



Energising Zimbabwe's Export Growth



ZIMBABWE-ETHIOPIA

TRADE BRIEF



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Zimbabwe – Ethiopia Trade Brief

1. Ethiopia Overview

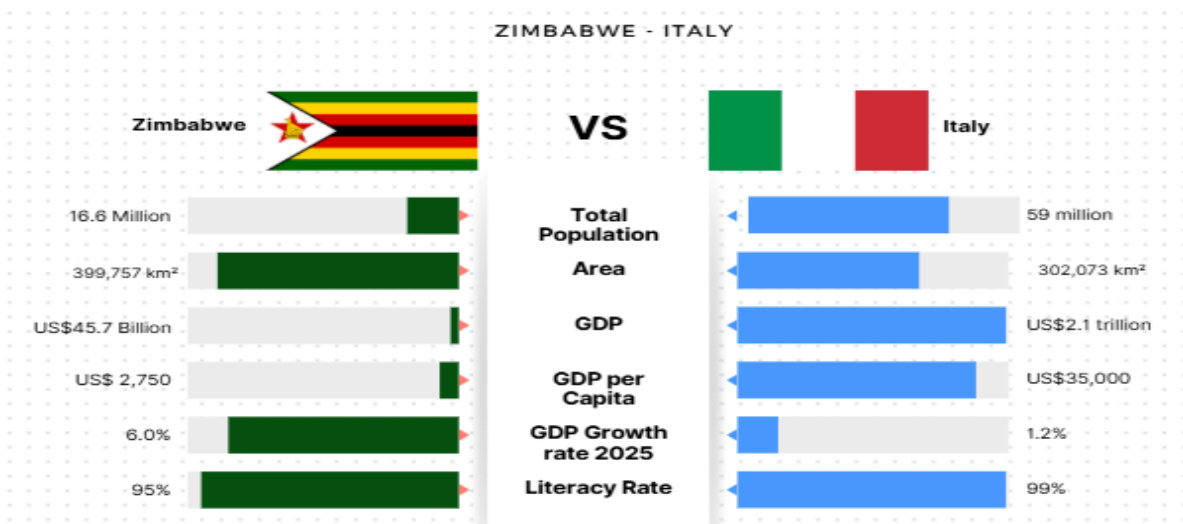
The Federal Democratic Republic of Ethiopia, located in the Horn of Africa, is Africa's second-most populous country with over 124 million people. Ethiopia is known for its rich history, diverse culture, and rapid economic growth, particularly in agriculture and infrastructure development.

The country has been experiencing modest growth as the economy grew by 7.2% in 2022/23, according to the government, and 6.1% according to the IMF. The services sector was the main driver of growth, accounting for 7.9% of the growth. Ethiopia is a signatory to a number of trade agreements with COMESA and AfCFTA being the shared agreements with Zimbabwe.

Ethiopia is a country which is heavily dependent on imports as evidenced by their growing trade deficit with the world. Though the country is experiencing foreign currency challenges and a high import bill, Ethiopia has a strong import substitution programme which is in place. As such there is need to penetrate the market with a long-term view of setting up operations in Ethiopia.

