

IAIP INVESTMENT PROMOTION AND MOBILIZATION STRATEGIES – BULBULA IAIP, OROMIA REGION

Phase 1 – final report

Report prepared by FDI Center for UNIDO

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LIST OF ABBREVIATIONS

Abbreviation	Meaning	Abbreviation	Meaning
ACPZ	Agro Commodities Procurement Zone	MoA	Ministry of Agriculture
ATA	Agricultural Transformation Agency	MoTI	Ministry of Trade and Industry
B2B	Business to Business	OIPDC	Oromia Industrial Parks Development Corporation
CAGR	Compound Annual Growth Rate	RIC	Regional Investment Commission
EIC	Ethiopian Investment Commission	RIPDC	Regional Industrial Parks Development Corporation
EMPIA	Ethiopian Milk Processor Industry Association	RTC	Rural Transformation Center
ERCA	Ethiopian Revenue & Customs Authority	SME	Small and Medium-sized Enterprises
EU	European Union	SNNPR	Southern Nationals Nationalities and Peoples Region
FAO	Food and Agriculture Organization of the United Nations	OIC	Oromia Investment Commission
FDI	Foreign Direct Investment	TBD	To be determined
FTE	Full-time Equivalent	UNIDO	United Nations Industrial Development Organization
GiZ	German Corporation for International Cooperation		
GoE	Government of Ethiopia		
IAIP	Integrated Agro-Industrial Park		
IFC	International Finance Corporation		
ILO	International Labour Organization		
IPA	Investment Promotion Agency		

EXECUTIVE SUMMARY

The United Nations Industrial Development Organization (UNIDO) engaged FDI Center to develop an Investment Promotion and Mobilization Strategy for three pilot-Integrated Agro-Industrial Parks (IAIPs) in Ethiopia. The selected parks are Yirgalem (Sidama – previously in Eastern SNNPR), Bulbula (Central Eastern Oromia), and Bure (Southwest Amhara).

This report is the final deliverable of phase 1 for the Bulbula IAIP and includes our assessments and recommendations on investor targeting, investment promotion and lead generation, and investment facilitation.

The assessment highlighted tomato processing, dairy processing, and the production of bakery products as the target groups with the highest potential at the moment to attract domestic and foreign investors to the Bulbula IAIP. A target group refers to a specific group of companies that share similar characteristics with respect to their activities, operations, and investment potential. The selection of the previously mentioned target groups is the result of extended research conducted by FDI Center, which included several interviews with key stakeholders as well as depth research. It is important to note that targeting these three sectors does not mean that there is no potential to attract investments from other sectors. There are additional target groups with positive trends and may have the potential for attracting investment in the near future.

Given current feedstock supply opportunities, our assessment suggests that the Bulbula IAIP has the potential to attract at a minimum three new tomato processing facilities, two new dairy processing facilities, and two bakery product facilities. These new investment projects would create sustainable opportunities for the community, generating new direct jobs and transferring knowledge to the region.

Bulbula IAIP



Pictures taken from EIC's social media page in Facebook (2021)

The potential to attract more investments can be higher, if investors engage in investments in their own plantation or agricultural extension with farmers or if the local farmers and cooperatives will be able to increase the supply of raw materials in the future.

We recommend focusing the investment attraction efforts on the domestic market as well as the following countries for the international investment promotion and attraction efforts:

- Tomato processing: the US, China, Italy, Spain, and Turkey.
- Dairy processing: the US, Canada, Switzerland, Netherlands, France, and China.
- Production of bakery products: the US, France, Germany, and the UK.

The OIC is recommended to promote proactively these opportunities to domestic investors in Ethiopia.

The action plans are intended to be practical and provide a mix of digital and in-person activities to position Ethiopia, and particularly the Bulbula IAIP, as an attractive and suitable location for potential investors.

We also provide key investment targeting techniques for the investment attraction teams at the EIC, RIPDC, and the RIC. These techniques focus mainly on a proactive and an effective investor targeting approach, which includes four steps / phases (i.e., identifying companies with the greatest potential for investment; qualifying companies by obtaining information related to the business and company's main strategic plans, including recent investments and key contacts; establishing the first contact to verify potential and generate interest; and finally a monitoring phase that enables further contact and provides value and builds a relationship).

The investment facilitation section provides information on the roles for each relevant institution (e.g., the EIC, RIPDC, RIC, among others) as well as information on the one-stop-shop (OSS), which should make administrative procedures easier for investors. We consider the RIPDC should coordinate and lead the OSS.

1. INTRODUCTION

This report is the final deliverable of phase 1 in the project to assist the United Nations Industrial Development Organization (UNIDO) with the preparation of an Investment Promotion and Mobilization Strategy for three pilot-Integrated Agro-Industrial Parks (IAIPs) in Ethiopia. The selected parks are Yirgalem (Sidama – previously in Eastern SNNPR), Bulbula (Central Eastern Oromia), and Bure (Southwest Amhara).

This document follows an interim report submitted previously by FDI Center on March 3, 2021, which provided the initial outcomes of our research and suggested the key focus areas to analyze further for each park. The delay in obtaining feedback from each relevant stakeholder (i.e., EIC, RIPDC, and the RIC) caused a delay not anticipated in the project. However, on April 23, we received confirmation from UNIDO’s team to continue with the remaining steps of phase 1. This report has been discussed and endorsed by UNIDO and all relevant regional and national stakeholders during the virtual validation workshop “Pilot-IAIP investment promotion strategy validation workshop” held on July 15, 2021.

The Bulbula Integrated Agro-Industrial Park (IAIP) has been officially inaugurated on May 8, 2021. With a total area of 263 ha, the park is expected to create 100,000 direct jobs once fully operational.

Section 2 describes our methodology for identifying and analyzing the focus areas as well as the target groups and the action plan presented in this document. The approach for identifying and selecting target groups for investment promotion is taking the location strength, the international and domestic investment activities as well as the additional benefits for the region (e.g., linkages, technology transfer into account). The methodology for developing the action plans is based on the need to develop highly practical and actionable roadmaps for investment promotion. They are based on a mix of digital and in-person activities taking the capacity of both the Ethiopian Investment Commission (EIC) and the Oromia Investment Commission (OIC) into account.

Section 3 comprises five (5) subsections. It starts by describing in section 3.1 a long-list of focus areas identified and analyzed for the Bulbula IAIP and associated RTCs in the Oromia region. A focus area comprises commercial or industrial activities that can be grouped together based on shared characteristics, such as the use of similar inputs or raw materials. An evaluation of each focus area is presented in section 3.2. This assessment was conducted based on three key criteria:

- Location strength: does the IAIP provide specific advantages (e.g., local commodities or training programs) for a potential project in the focus area?
- Investment potential: are there domestic and FDI projects taking place in the focus area?
- Benefits for the region: to what extent would a new investment project in this focus area bring additional benefits (e.g., technology transfer, development of linkages) to the region?

Based on our evaluation, we provide in section 3.3 our recommendations of key focus areas with the highest potential to attract domestic and foreign investments to the Bulbula IAIP and associated RTCs. These focus areas are assessed further to obtain strategic target groups in section 3.4. Please note that a target group is defined as a specific group of companies that share similar characteristics with respect to their activities, operations, and investment potential. These target groups will serve as the targeted audience for the action plans for implementing the proactive investment promotion strategy. Finally, section 3.5 describes key investment targeting techniques for the investment attraction teams at the EIC, RIPDC, and the OIC.

Section 4 focuses on investment promotion and lead generation. It provides a comprehensive action plan for each target group. The action plans are aimed to be as practical and actionable as possible. We were taking the capacity of the EIC and the OIC into consideration when developing the action plans. The EIC and OIC may want to implement the action plans entirely or just parts of the plans to complement their existing activities. This may also depend on the EIC and OIC's financial capacity. Where possible we provided our estimates of the financial cost involved for each recommended activity.

Section 5 highlights crucial investment facilitation aspects to consider for attracting domestic and foreign investments to the parks. It provides detailed recommendations for handling and responding to investor enquires as well as organizing site visits.

Section 6 provides the conclusions of this phase.

The research and analysis for this report was conducted in April and May 2021. A list of all interviews and sources is provided in the annex.

Finally, we held virtually the “Pilot-IAIP investment promotion strategy validation workshop” with UNIDO and the relevant stakeholders on July 15. This two hour and a half workshop provided a space to present all the findings and recommendations of this report. This report reflects all the relevant comments and suggestions obtained during the workshop.

2. METHODOLOGY

Overview

The following slides describe the methodology used for the phase 1 report. The methodology section is split into two main parts:

- Identifying focus areas and target groups: the target groups serve as the basis for overall investor targeting. This includes targeting source countries as well as specific companies. Further, the target group evaluations lead to the development of key-value positions for each target group of potential investors which serves as the basis of any branding activities.
- Developing action plans: the action plans provide a detailed roadmap for implementing the investment promotion and lead generation campaign. This includes domestic as well as international outreach campaigns in person and through digital platforms.

Focus areas – Rationale

First, an extensive long-list of focus areas that constitute potential investment opportunities for the Yirgalem IAIP was collected. These opportunities have been gathered based on a detailed assessment of the region, which included:

- Existing reports provided by stakeholders.
- Interviews with organizations and stakeholders such as UNIDO, FAO, ILO, GiZ, Italian Agency for Development Cooperation, and the EU.
- Additional desk research by FDI Center’s team.

A “focus area” refers to specific business activities (i.e., a specific stage within a value chain) in the agro-industrial or support industry sector. These focus areas are either:

- Opportunities arising from the locally available commodities, or
- Support industries for the larger agro-industrial cluster.

The long-list of focus areas aims to capture the universe of relevant investment opportunities for this park. For identifying the most attractive focus areas for each park, we evaluate each focus area in order to arrive at a short-list of the most attractive ones. The rationale behind this is:

- Focus on opportunities with short-term investment potential. Not all the value chains are far enough developed to attract investments in the near future. We recommend focusing on specific opportunities that can yield projects soon.
- Actionable with the given capacity of the implementing agencies. Focusing on a limited number of focus areas will enable the implementing agencies to put their resources to best use and to implement the strategy in its entirety.
- Clear value propositions. Developing a focused short-list of focus areas will allow us to analyze the requirements of firms active in these focus areas in more detail and understand the degree to which the Bulbula IAIP meets these requirements. This will highlight the clear location strengths relevant to the firms active in these fields and provide relevant arguments for approaching potential investors.

Following approval of the selected short-list of focus areas by the relevant stakeholders, we will conduct a detailed analysis of each short-listed focus area and determine the respective target groups of potential investors in these focus areas to which the park should be proactively promoted.

Focus areas – Evaluation and short-listing

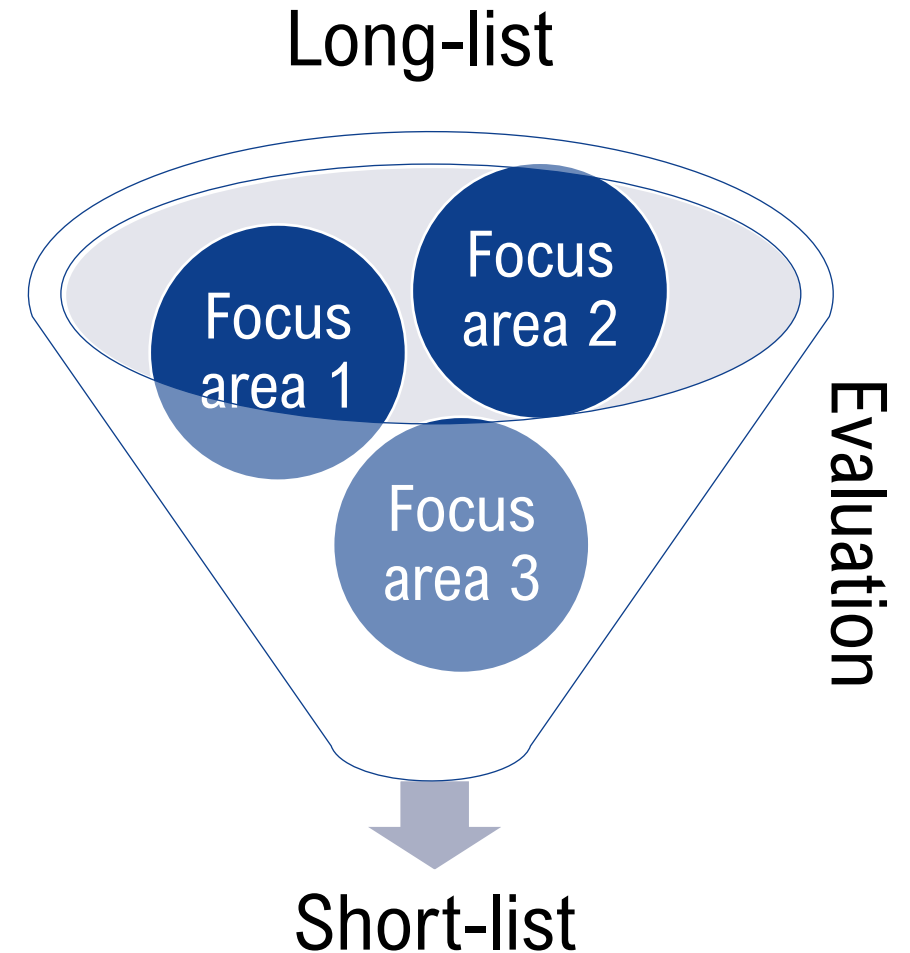
The focus areas in the long-list are evaluated along three dimensions:

- Location strength: does the IAIP provide specific advantages (e.g., local commodities or training programs) for a potential project in the focus area?
- Investment potential: are there domestic and FDI projects taking place in the focus area?
- Benefits for the region: to what extent would a new investment project in this focus area bring additional benefits (e.g., technology transfer, development of linkages) to the region?

Each focus area is scored along these three dimensions on a scale from one to five, being one the lowest possible ranking and five the highest ranking. It is important to highlight that these three variables are dynamic, which means that our assessment is based on the current situation that a potential investor will face as of February 2021, and it can change in the future. For instance, there are several interventions by the development sector taking place in the value chains in Ethiopia. This will influence the evaluation of the location strength and the benefits for the region over time. Some focus areas show the potential for significant improvement in certain scores in the near future – these are marked with a (+) behind the score.

Some of the focus areas show the same characteristics and have been bundled together for the general analysis and scoring.

In the detailed analysis of the short-listed focus areas, we might need to further bundle or unbundle focus areas depending on the outcomes of the research.



Target groups – Evaluation

A total number of 20 focus areas were assessed to determine those with the greatest potential for attracting domestic and FDI to the Bulbula IAIP and the associated RTCs. The three focus areas that appear to have the greatest potential for investment attraction were selected for further analysis. These were (in no particular order):

- Tomato processing
- Dairy processing
- Production of bakery products

These focus areas were evaluated further to identify specific target groups. A target group is defined as groups of companies that share similar characteristics with respect to their activities, operations, and investment potential. Our detailed assessment of each focus area allowed us to better understand the requirements of the companies and the fit to the Bulbula IAIP based on the following factors:

- *Characteristics of the target group* – how large is the target group? What types of companies dominate the group? Where are the key players based?
- *Growth trends and drivers* – how quickly is the target group growing? What are the key factors behind this growth?
- *Investment trends and drivers* – is growth translating into investment? What types of investments are companies making and where?
- *Requirements for an investment project* – what are the main operational and location requirements for new facilities in the target group?
- *Assessment of the region* – to what degree does the IAIP and surrounding area meet the requirements for a potential project?
- *Opportunities for investment attraction* – how many projects can the IAIP realistically expect to attract in each target group? What factors may influence the attraction of new investment projects?

Action plan (1/2)

For each of the three target groups, we developed a systematic plan for identifying and approaching potential investors. The main objective of the plan is for the EIC, RIPDC, and RIC teams to establish contact with decision-makers of companies in the selected target groups. In addition to providing channels for contacting companies, the action plan should also enhance the visibility of Ethiopia and particularly of the IAIP as an attractive location for companies in each one of the target groups.

Based on our experience advising investment promotion agencies around the world, one or two years is a realistic and actionable timeframe for an action plan. If it is shorter there might be not enough preparation time for all activities, if it is longer the planned activities might no longer be in-line with recent activities and developments. Nonetheless, the implementing agencies may feel free to implement the proposed action only in parts, stretch it over a longer time period, or repeat certain activities in future years as they seem best fit for themselves. The action plans have been developed for a timeframe of one and a half years, starting in July 2021 until December 2022, and consist of the following components:

- **Preparatory work:** During the evaluation of the target groups, we identified key points that should be inspected before approaching potential investors. Addressing these points will enable each team to be better prepared for discussions with corporate decision-makers in the target groups.
- **Multipliers:** Multipliers can provide access to corporate decision-makers through their networks and help to raise awareness of Ethiopia as an attractive location for investment in the selected target groups. We have identified the most relevant organizations and individuals for each target group. It is important to determine why these multipliers would be interested in engaging with the EIC, the RIPDC, and the RIC. This includes learning about the investment opportunities in Ethiopia for their members or clients, or a more commercial interest, such as securing sponsorship for events or advertising in industry publications. In each case, it is essential to anticipate the potential interests of the multiplier and the degree to which the EIC and the regional institutions can provide value in return for the multiplier's support.
- **Direct contact:** The aim of direct contact is to schedule a call, video conference, or a personal meeting at an event with a decision maker to speak about their company's expansion plans. The direct contacts should be based on a combination of e-mail, LinkedIn, and cold calling. An essential prerequisite to direct contact is the identification of target groups and decision makers. Although we have already highlighted the key players in each target group, it is still needed to identify companies that appear to have the greatest potential for investment as well as relevant decision makers in those companies.

