

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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Corporation Cancels Bid for Dire Dawa Industrial Park

The Board of Directors of the Industrial Parks Development Corporation decided to re-tender the construction project for Dire Dawa Industrial Park after learning of “confusion in the bid documents” that apparently caused misunderstandings among unlucky bidders.

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

Inside the 'Ethiopian Way' – 12 Things You Need to Know about Africa's 'Hottest' Economy

A feature article

World Bank report says Ethiopia has achieved its turbo-paced growth its own way. But it could all go wrong. Amidst though, Ethiopia's economy riveted Africa and much of the world in 2015 – if only in the projects been inaugurated or coming online, despite the dispute over the data year is an understatement.

The World Bank late last month released an exhaustive study into Ethiopia's recent growth, and which captures just how such rapid expansion was possible, and if it is even sustainable.

Please read the full story at [Mail & Guardian Africa](#)

Primark, DFID Signed a Deal to Improve Garment Workers' Lives

UK fashion retailer Primark and the Department for International Development (DFID) signed a Letter of Intent to forge a partnership to improve working conditions for garment workers in developing markets.

- The partnership will combine the presence, networks, and expertise of both organisations to improve the health and wellbeing of local workers, bolster national economic development, and help alleviate poverty in five of Primark's key markets which DFID also works in: Bangladesh, Burma, Ethiopia, India, and Pakistan;
- The two parties will concentrate on achieving transformative change across three key areas, namely, Women's Economic Empowerment, Market development, and Disaster response;

Please read the full story at [Fibre2Fashion](#)

Hawassa Industrial Park Attracts Brand Apparel Makers

Up to ten leading textile and apparel sourcing and manufacturing companies are cementing deals to join the newly-erected Hawassa Industrial Park (HIP), which is set to be completed in the coming months.

- GoE is targeting world-class cloth makers to come to Ethiopia and is currently negotiating with ten companies from five countries: U.S., India, Sri Lanka, Indonesia and Hong Kong, *The Reporter* quoted its sources;
- Three of the top are US-based companies – including Phillips-Van Heusen (PVH) Corporation, owner of popular brands such as Tommy Hilfiger and Calvin Klein, who are negotiating to lease sheds in HIP and expected to go operational in June;
- Top Indian apparel makers such as the Raymond Group and Arvind Limited are in negotiations to secure a place at the park;
- PVH, Ralph Lauren (RL), and Vanity Fair (VF) corporations are contemplating;

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

Are We Losing the RMG Battle?

Editor's Pick: A feature article

"The RMG arena is getting increasingly crowded, and Bangladesh should be worried" as new players emerging over the last three years, including Myanmar, plus the likes of Cambodia and Vietnam leading the way.

"The biggest long-term threat for Bangladesh are some of the sub-Saharan African nations, with Ethiopia in particular posing as the major potential challenger.

Please read the full story at [Dhaka Tribune](#)

14K Hectares of Cotton Lost due to Drought

About 14K of 65K hectares of Ethiopia's cotton producing farmland became barren this year due to the current drought, incurring a loss of more than 9,600 tonnes of cotton, particularly from notable cotton producers in Welquite and Metemma.

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

Agriculture Institute Awaits Green Light for Bt Cotton Field Trial

The Ethiopian Institute of Agricultural Research announced that it is still awaiting response despite submitting a request to get the go ahead from the Ministry of Environment, Forest, and Climate Change a month ago to launch a field trial for Bt Cotton in Ethiopia.

- Monsanto had voiced strong opposition to laboratory and field trials in Ethiopia, reasoning that its seeds are already extensively tested in laboratories and confined field trials in Africa;
- However, an article by *The Hindu* newspaper on June 2015 reported that the cultivation of Bt cotton is a risky affair for Indian farmers practicing rain-fed agriculture, citing a study published by California-based agricultural scientists in the *Journal of Environmental Sciences Europe*;

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

African Countries to Begin Export Cotton Duty and Quota Free

The WTO's 10th Ministerial Conference agreed on a deal to allow least developed countries to export more cotton to developed countries duty-and quota-free as of 01 January 2016, which as a result is expected to benefit African countries mainly Burkina, Faso, Benin, Chad, and Mali.

Please read the full story at [China Textile Network](#)

Leather Producer Pittards Says Potential Profit Declines, Slowing Demand

Pittards published its second profit warning in three months after slowing global economic growth and events such as the Paris attacks suppressed demand for the leather manufacturer's products.

