

Newsletter

Embassy of Ethiopia, Brussels



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On behalf of all staff members of the Embassy of Ethiopia in Brussels,
of my Family and My own behalf,
I Wish all Ethiopians
and persons of Ethiopian Origin Living in the Benelux

መልካም አዲስ ዓመት!

Melkam Addis Amet!

Happy Ethiopian New Year!

Teshome Toga
Ambassador

Picture © Martin LaBar/Flickr

www.ethiopianembassy.be

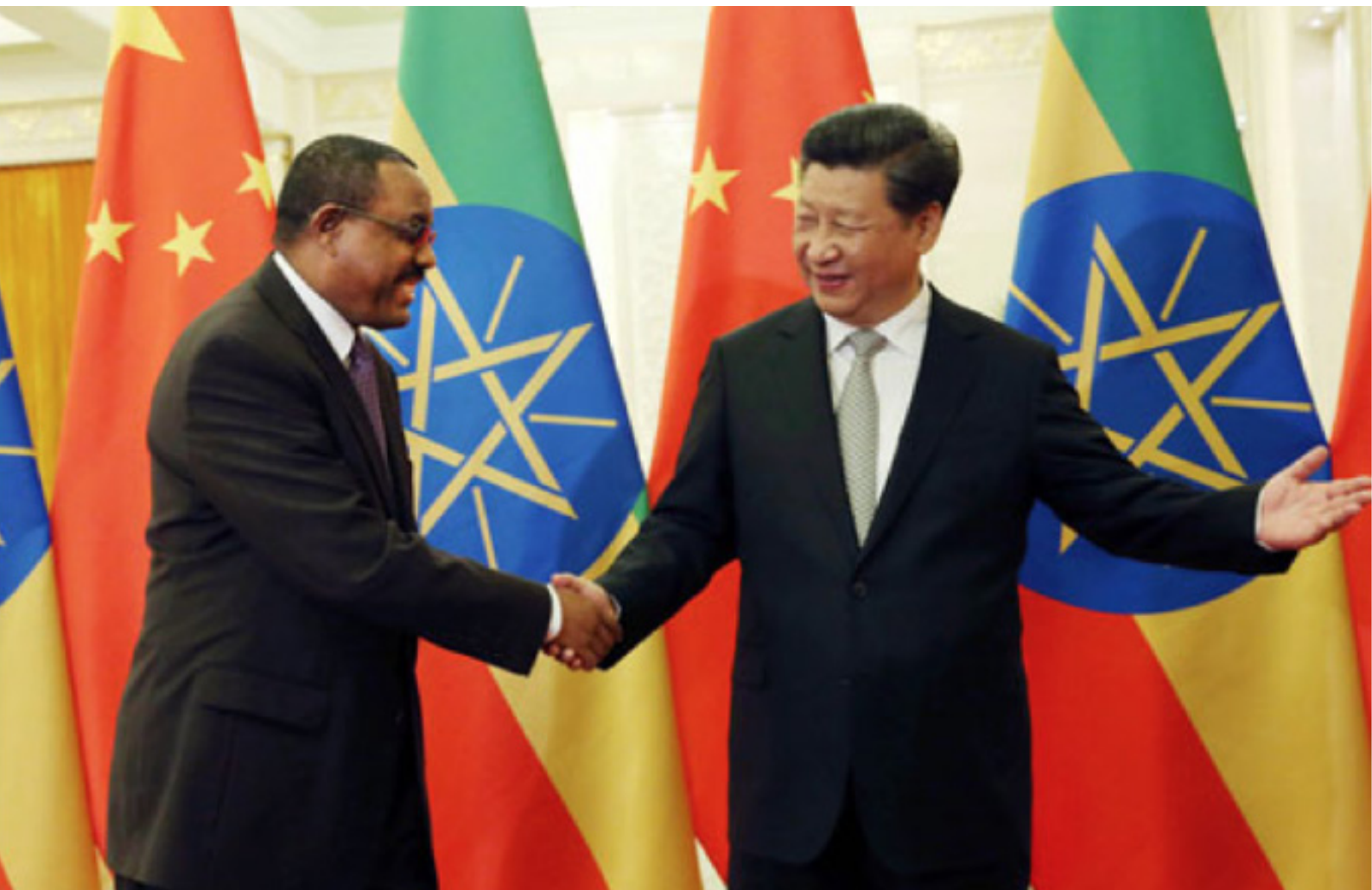
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POLITICAL ISSUES