2. Key Economic Indicators

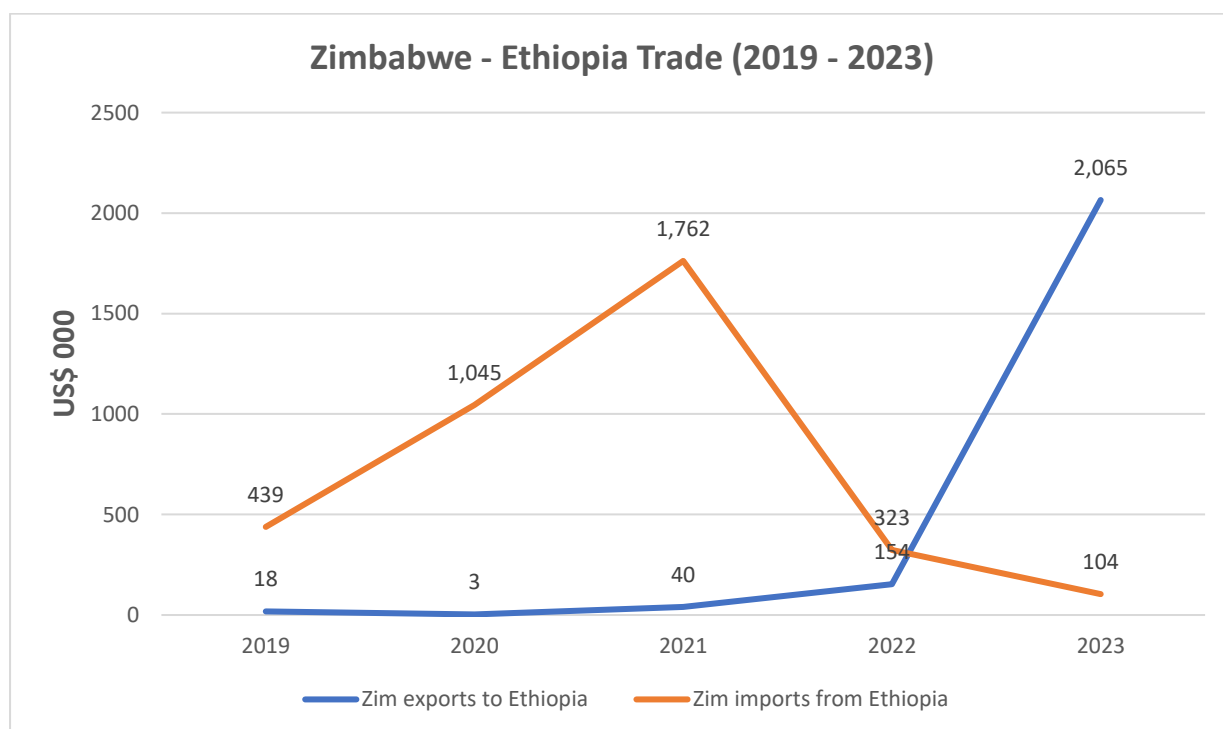
- **GDP:** US\$163.7 billion (2023)
- **GDP per capita:** US\$1,272 (world bank, 2023)
- **Population** 124 million
- **Major Industries:** Agriculture, Tourism, Light Manufacturing (Textile & Leather)
- **Trade Partners:** Somalia, Morocco, Kenya, Djibouti, China, India, Saudi Arabia, USA and the United Arab Emirates



3. Zimbabwe – Ethiopia Trade

Trade between Zimbabwe and Ethiopia remains modest, with limited diversification in product categories. In 2023, Zimbabwe's exports to Ethiopia were valued at US\$2.1 million up from US\$154,000 recorded in 2022, while imports from Ethiopia stood at US\$104,000 down from US\$323,000 in 2022. Key exports from Zimbabwe include raw hides, tobacco, horticultural products, and mining equipment, while Ethiopia's main exports to Zimbabwe are coffee, live plants and electrical machinery. (Trademap. Refer to Annex 1 and 2)

Ethiopia's strategic location as a gateway to the Horn of Africa and its strong focus on regional integration through organizations like the African Continental Free Trade Area (AfCFTA) presents opportunities for Zimbabwe to expand its market presence. ZimTrade conducted a market scan in Ethiopia in April 2024 and the opportunities identified during the scan were in the building and construction, horticulture, and processed foods.



