million). The Netherlands is the ninth major importer with close to US \$34 million. The leading exporters are USA, Spain and the Netherlands.

Apparently Ethiopia hardly competes with these countries in both quality and cost. However, there is an important window of organic market that can be targeted. In addition the Middle East and other neighbouring countries are important markets for Ethiopia; where it has natural competitive advantage in cost. Overview of export data for 2012 shows that Ethiopia exported about 7.000 MT of cabbage, cucumber and eggplant mostly to Djibouti, Somalia and UAE.

The Amhara region has strong potential for production of cabbages, kale, cauliflower, Swiss chard and lettuce. The region produced over 20.000 MT of these products in 2013. Though the agro-ecology of cabbage and kale are different, a nucleus farm along Lake Tana corridor can grow cabbage and reach at the same time popular highland areas within West Gojam, Awi and South Gondar zones for supply of kale in less than 100 km distance.

Green and Red Pepper

The EU imported over 95.000 MT or €547 million value of pepper in 2012 (CBI, 2012). Germany (29%), the Netherlands (18%) and the UK (13%) are the top three importers. The main suppliers to the EU market are Vietnam, Brazil and India. Ethiopia exported 800 MT of crushed red pepper mostly for Ethiopian Diasporas abroad. ERCA data doesn't show any export of green or chili pepper. The country produced over 400.000 MT of pepper.

The Amhara region produced 100.000 MT of pepper; equivalent to 25% of the national production. The major pepper production belt within the Amhara region is located in West Gojam and Awi Zones, both closer to Bahir Dar. There is good opportunity to increase investment to also produce more demanding export markets.

Beetroot and Carrot

Beetroot is a popular root crop grown for its fleshy roots, which are used as cooked vegetable, salad and for pickling and canning. Though it grows in warm weather, development of colour, texture and sugar content of roots is the best under cool weather.

Currently production of beetroot in Amhara region is limited to 4.000 MT per annum but there is potential to expand production particularly in North Shewa and Awi zones.

Likewise, carrot production is relatively a niche vegetable with annual production less than 1.000 MT but opportunities exist for investment in pocket areas of North Shewa, Awi and South Wolo zones.

Orange and Lemon

Orange and lemon are important fruits for juice processing as well as fresh consumption. The EU imports over 850.000 MT of orange fruits (worth US \$611 million). Within the EU the Netherlands imported over 220.000 MT of orange fruits in 2010. South Africa is the global leader in export of orange fruits with a total of one million MT exported in 2012 season; followed by Egypt, Morocco and Tunisia.

Ethiopia though has enormous potential in the lowland areas for these fruits; it is currently producing only 43.000 MT. The fruits are supplied mostly to the local market but a handful quantity of 3.000 MT has been exported to Djibouti and Sudan. On the other hand the country imported over 8.000 MT of orange juice in 2013.

The Amhara region produces over 17.000 MT of orange and lemon per year. Most of the production is in pocket areas along the Tana, Shewa Robit and Kobo corridors but there is a prospect for expansion. Outside these corridors a potential to engage in commercial farming of orange also exist in the lowland areas bordering Benishangul Gumuz and Sudan. Aside to production for local and export market, there are tangible business opportunities for juice processing.

Tropical Fruits

Business opportunities exist in the export and processing of tropical fruits such as avocado, papaya, guava, mango and passion fruits. The Amhara region is currently producing over 8.000 MT per annum while there is a potential to expand production in different areas.

Over the last three years production of such fruits is on the rise. There is no commercial processor of fruit in the region as of now except the small fresh juice makers. Besides processing opportunities exist to export fruits to neighbouring countries and Middle East. A volume of 2.000 MT of papaya, guava and avocado has been exported last year from Ethiopia to Djibouti and Somalia. Demand for such products is also growing in EU market mostly in the healthy food niche market.

Fast facts

National business overview:

Export of cut flowers over 41.000 MT; generating US \$165 million from the sector (2013). Over 75% of the export goes to Aalsmeer Flower Auction, the Netherlands.

Business within Amhara:

Agro-ecology and incentive packages make Amhara region an attractive destination for starters and incumbent flower farms. So far 700 ha of land

are located, regional government has selected another 1.000 ha for investors.

Specific opportunity areas:

South Achefer, Mecha, Dera Anbesame, Bahir Dar Zuria, Fogera, and Debre Birhan and surroundings.



Floriculture: National Business Overview

Ethiopia exported over 41.000 MT of cut flowers; generating US \$165 million from the sector in 2013. This

makes Ethiopia the fourth largest exporter of flowers only after the Netherlands, India and Kenya. Cut flowers are Ethiopia's fourth largest exported commodity by value and represent 13% of all exports after coffee, oilseed and pulses and vegetables per available trade figures. Over 75% of the Ethiopian flower export goes to the well-known Aalsmeer Flower Auction. In 2012, Ethiopia was the second biggest

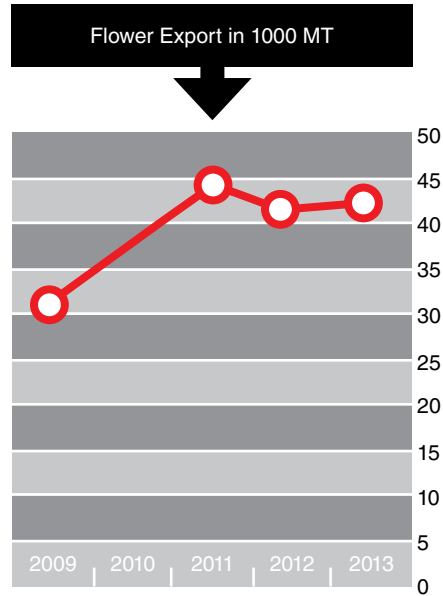
supplier of roses to this market only after the Netherlands. Flower export earnings are expected to rise up to us US \$550 million by 2016.

Looking at the fact that Ethiopia was nowhere in the exporters list 10 years ago, the achievement is truly phenomenal. The country still has enormous comparative advantages of fertile soil, cheap labour, and an excellent climate suitable for production of roses. The Ethiopian Government also offers one of the best investment packages in the form of easy access to land at minimal lease price, duty free import of farm inputs, access to finance, tax holidays and other support to facilitate investment within the sector.

