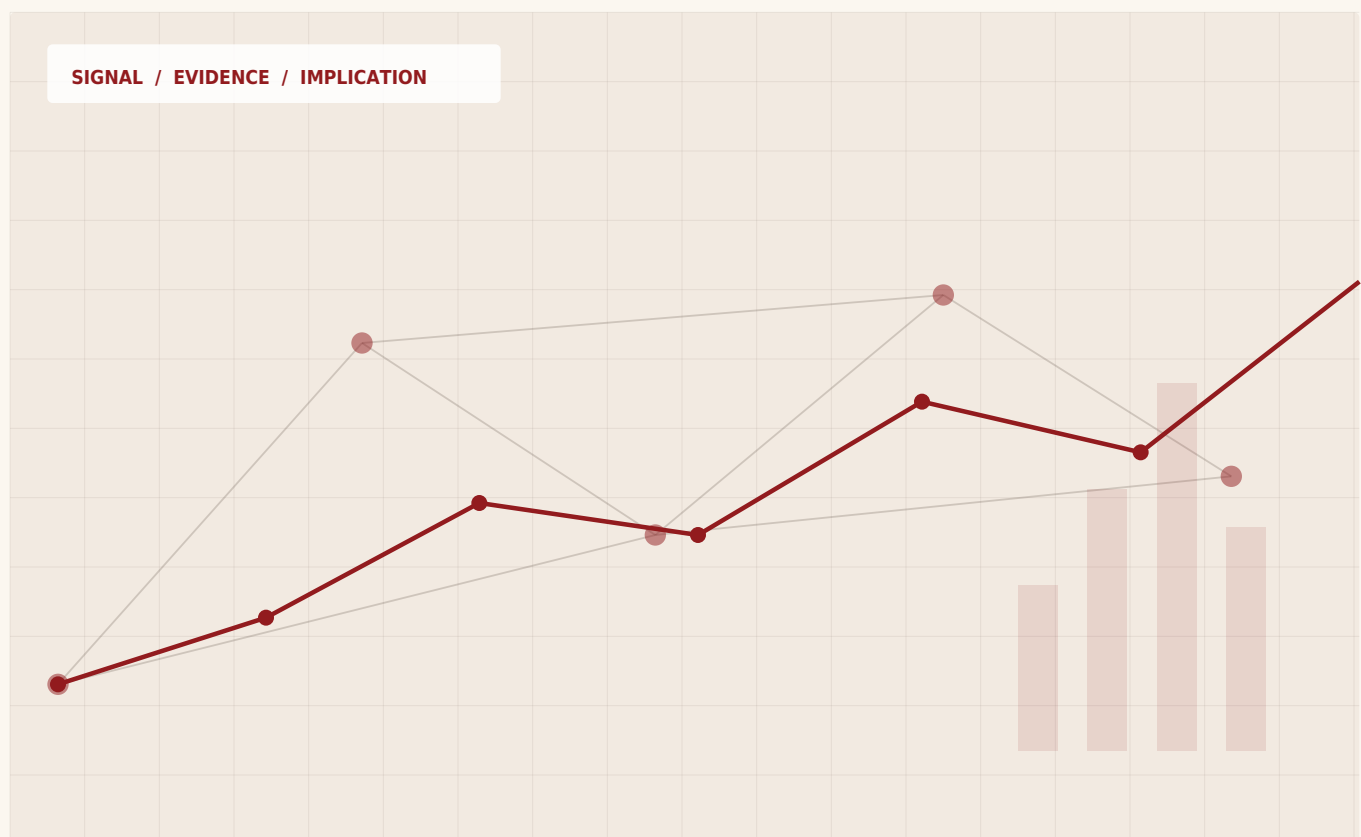




Recovery Without Reinstatement

Ethiopia's Industrial Parks Grow While AGOA Remains Suspended



01

THE NUMBERS BEHIND THE RECOVERY

Ethiopia's industrial parks just posted their strongest year on record. They did it without the trade preference that built the sector in the first place.

