



የኢ.ፌ.ዴ.ሪ.
አምባሳደር
ለንደን

ETHIOPIAN
EMBASSY
LONDON

ECONOMIC DIGEST



Edition number: 4

Date : 30/1/2021

The Newsletter of the Embassy of the Federal Democratic Republic of Ethiopia to the United Kingdom. is published on a monthly basis. The Newsletter aims to inform the UK public about the economic situation of Ethiopia.

It will also compliment the Government's efforts in advancing Economic Diplomacy as a tool to boost trade and investment in the various sectors of the Ethiopian economy.

PRESIDENT SAYS 10 YEAR DEV'T PERSPECTIVE PLAN WILL ENABLE ETHIOPIA ACHIEVE VISION



Ethiopia's 10-year development perspective plan would enable the country to achieve its vision, President Sahle-Work Zewde said. Speaking at meeting held to introduce the 10-year plan to development partners today, the president said the plan is inclusive and involved all stakeholders, including the United Nations Development Program (UNDP) and other development partners. According to her, the government has identified financial resources that ensure the realization of the plan and called on all stakeholders to contribute their share.

Planning and Development Commissioner, Fitsum Assefa said the 10-year plan has been fully developed with the participation and contribution of experts from various sectors. She added that a financial need survey was conducted and used as input throughout the preparation phase. The commissioner pointed out that the link between the sectors would fix problems in input-output relationships among modern agriculture, the manufacturing industry and the mining industry..I (ENA)

U.K MP APPRECIATES ETHIOPIA'S COMMITMENT TO BUILDING GREEN ECONOMY



In a bid to realize Ethiopia's vision of building a carbon-neutral and climate-resilient economy, H.E Ahmed Shed met with a high-level delegation led by the Honourable Alok Sharma, COP26 President. The Minister expressed his heartfelt gratitude to the

United Kingdom for supporting climate change adaptation and mitigation programs in the country.

Minister Ahmed also explained the various policies and legal measures taken by the Ethiopian Government to build a climate-resilient economy. He also said mainstreaming climate change adaptation is stipulated in the ten-years plan of the country.

The achievements of the Green legacy initiative of H.E. Prime Minister Abiy Ahmed were also discussed by the Finance Minister.

Honourable Sharma said the

success of the climate agenda is important to reduce emissions, strengthen adaptation, increase international cooperation, and making finances available for climate action. The MP expressed his appreciation to the Ethiopian Government for tackling deforestation and climate change in the country and said Ethiopia needs to showcase its success as a model for other countries in the region.

Minister Ahmed concluded by saying it is critical to build global consensus on cutting carbon emissions and increase the resilience of vulnerable countries to the impacts of climate change. He also said Ethiopia will fully support UK's effort to make the United Nations climate summit 2021, COP26, in Glasgow a success. We also believe that the UK will continue to support Ethiopia's vision of building disaster risk and a climate-resilient green economy..(ENA)

Ethiopia, UK Sign MoU To Collaborate In Agro-Processing Investment Sector



The Ethiopian Agricultural Transformation Agency has signed MoU with the UK funded Manufacturing Africa Programme to attract agro-processing investment to the country. Manufacturing Africa has so far facilitated seven agro-processing investments to Ethiopia thereby created market access for small-holder farmers in several parts of the country.

Yifru Tadesse, Director of Ethiopian Agricultural Transformation Agency and Manufacturing Africa Programme Ethiopian Director have signed the MoU representing their respective organizations. (FBC)

MINISTRY LAUNCHES ONLINE TRADE REGISTRATION ,LICENSING SYSTEM



Ministry of Trade and Industry has launched the first-ever online trade registration and licensing system in the presence of Deputy Prime Minister Demekle Mekonnen and other high ranking government officials. The new system is said to enable members of the business community to get their trade registered and licensed without physical presence to headquarters of ministerial and regional bureau of service providing institutions. It is stated on the occasion that the business people can access the service through mobile phones of personal computers from wherever they are. The online trade registration and licensing system would help traders save time, labor and cost and further transform the sector, it is learned. (FBC)

ETHIOPIA ATTRACTS \$1.1 BILLION FDI IN FIVE MONTHS

Ethiopian Investment Commission has indicated that the country has attracted \$1.1 billion foreign direct investment during the first five months of the year.



