Market Brief on Ethiopia

Location

The Federal Democratic Republic of Ethiopia is located in the Horn of Africa. It is bordered by Eritrea to the north, Djibouti and Somalia to the east, Sudan and South Sudan to the west, and Kenya to the south. Ethiopia is one of the fastest growing economies in the world. With growth largely driven by industrial activities and investments in infrastructure and manufacturing sector.

Facts and Figures

<table>
<thead>
<tr>
<th>Total Population</th>
<th>109 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>1,100,000 km²</td>
</tr>
<tr>
<td>Time Zone</td>
<td>UTC+3</td>
</tr>
<tr>
<td>Capital City</td>
<td>Addis Ababa</td>
</tr>
<tr>
<td>International Telephone Code</td>
<td>+251</td>
</tr>
<tr>
<td>Currency</td>
<td>Ethiopian Birr (ETB)</td>
</tr>
<tr>
<td>Exchange Rate</td>
<td>1 US$ = 29.5 ETB</td>
</tr>
<tr>
<td>GDP (2018)</td>
<td>US$ 84.35 billion</td>
</tr>
<tr>
<td>GDP per capita (2017 est.)</td>
<td>US$ 772</td>
</tr>
<tr>
<td>GDP Growth Rate (2018)</td>
<td>7.5%</td>
</tr>
<tr>
<td>Ease of Doing Business (World Bank 2020)</td>
<td>159 out of 190</td>
</tr>
<tr>
<td>Inflation Rate (2018 est.)</td>
<td>9%</td>
</tr>
<tr>
<td>Interest Rates</td>
<td>9 %</td>
</tr>
<tr>
<td>Language(s)</td>
<td>Ethiopia is a multi-ethnic state with 83 languages and 200 dialects. Amharic is the working language of the Federal Democratic Republic of Ethiopia, while Oromifaa, Tigrinya and Guragena are widely spoken.</td>
</tr>
<tr>
<td>Important International Participation</td>
<td>UN, AU, ACP, G77, WTFU, COMESA, WTO, AfDB, IGAD</td>
</tr>
</tbody>
</table>

City | Population (est.)
--- | ---
Addis Ababa | 2,757,729
Dire Dawa | 252,279
Mek'elē | 215,546
Nazrēt | 213,995
Bahir Dar | 168,899
Gonder | 153,914
Dessie | 136,056
Awasa | 133,097
Jima | 128,306
Bishoftu | 104,215
**Ethiopia Trade with the World**

### Major Import Sources of Ethiopia (2018)

- **26%** from China
- **20%** from USA
- **14%** from Other
- **7%** from Singapore
- **7%** from Netherlands
- **7%** from Turkey
- **3%** from UAE
- **3%** from Germany
- **3%** from India
- **3%** from France
- **2%** from UK

### Major Export Destinations of Ethiopia (2018)

- **28%** to USA
- **18%** to China
- **13%** to Saudi Arabia
- **7%** to Japan
- **7%** to Switzerland
- **6%** to Belgium
- **6%** to Netherlands
- **4%** to UAE
- **4%** to Germany
- **4%** to Italy
- **3%** to Belgium
- **3%** to UK
- **2%** to Israel
- **1%** to Other

**Source:** Trademap
**Major import products of Ethiopia (2018)**
- Powered aircraft
- Turbojets
- Medicaments
- Telephone sets
- Men's or boys' suits
- Petroleum oils
- Wheat and meslin
- Bars and rods, of iron or non-alloy steel
- Motor cars
- Parts of aircraft and spacecraft
- Palm oil and its fractions
- Structures and parts of structures
- Motor vehicles for the transport of goods
- Machinery
- Women's or girls' overcoats

**Major export products of Ethiopia (2018)**
- Coffee
- Other oil seeds and oleaginous fruits
- Cut flowers and flower buds
- Dried leguminous vegetables
- Meat of sheep or goats, fresh, chilled or frozen
- Gold
- Turbojets
- Footwear
- Soya beans
- Live plants incl. their roots, cuttings
- Leather further prepared after tanning
- Men's or boys' suits
- Spark-ignition reciprocating or rotary internal combustion piston engine
- Babies' garments and clothing accessories, knitted or crocheted (excluding hats)

**Ethiopia Trade with COMESA**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (US$'000)</th>
<th>Imports (US$'000)</th>
<th>Trade Bal (US$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>573,725</td>
<td>305,352</td>
<td>268,373</td>
</tr>
<tr>
<td>2015</td>
<td>551,488</td>
<td>291,843</td>
<td>259,645</td>
</tr>
<tr>
<td>2016</td>
<td>483,787</td>
<td>304,018</td>
<td>179,769</td>
</tr>
<tr>
<td>2017</td>
<td>480,120</td>
<td>306,535</td>
<td>173,585</td>
</tr>
</tbody>
</table>

*Source: Trademap*
### Ethiopia import products from COMESA (2018)

- Petroleum oils
- Wheat
- Onions and shallots
- Sunflower seed
- Electricity
- Soap
- Sorghum seed for sowing
- Ballpoint pens
- Pneumatic tyres
- Wire of refined copper
- Yeast
- Toilet/facial tissue
- Fabricated building
- Soups and broths
- Televisions
- Medicaments
- Urea resins
- Raw can sugar
- Sanitary towels