Prime Minister Hailemariam concluded his successful visit to China



Prime Minister Hailemariam Desalegn meeting President Xi Jinping

A high-level delegation led by Prime Minister Hailemariam Desalegn visited China from 2 to 9 September 2015 to attend the 70th anniversary of the Chinese People's Victory Day

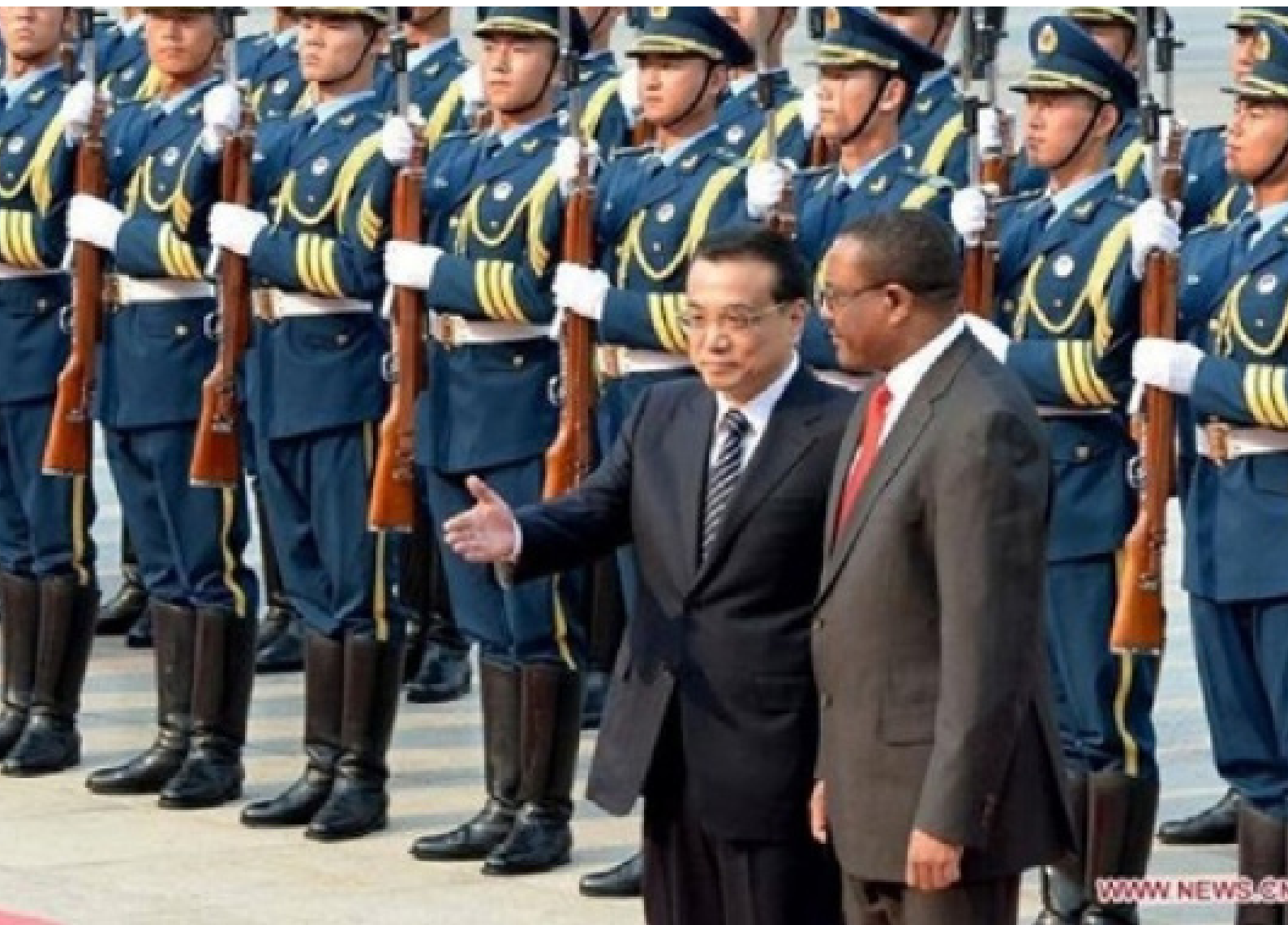
marking the end of World War II. Prime Minister Hailemariam Desalegn and his delegation which included Foreign Minister Dr. Tedros Adhanom held a series of bilateral discussions



with Chinese high officials and major Chinese business companies.

