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F.D.R.E.

MINISTRY OF  
FOREIGN  
AFFAIRS



# BUSINESS DIPLOMACY UPDATE

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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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## IPDC: A VEHICULE OF ETHIOPIAN INDUSTRIAL GROWTH



Ms. Lelise Neme is the CEO of the Industrial Parks Development Corporation (IPDC)

**BDU:** Since it began operations in 2014, the Ethiopian Industrial Parks Development Corporation (IPDC) has been hailed as the vehicle for Ethiopia's industrial growth. Why did the government need to create the IPDC and how is the corporation living up to its mandate so far?

**Ms. Lelise:** The Industrial Parks Development Corporation (IPDC), established in 2014 as a public enterprise, is mandated to develop and administer industrial parks to:

- develop and administer industrial parks, lease developed land, lease and sell/transfer land, construct industrial buildings, Sell/ lease buildings,
- prepare detailed national industrial parks master plans based on the national Industrial Parks master plan,
- serve as the industrial park land bank in accordance with the agreements concluded with regional governments.
- ensure necessary infrastructure to the industrial parks in collaboration with the concerned bodies.
- it is also mandated to promote extensively the benefits of industrial parks

This was done in view of:

- Sustaining the rapid, broad based and equitable economic growth.
- increasing productive capacity and efficiency,
- speeding up the transformation of the domestic private sector,
- building the capacity of the domestic construction industry and bridge critical infrastructure gaps,
- proactively managing the ongoing rapid urbanization,
- accelerating human development and technological capacity and ensuring sustainability,
- making the manufacturing industry have the leading role in the economic structural change, to increase the share of the industry sector GDP from the current 13% to 22% by 2025, and
- pursuing the growth through 'The Export-Driven Industrialization Strategy' focusing on the development of the light manufacturing industries by attracting both domestic and

*" It is believed, that well-planned and equipped industrial parks stimulate the relocation of industries to semi-urban or rural areas, help to relieve congestion and pollution in metropolitan areas, strengthen the industrial base of small and medium-size industries and reduce rural-urban migration."*

foreign investor to bring sustainable development.

**BDU:** It has been well recognized that IPs made important contribution to the socio-economic development. What kind of measures the government has taken to upgrade the planning quality of IPs? What are your priorities in terms of upgrading infrastructure within the different IPs?

**Ms. Lelise:** It is believed, that well-planned and equipped industrial parks stimulate the relocation of industries to semi-urban or rural areas, help to relieve congestion and pollution in metropolitan areas, strengthen the industrial base of small and medium-size industries and reduce rural-urban migration. The core components of the strategy are as follows :-

### 1. Master Planning

A vision/value proposition identifies the elements that give the zone value to an investor.

- Planning principles identifies core development principles for the zone.

- A master plan sets out the plots, infrastructure, and services within the zone.

- A land use plan identifies the permitted land use designations within the zone.

- A zoning plan sets out the height, density and setback requirements within the zone.

- A phasing plan identifies the phasing of the zone project according to potential demand.

- Infrastructure plans identifies the entire on-site infrastructure for the project.

- Environmental and social impact assessment identifies environmental/social concerns and sets out mitigation measures.

- Development guidelines: Development rules to keep the integrity of the zone.

### 2. Identification of Comparative and Competitive Advantages

This refers to the feasibility study should include the following components: (i) market assessment and demand analysis; (ii) master planning and preliminary cost estimates (iii) site specific environmental and social impact assessments (ESIA) and resettlement action plan (RAP), (iv) economic and financial analyses including detail analysis at macro and micro level that verified the projects being

viable.

*Continued on page 2 >>>*

## GERMANY REAFFIRMS COMMITMENT TO HEIGHTEN INVESTMENT TIES WITH ETHIOPIA



H.E. Prime Minister Abiy Ahmed and German President Frank-Walter Steinmeier

From 27 to 30 January, German Federal President Frank-Walter Steinmeier paid a state visit to the Federal Democratic Republic of Ethiopia. The German President met with President Sahle-Work Zewde and Prime Minister Dr Abiy Ahmed and discussed bilateral issues He also attend a roundtable discussion with members of the German and Ethiopian business communities. The Presi-

dent witnessed MoU signing ceremony between the Ethiopian Investment Commission (EIC) and Volkswagen that enables the latter to set up an automotive industry in Ethiopia.

The MoU was signed by Abebe Ababayehu, Commissioner of EIC and Thomas Schaefer, Head of Volkswagen Sub-Saharan African Region in the presence of German President Frank-Walter Steinmeier and Ethiopia's Minister of Finance, Ahmed Shide.

*Continued on page 2 >>>*

**GERMANY REAFFIRMS... >>> Continued from page 1**

Ethiopia has become the third country in Sub-Saharan Africa to sign MoU with Volkswagen to start car assembly in the last six months after Ghana and Nigeria. The MoU paves way for Volkswagen and the Ethiopian government to jointly deliver on the vision of developing a suitable and vertically integrated automotive industry cluster in Ethiopia.

