

Newsletter

Embassy of Ethiopia, Brussels



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Ethiopia has been recognized as World Best tourism destination 2015 (see article p. 9). This is a glimpse of the nature attraction the country has to offer.

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POLITICAL ISSUES

Prime Minister Hailemariam presents annual report to the House of People’s Representatives



Prime Minister Hailemariam Desalegn on 7 July 2015. Picture © ENA

On 7 July 2015, the Prime Minister of the Federal Democratic Republic of Ethiopia addressed the House of People’s Representatives to approve the yearly budget and the annual reports in political, social and economic issues. In his remarks, the Premier underlined the progresses

achieved by the country in various fields. Addressing questions of rising costs of newly transferred condos, Hailemariam said there has been a gradual rise in prices of homes since the program started more than a decade ago. This year’s homes also registered price hikes,

although the increase is not out of the ordinary.

He pointed that some people subscribed for housing programs beyond their financial capabilities. This problem is particularly visible at the 20/80 Housing Program. Despite such problems, the government has subsidized 50 percent of the homes this year.

The Premier noted that concerted efforts are underway to address public transportation in the Capital Addis Ababa. The government encourages private companies to join the business, highlighting 500 buses have been

allowed to be imported without any tariffs.

Hailemariam said the biggest obstacle for the Addis Ababa Light Rail Project has been procurement procedure for the 450 km electricity line. The problem has now been resolved and the project will start operation soon, he noted.

Highlighting the role of research in development, Hailemariam said more research needs to be conducted. He appreciated some good research done in agriculture, and called for more similar studies in other areas.

The House of People’s Representatives approves annual budget

On 7 July 2015, the House of People’s Representatives of the Federal Democratic Republic of Ethiopia has approved the budget for the 2015-2016 Ethiopian fiscal year, totaling ETB 223.39 billion (EUR 9.98 billion), an increase of 20 percent compared to the previous year.

62.5 percent of the total budget will be channeled to the Federal Government. The remaining 37.5 percent will be extended to Regional States and the two City Administrations. Some 71 percent of the Federal Government’s budget will be utilized for road, water, education, agricultural, health and rural electrification projects spending.

The Prime Minister said the budget is a significant stepping stone to develop the national economy through strengthening

small-scale enterprises, agriculture and industry sectors. Both structural transformation of the industrial sector using the developmental investors and agricultural transformation through mobilization of the farmers across the nation are the major focus area in the next GTP period.

The current total tax revenue is 13 percent of the national GDP (2011-2015) and it is targeted to raise to 15 percent in GTP II (2015-2020).

The current single digit inflation rate and the budget deficit under three percent are symptoms of a healthy economy. Therefore, the 20 percent rise in the coming fiscal year’s budget will not have any influence on the national economy, PM Hailemariam said.

Prime Minister Hailemariam warns Eritrea against continued destabilization activities

Prime Minister Hailemariam delivered a warning to Eritrea that Ethiopia would

take action unless Eritrea changed policies designed to destabilize the Horn of Africa and

Ethiopia and stops such activities. Addressing the House of Representatives on 7 July 2015, Prime Minister Hailemariam said that although Ethiopia remained ready for peace negotiations to restore ties and normalize relations with Eritrea, “Asmara has shown no sign of interest in regional peaceful coexistence”. Ethiopia has repeatedly offered a dialogue to normalize relations, with Prime Minister Hailemariam saying he would go anywhere, any time, even to Asmara, to talk. Eritrea has repeatedly refused to show any interest in talks.

In answer to MP’s questions, the Prime Minister said unless Eritrea changed its policy of

destabilizing the East African region “Ethiopia will then be forced to take an appropriate action to quell its destabilizing efforts”. Ethiopia has said in the past that it will make proportional responses to Eritrea’s aggressive activities and this is what it has done. The Prime Minister said the regime in Asmara was continuing to make efforts to destabilize Ethiopia in order to try to divert attention from internal instability and to further maintain its grip on power.

According to the UNHCR, some 5,000 Eritreans flee to neighboring countries to escape political repression including indefinite national conscription. Ethiopia currently hosts some 136,000 Eritrean refugees.

ECONOMY

Ethiopia endeavors to boost agricultural output to 406 million quintals in GTP II

Ethiopia’s second Growth and Transformation Plan (GTP II) aims at enhancing agricultural growth through integrated development programs on Ethiopian farmers and pastoralists. Agriculture is set to grow by 8 percent annually in GTP II. As such, agricultural output, at household farmer’s level, is expected to grow from its current 270 million quintals to 406 million quintals by the end of GTP II. Meeting this goal will enable Ethiopia to achieve food security, stabilize inflation, supplying agro processing plants with raw materials and boosting export trade.

