

Investment Opportunities in Ethiopia

DABA Debele Hunde
Ambassador of the Federal Democratic Republic of Ethiopia to Japan

Ethiopia is an African country located in the Eastern part of Africa with a population of more than 130 million. 70% of our population is below the age of 30. The geographical area of the country is 1,104,300 square kilometres which is almost three times the size of Japan or two times the size of the United Kingdom. Ethiopia is the 27th largest country in the world by land size.

Given its diverse topography and geographical location, Ethiopia is very suitable to produce some of the world's essential food crops such as, cereals, pulses, oilseeds, a wide range of fruits and vegetables, coffee, sugar cane, tea, spices and many others. Ethiopia also has the 6th largest cattle population in Africa. The country enjoys temperate weather condition throughout the year.

Ethiopia's economy is one of the fastest growing economies in the world. For the last 5 years its economy has registered an average annual growth rate of 7%. In 2024, the economy has registered 7.1 % annual growth. Its fastest economic growth and its stable macro-economic

environment have made the country one of the top five investment destinations in Africa and the leading FDI destination in Eastern Africa. In 2023 alone Ethiopia has attracted 3.3 billion USD foreign direct investment.

The government of Ethiopia encourages foreign direct investment in manufacturing including textile and garment, leather and leather products, agro-processing and pharmaceuticals. Foreign investors are also encouraged to invest in mining, ICT and tourism. We also encourage start-ups. The new reform government of Ethiopia has also made bold decisions to open up the telecom and the banking sectors for foreign investors previously reserved for Ethiopian citizens. Now foreign investors can engage in telecom and financial sectors.

Why Invest in Ethiopia?

1. Abundant Natural Resources

Ethiopia has untapped diverse and vast mineral resources that include tantalum, potash, gemstones, gold, iron ore

Ambassador DABA Debele Hunde has a distinguished career in diplomacy, government leadership, and public service across various roles in Ethiopia. He has been serving as the Ambassador of Ethiopia to Japan since 2023 and previously held the same position in Rwanda, where he strengthened bilateral relations, initiated the Green Legacy tree planting program, and coordinated Ethiopian cultural and business delegations. Prior to his ambassadorial roles, he led significant agricultural, educational, and regional development initiatives within the Oromia region. This includes serving as the Head of Oromia's Agriculture and Natural Resources Bureau, where he executed agricultural transformation projects, and as Vice President, where he coordinated regional development initiatives and re-engineered government processes.



His earlier work also involved educational reform, urban development, and public mobilization, including spearheading job creation and food security programs. Additionally, he served in various board positions across multiple organizations, including the Ethiopian Sugar Corporation, Oromia Construction Corporation, and several universities and hospitals. He has also represented Ethiopia in the House of Federation and Parliament, showcasing a broad influence across both governmental and civic sectors. His leadership experience reflects a deep commitment to Ethiopia's development in areas ranging from agriculture and education to urban planning and economic growth.

and various industrial, construction and energy minerals. The country also has huge potential for geothermal energy and the best weather condition for ammonia production. These mineral resources provide opportunities for exploration and development.

2. Development of World Class Eco-Friendly Industrial Parks

Ethiopia has developed 13 industrial parks and specialized economic zones equipped with the required infrastructure, such as dedicated power, waste treatment facilities, commercial buildings and housing facilities, health stations, fire brigade and security service. Within the industrial parks one stop services, such as issuance of investment and business licences, customs clearance and banking services, etc. are implemented.

3. Enabling Infrastructure

Ethiopia is now offering electricity at one of the lowest utility price rates in the world which is less than 0.05 USD/KWH. We offer clean renewable energy (hydro) for all industrial facilities. Currently we are building the biggest hydro-electric dam in Africa, and the 10th largest in the world, Ethiopian Renaissance Dam will be commissioned in few months. Now, 98% of the construction of the Dam is completed. The completion of Ethiopian Renaissance Dam will double the total energy supply of the country. Upon completion the dam will generate up to 6000 MW of electricity annually.

Ethiopian Airlines, our flag carrier connects Ethiopia to the main regional and global markets. Ethiopian Airlines is the largest airline in Africa and the world's 4th largest in terms of nations served. Ethiopian Airlines currently serves 127 international passenger destinations.

4. Young and Trainable Competitive Labour Force

Ethiopia has the second largest labour force in Africa with more than 70 million active workers. Ethiopia's work force is young, fast learning and productive becoming an engine of the fast growing economy. Relatively low wage rates and a large industrial work force offer significant labour cost advantages for investors.

5. Regional Hub with Access to Wide Market

With a large population and growing middle class, Ethiopia is the second largest consumer market in Africa.

Ethiopia has also strategic location to serve the African continent with proximity to Middle East, Europe, USA and Asian markets. The capital city Addis Ababa is the third diplomatic hub in the world next to New York and Geneva and is the seat of AU, UNECA and many other regional and international organizations.

6. Attractive Investment Incentives

Foreign Investors can get the following incentives:

- Income tax holiday for enterprises setting up their production inside industrial parks
- Exemptions from duties and other taxes on imports of machinery, equipment, construction materials, spare parts, raw materials and vehicles
- The provision to carry loss forward
- Duty-free privileges for exporters
- Customs facilitation through bonded-export factory and similar schemes
- Guarantee against expropriation
- Guarantee for repatriation of funds
- Relaxed industrial parks land regime of 60-80 years for IP developers

Ethiopia offers a lot of opportunities for foreign investors. I am happy to mention that, in addition to the legendary Japanese companies like Sumitomo Corporation and Japan Tobacco, recently two Japanese companies, Toppan Holdings and Toyo Solar started investment in Ethiopia. Toppan Holdings in joint venture with the Ethiopian Investment Holdings invested in digital printings. Toyo Solar also started its operation before two months in the production of solar panels. Both companies established their businesses within the industrial parks in Ethiopia. I invite other Japanese companies to follow the footsteps of Toppan Holdings and Toyo Solar. The Embassy of Ethiopia in Tokyo will provide all the required facilitations for Japanese companies that have interest for pre-investment visits in Ethiopia.



お問い合わせ

エチオピア連邦民主共和国大使館

E-mail: tokyo.embassy@mfa.gov.et

E-mail: assefa.mamecha@mfa.gov.et

JOI事業企画部

E-mail : bd@joi.or.jp