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NBE allows forex transaction inside industrial parks

Companies operating in industrial parks can transact in foreign currency while selling and buying raw materials with each other beginning this month, according to a new directive issued by the National Bank of Ethiopia (NBE).

The new directive was issued two weeks ago to enable investors to buy or sell raw materials or inputs in foreign currency when they are manufactured by compa-

nies that operate in any of the industrial parks. The purchaser will settle the payments from its foreign currency retention account.

Signed by Governor Yinager Dessie (PhD), the directive went into effect on February 4, 2019.

“It is found necessary to support the strategy of the government by creating smooth operation in industrial parks by addressing the emerging needs of investors, particular-

ly that of foreign investors in industrial parks,” reads the directive. The new directive also enables employers at the industrial parks to pay their non-national employees in foreign currency. The non-national employees are as well allowed to open foreign currency account at banks operating within the industrial parks.

The directive further privileged the non-national employees to transfer forex from their accounts to accounts abroad.

Source: [Fortune, Feb. 23, 2019]



Ethiopian energy exports to exceed USD one billion

This year's African Economic Outlook 2019 from the African Development Bank (AfDB) says Ethiopia will generate USD one billion by 2020 from energy exports. It also states that normalization with Eritrea should bring prosperity to the region. The outlook shows that the continent's general economic performance continues to im-

prove. The Gross Domestic Product reached an estimated 3.5 percent in 2018, about the same as in 2017 and up from 2.1 percent in 2016. Africa's GDP growth is projected to accelerate to 4.0 percent in 2019 and 4.1 percent in 2020. The AfDB outlook says even that growth is not fast enough to address persistent fiscal and current ac-

count deficits and unsustainable debt, while it also describes several risks in the macroeconomic forecast including the US tension with its trading partners. "A further escalation of trade tensions between the United States and its main trading partners would reduce world economic growth [...]"

Source: [Capital, Feb 25, 2019]

Ethiopia prohibits alcohol ads

The House of People's Representatives (HPR) passed a draft bill restricting smoking in public places and banning alcohol advertisements on billboards and broadcast media. The parliament ratified the bill after a long debate. It bans advertising on broadcast media totally. In a bid to discourage the

consumption of alcoholic drinks, the bill further puts stringent restrictions on advertising and promotion of alcohol, the bill states. Previously, the bill intended to limit advertisement via broadcasting media during the night time only. Drinks with an alcohol volume of over 10 percent would be

banned. "We know the impact this has on the entertainment industry, however we share the concern of saving the next generation" Mesfin Getachew told Capital. The ban may open the door for indirect advertisements placed in TV shows and movies, Mesfin adds. [...]"

Source: [Capital, Feb 11, 2019]

Ethiopia moves to liberalize aviation industry

A regulation that will liberalize the aviation industry is in the making and has reached the Office of the Attorney General for legal review. Drafted by the Ethiopian Civil Aviation Authority, the draft regulation is expected to relax investment bottlenecks in the air transport sector, including lifting the

50-seat limit on private aircraft. If approved by the Council of Ministers, the bill will enable citizens to participate in domestic and international flight operations, maintenance and aircraft repair, consultancy service, aircraft design and manufacturing, education and training, import, distribution and

leasing of aircraft parts.

Non-national investors will also be allowed to engage in the aviation sector through full ownership, except in the case of domestic and international flights. [...]"

Source: [Fortune, Feb. 23, 2019]



National Bank alters Forex rules for retention accounts

The central bank has enabled foreign currency retention account holders to sell forex to commercial banks through negotiation.

Previously, the banks have been buying foreign currency from retention account holders with a buying rate set by the National Bank of Ethiopia's daily foreign exchange indicative rate. The amendment aims at encouraging exporters to bring foreign currency, according to Yinager

Dessie (PhD), governor of the National Bank of Ethiopia.



“It will also enable banks to gain more foreign exchange from the

account holders, who will be encouraged by the new rate,” Yinager told Fortune.

