Newsletter

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Pelicans on Lake Tana, Ethiopia. Picture © Mariusz Kluzniak

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POLITICAL ISSUES

China, Africa to strengthen industrial cooperation

Prime Minister Hailemariam Desalegn speaking to the guests. Picture © Anadolumini

From 30 June to 1 July 2015, an investment forum was held in Addis Ababa, Ethiopia. The prime objective of the forum is to boost the continent's economic development through a strengthened cooperation between Africa and China. It brought together representatives of the public and private sector from China and African countries. Regional institutions, development partners and think tanks also attended. Participants exchanged views on how African countries could attract greater investment, accelerate industrialization, create jobs and sustain development.

In his opening remarks, Prime Minister Hailemariam Desalegn noted that the Government of Ethiopia sees the forum embodying three important themes, including Africa's commitment to economic transformation, strong partnership between Africa and China, and the power of industrialization to deliver development results. The Premier said China-Africa partnership, which has mutually beneficial results across Africa, has expanded rapidly and taken new momentum.

"As China-Africa trade cooperation moves into its next phase, there will be significant scope for diversification of our economies and exports, particularly into agriculture and manufacturing," he said. "Chinese investment can be instrumental in addressing structural and logistical constraints that impact the competitiveness of African exports."

According to official statistics, China has been Africa's largest trading partner for six consecutive years, with trade in 2014 reaching $222 billion. Chinese invested a record high of $4 billion in Africa last year, up 14 percent from a year earlier. At least 2,500 big and medium Chinese companies have registered to be operating in Africa, across a broad variety of sectors.

A World Bank report shows that Chinese investment in Africa is increasingly shifting towards the manufacturing sector as the Asian nation diversifies out of primary sectors such as agriculture and mining. Manufacturing is key to Africa's future development, the report notes.

Makhtar Diop, Vice President for Africa of the World Bank, highlighted China's experience of dedication,

long-term planning, and pragmatism as three major lessons for Africa to learn in order to industrialize. He said Africa's economy has been growing 5 percent on average over the past decade and proved itself resilient during the 2008-2009 global economic crisis. However, the negative impacts on the economy brought by recent months' drop of commodity prices highlights the need for Africa to diversify its economy.

One of the key issues discussed at the forum was the role industrial parks and special economic zones that play a crucial role in the process of industrialization.

Participants also agreed that African countries could benefit from changes in the structure of the Chinese economy, including a more highly skilled labor force and development of the service sector. The Government of China is encouraging outward investment, and more private companies engaged in manufacturing, as well as agribusiness, are relocating abroad. Provided they have the right policies in place and a conducive and inclusive business climate, African countries would be well-placed to attract this investment and expand manufacturing and agricultural production. It would be important to ensure upstream and downstream linkages with domestic private sector operators to maximize the impact of this investment.

Since 2007, the Chinese government has been supporting six Chinese company-initiated industrial zones in Africa, located in Ethiopia, Egypt, Zambia, Nigeria, and Mauritius. Economists including World Bank former chief economist, Justin Lin, highlighted the success of this innovation especially the Eastern Industrial Park in Ethiopia for facilitating the relocation of China's labor-intensive light manufacturing industries. With 1.1 billion population, low labor costs and abundant resources, Africa is an ideal place to relocate the light manufacturing sector of China as the trend of global value chain moves. Lin urged the governments of China and African countries to seize this opportunity that can help both China and Africa move a step up the global value chain.

The Forum appreciated announcements by the Ministry of Finance of China that it is establishing a Trust Fund at the World Bank Group with a focus on infrastructure, including strong support to African countries, and that it, the China Development Bank and the World Bank Group will establish an Investing in Africa Think Tank Alliance.

It also appreciated the announcement the China Development Bank and UNIDO signed an MOU during the Forum to consolidate each other's strengths and resources for future cooperation, including in Africa. Participants also welcomed the announcement that Guangdong Province will host the next Investing in Africa Forum in 2016 as an affirmation that support to accelerate investment and industrialization is an ongoing partnership with African countries.

