



Federal Democratic Republic of Ethiopia
Ministry of Finance



Sugar Corporation

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Building Competitive Sugar Industry!

Investment Opportunities In Ethiopian Sugar Industry

April 2019



OUTLINE



Section	Page
Disclaimer	3
Background	4
Ethiopia at a Glance	5
Profile - Sugar Corporation	10
Ethiopian Sugar Industry Overview	12
Project Portfolio	18





Disclaimer

The information contained herein does not purport to contain all of the information that may be required to evaluate an investment in the project portfolio. The information herein is qualified in its entirety by reference without limitation and the risk factors therein.

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Building Competitive Sugar Industry!

Background

As mandated by the government, the Ethiopian Sugar Corporation, a public enterprise, grows sugarcane and other sugar yielding crops while continuously working to improve its sugar processing and production capacity, as well as its offering of sugar byproducts. Since its establishment in 2010, the majority of the Ethiopian Sugar Corporation's production and factory expansions have been focused on meeting the growing local demand, while increasing production capacity to eventually leverage Ethiopia's vast supply for surplus production to serve regional and international export markets. The government has now decided to transfer ownership of the State-owned Enterprise to the private sector via one of the following arrangements: full or partial privatization, management contract agreement, or public-private partnership. Encouraged by this, several domestic and international companies have shown interest to get involved in the Ethiopian sugar industry. As Ethiopia continues to seek ways to radically impact its economy, the privatization of the sugar industry presents an attractive opportunity for economic stimulation and rapid growth. This document explores Ethiopia's macroeconomic standing, the viability and attractiveness of the sugar industry for investment, and the profile of the Ethiopian Sugar Corporation's portfolio.

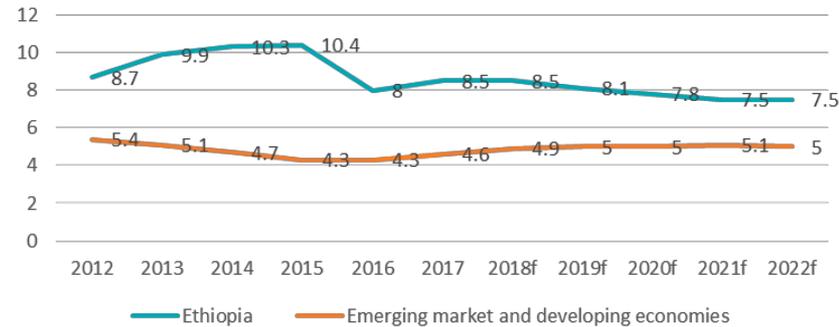


Ethiopia at a Glance

Ethiopia At A Glance

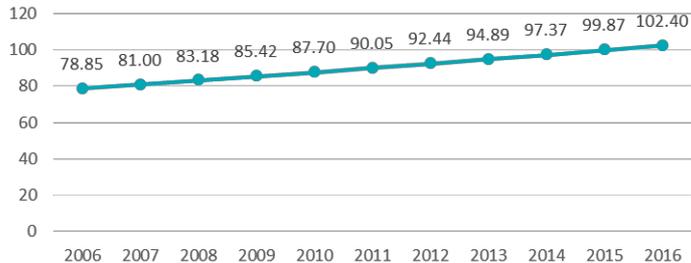
- Ethiopia's location gives it strategic dominance as a jumping off point in the Horn of Africa, strategically located having access to 3.5 billion people within an 8 hour flight radius.
- The country is landlocked and uses the Port of Djibouti for the bulk of its imports and exports of goods. Other ports such as the Port of Berbera (Somaliland) and the Port of Sudan are also used.
- Ethiopia's manufacturing industry production capacity has a positive outlook in the long term with the attractive incentives offered, geographic location, duty free market access to several countries and abundant low labor. As a result, multinational companies are increasingly showing interest in the country.
- Ethiopia boasts of an estimated 54 million active labour force, trainable and available at competitive wage rates. The average population age is 17.
- Ethiopia has taken a bold initiative in the development of state-of-the art industrial parks, electric-powered railway connecting the capital and other economic corridors to the port of Djibouti.
- Large investment potential in renewable energy including hydro, wind and geothermal; The Grand Ethiopian Renaissance Dam – the largest hydroelectric power dam in Africa is under construction (close to 60% completed), expected to generate additional 6,450 MW electricity.

Real GDP Growth %



Source: World Bank

Population (in mil)

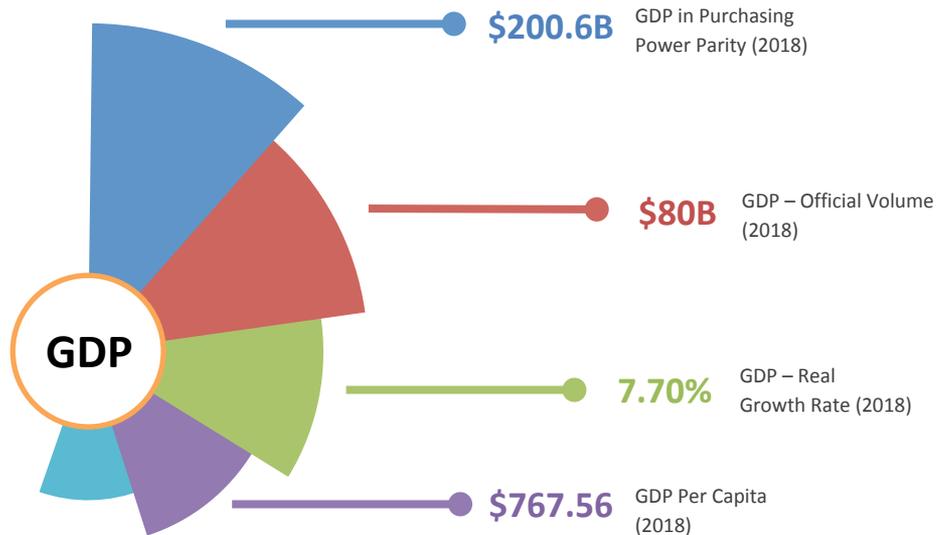


Source: World Bank

All products that are made in Ethiopia and exported to the U.S. and European Union are duty and quota free under AGOA and EBA, respectively



