

Enterprise Digest is a bi-monthly internally circulated news and current affairs summary prepared by Knowledge Management & Communications (KMC) Team of Enterprise Partners (EP). The content of Enterprise Digest focuses on thematic areas relevant to EP's activities that are disseminated over media outlets during the past weeks. Enterprise Digest does not guarantee content credibility, which solely rests on the content generator/s.

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“Green Industrialisation in Ethiopia” by Nebil Kellow

Video: [Watch Captivating Presentation by Nebil Kellow of EP](#)

Watch captivating presentation by Nebil Kellow, Managing Director of EP, entitled “Green Industrialisation in Ethiopia” at the 2016 Annual Conference organised by Centre for the Study of African Economies (CSAE) on 22 March in Oxford.

- Nebil told participants that there are encouraging signs of Green Industry in Ethiopia but to make it truly sustainable, there is a need to enhance industry sector development plans, tackle financing incentive issues, and chart unfamiliar waters.
- Another notable speaker was Helen Hai, from *How we Made It In Africa*, on the topic of “Would Africa Become the Next Manufacturing Floor of the World? “

Please watch the video at [CSAE](#)

Policy Amendment for a Six-Months Maternity Leave under Discussion

A committee comprising public and private representatives drafted a new maternity leave amendment of the labour law, yet to be presented to parliament, to extend maternity leave for working women (employed in both public and private sectors) from the existing three months to six months.

- The committee is said to have reviewed studies and experiences of three African countries, and augmented with stakeholders’ consultations;
- It will allow mothers enough breastfeeding time, said to be very important to combat malnutrition, diarrhoea, and other diseases in infants;
- Gender experts supported the move since it will encourage more women to return to work and close the gender gap in the labour market, plus from experience women will drop out seeking more time for their new-borns;

Please read the full story at [Capital](#)

Chinese Financing Drops Park Bid

A tripartite Memorandum of Understanding (MOU) for the construction of Adama Industrial Park was signed between the Ethiopian Investment Commission (EIC), Hunan Province Commerce Director, and Chinese provincial companies, which lies on 412 of the 1K ha allocated land.

- The government decided to award turnkey projects (from design to construction) for contractors that bring their own financing, bypassing competitive bidding;
- The first phase resting on 119 ha will cost more than \$300 million and is expected to begin in two months while EIC is negotiating with European firms for a further construction;
- The Government of China financed the construction where companies will have the option to lease sheds they construct to the highest bidder for 45-80 years, after which the government will repossess the sheds;

Please read the full story at [Fortune](#)

Private Sector Partnerships a Priority, Says MoFEC

Ministry of Finance and Economic Cooperation (MoFEC) drafted a legal and policy framework to expand the implementation of Public-Private Partnerships (PPP), which is identified as a core strategy in the development of GTP II, and will be tabled in the coming months.

- PPP focus increased in recent years, especially during government's move to draft a strategy to develop industrial zones and parks with private sector partners;
- One of the first such projects will be a 1K ha industry zone in Kombicha town in Amhara Regional State built in collaboration with an Israeli company;

Please read the full story at [Capital](#)

China's Slowdown 'no threat to Africa investment plans', says Ambassador

China's ambassador to Ethiopia has said that plans to invest up to \$60 billion in African developments will not be threatened by the economic slowdown in his country, in fact Africa could benefit from the situation as Chinese firms seek out investment prospects overseas while China's economy "adjusts."

Please read the full story at [Out Law](#)

EMA Installs Second Air Pollution Monitoring Station in Adama

The Ethiopian Meteorological Agency (EMA) inaugurated its second air pollution monitoring station installed in Nazareth/Adama city to measure pollution levels and quality of air at a cost of five million Birr.

- The data will provide vital inputs for policymakers and stakeholders by measuring, monitoring, and analysing emission levels of pollutant gases as well as the level of dust in the air;
- The station has five devices to monitor the level of ozone (O3), carbon monoxide (CO), nitrogen oxide (NO), sulphur (S), and various dusts in the environment;

Please read the full story at [The Reporter](#)

How to Sell a Country in Five Minutes

Feature

Countries compete for investment dollars, tourists, talent, and athletics medals. On top of the podium of fastest growing economies is Ethiopia, whose entry into the global sourcing and manufacturing big leagues is remarkable, taking on and often winning against global leaders like Bangladesh, Vietnam, China, and India.