Small scale and household farmers and

pastoralists will still play a key role in the GTP II. As such, strategies are put in place to fully utilize the potential of household farmers and implementation of agricultural development programs based in development zones and solving problems linked with inputs and utilization of technologies will be given due attention. Educated young Ethiopians will be encouraged to organize and invest in agricultural projects. Moreover, local and selected foreign investors will participate in pulses, horticulture, vegetables, fruits and animal husbandry. The private sector will be encouraged to actively take part in



Tea fields in Ethiopia. Picture © Rod Waddington

agricultural investments and assist the nation in lifting itself out of poverty. Promoting an equitable benefiting of the youth and women will be highlighted in line with rapid rural development.

Through extensive irrigation development programs at household farmer levels, four million hectares of land will be irrigated. In addition medium and large irrigation projects will be conducted by the government at regional and federal levels.

Tested and tried technologies will be distributed to all, while development of new technologies will be encouraged. Part of GTP II strategy includes upgrading agricultural research and extension institutions in the country.

Despite some positive results on harnessing the country's abundant animal wealth, more needs to be done in this regard during GTP II. Building on current best practices, identification of animal wealth development zones will be carried out. Development of ranches by private

businesses as well as breeding in pastoralist and arid areas will be given attention.

The agricultural objectives in the GTP II will not succeed without modernizing the market of agricultural production in the country. Although some improvements have been registered in this regard during GTP I, fundamental transformation is yet to be achieved, increasing the need for market transformation in agriculture.

Despite having an abundant arable land, the number of private investors in agriculture is very minimal in Ethiopia. Integrated support will be extended to local investors in possession of land. Regions will also provide their full support to new investments in agriculture.

Source: FBC

Manufacturing sector registers a 22 percent annual growth

The manufacturing sector has registered an average annual growth of 22 percent during the first Growth and Transformation Plan (GTP I, 2010-2015), according to the Ethiopian Ministry of Industry. During the celebration of the 9th Civil Service Day, Minister of Industry Ahmed Abetew said that the manufacturing sector has the capacity to play a vital role towards increasing competitiveness of the nation in the international markets, boosting foreign currency and raise job opportunities. The industrial products of the nation has registered annual average growth rate of 14 percent in the last Growth and Transformation Plan period, while the manufacturing sector has grown by 4.4 percent per annum in the same period.

The performances in the cement factories, metal engineering products, manufacturing of railway inputs, GRD electricity inputs and installations of sugar factories in the last GTP period were encouraging, according to the ministry's evaluation.

Skills development of the workforce and improved use of technology in the country are the main focus of GTP II. The participation of women in the middle and higher skill levels of the industry sectors is targeted to reach 60 percent and 20 percent respectively. The Ministry of Industry has also undertaken efforts to create linkages between the industrial sector and higher learning institutions and technical and vocational training colleges.

Source: WIC, FBC

Massive job creation in GTP II

The Federal Micro and Small-scale Enterprises Development Agency disclosed on 8 July 2015 that Ethiopia has allocated ETB 21 billion (EUR 920 million) for job creation in the second Growth and Transformation Plan (GTP II). This budget will be utilized to create jobs for over 8 million citizens. During GTP I more than 10 million jobs were created.

The agency disclosed that over 354,000 university graduates were supported to go operational in micro and small-scale enterprises during the same period. Young people who would graduate from institutions of higher learning during the GTP II period would make

use of the opportunity. The budget allocated will help reduce the unemployment in cities from the current 16.5 percent, the Agency further pointed out.

Over 4,600 enterprises acquired the status of medium enterprises in both the manufacturing and service sectors during the past years. Some ETB 14.4 billion (EUR 630 million) of financial support was extended to the sector in GTP I, and the agency collected ETB 15.5 billion (EUR 680 million) in savings.

Source: ENA, FBC

World Bank on skills and investment in Ethiopia

The World Bank's latest Ethiopia Economic Update report, published on 8 July 2015, focused on the development of the manufacturing sector in Ethiopia. According to the World Bank, "the importance of developing a skilled labor force and improving the investment climate are among the key areas that will help support the Government of Ethiopia's plan of becoming a manufacturing powerhouse and increasing incomes by 2025".

Productivity gains are pivotal for the country to continue its double-digit economic growth, the institution further states.

"Ethiopia needs to improve how well firms are managed and how products and services are delivered. There also needs to be improvements in how well the overall economy is able to reassign resources from lagging firms to more dynamic ones" said Lars Christian Moller Lead Economist and Program Leader. The need to accelerate the growth of the manufacturing sector was also underlined: "The structural economic transformation that involves the reallocation of workers from the poorly productive agriculture to more productive economic activities in manufacturing is an important step towards the creation of better-paying jobs."



