

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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Forex Crunch Choking Businesses in Ethiopia

Ethiopia's foreign currency supply is increasingly facing chronic shortages, where opening a Letter of Credit (LC) is taking as long as one year or even more, but even then, with no guarantees, it is said.

- Three basic factors – global economic slowdown, Ethiopia's mega projects, and the widening trade balance;
- Trade deficit was estimated \$-6.27 billion in 2009/10, \$-10.47 billion in 2013/14, and roughly \$-6.6 billion in the first two quarters of 2015;
- Proliferation of the black market and corrupt business deals between businesspeople and bankers allegedly rising;
- Growing number of suppliers in Asia are now rejecting LCs opened by certain undisclosed banks from Ethiopia, due to unpaid credits;

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

Gov't to Reveal Figures of Drought Affected People

Private factories ordered to produce supplementary nutritional food

GoE is awaiting assessment results being conducted to determine the exact figures of people in desperate need of food aid as of January 2016, expected to be revealed this week.

- “[GoE] reports that 8.2 million people now require emergency food assistance, up from 2.9 million in early 2015. The number of people who need food assistance is forecasted to increase to ... 15 million in Ethiopia,” according to a [press release](#) of UN Office for the Coordination of Humanitarian Affairs (OCHA) on 12 November;
- As part of the emergency response, GoE ordered six private food companies to produce supplementary nutritional food items to feed children highly affected by malnutrition;

Please read the full stories at [The Reporter](#) (English) and [Amharic](#)

Ethiopia to Host Aid and International Development Forum (AIDF) Africa

More than 250 senior representatives and advisors from regional governments, UN agencies, international and regional NGOs, CBOs, investors, donors, research institutes, and the private sector are to meet in Addis Ababa for the AIDF Africa Summit 2016 on 02 and 03 February 2016 at the UN Conference Centre.

The Forum will provide comprehensive overview of the latest trends around humanitarian logistics, community health, WASH, security of aid workers and communities, camp management, mobile for development, financing, communication with communities and among aid agencies.

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

Ethiopia to Launch Four More Industrial Parks within Two Years

Ethiopia plans to build four industrial parks in the next two years investing up to \$500 million in each, in addition to the 156-hectare Bole Lemi Industrial Zone currently undergoing expansion where Korean Myungsung Textile Company and Taiwan's George Shoe Corporation have operations in the park;

- Hawassa, a 270-hectare site, was set for completion in three months' time;
- The additional four parks are to be located in Dire Dawa, Kombolcha, Mekele, and Adama;
- The industrial zones offer land for factories at \$1 per square metre a month, tax holidays for up to seven years, customs and other services;

Please read the full story at [Citizen TV](#)

Duplicate Chains at Coops Unions Becoming Cause of Misuse

Direct and indirect involvement by external entities in the decision making process of procurements/marketing at Coops Unions are becoming factors for misuse, Federal Coops Agency announced, which claims it recovered 30 million Birr misappropriated in the last year alone.

- Coops Unions engaged in supply and marketing of agricultural inputs are the most exposed for misappropriation, as external entities like local government and market actors meddle in the decision making process;
- Only two billion Birr of 3.5 billion Birr loan money borrowed by Coops Unions to finance purchase of inputs so far repaid;
- Agency's proposed solution is to delegate Coops Unions to make all decisions by themselves, as practically proven by Coops Unions in Oromia, who are reportedly faring well without problems in loan repayment or cases of misuse;
- Coops Unions transact huge amount of money, for instance registering new capital of 2.4 billion Birr and saving/contribution of one billion Birr last year alone;

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

Bangladeshi BDL Group, to Build Textile, Garment Factory in Mekele

BDL Group, a Bangladesh-based company, received 68 hectares of land and signed an agreement to build a textile and garment factory in Mekele town at a cost of 765 million Birr.