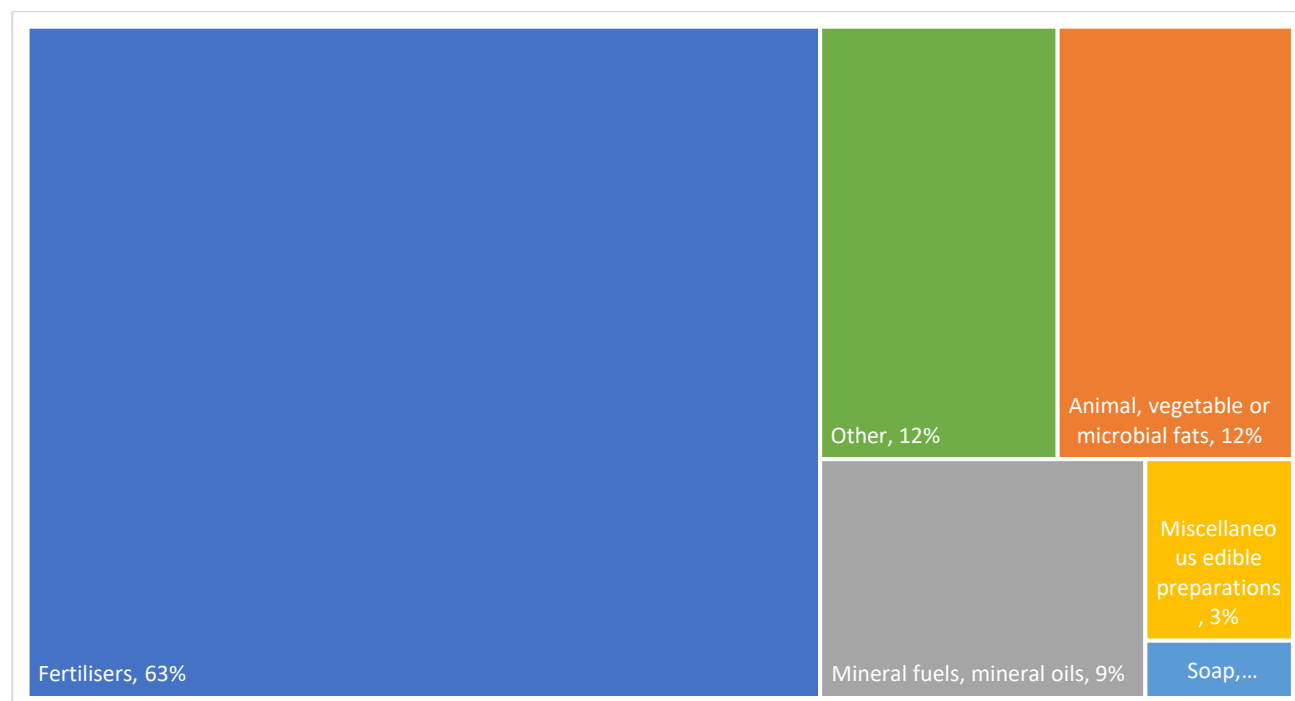
4. Ethiopia Imports from Africa

Ethiopia's imports from Africa showed a sharp increase in 2022 to US\$2billion then took a deep to US\$1.63 billion in 2023. The country's key import categories from Africa include fertilisers US\$1.02 billion, Edible fats US\$196 million, fuel US\$149 million and vehicles US\$13.3 million.

Primary African trading partners include Morocco US\$676 million, Egypt US\$454 million, Djibouti US\$205 million, South Africa US\$153 million, and Kenya US\$79 million. Despite its agricultural strength, Ethiopia imports significant volumes of

horticultural products, cereals, and processed foods to meet domestic demand (*Refer to Annex 3*)

Ethiopia Imports from Africa



5. Zimbabwe Products with Potential in Ethiopia

a) Processed Foods

Trend: Ethiopia's food imports are driven by its growing urban population and changing consumer preferences. Processed food imports exceeded US\$600 million in 2023.

Opportunity: Zimbabwean companies can target Ethiopia's market with cereals, dairy products, and ready-to-eat foods. Competitive pricing and cultural alignment can enhance market penetration.

b) Horticultural Products

Trend: Ethiopia imports fresh produce and processed horticultural goods worth over US\$100 million annually.

Opportunity: Zimbabwe's capacity to produce avocados, citrus, and other high-demand fruits positions it as a strong supplier. Leveraging the SADC-EAC trade corridors can facilitate logistics.

Partnership on Sesame Seed production

Sesame production in Zimbabwe is still in the infant stages of development and Ethiopia is the largest exporter of sesame in Africa. Local sesame producers should ride on the good relations that have been established with the Sesame Exporters'

Association of Ethiopia. This will outlay the framework for contract farming of sesame and consolidation of exports to the already established export markets for Ethiopia.

c) Building and Construction

The country has been experiencing expansion in the building and construction sector hence Zimbabwe companies can consider various types of Tenders in the Ethiopian Building and Construction Sector. These include:

- **Construction Projects:** These include the construction of bridges, roads, buildings, warehouses, irrigation systems, and other infrastructure projects.
- **Consultancy Services:** Tenders for consultancy services may involve architectural design, engineering services, project management, or policy development.
- **Supply Contracts:** Supply tenders cover the provision of materials, equipment, machinery, or specialized products needed for construction projects.

d) Tobacco and Related products

Trend: Ethiopia's tobacco imports are increasing due to growing consumer demand and limited domestic production.