Volkswagen will focus on four key pillars: the establishment of a vehicle assembly facility, localization of automotive components, introduction of mobility concepts such as app-based car sharing and ride hailing as well as the opening of a training center.

As such, Volkswagen will work closely with the Ethiopian higher education and training institutions for skills development and capacity building of local talent.

Volkswagen has been manufacturing vehicles in South Africa since 1951. In Africa, Volkswagen also has vehicle assembly operations in Algeria, Kenya and Rwanda.

Speaking at the occasion, EIC Commissioner Abebe Abebayehu affirmed that the government of Ethiopia is fully committed to support the establishment of specialized clusters. He also pledged that the nation will work proactively with Volkswagen and all key government agencies to effectively translate this partnership into concrete action and actual investments.

Thomas Schaefer, Head of Volkswagen Sub-Saharan African Region appreciated the government of Ethiopia for its support and identifying the automotive sector as one of the key manufacturing industries. He added that the MoU has been signed with Ethiopia is a demonstration that Volkswagen is gaining momentum in the Sub-Saharan region. "As one of the fastest growing economies and with the highest population in the continent, Ethiopia is an ideal country to advance Volkswagen's Sub-Saharan Africa development strategy," he stated

During their meeting with Prime Minister Dr Abiy Ahmed last October in Addis Ababa, senior executives of Volkswagen (VW) expressed their keen interest to invest in Ethiopia. The Premier assured VW that the government will do everything to help VW invest in Ethiopia.

Germany reaffirmed its commitment to further heighten trade and investment relations with Ethiopia, according to German President's Economic Affairs Head Dr. Johannes. This was disclosed when the German business delegation led by Dr. Johannes visited Ethiopian Ministry of Innovation and Technology. The two parties discussed on wide array of bilateral issues ranging from boosting industrialization to trade and investment opportunities in Ethiopia.

During the discussion the Association of German Chambers of Commerce and Industry (DIHK) announced its plan to open an office in Addis Ababa in 2019 to foster business relations. The office will foster Ethio-German trade relations and be a focal point for German companies looking for business opportunities in Ethiopia and vice versa.

DIHK, involving 140 AHK offices and 3,500 German companies in 92 countries worldwide, represents the entirety of German companies. In a Survey undertaken by German Industry and Commerce in Eastern Africa (AHK), German companies operating in Ethiopia have expressed high optimism of business and economic growth in the country. The first business outlook survey of its kind involved 39 German companies present in Ethiopia. The survey reports that 69% of the German companies expect their businesses to grow within the next twelve months, 54% expressed interest in expanding their local operations, while 64% are satisfied with their current status in the country. Many were keen on creating local employment opportunities. "Of course, there are still some challenges such as the forex shortage which has hampered international business. Nevertheless, this country is ripe with opportunities for partnership, trade, and investment, said Maren Diale-Schellschmidt, Country Director, and Delegation of AHK. She also announced that AHK proposes to open its office in Ethiopia in 2019.

More than 35 German companies have invested in Ethiopia's horticultural sector, transport industry, logistics, and the pharmaceutical industry. An investment protection agreement was signed in January 2004 and entered into force in 2006.

**IPDC: A VEHICULE ...**

&gt;&gt;&gt; Continued from page 1

Recognizing this, the country's Growth and Transformation Plan- II (GTP-II) is putting emphasis on rapid industrialization, with industrial parks and foreign direct investment (FDI) as its key drivers in view of developing comprehensive, integrated, multiple or selected functions of industries, based on a planned fulfillment of infrastructure and various services such as road, electric power and water, one stop shop and have special incentive schemes, with a broadview of achieving a planned and systematic development of industries as well as mitigating the impacts of pollution on the environment

**BDU : Construction of industrial parks can follow three paths: designed by the government on behalf of the government, through public-private partnership with the Industrial Parks Development Corporation, or private developers only. What kind of developers are you looking for and how can they qualify?**

**Ms. Lelise:** We are looking for IP's developers pursuing the growth through: -

An export-driven Industrialization focusing on Light - Manufacturing Industries capable of attracting both Domestic and Foreign Investors to bring Sustainable Development. The creation of a strong foundation for manufacturing industries to start playing a leading position/role in the national economy as a source of employment, foreign exchange earnings and savings. Accelerating industrialization and economic transformation and development of the country through the establishment of Industrial Parks in strategic locations to attract productive FDI & Domestic investment, enhance export development, mitigate environmental pollution and promote development of urbanization as well as industrial parks developers that will provide strong support to build Parks into a modern industrial city with a modernized industrial system.