The commissioner of Ethiopian Investment Agency, Lelise Neme, told the state broadcaster ETV, that the projects are registered in manufacturing, agriculture and hospitality sectors. The Commissioner stated that the spread of coronavirus pandemic has been a challenge in attracting FDI as initially planned. The plan of the Commission for the five months period was to attract worth \$1.5 billion FDI.

She also indicated that Commission has been introducing new regulations and upgrading existing laws in order to improve performances of FDI projects and promote investments in general.

INVESTMENT COMMISSION INAUGURATES FDI TRACKING TOOL

Ethiopian Investment Commission has inaugurated a web based platform called Foreign Direct Investment (FDI) Tracking tool that would provide all-round information including FDI inflows in the country.

The commission developed the platform in collaboration with the Partnership for Investment and Growth in Africa (PIGA) project, Part of Manufacturing Africa (MA), a flagship program of UK foreign, commonwealth and development office. The tracking tool will enable the commission to mitigate poor access to quality investment data challenges and step closer to becoming a modern and digital driven institution among other functionalities.

The tool will further help track investment performance along key indicators, store information on actual investment inflows and enable analysis and reporting of investment data in any desired format, according to the commission.

Ethiopian Investment Commission Officials, collaborative partners including International trade Centre, UK aid, PIGA and other invited guests attended the webinar held to inaugurate the tracking tool. (ENA)

ETHIOPIAN TELECOM LIBERALISATION, 12 COMPANIES COMPETING

Two new telecom companies are expected to join Ethio telecom soon, will receive a 15-year operator license, enabling them to provide combined services for mobile, internet and fixed-line.

With the liberalisation plan, the country will follow a "2+1 approach," in which two operators and the state enterprise provide full telecom services.

In all, 12 firms have received approval to participate in the bidding process, including the Emirati company Etisalat, the Malagasy group Axion, South African operators MTN and Telkom SA, France's Orange, the Saudi Telecom Company and the Zimbabwe-based network infrastructure specialist Liquid Telecom (Fortune).

At the end of November, the Ethiopian Communications Agency announced it will accept applications for the award of the two telecoms licences through 5 March 2021.

ETHIO TELECOM HIRES BUSINESS VALUTOR

°KPMG will be paid 611,785 dollars for the service

Ethio telecom, the lone telecom operator, hired KPMG East Africa to conduct its business valuation. Kicked off earlier this month, determining the market value of the entire businesses of the company is expected to take eight weeks. The company's management hired KPMG by a single sourcing procurement method through negotiations. The latest contract is an extension of the project KPMG was awarded year to conduct an asset valuation of the company for the first time at International Financial Reporting Standards (IFRS). (Fortune).

ETHIO TELECOM COLLECTS OVER 25.5BLN BR REVENUE IN SIX-MONTH

State monopoly Ethio Telecom has garnered a total of 25.57bln birr or nearly \$650mln revenue in the first half of the current Ethiopian 2020/21 fiscal year, its top officials announced on Thursday.



The revenue has shown a 12.5% increase when compared to the same period of the previous fiscal year.

Speaking at a news conference, Frehiwot Tamiu attributed the increase in revenues to an expansion of the network and more customers.

The telecom company, expected to be partly sold off as Ethiopia liberalizes its economy, has a total of over 5.7mln customers. (Ethiopian Monitor)

NEW LAW ALLOWS ETHIO TELECOM GO GLOBAL

The new establishment regulation of ethio telecom

approved by the Council of Ministers two weeks ago allows the company to invest in the international market, the telecom giant announced in a press briefing held at Hyatt Regency Hotel on January 21, 2021

The new establishment regulation gives ethio telecom the right to engage in different sectors in the global market, besides allowing it to invest in the mobile banking sector locally, and provide digital finance services.

During the press briefing, the telecom giant commended the actions of the federal government in widening its scope of investment which was limited to the telecom sector.

"The regulation will boost our capacity and expand our reach both locally and internationally," said Frehiwot Tamiu, CEO of ethio telecom.