Action plan (2/2)

- **In-person events:** For 2022, we recommend attending some specialized events in certain target groups. This will facilitate meeting representatives of target companies in person. Attendance at an event can be combined with in-person meetings with interested target companies previously identified through digital and/or direct marketing channels. If traveling is allowed, then investment mission in parallel to one of the main events should be considered.
- **Digital activities:** Due to the pandemic, we recommend focusing mainly on a digital strategy for the remaining of 2021. Digital activities such as podcasts, webinars, and social media platforms (e.g., LinkedIn and Twitter) can be used both for establishing contact with decision-makers and for raising awareness of Ethiopia. Our action plans focus mainly on social media and webinars. Please note that digital promotion will require the development of specialized content (e.g., articles, videos, infographics) to provide the basis for interaction with each target group. It will also be necessary to monitor the engagement of users to get crucial insights into the location of viewers and the type of content that is driving the most interaction.
- **Online advertisements:** We do not consider specific online advertisement activities (e.g., e-mail marketing, search engine marketing, social media marketing). However, depending on the budget available, it could be considered to advertise to promote webinars or announce its participation in a specific event.

The action plan provides a practical approach for the EIC and the regional entities to engage with potential investors and raise awareness of Ethiopia as an investment location for companies in the selected target groups.

The overall action plan is shown on page 59 of the report. The team implementing this plan may decide to implement only specific parts of the plan or to change the timing of some of the activities, depending on available resources and other investment attraction activities that may have been already planned.

3. INVESTOR TARGETING

Overview

In investment attraction, investor targeting refers to the proactive approach a region undertakes to attract new companies to their location.

Investor targeting is a key component for a successful investment attraction strategy, especially due to the strong competition worldwide. A targeting approach will allow the IAIP the development of particular sectors and create specialized supply chains that increase the potential for transferring knowledge and technologies.

Through this section, we analyze 20 focus areas to identify three with the highest potential for attracting domestic and foreign investments to the Bulbula IAIP. Once the three focus areas were selected, we conducted an in-depth research to understand better the requirements of the companies in each focus area, provide an analysis to the degree in which the IAIP could attract investment projects in this field, prioritize the source of countries for the investment attraction activities, and create an action plan that is practical and realistic for the upcoming months.

3. INVESTOR TARGETING

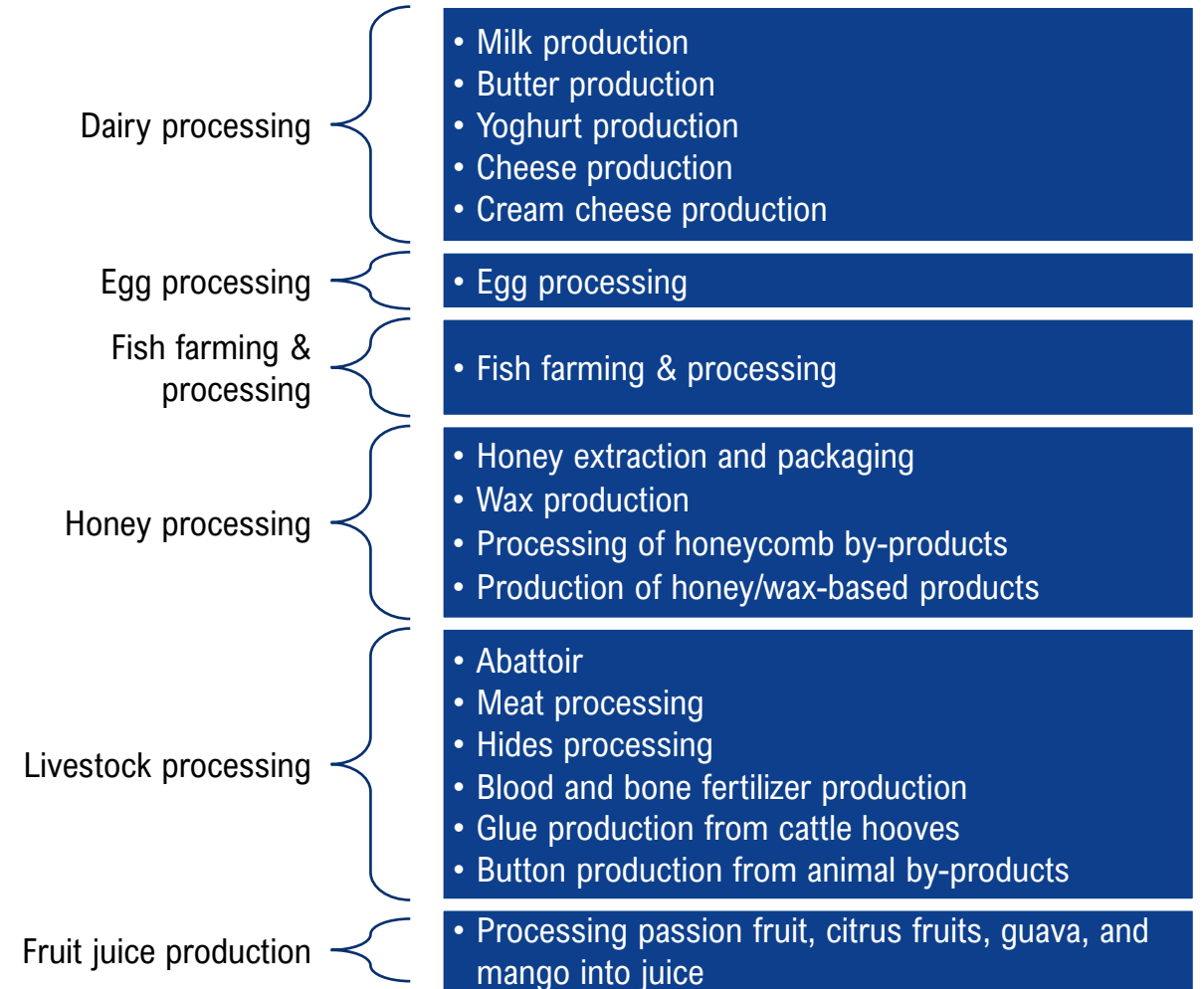
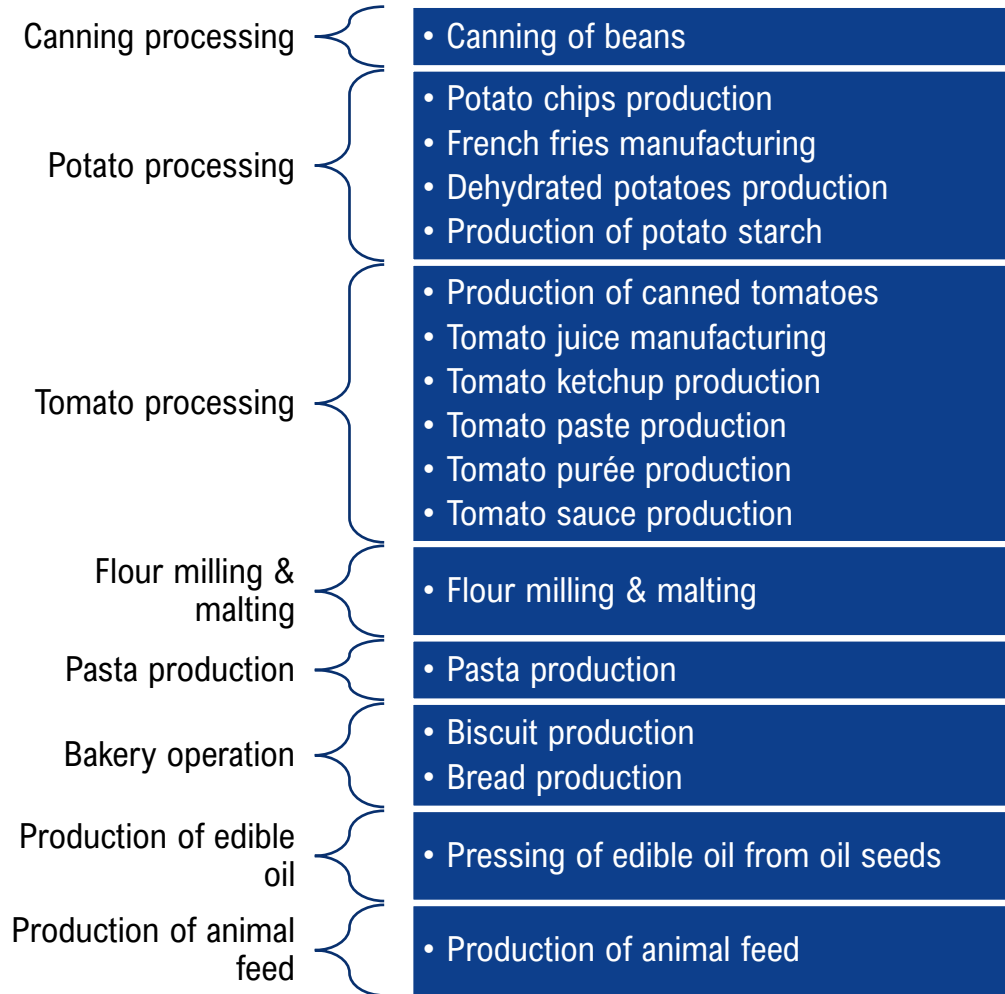
Long-list of focus areas

LONG-LIST OF FOCUS AREAS

Bulbula IAIP in Central Eastern Oromia

Based on the approach explained in the previous section, we identified the following long-list of focus areas with potential to attract investment to the Bulbula IAIP:

Based on local commodities:



LONG-LIST OF FOCUS AREAS

Bulbula IAIP in Central Eastern Oromia

Support industries:

- Bio-energy production
- Packaging material production
- Fertilizer production
- Insecticides and herbicides production
- General logistics services
- Cold chain logistics

Even though, there may be other agricultural commodities available in the region (e.g., barley, coffee), we have selected the focus areas that based on our research through interviews and extensive review of secondary data seem to have the best potential for attracting investments to the region.

3. INVESTOR TARGETING

Evaluation of focus areas

EVALUATION OF FOCUS AREAS

Scoring of focus areas for the Bulbula IAIP in Oromia

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Canning of beans	4	4	2	<ul style="list-style-type: none"> • A variety of beans (e.g., haricot beans, fava beans) are available locally and in large quantities. • Opportunity to attract domestic and FDI projects from leading firms such as Heinz to supply local and regional markets. • Job creation and value chain development for the region.
Potato processing	3	4	3	<ul style="list-style-type: none"> • Around 1.4 million tonnes of net marketable surplus of potatoes according to the feasibility study. • Opportunity to serve a growing domestic market. • Incentive for farmers to invest in productivity and quality control.
Tomato processing	2 (+)	3	3	<ul style="list-style-type: none"> • Top tomato growing area in Ethiopia. Despite the positively evolving landscape, there is still limited availability of sauce tomato types – an investor would need to engage in agricultural extension services. • Trials with new seed varieties are underway. Due to the extensive interventions in developing this value chain, the location strength is expected to increase significantly over the next years. There are currently at least one cooperative and one processor active in the commercial tomato industry. • Opportunity for domestic or foreign investors to supply the local market. • Market opportunity for local farmers and cooperatives.
Flour milling & malting	2	2	2	<ul style="list-style-type: none"> • Ethiopia is a net importer of wheat; large-scale millers receive imported wheat at subsidized prices. This makes sourcing local wheat less competitive. • Existing wheat processing cluster around Adama as competing location. • Locations close to the import routes and/or the main population centers are better suited for processing imported wheat.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

Scoring of focus areas for the Bulbula IAIP in Oromia

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Pasta production	3 (+)	3	2	<ul style="list-style-type: none"> • A potential investor can source feedstock either from existing flour mills (milling the subsidized grain) or by developing supply in cooperation with local farmers. • The availability of local durum wheat is improving due to the interventions in the value chain by development organizations and the government. Durum wheat is mostly grown in the Bale area. • The RTCs would probably be more attractive locations than the IAIP themselves, due to the remote location of the RTCs. • Opportunity to supply growing local consumer market.
Bakery production	2	3	2	<ul style="list-style-type: none"> • Can source feedstock either from existing flour mills or by developing supply in cooperation with local farmers. • Opportunity to supply growing local consumer market with products such as biscuits and/or bread.
Production of edible oil	2	4	2	<ul style="list-style-type: none"> • Opportunity to supply local consumers. • Limited suitability and availability of local feedstocks (beans and cereals) – other regions like Bure are better suited.
Animal feed	4	4	3	<ul style="list-style-type: none"> • Using local pulses and cereals as feedstock. • Supply local livestock farmers.
Dairy processing	2	3	3	<ul style="list-style-type: none"> • Adama-Asella milkshed is the largest in the country by production potential. • Existing processors operate at 25-50% capacity due to a shortage of quality milk. • Not sufficient local supply for an investor at this stage.
Egg processing	3	3	2	<ul style="list-style-type: none"> • Net marketable surplus of over 14 billion eggs per year according to the feasibility study. • Processed egg whites and yolks are key ingredients in industrial food production. • The supply chain with the local farmers would need to be further developed.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

Scoring of focus areas for the Bulbula IAIP in Oromia

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Honey Processing	4	3	2	<ul style="list-style-type: none"> • Net marketable surplus of over 5,000 tonnes per year according to the feasibility study. • Limited opportunities for value addition besides extraction and packaging.
Fish farming and processing	3	3	2	<ul style="list-style-type: none"> • Water resources are available in the vicinity, which could be used for establishing a land-based aquaculture farming with RAS technology (a technology that allows recycling water). • The aquaculture industry in Ethiopia still in its infancy – one Dutch investor established since 2018. • Feed supply opportunities for local farmers.
Livestock processing	3	3	4	<ul style="list-style-type: none"> • One of the largest cattle populations in Africa (over 7 million cattle, and 3 million goats and sheep each around the park). There are existing abattoirs and tanneries outside the park. • The livestock supply still faces constraints due to poor linkages with pastoral system and low-quality standards. • Opportunity to produce meat for the local market and by-product-based products for the international market.
Bio-energy production	3	4	4	<ul style="list-style-type: none"> • Raw materials are available in the region, including agricultural crops such as maize, animal and plant wastes, and organic residential/ industrial waste. • Growing investment potential worldwide, including in Ethiopia where a plant opened operations in 2018 to turn waste into energy.
Packaging material production	3	4	3	<ul style="list-style-type: none"> • Rising demand from agro-processors in the parks. • Requires natural fiber or plastic as feedstock.
Fertilizer production	2	3	3	<ul style="list-style-type: none"> • Need either a local supply of key chemical feedstock or good logistics access for transporting it. • Local market opportunity by selling to farmers who want to increase their yields.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

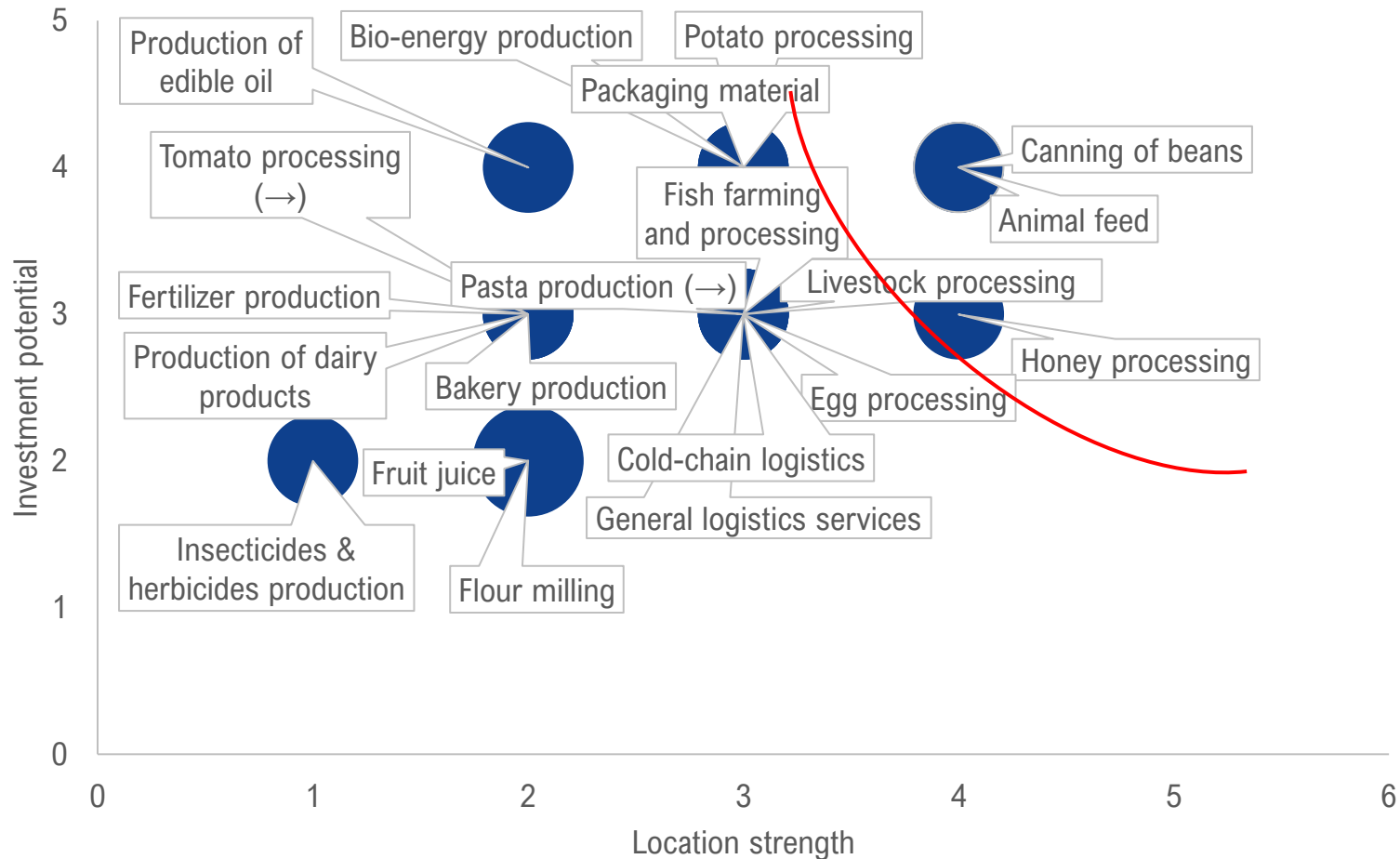
Scoring of focus areas for the Bulbula IAIP in Oromia

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Insecticides & herbicides production	1	2	3	<ul style="list-style-type: none"> • Requires chemical supply chain for key ingredients. • Opportunity to supply local farmers. • Support to increase yields.
General logistics services	3	3	3	<ul style="list-style-type: none"> • New logistics needs arising for the transport of raw materials from RTCs to IAIPs and end-products to consumers. • The latest reform of the investment law opened this area for foreign private investors.
Cold chain logistics	3	3	3	<ul style="list-style-type: none"> • Serve the emerging meat and other perishables industries. • Investment opportunities will depend on the establishment of potential clients.
Fruit juice production	2	2	2	<ul style="list-style-type: none"> • Local horticulture industry produces, among other, passions fruits, citrus fruits, guava, and mango. There is already a Dutch investor, AfricaJuice, established outside the park. • An investor can serve the export market and/or the urban middle-class in Ethiopia. • Sales opportunity for local fruit growers.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

Selection of preliminary short-list of focus areas for the Bulbula IAIP



Comments

- Canning of beans, the production of animal feed, and honey processing seem to have the highest investment attraction potential given their fit with the location according to this analysis.
- The production of animal feed also promises significant additional benefits for the region by serving as an input into the whole livestock value chain and production system.
- The immediate investment opportunities next best suited for a proactive investment promotion strategy are potato processing, the production of packaging material, and livestock processing.
- This analysis is by no means complete and simple served as an input into the discussions with the regional stakeholders as described in the next section.

