

Monthly Press Review

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BY EAGATE FOREIGN TRADE AUXILIARY PLC

UN report optimistic on Africa's Future Economic Growth

A report published by the United Nations Economic Commission for Africa (UNECA) says despite the global economic slowdown, Africa's long term economic growth outlook remains promising.

The 2017 Economic Report on Africa (ERA), drawing on a wide array of sources; including case studies from Cameroon, Republic of Congo, Côte d'Ivoire, Ethiopia, Madagascar, Morocco, Mozambique, Nigeria, Rwanda, South Africa and Sudan, outlines policy intervention areas essential for ensuring that Africa's urbanization supports its industrialization.

One of the key conclusions is that under the right policy framework, anchored in national development planning, African countries can leverage the momentum of urbanization to accelerate industrialization for a more prosperous and equitable future.

The report entitled 'Urbanization and Industrialization for Africa's Transformation' aims to help law makers on the continent identify areas of growth they need to concentrate on, in particular addressing the gaps between urban and industrial growth in a holistic manner in order to promote inclusive growth.

"Implementing urban and industrial policies in a coordinated manner requires a sound institutional framework matching the structure of the policies. Many African countries still face institutional constraints for coordinating the two strands – urban and industrial – and we hope the ERA2017 will address some of those issues," said Adam El Hiraika, Director of the Macroeconomic Policy Division at the ECA. [...]

Source: [Capital, April 16, 2017]



Mövenpick Signs First Hotel .03 in Ethiopia for 2019

The Mövenpick Hotels & Resorts adds Ethiopia to its growing portfolio across the continent with the introduction of Mövenpick Hotel Addis Ababa.

New Petroleum Compa- .05 nies Join Market

Two new petroleum supply companies have joined the market, pushing the total number of operational fuel companies in the country to 13.



Pizza Huts Franchise Fires Up in Addis

Belayab Foods and Franchises gets into a franchise agreement with Yum! Restaurants International Inc. to bring Pizza Huts to Addis Abeba. The agreement makes Pizza Huts the third internationally franchised restaurant in the country. [...]

To start with, the American food chain, Pizza Huts will be opened at three locations in the city, at Old Air Port, Bole and CMC areas. Belayab will invest 5.5 million dollars to open the restaurants. [...]

Last year, Pizza Huts collected annual turnover of eight billion dollars from its 18,000 operational outlets operating in 115 countries. [...]

[Source: *Fortune*, April 30, 2017].

Ethiopian Fuel Supply Enterprise Eyes Fuel Retail Business

The Ethiopian Fuel Supply Enterprise (EFSE) is contemplating to engage in the fuel retail business in the local market.

EFSE is the sole government organ responsible for the country's fuel imports. The Enterprise buys petroleum products with open international tender and sells it to oil companies that transport the products from ports to the mainland and distribute them to the public. [...]

There are 710,000 vehicles in Ethiopia with more than 70 percent of them (410,000) registered in Addis Ababa. However, the number of fuel stations in the capital stood at only 100. "Most of the fuel stations are very old and have small storage capacity," sources said. "Securing plots of land to construct fuel stations is a big hurdle," they said.

[Source: *The Reporter*, April 15, 2017]

Ethio-Kenya highway nearing completion Realizing border town development

[...] According to Ethiopian Roads Authority Public Relations Director Samson Wondimu, the construction of the 502 Kms. road is being carried out in six phases also connecting zones in Oromia and Southern Nations, Nationalities, and Peoples states with Kenya. And he is hopeful that the entire road corridor would be open for traffic soon. [...]

[Source: *The Ethiopian Herald*, April 22, 2017]

CGCOC to construct Ethiopia's largest exhibition center

CGCOC GROUP, a Chinese construction company, has won a bid to build the first phase of the Addis-Africa International Convention and Exhibition Center S.C. (AAICEC).

According to information that Capital obtained from AAICEC sources the first phase will take around three years to complete and cost over a billion birr.