Ethiopia At A Glance



Key Economic Indicators (2017/2018)

	Inflation Rate	10.9%
	Interest Rate	7%
	Tax Revenues GDP	13.9% of
	Unemployment Rate	14.50%
	Exports	USD 2.80 billion
	Imports billion	USD 14.70
	Balance of Trade	- USD 11.90 billion
	Government Debt to GDP	33.50%
	Corporate Tax Rate	30%
	Ease of Doing Business	159/190

Recent Developments



Towards One African Market

Ease of Doing Business



The country, now led by a reformist and progressive leader, is working towards improving ease of doing business as part of wider economic reforms. Some of the key indicators to focus on are the simplification of starting a business, earning construction permits, registering property, obtaining power supply, accessing credit, trading across borders, and more.

Trade Agreement



Ethiopia is one of the 44 African countries who have signed the African Continental Free Trade Agreement (AfCFTA), a historic trade agreement aimed at paving the way for a liberalized market for goods and services across the continent.

Privatization



The Ethiopian Government has recently announced plans to engage in the privatization of State-owned Enterprises such as the Ethiopian Airlines, EthioTelecom, and Ethiopian Shipping & Logistics Services Enterprise where minority stakes will be sold to foreign and domestic investors.

Oil & Gas



In March 2018, oil and natural gas deposits have been discovered in the Somali Regional State where a strong potential in gas production and export is believed to contribute to the country's prevalent growth.



Profile – Sugar Corporation

Company Profile - Sugar Corporation

Sugar Corporation is established with a mission to create modern technology and capable human resource to develop the nation's potential to produce sugar, sugar bi-products and co-products, and take remarkable foreign market share while supporting the nation's economy beyond satisfying domestic demand and ensuring the benefits of the public. Although sugar production in Ethiopia had begun more than 65 years ago by a Dutch company known as Handles-Vereening Amsterdam (HVA) in partnership with the Ethiopian Government, Sugar Corporation came into existence on October, 2010 by the Council of Ministers Regulation No.192/2010. The company is operating under a board of directors and is, currently, accountable to the Public Enterprises' Property and Administration Agency as dictated on Proclamation Number 1097/2018. Sugar Corporation is mainly established to further develop the 65 year old sugar industry in Ethiopia by utilizing modern irrigation systems, expanding sugarcane plantations, increasing the number of operational sugar factories, and producing sellable by-products and co-products.

The company currently administers eight operational sugar factories namely Wonji-Shoa, Metehara, Finchaa, Tendaho, Arjo-Dedessa, Kessem, Omo Kuraz Two and Omo Kuraz Three; and other five sugar factories are under different levels of construction at Omo Kuraz (Omo Kuraz One and Five), Tana Beles (Tana Beles One and Two), and Welkayte Sugar Development Projects. When expansion and new sugar development projects are completed, the country will have 13 sugar factories with a potential of producing 2.25 million tons of sugar yearly. As a result, sugarcane plantations are expanding with current area coverage of over 102 thousand hectares.

Ever since its establishment, Sugar Corporation has benefited communities of the areas in which the development is undergoing. It has made irrigation, potable water, roads, schools, health posts and other social service institutions available for the local community.



Ethiopian Sugar Industry Overview

Overview of Sugar Market – Competitive Advantage

Sugar development is one of the industries that the Ethiopian government is working aggressively to industrialize. The government's involvement begins with taking into consideration the country's ample potential in human and natural resources that enable the nation to develop the sugar sector by increasing productivity and rendering it towards export orientation.

The potential of untouched fertile as well as irrigable land for sugar cane development in Ethiopia is 1.4 million hectares. Furthermore, the country is rich with abundant water resource and large labour force suitable for the industry. The country also offers a favourable climatic environment to cultivate 162 tons of sugarcane per hectare on average in 15 months. Thus, optimal productivity allows to produce up to 10.8 tons of sugarcane per month. Compared to the global sugarcane market, of which the production potential on average is 2.3 tons per month per hectare, Ethiopia has an enormous advantage to become the leading supplier of sugar in international markets.

With respect to regional export markets, Ethiopia has the potential to become the hub of the East African sugar industry. The Horn of Africa region, inclusive of neighboring Somalia, Djibouti, North Sudan and South Sudan, is culturally known to comprise one of the highest sugar consuming population in the world. Hence, there are competitive market advantages for investors who export sugar to these countries as they are not self-sufficient to produce on their own.



The sugar industry opens doors to other business opportunities such as animal feed, animal fattening, pulp and paper, alcohol etc production that can be established in a bigger scale.

For more than half a century, in Ethiopia, sugar production had been limited to Wonji Shoa, Metehara and Fincha sugar factories. Realizing the country's comparative advantage, the Ethiopian government, under Sugar Corporation, has been expanding sugar development projects to other parts of the country since 2010.



Considering the country's fast economic growth, as well as population and income growth, the demand for sugar has increased considerably. The current sugar demand in Ethiopia ranges from 650 thousand to 700 thousand tons yearly and projections indicate local production couldn't satisfy the demand. The sugar demand per capita consumption has reached 12 kilograms per year although the amount of sugar supplied per capita by the Corporation is only 5-6 kilograms per year (compared to world per capita consumption of 21kg). Thus, by way of filling this gap, additional sugar has been imported annually, rendering the country to be a net importer of sugar.

