

**Speech on Techno-Serve African Alliance for Improved Food
Processing Project Launching Event
On April 18, 2013 time 2:30pm-5:30pm**

**Dear Mr Jason Fraser Deputy Mission Director of USAID
ETHIOPIA**

**Dear Miss Jennifer Flinn Techno Serve Senior Program
Manager East Africa**

Dear Miss Mefthe Tadesse Techno serve Country Director

Dear Brent Wibberley SAFE Chief of Party

Dear Invited guests from different Ministries

Dear Participants from Different Public Sector Organizations

Dear Participants from the Wheat millers Companies

Dear Wheat Miliers sectorial Association Representatives

Ladies and Gentlemen,

I am very pleased to be here today and deliver this speech on the occasion of launching event of the African Alliance for Improved Food processing Project in Ethiopia.

The launching of the AAIFP project comes at time when Ethiopia is perusing the implementation of the five year Growth and transformation plan GTP, which lays the foundation towards the journey of reaching middle income country by 2025. In this process the manufacturing sector is expected to take the leadership from the agriculture in the economic development of the country.

As we all know the performance of Ethiopian economic development in the last 8-9 years has registered a double digit economic growth on average annually. This is due to the design and implementation of appropriate policies and strategies by the Government of Ethiopia. In-order to further sustain and broaden this fast economic growth, the government of Ethiopia is exerting maximum efforts in providing all rounded support to the industries in the priority sector of the manufacturing sector in which the agro processing sector is one of the top priorities.

Dear participants, ladies and Gentlemen,

Ethiopia is a country endowed with enormous agricultural resources, diverse agro ecology, vast fertile arable land, abundant water resource, that can be used for irrigation. These are huge opportunities for agriculture development and agro processing Industrial growth. Due to these reasons the Agro-processing sub sector has been taken as one of the top priority and has been given a special focus and support to contribute to the development of the manufacturing sector. In addition to the above mentioned potentials, the Agro-processing sector has big potentials both in terms of the raw material availability, international and domestic market demands, and in its ability in creating massive job opportunities in the economy. To cite the data published by Central Statistical Authority (CSA)in 2010,out of 2170 total

companies registered as medium and large scale industries in manufacturing in the whole country about 686 which is 31.6 % registered are in the food sector and out of the total employment in the manufacturing sector about 67,072 Which is (39.3 %) are employed in the food sector. Therefore, from the above stated facts, one can easily underscore to what extent this sector is important for the Ethiopian economy.

Dear participants, Ladies and Gentlemen,

In spite of all these potentials the Agro Processing sector in general and the food processing sector in particular have been confronted with enormous challenges. Although Ethiopia has the potential to produce surplus agricultural crops like wheat due to different capacity limitation, the Government unfortunately is importing wheat in millions of quintals every year to satisfy the demand of the processing industries and also household consumption. The food processing industries are also facing a number of challenges like under capacity utilization due to mainly raw material sourcing, lack of technical skill, lack of quality and productivity, lack of product diversification, outdated technology and technological gaps in processing etc.

In this regard, the Ministry of Industry is working with all stakeholders to support in addressing these challenges and unleash the potential of the sub sector. The Ministry together

with other Governmental and Nongovernmental Organizations has jointly developed the agro processing road map and joint operational plan with detail activities by selecting 11 important commodities (among which wheat is one). In this joint effort the value chain analysis approach is being practiced as a guiding principle and methodology in order to mobilize all actors to work on the challenges to bring a turnaround in the subsector.

Dear participants, Ladies and Gentlemen

In addition to the above efforts, the Government of Ethiopia has recently decided to establish Food Beverage and Pharmaceutical Industry Development Institute with aim of providing the much needed all rounded support to the industries and actors in the sector. The process of establishment of the institute is in its final stage and the institute is expected to be functional by next Ethiopian budget year. Therefore, we believe the launching AAIFP would not only serve building the capacity of the food processing industries but also serve equally to transfer the knowledge from the international staffs to the local staff of the institute. Hence, this project “Africa alliance for improved food processing project” has a great role to contribute in addressing the capacity constraints not only at company level but also at a sector level. In this regard we greatly anticipate that the project will have:

1 tremendous opportunity to increase the quality and competitiveness of the Ethiopian food processing sector and expand the availability of affordable and nutritious foods,

2 to produce better food products for consumers.

3 it will also help to create a networking with experts of some of the world's top food companies,

4 to improve the safety and quality of food products.

5 to facilitate the knowledge transfer to the needs of our growing industries and

6 to enable the food processors to play a vital role in food security by creating markets for farmers and making nutritious foods available to consumers.

Therefore, we look forward to work with USAID, Techno Serve and Partners in Food Solutions over the course of the next two years.

We hope every stakeholder concerned will value this important project and contribute its part for the success and sustainability of the project, particularly the processing industries that are expected to be eligible through the transparency selection process. Therefore, on this occasion, I urge all of you to show your readiness and cooperation to maximize the opportunity and work hard to bring concrete outcomes. Moreover, Millers association is expected to work closely to scale up the project to more companies and regions

in the time ahead in collaboration with our Agro-processing industry development directorate, the Private sector Capacity Building Project Office under the ministry and Techno Serve and USAID Ethiopia.

Finally I would like to thank the USAID Ethiopia, Techno Serve, for initiating AAIFP which is a real developmental support in our industrial development. In fact USAID and Techno Serve in particular and the Government and People of The UNITED STATE in general are our real development partners not only in such capacity building projects but also in many other socio economic development of our country.

I would like also to express my appreciation to all implementing institutions and involved bodies in coordinating this strategic alliance to get realized

I am sure this project will be the first of its kind in building capacity of the food sector at firm level and is believed to contribute to transform the sector a step forward.

I Thank You for Your Kind Attention.