This part of the construction process will include a conference hall, two exhibition centers, an amphitheater and facilities for restaurants and business centers.

According to the sources the Chinese state owned company will soon officially sign the construction deal.

This phase of the construction was expected to begin in 2015, but there was not enough money from floating shares to begin the project.

This is the second bid issued for the project. The first time there was not a suitably experienced, qualified contractor who fit the budget required. A search was conducted locally and internationally and ten local and international contractors participated in the bid, including Afro Tsion and Teklebirhan Construction.

The 11,000sqm center will consume three billion birr. The construction will take place in three phases.

When the entire project is completed the center will have four large exhibition pavilions equipped with state-of-the-art venue facilities.

During the second phase four pavilions and the finishing work for the first phase will be completed. During the last phase a 4-star hotel and a mall containing shops and gymnasiums will be built.

During the first round sale over 300,000 shares were floated, and were sold at a value of 1,000 birr. Out of the capital generated, over 740 million birr has been raised.

The project originated with the Addis Ababa Chamber of Commerce and Sectorial Association, as a way to attract investment and business into the country. [...]

[Source: *Capital*, April 2, 2017]





BY EAGATE FOREIGN TRADE AUXILIARY PLC

Mövenpick Signs First Hotel in Ethiopia for 2019

The Mövenpick Hotels & Resorts, one of the largest and most dynamic hotel groups worldwide, further strengthens its position on the African hospitality market: The Company adds Ethiopia to its growing portfolio across the continent with the introduction of Mövenpick Hotel Addis Ababa.

The Giant Swiss hospitality group has signed a 20 year management contract agreement with Yobek Electrical Enterprise at a ceremony held at Sheraton Addis Hotel on March 9 to open its first hotel in Addis.

Ozzie Business and Hospitality Management Group, successfully facilitated the negotiation of the two parties. The negotiation took place over two years.

According to the contract agreement Mövenpick's G+13 Hotel will be managed for the next 20 years and the hotel which is under construction will be open in 2019.

The 1.2 billion birr hotel which lies on 6,000 square meters will create job opportunities for more than 200 citizens.

Besides 252 guest rooms, the property will offer a swimming pool, fitness center, and a number of food and beverage concepts.

Extensive six meeting halls that can accommodate 1600

attendees, conference and banqueting facilities to cater to the needs of the domestic and regional market will complement the offer.

It will have 6 food and beverage restaurants and the parking space will hold 410 cars.

"We are committed to Africa. Our arrival in Ethiopia supports our strategic growth Africa a resource-rich and fast growing region with considerable potential for our core brand Mövenpick" said Andreas Mattmuller, Chief operating officer middle east and Africa of Mövenpick Hotels & Resorts

"We thank our partner, Yobek for their trust in us. Business relationships based on confidence, transparency and unbiased responsibility are crucial for Mövenpick. We always aim to follow a win-win approach with our partners to find creative, yet simple business solutions leading to our mutual success," he added

Birhane Gidey, General Manager of Yobek Electrical Enterprise said that 60 percent of the building is completed and the rest will be completed in less than two years. [...]

[Source: Capital, April 5, 2017]

Ethio-Chinese JV Agrees to Plant Industrial Park Solely for Machineries Manufacturing

Owned by both the governments of China and Ethiopia, a specialized industrial park, which will focus on manufacturing machineries, is to be planted in the town of Adama, 85km to the southeast of Addis Ababa.

At the Ethiopia-Hunan Investment Cooperation Forum, which was held this week, Memorandum of Understandings (MoUs) and agreements have been signed by both sides. One of the agreements signed during the forum relates with the establishment operations and management of the park on a joint venture basis. Hence, the Industrial Parks Development Corporation (IPDC) and Changsha Economic and Technical Development Group Co., Ltd have inked the joint operations and management accord and have agreed to assign CGCOC, the Chinese contractor, to deliver the project within one year.

