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BY EAGATE FOREIGN TRADE AUXILIARY PLC

MAJOR JAPANESE COMPANIES READY TO INVEST IN ETHIOPIA

Toyota Tsusho signs MoU to partake in geothermal plant, textile machineries

At the sixth Tokyo International Conference on African Development (TIACD VI) major Japanese companies have expressed their interests of investing in Ethiopia and company leaders have met with Prime Minister Hailemariam Dessalegn at the summit in Nairobi where the conference is being hosted in Africa for the first since 1993.

Fitsum Arega, director general of the Ethiopian Investment Commission (EIC), who is attending conference as part of Ethiopian delegation in Nairobi, told The Reporter that during the summit, six major Japanese companies have requested to meet the PM and have conferred on how they could be part of the Ethiopian foreign investment landscape.

According to Fitsum, Toyota Tsusho Corporation (TTC), the trading arm of the Toyota Group has shown interests to install geothermal power generation and textile machineries facility in Ethiopia. The company has analyzed the potential of the Ethiopian market in textile and geothermal energy, Fitsum said. As to how much is on the table to be invested, however, he said that the MoU signed with TTC is at its infant stage and the corporation will further conduct feasibility studies on the potential investment areas. Adding to that, TTC has also conveyed readiness to set up a textile machineries assembly, maintenance and supplying facility in Ethiopia as industrial parks are expanding. It is to be recalled that TTC for some time has been chasing whether it can embark on the Alto Langanu Geothermal Project. Currently, in addition, new geothermal projects are underway to be developed. Beyond that, Toyota Tsusho has embarked some USD 300,000 to set up a leather goods manufacturing plant: Hiroki Co. Ltd.

In addition to TTC, Toshiba Corporation the prominent ICT brand is geared to involve in the energy sector. Toshiba is well reputed for its machineries production for the energy sector. [1] [Source: The Reporter, August 27, 2016].



Ethiopia Eyes Chinese Investment in Tourism **.03**

Ethiopia prioritizes working in partnership with China to attract investments in the tourism sector.



BOTTLE MAKER EXPANDS TO FULLY SUPPLY BEVERAGE **.05**

The sole manufacturer of glasses and bottles in the country, the Addis Ababa Bottles and Glasses SC, allocates 1.5 billion birr for three production lines .



Awash – Kombolcha – Woldiya railway construction reaches 45%

The Awash-Kombolcha-Woldiya (Hara Gebeya) Railway construction project has reached 45 percent, Project Head said. Manager of the Project Abdulkarim Mohamed, briefing the Ethiopian Diaspora visiting the site on their way to Bahir Dar, construction of the railway line that commenced in 2014 has now reached 45 percent.

The project is expected to be accomplished in 2018 [1] [Source : Capital, August 7, 2016]

ERC to set up Corporation for Ethiopia-Djibouti railway line

The Ethiopian Railways Corporation (ERC) is set to establish a Corporation which will administer the Addis Ababa-Mieso-Dewelle-Djibouti railway line. The railway line will begin trial operation after the power supply line is connected to the main grid in weeks time, Dereje Tefera, Public Relations Service Head at ERC, said. Before it begins operation, a Corporation will be established soon, he said. [1] [Source : The Reporter, August 13, 2016]

Ethiopia, Tanzania set to ink power deal

Tanzania will sign a 400 megawatts power purchase agreement with Ethiopia in the coming weeks, the Ethiopian Electric Power (EEP) said. The latest deal between Ethiopia and Tanzania goes beyond power selling as it also fosters economic integration, according to CEO of EEP Engineer Azeb Asnake. The power transaction will create further economic integration between Tanzania and Kenya as the latter sits between Ethiopia and Tanzania, the CEO told ENA. [1] [Source: The Reporter, August 27, 2016]

Major event this month- Ethiopia Building Expo

The 13th ETHIOPIA BUILDING EXPO will be held from 17 to 21 SEPTEMBER 2016 ADDIS ABABA & ETHIOPIA

Ethiopia Building Expo is an International Trade Exhibition on all kinds of Building, Construction materials, Electrical, Lighting, Hardware, Safety & Security, Tools, Paints, Generators, Heating & Cooling products & machinery etc

CANADIAN COMPANY ASKS FOR GOLD MINING LICENSE

The Vancouver-based mineral exploration company, East Africa Metals, has asked the Ethiopian Ministry of Mines, Petroleum and Natural Gas to be given large scale mining license that enables it to produce gold and silver minerals in the Tigray Regional State.

East Africa Metals has submitted its application to the ministry requesting the mining license that would allow it to extract gold ore in the Terakimiti locality in the Tigray Regional State. East Africa Metals owns 70 percent of the Harvest Tigray Gold project located 600 km north of Addis Ababa, near Shire town.

The company has been engaged in gold exploration project in Terakimiti locality since 2011. The company has discovered a gold reserve amounting to 107,000 ounce. The silver deposit is estimated at 812,000 ounces. A statement issued by East Africa Metals on August 11 stated that the total amount of the mineral resource of the license area is estimated at 1.12 million tons & 75.3 percent gold and 39.7 percent silver.