- Pittards said in September that demand for its goods had weakened because of slower growth in emerging markets such as Russia and China;
- With more than 90% of sales from exports the company is exposed to turbulent global events and trends;

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

Commission Investigates 800 kg of Missing Pork

The Federal Ethics and Anti-Corruption Commission (FEACC) is investigating the case of a missing pork shipment weighing 800 kg, which was confiscated by customs officials as an illegal product and handed over to the Addis Ababa Abattoirs Enterprise, as a matter of procedure for destruction.

- The Abattoir said it was surprised by the incident and reportedly punished junior workers "who were reluctant on coming forward with information to the investigation" by a cut to their salaries;
- The Abattoir is marred in corruption charges, where most recently, its former Managing Director was arrested on suspicions of corruption along with three other senior managements;

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

Enat Enjoys Profit Bonanza with Expanding Income

In its second year in business, Enat Bank S.C. ended the 2014/15 fiscal year with an 84% increase in its profit after tax (53.1 million Birr), while its paid-up capital also increased from 261.6 million Birr to 383.8 million Birr.

- Enat also reported total income of 198 million Birr, a 110.6% increase, mostly attributed to an increase from interest income;
- Expenses rose by 57% to 69.7 million Birr, most of which goes to salaries and other operation/administrative costs, where the number of staff increased from 103 to 195;
- Seven new branches were opened as of 30 June 2015 bringing the total to 14, which helped Enat to mobilise total deposits of 1.7 billion Birr, a 56% growth from 2013/2014;
- Enat has 17,314 savings account holders (60% women) where there were 9,971 new depositors (59% women) during the reported year;
- It disbursed 1.3 million Birr in loans to women borrowers without collateral, as part of its scheme to empower women, which are made possible through special deposits made by other women and partner organisations, a system supported by UNDP;

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

Afreximbank Pledges Support for Export-Focused Ethiopian Businesses

The African Export-Import Bank (Afreximbank) announced its interest to support Ethiopian entrepreneurs seeking to engage in export manufacturing, especially to add value to coffee, cotton, textile, leather, and other commodities, during a business forum organised in Addis by the Bank.

- Commercial Bank of Ethiopia (CBE)'s President commended the long-standing relationship between the CBE and Afreximbank, noting that the two had jointly facilitated import of power and energy equipment worth more than \$90 million into Ethiopia;
- Afreximbank was established in October 1993 by African governments, African private and institutional investors, and non-African investors, where since its establishment, it has approved almost ~\$35 billion in credit facilities for African businesses;

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

Commission Investigating Private Financial Institution for Corruption

The Federal Ethics and Anti-Corruption Commission (FEACC) said it has been receiving growing number of tips against private financial institutions and already began investigations, after FEACC got the mandate in a recent legislation.

- Most of the tips focus on the alleged dubious elections of banks' board members, loan approvals, and hard currency markets, which support wide held rumours that currency exchange, letters of credit, and loan approvals are often obtained through bribery;
- FEACC is operating at an optimal level due to high labour turnover;

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

CBE and CBB Merged

The giant state-owned CBE is merged with another state-owned but lesser bank, the Construction & Business Bank (CBB), in a move that reportedly surprised many, including those in the industry.

- CBB was first established as a Mortgage Bank of Ethiopia in the 1960s to specialise in advancing medium term loans to those in the construction sector;
- CBB has been waning both in size and business reach over the past few years as it only reached a little over 100 branches after all these years and its miniscule assets of close to seven billion Birr is now matched by some of the private commercial banks;
- The government refused CBB's recent request to get a capital injection of 1.5 billion, plus could not find a different mission from that of CBE, thus decided to merge the two, it was said;

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

JICA Accomplished Four Dev't Projects

The Japan International Corporation Agency (JICA) finalised four projects, amongst which is the promotion of weather index insurance to the surrounding areas of Addis Ababa in collaboration with Oromia Insurance Company (OIC) that enrolled 1,286 farmers. The project included training and creating awareness to the farmers on how to use the scheme.

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

Dashen Expands, Decentralises Decision Making

Dashen Bank became a pioneer from private banks by introducing a new structure that decentralises power and tasks that used to be undertaken at the head office, including organising its growing branches into districts.

