

# Monthly Press Review

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BY EAGATE FOREIGN TRADE AUXILIARY PLC

## The First Engine Factory Opens in Mekelle

The first engine manufacturing plant in the country is set to be operational in Mekelle, Tigray Regional State, with a 350 million Br investment from the local military base corporation.

Named as Mekelle Engine Production Factory, the company is established by one of the 15 subsidiary companies under the Metal & Engineering Corporation (MetEC), the Ethiopian Power Engineering Industry (EPEI).

Mekelle Engine Production Factory has a production capacity of manufacturing 20,000 engines annually. It produces three types of engines; small, medium and heavy engines used for different purposes including for vehicles, water pumps and power generators. [...]

The construction of the company started in 2015 and was completed last year, and currently, it is piloting production.

The company was initiated after various questions were raised during the Ethio-Metal and Engineering International Exhibition that was held in 2012, according to Mossa Yimame (Maj.) deputy general manager and marketing and sales head of EPEI.

“During the exhibition, it was commented that importing engines and spare parts is the biggest challenge of companies that are engaged in the metal and engineering industries..[...]

Source: [Fortune, May 20, 2017]



### Polish Companies Vow To Surge Presence in Ethiopia

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Accompanying President Andrzej Duda of Poland for his first state visit to Ethiopia last week, Polish companies said that they have been cementing their presence in Ethiopia since 2014.

### Construction to Get PM Led Council

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The Ministry of Construction (MoC) has finalised a bill for the establishment of a Construction Industry Transformation Council, which is going to be chaired by Prime Minister Hailemariam Desalegn.



### Doraleh Multipurpose Port Inaugurated

The state of the art, Doraleh Multipurpose Port (DMP), was officially inaugurated in the presence of high government officials from regional states.

The port, which is considered the most advanced port in Africa, was completed in March this year and received the first vessel in mid April. According to officials at the Port of Djibouti S.A. (PDSA), the new Multipurpose Port actually managed 11 huge vessels and one export vessel before the official inauguration.[...]

This new port will not only reinforce service quality, but also be a part of the fast economic development of Ethiopia and the region. [...]  
[Source: *Fortune*, May 29, 2017].

### Roads Authority Awards the Most Expensive Road Project

The Ethiopian Roads Authority (ERA) has signed an agreement with Rama Construction Plc for the construction of the so far most expensive road project at a cost of 69.2 million Br a kilometre.

The road, extending from Azezo-Gonder, covers 12.6 kilometres and will be constructed at a total cost of 871.6 million Br. The project takes the place of the Melka Jebdu – Dire Dawa road projects, which cost the Authority 63.5 million Br per kilometre. [...]

[Source: *Fortune*, May 27, 2017]

### Country Fetches \$21m from Electronics Exports

In the past nine months, the country has earned close to 21 million dollars from the export of electrical and electronic products, according to the report of the Metals and Engineering Development Institute.

Cables, accessories and mobile phones are the primarily exported products, mainly to Sweden and Canada.

Cell phones took the lion's share amongst the exported products. Currently, in Ethiopia, there are 14 mobile phone assembly factories, producing 80pc of the domestically assembled features and 20pc of smartphones for the domestic market.[...]

[Source: *Fortune*, May 06, 2017]

## KEPCO looking into investment opportunities in Ethiopia's power sector

The Korean Electric Power Corporation (KEPCO) stated that it is interested in working with the Ethiopian Government as well as private sector in the sector of power generation. According to Hwang Kwang-soo, Director General of the Export Cooperation Department at KEPCO, there are many opportunities.

“We are very happy to be here, and we are looking forward to looking into some long-term partnerships with the Ethiopian government as well as private companies. We know that renewable energy is something that Ethiopia is passionate about so that is one of the areas we want to consider,” Kwang-soo, said.

Speaking at the event was Mesfin Berhane, Deputy CEO of the Ethiopian Electric Utility (EEU) who said that the Utility Company is looking for a reliable partner to improve the electric service sector for its customers.

“While providing service to our customers, the challenges we are facing are power interruption and fluctuations which are happening due to old and low standard distribution network. In this regard we are undertaking different measures including but not limited to upgrading distribution networks which will enable the power the supply system to be stable and highly reliable while reducing power loss. We believe there is still a lot to be done to bring the distribution system and customer service to world class standards,” Berhane said.

The Deputy CEO also underlined that the demand for electricity is dramatically increasing and the power sector is expected to connect one million customers every year by electrifying more than 2000 rural towns and increasing densification in already electrified areas.

“Besides electrifying rural towns nearer to the grid we are also working on the electrification of towns far from the grid through renewable energy sources like solar and hybrid systems. In this regard we believe we have to work together with our Korean partners who have a rich experience of providing quality power supply,” Berhane said. [...]

