



## INSIDE THIS ISSUE:

**EIB to finance M 2**  
**-Birr**

**Tough Bargain 3**  
**Leads Favour to**  
**Heineken's**  
**€40m Forex**  
**Access**

**CBE half year 5**  
**profit way below**  
**target**

**Chocolate, a 6**  
**new frontier for**  
**investment**

**Local, Interna- 7**  
**tional Consult-**  
**ants Team-up to**  
**Construct Abat-**  
**toir**

**Aluminum Sul- 8**  
**phate factory**  
**suspends pro-**  
**duction due to**  
**mine closure**

## Djibouti to construct three new ports

Djibouti that inaugurated three new ports last year is going to launch the construction of another new three ports this month.

The logistics hub that is the main gateway for the land locked Ethiopia is going to commence the construction of different ports along the coast lines of the outskirts of the capital Djibouti city and Damerjog on the aim to expand its port handling capacity, which has now upper hand in the region.

Recently on the meeting held by the Ethiopian Maritime Affairs Authority and Djibouti Ports and Free Zones Authority (DPFZA) here in Addis Ababa Aboubaker Omar Hadi, Chairman of DPFZA, told Ethiopian media that the country is going to commence the construction of new additional ports that will be finalised in different phases.

"In the last 13 months we have opened three new ports. We are now planning by the end of this month to start the construction of additional three ports in different location in the country," the chairman said.

He added that the investment cost is going to be in several phases but the initial investment would be about half a billion USD for the projects.

As one of the upcoming projects Djibouti International Container Terminal is main project that would boost the country's exclusive container port terminal facility by additional container terminal from the current Doraleh Container Terminal.

Source: [Capital, February 12, 2018]

## Kaldi's to bring KFC to Ethiopia



The company behind Kaldi's, Ethiopia's most recognized coffee shop brand, is set to launch the Kentucky

Fried Chicken (KFC) franchise in Ethiopia within a year, The Reporter has learnt. Owned by one-time Ethiopian model, Tseday Asrat and Ethiopian Airlines captain, Elias Ketema, KFC Ethiopia is to complement the brands owned by the duo, including Lori-Agro-Industry and Gusto Restaurant, the latter being one of the few fine Italian dining

spots in the capital.

"We are in the final stages of negotiation to bring the brand here in Ethiopia," Elias Ketema told The Reporter. "We have settled on most of the details and we are closer to having to sign the final document within weeks. We are excited," he said.

Source: [The Reporter, February 10, 2018]

"Ethiopia stands out for expansion because of its population," the company said (in 2015)."

## EIB to finance M-Birr

The European Investment Bank (EIB) expressed its commitment to assist M-Birr, a local IT firm actively involved in online payment system, with a three million euros equity investment, this week. This will be EIB's first time to invest in mobile-based

financial technology services in Africa, according to the Bank.

It is a co-investment with DEG, a subsidiary of Germany's KfW, German government-owned development bank, based in Frankfurt.

This is a part of EIB's plan to inject close to 12 billion birr of financial assistance to public and private investment projects in Ethiopia, the largest ever financing program made by the bank in years.

Source: [The Reporter, February 13, 2018]

## Local firm plans to build houses from plastic bottles



Some of the millions of the discarded plastic bottles in

Ethiopia are being recycled in Adama and turned into eco-friendly homes courtesy of SIMCON Technologies PLC. This comes after the local company found inspiration from the experienc-

es of accident prone nations such as Bangladesh and Nigeria, who have used theirs to build homes to a population in need of affordable homes.

"These homes have a livability age of between 600 to 1500 years," Adil Abdella (PhD), the CEO of SIMCON, said.

Source: [The Reporter, February 10, 2018]

## Oromia's Agr. Coop submits highest offer in Assela Malt bid



Photo: Dawit Endeshaw/The Reporter

Oromia Agricultural Cooperative Ltd listed the highest offer to acquire Asela Malt Factory in order of 1.34 billion birr, it was learnt. At the bid opening held today at the Ministry of Public

Enterprise, it was announced that three more firms have managed to submit their price offers besides the Cooperative: Calypso Agribusiness Ltd, Soufflet Ethiopia PLC and Malt Africa.

In this respect, the second highest which is USD 42 million came from Malt Africa, a sister company of Bavaria, a major Shareholder in Habesha Brewery.