On 4 September 2015, Prime Minister Hailemariam Desalegn met with Chinese President Xi Jinping in Beijing and discussed issues of mutual interest between the two countries. Prime Minister Hailemariam also

and since the establishment of diplomatic ties 45 years ago, Ethiopia had been at the forefront of China-Africa cooperation. China firmly supported Ethiopia's economic development. Prime Minister Li Keqiang said he had witnessed the profound friendship of the Ethiopian people for the Chinese people



Prime Minister Hailemariam Desalegn with Prime Minister Li Keqiang

held consultations with Chinese Prime Minister Li Keqiang, who noted Ethiopia was a good friend and an important partner of China in Africa. The peoples of the two countries had fought heroically against fascist aggression

during his visit to Ethiopia in May 2014. He said Ethiopia is a priority partner for China and China is also ready to assist Ethiopia's development goals of industrialization and sustainable development in infrastructure,

human resources development, industrial park construction, energy, integrated development, investment and financing cooperation.

Prime Minister Hailemariam Desalegn on his part emphasized that Ethiopia wanted to learn from China's development experience to improve its business and investment environment. He welcomed Chinese enterprises to expand their investments in infrastructure, energy, agriculture, industrial park projects and other areas. The relationship between China and Ethiopia is a win-win model of China-Africa cooperation for mutual benefit. Following their talks, the two leaders witnessed the signing of a number of bilateral agreements covering economic and technological issues, power, finance, energy, aviation and other areas of cooperation.

On 7 and 8 September 2015, the delegation participated in the conference "China-Ethiopia International Production Capacity Cooperation" in Guangzhou and Dongguan cities in Guangdong Provincial State. Opening the final meeting, the Prime Minister noted that industrialization in China especially in the Pier River Delta was among the most impressive in the world and had given Dongguan the title of the "world's capital of manufacturing". This "manufacturing powerhouse", the Prime Minister said, is now playing a role in industrializing other countries like Ethiopia by encouraging and dispatching investors abroad. He said, Ethiopia is always ready to learn from such success and it is open for the investment of small and medium scale industry. Ethiopia is bidding to develop fast in a sustainable fashion and it needs large investment from China as both countries share similar goals of changing the life of the poor. "The sustainable and equitable growth path of China is an inspiration in my country" said the Prime Minister; there will be no stone left unturned until poverty becomes history in Ethiopia. Investors who share this vision from Guangdong are the best

candidates to invest in Ethiopia, he further assured. Reiterating Ethiopia's commitment to sustainable growth which provides a favorable place for manufacturing to flourish, he urged the Huajian Group, one of the leading investors in Ethiopia, to complete the new Eastern Industrial Park as soon as possible.

Ethiopia's Finance and Economic Development Minister, Sufian Ahmed briefed the participants, saying the country had allocated land with long-term guarantees of use for investors interested in constructing industrial parks. He said regulations on the repatriation of profits were very clear. Companies could repatriate without difficulty if they declared profits at the end of the fiscal year. The challenge, as it had been in China when it was opening up her economy 30 years ago, was shortage of foreign exchange. The challenge could be alleviated by attracting more investment to bring foreign exchange and by producing competitive items for the market.

Party Secretary Xu Jianhua and Vice Mayor Yang Xiaotang described Dongguan city as a manufacturing miracle and said it had become a booming business and industrial city in the Pearl River Delta region in China. The Vice Mayor explained that it used to be the agricultural base of the Pearl River Delta region but it had become one of the cities which had seen most rapid economic development since China's reforms and the opening-up of the economy. He said it had realized annual gross domestic product (GDP) growth of more than 20 percent over the last 20 years. It had also established close economic and trade relationships with more than 30 countries and regions and the region is one of most favorable Chinese investment destinations. Furthermore, the Party Secretary and Vice Mayor noted the China-Ethiopia partnership is growing. There has been an increase of 58.8 percent in trade relations last year and it would continue in the future.