The directive, which repealed the prior law issued four years ago, becomes effective on February 15, 2019. Even though the new procedure allows transactions through negotiation, the directive sets limits on premiums of what banks can add, and that figure may not exceed the selling rate. [...]

Source: [Fortune, Feb. 23, 2019]

MOENCO invests 700m Birr in service center

Motor & Engineering Company of Ethiopia (MOENCO), the sole importer of Toyota vehicles, is constructing a Toyota Service Centre for 700 million Br.

The new facility will have 80 service bays and can maintain up to 25,000 vehicles a year. The centre will be located in Aqaqi-Qality district on a 20,000Sqm plot. Construction of the

project started in December 2018 and is expected to be completed by the end of 2020 when it will provide job opportunities for 300 people.

GERETTA Consulting Architects & Engineering, which has overseen the construction of the Oromia Cultural Centre and Century Mall, is consulting on the project. The construction will be carried out by the 17-year-old

Bamacon Engineering Plc, which was contracted to build the Embassy of Rwanda and Kanoria Africa Textile. Once completed, the service centre will have a central lab system, a showroom, onboard diagnostic systems, wheel alignment and automatic exhaust gas extraction. [...]

Source: [Fortune, Feb. 23, 2019]

Ethiopia eyes USD 60 mln contract upshots from Dubai trade show

Teaming up to exploit trade and tourism upshots from the upcoming Dubai trade fair, the Agricultural Transformation Agency (ATA) and the Ethiopian Tourism Organization (ETO), seek to secure USD 63 million worth of trade deals.

The Agricultural Transformation Agency (ATA) together with the

Ministry of Trade and Industry and with the Ethiopian Tourism Organization, have organized a joint effort and signed a Memorandum of Understanding (MoU) to capitalize on market opportunities. The specialized trade fair dubbed: Gulfood has been hosted for years and this year it will be held from February 17 to 21, 2019 at the Dubai World Trade

Center.

The three government offices have joined hands to brand and feature Ethiopia's agricultural commodities during the trade show. “Ethiopia: Taste of Origins”, a brand imitated from the country's national tourism brand “Land of Origins”.

Source: [The Reporter, Feb.9, 2019]

Sher Ethiopia sales minority share to SGI frontier

Afriflora Sher Ethiopia has sold a minority share of its operation in the country to SGI Frontier Capital – an American based private equity firm owned by Gabriel Schulze, the CEO of Schultze Global Investment, according to reliable sources who asked to stay anonymous.

For the American based

investment firm; this latest investment complements their other investment in the country, including Flippers International School, Origin Water and Family Milk with a strategic ownership of 45 percent. The same sources told The Reporter that the firm is also looking at opportunities to invest in the local real-

estate market. The company is known to invest in emerging economies such as Ethiopia, Bangladesh, Singapore, Cambodia and Iraq. Founded in 2006 in the Netherlands, Sher has had a rewarding yet controversial time in Ethiopia. [...]

Source: [The Reporter, Feb. 2, 2019]

Council of Ministers to endorse construction

The Council of Ministers will soon endorse the selected construction site for the proposed new mega hub airport.

Ethiopian Airlines Aviation Group is under preparation to embark on the design and construction of a new international airport out-

side of Addis Ababa that will have the capacity to handle 80 million passengers per annum. A French consulting firm, ADPI, has conducted a study on site selection and presented the selected site to Ethiopian Aviation Group. Ethiopian Airlines Group CEO Tewolde Gebremariam told

The Reporter that the Council of Ministers will soon approve the selected site. The proposed site called Abusera is located 19km on the right side of the Tulu Dimtu Toll Road Booth on the Addis Ababa-Adama Expressway.[...]