**BDU : One of the IPDC's aims is to form strategic partnerships with the private sector, both nationally and internationally. What has been your experience of working with the international community so far and what is your strategy for attracting the best partnerships?**

**Ms. Lelise:** Being mandated as a facilitator of land bank and sole infrastructure provider up to redline for private industrial park developer, IPDC is committed to work with private industrial parks developer so as to realize national industrial parks development agenda to: -

- Ensure that Industrial parks development programs are focused where they can best complement and support comparative advantage, as validated through a detailed strategic planning, feasibility, and master planning process.

- Integrate IPs as part of a broader package of industrial, trade, and economic development policies.

- Put IPs on the regional integration agenda, with an emphasis on their role in facilitating regional production scale and integrating regional value chains,

- Promote private sector participation and public-private partnerships (PPPs), along with technical assistance for structuring and negotiating PPP deals.

- Develop entry into global markets which allows for sustained income growth, that is, making the best of globalization.

**BDU : How are you working with the Ethiopian Ministry of Foreign Affairs and the country's 60 diplomatic missions in order to promote the benefits of these industrial parks to the international market?**

**Ms. Lelise:** Working as Industrial parks Marketing and Promotion Strategic partner in terms of:

**Networking:** Industrial park marketing involving EIC, Foreign Embassies, international sector associations, national chambers, consultants) depending on the business culture of the target market;

**IP's marketing & Promotion:** To improve an IP's image within the investment community as a favorable location for investment complemented by direct IP marketing and promotion, B2B meetings, outreach campaigns, facilitation and aftercare servicing etc

**IP's Investment Generation:** Conducting Industry or Sector-specific IP investment outreach campaigns from source country to host country or vice versa;

Develop close collaboration/Partnership with the Ministry of Foreign Affairs and our 59 diplomatic missions abroad to market IPs, thereby achieving our national development goals.

**There are a variety of forms of economic relationships prevalent in the global economy;**

**Technology and know-how** – having command over scarce technologies and know-how

**Marketing** – possessing better marketing capabilities and/or valuable brand names

**Relational** – having superior quality relationships with suppliers and customers

**Policy** – operating in an environment of efficient government; constructing barriers to the entry of competitors

**Infrastructural** – access to high quality infrastructural inputs

**Financial** – access to finance on better terms than competitors

**Are there any specific types of new investments that you are more interested in attracting to Ethiopia?**

Investment in the following sectors have been given priority by the government and we work with various stakeholders to promote them: Textile and Garment / ICT / Leather and Leather Products / Chemicals and Construction Inputs Manufacturing Industries / Food, Beverage and Pharmaceutical Manufacturing Industries / Metals and Metals Products Manufacturing Industries / Electronics and Electrical products manufacturing industries etc.

**BDU : Many critics say that IPs really only allow companies to exploit workers without regard for social and other rights. What do they miss?**

**Ms. Lelise:** They missed an integrated and inclusive approach of IP development, so that sustained economic development & transformation outcomes are best achieved all the way through: **Economic concerns:** Major industrial parks accounted for a large portion of national exports, significantly contributing to acquisition of foreign currency; - Served as the hubs of the country's industrial policy implementation, and as an incubator of the nation's strategic industries, Balanced National Development (Federal and Regional) and Acceleration of Local Economies

**Social matters:** employment opportunities, human capital management, workplace health safety, community lifestyle.

**Competitiveness:** - the growth and quality of capital investments to ensure a definite and sustained place in the market (domestic or international); as well as the productivity of the workforces.

**Environmental Impacts:** - Curtail biodiversity loss, improve renewable energy and energy efficiency, Recycling and waste management (Zero Liquid Discharge Technology (ZLD),

**Accessibility:** leverage parks assets and public benefits to enhance quality of life for the nations.

**Environmental Issues:** Biodiversity loss, greenhouse gas (GHG) emissions, climate change impacts, renewable energy and energy efficiency, resource depletion, chemical pollution, recycling and waste management, water and soil conservation, sustainable forestry practices and changes in land use and management.

**BDU : What does the future hold?**

**Ms. Lelise:** Develop a clear Industrial Parks development, operation and management strategy

Linking Industrial Parks development, operation, management, and marketing strategies with the national economic development plan

Objectively evaluate (IPDC's& IP's location's) strengths, weaknesses, opportunities, and threats including logistic and proximities to develop comparative and competitive advantage and institutional learnings

Properly target industries and geographic sources of IP investment that are most suited to location's attributes

Keep industrial parks development, operation and management strategies flexible enough to rapidly adapt to changing conditions/environmental dynamics,

Cultivate (Establish) strong institutional partnerships (Collaboration) in IP marketing. Investors pull, facilitation and aftercare services with strategic partners (within and abroad)

**BDU : Would you like to say anything else?**

**Ms. Lelise :** The Key to IPDC's success and that of our clients in this Industrial parks development, operation, management and marketing strategy is that: - We start with who the investor is, determine how that investor can fit into, and grow with IPDC. Realize our vision, values and missions, Develop standardization in all process and take action if not fit the standards, and Possesses keen and exceptional abilities to synthesize complexity, make informed decisions in ambiguous and uncertain situations, develop strategic alternatives and actions.

