

Monthly Press Review

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BY EAGATE FOREIGN TRADE AUXILIARY PLC

Turkish investments roaring in Ethiopia

These days, Turkish investors are further expanding their investment on infrastructural development in Ethiopia. Both countries are on the track to further increase their long-lasting partnership to a new height. Although Turkey is a strategic partner to Ethiopia particularly in the economic sector, additional efforts are needed to further strengthen and deepen cooperation through economic interdependence by expanding trade and investments.

The Ethiopian government prioritizes the need for infrastructure, manufacturing and energy sectors investment. To make this happen, Turkish investors are also currently showing interest to come and invest in Ethiopia as there are vast opportunities available in the country.

Recently, President Dr. Mulatu Teshome held discussions with Turkish business delegations on strengthening trade, investment and other economic relations at the National Palace. In the discussion, President Dr. Mulatu said [...]. As the two countries have century-old relations, it is assertable to build and boost a great number of trade and investment relations in the future, Dr. Mulatu said.

According to Dr. Mulatu, though Ethiopia is highly concerned in the production of energy from solar, geothermal and wind resources, the government will provide incentives to increase business and investment relations of the two countries to a new height. As the Turkish investors showed interest to invest in pharmaceutical, energy, and fertilizer sectors, Dr. Mulatu directed them to finalize preparation and getting approval from various service sectors in the country to start soon.. [...]

Source: [The Ethiopian Herald, March 31, 2017]



Hilton Addis Up for Sale

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Ezana becomes Ethiopia's second major gold miner

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After a decade of exploration and building a gold processing plant in northern Ethiopia, Ezana Mining has become Ethiopia's second large scale gold mining company. Named after the popular Ethiopian king from ancient times, the company plans to start trial operation this month at its Terakimti facility, in northern Tigray region, near Shire



Raya to Expand Brewing Plant

Raya Brewery SC is to begin the first phase of its expansion project with 75 million birr budget. The expansion will boost the company's current production which is 600,000 hectoliters a year by 25 percent. The company has already ordered brewery equipments from a Chinese company, Lehui Group, a global brewery equipments manufacturer. The supply by Lehui includes brew house and fermentation and storage tanks. The Chinese company will also be responsible for the installation and commissioning of the equipment, according to [...] [Source: *The Reporter*, March 25, 2017].

Irrigation Farms Worth 9b Br Set in Omo

The Ethiopian Construction Works Corporation (ECWC) has signed agreements worth nine billion Br with four companies for the construction of irrigation farms inside the Omo Kuraz sugar factories. Omo, Kuraz, located in Southern Nations, Nationalities & Peoples Region, is 900Km away from the capital city. The Southern Water Works Construction Enterprise (SWWCE), the Water Infrastructure Construction Sector and the Transport Infrastructure .. [...] [Source: *Addis Fortune*, March 26, 2017]

Emulating Foreign Industrial Experiences

State Minister of Industry Dr. Alemu Sime pinpointed that the country is emulating the experiences of China and South Korea to promote domestic production and foster its industrial development.

This was disclosed during a recent visit of senior government officials to HANSOM KINFENGDA Manufacturing - a Chinese company located at Eastern Industrial Zone engaged in producing special type of corrugated pipes .

Following the visit, representatives from Ministry of Industry, Addis Ababa Housing Agency & Water and Sewerage Authority as well as Chemical & Construction Inputs Industry Development Institute were briefed on company's products and their applications in the local market.[...] [Source: *The Ethiopian Herald*, March 1, 2017]

Cement Production Transforming Ethiopia's Construction Sector

The construction industry is booming in Ethiopia. Years ago, the country had been importing cement at huge costs for its developmental projects.

In 2010/11 the country imported 0.3 million tones cement by spending millions of USD. However, owing to the growing numbers of cement factories, these days, the country has begun exporting beyond meeting local consumption.

The number of cement and chemical producing industries has been increasing from 18 in 2003 to 66 in 2007 E.C. Specifically in cement, there are 13 factories that are producing over 12 million tones of cement per annum. Industry Survey Supervision and Support Directorate Acting Director Simeneh Gizaw said that currently, the number of operational cement factories are 13; additional 3 cement factories that would commence production this fiscal year are under construction.

He said that the country is working to attain the five-year cement production target, raising the national cement production capacity to 17 million tones by 2025. The country is on the right track for producing sufficient cement product to the local demand. Moreover, in 2005 E.C, Ethiopia began exporting cement to neighboring countries and earning foreign currency which is a remarkable stride in the construction sector.

On the other hand, the engagement of foreign investors in the sector has resulted in higher production, income tax, job creation, knowledge transferring and technology advancement. They are also supporting to empower the local cement industries by organizing training programmes.

