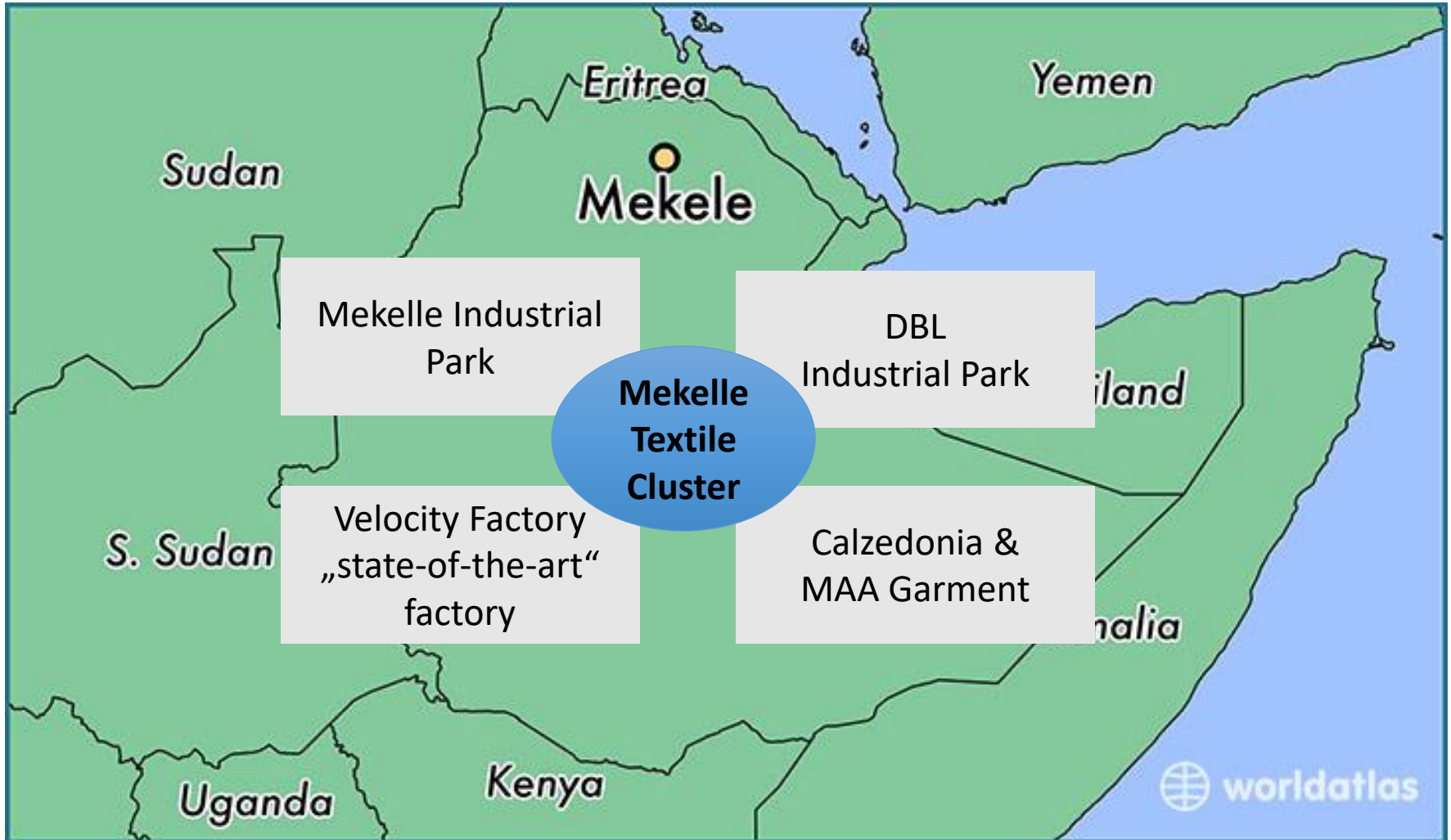


Investment in Human Capacity Development in Mekelle, Ethiopia

Cairo, Egypt

Contents

- Mekelle Industrial Cluster – Textile and Garments
- Mekelle Industrial Park
- Marketing and Sustainability of Ethiopian IPs
- Strategic Alliance Project Concept of GIZ





MEKELLE INDUSTRIAL PARK

Quick Facts

Investors renting in the Mekelle IP:

- Ananta Bangladesh
- Puja Textiles
- Pretty Group Bangaldesh
- One line of production has already started!

- Location**
 - Northern Tigray Region. Located in the regional capital city Mekelle.
- Population and Employment**
 - 486 thousand people live in the city
 - In two shifts, it can create employment for up to 20,000 employees
- Industrial Park Area**
 - Land area of 750,000 m²
 - Factory shed build up area of 100,000 m²
- Industrial Park Facilities**
 - Health Center
 - Police Station
 - One Stop Service
 - Commercial Building
 - Fire Brigade & 24x7 Security Services
 - Waste Treatment Facilities
- Park Specialization**
 - Designed to host investors in the textile and apparel sector
- Key Principles of the Park**
 - Specialized park
 - Sustainability (environmental and social)
 - Vertical integration
 - Export-oriented
 - Skills development and competitiveness

General Advantages of IPs in Ethiopia:

- Eco-parks ready for „plug & play“
- Sector specific – textile industry cluster
- Located along key economic corridors & connected to ports
- Surrounded by relevant infrastructure such as airport, railway lines, educational institutions
- Rent USD 2 per m²

Marketing of IPs

Incentives for Manufacturers:

- Exempted from income tax **8 - 10 years**
- Exempted from duty & other taxes on imports of capital goods, construction materials, spare parts with a value of 15% of capital goods after business license, raw materials for the production of export commodities & vehicles
- **One-stop** government services within the parks premises
- **Land lease term: 60-80 years at nominal rate** for factories & residential quarters
- Expedited procedure of securing entry, work permit and certificate of residency for expatriate personnel working in industrial parks and their dependents
- Customs facilitation on imports
- Investors also benefit from no taxes on exports

Sustainability

Electric Railway to Djibouti

Renewable energy (99% hydropower) for low price
USD \$0.04/kWh compared to Germany USD \$0.26

Sustainability

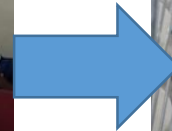


Waste Management -
Zero Liquid Discharge
Hawassa Industrial Park

Strategic Alliance Concept



Lack of skilled textile professionals



Center of Excellence
Strategic Alliance between H&M+DBL+GIZ

Strategic Alliance Concept

- EUR 2m project – 50/50 contribution between public and private sector
 - Project objective - **Building up national talent for the sustainable growth of the Ethiopian textile sector.**
1. Project component 1 - Establishment of the Textile Center of Excellence (TCoE) in Mekelle
 2. Project component 2 - Training of different profiles for the textile sector
 3. Project component 3 - Integration of practical textile industry-based curriculum into the Ethiopian education system

Thank You for the Attention!

Elisaveta Kostova

Sustainable Textile Advisor (GIZ)

Email: elisaveta.kostova@giz.de

Tel: +251/94 665 46 08