

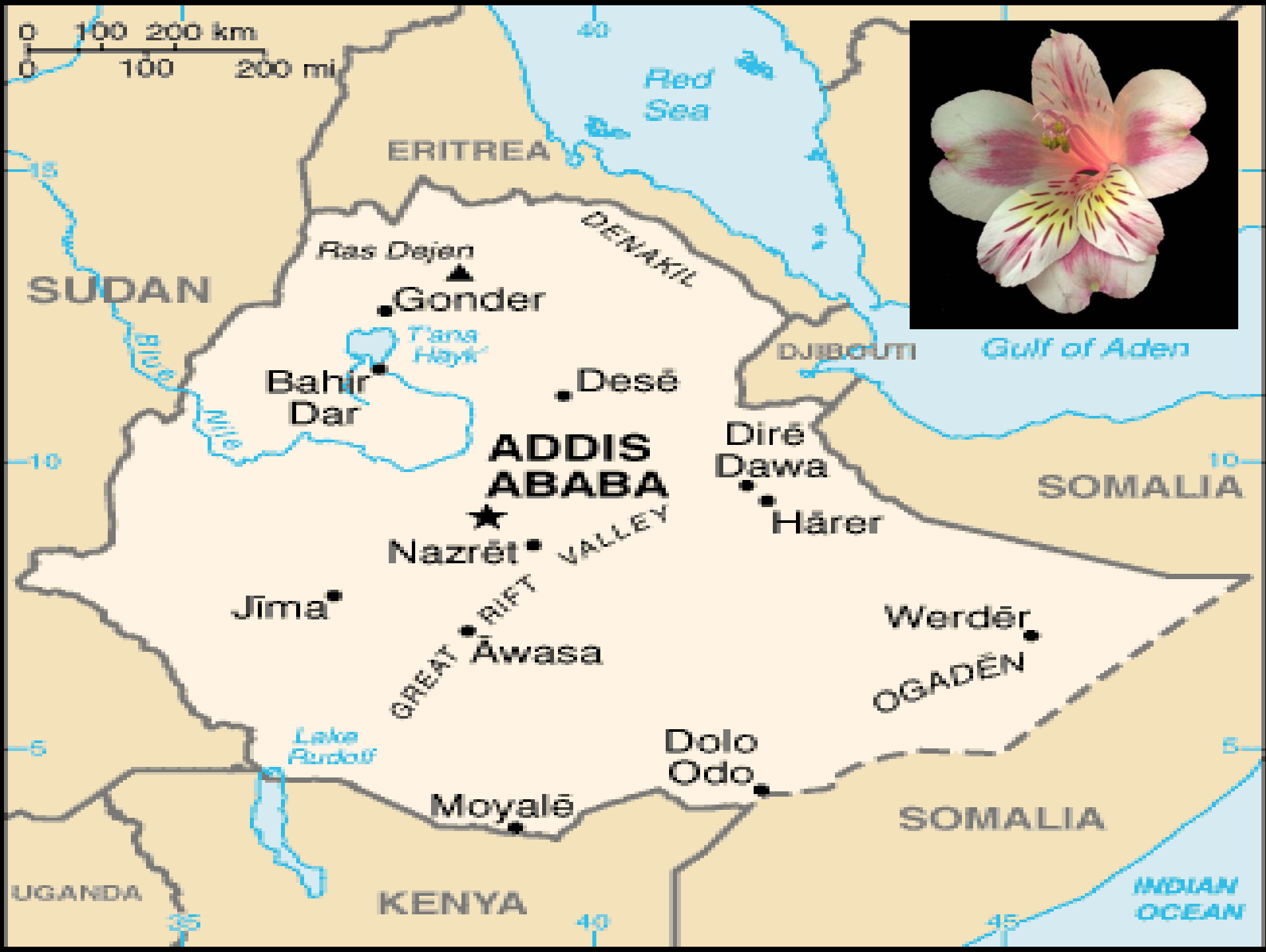


Floriculture Industry in Ethiopia: Trends, Prospects and Challenges

Nigussie Kassa

**Jimma University
College of Agriculture and Veterinary Medicine**

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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. 20°C - 25°C
 - 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 cities ... 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 & Belgium)
- North & South America (U.S.A. & Mexico)
- Japan

• New production centers

- Asia...(India, China, Vietnam...)
- Middle East..... (Israel)
- Africa...(Kenya, Zimbabwe, S.A., Ethiopia, Uganda,...)

