

Monthly Press Review

Issue #10—July 2016



BY EAGATE FOREIGN TRADE AUXILIARY PLC

The Largest Event on Business & Africa held in France



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SEPTEMBER 22ND & 23RD
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On September 22-23, 2016, in Paris, will be held the largest event on Africa and business in France. More than 3,000 participants & 800 companies from Europe and Africa are expected to participate along with French and African officials, including the French Prime Minister, Minister of Economy and the State Minister for Foreign Trade.

Several topics will be at the center of the event, including: Sustainable cities, agriculture and agri-business, energies, innovation and IT, financing and PPP, training program and HR.

Each guest will have the opportunity to participate in two days of networking, up to 16 speed B2Bs organized with potential partners, conferences and cocktails.

EAGate Foreign Trade Auxiliary Plc, is organizing this event, in collaboration with the French Minister of Foreign Affairs, Classe Export, and the French Embassy in Ethiopia.

Expected and registered participants are diverse, including large banks and investors, multinational consumer goods, engineering, defence, utilities, automotive, transport, agriculture, agro-processing, telecoms, medias, oil & gas or cosmetics companies.

Seats are Limited! For more information contact us on:
contact@eastafricagate.com, +251(0)9 34 239106 / +251(0)9 62 266630



Bill Gates to expand interest in Ethiopia .03

Bill Gates, has expressed an interest to invest in the electronic payment and store value system in Ethiopia.



Japan tobacco seals \$510M Monopoly shares deal .05

Japan Tobacco International (JTI) has finally sealed a deal following its record high offer in Ethiopia's privatization history half a billion dollars for the acquisition of 40pc of the National Tobacco Enterprise.



AFDB Boosts Ethiopia's power in-

The African Development Bank has approved a USD 104 million loan to the Government of Ethiopia for a project which will sustainably extend power to industries, small businesses to enhance job creation and improve access to basic services in the country's Tigray and Afar regions. [...]

The government of Ethiopia is contributing over USD 18 million to the total project cost of USD 122 million. [Source: www.afdb.org, July 15 2016]

Government to allow special visa to attract Hawassa Expat investors

The government has decided to give a special permit to investors and foreign (expat) citizens who invest in Hawassa's new industrial park.

As Ethiopia has strived to change its economy from agriculture to industry it has set up several industrial parks [...] [Source: *Capital* July 10 2016]

Prime Minister Benjamin Netanyahu addresses Parliament

Ethiopia is on the rise, its industries are growing and we seek to deepen our ties because we believe in our cooperation."

Israeli Prime Minister Benjamin Netanyahu yesterday addressed FDRE House of People's Representatives as part of his two-day state visit to Ethiopia. Prime Minister Netanyahu said that Ethiopia and Africa are on the rise, and "the relationship between us is rising to new heights [...]

[Source: *The Ethiopian Herald* July 08 2016]

Ethiopia's tourism reaches over 3.4 billion USD

Ethiopia has generated over 3.4 billion USD from tourism sector in the 2015/16 fiscal year, Ministry of Culture and Tourism announced. The amount shows half a billion increment as compared to the previous budget year. Government collected over 2.9 billion USD last year from the sector. Over 918 thousands of international tourists paid a visit to the country with different motives in a budget year that ended last Friday [...] [Source: *The Daily Monitor* July 13, 2016]

A New Era for the Textile Industry

Built in an area of 300,000 square meters, the Hawassa eco-industrial park was officially inaugurated on Wednesday, July 13 by Prime Minister Hailemariam Dessalegn.

The industry park that consists of 37 sheds is equipped with one stop service center and has its own renewable electricity sources to avoid power supply problems.

During the inaugural ceremony Prime Minister Hailemariam Desalegn said that Hawassa Eco-Industrial Park has opened a new chapter for the industrial development of the country. "The park has a pivotal role in realizing the country's dream to be pioneer in Africa by 2025 in the manufacturing sector by expanding the industry development" he said. He added that the park also plays a significant role in attracting foreign investors and earn huge foreign currency.

Chair Person of the Industry Parks Board and Special Advisor of the Prime Minister, Arkebe Oqubay (PhD), said that the park has created many opportunities and can host huge companies. "The park also plays a magnificent role in helping the country realize the plan to be the leader in Africa in the industry sector" he added.

So far fifteen foreign and six local companies have joined the park. Some 15 leading textile and garment companies from America, China, India, Sri Lanka and six local companies are ready to start operation in the park.