During the fora, the China Development Bank Guangdong Branch, the Huajian Group, the George Shoe Group and SINOSURE made presentations of their policies, experiences and future plans. The Prime Minister also held discussions with a number of Chinese companies which had already invested in Ethiopia and with potential investors. Besides, he underlined the readiness of the government to welcome investors and to make every possible effort to resolve any challenges that the investors may face. To further enhance business-to-business relation Guangdong Province and the Ethiopian Chamber of Commerce and Sectoral Association have signed a Memorandum of Understanding.

The strategic partnership between Ethiopia

and China is witnessed with mutual benefits and all multi-faced relations. The bilateral relations between the two nations is old-aged and strengthened by frequent high-level visits and strong economic and business relations where many investors and business peoples are contributing to the growth and transformation of the country in various sectors. During his visit to Ethiopia in May 2014, Prime Minister Li Keqiang affirmed that the two countries “have enjoyed smooth relationship and practical cooperation”, reaching “consensus to continue to work on infrastructure development, technology transfer, people to people relations” and further he expressed his hopes that more agreements will further enhance the solid cooperation between the two countries.

EPRDF to prepare a consultative forum with opposition parties

The Ethiopian People’s Revolutionary Democratic Front (EPRDF) said a consultative forum with opposition parties to meet with Prime Minister Hailemariam Desalegn will be prepared in the near future. This initiative is based on the request expressed by opposition parties during the meeting of the joint council of political parties.

Public and External Relations Head of the Front’s Council Office, Desta Tesfaw, in his interview with the Ethiopian Press Agency, said the request made by the competing opposition parties for the preparation of a meeting with the Prime Minister will have a practical response in the near future. The meeting shall be conducted based on agendas submitted by the parties themselves.

According to Desta, EPRDF established the joint council of political parties in the aftermath of the 2010 election to work with opposition political parties who adhere to the Constitution.

This consultation shall strengthen cooperation between political parties. “Peaceful political parties are vital for the overall governmental system,” he remarked. Furthermore, he said that a meeting for those who are not members of the joint council is being prepared to take their views and comments on government policies and strategies.

If those parties which are working in a way that contrasts with the Constitution and principles of peaceful struggle are ready to take the constitutional and peaceful way, the front is willing to work with them too, Desta underlined. Besides, he urged all the opposition political parties to craft and provide the public with alternative policies and strategies and work on mutual interests for the development of the country. The government shall prepare ways for their participation in the peaceful, democratic and developmental governance of the country in the coming five years.

ECONOMY

GTP II tailored to make a significant leap forward

Deputy Prime Minister Demeke Mekonnen said the implementation of the second Growth and Transformation Plan (GTP II) will move Ethiopia to another chapter of rapid economic growth, political and social development. Even though Ethiopia has registered a remarkable progress in different

domains during the first GTP, there are still areas that need rapid transformation to sustain the growth momentum for the years to come. “The structural transformation the country is hoping to make, is to move from an agrarian

economy toward an industrial one. But the country has not travelled so long to achieve its development aspiration in that specific sector of the economy in GTP I. GTP II will put at most emphasis on making that transformation happen” the Deputy Premier noted. He emphasized that, even though Ethiopia has been registering rapid economic growth for over a decade now, the growth will not be sustained for long without industrializing the economy. “If industrial development cannot overtake agriculture sector development in



The Grand Ethiopian Renaissance Dam, part of the Ethiopian strategy to become a middle-income country

GTP II, the country’s potential to compete on the international market will be hampered. That harms the competitiveness in the global economy. That is why due diligence will be put on industrial development in the coming five years of GTP II implementation which starts this Ethiopian New Year” the Deputy Premier said.

Furthermore, the Deputy Prime Minister highlighted the fact that the Ethiopian income has reached USD 640 per capita in the past five years, lifting millions of citizens out of poverty. He also said that there are still millions of citizens who are facing abject poverty.

