

Mekelle Investment Profile

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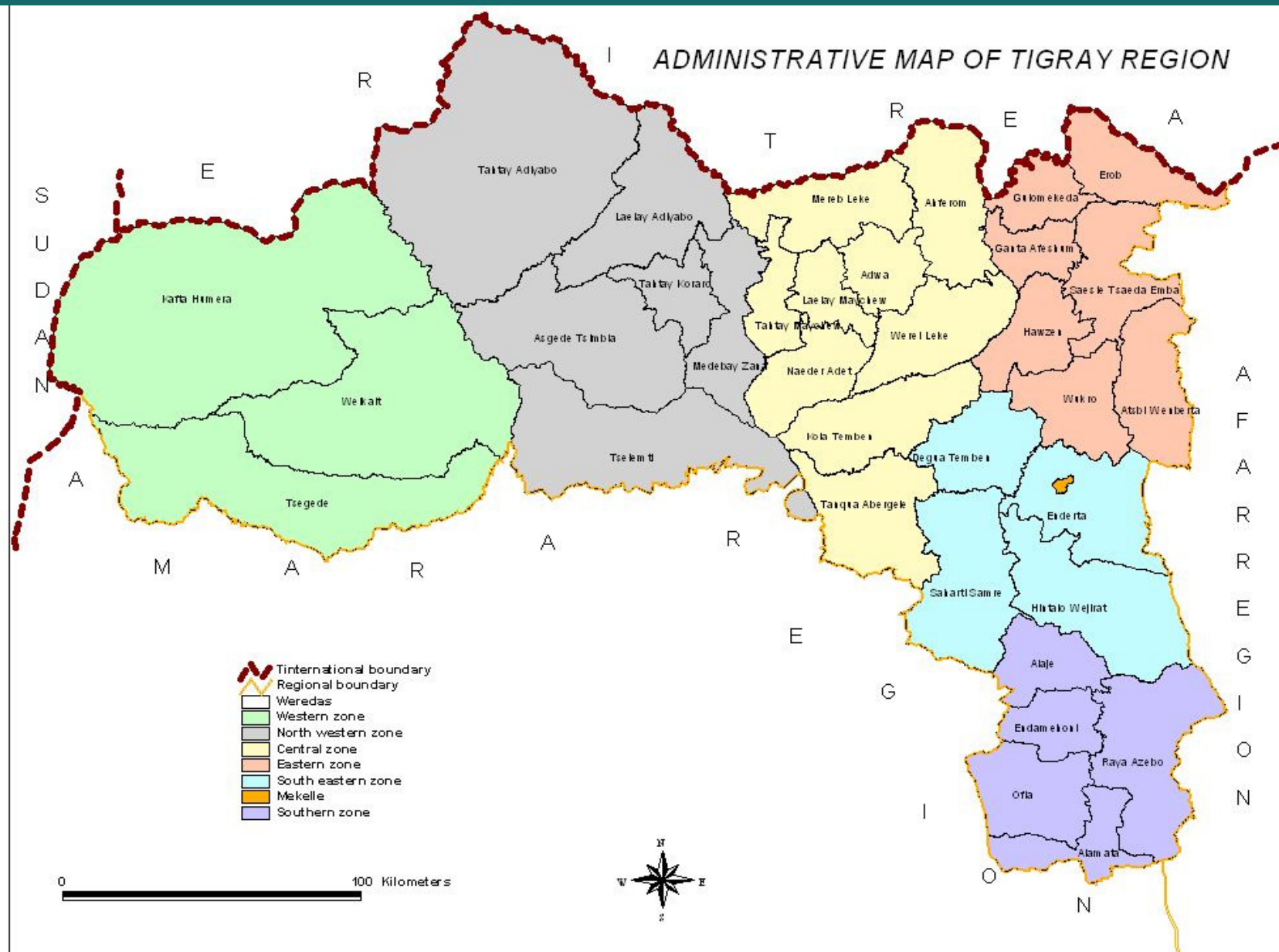


Part-I

TIGRAY AT GLANCE



Tigray at a glance



Tigray...

cont'd

- ◆ **Location:** Northern tip of Ethiopia between 12° - 15° north latitude and $36^{\circ}30'$ - $40^{\circ}30'$ east longitude
- ◆ **Area:** 53,638 km²
- ◆ **Population:** 4.45 millions as of census 2007
7 zones, 47 Woredas & 673 Kebeles
- ◆ **Altitude:** 500-3935 meters above sea level
- ◆ **Agro Ecology:**
 - ✓ 11.5% temperate (Dega)
 - ✓ 40.5% subtropical (Woinedega)
 - ✓ 48% Tropical (Kola)