- Construction will be launched within two months (until December) and production to commence after nine months;
- Up on completion, the factory will create jobs for nearly 3K people;
- DBL Group is 100% export oriented composite knit garments and textiles manufacturing industry in Bangladesh and has a workforce of over 15K;

Please read the full story at [Yarns & Fibre](#)

African Cotton Can Boost Ethiopian Textile Industry, CmiA

Experts at the 9th Cotton made in Africa (CmiA) and the COMPACI Stakeholder Conference in the Addis Ababa have pushed for the host nation to develop the entire textile value chain instead of just exporting cotton, according to a press release by Aid by Trade Foundation.

- Ethiopia became a member of the CmiA group earlier this year;
- Tadesse Haile, State Minister for Industry who inaugurated the conference, hailed the impressive collaboration of CmiA and COMPACI with thousands of Smallholder Cotton Farmers (SHCFs) throughout Africa who are creating an indispensable foundation for the development of the growing cotton industry;
- The conference discussed activities to promote women and the use of bio-pesticides, including development of Farmer Business Schools that convey basic business concepts to SHCFs and promote their economic autonomy;

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

GoE's GTPI Textile Sector Goals Tattered with Collapse of an Indian Textile Firm

The underperformance of textile and apparel sector from generating the planned \$1 billion export revenue during GTPI was largely blamed on the collapse an Indian giant manufacturer, SVP Textile Industries, whom the government pinned high hopes to export \$400 million from SVP alone, according to ETIDI.

- SVP was given 50K hectares of land for a cotton plantation, which has never been done before, another land plot to set up a manufacturing plant in Kombolcha town, close to Djibouti;
- SVP collapsed due to the global financial crisis before delivering its promise, taking down the ambitious GTP I goals with it;

- AYKA Addis, a Turkish textile company, takes 60% share of total export from the sector, opening doors for speculations of similar scenarios during GTPII;

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

VF Corp Exploring Opportunities to Source from Africa

US apparel and footwear giant VF Corp is exploring opportunities in East Africa with aims to expand its sourcing base, where the company visited Ethiopia, Kenya, Tanzania, and Uganda, while it also met with suppliers and local government officials.

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

China, Ethiopia to Further Expand Industrial Park

Foreign Minister, Tedros Adhanom, and Chinese Vice-Minister of Commerce, Qian Keming, held discussion on 11 November to further promote industrialisation by setting up industrial parks and expand industrial infrastructure in Ethiopia.

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

Dire Dawa Int'l Airport to Have Modern Cold Storage

Construction of a cold storage with capacities to handle 150 tons of perishables at Dire Dawa International Airport, the second busiest airport in the country, will begin after two years, with aims to make direct deliveries of produces to East Africa, the Middle East, and Europe at a projected cost ranging from 100 to 150 million Birr.

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

Milk Malaise

Feature: Recommended by the Editor

The milk market in Addis and its surrounding is experiencing hard times as demands plummet after a research revealed Aflatoxin contamination in Addis Ababa's milk supply.

- The research entitled 'Aflatoxin contamination of milk and dairy feeds in the Greater Addis Ababa milk shed' was done by the International Livestock Research Institute (ILRI), the first of its kind in Ethiopia;
- The finding spurred government into action who set up a taskforce where Ministry of Livestock and Fishery Development [announced](#) that there is no Aflatoxin contamination of milk despite the fact that Ethiopia don't have its own Aflatoxin contamination standards on milk but claimed to have "used American standards on the issue";
- Although Ethiopia enacted a law five years ago to regulate veterinary drugs and animal feeds (major source of Aflatoxin contamination), enforcement remained limited;

Please read the full stories at [The Reporter](#) (English) and [All Africa](#)

This is No Ordinary Year in Ethiopia; This is a 'Code Red' ...

By John Graham, Save the Children's Ethiopia Country Director

On the dusty plains outside Erer in Ethiopia's east, the rotting carcasses of cows, goats, donkeys and camels bake under the hot African sun, fodder for hungry vultures and stealthy hyenas ...

So far this year, hundreds of thousands of livestock have perished from the drought in Ethiopia according to local government officials, with many more expected to die before year's end.