“At the end of GTP II, Ethiopia needs a new history to be made. We have to pave the way forward to become a middle income country”, the Deputy Premier said. He is also cognizant of the fact that citizens are dissatisfied with the governance problems the country is facing. “It is difficult to say that citizens are satisfied with the public service they are provided with. In GTP II, the issue of good governance will be a key one that needs to be changed like the economic transformation of the country. The change in



good governance should be accompanied with change in mindset”.

In his concluding remark, Demeke wished to all citizens of the country a happy and prosperous Ethiopian New Year, during which the vision

enshrined in GTP II and the aspiration of the general public for change can be realized.

Source: Walta Information Centre & Fana Broadcasting Corporation

Industrial Parks to be established for 2.5 billion USD

On 3 September 2015, the Industry State Minister Dr. Mebratu Meles disclosed that agro-processing industrial parks are going to be established in different parts of the country with an outlay of USD 2.5 billion. Speaking at a consultative meeting about meat industry in GTP-II, the State Minister said the sector is facing challenges such as shortage of inputs,

minister also pointed out the absence of industries in areas where there are abundant agricultural products, whereas lack of raw materials in places where industries are found result in low income.

To change this situation, agro-processing industrial parks will be established in Tigray, Amhara, Oromia and Southern Nations,



Industrial park to be built by the Kumtek Industrial PLC

low quality, failure to penetrate reliable markets, and lack of value chain. The state

Nationalities and Peoples’ states, Dr. Mebratu pointed out. Studies have proved that there is

abundant livestock, fish, sesame, spices, and honey in the identified areas. The feasibility studies of all the industrial parks are finalized, and the implementation is about to start. The first facilities to start production will be Bahker in Tigray, Bure in Amhara, Ziway in Oromia, and Sidama in SNNP.

As the agro-processing sites are close to port, towns and transport infrastructure, they will be profitable to investors, according to the state minister. Each of the industrial parks will have initially up to eight rural transformation centers that would serve as pre-processing sites. The investment forum to be held in January and February 2016 is expected to contribute the

necessary funding. USD 2.5 billion are required in total.

Ethiopia has tremendous potential for investment in agro-processing sectors. While the government encourages the export of unprocessed agricultural products, it has placed incentives and tax holidays for investment and export of processed products, which involve and stimulate the growth of the agro-processing sector. GTP II plans to transform Ethiopia's economy from an agricultural-led one to an industrial-based economy for a sustained long-term economic development of the country.

Source: ENA, Embassy of Ethiopia in Brussels

The Economist to host Ethiopia event in Addis

Economist Events, which is part of the business publication brand Economist, is organizing the forthcoming Ethiopia Summit. Ethiopian Prime Minister Hailemariam Desalegn has confirmed an invitation to speak at the event scheduled for 28 and 29 October 2015 at the Sheraton Hotel in Addis Ababa.

Organized under the theme 'Driving continued growth' the summit will bring together more than 150 of the country's leading policy-makers and business leaders with international executives active or interested in expanding in Ethiopia to explore opportunities and tackle challenges. According to the organizers, the Ethiopia Summit will be taking place at the opportune time to explore what more can be done to help the country achieve its full potential.

In 2010, the government set out its first ambitious five year Growth and Transformation Plan (GTP I) in a bid to foster broad-based development in a sustainable manner. It

subsequently saw agricultural exports grow by 9 percent in the first three quarters of 2013-2014 and the manufacturing sector grow by 11.4 percent in the same period.

Ethiopia is now launching its second five year plan (GTP II). Besides the Prime Minister, other speakers and panelists will come from the government and industry. Points of discussion will include: What are Ethiopia's future growth prospects? Is the state-led development model sustainable? What are the challenges currently faced by the private sector? What opportunities exist for private equity firms looking to enter the Ethiopian market?

According to the Economist Intelligence Unit, with a population of around 94 million, the government is aiming for middle income status within the next decade and real GDP growth forecast to average 7 percent a year in 2015-2019. Ethiopia's infrastructure spending, as a percentage of GDP, is the highest in Africa. Energy costs are also one of the lowest on the continent.

With new hydropower dams coming starting producing power over the next few years, the government has promised cheap energy for its people and eventually makes Ethiopia a potential energy exporter for the region. The 1800MW Gibe III project will be fully operational before the end of the year.