Besides increasing the production volume, the Ministry of Industry together with stakeholders is working to create conducive environment for the construction sector through supporting and supervising. According to Simeneh, the Ministry is working in the sphere of human resource development together with Adama Science and Technology University. Currently, the country is constructing different mega projects such as the Grand Ethiopian Renaissance Dam, sugar factories, houses [...]

[Source: *The Ethiopian Herald*, March 25, 2017]





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Hilton Addis Up for Sale

Hilton Addis, Ethiopia's first, and for a long time only, international hotel franchise, will be up for privatisation in no less than three years when the existing management contract comes to an end, sources disclosed to Fortune.

A decision made by the Prime Minister's Office last week has been communicated to the board of directors of the hotel, chaired by Yinager Dessie (PhD) to prepare the property for auction, the sources disclosed.

Yinager, chief of the National Planning Commission, under the rank of a minister, declined to comment. The decision to sell the property followed a meeting between the board and an executive of Hilton Worldwide, based in South Africa, held on Tuesday, March 2, 2017 sources disclosed.

Hilton Worldwide has a 50-year management contract with the Ethiopian government to run the Hilton Addis property, first opened in 1969 by Emperor Haile Selassie. The contract, to be renewed every decade, gives Hilton Worldwide a 20pc share of revenues, while also restricting it from operating another property in the country under the Hilton brand.

Hilton is a global hospitality company with close to 17 brands, including Hilton Hotels & Resorts, which.. [...]

in Ethiopia. Designed to resemble the ancient Lalibela Church, Hilton Addis has remained an iconic property to the nation and a landmark to Addis Abeba, until the entrance to the scene of Sheraton Addis, in February 1998.

Lying on a vast tract of land estimated to cover over 60,000sqm plot, the hotel has a 12-storey main building - alongside a Garden Wing extension added to it in 1987 - making it the property with the largest number of rooms, over 400, in the capital.

However, the property has been in need of major renovations, including to the electromechanical workings of the hotel, and the interior of the rooms. About 10 years ago, experts from Hilton Worldwide estimated the renovation costs and proposed close to 280 million dollars, although it has not received government approval yet.

Despite its prime location on Menelik II Avenue, lush parking lots, swimming pool with a natural spring water, and gym frequented by many in the city, authorities regulating the hospitality industry have downgraded the property to three stars... [...]

[Source: *Addis Fortune*, March 5, 2017]

Major Japanese Companies Ready to Invest in Ethiopia

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 Desalegn 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. Yosuke Yamamoto, deputy manager of Toshiba for global sales of geothermal and thermal power, told The Reporter that the company is looking for more funds from the Japanese government to become more operational in Ethiopia. [...]

According to the information the company posted, it has business units in areas of transport and construction systems which relate to ships, aerospace equipment, railway cars, automobiles, construction equipment, and leasing. The business units extend to embrace environment and infrastructure. It also has extensive reach in the minerals and electronic sectors that comprise mineral resources, energy, basic chemicals, electronics, and life sciences.

Marubeni Corporation, a renowned conglomerate that runs diverse trading and investment segments, has long been associated with Ethiopian coffee export market and is the other giant company in contact with Ethiopian officials to capitalize on investment opportunities.[...]

[Source: *The Ethiopian Herald*, March 25, 2017]



CNET to build half billion birr IT data-base center

A local firm, CNET Software Technologies PLC who spent 13 years developing and selling software, plans to build an IT data-base center which will feature cloud computing. The 8,000sqm center which is located at Ethio ICT village in Jemmo will feature software development and call research centers and an auditorium. Dr. Debretsion Gebremichael, Minister of Communication and Information Technology laid the cornerstone of the center which is expected to create jobs for over 1,000 citizens. A local contractor named JY will construct the first phase of the center in 18 months. The center is expected to consume 87 million birr. The second phase is waiting for a loan from DBE and Commercial Bank of Ethiopia.. [...] [Source: *Capital* March 5, 2017]



Ethio-Brazil Bilateral, Development Ties Growing

Brazilian Ambassador to Ethiopia Octavio H. Cortes said: "Ethiopia and Brazil enjoy close bilateral and development ties."

Brazil strongly believes that economic cooperation would bear fruits so long as both countries fulfill their responsibilities at the same level, according to Cortes.

Moreover, he told *The Ethiopian Herald* that as the key goal of South Cooperation is to strengthen and improve development [...] [Source: *The Ethiopian Herald*, March 14, 2017]

Ezana becomes Ethiopia's second major gold miner

After a decade of exploration and building a gold processing plant in northern Ethiopia, Ezana Mining has become Ethiopia's second large scale gold mining company

Named after the popular Ethiopian king from ancient times, the company plans to start trial operation this month at its Terakimti facility, in northern Tigray region, near Shire Endaselassie Town, 1067km from Addis Ababa.

