

# Monthly Press Review

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BY EAGATE FOREIGN TRADE AUXILIARY PLC

## Korea to Invest in Waste Water Management in Ethiopia

Adding environment to the existing bilateral agenda with Ethiopia, South Korea has launched a new area of cooperation where industrial and household wastewater treatment is at the forefront, The Reporter has learnt.

Lee Chang-Heum (PhD), director of environmental industry and technology division for climate and future bureau at the Korean Ministry of Environment, told The Reporter during the first ever Korea-Ethiopia Environmental Cooperation, which was held on Wednesday that, until now Korea and Ethiopia did not have bilateral relationship across environmental issues.

“We the two countries have maintained very close relations in various areas such as diplomacy, economy and culture for many years; but we have not been active in the area of environment. We want to change that and develop relationships on the issue of the environment”, he said. The Korean government is also looking to launch a master plan for water supply and wastewater management in Ethiopia. In line with that he said Korean businesses have a keen interest to invest in the national wastewater management projects in Ethiopia.

During the forum which was organized by the Korea Trade-Investment Promotion Agency, 20 Korean companies together with public agencies’ representatives from the Korean Ministry of Environment, and Korea Environmental Industry and Technology Institute (KEITI) have met with their Ethiopian counterparts to discuss pertinent environmental issues. [...]

Source: [The Reporter, July 1, 2017]



### Aramex aggressively expands in Ethiopia

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### Minister Affirms Private Sector Inclusion in Development Plans

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Private sector development is given a better emphasis than what has been done during the first edition of GTP.



### Shipping Enterprise, Freight Forwarders team up to improve logistics

The Ethiopian Shipping and Logistics Services Enterprise (ESLSE) and the Ethiopian Freight Forwarders and Shipping Agents Association (EFFSAA) signed a memorandum of understanding (MoU) to work jointly to empower professionals in the logistics sector.

“The MoU signed with the association is part of the plan to improve the logistics sector,” Roba Megeressa, CEO of ESLSE, said.

“The sector has a scarcity of skilled manpower so this partnership is crucial to improve logistics,” the CEO who was recently appointed to the post explained.

International economic evaluators have usually pointed to logistics as an area that needs improvement for the economy to improve. [...]

[Source: *Capital*, June 7, 2017].

### Coffee booms but export sector fails to meet goals

Ethiopia’s exports continue to fall short of expectations despite revised goals listed in the second Growth and Transformation Plan. The export performance for the 2016/17 budget year was nearly the same compared with the preceding year. Export commodities earned USD 2.91 billion in the last fiscal year.

This is 61.2 percent of the revised target. The government was expecting to earn USD 4.75 billion. This is a reduction of over two billion dollars from the original GTP projection. In the original GTP II matrix that the government published two years ago exports were forecast to earn USD 6.78 billion.

Exports have typically fallen short of expectations in Ethiopia over the years. This time the government blamed the weak performance on factories that were slow to get off the ground. Lack of inputs, management and technical limitations hindered manufacturing. [...]

[Source: *Capital*, July 31, 2017]

## Ethiopia Inaugurates Two More Industrial Parks

Ethiopia inaugurated two industrial parks in Kombolcha and Mekele on July 8 and 9 respectively. The Kombolcha Industry Park and the Mekelle Industrial Park are both dedicated to the textile and apparel and have a construction cost of USD 250 million.

The park located in Kombolcha was constructed by China Communications Construction Company while the one located in Mekele was constructed by the China Civil Engineering Construction Corporation.

During the inauguration of the Mekelle Industrial Park, Prime Minister Hailemariam Desalegn stated that the parks will pave the way for the renaissance of the country and are becoming the engines of the country’s economic growth. The newly inaugurated parks are the third in a series after the Hawassa Industrial Park. Ethiopia has been intensively working in the development of parks to attract global companies in the textile and apparel industries.

Furthermore, by developing special economic zones in different parts of the country, the government hopes to sustain double digit economic growth. The Mekelle Park that is built on a 100 hectares of land is expected to create jobs for 20,000 individuals. Dr. Arkebe Oqubay, Board Chairperson of Industrial Parks Development Corporation, on his part emphasized during the inauguration that the Mekelle Industrial Park would promote technology transformation and economic integration.

The Ethiopian government has commissioned construction of 15 industrial parks across the country, which currently are at different levels of performance. Industrial parks in Adama and Direedawa are expected to be inaugurated at the beginning of the coming Ethiopian year.

[Source: *Capital*, July 18, 2017 ]





## Aramex aggressively expands in Ethiopia

Aramex announced the expansion of its operations across Ethiopia through a franchise agreement with Logix Express Plc, to cater to the country's growing needs for innovative logistics and last-mile delivery solutions.