[Source: *Capital*, May 22, 2017 ]





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## Polish Companies Vow To Surge Presence in Ethiopia

Accompanying President Andrzej Duda of Poland for his first state visit to Ethiopia last week, Polish companies said that they have been cementing their presence in Ethiopia since 2014.

Back in 2013, it is to be recalled that Ethiopia's Metals and Engineering Corporation (MetEC) and the Polish tractor manufacturer Ursus SA had agreed to have a USD 90 million contract for the supply of 3,000 tractors, transfer of technology and establishing service facilities.

Following that agreement, Michal Nidzgorski, deputy commercial director for foreign markets cooperation at Ursus told The Reporter on Tuesday that, currently, the tractor maker has managed to deliver some 1,500 units to MetEC.

According to Nidzgorski, Ursus is also providing technical support to MetEC in a move to capacitate technicians with skills of assembling tractors in Ethiopia. "By training thousands at the company's headquarters in Warsaw, Ursus has enabled MetEC to have technicians that can work on semi knocked down (skd) and complete knocked down (ckd) production lines, Nidzgorski said.

As per their previous agreement with MetEC, Ursus is geared towards delivering the remaining half of the units in the coming years.

Currently, MetEC has the capacity of assembling 500 units of tractors per year at its assembly plant located in Adama, southwest of Addis Ababa depending on demands.

The Ethiopian Sugar Corporation as well has been in contact with Ursus to receive 200 units of tractors, which have up to 280 horsepower. According to Nidzgorski, some 400 sets of sugarcane tailors, in addition to the 200 units have already been delivered. There are 1.5 million units of Ursus manufactured tractors in Poland alone, Nidzgorski said.

Established in 1893, Ursus SA is a publicly-traded company listed in the Warsaw Stock Exchange (WSE). The company primarily focuses on production and sale of tractors and other agricultural machinery.

In addition to Ursus SA, Asseco Poland SA the other WSE-listed company, which specializes in the production and development of software, has been doing business in Ethiopia since 2014. Cezary Miksa, corporate manager for the development division at Asseco Poland SA told The Reporter that the company has business ties with the Ethiopia's Information Network Security Agency (INSA). [...]

[Source: The Reporter, May 13, 2017]

## Ethiopia Gets a Cabin Manufacturing Plant

Bishoftu Automotive Engineering Industries, one of the subsidiaries under the state-owned Metal & Engineering Corporation (MetEC), has set up a cabin manufacturing plant worth 35 million Br.

The new facility has already started pilot production of a cabin, an enclosed space in a truck, for the vehicles which the company is manufacturing. The company has two sections of manufacturing plants which are designated to make cabins for pickups and trucks.

The first section has a production capacity of making 11,000 cabins for pickups annually, enrolling 190 workers. The second part manufactures 13,000 truck cabins annually with its 350 employees.

The two companies are expected to be fully operational in a month's time, according to Metafer Beshahwured (Maj.), Bishoftu Automotive's deputy general manager for marketing and sales.

The new cabin plant resides inside the premises of MetEC headquarters in Bishoftu (Debrezeit), 40kms from Addis Abeba. Bishoftu Automotive Industries is one of the companies operating under MetEC, specialising in designing and manufacturing automotive products and different types of machinery.

Bishoftu Automotive started making the vehicles in June 2011, by importing the parts from China and Europe. But this time most of the inputs including the cabins are manufactured locally, according to Yikunoamalk Tesfay (Cap.), promotion and communications director at MetEC.

This time, the company adds 30pc to 55pc value on the vehicles depending on the type of car, according to Metafer. The lowest addition is made to the trucks, and the highest is done on pickups. It manufactures public buses, construction vehicles, solid and liquid waste disposal vehicles and cash-in-transit trucks.

Since its establishment, Bishoftu Automotive has produced a total of 7,055 cars of which 1,957 are public buses. Out of the total public buses, 553 of them were supplied to Anbessa City Bus Service Enterprise, 410 for Public Service Employees Transport Service Enterprise, and 300 for Sheger Express Bus System.

The other 490 buses were distributed to regions while the remaining were supplied to private companies and government institutions for different services including cross country transportation.

Currently, Bishoftu Automotive works with 218 small and medium enterprises which are providing it input. It has a total of 3,600 employees. Its annual turnover has reached 2.2 billion Br, with a production capacity of manufacturing 16 pickups, 10 trucks and four buses on a daily basis.

The umbrella company, MetEC, was incorporated in 2010, and presently has 15 companies operating under it, mainly engaging in the engineering sector. These companies consolidate 98 state-owned enterprises employing a total of 19,500 workers including the military base.[...]

[Source: Fortune May 13, 2017]



### Belayab Launches Locally Assembled KIA

Belayab Motors, a local company involved in the automotive industry, has finally launched the first KIA brand cars assembled at its plant in Adama.

At an event held at Sheraton Addis, on May 11, 2017 Belayab Motors, the subsidiary of Belayab Investment Group, publicized the first RIO and PICANTO – KIA's popular model cars.[...]