## DEPUTY MINISTER OF HEALTH OF CUBA VISITS THE MINISTRY OF FOREIGN AFFAIRS OF ETHIOPIA



The Cuban Deputy Minister of Health, Dr. Marcia Cobas and the accompanying

government delegation were received by the Permanent Secretary Ambassador Dewano Kedir, at the Ministry of Foreign Affairs of Ethiopia.

On the occasion Permanent Secretary Ambassador Dewano appreciated the historical ties of friendship between Ethiopia and Cuba and stressed the need to strengthen bilateral ties in business, trade and most importantly in areas including medicine, health, vaccine and pharmaceuticals.

Permanent Secretary Ambassador Dewano said, "We welcome your interest to collaborate in the area of productions of medicine as well as pharmaceuticals in Ethiopia. Health is the most important area to closely work together, adding, "Cuba has been sending medical doctors to Ethiopia for several years. We would like to encourage more engagements and assistance in this regard."

Permanent Secretary Ambassador Dewano further expressed Ethiopia's interest to explore more channels of cooperation with Cuba in science and technology, trade, and capacity building.

Dr. Marcia on her part expressed the readiness of Cuba to support Ethiopia in health, medicine, vaccines as well as primary healthcare system. She said, that Cuba is ready to work closely in the area of productions of medicine, similar projects to exchange experiences and capacity building with Ethiopia. Also participating in the meeting were the Ambassador of Cuba, Mrs Vilma Thomas and the accompanying delegation..

Accompanied by representatives of the Farmacuba and Medical Services companies, Foreign Trade and the International Financial Bank, the Cuban Public Health Deputy Minister , Marcia Cobas visited the city of Jimma and held discussions with Cuban doctors who work in the Oromia region, located at about 245 kilometers from the capital, Addis Ababa.

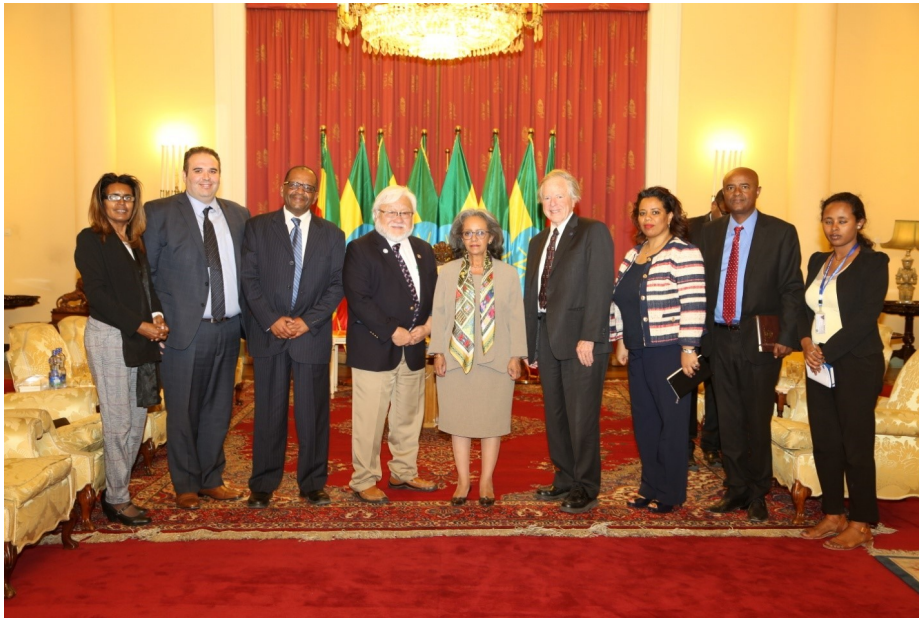
## ARBOR VITA CORPORATION LAUNCH MEDICAL TECHNOLOGY JOINT VENTURE FOR ETHIOPIA

Arbor Vita Corporation member of Board of Directors ,Ex-Congressman Mike Honda and Chairman Charles Trimble, Founder of Trimble Navigation along with Managing Director of the African Group Hashim Hashim, visited Ethiopia from 26-31 January 2019.

Arbor Vita Corporation, a privately held company, and a joint venture partner to the Ethiopian Company MedX Diagnostic plc located in Amhara regional state, presented its groundbreaking OncoE6TM Cervical

Test, a new point-of-care proteomic-based diagnostic, to Ethiopian officials.