Although the demand for sugar is estimated to reach around 1.4 million tons and 2.5 million tons in the next five to ten years, respectively, only up to 700 thousand tons of sugar is being supplied to the market annually. From the aforementioned supply amount, the country is only producing 3.5 to 4 million quintals of sugar.

In addition to the increasing demand for sugar at a household level, the observed growth in industrial activity, mainly with respect to the agro-processing sector, is also necessitating higher sugar production for industrial input.

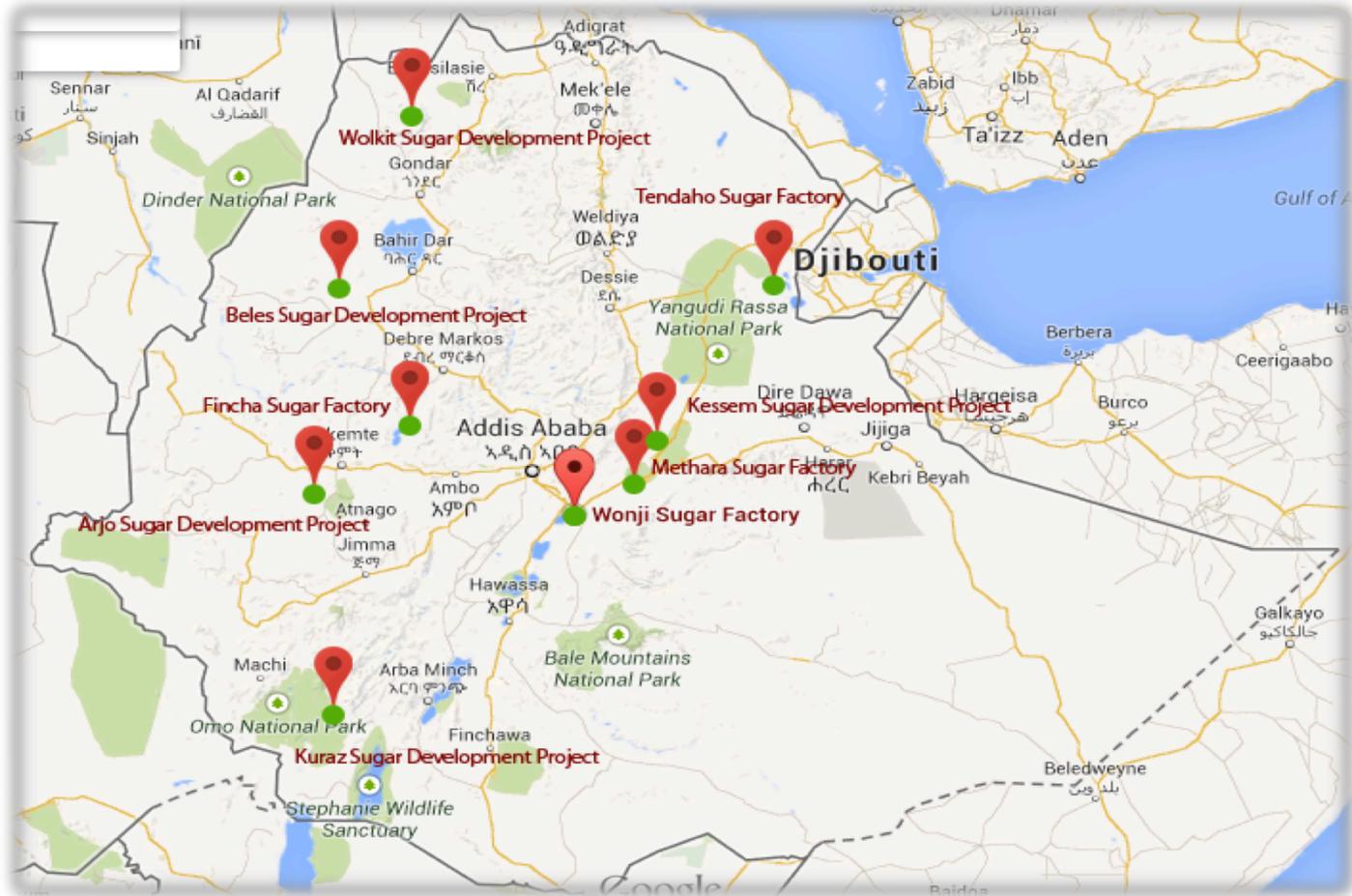
According to data obtained from the Ethiopian Investment Commission, there are currently more than 450 industries engaged in agro-processing primarily in the food processing sector. Nevertheless, due to the shortage of sugar production, only 50 percent of the demand is being supplied to agro-processing plants.



Project Portfolio



Project Portfolio Site Map



Brief Description about Project Portfolio

Sugar Corporation has 13 projects in its portfolio under management, each project are in different status. Wonji Shoa, Fincha and Metehara are existing factories of which the first two underwent heavy expansion and have been in production for a while. On the other hand, Kesem, Tendho, Arjo Diddiesa, Omo Kuraz Two, Omo Kuraz Three are newly built factories which recently started production. Omo Kuraz one and Beles One are currently on the pipeline to become operational. Construction progresses of Beles Two and Omo Kuraz Five have, each, reached 25% while Welkayte phase one and phase two reached 88% and 50% respectively. This portfolio describes each project's production capacity and their operational status.