The company plans on inaugurating five outlets in Addis Ababa by August 2017 which will increase the existing number of outlets in the city to ten. Aramex operates two outlets in Dire Dawa and Hawassa and has plans to open five new outlets in Bahir Dar, Gonder, Jimma, Dessie and Mekelle. Aramex also plans to further expand its operations by adding 15 new outlets in different locations by the end of 2017.

“As one of the world's fastest growing economies, Ethiopia is an exciting market for Aramex, and we believe there is a vast potential to expand our specialized logistics services throughout the country,” said Hussein Hachem, Chief Executive Officer of Aramex.

The CEO further stated that looking at the high demand for the service the company offers, Aramex is already working on other investment plans.

According to Dawit Woubshiet, Director of Logix Express PLC, the company hopes that the new services to be introduced, including e-commerce where Ethiopians who have access to international financial systems can purchase whatever they need online, could stimulate further economic activities in the country.

“Ethiopia is a key market for us and we have witnessed an increase in logistical needs throughout the region. The new facilities will complement our existing suite of services in Ethiopia, enabling us to expand our service offering to effectively meet the domestic market needs. We also hope our expansion plans will help promote economic developments leading to better opportunities for all Ethiopians,” Dawit said.

He further stated that with regards services such as online shopping and to create the infrastructure where people can shop using the already existing financial service in the country, Aramex is holding talks with different stakeholders such as banks and the Ethiopian Revenue and Customs Authority. [...]

[Source: *Capital*, July 18, 2017 ]

## Council of Ministers Endorse Ethiopian, Airports Enterprise Merger

The Council of Ministers passed a regulation that allows the merger of the national flag carrier, Ethiopian Airlines, and the Ethiopian Airports Enterprise, the sole government body that builds and administers airports in Ethiopia.

The merger proposal was initiated by Ethiopian and approved and presented to the Council of Ministers by the Ministry of Transport. The Council of Ministers passed the regulation on Friday, July 14.

Minister of Transport, Ahmed Shidie, on Sunday July 16 gave a briefing on the planned merger to employees of the Ethiopian Airports Enterprise (EAE). At the meeting held at the Enterprise's assembly hall executive management members of Ethiopian and EAE participated. [...]

Ahmed said that a parent company dubbed Ethiopian Group Corporation which will comprise Ethiopian Airlines and EAE will be established. Ethiopian and EAE will be led by the same board and they will have a common strategy. The board of directors of Ethiopian is chaired by speaker of the House of People's Representatives, Abadula Gameda, while the board of directors of Ethiopian Airports Enterprise is chaired by state minister of Water Irrigation and Electricity, Wondimu Tekle. However, they will keep their autonomous brand and logo. According to Ahmed, the corporation will eventually transform into a holding company. He said the merger will be undertaken in two months' time.

Ahmed opened the floor to questions. Employees of EAE raised their concern about staff layoff during the merger. They also asked what will be done to their severance pay. The employees said in a bid to improve airport services the contribution of partner organizations including Immigration, Customs and security is crucial. "What is going to be done to these partner organizations?" they asked. Some of the employees also said that the type of the merger was not clear.

Ahmed assured the employees of EAE that there will be no staff layoffs. However, he said there could be reshuffling in the management. With regards to partner organizations the minister said that a study has already been conducted on the working relation with airport customs. Similar studies that would enable the ministry to determine the working relation with security and immigration will be undertaken.

CEO of EAE Tewodros Dawit said that the job security of the employees of the enterprise will not be affected right now and advised the employees to calm down and focus on their task. Dawit said that the details of the merger will be revealed in due course.

Ethiopian Airlines Group CEO Tewolde Gebremariam on his part said that the existence of the airline as well as the EAE is in the hands of the management and employees of the companies. "Our existence lies in our hands. If we collaborate and work hard we could sustain our growth. But if we fail to cooperate and work hard we all shall perish," Tewolde said. [...]

[Source: *The Reporter*, July 22, 2017]



### City to Renovate the First Municipality of Addis Ababa

The Addis Ababa Culture and Tourism Bureau (ACTB) is spending 24 million birr to renovate the first municipal building of Addis Ababa (currently the Arada first tribunal court located at St. George church) the house of Bitwoded Wolde Tsadik Goshu (the first mayor of city from 1910-1917) and the palace of Sheik Hojele (governor of Assosa during the rule of Menlik II) located at Shegole. [...]

[Source: *Capital*, July 31, 2017]



### Trans-Boundary Economic Zone to be Launched

Ethiopian and Sudan are looking for support to the feasibility study for the trans-boundary special economic zone. Mebrhatu Meles (PhD), State Minister of Industry and chair of the joint commission on the Ethiopian side, told *Capital* that the joint project office for trans-boundary special economic zone is formed in Ethiopia.