The delegation discussed with high level officials including the Minister of Health, Dr. Amir Aman, State Minister of Foreign Affairs , Dr. Markos Tekle on the status of MedX, the Joint Venture between Arbor Vita and Health Bureau of Amhara Regional State, the manufacture of OncoE6TM cervical cancer screening programs in Ethiopia.



Cervical cancer remains one of the major causes of cancer-related deaths in women. All such cancers originate from Human Papilloma virus (HPV) infection. However, the presence of HPV is not sufficient for disease; most women clear the virus without treatment. In those who do not, the virus may eventually express elevated levels of E6 oncoprotein in cervical epithelial cells. OncoE6TM Cervical Test detects this E6 biomarker, which is responsible for the cancer-causing effects of HPV.

With the direct presence in Morocco, Arbor Vita Corporation is set to provide sales and service infrastructure in major hubs in Africa. The company is expected to leverage these hubs to support neighbouring countries

and manage an extensive channel partner network across the African continent.

The delegate also met President of Ethiopia H.E. Sahlework Zewdie at the National Palace to get support from Ethiopian Government . The President thanked Ex-Congressman Mike Honda and the delegates for their contribution to improving mortality rate of women in cervical cancer, and overall maternal health awareness.



## ETHIOPIAN EMBASSY IN JAKARTA ORGANISES ROADSHOW TO PROMOTE TOURISM



The Ethiopian Embassy in Jakarta organised a road show (inside FX Sudirman shopping center) to promote tourism, investment, trade and people to people relationships between Ethiopia and Indonesia. Indonesian officials and representatives of tour operators, travel agents, airlines and other stakeholders participated in the event.

The roadshow was organised with a view to familiarise various stakeholders in outbound tourism from Indonesia and the increasing ease with which people can travel to Ethiopia as well as the diverse tourist attractions in the country. Export samples were also displayed to provide detailed information to Indonesian buyers.

As the embassy has been taking initiatives for increasing the ease with which people can travel to Ethiopia the Embassy gave an overview on visa requirements for travel.

It is hoped that this road show will facilitate discussions on trade and investment opportunities, provide information to Indonesian companies and investors on the Investment and trade opportunities of Ethiopia, strengthen commercial ties by building bridge between the two countries and build the image of Ethiopia in Indonesia and south east

Source: Jakarta Mission

## ETHIOPIA'S IMPORTANT PRESENCE IN THE 23RD INTERNATIONAL ENGINEERING AND TECHNOLOGY FAIR



The Embassy of Ethiopia, New Delhi took part in the 23rd International Engineering and Technology Fair (IETF -2019) organised by Confederation of Indian Industry (CII), which was held from 3-5th February 2019 in New Delhi.

IETF 2019 is supported by Ministries of Government of India - External Affairs,

Ayush, Department for Promotion of Industry and Internal Trade, Electronics & Information Technology, Health & Family Welfare, Department of BioTechnology, Department of Pharmaceuticals, and Steel, National Small Industries Corporation (NSIC). IETF 2019 was attended by representatives of government, industry and media from India and Overseas over the three days.

IETF is an event for showcasing latest technologies, innovations and products across industry segments, under a common platform. IETF 2019 features three concurrent events - Health Tech India; India Gaming Show; and AI India Expo (New event on Artificial Intelligence).

Source: New Delhi Mission

## MUMBAI CONSULATE DISCUSSES WITH JANYI GROUP OF INDUSTRIES

Mumbai Consulate General discusses with Janyi Group of Industries. The group is keen to set up a cotton spinning plant and an oil refining plant using cotton, sunflower and sesame seeds with a proposed capital of 10 million USD. The Group visited Ethiopia from February 3 to 6, 2019 and discussed different governmental and private institutions including the Ethiopian Investment Commission, the Ministry of Agriculture and the Ministry of Mines, Petroleum and Natural Gas.

Source: Mumbai Mission

## ETHIOPIAN TOURISM DESTINATIONS PROMOTED IN SAUDI ARABIA



Embassy of the Federal Democratic Republic of Ethiopia in Saudi Arabia, Riyadh held a consultative forum with Saudi based tour operators and travel agents to deliberate on the main tourist attractions and destinations in Ethiopia. The forum was organized by Ethiopian embassy in Riyadh, business diplomacy section on January 31, 2019 in Crown Plaza hotel, Riyadh.

The forum was well attended by different Saudi based tour operators and travel agent companies. HE Ambassador Abdulaziz Ahmed addressed the participants on the main tourist destination and attraction sites in Ethiopia especially Al-Nejashi "Africa's first mosque" worth to visit.