Wonji Shoa Sugar Factory



Location and Background

Wonji Shoa Sugar Factory is found in Oromia Regional State near Adama city 110 km away from the capital city, Addis Ababa. In the past, Wonji Sugar Factory and Shoa Sugar Factory were the oldest and pioneer sugar factories in Ethiopia. They started production in 1954 and 1962 respectively. Both factories were established as a share company between the Ethiopian government and Handles-Vereening Amsterdam (HVA), a Dutch company. HVA also carried out the construction for both factories. After serving more than half a century, both factories have stopped production due to obsolescence. In an effort to replace the factories with a new and modern one, an expansion project was carried out by the government in 2006. The new plant expansion project came into its completion in July 2013, and has been renamed Wonji Shoa Sugar Factory.



Climate

Wonji Shoa Sugar Factory has a climate with a maximum temperature of 26.9°C and minimum of 15°C on average annually. Based on monthly rainfall recorded, the annual average rainfall is 800 mm.



Allocated Sugarcane Plantation Area

Wonji Shoa Sugar Factory has been allocated a total land area of 16,000 hectares for its sugarcane plantation. The plantation has a productivity potential to produce 160 tons of sugarcane per hectare, and the harvesting age of the sugarcane is 18 months on average.



Irrigation Water Supply

Wonji Shoa Sugar Factory uses diversion weir from Awash River for irrigation. The sugarcane plantation applied sprinkler and pump irrigation method.



Factory Production Capacity

Wonji Shoa Sugar Factory has a design capacity of crushing 6,250 tons of sugarcane per day, and produces 174,946 tons of plantation white sugar annually; with further expansion, the production could reach up to 12,500 TCD maximizing production to 220,700 tons of sugar a year. Wonji Shoa factory has also a production capacity of 72,200 tons of molasses annually. Sugar Corporation has already engaged in joint venture agreement with a private company to develop the ethanol plant in the factory. An ethanol plant will initially have an expected production capacity of 10,000 meter cubes of ethanol yearly; with further expansion it has the potential to reach 12,800 meter cubes annually. Wonji Shoa Sugar Factory has the capacity to produce 31 megawatt electric power. After satisfying its consumption with 11 megawatt from the total production, the factory has the potential to contribute the rest (20 megawatt electric power) to the national power grid as additional source of revenue.



Status of the Project

Currently, from the total allocated plantation area, 12,800 hectares of land have been developed to grow sugarcane. Out this developed land 7000 hectares have been covered by 31 sugarcane outgrowing associations.



Metehara Sugar Factory



Location and Background

Metehara Sugar Factory is found in Oromia Regional State 200 km away from Addis Ababa, near Wonji Shoa Sugar Factory. Its construction was carried out by Handles-Vereening Amsterdam (HVA), a Dutch company. Metehara Sugar factory was formed as a share company between the Ethiopian government and the construction company and has started sugar production in 1970.



Climate

The climate around Metehara Sugar Factory ranges from a maximum temperature of 32.3°C and minimum of 15.7°C on average annually. The average annual rainfall is 543 mm.



Allocated Sugarcane Plantation Area

Metehara Sugar Factory has an allocated total land area of 10,230 hectares for sugarcane plantation. The land has a potential productivity capacity to produce 165 tons of sugarcane per hectare. The average age of sugarcane harvest is 17 months.



Irrigation Water Supply

Metehara Sugar Factory uses diversion weir from Awash River for irrigation. The sugarcane plantation applied surface irrigation method.



Factory Production Capacity

Metehara Sugar Factory has a capacity to crush 5,100 tons of sugarcane per day, with this it has a production capacity of 130,000 tons of plantation white sugar per year. Currently, the factory's ethanol plant is producing 50,000 liters of ethanol per day. Metehara Sugar factory has the potential to produce 9 megawatts of electric power, this makes the factory self-sufficient when it comes to power supply.





Fincha Sugar Factory



Location and Background

Fincha Sugar factory is found in Horo Guduru Welega Zone, Oromia Regional State in Abay Chommen District in Fincha Valley Agamsa area at a distance of 350 km from Northwest of Addis Ababa. The factory is playing a leading role in the country's economy by providing ethanol to be mixed with benzene for fuel consumption, and also supplies ethanol to other industries. Fincha Sugar Factory is one of the earliest factories, the construction started after it secured financing from African Development Bank and local banks, as well as the government of Sweden, Australia and Spain. The construction was completed and production started in 1988.



Climate

At Fincha Sugar Factory, the maximum annual average temperature is 30.71°C and the minimum is 13.6°C, and the average annual rainfall reaches 1,300 mm.



Allocated Sugarcane Plantation Area

Fincha Sugar Factory has a total land area of 21,000 hectares for its sugarcane plantation. The plantation area has a productivity capacity to produce 135 tons of sugarcane per hectare; its age of harvest is 16 months.



Irrigation Water Supply

Fincha Sugar Factory uses Fincha and Neshe dam to develop its sugarcane plantation. The plantation uses overhead and sprinkler irrigation method.



Factory Production Capacity

Fincha Sugar factory has a crushing capacity of 12,000 TCD per day, this enables it to produce 270,000 tons of plantation white sugar annually. Its ethanol factory produces 105,000 liters of ethanol per day. Fincha Sugar factory has a potential to produce 31 megawatts of electric power. Out of the generated power the factory has the potential to sell 14 megawatts to the country's national power grid as additional revenue generation.



Status of the Project

From the total 21,000 hectares land area for sugarcane plantation, the factory has covered 19,000 hectares for sugarcane plantation.



Tendaho Sugar Factory



Location and Background

Tendaho Sugar factory is found 670 km away from Addis Ababa and at 300 km distance from the Port of Djibouti. It is found in Mille, Dubti, Asaita and Afambo districts in Afar Regional State. The location of the factory makes a strategic place to export sugar.