To date, there are over 120 flower farms in Ethiopia; employing over 85.000 people. Flower production thus far has concentrated in the surroundings of the capital Addis Ababa and the rift valley region mostly for logistical and infrastructural reasons. However, fast infrastructural growth, availability of cheap labour and land is paving the way for further expansion to new spots all over the nation.

The Business within Amhara Region

The Amhara Regional State offers an attractive destination for starters and incumbent flower farms due to an



incentive package as well as agro-ecology. Though a number of areas are suitable for flower farming within the region, areas surrounding Bahir Dar City and Debre Birhan town provide the most interesting opportunities. The agro-ecology of Bahir Dar and its surrounding is similar to Debre Zeit and other rift valley areas, where a large number of flower and vegetable farms are concentrated. The government has put in place cold room facilities at Bahir Dar International airport to cater for a direct cargo flight to anywhere in the world.

The regional government is also availing suitable land for floriculture in the vicinity of Bahir Dar. Such developments have increased the demand of domestic and foreign private investors who would like to invest in this sub sector. On the other

hand Debre Birhan offers similar features to Menagesha and Holeta areas with cool climate suitable for long maturing but high valued roses. The region has so far allocated 700 ha of land to flower farmers mostly around Bahir Dar and Debre Birhan cities. From Bahir Dar corridor Tana Flora and Giovanni Alfano Farms have started export. A renowned flower breeder and grower from Latin America, Esmeralda, and another company are finalizing construction of greenhouses and land clearance. In Debre Birhan (130 km North East of Addis Ababa) two Indian Farms, ASK Flowers, Greens Plc, Esimo Flowers & Agro Industries Plc are already producing roses targeting the high value niche market of Russia.

Specific Opportunity Areas

Following allocation of the 700 ha land and upgrading of Bahir Dar International Airport Cargo facility, the regional government has selected additional 1.000 ha of land for investors. Selection of this site was made after thorough analyses of the agro-ecology, soil type, water availability and other social-economic factors. Selected locations are: South Achefer, Mecha, Dera Anbesame, Bahir Dar Zuria, Figera and Debre Birhan and surroundings. Details as size, access to water, infrastructure and labour are discussed below.

South Achefer 110 ha located at 54 km from Bahir Dar International Airport

An area of 110 ha has been identified at a special site called Dubkan. It is found 54 km from Bahir Dar International Airport along tarmac road to Addis Ababa. The altitude of the site lies between 1923 and 1948 meters above sea level (mamsl). The soil is predominantly red and the textural class is clay with 35,04% clay, 25,68% sand and 39,28% silt. The PH of the soil sample is 5,60. It is currently under crop production cover. There is an electric line crossing by the site and spring water and swampy site nearby. Asher and Pikkolo Abay River are found within a radius of two km. Labour is readily available from the nearby woreda town. The area has access to telecommunication network.

Mecha 259 ha located at 35 km from Bahir Dar International Airport

The first site covers an area of 127 ha in a place known as Bechema. It is located at about 33 km from Bahir Dar international Airport along the asphalt road to Addis. The altitude of the site ranges between 2018 and 2036 mamsl. It has red or brown soil with pH of 5,5 analysed at 30 cm depth. The swampy area found in the northern side of the site can be potential source of subsurface water. There are also other sources of water within a radius of four km. The site is located at three km distance from the woreda town of Merawi and hence labour is available. Electric lines pass through the field and telecommunication network functions well.

The second site within Mecha is Enamirt with a total area of 132 ha. It is found at an approximate distance of 37 km from Bahir Dar International Airport along the main road to Addis. The site has an altitude of 1993 to 2011 mamsl; the flat nature of the land may demand for diversion ditch to prevent flood inflow. Farmers growing maize and teff currently occupy it. The Burka River found in some 500 meters distance in the northeast direction can be considered as a potential source of surface water while options for ground water are also available. Labour, electricity and telecommunication services can be made available.

Dera Anbesame
373 ha located at 35 km from Bahir Dar International Airport

The first site covers an area of 72 ha located at a place known as Chekame; 20 km on the main road from Bahir Dar to Gondar and another four km after right turn. It has an altitude of 1886 to 1891 mamsl and the soil is pH 5,7. The area is under maize and sorghum cultivation. The most viable water source is Lake Tana at 10 km distance but other options like ground water and water harvest also exist. Electric lines going to Gondar pass by a closer distance from the site.

The second site located near the first one occupies 34 ha. It has an altitude ranging from 1900 to 1931 mamsl. The soil is red with a pH of 5,6. The area is used for cultivation of maize, teff and finger millet. The water source of this site is from Lake Tana at seven km map distance but ground water and water harvest are

also optional. The site is found at near Hemusit town, which entails easy access to telephone, labour and electricity.

The third site known as Enkurkurit has an area of 213 ha located 31 km from Bahir Dar on the main road to Gondar. It lies on a flat topography with elevation range from 1916 to 1958 mamsl and currently occupied by farmers mostly growing maize and teff. The soil type is red colour of pH 5,7. The site is found between two small rivers Shina River and Mariamweha River but Lake Tana within eight km map distance is the most reliable water source. It has easy access to electricity from the main line passing to Gondar at close distance.

The fourth zora site covers 54 ha and located at 37 km from Bahir Dar on the main road to Gondar. Alike the second one it has flat topography with elevation ranging from 1861 to 1897 mamsl and is under private cultivation. The soil is red colour with pH value of 5,9. Lake Tana within 10 km map distance is a realistic water source but other options such as ground water and water harvest are possible. The power lines to Mekele and Gondar both pass at a short distance to the site also simplify electrification. Labour and telephone are more or less the same as the other sites.

Bahir Dar Zuria
179 ha located around Bahir Dar International Airport

The first site of Robitbata covers 34 ha. It is located at eight kms from Bahir Dar city on the main road to Gondar. The altitude of the site ranges from 1857 to 1888 mamsl while the soil type is mostly brown to red with pH value of 5,50. Lake Tana (six km away) will be the source of water. Currently, farmers growing maize and sorghum occupy the land. Similar to the other areas, it has access to electricity, telecommunications and labour from a nearby distance.