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Ethiopia is the leading refugee hosting country in Africa

According to Ethiopia's Administration for Refugee and Returnees Affairs, Ethiopia is the leading recipient of refugees in Africa. Ethiopia is hosting over 700,000 refugees from different neighboring countries, including 247,000 from Somalia, 136,000 from Eritrea, 275,000 from South Sudan and 36,000 from Sudan. The nation accommodates refuges with food, drinking water, health and education facilities in 24 refugee camps across the nation. The Government allocated land for the camps around Assosa, Dollo Ado, Gambella, Jijiga, Semera and Shire and provides police presence at those

Picture © Walta Information Center

locations.

Refugees in Ethiopia are allowed to live in urban areas of the nation and the Ethiopian government give opportunity for refugees to learn in schools and universities. More than 1,500 refugees from Eritrea and South Sudan are learning in Bachelor, Masters and PhD degrees in 11 universities of the country.

Ethiopia is supported by the international community for its leading role in refugee hosting. In 2014, the European Union contributed an amount of 31 million to support Ethiopia dealing with this issue.

Owing to its geographical location and to geopolitical developments in the region, Ethiopia is likely to receive more people seeking refuge from neighboring countries in 2015 and beyond. The Government maintains an open-door-policy and continues to allow humanitarian access and protection to those seeking refuge on its territory.

Source: Walta Information Center and UNHCR

US Congress votes to renew the African Growth and Opportunity Act for 10 years

On 25 June 2015, the US Congress voted to renew the African Growth and Opportunity Act (AGOA) for a further 10 years. According to a statement issued by US Congresswoman and Ranking Member of the Africa sub-committee, Ms. Karen Bass, "the Congress work to reauthorize the African Growth and Opportunity Act is now complete." In her statement, she notes that both the House of Representatives and the US Senate voted "overwhelmingly to reauthorize AGOA, sending the legislation to the President and guaranteeing a seamless and long-term extension of this vitally important law." Ms. Bliss said the vote had been a "direct result of the bipartisan work and commitment from both Houses of Congress, the African Diplomatic Corps, African heads of state, members of African governments, the Obama Administration and countless individuals from the African Diaspora and African civil society who spoke and worked for an African continent that is a partner to the United States."

The statement adds that the extension of the AGOA opens a new era, underlining that "American leaders must be as focused as ever on this vitally important part of the world." She points out that in the last decade six of the world's 10 fastest-growing economies were in sub-Saharan Africa, and "over the next 10 years, Africa will become an even more important part of the world economy with a large, youthful population that is increasingly university-educated, tech-savvy and entrepreneurial." It was, therefore, in the interest of the United States and of the countries of Africa that "we work toward a stronger and mutually beneficial economic relationship that will stand the test of time." The extension of the AGOA, providing preferential market access to 39 African countries, also provides leeway for these countries to engage in the global market.

The AGOA was originally signed into law in 2000 by the US government to allow African countries to export a wide range of products to the US to encourage the development of African industry and production. It allows for the export of more than 6,000 products to the US duty free.

© MFA Ethiopia

ECONOMY

After successful implementation of GTP I, Ethiopia is preparing for GTP II

This year marks the transition between the first and the second Growth Transformation Plan (GTP), the five years strategy initiated in 2011 to increase the pace of Ethiopia's development. On 28 June 2015, Deputy Prime Minister Demeke Mekonnen said that this plan had been an important factor for the successful implementation of Government policies and strategies and for the growth registered during the last five years. The strategy also contributed to positively change the image of the country inside and abroad. Still according to the Deputy Prime Minister, the results achieved in agriculture, construction, infrastructure development and other economic sectors during the past five years laid the foundation to make a rapid shift to industrial development, even though the manufacturing sector had not grown as fast as planned because of a lack of capacity to adapt, innovate and transfer technology. He underlined the need to prioritize the expansion of secondary education, improve scientific capacity and produce a society that could use and develop technology in the future.

Based on the experience gained during the GTP I, the implementation of the GTP II will start this year. Public discussions on the second Growth and Transformation Plan are currently held across the nation to prepare the implementation of the GTP II plan. The objective is to attain 11 percent annual growth during the next five years and to continue the structural transformation of the economy while maintaining macroeconomic stability. Domestic saving and investment are respectively expected to reach 29.6 and 41.3 percent of the nation's GDP at the end of GTP II.

