



Logistics in Ethiopia

Facts, Figures, and Business Opportunities

ETHIOPIA (2020)

Population: **115 million**

Land area: **1.1 million km²**

GDP: **USD 107.6 billion**

Growth rate: **6.1%**

Transport & Communication costs: **23% of GDP**

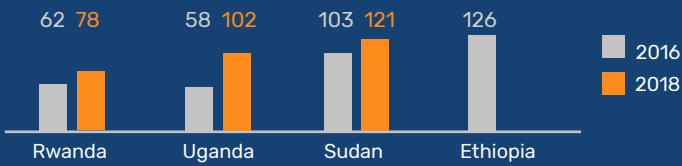
Ethiopia is the second most populous country of Africa, land-locked, but located near the busy trade corridor of the Gulf of Aden. The Ethiopian logistics sector is rapidly developing and offers various opportunities for foreign companies to participate.

The government of Ethiopia is determined to become a Middle Income Country, and transition from an agricultural to an industrial economy. One of the macroeconomic goals is to increase the contribution of the manufacturing industry to the GDP from 6.8 to 17.2%.

Logistics are key to achieve these goals and the sector therefore needs to develop rapidly; Ethiopia has the ambition to move to number 40 of the World Bank's Logistics Performance Index (currently 126). The Ministry of Transport and Logistics (MoTL) will therefore:

- Expand transport infrastructure and improve management
- Increase the effectiveness of integrated transport and logistics services
- Increase uptake of safe transport services
- Engage in institutional implementation and enforce capacity building.

WBs Logistic Performance Index Ranking of Landlocked Countries



Infrastructure



144,027 km roads
>17,000 trucks
(3,000 tankers)

Main freighter: ESLSE (92% of market)

Carriers: around **300**

<20% paved
<30% of rural areas connected by all-weather roads



22 Airports
127 destinations

Main: Bole International Airport

Operator: Ethiopian Airlines

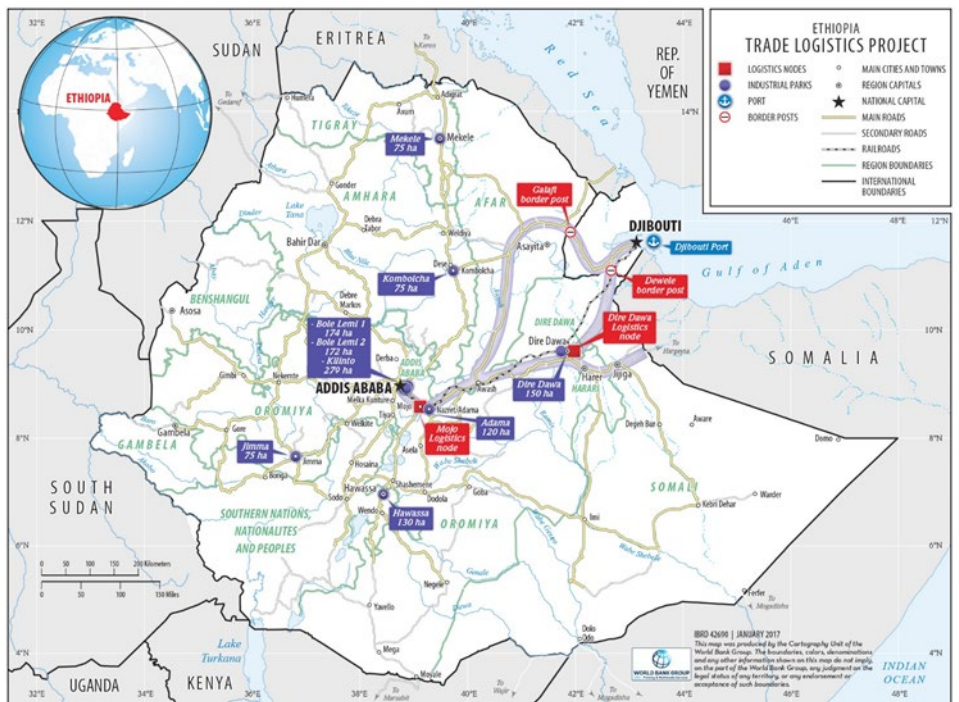
> 10 million passengers
> 500,000 t cargo