The bidders will be evaluated on the basis of both technical and financial proposals they have presented before an award is made for the winner.

Source: [The Reporter, February 12, 2018]

## Ethio Telecom bags over 18 bln birr revenue in six months

The state-owned monopoly, Ethio Telecom, on Wednesday, announced it has collected over 18.4 billion birr in revenue from its service sales in six months.

The company announced that it has achieved 5.5 percent less than what it had planned for the first half of the budget year (to collect 19.5 billion birr). How-

ever, the company said it was satisfied with achieving 94.5 percent of its plan.

Abdurahim Ahmed, Corporate Communication Head said on Wednesday that, thanks to the new alternative services it has introduced over the past six months, it managed to register revenue that is 18 percent high-

er than the previous year's. He further highlighted, revenue from mobile services contributed the lion's share of the total amount, fetching over 73.9 percent.

Source: [The Reporter, February 17, 2018]

**According to Abdurahim, out of the gross revenue, the company has earned around 13.2 billion birr profit before tax.**

## Ethiopian Airports makes massive investment on airports infrastructure

The Ethiopian Airports, on Wednesday announced that, it was making a massive investment on airport infrastructure to support the nation's socio-economic development.

The sixth annual Africa Airport Expansion Summit was held at the Addis Ababa Radisson Blu Hotel. Endris Argaw, Marketing

and Business development manager of Ethiopian Airports, disclosed that his company was undertaking the construction of seven regional airports. Hawassa, Semera, Jinka, Bale Robe and Shire are some of the regional airports which are under development. Endris said in addition to the regional airports under

construction, Ethiopian Airports has started the construction of airfields for 7 new additional airports. Nekemt, Dembi Dolo, Mizan Aman, Metu, Dbremarkos,, [...]



Source: [The Reporter, February 24, 2018]



**Roba Megerssa,  
CEO of ESLSE**

*“Only one of the consultants, which is bidding jointly with an international one, is a local firm”*

## Shipping, logistics enterprise awards USD 11 mln contract to Oracle

The Ethiopian Shipping and Logistic Services Enterprise (ESLSE) awarded Oracle International Corporation a contract to implement its Enterprise Resource and Planning (ERP), with a total cost of USD 11 million.

The Enterprise managed to broker a deal directly with Oracle, unlike previous trends in the industry

where Oracle’s local agents in Ethiopia are contracted to implement similar ERP projects.

Previously, a number of state-owned Enterprises usually made an agreement with local IT firms to implement the ERP project and those firms would buy the ERP software from some renowned international

companies such as Oracle and SAP.

“We have decided to directly work with those global firms after looking at the track records of similar ERP projects which were implemented by the local companies,” Roba Megerssa, CEO of the Enterprise told The Reporter.

Source: [The Reporter, February 24, 2018]

## Six Firms Contend to Design Nation’s Largest Depot

Half a dozen companies bid to consult and design the nation’s largest depot located on the outskirts of Addis Abeba, Dukem, for a projected cost of 2.3 billion Br.

The bid was floated by the Ethiopian Petroleum Supply Enterprise (EPSE) last

Wednesday, to hire an engineering and project management consultant for the Depot that will have the capacity to reserve 240 million litres of petroleum.

The consultant will prepare the final design of the project, assist in the selection of contractors and super-

vide the overall project.

ILF Consulting Engineers, from Germany, India-based SAGA Global Consultants and the Chinese Longway Engineering Company submitted their technical and financial offers. SMEC International, an Australian firm, and France’s EKIUM,..[...]

Source: [Addis Fortune, February 9, 2018]

## Asella Malt Grabs One of the Highest Offers for Privatization

Asella Malt Factory joins the list of public enterprises, grabbing the highest offer of 1.34 billion Br after the Ministry of Public Enterprises (MoPE) put it up for privatisation.

The Factory joins the highest offer earner companies next to the 944 million

dollars bid made by Japan Tobacco International for National Tobacco Enterprise (NTE) and 225 million dollars of Diageo Plc’s offer for Meta Abo Breweries S.C.

Oromia Agricultural Cooperative Federation, founded by members of agricultural

unions, made the highest offer to acquire the Company during the financial opening held for the Factory on February 12, 2018. Calypso Agribusiness Ltd, Souflet Ethiopia Plc and Malt Africa vied for the acquisition with Oromia Agricultural Cooperative Federation.