The regulation also increased ethio telecom's paid-up capital from 40 billion Birr (USD one billion based on current market price) to 400 billion Birr (USD 10 billion) making it the most capitalized state-owned enterprise in Ethiopia. The decision was made just after the company's asset valuation work was finalized .

"There has been unmatched growth of our assets and paid-up capital. Our total assets grew by 42 percent using IFRS reporting standard, while our paid-up capital remained unchanged at 40 billion Birr before the regulation came into effect," Frehiwot said.

Ethio telecom, which is currently running projects on infrastructure and system capacity development, is also under preparation to launch mobile banking services within a short period of time.

"We want to provide mobile banking services as long as our telecom infrastructure permits," said Frehiwot, while disclosing the decision not to outsource future mobile money services to third parties. "We may consider partnerships after utilizing our full potential."

The telecom provider, which aspires to become a preferred telecom operator among customers and partners in Ethiopia, also declared revenues of 25.5 billion Birr in the first half of the existing financial year, achieving 95 percent of its target. The revenue marks a 12.3 percent increase compared to those of the same period last year.

While mobile voice contributes to almost half of the company's revenues, data and internet contributes 26 percent and the rest comes from international business, value added services and other sources. Commercializing new streams of revenues, ethio telecom has also generated USD 80.2 million in forex during the first six months of

ETHIOPIA'S GOLD EXPORT EARNINGS SKYROCKETING



Out of the total 340 million USD revenue that the mining sector has generated over the last six months, 335.5 million USD has been secured solely from gold export, Ministry of Mines and Petroleum announced. The Ministry's Communication Director Firehiwot Fekadu told The Ethiopian Herald that the stated total amount was obtained through exporting gold, tantalum, jewellery minerals, raw and processed opal.

As to her, the country obtained 335.5 million USD exclusively from the gold mining by exporting 4,112 kilogram of gold in the stated period.

As compared with last year's same period, this year's exceeds by 320 million USD. She stressed that the launching of selling of gold through national bank of Ethiopia which enables to combat illegal selling of the gold is the main factor for the best performance. Conducting fruitful monitoring and evaluation and supporting firms to help them employ state-of-the-art technology in all mining process are attributable to the sector's success.

According to Firehiwot, the ministry has been working to enable firms to directly supply their product for market without the influence of illegal brokers. To this end, the ministry has been constructing three mining market centres. Besides, 48,785 jobs have already been created in the sector. (The Ethiopian Herald)

THE GOLDEN YEAR: CONSTRUCTION OF GOLD MINES FACILITIES SET TO BEGIN

East Africa Metals Inc (EAM), Vancouver based mining company, has said that it will commence the precious metal mining development project as soon as the Ethiopian government allows it to enter the Tigray region to start its operation.

The company had delayed its schedule due to the global pandemic of COVID 19, while it was projected to start the facility development in November last year.

On its latest statement the company disclosed that Tibet Huayu Mining Co. Ltd. (THM), EAM's operating partner for the Adyabo projects, had prepared to initiate the development of the Mato Bula and Da Tambuk mines since November 2020, when COVID travel restrictions were projected to be lifted and the mobilization of staff and equipment to site was expected to commence.

"This mobilization effort was further delayed by imposition of a state of emergency in response to conflict between the Ethiopian Federal Armed Forces and the Tigrayan People's Liberation Front," it said.

SRI LANKA'S HELA, INDONESIAN FIRM FORM JV IN ETHIOPIA

Sri Lanka's Hela Clothing has acquired a 50 per cent stake in Ethiopia's Sumbiri Intimates Apparel PLC from Indonesian owner Sumber Bintang Rejeki, and has formed a new joint venture (JV) in East Africa, called Sumbiri Hela Intimates PLC, to manufacture bra and intimate products out of the Hawassa Industrial Park in the southern part of the country.

The joint operation, which at full scale will employ over 3,000, will raise its capacity to produce close to 1,000,000 pieces a month from 250,000 units now.

This will make it one of the largest bra manufacturing facilities in the world with duty free

access to the United States, Canada, the European Union and most parts of developed Asia, including China, according to a



Hela's first foray into bra manufacturing and has already lined up the world's largest intimates brands—PVH-owned Calvin Klein and Warners and Berkshire Hathaway-owned Vanity Fair—as its anchor customers. Sumber Bintang Rejeki was established in Indonesia in 1985 by founder Michael Lee and forms part of the Sumbiri Group of companies, including Winnersumbiri, a warp and circular knit factory located in Indonesia.