Following brief presentation on Ethiopia's tourism, participants raised their concern and explanation provided accordingly. As a result consensus reached between tour operators and travel agents on the possibilities of working together with Ethiopian Embassy to promote the Ethiopian different tourism destination sites, especially the Al-Nejashi mosque. One of the companies expressed deep desire to produce documentary film on Al-Nejashi Mosque so as to introduce the ancient mosque to the Saudi Arabian people. Furthermore, a representative from Ethiopian Airlines offered a detailed presentation about the airline business that Ethiopian has been doing to increase its flow of tourists in the country. In addition, Blossom national tour operator provided an overview of the activities they have been doing in the Ethiopia targeting tourists from Middle East countries through deploying tour guides who speak the language and know the tradition.

Finally the participants reached in consensus to work closely with the embassy and Ethiopian airlines to promote Ethiopian tourism industry.

Source: Riyadh Mission

## EVENT PROMOTING ETHIOPIA'S TOURISM HELD IN LUXEMBOURG



From 18 - 20 January 2019, the Embassy of Ethiopia in Brussels vigorously promoted Ethiopian tourist destinations by taking part in an annual tourism expo, known as LUXEXPO, held in Luxembourg. Attracting more than 15,000 visitors, the expo unlocked a great opportunity to promote tourist destinations of the Land of Origins, Ethiopia. Co-organized by the

Embassy of Ethiopia and the Ethiopian Airlines, Ethiopia's booth colourfully presented tourist destinations in Ethiopia through video, printed, and oral explanations. The booth was arranged to exhibit Ethiopia's historical, cultural, and natural tourist attractions and provide information and explanations for the visitors.

Counting the unique Ethiopian cultural coffee ceremony in the show, attracted attention of many visitors, smoothed them additional opportunity to enjoy freshly-brewed coffee from its origin and to know more about Ethiopia and its tourist destinations.

Source: Brussels Mission



## ETHIOPIA PROMOTES ITS TOURISM POTENTIAL IN INTERNATIONAL FAIR IN PADOVA ITALY



The Embassy of Ethiopia in Rome participated in the International Travel Show which was held in Padova Italy from February 1-3/2019.

The exhibition offered an exceptional opportunity for countries around the world to showcase as tourist destinations, and also to promote Ethiopia's tourism potential on the international stage.

Bringing together the entire tourist market, the exhibition provides the unique opportunity for new contacts, expanding the client and partnership network, business meetings with professionals from all over the world in all sectors of the tourism industry.

Many visitors frequented the Ethiopian stand and inquired about interesting sites and activities in the country. Tourist brochures in Italian and English showcasing Ethiopia's heritage, scenery, culture and festival were distributed among the visitors. Coffee was also promoted at the fair and large crowds gathered at the stand to taste a cup of "Ethiopian Coffee".

Source: Rome Mission

## ETHIOPIA COLORFULLY PROMOTED AT THE 2019 BRUSSELS HOLIDAY FAIR



The Ethiopian Embassy, together with Ethiopian Airlines and six tour operators from Ethiopia colorfully promoted Ethiopia at the Brussels holiday fair "Salon des Vacances" from 7-10 February 2019. On the 7th of February, the Ethiopian stand was officially inaugurated by H.E. Grum Abay, Ambassador Extraordinary and Plenipotentiary to the Benelux, Baltic countries and EU, jointly with the Embassy and Ethiopian Airlines.

The Embassy representatives also met the tour operators exhibiting at the Fair and had discussions about introducing tour packages from Ethiopia.

Ethiopian coffee ceremony, national cuisine and folkloric music presented during the event inspired many exhibitors and visitors. Thus, the fair was effective to promote Ethiopia's image to the Benelux communities and could contribute to increase the inflow of tourists to the country.

Source: Brussels Mission

## ETHIOPIA COLORFULLY PARTICIPATED AT THE 36TH INTERNATIONAL FAIR OF KHARTOUM



The Embassy of the Federal Democratic Republic of Ethiopia and nine Ethiopian Companies colorfully participated at the 36th International Fair of Khartoum held from January 21-28, 2019 showcasing coffee, leather, furniture, dimensional stones and veterinary medicine produced in Ethiopia.

Featuring 15 countries and 500 local and international companies, the international fair was successful in terms of having been a great opportunity for Ethiopian companies

that took part in the fair to promote their products to the Sudan market and forge trade links and business ties with other Sudanese businesses. In this regard, the Embassy has managed to create eight market links for five Ethiopian companies engaged in coffee, leather, dimensional stones, iron works and furniture making. The Embassy also used the fair to promote investment opportunities and tourism destinations in Ethiopia.

While enjoying organic Ethiopian coffee and its ceremony, hundreds of exhibition goers braved trying out Ethiopian traditional dances to the rhythmical traditional songs playing at the Ethiopian booth. It was a great spectacle to watch as the mystical aroma of the coffee from Ethiopia and the incense from Sudan gave a new blend of flavor to the whole ambiance. It was a clear testament that the deep people to people relations between Ethiopia and Sudan are as strong as ever. However, it is worth mentioning that such a deep people to people relations needs to transcend to a higher level of economic integration between the two sisterly countries cemented in mutual cooperation to develop cross border infrastructure projects and promotion of much needed trade and investment. Hence, it was on such a vein that the Embassy colorfully participated at the 36th International Fair of Khartoum.

