

# Newsletter

Ethiopian Embassy in Brussels



20 March 2015  
Weekly Issue N° 28



Konso highlands of Ethiopia, proprotected by the UNESCO

## Content

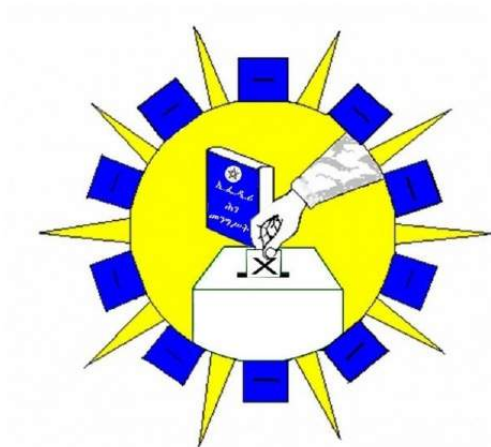
<b>POLITICAL AFFAIRS</b>	<b>2</b>
Preparation for election well underway	2
Largest female politicians meeting ever in Addis Ababa	3
<b>ECONOMY</b>	<b>4</b>
President Mulatu meets delegates from PIA companies	4
Dutch private sector eager to do business in Ethiopia	4
Ethiopia offers countless opportunities	5
Trade opportunities in Ethiopia	7
<b>BUSINESS OPPORTUNITIES</b>	<b>8</b>
Invitation to bid	8



# POLITICAL AFFAIRS

## Preparation for election well underway

The Ethiopian Broadcast Authority evaluated the use of allotted airtime and print space by political parties. Mean while, NEBE continued to train law enforcement bodies ahead of the election.



Ethiopian Broadcast Authority (EBA) said on Thursday 17th of March that political parties have not always utilized fully the free airtime and the space allotted to them in the print media during the past two weeks. Speaking at the evaluation consultative meeting, EBA Follow up Capacity Building Director, Deressa Terefe said the Ethiopian Peoples' Revolutionary Democratic Front has used 98 percent of its allotted air time in the radio, 100 percent in television and 86 percent in the print media. EPRDF partner parties have used only 51 percent of the time allocated in radio and 33 percent in television. Opposition political parties have used 37 percent of the time allocated in radio, 53 percent in television and 2 percent in the print media.

According to the director, capacity limitation and breaching of law are among the major reasons problems encountered during the period, it was further stated. EBA Director-General, Zeray Asgedom

said on his part that the media have been working cooperatively with all the political parties, providing them with technical support in order to promote and publicize their programs. Yet, some of the media should provide technical and studio support to the political parties, he added. The authority finally called on all political parties to give prime attention to preparing their promotional programs based on the editorial policies.

Opening a two-day training workshop on Tuesday in Adama, NEBE Deputy Chairperson, Addisu Gebregziabher said ensuring the supremacy of law is essential to conclude the election in a fair, free, democratic and credible manner. Law enforcement bodies have huge responsibility to legally resolve disagreements that may arise between political parties during the election. Police and prosecutors drawn from Gambella, Benishangul-Gumuz, Harar and Dire Dawa took part in the two-day training.

NEBE Deputy Chairperson said multi-party system has been consolidated in Ethiopia as the election processes are governed by international principles and conventions in a way that ensures the benefits of the people. Ensuring the rule of law has paramount importance in making the upcoming election fair, free, peaceful and democratic. According to the Board Deputy Chairperson, 58 of the 76 recognized political parties will contend in the upcoming election.



## Largest female politicians meeting ever in Addis Ababa

More than 400 female members of Parliaments and Governments will participate in the Women in Parliaments Global Forum (WIP) Summit 2015, from 23 to 25 March, at the African Union Headquarters in Addis Ababa, Ethiopia.



The WIP Summit 2015 “New Leadership for Global Challenges “ will focus on new leadership and innovative policies to address the major global challenges.

“In Parliaments where we have a critical mass of women, we are beginning to see a difference in the laws and policies that are passed. The key to a lasting betterment of our society lies in achieving greater female leadership” said the Chairperson of the African Union Commission, Dr. Nkosazana Dlamini-Zuma in February, who will open the meeting on Monday 23.

