

BDU

Business Diplomacy Update



SPECIAL

EDITION



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A professional portrait of Dr. Eyob Tekalign, a man with a goatee, wearing a dark suit, light blue shirt, and striped tie. He is standing with his arms crossed against a dark background.

“ ALL ACTORS INCLUDING THE LARGE PUBLIC SHOULD WORK TOGETHER FOR THE REALIZATION OF THE ENVISAGED REFORMS AIMED AT TRANSFORMING THE ECONOMY AND BRINGING FAST, CONTINUOUS AND INCLUSIVE GROWTH. ”

Interview with His Excellency Dr. Eyob Tekalign
State Minister,
Ministry of Finance

BDU: Could you give us an overview of the current reform measures of the country in the economic sphere? How do you perceive the economic predicament Ethiopia is in at the moment?

Ethiopia has registered impressive economic growth in all fronts in the last 15 years. However, in recent years due to a combination of political, social and economic reasons the economic growth has failed to keep its pace, though it still remained above the average growth rate of developing countries. Growth in the past was mainly propelled by government investment. Source of government investment was partly financed from external borrowing. The over ambitious public investment coupled with poor project execution has created significant debt burden, which in turn has led to serious macroeconomic imbalance. Thus the first phase of the current economic reform measures focused on reducing the role of government and promoting the private sector engagement. The government has taken bold measures by optimizing public spending, stopping additional borrowings and maximizing tax revenue. The reform measures in the economic front aim at maintaining the growth momentum in a sustainable manner. The reform efforts also focus on expanding the sources of growth to unleash the full growth potential.

Inflation, shortage of foreign currency and under performance in tax revenue are serious challenges to the economy. Unemployment, in both urban and rural areas, also continues to pose a challenge. Despite the GDP growth, the ability of the economy to create jobs has been low, compared to the demand for jobs. The structural transformation goals have also not been realized. Despite the reduction in the overall poverty rates, there are questions on the fairness and incisiveness of the growth achieved

BDU: Currently, the hard currency shortage is adversely affecting the economy. What are the causes of the acute shortages of hard currency the country is experiencing?

As you know the most reliable source of hard currency is merchandise export. The principal cause of hard currency shortage is therefore poor export performance observed in recent years. Despite, the low export proceeds, our import exhibits significant increase from year to year. This was due to responding the high economic growth needs for investment goods, durable and non-durable consumer goods. As I mentioned earlier, government investments in the past years were financed by external loan. Now we are forced to allocate foreign currency to debt financing. Currently, the government is working on improving the structural bottlenecks to boost export performance. This, coupled with the ongoing reform aimed at improving the financial structural will help resolve the foreign currency shortage in the medium term.

BDU: As part of the ongoing political and economic reform program the Ethiopian government has decided to privatize major public enterprises such as Ethio Telecom. What would be the role of the Ministry of Finance in addressing some of the challenges and concerns that many Ethiopians are expressing both about the process and the end result?

As a lead economic and financial advisor, and as custodian of public property, Ministry of Finance is entrusted with the responsibility of coordinating and overseeing the privatization process. To undertake the privatization processes in a transparent and accountable manner, the government has set up a solid govern-

ance structure for the privatization process. Under the Macro Economic Committee chaired by the H.E the Prime Minister, there is a steering committee and a technical committee led by MoF. The government has also set up an Advisory Council composed of prominent individuals drawn from the larger public. The main role of the Advisory Council is to ensure that the privatization process is undertaken in a manner that ensures transparency and accountability having the national interest at heart. In terms of content and end result, the Ministry is making sure that there are specific sectoral strategies for each public enterprise to be privatized. Privatization is one aspect of the economic reform agenda and not an end itself. There is strong focus on reforming State-Owned Enterprises (SoEs) to bring them to global standard. The Ministry will do a better job in the future in terms of communicating the excellent job it is doing in managing the privatization process in a professional and transparent manner and making the privatization process, public participatory, transparent and accountable.

BDU: What is your message to those who doubt the process of reforms in the country?

People need to understand that had it not been for the new wave of reforms, the country could have faced a flow-blown crisis on the economic front as well. The reform measures have helped reverse the crisis.

Currently we are striving to set the country on the path to stability, growth, and prosperity. Within the public finance administration, we will continue to undertake corrective economic measures aimed at exhaustively using resources at hand and avoid ambitious and capital-intensive projects that require large resources leading to increased debt burden. The primary focus will be on finishing critical infrastructure projects in power, roads, and rail across the country, as well as direct investing in social sectors.

To raise Ethiopia's economic growth in the medium and long term we will design comprehensive development plan through meticulously identifying challenges, and opportunities of the economic growth, and lay down the way out which brings, continuous, fast and inclusive socio-economic development. The process and implementation of the plan will be participatory, transparent and accountable.

I am very optimistic about the future prospects of our nation. The experience of the past one year shows that if the government, private sector and the public at large work closely, the reform agenda underway in the political, social and economic spheres will bear fruit. I would like to remind the public that the government alone cannot achieve the desired reform results by its own. All actors including the large public should work together for the realization of the envisaged reforms aimed at transforming the economy and bringing fast, continuous and inclusive growth.

BDU: Do you think the Ministry of Finance can do more to inspire confidence and boost investor sentiment?

Ensuring robust, continuous and inclusive economic growth is the trust of the government. In doing this a stable macro-economy is an important precondition. The Ministry of Finance, together with key other relevant bodies, is responsible in creating macro-economic stability through keeping inflation down, maintaining the country's fiscal deficit and national debt-GDP ratio optimal. If the Ministry of Finance is successful in these areas, hopefully it will inspire confidence and boost investment. Past and current experiences have proven that amid low domestic revenue sources, and huge public investment the budget deficit was below the planned target.

“GOING FORWARD, THE PRIVATE SECTOR WILL HAVE A SIGNIFICANT ROLE IN GROWING THE ECONOMY AND CREATING JOBS”

Interview with Mr. Zemedeneh Nigatu, Chairman, Fairfax Africa Fund

BDU: You accompanied President Sahle-Work Zewdie to this year's Africa CEO Forum hosted by Rwanda—what were your most lasting impressions of the event?

There were several events at the Forum which were key highlights from Ethiopia's perspective. One was the opening plenary session which had a full house and President Sahle-Work and President Paul Kagame were the featured country leaders. President Sahle-Work articulately discussed Ethiopia's economic strategy including the country's support for the new Africa Continental Free Trade (ACFTA). The President also gave the audience of almost 2,000 people, an overview of the investment opportunities in Ethiopia.

The second key highlight at the Forum was when Ethiopian Airlines was awarded “African Champion of the Year”. It was an electrifying moment when the CEO of Ethiopian Airlines, Tewolde Gebremariam, received a big standing ovation from the entire audience at the awards ceremony. It was a very big night for Ethiopian Airlines and for Ethiopia.

The other key highlight was the fact that President Sahle-Work and the rest of us in her delegation, had an opportunity to meet and network with numerous government officials and senior business leaders from around the world and discussed the Ethiopian economy and the investment opportunities in the country.

I take this opportunity to compliment the Ministry of Foreign Affairs, especially the business diplomacy directorate (FDI Promotion and Technology Transfer Directorate General) and the President's office, for coordinating the delegations' successful trip.

BDU: Ethiopia has been advocating for foreign investment to change its narrative. How is the country doing so far? Do you see a lot of FDI coming into Ethiopia in the next five years?

I would like to put the FDI data in perspective. Ten years ago, in 2008, Ethiopia's total FDI inflow was less than US\$100 million. By contrast, in 2018, FDI topped US\$3.6 billion, that's a 3,600% increase in just 10 years. A very significant increase which ranked Ethiopia as the second largest recipient of FDI in Africa. Besides the increase in FDI, in my view, what's even more important is the fact that the majority of the FDI was being invested in value-adding manufacturing.

Looking forward, the analysts at Fairfax, our investment firm, are forecasting that Ethiopia could attract US\$5.0 to US\$7.0 billion each year over the next 5 years. However, to continue to attract this high level of FDI, Ethiopia has to continue to invest in infrastructure and human capital and, as appropriate, update its investment policies. There's a lot of competition from other emerging economies to attract FDI to their countries.

Furthermore, sustained international investment promotion effort is needed. The Ministry of Foreign Affairs, in collaboration with the Ethiopian Investment Commission and the private sector, should participate regularly in international investment fo-

runs to create awareness of the investment opportunities in Ethiopia. “

BDU: How excited are you about Ethiopia as an investment destination? If you were asked by a potential investor to Ethiopia an advice on investment opportunities, what would that be and what wisdom would you share?

I continue to be very positive about the investment opportunities in Ethiopia since the economic growth will be driven by fundamentals. The fundamentals include significant investments and growth in manufacturing, agriculture and infrastructure. Furthermore, rapid urbanization will transform Ethiopia from a majority rural country today to one of the most urbanized African countries in the next 20 years or so.

3,600%

Percentage increase of FDI
between
2008-2018

One other key driver of economic growth is the “demographic dividend”. Ethiopia already has over 40 million young and readily deployable work force. This work force can support Ethiopia's strategy of becoming an export led, value-added industrial economy. This is one of the reasons Ethiopia

is commonly referred to as the “China of Africa” for its potential to become a large-scale manufacturing hub that could supply global markets. Therefore, I remain very positive about the economic outlook and Ethiopia's ability to attract investors.

A word of advice for international investors: Ethiopia is an early stage fast growing emerging economy. Therefore, plan your investments with a mindset of the “glass half full”, not the “glass half empty”. Also, Ethiopia is ideally suited for strategic, long term investors, not for short term “asset flippers”.

BDU: What are, in your opinion, good areas to invest in Ethiopia to help create jobs for young people? How do you evaluate the number of readily available working force and job creation capacity in the country?

Sectors that offer attractive opportunities for international investors and also create jobs are large scale, labor intensive light manufacturing such as clothing, shoe, electronics and agro-processing. Other attractive sectors include manufacturing of construction materials. Agriculture is of course attractive, especially if it's agro processing which is vertically integrated from the farm-land to value-addition to commodities, such as coffee.

New sectors recently opened for foreign investors via the privatization of state-owned enterprises, will also be attractive as well. These include telecom, power and transport & logistics.

Regardless of which sector international investors decide to invest in, I suggest two key approaches: first, co-invest with local partners and second, leverage the huge readily available labor pool. This is a smart business strategy since the investors will be able to hire affordable, easily trainable local talent (instead of expensive expatriates), which makes the investment sustainable and more profitable over the long-term.

It also gains the international investors the goodwill of the community they operate in.

BDU: Did the manufacturing sub sector grow as the government expected over the last ten years? What in your view are the main challenges in the manufacturing sector in Ethiopia at the moment?

In my view, the huge potential of the manufacturing sector to transform the economy and generate large export earnings will be realized within the next 10 years or so.

For instance, more than 12 industrial parks are being developed by the government, of which, so far, three parks have started operation. The oldest one, the huge Hawassa Industrial Park, started 3 years ago. Well known global brands such as Calvin Klein and Tommy Hilfiger are now produced in Hawassa. Therefore, when all the parks plus the other industries outside of the parks are fully operational, I expect Ethiopia will realize its goal of becoming a large, export-led manufacturing economy similar to the path taken by South Korea and China.

BDU: As a noted strategist, what do you think the role Ethiopian Airlines could play in the effort of making Ethiopia as one of the best business and tourism destination?

Ethiopia Airlines is already a significant player in African and globally aviation. Last year it transported 11 million passengers and made Bole Airport the largest air traffic gateway into and out of Africa, winning that title from Dubai Airport.

Going forward, I expect Ethiopian Airlines, leveraging its powerful global brand and route network, to continue to be the champion of business and tourism for Ethiopia (and Africa) by channeling more and more of its transit passengers to visit and invest in Ethiopia.

Imagine if just 20% of Ethiopian Airlines' projected 18 million passengers by 2025, were to visit Ethiopia. That will be 3.6 mil-

lion visitors. A huge increase from last year's less than 1.0 million people who visited the country.

But to achieve this level of visitors success, all other stakeholders have to collaborate. For instance, the hotel and restaurant infrastructure & services have to be world-class throughout the country and not just in Addis Ababa. Also, sustained global promotional campaigns are needed.

