INVEST IN ETHIOPIA
PHARMACEUTICAL MANUFACTURING
Overall Advantages of Investing in Ethiopia

- Fastest growing economy:
  • Average annual GDP growth rate of 11% for the last 14 years

- Africa’s 2nd most populous country:
  • Over 920 million & growing at 2.6 million annually
  • Active and translatable labor force of 65 million

Top destinations for foreign direct investment (FDI):
- One of the largest recipients of FDI in Africa: 3.0 billion in 2017
- Ethiopia accounts for 10.5% of all FDI created through FDI in Africa

Stable political environment

Geographic & market access advantages:
- Proximity to EU, USA, Middle East & India
- Excellent highway access to EAPWA (EU) through AGWA (EFTA)
- Preferential duty treatment to markets such as China, India, Japan, Canada & Australia
- Preferential trade agreement through the Common Market for Eastern and Southern Africa (COMESA) with a market area of 526 million

Competitive infrastructure
- Ethiopia’s aviation hub: Ethiopian Airlines with almost 80 cargo destinations and a dedicated cold chain transport
- 93% of the population has access to electricity
- New electrified railway from Addis Ababa to Djibouti

Favorable Conditions for Pharmaceutical Manufacturing in Ethiopia

- One of the first countries in Africa to establish a national strategy for pharmaceutical sector development
  • Pharmaceutical manufacturing is a priority sector for government
  • Pharmaceutical industry development: Focus on market support and skills development
    • A 10-year plan dedicated to the pharmaceutical sector

Growing local market
- Ethiopian pharmaceutical market is currently about $5 billion

Accessible local & regional market
- Ethiopia has potential to serve as export hub for the $80 billion pharmaceutical market in Africa

Leading foreign manufacturers already established in Ethiopia
- Cadila Pharmaceuticals
- Lupin
- Cipla
- Himalaya
- Meizhi
- Watson Pharma

Incentives Available in Industrial Parks

- Corporate income tax exemptions (partially contingent on export performance):
  • 40% for the first 5 years, 20% for the next 2 years
  • 100% for the next 5 years
  • Pharmaceutical packaging: up to 10 years

- Customs duties & other tax exemptions on inputs
- Personal income tax exemption: 5-10 years for expatriate employees (and long-term visas)

Joint warehousing, calibration, and testing services

25% price preference and 30% prepayment for Pharmaceuticals Fund and Supply Agency (PFSA) contracts

Potential for long-term procurement guarantee through PFSA

Trainable workforce with competitive wages
- Programs are being expanded to include additional areas of specialization

Quick Facts of Kilinto Industrial Park

Location
- 23.8 km from Addis Ababa, 860 km from Djibouti

Population and Employment
- 4 million people live within 5 km
  • Accessible to skilled labor pool

Industrial Park Area
- Land area of 5.76 million m²
- Factory shed build-up area of 1.66 million m²

Industrial Park Facilities
- Health Center
- Police Station
- One-Stop Shop Services
- Commercial Building
- Fire Brigade & 24/7 Security Services
- Waste Treatment Facilities

Park Specialization
- Designed to host investors in the pharmaceutical sector

Key Principles of the Park
- Specialized park
- Sustainability (environmental and social)
- Vertical integration
- Export oriented
- Skills development and competitiveness

Other Support Measures Outside the Parks
- Training of local investors in the pharmaceutical sector

投资埃塞俄比亚
非洲一个新兴的医药生产中心
为什么投资埃塞俄比亚？
2023愿景：让埃塞俄比亚成为非洲领先的制造业中心

投资埃塞俄比亚的主要优势

增长强劲的经济体
- 创造就业机会
- 农业生产增长
- 市场潜力巨大

地理位置
- 位于非洲之角
- 连接亚洲和非洲

人口和就业
- 激增的人口
- 劳动力资源丰富

工业园区
- 现代设施
- 低成本
- 政府支持

项目
- 汽车制造
- 矿产资源开
- 石油和天然气

为什么选择埃塞俄比亚的有利条件

埃塞俄比亚是非洲大陆的投资中心
- 政策支持
- 税收优惠
- 人力资源丰富

基础设施
- 交通便利
- 电力供应
- 通讯网络

稳定的政策环境
- 政府稳定
- 法律健全
- 风险低

成本
- 低廉的成本
- 廉价劳动力
- 税收优惠

稳定的政治环境
- 政府稳定
- 法律健全
- 风险低

工业园区激励措施

企业税收减免（部分取决于出口金额）
- 五年内免税收
- 五年内免增值税

园区优惠政策
- 电力支持
- 水资源支持

周边服务
- 生活便利
- 教育医疗

工业园区外其他支持措施

25%的资本和人员支持
- 培训
- 技术支持

通过出口和进口补贴
- 提高竞争力