



Ministry of Trade and Regional Integration

Cement Transaction and Distribution Directive No. \_\_\_\_\_ 2023

**January 2023**

**Addis Ababa**

For the internal and external different cement market reasons following the ever growing construction sector of our country the gap between supply and demand came widening per time and for this reason the distribution has been experiencing considerable in conveniences and since the inflation ever increasing the ministry of trade and regional integration has issued procedure regulation number 908/2014 regarding the cement transaction and distribution in order to stabilize the cement market when considered practically however the bodies and beneficiaries given the opportunities of purchasing cement directly from the factory get were beneficiary in terms of price as well as provision, the cement distribution which was made supplied to the community on behalf of the selected suppliers beyond fulfilled the demand of the beneficiaries', considering it has been exposed to different illegal practices;

Since the cement distribution system implementation which has been under operation at this time experiences number of gaps, to help devise better

solution takings suggestions and questions from different part of the community as an input;

Through the performance assessment survey conducted on behalf of our ministry office, on the resolutions of different problems, according to the discussion conducted the investors engaged in the cement sector and the concerned regions and city administration officials' understating was reached on the necessity of amending and improving the current procedures and practices.

NOW, THEREFORE, the Ministry of Trade and Regional Integration has issued this Directive pursuant to Article 19 (4) of the Definitions of Powers and Duties of the Executive Organs Proclamation No. 1263/2021.

## **Part one**

### **General**

#### **1. Short title**

This Directive may be cited as "Cement Purchase and Control Directive No. \_\_\_\_\_/2022."

#### **2. Definitions**

Unless the context requires otherwise, in this Directive:-

1. "**Ministry** ": means the Federal Democratic Republic of Ethiopia ministry of trade and regional integration;
2. "**Region**": means region established under Article 47 of the constitution of the Federal Democratic Republic of Ethiopia and for the purpose of this Directive, it includes Addis Ababa and Dire Dawa City Administrations;

3. **“Cement wholesalers”**: means any individual having legal business license of wholesaling cement products to the retailers or governmental and non-governmental institutions or cooperative societies purchasing them from the manufacture or importer;
4. **“Cement retailer”**: means any individual legally licensed to sell the beneficiaries cement product purchasing them from the manufacture, importer or wholesaler;
5. **“Cement manufacturer”**: means any individual manufacturing cement product for the purpose of sales and distribute to the market;
6. **“Warehouse”**: means the storage place prepared to store, distribute and retail cement products being recognized by the competent party for the surrounding trade and by the factories;
7. **“Company”**: means the governmental, private and none governmental entities having legal personality to utilize cement for the purpose of construction;
8. **“Government Project”**: means the constructions under going with the Federal and Regional government budget.

### **3. Scope of Application**

This Directive shall be applicable over the factories manufacturing cement product domestically, the parties who wholesale and retail cement product and utilize cement for the purpose of construction.

## **Part two**

### **4. Cement Purchase Procedure**

1. The federal and regional government big mega projects can make the purchase directly from the factory concluding the procurement/sells

contracts with the factory and offering the cement factory work contract certified by the official in charge of the employer office and entered with the employer office.

2. Without prejudice to what is stated in this article sub article 1 , the federal and regional state project can purchase cement from the nearby wholesaler.
3. The cement factories shall make the wholesalers and retailers supply their product to cement market entering contract with such merchant having legal business license.
4. The contract to be concluded between the cement manufacturer, wholesaler, companies and retailers need to include cement purchase and sells prices.
5. The cement factories can directly sell the cement product to the beneficiaries including the outlet from their factories and organizing the distribution warehouses in the major cities as necessary.
6. The Cement factories shall make the sells according to the factory get sells price as quoted by the ministry.
7. The factories based upon the cement factory get sells price shall prepare the wholesale are retail price roof of major cities which is computed considering the transportation cost, loading and unloading cost, profit margin and other expenses shall thereby report to the ministry.
8. The purchase made between the factory and the wholesalers and retailers need to be based upon the legal receipt including the TIN number of the buyer.

### **Part Three**

#### **The Duties and Responsibilities of the Legally Empowered Body to Manage Trade under the Auspice of the Minister and Regions**

#### **5. The Duties and Responsibilities of the Ministry of Trade and Regional Integration**

##### **The Ministry shall:-**

1. set up the purchase and distribution procedure which has its base on cement product provision as necessary and follow its implementation;
2. report deciding the factory get sells price every 6 months as necessary;
3. follow whether the wholesale and retail price of respective cities and report the same To Whom It May Concern Based upon the factory get sells price;
4. follow whether the cement purchase has been implemented according to the price offered;
5. follow the cement production procedure, distribution and seals price evidences, control, set up to follow up and evaluation system and shall give solutions to the problems encountered in consultation with the concerned bodies;
6. follow and control whether the procedures set in this Directive are executed.

#### **6. The Duties and Responsibilities of the Body Empowered Legally to Manage Trade in the Region**

##### **The body empowered to administer trade in a Region shall:-**

1. follow whether the wholesalers and retailers engaged in the region or the city have legal business license;
2. follow the existing cement sells price of the region or the city as well different surrounding, follow whether the cement has been sold with the

roof price set for the city, take the necessary measures whenever the price is found exceeding that the roof, and report it to the ministry;

3. make procedures and check posts which limit the free delivery of cement in the region or the city no more.

## **Part four**

Obligation of cement manufacturing factories, wholesalers and retailers

### **7. Obligation of Cement Manufacturing Factories**

#### **Cement Manufacturing Factories shall:-**

1. carryout sells of the the cement manufactured in the factory to the merchant and beneficiaries according to Article 4 of this Directive;
2. Responsible to insure whether the wholesalers and retailers selected by the factory are selling the cement according to this Directive;
3. set up the price roof to wholesale and retail cement product at different regions Based upon the factory get sells price and including the transport pay, loading and unloading cost, the warehouse lease expense and profit margin, and report the same to the ministry office;
4. The profit margin in the price roof set up need not exceed 10% to wholesale and 15% to the retailers;
5. The cement factories can raise survey support question to the ministry to make review to the factory get price every six months;
6. The factory production volume and distribution execution (to the government project, distributors, retailers and other beneficiaries sells) report as well the problems encountered in connection with distribution and resolution need to be reported every month to the ministry.

## **8. The Cement Wholesaler And Retailer Obligation**

### **Each Cement Wholesaler And Retailer shall:-**

1. Be obliged to make cement transaction according to this Directive;
2. The cement wholesaler need to carryout sells under legal receipt registering the TIN number of retailers and companies purchasing cement from him;
3. sell the cement purchased in accordance with the price quotation set to the beneficiaries, the act of selling beyond such quotation shall cause legal responsibility;
4. The cement retailer mount the retail price in an apparent place of his shop;
5. properly keep cement purchase and sells activities information, obliged to offer when requested by controlling bodies.

## **Part Five**

### **Miscellaneous Provisions**

## **9. Administrative and Legal Measures**

Any person who violates this Directive shall be liable under the pertinent law

### **10. Duty to Cooperate**

Any person shall have the duty to cooperate in the execution of this Directive.

### **11. Repealed directive and Practices**

“cement provision and transaction Directive number 908/2022” and the public notice floated on \_\_\_\_\_ day is hereby revoked by this Directive.

**12. Amending the Directive**

The ministry may repeal or amend this Directive as the case may be.

**13. Effective Date**

This Directive shall be effective as of December \_\_\_\_\_ 2022.

***Gebrmesekel Chala Motalo***  
***Ministry***  
***Ministry of Trade & Regional Integration***