I also think Addis needs to build a world-class convention center that can accommodate thousands of people at the same time. While there are numerous high-quality conference venues in Addis, I think Addis could further consolidate its position as one of the top conference tourism destination in Africa with a new convention center.

BDU: What are some of the recent reforms in Ethiopia that have inspired you so far?

The major new economic policy reforms, announced by Prime Minister Abiy Ahmed in the past 12 months, which were impactful and will be transformational are the planned privatization of major state-owned enterprises such as Ethio Telecom and the liberalization of the transport & logistics sector. Not only is the privatization itself significant but, just as important, is the message it sent in a very unmistakable way: going forward, the private sector will have a significant role in growing the economy and creating jobs.

Of course, the government will still play a key role in the economy. But it will gradually evolve from its past role, when it had major ownership and operational role in virtually every aspect of the economy, to one where it will step in only when there is "market failure" whereby the private sector is unwilling or unable to invest in certain sectors or projects. My expecta-

tions is PPP (public private partnership) will be one of the models for investments in Ethiopia, especially in infrastructure projects. I also believe the focus given by the PM to improving the "ease of doing business" was very critical, especially in supporting the nascent domestic private sector.

In the financial services sector, reforms I found very important and timely is the plan to establish capital markets including a stock market and allowing Ethiopians by birth to invest in the financial services.



ETHIOPIAN COFFEE: PEARL UNDER RUG

By Meleket Sahlu Denbu



"It's quite unfortunate; it became a mystery to us to embellish what the world already branded us with" said Mr Ermias Yemanebirhan, Director-General of the Ethiopian Intellectual Property Office (EIPO), during an interview following a discussion forum held between the Ethiopian Prime Minister, Dr. Abiy Ahmed, and stakeholders in the coffee industry on August 16, 2018.

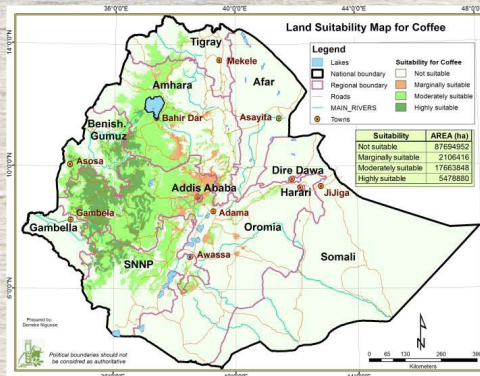
The Arabia Coffee, the alfa of all coffees, originates back in the tenth century (1000 BC) in south-western highlands of Ethiopia, the then highlands of Keffa Kingdom. Early in the 7th century, Arab traders took the bean of coffee across the red sea, the present day Yemen. From there the term *Arabica* coffee was coined, which rather should have been *Aethiopic*a coffee. By the 15th century, Arabica coffee made its way to the world and since then the mild taste made it one of the most widely consumed beverages of all times.

Coffee has a paramount importance to the socio-economic life of Ethiopian People. About 5million small-holder farmers earn their livelihood by producing the bean while almost 30% of the Ethiopian population involves in the production process in one way or another. Coffee is the biggest export product in Ethiopia accounting for 30% of the income from abroad. Aside from the economic contribution, coffee has a deep connection with Ethiopian's culture. Coffee demonstrates Ethiopian's hospitality at its best in being used not only to welcoming guest but also to as a mark of friendship. The coffee ceremony is one of the most highly cherished social values of the country. It brings neighbors together to discuss community issues in strengthening social tie. This is particularly observed with women, mainly mothers, who consider the Ethiopian coffee ceremony as an ideal traditional social media, where both personal and family matters are discussed and handled. By so doing, advices and experiences are shared to release the level of stress. Bearing in mind the rich historical heritage, the 5.47 million suitable hectare lands to the bean and the superb and richly diverse ecosystem in different regions of Ethiopia it's dazing to hear that coffee production per hectare

tone in the past 15 years has increased by only 94 kilograms. Vietnam which entered the international coffee market only a decade ago has already reached 1.9 million tons of coffee with foreign earnings estimated to \$2.4 billion. With over six thousand varieties of coffee, the average annual production in Ethiopia stands at 450,000 tones with \$0.83 billion as total foreign earnings.

Weak productivity and inefficient market value-chain

For the past fifteen years, coffee's productivity per hectare ton in Ethiopia ranged from 0.52 to 0.75. This is



seemingly low when compared with Brazil's 1.62, Vietnam's 2.13 and Colombia's 1.08 productivity per hectare tone. Furthermore, nowadays,

among the 5.4 million hectare land that is suitable for coffee, only 1.2 million hectare is covered with coffee bean. "There is no particular research institution established to boost the productivity of coffee, nor extension programs at woreda level to improve farmer's outputs," said Mr. Sani Redi, Director-General of Ethiopian Coffee and Tea Authority (ECTA), during his presentation at the discussion forum.

In addition to the low yield per hectare tone, khat, a stimulant-flowering plant, is becoming a threat to coffee production in many regions of the country. After devoting 3 to 5 years in planting and harvesting coffee, there is a high chance for a farmer to encounter a disappointing market price. On the other hand, the price of khat in the past ten years has been growing constantly and its number of consumers has more than doubled.

This pushed many coffee farmers to shift their effort to planting Khat, even throwing away coffee beans that are about to be harvested from their farmland. “We earnestly request the government to set a minimum fixed price at the farm gate to protect coffee farmers from market fluctuation” said a participant in the forum discussion representing the Oromia Coffee Suppliers Union.



The market value-chain of coffee in Ethiopia fails to ensure quality, traceability, sustainability, and certification. The process involves many actors that do not add any

value to the coffee market. Accompanied by the rigid and overbearing management, corruption and fraud prevail nearly at every stop of the market value-chain. What is more, the mounting illicit trade, controlling 50% of the market share, continues to stress both export and domestic market. As a testament to that Prime Minister Dr. Abiy Ahmed during his intervention at the discussion forum said “Most of you involved in the sector are filthy rich while the sector as a whole is incompetent; I assure you it will not continue in this manner. We must collaboratively work together to reduce collectors and suppliers so that we can create a simple and efficient market value chain”.

On the other hand, inadequate and non-integrated infrastructure, particularly logistic supply and information communication technology considerably contributed to the inefficient market value chain. Weak coordination among responsible government bodies has also a handful share in hindering the competence of the sector.

Fine Coffee or Commodity Coffee?

“The problem begins with how we positioned our product in the international market; we had a story to tell in the international

coffee market and that was our competitive advantage,” said Mr. Ermias Yemanebirhan when asked about the reason behind the weak market value-chain and weak export performance. Ethiopia secured trademark registration abroad for three of its specialty coffees. However, the country failed to build the value of its coffees; hence the poor farmers are unable to capture the value of their intellectual property (IP) assets.

In an article titled Ethiopia's coffee export nose-dives as government control backfires written by Wondwossen Mezlekia, the author alluded “ECX's Warehouse Receipt System breaks the relationship between buyers and farmers and the ability to trace the bean to its origin”. Wondwossen acknowledged the significance of such institution on run-of-the-mill commodities; nevertheless, when established to manage gourmet foods such as specialty coffees he regarded it as an unsound economic policy which caused the country to lose its niche market.

The role played by the Ethiopian Commodity Exchange (ECX) to improve the performance of sector has been questioned by many participants in the discussion forum. One of them representing women in coffee said “Your Excellency, we kindly request your administration to evaluate the fruits of ECX in the past ten years; establishing an institution or a system is a mean not a goal”.

Future prospects



At the end of the discussion forum, Prime Minister Abiy remarked, to extract full value from the Ethiopian coffee, “we have to break out of the commodity coffee mentality and must build a national brand and marketing strategy to position our product in the international market once again as specialty coffee. Exporters and stakeholders, in general, I urge you to go back and support farmers as your success surely depends on them. We will work in close collaboration with banks to take serious measures against exporters that under-invoice the product. Above all, to create efficient market value-chain and to utilize resource effectively merging is compulsory. Competitors in horizontal line in the market value-chain must come up with a collaborating strategy to work in a unified manner”.



LEAP FROGGING

Ethiopian business climate?

Mr. Olivier POUJADE

Co-Founder of East Africa Gate (EAGate)

In the past six years, I have personally and professionally been involved in promoting Ethiopia's investment opportunities to the European and North-African markets. This brought me to get involved not only in setting up one of the main investment advisory firms in Addis Ababa with my business partner, EAGate, but also to contribute to the foreign chambers of commerce such as EUFE (Europe) and FBCE (France). The EU Business Forum in Ethiopia, which was still in an embryonic stage when I joined as Executive secretary in 2012, managed to raise a EUR 400,000 fund from the European Bizclim in 2014 aimed at improving the business climate in Ethiopia. The purpose of this facility managed in collaboration with the European Union Delegation in Ethiopia, was to survey European businesses in Ethiopia, study the issues that they were facing in operating in the country and suggest solutions to the GOE and a road map through various workshops.

Out of the more than 300 EU businesses at that time, 80 of them replied in 2014 to our survey and helped us define a clear mapping of the bottlenecks facing their operations. The top 5 challenges were the administration of taxes (55% of respondents); lack of certainty, transparency and governance (49%); foreign exchange access (35%); licensing and business registration (33%); as well as customs (31%). We believed at that time that those responses could have been extended outside of the EU business community and were a sample of bottlenecks faced by all businesses, foreign and Ethiopian indistinctively of origin of investments.

For the purpose of this short article, we can group those bottlenecks into three clusters around Finance, Investment and Infrastructure. Detailed answer of the survey can be shared upon request to the author of this article.

Cluster #1 - Finance



A key cluster of challenges for the European companies operating in Ethiopia related to the access of foreign currency, dealing with the financial and banking sector and accessing to finance. Those issues may be the most difficult to tackle as they relate partially to the macroeconomic situation of the Country and is partly symptomatic of a fast pace industrialization in the context of an emerging market. When I was working in Vietnam in its early stages of economic "boom", close to 15 years ago, we were facing the same situation.

However, as we all know, the first step of dealing with a problem is to recognize the existence of this issue. This was done early this year by H.E. Prime Minister Dr. Abiy Ahmed in a statement to the international and local public: "After the political unrest in the country, we have seen high macro-economic imbalance (...) Our economy will face danger in the coming few years if we don't take corrective measures on this." (Bloomberg – February 1st, 2019).

Following this statement, several steps were taken to start tackling the problem: reconnecting with the diaspora, asking for support and hopefully reopening the flow of remittances that had partially dried-out; engaging a reshape of the investment law to increase foreign currency generating investments; shifting large public projects to Public-Private Partnerships (PPP) instead of

Government funding with international loans; gathering financial support from foreign institutional and governmental partners (European Union, World Bank, foreign Governments); creating ad hoc institutions to redefine strategies on tourism, a key sector that could be a main contributor to foreign currency for Ethiopia; as well as the privatization of large public enterprises.

Cluster #2 - Investment



For obvious reasons, the investment regulatory and operational framework is of main concern for any investor engaged in developing a project in any country. In Ethiopia, up to recently, the complex investment law (Investment Proclamation, its Regulation and the multiple internal directives) set a list of “positive sectors” for foreign investments (circa 150 sectors with sub-sectors), close to eight sectors restricted to Ethiopian nationals and four for the Government and joint-venture with it. Knowing that 1,600+ license categories exist in the Ethiopian Industrial Classification (known as “EISC”) and that most of them used to require a competency certificate, it is enough to confuse and deter investors, not counting the level of work required at the relevant authorities to analyze each investment request, clarify and provide guidance. As it would regularly require inter-agency communications for guidance, processes took time and a lot of patience on all sides of the investment journey. It was not a people’s issue, but a real structural one, with a system that needed to be streamlined and simplified as was done in Vietnam in early 2000, a trigger to the increase of foreign investments in the country.

In the past few months, the Government, through its ministries, commissions and agencies, has taken steps in the right direction. The Ethiopian Investment Commission’s survey to foreign businesses and business communities will allow to fuel the current investment law redrafting; the level of communication to the public has massively increased, providing the needed guidance on what is expected from investors and how to approach the market (iGuide Ethiopia, Horizon of Hope 2020, strategy communication on Facebook, Twitter, etc...). Resuming access to WTO discussions (where Ethiopia has been an observer for the past 22 years) and the recognition of the World Bank Doing Business Ranking low position of the Country with a strategy to be part of the top 100 in the short term are all signs of a healthy approach to fundamental changes needed to make Ethiopia a top regional destination for investments, local, diaspora and foreign included.