Source: [Addis Fortune, February 19, 2018]

## Doraleh Ports reduces its price, task force formed to reduce logistics costs



In response to complaints by Ethiopian exporters concerning tariffs when moving products to and from Ethiopia and

Djibouti, the two countries have announced the formation of a Djibouti Transit Corridor Management Community which will attempt to simplify the export and logistical process.

Djibouti port also announced that it has discounted the price of using the Doraleh Multi-Purpose Port (DMP) starting the first day of 2018.

At a forum organized by the Ethiopian Maritime Affairs Authority (EMAA) and Djibouti Ports and Free Zones Authority (DPFZA) at Capital Hotel on Friday February 2, representatives

speaking for exporters said they face many logistical challenges and expenses.

The Djibouti authority, which is responsible for overlooking logistical activity in their country, attended the first session to offer solutions and hear challenges from Ethiopian representatives related to the logistical process, and the Chairman, Aboubacar O. Hadi said that such sessions should be undertaken monthly.

Source: [Capital, February 5, 2018]

## CBE half year profit way below target

The state owned Commercial Bank of Ethiopia targeted to earn 8.8 billion birr profit by the middle of this fiscal year. However, they are far behind that goal because hard currency earnings have been lagging. This is largely due to the recent devaluation of the birr and poor export earnings.

According to data that Capital obtained, 3.67 billion birr was earned during this time and hard currency exchange was 28 percent of that amount. Sources at the bank told Capital that the recent birr devaluation led to a one hundred million birr loss.

“The LC which was open be-

fore October for exporters cost us four birr per dollar because they bought the dollar from us at 23 birr but the devaluation caused the dollar to be sold at 27 birr. The other reason is our bank has not been earning a large amount of money from exports, previously over 60 percent of exports passed through.. [...]

Source: [Capital, February 19, 2018]

## Four International Firms Race to Procure Tantalum from Ethiopia

Four international companies are in the run to procure 30.4tns of tantalum concentrate and 29.9tns of niobium, a type of metal ore, from the Ethiopian Mineral, Petroleum & Bio-fuel Corporation (EMPBC).

This Corporation’s 92nd round sale attempt could fetch no less

than 70 million Br for the nation.

The United States (US) -based Metallica Commodities Corp, the Austrian Molaris Minerals, Trucksis Enterprise Inc of Luxembourg, and Due-Jiang of China have submitted their financial and technical offers among the

24 firms that responded to the initial tender announced on January 7, 2018.

Trucksis had the highest offer on the recent financial opening held last Tuesday. It offered 84.94 dollars and 4.12 dollars a kilogram for tantalum and niobium correspondingly,

Source: [Fortune, February 10, 2018]

## Menelik Statue, Sebastopol Artillery to Get Face-lift



Menelik II Statue, which was exposed to vibration during the construction of the Addis Abeba Light Rail Transit (AA-LRT), is to be restored along with Sebastopol Artillery for 5.4 million Br.

The Addis Abeba City Government Culture & Tourism Bureau,

established a decade ago, had allocated a budget of 30 million Br for the current fiscal year to conserve two monuments and three historical houses of Ethiopian emperors. Among them, the statue of Emperor Menelik II in Piassa, along the St. Georgis – Kaliti rail route and the monument with a replica of the Sebastopol artillery at Tewodros

Square, Addis Abeba are lined up for restoration.

The restoration will be carried out by Dawit Tsadik Heritage Restoration & Beautification, which was selected after a tender that was floated twice for bidders' failed to meet the minimum requirements, according to Worku Mengesha, communication director at the Bureau.

Source: [Fortune, February 3, 2018]

## Chocolate, a new frontier for investment

With a number of local and multinational chocolate factories looking at the Ethiopian market as a potential area to invest in, Ethiopia's first pioneering chocolate store has opened shop. The exclusive store is to sell exclusive imports from Belgium, the world's noted producer of brand

name chocolate such as Godiva, Darci and Galler.

Ethiopia, one of the emerging nation with a growing middle class and a diplomatic core with spending power, continues to attract brand name stores within the capital. Named Bo Chocolatier, the store is

located on the newly opened shopping center, Century Mall near the CMC area and had its grand opening on Valentine's Day.

