



INSIDE THIS ISSUE:

Finserve announce plan to join Ethiopia's banking sector 2

Ethiopia to revise investment incentive packages 3

Federal Ministries slashed to sixteen 4

WB grants \$ 1B for budget 5

Upcoming events 6

USD 500m released to manufacturing but factories still thirsty

The government via its financial giant, Commercial Bank of Ethiopia (CBE), has released highly anticipated hard currency to the manufacturing industry. However, it's less than what is needed, Capital has learnt.

Sources close to the industry disclosed that last week the state bank sent the letter of credit (LC). According to the information Capital obtained, the sum of USD 500 million has

been released for those engaged in the industrial sector. Sources said this time around the LC was not available for finished goods importers.

The latest release is the second time within almost six months after the USD 300 million was approved in March.

Even though this is a positive first step USD half a billion is much smaller than the demand, according to sources.

Experts in heavy industry

told Capital that the amount is relatively high compared with the March disbursement; but it is still very small compared with the expectation and may be used to import a limited amount of inputs for several weeks of production with up to 20 percent production capacity. [...]

Source: [Capital, August 27, 2018]



Haji Ibssa, Director of communications and public relations with the Ministry of Finance and Economic Cooperation (MoFEC)

Fifty mega projects earmarked for public-private

Following the establishment of a new Public Private Partnership (PPP) body backed by a proclamation and an implementation regulation, it has announced the selection of 50 mega projects potentially suitable for a public-private joint-venture investment.

Haji Ibssa, director of communications and public relations with the Ministry of Finance and Economic Cooperation (MoFEC), told

reporters this week that the governing body of the PPP has held its second working meeting this Wednesday and identified potential investment areas for the government and private sector partnership. Yet, the details are yet to be made public, Haji told *The Reporter*.

Across the state owned enterprises, some 50 mega projects have been identified as having the potential for future investment under the

PPP framework. Out of those, 26 projects are slotted for immediate launch and implementation, Haji said.

Currently, the African Development Bank (AfDB) has provided USD 1.7 million support for the PPP program including hiring international consultants to identify and study the potential mega projects. *Source: [The Reporter, August 18, 2018]*

Finserve announces plan to join Ethiopia's banking sector

One of Kenya's virtual payment operators, Finserve, has announced a plan to join Ethiopia's banking market. This is to be in partnership with several local banks and a local fintech firm.

This comes as the administration of Abiy Ahmed (PhD) is set to liberalize a

number of sectors; including those in the telecommunication, aviation and some reforms in the government controlled banking system as a strategy to invite a much needed foreign investments to the nation.

The company has been eyeing the Ethiopian market,

more specifically, by the decision of the government to set a Diaspora account and allow millions of Ethiopian born citizens to use a modern remittance system to send money to Ethiopia. [...]

Source: [The Reporter, August 25, 2018]

HelloSolar, BelCash to introduce solar home system

With Ethiopia moving to a strategy which helps embrace the wisdom of solar energy within the country and play catch-up to successes achieved in neighboring nations such as Kenya and Rwanda; HelloSolar in partnership with BelCash – the mobile banking platform system – is set to introduce

a pay-as-you-go system for the nation's off-grid population with affordable solar home system.

This is a jump-the-queue strategy for the company in offering such a system and becoming a pioneer in a country whose majority of population still lack basic energy. In addition, the com-

pany has launched an International Remittance payment system, to allow members of the Diaspora to pay from anywhere in the world with a credit card and convenience local clients.[...]

Source: [The Reporter, August 18, 2018]



EEP launches Africa's first Waste-to-Energy Facility

Africa's first Waste-to-Energy Facility was launched in the outskirts of the capital last Saturday, becoming the first such facility in the continent. Expected to have a processing capacity of approximately 1400 tons of waste a day, the facility was inaugurated in the shadow of Reppi Landfill which collapsed and killed scores of people, last year.

The project came about with the partnership of the Ethiopian Electric Power, Cambridge Industries Energy

and the China Urban Construction Design and Research Institute, the later known to have constructed a slew of such facilities in China and a number of European nations.



The Denmark based Turnkey Engineering served as a consultant for

the project that took four years to complete at a cost of close to USD 3 billion. The facility is expected to take waste from Addis Ababa's five million populations and recycle them into resultant heat energy, ultimately turning into much needed electricity in a population that still lacks basic form of energy for everyday needs. [...]

Source: [The Reporter, August 25 , 2018]

Big changes for Tele

The newly appointed CEO of Ethio-telecom, Freheiwot Tameru, announced that the telecom is undertaking major reforms. Regional officers will now have more leeway to make decisions. This includes managers as well. It will eliminate the delay caused by having to wait for the head office before making plans. The telecom monopoly also added a number of regions. Addis Ababa will get two regions and three others were added

for the states. There will be a new Central North Addis Ababa and Central Western Addis Ababa region. Also, the South West Region at Wolayita Sodo and North West Region at Gondor are being opened. The Harari Branch Office has been reorganized at a regional branch office level.

Previously there were 12 regions but now there are 17. The decision will save the waste of energy and re-

sources and lessen the workload at headquarters. The restructuring will also affect the zonal offices, according to the telecom. The new salary structure was made effective last month. This will change the promotion and salary scale of employees.

Source: [Capital, August 27, 2018]

Ethiopia to revise investment incentive packages

The Ethiopian Investment Commission (EIC) said today that a major investment package revision is underway including the amendments of the existing investment laws and regulations.