The Harvest joint venture has already approved final documents. The company hopes that the proposal would be reviewed and approved by the Ministry of Mines, Petroleum and Natural Gas. East Africa Metals proposed that the Terakimiti gold deposit would be processed as an open pit mining operation to produce gold and silver ore.

“The region has regular air service and very good, modern transportation and power infrastructure. The existing transportation and power infrastructure is located close to the project site enhances the development potential of the proposed operation. The proposed mining operation would utilize grid power for the project, for which the nearest high tension power line is approximately 7 km away. Primary road access to the site is by paved highway from the town of Shire, 40 km south of the project,” the company said.

A local company hired by East Africa Metals, Beles Engineering PLC, has already completed an independent environmental impact and socio-economic assessment (EISA) study for the project.

“The resource at Terakimiti Project shares a similarity with other copper-gold projects in the region, such as the Bisha and Debarwa deposits, in that the initial mining opportunity was defined by the surface gold-oxide resource followed by mining of copper-gold-zinc sulphide resources,” East Africa Metals president and CEO Andrew Lee Smith said.

So far MIDROC Gold is the only company engaged in large scale gold mining activity project in Ethiopia. [1] [Source: The Reporter, August 20, 2016]





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Ethiopia Eyes Chinese Investment in Tourism

Addis Ababa August 18/2016 State Minister of Culture and Tourism Tadelech Dalecho said Ethiopia is desirous to see the leading involvement of Chinese investors in manufacturing sector replicated in tourism and hospitality.

The state minister made the remark yesterday at the China-Ethiopia Tourism Industry Cooperation Dialogue. She noted that Ethiopia prioritizes working in partnership with China to attract investments in the tourism sector and expressed the nation's desire for investors to engage in the construction of star-designated hotels, lodges and resorts across tourist attraction sites.

Ethiopia has abundant potential for commercial and conference tourism and provides various incentives including tax holidays, access to land at competitive lease price and custom free imports of capital goods for investors in the sector, Tadelech explained.

The state minister said the two countries have done more to widen their cultural cooperation and expressed her optimism that the dialogue could open door for Chinese investment in Ethiopia's tourism sector.

Chinese Ambassador to Ethiopia La Yifan said in the occasion that there is a growing desire among Chinese investors to take part in Ethiopia's tourism sector.

Continued - Ethiopia Eyes Chinese Investment in Tourism

Ambassador Yifan stated that the success Ethiopia has registered in expanding its infrastructural complexes is the driving force to attract Chinese investors and reiterated the investors demand to work in the construction of hotels, lodges and resorts. He said leaders of the two countries agreed to strengthen the cultural cooperation and stakeholder meetings are also underway to seek joint partnership in Ethiopia's tourism industry.

Yifan noted that Ethiopia's tourism sector has a capacity of generating equal amount of money with the current Ethio-China annual trade exchange and advised vigorous efforts to be exerted for the sector's development. In 2015 Ethiopia obtained 4.3 billion USD from tourism and 918, 000 tourists from various countries visited the country.

The China-Ethiopia Tourism Industry Cooperation Dialogue was co-hosted by Minister of Culture and Tourism and China's Embassy to Ethiopia aimed to promote Ethiopia's tourism investment opportunities among Chinese investors.

[Source: www.ena.gov.et]

New transport system project launched at a cost of USD 300 mln

Securing a credit worth some USD 300 million from the World Bank (WB), a new transport improvement project dubbed 'Ethiopian Transport System Improvement Project (TRANSIP)' has been officially launched on Thursday.

The project, according to both the WB and the Ethiopian government, is expected to modernize and create a well-managed transport system in the country. Kick-starting TRANSIP, Abdissa Yadeta, State Minister of Transport said that in a country where there are as little as 708,000 vehicles (only registered amount) and out of which some 426,000 are driven across the streets of the capital, there have deaths, injuries and property damages for years. According to the state minister, out of 100,000 individuals 64 are losing their lives due to vehicle accidents in the country.

Lack of parking space, lack of efficient traffic control and management, absence of proper bus and taxi terminals and the like have contributed for long congestions on top of high-level of accidents and carbon emissions. This has placed the country among the worst listed in road traffic accidents and the government have sought to have solicit to modernize transport systems with special emphasis on urban areas. Hence, pulling much of the funds WB availed, Addis Ababa will be able to have new arrangements and digitalized vehicle and drivers' licensing systems in place. [] [Source: The Reporter, August 20, 2015]



Gibe III power plant begins generating 800 MW

The Gibe III hydroelectric project has begun generating 800 megawatts of electricity, said Engineer Azeb Asnake, CEO of Ethiopian Electric Power. The project which has 10 Francis turbines with a power of 187 megawatts each for a total installed capacity of 1,870 megawatts is now 96 percent complete, the CEO said. Eight of the turbines have begun generating power. Because of the dam's current water volume, the turbines are generating from 100 to 120 megawatts now, she noted. [] [Source: Capital, August 7, 2016]



Ethiopia earns over USD 275 mln from horticulture

Ethiopia has earned 275.45 million US dollars from the export of flowers, vegetables, fruits and herbs in the concluded Ethiopian fiscal year, the Ethiopian Horticulture Development Agency said.