During the upcoming GTP II period, agriculture is set to register annual growth of 8 percent, while industry and services are set to grow by 19.8 percent. At the end of the period, agriculture should reach a 36 percent and the industry 23 percent share of the GDP, including 8 percent of the GDP coming from manufacturing industry.

The second Growth and Transformation Plan will give ample attention to export trade, tourism and air travel. Boosting the quantity of export goods will be given focus to increase foreign exchange earnings. GTP II will address the gap witnessed during GTP I in implementing export strategies.

At the end of GTP II, the nation aims to read a 29 percent annual growth of exports, reaching USD 14 billion, including USD 7.7 billion from the agriculture sector, USD 4.2 billion from industrial outputs and USD 2 billion from mining.

In the tourism sector, it is planned to collect ETB 6 billion from two million tourists in the Second Growth and Transformation Plan. At the end of the first GTP, the number of visiting tourists reached 770,000, and the sector generated ETB 2.9 billion collection.

In addition to boosting the quantity of export goods, attention will also be given to enhancing the diversity of locally manufactured goods for export. Leather and leather products, textile, agro processing and sugar will receive priority for earning foreign exchange.

According to the Ethiopian News Agency, the second Growth and Transformation Plan was reviewed positively by the World Bank. Makhtar Diop, Vice President for Africa of the World Bank met with Prime Minister Hailemariam Desalegn and stated that 'the direction taken by the government of Ethiopia is commendable and the World Bank is ready to support it… We believe that we are working together with Ethiopia to allow the access of industrial products, finished products in cheap price and create jobs to eradicate poverty in Africa'. He further noted that ''Ethiopia is already building

industrial zones which will help accelerating industrialization in the country; and it will help to take the opportunity to African countries to see experiences that can be done in their own country."

Sources : MFA Ethiopia, Fana Broadcasting Corporation, Ethiopian News Agency

Commercial Bank of Ethiopia plans impressive new headquarters

On 27 June 2015, the state-owned Commercial Bank of Ethiopia (CBE) has set the foundation stone for its main office building on Ras Desta Damtew Road in Addis Ababa. According to Addis Fortune, the 198 meters building will be the tallest structure in sub-Saharan Africa (bar South Africa), and will cost a total of ETB 5.3 billion. The completion of the edifice is set for the beginning of 2017.

CBE has inked a "design and build" deal with the China State Construction & Engineering Corporation (CCECC) in April 2015 to build the new headquarters. It is the same firm which has constructed major landmarks across the world such as the Marriott Hotel in New York, the architectural wonder in Dubai, Palm Jumeirah Island or the African Union Headquarters in Addis Ababa. When completed, CBE's headquarters will be a major landmark, particularly in an arena which is increasingly evolving as Ethiopia's nascent financial district, the "Wall Street" of Addis Ababa.

"The structure of the edifice will be an indication of the country's advance, creating its own financial district," said Bereket Simon, policy adviser to the Prime Minister and chairperson of the board of directors of CBE, while laying the cornerstone. "This new headquarter will help the bank's overall effort to accelerate the development of the country in the second phase of the Growth and Transformation Plan".

The future CBE headquaters

The new building will incorporate four basements, one mezzanine, one ground, 46 main floors, of which the top two will house two restaurants and a sightseeing tower. It will have four parking lots with a total capacity to hold 6,000 vehicles at a time. One of the parking lots will be outfitted with a mechanical parking system which will use magnetic cards, and can hold 1,500 vehicles at a time. Drivers will be required to insert the coded cards into the system where their vehicles will be transported automatically inside the parking lot.

The building is designed to have eight conference

halls, including one to hold 2,000. It will also have an emergency waiting area inside the structure where people can be seek refuge in times of disaster.

Sources: Addis Fortune and Awramba Times

HEALTH

Ethiopia achieves MDG health targets

Dr. Kesete Birhan, Minister of Health of Ethiopia

According to the Ministry of Health, Ethiopia has achieved health goals set both by the Growth and Transformation Plan (GTP) as well as by the Millennium Development Goals (MDG). In an interview, Dr. Kesete Birhan, Minister of Health said the country succeeded in reducing maternal and child mortality, HIV transmission, malaria and TB. The achievement is due to the tremendous efforts exerted by the government, health practitioners and the people.