Construction of the park, the first in its kind in the country, consumed more than USD 250 million and is built in record time of less than one year. The park is implementing Zero Liquid Discharge (ZLD) and that enables to recycle 85 percent of sewerage disposal water and fulfills international standards. Construction of the second phase of Hawassa Eco-Industry Park will begin within two months on 120,000 square meters of plot. The mega project dubbed as Hawassa Industrial Park is located in Hawassa town some 275 kilometres south of the capital.

Ethiopia had targeted a 15-fold boom in textile and leather exports to USD 1.5 billion this year but lack of special parks have been constraints [...]

[Source: *Capital*, July 17, 2016]





BY EAGATE FOREIGN TRADE AUXILIARY PLC

Bill Gates to expand interests in Ethiopia

The Co-chair of the Bill and Melinda Gates Foundation, Bill Gates, has expressed an interest to invest in the electronic payment and store value system in Ethiopia after seeing the increasing number of users in Uganda, Kenya and Tanzania.

The philanthropist and co-founder of Microsoft referred to the electronic payment and store value system as the ‘digital currency’, which is accessible from ordinary mobile phones known as M-PESA.

M-PESA account is a way to transfer funds to both M-PESA users and non-users, pay bills, and purchase mobile airtime credit for a small, flat, per-transaction fee. The affordability of the service has been a key in opening the door to formal financial services for the poor.

Gates said that the foundation has not done much in financial services in Ethiopia, but that the government has an ambitious plan about the idea of being able to transfer money or even paying in shops directly with a local currency which is seen as being very efficient and having local transactions using mobile phones.

“Our financial team will make a trip to Ethiopia and talk about what the government’s strategy is and we might be able to help with that in addition to the two major areas we are involved in,” he told local and international journalists in Addis Ababa at a media round table.

“By far the biggest areas of work of the foundation are health, agriculture and this is expected to be the third big area.”

Continued - Bill Gates to expand interests in Ethiopia

The Foundation, which is the world's largest private philanthropic organization, has also pledged to enhance support to Ethiopia's endeavors to achieve Sustainable Development Goals (SDGs).

Gates discussed cooperation with the Ethiopian Prime Minister, Hailemariam Desalegne, in areas of climate change, rural development, agricultural commercialization, manufacturing and pharmaceuticals which would be implemented in the coming 10 years.

He also discussed issues related to Ethiopia's growth strategy and the role of the Foundation in embodying commercialization of agriculture, enhancing private sector development, and Ethiopia's Climate Resilient Green Economy Strategy among others.

Gates, whose visit to Ethiopia came after participating in the 21st World AIDS Summit held in South Africa, also stressed that as much as there has been a great progress in Ethiopia, there is still a lot to be done.

“Until the child mortality rate is more like the US and health deficit going down to low figures there is an incredible amount of work to do”, he said.

“Likewise in agriculture and livestock since the government made that an increased priority we would be more collaborative on livestock in the next five years.

The Foundation is currently engaged in implementing 150 development projects which are worth over \$500 million.

[Source: The Daily Monitor, July 25, 2016]



Ethiopian seeks loans to finance 12 Airbus aircraft purchase

The Ethiopian Airlines would soon issue a request for a proposal for the financing of 12 Airbus A350XWB jetliners it directly purchased from the European consortium.

Ethiopian Airlines Group CEO Tewolde Gebremariam told The Reporter that Ethiopian would seek loans to finance the purchase of the 12 A350-900 aircrafts. The airline would start taking delivery on January 2017. Tewolde said that European Credit Agencies (ECAs) would guarantee the loan. “ [...]

[Source: The Reporter, July 9, 2016]



Japanese office to assist in attracting investors, promoting export

The Japan External Trade Organization (JETO) Ethiopia Office, officially inaugurated yesterday, is said helpful to beef-up FDI flow and promote export. JETO was established 58 years back. During a bilateral discussion with Organization CEO Hiroyuki Ishige at his Office, Foreign Minister Dr. Tedros Adhanom said that the presence of the Office in Ethiopia is instrumental in strengthening Ethio-Japan relations and investment ties between them and the rest of the world. [...]

CEO Ishige said it would also attract foreign investors through organizing and disseminating an updated business information. *[Source: The Ethiopian Herald July 21, 2016]*

Japan Tobacco Seals \$510m Monopoly Shares Deal

Japan Tobacco International (JTI) has finally sealed a deal, following its record high offer in Ethiopia's privatization history – half a billion dollars for the acquisition of 40pc of the National Tobacco Enterprise.