Flower export took the lion's share of the income, generating 225 million US dollars, Mekonnen Hailu, Public Relations Coordination Head of the Ethiopian Horticulture Development Agency, said. Vegetables, fruits and herbs fetched the remaining 50 million US dollars. []

About 130 companies are currently engaged in horticulture development in Ethiopia. [Source: The Reporter, August 13, 2016].

BOTTLE MAKER EXPANDS TO FULLY SUPPLY BEVERAGE INDUSTRY

The sole manufacturer of glasses and bottles in the country, the Addis Ababa Bottles and Glasses SC, has been working on expanding its production line where recently it has increased the daily production to 81 million bottles from the existing 20 million per year. Established in 1976, the factory, which is located at Asko locality, northern western part of Addis Ababa, has launched an expansion project targeting to fully address the demand gap that has existed for long in the beverage industry. According to Siemen Bekele, deputy general manager of the company, currently, the demand for bottles and glasses remain at 65,000 tons per year. The Addis Ababa Bottles and Glasses SC, however, has been able to supply the industry with 25,000 tons.

Siemen claimed that following the successful completion of three phases of the expansion project a year-and-a-half later, the factory will manufacture at full capacity to address the required demand for bottles and glasses for which the entire beer industry, alcohol and wineries, cosmetics plants and the like depended on. However, the huge gap in the supply side forced the likes of Diageo to import bottles and glasses from abroad.

Following the acute shortage, the company has set aside some 1.5 billion birr for expansion. Siemen said that in the last ten months time, the factory was able to install a production line with a total capacity of manufacturing 53 million bottles per year or 50 tons per day. The second phase of the production line, which is scheduled to be complete within ten months time, is expected to expand the production capacity to 160 million tons of bottles.

Similarly, at the completion of the third production line, the capacity is expected to reach at 250 million bottles per year. The likes of BGI-Ethiopia, which bottles St. George Beer, have been facing shortages of export standard-light weight- bottles manufactured locally. The bottle manufacturer targets to tap into that market segment and scale up the existing small scale manufacturing unit. In addition to that, Siemen said that the factory is considering the production of water bottling glasses in a view to diminish the vast production of plastic bottles in the country.

The increasing expansion and introduction of beer factories in the country has caused supply side constraints in the country. According to reports, on average, some 25 million dollars valued bottles and glasses have been imported annually to address the gap. Siemen hopes that the new plant will substitute importations of 11 million dollars worth of bottles. Privatized six years ago for 66 million birr, the factory which started operations with a capacity of 20 million bottles a year four decades ago, recently has attracted Greaytop PLC; a Chinese firm in a joint venture with the locally-based Bazeto Industry and Trading PLC sharing 50 percent stake each. According to Siemen, the total capital of Addis Ababa Bottles and Glasses SC accumulated valued at some half a billion birr. Employing 40 percent of broken pieces of bottles and glasses (cullet) as raw material, the factory operates on silica sand, soda ash and the like. Depending heavily on electric power as source of energy, 4MW power has been installed with possibilities of climbing to demand 11MW electricity at the end of the expansion project. [Source: The Reporter, August 7, 2016]

Salt Factory in Semera Goes Operational

Salt factory which was built at an outlay of 300 million Birr in Semera town, Afar State, has gone operational. The factory is built by investors from Ethiopia and Turkey.

The factory is built over 50,000 square meters of land and it is said to have a capacity of producing 1,000 tons of iodized table salt every day. In addition to this, the plant will be able to produce from 10,000 quintals to 14,000 quintals of salt that can be utilized as an input for factories.

According to Fana Broadcasting Corporate, the Afar located factory has created job opportunities for 300 Ethiopians and it is estimated this number might rise to 800 after it goes operational on full capacity.

Ethiopia is expected to benefit from its abundant salt resources for the plant will supply different kinds of salts to factories.

[Source: Fana Broadcasting Corporate, August 17, 2016]



DBE Invests in High Tech Systems



Tech Mahindra Ltd. (TechM), an Indian company specialising in digital transformation, consulting and business re-engineering, has signed a deal with the Development Bank of Ethiopia (DBE) to implement Enterprise Resource Planning (ERP) and Business Intelligence Systems, at a cost of 780,000 dollars. The system will be integrated with the core banking system of the bank by which transaction payments and taxes are automatically monitored. Furthermore, the system will integrate the human resources including profile of employees and performance management. [1]

DBE is engaged in providing short, medium and long term credits, and also long term investment financing. The bank's service provision is characterised by a project based lending tradition. Projects financed by the bank are selected and prepared through appraisal processes closely supervised and systematically evaluated, reads the bank's page.

“There has been no ERP IT implementation company before in Ethiopia,” Bahru Mosa, an IT-based banking solutions consultant, told Fortune. “TechM's products signed with DBE integrate the activity of the bank and helps to improve efficiency.” The contract agreement stipulates that the programme will be implemented within nine months. [1] [Source: Fortune August 28, 2016]

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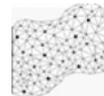
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