Opportunity: Zimbabwe, as a leading tobacco producer, can establish itself as a primary supplier of high-quality tobacco to Ethiopia.

e) Engineering and Mining Equipment

Trend: Ethiopia's focus on infrastructure development and mining has led to significant imports of industrial machinery and equipment.

Opportunity: Zimbabwe's expertise and production capabilities in mining equipment can meet Ethiopia's demand.

6. Ethiopia Export Performance

Ethiopia has been struggling to increase their products exports as the country's exports dropped to US\$2.9 billion in 2023 from US\$3.1 billion in 2022. However, the country exports of services have shown a positive growth trend from US\$4.4 billion in 2020 to US\$7 billion in 2023 anchored by transport US\$5.3 billion, travel US\$1.2 billion and telecommunications US\$151 million. (See annex 7)

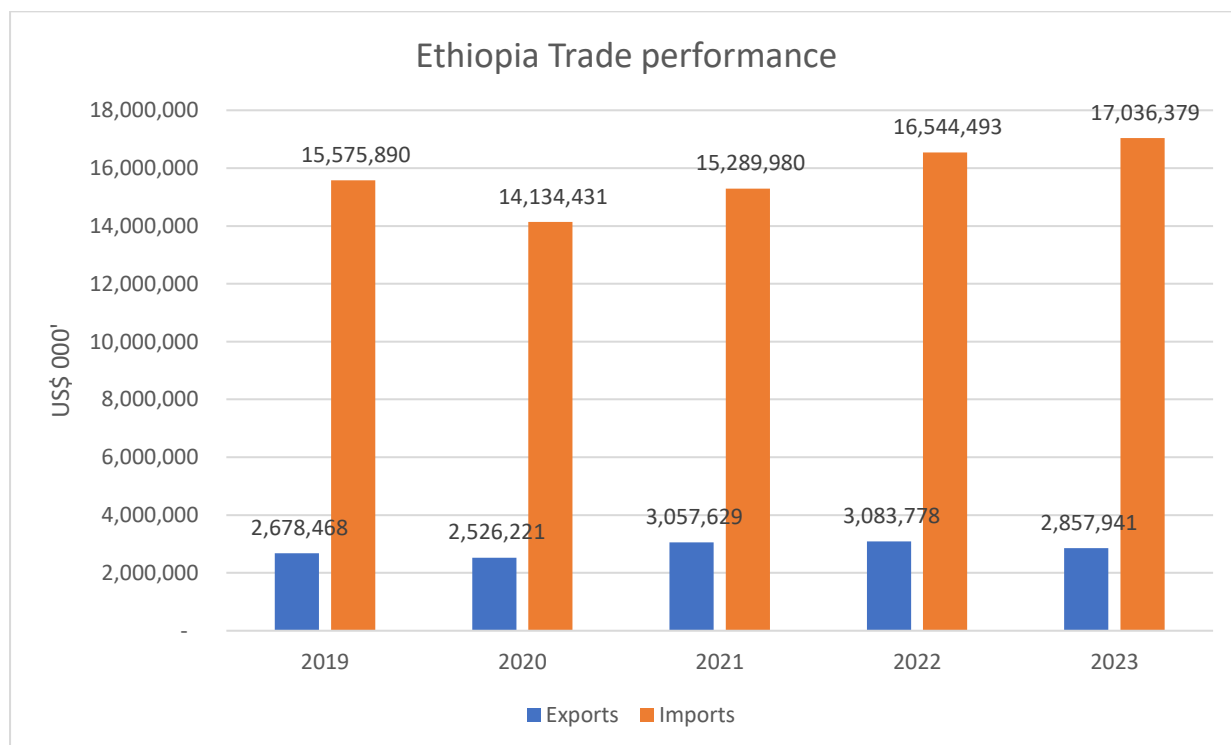
The country's leading export categories are:

- **Agriculture:** Coffee, sesame, and spices.
- **Manufactured Goods:** Leather products and textiles.

- Minerals: Gold and gemstones.

Ethiopia's government is prioritizing value addition in its exports, creating opportunities for collaborative ventures with Zimbabwean companies, particularly in agro-processing and mining.

The country faces a huge trade deficit with imports amounting to over US\$17 billion in 2023 whilst exports amounted to US\$2.9 billion giving a trade deficit of US\$14 billion.