- Dr Arkebe Oqubay, a senior Minister in the Ethiopian Government was in Asia to deliver the keynote address at Prime Source Forum, one of the largest gatherings of senior stakeholders from the apparel and footwear supply chain.

Please read the full story at [Biz Community](#)

PSF 2016 – Ethiopia Sourcing Vision Starting to Take Shape

Feature article on Prime Source Forum

Despite its slow steps, Ethiopia's ambition to become a global apparel and textile powerhouse has been well-documented over the past decade. The scale of investment in the country appears to be accelerating, some of the largest US and European brands are placing orders, and the government seems committed to building a sourcing hub for the future.

- Dr Arkebe Oqubay, Minister and Special Advisor to the Ethiopian Prime Minister, is putting a positive spin on things, telling delegates at this year's Prime Source Forum event in Hong Kong

that the country's GTP seeks to boost economic growth and achieve middle-income status by 2025;

Please read the full story at [Just Style](#)

Privatised Textile Factories Weakening, CETU Stated

Textile factories of Hawassa, Arbaminch, and Dire Dawa as well as BM Ethiopia Garment & Textile S.C. are not performing as anticipated after their privatisation, despite assumptions of benefits in privatising public enterprises – to come out enhanced, modernised, and competent, according to Confederation of Ethiopian Trade Unions (CETU).

- The operations of these factories is not only weakened over time, but also failed to improve working conditions and ensure job security as anticipated;
- Basic trade unions at the factories echoed concerns to the national Textile, Leather, & Garment Unions' Federation where CETU in turn relayed these concerns to the Ministry of Industry, thus a meeting is planned accordingly;

Please read the full story at [The Reporter](#) (Amharic)

Fiber-to-Fashion Approach Adds Value to Textiles

Interview

Fassil Tadesse, CEO of Kebire Enterprises and President of the Ethiopian Textile and Garment Manufacturers Association, explains the industry's competitive advantages and his vision of where it is heading.

Please read the full story at [The Worldfolio](#)

Kenyan Gov't Sets up Textile Investors near Power Plants to Cut Costs

Kenya will set up investors near geothermal plants at the shores of Lake Naivasha to cut electricity cost and offer subsidies in order to compete with her neighbours.

- Ethiopia is the leading investor destination of choice because of low labour costs (with low minimum wage of Sh6K), being easier for foreigners to obtain work permits, low electricity prices, and construction of separate grid for new industrial zone;
- Though Kenyan workers demand twice as much in wages as Ethiopians, they are still far below labour wages in East Asia - Kenya's monthly wages for textile workers are Sh12,240 – 15,300 (\$120-150), less than a third of China's average of Sh51K (\$500);

Please read the full story at [All Africa](#)

The Plan to Drop Thousands of Flies from a Drone to Tackle Disease

A Spanish drone company Embention is offering to Ethiopia a prototype (so far trialled in Spain and awaiting approval for use in Ethiopia) to drop down male tsetse flies sterilised by radiation.

- The aim is to prevent their breeding as they harbour harmful parasites called trypanosomes that spread to humans and animals through bites, causing sleeping sickness in humans while in livestock, it brings on “nagana,” resulting muscle wasting, paralysis, and eventual death;
- In Ethiopia, it's being applied to hundreds of thousands of male tsetse flies, which are bred in a facility in Addis Ababa, where the work is supported by the Ethiopian Ministry of Livestock, UN Food and Agricultural Organisation, and the International Atomic Energy Agency;

Please read the full story at [Motherboard](#)

80% Cattle Lost in Drought Affected Areas

Drought affected areas have lost 80% of cattle, according to the statistics of European Union delegation in Ethiopia where a 90-day campaign to raise awareness on the urgent need of more funding was also launched by humanitarian partners.