The second - Gombat site - covers an area of 63 ha and is located 10 km from Bahir Dar on the main road to Gondar. It has a flat topography with altitude of 1880 up to 1906 mamsl. The soil colour is mainly red with pH value of 5,40. Gombat site is found between two small rivers Gelda River and Idimo River, but both are intermittent. Lake Tana within eight km map distance is the most realistic water source, while ground and harvested water are also options to be considered. It has access to electricity; telephone and labour from a closer distance than the first site.

The third site of Sabatamit has a total of 82 ha; situated at seven km from Bahir Dar city. The area has an elevation of 1753 to 1779 mamsl. It is currently found under private cultivation of maize, teff and noug (oilseed). The soil colour visually identified was brown with pH of 5,9. Potential water source is from Abay river (within two km) and ground water. Andasa River is also found within two km but the base flow is very small at critical times.

The electric power lines from Tis Abay pass at a close distance to the site. Electricity, labour and mobile network are easy available.

Fogera
35 ha located 70 km from Bahir Dar International Airport

An area of 35 ha is available in a special site called Awuramba. It is located at 70 km from Bahir Dar international Airport along the asphalt road from Wereta to Debre Tabor. The altitude of the site ranges between 1857 and 1880 mamsl. The site is used for crop production. The soil is predominantly red in colour with pH value of 5,0. Though there are two small rivers passing by the area; ground water is the most realistic source. There is electric line crossing the site while telecommunications and labour are also available from nearby town of Woreta.

Debre Birhan and surroundings
60 km from Bole International Airport in Addis Ababa

Debre Birhan town is located at 60 km from Bole International Airport in Addis Ababa. The altitude of the town is above 2800 mamsl - a sharp contrast to Bahir Dar and yet offers alternative for high quality flowers. The soil type is mostly red. Electricity and telecommunications service are readily available. The main water source is ground water. One main challenge for this area is frost. The Indian companies are managing it by focusing niche season sales. Production for Valentines' Day is risky unless with double greenhouses.

Fast facts

National business overview: Production of milk is 3,2 billion litres per annum; worth over US \$1 billion in country. Despite large number of animals, the dairy sub-sector in Ethiopia is operating far below its potential.

Business within Amhara: For international investors targeting dairy, the most promising business

opportunity lies in the processing aspect. Two interesting sites for this purpose are Bahir Dar city and Debre Birhan town.

Specific opportunity products: pasteurized milk and yoghurt; cheese and butter; animal feed processing



Dairy: National Business Overview

Ethiopia produces 3,2 billion litres of milk per annum. The value of milk and milk products in the country is

over US \$1 billion. Over 63,3% of the national milk supply comes from rural small-scale mixed farms in the highlands. Pastoral and agri-pastoral producers in the lowlands and small urban and peri-urban farms contribute for 22% and 14,3% respectively. Estimated calf consumption and wastage of milk is 32% of the milk produced. Studies suggest that 83% of the remaining milk produced is consumed in

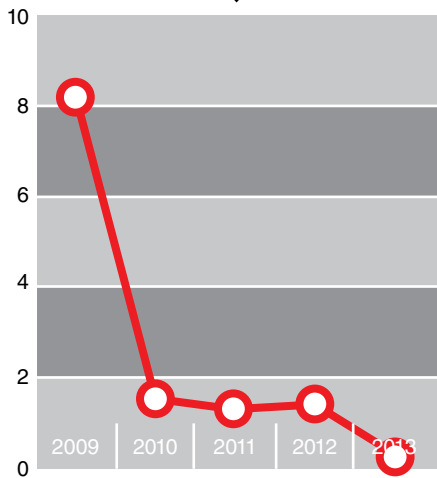
household, 8% of the milk is processed into products with longer shelf life, and 7% is sold. The major species used for milk production in Ethiopia are cattle, camel and goats. Cattle account for 83% of the total milk and 97% of the cow milk comes from indigenous breeds. An estimated 10 million cows are kept primarily for milk production.

USAID (2013) indicated that there are 23 dairy processors in Ethiopia, and four new ones are under construction. These processors have daily capacity of close to 250,000 litres; a potential entrant velocity dairy of Dutch Investment is aiming with a daily processing capacity of 150,000 litres. The main individual players are Lame, Sebeta Agro Industry, Holland Dairy, Lema and Genesis Farms. The three largest processing companies produced 14 million litres of milk, 120,000 kg of butter, 20,000

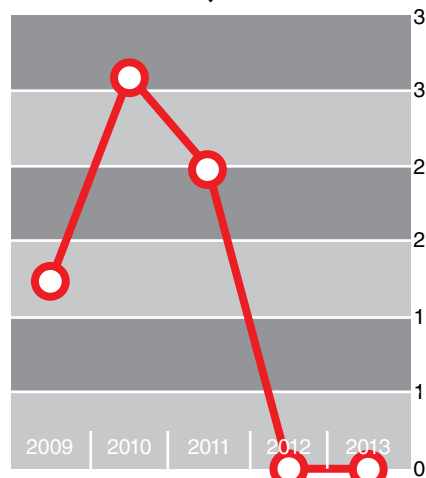
kg of hard cheese and 90,000 kg of soft cheese (SNV, 2009). In addition to these large companies there are also about 16 medium and large processing companies that produce approximately 35,000 to 40,000 litres per day.

Despite large number of animals, the dairy sub-sector in Ethiopia is operating far below its potential. The country generated a negligible amount of less than US \$100,000 by exporting butter and cheese mostly to neighbouring countries. In contrast it is importing milk and milk products. The sector suffers from low productivity, poor management and lack of access to feed, new breeds and stable market. Average milk productivity per cow is less than 1,5 litre/day; 98% of the dairy cows are indigenous breeds based on traditional management practices.

Dairy Products Import in 1000 MT



Dairy Products Export in 1000 MT



In Ethiopia, per capita milk consumption is about 19 kg of milk/year - compared to 98 kg/year for Kenya and WHO recommendation of 200 kg/year. Milk consumption is low for economic and cultural reasons i.e. large number of fasting days and high price of milk and milk products. During peak production in the wet seasons, rural farmers face challenges in marketing their milk as most regions experience a surplus, which is usually processed at the home into local cheese or butter.

of 50 km land for processing plant is available at Bahir Dar industrial zone for marginal lease payment.