- Dashen's branches in Addis Ababa are divided four districts, where each district shall be responsible for deciding to open further branches under it, making decisions on loan disbursement up to a certain amount, and certain procurements;
- Policy design, corporate strategy, and approval of letters of credit for import and export will be reserved for the head office;
- Given the shortage of human resources in the banking sector, the approach is hoped to create efficient managers;

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

CBM to Supply Nib Bank 100 ATMs

Nib International Bank S.C. awarded the local IT firm CBM Integrates PLC a contract to supply 100 Diebold brand ATMs, which is the first award for CBM to win a bid.

- Nib will integrate its new ATMs with Premium Switch Solutions (PSS), which is a joint venture established in 2012 with 165 million Birr initially by three, but now by seven private banks;

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

Oromia International Bank Continues to Soar

Oromia International Bank increased its profit after tax by 44% (221.8 million Birr) and boosted its earnings per share from 310 to 364 Birr, compared to the previous fiscal year.

- The Bank opened its 169th branch in December 2015 and it was said that expanding branches are massively contributing to boost its deposits, where the 45 branches opened in the previous fiscal year enabled to increase deposits from five to eight billion Birr;
- Being a pioneer of Interest Free Banking and Financing – IFBF (dubbed *Murahabah* in Arabic) from private banks in Ethiopia, it secured a 19-fold increase in its second year of operation and registered a quarter of a billion Birr in assets;
- OIB offers IFBF by procuring various items and machinery on the clients' behalf, and offers the procured materials at long-term payment schemes;
- Non-conventional services such as mobile and Internet banking earned it 5.5 million Birr;

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

M-Birr for Easy Access to Banking Services

A feature article

M-Birr, a new brand of mobile banking technology, is a money transfer system designed by Moss ICT Consultancy, a spin-off of the Irish firm NCL Technologies. NCL specialises in the supply of middleware: a platform that helps applications such as Viber, communicate easily with their

operating system, like Android, helping both mobile network operators and application developers operate in cohesion.

- Moss, initially dubbed M-Birr, was formed in Dublin, Ireland, in 2009, for the exclusive purpose of developing software fit for the Ethiopian context. A year later, it opened offices in Addis Ababa and started marketing its product – the M-Birr software to the microfinance institutions (MFI) in the country.

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

Berhan Expands Aggressively, Raises Paid-up Capital

Berhan International Bank S.C. managed to earn a net profit of 104.5 million Birr during the latest reporting year of 2014/15.

- Caught on conflicting interests of fulfilling the central bank's recent decree to grow paid up capital and the expectant shareholders for dividends, it was forced to sacrifice dividends to raise paid-up capital to 573.12 million Birr;
- Total expense gone up by 32.2% to 234 million Birr, mostly by salaries as number of employees grew by 70.4% to 1,181;
- 27 new branches were opened in the reported year, reaching the total number to 72;

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

Standard Check System Commenced

The application of new standardised checks by all commercial banks began as of 01 January, which introduces uniform checks, save for logos and corporate colours of individual banks.

- The new print outs entail security features such as Magnetic Ink Character Recognition code and watermark that makes it harder to forge easily;
- Two UK and three Indian currency and security printing companies were selected to produce the checks, though there are future plans to print locally by the state owned Brehanena Selam Press;

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

First ATM Assembly Factory Goes Operational

The first ATM assembly factory in Ethiopia has gone operational. It is owned by Mela Electronics PLC, built at an outlay of 50 million Birr on 5K square meters land located at Alem Gena, which is hoped to save hard currency. It started a piloting and has a capacity to assemble 1,200 ATMs per year.

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

Communal Institutions Give Way to Funeral Business

A feature article

Communal self-help institutions, like *Idders*, who had historically been providing and compensating cost of funeral services are increasingly replaced by full-fledged business, including insurers; due to changing urban lifestyles, population mobility, and the rising cost of funerals.

- Ethiopian Insurance Corporation (EIC) introduced the sale of pre-funeral policy since February 2015, benefiting the bereaved who incur financial expenses following death;
- EIC offers an insurance policy with coverage from 10K to 100K Birr to spouses and up to 50K to children under 18 years of age, just for a 2% annual premium;
- United Insurance (UNIC) S.C. also started a similar policy for Addis Ababa on 01 July 2014, mainly targeting adults who reside at condominiums and apartments;

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