It is a one-stop solution provider for women's underwear, lingerie and accessories with shopwear as its strongest product segment. It has three factories in Indonesia, Myanmar and Ethiopia.



Geda Special Economic Zone's all-encompassing boon



Geda Special Economic Zone that would take shape on a 23,656-Hectare swath of land in Mojo, Oromia State, approximately 79 km south of Addis, is expected to create jobs for over 7 million Ethiopians in newly special cities that integrate economic facilities from market, industry, logistics services to recreation.

On coming to full completion, the project is envisaged making the place an economic hub of the State. The economic significance goes; however, even beyond—a national and regional levels.

The project paves the way for facilitating free trade in the Horn of Africa by making Ethiopia the epicentre of the region's economy. It for sure opens the economy to private reputed international companies' as well as local investors. Hence, the import-export of goods and services becomes inevitable.

The modern cities will be constructed phase by phase. The first phase of the plan will get concluded in five to ten years, and the second one in twenty years, and eventually the final one in thirty to forty years. (EPA)

NEW STRATEGIC PLAN IN PLACE TO STRENGTHEN PUBLIC FINANCIAL MANAGEMENT REFORMS



The Ministry of Finance will be increasing its rollout of the Integrated Financial Management Information System (IFMIS), an automated program that supports the management of public sector budgetary, financial, and account-

ing operations to promote better public financial management

This was disclosed during a presentation of IFMIS strategic plan for 2021-2025 to key stakeholders.

Presenting key result areas to be achieved in the second strategic period, IFMIS Project Manager at the Ministry of Finance, Nega Mengistu said the govern-

ment is working to transform Public Finance Management (PFM) efficiency, transparency and accountability.

He added that efforts are underway to build the overall capacity to increase institutional and operation coverage of the program to reach an additional 760 sites in various parts of the country.

The strategic plan pointed out how IFMIS is contributing to Ethiopia's macroeconomic stability, enacting public service delivery, improving accountability across budgeting, revenue collection, and expenditure management.

According to the Project Manager, during the first strategic period 2016-2020 IFMIS was rolled out to 156 sites, training was conducted for 14,773 end-users, sufficient internal capacity was built to support the application.

Nega further stated that as part of the achievement of the first period 84 percent of the federal government's budget is currently being managed by IFMIS.

IFMIS has also managed over 25 million transactions during the first strategic period, it was learned.

Moreover, the strategic plan will enhance the integration of IFMIS with other information systems such as Debt Management and Financial Analysis System (DMFAS), NBE, CBE revenue and Customs.

The successful implementation of IFMIS will enable standard process across public bodies and regions timely, relevant, and reliable financial data to promote fiscal discipline, assist with resource allocation, and improve operational efficiency and fiscal transparency.

While it will also improve current limitation of financial system support for property administration, fixed assets management, procurement and payroll. (ENA)

JOINT FORUM DISCUSSES FDI BOTTLENECKS IN ETHIOPIA



The joint forum established to tackle challenges of attracting Foreign Direct Investment (FDI) in Ethiopia has held its regular meeting today.

The meeting was chaired by Demeke Mekonnen, Deputy Prime Minister and Minister of Foreign Affairs of Ethiopia and Ambassador Girma Biru, macroeconomic advisor to Prime Minister Abiy Ahmed.

The meeting deliberated the types of problems investors are facing in the country today and measures taken to alleviate the observed hurdles.

On the occasion, Lelise Neme, Commissioner of Ethiopian Investment Commission, has tabled a paper reflecting on monitoring mechanisms of the post-investment performance of the foreign investors in the country.

The Commissioner also spoke in detail on the performance and suitability of Ethiopia's business environment in maintaining and expanding the ongoing investments as well as creating business linkages for foreign investors.

Lelise's presentation showed that lack of coordination among institutions, bureaucratic bottlenecks, poor understanding of investment guidelines by investors coupled with the effects of the COVID-19 pandemic are observed as bottlenecks for a smooth flow of FDI in the country.