Source: [The Reporter, February 17, 2018]

## Fairfax plans to build USD 4 bln oil refinery in Ethiopia

Fairfax Africa Fund, a US-based investment firm, in collaboration with multiple partners from Asian countries is planning to build an oil refinery in Ethiopia with a total investment cost of four billion US dollars. Zemedeneh Negatu, Global chairman of Fairfax Africa

Fund, told The Reporter that his company has undertaken the feasibility study. According to Zemedeneh, Fairfax Africa Fund is working on the project with Asian investors whose core business is oil trading and infrastructure development. "Our

initial plan was for our investors to be from Asia but more recently, we were approached by American financiers who are interested in the project. So, we may end up with financiers both from Asia and the US," he told The Reporter.

Source: [The Reporter, January 13, 2018]

## Gidabo Dam Nears Fruition

The Gidabo Irrigation Dam, constructed with an estimated cost of 1.1 billion Br and reaching 97pc completion, will begin operations within two months.

The Dam has a capacity of holding 63 million cubic metres of water and stands 21.2 meters tall and is 350m wide. Its initial completion was expected within two years of construction, beginning 2010 by the Ethiopian Construction Works Corpora-

tion (ECWC) formed as a result of the merger between Ethiopian Road Construction Corporation, Ethiopian Water Works Construction Enterprise and Ethiopian Prefabricated Building Parts Production Enterprise.

“The completion period was modified after the need to redesign the Dam to fully utilise Gidabo river’s potential as well as increase the Dam’s capacity,”



according to Abdulfetah Taju, project manager of the Dam.

Source: [Addis Fortune, February 3, 2018]

## Pakistani company looking to invest in sugar production

Shakeel & Company, a Pakistan-based company is looking to invest in sugar production in Ethiopia, The Reporter has learnt.

According to the company, Shakeel, which was established in 2004, is mainly involved in manufacturing and export of agricultural products such as wheat and maize.

Last year, Shakeel, has reported an average export worth USD 22.5 million, reads its profile e-mailed to The Reporter.

However, The Reporter was unable to independently verify the above figure taken from Shakeel’s income statement and balance sheet.

As far as its investment interest in

Ethiopia is concerned, Shakeel is looking to invest a sum of USD 150 million in sugar development. This money will be invested to develop and expand Kesseem Sugar Factory in a joint venture with the Ethiopian Sugar Corporation.

Source: [The Reporter, February 10, 2018]

## Local, International Consultants Team-up to Construct Abattoir

Addis Abeba Abattoir Enterprise (AAAE) hired a consortium of six firms to consult and supervise the construction of the controversial and long anticipated slaughterhouse in Nefasilk Laphto District.

The consortium, which is composed of three local and three international companies, was

selected after vying with 10 other groups interested to supervise the construction of the abattoir that will consume 2.5 billion Br and is expected to slaughter 8,000 cattle and 21,000 sheep and goats within 16 hours along its five slaughtering lines.

Artelia Batiment & Industrie,

Sefial France and Bigen Africa were the international firms that teamed up with the local companies Yerer Engineering, Tropics Consulting Engineers and Get Consult Architect for the project.

Source: [Fortune, January 27, 2018]

## Aluminum Sulphate factory suspends production due to mine closure

The Awash Melkassa Aluminum Sulphate and Sulfuric Acid SC suspended production following a mine closure that supplies raw materials to the factory.

Located 107km east of Addis Ababa, the Awash Melkassa Factory mainly produces Aluminum Sulphate and Sulfuric acid chemicals. The factory supplies its products to the

cities' water and sewerage authorities which uses it to treat drinking water.

The factory mainly uses kaolin mineral as a raw material to produce Aluminium sulphate. Kaolin is mined in Bambo Wuha locality, near Kibre Mengist town in the Oromia Regional State. The mine is operated by the state owned Ethiopian Minerals,

Petroleum and Bio Fuel Development Corporation.

The mine was closed last month due to a dispute with the local community and administration in connection with youth benefit demands in the Oromia Regional State.

Source: [The Reporter, February 24, 2018]

## Lion, Awash Vie to Join Hawassa Industrial Park

Lion and Awash banks are vying to open a branch in Hawassa Industrial Park (HIP), following the government's offer allowing private banks to join the Park where the Commercial Bank of Ethiopia (CBE) is the exclusive banking service provider since last year.

After getting a go-ahead from the Ethiopian Investment Commission (EIC), the Industrial Park Development Corporation (IPDC) approached the banks to submit their bids to rent out a two-room space of 84sqm designated for banking service.