- ◆ **Economy:** Predominantly Agriculture
 - ✓ The contribution of Agriculture, Industry and Service sector to the regional GDP is 46.75%, 18.89%, 34.36% respectively. (2006/7)
- ◆ **Rainfall:** the annual average rainfall is between 650-980 mm

Part-II

INVESTMENT PERFORMANCE

◆ SO FAR

□ 2869 existing projects

- 29% agriculture
- 20% construction
- 14% Hotel & tourism
- 30% industry
- 0.01 Real estate
- 0.07 social service

□ Job opportunity

Above 100,000 permanent and
>88,824 Temporary

□ Capital

32.3 billion birr

No of Projects



Part-III

Investment Potentials In Tigray

- Economy of the region is based on agriculture
- The region is suitable for crops such as sorghum, sesame, cotton, barley, wheat, teff, and the likes
 - ◆ **Agriculture**
 - ◆ About 20,000 and, 100,000 hectares of land is suitable for wild gum and incense

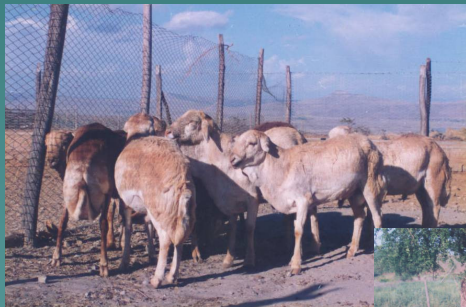


**The region has wide opportunities for
the livestock development.**



Cattle 3,040,760,

Sheep 935,349



Goats 1,465,741




Camel 13,661



and so on....

The Livestock resource in the region is base for investment opportunities such as;

- Dairy products
 - Fattening and meat processing
 - Leather and leather products
 - Animal feed processing
 - Bee keeping and honey processing
 - Poultry
 - Plantation of incense and resin
 - Rental of agricultural machineries and so on...
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- A stylized silhouette of a mountain range in shades of teal, located in the bottom right corner of the slide.

MINING

- ◆ Tigrai region endowed with various types of metallic, industrial and dimension stones.
- ◆ However the metallic mineral of the region has not yet been explored consequently the possibility of discovering economic deposit is definitely higher together with the current attractive price and conducive investment environment.

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- ◆ The region is potentially rich in metallic minerals
- ◆ gold
- ◆ platinum
- ◆ copper
- ◆ lead
- ◆ zinc etc

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- ◆ industrial minerals
- ◆ Gypsum
- ◆ limestone,
- ◆ kaolin
- ◆ silica sand- raw materials for cement, ceramic and glass industry


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- ◆ varieties of dimension stones
- ◆ granite
- ◆ marble
- ◆ limestone .

Exploration /Mining Status in the region

More than 15 foreign and domestic companies are conducting exploration for gold and base metals in the region.

Among them the Chinese companies like Shandong, Donia ,Makeda, Harvest are jointly working with domestic exploration companies in the region.

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More than 90 domestic investors are involved in small scale mining for crushed aggregates.

Local investors are involved in mining of industrial and dimension stone. In general

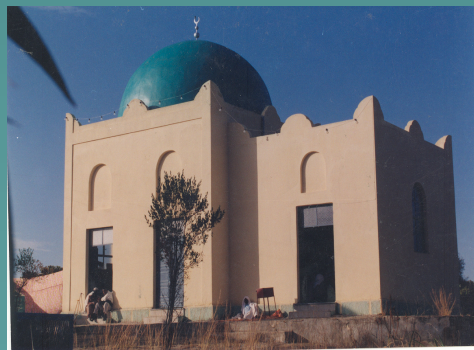
- ◆ More than 5 billion birr is invested in mining sector.

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- ◆ The regional government is committed to enhance and encourage investment in the sector.

TOURISM

- Tigray is the heart of historic sites
- It is one of the cradles of the country's ancient civilization.
- Aksumite civilization was one of the greatest and earliest civilizations in the world.
- Some of the most important remarkable architectural land marks and fabulous works of art represent the dazzling history are
- The obelisks at Aksum, the rock hewn churches and monasteries, murals, parchment paintings, unique alphabet, mosques (like Ahmed -Al- Negashi), religious rituals etc.