Climate

The climate around Tendaho Sugar Factory can be characterized as arid. Based on monthly rainfall recorded at Dubti, annual average rainfall is 234.3 mm with highest average monthly peak of 41.6 mm and 54.9 mm during July and August respectively, and the lowest monthly being 3.3 mm in November.



Allocated Sugarcane Plantation Area

Tendaho Sugar factory first phase has been allocated a total land area of 25,000 hectares for its sugarcane plantation. The sugarcane has 13 months age for harvest. The land has a productivity potential to produce 130 tons of sugarcane per hectare.



Irrigation Water Supply

The first phase of the factory uses irrigation water from Awash River at Tendaho dam for plantation development. The dam has the capacity to hold 1.86 billion cube meters of water and is expected to nourish 60,000 hectares of land.



Factory Production Capacity

The government planned to construct Tendaho Sugar Factory with a total crushing capacity of 26,000 TCD in two phases, each phase having a capacity of 13,000 TCD. Currently, the construction for the first phase is completed and has started production. However, the construction of the second phase of the factory stopped at 27%. Once it reaches its full production capacity, the first phase factory is expected to produce 300,000 tons of raw and refined sugar per year. It also has the potential capacity to produce 124,068 tons molasses annually. Tendaho Sugar Factory phase one has the potential to generate 40 megawatts of electricity, out of which 20 megawatts will be used for the factory itself, and the rest to be supplied to the national power grid.



Status of the Project

- **Factory Construction Status:** 98% of the factory's phase one has been completed, and has started production.
- **Irrigation Infrastructure Construction Status:** For phase one 42 km main canal infrastructure has been completed.
- **Housing Construction Status:** 8,997 residential houses and 146 service providing blocks have been constructed.
- **Sugar Plantation Status:** From the total sugarcane plantation area 10,000 hectares of land is covered with sugarcane.
- **Irrigation Status for the Plantation:** 22,835 hectares of land has been irrigated.



An aerial photograph showing a large industrial complex on the left, featuring several blue buildings and a tall smokestack emitting a plume of white smoke. To the right is a multi-story white residential building with many windows and balconies. In the foreground, there is a paved area with a green semi-transparent overlay. A motorcycle is parked near a green utility box in the bottom right corner. The sky is clear and blue.

Kesem Sugar Factory



Location and Background

Kesem Sugar Factory is located in Afar Regional State in Awash Fentale and Dullecha districts. It is found 250 km away from Addis Ababa, and at a 50 km distance Metehara Sugar Factory.



Climate

The climate around Kesem Sugar Factory can be characterized as tropical semi-arid. The average annual hot temperature is 15°C and the highest is 23°C during December and it could go up to 38 °C in the month of July. The average annual rainfall is 569 mm.



Allocated Sugarcane Plantation Area

Kesem Sugar Factory in the process of acquiring total land area of 20,000 hectares for sugarcane plantation. The productivity has the potential to reach up to 135 tons of sugarcane per hectare, and the average harvesting age is 15 months.



Irrigation Water Supply

Kesem Sugar Factory plantation is developed using Kesem Dam. The dam has the capacity to hold 500 million cubic liters of water. The irrigation system is gravitationally supplied from Kesem River through the diversion weir constructed at the downstream of the river.



Factory Production Capacity

Kesem Sugar Factory has a design capacity to crush 6,000 tons of sugarcane per day, with further expansion the crushing capacity could reach up to 10,000 tons of sugarcane per day. Currently, the factory is producing 153,000 tons of plantation white sugar annually. It also has the potential to produce 82,540 tons of molasses annually. Kesem Sugar Factory has the design capacity to generate 26 megawatts of electricity, out of which 10 megawatts will be used for its own operation and the remaining 16 megawatts will be sold to the national power grid.



Status of the Project

- **Factory Construction Status:** 99% of the factory construction has been completed, and the factory started production.
- **Irrigation Infrastructure Construction Status:** 20.5 km of main canal construction has been completed, furthermore, the plantation needs additional 10 km main canal construction.
- **Housing Construction Status:** 648 residential houses and 25 non-residential is completed.
- **Sugar Plantation Status:** From planned acquisition of land, 2,823 hectares have been developed by Sugar Corporation, and 6000 hectares of land is contracted to Amibara Agricultural private limited company, a sugarcane harvesting company.
- **Irrigation Status for the Plantation:** 2,946 hectares of land has been irrigated in the plantation.

Arejo Diddessa Sugar Factory





Location and Background

Arejo Diddessa Sugar Factory is located in Western Oromia Regional State between East Wellega, Buno Beddelle and Jimma Zone in Diddessa valley. It is found at a distance of 395 km from Addis Ababa on Nekemte - Beddele road. Sugar Corporation bought the sugar factory from AL-Habasha Sugar Mills PLC, a Pakistan based company in 2013. After acquiring the factory, Sugar Corporation completed the remaining construction work and the factory started production in 2015.



Climate

The average annual hot temperature is 22.5 °C, and the average annual rainfall is 1,400 mm. The rainfall will increase during the months of May and October.



Allocated Sugarcane Plantation Area

Arejo Diddessa Sugar Factory is in the process of acquiring a total land area of 16,000 hectares for sugarcane plantation. The plantation has productivity capacity of 130 tons of sugarcane per hectare, and the age of harvest is 17 months.



Irrigation Water Supply

The factory's allocated sugarcane plantation will be developed using Diddessa river, and the irrigation infrastructure construction is under way.



Factory Production Capacity

Arejo Diddessa factory has the capacity to crush 8,000 tons of sugarcane per day. The factory has the potential capacity to produce 8 megawatts of electric power for its own consumption. Arejo Diddessa is designed to produce refined sugar and has the potential capacity to produce 59,203 tons of molasses annually.