Scoring: 5 – best; 1 – worst, → -direction of major trend.

3. INVESTOR TARGETING

Recommended focus areas

Selection of short-list of focus areas for the Bulbula IAIP

We used the analysis presented in the previous section and the preliminary short-list as basis for our discussion with the regional stakeholders. This analysis for the preliminary short-list took only two factors (i.e., location strength, investment potential) into account. Through the discussion with the regional stakeholders, we were able to also include other factors such as policy priorities and potential linkages.

Through our discussion with the stakeholders, we aligned on selecting the following final short-list of focus areas for the Bulbula IAIP.

- Tomato processing
- Dairy processing
- Production of bakery products

We evaluated further these focus areas in detail in the next phase of the project to identify the ideal target groups. A target group is defined as a specific group of companies that share similar characteristics with respect to their activities, operations, and investment potential. We evaluate the requirements of each target group to more closely assess the fit with the region. The assessment focused on the specific operational requirements (e.g., workforce, utilities, and land requirements) and market characteristics (e.g., key players, geographic concentration of companies, supply chain) of each target group. Additionally, we developed appropriate and practical targeting techniques for identifying and approaching potential investors in each target group.

There are additional focus areas with positive trends and may have the potential for attracting investment in the near future. We recommend reevaluating these focus areas in two years and, if the positive developments persisted, consider adding them to the proactive investment promotion strategy. These focus areas are:

- Canning of beans
- Egg processing
- Honey processing
- Pasta production

3. INVESTOR TARGETING

Target group analysis

TARGET GROUP ANALYSIS

Tomato processing

1. Definition of the target group



Companies processing fresh tomatoes into durable consumer products such as tomato paste, ketchup, sauces, and canned tomatoes.

Inside a tomato processing facility



Evaporator used for tomato paste production



Final products



Source: pictures by Bertuzzi (2021); company websites.

2. Characteristics of the target group

Size of the target group

- Hundreds of companies around the world.
- Around 20 companies with international production facilities.

Type of companies

- Brand producers (e.g., Mutti) and non-brand producers (e.g., Chalkis), which supply tomato paste as input to other companies that own consumer brands.

Geography

- China is the largest grower of tomatoes worldwide accounting for 1/3 of the world's tomatoes exports – and also a leading processor of tomatoes.
- Italy, Turkey, and the US are home to popular tomato-based consumer brands.

Leading companies

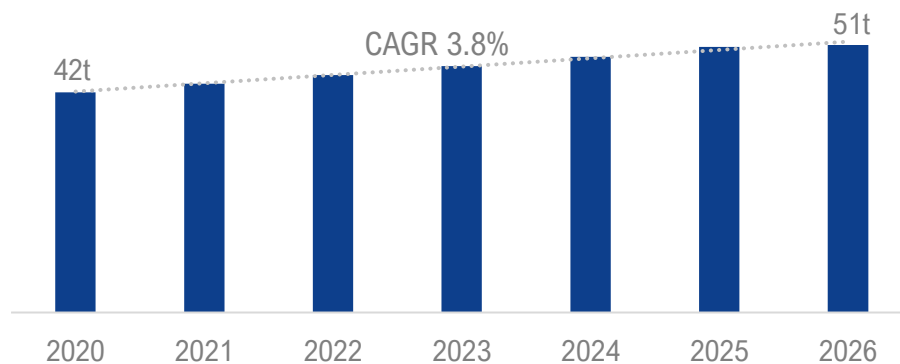
Company	Country
COFCO Group	China
Xinjiang Chalkis Co	China
Fuyuan Agriculture Products	China
Heinz	US
Mutti	Italy
Tat	Turkey

Tomato processing

3. Growth trends and drivers

- The global processed tomato market is expected to grow at a CAGR of 3.8% until 2026 reaching 51 million tonnes in 2026 (EMR, 2021).
- The African continent is a major importer of tomato paste – mostly from China. The main importers are the Western African countries such as Nigeria. In recent years import volumes declined slightly in the aftermaths of an import ban by Nigeria.
- Currently, 80% of tomatoes are eaten fresh and only 20% processed worldwide.
- Future growth in the processed tomato market is expected to be driven by further adoption of Western eating habits in developing countries (such as Ethiopia itself).

Global processed tomato market (in tonnes)



Source: EMR (2021).

4. Investment trends and drivers

Is there evidence of new investment projects?

- Yes. There is investment going into new greenfield projects, including to Africa (see some examples below).

What is driving new investment projects?

- Serving growing domestic demand.

Where are investments going?

- Areas with good feedstock supply (close to the tomatoes).

Which mode of investment is preferred?

- Mostly greenfield (sometimes refunctioning of existing agro-processing facilities; e.g., a Mango puree plant in Kenya).

GBFoods Investment in Kebbi, Nigeria (2020)

- GBFoods (Spain) invested US\$50 million in a new tomato processing facility in Ngaski a rural area of Northern Nigeria.
- The project is fully integrated, including a farm and a processing plant creating 500 agricultural and 150 factory jobs.

New tomato processing facility to be established in Kenya (2021)

- The Ewaso Ng'iro South Development Authority is spending US\$4 million to build a tomato processing factory in Kenya which expected to start operations in 2022.
- The facility will source tomatoes from local farmers.

5. Requirements for a potential project

Criteria	Requirements	Comments
Land	2-5 ha	<ul style="list-style-type: none"> A typical facility requires between 2 (e.g., Thai Soon Foods in Thailand) and 5 ha (e.g., Dangote Tomato Processing Co. in Nigeria).
Workforce	50-150 FTE	<ul style="list-style-type: none"> Mostly blue-collar workers, who can be trained on the job.
Utilities	Standard industrial utilities	<ul style="list-style-type: none"> Water is required for washing the tomatoes. Energy is needed for powering the machines as well as the cold storage.
Feedstock	100,000-150,000 tonnes p.a.	<ul style="list-style-type: none"> A typical processing facility will process between 100,000 and 150,000 tonnes of tomatoes per year (e.g., Univer's facility in Kecskemét, Hungary.) Tomato processing equipment for small facilities starts with capacities ranging from 500 kg to 20,000 kg per hour. The largest facilities in the US can process 1,300 tonnes of tomatoes per hour. The utilization of the capacity of the equipment will typically fluctuate between harvest season and off-season.
Market access	Growing regional consumer demand	<ul style="list-style-type: none"> This is one of the main investment drivers in this target group. Companies operate multiple manufacturing plants around the world to reduce product shipping costs. They are also environmentally conscious and want to limit their carbon footprint by keeping supply chains short.
Other	Supply of containers and packaging material	<ul style="list-style-type: none"> Bottles, cans, and general packaging material are needed to portion and package the final products.

6. Assessment of the Bulbula IAIP and associated RTCs

Criteria	Assessment	
Land	<ul style="list-style-type: none"> According to the masterplan, the Bulbula IAIP has over 230 ha of land available for processing activities – 31 ha of these are earmarked for vegetable processing activities. This is more than sufficient for multiple tomato processing facilities. 	✓
Workforce	<ul style="list-style-type: none"> Bulbula town had a population of 6,400 according to the last available census (2005). This talent pool should be sufficient for the workforce needs of a few tomato processing facilities. In the mid- to long-term, this talent pool will most likely be too small to also cater to the workforce needs of other industries. It would be advised to either facilitate commuting from other towns/cities through public transport or to construct worker dormitories at the park. 	✓
Utilities	<ul style="list-style-type: none"> Electricity and water supply provision by the OIPDC is already at the final stage. Any company establishing operations at the park should have no problem accessing these utilities. 	✓
Feedstock	<ul style="list-style-type: none"> Over 430,000 tonnes of tomatoes are available per year within the associated ACPZ. As of 2021, the varieties grown are not well suited for processing (“salad tomatoes”). An investor would either need to engage in contract farming or set up their own tomato farm to secure a steady supply of sauce tomatoes. Based on our research and assuming that it will be fairly easy for farmers to switch from growing salad tomatoes to growing sauce tomatoes once a new investor provides seeds and an off-take opportunity, we consider there will be enough potential for at least 3 to 4 tomato processing facilities at the Bulbula IAIP. 	✓
Market access	<ul style="list-style-type: none"> Demand for tomato paste is expected to grow by 5% per year (ATA, 2016). 	✓
Other	<ul style="list-style-type: none"> In our interviews, it was mentioned that local sourcing of packaging material is challenging, and many companies resort to imports from Dubai or other regional sources. The opening of Melba Printing, Publishing, and Packaging’s US\$30 million facility in Oromia might offer a new local supply opportunity of paper-based packaging material. 	-

★ Significant advantage ✓ meets criteria – partially meets the criteria X does not meet criteria

7. Opportunities for the Bulbula IAIP and associated RTCs

- Our assessment suggests that the Bulbula IAIP has the potential to attract between three and four tomato processing facilities in the next two years.
- The success in attracting these companies will require investors to engage in agricultural extension and to provide seeds and training for local farmers to switch from growing salad tomatoes to sauce tomato varieties.
- An investor will most likely target the domestic or regional market for its final products.
- A new investment projects can generate between 50 and 150 direct jobs.
- We recommend focusing the investment attraction efforts on the Ethiopian market as well as internationally in the US, China, Italy, Spain, and Turkey.

Dairy processing

1. Definition of the target group



Companies processing raw milk into pasteurized milk and value added products such as butter, yoghurt, skim milk, cheese, and cream cheese.

Inside a production facility



Final products



Pictures taken from: Farm and Dairy (2018) / Dairy Reporter (2019).

2. Characteristics of the target group

Size of the target group

- Thousands of companies worldwide of which hundreds have the capacity to expand abroad.

Type of companies

- Large dedicated players and large manufacturing food and beverage companies.

Geography

- Large number of companies established in Switzerland, France, the US, and Canada.
- Additionally, there are large numbers of SMEs in each region worldwide.

Leading companies worldwide

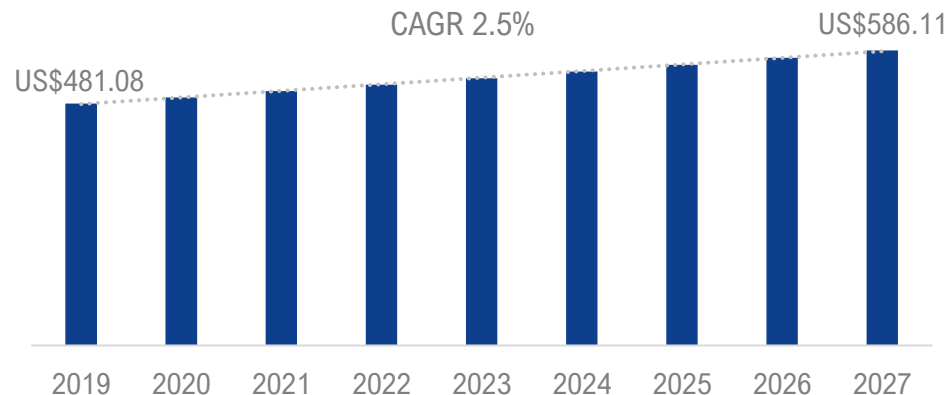
Company	Country	Type
Danone	France	Large food and beverage company
Saputo	Canada	Dedicated player
Nestlé	Switzerland	Large food and beverage company
Schreiber Foods	US	Dedicated player
Lactalis	France	Dedicated player

Dairy processing

3. Growth trends and drivers

- The dairy products market is expected to grow at a Compound Annual Growth Rate (CAGR) of 2.5% per year until 2027 (Grand View Research, 2021).
- A rising demand for milk and milk products due to rising urbanization, population, and better incomes.
- The milk sector accounts for the largest segment within this target group, followed by yogurt, and cheese.

Global dairy products market (US\$ bn)



Source: Grand View Research (2021).

4. Investment trends and drivers

Is there evidence of new investment projects?

Yes (see some examples below).

What is driving new investment projects?

Access to market.

Where are investments going?

New investment projects have been identified worldwide.

Which mode of investment is preferred?

Greenfield and M&A.

Hilmar Cheese Company opens new cheese and whey production facility in the US

- Located in Kansas, the new facility is expected to be fully operational in 2024 and represents US\$460 million in capital investment and 247 new jobs.

Baladna sets up new factory for evaporated milk in Qatar.

- Baladna announced its plans to establish an evaporated milk processing factor.
- The company also announced the expansion of the current facilities for a new butter processing line.

TRIOMF East Africa to establish a powder milk processing plant

- With a total investment of US\$38 million, TRIOMF East Africa (a joint venture between South African and Rwandan investors in collaboration with dairy farmers in Gicumbi District, Northern Province of Rwanda) set up a new factory with an installed capacity to process 252,000 litres per day.

5. Requirements for a potential project

Criteria	Requirements	Comments
Access to market	Growing or unmet customer demand	<ul style="list-style-type: none"> • Access to market is one of the main drivers leading investments in the dairy processing sector. • Most recent example projects in were driven by the rationale to provide local consumers with dairy products.
Feedstock	75-300 million liters p.a.	<ul style="list-style-type: none"> • Typical facilities in Africa (such as the example project in Rwanda) use around 75 million liters of fresh milk a year. • Larger international facilities can use 300 million liters (e.g., Fonerra-Nestle Joint venture in Brazil) or even more per year.
Site	At least 2 ha	<ul style="list-style-type: none"> • A dairy processing facility requires at least 2 ha.
Utilities	Standard industrial utilities	<ul style="list-style-type: none"> • A facility requires standard industrial utilities such as water and electricity.
Workforce	100-300 FTE	<ul style="list-style-type: none"> • A typical mid-sized facility employs around 100 workers. • Larger facilities can employ up to 300 workers.
Logistics	Cold storage & Cold chain	<ul style="list-style-type: none"> • Fresh milk as well as many dairy products are easily perishable and require, therefore, cold storage and cold chain logistics.
Others	<ul style="list-style-type: none"> • Packaging • Animal feed • Veterinary drugs • Insemination services 	<ul style="list-style-type: none"> • Packing material is required for the final products. • The other services are mostly relevant for integrated companies, who will operate their own dairy farm in addition to the processing facility.

6. Assessment of the Bulbula IAIP and associated RTCs

Criteria	Assessment	
Access to market	<ul style="list-style-type: none"> Household milk consumption is high in the region, varying between 51 and 77% of total production in the region. However, the sales volume in the region are low (only about 1% of production). Processors usually distribute their final products to retailers, but they also sell to distributors and to consumers, including hospitals, universities, and large companies. A growing urban middle class provides further growth opportunities for dairy producers in the future. The Bulbula IAIP is well positioned for serving the Addis Ababa market. 	★
Feedstock	<ul style="list-style-type: none"> The ACPZ has an annual surplus of nearly 17,000 tonnes per year. This suggests an investor will need to provide agricultural extension or invest in a dairy farm to ensure supply. In Ethiopia, traditional smallholder produces provide over 90% of the total milk production in the country. The four zonal administrations in Central-East Oromia (i.e., Bale, Arsi, West Arsi, and East Shewa) have an estimated cattle population of 6.8 million, of which 1.4 million are milking cows and produce about 485 million liters (representing 38.5% of the total milk production of the region). The average productivity is between 1.3 and 1.5 liters per cow per day. This indicates there is potential to increase the milk supply by increasing milk production per cow (in Europe average daily milk production per cow is 28 liters). Smallholders sell the raw milk to cooperatives, which either distribute to individual consumers or sell the raw milk to commercial processors. 	★
Site	<ul style="list-style-type: none"> With over 270 ha of land available for processing activities (of which, according to the master plan, at least 7 ha are planned for dairy processing activities), the Bulbula IAIP has sufficient space for attracting multiple dairy processing facilities. 	✓
Utilities	<ul style="list-style-type: none"> Electricity and water supply provision by the OIPDC is already at the final stage. Any company establishing operations at the park should have no problem accessing these utilities. 	✓
Workforce	<ul style="list-style-type: none"> According to the last available census from 2005, Bulbula has a population of over 6,400 people. This talent pool should be sufficient for the workforce needs of dairy processing facilities (note comments in previous profile on potential workforce challenges once the park is filling up). 	✓

★ Significant advantage ✓ meets criteria – partially meets the criteria X does not meet criteria

6. Assessment of the Bulbula IAIP and associated RTCs (continued)

Criteria	Assessment
Others	<ul style="list-style-type: none"> In Ethiopia, the MoA plays an important role in the distribution of input supplies for the dairy processing industry (i.e., animal feed, veterinary drugs, and health services such as artificial insemination). Private dairy farmers also supply dairy farm inputs to producers in the CEO region. ✓ Animal feed is limited in the region, which may represent a constraint for the value chain.

7. Opportunities for the Bulbula IAIP and associated RTCs

- Our assessment suggests that Bulbula has the potential to attract two dairy processing facilities.
- However, the supply of feedstock needs to be improved either through agricultural extension increasing the milk yields per cow or through an investment in a milk farm by the dairy processor.
- The largely unmet but growing domestic market for dairy products provides an attractive business opportunity.
- An investment project would create between 100 and 300 jobs and generate a two to three-digit million US\$ CAPEX.
- Key target countries for the investment promotion activities for this target group are the US, Canada, Switzerland, Netherlands, France, and China.

