# Ethiopia's Industrial Parks: A Data Pack on recent performance

### Sector Research Ethiopia

We review the status and performance of Ethiopia's industrial parks and compile a data pack—based on EIC statistics—showing latest figures on the number of active firms, invested capital, employment, and exports.

- Macro context: Ethiopia's industrial parks form the center-piece of the governent's efforts to establish the country as a large-scale manufacturing hub within Africa. The industrial parks also offer the most promising prosect of raising Ethiopia's low manufacturing share in GDP (5.5% of GDP in 2017-18 vs a Sub Saharan Africa average of 10% of GDP) and low export share in GDP (3.4% of GDP in 2017-18 vs a Sub Saharan average of 24% of GDP). Their recent performance and likely trajectory is thus of great interest to assess progress on these two metrics, and to also judge the country's prospects of reaching lower middle-income status by 2025.
- Numbers to date: Ethiopia's first large-scale private industrial park (Eastern Industrial Zone in Dukem) is now nine years old while the first public industrial park (Bole Lemi) is five years old. Following these two pioneer cases, there are now a total of 22 industrial parks under various phases of establishment: nine are operational (five government and 4 private); two have been recently inaugurated and set to start operations (Jimma and Debre Birhan); five are likely to be opened over the coming year; and six are at early stages of planning (Table 1).
- Manufactured products: Textile and garments are the top products currently manufactured at Ethiopia's industrial parks, with 81 out of the 141 active firms (57% as of June 2018) focused on this product line. About 9 percent of tentants are involved in the production of metal & non metallic products (12) while 6 percent are producers of leather products (mostly shoes, bags, gloves). Some parks/firms are highly specialized in certain product lines—producing just shoes and linens, for example.
- Export performance: Exports from industrial parks reached \$72mn last year (FY 2017-18) but total exports this year should surpass \$130mn based on nine-month data. Industrial parks will



July 1, 2019

research@cepheuscapital.com



thus make up around 5 percent of this year's total projected exports, but a much more larger share (~48 percent) of total manufactured goods exports. Recent growth trends show a very positive trajectory, with exports in the latest quarter (Q1 2019) up 69 percent from the same period last year. If this growth pace is sustained, there are strong prospects of crossing half a billion dollars in exports in just two years time (by June 2021).

- Top performing parks: For 2017-18, Bole Lemi showed the highest export figures \$32mn (or 44% of total), followed by Hawassa (\$20mn), and Eastern Industrial Zone (\$14mn). However, with most of the Hawassa Industrial Park tenants now wellestablished and securing large export orders, the first nine months of this fiscal year shows that Hawassa Industrial Park as the leading exporter (\$37mn over nine months, or 36% of total), followed by Bole Lemi (\$29mn; 29%) and Eastern Industrial Zone (\$22mn; 22%).
- Employment levels and turnover: As of March 2019, industrial parks created a total of 70,000 jobs, up by 42% from the previous year, and with 80 percent comprised of women employees. Hawassa has created the largest number of jobs (24,000), followed by Bole Lemi (16,000), and Eastern Industrial Park (13,000) (Table 7). Assuming current industrial parks are operating at roughly 50 percent of capacity, and extrapolating to the planned 22 industrial parks, a total of 170k new job creations are possible in the next few years.
- Invested capital: The total capital invested [of the 141 industrial park tenants currently operational] was around Birr 15bn as of June 2018 (Table 10). Given this cumulative sum was invested over three years, the implied average annual inflows were Birr 5bn (\$ 180mn) per year, equivalent to five percent of annual FDI inflows in recent years.



