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# Newsletter

*JUN, 2017*

*Volume.17*

مجلس الأعمال  
المصري الإثيوبي  
Egyptian Ethiopian  
Business Council





## PM INAUGURATES STATE OF THE ART CARGO TERMINAL



Ethiopian Airlines has inaugurated its second state-of-the-art cargo terminal at Bole International Airport. It is the largest cargo terminal in Africa, and it is one of the best in the world.

Speaking at the inauguration of the terminal, Prime Minister Hailemariam Dessalegn said “the inauguration of this state-of-the-art cargo facility at the time when our government is persistently working towards the realization of fast paced industrialization is a

testament of Ethiopian Airlines’ commitment to the fast economic growth of the country and also the success of GTP II”.

He added that the inauguration of the Africa’s largest transshipment terminal has made the government even more confident that it is well on the right pathway to realize the goals set in the Second Growth and Transformation Plan.

“Ethiopian Airlines, as we have seen it in the past is leading the way in Africa by phasing-in modern state of the art airplanes like the Dreamliner and Airbus A-350, opening the largest Aviation Academy in Africa, MRO Hangars and Workshops and also modern Catering Facilities”, the Premier elaborated.

“Our foreign and domestic

investors are enjoying this convenient, dependable and economical air connectivity. Above all, Ethiopian Airlines has played an important and irreplaceable role in the development of Ethiopia’s horticultural products export and foreign exchange earnings”, he stated.

The increasing number of global conferences organized by the African Union, the UN-ECA and other international organizations also depend on the network of Ethiopian Airlines.

Ethiopian Airlines CEO, Tewolde Gebremariam said on his part the cargo terminal is comparable with terminals in the first world, in Amsterdam, Singapore, and Hong Kong.

“This is not only the largest cargo



terminal in Africa, but it is one of the best in the world,” he stressed. According to the CEO, the day is therefore an important day not only for Ethiopia but for the entire continent of Africa, for the entire cargo industry in the continent.

The CEO asserted that “with this large and state of the art cargo terminal, I think the continent can proudly position itself in the global stage in the 21st competitive globalization market.”

### **PRIME MINISTER INAUGURATES HAWASSA INDUSTRIAL PARK**



On June 20/2017 Prime Minister Hailemariam Dessalegn has inaugurated the Hawassa Industrial Park.

Speaking on the occasion, he said the park is of immense significance as it represents "our blueprint in designing and developing an integrated eco-industrial park across the country".

The Premier added that the country has learned a lot in the process of the development of the park, from design to construction and finally to operation and management.

“The Hawassa Industrial Park has given us lessons and experience as a framework in working procedures strategies, speed of delivery and most importantly viability,” he said.

Hailemariam noted that the park will serve as a model of sustainability and productivity for all subsequent industrial parks.

The PM stressed that though the inauguration of the park marks a milestone in Ethiopia’s quest to industrialization, one should note that the journey has only begun.

The opening of Hawassa Industrial Park is the most evident and concrete example yet towards achieving the national vision, according to the PM.

“Hawassa will now and forever be a symbol of our national enterprise, our bold move to industrialize our economy,” Hailemariam said.

Most of the 18 global leading companies in the park have already started operations and even exporting, it was learned.



## ETHIOPIA TO FIT ALL INDUSTRIAL PARKS WITH ZLD SOLUTIONS



Arvind Envisol, a water management company will sign a memorandum of understanding with the Ethiopian government to build Zero Liquid Discharge (ZLD) solutions for all industrial parks being commissioned by the government.

Arvind Envisol is the company that set up a ZLD solution for the Hawassa Industrial Park, the eco friendly industrial park, which has the capacity of treating 11 million

liters of waste water per-day.

A subsidiary of the global textile conglomerate Arvind Limited, Arvind Envisol is a world-class water management company providing end-to-end solutions for water treatment, industrial waste water treatment, sewage treatment and zero liquid discharge solutions.

Ethiopia, one of the fastest growing economies in the world has embarked on ambitious green industrialization drive that will further boost the country's GDP and generate employment.

Toward this end, it is developing ten industrial parks in different regions of the country.

These industrial parks will see investments by global and Ethiopian companies engaged in textiles, apparels, machinery,

pharmaceuticals, footwear, food and beverages.

To ensure that the negative impacts of this industrialization on the environment are minimized, the government has decided to use the cleanest water/effluent treatment technology in these industrial parks - Zero Liquid Discharge technology.