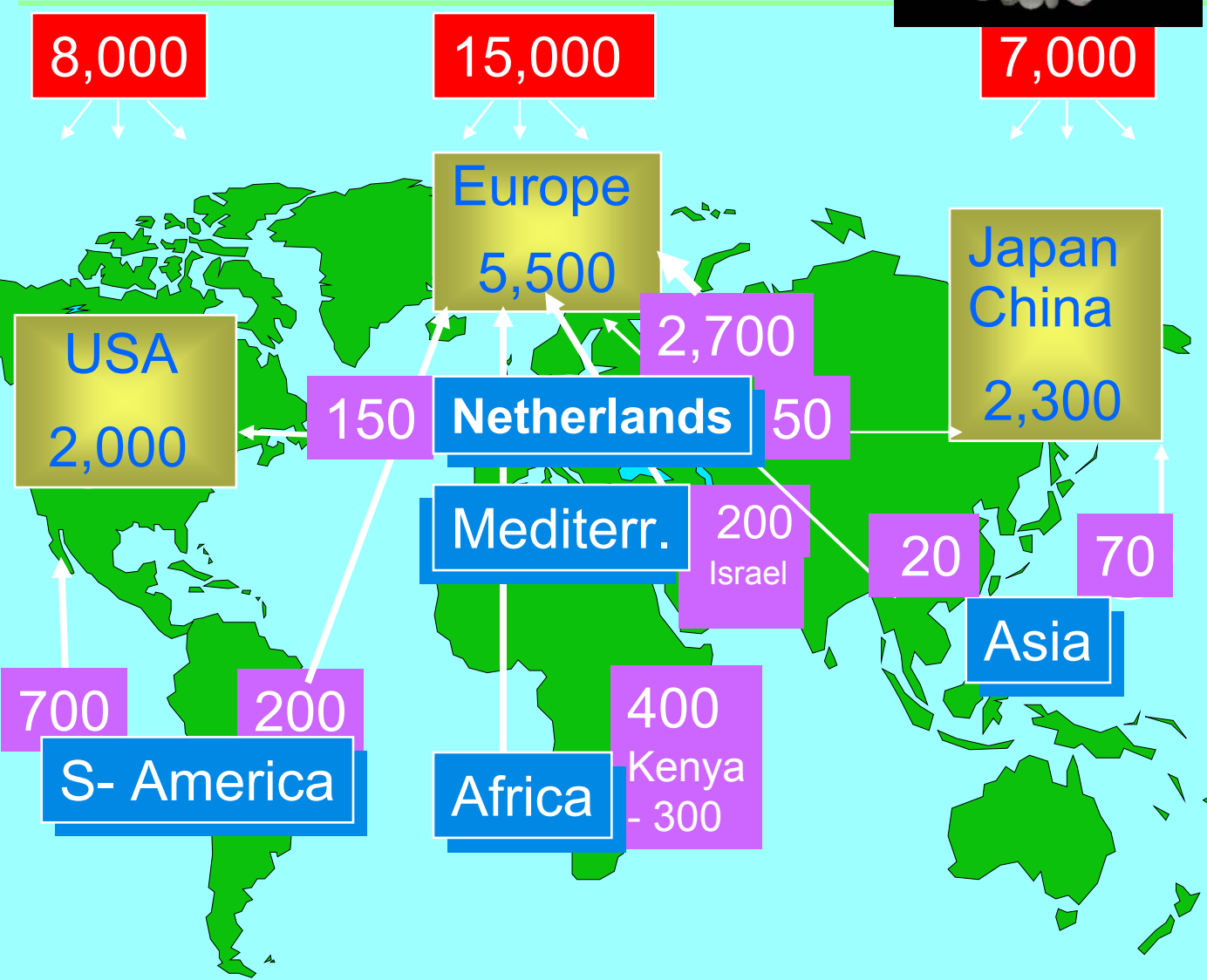
• Global consumption and market trend

• Consumption (€)

- Cut flowers..... 30 billion
- Potted plants & bedding plants..... 19 billion

ISHS (2001)





