

# FDI in Tigrai-Ethiopia

(From Tigrai public Relations Bureau)

Foreign Direct Investment (FDI) is boosting in Tigrai. Nowadays, the conducive atmosphere of for Domestic and Foreign Investment is creating a center of attention. A case in point is that the region is full amicable to both domestic and foreign investors and enables most of them to contract land for construction in fourteen nights. Thus, almost all are heart fully engaged in the forces of construction and eve of manufacturing more than ever. This is due to the continuous evaluation and support in an institutionalized system built up from the private sector representatives and the government body. The urban Development Trade and Industry bureau in collaboration with the chamber of commerce of private Investors and Traders have designed a system and manual that enables them make the necessary evaluation and support to solve problems in the spot.

In addition to this, a Regional Council of Investment also established in the same manner in all towns with the concerned partners evaluates all the proceedings and solves the problems. As a result, the flow of Foreign Direct Investment (FDI) and vivid establishment of firms in Tigrai is increasing tremendously. It would be appropriate and exemplary to mention some of those FDI finalized their works starting from two months up to three years. Among these, the Indian, Bangladesh and Italian Companies engaged in Textiles and Garments are a few of those who have acquired land and immediately go through construction by investing 1.2 Billion Birr. Especially, the globally known Textiles and Garments Company Velocity will create employment for some 5000 citizens for its first phase project assigned 597 million Birr. After two months it will be operational and will start production testing.

Furthermore, the companies from Spain, Turkey and America have invested in Agro-Industry and Steels by allocating 437 million Birr and have acquired land and licenses and they are importing the necessary machineries for their production and some are in their first-test production. From those films the company known as Volvard foods has acquired 1,100 Hector of land and is importing machineries for Agro Industry Production and Supply. The company is commencing clearing of arable land for farming in Southern Tigrai-Raya Azebo. A Company

Called CC steel Ally is also making the Installations of Machineries that enables them produce raw materials of iron for production of steels.

All these local investors and foreign companies are taking the comparative advantage of the proximity of Tigray to the port of Djibouti and the Industrial Parks for Manufacturing and the prospects and opportunities as well as incentives allowed to the Manufacturing Sector. Especially the already started and 30% of its construction completed Railway project of Mekelle-Woldya-Haragebeya is helpful to export Manufacturing and Agricultural productions where 520 KMs away from the port. Recently, the leaders (authorities) of the EXIM Bank of China have visited the Railway Project and have discussed with the head of state of Tigray Ato Abay Woldu. Thus, the Bank assures to enhance its support up to the end.

Based on this, for the next construction industry enhancement, the import of capital goods and export export will boom from 25,000 tones to tenfold (ten times) in the coming five years so that the Export-led Manufacturing, Agro Industry which is expected to be market oriented and will be enhanced.

That is why the last six months is promising in boosting both in FDI and local certification as well, 939 projects have got an investment licenses, according to the Urban Development, Trade and Industry Bureau in this year, it was planned to give license investment to 646 projects, but the performance was above the plan which in 939, according to the expert of public Relations of the Bureau of Urban Development, Trade and Industry, Ato Kibrom Wolday.

Among the newly given license investment certificates 147 projects are working an manufacturing Industry.

140 projects are Agriculture, 198 are on Hotels and Tourism, 443 projects are engaged in construction, 8 on Social Services and 3 projects are on mining.

These projects have created 42,000 jobs for the citizens' temporarily and permanent jobs.

In relation to the capital registered, 9.8 billion Birr was invested in our region, according to Ato Kibrom.

To enhance the investment opportunity of our region, 368 private investors were given a duty free chance to import capital goods and give tax holiday. Hence, our citizens who are here and abroad, as usual, are expected to promote their region and country conducive atmosphere for any investment of FDI and local investment.