The World Bank

The Ethiopian strategy to achieve this was positively reviewed: "In its effort to accelerate manufacturing growth, Ethiopia is implementing an ambitious Industrial Park Program. Using this approach, the strategy hinges on attracting Foreign Direct Investment (FDI) in the export-led and labor-intensive manufacturing sector. The imperative is to build on the country's agricultural foundations by moving toward new tradable activities in manufacturing that absorb large numbers of young and semi-skilled workers."

According to the report, several challenges need to be addressed if Ethiopia wants to accelerate its structural transformation and significantly expand light manufacturing. The report provides further policy recommendations which could contribute to the development of the manufacturing in Ethiopia. To access the report, click here:

<http://ethio.be/1LYs6Fo>

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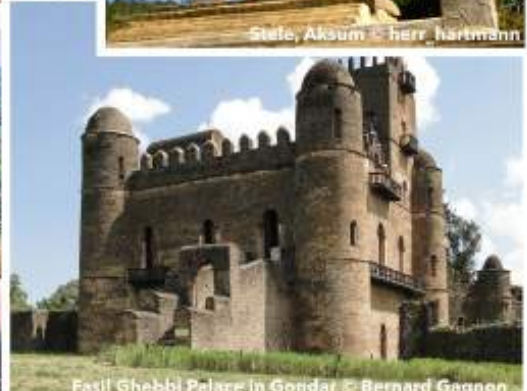
TOURISM

Ethiopia recognized as World Best Tourist Destination

On 25 June 2015, the European Council for Tourism and Trade (ECTT) based in Romania, unanimously selected Ethiopia as the World Best Tourist Destination for 2015 and favorite cultural destination for 2015. Among several countries, Ethiopia has obtained the award in recognition for its tourism potential, acumen reform of tourism industry and indelible cultural and historical patrimony. Similarly, the Council nominated Prime Minister Hailemariam Desalegn with the Academician-Honorary

Member of European Tourism Academy award, for his determined leadership role in promoting tourism as a tool for economic development of Ethiopia.

As per the press release of the Council, the recognition was awarded after a report entitled “Ethiopia: the perfect cultural destination; the land chosen by God!” was presented by Prof. Dr. Anton Caragea, President of the Council. The report describes the successful efforts of Ethiopia in becoming a major





tourist destination, through “the excellent preservation of humanity landmarks”, such as the ruins of the city of Aksum, Fasil Ghebbi, Harar Jugol, Lalibela, Konso Cultural Landscape, the Lower Valley of the Awash, the Lower Valley of the Omo, registered as UNESCO World heritage monuments. It has also been indicated that sites such as the Sheik Hussein religious, cultural and historical site, Melka Kunture Paleolithic site, Gedeo Cultural and Natural Landscape, Bale Mountains National Park and the Sof Omar Cave are prominent tourism landmarks of Ethiopia.

Prof. Dr. Anton Caragea further stated that the Government of the Federal Democratic Republic of Ethiopia, recognizing the importance of tourism as a key facilitator for development, created an exemplary institution known as Tourism Transformation Council to properly handle the promotion and

management of Ethiopian tourism.

Established in 2006 and based in Bucharest (Romania), the European Council on Tourism and Trade is a leading world and regional tourism organization, representing a market of 800 million customers from all around Europe with members and delegations in 28 countries. As a driving force in the international promotion of tourism, it is selecting the world leaders and countries to become a part of the structure and to raise a unified voice and position on the global tourism agenda. Ethiopia is the eighth country to be nominated by the Council. The Council awarded Turkey in 2007, Syria in 2008, UAE in 2009, South Korea in 2010, UAE in 2011, Trinidad and Tobago in 2012, Laos in 2013, and Zimbabwe in 2014. Its motto is “Offering to European Union tourists special destinations, safe trips, advises and knowledge. Offering fair trade and fair tourism guarantees.”

The awarding ceremony will be held in the presence of Prime Minister Hailemariam Desalegn and several dignitaries on 10 July 2015 at the National Palace followed by a colorful cultural music show. The Delegation, led by the President of the Council, is also expected to visit the Cultural and historical tourism destinations of Ethiopia as part of a familiarization trip.

The award is expected to promote Ethiopia's tourism destination on the European stage

and enhance the government's effort of lifting up the country to the top five tourist destination in Africa. In the Second Growth and Transformation Plan (GTP II), the government aspires to collect USD 6 billion from 2 million tourists. In the performance of the first GTP, the number of influxing tourists was 770,000 and USD 2.9 billion revenue has been generated.