TARGET GROUP ANALYSIS

Production of bakery products

1. Definition of the target group



This target group comprises of bakery products manufacturers. Baked foods are prepared from flour or meal derived from the various form of grains. Final products include bread, rolls, cookies, pies, pastries, and muffins.

Inside a bakery goods production facility



Final products



Source: pictures taken from company websites.

2. Characteristics of the target group

Size of the target group

- 100,000s of companies which are fragmented and competitive.

Type of companies

- Includes large dedicated players and large manufacturing food and beverage companies as well as small bakeries, which dominate the industry with more than 277,000 companies operating worldwide.

Geography

- Leading firms are concentrated in Europe and North America.

Leading companies

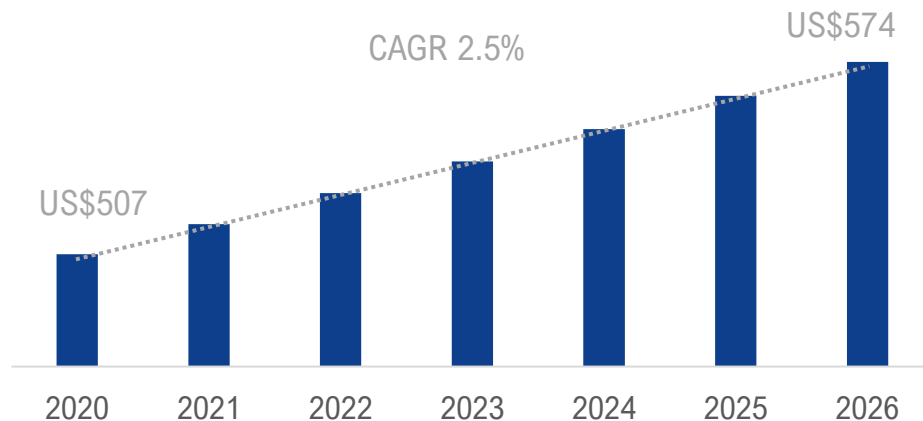
Company	Country	Type
Finsbury Food Group Plc	United Kingdom	Bakery Goods Manufacturer
Mondelez International	United States	Large Food and Beverage Company
General Mills Inc.	United States	Branded Foods Manufacturer
Britannia Industries LTD *subsidiary of Wadia Group	India	Large Food and Beverage Company
Grupo Bimbo	Mexico	Bakery Goods Manufacturer

Production of bakery products

3. Growth trends and drivers

The global bakery products market reached a value of almost US\$507.38 billion in the year 2020. The bakery products industry is further expected to grow at a CAGR of 2.5% between 2021 and 2026 to reach a value of almost US\$574.05 billion by 2026. However, 50% of market share consists of Artisanal sellers (Expert Market Research, 2020).

Global bakery products market (US\$ bn)



Source: Expert Market Research (2020).

Main drivers:

- The rising consumption of processed products and the shift taking place towards convenient food and beverage products is aiding the market growth. The rising demand for frozen bakery products owing to their convenience and prolonged shelf life is supporting the market for bakery products.
- COVID-19 caused a period of inflated demand for innovative bakery products. In developing countries there was shift away from brand loyalty during the low-stock environment. Demand is consistently high in the developed countries because bakery products such as biscuits are a quick and convenient source of nutrition and energy.
- There is a push for naturally baked, organic, and Ready-To-Eat Products in developed economies due to a rising number of health-conscious consumers, mounting e-commerce retail sales, and an increase in the number of working population.
- In Ethiopia, increasing urbanization is creating a growing class of consumers of processed bakery products.

4. Investment trends and drivers

Is there evidence of new investment projects?

- Yes.

What is driving new investment projects?

- Typically driven by access to local consumer markets.

Where are investments going?

- Europe (e.g., the UK, Ukraine) and North America (e.g., the US, Mexico).

Which mode of investment is preferred?

- Greenfield and M&A.

Warburtons expansion plans (2021)

- Warburtons, the UK bread maker, has revealed plans to spend US\$79.1 million on expansion projects to meet demand for non-bread baked products (crumpets, bagels).

Grupo Bimbo Investment into Ukraine (2021)

- Investments in the construction of a bakery of Grupo Bimbo in Kyiv region will amount to nearly US\$30 million production of buns, as well as tortilla and toast bread. This will create between 200 and 300 jobs.

Puratos rakes in US\$2.2 billion with ambitions to expand African footprint

- Belgium-based Puratos has expanded its African footprint with two new joint ventures in Kenya and Ethiopia.
- In Ethiopia, Puratos officially incorporated Puratos Ethiopia, which spans Ethiopia, Djibouti, Somalia, and Eritrea.
- Puratos Ethiopia is a joint-venture with Dachi Manufacturing, an Ethiopia-based manufacturer and distributor: Puratos Ethiopia has taken over the existing assets of Dachi Manufacturing, which includes manufacturing equipment at the company's factory, located in the suburb of Addis Ababa (with powder, wet and sugar paste lines) and its distribution network.
- Puratos founded the Bakery School Foundation which has already invested in bakery schools in India, Brazil, Mexico and South Africa. It includes courses about hygiene and food safety, good manufacturing practices, food quality, storage and shelf life, food labelling, raw material and ingredients.

Production of bakery products

5. Requirements for a potential project

Criteria	Requirements	Comments
Raw materials	Flour, Sugar, Water, Yeast	<ul style="list-style-type: none"> Wheat flour is the main ingredient to produce bakery products. A large bakery can use over 50,000 tonnes per year (e.g., Müller-Brot facility in Neufahrn, Germany). Other ingredients are required in smaller quantities.
Site	1,500m ² - 25,000m ²	<ul style="list-style-type: none"> Bakery goods manufacturing plant have a small minimum size requirement starting at 15 ha- The largest facilities require up to 2.5 ha. Cold storage facilities will need to be included in the facility. Food premises where operations result in the release of fumes or smokes need to be equipped with an exhaust system or ventilation.
Utilities	Standard utilities plus potential gas systems	<ul style="list-style-type: none"> Standard requirements for an industrial facility. Potable water shall be used for cooking, handling food, cleaning equipment & container which come in contact with food. Compressed air, carbon dioxide, nitrogen, and other gas systems may be required in manufacturing and/or packaging.
Workforce	Approx. 100 FTE	<ul style="list-style-type: none"> For projects with new plants above 10,000m², the creation of full-time positions is above 100 employees. The majority of new-hires are not expected to have prior experience in a bakery or manufacturing settings as typically training is provided.
Market access	Growing regional consumer demand	<ul style="list-style-type: none"> This is one of the main investment drivers in this target group. Companies operate multiple manufacturing plants around the world to reduce product shipping costs. They are also environmentally conscious and want to limit their carbon footprint by keeping supply chains short.
Others	Packaging	<ul style="list-style-type: none"> Product is often packaged in-house as it is fragile and needs immediate protection from oxygen.

6. Assessment of the Bulbula IAIP and associated RTCs

Criteria	Assessment
Raw materials	<ul style="list-style-type: none"> • There are at least 250 grain mills in Ethiopia producing with 3.7 million tonnes production capacity altogether. (The large mills receive imported government subsidized grain in addition to their local sources of grain). These suppliers should make it easy for a bakery to fill its flour supply needs. • For companies wanting to mill their own flour from wheat, Central-Eastern Oromia accounts for approximately 42% of the overall wheat production of Ethiopia with 1.89 million tons in 2016. According to Mahindra Consulting Engineers the ACPZ has a net marketable surplus of 444,357.14 tons of wheat. Farmers in Oromia grow both bread and durum wheat. • In 2016/17 national average wheat yields were reported to be 2.68 t/ha, a twofold wheat productivity increase since the turn of the century. Based on our interviews, any shortage in the availability of raw materials (wheat) will be alleviated through current investments in agricultural engineering and land availability to increase crop yield. • Ethiopia is a producer of sugar allowing investors to source it domestically. Baker yeast is available from local wholesalers. • There are currently 300,000 ha of land covered by irrigation wheat production thanks to a new initiative launched in 2021.
Site	<ul style="list-style-type: none"> • 271 ha are considered for initial development in Bubula town, 180 km from the capital, Addis Ababa. With over 8% of land intended for cereals processing, storing, and packaging units. Therefore, the space required for a potential project would be given at the park.
Utilities	<ul style="list-style-type: none"> • Electricity and water supply provision by the OIPDC is already at the final stage. Any company establishing operations at the park should have no problem accessing these utilities. • Chillers, compressed air, and steam are available on site.
Workforce	<ul style="list-style-type: none"> • According to Mahindra Consulting Engineers, the shortage of skilled trained manpower will be alleviated as the IAIP shall house training centers, skill development centers, educational and employability improvement centers

★ Significant advantage ✓ meets criteria – partially meets the criteria X does not meet criteria

6. Assessment of the Bulbula IAIP and associated RTCs (continued)

Criteria	Assessment
Market access	<ul style="list-style-type: none"> In Ethiopia, increasing urbanization is creating a growing class of consumers of processed bakery products.
Others	<ul style="list-style-type: none"> In our interviews, it was mentioned that local sourcing of packaging material is challenging, and many companies resort to imports from Dubai or other regional sources. The opening of Melba Printing, Publishing, and Packaging's US\$30 million facility in Oromia might offer a new local supply opportunity of paper-based packaging material. ✓

7. Opportunities for the Bulbula IAIP and associated RTCs

- As the production of wheat in the local area increases with improved technology and land availability, the IAIP has the opportunity to attract two medium-sized bakery goods projects in the next two years.
- Cooperation with local farmers and local and international agricultural research associations is imperative to increase crop yield to have a surplus of wheat to use for processing consumer bakery goods.
- A project of medium size would translate to 50 to 100 direct new jobs and a seven-digit-US\$ investment.
- We recommend that the investment attraction efforts are focused on the domestic market as well as in the international markets, more precisely on the US, France, Germany, and the UK.

3. INVESTOR TARGETING

Investor targeting techniques

Successful methods and key success factors

The target groups selected provide a clearly defined group of potential investors that each IAIP can attract. We consider that these target groups reflect the location's real competitive advantages and provide a specialized focus to the investment attraction activities of the RIPDC and the EIC, enabling a more effective use of resources and facilitating the initial contact and ongoing discussions with potential investors. Additionally, this targeted approach provides credibility and allows differentiation among regions, which increases the probability of conducting sustainable and successful investment promotion and attraction activities.

A successful proactive investment attraction is not possible with a large number of companies. Therefore, developing investor targeting techniques provide key benefits, including a more effective use of time, getting to relevant companies before competitors, pre-matching between company needs and location advantages, and in general a higher likelihood of success. It is important to keep in mind that targets are identified through research, either outsourced to specialists or systematic in-house and ongoing research within the EIC and RIPDC.

A proactive and an effective investor targeting approach includes four steps:

1. Identify

- Identify companies with the greatest potential for investment.

2. Qualify

- Obtain information related to the business and company's main strategic plans, including recent investments. Additionally, identify key contacts.

3. Approach

- Establish first contact to verify potential and generate interest.

4. Monitor

- Enable further contact and provide value and build relationship.

Identify: How to identify target companies

A target company has a clear business reason for establishing a new facility and investing in a certain geographic area. There are two types of target companies:

Strategic targets

This type of target refers to selected (“must-have”) companies that the region wants to attract, regardless of whether they currently have investment plans or not. Some key criteria for selecting strategic targets include:

- Part of a defined target group
- Industry and technology leaders
- Potential impact on location’s image
- Fit with overall development strategy
- Address identified gaps or opportunities

Speculative target

This type of target includes companies that appear to have potential for investment, based on research of recent company developments. A “speculative” target company may have a business reason for being interested in Ethiopia and meets some basic criteria such as:

- Size & Growth
- International orientation
- Recent investment projects
- Financial resources
- Restructuring
- New contract, client or partnership
- Supply chain linkages to the region
- Management connection
- Industry developments
- Stated objectives

Based on our experience working with IPA and SEZ around the globe, we consider it is important that the EIC and RIC targets both types of companies. As a starting point, it is important to define the strategic targets and focus 80% on attracting this type of companies. The remaining 20% would focus on speculative targets, which could strength the supply chain of certain industries.

Identify: How to identify target companies

Sources to identify companies

- Specific business associations and networks (see examples on section 4).
- Rankings and sector-specific studies.
- Trade shows, conferences, and summits (see examples on section 4).
- Specialized websites and portals (e.g., African Agribusiness: www.africanagribusiness.com, Agfunder News: www.agfundernews.com, FoodNavigator: www.foodnavigator.com).
- Systematic research through web search engines (e.g., Google, GoogleAlerts, Binge) to identify companies using keywords such as *New location* (plans to build a plant; plans to establish a subsidiary; new plant in Africa; further facilities planned); *Expansion* (e.g., plans to expand in Africa; announces expansion in Africa; expand its footprint in Africa; strengthen its presence in Africa); *Market entry* (e.g., to enter the market in Africa; eyes new markets in Europe); *production capacities* (e.g., plans to double production; increase production capacity).
- Private data bases such as fDi Markets (www.fdimarkets.com), Orbis from Bureau Van Dijk (www.bvdinfo.com), Preqin (www.preqin.com), and Gazelle (www.gazelle.ai).

Qualify: Building a database of target companies

Qualifying companies is an essential aspect of a successful investment attraction approach. The qualification of companies will allow the EIC, the RIPDC, and RIC to define the degree of support, and therefore resources, provided to the different types of opportunities.

The qualification process can be performed through a range of online sources such as company’s website, annual reports, strategy presentations, earnings call transcripts, and interviews with company executives. This process can also generate the type of information about the investor that can support to provide better facilitation. We provide in the annex of this report an example of a target company profile in the agribusiness industry. The example was a profile prepared by FDI Center for a client in Asia Pacific. We also provide a template for the EIC/RIC/RIPDC to elaborate this company profile.

Graphic 1 presents some qualifying criteria to decide the priority of a certain company/project. These criteria may be modified by the EIC/RIC/RIPDC to reflect more the priorities of these agencies. Prioritizing the support offered to a specific project is essential, therefore, we suggest two main categories:

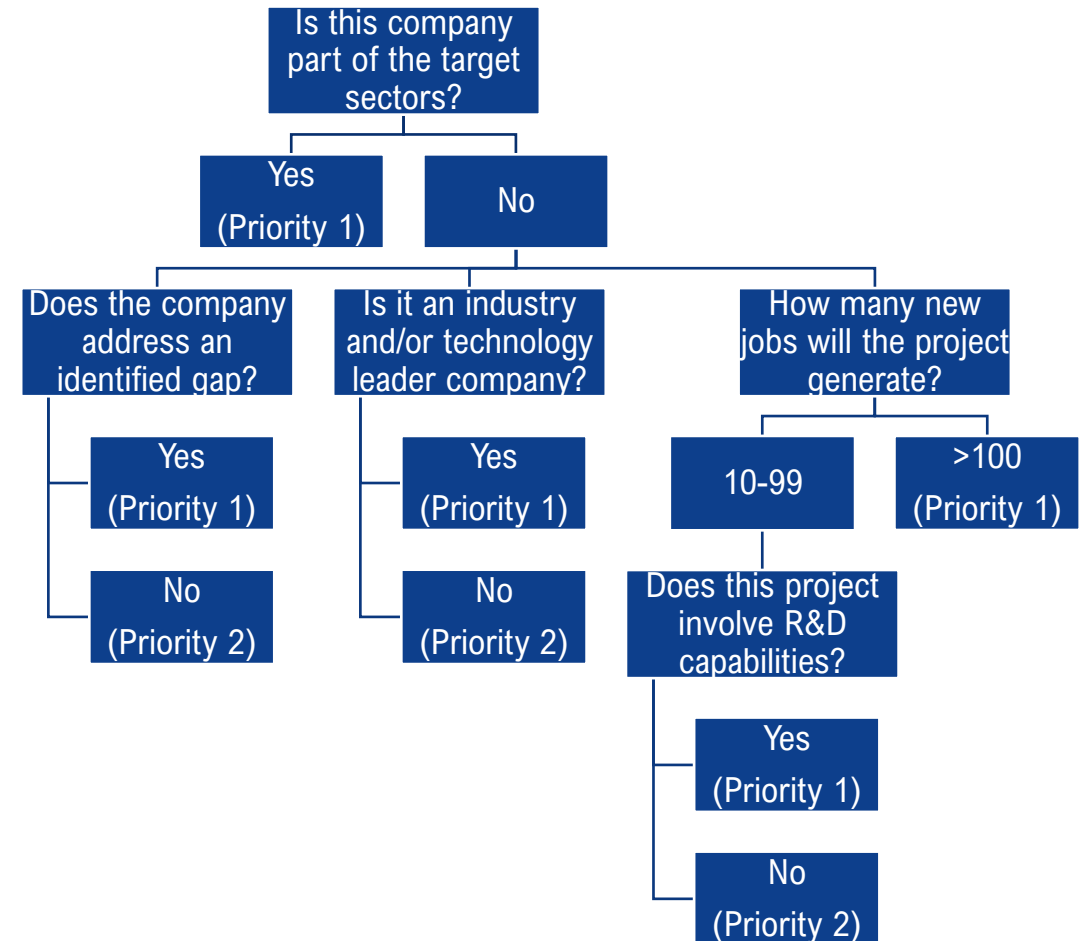
Priority 1: Proactive approach

- Contact directly potential investors to identify potential investment projects
- Establish a close and deep connection with the potential investor.
- Keep a constant contact with potential investment projects to identify all their needs and how can the EIC, the RIPDC, and the RIC provide tailored-support.
- Provide incentives.

Priority 2: Reactive approach

- Provide basic information for potential investment projects.

Graphic 1: Qualifying criteria



Approach, including using networks to identify potential investors

There are several channels to approach investors. The current pandemic worldwide has shifted the relevance of certain ways. It is possible to organize investment forums and participate on trade shows, but the most effecting way remains to be organizing one-on-one meetings (in person and virtual) with targeted investors.

Engaging with companies requires a clear responsibility within the EIC, the RIPDC, and the RIC teams in terms of who will be the main point of contact and to which degree can each institution provide the required support for the establishment of the project. On page 64, we propose the responsibilities of each institution.