“ The past few months have brought a lot of changes in terms of business climate and that the foreign business community is pleased to see that some bottlenecks identified a few years ago are now being dealt with in a holistic fashion by the Government. ”

Cluster #3: Infrastructure



Having worked with several large EU investors, including Unilever, on their supply chain on the Djibouti – Ethiopian corridor, I understand what a bottleneck the supply chain can be to your business. I also know some investors that operate their manufacturing businesses mostly on generators due to lack of stable supply of electricity. These are real impediments to business and those investors often wonder if operations are worth being maintained in those conditions. Key reported issues in this cluster were the lack of coordinated logistic system with ESLE’s monopoly, delays in moving goods, single logistic corridor, unreliability of telecom infrastructure and access to electricity.

Unfortunately, there is no easy “quick fix” for such challenges as they all required time and large and long-term investments. However, we can witness a commitment in bringing solutions through the privatization program of large public enterprises, the shift of public infrastructure financing to PPP programs, the ratification of the Africa Continental Free Trade Agreement, the peace with Eritrea and the upgrading of the infrastructure connecting to its ports and the opening of the logistic sector to minority joint-ventures with foreign companies. On that matter, being a French national, I can only rejoice in the recent memorandum of understandings signed by Bolloré and CMA-CGM as well as the support of the French Government provided to Ethiopian Airlines’ operations through financing granted by the Agence Française de Développement.

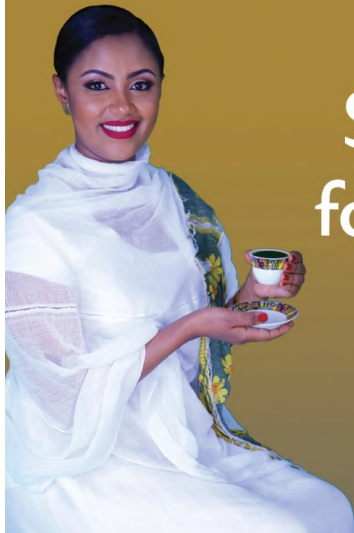
To conclude, it is clear that the past few months have brought a lot of changes in terms of business climate and that the foreign business community is pleased to see that some bottlenecks identified a few years ago are now being dealt with in a holistic fashion by the Government. However, these are fundamental and broad changes that will require long-term commitments and a substantial amount of effort for their proper implementation. We are only at the beginning of the journey to make Ethiopia a top 100 worldwide, or even a top 5 continental-wide, attractive investment destination. This will require that all stakeholders work together over the next decade to bring Ethiopia at the peak of its attractiveness and bring profound mindset changes at all levels to convey what the policies have initiated today.

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All views in this article are personal and do not engage any third parties, clients or association that Mr. Olivier POUJADE represents or represented.

ETHIOPIAN HOLIDAYS: PROMOTING ETHIOPIA



Interview with Ato Zewdu Hailemariam,
Head of ET Holidays division



Stop in Addis Ababa for coffee and explore the vibrant city



BDU: What are the main source markets for ET Holidays and what are the new markets you are aiming at? What are your growth ambitions in terms of arrival?

Mainly Europe and recently China has become a good source of tourists. We are intending to penetrate into China's tourist market with full force and also to the US tourist market.

BDU: Could you explain why Ethiopian Airlines management sees great importance in the recent visit of members United States Tour Operators Association (USTOA) to Ethiopia?

We are hopeful that it will help us to break into USA's tourist market as we should.

BDU: Ethiopian Airlines is doing its part to improve the nation's tourism figures by getting its transit passengers to spend money in the country through city tour package. How do you plan to boost the potential of stopover deals?

We have put in place new initiatives such as offering free transit tour to our passengers transiting through Addis and having a transit time of between 6 to 8 hours. We take them out for a tour in ADD. This will tempt them to spend and also come back as proper tourists in the future. We also promote our stopover packages through our area offices abroad, and through social and digital media.

BDU: The overall strategic vision for Ethiopia has been to focus on high end rather than mass tourism, what do you think, Ethiopia can make to maintain its competitive edge against its neighbors to attract tourists?

In my view, we should focus equally on both high end and mass tourism segments. We should have a variety of products both

for the affluent segment of the tourist society and the common man. Number matters and we should attract as many tourists as possible.

BDU: Which challenges do you see to the development of tourism in Ethiopia and how do you plan to overcome them?

—Small inventory of hotels particularly at the tourist sites, poor accessory roads, poor telephone networks and shortage of skilled manpower are the major ones among many. Above all, we need to promote our country as a tourist destination to the outside world; promotion! promotion! Promotion!. Hotels and lodges should be built. Accessory roads should be there. Telephone networks should improve.

BDU: How are you cooperating with Ethiopian Diplomatic Missions abroad to reach the stated goal of making Ethiopia a premier destination?

Our Area offices abroad should closely work together with Ethiopian embassies in promoting Ethiopian tourism through trade fairs, cultural weeks, sponsoring events, etc. Some already do but this needs to be reinforced

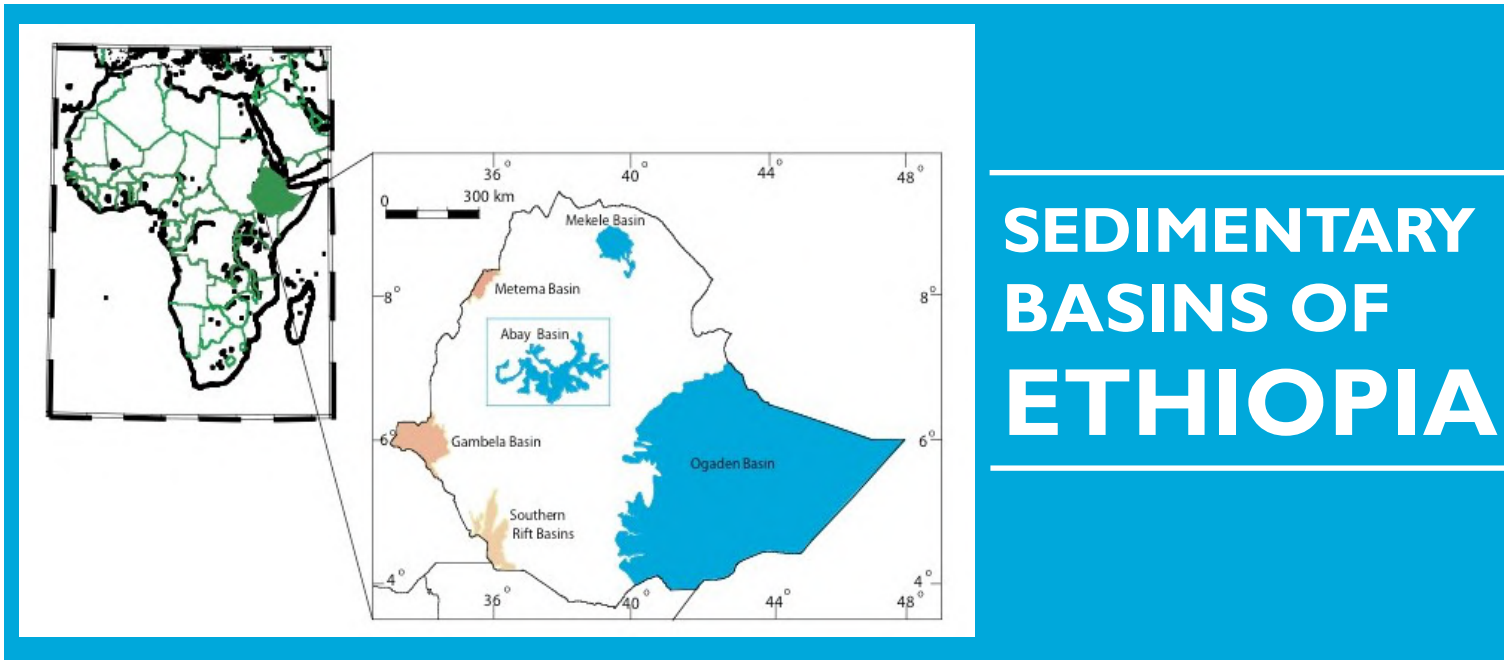
DU: What key improvements would you like to see in Ethiopia's Tourism?

There are lots of areas. The major ones however are promoting Ethiopia's tourist attractions to the outside world and increase the supply of amenities and infrastructures to bring the tour cost down. So that tour packages will also be cheaper. Our diplomatic missions should help in this regard. They should promote

Ethiopia as a tourist destination.

PETROLEUM EXPLORATION AND DEVELOPMENT OPPORTUNITIES IN ETHIOPIA

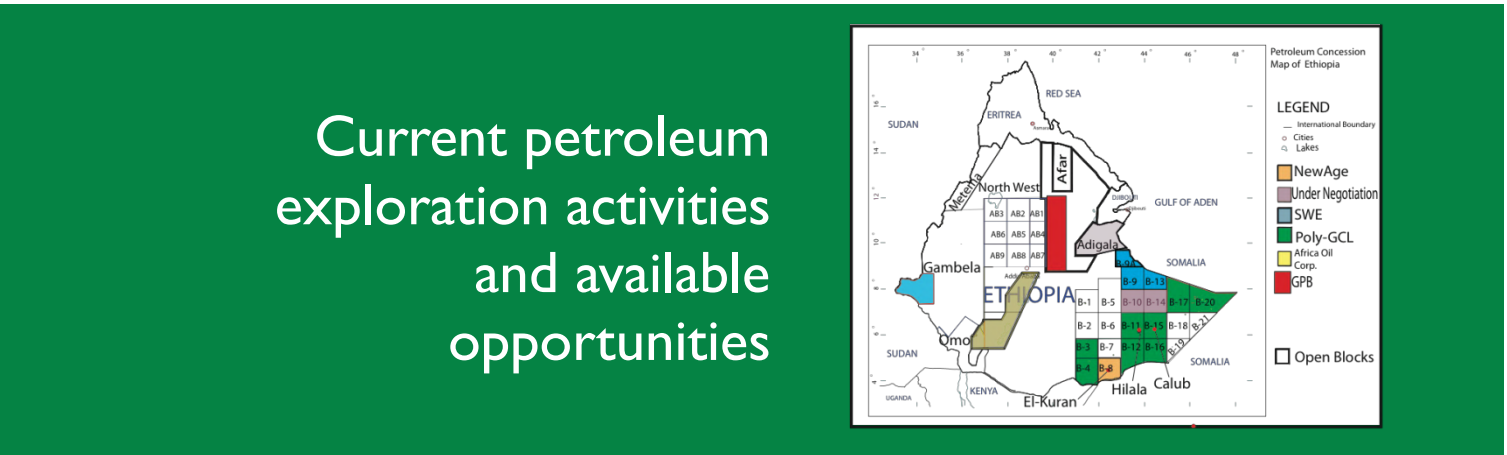
The sedimentary regions of Ethiopia cover a significant portion of the country and comprise five distinct sedimentary basins; namely: the Ogaden, Abay (Blue Nile), Mekele, Gambela, Metema and Ethiopian Rift Basins (first map). The development of most of these basins is related to the extensional tectonic events that have taken place intermittently since the Late Paleozoic and continued up to the Tertiary. The Ogaden, Abay and Mekele basins are presumed to be intracontinental rift basins formed as a result of extensional stresses induced by the break-up of Gondwanaland in Upper Paleozoic.



Current Status of Petroleum Exploration and Development Activities and Available Opportunities.

There are five companies who are engaged in petroleum exploration and development activities. The map below shows current status of exploration activities by the different companies and available opportunities.

Caluband Hilala gas discoveries are currently considered for development by POL-GCL. A new discovery called Doharin between Calub and Hilala was made and its evaluation is under consideration. Light Crude Oil in Hilala Gas Field has been made in early 2018 by POLY-GCL and production testing is being carried out. NewAge Ethiopia has made gas discovery in El Kuran area and considering development activities.



For further information, contact: - Ministry of Mines and Petroleum Tel: +251116463717 or +251116461209e-mail: ktadese22@gmail.com

FURTHER STRENGTHENING ETHIO-UAE PRIVATE SECTOR RELATIONS

Interview with Tewabech (Teba) H. Molla
Head of Dubai Chamber International Office, Ethiopia



BDU: What are the major achievements of Dubai Chamber since it opened a branch office in Addis Ababa?