It is with this understanding that the government of Ethiopia will sign the MoU with the company to fit all industrial parks with ZLD solutions.

The company is also expected to partner with the government to provide industries and factories outside industrial parks with latest and most effective water treatment technologies.



## **DJIBOUTI INAUGURATES NEW PORT CLOSE TO AFAR, TIGRAY STATES OF ETHIOPIA**



Djibouti has inaugurated a new port that will serve as the main gateway for potash exports from neighboring Ethiopia.

The port in the small fishing town of Tadjourah in the north of the country is the closest outlet for Ethiopia's Afar and Tigray regions, where a number of foreign companies are developing potash mines.

Built at a cost of 90 million USD, the port has capacity of 4 million tons of potash a year, it added.

"Ultimately, 35 percent of the volume of goods destined for Ethiopia can be unloaded here," Chairman of Ports and Free Trade Zones, Aboubaker Hadi, told the news agency.

"It is, therefore, a major port for the entire region."

The inauguration comes a month after the country's Doraleh multipurpose port was upgraded as part of a Chinese-backed plan to establish Africa's largest free-trade zone, with the ability to handle goods worth 7 billion USD a year.

Doraleh's bulk terminal can handle 2 million tons of cargo a year and offers space to store 100,000 tons of fertilizer and 100,000 tons of

grain, plus warehouses for other goods.

The new infrastructure will supplement the country's main port in Djibouti City, which handles roughly 95 percent of the inbound trade for Ethiopia.

Djibouti Port mainly handles goods from Asia, representing nearly 60 percent of traffic that increased by 20 percent to 5.7 million tons in 2015.

## **JAPANESE COMPANY TO DEVELOP SPECIAL ZONE IN BOLE-LEMI II INDUSTRIAL PARK**





A Japanese company has signed a Memorandum of Understanding (MoU) with Ethiopian Investment Commission (EIC) to develop and manage Japanese Special Zone within the Bole-Lemi II Industrial Park.

The Japanese company Tomonius will build the special zone which rests on 31 hectares of land.

Signing the MoU today, Investment Commission Commissioner Fitsum Arega said the partnership is another testimony to the attraction of Ethiopia to Japanese investors.

The Commissioner noted that industrial parks will create jobs, increase export revenue and help share best practical to local investors.

Political stability, commitment of the government, macroeconomic

stability and well developed infrastructure are among the factors that have made Ethiopia one of the best investment destinations in the world, he added.

According to him, Ethiopia has attracted the biggest textile and apparel investment in 2015/16 in the world, next to Vietnam.

Tomonius Company Director Hiroshi Otsubo said on his part “we have found that this country has much potential. For example, the population is huge and many of these are young people and electricity cost is very cheap. So these are very good conditions for manufacturers.”

The company targets to accommodate 20 to 30 factories after the completion of the park.

Bole-Lemi II Industrial Park is being developed on 186 hectares, in collaboration with the World Bank Group.

## ETHIOPIA TO LAUNCH ONLINE ENTRY VISA APPLICATION, ISSUANCE



The Ethiopian Immigration and Nationality Affairs Main Department, in collaboration with Ethiopian Airlines, has finalized preparations of the initial phase to commence an e-visa service for international visitors to Ethiopia.



According to a press release of the Ethiopian Airlines, the e-visa is processed and issued online on a single web page where applicants apply, pay and secure their entry visa online.

Once the online application is approved, applicants will receive an email authorizing them to travel to Ethiopia and they will get their passport stamped with the visa upon arrival in Addis Ababa, it added.

The release further quoted Ethiopian Airlines CEO Tewolde Gebremariam as saying the project is part of a new national initiative to transform the tourism sector in the country and the full commencement of the Online Visa Application and Issuance System will promote tourism, trade and

investment to the country.

It will also save time, energy and cost for travelers to Ethiopia, in addition to the simplicity and convenience that it facilitates.

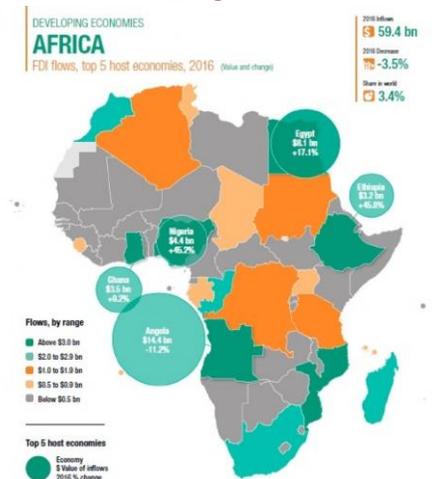
With direct flights to/from more than 95 destinations from all corners of the world operated by the most modern airplanes, the airline will continue to make travel to Ethiopia dependable, easy, convenient and affordable.