161,000 Ethiopia's industrial park manufacturing workforce, after 70,000+ jobs added in FY2025/26 <i>IPDC annual report; Jul 2026</i>	\$266.9M Record export revenue from IPDC-managed parks in FY2025/26, up 115% on the year <i>IPDC annual report; Jul 2026</i>	11,500+ Jobs lost and 18 foreign companies exited in the years following Ethiopia's 2022 AGOA suspension <i>National Bank of Ethiopia; Birritu Newsletter</i>	4+ years Time since Ethiopia's AGOA suspension with no reinstatement, even as Congress extended the program to 2028 <i>USTR; Dec 2025 review</i>
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DATA INTEGRITY NOTE: IPDC's \$266.9 million FY2025/26 figure covers export revenue from parks under its own management; it is not directly comparable to the \$413.4 million and \$227.5 million total manufacturing export figures from the same strategic planning document, which cover a broader national base. Both are cited at the scope each source reports, not adjusted to force a single series.

02

TWO FINDINGS THAT DEFINE THE QUESTION

THE RECOVERY

Ethiopia's industrial parks lost 18 foreign companies and more than 11,500 jobs in the years after the January 2022 AGOA suspension, and manufacturing exports fell from \$413.4 million to \$227.5 million. FY2025/26 reversed that: export revenue more than doubled to a record \$266.9 million and the workforce grew by over 70,000 to 161,000. A Policy Studies Institute survey of 169 affected firms found 24% redirected sales to the domestic market and 14% shifted to non-US export markets, evidence the recovery is built on diversification, not on AGOA's return.

WHAT AGOA WOULD STILL ADD

Kenya, still AGOA-eligible, exported roughly \$450 million of apparel to the US market alone in 2025 and supports 82,026 direct jobs in that trade, figures that exceed Ethiopia's entire industrial park export base across every market combined. Ethiopia's recovery proves the sector can grow without Washington's permission. It does not prove reinstatement is beside the point: it points at the scale still sitting on the table if it happens.

03

SIX MORE FACTS ON THE RECORD

- **The human cost, in place:** Hawassa Industrial Park alone lost 4,321 jobs, Mekelle 2,885, and Bole Lemi 1,097 in the post-suspension downturn, with job losses concentrated among young women, who make up most of the garment workforce. (National Bank of Ethiopia; Birritu Newsletter)
- **A textile-specific decline:** Textile and garment exports fell from \$152.9 million to \$120.1 million between 2018/19 and 2023/24, the sub-sector most directly exposed to AGOA's loss. (IPDC strategic planning document)
- **The review that keeps not concluding:** USTR maintained Ethiopia on its list of suspended countries in its most recent review, announced in December 2025, even as it

confirmed the 32 currently eligible countries would retain their benefits. (Office of the United States Trade Representative; Dec 2025)

- **A program extended, a country left out:** The US Congress cleared a two-year extension of AGOA itself through December 2028 in a bipartisan vote on September 1, 2026; the extension does not include Ethiopia, whose reinstatement requires a separate presidential decision. (US Congress; Sept 2026)
- **Diplomacy continues without a deadline:** Ethiopian and US officials met in Washington in May 2026, and a delegation has continued pressing the case since, but no timeline for a decision has been given. (Ministry of Foreign Affairs of Ethiopia; Trade and Tourism Standing Committee testimony)
- **The hedge already underway:** Ten industrial parks have been upgraded to Special Economic Zone status specifically to attract investment beyond the apparel-for-the-US-market model that AGOA's loss exposed as a single point of failure. (Ethiopian Investment Commission)

04

ANALYSIS: TWO STORIES, NOT ONE

The Setback: What AGOA Suspension Actually Cost

The January 2022 suspension, triggered by an executive order citing human rights violations during the Tigray war, hit Ethiopia's most US-dependent sector directly. Industrial parks built specifically to serve duty-free American demand, Hawassa above all, lost their reason for being to global apparel buyers overnight. Eighteen foreign companies left, more than 11,500 workers were laid off, and the National Bank of Ethiopia's own accounting puts the direct revenue loss at \$45 million, a figure that understates the knock-on effect on suppliers, landlords, and the towns built around these parks. Total manufacturing exports fell by nearly half, from \$413.4 million in 2018/19 to \$227.5 million in 2023/24.

This was not a slow bleed. Ethiopia had been one of AGOA's largest beneficiaries, and losing eligibility removed the specific reason global apparel brands had chosen Ethiopia over lower-cost, tariff-exposed alternatives in the first place.

The Recovery: Built Without Washington

FY2025/26 is where the story turns. IPDC-managed parks added more than 70,000 jobs, taking the total manufacturing workforce to 161,000, and export revenue more than doubled to \$266.9 million, the highest figure since the corporation was established. None of this came from AGOA being restored, it was not. A Policy Studies Institute survey of 169 affected firms found the adjustment mechanism directly: 24% of firms redirected exports to the domestic market and 14% shifted to non-US foreign markets, while 28% still reported a net export decline from the suspension. Ethiopia has also elevated ten industrial parks to Special Economic Zone status, a structural move to widen the investor base beyond apparel manufacturers chasing US duty-free access.