The list of high-level speakers that will contribute to the discussions includes, among others, Irina Bokova, Director General of UNESCO, Zainab Bangura, Special Representative of the UN on Sexual Violence in Conflict, Rebeca Grynspan, Secretary General of the Ibero-American Secretary General, Thomas Gass, United Nations Assistant Secretary General and Neven Mimica, EU Commissioner for International Cooperation and Development.

The Agenda will feature plenary sessions on the post-2015 development agenda and the redefinition of leadership; parallel sessions on regional cooperation, health and education; working groups organized by international organizations such as the United Nations or the World Bank; and media training for female Parliamentarians.

Several countries will be awarded during the Summit with the WIP Awards 2015, which acknowledge the national efforts to empower women and close the gender gap in politics.

Today in the world, only one out of five members of Parliaments are women. This meeting will highlight the importance of diversity in leadership positions and seek strategies to increase the number of women in politics. The WIP/World Bank Study “The Female Political Career” will be presented during the Summit.

The WIP Summit 2015 is co-hosted by the African Union Commission and co-financed by the European Commission.

# ECONOMY

## President Mulatu meets delegates from PIA companies

President Mulatu Teshome called on Private Investors for Africa to strengthen their investment in the second GTP period.

On Thursday 19th of March, the President held talks at the National Palace with delegates from the eight company's composing Private Investors for Africa (PIA). While the companies currently are mainly active in chemical and beverage industries, President Mulatu advised the delegates to engage more in food manufacturing and processing in the second GTP period, alongside their current engagements. The president assured the delegation that the government will support them in every aspect and tackle challenges that they may face in the investment sectors.

Private Investors for Africa (PIA) Chairman, Dominic Bruynseels said on his part the current stability, rapid economic growth and clear investment policy have inspired the companies to invest in Ethiopia. The

country is a very positive investment destination in Africa and should be proud of its achievements during the last ten consecutive years, he noted.

According to him, PIA believes that the private sector is a key player in shaping the pace of the on-going development and economic growth in the continent in general and in Ethiopia in particular.

Private Investors for Africa is an organization established in 2001 in Belgium, Brussels and currently brings together eight member companies operating in Africa: BASF, Coca Cola, Diageo, EDF, Heineken, Lafarge, Standard Bank and Yara.

Source: ENA

## Dutch private sector eager to do business in Ethiopia

A roundtable session was organized on the 6th of March by the Netherlands-African Business Council with H.E. Berhane Gebre-Christos, State Minister of Foreign Affairs of Ethiopia and Dutch companies.

The main topics of this meeting with the State Minister were foreign trade and investment in Ethiopia, the benefits of investing in Ethiopia, but also the challenges foreign companies can face when doing business in this country.

The Director of International Enterprise of the Dutch Ministry of Foreign Affairs, René van Hell, opened the

session and welcomed the official delegation. H.E. Berhane Gebre-Christos gave an inspiring speech on reasons why companies should invest in Ethiopia. He described the great diversity of Ethiopia – consisting of around 80 different ethnic groups and various religions – and that regardless of this diverse background it is a stable nation. According to the State Minister, Ethiopia is a favorable place for doing business, not just because of its political stability, but also because of the economic stability and continuous and steady economic growth, the advantageous climate, its strategic location and being one of the largest economies of Africa.

According to the State Minister, the agricultural sector is thriving in Ethiopia and until 2010, developing agriculture was Ethiopia's main concern. From 2010 onwards the Ethiopian Government added new sectors focusing on manufacturing and industrial growth and currently the main emphasis of the Government is to develop Ethiopia's infrastructure. Furthermore, Ethiopia also wishes to invest in solar energy and other green energies, with the purpose of achieving a net zero carbon emission by 2025. By attracting investors in Ethiopia the government wishes to eradicate poverty and become a middle-income country within the next 10 years.

The State Minister also listened to the concerns of the Dutch companies. For example companies in the agricultural, specifically livestock sectors indicated problems related to tax and skilled manpower.

All-in-all this was a great way of bringing the Ethiopian government and Dutch private sectors together. On the one hand the private sector received the opportunity to communicate with the State Minister in what they can offer the country, whilst at the same time stressing their concerns if they were to invest. On the other hand, the State Minister directly responded to their concerns.