Similarly Debre Birhan or North Shewa offers tangible business opportunity in milk processing as well as large-scale commercial dairy farming. It is close to Addis Ababa which is both the input and output market for dairy. The North Shewa corridor hosts few commercial processors as Timret Agro Industry, Ruth and Family Dairy Farm and many small and micro enterprises; all delivering to Addis Ababa market. Lame Dairy has also a bulking and chilling centre in Debre Birhan, where it bulks milk from Basona Worana and neighbouring woredas, until transported to the dairy's processing plant in Addis Ababa.

The Dessie/ Kombolcha corridor offers another option for milk processing. Dessie and Kombolcha towns have combined a population of over 250,000 people and hence a significant market. This belt is situated at strategic location with easy access to market cities like Mekelle in Tigray region and is very close to Djibouti (480 km) for potential export to neighbouring countries as well as serving the eastern part of Ethiopia. There are also various institutions like Wollo and Weldya University.

The Business within Amhara Region

The Amhara region produces over 740 million litres of milk per annum accounting for 22% of the national milk production. Nearly all of the milk production comes from smallholder farmers. Prominent milk producing areas within the region are South Gondar, Awi, North Shewa and East and West Gojam. The most promising business opportunity for international investors targeting dairy lies in the processing aspect. Two interesting sites for milk processing in Amhara region are Bahir Dar city and Debre Birhan town. In Bahir Dar there is a place reserved for urban agriculture and hence interested investors can set-up their own dairy farm within the suburb to secure part of the milk for processing but the biggest supply can be sourced from small holders in Fogera and Tis Abay areas in a radius

Specific Opportunity Products

Pasteurized Milk and Yoghurt

The supply of pasteurized milk in Bahir Dar and other cities within Amhara region solely come from Addis Ababa and Debre Zeit areas. But yoghurt can be rarely found. Price of a litre of pasteurized milk is 20 Birr, while raw milk from local farmers is 12 Birr per litre. Price of 250 gram of yoghurt is 10 Birr (US \$0,46). Based on per capita consumption of 19 litre/year; daily milk consumption in the cities Bahir Dar and Gondar alone is close over 52.000 litre. Institutional buyers such as universities could be interesting markets for pasteurized milk. Currently, the universities of Bahir Dar and Gondar host over 50.000 students that can easily be targeted. A base in Bahir Dar can also serve as supply point to Debre Markos, another bigger town with a population of over 60.000 and hosts over 10.000 students. A processing centre close to Debre Birhan can supply the Addis Ababa market that has estimated annual demand close to 60 million litres.

Cheese and Butter

Supply of processed butter and cheese hardly exist in Bahir Dar City. When available, a kilogram of Mozzarella cheese costs 120 Birr (US \$6). The bigger hotels and the few pizza houses mostly use homemade cheese or ship from Addis Ababa. Both Bahir Dar and Gondar offer robust market opportunity for such products. Taking the population of the two cities and considering the fact that both cities are main tourist destinations with large number of hotels and restaurants, annual demand for cheese and butter can reach over 10.000 kg. Besides exporting such products to neighbouring regions including Sudan is an alternative market. A processing centre based in Debre Birhan can easily reach the Addis Ababa market, which has annual demand of over 100.000 kg of cheese and butter each.

Animal Feed Processing

Bahir Dar has a natural competitive edge for animal feed processing. There is big volume of maize produced in the area. Oil cake can easily be sourced from local millers and importantly the largest soybean production zone in Ethiopia-Metekel is located only 235 km. Currently the main sources of feed are hay/straw, grass and oilcakes but a small amount is imported from Debre Zeit. A feed processing in Bahir Dar can easily reach wider markets in the North Western and Western parts of the country including export options to Sudan.

Fast facts

Governance and stability:

Amhara is one of the most stable and peaceful regions in the country, with a robust governance system.

Socio-economy: In line with the five year Growth and Transformation Plan, the region gives highest priority to agro-processing and export-oriented investments and it is among the best performing economies.

Transport and logistics: Over 2000 km of asphalt road connecting all major towns, including ports in Djibouti/ Sudan, daily flights and a railway (under construction) make transportation excellent. Also, a dry-port, cold room facility and direct cargo flights are available.

Telecommunication: Mobile phone is the primary medium of communication. Internet access (ADSL) is available in all major cities and towns.

Electricity: From the total of 105 districts (woredas), about 60% have electricity varying from 6hrs to 24hrs per day. Massive investment is underway in upgrading transmission lines and by the end of 2017 75% of the people will have access to electricity.

Manpower: The majority of the regional population is within economically active age range. The region hosts seven universities including Bahir Dar and Gondar Universities that are among the biggest universities in Ethiopia.

Governance and Stability

Ethiopia is generally peaceful and stable country in Africa. The Amhara Regional State is one of the most stable and peaceful regions in the country. It is also relatively better in terms of good governance and ethics. Regional Government offices are eager to attract investors.

Investors can freely move around the region with valid passport or work/ residence permit though language can be a barrier in rural areas and smaller towns. Another possible challenge is delay in decision making on issues related to land and farmers. The strict anti-corruption and ethics stance of the government means that some people prefer to consult and think for rather long time to give answers or decisions on such requests. Despite this, the Amhara Regional State has a relatively stable and robust governance system and there is a zero tolerance for corruption.

Socio-economy

Similar to other regions in Ethiopia there is a steady economic growth in Amhara Regional State. Agricultural Development, Education, Health, Infrastructure received over 60% of the regional budget. In line with the five year Growth and Transformation Plan, the region gives highest priority to agro-processing and export-oriented investments. The Amhara region is among the best performing economies in relation to achieving the goals of the Growth and Transformation Plan.

Inhabitants of the region are hospitable and welcoming to foreigners. They are hardworking and committed to their words. Religion and history plays a big role in shaping their characteristics of honesty, respectful and self-esteem. The religious aspect of the society also means that fasting seasons and holidays are widely adhered. This may affect day-to-day business operation and market for products like dairy. Also the fact that people have strong dignity or self-esteem means that they place high value for mutual respect and a more positive approach in dealing with them.