I have been with Dubai Chamber since August 1, 2018. I can tell you that since I started, we have re-launched our office and have been actively promoting bilateral trade. We have created a means for investors to have a streamlined process so that they can make investment decisions quicker and start their projects faster. There are a few projects in the pipeline that I am happy to say will be implemented in the near future.

BDU: What have you done so far in providing business linkage between the two countries?

- ⇒ Promote and participate in local and Dubai trade shows
- ⇒ We have been conducting roundtable discussions focused in various areas such FDI, women investors, priority sectors etc...
- ⇒ Set up of the UAE-Ethiopia Business Advisory Council
- ⇒ We have been working closely with the local chambers such as the Addis Ababa Chamber, banks, and different local businesses to share business potentials and connect potential exporters with importers and distributors

BDU: What role can Dubai Chamber play in promoting investment opportunities in Ethiopia and how could investors from UAE be encouraged to invest in Ethiopia?

We work closely with the Ethiopian Investment Commission and other key stakeholders to keep up to date on current investment opportunities as well as follow current changes to investment policies, rules and guidelines. One of the most important things that we do is we constantly communicate up to date information to our contacts. We also focus on the investment incentives in targeted sectors for UAE investors and ensure that potential investors get the most current information available.

Recently we had a roundtable discussion with key stakeholders to identify current priority sectors and incentives. We are now working to create a campaign to promote these priority sectors and incentive schemes for UAE Investors to attract them to invest in Ethiopia.

BDU: In late March a high-level delegation led by Mr. Abdullah Al Saleh, Undersecretary of Foreign Trade at the UAE Ministry of Economy, visited Ethiopia and concurrently participated Ethio-UAE Business Forum and exhibition held in Addis- Ababa. What was, in your opinion, the major achievements of the Forum?

I believe that seeing is believing. For many of the UAE participants it was their first visit to Ethiopia. They were able to see that Ethiopia is indeed a land of opportunity everything from the population, low energy cost, young labor force, rich culture and a growing middle class with buying power. There is a playing field for almost everyone. From the number of post-show office visitors that I received, I can tell you that most of them are thinking of shifting from selling their products in Ethiopia to manufacturing in Ethiopia. This is a great indication that the Forum was a great achievement. We are expecting a portion of the companies to return for more in-depth assessment to set up a business in Ethiopia.

BDU: What are the most promising economic sectors in Ethiopia that the UAE business community is looking at going forward? What is their approach when investing in these sectors?

In line with Ethiopia’s priority sectors, the most promising economic sectors in Ethiopia that the UAE business community is looking at is agriculture and agro processing, energy, pharmaceuticals, tourism, manufacturing, construction and real-estate. I am happy to say that most of the investors that I deal with are doing their homework properly to ensure that they are making informed decisions when they are making the decision to invest. They are investing in ways that they can address multiple benefits for themselves and the society such as the environment, import substitution, creating jobs etc...

BDU: How has trade between UAE and Ethiopia evolved, and which items are UAE’s main areas of focus?

The trade relation between the two nations has been growing year after year. Over the last 10 years, Ethiopia exported a total of 9.5 million and imported from the UAE 5.31 billion.

Major items exported to the UAE from Ethiopia are: *Meat and Meat Products, Oil Seeds, Pulses, Flower, Food and Flour, Coffee, Live Animals, Juice processed, Fruits and vegetables, Natural Gum, Spice, Processed Spices Processed Hair oil, Mineral Products (Other than gold & Tantalite ore), Metals, Textile and Garment, Leather Products shoes and others*

Major items exported to Ethiopia from UAE are: *Other petroleum oils and oils obtained from bituminous minerals, Bitumen and asphalt; natural asphaltites and asphaltic rocks, Cane or beet sugar, in solid form, edible Palm Oil, Bottle Preform of Plastics, Pre-fabricated building materials, Bituminous mixtures based on natural asphalt, bitumen*

There is a big trade gap and at our level we are trying our best to help close that gap. For example, we have worked with women entrepreneurs to help them identify why their products are not as exportable and provide work shop to address those issues identified in mid-April. Under the umbrella of Dubai Chamber, we have the Dubai Women Business Council and the Dubai Startup Hub. We are also working to create linkage between these entities and with local entrepreneurs to not just trade products but also in areas of capacity building.

BDU: What are the key constraints that your members face when operating in Ethiopia? Could you please explain the role played by the “UAE Business Investors Working Group (UAE BIWG)” in addressing the high

demand of investment related inquires and services needed by investors from the United Arab Emirates?

The key Issues that we have identified that investors face when they come to do business in Ethiopia are:

- ⇒ Lack of trusted information
- ⇒ Access to land
- ⇒ Repatriation of funds
- ⇒ Connecting with local suppliers and distributors
- ⇒ Lack of foreign currency
- ⇒ Investors not doing their homework properly before investment causes them issues during implementation
- ⇒ Taxation
- ⇒ Benefits and incentives
- ⇒ Labor issues

In order to address these issues, in collaboration of the UAE Embassy in Ethiopia we established what we initially called the “UAE Business Investors Working Group (UAE BIWG)” now called UAE-Ethiopia Business Advisory Council. Within this council we currently have 18 entities including the EFRDE MoFA, Ministry of Trade, The Ethiopian Investment Commission, the National Bank, law firm, human resource, Addis Abebe Chamber of commerce and some land administration office. The main purpose of the council was to:

- ⇒ Identify common issues faced by investors
- ⇒ Identify business opportunities to be leveraged by investors from both countries
- ⇒ Identify ways to decrease trade balance deficit between the two nations
- ⇒ Identify ways to encourage the UAE business community to work in partnership with Ethiopian counter parts for mutual benefits in terms of cheap labor, technology transfer, and new market access
- ⇒ Streamline the investment process for incoming investors
- ⇒ Identify ways where we can disseminate information to investors on regular basis
- ⇒ Maintain a database UAE owned business in Ethiopia and Ethiopian owned business in the UAE
- ⇒ Identify ways to promote trade fairs between the two countries more effectively

Our vision is “To be one stop shop for U.A.E investors and Ethiopian Entrepreneurs”

Our mission is “To Ease the Investment process for Investors through Sharing Trusted and Streamlined Information. We will Fulfill our mission through Collaboration of key stakeholders, identifying issues, finding sustainable solutions and by creating hub for business opportunities and bilateral market Linkage”

We are currently working on:

- ⇒ Preparing the Council’s comprehensive strategic Road map document.
- ⇒ Strengthening the collaboration of Key Stakeholders.
- ⇒ Preparing Brief Investors guideline on the process flow chart and practical information.
- ⇒ Assessing potential obstacles and to work with concerned organs to look for sustainable solutions.
- ⇒ Planning to conducting different forums, roundtables and networking. – (Among established and new investors, UAE and Ethiopian Investors, sectoral Investment forums.)
- ⇒ Establishing electronic information management system

Overall, with the great relationship the two countries have I am optimistic that our trade relations will continue to grow. Although Ethiopia is a key market for Dubai Chamber and the UAE, I would like to stress that the trade and investment relations expands to the rest of Africa thus Ethiopia has to be pro-active to be competitive and be an investment destination. We all know that Dubai is a global business hub and I like to think of Ethiopia as a gate way to Africa thus it is important that we do what is necessary to make investing in Ethiopia attractive for investors.

BDU: Can you elaborate on UAE and Dubai's trade and investment relations with Africa? What role has Dubai Chamber played in this?

The directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, have been instrumental in promoting investments between the UAE and Africa, which has inspired Dubai's business community to turn to Africa and explore trade and investment opportunities opening up on the continent. Moreover, Dubai's strategic location has been one of the main contributors to developing the emirate's economic ties with Africa. Many more African companies are leveraging Dubai as a trade and investment hub.

Dubai has also strengthened its position as preferred hub for African companies, and the UAE continues to lead the GCC region in the volume of foreign investment flows into Africa. Dubai is not alone in its optimism about Africa's economy and its growth potential for the future. There are several important factors that support this bullish outlook, including the continent's fast-growing population and urbanization, a rising middle class and the emergence of the private sector in driving development. East Africa, because of its proximity to the UAE, remains an important recipient of investments from the UAE, but there has been a shift to the south as well, trying to get diversity, and also to west African countries like Nigeria and Ghana. Jebel Ali Free-zone (JAFZA) UAE is doing very well in Senegal in west Africa.

As for the Chamber, Africa is a major focus of Dubai Chamber's international strategy and the Chamber has stepped up its efforts over the last five years to enhance its trade relations with African countries. We have over 17,000 African companies as members and this indicates the strong connection we have with the African business community in Dubai. Our efforts in Africa fall in line with our strategy of exploring promising markets around the world and identifying business opportunities in African markets that offer the most potential to our members and Dubai's business community

The Chamber currently operates four representative offices in Africa, located in Ethiopia, Ghana, Mozambique and Kenya. These offices play an active role in identifying business opportunities in those markets that offer the most potential for our members and the business community in Dubai. We are looking at opening two new offices in Central Africa in the near future. At the same time, our Africa offices focus their efforts on promoting Dubai as a global business hub and attracting African companies to set up in the emirate.

Dubai Chamber has invested more than USD27 million over the last few years to raise awareness of trade and investment opportunities in Africa and promote Dubai as an attractive business hub for African companies. Backed by trade missions and high-level visits, trade relations between Dubai and South Africa have strengthened.

In 2016, we undertook a trade mission to South Africa with the aim of enhancing bilateral trade relations between the two countries.



Complementing our strategy in Africa, the Global Business Forum on Africa (GBF Africa), a high-level global conference is organised by Dubai Chamber which is hosted in Dubai every other year. These events are attended by African heads of state, ministers, policymakers, key decision makers, CEOs, business leaders and entrepreneurs. As the largest event of its kind in the region, GBF Africa aims to increase economic cooperation between Africa and Dubai and promote Dubai as a trade and investment gateway to Africa. This year we will be hosting the 5th GBF Africa in November 2019.

The UAE possesses the incredible ability to nourish international bonds of amity and has within its fold, more than 200 nationalities who live and work here and exemplify its belief in tolerance and peaceful co-existence. This is based on the philosophy of tolerance and diversity our forefathers and has provided the foundation of a cohesive society in the UAE that is open to people of different cultural backgrounds and religions. It is the same philosophy that has powered the success of our businesses. Promoting diversity in the workplace isn't just the right thing to do, it's actually good for business. It helps cater to our diverse customer base.

CONGRATULATIONS

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THE BUSINESS
DIPLOMACY
TEAM WOULD
LIKE TO CON-
GRATULATE HIS
EXCELLENCY
DR. WORKNEH
FOR HIS RECENT
APPOINTMENT
AS DIRECTOR
GENERAL OF
THE UNITED
NATIONS
OFFICE AT
NAIROBI
(UNON)

THE ADDIS ABABA CHAMBER OF COMMERCE & SECTORAL ASSOCIATION (AACCSA) ROLE IN THE INTERNATIONAL BUSINESS

The Addis Ababa Chamber of Commerce & Sectoral Associations (AACCSA) has been established, by the General Notice Number 90/ 1947, in April 1947 as an autonomous, non-governmental, non-political and non-profit organization to act on behalf of its members. The chamber re-establishment with the Proclamation Number 341/2003 further provides the legal framework for the establishment of Chambers of Commerce and Sectoral Associations.

AACCSA is a voluntary based member organization with more than 17,000 member business companies. The chamber promotes trade and industry, disseminating business information, consulting government and members on economic development and business issues, establishing friendly relationship with similar chambers in other countries, and exchanging information as well as engaging in arbitration in times of disputes among members.

AACCSA is the oldest, largest and strongest Chamber in Ethiopia, which represents a wide spectrum of businesses constituting for more than 60% of businesses operating in the country. Being a member of the World Chambers Federation, AACCSA also has a prominent place in the international network of chambers.

Vision Statement

“To be a world class chamber, enabling the business community to be competitive locally and internationally and contribute to the attainment of the trade and investment goals of the country.”

Mission Statement

“To promote trade and investment by providing demand driven services to the best satisfaction of members and stakeholders and others and advocate for favorable business environment based on best practices.”

AACCSA serves as spokesmen and representatives of business community registered in the official World chambers Network registry. Its network is the largest network globally, representing business locally, regionally and nationally. It also works to represent and promote Ethiopia and Ethiopian businesses internationally through its membership of the International Chamber of Commerce, and the World Chambers Federation.