Ethiopian Immigration and Nationality Affairs Main Department Director, Gebreyohannes Teklu, said the department is glad that it has been working together with Ethiopian Airlines for the effective implementation of e-visa facilities at Bole International Airport.

He added that now “international

visitors to Ethiopia, from countries provisioned for visa upon arrival, will make use of this service. Moreover, we have set up separate counters to process the visas of travelers under electronic travel authorization.”

## ETHIOPIA AMONG TOP PERFORMING AFRICAN COUNTRIES IN FDI FLOW: WORLD INVESTMENT REPORT





The World Investment Report has put Ethiopia as one of the top performing African countries in FDI flow, registering a 46% increase in 2016.

Although the author of the report, UNCTAD, said FDI flows to Africa continued to decline in 2016, some diversified producers of East Africa registered strong FDI in 2016, with Ethiopia attracting more inflows than ever before.

In doing so, Ethiopia stood out to become one of the largest recipients of FDI in the continent posting strong and record growth (up 46 per cent to 3 billion USD) and became the second largest LDC host economy, up from the fifth position in 2015.

According to the report, much of this achievement is derived from

investments in infrastructure and manufacturing.

The report also stated that the largest cross-border M&A sale of the year (510 million USD) was also recorded in Ethiopia, with Japan Tobacco acquiring a local cigarette manufacturing facility.

It further noted that “Ethiopia attracted new FDI in manufacturing, which could create opportunities for local SMEs to link to global supply chains.

The country is also cited by the report as one of the top performers in its efforts to diversify its economy and consequently its FDI pool against extractive investment that hitherto African and land locked economies are known for.

Diversification of inflows is advancing, especially in economies

that have recently attracted sizeable FDI such as Ethiopia, despite the persistent weight of natural resources in FDI to LLDCs, the report pointed out.

The report added that “although China was one of the major sources of FDI, foreign investors from other economies have started investing more in Ethiopia’s agro-processing, hotels and resorts, as well as in its manufacturing activities.”

Similarly, it outlined a slight decline in FDI inflows to landlocked developing countries (LLDCs) --- and these countries continue to play only a marginal role in the global FDI scene, Ethiopia stands out among these groups of countries by continuing in its positive trajectory for a fourth



consecutive year.

### PHARMACEUTICAL INDUSTRIAL PARK IN THE PIPELINE



The pharmaceutical industrial park under construction at Kilentu site in Addis Ababa is deemed to add value to the effort being exerted in transform the health sector.

The specialized industrial park, expected to be completed in eight months of time, is the outcome of the nation's pharmaceutical manufacturing development strategy.

China Tiesiju Civil Engineering Group jointly with local contractors is undertaking the construction.

“The park will be well serviced pharmaceutical investment hub.”

Up on its completion, the park would cut the sharply growing national medicine import expenditure.

### ETHIOPIA SEEKS FINANCE TO CONSTRUCT NEW HYDRO-POWER DAMS



Efforts are underway to secure finance to the construction of new

hydro-power projects across the country, Ministry of Water, Irrigation and Electricity disclosed.

Ministry Public Relations and Communications Assistant Director Aster Tekle reported that the government has been executing various tasks to generate finance for new hydro-power projects which are part of the second Growth and Transformation Plan (GTP II).

The construction of GERD and Genale Dawa dams is expected to be completed within the coming two years..

In GTP-II, Genale Dawa, which has the potential capacity to produce 250 mega watt, is nearly to be completed.