The meeting underscored the importance of working in concert among institutions and charted out the way forward with tasks that stakeholders should carry out.

Ministers and high-level officials as well as representatives of relevant stakeholders attended the meeting, according to the Ministry of Foreign Affairs (FBC)

CDC GROUP TARGETS \$1 BILLION OF AFRICAN INVESTMENTS IN 2021

CDC Group is planning about \$1 billion in Africa investments this year in sectors including infrastructure and finance, and is part of a consortium considering a bid for a new telecommunications license in Ethiopia. The U.K. development-finance institution is matching a similar outlay made on the continent in 2020, Chief Executive Officer Nick O'Donohoe said in an interview. CDC will target markets such as Egypt, Ethiopia, Kenya and Nigeria, while also considering putting money into more remote, frontier locations.

"The two areas we will be particularly focused on this year are accelerating our climate-related" and technology-based investments, the CEO said. "In addition to that, we are a big investor in infrastructure and will continue to be."

The \$1 billion pledge comes as a boost to a continent expected to have suffered a 25%



to 40% decline in foreign direct investment last year, according to a report by the United Nations Conference on Trade and Development, as the Covid-19 pandemic and lower oil and commodities prices curtailed spending. CDC's commitment also follows comments by the Southern African Venture Capital and Private Equity Association that regional investors are starting to open the taps on about \$2 billion of unallocated funds.

CDC has entered into a partnership with Vodafone Group Plc and Sumitomo Group to bid for a mobile-phone license in Ethiopia as part of the country's part-privatization of the economy, the CEO said, confirming a Bloomberg News report in June. The process has been delayed but now appears to be moving ahead, he said.

ETHIOPIA SECURES \$1.4 BILLION REMITTANCE FROM DIASPORA



During the first five months of the budget year of the country started July 8, 2020, the Government of Ethiopia has secured \$1.4 billion remittances from the Ethiopian diaspora who used legal banking channels to send money to their relatives.

When the year ends, the east African country expects to get \$4 billion hard currency from its diaspora. This is indicated by Selamawit Dawit, the head of Ethiopian Diaspora Agency, according to the state broadcaster ETV report. She indicated that the outbreak of the global pandemic COVID-19, had some negative impact on the flow of remittances to Ethiopia even though it was not that worse as initially anticipated.

In a related development, during the first six months of this budget year a total of 847 investment projects worth 89 billion Birr are submitted to the Agency by the Ethiopian diaspora. She indicated that her Agency has been analysing these projects to make sure that they meet the priorities of the country and the regions the investors are proposing to implement the projects. During the same period of the first six months of the year, 35 projects of Ethiopian diaspora has gone operational. (New Business Ethiopia)

THE BULBULA INTEGRATED AGRO-INDUSTRIAL PARK WILL BE OPERATIONAL THIS YEAR.



The Ethiopian government is intended to transform the country from an agricultural led economy to an industrial led economy. To accomplish this goal, the government is doing numerous activities. Among those activities, the establishment of an integrated agro-industrial park is the foremost one.

The Oromia Regional Government Industry Park Corporation Coordinator Mr. Yohannes Mekonnen said that the Bulbula integrated agro-industrial park is under construction in 3 phases and it will start production this year partially. The first, second, and third phases status of the construction is 100%, 87%, and 75 respectively he added

At Haile Selassie, Yohannes is the manager of Sheka Mardi Honey Processing Company that started installations in the park. As Ato Haile Selassie said the company completed installing machinery and ready to start production. But the absence of water supply, treatment plant, and septic tank are problems that hinder the production process.

Mr. Ayalneh Abawa, Director for Agro-industry Park and industry Development of Ministry of Trade and Industry said that to solve the raised problems the ministry is performing several activities through the coordinated effort of the concerned bodies and it is expected that the raised problems will obtain an accurate solution. (ENA)

DILLA INDUSTRIAL PARK CONSTRUCTION CONCLUDES

The construction of Dilla Industrial Park, located in Southern Nations, Nationalities & People's Regional State (SNNPR), has been completed. The Park, whose construction commenced two years ago, lies on 20ha of land and consumed 400 million Br.



Dilla Industrial Park, which is expected to create thousands of jobs, is ready for investors and associations engaged in coffee processing, animal husbandry, fruit and honey production, according to Birru Wolde, CEO of the region's Industrial Park Development Corporation.