7. Ethiopia imports of horticulture

Ethiopia relies on imports for some horticultural produce including:

- Fresh Produce: Avocados, tomatoes, onions.
- Processed Products: Juices, canned vegetables, frozen foods.
- Flowers: Imports for re-export to global markets.

Zimbabwe's robust horticulture sector can capitalize on Ethiopia's demand for high-quality produce and processed goods.

8. Issues to consider

a) Logistics and Connectivity:

Ethiopia's landlocked nature and reliance on ports in Djibouti increase logistics costs. Zimbabwean exporters must optimize supply chains and explore regional trade corridors to minimize expenses.

b) Competitors:

Processed Foods: South Africa and Kenya dominate Ethiopia's processed food market.

Horticultural Products: Countries like Kenya, Uganda, and Tanzania are major suppliers of fresh and processed horticulture.

Engineering Equipment: China and India are the leading suppliers of machinery and industrial tools.

9. Conclusion

The trade relationship between Zimbabwe and Ethiopia offers untapped potential for economic growth and collaboration. Zimbabwe's strengths in agriculture, mining, and engineering can complement Ethiopia's growing demand for imports and its focus on industrialization. Both nations can benefit from leveraging the AfCFTA framework to enhance market access and reduce trade barriers.

To foster mutual trade growth between the two countries, Zimbabwe and Ethiopia must:

1. Address logistical challenges by offering incentives on the available air routes.
2. Encourage private sector partnerships.
3. Invest in trade facilitation and infrastructure.

By building stronger ties, Zimbabwe and Ethiopia can unlock new opportunities, diversify their economies, and improve the livelihoods of their citizens.

Annexes

Annex 1: Zimbabwe exports to Ethiopia

Product label	Zimbabwe's exports to Ethiopia				
	Value in 2019	Value in 2020	Value in 2021	Value in 2022	Value in 2023
	US\$ 000'				
All products	18	3	40	154	2065
Raw hides and skins (other than furskins) and leather	0	0	0	25	1021
Works of art, collectors' pieces and antiques	0	0	0	53	546
Footwear, gaiters and the like; parts of such articles	0	0	0	0	277
Articles of apparel and clothing accessories, not knitted or crocheted	0	0	11	0	77
Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	0	0	0	0	62
Cereals	0	0	1	0	27
Oil seeds and oleaginous fruits;	0	0	3	12	18
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	0	0	0	1	13
Miscellaneous manufactured articles	0	0	0	0	10