Status of the Project

- **Factory Construction Status:** The factory construction has been completed.
- **Irrigation Infrastructure Construction Status:** The dam for the project is under construction on Diddessa River.
- **Housing Construction Status:** 124 residential houses and 11 non-residential units are completed.
- **Sugar Plantation Status:** 4,450 hectares of land covered with sugarcane from the total 16,000 hectares to be acquired.
- **Irrigation Status for the Plantation:** 1,660 hectares of land has been irrigated.

A large industrial facility under construction, featuring a prominent red and white striped chimney. The structure is complex, with multiple levels and sections, and is surrounded by construction equipment and materials. The sky is clear blue. A semi-transparent green banner is overlaid across the middle of the image, containing the text "Omo Kuraz Sugar Development Project".

Omo Kuraz Sugar Development Project

Omo Kuraz Sugar Development Project Overview

Omo Kuraz project is comprised of four factories with a total potential capacity to crush 60,000 tons of sugarcane per day. These four projects will be developed on 100,000 hectares of land for sugarcane plantation; when the three factories (Omo Kuraz One, Two and Three) produce at full capacity each has the potential to crush 12,000 tons of sugarcane. They also have a designed capacity to generate 45 megawatts of electricity and to sell 29 megawatts to the national power grid owned by Ethiopian Electric Power. Similarly, Omo Kuraz five has a design capacity to crush 24,000 tons of sugarcane a day.

For all Omo Kuraz factories, a cofferdam has been set up for irrigation purposes by utilizing the Omo River. Currently, 30,000 hectares of land of the project plantation area has been irrigated. Out of the total allocated project plantation area, more than 16,000 hectares have been covered with sugarcane. Regarding the status of the main canal infrastructure for the irrigation, the left bank of the river, which is 55 km long, is constructed and operational. Out of the 134 km of the main canal on the right side of the river, 43 km has been constructed and is giving service.

Omo Kuraz One Sugar Factory





Location and Background

Omo Kuraz One Sugar factory is found in South Nations and Nationality Regional State in South Omo Zone Selamago District at a distance of 863 km from Addis Ababa. The factory is under construction.



Climate

Omo Kuraz One Sugar Factory has a tropical semi-arid climate with an average annual temperature of 28.9 °C. Annual rainfall ranges from 300 m to 1900 mm.



Allocated Sugarcane Plantation Area

Omo Kuraz One has a total land area of 20,000 hectares for sugarcane plantation. The plantation has a productivity potential to produce 145 tons of sugarcane per hectare, on average the harvesting age of the sugarcane is 13 months.



Factory Production Capacity

Omo Kuraz One has the potential to crush 12,000 tons per day, and produces refined sugar. The factory has the capacity to produce 45 megawatt electric power, from which it has the potential to supply 29 megawatt electric power to the national grid. The factory has the potential to produce 120,000 tons of molasses annually.



Status of the Project

- **Factory Construction Status:** 80% of the factory has been completed.
- **Housing Construction Status:** 1,057 residential houses and 48 service providing blocks have been constructed.
- **Sugar Plantation Status:** 9,519 hectares of land covered with sugarcane.
- **Irrigation Status for the Plantation:** From the total plantation 10,400 hectares of land has been irrigated.

Omo Kuraz Two Sugar Factory





Location and Background

Omo Kuraz Two is located in Southern Nations, Nationalities and Peoples Regional State in South Omo Zone Selamago District at a distance of 825 km from Addis Ababa. After successfully completing its trial production, it has entered into regular production in 2017.



Climate

Omo Kuraz Two Sugar Factory has a tropical semi-arid climate with an average annual temperature of 28.9°C. Annual rainfall ranges from 300 mm to 1900 mm.



Allocated Sugarcane Plantation Area

The factory has a total land of 20,000 hectares for sugarcane plantation. The plantation has a productivity potential to produce 145 tons of sugarcane per hectare, and on average the harvesting age of the sugarcane is 13 months.



Factory Production Capacity

Omo Kuraz Two has the potential to crush 12,000 tons per day, and produces raw sugar, plantation white sugar, and refined sugar. The factory has the capacity to produce 60 megawatts of electric power, from which it has the potential to supply 40 megawatts of electric power to the national power grid. The factory has the potential to produce 120,000 tons of molasses annually.



Status of the Project

- **Factory Construction Status:** The factory construction is 96% completed.
- **Sugar Plantation Status:** The project has 4,500 hectares of land and is covered with sugarcane.
- **Irrigation Status for the Plantation:** From the total plantation 5,700 hectares of land has been irrigated.





Omo Kuraz Three Sugar Factory



Location and Background

Omo Kuraz Three is found at a distance of 874 km from Addis Ababa, it is located in Kaffa and Bench Maji Zones bordering Omo River. The factory has entered production in 2018.



Climate

Omo Kuraz Three Sugar Factory has a tropical semi-arid climate with an average annual temperature of 28.9 °C. Annual rainfall ranges from 300 mm to 1900 mm.



Allocated Sugarcane Plantation Area

The factory has a total land of 20,000 hectares for sugarcane plantation. The plantation has a productivity potential to produce 145 tons of sugarcane per hectare, on average the harvesting age of the sugarcane is 13 months.



Factory Production Capacity

Omo Kuraz Three has the potential to crush 12,000 tons per day, and produces raw sugar, plantation white sugar, and refined sugar. The factory has the capacity to produce 60 megawatts of electric power, from this it has the potential to supply 40 megawatts of electric power to the national power grid. The factory has the potential to produce 120,000 tons of molasses per year.