All roads that lead to stronger bilateral cooperation and the need for undertaking activities which bring about economic integration between the two countries cannot be over emphasized. Consequently, The Embassy's participation at the fair was successful in having created business to business links; promote tourism, trade and investment. And it is imperative for the Embassy and concerned stakeholders to continue cooperate and actively engage in activities that pave a clear pathway to the ultimate economic integration of Ethiopia and Sudan.

Source: Khartoum Mission

## COFFEE FORUM HELD IN ROME EMBASSY



Ethiopian coffee trade forum held at Ethiopian Embassy in Rome, Italy. At the event 30 potential roasters, importers, coffee entrepreneurs attended.

4 various presentations regarding the Ethiopian coffee were presented to audiences by Ethiopian Embassy business section and partner NKG Bero Italia SPA which covers 16% of the Italian coffee trade.

Source: Rome Mission

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### ETHIOPIA FINALISING MINING INDUSTRY REFORMS – MINISTER

Ethiopia will finalise reforms for its underdeveloped mining and oil sectors within the next two months as it seeks to encourage more foreign investors, its mines and petroleum minister said on Tuesday.

The country has already cut taxes for mining companies in recent years but the government wants to attract more foreign investment and ease a dollar shortage in the country.

Mines and petroleum minister Samuel Urkato said promoting the mining sector had become a priority and indicated that further tax incentives were on the cards.

"We are reforming all the laws, the national mining policy and the strategy that goes with that policy. These reforms include all fiscal regimes too in order to compete for global mining investments," Samuel told Reuters on the sidelines of the African Mining Indaba in Cape Town, South Africa.

Newmont Mining is among a number of gold companies now prospecting in Ethiopia and Norwegian fertilizer maker Yara International plans to build a potash mine and a fertiliser factory in the country.

Other companies, however, have been put off by poor infrastructure, a shortage of skilled professionals in the sector, as well as a lack of transparency in licensing, industry consultants in Ethiopia say.

Australia's BHP pulled out in 2012, while Israel Chemicals terminated a potash project in 2016 amid a tax dispute and claims the government had failed to provide infrastructure.

Since coming to office nearly a year ago, Prime Minister Abiy Ahmed has announced shake-ups across industries, including plans to open up the once closely guarded telecommunications, logistics and power monopolies.

Massive government investment in infrastructure has helped make Ethiopia one of Africa's fastest-growing economies, but exports of garments and other products have struggled to take off, meaning the economy is not generating enough dollars to pay for imports.

Encouraging the mining sector could help. Though still small, it brought in \$3.5-billion in foreign direct investment in the past five years, helped by new incentives that included updating the country's geological data, extending duty-free access to companies engaged in exploration and offering to build infrastructure to accommodate mining sites.

"Take a company working at a remote site. They shouldn't construct roads. The government should do that. They shouldn't work on railways. The government will provide that," Samuel said.

The government reduced the corporate income tax rate for miners to 25% two years ago, from 35%, and more recently lowered the precious metals royalty rate to 7%, from 8%.

The current law guarantees the government a 5% minimum equity stake in projects - a lower share than many other African countries.

While the government is keen to reap its share of mining revenues, Samuel said it planned more incentives to jump-start the industry.

"We will see later how to improve these royalty and fiscal regimes. We will gradually improve the size of royalties," he said.

Source: miningweekly.com

Source: quartz.com

### ETHIOPIA TO COMMISSION CHINESE BUILT INDUSTRIAL PARK BY END OF FEBRUARY

Ethiopia is to commission the Chinese built Debre Birhan industrial park by the end of February, state media outlet Amhara Mass Media Agency (AMMA) reported on Tuesday. Debre Birhan industrial park constructed by China Communications Construction Company (CCCC) at a cost of 71 million U.S. dollars is expected to create job opportunities for about 1,000 Ethiopians once it starts operations, reported AMMA. Stretched on 75 hectares of land, Debre Birhan industrial park will have eight industrial sheds ready to accommodate prospective investors once it's fully commissioned. Speaking to Xinhua recently, Lelise Neme, CEO of Ethiopia Industrial Park Development Corporation (IPDC), said Ethiopia aims to commission six industrial parks, including Debre Birhan industrial park, before the end of the current fiscal year 2018/19, in July.

"Ethiopia has invested around 1.3 billion U.S. dollars in the construction of around a dozen industrial parks, which it sees as a key strategy of achieving Ethiopia's industrial ambitions," said Neme.