Sisay Gemechu, chief executive officer of IPDC, told reporters that the funds required to install the industrial park have already been approved by the Export and Import Bank China (EXIM Bank). Accordingly, the disbursement of the USD 250 million loan is expected to be finalized soon, Sisay said.

He Baoxiang, vice governor of the People's Government of Hunan Province, said that further agreements are destined to be signed in May. The vice governor said that Ethiopian high-level officials will be visiting the province. Hence, the 250 million dollars loan is also expected to be taking effect after those unspecified agreements have been signed. According to Baoxiang, early in the beginning of the second half of this year, the construction of the industry park is expected to start.

Leading some 50 delegates from the Hunan Province, Baoxiang together with Arkebe Okubay (PhD), board chairperson of the Industrial Park Development Corporation, have observed the signings of MoUs and agreements. In addition to the management agreement, the Ethiopian Investment Commission (EIC) has inked MoUs with Chinese enterprises that have expressed intentions of investing the upcoming industrial park. Hence, Foton, TBEA, Sany, and Hunan Chnaggao International are the major companies that have shown interests.

Fitsum Arega, commissioner of EIC has emphasized that so far, some major anchor companies from China have shown interest to set foot in the park.

Zhou Zhilong, regional president of the International Engineering Company under TBEA's southern power transmission and distribution industry group, told The Reporter that his company plans to plant a transformers manufacturing plant. Zhilong said that though the TBEA has the capacity to manufacture upscale energy equipment such as wind turbines and thermal power, the company will focus on manufacturing transformers based on the needs in the country. TBEA is well associated with the likes of Gilgel Gibe III project. Similarly, Foton Motor has expressed intentions of investing some half a billion dollars in the Ethio-Hunan Industrial Park.

According to IPDC, the machineries and equipment manufacturing industrial park has acquired 122 hectares of land in Adama and will home foreign and local investors alongside the Chinese firms, Sisay said. [...]

[Source: *The Reporter*, April 15, 2017]



UN Human Rights Chief to visit Ethiopia

UN High Commissioner for Human Rights Zeid Ra'ad Al Hussein will officially visit Ethiopia at the invitation of the Government from May 2-4, 2017. Zeid will meet Prime Minister Hailemariam Dessalegn, Speaker of the House of Peoples' Representatives Abadula Gameda and other high-ranking Ethiopian officials, to discuss the human rights situation in Ethiopia and the work of the UN Human Rights Office in the country. [...]

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



Habesha S.C. Inaugurates Cement Plant

Habesha S.C. has inaugurated a cement plant built at a cost of 155 million USD in Holeta town, some 35 km far from Addis Ababa

More than 16,000 Ethiopians have invested their knowledge and capital in the establishment of the plant which has the capacity to produce 1.4 million tons of cement per annum.

The plant, Habesha Cement Factory, was inaugurated on Wednesday by Prime Minister Hailemariam Desalegn.

Ethiopia targets to raise its annual cement production capacity to 27 million tons by 2020. [...]

[Source: *Daily Monitor*, April 20, 2017]

New Petroleum Companies Join Market

Last year, Ethiopia imported three million metric tons of petroleum products

Two new petroleum supply companies have joined the market, pushing the total number of operational fuel companies in the country to 13.

Genet Petroleum and Gomechu Petroleum are the two late entrants into the market, having fulfilled the Ministry of Trade requirements to construct a 500,000 litre depot, and having a minimum of six filling stations before obtaining a license to operate as a petrol retailer.

“The two companies secured licenses from the Ministry of Trade (MoT) two years ago and become operational recently,” said Shimelis Arega, public relations officer at the Ministry.

Gomechu Petroleum is owned by Petros Yeshiwasew, and has an authorized capital of 10.7 million Br. It is currently operating 22 filling stations across the country. Gomechu Petroleum’s headquarters are located in Gonder.

The other company, Genet Petroleum, is owned by Genet Aregawi and registered an authorized capital of 5.3 million Br. It is currently operating with 16 filling stations, and is headquartered in Addis Abeba.