The deal between the Ministry of Public Enterprises and Japan International Tobacco was signed on July 15, 2016, almost a month later than the 10-day ultimatum given to the company to deposit the money and seal the contract earlier in June.

Second in line was the British tobacco giant, British American Tobacco (BAT). Philip Morris International, the US counterpart of BAT, also took part. Both these offers fell way below the half billion dollar winning bid, however, at 230 million dollars and 120 million dollars, respectively.

The signatories, Demitu Hambissa, Minister of Public Enterprises and Martin Frauendorfer and Francois Fldaza, representing JTI, were accompanied by the Japanese Ambassador to Ethiopia, Kazuhiro Suzuki, and other officials from both sides.

JTI has settled the full payment to the Ethiopian government, it was stated at the signing, making the single largest Japanese investment so far in Ethiopia. A close source to the deal told Fortune that the Ministry of Finance & Economic Cooperation has already sent a letter to JTI ensuring the transfer of shares.

An article of association of national tobacco will be amended now that the deal has been signed. Other issues, like how the management should look and the fate of the workers, will be decided by shareholders, said sources.

"The Group is delighted to be entering the Ethiopian market, where we currently have no presence," said Mutsuo Iwai, Executive Vice President of JTI. "Ethiopia will be an important expansion of our geographic footprint in emerging markets.

"As the largest shareholder, we expect to be able to exert significant influence over the direction of the company," Iwai added. "The country's industry volume is also expected to continue to increase."

Currently, JTI has a presence in seven African countries, including Sudan, South Africa and Nigeria. The number of smokers in Ethiopia is higher than most African countries due to its population size. More than 100,000 children and 2.3 million adults smoke cigarettes each day in Ethiopia, according to the tobacco atlas – a compendium of research on tobacco use by the American Cancer Society and the World Lung Foundation. Moreover, current data shows that six percent of the world's adult smokers, 77 million to be exact, live in Africa. If the current upward trend persists, 22pc of the total population of the continent will become smokers by 2030.

"We will work with all shareholders to see how we can continue to grow the National Tobacco Enterprise (NTE) business and explore opportunities to further strengthen NTE's brands, such as Nyala, [the flagship brand of NTE], as well as the overall distribution and manufacturing capabilities," Iwai said[...]. The share company has been granted a ten-year monopoly over the production and importation of tobacco in Ethiopia.

[Source: Fortune, July 17, 2016]

France backs road transport projects

Ethiopia and France have concluded agreement providing for 75 million Euros loan to finance Bus Rapid Transit (BRT) systems projects in the metropolis and National Load Dispatch Center (NLDC). Signing the agreements yesterday, Finance and Economic Cooperation Minister Abdulaziz Mohammed said that the agreement would accelerate ongoing development activities in the country and further deepen and widen the economic cooperation between the two sisterly countries.

According to Abdulaziz, the agreement is indicative to French government's continued support for Ethiopia's development efforts. He added that France has been a major development partner to Ethiopia in the areas of urban development and electric network management. [...]. As per the agreement, the French government, through the French Development Agency has committed 40 million Euros for the National Load Dispatch Center and additional financing of 35 million Euros for the Bus Rapid Transit Projects. [Source: The Ethiopian Herald July 29, 2016]



Ethio-Telecom plans continental expansion



Ethio-Telecom, the giant and sole telecom operator in Ethiopia, requested the government for a policy reform to expand in some parts of Eastern Africa.

In an exclusive interview with The Reporter, Andualem Admassie, Chief Executive Officer of Ethio-Telecom elucidated his company's aspiration to go out and take advantage of neighboring countries potentials by tapping into that market. "We are now asking the government to make an amendment on its telecom policy so that it could make us free to expand our presence in the region," the CEO told The Reporter.

Members of the Ethio-Telecom board of directors like Debretsion Gebremichael (PhD), Minister of Communications and Information Technology with the portfolio of a Deputy Prime Minister is said to have support for this aspiration of the telecom operator.

Ethio-Telecom's latest plan for a regional expansion is somehow contradictory with the Ethiopian government policy stance with regards to liberalizing its telecom sector, which is under the monopoly of Ethio-Telecom.[...] With 47 million mobile subscribers Ethio-Telecom ranks as Africa's second largest operator while it is 38th at the global level, according to the CEO. [...] [Source: The Reporter, July 30,2016]



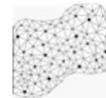
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For more information, contact us at: contact@eastafricagate.com

UNDERSTAND



NETWORK



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