Higher labor costs in Asia have led many to predict a move by international manufacturers to Africa where costs are minimal and land

available. With a large population and sizable labor force, Ethiopia has made it clear that it wants to be ready for that influx.

The organizers say prospective investors will be able to come up close to the challenges ahead. Foreign direct investment reached almost USD 1 billion in 2013-2014, maintaining the momentum one of the African continent's fastest growing economies

Source: www.busiweek.com



EU-AFRICA AFFAIRS

The European Union plans to launch 1.8 billion Euros fund to help Africa address Migration Crisis

The European Union plans to “help reduce the number of migrants heading to Europe and better manage its borders”. It is launching a EUR 1.8 billion fund to help states surrounding Europe deal with migrants before they arrive on European soil. The aim is “to improve stability

and address root causes of irregular migration flows.” The fund will be provided by the 28 EU member states and distribution will focus on northern Africa and Horn of Africa countries like Ethiopia, Eritrea, and Somalia. Around 100,000 refugees have been rescued so far this

year crossing the central Mediterranean from northern Africa. The President of the European Commission, Jean-Claude Juncker, speaking to the European Parliament, also announced plans for a larger, better funded European border agency

with greater authority, including the power to repatriate those who do not require asylum. Mr. Juncker also told the Parliament that

the Commission plans to force countries to take a share of 160,000 migrants arriving in Italy, Greece and Hungary through a quota scheme. He said this would be done in a “compulsory way”. EU member states agreed on a voluntary



basis to take in 32,000 migrants in July but plans collapsed after have opposition among eastern member states. Mr. Juncker said “Europe is a continent where almost everyone has been a refugee,” adding that “We Europeans should

know and should never forget why giving refuge and complying with the fundamental rights is so important.” Under the commission proposals, asylum seekers will also be allowed to work while their claim is

being processed. In most European countries, asylum seekers are banned from doing so and have to rely on obtaining state benefits.

Source: MFA Ethiopia

AGENDA & ANNOUNCEMENTS

Ethio-Netherlands Business Event

“A Growing Investment Opportunity”

Together with the Ethiopian Embassy in Brussels and the Netherlands Embassy in Addis Ababa, NABC will be organizing the first Ethio-Netherlands business event in the Netherlands on 5 and 6 November 2015. Are you interested in investing in Ethiopia and looking for the

right information and people to discuss the opportunities? This is the right place to get informed on investing in Ethiopia.

Ethiopia, as a country with a population of approximately 95 million, double-digit growth, availability of land and an attractive and diverse climate, has become a main

destination for investments. The Dutch private sector is already involved extensively in Ethiopia (via horticulture, agriculture). Despite the increasing number of investments by Dutch companies, opportunities available in Ethiopia are not fully optimized. In view of this, both countries have agreed to stimulate the Dutch private sector investment in Ethiopia and trade opportunities between Ethiopia and the Netherlands.

During the Ethio-Netherlands business event, officials from Ethiopia and experts from the field will advise on the business opportunities and steps to take when investing. Specific focus will be on the investment potential in seven sectors, following from the Dutch development cooperation program and being in line with Ethiopian priorities: seeds (tomatoes, potatoes), oilseeds, poultry, dairy, spices, textiles and logistics/construction. Based on business opportunity reports and business cases for each sector, we will provide you with the right know-how and the introduction to a network to get started.

The event consists of two days, of which the first day will compose of the following elements:

Day 1:

- A) General plenary session on investing in Ethiopia with testimonies from the Dutch private sector in Ethiopia;
- B) Seven separate workshops on the specific sectors based on the business opportunities reports and business cases;
- C) Matchmaking session between Dutch companies and Ethiopian and Dutch authorities (B2G); between Ethiopian and Dutch potential business partners (B2B) and between Dutch companies to establish cooperation (B2B).
- D) A working dinner.

Day 2

The second day will consist of company visits by separate groups within the seven sectors. Another registration page will be opened to register for the company visits.

More information:

Email info@ethiopianembassy.be

Registration and information:

http://ethio.be/NL_Ethio_Business

Announcement for Ethiopian ID cards

Click here to read the announcement (Amharic):

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

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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