Transport and Logistics

The region has over 2000 km of asphalt road connecting all the major cities and towns as well as to ports in Djibouti and Sudan. Amhara Regional State has strong competitive advantage of proximity to both Djibouti Port (500 km from industrial town of Kombolcha in the East) and Port Sudan (900 km from boarder town of Metema in the West). Besides, there are daily flights connecting Bahir Dar, Gondar and Lalibela to Addis Ababa. A fourth flight to the industrial town of Kombolcha in the east is expected to resume soon. The under construction railway line from Djibouti-Semera-Woldia-Mekele will be finished in two years.

There is a dry-port facility at Kombolcha and another one is under-construction in Woldia. Bahir Dar International Airport has a cold room facility and can provide direct international cargo flight service for flower and vegetable exporters. This service is temporarily not available due to limited volume but will be open when the three big flower farms (currently under construction) start production in June 2014. For the moment the regional and federal governments are subsidising inland transport of flowers and vegetables from Bahir Dar to Addis Ababa. International cargo flight will also be available from Kombolcha.

Telecommunication

All the urban centers (cities and district towns) of the Amhara Regional State have access to mobile telecommunication service. ADSL internet is available in major cities and most towns. The national telecommunication service provider is working to expand its 3G mobile network to major cities such as Bahir Dar, Gondar, Kombolcha and Debre Birhan. However, the telecommunication network in general and the internet connection in particular is intermittent - as in any part of the country. Steps are being taken by Ethio Telecom at national level to resolve this longstanding problem.

Electricity

From the total of 105 districts (woredas), 53 have 24 hours hydroelectric services, one has 16 hours diesel generator service and seven have six hours diesel generator service. The region has allocated budget for infrastructure instalment in six major cities and seven woreda towns selected as investment areas. There is an occasional problem of electric power cut at peak seasons and when a transmission line is damaged. However, with the completion of the the Great Ethiopian Renaissance Dam (GERD) and other big hydropower projects in the coming two years, Ethiopia will generate over 10.000 MWt of electricity - nearly tenfold of the current production. Massive investment is also underway in upgrading transmission lines and by the end of 2017 75% of the people will have access to electricity.

Manpower

The majority of the population living in Amhara Regional State is within economically active age range. The region hosts seven universities including Bahir Dar and Gondar Universities that are among the biggest universities in Ethiopia. All of the universities have Agricultural Colleges and departments focusing on horticulture and animal science. Beside there are 105 Technical and Vocational schools. Most of them have an agricultural training component. Daily labourers are readily available for a fee of US \$1,20 to US \$2,00 per day.

Fast fact

The Council of Ministers Regulation No. 270/2012 outlines eligibility for investment incentives and investors targeting Amhara Regional State are entitled for the following benefits: duty free import of capital goods, duty free import of motor vehicle, income tax holidays, loss carry over, export incentives, capital remittance, land lease and access to finance.

Duty Free Import of Capital Goods

To encourage private investment and promote the inflow of foreign capital and technology into Ethiopia, the following customs duty exemptions are provided for investors (both domestic and foreign) engaged in eligible new enterprises or expansion projects such as manufacturing, agriculture, agro-industries, generation, electrical energy, information and communication technology:

- 100% exemption from the payment of customs duties and other taxes levied on imports is granted to all capital goods, such as plant, machinery and equipment and construction materials;
- Spare parts worth up to 15% of the total value of the imported investment capital goods, provided that the goods are also exempt from the payment of customs duties;
- An investor granted with a customs duty exemption will be allowed to import spare parts duty free within five years from the date of commissioning of a project;
- An investor entitled to a duty-free privilege buys capital goods or construction materials from local manufacturing industries shall be refunded customs duty paid for raw materials or components used as in puts for the production of goods;
- Investment capital goods imported without the payment of custom duties and other taxes levied on imports may be transferred to another investor enjoying similar privileges;

- Any investor who exports or supplies to an exporter gets at least 60% of income tax exemption for two years in addition to the exemption privilege.

Duty Free Import of Motor Vehicle

Total or partial exemption of motor vehicle from customs duties is determined by the type and nature of investment projects such as amount of capital invested. Investors are advised to consult the Ethiopian Investment Commission (EIC) desk for further information before making decisions.

Income Tax Holidays

Investors engaged in growing of vegetables, fruit, flower farming and agro-processing in Amhara Regional State are entitled income tax exemption for a period of four to five years.

Loss Carry Over

Business enterprises that suffer losses during the income tax exemption period can carry forward such losses, following the expiry of the exemption period, for half of the tax exemption period. For the purpose of calculating a period of loss carry forward, a half year period shall be considered as a full income tax period. Any loss during income tax exemption period is not allowed to carry forward such loss for more than five income tax period.

Export Incentives

- With the exception of few products (e.g. Semi-processed hides and skins-150%), no export tax is levied on export products of Ethiopia;
- Duty Drawback Scheme: It offers investors an exemption from the payment of customs duties and other taxes levied on imported and locally purchased raw materials used in the production of export goods. Duties and other taxes paid are drawn back 100% at the time of the export of the finished goods;
- Voucher Scheme: A voucher is a printed document having monetary value which is used in lieu of duties and taxes payable on imported raw materials. The beneficiaries of the voucher scheme are also exporters, as in particularly the Bonded Manufacturing Warehouse Scheme;
- Exporters are allowed to retain and deposit in a bank account up to 20% of their foreign exchange export earnings for future use in the operation of their enterprises and no export price control is imposed by the National Bank of Ethiopia;
- Franco valuta import of raw materials is allowed for enterprises engaged in export processing;
- Exporters can benefit from the export credit guarantee scheme which is presently in place in order to ensure an exporter receives payment for goods shipped overseas in the event the customer defaults, reducing the risk of exporters' business and allowing it to keep its price competitive.

Capital Remittance

A foreign investor has the right to make the following remittances out of Ethiopia in convertible foreign currency:

- profits and dividends;
- principals and interest payments on external loans;
- payments related to technology transfer agreements;
- payments related to collaboration agreements;
- proceeds from the sale or liquidation of an enterprise.