Part -IV

Investment Incentives

INCEINTIVES PERMITTED AT REGIONAL LEVEL AND COMPARATIVE ADVANTAGES

1. Land Availability for Manufacturing sectors

- ◆ Generally the region has 9 industrial zones that its minimal cost in some specific areas is almost approaches to zero as depicted below.

■ ■ ■ ■

City/ Town	Area of land (in hectare)		Type of Investment Project	Price/m ² /year in Birr
	Demarcated	Compensated		
Mekelle	281.6	221.5	Metallurgy & ICT	1.00
			Others	1.25
Humera	98	40	Agro processing	0.25
			Others	0.35
Shire	52	22	Agro processing	0.50
			Others	0.75
Axum	33	20.18	Textile & Garment	0.50
			Others	0.75
Adiwa	40	40	Textile &	0.50

■ ■ ■

City/ Town	Area of land (in hectare)		Type of Investment Project	Price/m ² /year in Birr
	Demarcated	Compensated		
Adigrat	42.5	18.4	Chemical industry	0.50
			Others	0.75
Wukiro	20	10	Metallurgy & ICT	0.50
			Others	0.75
Michew	50	15.2	Agro processing	0.40
			Others	0.75
Alamata	50	50	Agro processing	0.75
			Others	0.50

Land Utilization in industry Zone(in hactare)

Demarcated	utilized	unutilized
931.4	131.01	800.39

2. Proximity to Ports

The region is nearer to ports than most of the other regions in Ethiopia. To make it clear let us compare Addis Ababa & Mekelle cities from East African Ports



port	Distance (in Kilo meter)	
	Mekelle	Addis Ababa
Djibouti		
	837 via Mile, Chifra, Alewuha	910 via Gelafi
	708 via Semera, Yallo,Mekoni	
	680 via Serdo, Afdera, Shiket	
Sudan	1579 via Kesala,Gedarif, humera	1881 via Metema, Azezo, Anjibara
	1339 via Kasala, Humera, Shire	
Massawa	391 via Asmara, Adigrat	1163 via Mekelle



4. Favorable Agro-ecology

It is highly suitable for residence and for
◆ growing all types of fruits and vegetables

5. Availability of dry port service

6. Access of cold room and cargo service

7. Existence of higher education institutions/MU,ADU,AXU

Part -V


Why Invest In Tigray

- Strategic location with proximity to the markets of Middle East, Europe and Asia
- Political and Social stability
- Macro-economic stability
- Simple investment procedures
- Abundant, inexpensive & trainable labor force
 - ✓ daily laborer \$3/day
 - ✓ Salaries of fresh university graduates.... \$110/month - \$200/month
- Competitive investment incentives
- Zero tolerance for corruption

Part -VI

List of Industrial Projects


◆ A. Textile

1. Children Cloth
 2. Mosquito net, sports net and fishing net
 3. Gauze and Bandage
 4. Absorbent Cotton and Sanitary pad
 5. Canvas based product
 6. Sewing thread
 7. Carpet Production
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B. Leather


- 8. Acrylic yarn production
- 9. Lint cotton and edible oil production
- 10. Laminated leather belt
- 11. Leather goods
- 12. Leather jackets
- 13. Leather footwear

C. Food and Beverage

14. Canned fruit production
 15. Marmalade production from Cactus
 16. Dressed and packed chicken
 17. Carbonated beverage and lemonade
 18. Baby food production
 19. Composite flour
 20. Corn flakes
 21. Vinegar
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- A stylized silhouette of a mountain range in shades of teal, located in the bottom right corner of the slide.

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C. Food and Beverage

- 22. Beef in jelly
 - 23. Pasteurized milk, butter, and cheese
 - 24. Wine production
 - 25. Poultry feed
 - 26. Processed Honey
 - 27. Potato chips
 - 28. Mini Brewery production
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D. Chemical, Plastic & Rubber

- 29. Oral Rehydration salt (ORS)
- 30. Bees wax production
- 31. Fertilizer from bone, meal.....
- 32. Glue production
- 33. Glycerin, hair oil, shampoo and perfume

E. Non Metallic Mineral

- 34. Mosaic tiles
 - 35. Grinding wheel
 - 36. Lime production
 - 37. Calcinated gypsum
 - 38. Refractory bricks
 - 39. Sheet glass
 - 40. Glass bottles and tumblers
 - 41. Ceramic Sanitary wares
 - 42. Gemstones
 - 43. Ceramic table ware
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◆ THANK YOU