With the addition of these two companies, the number of oil distributing companies in the country has reached 13, including National Oil Company (NOC), Yetebaberut Beherawi Petroleum (YBP), Dalol Oil, Oil Libya, Total, Kobil, Wadi Al Sundus, Nile Petroleum, All Way Petroleum, Tebarek Oli and TAF Oil S.C. These distributors operate around 700 petrol stations.

These 13 distributors receive fuel from the Ethiopian Petroleum Supply Enterprise (EPSE), which is the only company supplying fuel to distributors. EPSE buys fuel from international suppliers such as the Sudanese Sudan Petroleum Corporation, Saudi Arabia and KPG from Kuwait. It was established in 2012, taking over the duties of the National Petroleum Depot Administration.

During the previous fiscal year, the EPSE imported about three million metric tons of petroleum products, worth 30.3 billion Br, which was 20.1pc lower than last year mainly due to a significant drop in international oil prices.[...]

[Source: *Fortune*, April 16, 2017]

Guinness makes entry to Ethiopia’s beer market

Calling it the “world’s most distinctive beer”, Diageo, the world’s largest producer of liquor and alcohol, introduced the foreign extra stout, the famous Guinness brand to the competitive Ethiopian market at Sheraton Addis last night.

The Ethiopian beverage market has seen a large increase of beer consumption, increasing from five liters per person consumption to eight liters since Diageo and Heineken entered the beer market in 2012. The total consumption currently stands at 12 million hectoliters of beer per year, making Ethiopia an attractive destination for leading multinational companies to invest heavily.

The United Kingdom based company has been in the midst of expansion in Ethiopia. [...]

The beer is to be launched in the capital on April 14 and is expected to arrive to retailers throughout the country soon after. It will retail for 15 birr, slightly expensive than local beers, including Heineken that is retailed at 15 birr. Diageo is said to be targeting Ethiopia’s emerging and affluent middle class communities and the diplomatic corps. “The beer is perfect for those looking for more character and more taste,” Nebyou Kassu, the Guinness Brand ambassador in Ethiopia, said. [...]

[Source: *The Reporter* April 8, 2017]



Upcoming Events



ETHIOPIA AUTO EXPO

Dates: 12 -14 May 2017 | Venue: Millennium Hall, Addis Ababa

Ethiopia Auto Expo is a leading trade fair for the Automobile industry in Ethiopia.



PPP EXPO ETHIOPIA

Dates: 12 – 14 May 2017 | Venue: Millennium Hall, Addis Ababa

Africa is one of the fastest growing markets in the world and PPPEXPO Africa will attract thousands of buyers and decision makers from all levels and sectors of Plastics, Printing & Packaging Industry and aims to promote a direct business link between buyers and sellers. .



HOTEL SHOW IN ETHIOPIA

Dates: 08 – 11 June 2017 | Venue: Millennium Hall Center

This event showcases products like Encourage and Furnish Innovative Guide to The Industry, Share knowledge and Experience, To Build Hospitality Trade Platform etc. in the Hotel, Restaurant & Catering industry.

Ethiopian Potash to Make its Way to Global Market

With a potential of annual production of 600,000 MT of sulfate of potash (SOP) in Danakil Depression, Ethiopia aims to further utilize its mineral resources in a way it significantly contributes to country's GDP.

Accordingly, the Federal Ministry of Mines, Petroleum and Natural Gas granted a mining license to Circum Minerals Ltd., a Canada based private company focused on the development of the Danakil Potash Project, one of the largest undeveloped potash reserve in the world.

Circum Minerals granted a 20-year long mining license to develop and export potash from Dallol with a 2.7-billion USD investment, said Minister Motuma Mekassa speaking at the signing event.[...]

[Source: *The Ethiopian Herald* April 9, 2017]



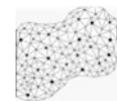
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