Approaching decision-makers may be in some cases challenging but it is crucial to understand the company's potential interest in investing in Ethiopia. In larger corporations, contacting the Chief Operating Officer (COO), regional or divisional heads, corporate development/strategy team is suggested; while for small and medium enterprises, the ideal point of contact can be the Founder, Chief Executive Officer (CEO), Head of international expansion, and/or the Head of business development. These individuals are often involved in – or at least aware of – international expansion plans.

The first contact can be conducted via e-mail or LinkedIn. In some cases, if the e-mail or contact details are not available, even social media platforms such as Twitter provide an opportunity to establish a contact with key-decision makers. It is important to be precise about the purpose of approaching an individual and a company. Therefore, it is crucial to provide an overview of the organization, understand what are the current plans of the company and offer a proposal of a next step to go further (e.g., sharing some key data on the availability of a particular raw material in the region, current development status of the park, support that could be provided at the IAIP and how it compares to other locations).

In the next pages, we provide real examples on how to engage with potential investors and provide a template to approach decision-makers. It is important that the template is adapted to each investor and any generic information is avoided. Also, please keep in mind that once the first contact has been established, follow-up information to the interested companies should be submitted in the next 24-hours, and any additional research information is sent over the first week after the initial call.

Building a strong network with bilateral chambers of commerce, industry associations, and similar organizations is essential to identify potential investors. These institutions are potential allies to strength the investment attraction efforts of the EIC, the RIPDC, and the RIC teams, and can provide channels to conduct innovative approaches. Heilbron and Aranda-Larrey (2020) highlight the case of Invest in Turkey, who used an innovative approach to reach business-people who travel through Istanbul. The agency partnered with Turkish Airlines to set up an Invest in Turkey splash page on the airline's website so that travelers who used Turkish Airlines' Wi-Fi at its Istanbul airport business lounge were automatically directed to the splash page when connecting to the network. The users could download an app with excellent sector-specific data and testimonials.

We suggest on section 4, a list of potential multipliers and networks to connect with to support the investment attraction efforts to Ethiopia and the IAIPs.

Approach, including using networks to identify potential investors – example 1

Subject: Expansion in Australia – Request for a call

Dear Ms. (Name),

I am contacting you on behalf of the Australian government body, AUSTRADE (Australian Trade and Investment Commission), to ask you for a confidential call regarding your expansion in Australia.

We learned amongst others that you won a project with the Australian Government Department in 2019 and assumed that with the increasing demand for digitization across many sectors, an expansion of your company in Australia is not unlikely in the coming years. Being fairly familiar with your current footprint in Sydney, where you recently opened an office, we would like to:

- discuss your planned activities in the country and the need for new locations/offices,
- introduce AUSTRADE's stakeholders and speak about their available support.

Are you available for a call this or next week (14:00, 15:00, or 16:00 – CET) to discuss this in more detail?

Thanks for your reply.

Best regards,

NAME

Title

Phone number

LinkedIn

Approach, including using networks to identify potential investors – example 2

Subject: International expansion APAC – Location in the Middle East

Dear Mr. (Name),

I am contacting you on behalf of the Abu Dhabi Investment Office (ADIO), to ask you for a confidential call regarding your Middle Eastern investment plans.

ADIO provides a range of support (at no cost) to companies that are considering establishing a presence or expanding in the UAE. This includes introductions to relevant local contacts, information about the market and business climate as well as access to government programs.

I read recently that your company has raised €7 million in new equity investment, some of which will be used to accelerate your international expansion plans in Asia. I know that you have supplied some vehicles to Dubai International Airport in the past and the climate and range of industries in Abu Dhabi make the Emirate an attractive market for your company.

It seems like your current model is to grow international sales through a network of distributors. I was wondering whether your expansion plans also include setting up your own offices in the UAE, to provide local sales, administration, and perhaps maintenance support? If that is part of your plan, I would be glad to provide more information about how our agency can assist you to consider Abu Dhabi as a location for expansion.

Please let me know if this is something that could be of interest to you. I look forward to your response.

Best regards,

NAME

Title

Phone number

LinkedIn

INVESTOR TARGETING TECHNIQUES

Approach, including using networks to identify potential investors

Suggested template to approach potential investors

Subject: Ethiopia's investment opportunities on (INSERT SECTOR) – Call request

Dear Dr./Ms./Mr. (Last name),

We have noticed that (Insert name of the company) has been (INSERT HIGHLIGHT OF THE COMPANY). The African market for the (Sector) sector is expected to continue growing and we would like to set up an introductory call to share the opportunities that Ethiopia has to offer you.

Ethiopia has (INCLUDE ADVANTAGES FOR THIS SECTOR).

Please let us know which date and time suits you better and we would be happy to share the details to connect.

Looking forward to hearing back from you.

Best regards,

NAME

Title

Phone number

LinkedIn

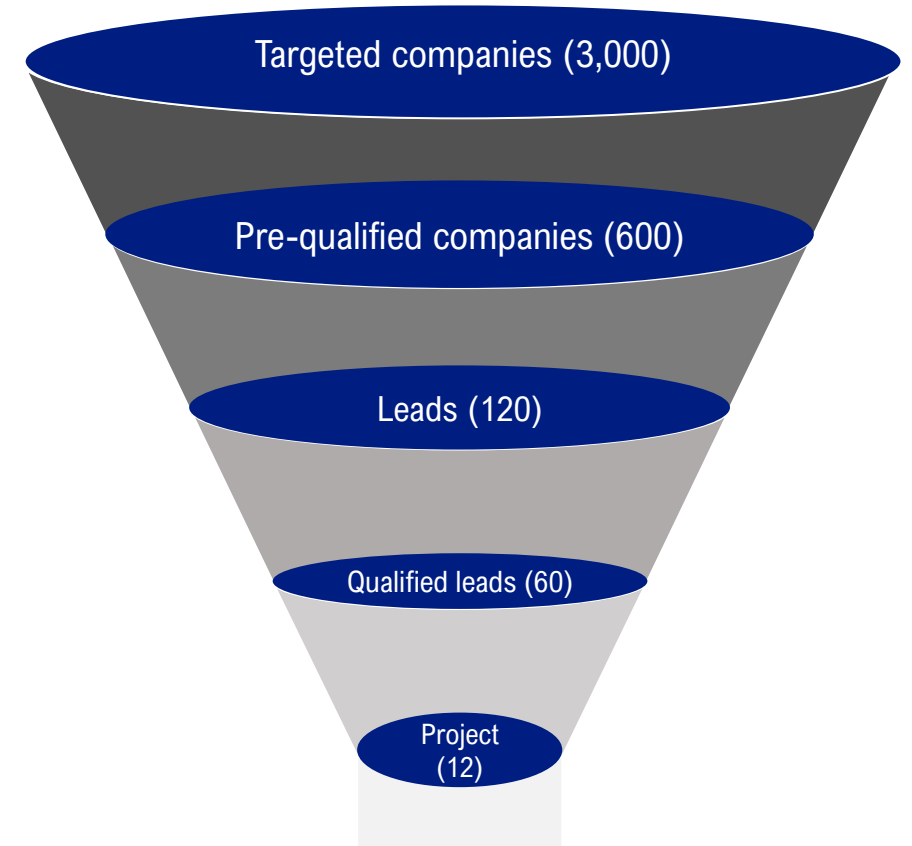
Monitor

Once the first contact has been established, the EIC, RIPDC, and RIC need to make clear that the investor understands in detail what type of support is available and under what circumstances it is provided. Expectation management includes informing the investor about the timing of support and the entities that will be involved in facilitation (e.g., the EIC, RIPDC, RIC, ATA, etc.). It is also important to clarify early in the facilitation process that the support provided by the agencies does not guarantee receiving incentives. All these points will help manage the investor's expectations from the beginning and reduce the risk of disappointment later in the process.

As graphic 2 shows, only about 10% of the leads transform into real investment projects. The investor targeting process goes from:

- Targeted companies: large number of companies in the target group that may have expansion plans.
- Pre-qualified companies: companies that are currently growing, have received capital investment to continue growing, and/or have announced expansion plans.
- Leads: companies that have been contacted and have expressed an interest in getting more information about the opportunities available in Ethiopia.
- Qualified leads: after an initial conversation, the company is interested in receiving information on topics such as potential sites available at the IAIP and access to raw materials.
- Project: the company is considering establishing a new operation at the IAIP. However, it is important to keep in mind that not all projects translate into new investment projects as some of them may cancel or choose a different location in the end.

Graphic 2: Investor targeting metrics over one year (number)



Between two and five investment projects completed!

Source: Vale Columbia Center on Sustainable International Investment and Millennium Cities Initiative (2009)

Monitor

Building a database of targeted companies requires time and needs to be properly tracked. A Customer Relationship Management (CRM) system is needed to record the relation with each company. It also supports new members joining the RIPDC, RIC, or EIC to recognize the history with a company's particular investment project, including if an investment project was cancelled or put in standby.

The monitoring process should be conducted using a CRM. There are several options available online (e.g., Salesforce, HubSpot, Insightly, Wavteq Amplify). Selecting one will support to maintaining a strong relationship with potential investors. A CRM will help the EIC, RIPDC, and RIC to centralize and optimize the communication.

The prices for accessing a CRM vary depending on the provider and the plan chosen. As requested, we provide in the image here an overview of the estimated costs with HubSpot.

Prices for HubSpot as of June 2021

The image displays two pricing cards for HubSpot. The Professional plan is priced at 740 €/mo (billed at 8.880 €/yr) and includes 2,000 marketing contacts. The Enterprise plan is priced at 2.944 €/mo (billed at 35.328 €/yr) and includes 10,000 marketing contacts. Both plans offer a 10% discount for annual commitment. Below each plan are buttons for 'Talk to Sales' and 'Start a free 14-day trial'. The Professional plan features a 'Starter plus' section with 10 features, an 'Orchestrate Efficient Campaigns' section with 3 features, and an 'Optimize Campaign Conversion' section with 3 features. The Enterprise plan features a 'Professional plus' section with 6 features, an 'Extend the Platform' section with 3 features, and an 'Advance Your Reporting' section with 3 features.

Plan	Price (Monthly)	Price (Annual)	Marketing Contacts
Professional	740 €/mo	8.880 €/yr	2,000
Enterprise	2.944 €/mo	35.328 €/yr	10,000

Professional Plan Features:

- Starter plus:**
 - AUTOMATE & PERSONALIZE ENGAGEMENT ACROSS CHANNELS
 - Omni-channel marketing automation
 - ABM tools and automation
 - Dynamic personalization
 - Multi-language content
 - Social media
 - Video hosting & management
 - Contact and company scoring
 - ORCHESTRATE EFFICIENT CAMPAIGNS
 - Collaboration tools
 - Campaign management
 - Teams
 - OPTIMIZE CAMPAIGN CONVERSION
 - A/B testing
 - Ads optimization events
 - Contact create attribution

Enterprise Plan Features:

- Professional plus:**
 - MANAGE YOUR TEAMS & BRANDS
 - Single sign-on
 - Partitioning
 - Hierarchical teams
 - User roles
 - Field-level permissions
 - Email send frequency cap
 - EXTEND THE PLATFORM
 - Custom objects
 - Salesforce custom object sync
 - Adaptive testing
 - ADVANCE YOUR REPORTING
 - Multi-touch revenue attribution
 - Behavioral event triggers and reporting
 - Predictive lead scoring

Source: [HubSpot \(2021\)](#).

4. INVESTMENT PROMOTION AND LEAD GENERATION

INVESTMENT PROMOTION AND LEAD GENERATION

Overview and proposed overall action plan 2021 – 2022

The investment promotion and lead generation section includes detailed action plans for each of the three target groups selected during our assessment. These action plans are intended to be practical and to be used for promoting the investment opportunities related to the Bulbula IAIP. Given the ongoing global pandemic, we recommend focusing mainly on digital promotion activities for the rest of 2021 and propose to conduct in-person activities in 2022.

The action plans include a mix of promotions at trade fairs, industry publications as well as roadshows. We recommend complementing all of these activities with direct marketing towards selected target firms and regular follow ups with investors that showed an initial interest.

The action plans are developed in a way that either the EIC can implement the promotion activities aimed at international investors, whereas the Oromia Investment Commission (OIC) focuses on domestic promotion or that the EIC and the OIC can share the international and domestic promotional activities among themselves. If both agencies decide to deliver certain (e.g., international) activities together this might provide a deeper level of information and service to potential investors. However, it also may lead to higher and duplicated cost. Given the different levels of capacity at both agencies, we recommended a higher number of activities for the EIC. Also, it is important to note that the international attraction efforts can be supported by the Ethiopian embassies in the key selected markets.

The total costs for implementing the action plans are difficult to estimate as they will vary depending on the total number of people assisting to an event/international mission and any other investment promotion activities that could be contemplated. We provide therefore only a cost estimate of participating in certain events.

	Jul-Dec 2021	Jan-Jun 2022	Jul-Dec 2022
International investment promotion	<ul style="list-style-type: none"> Advertise and / or sponsor content on “Tomato News”. Attend World Dairy Expo in the US. Advertise and / or sponsor content in the “Dairy Industries International” magazine. Advertise and / or sponsor content in Bakery & Biscuits trade magazine. 	<ul style="list-style-type: none"> Attend 14th World tomato congress in Argentina. Attend tomato News Online conference 2022. Attend Food & Beverages event in Kenya. 	<ul style="list-style-type: none"> Attend the International Baking Industry Exposition (IBIE). Follow-up with multipliers and potential investors.
Domestic investment promotion	<ul style="list-style-type: none"> Attend Agrofood Ethiopia in Addis Ababa Hold an investment webinar for potential domestic and international investors. 	<ul style="list-style-type: none"> Organize an investment webinar in cooperation with the EMPIA. 	<ul style="list-style-type: none"> Organize an investment seminar for domestic tomato firms in cooperation with the EHPEA. Follow-up with multipliers and potential investors.
	Direct marketing to selected target companies (EIC, RIC & RIPDC)		

4. INVESTMENT PROMOTION AND LEAD GENERATION

Action plans

Approach

- The global leading tomato processing companies are concentrated across California (US), the Mediterranean, and China (see also next page).
- There are dedicated media platforms and events in this industry worldwide, except in China.
- In China, we recommend going through the relevant Chinese government agencies to gain access to target companies.
- Chinese companies are currently supplying international brands such as Heinz and Kagome from their operations in Xinjiang. With the recent sanctions against products from Xinjiang by multiple countries such as the US and Japan, the Chinese tomato processors might consider relocating their tomato processing facilities to another country so that they can continue supplying international firms with tomato paste. This would provide an opportunity for Ethiopia to attract large-scale Chinese tomato processors.

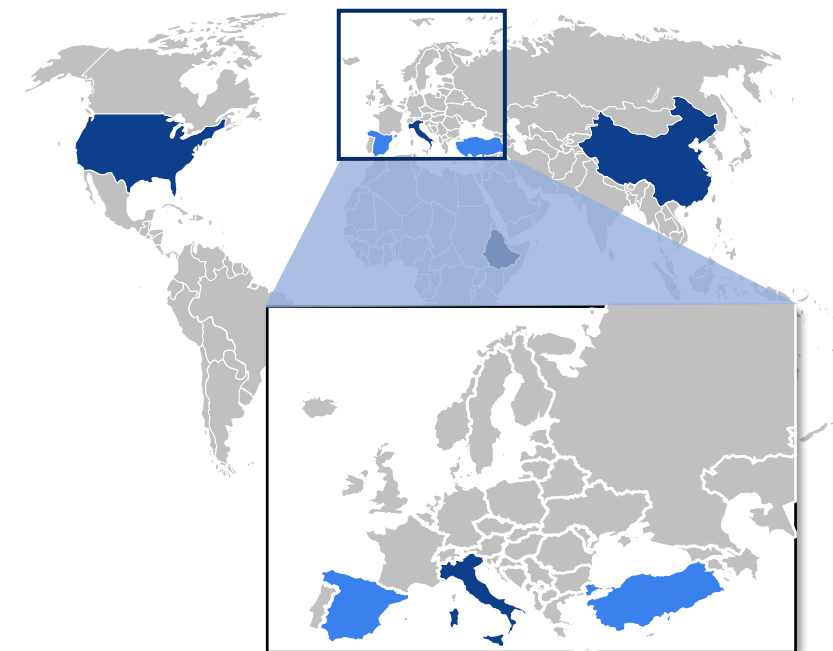
Preparatory work

- Speak to local cooperatives and farmers about their interest to switch production from salad tomatoes to sauce tomatoes.
- Also, identify cooperatives and farmers to visit during site visits with potential investors.