This meeting showed how the Dutch private sector is eager to learn more opportunities in Africa and that the Ethiopian government is open and willing to discuss Dutch involvement through trade and investments. As the State Minister stated: "Those



H.E. Ambassador Gebre-Christos at the meeting with Dutch Businesses

who are engaged, should engage more; those who are not engaged, should get engaged. This century is for the continent of Africa".

Source: nabc.nl

## Ethiopia offers countless opportunities

When looking for opportunities to invest in sub-Saharan Africa, there are few better places than Ethiopia, the East African Business Week reported.

### ***Guarantees and areas of interest for investors***

The Constitution of Ethiopia and the investment law protect private property, but apart from this basic requisite for cultivating business confidence, there are other clear cut guarantees. The other crucial

thing that ensures investors' capital is safe is that Ethiopia is a member of the Multilateral Investment Guarantee Agency (MIGA). This is the World Bank Group affiliate that covers non-commercial risks in signatory countries. Ethiopia also recognizes all the provisions of the World Intellectual Property Organization, besides having several bilateral agreements with countries that protect investors'



portfolio.

Ethiopia may well be also considered as a country with the lowest levels of crime and corruption among the least developed countries. The Federal Government has formulated the five year Growth and Transformation Plan (GTP) to carry forward the important strategic directions to maintaining a fast growing economy, projected to grow at average rate of about 11% over the last decade. Ethiopia's economy is still young with vast untapped resources and a range of investment opportunities. The country has comparative advantages in agriculture, agro-processing, leather and leather products and textiles and garments. To ensure a sustainable development, the Council of Ministers regulations specify the areas of investment open for foreign investors. Apart from the areas already mentioned, others with the most promising potential include sugar, chemical and pharmaceutical products, tourism, mining and hydro-power.

### **Sectorial performance of the economy**

Ethiopia's economy is based on agriculture, which accounted in 2012/13 for about 42.9% of the Gross Domestic (GDP), 90% of foreign currency earnings and 85% of employment. Generally, the overall economic growth of the country has been highly associated with the performance of the agriculture sector. Coffee is a critical commodity to the economy. It earned \$745.1 million during financial year 2012/13. Other notable products during the same year were gold (\$584.4 million); oilseeds

(\$437.1 million); khat (\$270.6 million); live animals (\$160 million); leather and leather products (\$120.6 million); meat and related products (\$74.1 million); fruits and vegetable (\$43.7 million). The industrial sector, which mainly comprises of small and medium enterprises accounted for about 12.4% of GDP in 2012/13. The growing service sector contributing for 45.2% of the GDP, is made up of a wide range of enterprises.

In order to improve the export sector, the Federal Government set up the Ethiopia Commodity Exchange (ECX). This is a marketplace where buyers and sellers come together to trade, assured of quality, delivery and payment.

The Industrial Development Strategy focuses on export manufacturing with priority given to textile and garments, leather and leather products, agro-processing and small and micro-enterprises. Due to the investment-friendly environment created in the country, the inflow of foreign direct investment (FDI) has been increasing over the last 21 years. Out of the total investment projects licensed between 1992 and 2012, FDI's share is about 15.8%. However, the overall trend of investment in 2012, both in terms of projects and capital, showed a definite increase and this has not changed this then. Ethiopia remains an untapped and unexploited market for investors. A list of the countries that are already involved in the country reflects this attraction. These investors are from Turkey, India, China, Sudan, Germany, Italy, Saudi Arabia, Yemen, the United States, United Kingdom, Israel and Canada.



## Trade opportunities in Ethiopia

By virtue of its location, dynamism and export incentives, Ethiopia has a high potential in trade



Ethiopia is the second most populous country in Africa and thus potentially one of the largest domestic markets on the continent. By virtue of its membership to the Common Market for Eastern and Southern Africa (COMESA) embracing 19 countries with a population of about 400 million, Ethiopia enjoys competitive market access to these countries. The country moreover qualifies for preferential access to European Union market under the EU's Everything-But-Arms (EBA) initiative and to USA markets under the African Growth and Opportunities Act (AGOA). Furthermore, a broad range of manufactured goods from Ethiopia are entitled to preferential access under the Generalized System of Preference (GSP) in the USA, most countries of the EU and other developed countries. No quota restrictions are placed on Ethiopian exports falling under the 4,800 products currently eligible for GSP treatment. Ethiopia's proximity to the Middle East and Asian markets also offers further potential market opportunities.