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ANNOUNCEMENTS

ታላቅ የዳያስፖርታ ፌስቲቫል በኦሮሚያ

የኦሮሚያ ብሔራዊ ክልላዊ መንግስት ለክልሉ ተወላጆች በዓይነቱ ልዩ የሆነ የዳያስፖርታ ፌስቲቫል እ.ኤ.አ ከኦገስት 3-10 ቀን 2015 በውቢቷ አዳማ ከሞቀ አቀባበል ጋር አዘጋጅቶ ደጠብቆታል። በክልሉ ቆይታዎ ነጻ መኝታና የትራንስፖርት አገልግሎት እንዲያገኙ እንዲሁም የክልሉን የልማት እንቅስቃሴ እንዲጎበኙ ይደረጋል።

በፌስቲቫሉ ላይ ለመገኘት ፍላጎት ካልዎት ብራሰልስ በሚገኘው የኢትዮጵያ ኤምባሲ መመዝገብ ለኢትዮጵያ አየር መንገድ ከኤምባሲው የሚጻፈውን የትብብር በድብዳቤ

መውሰድዎን አይዘነጉ። በዕድሉ ተጠቅመውም በፌስቲቫሉ ላይ በመሳተፍ የክልልዎን የልማት እንቅስቃሴ ይመልከቱ።

ለበለጠ መረጃ ብራሰልስ በሚገኘው የኢትዮጵያ ኤምባሲ የዳያስፖርታ ዘርፍ በግንባር በቅረብ ወይም በሚከተለው አጵራሻ በመገልገል መመዝገብ ይችላሉ።

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ጽረ-ገጽ www.ethiopianembassy.be

ታላቅ የኢትዮጵያ ዳያስፖርታ ቀን በአዲስ አበባ

ለመጀመሪያ ጊዜ የኢትዮጵያ የዳያስፖርታ ቀን በዓል እ.ኤ.አ ከኦገስት 12-16/2015 በአዲስ አበባ በደማቅ ስነ-ስርዓት ይከበራል። በበዓሉ ላይ

ለመገኘት ፍላጎት ካልዎት ብራሰልስ በሚገኘው የኢትዮጵያ ኤምባሲ መመዝገብ ይችላሉ። ለበዓሉ የኢትዮጵያ አየር መንገድ 10% የአየር

ቲኬት ቅናሽ የያዘረገ አድርጓል። በመሆኑም በዕድሉ ተጠቅመው የዕረፍት ጊዜዎን በበዓሉ

ላይ በመገኘት በሚወዷት ሀገርዎ ያሳልፉ።

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 in Brussels (contacts below). Participants of the Addis Ababa Diaspora

Festival can secure a 10 percent discount via a support letter from the Embassy.

Phone - 003227713294

Mail - info@ethiopianembassy.be

Website - www.ethiopianembassy.be

8th Ethio-Chamber International Trade Fair

The Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) is organizing the 8th Ethio-Chamber International Trade Fair from 5 to 9 November 2015 at the Addis Ababa Exhibition Center & Market Development Enterprise. The overall objective is to contribute to the development of competitive industry and business sector mainly through the promotion of products and services.

The Trade Fair is expected to bring together large number of manufacturers, importers, exporters, local and foreign companies supplying raw materials and technological inputs to local manufacturers, service giving enterprises and prospective buyers to one spot. It is a good opportunity to create new business linkage and strengthen existing partnership. Furthermore, investment opportunities of the country will be introduced to stakeholders and prospective investors, therefore, it avails a chance to introduce your products and services,

and promote your business in a country that has a population of more than 90 million.

What makes the 8th Ethio-Chamber International Trade Fair so unique is that it promotes the use of appropriate technology and provides an opportunity for exchange of knowledge and experience. Latest technologies in various sectors of development will be staged in a separate setup. Moreover, to strengthen partnership between the academia/researchers/innovators and the industry/business sector, selected innovative ideas and products that are recognized by the Ministry of Science and Technology will be introduced.

You are cordially invited to participate in this Grand International Trade Fair. You can download a booklet (<http://ethio.be/1HPzK42>) containing relevant information as well as registration and sponsorship forms. We would appreciate it very much if you could kindly confirm your participation as soon as possible. To confirm your participation, please complete,

sign and seal the registration form and forward it preferably through e-mail or fax if not by hand delivery or mail to the Ethiopian Chamber of Commerce and Sectoral Associations address indicated in the booklet. If you have any enquiry, please do not hesitate to contact

us by clicking here: http://ethio-tradefair.ethiopianchamber.com/?page_id=87

Download the booklet:

<http://ethio.be/1HPzK42>

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 [by clicking here](#).

For more information, contact Daphne Willems at daphne.willems@nabc.nl

Ethiopian Airlines special offers

Ethiopian Airlines has several special offers for the participants of 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 information and contacts: see the next pages.

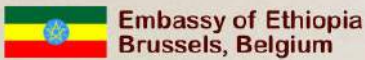
ABOUT THE EMBASSY

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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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 and be sent to this event and other document which shows he / she is a participant of this event and and be sent to Copy of letter should be retained at ticket issuing office and be sent to ET finance office up on request. No additional discount applies than stated on 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 16, 2015. Outbound travel to ADD is valid till August 12, 2015. Inbound travel from ADD is valid from July 13 - August 12, 2015.



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