A top official at the company told Capital that they will begin full scale production during the third week of April after the trial is evaluated. They expect to produce 4.5 kilograms of gold per day, which is considered to be a good start for Ezana, according to experts.

The company has already finished a gold processing plant near the outskirts of Shire. "Most of the equipment is imported from South Africa and Austria, and it will be installed by Mesfin Industrial Engineering," a source at the company said. Both of them are under the Endowment Fund for Rehabilitation of Tigray (EFFORT). The plant installation process cost 700 million birr and the installation work took 18 months.

Ezana's official said they feel successful because of what they have accomplished. They added that the work has been

done with local workers except for some mining support from foreign supervisors. "Compared other mining companies ten years is a very short period to explore and start mining," the official at the company explained.

Tigray has attracted investors because it has precious metals. Ezana is the first company to discover gold in the northern region and signed a mining agreement in 2012 with the Ministry of Mines, Petroleum and Natural Gas.

"We have given trainings for local experts to get involved in the production process, while in the initial production process some crucial positions will be handled by foreign experts until local experts are able to take over the operation," an employee at the company explained. "We will have additional projects after we explore more," a company official said. So far MIDROC Gold Mine, who bought the state owned Lega Dembi Gold Mine in 1997 at the cost of USD 172 million, is the only company engaged in large-scale gold mining in the country.. [...]

[...] [Source: *The Ethiopian Herald*, March 6, 2017]

Nestle poised to set up Manufacturing plant in Ethiopia

Operating over 2000 brands across the world with one billion units' sales annually, Nestle announced that it is considering Ethiopia to be one of its manufacturing destinations in the coming years although a final decision is yet to be made on setting up the manufacturing plant.

Wosenyeleh S. Fikre, cluster manager of Nestle for the Horn of Africa and the Equatorial African Region, told The Reporter that the Swiss transnational foods and drinks company, headquartered in Vevey, Vaud, Switzerland has plans to set up a manufacturing plant in Ethiopia where it is identifying untapped opportunities for the future.. According to Wosenyeleh, the plant which is to be set up in Ethiopia is likely to focus on diary and dairy products. [...]

In a related event, Nestle has appointed the long distance legendary runner Haile Gebreselassie to be its brand ambassador in Ethiopia. Accordingly, the legendary athlete and the business titan, Haile will represent the newly-repacked NIDO, one of Nestle's instant diary formula brands. Nestle rebranded NIDO and launched a new product line which comes in 25g packaging to make it available across the fast moving consumables' market. Nestle is also trying it reposition itself in the highly competitive Ethiopian formula milk market. [...] [Source: *The Reporter* March 4, 2017]



Upcoming Events



ETHIOPIA AGRO FOOD & EXPO

Dates: 12 -16 May 2017 | Venue: Addis Ababa Exhibition Center

Consumer and industrial products, services, machinery and technology and will be of high standard and attract a large number of participants.



MICE EAST AFRICA FORUM & EXPO

Dates: 8 – 10 June 2017 | Venue: Millennium Hall Addis Ababa

Event management, business travel, technology and event services, airlines, travel agencies, attractions and entertainment and much more etc.



Ethio WEETEX Water Energy Electricity Renewable (Solar Wind) Energy Technology Exhibition

Dates: 7 – 9 July 2017 | Venue: Addis Ababa Exhibition Center

Ethio WEETEX 2017 offers great opportunity for the foreign entrepreneurs, exporters and other professionals to meet local government officials, importers, domestic traders and distributors on a single B2B platform.

Ethiopia Becomes Member of Asian Infrastructure Investment Bank

Addis Ababa March 23/2017 The Board of Governors of the Asian Infrastructure Investment Bank (AIIB) has adopted today resolutions that approve the membership of Ethiopia and other 12 applicants to join the Bank. The announcement would bring the total membership of the bank to 70, the website of AIIB indicated. "The interest in joining AIIB from around the world affirms the rapid progress we have made to establish the bank as an international institution," the website quoted Jin Liqun, President of AIIB as saying. "I am very proud that AIIB now has members from almost every continent and we anticipate further applications being considered by our Board of Governors later this year," he added. The 13 prospective members will officially join AIIB once they complete the required domestic processes and .". [...]

[Source: *The Ethiopian Herald* March 24, 2017]



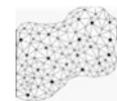
East Africa Gate (EAGate) is a dynamic French/Ethiopian business partnership founded by **Ms. Tigest Getachew Araya** and **Mr. Olivier Poujade**. The two partners graduated from Toulouse University (France) and together combine more than 15 years of experience in emerging markets in the legal, financial and business strategy fields (www.eastafricagate.com). EAGate has rapidly become a reference for accurate business information and tailored investment solutions in the Horn of Africa.

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