Source Trademap

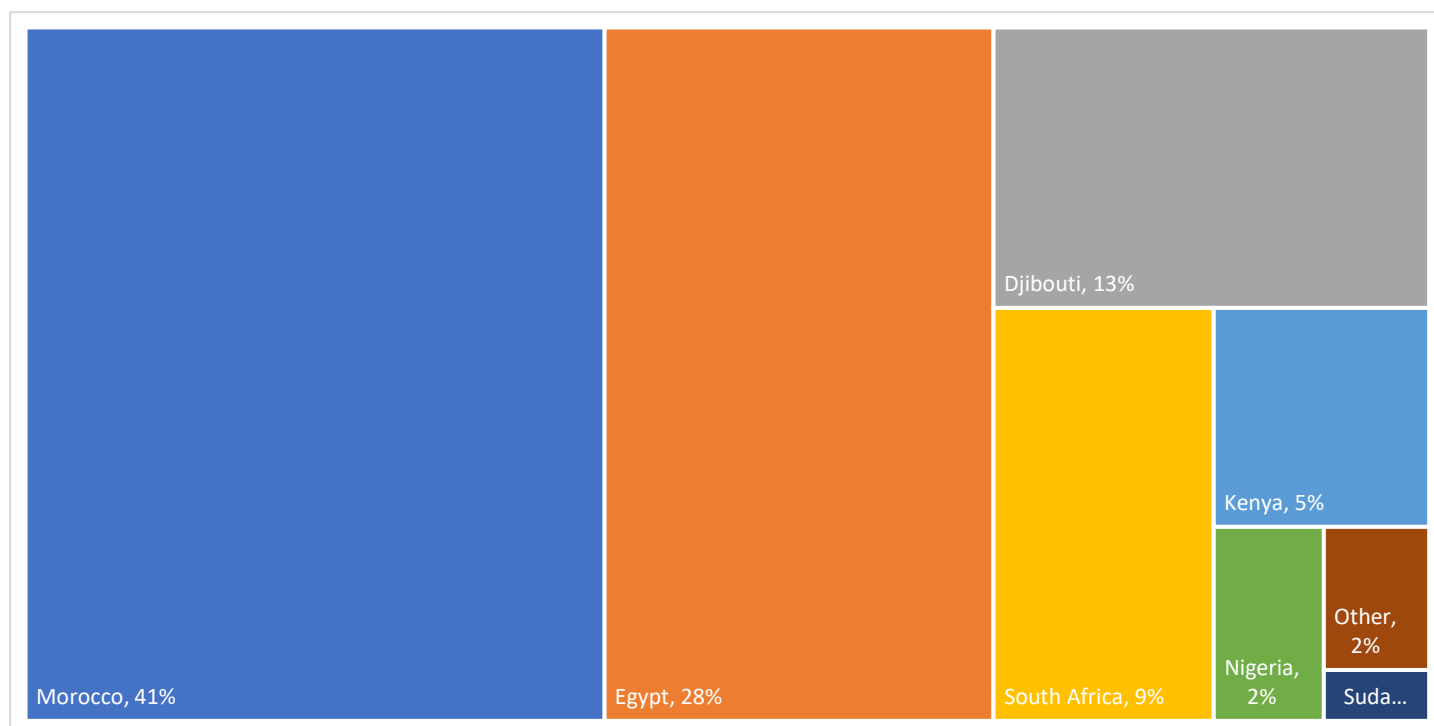
Annex 2: Zimbabwe imports from Ethiopia

Product label	Zimbabwe's imports from Ethiopia				
	2019	2020	2021	2022	2023
	US\$ 000'				
All products	439	1,045	1,762	323	104
Electrical machinery and equipment	8	0	1	25	31
Commodities not elsewhere specified	401	143	32	136	29
Live trees and other plants	0	0	14	1	14
Coffee, tea, maté and spices	0	0	0	0	13
Medical or surgical instruments	0	14	423	1	8
Raw hides and skins (other than furskins) and leather	27	24	18	20	3

Annex 3: Ethiopia imports from Africa

Product label	Ethiopia's imports from Africa				
	2019	2020	2021	2022	2023
	US\$ 000				
All products	886,088	841,001	1,029,347	2,007,050	1,638,809
Fertilisers	339,958	382,802	468,243	1,180,437	1,026,418
Animal, vegetable or microbial fats	31,957	60,327	189,962	388,274	196,498
Mineral fuels, mineral oils	142,807	95,763	82,665	129,009	149,722
Miscellaneous edible preparations	42,001	34,970	41,773	50,202	51,745
Soap, organic surface-active agents,	12,388	7,610	14,981	15,314	16,342
Other products	31,315	8,586	8,123	12,951	198,084

Annex 4: Ethiopia Suppliers from Africa



Source: Trade Map

Annex 5: – Ethiopia exports by country

Importers	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	Exported value in 2023
	US\$ 000				
World	2,678,468	2,526,221	3,057,629	3,083,778	2,857,941
Saudi Arabia	177,062	186,925	215,538	267,939	297,762
United States of America	293,384	258,691	330,215	334,495	276,310
Netherlands	190,726	189,746	229,347	216,917	218,596
United Arab Emirates	154,811	168,916	189,768	205,681	163,815
Somalia	271,908	293,673	360,838	264,805	142,082
India	109,343	50,348	101,188	90,332	139,177
Germany	152,173	138,798	243,943	257,850	135,330
China	124,363	91,182	84,470	129,901	131,579
Korea, Republic of	49,110	61,085	85,686	119,760	116,070
Japan	121,600	94,885	106,172	133,008	104,064
Israel	109,072	98,759	105,942	99,053	103,952
Djibouti	128,165	108,869	102,899	86,784	98,325