The regional Industrial Park Development Corporation is also constructing

another park in the region, Yirgachefe Industrial Park, which is reaching its completion. Currently, there are 24 industrial parks in the country; seven of these parks are privately owned, while four are agro-industrial parks developed by regional governments.

Ethiopia has been working in the development of industrial parks across the nation with a view to creating more jobs, enhancing foreign direct investment and technology transfer. (ENA)

ETHIO LEASE FINANCES A HEALING TOUCH TO THE HEALTH SECTOR

Ethio Lease as part of its initiative to provide diagnostic equipment to the health care sector hands over the High-tech Medical equipment on a financing leasing basis.

Ethiopia's first privately-held and foreign-owned equipment leasing company Ethio Lease handed over a state-of-the-art CT scanner with effective, safe, and high-quality imaging equipment to Alatyon Hospital which is important for medical decision-making.

During the handover ceremony, Dr. Lia Tadesse, Minister of Health of Ethiopia said, "The private sector can play a major role in improving the health sector in the country, and the government in its 10 years development plan incorporates a deep working relationship with

Lack of foreign currency is one of the challenges pulling back the country in importing high-tech Medical equipment. Foreign currency, in this regard as Dr Lia said Ethio Lease is playing a big role in the solving the challenge. Ethio Lease's offerings help alleviate both



the liquidity and foreign exchange shortages that hamper the private sector to play a significant role in the development of the country. The company is also contributing to the modernization of Ethiopia's agricultural sector, by importing and leasing heavy-duty agricultural equipment.

Ethio Lease has signed leases for multiple units of high-tech medical imaging equipment with medical and diagnostic centers

throughout the country. The equipment comes with a full-service warranty which includes spare parts and maintenance of the equipment

"The Global COVID 19 pandemic that is rampaging countries around the world has called for a more strengthened medical sector. In countries like Ethiopia, capital and foreign exchange is a significant challenge for which Ethio Lease has brought a complete financing solution." said Ethio Lease CEO, Girum Tsegaye adding that, this medical equipment handover of this is a demonstration of continued commitment to supporting the government and the private sector

Authority Generates 313 Million USD from Export of Coffee, Tea and Spices



Ethiopian Coffee and Tea Authority said it has earned 313 million USD revenue from coffee, tea and spices export during the past six months. Of the total, coffee generated 304.5 million US dollars, it was learned.

In his performance report to the Agricultural, Pastoralist and Environmental Protection Affairs Standing Committee, Coffee and Tea Authority Director-General, Aduugna Debelu stated that the export fell short of its target to export 150,690.9 tons and earn 538.9 million USD during the review period. He attributed the decline to COVID-19 pandemic. The director-general said the authority has embarked on a rigorous reform to increase both revenue and production of coffee, tea and spices as the country has favorable ecology.

In this regard, some 28 districts have been selected in Oromia, Amhara and Southern Nations Nationalities and Peoples regional states for coffee production, he added. Agricultural, Pastoralist and Environmental Protection Affairs Standing Committee Representative, Negalign Yosef commended the authority's plan to develop new coffee plantations and additional income generating crops. He urged the authority to exert efforts to increase export volume and revenue and improve its performance in the remaining budget year. (ENA)

GERMAN COMPANY ENTERS ETHIOPIA'S REAL ESTATE MARKET



ROCKSTONE Ethiopia, a German based company, has invested one billion Birr to building KEFITA, a G+20 exclusive apartment building with hotel-like amenities off Embassy Row in the Signal district of Addis Ababa.

The construction of the apartment is set to be completed by mid-2023, the company

officials said at the launching of the project. 'KEFITA', an Amharic name meaning 'heights', neatly sums up ROCKSTONE'S intentions.

Premier German real estate developer, ROCKSTONE Real Estate, and local partner, BIGAR Builders and Developers, are delighted to award the construction contract to HuaHong Construction PLC to build a G+20 (21 story) apartment building off Embassy Row in Signal, Addis Ababa. (New Business Ethiopia)

NISK CAPITAL EXPRESSES INTEREST TO INVEST IN ETHIOPIA

The US based financial services company, NISK Capital expressed interest to invest in Ethiopia.