Land Lease

In addition to the foregoing incentives specified by the Council of Ministers the Amhara Region State Government provides the following benefits to domestic or international investors:

- a)** Provision of land free of charge for investors targeting floriculture;
- b)** Agro-processing and those who can introduce new technology, create large employment and are export focussed pay a marginal lease fee of US \$0,10 per square metres.

Access to finance

Investors targeting export oriented agriculture (flori- and horticulture) and all agro-processing sectors can get access up to 70% of finance from the Development Bank of Ethiopia and other commercial banks – upon presenting a viable project proposal.

Fast facts

Scoping and site selection: check Ethiopian Embassy, plan visit to Amhara region, your business mission and site selection

Registration, licensing and land acquisition: notarized documents, business type and name clearance, legal framework for investment, investment license and TIN certificate, land acquisition, business license and Value Added Tax (VAT)

Scoping and Site Selection

Step 1 - Check Ethiopian Embassy

The first step for international investors is to get basic information from the local Ethiopian Embassy or consular offices. The offices will provide the different investment opportunities Ethiopia can offer, investment packages for foreign investors, requirements and steps ahead.

Ethiopia has over 40 embassies and consular offices in different countries across the world. Within the EU, Ethiopia has Embassies in Belgium, Paris, Berlin, London, Vienna and Stockholm. The Embassy in Brussels covers the Benelux region. Also it is important to visit Ethiopian Investment Commission (EIC) website (www.investethiopia.gov.et) which gives up-to-date information to prospective investors.

Investors from the Benelux can alternatively get guidance from Embassy of the Kingdom of the Netherlands in Addis Ababa. For agricultural initiatives, including agro-processing and agro-logistics you can make an appointment with the agricultural counsellor (via the office manager Solomé Ketema, [see chapter Useful Contacts](#)). The agricultural counsellor will give first guidance and if required he will link you as investor with the Dutch business community (Ethiopian-Netherlands Business Association, [ENLBA](#)), the Agri Business Support Facility ([ABSF](#)) and/or Ethiopian central or local authorities.

Step 2 - Plan visit to Amhara Region

Once Ethiopia becomes a viable investment choice the next step is to get first-hand information by visiting the Amhara region. The visit provides opportunity to get detailed understanding of the investment climate, choose specific locations suitable for the envisaged investment and establish a first contact with local resource persons.

Information about visa requirements and applications can be obtained from the local Ethiopian Consular Office or Ministry of Foreign Affairs (www.mfa.gov.et).

Ethiopia is one of the safest countries in Africa and the Amhara region is one of the safest within Ethiopia. The people are hospitable and welcoming to foreigners. Plenty of hotels are available and can be booked online. Logistics service can be arranged via your respective local consular office in Addis Ababa or using own contacts.

Step 3 – Your business mission in Amhara Region

The ideal base for the scoping mission to Amhara is the regional capital Bahir Dar city located at 560 km from Addis Ababa. It is one of the most beautiful cities in Ethiopia lying along Lake Tana.

Flight connection to Bahir Dar is via Addis Ababa: flight is available twice a day. The city has many hotels ([see chapter Useful Contacts](#)). Detailed information and guides to investment sites within Amhara region can be freely obtained from the Amhara Regional State - Industry and Urban Development Bureau.

Investors targeting Debre Birhan corridor can base in Addis Ababa and hire car to drive one and half hour to meet the zonal investment bureau to get information.

As part of the scoping mission investors are advised to plan meetings with federal government officials in Addis Ababa. Some of the government offices included in this visit list are: Horticultural Development Agency for national level information about flower, vegetable and fruit sectors; Ethiopian Investment Commission (EIC) for licensing and registration; Ministry of Industry-Food and Beverage Institute. Their respective consular offices in Addis Ababa can also assist in logistical coordination.

A visit to Ministry of Agriculture - Livestock Sector and development organizations such as USAID and SNV (active in the dairy sector) are useful to get sectorial level information. [Contacts are available in this guide, at chapter Useful Contacts.](#)

Step 4 - Site Selection

The outcome of the first three steps is selection of specific site where you want to invest. The selected site could be part of the areas designated by the regional government for investment or outside that scope. It is also possible that farmers occupy the site. They will be compensated and relocated by the regional government - once the investor acquires an investment permit.

Registration, Licensing and Land Acquisition

The Ethiopian Investment Commission (EIC) has recently been restructured to provide a one-stopshop service for issuing: an Investment Permit, TIN certificate and Business License.

For manufacturing or agro-processing industries to whom a investment permit was issued, the agency issues a duty free-, work- and residence permit.

The EIC also provides additional services on behalf of investors' request to process acquisition of land, utilities (water, electrical power and telecommunication services) and bank loan. The steps involved in licensing, registration and land acquisitions are highlighted in '[How to get started](#)'. Though investors should always validate these with Ethiopian Investment Commission (www.investethiopia.gov.et).

Step 5 - Notarized Documents

Investors are strongly advised to appoint an agent authorized to deputize on their behalf. This agent should be someone who has an in-depth understanding of Ethiopian investment laws and procedures. The agent needs a power of attorney that authorizes him or her to sign documents. The power of attorney should be signed by the investor or general manager of the company; stamped by public notary office of the investor's country; validated by Ethiopian Embassy in the home country of the investor; and finally authenticated by Ministry of Foreign Affairs and Document Authentication Office of Ethiopia.

Documents needed for the agent:

- Copies of relevant pages of passport of the company's manager/ investor;
- Memorandum and Articles of Association signed by all founders and notarized by home country notary service;
- Letter of power of attorney of the agent;
- Many passport size photos of the general manager of the company/ investor.

Step 6 - Business Type and Name Clearance

There are different types of business organizations in Ethiopia: Sole Proprietor (Investment made in the name of individual), Private Limited Company or Share Company. Details about the different forms of business types can be obtained from the Ethiopian Commercial Code 1960. (www.eia.gov.et/english/articles/read_more/24/en)

Step 7 - Legal Framework for Investment

Once a decision is made on the type of business organization, investors should clear envisaged name of their company. For example "ABC PLC" at EIC. When going to the Commission, it is advised to think of three names and fill name clearing application form in the order of priority. The name clearing will take half up to one day.