Dr Mebrhatu said that the economic zone will include massive infrastructure including port, railway and corridor developments.

One stop border, bank, customs and free trade are some of the issues that will be included on the joint plan. [...]

[Source: *Capital*, July 27 2017]

## Minister Affirms Private Sector Inclusion in Development Plans

Creating job opportunities and improving export earnings to remain relevant in a changing and competitive environment were the major talking points of the sixth edition of the Ethiopian Chief Executive Officer (CEO) Forum held last Wednesday at Hilton Addis Hotel.

The breakfast meeting was organised by Precise Consult and was attended by more than 60 executives of private companies and no less than five state company executives. Abraham Tekeste (PhD), minister of Finance & Economic Cooperation (MoFEC), was a guest speaker. He stressed that jobs and exports are his primary preoccupation.

The mood at the meeting was engaging, and the Minister entertained questions from the CEOs.

In a rare event where ministers meet CEOs from different lines of business, issues that slow down efficient trade, manufacturing and exports were among the most important points raised by the leaders of the companies. [...]

Many assessments indicate, in the second edition of the Growth & Transformation Plan (GTP II), that private sector development is given a better emphasis than what has been done during the first edition of GTP.

An assessment done by the Addis Ababa Chamber of Commerce & Sectoral Associations found that the second GTP identifies the role of the private sector in the agricultural, industrial, and mining sectors as well as in infrastructure development.

Nevertheless, lack of access to adequate finance and inefficient government bureaucracy were major headaches to the majority of the country's private sector firms, according to attendees Fortune spoke to.

Despite all these drawbacks, the perception of the private sector towards Ethiopia has changed over the past decade, Abraham said, citing the first sovereign bond issued in 2014 that was oversubscribed by 260pc.

"The terms were much better than our peers, so the gains we have made have changed the perception of Ethiopia, and it has put the country on the radar of investors on a global scale," he said.

A week ago, the United Nations Conference on Trade & Development (UNCTAD) put the country at the top of the list in the continent for attracting 3.2 billion dollars of foreign direct investment (FDI) last year. [...]

[Source: Fortune, July 10, 2017]

## Diaper Manufacturing Plant Breaks New Ground in Hawassa

Ontex Hygienic Disposables Plc, a manufacturer of Canbebe brand diapers, in partnership with Tracon Trading Plc, inaugurated the first diaper manufacturing plant in Hawassa Industrial Park (HIP) on Tuesday, July 11, 2017, with a quarter of a billion Br investment.

The new plant rests under an 11,000sqm shed in the HIP. It already started the production of Canbebe diapers a week before its inauguration. The company produces 700 diapers a minute with its German made machines. [...]



"Currently, the company imports 40pc of the raw materials from abroad," said Arkebe Oqubay, special adviser to the Prime Minister and Board Chairman of the Industrial Park Development Corporation (IPDC). "But in the future, they will be produced here in the country as most of the raw materials are made of textile." [...]

[Source: Fortune July 16, 2017]

## Upcoming Events



### The AHRD Conference Employability and Skills Development

Dates: 30 – 31 August 2017 | Venue: Addis Ababa

The conference will cover areas like employ-ability and skills development, building systems at national and enterprise levels.



### Ethiopia Building Expos (Ethiopia Build Expo 2017)

Dates: 20 – 24 September 2017 | Venue: Addis Ababa

This event showcases product from Building Construction, Hand, Machine & Garden Tools, Home Furnishings & Home Textiles, Household Services, Real Estate industries.



### International Conference on ICT for development of Africa (ICY4DA)

Dates: 25 – 27 September 2017 | Venue: Bahir Dar University

This conference, organized by the European Alliance for Innovation will cover areas like E-Government/m-Government, E-Business/m-Business, natural language processing, speech recognition, speech synthesis.

## Ministry to Implement New Program to Boost Ethiopia's Livestock Export

With the aim of boosting export of livestock, a sector that has been performing well below its potential, the Ministry of Livestock and Fisheries, with the financial support of the U.S Agency for International Development (USAID) launched the Ethiopian Livestock Identification and Traceability System. Once fully implemented, the system will help to gather information regarding source/origin of the animal, type of husbandry, and management system in place resulting in quality products for consumers and increased incomes of farmers. [...]

The program was established through USAID's livestock sector market improvement pilot project and it is worth 32 million Birr. It tracks animals using tamper-proof plastic twin ear tags. [...]

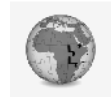
[Source: Fortune, July 10, 2017]



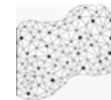
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