Ambassador Extraordinary and Plenipotentiary of Ethiopia to Kenya, Meles Alem

conferred with NISK Regional Bureau Head, Irene Ndikumwenayo exchanged views on investment opportunities in Ethiopia.

During the discussion, NISK Regional Bureau Head expressed interest of the bank to



invest in Ethiopia .Economic sector reforms underway in Ethiopia are facilitating favourable condition for foreign companies to invest in the country, Ambassador Meles told the regional head, adding that NISK is in a position to tap the opportunities .NISK Capital is operating in various East African Countries including Kenya in corporate finance, investment banking and investment management sectors. (FBC)

KENYA EYES GEOTHERMAL DEAL IN ETHIOPIA



Kenya Electricity Generating Company is among seven entities that have won the first round of call for tenders to drill wells for a 150 Megawatts (MW) geothermal steam power plant in the Oromia region of Ethiopia.

Corbetti Geothermal—the company that is developing the Corbetti geothermal project in Ethiopia—received final bids from the

seven firms last month and is expected to pick the winner soon.

The results for the initial call, which have been published by Corbetti shows that KenGen will be competing with Great Wall Drilling Company, Grey Wolf Drilling, Iceland Drilling Company, Marriot Drilling, Schlumberger and a consorti-

um of Baker Hughes-Tsavo Oilfield Services and Parker Drilling.

KenGen is already working on two geothermal contracts in the Horn of Africa country. The firm, in February 2019, won part of a Sh7.6 billion contract to supply geothermal drilling services to the Ethiopian Electric Power (EEP).

SIEMENS GAMESA SET TO PRODUCE 100 MW WIND ENERGY IN ETHIOPIA



Siemens Gamesa Renewable Energy launches the construction of the Assela wind farm. The company based in Zamudio (Spain) will install 29 turbines capable of producing 100 MW. The project is being developed by the public company Ethiopian Electric Power (EEP).

The Assela wind power project is now on track. Siemens Gamesa Renewable Energy, which won the engineering, procurement and construction (EPC) contract for the wind farm, recently announced the start of on-site work on the project about 150 km south of the capital Addis Ababa, near the city of Iteya in the regional state of Oromia. The Spanish-based company has chosen to install 29 of its SG 3.4-132 turbines.

The wind farm, which is scheduled to come on stream in the spring of 2023, will be capable of supplying 300,000 MWh of electricity per year, enough to power 400,000 Ethiopian homes. Siemens Gamesa is building the wind farm on behalf of the state-owned Ethiopian Electric Power (EEP).



EMBASSY OF ETHIOPIA
LONDON

ECONOMIC & BUSINESS DIPLOMACY SECTION

TEL: +44 020 78383873

FAX: +44 020 7225
3513

EMAIL: business@ethioembassy.org.uk

Follow Us



@EthioEmbassyUK

ETHIOPIAN AIRLINES CUTS TICKET PRICES BY 15pc



Ethiopian Airlines (ET) has announced discounted air ticket prices of up to 15 per cent for its customers on most routes, raising competition for its rivals that fly to some of the destinations.

The airline that has been on an aggressive expansion plan in Africa has reduced ticket prices for flights to destinations such as Nairobi, Brussels, Paris, Frankfurt, Kigali, Cape Town, Egypt, Mali and Cairo in a promotion that runs until May 30.

To qualify for the discount, customers are required to book flights by February 15 on the airline's mobile application or website.

"Offer excludes USA, UK, Canada, Dubai, and China," said the airline in a public statement Thursday.

Under the promotion, it means that passengers on a one-way air ticket flying from Nairobi to Accra in Ghana on March 15 on

an economy class ticket will pay 39,658, down from Sh46,656.

Passengers flying on the same route (one-way) on a business class ticket will pay Sh120,788, down from Sh142,103. Passengers flying from Greece to Nigeria on a one-way economy class ticket on February 10 will pay Sh60,181, down from Sh70,801.

Passengers flying on the same route (one-way) on a business class ticket will pay Sh248,948 down from Sh292,880.

The discount in air tickets by Ethiopian comes at a time when the aviation industry is in turmoil following the disruptions caused by the Covid-19 that saw airlines around the world grounded for months.