Overview of recommended channels and activities

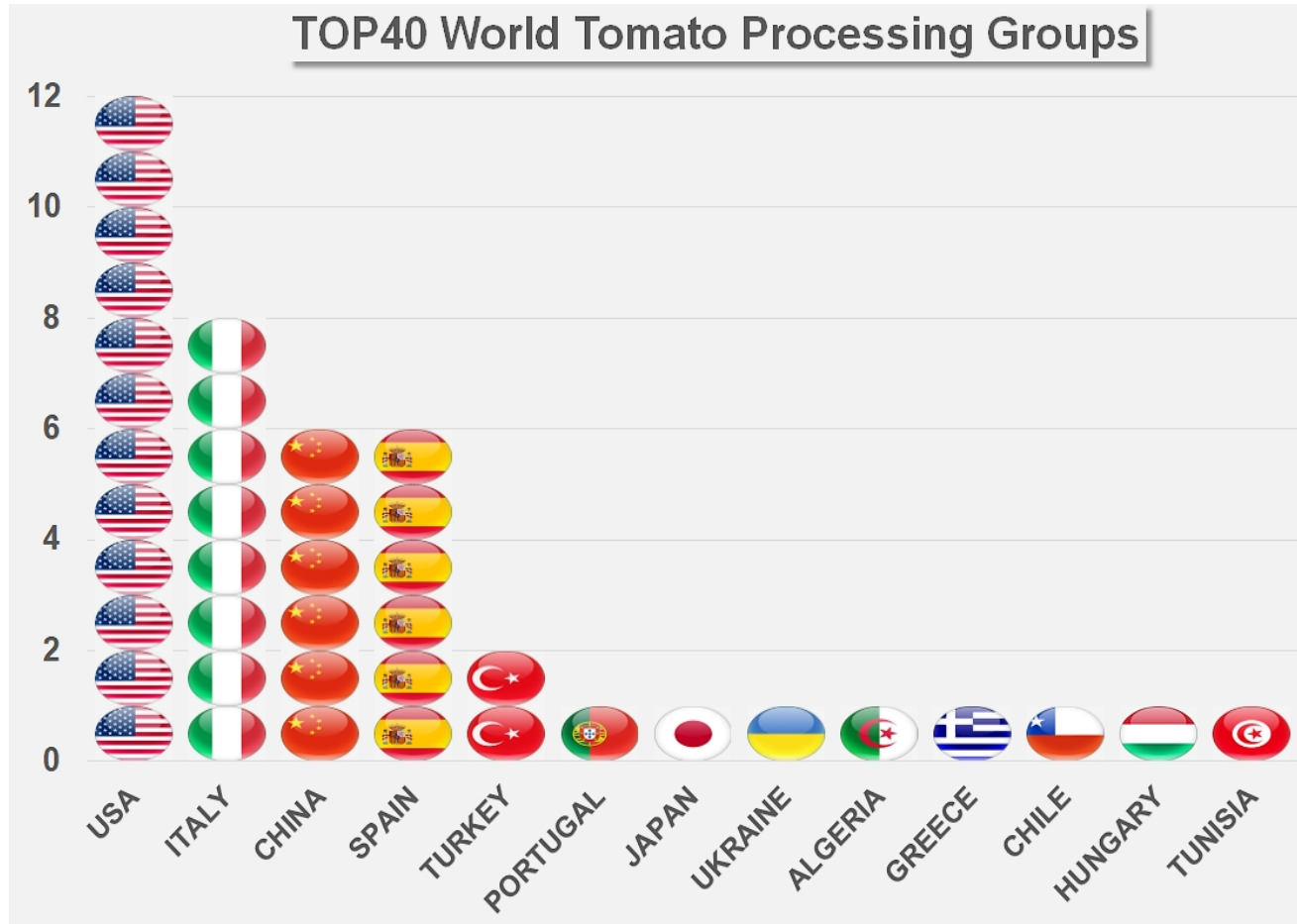


Geographic focus



- Highest concentration of companies
- Ethiopia
- High concentration of companies

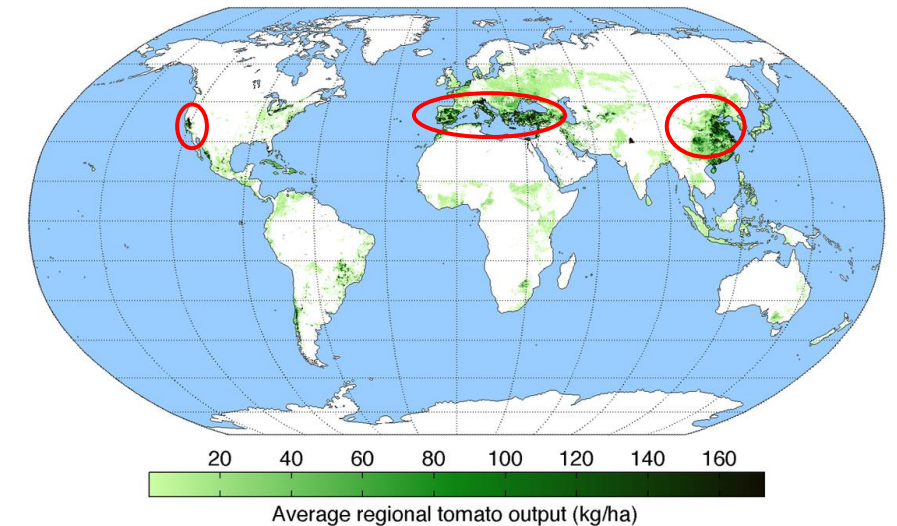
Geographic focus (deep dive)



Source: Tomato News (2018); Wikimedia (2021).

Comments

- The five target countries (the US, Italy, China, Spain, and Turkey) are together home to 34 of the 40 largest tomato processing companies.
- The target countries closely match the world’s main tomato growing areas (see map below).



Details on the key multipliers and partners

	<u>Tomato News</u>	<u>Tomato Europe Processors Association</u>	<u>Xinjiang Uygur Autonomous Region Commerce Department</u>	<u>EHPEA</u>
Type of organization	Media	Association	Government agency	Domestic Horticulture Organization
Outreach	Worldwide	Europe	Xinjiang, China	Ethiopia
Potential opportunities	<ul style="list-style-type: none"> Attend the events organized by them to get knowledge of the industry and use it as a networking platform. 	<ul style="list-style-type: none"> Provide introductions to national associations and member companies 	<ul style="list-style-type: none"> The largest Chinese tomato processors are based in Xinjiang. In China, the government typically plays an important role in facilitating outward investment. The department can introduce Bulbula IAIP to companies in Xinjiang. 	<ul style="list-style-type: none"> Co-organize an investment seminar for their members.
Events	<ul style="list-style-type: none"> Tomato News Online Conference 	N/A	N/A	N/A
Contact details	<p>Sophie Colvine, Editor and General secretary at the World Processing Tomato Council (WPTC) E: news@tomatonews.com</p>	<p>Antonio Casana, President T: +39 0377 707011 E: antonio.casana@solanaspa.it</p>	<p>T: 0991 2883186 F: 0991 2883186-700 Address: No 1292 Xinhua South Road, Urumqi, China; Postcode: 8300492</p>	<p>Tewodros Zewdie, Executive Director T: +251 116 631 760/6750 Contact link</p>

In-person activities

14th World Tomato Congress

- **What?** This biannual event is the main conference in the tomato processing industry.
- **When?** March 7-11, 2022
- **Where?** San Juan, Argentina.
- **Target audience?** Attendees include major players of the industry such as Morning Star, Kagome and Heinz.
- **Costs?** A single entry pass starts at US\$1,200.

Investment seminar in cooperation with the EHPEA

- The EHPEA members engaged in tomato growing or exporting are a prime target for potential downstream expansion to increase their value add in the value chain.
- We recommend to hold an investment seminar in Addis Ababa to present the tomato processing investment opportunity.
- Interested firms should be invited to a site visit to Bulbula to see the IAIP and to meet with local cooperatives and other potential partners.

Digital activities

Advertise and sponsor content on Tomato News

- Tomato News offers a number of different advertisement options ranging from a company profile on the website over feature articles and dedicated newsletters.
- We recommend the publication of one feature article (“advertorial”), which introduces the opportunities at the Bulbula IAIP and lists contact details for potential investors.
- **Costs?** €800.

Attend Tomato News Online Conference 2022

- **When?** The dates for 2022 have not been announced yet. As a point of reference, the 2021 edition was held in June.
- **Where?** Virtual event.
- **Target audience?** Tomato processors.
- **Costs?** Attendance: €100; Sponsorship package: €2,000.

Direct marketing targets (1/2)

2018 TOP WORLD TOMATO PROCESSING GROUPS								
RANK (by daily capacity)	COMPANY	COUNTRY	NUMBER OF FACTORIES	PROCESSING REGIONS	PROCESSING CAPACITY		2017 PROD (MT)	2016 PROD (MT)
					DAILY (MT)	YEAR (MT)		
1	MORNING STAR	USA	3	CALIFORNIA	59 000	5 700 000	3 000 000	3 600 000
2	TUNHE (*)	CHINA	16	CHINA	48 000	2 500 000	2 600 000	2 300 000
3	CHALKIS (*)	CHINA	17	CHINA	40 000	2 000 000	1 500 000	1 200 000
4	SUGAL GROUP	PORTUGAL	5	PORTUGAL, SPAIN, CHILE	29 000	2 465 000	1 878 000	n.a
5	KAGOME GLOBAL (1)	JAPAN	5	CALIFORNIA, PORTUGAL, AUSTRALIA, JAPAN	27 900	2 380 000	1 886 000	1 982 000
6	CONESA (2)	SPAIN	8	SPAIN, PORTUGAL, CHINA, CALIFORNIA	27 100	1 500 000	1 331 000	870 000
7	OLAM	USA	3	CALIFORNIA	22 000	1 575 000	800 000	1 050 000
8	JG BOSWELL	USA	2	CALIFORNIA	16 000	1 350 000	900 000	1 114 000
9	AGROFUSION	UKRAINE	3	UKRAINE	12 500	750 000	541 347	454 866
10	GUANNONG (*)	CHINA	1	CHINA	12 000	600 000	480 000	270 000
11	STANISLAUS (*)	USA	1	CALIFORNIA	11 500	750 000	n.a	n.a
12	HAOHAN GROUP (*)	CHINA	6	CHINA	11 000	1 125 000	650 000	600 000
13	CONSERVE ITALIA (*)	ITALY	6	ITALY, FRANCE	11 000	500 000	n.a	n.a
14	TAT KONSERVE (3)	TURKEY	3	TURKEY	11 000	500 000	320 000	320 000
15	CASALASCO (4)	ITALY	3	ITALY	11 000	560 000	560 000	543 000
16	MUTTI (5)	ITALY	3	ITALY	11 000	650 000	560 000	320 000

Source: Tomato News (2018).

Tomato processing

Direct marketing targets (2/2)

17	TRANSA (6)	SPAIN	2	SPAIN, PORTUGAL	10 500	440 000	349 217	304 326
18	LOS GATOS	USA	1	CALIFORNIA	10 000	1 000 000	n.a	n.a
19	CAMPBELL (*)	USA	2	CALIFORNIA	10 000	800 000	n.a	n.a
20	TOMA-TEK (*)	USA	1	CALIFORNIA	8 000	750 000	n.a	n.a
21	T. DEL GUADIANA	SPAIN	1	SPAIN	8 000	440 000	372 578	322 596
22	ITALTOM (7) (*)	ITALY	1	NORTH ITALY	8 000	500 000	350 000	n.a
23	CONS. BENAMOR (*)	ALGERIA	4	ALGERIA	7 600	500 000	n.a	n.a
24	LA DORIA	ITALY	5	ITALY	7 500	360 000	278 000	241 000
25	NOMIKOS (8)	GREECE	3	GREECE, TURKEY	7 400	380 000	290 000	400 000
26	FUYUAN (*)	CHINA	2	CHINA	7 200	360 000	150 000	45 000
27	CONAGRA (*)	USA	2	CALIFORNIA	7 000	650 000	n.a	n.a
28	AGROZZI	CHILE	1	CHILE	6 500	400 000	385 000	385 000
29	TOMALIA (*)	SPAIN	1	SPAIN	6 500	325 000	n.a	n.a
30	THAI SUN (*)	CHINA	1	CHINA	6 000	300 000	n.a	n.a
31	DEL MONTE (*)	USA	1	CALIFORNIA	5 700	513 000	n.a	n.a
32	PCP (*)	USA	1	CALIFORNIA	5 500	500 000	n.a	n.a
33	PRONAT	SPAIN	1	SPAIN	5 400	380 000	244 669	188 776
34	RODOLFI (9) (*)	ITALY	3	NORTH ITALY	5 300	265 000	250 000	n.a
35	PRINCES IND. ALIM. (*)	ITALY	1	ITALY	5 000	300 000	250 000	n.a
36	ASSAN FOODS (*)	TURKEY	1	TURKEY	4 500	270 000	n.a	n.a
37	UNIVER	HUNGARY	1	HUNGARY	4 300	150 500	79 200	49 500
38	ALSAT	SPAIN	1	SPAIN	4 000	200 000	158 000	125 000
39	ESCALON (*)	USA	1	CALIFORNIA	3 500	318 000	n.a	n.a
40	MIZKAN	USA	1	CALIFORNIA	3 500	325 000	n.a	n.a
41	SOLANA	ITALY	1	NORTH ITALY	3 500	200 000	162 000	172 000
42	SICAM (*)	TUNISIA	1	TUNISIA	3 000	180 000	n.a	n.a

Source: Tomato News (2018).

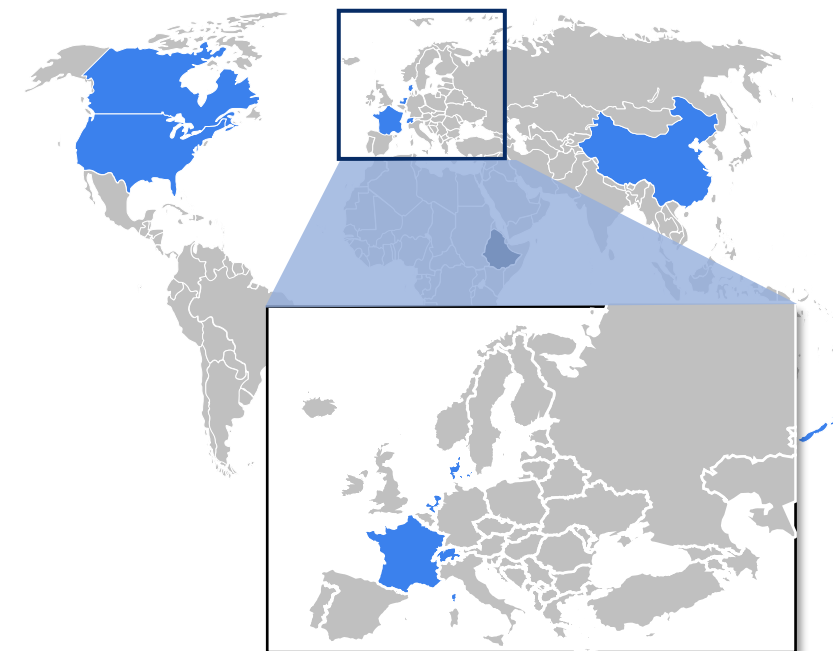
Approach

- We recommend that the international promotion by the EIC should be combined with the promotion of the dairy processing industry for the Bure IAIP.
- The domestic promotion for Bulbula shall be undertaken by the respective regional investment commission.
- We recommend working through multipliers to reach target companies.

Preparatory work

- Reach out to the Ethiopian Milk Processor Industry Association (EMPIA) regarding their willingness to cooperate.
- Identify local farms and cooperatives for site visits with potential investors.

Geographic focus



- Highest concentration of companies
- Ethiopia
- High concentration of companies

Overview of recommended channels and activities

Jul-Dec 2021

- Attend World Dairy Expo in the US.
- Attend Agrofood Ethiopia in Addis Ababa.
- Advertise and / or sponsor content in the “Dairy Industries International” magazine.

Jan-Jun 2022

- Organize an investment webinar and / or a in-person event in cooperation with the EMPIA.

Jul-Dec 2022

- Direct marketing to target firms.
- Follow-up with multipliers and potential investors.

Details on the key multipliers and partners

	<u>Dairy Industries International</u>	<u>Eastern and Southern Africa Dairy Association (ESADA)</u>	<u>European Dairy Association (EDA)</u>	<u>Ethiopian Milk Processor Industry Association (EMPIA)</u>
Type of organization	Media	Association	Association	Association
Outreach	Global	Africa; dedicated Ethiopia chapter	Europe	Ethiopia
Potential opportunities	<ul style="list-style-type: none"> Advertise in the magazine reaching international target companies 	<ul style="list-style-type: none"> Introductions to potential domestic and international investors Attend their conference 	<ul style="list-style-type: none"> Introductions to their members Attend their events 	<ul style="list-style-type: none"> Introductions to potential domestic investors Organize an investment webinar for their members
Events	N/A	<ul style="list-style-type: none"> ESADA conference (details TBA) 	<ul style="list-style-type: none"> Annual convention: mode and dates to be announced 	N/A
Contact details	Samantha Bull Advertising Sales Manager T: +44 1474 532 202 E: sam@bellpublishing.com	Liberty Plaza, 4th Floor, Suite 4 Mombasa Rd., Nairobi, Kenya T: +254 721 266 481 / +254 703 501 532 E: secretariat@dairyafrika.com	Alexander ANTON, Secretary General T: +32 2 549 50 43 E: aanton@euromilk.org	Fekade Silassie T: +251 091 161 7042 E: fedadesilasie@yahoo.com

In-person activities

World Dairy Expo

- **When?** September 28 - October 2, 2021 (if travel possible – otherwise in 2022).
- **Where?** Madison, US.
- **Target audience?** Global dairy industry with an emphasis on the US. Attendees include major players such as Dairy Farmers of America, Danone, and Land O'Lakes.
- **Costs?** The entry pass costs US\$35 per person; fees for a booth are available upon request.

Agrofood Ethiopia

- **When?** October 14-16, 2021.
- **Where?** Ethiopian Skylight Hotel, Addis Ababa.
- **Target audience?** International agro-processors including major dairy firms such as Kaskat (Poland), Priamo (Italy), and Intermak Makina (Turkey).
- **Costs?** Free online registration for day passes; possibility for a booth (cost information upon request).
- **Other?** Provides an opportunity to promote also to other target groups such as bakeries, tomato, and fruit processors.

Digital activities

Investment webinar in cooperation with EMPIA

- EMPIA is the main domestic dairy industry association in Ethiopia.
- We recommend organizing an investment webinar in cooperation with EMPIA to promote the dairy investment opportunities in the Bulbula IAIP to their members.

Advertise and/or sponsor content in the Dairy Industries International magazine

- The industry publication is reaching dairy industry decision-makers in 75 countries.
- The majority of the readership is from Europe and the Americas.
- Advertising fees range from US\$1,300 to US\$6,000 depending on the type of advertisement chosen.
- See the detailed media kit [here](#).

