Floriculture Industry in Ethiopia: Trends, Prospects and Challenges

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General Country Information

- Area: 1.2 million km²
- Arable land: 65% with only 15% presently cultivated
- Irrigable land: 3.7 million ha. (only 3% currently used)
- Water resource: 14 major rivers and 11 major lakes
- Climate: Two seasons (dry & wet)
  - Max. A.A. temp. 20ºc - 25ºc
  - T.A. rainfall 100 - 2200 mm
- Topography: From 110m.(b.s.l)- 4600m.(a.s.l)
- Population size: 70+ million
- Language: 83 with 200 dialects (main 3)
- Economy: Agriculture
- Major cites: A.A, Bahirdar, Dire Dawa, Awassa, Nazirett, Jimma
- Currency: birr (1 USD = ±8.7birr)
Overview of the Floriculture Industry Worldwide

• Floriculture Industry?

• Traditional centers of production
  - Western Europe (The Netherlands &)
  - North & South America (U.S.A. &)
  - Japan

• New production centers
  - Asia…(India, China, Vietnam…)
  - Middle East….. (Israel)
  - Africa…(Kenya, Zimbabwe, S.A., Ethiopia, Uganda,…)

• Global consumption and market trend

  • Consumption (€)
    - Cut flowers………….. 30 billion
    - Potted plants & bedding plants…… 19 billion

  *ISHS (2001)*
Source: BBH2001
General Aspects

- Young Industry
  - The first private companies (started 1992)
    - Meskel flower
    - Ethio - flora

Recent development
- Golden Rose
- Ethio-Dream
- Red-fox Ethiopia
- Eney Ethio-rose
• Dugda Floriculture
• Joy Tech flower
• Share Ethiopia
• Marnque flower farm
• Rose Ethiopia
• ET Highland Flora
• DYR Business Group
• Spirit Flower Limited
• Abyssinia Flora
• Menagesha Flower
• Jobira Ethio-flower
<table>
<thead>
<tr>
<th>Farm Name</th>
<th>Location</th>
<th>Area under Prod./ha</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethio-Dream</td>
<td>Holeta</td>
<td>14</td>
<td>Est. 2002, 500 employ., Eth-Italy</td>
</tr>
<tr>
<td>Golden Rose</td>
<td>Tefki</td>
<td>25 + 150</td>
<td>Est. 1999, 1000 employ, Eng-based</td>
</tr>
<tr>
<td>Eney Ethio-rose</td>
<td>Karakore</td>
<td>20 + 30</td>
<td>Est. 2002, 880 employ., Eth. owned</td>
</tr>
<tr>
<td>Dugda Floriculture</td>
<td>Debreziet</td>
<td>5.5 + 8.5</td>
<td>Est. 2005, 450 employ., Eth. owned</td>
</tr>
<tr>
<td>Joy Tech flower</td>
<td>Debreziet</td>
<td>10</td>
<td>Est. 2004, 400 employ., Eth-Israeli</td>
</tr>
<tr>
<td>Share Ethiopia *</td>
<td>Zeway</td>
<td>45 + 255</td>
<td>Est. 2006, 3400 employ., Dutch co.</td>
</tr>
<tr>
<td>Marnque flower</td>
<td>Mertijeju</td>
<td>5 + 25</td>
<td>Est. 2006, 300 employ., Dutch co.</td>
</tr>
<tr>
<td>Rose Ethiopia</td>
<td>Holeta</td>
<td>5 + 23</td>
<td>Est. 2006, 400 employ., Eth. owned</td>
</tr>
<tr>
<td>DYR Business Group</td>
<td>Tefki</td>
<td>13</td>
<td>Est. 2006, 600 employ., Eth. owned</td>
</tr>
<tr>
<td>Spirit Flower Limited</td>
<td>Dukem</td>
<td>12</td>
<td>Est. 2006, 200 employ., Israeli-based</td>
</tr>
<tr>
<td>Red-fox Ethiopia *</td>
<td>Koka</td>
<td>25</td>
<td>Est. 2004, 1000 employ, German Int</td>
</tr>
<tr>
<td>Abyssinia Flora</td>
<td>Legedadi</td>
<td>14 + 14</td>
<td>Est. 2005, 600 employ., Dutch co.</td>
</tr>
<tr>
<td>Menagesh flower</td>
<td>Menagesha</td>
<td>14 + 11</td>
<td>Est. 2003, 600 employ., Eth. owned</td>
</tr>
<tr>
<td>Others</td>
<td>+ 22 Comp.</td>
<td>123</td>
<td>Job opportunities for 10000 people</td>
</tr>
</tbody>
</table>
Major plant types
Hypericum
Importance

• Foreign currency
• Diversification
• Employment *
• Supportive Industries

Opportunities and Prospects

• Climate
• Resource availability
  - Labor (easily trainable and fast learner)
  - Land
  - Water
• Proximity
• Domestic Market
• Policy & Investment Incentives
Major Investment Incentives

- Duty free importation of capital goods and spare parts
- Duty free importation of raw materials (for production destined for export)
- Exemptions from payment of export customs duties has granted
- No price control on export items
- Tax holiday – to five years
- Loss carry forward for enterprises that suffer losses during tax holiday
- Access to Finance (local bank financing is available for up to 70% of invst.)
- Land reserve in the highland area
- Externalization of funds
- Investment protection (MIGA)
- Export promotion service & EHPEA
Challenges

- Limited capital & inadequate Banking Service
- Inadequate trained human Resource
- Lack of Research in terms of variety selection
- Absence of adequate technical support
- Insufficient infrastructure
- Poor market knowledge
- Lack of appropriate linkage
- High cost of transport and cargo bottleneck
- Insufficiency of payments and absence of safety measures
- Inability to satisfy foreign market demands
Thank you