"Many private banks have approached us to enter the Park," said a senior executive at HIP, which became operational last year, hosting 20 well-known international brands including H&M, PVH, CK, Arvind, Raymond, and Hirdaramani.

Source: [Fortune, February 4, 2018]

## Ambo, Coca's Alleged Merger in New Predicament



The Appellate Tribunal of Trade Competition & Consumer Protection Authority (TCCPA) injunctioned the rul-

ing of the lower Tribunal over Ambo Mineral Water and the East African Bottling Company for making an illegal merger.

The duo appealed jointly claiming that the lower tribunal passed a verdict against them without reviewing their evidence. The

Tribunal misinterpreted the merger, which has not been realised yet, and rejected their preliminary objection without valid ground, according to their appeal.

Source: [Addis Fortune, February 10, 2018]

*"HIP is a potential market for us as it has many employees and multinationals",*  
Getachew Solomon  
President of Lion

## New Hospitality Academy offers international standard education

A new hotel training academy will simulate a four star hotel with 100-150 rooms. The Addis Ababa Hotel Association is building the academy to help supply the industry with better trained hospitality workers and at the



same time help the youth find employment in the hospitality industry. Over the next 32 years it plans to train one million people in Ethiopia. Currently they are conducting a study and getting ready to sell shares and secure the land to begin construction. Students will learn food and beverage service, food production and housekeeping. Each trainee will then select one path for their career and could look for work in one of the star hotels or use their certificate to look for work abroad. Binyam Bisrat Addis Ababa Hotel Association President told the press last Thursday that the new school will train many people

and make a difference in hospitality.

“There are 165 hotels are in Addis Ababa which are rated from one to five star and more than 100 local and international brand hotels are in the pipeline. So we need the right skilled man power. The new hospitality academy will present a fantastic opportunity for the area’s communities and its hotels.”

He added that the academy will play a role in sending skilled workers abroad.

Source: [Capital, February 12, 2018]

## New simulator

Ethiopian Airlines acquired a full flight simulator for Airbus A350 aircraft. The simulator manufactured and supplied by the Canadian simulation technologies manufacturer, CAE, cost Ethiopian USD 15 million. The national flag carrier, which became the first African carrier to operate A350 jetliner in June 2016, is now the first airline in

Africa to acquire the state-of-the-art simulator for A350 aircraft. Ethiopian Airlines Flight Operations department owns simulators for B737, B757, B767, B777, B787 and Bombardier Q400 aircraft. It will also soon acquire B737MAX simulator. Senior executives of the airline, ambassadors of Canada, France, Germany, UK and Spain

inaugurated the new simulator. Pictured above are Ethiopian Airlines Group CEO Tewolde Gebremariam and Yohannes Hailemariam (Capt.), managing director, Ethiopian Flight Operations, while testing the new simulator.

Source: [The Reporter, February 24, 2018]

## India to Power Ethio-Djibouti Electric Interconnection Line with \$100m

The Indian government is finalising a 100 million dollar pledge for the Ethiopia and Djibouti power interconnection line, which will transmit 230kV of electric power to Djibouti.

The line will extend from Semera, Afar Regional State to PK12 substations in Djibouti. It will enable Djibouti to import 60MW of electricity from Ethiopia, as well as help the

nation earn a total of 50 million dollars annually from exporting power to Djibouti.

The feasible study of the project was completed by Tractebel Engineering S.A, one and half century old Belgian engineering company with a presence in 33 countries and 1,600 staff members. Tractebel conducted the feasibility study with a

financial backing from the Kuwait Fund.

The extended line, which is going to be a double circuit, will be in Djibouti’s territory for the first 190Km, while the remaining 103Km will lie in Ethiopia.

Source: [Fortune, February 18, 2018]

## Upcoming Events

### Exhibition : Agrofood Ethiopia

Dates: 3– 5 May 2018 | Millennium Hall, Addis Ababa, Ethiopia.

Agrofood Ethiopia is an international trade fair covering the entire value chain from field to fork and consists of the following parts: agro Ethiopia (agriculture & livestock), food + bev tec Ethiopia (food processing & food packaging, ingredients) and food + hospitality Ethiopia (food & drinks, foodservice equipment).

It will gather international and Ethiopian industry leaders, investors, experts, academia and journalists to discuss latest technologies and conclude business. In order to create valuable synergies for exhibitors and trade visitors



“Investment is craft in Ethiopia”

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