### Ethiopia export products to COMESA (2018)

- Fresh vegetables
- Coffee
- Kidney beans
- Live cattle
- Fresh or chilled potatoes
- Maize seed
- Telephone sets
- Broad beans
- Portland cement
- Tomatoes
- Pepper
- Cane molasses
- Live camels
- Fresh or chilled onions and shallots
- Cement clinkers
- Nuts and other seeds
- Live sheep
- Cane sugar
- Millet seed for sowing

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### Ethiopia import sources from COMESA (2018)

- Egypt
- Sudan
- Kenya
- Eswatini
- Tunisia
- Somalia
- Zambia
- Mauritius
- Malawi
- Uganda
- Madagascar

### Ethiopia export markets to COMESA (2018)

- Somalia
- Djibouti
- Kenya
- Sudan
- Egypt
- Rwanda
- Libya
- Tunisia
- Zambia
- Eswatini
- Burundi
Markets which Ethiopia can target and supply in COMESA

<table>
<thead>
<tr>
<th>Market</th>
<th>Products with potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>Seeds, coffee, sesamum seeds, turmeric, broad beans, kidney beans, woven fabrics, vegetable seeds.</td>
</tr>
<tr>
<td>Sudan</td>
<td>Coffee, broad beans, pepper, tropical wood, chickpeas, clothing accessories, hop cones, women dresses, spices, liqueurs &amp; cordials, garlic, beer made from malt, hard rubber, natural honey, sasemum seeds, vaccines, women fabrics, footwear, soya bean flour, pepper, dried fish, fruits.</td>
</tr>
<tr>
<td>Kenya</td>
<td>Kidney beans, maize seed, telephone sets, cane sugar, millet seed, footwear, optical fibre, woven fabric, grain sorghum, fruits, toilet linen, undenatured alcohol, dried vegetables, soya bean, zinc powders.</td>
</tr>
<tr>
<td>Eswatini</td>
<td>Cotton, coffee, pastry, pepper.</td>
</tr>
<tr>
<td>Tunisia</td>
<td>Lac, cotton, dried vegetables, sesame seeds.</td>
</tr>
</tbody>
</table>

International Markets Ethiopia can target and supply products

The markets with greatest potential for Ethiopia’s exports of all products are China, Somalia and Netherlands. China shows the largest absolute difference between potential and actual exports in value terms.

<table>
<thead>
<tr>
<th>Market</th>
<th>Products with potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) China</td>
<td>Sesamum seeds, soya beans, leather, coffee, soya beans, footwear, oil seeds, cotton yarn, natural gums, chromium ores and concentrates</td>
</tr>
<tr>
<td>2) Somalia</td>
<td>Fresh vegetables (fresh potatoes, lettuce, tomatoes, carrots, kidney beans), live bovine animals, live sheep, Portland cement</td>
</tr>
<tr>
<td>3) Netherlands</td>
<td>Cut flowers &amp; buds, coffee, sesame seeds, fresh or chilled beans</td>
</tr>
<tr>
<td>4) USA</td>
<td>Coffee, footwear, oil seeds, biscuits, babies’ garments, gloves, t-shirts, flowers, leather handbags, jerseys, precious stones, beeswax, kidney beans</td>
</tr>
<tr>
<td>5) Saudi Arabia</td>
<td>Coffee, goat meat, sesame seeds, fresh cut roses, live sheep, fresh strawberries, pepper, kidney beans, chickpeas, live camels, live cattle, oil seeds, spices, guavas, toilet linen, fresh lettuce, avocados, peas</td>
</tr>
<tr>
<td>6) Germany</td>
<td>Coffee, textiles, men’s shirts, oil seeds, kidney beans, bee wax, babies’ garments, pepper, fresh cut flowers, dried mixed vegetables, cotton waste, natural honey</td>
</tr>
</tbody>
</table>
COMESA Countries can supply the following products to Ethiopia:

- Petroleum oils
- Wheat
- Onions and shallots
- Sunflower seed
- Electricity
- Soap
- Sorghum seed for sowing
- Ballpoint pens
- Pneumatic tyres
- Wire of refined copper
- Yeast
- Toilet/facial tissue
- Fabricated building
- Soups and broths
- Televisions
- Medicaments
- Urea resins
- Raw cane sugar
- Sanitary towels

Useful Addresses

**Ethiopian Chamber of Commerce and Sectorial Association**
P.O. Box 517
Mexico Square
Addis Ababa
Tel: +251 1 551 3765
E-mail: ethchamb@ethionet.et
Website: www.ethiopianchamber.com

**Ethiopian Investment Commission**
P.O. Box 2313
Addis Ababa
Tel: +251 11 551 0033
Fax: +251 11 551 4396
E-mail: ethioinvest@investethiopia.gov.et
Website: www.investethiopia.gov.et

**COMESA Free Trade Area**
The Common Market for Eastern and Southern Africa (COMESA) is a regional integration grouping of African States which have agreed to promote regional integration through trade development and to develop their natural and human resources for the mutual benefit of all their peoples.

Qualifying products enjoy duty-free/preferential treatment to other COMESA member states.