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# News Release

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For Immediate Release

## **The Impact Angel Network Announces Investment in Ethiopian Food and Beverage Company**

Members of the Impact Angel Network (IAN) closed an investment in the food and beverage industry in Ethiopia. The investment is in partnership with a leading producer of paper products and importer, manufacturer and distributor of fast-moving consumer goods (FMCGs) in Ethiopia. The company sees an opportunity to leverage management's experience in the sector and the IAN and RENEW's support to gain significant market share in the growing food and beverage industry by offering low-cost, locally produced alternatives to expensive imports.

With the world's fourteenth largest and fourteenth fastest growing population,<sup>i</sup> Ethiopia is likely to see some of the strongest growth in FMCGs among African countries.<sup>ii</sup> Demand within Ethiopia in relevant segments of the food and beverage industry, in particular, has exhibited significant growth in recent years, with compound annual growth rates in the double digits<sup>iii</sup>.



*Transportation of goods in Merkato, Addis Ababa's largest market. Photo by Laura Davis*

The investment, like others the IAN has made into small and medium enterprises (SMEs) in East Africa, is anticipated to have a significant impact in the local economy. Anticipated impacts include creation of 125 new jobs in Ethiopia's manufacturing and value addition sectors, increased purchases of produce from over 900 small holder farmers in Upper Awash, an impoverished area in the Afar region of Ethiopia, benefitting farmers and their families in that region, and reductions in foreign currency expenditures as a result of import substitution. USAID-PRIME supports such initiatives to facilitate job creation and increase household income for agro-pastoralists in regions like Afar.

"We are eager to produce high-quality beverage choices here in Ethiopia, for Ethiopian consumers, by Ethiopian manufacturers," Isaias Lemma, general manager and partner of this project said recently. "This is a part of Ethiopia's surge towards middle-income status, and we have international partners who will help us exceed the quality of imported products and transfer knowledge and skill to our local team. We thank our investors and USAID for their support."

Support from the U.S. Agency for International Development's (USAID) and Mercy Corps, through the Pastoralist Areas Resilience Improvement through Market Expansion (PRIME) project helped make this investment possible. PRIME is designed to increase household incomes and enhance resilience to climate change of pastoral communities through market linkages in Ethiopia's dryland areas.

This is the IAN's sixth investment in East Africa.

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*To find out more, please visit [www.renewstrategies.com](http://www.renewstrategies.com). The Impact Angel Network (IAN) is the largest U.S.-based angel network for Africa. RENEW is an impact investment firm working in Ethiopia through its partnership with USAID activities. RENEW manages the IAN and provides professional investment advisory and consulting services in support of its investments.*

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<sup>i</sup> "The World Factbook – Ethiopia." Central Intelligence Agency. Available at <https://www.cia.gov/library/publications/the-world-factbook/geos/et.html>.

<sup>ii</sup> "Fast Moving Consumer Goods in Africa." KPMG Africa Ltd. 2014, available at <https://www.kpmg.com/Africa/en/IssuesAndInsights/Articles-Publications/General-Industries-Publications/Documents/Fast-moving%20Consumer%20Goods%20in%20Africa.pdf>.

<sup>iii</sup> "Production of Fruits and Vegetables in Ethiopia." Ethiopia Investment Agency. Addis Ababa. 2012.