The investor read here is specific: Ethiopia's industrial-park model has proven it can recover and grow on a diversified customer base. That is a genuinely different risk profile than a sector with a single-market dependency, and it should be priced differently than it was in 2022.

The Benchmark: What Kenya Still Has That Ethiopia Doesn't

Kenya never lost AGOA eligibility, and the comparison shows what that has been worth. Kenya's garment factories shipped a record 148 million apparel pieces to the US in 2025, generating roughly \$450 million and supporting 82,026 direct jobs, an increase of 22.8% in a single year, even as per-piece value fell on competitive pressure from Asian exporters. That single-market, single-sector figure alone exceeds Ethiopia's entire industrial park export base

across every market it now serves. The gap is not evidence that Ethiopia's recovery is fragile; it is evidence of the specific, quantifiable upside still sitting on the table if reinstatement happens.

Kenya's own experience carries a caution too: AGOA-driven growth concentrated in low-value, high-volume apparel production has left Kenyan manufacturers exposed to margin compression as competitors undercut on price. Reinstatement would hand Ethiopia access to that market, not immunity from that same structural risk.

What's Actually Being Decided

Congress's September 2026 extension keeps AGOA itself alive through 2028, but it changes nothing for Ethiopia specifically: reinstatement is a separate decision resting with the US President, informed by an annual eligibility review that most recently reconfirmed Ethiopia's suspension in December 2025. Diplomatic engagement is ongoing, a Washington meeting in May 2026, continued delegation visits, but no public timeline exists for a decision either way. For an investor, the honest position is that reinstatement remains a real, live option with a genuinely large payoff attached, and also one with no forecastable date. Building a plan that depends on it arriving on any particular schedule would be a mistake; ignoring the option value entirely would be another.

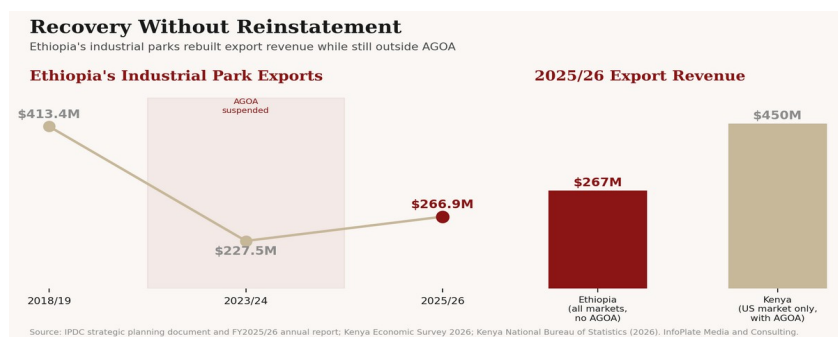


Figure 1: Ethiopia's industrial park export trajectory through the AGOA suspension, against Kenya's AGOA-enabled US apparel exports. Source: IPDC strategic planning document and FY2025/26 annual report; Kenya Economic Survey 2026; Kenya National Bureau of Statistics (2026). InfoPlate Media and Consulting.

05

EDITOR'S OUTLOOK

Grade this one an incomplete too, in the same sense mining was: not a clean pass, not a clean fail. The specific ask, AGOA reinstatement, remains unresolved after more than four years, and nothing in Congress's latest extension moves that decision closer. But the underlying industrial base did not wait for Washington to prove itself again, it hit a record on its own terms. That is a more resilient story than the one written in 2022, and a more useful one for anyone pricing Ethiopia's manufacturing sector today.

The connection to Ethiopia's labour market is direct: InfoPlate's Jobless Growth Paradox edition showed an economy absorbing roughly 2 million new workers a year against 23% urban youth unemployment. Industrial parks adding 70,000 formal jobs in a single year is one of the few concrete answers that labour-market gap has produced this Ethiopian year. Watch three things next: whether USTR's next review cycle brings a substantive Ethiopia decision, whether IPDC's non-US export share keeps climbing or plateaus, and whether Ethiopia's wheat and import-substitution push, next on InfoPlate's calendar, shows the same diversification instinct this sector just did.

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