

Voluntary Report – Voluntary - Public Distribution

Date: April 01, 2021

Report Number: ET2021-0009

Report Name: Ethiopia Issued International Tenders to Buy Grains and Sugar

Country: Ethiopia

Post: Addis Ababa

Report Category: Grain and Feed, Sugar

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Report Highlights:

The Government of Ethiopia (GOE) through the Ministry of Trade and Industry (MOTI) has issued three separate international tenders to purchase 400,000 metric tons (MT) of milling wheat, 320,000 MT of white sugar, and 170,300 MT of parboiled rice. MOTI floated the international competitive tenders on behalf of the Ethiopian Trading Business Corporation (ETBC) and the Ethiopian Sugar Corporation (ESC) to stabilize the domestic market. Bid submission for all the three tenders is due on April 20, 2021. Interested eligible bidders are encouraged to read the GOE's official invitation for bid attached in this brief report.

Ethiopia in Urgent Need of Wheat, Sugar, and Rice

With recent announcement of international tenders, the Government of Ethiopia (GOE) is looking to expedite procurement of basic food commodities to stabilize its local market. The GOE has floated three separate tenders on March 16 to purchase 400,000 metric tons (MT) milling wheat, 320,000 MT white sugar, and 170,300 MT parboiled rice from overseas markets; bid submissions are due on April 20. The country has been experiencing rising prices for food commodities, and such a procurement would buttress local supplies as millions in Tigray are in desperate need of emergency food assistance following violent conflict in the region.

Ethiopia purchases around 1.2 million MT of foreign wheat annually to stabilize its domestic market and to provide emergency assistances to millions of people affected by drought, flooding, and other natural disasters. Since June 2020, GOE has struggled to procure wheat from international suppliers through a competitive bid procedure and by the end of 2020, the government canceled two wheat contracts from international grain suppliers due to defaults or contractual non-performances. This development has therefore forced the GOE to buy imported wheat through direct procurement—the first time in 2021 that Ethiopia floated an international competitive tender to buy wheat. Argentina, Ukraine, and Russia were the leading markets for Ethiopia’s wheat imports during calendar year (CY) 2020 (January to December).

Sugar is also one of the basic commodities that Ethiopia imports to fill a gap in its local supply. Over the past three calendar years, the country imported nearly 330,000 MT of sugar annually. Ethiopia’s sugar production projects have been delayed since the past several years. The GOE regulates sugar production and trade. The current administration of the GOE has opted for [privatization](#) of the sugar sector. As local supply falls short of demand, imports have continued. Price of sugar on the local market has surged up since mid-September 2020; following the GOE’s removal of sugar production and import subsidy scheme that was in effect for a decade.

Rice imports into Ethiopia are rapidly increasing, driven by growing population, urbanization, and changes in domestic consumption patterns. In fact, rice imports in CY 2019 increased to 514 million MT from 383,000 MT in previous year.¹ India is the largest market supplying sugar and rice to Ethiopia.

According to a recent [news report](#), the GOE has added requirements to bids in the international tenders that were recently announced: The GOE will only consider bidders that are willing to offer a two-year grace period for the bid payments. Interested eligible bidders are advised to read the GOE’s invitation for bid below and may also obtain further information from the Ministry of Trade and Industry (MOTI) by e-mailing moti.proc@moti.gov.et. See attachments for further details on the invitation below.

¹ Trade Data Monitor

Attachments:

[Invitation for Bid to Supply 400,000 MT Milling Wheat.pdf](#)

[Invitation for Bid to Supply 320,000 MT White Sugar.pdf](#)

[Invitation for Bid to Supply 170,300 MT Rice.pdf](#)