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

GoE Sets Eyes on Establishing Specialised Fodder Farm, Fodder Bank

Ministry of Animal and Fisheries identified the need to establish a specialised large animal fodder farm and animal fodder bank in the wake of recurrent climate change shocks that depleted the country's animal resources.

- First intervention is preparing a large farm to produce animal fodder through irrigation, though it is not a common practice in Ethiopia, except few attempts of mixed farming in few irrigated areas;
- Second intervention is establishing animal fodder bank to store the feeds for a longer period of time so that one can buy whenever there is a need;
- The Ministry plans to engage potential investors and the youth with relevant trainings in animal resources development value chain;

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

GoE Targets to Reach Share of Livestock from GDP to 10%

GoE plans to push the share of livestock from GDP to 10% where the newly established Ministry of Animal & Fisheries shall be focusing on three major areas— cattle fattening, dairy industry, and poultry during GTP II period.

- GoE plans to increase red meat, fish, milk, and poultry production by 11.8, 15, 9, and 600% respectively during GTP II;
- Identified systemic bottlenecks are livestock species, provision of feed to the livestock, marketing, and animal health;

Please read the full story at [Ethiopian Herald](#)

Farmers in East Gojam to Establish Milk Processing Plant

Dairy farmers in eastern Gojam Zone of Amhara Region are establishing a milk processing plant at a cost of six million Birr, four million Birr of which is covered from their contributions, and the rest financed by undisclosed aid agencies, the later to be used for purchase of machineries.

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

DBE to Avail 122 Billion in Loans during GTPII, Amends Loan Policy

Development Bank of Ethiopia (DBE) announced plans to avail 112 billion Birr during GTP II, more than triple compared to GTP I, to finance various projects, mostly priority projects (manufacturing, agriculture, and agro processing) that take 104 billion of 112 billion Birr.

- 20% of loan will go to SMEs in manufacturing industries through capital lease financing introduced last year, i.e., equipping SMEs with machineries and capital goods in long-term lease;
- Previously criticised for its poor loan repayment collection, having reached a 40% Non Performing Loan ratio few years back but improved reach 14% now, DBE plans to collect 40 billion Birr during GTPII;
- DBE will open 75 branches in various parts of the country to realise the plan;
- DBE amended its long-term credit policy to support the local private sector by changing its previous investor: DBE ratio of 30:70% to 25:75% respectively while increased the credit ratio for foreign investors from 70:30% to 50:50%;

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

Ethiopia to Join the Pan-African Insurer

Ethiopia is set to become a full-fledged member of the African Trade Insurance Agency (ATI), a Pan-African insurer based in Kenya, though fear of stiff competition looms in the local insurance sector.

- Member requires a payment of \$25 million, where Ethiopia secured \$7.5 million of the initial payment via a soft loan from the African Development Bank (AfDB);
- Some local insurance business are concerned about anticipated competitions though ATI have many reported benefits including in areas of political risk, sudden changes and policy impacts on foreign exchanges;
- ATI would be considered as an Ethiopian agency since GoE has a 3% stake through the state-owned the Ethiopian Insurance Corporation since Ethiopia's banking and insurance law prohibits foreign ownership in full or in part;

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

Banks in Ethiopia to Issue Standard Cheques

The National Bank of Ethiopia (NBE) is to pilot use of standardised cheques at all banks starting from end of this month, having identical appearances except for logos of individual banks, and believed to be extremely difficult to forge.

- Banks are expected to phase out existing cheques in six months, after end of a three-months pilot programme;
- Standardised cheques are hoped to prevent forgery, plus speed up clearing and settlement processes through a solution developed by ET-Switch to network all of branches of banks;
- An Indian company, Madrass Security Printers, won the bid to print cheque books in 25, 50, and 100 leaves;

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

Government Underscored Vitality of Enhanced Agro Insurance System

A consultation forum was held at Nazreth/Adama by early October to initiate an enhanced system of agriculture insurance in Ethiopia attended by stakeholders with aims to benefit farmers during natural risks.