Annex 6: Ethiopia exports by products

Product label	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	Exported value in 2023
US\$ 000'					
All products	2,678,468	2,526,221	3,057,629	3,083,778	2,857,941
Coffee, tea, maté and spices	812,475	811,977	1,209,514	1,524,761	1,234,526
Edible vegetables and certain roots and tubers	547,772	553,281	648,554	529,707	499,267
Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal ...	419,457	439,373	407,186	284,393	424,238
Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	226,397	216,718	290,181	255,180	261,953
Meat and edible meat offal	77,722	66,582	94,072	90,864	63,009
Articles of apparel and clothing accessories, knitted or crocheted	74,138	87,485	80,246	75,403	59,779
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	66,413	28,733	6,328	12,739	57,919
Articles of apparel and clothing accessories, not knitted or crocheted	85,596	48,037	62,697	49,694	34,376
Preparations of cereals, flour, starch or milk; pastrycooks' products	11,353	10,770	12,442	16,001	23,867
Raw hides and skins (other than furskins) and leather	59,563	27,807	28,657	24,303	20,271
Live animals	59,325	42,380	33,627	27,117	17,552
Edible fruit and nuts; peel of citrus fruit or melons	9,336	11,846	14,782	11,067	15,240

Annex 7: Ethiopia exports of services

Service label	Exported Value in 2018	Exported Value in 2019	Exported Value in 2020	Exported Value in 2021	Exported Value in 2022
US\$ 000'					
All services	4,919,331	4,842,257	4,461,774	5,565,858	7,000,872
Transport	3,263,024	3,549,846	2,997,168	4,012,821	5,305,946
Travel	967,657	785,782	1,032,819	965,076	1,174,615
Government goods and services n.i.e.	410,046	188,504	143,722	191,257	180,133
Other business services	127,945	158,554	132,656	176,510	176,409
Telecommunications, computer, and information services	76,644	132,150	130,486	161,523	151,098
Financial services	50,113	6,171	6,209	44,477	12,073
Charges for the use of intellectual property n.i.e.	7,805		10	43	344
Construction	15,624	19,506	18,274	14,059	254
Insurance and pension services	473	1,736	411	75	
Personal, cultural, and recreational services		8		18	

Annex 8: Ethiopia imported products

Product label	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	Imported value in 2023
	US\$ 000				
All products	15,575,890	14,134,431	15,289,980	16,544,493	17,036,379
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	2,641,479	1,723,351	1,089,569	1,075,813	2,649,021
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	2,287,429	1,833,286	1,737,129	1,607,159	1,926,540
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	1,110,186	1,091,945	1,008,841	1,358,254	1,324,239
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	1,177,209	1,036,337	1,196,476	1,500,836	1,313,409
Fertilisers	504,101	507,381	590,893	1,297,289	1,196,474
Plastics and articles thereof	697,816	638,784	675,421	829,006	831,853
Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...	432,361	898,935	1,397,641	1,420,643	748,949
Pharmaceutical products	638,411	580,495	812,071	786,374	676,152
Iron and steel	1,016,960	707,107	564,011	568,368	672,195
Cereals	780,496	863,655	1,683,142	1,345,279	575,575
Aircraft, spacecraft, and parts thereof	106,834	42,292	178,907	172,432	370,839

Annex 9: Indicative Growing window periods - Zimbabwe

Product	Window Period
Blueberries	May – Oct
Citrus (Lemons, oranges)	Mar – Aug
Avocadoes	Nov – Jun
Macadamia nuts	Oct – May
Cucumbers, bananas	Sep – May
Mange tout, mushrooms	May – Oct
Peas, sugar snaps,	Jun – Sep
Onions	May – Jul; Oct – Dec
Pineapples	Nov – Feb, Jun - Jul
Butternuts	May - Sep
Garlic & ginger	Jun - Sep

Zimbabwe has been developing its horticulture sector with a target of US\$1 billion exports by 2030. This ambitious target requires concerted efforts to open new markets and linkages.

Annex 10: Current Zimbabwe Horticulture Production capacity

Below is the information received from the Horticulture Development Council pertaining to the production capacities for the export of various products.

Crop	2023 Volume (Tonnes)	2024 Volume (Tonnes)	Seasonality
Citrus	69,552	64,949	May - September
Tea	12,633	10,856	All year
Avocadoes	7,723	5,108	November - June
Macadamia nuts	7,495	5,213	March - June
Berries	4,582	5,172	April - September
Produce	7,482	5,110	May - September
Seed & Beans	1,220	2,483	April - September
Flowers	2,033	1,324	May - September
Spices	702	604	All year
Flower Cuttings	319	261	May - September
Essential Oils	203	203	All year
Coffee	119	203	All year
Deciduous Fruits	149	55	April - September
Jams	297	0	All year
Potatoes	15	23	April - September