The Country has already finalized its feasibility studies for new hydro



power dams. A study has conducted in Koysha hydropower dam on the Omo River in South Nations, Nationalities and Peoples State,

### CHINESE, BRITISH OIL SEARCHING COMPANIES LUCKY ENOUGH



A Chinese and British oil and natural gas extracting companies have been lucky among the six extracting companies that are actively working following

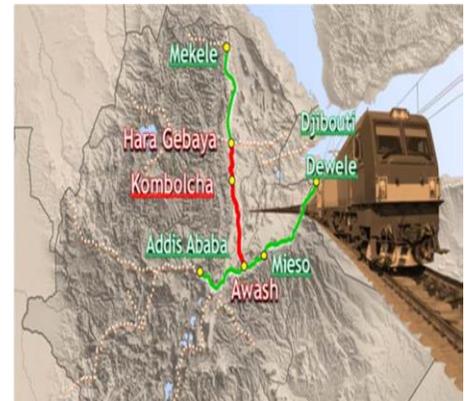
promising signs in Ogaden area, Ministry of Mine, Oil and Natural Gas of Ethiopia said.

The construction of a 700-kms long pipeline that stretches from Ogaden region to Djibouti is to be commenced soon as confirmed highly economically profitable.

The pipeline is not only to export the natural gas found by a Chinese company to China, but also to be used by other companies.

This would be the first high economic value benefit that Ethiopia would gain from the 70 years' tiresome and complex oil search efforts. The government as well as different concerned entities are now working with high level commitment and emphasis in this area.

### AWASH-KOMBOLCHA-HARA GEBAYA RAILWAY PROJECT NEARS COMPLETION



As the Awash-Kombolcha-Hara Gebaya Railway Project reaches a milestone and at its near completion, high-level delegates visited the mega project to highlight the work done by Yapi Merkezi Insaat ve Sanayi A.S of Turkey.

The Ethiopian Railway Commission (ERC), acting CEO Birhanu Beshah Abebe expressed his gratitude for the quality of the



work done, now at 81% completion and brought important delegates along with him. They were given a tour of the project and were taken aback by the time it took to bring it to this level.

In attendance were ERC's Infrastructure Division, Finance and Investment department advisor, the head of the engineering department as well as the Vice President of Yapi Merkezi and its Deputy General Manager, East Africa among many others.

### **PVH ET AL BEGIN EXPORT FROM HAWASSA INDUSTRIAL PARK**



The US-based Philip Van Heusen (PVH), a company which dominates the global textile and apparel market, has started exports of t-shirts made in the newly erected Hawassa Industrial Park.

Having recently secured a 40 percent investment stake at Wuxi – a Chinese textile firm which makes various textiles – PVH is said to have exported t-shirts to the US. Belachew Mekuria (PhD), deputy commissioner of the Ethiopian Investment Commission (EIC) confirmed that PVH along with a

handful of manufacturing firms at Hawassa Park have entered into the export market.

Operating small size units in Kenya and Egypt, PVH has now established a joint venture with an Indian company, Arvind, in Ethiopia and has secured 15,000sqm manufacturing shed in the park to create 800 jobs. The export volume and value PVH has launched two weeks ago remains undisclosed. PHV operates the likes of Tommy Hilfiger and Calvin Klein brands globally and the coming of such a globally reputed company, which commenced production nearly for two decades, has been seen as paradigm shift to the ill-fated textile sector of the country.

The Hawassa Industrial Park, which is solely set for textile and



apparel productions, has attracted 16 specialized companies so far. Hydra Mani, one of the anchor companies next to PVH, has been able to export textile worth USD one million on a monthly basis. Ontex, a Belgian manufacturer, has commissioned production recently is set to export sanitary pads and baby diapers to the local and global markets.

The deputy commissioner added that 40 percent of the products are destined for local markets. Up until December, Ontex is expected to export USD six million value of diapers. Currently, with a single line of production staffed with 15 personnel and one machine, the manufacturer makes 500 pieces of diapers per minute.

All in all, six out of the 16

companies have started exports and ten companies have finalized installations to run production testing procedures. The remaining 10 manufacturers are expected to launch a full-fledged export by the coming September. From Hawassa Park alone, the government expects to amass USD one billion, annually. It is also expected that the park will create 60,000 jobs during the first phase.

That said, out of the 13 industrial parks in the pipeline, Mekele and Kombolcha are set to be inaugurated soon. By the end of September, both Adama and Dire Dawa are due to be completed. In addition to Hawassa, Mekelle, Kombolcha and Bole-Lemi Industrial Parks are dedicated for textile and apparels

manufacturing.

Though major companies are joining the manufacturing sector in Ethiopia, the issue of quality cotton, wool and the like remains to be a headache for the government. Currently, a Chinese firm has applied to receive half-a-million-hectare land to cultivate cotton in the country. So far, there are ten fabric millers from abroad, which are processing imported wool.

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