With Ethiopia attracting large-scale investment in the export-import-oriented manufacturing sector, especially from Chinese firms, the country sees improving the efficiency and speed of the logistics sector as key to meet national manufacturing revenue goals. Ethiopia plans to increase the number of operational industrial parks from the current five to around 30 by 2025, as part of its efforts to make the country a light manufacturing hub and lower-middle-income economy in the same period.

Source: xinhuanet.com

### AGRO-PROCESSING INDUSTRIAL PARKS TO BE COMPLETED THIS JUNE.

Construction of 4 pilot integrated agro-processing industrial parks (IAIPs) that cost 10 billion USD, excluding electric power supply cost, is expected to be completed at the end of this Ethiopian fiscal year, according to Ministry of Trade and Industry. The pilot agro-processing parks under construction since 2016/17 are Baeker for sesame, sorghum and livestock; Bulbula for cereal and milk; Bure for cereals, pulses and spices, and Yirgalem for coffee, fruit and vegetables. About 80-100 investors are expected to engage in each park. Of these 80 percent will be local and the rest foreigners, he said. After the completion of the 4 IAIPs in June 2019, the remaining identified agro-industry corridors nationwide will be commissioned after 10 years, it was revealed.

The purpose of IAIPs is to attract the private sector to set up food processing plants in bumper producing areas by adding value to agricultural products, linking farmers to processing plants and creating wealth for them as well as reducing post-harvest loss and accelerating rural economic growth in Ethiopia.

Source: ENA

### ETHIOPIA HAS TRIPLED THE SIZE OF ITS MAIN AIRPORT AS IT GETS SET TO BE AFRICA'S GATEWAY HUB

Ethiopia's capital is set to cement its place as Africa's leading aviation hub with an expanded airport terminal which triples its passenger capacity. Last year, Addis Ababa overtook Dubai as the leading transfer hub for long-haul travel to sub-Saharan Africa.

On Sunday (Jan. 27), prime minister Abiy Ahmed inaugurated the newly-expanded terminal of the Bole International Airport, the main hub of Ethiopian Airlines in Addis Ababa. The project, which was funded and built by China for \$363 million, triple the airport's size and can now accommodate up to 22 million passengers annually from its current 7 million.

The terminal and a new luxury hotel are a great boost for the state carrier, Ethiopian Airlines, which is currently implementing a 15-year strategic plan aimed at becoming Africa's leading airline group. Founded 74 years ago, the airline has an operating fleet of 111 planes and currently flies to more than 119 international passenger and cargo destinations, with over 61 of those in Africa alone.

As the Horn of Africa nation relaxes its visa regime, the carrier also developed schemes to help both African and global travelers process their visas faster and explore the country's tourism sector.

Yet with all these distinctions, passengers had continued to complain about the amenities at Bole airport, highlighting the scarcity of retail outlets or seating spaces, especially when many flights were leaving at the same time. Ethiopian carried over 8.7 million customers during the 2016/17 year, many of whom had a minimum layover in Addis Ababa.

As Ethiopian grew to be Africa's largest airline by revenue and profit, its Addis Ababa hub also didn't feature among Africa's best airports. That distinction last year went to Casablanca's Mohammed V airport followed by Mauritius's main airport and then Durban, according to the Airports Council International.

During the launch of the new terminal, premier Abiy urged Ethiopian Airlines staff to buy shares into the carrier, saying the company embodied the "philosophy of medemer," an Amharic word that translates to inclusivity and unity. He also set up a new challenge for the state airline: build a 100-million mega airport in Bishoftu, a resort town with many tourist attractions located just over an hour southeast of the capital.

## WHY INVEST IN ETHIOPIA?

### VI. Regional Hub with Access to a Wide Market

- With a population of appx. 100 million people and a rapidly growing middle class society, Ethiopia is the second largest market in Africa, and is also part of the Common Market for Eastern and Southern Africa (COMESA) comprising 19 member countries and over 400 million people.

- Addis Ababa has emerged as a regional hub and is home to key international organizations such as the African Union (AU) and the United Nations Economic Commission for Africa.

- Addis Ababa is also the main air hub for Africa and the home of Ethiopian Airlines, which has won repeated recognition as the best airline in Africa. Ethiopian Airlines offers flights to 94 international passenger destinations (52 in Africa, 17 in Europe and America and 25 in the Middle East and Asia), 19 domestic passenger destinations, and 35 cargo destinations (21 in Africa, 11 in the Gulf, Middle East and Asia, and 3 in Europe). It carries two thirds of Africa's air freight.

- Ethiopian products have duty-free, quota-free access to the U.S. and EU markets under the African Growth and Opportunities Act (AGOA) and the Everything But Arms (EBA) initiative, respectively.

- Ethiopia enjoys also preferential access to key markets like Australia, Canada, Japan, New Zealand, Norway, Switzerland, China, India, Russia, the Republic of Korea, and Turkey.