total global
↓
consumption
€ 30 bln

wholesale
value
€ 10 bln

export
€ 4.8 bln

Trends and Performance of Commercial Floriculture in Ethiopia

❖ General Aspects

- Young Industry

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

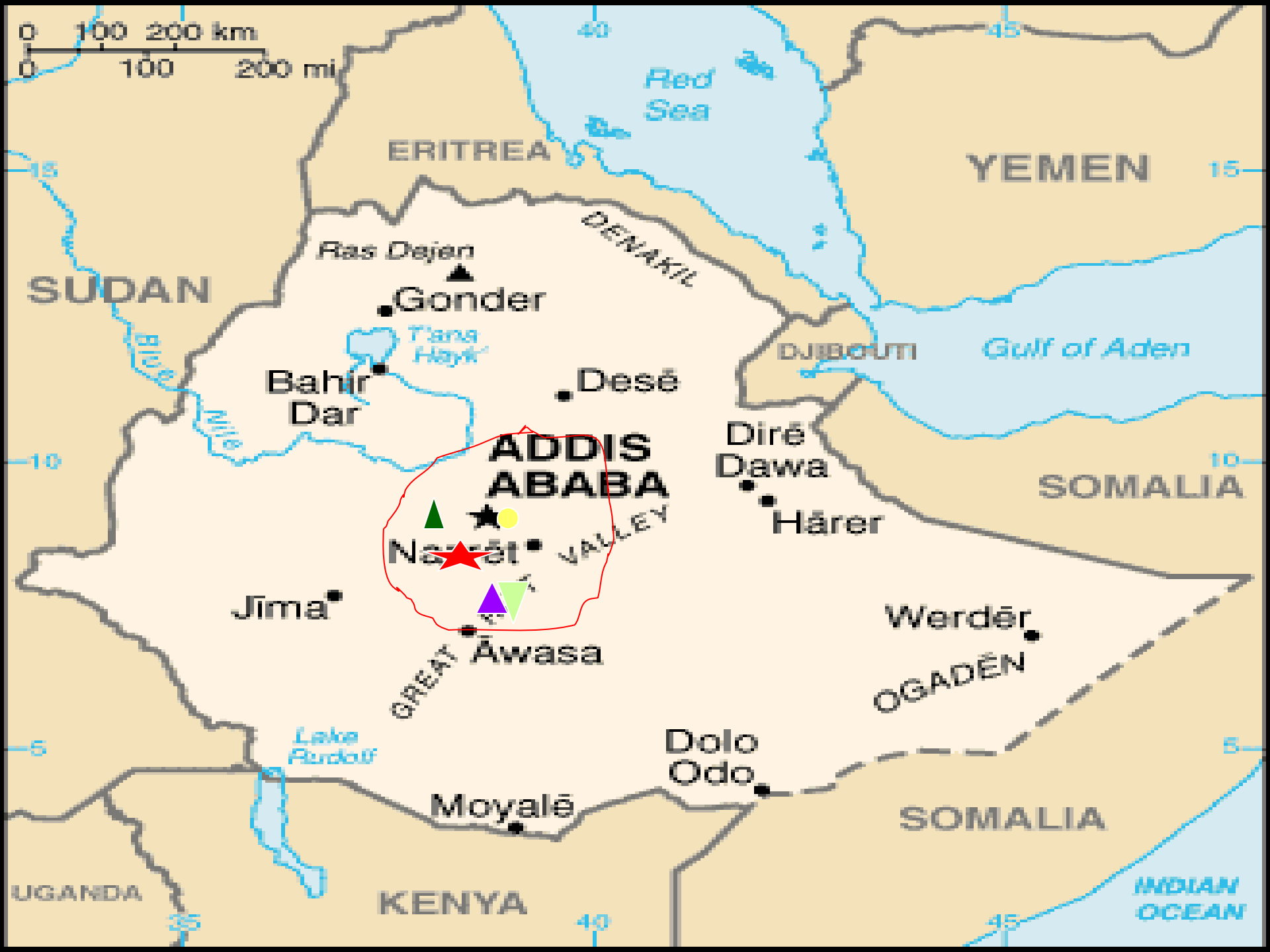
➤ Recent development

- 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**





Area Under Flower Production

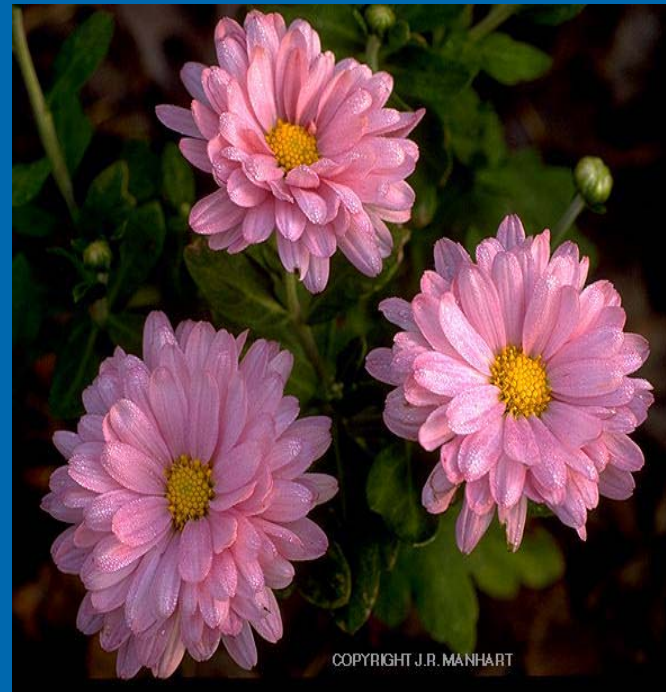


| Farm Name | Location | Area under Prod./ha | Remark |
|-----------------------|------------|---------------------|--|
| Ethio-Dream | Holeta | 14 | Est. 2002, 500 employ., Eth-Italy |
| Golden Rose | Tefki | 25 + 150 | Est. 1999, 1000 employ, Eng-based |
| Eney Ethio-rose | Karakore | 20 + 30 | Est.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

Major plant types



















Hypericum





Poinsettia (*Euphorbia pulcherrima*)

Jack Scheper © 2003 Floridata.com





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bay 7





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www.hlasek.com
Eryngium serbicum 6542



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