Step 8 - Investment License and TIN Certificate

Application will be submitted to Ethiopian Investment Commission; requirements are available on their website (<http://www.investethiopia.gov.et>). The location selected in step 1 above should be filled in the form. For a PLC or Share Company the General Manager of the company under formation should submit finger print for TIN certificate. For Sole Proprietor business types, TIN Certificate and fingerprints can wait until the Business License Processing stage.

Fully foreign-based investors are expected to demonstrate bank deposit of US \$200,000 in Ethiopian bank account. However, if the investment is in partnership with domestic investor(s), the minimum capital required of him is US \$150,000. To facilitate opening of bank account, the EIC, upon receiving complete application, issues a letter to National Bank of Ethiopia who then write a supporting letter to any commercial bank. Investors can collect their investment license by bringing stamped bank statements and a letter signed by the Branch Manager of their bank. Excluding the bank transfer, the entire process will take half to one day.

Step 9 - Land Acquisition

Land Application can be submitted at Ethiopian Investment Commission directly after securing the investment license. The authority will issue a letter to Amhara Regional State Investment Bureau to facilitate for the land acquisition. When submitting the letter, investors are also expected to submit a project proposal that clearly indicate profitability, employment opportunity and new technology. A team of experts from the Regional Government will evaluate the proposal. The outcome will be communicated within two weeks.

If accepted, the Regional Administration for Urban Land and Environmental Protection and the Land Administration office for Rural Land will liaise with city, district (woreda) and village (kebele) authorities to engage current users of the land and process compensation. Making occupied land ready to investors may take two up to three months. For dairy and agro-processing where there is already non-occupied land, it can be finalized in one week once the project is accepted.

Step 10 - Business License

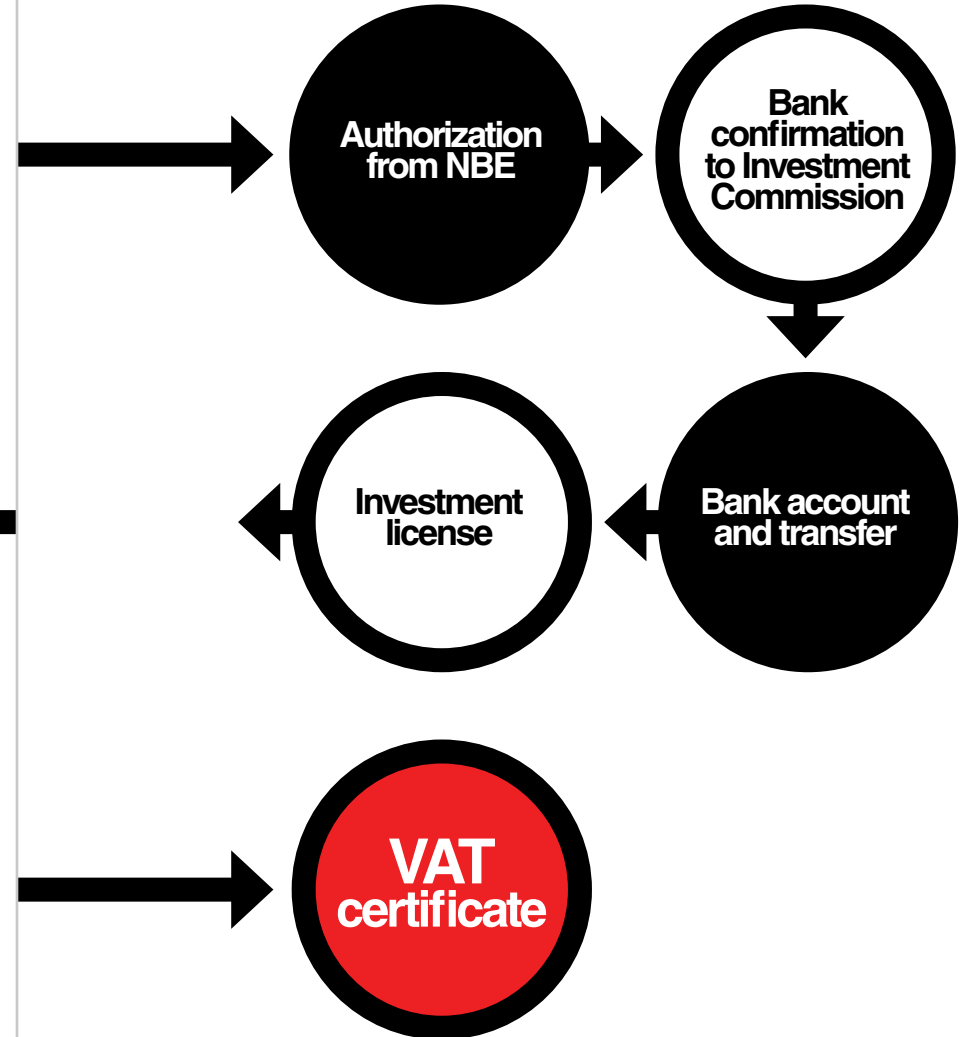
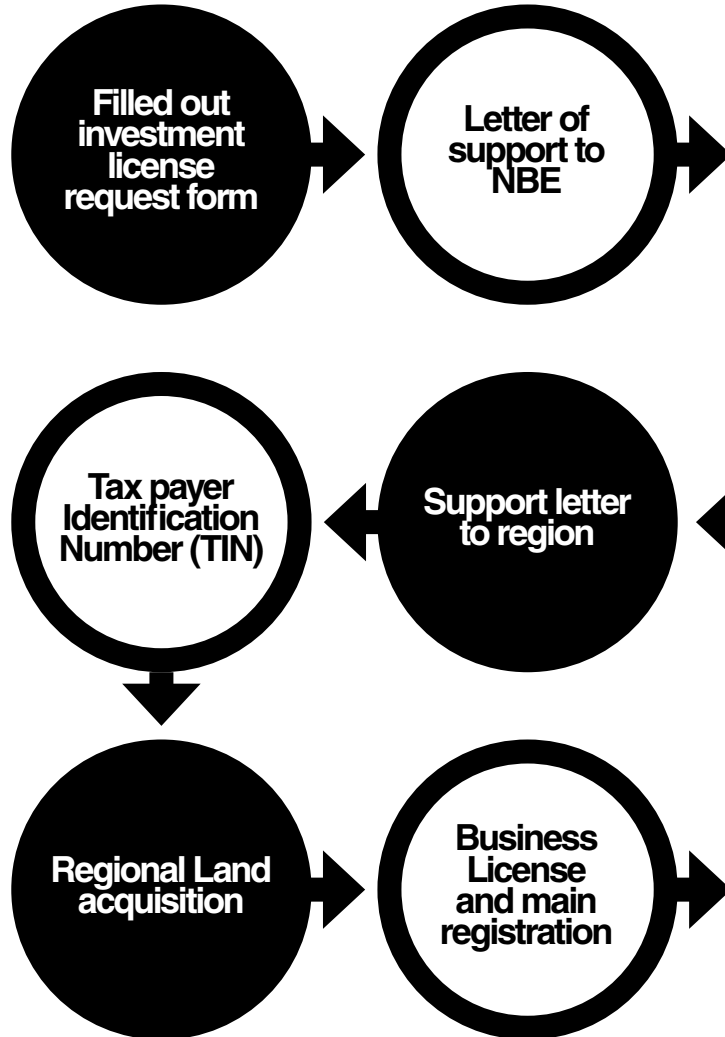
The Business License should be processed after acquiring land, but before starting operation. Application to Business License should be made to Ethiopian Investment Commission. Your authorized agent or general manager of the company in Ethiopia can apply for you. Sole Proprietor business types should apply for TIN Certificate and the owner should be present for fingerprints at this stage. The business license processing can take half up to one day.