Source: [The Reporter, Feb 2, 2019]



Work on 150 million USD new fuel depot

The Ethiopian Petroleum Supply Enterprise (EPSE) disclosed that the design work on the new modern fuel depot is well under way. EPSE is in the process to build a state-of-the-art fuel depot in Dukem town, 42 km east of Addis Ababa, at a cost of USD 150 million. The enterprise secured

10,000 sq. m of land (10 hectares) from the Oromia Regional State for the construction of the largest depot in the country. Last June, EPSE awarded the design, supervision and commissioning of the fuel depot project to an Australian company called SMEC. Executives of SMEC and its

parent company, SurbunaJurong (SJ), presented the draft engineering design of the fuel depot to officials of EPSE, Ministry of Mines and Petroleum, Ministry of Trade and private oil companies at Ramada Addis Hotel.

Source: [The Reporter, Feb 23, 2019]

Addis Ababa to get new power network



The Ethiopian Electric Utility (EEU) which is responsible for distributing power in the country is finalizing expansion of power projects for the capital city and

other regional cities at a cost of over 120 million USD. The Addis Ababa power project performance has reached 75 percent. It is expected to provide partial service next month. The project is being made possible through loans from the Chinese government at a cost 62 million USD. The Central Addis Ababa power network project is mainly being done for the eastern part of Addis Ababa

in connection with industrial expansion. “The projects will hopefully minimize customers’ grievances in connection to power outages and access and the quality of our service,” Shiferaw Tellila, CEO of EEU said. [...]

Source: [Capital, Feb.25, 2019]

Roads in progress will be completed this fiscal year

The Addis Ababa City Roads Authority plans to complete 25 roads project and start 10 new ones this fiscal year. The Authority has spent over three billion birr to build and maintain the city road network and facilities. “As part of the government’s existing trend, the Authority is paying attention to completing the existing road projects on time,” Moges Tibebe the authority direc-

tor general said. Many road projects were delayed because the contractors were not qualified, problems with consultants, design defaults and court cases connected to demarcation. The Authority is under discussion with the Supreme Court to set up speedy trial to alleviate the court cases in connection to

demarcation which is the fundamental cause for the delay of most roads construction, the director adds. The Authority spends the money for the construction and maintenance of over 400km road networks in various part of the city including traffic and street lights, pedestrian roads. [...]

Source: [Capital, Feb 25, 2019]

AU Summit ends with a vow to prioritize African people welfare

As participants return home from the 32nd African Union summit in Addis Ababa, this week, the AU vows to continue to undergo the structural, organizational, and funding reforms championed by its outgoing chairman, Rwandan President Paul Kagame, who passed on the baton to Egyptian President Abdel-Fattah el-Sissi. Below are some of the major decisions passed;



DECISION ON THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA). Endorsed the rec-

ommendations of African Union Ministers of Trade on: Template on Tariff Liberalization which will be used by Member States in preparing the AfCFTA Schedules of Tariff Concessions; and the designation of Sensitive Products and Exclusion List on the basis of the following criteria: food security, national security, fiscal revenue, livelihood and industrialization. [...]

Source: [Capital, Feb 18, 2019]

Upcoming Events

Buildexpo Ethiopia

Dates: 21-23 March 2019 | Venue: Millennium Hall, Addis Ababa

"Building Construction Material, Equipment and Sanitaryware industry trade fair." Buildexpo Ethiopia is a 3-day event being held from 21 - 23 March 2019 at the Millennium Hall in Addis Ababa, Ethiopia. The show will attract people from Building & Construction Material, Equipment & Machinery, Earth moving Equipment and many other sectors.

Plastprintpack Ethiopia

Dates: 09– 11 May 2019 | Venue: Millennium Hall, Addis Ababa

"International Trade Show on Plastics & Printing & Packaging" plastprintpack Ethiopia will display products like plastics and composites, raw materials and auxiliaries, machinery and equipment for the plastics and rubber industries, packaging machines and equipment, printing & publishing solutions etc. The 3rd plastprintpack Ethiopia 2019 has lots of news for 2019.



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