Name of Industrial zone	Location	Main Industry	Owner	Area(Ha)	Progress
1 Eastern Industry Zone	Oromia, Dukem	Mixed Sectors	Private	400	
2 Bole Lemi Industrial Park I	Addis Ababa	Textile and Leather	Government	187	Operational
3 Hawassa Industrial Park	SNNPR	Textile and Garment	Government	300	Operational
4 Mekelle Industrial Park	Tigray	Garment	Government	1,000	Operational
5 Kombolcha Industrial Park	Amhara	Garment	Government	800	Operational
6 Adama Industrial Park	Oromia	Textile & Garment, Machinery & Equip	Government	2,000	Operational
7 Huajian Industrial Park	Lebu, Addis Ababa	Shoes	Private	138	Operational
8 Mojo George Shoe Industrial Zone	Oromia, Mojo	Leather	Private	86	Operational
9 Velocity/ Vogue	Mekelle	Textile and Garment	Private	177	Operational
0 Jimma Industrial Park	Oromia	Garment	Government	150	Inagurated
1 Debre Birhan Industrial Park	Amhara	Textile and Agro-processing	Government	1,000	Inagurated
2 Bole Lemi Industrial Park II	Addis Ababa	Garment	Government	47	Under construction/finaliza
3 Kilinto Industrial Park	Akaki, Addis Ababa	Pharmaceuticals, medical equipments	Government	279	Under construction/finaliza
4 Dire Dawa Industrial Park	Dire Dawa	Assembling, Garment, Foods	Government	4,068	Under construction/finaliza
5 Bahir Dar Industrial Park	Amhara	Garment	Government	1,000	Under construction/finaliza
6 Arerti Industrial Park	Amhara	Construction products, home appliance	Private	100	Under construction/finaliza
7 Airlines and Logistic Park	Addis Ababa	Transportation	Government	200	Planning stage
8 Kingdom Linen Industry Zone	Dire Dawa	Linen	Private	1,000	Planning stage
9 Bure Integrated Agro-Industrial Park	Amhara	Agri-products processing	Government	155	Planning stage
O Bulbula Integrated Agro-Industrial Park	Oromia	Agri-products processing	Government	263	Planning stage
1 Yirgalem Integrated Agro-Industrial Park	SNNPR	Agri-products processing	Government	109	Planning stage
22 Baeker Integrated Agro-Industrial Park	Tigray	Agri-products processing	Government	151	Planning stage



### Table 2: Tenants at Ethiopia's Operational Industrial Parks

### 1. Eastern IP

- 1 Aisai Resycled Plastic Manufacturing Plc
- 2 Aisai Shicun Steel Pipe
- 3 Araek Industrial Plc
- 4 Aroya Plastics Plc
- 5 Ashe Textile Plc
- 6 Aster Tesfave
- 7 Baisheng Fiber Manufacturing Plc
- 8 Beconnected Labling Plc
- 9 Beconnected Printing Plc
- 10 Chang Jiang Chemicals Soap
- 11 Cheer Chemical Fiber Plc
- 12 Colorful Textile Plc
- 13 Di Yuan Ceramics
- 14 Dong Fang Spinning Printing And Dying Plc
- 15 Dong Fang Xiong Di Textile Manufacturing Plc
- 16 Dongxu Textile Plc
- 17 E Truck Motor Manufacturing Plc
- 18 East Motorcycle Manufacturing Plc
- 19 East Steel Plc
- 20 Eastern Industry Zone Plc
- 21 Ejia Metal Products Manufacturing Plc
- 22 Esteem Food Products Plc
- 23 Eternal Textile Plc
- 24 Ethio India Packing Plc
- 25 Feng He
- 26 Fh Shoe Plc
- 27 Gong Qinghai Plc
- 28 Greatwall Packing Material Plc
- 29 Guanyan He
- 30 Guli Foods Plc
- 31 Hai Bo Manufacturing Plc

- 32 Hanbon Construction Material Plc
- 33 Hansom Kinfengda Manufacturing Plc
- 34 Hc&Hg Furniture Manufacturing Plc
- 35 Hongchang Textile Printing And Dying Plc
- 36 Honghua Li Plc
- 37 Hq And Za Manufacturing Plc
- 38 Hua Xin Metal Metal Plc
- 39 Huajia Aluminium Industry Plc
- 40 Huajian International
- 41 Hui Huang Industrial Plc
- 42 Jili Electronic Plc
- 43 Jili Plastics Plc
- 44 Jore Textile S Manufacturing Plc
- 45 Kaipu Manufacturing Plc
- 46 Kepa Textile Plc
- 47 Kok Milk Manufacturing Plc
- 48 L And H Building Materials Plc
- 49 Lainhe Food Manufacturing Plc
- 50 Lianhe Metal
- 51 Lida Textile Plc
- 52 Linde Garment (Ethiopia) Plc
- 53 Lonto Garment Plc
- 54 Michot Diaper Manufacturing
- 55 Mingsheng Shan
- 56 New Brilliant Manufacturing Plc
- 57 Nexgn (Ethiopia) Manufacturing Plc