Chamber has always been a vital link in the export chain for Ethiopian companies. This is due to their internationally recognized role as trusted parties in international trade. Members of our network assist Ethiopian companies through their provision of trade documentation services and the links they have built with Chamber networks across the globe.

AACCSA's involvement with international trade practice, from local to the International levels makes it work closely with the Ministry of Foreign Affairs. AACCSA also advocates increased cooperation with the private sector. Definitions of economic and commercial diplomacy are taking account of organizations in the private sector. It is well placed to support the work of Ministry of Foreign Affairs, as it strives to make exporting and operating abroad.

In order to help its member companies to expand their business beyond Ethiopia, AACCSA offers various activities and services and supports them through its network of experts and partners in international trade missions in cooperation with its worldwide partner network.

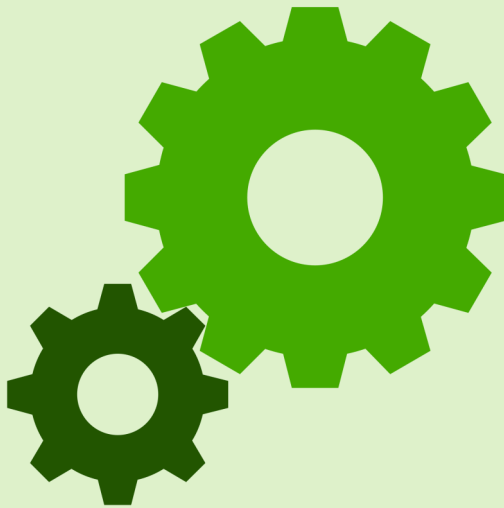


Mrs. Mesenbet Shenkute
President
Addis Ababa Chamber of Commerce

AACCSA also notes that the Ministry of Foreign Affairs always plays a crucial role in briefing international media and opinion on our country's progress. It also works well to support businesses when required. However, we feel that the commercial work should be given renewed focus. We recognize that much of the good work undertaken by the Ministry of foreign affairs through its Embassies in support of business is intangible, but we would suggest a more formal reallocation of resources to support the trade and commercial work we believe will add more.

While Ethiopia maintains representation in countries traditionally considered of strategic importance, we believe that there may be a case to be made for focusing activities and resources on countries or regions that have the potential to be commercially important for Ethiopia. This will require even closer collaboration with representatives of industries in which Ethiopia has strong export potential and the identification of specific sectors.

Ideally, a joint approach could be made using the good offices of the Ministry of Foreign Affairs to 'open doors' for a significant international contract, in terms of increased commercial interaction between the exporter and importer.



TESTIMONY

MOHAN GROUP



Mr. Mayur Kothari
Chairman & Group CEO

Mohan Group of Companies was founded by Mr. Mayur Suryakant Kothari, who started off his business as a small trading firm called 'Mohan International'. The firm kicked-off importing various household goods, and later found a niche opportunity in the business of plastic raw materials, which now has become its core business. In the year 2006, the company embraced the vision of the government of creating domestic value addition, which was encouraged through the industrial policy of Ethiopia. The Group decided to add value to its plastic raw material business by forming a company called Mohan PLC, and started manufacturing polymer compounds such as Ethylene Vinyl Acetate (EVA) compounds, Poly Vinyl Chloride (PVC) compounds, Filler Masterbatches, Color Masterbatches, Rubber compounds, and Thermoplastic Rubber (TPR) compounds.

The Government identified Mohan PLC's strength in the compounding sector and identified its potential in developing a footwear manufacturing unit. The Government encouraged and guided the Group to set up its modern leather and synthetic footwear manufacturing unit and supported it through the Ministry of Industry (now Ministry of Trade and Industry) and the transformative agencies (such as Leather Industry Development Institute and Chemical and Construction Inputs Industry Development) working under its purview.

As the Group grew, so did the sense of responsibility towards the people around. Mohan Group of Companies put special efforts in conducting various CSR activities such as being involved in building a WaSH project in the South of Ethiopia that provides water, sanitation, hygiene with a food component whereby waste water is cleansed and used to grow agricultural items; participating in a school feeding program whereby the Group is feeding students at 'Alpha School' for the hearing impaired breakfast and lunch on every school day for an indefinite period; conducting regular blood donation drives; and participating in city-wide cleaning initiatives.

“ Mohan Group of Companies attributes its success to the large domestic market, competitive cost of labor and electricity, and a friendly and disciplined young workforce that is always

“

The Mohan Group of Companies, today has 5 manufacturing units that employs over 500 permanent employees and many others on a non-permanent basis. The Mohan Group of Companies, in tandem with Ethiopia, continues the growth story as 3 more manufacturing units are being actively set up with the head quarters building located in heart of Addis Ababa. Through its manufacturing units, the Mohan Group of Companies witnesses and supports the growth of various other sectors to which they supply their raw materials to. The Group supplies inputs to the footwear industries, cable industries, plastic industries, pipe industries, packaging sector (sugar packaging, salt packaging, cement packaging, and other industrial and agricultural packaging solutions are supported with their products), and the nascent automobiles parts manufacturing sector.

Mohan Group of Companies attributes its success to the large domestic market, competitive cost of labor and electricity, and a friendly and disciplined young workforce that is always eager to learn. The group further ascribes its success to the support and encouragement received from various government departments and organs including the business diplomacy division of the Ministry of Foreign Affairs, who helped network, and also facilitated to resolve issues with various other organizations and ministries; the tax incentives and the duty privileges offered by ERCA have helped the company beat imported products; the Ethiopian Investment Commission has played a role of a pillar in the startup process and supported in having incentives approved as per government guidelines; Ministry of Trade and Industry and the agencies under its purview have been continuously working with the group in areas of skill-upgradation of local talent by deputing foreign experts, implementing programs such as the Kaizan training program, and by creating linkages with other industries in the sector; the regional governments for extending their support in various matters at the ground level; and the many other institutes, organizations and ministries that constantly supported and cooperated with the Mohan Group of Companies to ensure its success.



ETHIOPIA & CHINA



A New Horizon of Partnership



By Ethiopian Embassy in Beijing



An Elevated Friendship

Ethiopian Prime Minister, H.E. Abiy Ahmed (PhD), is among the league of world leaders who will congregate in Beijing to attend the Second Belt and Road Forum for International Cooperation, scheduled to be held from April 25-27, 2019. Described as a genuine gesture, this visit is the Premier's second in less than a year, while the first being in September 2018, when he partook in the Summit of Forum on China-Africa Cooperation (FOCAC), which was culminated through the declaration of eight major initiatives of collaboration. For a curious observer, the frequency of such visits can be seen as a barometer for the horizon of an ever-growing partnership between Ethiopia and China, and is of enormous symbolic importance.

Ethiopia has an extended history with China, and their historic ties and bonds run profound based on their common values. Ethiopia's relations with China remain one of the cardinal elements of its foreign policy, and it sees China as trusted development partner. For almost half a century, the two countries have enjoyed a healthy dose of incessant friendship that witnessed frequent high level visits and exchanges at various levels.

China is partner of far greater value for Ethiopia. While enjoying cordial friendship, the two countries cherish crowning achievements in social, economic and political fronts achieved through win-win partnership, they also look forward with great confidence and optimism about creating a global community of shared destiny. In May 2017, the bilateral relationship was elevated to Comprehensive Strategic Cooperative Partnership, an uppermost form of relations heralding a new chapter of all-rounded strategic relations.

Ethiopia's new administration under the leadership of Dr. Abiy Ahmed, has been reaffirming the government and people of China that Ethiopia would work tirelessly to elevate its ties with China even farther. For the new administration, there is no higher priority than building a more stable country and fast-tracking and mobilizing resources that are crucial for Ethiopia's economic transformation. In this regard, China comes in the forefront of Ethiopia's trusted development partners. One can see that more enhanced and synergetic engagement is in the offing with Ethiopia's participation in the Belt and Road Initiative (BRI) 2019 meeting, presupposing that China and Ethiopia unleash their potentials adding new impetus in a manner that lend themselves to harnessing transformational projects for mutual interests.

In addition to this exemplary bilateral partnership, the FOCAC and the BRI have continued to be the cornerstones of Ethiopia's relation with China, as the two sides strongly share the worthy goals that are set forth in various declarations. Though it is impossible to put all aspects of the relations in this piece, sketching the outlines of their relative significance, parts of the iceberg that protrude above sea, is of the essence.



Belt and Road, A Platform for Connectivity

It is apparent that Ethiopia is visibly one of the African countries which has greeted with vim and vigour China's Belt and Road Initiative (BRI), an intercontinental development strategy that intends galvanising economic cooperation among countries along the proposed Belt and Road routes and beyond.

Ethiopia's progressive involvement in this initiative is rooted in its time-tested principles towards forging win-win international cooperation and inclusive globalisation, is mainly driven by its domestic resolve to achieve economic transformation, and compounded by China's principled engagement with Africa on the essences of mutual respect and interest. On the ground, there are tangible signs and practical actions in display under the FO-CAC that preceded the newer global platform, the BRI, which also covers parts of Africa, and this was made even more lucid during Ethiopia's attendance in the first Belt and Road Forum for International Cooperation in May 2017.

Economic cooperation has always been the hallmark and driving force for Ethiopia-China relation. Within Ethiopia, the benefits of the BRI are manifest in infrastructure connectivity and industrial zones built with China's involvement. Ethiopia as player in this inter-continental domain, aspired on a new trajectory of higher growth through facilities connectivity, increased trade and investment. From such premises, it cannot be gainsaid that Ethiopia stands to benefit from such reconfiguration, as there is a promising move for continentally envisaged integrational visions, in line with African Union's Agenda 2063, are to be executed in a more systematic and prudent manner.

The regional diplomacy pursued by Ethiopia's new and ingenious administration in fashioning a coherent policy of integration is heralding a wind of change in the continent of Africa, particularly in the Horn of Africa. Prime Minister Abiy is building a bridge of hope and cooperation in Africa. He is relentlessly exerting efforts to make sure that the Horn of Africa does not become the combat zone in global and regional geopolitics by leading a peace initiative with the contending regional powers. Certainly, this overture prepares the region for new phases of cooperation with international partners like China.

Ethiopia's strategic location being a convenient midway node linking Africa, Asia and Europe, combined with its astounding abundance of resources and as the most historic emblem of the African freedom and unity, meant that it is ideally a vital country in the sphere of the Belt and Road. And more importantly, Ethiopia-China relations enjoy a unique continuity and convergence of interests and cooperation that have satisfied both sides. Viewed from the prism of the focus areas specified in the BRI roadmap, the practical applications of the BRI are developing in Ethiopia. Given the level of exemplary cooperation Ethiopia has with China and its embrace of Africa's integration, there is no doubt that Ethiopia is becoming the gateway for the BRI on the African continent.

A Surge in Economic Infrastructures

Challenges aside, there is no doubt that Ethiopia's tenacity in pursuing infrastructure development has impressed the rest of the world. It aspires to scale up its infrastructure investment, which is a strategic pathway to lift growth and foster employment creation and sustainable development. It is widely penned that infrastructure is among the most important sectors in shaping Ethiopia's future over the next decades. Currently, Ethiopia has the largest public investments in Africa relative to GDP. More laudably so, the physical infrastructures (railways, roads, energy, telecommunications etc) undertaken with Chinese partnership and support are making a real difference in Ethiopia's overall attractiveness to investment. Both countries have also clearly identified their own resource advantages; and, their economies are mutually complementary. Therefore, they are fruitfully utilizing this great potential and space for cooperation.

The BRI roadmap clearly underlines that facilities connectivity is a priority area for implementing the BRI. Countries along the BRI are expected to "improve the connectivity of their infrastructure construction plans and technical standard systems, jointly push forward the construction of international trunk passageways, and form an infrastructure network connecting all sub-regions in Asia, and between Asia, Europe and Africa step by step." At the same time, the promotion of green and low-carbon infrastructure construction and operation management, taking into full account the impact of climate change on the construction, is also emphasized.