According to Belachew Mekuria (PhD), Commissioner of EIC, the Ethiopia investment proclamation which provides investment incentives in a

“blanket” framework is the main target of the amendment. The “blanket” five or ten year tax exemption, duty free privileges to import machineries and equipment and some other provisions will be amended to incorporate performance and result oriented outcomes, Belachew said. The new amendment is set to take effect as of the current fiscal year. In addition

to that, EIC will launch studies related to electric power generation and distribution to determine the nature and involvement of Independent Power Producers (IPP). The commissioner also mentioned the tasks of studying the potentials of logistics, printing and ICT sectors so that they become a full-fledged future industry [...].

Source: [Reporter, August 28, 2018]



Federal ministries slashed to sixteen

At the request of Prime Minister Abiy Amhed (PhD) the number of ministries will be cut to 16 when parliament returns from recess at the beginning of October. Relevant sources stated that several ministry offices are engaged in restructuring and mergers after a recommendation from the Prime Minister.

Under this new arrangement the number of state ministers will increase and work under some ministry offices.

Excluding the Deputy PM and Speaker of the House of Peoples' Representatives currently there are 28 cabinet members including the Ethiopian Revenues and Customs Authority, Attor-

ney General, Commissioner of National Planning and Chief Government Whip.

A source told Capital that the PM wants to have just 16 ministries and during his recent US tour he asked if any other country in the world had the number of ministries Ethiopia has.

Source: [Capital, August 20, 2018]

Manufacturing export misses target

The local manufacturing sector exported less than 50 percent of the plan set in the export target in the 2017-2018 fiscal year.

According to the annual performance report of the Ministry of Industry, presented at the stakeholders' consultative meeting held

on Thursday at Ghion Hotel, the local manufacturing sector exported industrial good valued at USD 487.5 million. The export target set by the Ministry of Industry was USD 997.9 million. At the end of the second Growth and Transformation Plan (GTP-II) in 2020 the manufacturing

sector export is expected to generate 3.5 billion dollars and employs 750,000 workforce. In the GTP plan the manufacturing sector forecast to grow by 21 percent each year. However, the sector grew by 11 percent in the year under review. [...]

Source: [The Reporter, August 18, 2018]

SMEs receive grant to supply industrial parks with raw materials

In an attempt to address the hinging shortages of raw materials for manufacturers, the Industrial Parks Development Corporations Enterprise (IPDC) has taken initiatives to subsidize and link Small and Medium Enterprises with foreign companies housed in the Bole Lemi Industrial Park.

IDPC signed a grant fund agreements with nine local SMEs with a fund match-making framework so that the SMEs will provide the needed raw materials. IDPC has provided USD 3.135 million out of which, USD 1.66 million is a grant and the remaining will be a shared contribution among

the nine SMEs agreed to channel in. IDPC is running a Competitive and Job Creation (CJC) program in which industrial parks are considered as a source of massive jobs and supply chain values. [...]

Source: [The Reporter, August 25, 2018]



Ethiopian pursues multi-hub strategy



As part of its Vision 2025 growth strategy, Ethiopian Airlines is aggressively working on its multi-hub strategy. Africa's largest airline, Ethiopian Airlines, is estab-

lishing new hubs in West and Central Africa. Currently, Ethiopian Airlines is bidding to establish national carriers in Nigeria and Ghana in partnership with the West African economic giants. Ethiopian Airlines Group CEO Tewolde Gebremariam told *The Reporter* that *Ethiopian* is participating in a bid put by the Nigerian government to jointly establish a national carrier. "We are among a small

group of airlines who have shown strong interest to partner with the Nigerian government in establishing the national carrier. We are one of the forerunners there. But we do not know the final result," Tewolde said. [...]

Source: [*The Reporter*, August 25, 2018]

WB Grants \$1b for Budget

During his first press conference held since assuming power nearly five months ago, Prime Minister Abiy Ahmed (PhD) told local and foreign media on Saturday that the World Bank would provide one billion dollars in direct budgetary assistance to Ethiopia. The money will be disbursed in the next few months," Abiy told the nearly 120 journalists that gathered in his of-

office for the briefing.

The announcement was made just a month after Abiy met Jim Young Kim, president of the World Bank in Washington D.C during his trip to the United States. At their meeting, the Bank's chief told the Prime Minister that his institution is ready to provide "robust support" for

his administration.

"World Bank is ready to help realise his vision of boosting human capital and to end poverty in Ethiopia," Jim Young tweeted after his meeting with Abiy.[...]

Source: [*Fortune*, August 9, 2018]

Bahir Dar University Builds New Teaching Hospital

Bahir Dar University, one of 36 public universities in Ethiopia, has obtained a specialised teaching hospital at a cost of 207 million Br.

Amhara Region Health Bureau initially began construction of the hospital. After reaching a consensus agreement with the University for the New Construction it was turned into the University in October 2012.



The agreement was made on the basis that the hospital could benefit both the public and students study-

ing medicine at the university, according to Habtamu Sebhatu, the University's physical projects coordinator. "The complex is a multipurpose building," said Fantahun Biyadgilign (PhD), director in chief of the University's Medical & Health Science College. [...]

Source: [*Addis Fortune*, August 11, 2018]

Upcoming Events

Ethio Con

Dates: 20-24 Sept. 2018 | Venue: Addis Ababa Exhibition Center, Addis Ababa

This event will feature solutions, new Technologies and improved materials related to the Building & Construction Sectors from the Kingdom of Ethiopia and Africa Countries. You will also be able to meet Buyers from Neighboring Countries such as Djibouti, Somalia, Kenya and Uganda as well as Ethiopian Buyers.



“Investment is craft in Ethiopia”

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