Status of the Project

- **Factory Construction Status:** The factory construction is 94% completed.
- **Housing Construction Status:** 83 residential houses and 4 service providing blocks have been constructed.
- **Sugar Plantation Status:** 2,300 hectares of land covered with sugarcane.
- **Irrigation Status for the Plantation:** From the total plantation 9,000 hectares of land has been irrigated.





Omo Kuraz Five Sugar Factory



Location and Background

Omo Kuraz Five Sugar Factory shares boundaries with South Omo Zone's Nyangatom District in South Nations and Nationalities People's Regional State. It is found at the distance of 954 km from Addis Ababa. The factory is located near the South Sudan and Kenyan border. The factory is under construction, and will be built in two phases.



Climate

Omo Kuraz Five Sugar Factory has a tropical semi-arid climate with an average annual temperature of 28.9°C. Compare to other Omo Kuraz factories, the annual rainfall is minimal.



Allocated Sugarcane Plantation Area

The factory has a total land of 40,000 hectares for sugarcane plantation. The plantation has a productivity potential to produce 145 tons of sugarcane per hectare, on average the harvesting age of the sugarcane is 13 months.



Factory Production Capacity

Omo Kuraz Five has a design capacity to crush 24,000 tons per day., and produces raw sugar, as well as refined sugar. The factory has the capacity to produce 120 megawatts of electric power, from which it has the potential to contribute 80 megawatts of electric power to the national power grid. The factory has the potential to produce 240,000 tons of molasses annually.



Status of the Project

- **Factory Construction Status:** 26.02% factory construction has been completed (Phase 1).

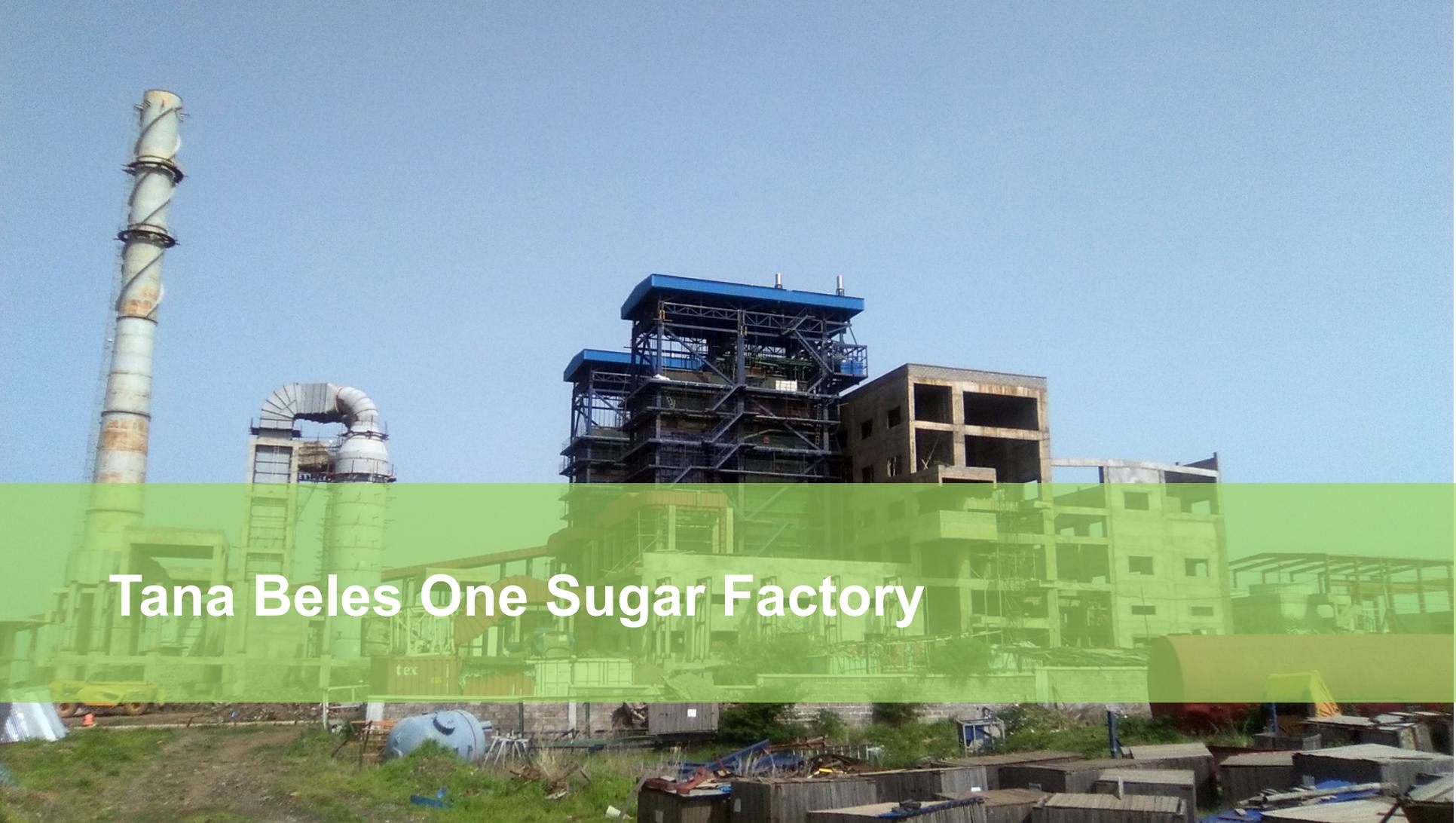


Tana Beles Sugar Development Project



Tana Beles Sugar Development Project Overview

Tana Beles Sugar project is comprised of two factories, when the two factories produce at full capacity each has the potential to crush 12,000 tons of sugarcane per day. These two projects will be developed on 36,277 hectares of land for sugarcane plantation. Tana Beles Sugar project will use diversion weir from Beles River for sugarcane development. The weir has 30 km length that can pass 60 cubic meters of water per second. From the total allocated plantation area for both factories, more than 16,000 hectares have been irrigated, accordingly, 13,600 hectares of land is covered with sugarcane.