Maternal and child mortality rate has decreased by 90 percent and the country has achieved the Millennium Development Goals three years ahead of the schedule. Although the target set was to reduce newly HIV cases by 50 percent, the country managed to reduce it by 90 percent. The ratio of doctors to patients reached 1:10,000, while it was 1:40,000 at the beginning of the GTP period (2011) and the country has now 9,000 doctors including these years' graduates. Currently there are over 45,000 midwives and over 38,000 health extension workers in 400 hospitals, 3,500 health centers and 16,000 health posts.

Lack of skilled manpower to repair medical equipments, inefficient records on medical tourism and limited treatment on high medical diagnosis works are evaluated low efficiency and will be major focus areas in the second GTP starting this Ethiopian budget year. Public centered and prevention Health policy to record a better achievement in maternal and child mortality, reduction of HIV transmission, malaria and TB reduction will also be major targets.

Over the last decade, Ethiopia has made great improvements in many of the health indicators, due to a large part to a well-coordinated, extensive effort and intensive investment by the government of Ethiopia and international partners. Strategies of the Ministry of Health have proven very successful and recognized by international partners of the sector. The extension program is for example an adequate measure to improve health facilities' accessibility. These appropriate strategies along with the successful pro-poor development strategy of the government should lead to a further improvement of the health system in Ethiopia.

Source: Walta Information Centre

AGENDA & ANNOUNCEMENTS

Invitation to oilseeds and pulses trade mission to Ethiopia

On behalf of RVO and the Dutch Embassy in Ethiopia, FME and NABC are organizing an oilseeds and pulses trade mission to Ethiopia. This trade mission will take place from 5 to 9 October 2015, and aims to improve knowledge transfer and to identify investment and trade opportunities in the area of oilseeds and pulses. As a participant in this trade mission you will gain valuable insight into the future trade and investment opportunities in Ethiopia, which will contribute to your unique, in-depth knowledge about the latest developments in your field. Additionally, participating in this trade mission will strengthen and expand your corporate network in Ethiopia. You can also take part in field visits, matchmaking sessions, networking events, and business meetings. Find more information and the registration form here. For more information, contact Daphne Willems at

daphne.willems@nabc.nl

Ethiopian Diaspora Day / Oromia Diaspora Festival

The Ethiopian Diaspora day will be celebrated in Addis Ababa from 12 to 16 August 2015 as well as the Oromia Diaspora Festival from 3 to 10 August 2015. The diaspora members who are interested to attend should register at the Ethiopian Embassy:

Mail - info@ethiopianembassy.be

Website - www.ethiopianembassy.be

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በመሆኑም በዕድሉ ተጠቅመውም በፌስቲቫሉ ላይ በመሳተፍ የክልልዎን የልማት እንቅስቃሴ ይመልከቱ።

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ድረ-ገጽ www.ethiopianembassy.be

Ethiopian Airlines special offers

Ethiopian Airlines has several special offers for the participants in the Third international conference on Financing Development. These include discount on flight tickets to Addis Ababa (booking until 16 July 2015) and special tour offers to visit the country's rich tourism potential. More infos and contacts: see the next pages.

ETHIOPIAN AIRLINES SPECIAL OFFER

Enjoy discount on your flight to the Financing for Development Conference!

July 2015 Conference on Financing for Development

Addis Ababa, the diplomatic capital of Africa will host the 3rd International Conference on Financing for Development from 13 to 16 July 2015. On the conference, over 6,000 high-level political representatives including Heads of State and Government, Ministers, businesses and NGOs are expected to attend.

Discount conditions

12% off on Business class and 10% off on Economy class fares from all Ethiopian Airlines online points to Addis Ababa.

Fare is valid for the participants of International Conference on Financing for Development. Discount shall apply on ET operated sector only. This discount is not applicable on PR fares. Passenger should present letter of invitation or other document which shows he/she is a participant of this event and Copy of letter should be retained at ticket issuing office and be sent to ET finance office up on request. No additional discount applies including CHD, and INF. All rules and regulations other than stated on this contract shall apply per system. Fare discount is valid for sales till July 13, 2015. Outbound travel to ADD is valid till July 16, 2015. Inbound travel from ADD is valid from July 13 - August 12, 2015.

Reservations: 02 716 00 60 // et.be@kales.com // et.be2@kales.com

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

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