"Customers will be given the chance to buy with 50 percent of down payment if they associate their purchase with a bank. If they come directly to us, they can pay 40 percent of the cost," he said. [...]

[Source: Eth. Herald, April 30, 2017]

### Techno Brain Partners with Oracle

Techno Brain, one of the leading ICT Solutions providers, has partnered with Oracle, the second largest software making company in the world, since last week. This has helped Techno Brain to earn a Field Delivery Partner (FDP) status. Headquartered in Nairobi, Techno Brain has a presence in over 20 African countries including Ethiopia. The new partnership will enable the company to deliver customer service, installations, maintenance, and other related support for entities with Oracle products.

The partnership is announced at a time when Techno Brain is deploying the first Oracle Engineered Systems in Ethiopia: Exadata, Exalytics and Super Clusters. [...]

[Source: Fortune May 20, 2017]

## Construction to Get PM Led Council

**A new bill, which has been designed by the Ministry of Construction, sent to the office of Attorney General for review**

The Ministry of Construction (MoC) has finalised a bill for the establishment of a Construction Industry Transformation Council, which is going to be chaired by Prime Minister Hailemariam Desalegn.

The draft regulation, which has been designed by the Ministry for the past five years, was sent to the office of the Attorney General two weeks ago for review and improvement regarding the legal perspectives.

Chaired by Hailemariam, the council under formation is vice-chaired by Minister of Construction, Ayisha Mohammed (Eng.). It will have 11 to 18 board members represented from government offices, including ministers from the construction sector, universities, professional associations, and civil societies.

The Ethiopian Revenues and Customs Authority (ERCA), the Public Procurement & Property Administration Agency (PPPAA), the 10 universities that have technology institutes and the Ethiopian Construction Works Corporation are members of the council. Also, national think tanks and professionals in the field will be part of the board.

The main aim of establishing the council is to create a discussion platform for stakeholders in the industry including the government, private investors and professional associations, according to Samuel Nigussie, head of the Construction Council & Stakeholders Coordination Office at the Ministry.

The construction industry, whose contribution is nine percent to GDP, is booming since the past decade, but at the same time, is facing hurdles in terms of time, cost and quality, according to industry operators.

“The industry has been fragmented,” says Abebe Dinku (Prof.), Construction Materials & Management Chair at the AAU Institute of Technology’s School of Civil & Environmental Engineering. “All the industry operators are operating independently in a decentralised manner.”

Currently, there are about 15 professional associations which are working in the construction industry.[...]

[Source: *Fortune*, May 10, 2017]

## Dusit Thani Resort Coming to Ethiopia

Fretsega Real Estate & Construction has partnered with Dusit International Hotels and Resorts and they are in the final stage of bringing a Dusit Thani resort to Ethiopia, with a 150 million dollar investment.

The agreement was signed three weeks ago after a year-long negotiation between the property developer and the Thailand-based international chain hotel was concluded. Ozzie Business and Hospitality Group facilitated the deal negotiating on behalf of the local property developers.

The Resort will have a total of 358 rooms including 58 bungalows, rooms with a swimming pool and garden . [...]



Dusit Hotels and Resorts was founded in 1948 as Dusit International in Bangkok, Thailand. Currently, the hotels and resorts are operating under four brands: Dusit Thani, DusitD2, Dusit Princess and Dusit Devarana. The Group currently administers 29 properties worldwide. It also has hotel schools, which grant vocational and postgraduate hospitality degrees... [...]

[Source: *Fortune*, May 13, 2017]

## Upcoming Events



### AFRICA BUILD ADDIS

Dates: 13 -15 June 2017 | Venue: Millennium Hall  
Addis Ababa

This event showcases products like Bathroom, kitchen, pool & spa, building chemicals mixtures & insulation, building materials, structure and elements and much more etc. in the Building Construction industry.



### AFRICA AND MIDDLE EAST ASSOCIATION FOR GASTROENTEROLOGY CONGRESS

Dates: 05– 09 July 2017 | Venue: UN Conference Center  
Addis Ababa

The 8th AMAGE is a 5 day scientific program that focus on key clinical developments and features lectures from the world experts with a theme “Challenges facing Gastroenterology in Africa and the Middle East”.

## Bankers Association Awards IFRS Project to PwC

The Ethiopian Bankers’ Association has selected PricewaterhouseCoppers (PwC), an international professional services and auditing firm, for the implementation of the International Financial Reporting Standard (IFRS).

The company has managed to secure the contract after competing with similar auditing companies such as KPMG and Deloitte. In this respect, PwC listed a much lower price of 800,000 dollars for the implementation of the project whereas KPMG and Deloitte gave much higher offers of three to four million dollars.[...]

[Source: The Reporter May 20, 2017]



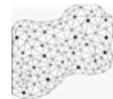
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UNDERSTAND



NETWORK



ACT



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