1 Arvind Lifestyle Apparel Mfg. PLC

2 Ashton Apparel Manufacturing PLC

58 Orient Junyo Textile

3 C & H Garment PLC

4 Evertop Sportswear

5 George Shoe Ethiopia PLC

6 Jay Jay Mills Garment PLC

7 Kei Engineering Constancy

8 LYU Shoutao Factory PLC

- 59 Oriental Steel Manufacturing Plc
- 60 Purewood Pulp Paper And Packaging Plc
- 61 Qun Zhan Home Textiles Plc

- 62 Rainbow Garment Plc
- 63 Richy Food Processing Manufacturing Plc
- 64 Right Point Electrode Manufacturing Plc
- 65 Sail Textiles Plc
- 66 Sansheng New-Type Building Materials Plc
- 67 Sansheng(Ethio) Pharmaceuticals Plc
- 68 Shadeka Sperparts Manufacturing Plc
- 69 Shuaijie Textile
- 70 Shunfa Textile Manufacturing Plc
- 71 Sino Weaving Technology Plc
- 72 Sls Textile Manufacturing Pls
- 73 Smart Shirts Manufacturing Plc
- 74 Start Shoe And Sliper Manufacturing Plc
- 75 Ty Wood Manufacturing Plc
- 76 Unilever Manufacturing Plc
- 77 Vectory
- 78 Viva Garment
- 79 Weigin Zhou
- 80 Wild Horse Automotive Manufacturing Plc
- 81 Wu Zhen Miao Plc
- 82 Xinmaotai Fashion Home
- 83 Xuwu Textile Manufacturing Plc
- 84 Yafi Juice Manufacturing Plc
- 85 Yang Fan Motors (Lifan Motors Plc.
- 86 Yililai Garment Plc
- 87 Yuechen Industry Plc
- 88 Zehao Textile Plc
- 89 Zhao Xin Wang Plc
- 90 Zhen Zhen Iron And Steel Manu
- 91 Zhongshun Cement Manufacturing Plc

### 2. Hawassa IP

- Arvind Lifestyle Apparel Manufacturing PLC
- 2 Best International Garments PLC
- 3 Beza Construction
- 4 Chargeurs Fashion Technologies PLC
- 5 EPIC Apparel PLC
- 6 Everest Apparel Ethiopia Share Company
- 7 Hela Indochine Apparel PLC
- 8 Hirdaramani Garment PLC
- 9 Indochine Apparel PLC
- 10 Isabella Socks Manufacturing PLC
- 11 ITL Apparel
- 12 JAS
- 13 JP Textile Ethiopia PLC (WUXI)
- 14 KGG Garment
- 15 Ontex Hygienic Disposables PLC
- 16 PTU/ Century Garment
- 17 PVH Arvind Manufacturing PLC
- 18 Quadrant
- 19 Silver Spark Apparel Ethiopia PLC (Raymond)
- 20 Sumbiri Intimate Apparel
- 21 TAL Garments Manufacturing PLC

## 9 New wide Garment Ethiopia Branch Company 10 Shin TS ETP Garment PLC 11 Vestis Garment production PLC

3. Bole Lemi IP

- Carvico Ethiopia PLC
- 2 Pungkook Ethiopia Bag Manufacturing PLC
- 3 Saytex Spinning PLC
- 4 Trybus Bbridgetex Ethiopia PLC

- 4. Huajian IP
- 1 Amazz
- 3 Chan Hange
- 3 Chan Hange4 Huajian International
- 5 Youbang

#### 5. Mekelle IP

- 1 DBL Group
- 2 KPR Exports PLC
- 3 SCM Garment Knit Tex PLC
- 4 Strathmore Apparel manufacturing PLC,

### 7. Adama IP

- 1 Antex Textile PLC
- 2 Kingdom Linen Ethiopia PLC
- 3 Sunshine Ethiopia Wool Textile PLC

### 8. George Shoes IP

1 George Shoes Tannery

### 9. Velocity IP

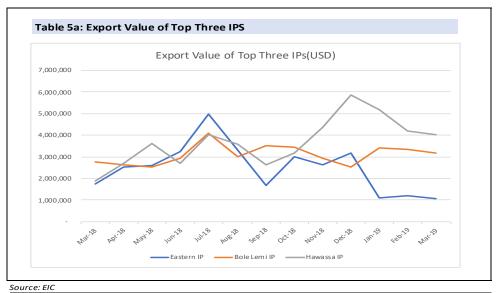
1 Velocity Garment



Table 3: Export val	ue for FY 2017/18	
	Export (USD)	% Share
Bole Lemi	32,000,402	44%
Hawassa	20,216,170	28%
Eastern	14,807,387	20%
George Shore	5,260,550	7%
Huajian	128,610	0%
Kombolcha	33,000	0%
Mekelle	13,780	0%
Adama	-	0%
Velocity	-	0%
Total	72,459,899	100%

