



## Business and Investment Snapshot

### Inputs: Irrigation

<b>Sector(s):</b>	Infrastructure: Irrigation
<b>Location(s):</b>	Addis Ababa, Ethiopia (office)
<b>Product Line(s):</b>	The company is engaged in the import of agriculture equipment, mainly drip irrigation systems and other related accessories, and wants to manufacture them in Ethiopia.
<b>Management:</b>	The manager has been in the importing business, mainly in agriculture equipment and spare parts, for over 20 years. Has ample experience in working with Israeli and Italian irrigation equipment producers.
<b>Opportunity:</b>	<p>Established in 2007, this woman-owned Company designs, installs and maintains irrigations and wastewater treatment systems for commercial and small-scale farms. The owner has a background in marketing, and has been in the irrigation business for 20 years, and has become one of the top Ethiopian brands in the irrigation sector (only competitors are foreign providers).</p> <p>The main supply source of irrigation equipment of the country is imported. Imported equipment includes various kinds of irrigation pumps, pipes, valves, fittings and tubing. In 2005, Ethiopia imported \$5M worth of irrigations pipes, fittings and accessories and \$17.6M in 2010, up threefold. The demand for irrigation from lateral pipes and drippers is expected to come from the expansion of horticulture and cotton production.</p> <p>Thus far, the Company has been engaged in the importing and consultancy service only. Now it wants to shift to manufacturing of lateral pipes and drippers. The raw materials used to process dripper and pipe, are polyethylene such as High Density Polyethylene (HDPE), Low Density Polyethylene (LDPE), and master batches. The envisaged project will use injection-molding technology to produce drippers and profile extrusion to manufacture drip irrigation pipes.</p> <p>The Company seeks an investment to establish a manufacturing facility. The exact figures are currently being established.</p>
<b>Market Trends:</b>	The irrigable potential land of Ethiopia is estimated to be 4,256,457 Ha, of which only 6%, or 247,740 Ha, is irrigated. The main source of irrigation equipment in Ethiopia is currently being imported from countries like Israel. The market for domestic irrigation manufacturing is growing, as observed by the following: In 2005, Ethiopia imported \$5M worth of irrigations pipes, fittings and accessories. In 2010, the import value of this equipment increased to \$17.6M.
<b>Impact on Value Chain:</b>	It will enhance the productivity of the country and will become an import substitute.
<b>Social Impact:</b>	It will create job opportunities for more than 59 permanent employees.

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