Tana Beles One Sugar Factory



Location and Background

Tana Beles One is located in Awi Zone`s Jawi District in Amhara Regional State. Its headquarter is at Fendika Town 650 km from Addis Ababa, and it is 225 km from Bahir Dar town.



Climate

Tana Beles One area is characterized as warm humid climate with mean annual relative humidity reaching up to 80%, and the maximum temperature fluctuating between 37°C in April and 27°C in July. The long term mean monthly temperature varies between 28°C (April) and 22°C (July) and while the minimum temperature variation is bounded between 12°C (December) and 19°C (July). The maximum temperature range is usually observed in the cold seasons of December and January with a temperature reaching high to 21°C.



Allocated Sugarcane Plantation Area

Tana Beles One has 18,138 hectares of land allocated for sugar plantation. The plantation has a productivity potential to produce 140 tons of sugarcane per hectare, on average the harvesting age of the sugarcane is 14 months.



Factory Production Capacity

Tana Beles One has a design capacity to crush 12,000 tons of sugarcane per day. Furthermore, it has the capacity to generating 45 megawatts electric power out of which 29 megawatts is sold to the national power grid. Tana Beles One has the potential to produce 82,940 tons of molasses every year. The factory will produces refined sugar.



Status of the Project

- **Factory Construction Status:** 65.79% factory construction has been completed.
- **Housing Construction Status:** 1,469 residential houses and 20 non- residential unites has been completed.
- **Sugar Plantation Status:** 7,714 hectares of land covered with sugarcane.
- **Irrigation Status for the Plantation:** From the total allocated plantation land, 10,249 hectares has been irrigated.



Tana Beles Two Sugar Factory





Location and Background

Tana Beles Two is located in Awi Zone's Jawi District in Amhara Regional State. Its headquarter is at Fendika Town 650 km from Addis Ababa, and it is 225 km from Bahir Dar town.



Climate

Tana Beles Two area is characterized as warm humid climate with mean annual relative humidity reaching up to 80%, and the maximum temperature fluctuating between 37°C in April and 27°C in July. The long term mean monthly temperature varies between 28°C (April) and 22°C (July) and while the minimum temperature variation is bounded between 12°C (December) and 19°C (July). The maximum temperature range is usually observed in the cold seasons of December and January with a temperature reaching high to 21°C.



Allocated Sugarcane Plantation Area

Tana Beles Two has 18,138 hectare of land allocated for sugarcane plantation. The plantation has a productivity potential to produce 140 tons of sugarcane per hectare, on average the harvesting age of the sugarcane is 14 months.



Factory Production Capacity

Tana Beles Two has a design capacity to crush 12,000 tons of sugarcane per day, and a capacity to generate 45 megawatts of electric power out of which 29 megawatts is sold to the national power grid. Tana Beles Two has the potential to produce 80,241 tons of molasses annually. The factory will produce refined sugar.



Status of the Project

- **Factory Construction Status:** 25% factory construction has been completed.
- **Housing Construction Status:** 220 residential houses and 4 non- residential units has been completed.
- **Sugar Plantation Status:** 5,953 hectares of land is covered with sugarcane.
- **Irrigation Status for the Plantation:** 5,897 hectares has been irrigated.





Welkayte Sugar Factory



Location and Background

Welkayte Sugar Factory is located in Tigray Regional State Western Zone, Welkayit District on 1,030 km away from Addis Ababa.



Climate

The climate has monthly average hot temperature of 31.6°C in the month of May. The average monthly rainfall ranges from 0.59 mm to 250 mm during the month of April and July, respectively.



Allocated Sugarcane Plantation Area

Welkayte Sugar Factory has been allocated a total land area of 39,500 hectares for sugarcane plantation. The plantation has a productivity potential to produce 140 tons of sugarcane per hectare, on average the harvesting age of the sugarcane is 14 months.



Irrigation Water Supply

Welkayte Sugar Factory gets its irrigation water from Tekeze, Kalema and Zarema Rivers. The dam has the capacity to hold 3.5 billion cubic meters of water and currently it is under construction, according, the drip irrigation construction is also underway for the sugarcane plantation.



Factory Production Capacity

Welkayte has the design capacity to crush 24,000 tons of sugarcane per day, and produces raw and refined sugar. Welkayte Sugar Factory is being constructed in two phases; when it operates on its optimum crushing capacity it has the potential to produce 484,000 tons of sugar and 208,740 tons of molasses every year. The factory has the capacity to produce 120 megawatts electric power, from which it has the potential to sell 80 megawatts electric power to the national power grid.



Status of the Project

- **Factory Construction Status:** 88% phase one and 50% phase two of the factory construction has been completed.
- **Irrigation Infrastructure Construction Status:** Currently, the dam is being constructed on Zarema River. When the Dam is completed it will have a width of 840 meter and height of 135.5 meter. The 10 km long main canal construction has been completed.
- **Housing Construction Status:** 1,066 residential houses and 53 non- residential units has been completed.
- **Sugar Plantation Status:** 140 hectare of land covered with sugarcane.
- **Irrigation Status for the Plantation:** From the total allocated 39,500 hectares of land, 260 hectares has been irrigated.



**Federal Democratic Republic of Ethiopia
Ministry of Finance**



Sugar Corporation

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Building Competitive Sugar Industry!**