Table 4: Nine Month	nth Industrial Parks Export Value (USD)		
_	2017/18	2018/19	% Total
Hawassa IP	11,187,199	37,144,451	36%
Bole Lemi IP	23,889,943	29,402,692	29%
Eastern IP	6,433,695	22,195,422	22%
George shoes IP	3,260,706	4,999,413	5%
Kombolcha IP	33,000	3,244,320	3%
Mekelle IP	13,780	3,398,010	3%
Huajian Shoes City IP	-	1,423,028	1%
Adama IP	-	295,665	0%
Velocity IP	-	557,739	1%
Total	44,818,323	102,660,738	100%

Source: EIC Source: EIC



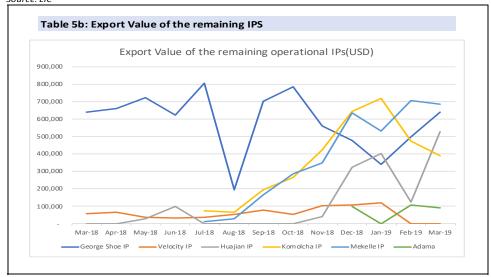
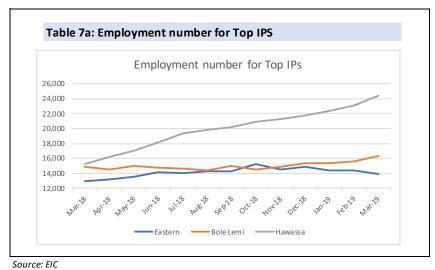
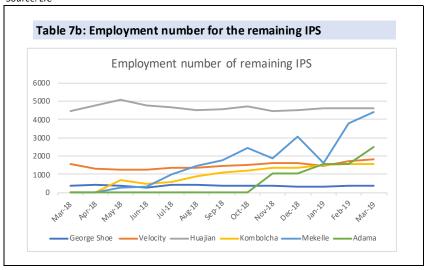




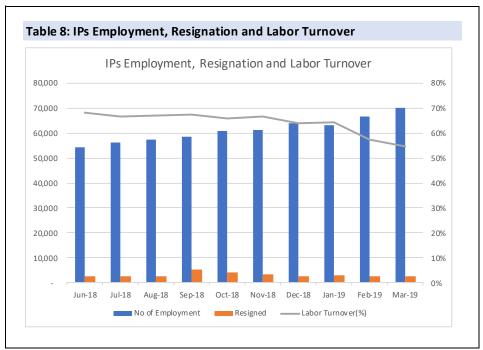
Table 6: Employment for FY 2017/18 **Employment** % Share Hawassa 21,733 34% Bole Lemi 15,383 24% 14,906 23% Eastern Huajian 4,489 7% Mekelle 3,038 5% Velocity 1,635 3% Kombolcha 1,366 2% Adama 1,065 2% George Shoe 353 1% Total 63,968 100%

Source: EIC









Source: EIC

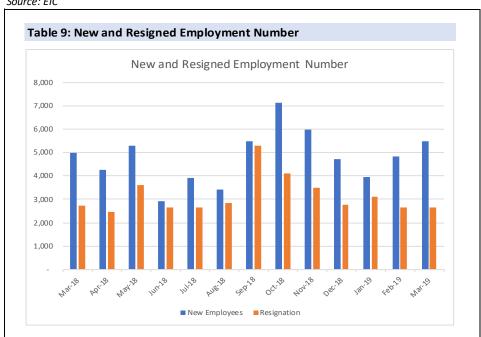




Table 10: Capital (Birr mns) for FY 2017/18 Industrial Parks Capital(mn Birr) No of tenants Eastern 5,591 Mekelle 3,100 4 2,600 3 Adama 21 Hawassa 2,260 Kombolcha 1,519 4 Bole Lemi 384 11 20 5 Huajian 0.9 1 George Velocity 1 .... Total 15,474 141

Source: EIC

Country	No. of Operational IP
Vietnam	326
China	169
Bangladesh	88
India	42
Nigeria	36
Egypt	27
Indonesia	16
Tanzania	8
Kenya	3

Source: Government and news websites (Bangladesh Economic Zone Authority, Ministry of Investment and International Corporation of Egypt