Please read the full story at [Capital](#)

Pittards Exemplifies Ethiopia's Potential

Interview

The UK's high quality, high performance leather and leather goods firm Pittards has more than 100 years of experience working with Ethiopia. CEO Reg Hankey explains what makes it such an ideal place to do business, particularly in adding value to its raw assets, and why it's "absolutely going in the right direction".

Please read the full story at [The Worldfolio](#)

Local Shoe Factories Vie against Global Brands

Feature

As global footwear brands establish more of a base in Ethiopia and manage to take nearly 70% of the export market, local firms are struggling to push exports and compete with imported shoes. "The quality and export capability of global and domestic firms are like different worlds," says industry spokesman.

Please read the full story at [News Fulton County](#)

Omani Firms Expect Business Deals at Exhibition in Ethiopia

Omani companies taking part in the Omani Products Exhibition (OPEX 2016), scheduled in Addis Ababa from 11 - 14 April, have high potential to sign joint venture contracts with Ethiopian companies in agriculture, leather, coffee, and livestock.

Please read the full story at [Times of Oman](#)

Bahir Dar Tannery Adds Value to Leather Sector

Interview

Yigzaw Assefa, Managing Director of Bahir Dar Tannery and Chairman of the Ethiopian Leather Industries Association, explains why Ethiopia is the most interesting place in the world for investment in leather as well as where the country's light manufacturing sector is heading.

Please read the full story at [The Worldfolio](#)

DBE Pauses Lending to Farmers

The Development Bank of Ethiopia (DBE) suspended lending to new or expanding commercial agricultural projects indefinitely, due to reported abuse of funds by borrowers who allegedly misdirected the money to other investments, thus failing big expectations of the government.

- Agricultural loans account for 17.3% of the 75.5 billion Birr total loans in Ethiopia, the second highest after industry while agriculture sector also accounts for 8.5% of all outstanding loans;
- In the previous fiscal year that ended June 2015, agricultural loans amounted to 13 billion Birr of loans and 18.6 billion Birr had been accumulated in outstanding credit;
- The loans extended also included commercial cotton farms, which were hoped to fulfil the big supply gap unmet by smallholders;
- A single plot of land in Gambella is allocated to multiple companies due to duplicated mandates by federal and regional authorities;

- Projects to which the Bank has already given its commitment will not be treated under this decision while developers with total investments of up to 37.5 million Birr can use the Bank's lease financing scheme;

Please read the full story at [Fortune](#)

DBE Restructured, Introduces Zero Interest Bond

DBE introduced restructuring by increasing VPs to five from four though leaving the office of the President untouched while the Bank got the go-ahead from Parliament to increase its paid-up capital from five billion to 7.5 billion Birr.

- DBE will sell a 2.5 billion Birr bond, but with no interest or alternative incentives, to the confusion of parliamentarians and other pundits about buyers' incentives;

Please read the full story at [Fortune](#)

Banks Break Condo Shop Auction Records

Ethiopia's financial sector rushed to buy no less than 30 shops on condominium ground floors that were auctioned by the Addis Ababa Housing Agency where banks offered up to 10 times higher than the minimum bidding price of 8,405 Birr per meter square.

- Nib International Bank S.C. not only won the highest number of shops from the entire bidders, but also offered the highest sum, a staggering 101,111.11 Birr per square metre for two spots in the new Lideta site, which is also the highest sum offered in the Agency's history;
- The shops have areas ranging from 33 to 65 metre squares;

Please read the full story at [Fortune](#)

Kifiya Expands Modern Billing System

Kifiya Financial Technology PLC (Kifiya), the private company that runs Lehulu, is to introduce a modern payment scheme for monthly billing by starting collection of prepaid electric and rent for the Government Housing Agency in the near future.

Please read the full story at [Capital](#)

Addis Credit & Savings Loaned 968 Mln Br in Half Year

Addis Credit & Savings Institution S.C. disclosed it collected 658 million Birr in savings within six months during the current fiscal year that starts on July, which registered 11% growth compared to the same period last year.