Among the great achievements, and perhaps the most novel and potentially significant move of cooperation, the first and the longest electric transnational railway in Africa is now running from Djibouti City to Addis Ababa with backing from China. The construction of this signature infrastructure inaugurated on October 5, 2016 by the governments of China, Djibouti and Ethiopia was mainly financed by Chinese banks. This railway system can be aligned congruently with China's long-term commitment to the ideals of building an intercontinental sphere under the BRI. It is considered as a regional umbilical cord in the Horn of Africa signalling the rebirth of China's Silk Road routes. It is a trailblazer of a superior vision to see dreams come true by inter-connecting and integrating economies, trade and commerce, shared cultures and values of many people in the world. China has also partnered with Ethiopia through supporting massive telecom infrastructure developments.

Greening Energy, Greening Growth

Another key vehicle of cooperation that has to do with facility connectivity, is the energy infrastructure, which is relying essentially on power generation and transmission and distribution lines construction, through China's involvement.

The Sino-Ethiopia cooperation in green growth and the development of Ethiopia's renewable energy sources is anchored in the

understanding that Chinese financing in the energy sector will not include projects which might engender undesirable implications. This is not a hyperbole, but in fact testified by independent bodies. According to International Energy Agency (IEA, 2016), for instance, power generating plants and grids built with Chinese financing in Ethiopia are 100% on developing renewable energy sources (hydro, wind, biomass and waste), and free of any baggage that may cast doubt on third parties.

The cooperation in the energy sector has boosted Ethiopia's capacity by generating additional electricity mainly in hydropower and wind, but also biomass and waste. Chinese major power companies are also constructing regional high-voltage transmission lines inter-connecting Ethiopia with Djibouti and Ethiopia with Kenya.

It is evident that Ethiopia has been globally praised for its commitment to building a green non-carbon economy by 2025. In this endeavour, we are working with development partners like China to promote cooperation in the connectivity of energy infrastructure, build cross-border power supply networks and power-transmission routes, and cooperate in regional power grid upgrading and transformation in the Horn of Africa.

The Sino-Ethiopia energy cooperation has boosted Ethiopia's capacity by generating additional electricity mainly in hydropower and wind, but also biomass and waste. Without doubt, this stride is a mirror

image of the priority areas of the BRI facility connectivity.

Partnering for Sustainable Industrialization

It is obvious that Chinese Foreign Direct Investment (FDI) into Africa is on the rise and Ethiopia is at the forefront of this tendency, early harvesting the production capacity cooperation. For Ethiopia, attracting FDI is generally seen as an integral part of its industrial development policy mix that leads the way to the desired economic transformation. In a converging trend of interests, the expansion of ties between Ethiopia and China reflects the structural change happening in both economies.

Evidently so, China's light manufacturing and agro-processing industries began to relocate to Ethiopia, and Ethiopia, in many ways than one, has become better candidate for hosting Chinese import substituting and export-oriented factories. Up to the end of 2017, Chinese companies have invested a total of US\$ 4 billion in Ethiopia, and created 110,000 permanent and temporary jobs over the past two decades.



In return, China is capitalizing on the preferential trade programs that allow African countries to export duty-free to United States and European markets, as well as satisfy the growing domestic and regional demands.

Chinese enterprises have invested in and constructed exemplary industrial parks in Ethiopia. Ethiopian government has therefore brought the high degree of focus required for the development of economic zones and industrial parks nationwide as structural booster to jump start industrialization. By doing so, economic growth prospects will be sustained, so that Ethiopia will become a middle-income country by 2025.

Maybe the daunting task ahead is to overcome the obstacles that Chinese enterprises face in Ethiopia particularly related to bureaucratic inefficiency, perceived foreign exchange rate risks, power outages, weak logistic infrastructure, inadequate supply of raw materials, insufficient labour productivity and political unsteadiness. Doing away with these barriers is tantamount to catapulting the industrialization stone a far distance.

Finance, A Fuel for Firing Growth

Financial backing from China has been fuelling the fires of Ethiopia's economic growth substantially. Chinese financial institutions have provided financial support for infrastructure and industrial projects, have proved to be right partners of Ethiopia in its bid to promote the economic and social development. In reshaping the global connectedness, financial integration is a bottom line for implementing the BRI. The very constructive roles played by the Chinese financial institutions in jointly working with Ethiopia is of mutual benefit to both countries and facilitate BRI's materialization. Hence, Chinese finance translates into a lubricant for structural projects in Ethiopia, with a corollary of hopeful thrust.

Even when Ethiopia had difficulty in making payments on its debts, mainly because it has not grown its export machinery as rapidly as had been hoped, China has rescheduled and restructured portion of Ethiopia's debt, quite contrary to the allegation that China is engaged in predatory lending in Africa. This has surely given some comfort of relief to the new administration which has inherited an abysmal state of the economy, plummeted by corruption and lack of hard currency. To all manifestations, Ethiopia and China remain friends of all weather, they are even intensifying their engagement for mutually beneficial cooperation.

Access to the Huge Market, Narrowing the Trade Gap

Trade relations have shown progress over the last few years following the Government of China's allocation of quota and tariff free rights to African countries. In 2017, the total bilateral trade between China and Ethiopia was US\$ 5.14 billion from which Ethiopia's exports to China stood US\$288.1 million where as China's export to Ethiopia was US\$4.85 billion, the trade balance was in favour of China. The structure of the trade is skewed.

Ethiopian exports to China are still dominated by raw materials and primary agricultural products. That is why Ethiopia is attracting investment in the manufacturing and processing sector. There is no question that diversifying and enhancing exports to China will help address the balance of payments constraint on growth and the wage employment challenge in Ethiopia, while accelerating structural change.

The Chinese government has made a lot of efforts to narrow the bilateral trade gap and began to promote the entry of African products into China by implementing a tariff-free policy since 2005. The new Trade Facilitation Initiative of China under FOCAC, designed to expand the spectrum of its imports from Africa, is a demonstration Chinese Government's solemn commitment towards embracing a fairer trading system where a sense

of economic mutuality prevails for all. Many African countries including Ethiopia exhibited their products at the China International Import Expo (CIIE) in Shanghai (November 2018) and are ready to participate in the First China-Africa Economic and Trade Expo (CAETE) in Changsha (June 2019). In response to such uplifting market signals, it is believed that bringing demand for and supply into a convergence path is critical to narrow the trade gap.

As China dutifully provides the hard infrastructure through which regional integration happen, Africa is also creating an institutional framework to enhance regional market. In March 2018, forty-four African states including Ethiopia signed the African Continental Free Trade Area (AfCFTA) at an extraordinary summit in Kigali, Rwanda. It is believed that the AfCFTA and Belt and Road Initiative (BRI) are complementary to each other and present a window of opportunity for African countries to transform their economies. The two initiatives promote infrastructure connectivity towards facilitating trade and cooperation.

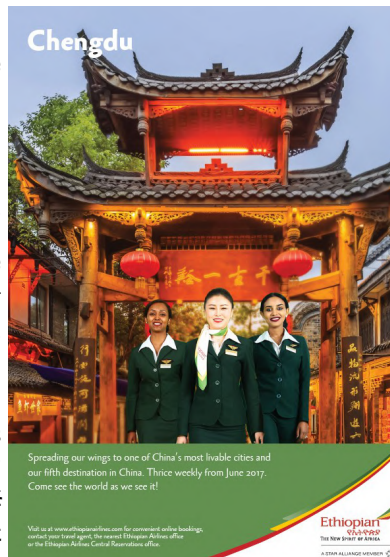
So long as this market access prevails for long, and Ethiopia enhances its export competitiveness, the benefit remains worthwhile. For Ethiopia to benefit more from such vast marketplace, it has to address the numerous challenges surrounding export including, supply side constraint and lack of transport infrastructure, among others.

A Need to Unleash the Tourism Dividends

For tourism to play an important role in the economic growth of Ethiopia, its dynamics should trace a positive trajectory, and this will happen if one develops and market the destinations. To put it differently, lack of effective marketing and the inadequate tourism facilities will hamper tourism flow. Whatever be a country endowed with awe-inspiring network of tourist destinations, one must never lose sight of the necessity to market it in the major tourist generating countries. What should be precisely compelling countries to rethink is a changing calculus of sources of economic benefits from tourism globally. This day and age, and beyond doubt, China must be kept at the forefront.

In recent years, the number of Chinese tourists travelling to various tourism destinations of the country is increasing, driven predominantly by growth in national income, the rise in middle-class households, extra holidays, easing travel restrictions and greater desire for experiencing different cultures and activities. The capacity of the Chinese people to travel abroad is growing rapidly and is expected to reach 200 million by the year 2020. Fortunately, Ethiopia has been granted an "Approved Destination Status" for Chinese tourists. This is aligned with the cardinal elements of FOCAC and BRI.

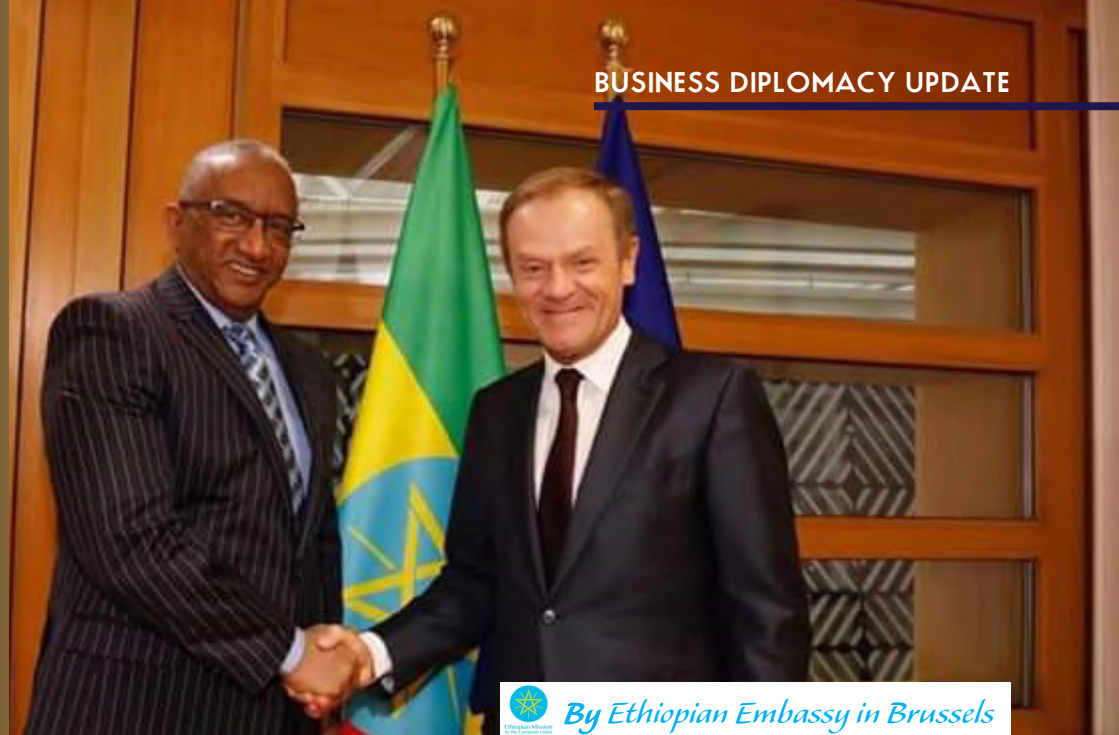
In 2017 the number of Chinese tourists visited Ethiopia reached over 45,300, and close to 4,000 Chinese passengers take transit through Addis Ababa on a daily basis using the Ethiopian Airline's flight services. Luckily, Ethiopian Airlines, which is Africa's premier carrier, operates flights from five cities in China. Nevertheless, given the number of Chinese outbound tourists and vast tourism products Ethiopia can offer to Chinese leisure tourists, there is a tremendous potential for further cooperation. Here, it is impossible to deny that a coordinated promotion has not been properly unleashed so far. Preparing the ground for the transformation of tourism, launching aggressive marketing by being the tip of the spear in generating creative and innovative strategies, is central to the economic diplomacy of the current Ethiopian administration. This is to be predicated on a more matched approach on the demands of Chinese tourists and what Ethiopia can offer to them.