Exports from Ethiopia are very dynamic, and their main destinations include China, Germany, Switzerland, Saudi Arabia. While the share of manufacturing products is increasing, exports in the agricultural sector are also on the rise: between 2012-2013 and 2013-2014, exports revenues from agricultural products are expected to grow by 16.3 percent, with a total revenue of more than 2.5 billion of dollars, according to the Ministry of Trade. The top export items include coffee, oil seeds, cereals, spices, natural gum and incense. Other common agricultural exportable items are fruits, vegetables and flowers, livestock and meat, pulses and oilseeds, spices and cotton. Agro-processed products include

beeswax, honey and civet, fish, hides and skins. The manufactured products include leather products, textiles, wool, building materials, beverages, marble, granite and traditional handcrafts.

Ethiopia has followed an export led free market economy in which the government plays a facilitation role in the sector by providing several incentives and building huge infrastructures to boost the sector. In order to enhance the export sector, the Government has established the Ethiopia Commodity Exchange (ECX), a marketplace where buyers and sellers come together to trade, assured of quality, delivery and payment. ECX assures all commodity market players the security they need in the market by providing a secure and reliable end-to-end system for handling, grading, and storing commodities, matching offers and bids for commodity transactions, and a risk-free payment and goods delivery system to settle transactions, while serving all fairly and efficiently.

In order to further encourage investors and businesses to engage in exporting Ethiopian products, trade incentives provide advantages to exporters. Several of them are included in the Proclamation No. 543/2007, cited as "The Revised Export Trade Duty Incentive Scheme Establishing Proclamation". Most notably, the Proclamation provide :

- a Duty Draw-Back Scheme: duty paid at the airport of entry and locally, on raw materials used in the production of commodities, is refunded 100 percent upon the exportation of the processed commodity;
- a Voucher Scheme: a printed document having monetary value, which is used in lieu of duties and taxes payable on important raw materials.

The beneficiaries of the voucher scheme are also exporters; and

- a Bonded Manufacturing Warehouse Scheme: Producers wholly engaged in exporting their products who are not eligible to use the Voucher Scheme can obtain a license that enables them to operate such factory or warehouse.

Moreover, with the exception of semi-processed hides and skins, no export tax is levied on export products of the country, and any investor who exports or supplies to an exporter (production or service input of at least 60 percent of the products or services) shall be entitled to income tax exemption for 2 years in addition to the income tax exemption.

Non-fiscal incentives for exporters include:

– Possibility to retain and deposit in a bank up to 20 percent of their foreign exchange earnings for future use in the operation of their enterprises with no export price control imposed by the National Bank of Ethiopia;

– FrancoValuta import of raw materials for enterprise engaged in export processing; and

– Export credit guarantee scheme, which is presently in place in order to ensure an exporter receives payment for goods shipped overseas in the event that the customer defaults, reducing the risk of operators' business and allowing it to keep its price competitive.

## BUSINESS OPPORTUNITIES

### Invitation to bid

The Government of Ethiopia is inviting investors to submit bids before the 21st of April 2015 for the total acquisition of the following enterprise: Artistic printing enterprise.

Link to the the total invitation:

<http://www.ethiopianembassy.be/wp-content/uploads/Bid-Notice-032015.pdf>

For more detailed information, contact the Privatization and Public Enterprise Supervising Agency, Tel. 011 8 69 37 29/09 10 90 03 15

### ABOUT THE EMBASSY

**Working Hours:** 9:00 – 13:00 & 14:00 – 17:00

**Consular Service:** Monday – Friday 09:00 – 13:00

**Legalization and Power of Attorney:** Monday – Thursday 9:00 – 13:00

Ethiopian Embassy, Avenue de Tervuren, 62, 1040 Etterbeek, Belgium  
+32 2 771 32 94 [info@ethiopianembassy.be](mailto:info@ethiopianembassy.be) [www.ethiopianembassy.be](http://www.ethiopianembassy.be)