The development and distribution of vaccines for the respiratory illness is expected to lift demand for leisure and business travel, boosting airline's fortunes. (BUSINESS DAILY)

BLUEBERRIES AND SUNFLOWERS AS TWO TOP ETHIOPIAN AGRICULTURAL OPPORTUNITIES



The cultivation of blueberries and the production of sunflower oil are two of the biggest agricultural opportunities in #Ethiopia, according to Nuradin Osman, founder and CEO of Grosso Foods, an Africa-focused agribusiness company with its headquarters in the Netherlands.

Thanks to its health benefits, growing global demand for blueberries presents a "huge opportunity" for Ethiopia, said Osman during the African Agri Council's Investment Food Forum 2020. Ethiopian Airlines' cargo division offers a large number of connections to all corners of the world, making Ethiopia a good location from which to export blueberries.

Osman further highlighted the potential to grow sunflowers and process these into sunflower oil

MISCELLANEOUS

Ethiopia: Getting Back to Business

Can Ethiopia recapture the magic of its recent fast-growth decade? First it needs to emerge from Covid-19, then to reassure foreign investors.

Ethiopia built an impressive record as a frontier markets overperformer in the past decade. Growth ranged between 8.3% and 11.2% for all but one year between 2011 and 2019, according to the World Bank.

Read More: <https://www.gfmag.com/magazine/january-2021/ethiopia-getting-back-business>

Ethiopia: Hawassa Industrial Park is the Leading Park in terms of Export

Hawassa Industrial park export \$73mn annually. While Bole Lemi industrial park exports \$44mn annually, and Eastern industrial park exports \$15mn.

The three industrial parks together making up 80 percent of total exports, while those in Kombolcha, Mekelle, and Adama each registered annual exports of between \$4mn to \$9mn.

Ethiopia Road Network Increased in Six fold

Ethiopia has invested a lot in its transport sector, increasing the size of its road network from 26,550 kilometres in 1987 to 126,773, in 2018.

Ethiopian Mining Potential Areas

The potential areas in mining sector include deposits of iron ore, gold, phosphate, potash, marble, coal, gemstone, limestone, chlorine, sodium chlorine, among others.

Identified petroleum potentials are in Ogaden, Gambella, South Omo and Rift Valley.

Ethiopia has huge and untapped potentials in mining. The Homegrown Economic Reform Program focuses on transforming the mining sector to increase private investment & enable related economic industries on the entire value chain to flourish.

The tangible results are being witnessed in the sector including the increased export performance of the sector.

Sub-Saharan market for mini-grids energy is worth \$3.6bn

Electricity mini-grids in sub-Saharan Africa is estimated to be worth \$3.6 billion.

So far 1890 mini-grids have been installed in the region with the Democratic Republic of Congo, Ethiopia, and Nigeria having the largest mini-grid market potential. (African Development Bank)

African Free Trade Agreement (AFTA) and Ethiopian Export

According to Ethiopian Ministry of Trade and Industry, the African Free Trade Agreement (AFTA) is expected to help Ethiopia to export up to 90 percent of its products to signatory countries without tariffs and quotas.

Ethiopia is the 5th African country with the highest foreign direct investment in 2020.

The total FDIs for 2020 on the continent was \$36 billion, an 18% drop from \$46 billion in 2019.

1. Egypt - \$5.5 billion
2. Ghana - \$3 billion
3. Nigeria - \$2.6 billion
4. South Africa - \$2.5 billion
5. Ethiopia - \$2.1 billion
6. Mozambique - \$2 billion
7. Senegal - \$1.7 billion

10-year perspective plan intended to make Ethiopia African Beacon of Prosperity by 2030

Ethiopia, as per the 10-year plan, is working slash poverty by half and register a per capita GDP of 2200 US Dollars and position the country among middle income countries level doubling the current per capita GDP per capita.

Agriculture, manufacturing, tourism, mining and ICT are focus areas of the 10-year perspective plan in the coming three years.

Doing Business in Ethiopia:

Opportunities for Trade and Investment in the Horticulture Sector



4th February 2021
1-1-000 London | 1-1-000 Addis Ababa
Website: www.dbi.gov.et