Production of bakery products

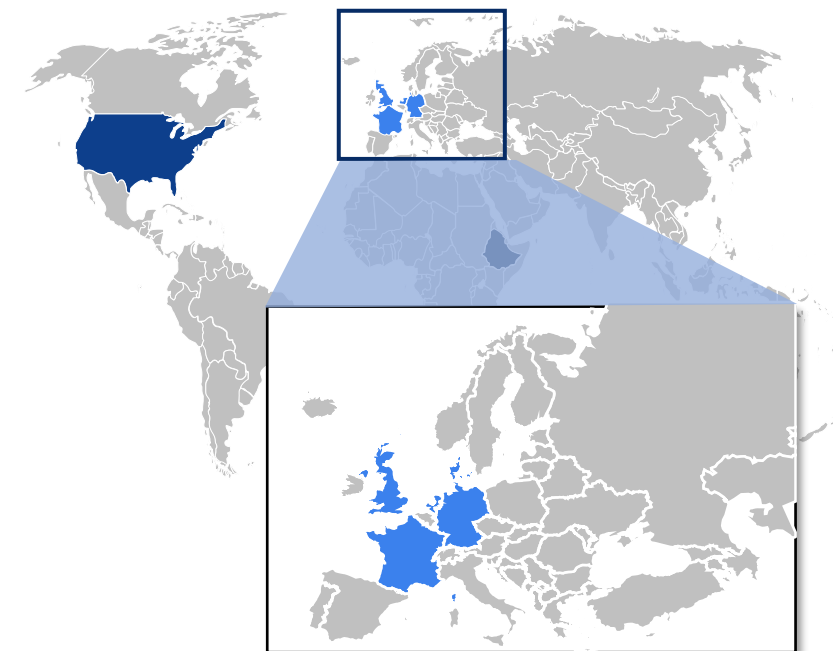
Approach

- We recommend the EIC to focus both on promoting the park to international investors in Europe and North America, due to the size of their existing market and consistent growth.
- We also suggest following the Asia Pacific market, possibly through the [Asia Pacific Bakery&Biscuits Magazine](#), for opportunities due to its rapid growth.

Preparatory work

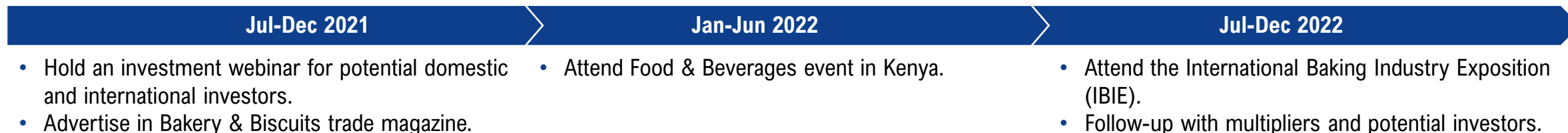
- Talk to the local cooperatives and farmers about their willingness and conditions to partner with bakery goods manufacturers.
- Arrange meetings with the local Research Associations that are working on extending the production of wheat to prepare growers for investment and increased demand.

Geographic focus



- Highest concentration of companies ● Ethiopia
- High concentration of companies

Overview of recommended channels and activities



Production of bakery products

Details on the key multipliers and partners

	American Bakers Association	World Bakers: Bakers&Biscuits Magazine	Ethiopian Institute of Agriculture Research
Type of organization	Association	Trade magazine	Research association
Outreach	Global (Majority in the US)	Split into Europe and Asia Pacific (also includes Americas 18%) Magazines	Domestic
Potential opportunities	Networking: Over 300 members including Aryzta Americas and Pepperidge Farms as well as international players like Parle (Mumbai) and Arnott's Biscuits (Australia)	Advertise in the Magazine, creating content specific to split global markets. Readership base: 7,000 professionals.	Opportunity to reach domestic investment promotion. For example: in May 2021 EIAR lead a two-day workshop on vitalizing the Ethiopian wheat sector.
Events	<ul style="list-style-type: none"> International Baking Industry Exposition Various Webinars 	ISM 2022 - The world's largest trade fair for sweets and snacks	N/A
Contact details	Ben Simpson Director of Membership T: +1 202 789 0300 E: bsimpson@americanbakers.org	Ms. Cristina Nae Advertising Sales Director M: +32 499 73 11 14 E: cristina.nae@trade.media	Feto Esimo (PhD) Director General T: +25 111 646 0380 E: feto.berisso@eiar.gov.et

Production of bakery products

In-person activities

International Baking Industry Exposition (IBIE)

- **When?** Education: September 17-21, 2022, and Expo Hall Sept. 18-21, 2022.
- **Where?** Las Vegas Convention Center, Nevada (US).
- **Target audience?** 939 baking exhibitors from 109 countries in 2019 including members from across the supply chain. Targets include some of the main leaders of this target group like General Mills and Bühler Group.
- **Costs?** Full pricing information for attendees will be available soon - registration will open September 18, 2021. [Booth rates](#) for non-members are US\$42 per sq. ft. with a minimum of 100 sq. ft. size.

Food & Beverages Kenya (2022)

- **When?** July 9-11, 2021 (annual event – look for 2022 dates).
- **Where?** Sarit Expo Centre Nairobi, Kenya.
- **Target audience?** Approx. 950 visitors in total. Exhibit profiles include Bakery Equipment and products. Companies include BakeMate (Saudi Arabia).
- **Costs?** [US\\$650](#), including hotel accommodations.
- Exhibitor application is available [here](#).

Digital activities

Advertise in World Bakers trade magazine

Bakers&Biscuits Print

- Europe: Bimonthly distribution with a circulation of 14,000.
- Asia Pacific: Quarterly distribution with a circulation of 9,000.
- Approximately 40% of all readers are CEOs, Presidents, or Owners.
- A quarter-page one-time advert costs €1,100.
- See the detailed media kit [here](#).

World Bakers Online

- Readership base consists of 7,000 professionals.
- Advertising includes content banners on website, newsletters, and e-blasts each starting at €500 (see media kit above).

Hold a webinar/investment seminar in cooperation with the EIAR

EIAR stated that wheat production is expanding into lowland areas of Ethiopia using irrigation, making more potential land for wheat available.

Based on EIAR's past workshop on vitalizing the Ethiopian wheat sector, where private sector engagement and investment was a focus, expand on future opportunities through the park.

5. INVESTMENT FACILITATION

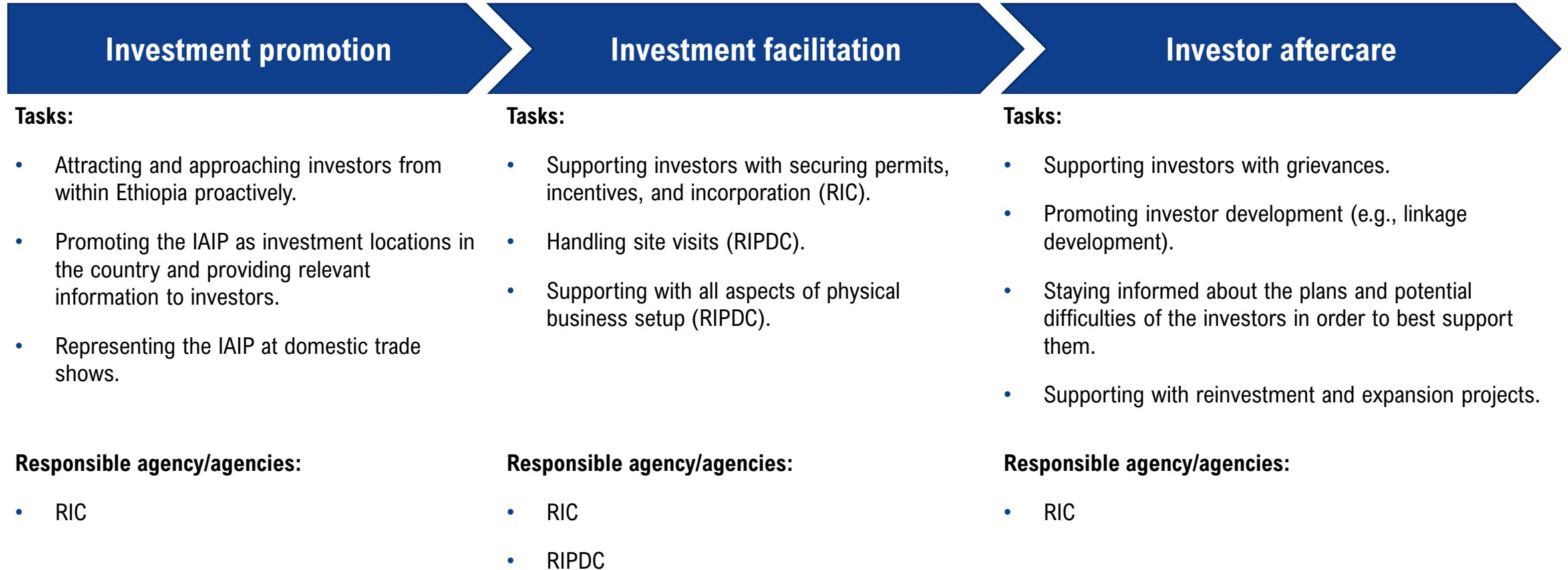
Investment facilitation roles of involved agencies at the federal and regional level

Investment process for **foreign** investors:



Investment facilitation roles of involved agencies at the federal and regional level

Investment process for **domestic** investors:



Workforce needs

We estimate the following workforce needs at the involved agencies to successfully implement this strategy:

Ethiopian Investment Commission (EIC)	Regional Investment Commission (RIC)	Regional Industrial Park Development Corporation (RIPDC)
FTE: Two (2)	FTE: One (1) for each RIC	FTE: One (1) for each RIPDC
Key skills required: <ul style="list-style-type: none"> • English and Amharic language skills, additional languages (local or foreign languages) would be a plus. • FDI or site selection experience (desirable). • Business understanding – preferably gained through previous private sector experience. • Knowledge of the agro-processing industry. • Service orientation. • Marketing or B2B sales experience. 	Key skills required: <ul style="list-style-type: none"> • Amharic and local language, English and other language skills would be a plus. • Business understanding – preferably gained through previous private sector experience. • Knowledge of the agro-processing industry. • Marketing or B2B sales experience. 	Key skills required: <ul style="list-style-type: none"> • English and local language, additional languages (Amharic or foreign languages) would be a plus. • Technical understanding of construction, logistics and utility needs. • Service orientation.

These resources may be allocated from within the existing workforce of the agencies. In case this is not feasible the agencies might want to consider recruiting additional staff with the necessary qualifications.

Templates for responding to investor inquiries

Through which channel can investors reach you?

Two options:

- I. Competent officials mentioned on the website (recommended)
- II. Contact forms

Recommendations based on current websites of the EIC:

EIC:

- Remove the contact form under contact us
- List the respective contact person(s) with their photo, phone number, and e-mail for each target sector profile.

As of May 2021, the Sidama Investment Commission does not have a website yet. Once it is developed, it is important to:

- Have a corporate e-mail address for employees instead of free e-mail accounts such as gmail or yahoo.
- Provide information in English and Amharic
- List the contact persons by industry with a photo, phone number, and e-mail

I. Contact persons on the website:

We recommend this option as it provides potential investors with the feeling that their request will be taken care of.

- See on the right side a best-practice example from Business Finland – the national Investment Promotion Agency (IPA) of Finland.
- Contact persons should be provided by the industry sector. This allows the investors to directly speak with a person who understands their industry and their location-specific needs.
- For each contact person, the following information should be provided: profile picture, name, position, phone number, and e-mail address (with hyperlink). If available, social media pages such as LinkedIn can be provided as well.
- For the EIC, the website should be available in English, Amharic, and potentially other languages of key target markets. For the RICs, the website should be in English, Amharic, and the local language.
- Potential investors can directly e-mail the contact person for their industry. On the next page, we provide a template for how to respond to a potential investor inquiry via e-mail, which should be modified on a case-by-case basis.

Best case practice example: Business Finland – contact persons

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I. Contact persons mentioned on website:

E-mail response template:

Dear Mr./Ms./Dr. [insert last name here],

thank you very much for your message and interest in [insert name of location].

[Insert text based on request]

Please see enclosed flyer for more detailed information on what our location can offer to your business.

I would be happy to schedule a call in the next days to tell you more about what our location can offer to your business and answer any questions you might have.

For further questions, I am always at your disposal by e-mail or phone. You can find my contact details below in my signature.

Looking forward to hearing back from you.

Kind regards,

NAME

Title

Phone number

LinkedIn

Link to the website of the agency

II. Contact form on the website:

- We consider this is the second-best option. It is less popular with investors as they don't know who will read their message and if they will receive a response.
- The same issues are valid for info@ addresses.
- Nonetheless, the EIC as well as the OIC are currently offering these options for investors to contact them. If they wish to continue using these formats, we provide a best practice process for handling investor requests based on a contact form on the next pages.

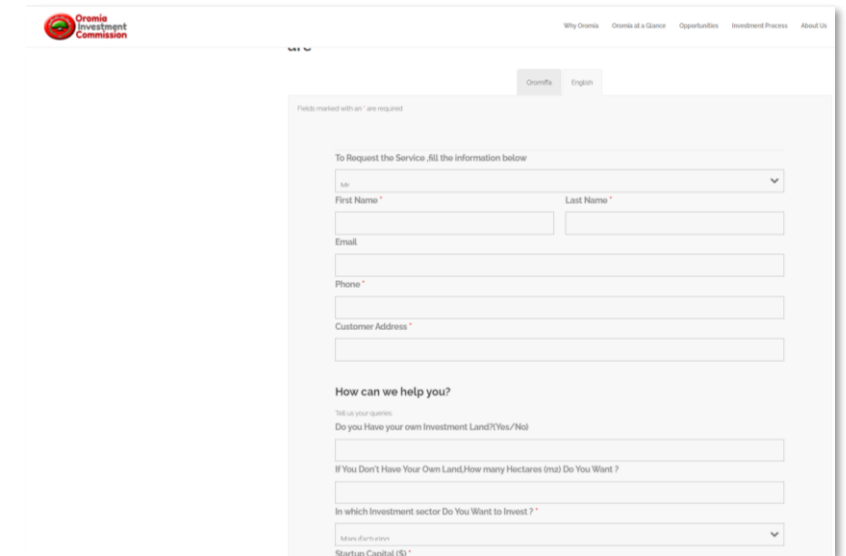
Current contact forms on the websites of EIC and OIC

You can also reach us through the form below and tell us more about your investment project in Ethiopia. We'll contact you back at our earliest!

The fields in **bold face** are obligatory.

About Yourself:	
Salutation	Title
--None--	
Last Name	First Name
Phone	Mobile
Email	Fax
About Your Company:	
Company	Industry
	--None--
PO Box	Street
Postal Code	City
State	Country of Origin
	--None--
Website	
Enquiry	

Submit



Why Oromia | Oromia at a Glance | Opportunities | Investment Process | About Us

Oromia | English

Fields marked with an * are required

To Request the Service, All the information below

Mr

First Name * | Last Name *

Email

Phone *

Customer Address *

How can we help you?

Tell us your queries.

Do you Have your own Investment Land?(Yes/No)

If You Don't Have Your Own Land,How many Hectares (sq) Do You Want ?

In which Investment sector Do You Want to Invest ? *

Minimum Investment

Startup Capital (US\$) *

Templates for responding to investor inquiries

II. Contact form on the website:

- We consider this is the second-best option. It is less popular with investors as they don't know who will read their message and if they will receive a response.
- The same issues are valid for info@ addresses.
- Nonetheless, the EIC as well as the OIC are currently offering these options for investors to contact them. If they wish to continue using these formats, we provide a best practice process for handling investor requests based on a contact form on the next pages.

Current contact forms on the websites of EIC and OIC

EIC

You can also reach us through the form below and tell us more about your investment project in Ethiopia, we'll contact you back at our earliest!

The fields in **bold face** are obligatory.

About Yourself:

Salutation	--None--	Title	
Last Name		First Name	
Phone		Mobile	
Email		Fax	

About Your Company:

Company		Industry	--None--
PO Box		Street	
Postal Code		City	
State		Country of Origin	--None--
Website			
Enquiry			

Submit

OIC

To Request the Service ,fill the information below

Mr

First Name *

Last Name *

Email

Phone *

Customer Address *

How can we help you?

Tell us your queries.

Do you Have your own Investment Land?(Yes/No)

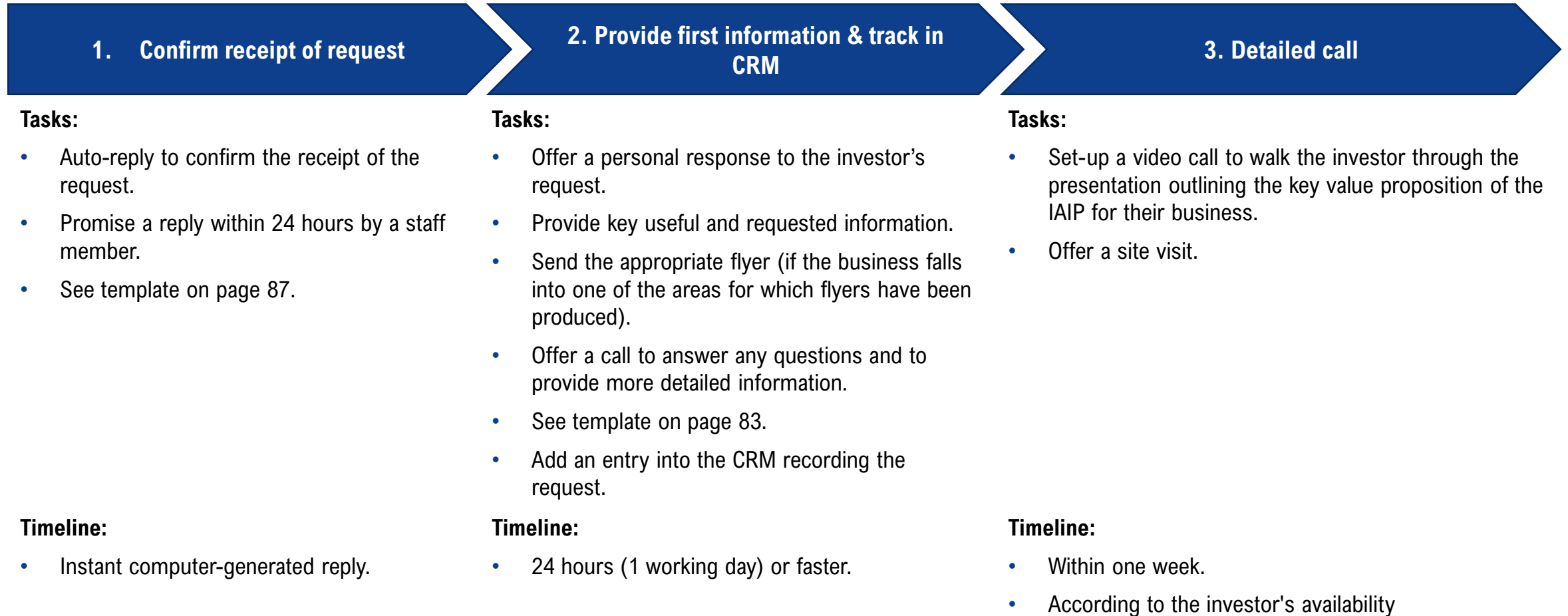
If You Don't Have Your Own Land,How many Hectares (m2) Do You Want ?