- It loaned 968 million Birr to more than 17 thousand borrowers in the stated period, which is increasing consistently over the years while 64% of the loans were covered from savings;
- The company admitted gaps in terms of effecting timely withdrawals and poor promotion capacity to attract new clients;

Please read the full story at [Addis Admas](#)

GERD Enhancing Saving Culture, National Development

The Grand Ethiopian Renaissance Dam (GERD) is playing a huge role in enhancing the society's saving culture and the overall national economic development, it was said during a Consultative Workshop on the theme where scholars presented studies.

- Over the past four and half years nearly 7.6 billion Birr or \$410 million is raised in total from employees' contribution through the CBE, DBE, and seven MFIs; of these, about 3.46 billion Birr was raised from employees' contribution and 4.02 billion Birr from direct bond sale at home and abroad;

- Project finance mobilised in 2012/13 and 2013/14 declined drastically to 1.51 billion and 1.18 billion Birr respectively from 2.84 billion Birr in 2011/2012 though it showed a sign of recovery in 2014/15 to 1.47 billion Birr;
- Much of the figure, about 6.96 billion Birr or \$377.52 million was generated from domestic sources while about 600 million Birr is obtained from the Diaspora;
- The share of finance generated by the MFIs showed significant increment overtime from only 1.33% in 2012/13 to 14.1% in 2014/15; where the total face value of bonds issued by seven MFIs has increased significantly from 18.29 million Birr in 2013 to 72.8 million Birr in 2015 reaching a collective total of 174.79 million Birr from direct bond sale to the rural community;
- The top four largest MFIs (Amhara, Dedebit, Oromia, and Omo) mobilized about 167.7 million Birr at the end of 2014/15, of which Amhara MFI alone generated 132 million Birr (75.52%);

Please read the full story at [All Africa](#)

Young Banking Sector 'progressing fast'

Interview

Araya Gebre Egziabher, President of Wegagen Bank, looks at Ethiopia's private banks that mobilised substantial resources in just 23 years, and discusses how private banks will be catalysts in attracting foreign investment.

Please read the full story at [The Worldfolio](#)

Jimma University Partners with M-BIRR

In January 2016, MOSS, Oromia Credit and Saving Institution, and Jimma University have signed multi-level University-Industry partnership, which will enhance students experience in the sectors of business, financial, and ICT services, in addition to establish Jimma University as the first Mobile Financial Services enabled university in Ethiopia.

Please read the full story at [M-Birr](#)

M-JOBS Chooses M-BIRR as Preferred Payment Method

Mobile Jobs Ethiopia (M-JOBS) chooses M-BIRR Mobile Money as the preferred method of subscription payment to M-JOBS Mobile Alerts due to its large subscriber base.

- M-JOBS, owned by Somtec, connects Ethiopian employers and jobseekers through SMS via their online and mobile job alert platform;
- M-BIRR Mobile Money Service will bring convenience to M-JOBS' customers and allow them to pay for services subscriptions of one, two, or three months at their fingertips;

Please read the full story at [M-Birr](#)

Leader in Financial Inclusion Expands its Reach

Interview

Through its agent, mobile, and internet services, United Bank is expanding banking access considerably into Ethiopia's large unbanked population. It is also increasing awareness of its Islamic Sharia-compliant services to the country's Muslim communities. Taye Dibekulu, President of United Bank, details the Bank's progress and its drive to help the country's SMEs.

Please read the full story at [The Worldfolio](#)

Ethiopia Edges Closer to Joining Africa Trade Insurance

Ethiopia's bid to join the African Trade Insurance Agency (ATIA) has come close when the House of Peoples' Representatives reviewed a draft bill that stipulates membership terms.

Please read the full story at [The Reporter](#)

Confidence and Competence Raises Profits

Interview

Targeting the diaspora, farming communities, and SMEs, Abay Bank's profits have been rising 78% annually on average and were up 122% last year alone. Yehuala Gessesse, President of Abay Bank, outlines its strategy to reach more of the population and keep it on such an impressive growth trajectory, and why investors should take a look at Ethiopia.

Please read the full story at [The Worldfolio](#)