- The state-owned EIC announced plans to initiate a programme covering 200K clients as a start;
- Public Financial Enterprises Agency is working with EIC, ATA, and National Metrological Agency;
- Kifiya Financial Technologies is working in partnership to provide micro insurance solutions;
- Papers presented highlighted experiences of India while in Ethiopia, beneficiaries are limited largely to commercial and state farms;

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

United Insurance Profits Down to 60.29m Birr

United Insurance (UNIC)'s profit after tax declined to 60.29 million Birr this year, 3.8% lower than previous year, attributed to UNIC's decision to grow its capital by 50 million Birr during the year.

- In the last three years, Earnings Per Share (EPS) descended to 677; 547.66; and 384.4 Birr consecutively;
- Majority of its 384 shareholders decided to increase paid up capital to 250 million Birr by 2016 up from 175 million in April 2015;
- Six new board members are elected to replace leavers – Girma Wake, Yemane Bisrat, Taye Dibekulu, Samrawit Getamesay, Yonas Siyum, and Mulualem Birhane;

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

Mixed Bag for Nib International Bank

EPS declined yet another year for Nib International Bank (NIB) by 4.3% to 137 Birr, as NIB complied with central bank's directive to build its paid up capital at the expense of EPS, which rose by 5% to 1.265 billion Birr during the past Ethiopian fiscal year of 2007.

- Profit after tax was 337.07 million Birr, up by a modest 7.6% from last year, which is claimed to be an underperformance in terms of industry's average;
- Payments for a five-year bond issued from the central bank took 28.48% of its total assets and 38.62% of deposits, with 3.775 billion Birr invested at 3% per annum;
- Cash and bank balances declined by 6% to 1.798 billion Birr, which is predicted to threaten its liquidity if the trend continues;

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

Abay Flows with Increases in EPS

Abay Bank S.C. repeated commendable performances of the past four years by earning a profit after tax of a little over 125 million Birr, up by 118%, sprinting EPS from 17.43 to 27.18 Birr for its 3,700 shareholders, as compared to last year.

- Abay leased a land plot in Bahir Dar at a cost of 20 million Birr to build an office;
- Abay plans to raise its paid up capital to one billion from the current 550 million Birr in two years;
- Total assets reached to 4.5 billion Birr, including an investment of 1.04 billion in central bank's five-year bond, accounting 23% of total assets and 29% of total deposits;

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

Remittance Inflow to Ethiopia Rises

Remittance flows to Ethiopia from the Diaspora increased significantly compared to the rest of Sub-Saharan Africa, according to the World Bank.

- Receipt of remittances hit one and half billion USD, about 88 % compared to previous year;
- Global remittances from some 250 million migrants projected to grow by 1% to \$588 billion;

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

ACSI Awarding Successful Clients

Amhara Credit and Savings Institution (ACSI) awarded its clients at a "Clients' Conference" in Bahir Dar that brought 400 clients and awarded those who borrowed money and successfully changed their lives positively.

ACSI was able to collect a net savings of seven billion and disbursed eight billion in loans during GTPI, while it targets to collect 35 billion in savings during GTP II.

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

Dedebit MFI to Prioritise Enterprises in Urban Agriculture, Manufacturing for Loans

Dedebit MFI announced plans to offer preferential loan terms for enterprises engaged in urban agriculture and manufacturing, to respond to growing number of similar enterprises in Tigray, thus prevent possible shortage of finance.

- Dedebit rose the maximum loan offer from 50K to one million Birr;
- Dedebit has 400K customers and provided 3.4 billion Birr loans so far;

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

Adeday MFI Focused on Activities to Benefit Women

Adeday MFI in north western Tigray of Shire, Enda-Selassie, provided loans for 4,570 women since it began operation two years ago.

It finalised preparations to increase the maximum loan size from 20K to 100K while it allocated 70K in loan for women who want to study a university Masters programme.

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