In which Investment sector Do You Want to Invest ? *

Manufacturing

Startup Capital (\$) *

Dealing with investor inquiries received through a contact form by e-mail:



1. Automatic confirmation receipt of request – template

Dear investor,

Thank you very much for your message.

Your request has been assigned the tracking ID #XXXX.

A staff member will respond to your request within the next 24 hours.

Kind regards,

“Ethiopian/Oromia/Amhara/Sidama” Investment Commission

Site visits

Site visits are a key part of investment attraction. They provide an opportunity for investors to get to know the location and clarify all the important questions they have before deciding on an investment. Providing support and guidance during site visits is one of the key services that an investment promotion agency can offer.

As the circumstances for site visits differ for foreign and domestic investors, we recommend two different programs tailored to these two groups:

- Foreign investors: They will fly in from abroad to Addis Ababa and continue from there to the specific site. Besides detailed information on the site, they will also need to be provided with information about the investment environment in Ethiopia in general. Due to longer travel times, the site visit should be extensive and cover all relevant aspects of the investors site selection decision making in one site visit.
- Domestic investors: Domestic investors will be more familiar with the investment environment in Ethiopia and the site visit should focus on the specific aspects relevant to the specific site. They will also be able to travel to the site directly, resulting in a shorter overall timeline of the site visit.

See the following pages for detailed example agendas and descriptions. We recommend arranging the agenda for each site visit in close coordination with the investor to tailor the program according to their information needs.

Investors visits (2/5)

Site visits – example agenda for an investor coming to visit from abroad

Below we provide an example of an agenda, which should be arranged and agreed with the potential foreign investor (company) in advance.

Day 1 – Monday, May 24 of 2021

Time	Activity	Location	Responsible
14:00	Pick up investor from the airport	Bole International Airport, Addis Ababa	EIC
15:30-16:30	Presentation on tax & legal aspects of investing in Ethiopia	EIC or partner organization office in Addis Ababa	EIC and/or partner organization

Day 2 – Tuesday, May 25 of 2021

Time	Activity	Location	Responsible
09:00-12:00	Transfer to the site of the industrial park	-	RIC
12:00-13:00	Lunch	Restaurant	RIC
13:30-14:30	Presentation on the IAIP	RIC or RIPDC office	RIC & RIPDC
15:00-16:00	Visit to suitable sites in the park General tour of the park and its amenities	IAIP	RIC & RIPDC
16:00-17:00	Visit of an established investor at the IAIP to learn from their experience	IAIP	RIC & RIPDC
19:00	Business dinner	Restaurant	RIC & RIPDC

Investors visits (3/5)

Site visits – example agenda for an investor coming to visit from abroad (continued)

Day 3 – Wednesday, May 26 of 2021

Time	Activity	Location	Responsible
09:00-10:30	Visit potential feedstock supplier (e.g., cooperative, aggregator, commercial farm)	TBD	RIC
11:00-12:30	Visit to the vocational training center	TBD	RIC
13:00-14:00	Lunch	Restaurant	RIC
15:00-16:30	Visit at the local University to learn about R&D cooperation opportunities and talent availability	TBD	RIC

Day 4 – Thursday, May 27 of 2021

Time	Activity	Location	Responsible
	Transfer to airport	-	RIC

Accommodation: one (1) night in Addis Ababa and two (2) nights in a hotel relatively close to the IAIP.

Handouts: business cards and relevant information material.

Include the full address of each location in case the investor needs it

Include the contact details of the person in charge of accompanying the investor

Investors visits (4/5)

Site visits – example agenda for a domestic investor coming to visit

Day 1 – Monday, May 24 of 2021

Time	Activity	Location	Responsible
09:00	Arrival	RIC or RIPDC office	RIC & RIPDC
09:30-10:30	Presentation on the IAIP	RIC or RIPDC office	RIC & RIPDC
11:00-12:00	Visit to suitable sites in the park General tour of the park and its amenities	IAIP	RIC & RIPDC
13:00-14:00	Lunch		RIC & RIPDC
14:30-15:30	Visit of an already established investor in the park to learn from their experience	IAIP	RIC & RIPDC
19:00	Business dinner	Restaurant	RIC & RIPDC

Include the full address of each location in case the investor needs it

Include the contact details of the person in charge of accompanying the investor

Investors visits (5/5)

Site visits – example agenda for a domestic investor coming to visit (continued)

Day 2 – Tuesday, May 25 of 2021

Time	Activity	Location	Responsible
09:00-10:30	Visit potential feedstock supplier (e.g., cooperative, aggregator, commercial farm)	TBD	RIC
11:00-12:30	Visit to the vocational training center	TBD	RIC
13:00-14:00	Lunch	TBD	RIC
15:00-16:30	Visit at the local University to learn about R&D cooperation opportunities and talent availability	TBD	RIC
17:00	Departure	-	

Accommodation: One night in a hotel close to the IAIP, if the investor comes from another part of the country.

Handouts: business cards and information material

Include the full address of each location in case the investor needs it

Include the contact details of the person in charge of accompanying the investor

One-stop-shop (OSS)

The one-stop-shop (OSS) should make administrative procedures easier for investors. Investors should be able to conduct all necessary processes at one office at the park. Our recommendations are based on analysis of relevant reports, international best practices, and the experience with OSS in the other industrial parks in Ethiopia.

We recommend the following agencies and services to be included in the OSS. We consider the RIPDC should coordinate and lead the OSS. Please note that no specific order of importance is suggested as all the services are relevant for the OSS.

Agency	Service
Ethiopian Investment Commission (EIC)	<ul style="list-style-type: none"> • Business registration and licensing (for foreign investors). • Investment incentives information. • Issuance of work permit.
Regional Investment Commission (RIC)	<ul style="list-style-type: none"> • Business registration and licensing (for domestic investors). • Investment incentives information.
Regional Industrial Park Development Corporation (RIPDC)	<ul style="list-style-type: none"> • Utilities. • Planning and construction. • Leading and coordinating the OSS.
Ministry of Environment and Forest (MoEF)	<ul style="list-style-type: none"> • Environmental approvals.
Ethiopian Revenue & Customs Authority (ERCA)	<ul style="list-style-type: none"> • Customs services. • Tax services. • Issuance of Tax Identification Number (TIN) for taxpayer workers.
Commercial Bank of Ethiopia (CBE) and private commercial banks	<ul style="list-style-type: none"> • Banking services.
Public notary	<ul style="list-style-type: none"> • Notarization.

One-stop-shop (OSS)

Agency (continued)	Service (continued)
Immigration and Nationality Affairs main Department	<ul style="list-style-type: none"> • Work visa. • Residence permits.
City administration (or other respective regional authority)	<ul style="list-style-type: none"> • Collection of personal income tax.
Ethiopian Telecom	<ul style="list-style-type: none"> • Providing telecommunication service, including maintenance work. • Collection of charges of telecommunication.
Ethiopian Shipping and Logistic Service Enterprise	<ul style="list-style-type: none"> • Logistic and freight forwarding service.
Agricultural Transformation Agency (ATA)	<ul style="list-style-type: none"> • Agricultural extension services.
Ethiopian Food and Drug Administration (EFDA)	<ul style="list-style-type: none"> • Food quality and assessment certifications.

All these services are necessary in order to offer a proper and complete “one-stop-shop” experience where an investor can receive all the relevant services in one place without the need to visit any other office outside the park.

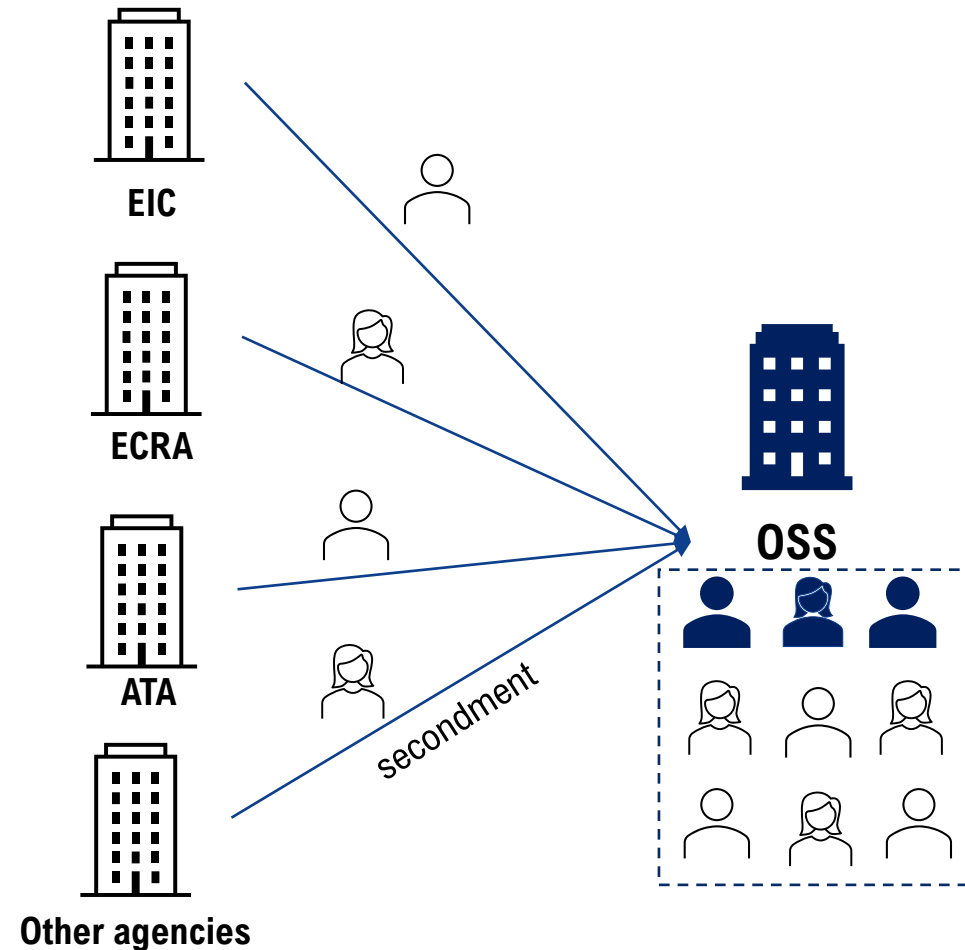
In case it is not possible to host all the agencies and provide all these services from the beginning, we recommend prioritizing the establishment of the EIC, RIC, and RIPDC, with the respective services highlighted for these agencies. These institutions are suggested as a priority as they will facilitate business licenses and utility access, which are the most urgent needs for a new business to start operations.

One-stop-shop (OSS)

Interagency coordination

- We recommend a model with seconded staff from other agencies to be placed in the OSS.
- The seconded staff will need to be competent to make decisions on standard procedures on site without a need for liaising with the headquarter.
- It helps to formalize the inter-agency cooperation through MOUs, which describe the responsibilities of both the OSS and the partner agency.
- Model MOUs are provided in the annexures (13B-13E) of the feasibility studies for each of the IAIPs.

Graphic 3: Illustration of interagency coordination



One-stop-shop (OSS)

Based on the experience of the existing OSSs at Hawassa and Bole Lemi IP, we provide the following specific recommendations for the OSSs at the IAIPs:

- Have seconded officials on site who can issue work permits.
- Provide certificates of origin.
- Ministry of Environment and Forest (MoEF) shall establish an office within the IPs for the application, supervision, protection and enforcement of environmental norms, standards, safeguards, management, and mitigation plans within the IPs.
- One file for each tenant company should be established. This will allow (partial) information sharing among different OSS sections, so that tenant companies that need to resubmit the same information multiple times.
- The EIC should concentrate on the facilitation of the “Approval and Licensing Procedure”; other services should be entrusted to the responsible entities for each service.
- Initially focus on services with higher demand from tenant companies, and gradually add services that will increase in demand.

6. CONCLUSION

This report represents the final deliverable for phase 1 and includes all the changes received after submitting the draft report on June 11, 2021, and the comments obtained during the “Pilot-IAIP investment promotion strategy validation workshop” held virtually on July 15 with UNIDO and the relevant stakeholders.

ANNEX

Interviews and Sources

Interviews to date

- Ms. Ruchika Bahl, Chief Technical Advisor, ILO Ethiopia
- Mr. Ayalu Admass, National project coordinator, ILO Ethiopia
- Mr. Giacomo Casari, FAO Ethiopia
- Ms. Mercedes Marin Nortes, Delegation of the European Union to Ethiopia, Green Deal Team – Agro-industrialization
- Mr. Christian Dohse, Project Manager – Special Initiative on Training and Job Creation, GiZ Ethiopia
- Ms. Ludovica Marangoni, Agro-Component Manager – Sustainable Training and Education Program (STEP), GiZ Ethiopia
- Mr. Andrea Limiroli, Programme Coordinator, Italian Agency for Development Cooperation
- Ms. Senidu Fanuel, Senior Private Sector Specialist, World Bank
- Mr. Samson Shiferaw Haile, Regional coordinator for Oromia, UNIDO
- Mr. Filippo Brasesco, Partner (Co-Founder), Scio Network
- Mr. Massimo Pera, Project Coordinator/AgrInvest, FAO
- Ms. Milica Petruljeskov, Consultant, FAO
- Mr. Ayalew Ferede, FAO
- Mr. Olijira Kuma Addamo, Project Coordinator, UNIDO
- Mr. Andrea Ghione, Chief Technical Advisor, UNIDO

Interviews to date

- Mr. Aschalew Tadesse, Director for Investment Promotion, EIC
- Mr. Techane Adugna, Director ACC, ATA
- Mr. Ayalneh Abawa, IAIP Director, MoTI
- Mrs. Haymanot Asfaw, General manager of Ethiopian Millers Association

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Profiling target companies – example for plant-based products

Bunge (1/2)



Founded: 1818

Sector: Agribusiness

Turnover: US\$41.4 billion (2020)

Employees: 24,000 (2021)

Website: www.bunge.com

Phone: +1 314 292 2000

Headquarter: 1391 Timberlake Manor
Parkway, Chesterfield, MO 63017, USA

Overview

Bunge has five reportable segments, of which both agribusiness and milling products include activities related to the pulse-based ingredients market. In Q1 of 2021, the agribusiness segment and milling segment had net sales of US\$9,791 million and US\$390 million respectively, of total company net sales of US\$12,961 million. Currently, the plant-based segment is in its early stages of development and not included as a reportable segment. However, it currently focuses on two types of pulses: faba beans and peas.

Manufacturing and R&D footprint

Bunge has over 360 facilities across 40 countries, of which 117 are food and ingredient production facilities. A third of Bunge's total production capacities are 34% located in South America, 27% in North America, 26% in Europe, and 13% in Asia-Pacific. As of July 2021, the milling facilities are only located in North and South America (mainly in Brazil).

Bunge has had operations in Melbourne since 2001. However, the company does not have manufacturing facilities in Australia, only a storage and port access for grains in Bunbury (Western Australia). The port terminal provides farmers a way to export rapeseed to Europe (e.g., the Netherlands and France) and China, where it is used to make cooking oils. It also exports wheat to Southeast Asia and the Middle East, where it is milled and used to make bread and other bakery products. In 2015, Bunge constructed two new grain bunker sites at Arthur River (Tasmania) and Kukerin (Western Australia) with the potential to store over 200,000 metric tonnes.

Profiling target companies – example for plant-based products

Bunge (2/2)**Recent developments and investments**

Bunge is entering the pulse market through investments into established companies. In January 2021, Bunge invested AU\$45.7 million (US\$35 million) in Australian Plant Proteins (APP) to acquire a minority interest and certain intellectual property, licensing, and distribution rights in APP. APP produces faba bean, yellow lentil, and red lentil isolate powders, which are highly soluble and can be used in protein bars, baked goods, non-dairy drinks, and other products. The APP facilities are in Werribee and Horsham (Victoria). The agreement will allow APP to double the output of its plant protein isolates by March 2022. Bunge will become the exclusive distributor in the Americas region and will have the option to license APP proprietary processing technology outside Australia. Since 2020, the company also holds a 25% ownership interest in Merit Functional Foods Corp., a plant-based protein ingredients company established in 2019 in Canada.

According to a recent interview with the CEO, Bunge expects continued growth in its plant-based protein segment with a special focus on the production of food ingredients. This suggests a high likelihood of future investment activity in this area, either through continued acquisitions or greenfield investment.

Bunge Limited delivered strong gains for shareholders over the twelve months to June 2021. The company has outperformed expectations particularly in processing and merchandising, where strength in softseed crush and global grain and oil value chains drove favorable returns. This performance should provide the resources required for future expansion.

Key decision-makers

- John Nepl is the Chief Financial Officer at Bunge Limited. He has been at the company for over two years and is based in its headquarters in Chesterfield Missouri. E: john.nepl@bunge.com
- Stephen Bennett has been working at Bunge for over 14 years and is currently the commercial manager, based in Melbourne. E: stephen.benett@bunge.com

Assessment of investment potential

There is potential for future expansions as the company plans to innovate and expand the plant lipids portfolio to serve the global demand for plant-based proteins. Investment projects could also take place through the Australian Plant Proteins company as opposed to Bunge directly.

Profiling target companies – template

Company name**Founded:** Year**Sector:****Turnover:** US\$ (last year available)**Employees:** ### (last year available)**Website:****Phone:****Headquarter:** Address**Overview**

Provide an overview of the company including main products and market share in key markets.

Manufacturing and R&D footprint

- Include all key locations worldwide.

Recent developments and investments

- Include key developments over the last three to five years.

Key decision-makers

- Name, position, contact details, and if possible key information such as any membership to an association or relevant experience in this industry/company.

Assessment of investment potential

- Summary assessment.

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