ETHIOPIA & THE EU

LINKS AT 43

AN OVERVIEW OF A MULTI-FACETED RELATIONSHIP



By Ethiopian Embassy in Brussels

EU-Ethiopia business forum 2019

The partnership between the EU and Ethiopia was formally forged when Ethiopia signed the Lomé Convention in 1975. However, the link only intensified after 1991, when the foreign policy orientation of Ethiopia shifted dramatically and became characterised by the determination to improve the lives of the Ethiopian people. It has since substantially deepened in June 2016, with the signing of an agreement towards Strategic Engagement between the two sides, which allows for the enhancement and restructuring of the partnership on bilateral issues to a more strategic level and reinforces cooperation between the two partners. It focuses on six sectoral dialogues including regional peace and security; countering terrorism and violent radicalisation; migration; social and economic development, investment and trade; governance and human rights; and climate change and environmental cooperation that will be reviewed during annual high-level meetings and regular senior officials' meetings.

The closeness relationship is primarily due to the shared vision shared by Ethiopia and the EU when it comes to crucial issues such as development, stability and more recently, migration. In consequence, the EU has supported Ethiopian development and its people for many years, including by investing in infrastructure, food security and healthcare projects.

The importance of business

A sectoral dialogue on social and economic development, investment, trade and climate change have been held in Addis of 2 and 3 July 2018. The EU and Ethiopia appreciated the extremely constructive discussions, and Ethiopia demonstrated a firm commitment for liberalisation, opening and regional integration. Both sides agreed to continue to have this kind of discussion yearly, and progress was made to organise an EU-Ethiopia business forum in Brussels.

Enhancing trade ties between Ethiopia and European Union member States has been a priority since 2011 when Ethiopia hosted its first EU business forum in Addis Ababa, which intended to bring Ethiopian businesses closer to Europe. The business forum is a signal that many active investors in Ethiopia have a strong link to the EU.

Reinforcing economies ties between the world's biggest single market and Africa's fastest growing economy makes much sense. Ethiopian businesses enjoy preferential conditions to export to the EU with duty and quota-free entry for all products. In addition to the EU being Ethiopia's primary trading partner, there are currently around 300 European companies active in Ethiopia, making it a principal investor in this fast-growing African economy.

Boosting Employment

More importantly, Ethiopia has identified generating a sustainable growth which benefits all as a top priority. The lack of employment opportunities had indeed been recognised as one of the critical factors of the protests that shook the country in 2015-2016. The Second Growth and Transformation Plan (GTP II, 2016-2020) plans to create one million jobs in the sector, 70% of the opportunities are expected to benefit the Youth and Women. The government is also pioneering new operational models to support job creation. For example, Ethiopia is focusing on building state-of-the-art industrial zones, which will provide jobs to both some of the more than 900,000 refugees the country is hosting and Ethiopian nationals.

Organising a joint-business forum between the EU and Ethiopia is therefore entirely in line with the EU's vision and interests in the country and should be a key priority in the continuation of the discussions.

The envisaged EU- Ethiopia Business Forum will take place in Brussels from May 14-15, 2019. "Doing business in Ethiopia" being the main discussion agenda during the business forum, interaction will be made between high level Ethiopian officials and business enterprises on the one hand and EU investors in sector specific workshops on the other. Some of the largest European companies, already active in Ethiopia, will share their experiences during the panel. It is expected some 200 participants (business companies from all over Europe and Ethiopia, EU and Ethiopian officials included) will be attending the event.



The Japan International Cooperation Agency (JICA), together with the Leather Industry Development Institute (LIDI) and Ethiopian Leather Industries Association (ELIA) has been working to promote Ethiopian Highland Leather (EHL) since 2015 using the Champion Product Approach.

With Ethiopia's push to increase exports, and the rapid construction of industrial development parks, JICA has identified that export promotion activities need to be undertaken in parallel to ensure that there will be a market for the goods that are being produced.

With that in mind, Ethiopian Highland Sheep Leather has been identified as a product that embodies the uniqueness of Ethiopian culture and one that is of the highest quality among Ethiopian products.

The project has identified local companies working with sheep leather, either making bags or shoes, to train and mentor. Technical support is provided in the areas of competitiveness (how to design quality items), quality control (to meet international standards), productivity improvement (inspecting consistency of products) and improving marketing skills.

The project has conducted studies on the leather market and visited international trade shows to identify how to position EHL in the market. The current phase of the project is to ensure that the EHL brand is properly managed (by requiring companies to be certified before using the brand name and logo) and internationally recognized, and quality products are available to meet the brand promise.

Japanese experts supporting local enterprises

During the project expert teams from Japan, including from leather chemical makers TFL, visited seven Ethiopian partners to support various activities such as marketing, design quality and production line management, and more. One of the experienced experts is from a well-known Japanese designer brand and another that has experience in presenting footwear collections in lead-

JICA AND ETHIOPIAN HIGHLAND SHEEP LEATHER (CHAMPION PRODUCT APPROACH)



By Ethiopian Embassy in Tokyo

ing fashion centres such as Paris. The Japanese experts demonstrated to the Ethiopian partners how they should display and market their leather products during the fair and allow visitors at the show to establish business opportunities in Ethiopia through the project. An office was established in the LIDI headquarters, where the project is coordinated on the ground.

The nine experts from Japan have held workshops and training sessions inside the companies and focussed on key elements such as quality control, production line management, hand crafting and mechanical techniques to produce high quality and consistent articles made from locally sourced finished leather. ELIA reports that since the specialists from Japan have been working with the local companies they have been able to achieve better results in terms of improved quality of finished leather and leather products. As a result of the ongoing project, ELIA has seen improvements in the way the products are made and marketed with the international market in mind.

Back story of Highland Leather from Ethiopia

Following the training programmes at the seven Ethiopian partners chosen for the project, a marketing presentation was created showing the assets from each company and telling a back story of how the product was made and where it came from. Ethiopia is globally known for producing hairsheep and goatskins that are highly suitable for gloving and garment leather. The animals live across the vast Ethiopian plateaus, often at altitudes over 3,000 metres. The local producers make leather that is light, thin, soft and yet strong and durable. The project focussed on the unique physical characteristics of the local raw materials centred on the 1,860 pores/cm², which create a soft, thin, smooth yet strong grain.

Moving on from the finished leather, the EHL project focusses on the growing finished leather product manufacturing

base in Ethiopia where a range of garments, footwear and leather goods have been created using local leather. The items to be displayed in Paris include leather jackets, handbags, footwear, wallets and purses, and leather goods for both men and women.

In terms of marketing, the project concentrated on how it was produced from the world's finest quality sheep leather, "Proudly Made in the Highlands of Ethiopia."

JICA together with the Ministry of Trade and Industry (MoT) is currently conducting research studies to identify Ethiopia's next

Champion Product.



THE BDU IN NUMBERS



NEWS SOURCE BY CONTINENT



HEADQUARTERS



EXTERNAL SOURCES

NEWS TYPE



73
**INVESTMENT
PROMOTION**



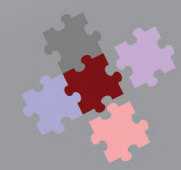
23
**TRADE
PROMOTION**



3
E
OTION



15
TOURISM
03
MINING



02
TECHNOLOGY
07
OTHER



ETHIOPIAN INVESTMENT OPPORTUNITIES SHOWCASED IN ITALY



Ethiopian Embassy in Rome in Collaboration with BonelliErede company organized a three leg investment forum dubbed Ethiopia is open for investment in Genova, Milan and Vicenza cities of Italy from April 3 to 5 2019.

The event which showcased Ethiopia's Investment Opportunities and policy incentives was attended by the leaders of Business organizations, captain of industries, and representatives from more than 120 companies.

The Forum was opened by H. E Amb. Zenebu Tadesse Ethiopian ambassador to Italy flanked by Amb Dewano Kedir, Permanent Secretary for Economy Diplomacy at the Ministry of Foreign Affairs of Ethiopia, in addition to the extensive deliberations and discussions on Ethiopian investment opportunities and business climate, the audiences listened presentations on Ethiopian Investment Opportunity and Incentives from the podium.

In his key note address Amb. Dewano Kedir, Permanent Secretary for Economy Diplomacy, expounded the Business and Investment opportunities and policy incentives available for foreign investors that are investing in Ethiopia and pointed out that the recent political and economic reforms happening in Ethiopia will

create more conducive and favorable environment for business to thrive with.

“Despite all the challenges we face, Ethiopia is the best destination for foreign investors in Africa”

Ambassador Dewano Kedir PS for Economy Diplomacy in MoFA”

Furthermore, Ambassador Dewano Kedir reiterated Ethiopia is perfectly positioned and bestowed to be a strategically natural gateway to regional markets and its close proximity to the major global economies makes it the best candidate for investment and trade, which he further remarked, will provide huge comparative advantage to prospective Italian investors who are interested to invest in Ethiopia. Likewise he urged Italian business companies to consider investing in textile, leather processing industries, agro-processing, mines and energy and other manufacturing sectors since Italian companies are globally respected with their outstanding expertise and technology and accumulated profound experience in these areas.

experience in these areas.

Finally, the participants thanked the embassy for organizing a successful event and expressed their interest to invest in Ethiopia.

By Ethiopian Mission in Rome





THE 2ND ETHIO-BRAZIL TRADE AND INVESTMENT FORUM



The 2nd Ethio-Brazil Trade and Investment Forum was held on Thursday last week (March 28) at the World Trade Centre, Sao Paulo. The Forum, organized by Ethiopian Embassy in Brasilia, WAFA Marketing and Promotion PLC and the São Paulo World Trade Centre, brought together nearly a hundred private sector business representatives, 80 from Brazil, as well as dozens of other interested participants.

Opening the Forum, Ambassador Yalew Abate, Ethiopia's Ambassador to Brazil noted that despite more than half a century of diplomatic relations there had been no strong growth in trade and investment between the two countries. He said bilateral relations had to be translated into meaningful economic ties between their business communities. He strongly advised members of the private sectors of each country to spearhead activities to boost trade and stressed the readiness of the Embassy to support potential investors in Ethiopia.

Mr Zemedeneh Negatu, the Global Chairman of the Fairfax Africa Fund and the former Managing Partner for Ernst and Young (E&Y) in Ethiopia and Head of the Transaction Advisory Services for Eastern Africa, also detailed reasons for Brazilian investors to invest in Ethiopia. He encouraged Brazilian entrepreneurs to establish joint ventures with their Ethiopian counterparts. Others who shared their experiences of establishing businesses in Ethiopia were Ms Natalia Melo, CEO of Standard Bank, the largest private bank in Africa, and Mr Lucas, CEO of CBA Sementes, a company working to empower potato producers by increasing profitability; it is now in the final stages of preparation to invest in Ethiopia.

Following presentations, the Forum concluded with a series of Business to Business discussions between Ethiopian and Brazilian participants.

By Ethiopian Mission in Brasilia

ETHIOPIA PARTICIPATES AT THE WORLD TRAVEL MARKET LATIN AMERICA



Ethiopia participated in the World Travel Market Latin America exhibition in Sao Paulo from April 2-4, 2019.

The World Travel Market (WTM) Latin America is an event which brings together professionals and decision makers representing the global travel and tourism industry. It is an important platform for promoting tourism internationally. This year, Ethiopia was represented by a number of outstanding companies including Ethiopian Airlines, and a number of the country's best known tour operators.

The Embassy of Ethiopia in Brasilia promoted Ethiopia's tourist destination in collaboration with Ethiopian Airlines and tour operators from Addis Ababa. On the occasion, tour operators from the capital got the chance to network and close business deals with Latin America travel professionals.

The potential for tourism in Ethiopia and the efforts to improve it were also highlighted at a press conference by a Brazilian tour operator who had recently visited the country.

Ethiopia is a favored tourist destination, whose unique cultural heritage, rich history and remarkable biodiversity is reflected in a tally of nine UNESCO World Heritage sites.

By Ethiopian Mission in Brasilia



ETHIOPIAN CONSULATE GENERAL IN CHONGQING PROMOTING INVESTMENT



An investment promotion event organized by the Ethiopian Consulate General Office in Chongqing in cooperation with the Mianyang Bureaus of Commerce and Foreign Affairs has taken place in Mianyang city on 27th of March 2019.

The event was organized with the purpose of promoting Ethiopia's conducive environment for investment and to encouraging the manufacturing company from Sichuan province to invest in Ethiopia. It was attended by Mr. Kebede Abera, Consul General of the Ethiopian Consulate General Office in Chongqing, H.E. Mr. Xian deputy Secretary General of Mianyang Municipal people's Government of Sichuan province, Mr. Pan Da Qin, Director General of Mianyang Bureau of Commerce and over 52 participants along with 27 companies coming from Sichuan manufacturing companies and business communities.