Step 11 - Value Added Tax (VAT)

After acquiring business license investors can apply for Value Added Tax Certificate. Application should be submitted at the same place as the business license. Generally, it will take another half to one day to receive the VAT certificate.

How to get started

Overview of steps to be taken
in order to invest in
Amhara Regional State



Entirely owned by a foreign investor

- An application form duly filled and signed by the manager or agent of the business organization;

- When an agent is doing the application, a photocopy of his/her power of attorney;
- Photocopies of memorandum and articles of associations. If it is to be newly established, photocopies of the relevant pages of a valid passport of each shareholder, clearance letter from the Ministry of Trade and Industry for the company name and draft memorandum and articles of associations;

- When foreign nationals are among the members of the shareholders, photocopies of certificates evidencing the domestic investor status of the foreign nationals or identity cards (for companies to be established);
- Three recent passport-sized photographs of the general manager.

- Three passport sized recent photographs of the general manager.

Note: If the foreign partner is a business organization, the following documents are also required:

Joint Investment between domestic and foreign investors

- An application form duly filled and signed by the agent of the business organization;
- Where the application is made by an agent, a photocopy of his power of attorney;
- Photocopies of the memorandum and articles of associations. If it is to be newly established, photocopies of the pages relevant of a valid passport of each shareholder, and draft memorandum and articles of associations;
- Where foreign nationals taken for domestic investors or Ethiopian nationals are among the members of the shareholders, photocopies of certificates evidencing the domestic investor status of the foreign nationals or identity cards (for companies to be established);

- A copy of the memorandum and articles of associations or equivalent documents of the parent company;
- A photocopy of a document ascertaining the legal personality of the business organization (i.e. registration certificate);
- Minutes of the parent company passed by an authorized body for the establishment of a joint company in Ethiopia, authenticated by the public notary, or a letter written by the owner in case of a one-man company;
- A photocopy of an authenticated power of attorney of the representative of the company and photocopies of the pages relevant of the representative's valid passport or identity card in case the representative is an Ethiopian national.

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Bahir Dar City
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Horticulture production: Mr. Tesfaye Mengestu +251 582 200 929

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+251 582 202 033
Email: 0918786406@gmail.com

Amhara Regional State Trade and Industry Office,
Bahir Dar
Tel.: +251 582 204 122/
+251 582 201 063

Agri Business Support Facility (ABSF),
Addis Ababa
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Development Bank of Ethiopia,
Addis Ababa
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Fax: +251 15 11606
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Appointments made via office manager, Mrs. Solome Ketema
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Ethiopian Airlines,
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Director ADD-HUB cargo traffic handling: Mr. Alemu Bekele
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+ 251 91 120 3442
Email: AlemuB@ethiopianairlines.com

Ethiopian Embassy in Brussels
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www.ethiopianembassy.be
Tel.: +32 2 771 32 94
Fax: +32 2 771 49 14
Email: info@ethiopianembassy.be
H.E. Ambassador Teshome Toga
Email: etebru@brutele.be

Ethiopian Horticultural Development Agency,

Addis Ababa
www.ehda.gov.et
 Director General: H.E. Ato Alem WoldeGerima
 +25 11 155 02483/5127
Email: alemwolde@yahoo.com,
ordg@ehda.gov.et

Ethiopian Horticulture Producers Exporters Association (EHPEA),

Addis Ababa
www.ehpea.org
 Executive Office: +251 11 663 6751
Email: ehpea@ethionet.et

Ethiopian Investment Agency,

Addis Ababa
 P.O. Box 2313
www.eia.gov.et
 Tel: +251 11 551 0033
 Fax: +251 11 551 4396

Ethiopian Revenue and Customs Authority,

Addis Ababa
 P.O. Box 2559
www.erca.gov.et
 Tel: +251 11 466 7666
 Fax: +251 11 466 8244
Email: erca@ethionet.et

Environmental Protection, Land Administration and Use Authority,

Bahir Dar City
 Tel.: +251 582 182 164 /
 +251 582 202 275
 Rural Land Administration & Use Authority Process Owner: Mr. Sintayehu +251 918 012 824

Ethiopian Electric Power Corporation,

Addis Ababa
 Corporate Communication:
 Tel. +251 11 155 9567/
 +251 11 157 1860
Email: eepcocommunication@yahoo.com

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Ministry of Agriculture Agricultural Investment Support Directorate

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 P.O.Box 62347
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