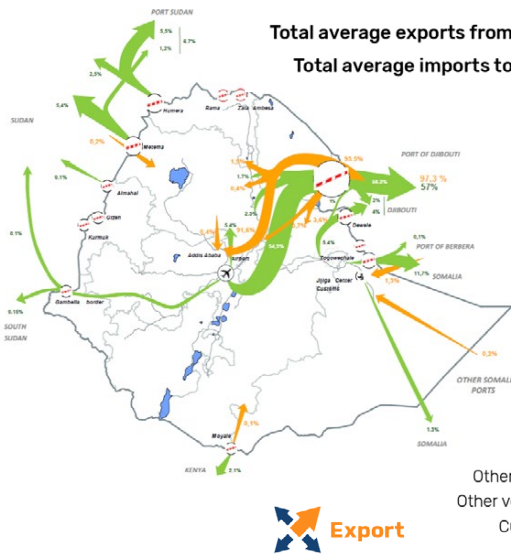
750 km
Addis Ababa – Djibouti
Mekkele – Awash:
under construction

Operator: EDR

> 16,000 passengers
> 1.35 million t cargo



Trade and Cargo flows



Total average exports from Ethiopia **USD 2.6 B**

Total average imports to Ethiopia **USD 14.6 B**

Export cargo flows:
2 m t

Import cargo flows:
14 m t



23% Containerized



28% Dry bulk
(fertilizer, wheat, grain, coal, and sugar)

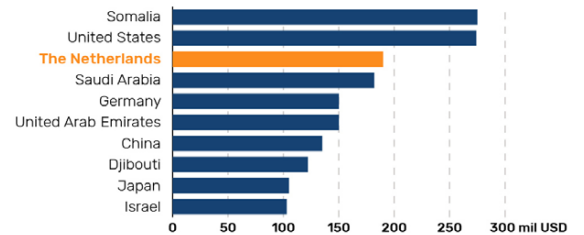
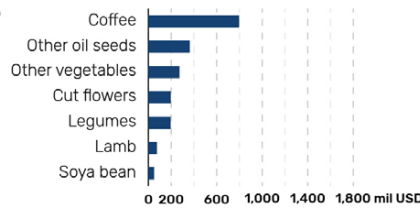


29% Petroleum products

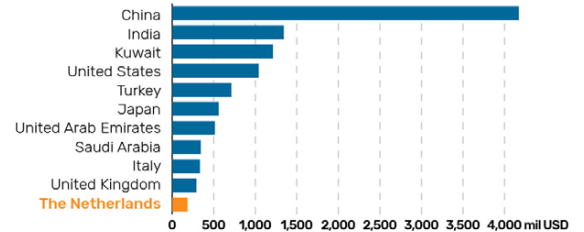
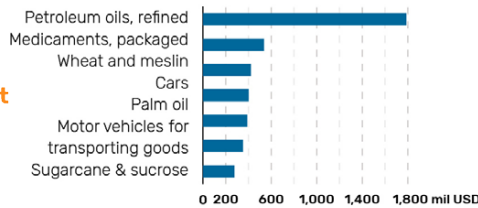


20% Steel and other general cargoes

The highest average export values:



The highest average import values:



Business Opportunities

The MoTL is opening up the logistics sector and now allows (international) companies to tap into Ethiopian opportunities. The MoTL identified over 40 opportunities, ranging from rail and road infrastructure projects, to (dry) port developments and transport services. A short selection of opportunities are described below:

(Multi modal) freight forwarding

When partnering with an Ethiopian service provider, international companies are invited to create modern and technically efficient freight forwarding and shipping services. These Joint Ventures can also apply for the multimodal cross-border licenses, a right currently reserved only for government-owned ESLSE.

Freight carrying services

Ethiopia wants to increase the number of freight vehicles from 14,000 to 22,000 in 2030 and is looking for investors to accommodate this growth.

Cold chain technologies

Ethiopia currently does not have a streamlined cold chain for perishable goods like fruits, vegetables and pharmaceuticals. International companies can provide knowledge, technology, and equipment for central and decentralized cold storage facilities, including reefer container services.

Warehousing and terminal operations

Dry ports throughout the country are mushrooming. These terminals need investments and operators to provide efficient services. This also requires well-operating warehouses with integrated cool chain technologies.

Last-mile distribution solutions

Companies are invited to establish and implement last-mile logistics to complement rail and road transport.

Packaging manufacturing/importing

Ethiopia is lacking high quality packaging material for various products. Foreign business could fill this gap by manufacturing or importing packaging materials.

Urban and cross-country passenger transport services

Foreign companies are invited to improve transport services throughout the country, both in as in-between the major cities in Ethiopia. This presents investment opportunities for public transport and related services.

More information? Please download the TRAIDE Quick Scan - Transport and Logistics in Ethiopia for a more elaborate description of the logistics sector in Ethiopia and its opportunities.

Interested in doing business in Ethiopia?

TRAIDE aims to increase sustainable business between The Netherlands and Africa. Are you also interested in doing business in Ethiopia? We are here to help you.

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