H.E. Mr. Xian has opened the event with a speech on which he presented the basic facts about Mianyang city and emphasized the long existing political and economic relations between Ethiopia and China. Apart from this He also mentioned the growing investment and trade volume between the two countries.

At the Event, Mr. Kebede Abera has delivered a speech, in which He mentioned that Ethiopia has long standing relations with the People's Republic of China and underlined that the Comprehensive Strategic Cooperative Partnership between Ethiopia and China has been critically important in China-Africa cooperation. He also state that Ethiopia has been actively participating in most development initiatives such as the BRI, FOCAC and others. Furthermore a concise presentation was also made, regarding the investment opportunities in Ethiopia and trade status, the incentives provided in priority investment areas and the pulling factors for Foreign Direct Investment in Ethiopia. Finally he invited the Sichuan manufacturing Companies to invest in Ethiopia in win-win cooperation.

On the other hand, a brief presentation was also made by Mr. Qian former Economic counselor at Chinese Embassy in Ethiopia, regarding the Ethiopia's investment environment and untapped investment potential in Ethiopia.

By Ethiopian Mission in Chongqing

US INVESTORS HAVE SHOWN STRONG INTEREST TO INVEST IN HOSPITALITY INDUSTRY



A delegation of 14 members including government officials and private sector representatives from Miami Dade county led by the commissioner of Miami Dade county have visited Ethiopia on march 31st. upon arrival the group was received by higher government officials and private sector representative at bole international airport. During their two day visit the the group has conferred with several government officials including Ethiopian Investment Commission and Ministry of Culture and Tourism higher officials.

The delegation has received a detailed information about the massive investment opportunity in Ethiopia and attractive policy packages available for foreign investors. The delegation expressed their content with the investment climate of Ethiopia and their keen interest to invest in the tourism and hospitality industry of Ethiopia. Finally, the commissioner of Miami County proposed his interest to establish a twining relationship of Miami city with one of the Ethiopian cities that is known with its tourism potential. The Ethiopia-Miami Business Forum was also organized by the Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) in Partnership with Economic Development & Tourism Agency of Miami-Dade County on April 2, 2018 at Hilton Addis Hotel.

On the occasion, representatives of Miami business companies have made business to business matchmaking meetings with their Ethiopian counterparts.

During the Miami Branding Luncheon, explanations about economic impact of Miami-Dade County, Miami International Airport, Miami cargo services to Africa and Ethiopia, trade with Africa and Ethiopia, Port Miami, Miami tourism opportunities, and its unique resources as a brand have been delivered to participants. Roundtable discussion has also been conducted between business women of the two sides regarding how to collaborate, work together, and strengthen their business networking and related issues. The interaction and sharing of international best practice with the Miami-Dade County on how to attract trade and investment have been of mutual benefit to both parties. Trade and investment will help both of economies to grow, and that will, in turn, be to the economic benefit of both parties.

By Ethiopian Mission in Washington



ETHIOPIAN EMBASSY CONDUCTS TRADE AND INVESTMENT PROMOTION



The Embassy of the Federal Democratic Republic of Ethiopia in Berlin and the Honorary Consulates in Bremen and Hamburg work closely to promote Ethiopia's trade and investment objectives in Germany. To this end, Ethiopian Embassy in Berlin along with Honorary Consulates in Bremen and Hamburg participated at a round table discussion which was held between Ethiopian and German Business companies in Berlin on March 21, 2019. The discussion was aimed at bringing together business communities of the two nations. The event was organized by "Afrika Verein Der Deutschen Wirtschaft" (an association that works to promote economic relations between Germany and African countries) in collaboration with Ethiopian Embassy in Berlin.

Deputy Head of Mission, Mrs. Mulu Worku, Mr. Heinrich Köhle, Ethiopia's Honorary Consul in Hamburg; a high level representative from the Ethiopian Chamber of Commerce and Sectoral Associations as well as diplomats from the Ethiopian Embassy also took part in the discussion. Mrs. Mulu Worku briefed the German business group on Ethiopia's political reform, economic opening up and privatization process of public owned enterprises. The group was also informed about the measures that have been taken by the Government to ease doing business in Ethiopia.

On the other hand, the Embassy made fruitful discussions with the Honorary Consuls of the Federal Democratic Republic of Ethiopia in Bremen and Hamburg, Mr. Thomas Gerkmann and Mr. Heinrich Köhler respectively on the March 19 and 21. The Embassy used the occasion to thank both Honorary Consuls for their commendable work in promoting trade, investment and enhancing Ethiopia's image as well as protecting the rights of Ethiopian Diaspora in their respective regions. The Honorary Consuls on their part expressed their candid commitment to work with the embassy through exchange of updated information, organizing various events, and holding similar meetings to assess the progress in this regard.

By Ethiopian Mission in Berlin

ETHIO-RUSSIA TRADE AND INVESTMENT FORUM HELD IN ST PETERSBURG



An Ethio-Russia Trade and Investment Forum was held in St. Petersburg, Russia, on April 11th. Organized by the Mayor Office of St. Petersburg in collaboration with the Ministry of Foreign Affairs and the Ethiopian Embassy in Russia, the Forum is expected to help to provide a boost to trade and investment relations between Ethiopia and Russia and enhance technology transfer.

The Forum brought together over sixty governmental and non-governmental organizations, and senior government officials. It will also create an opportunity for Ethiopian companies and their Russian counterparts to establish business ties in a number of areas including agriculture and horticulture.

During the event Ambassador Alemayehu Tegenu, highlighted the lucrative investment and trade opportunities in Ethiopia and called on Russian companies to seize these opportunities.

By Ethiopian Mission in Moscow



Ethiopian Investment Commission, Siemens AG Sign MoU on Sustained Partnership



The Ethiopian Investment Commission (EIC) has signed a Memorandum of Understanding (MoU) with Siemens AG, the largest industrial manufacturing company in Europe. The MoU was signed here in the presence of Mr. Joe Kaeser, President and Chief Executive Officer of Siemens AG.

The agreement paves way for the Ethiopian Government and Siemens to jointly deliver on the vision of creating an elaborate platform and to follow through possibilities for sustained partnership and funding models – focusing on stabilizing and expanding existing grid infrastructure. It further outlines to establish innovative mediums for partnership between multi-nationals, public institutions and other key stakeholders, said Abebe Ababayehu, Commissioner of EIC. It further seeks to foster vocational training in engineering disciplines and strengthening small and medium sized local businesses, he added.

Emirati investors are attracted by opportunities in Ethiopia,” the commissioner said.

According to Abebe, decisions to privatize state-owned companies, institutional reforms, and the construction of industrial parks are some of the reasons for the FDI growth.

The strengthening of diplomatic relations with several countries in the past several months is also one reason for the increased inflow of FDI.

To further accelerate FDI flow into the country, the commissioner said Ethiopia is looking at simplifying import-export process, strengthening one-stop services in industrial parks, improving customs process, and helping investors.

“We have established a task force to review our investment law. If we fill the gap on the investment law, we believe this will also be the other attraction for flow of FDI in the coming years,” the commissioner stressed.



Ethiopian coffee exporters attending the Specialty Coffee Expo in Boston

More than 40 Ethiopian coffee exporting companies, producers and cooperatives are attending the Specialty Coffee Expo, which is being held in #Boston from April 11 to 14, 2019. The Coffee Expo, organized by the Specialty Coffee Association (#SCA), is the leading trade show and the ultimate networking platform for the coffee industry. Over 3,900 exhibitors and 9,000 attendees from across the globe participate on the Exhibition.

The Ethiopian delegation was led by H.E. Mr. Misganu Arega, State Minister of Trade and Industry and consists of senior officials from different government institutions as well as leading coffee exporters and coffee farmers cooperatives. America is one of the largest markets for Ethiopia’s fine coffees.

During the Expo, a memorandum of understanding (MOU) was signed with the Alliance for Coffee Excellence (ACE) to hold the most coveted coffee competition Cup of Excellence in Ethiopia in 2020

4 BILLION FDI

Foreign Direct Investment in Ethiopia Reached 4 Billion USD in 2018

March 25, 2019 -- Foreign Direct Investment has been growing in Ethiopian during the last four years, reaching four billion USD in 2018, according to the Investment Commissioner, Abebe Ababayehu.

The Ethiopian Investment commissioner attributed this growth to the reform agenda going on in Ethiopia right now, according to Ethiopian News Agency report. “Recently, huge number of new investment interests has come from France and about 80



IFC, CUSTOMS COMMISSION SIGN AGREEMENT TO REFORM ETHIOPIA'S CUSTOMS, TRADE LOGISTICS

IFC, a member of the World Bank Group, has signed a cooperation agreement with the Ethiopian Customs Commission (ECC) to provide advisory support aimed at supporting the ECC's efforts to reform the trade logistics landscape of Ethiopia.

The agreement provides a framework for advisory support to be implemented in a three-year program in partnership with ECC as well as other public and private sector stakeholders. The time and costs related to import-export are one of the major impediments to Ethiopia's economic growth, where bureaucratic hurdles, inefficient regulatory framework, and poor coordination between government agencies have been affecting the efficiency of cross-border trade.

IFC, through its Investment Climate facility, has been working with the Ethiopian Revenue and Customs Authority (ERCA), ECC's predecessor, since 2013 to improve the country's investment climate. The cooperation resulted in improved trade facilitation environment, particularly by reforming the legal and regulatory frameworks, initiating customs risk management, launching the national Electronic Single Window (eSW) system, and streamlining of documents and procedures.

The agreement is a continuation of the previous initiative and has the following major expected outcomes:

- ◇ Improve ECC's Customs Risk Management: ECC applies risk management and classifies import and export shipments in to different risk channels (red, yellow, green, and blue) to control consignments that present a risk and to facilitate legitimate trade with the aim of facilitating trade, thus cutting down time and costs of trading, the program targets reducing red-channel rates for import from the current 30 percent, increasing the green channel up from 15 percent, and significantly boosting risk management implementation for export cargo that is in its infancy.
- ◇ Establish Streamlined Transit and Border Crossing Procedures: About 95 percent of Ethiopia's import-export trade passes through the Djibouti transit corridor, so improving trade logistics of this corridor is vital. The bilateral agreement between Ethiopia and Djibouti provides a related legal framework, which is not fully implemented. Therefore, the program will identify opportunities to implement common or harmonized procedures, and supporting the operation of a joint border committee within the framework agreement.
- ◇ Implementation of the National eSW: The Government of Ethiopia (GoE) had partnered with IFC and launched

the eSW in 2013 as one of the tools to improve the country's investment climate. The eSW serves as a common electronic platform integrating all regulatory agencies and stakeholders involved in international trade, and enables electronic submission and processing of trade documents and data required for customs clearance.

IFC promised support the rollout and development of eSW through streamlining the various laws and regulations and their alignment with the newly designed Business Process Reengineering (BPR) at government agencies; provide capacity building of participating agencies; and designate proper procedures to integrate risk management.

The cooperation agreement was signed at ECC's office between Dahlia Khalifa, Senior Manager at IFC; and Debele Kabeta, Commissioner of ECC.

During the signing ceremony, Commissioner Debele said, "IFC's advisory support will tackle significant drawbacks in the trade logistics sector. This partnership aligns with the Government of Ethiopia's priorities for improving the trade logistics landscape and coincides with the National Doing Business Reform Initiative spearheaded by the Prime Minister Dr Abiy Ahmed."

Dahlia Khalifa said "Supporting an improved environment for business to trade helps expand opportunities for private investors to play a bigger role in Ethiopia's development. Today's agreement continues and expands our longstanding partnership with the Commission through a renewed deal to improve the trade logistics sector. The Commission has again demonstrated its commitment to realize concrete reforms that will positively impact the economy at large."



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F.D.R.E. MINISTRY OF FOREIGN AFFAIRS

The Ministry of Foreign Affairs of the FDRE is committed to promote sustainable investments that contribute to inclusive economic growth, with job creation, knowledge transfer and capacity building. It works in coordination with F.D.R.E. missions and foreign representations in Addis Ababa.

This biweekly bulletin is prepared in view of informing the public and the diplomatic community on investment, trade, technology transfer and tourism activities undertaken by the Ministry of Foreign Affairs as well as the opportunities in those sectors.

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