

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.

Headlines

CROSS CUTTING

- [Sir Malcolm Sees Ethiopia's Progress](#)
- [Stafford MP Jeremy Lefroy to be a Trade Envoy for Ethiopia](#)
- [Robots could Eat All of Ethiopia's jobs; S Africa, Nigeria, Angola Not Safe Either](#)
- [Agency Organised MSEs' Exhibition, Bazaar](#)

CTA

- [Cotton Producers Complained Lack of Buyers](#)
- [Textile Sector Way below Export Targets – Mid-Year Report](#)
- [Third National Workshop on University-Industry Linkage](#)

FAV

- [Fogera Dam Nearing Completion](#)

LAL

- [Mid-Year Leather Export Fell below Targets](#)
- [Ministry Concerned by Activities of Int'l Org'ns in Genetic Resources Theft](#)
- [Artificial Insemination to Breed Cows with More Milk](#)
- [COMESA/LLPI Achieves QMS and EMS Certification](#)
- [FAO in Ethiopia - El Niño Response Plan 2016](#)
- [Market Access Indispensable for Livestock Products](#)
- [Leather a Boost for Ethiopian Economy](#)

FINANCE

- [NBE Drafts another Directive Targeting Banks' Transparency in Forex Trade](#)
- [Moti, CBM Battle for ATM Supply](#)
- [Mixed Signals Result in Declined Profit](#)
- [Private Banks Continue to Make Profit](#)
- [20 Years in Business](#)
- [Starting Date to Collect Contributions of Health Insurance Postponed](#)
- [Ethiopia's Financial Sector Starts to Open Up to Foreigners](#)
- [Africa Insurance Paid Out over 2m Birr for Micro-Insurance Claims](#)
- [Tsehay Insurance Shines with Profit](#)
- [Cooperative Bank Staggers Under 388.7m Birr Invalid Loans](#)
- [Insurance Professionals Association Discussed Industry Constraints](#)

[19TH INTERNATIONAL TECHNICAL FOOTWEAR CONGRESS OF THE INTERNATIONAL UNION OF SHOE INDUSTRY TECHNICIANS \(UITIC\)](#)



03 – 05 February 2016
Chennai, India

[ETHIOPIA INTERNATIONAL TEXTILES AND APPAREL EXPO](#)



06 to 09 February 2016
Millennium Hall, Addis Ababa

Sir Malcolm Sees Ethiopia's Progress

On his third trip to Ethiopia in eight years, Lord Bruce of Bannachie discovers just what the government is doing to improve lives and strengthen communities

Through its Private Enterprise Programme for Ethiopia (PEPE) programme, DFID is again drawing on the technical skills of DAI to identify the training needs, shape the training curriculum and scale up the training of garment workers. Lessons have been learned from the ruthless division of labour and poor working environment that has characterised the garment industry in recent years.

In Ethiopia there will be new build factories and an approach to training which will give the worker the practical and soft skill set that will increase their flexibility and value.

At the Next Fashion Design Training Centre, young women are being trained in a variety of sewing skills so that they can sew any part of a garment and make up a whole garment. They are also given an insight into the fashion industry and fashion design. Already the training centre I saw is selecting suitable applicants for training and ensuring that they have a job when they finish.

Please read the full story at [Press and Journal](#)

Stafford MP Jeremy Lefroy to be a Trade Envoy for Ethiopia

Stafford MP Jeremy Lefroy was chosen as a trade envoy for Ethiopia by Prime Minister David Cameron. Trade Envoys are a network of PM appointed parliamentarians, drawn from across the political spectrum, who engage with one or more emerging markets where UK Trade and Investment (UKTI) has identified substantial trade and investment opportunities.

- The Trade Envoy programme began in 2012 where there are 24 Trade Envoys covering around 50 markets.

Please read the full story at [Staffordshire Newsletter](#)

Robots could Eat All of Ethiopia's jobs; S Africa, Nigeria, Angola Not Safe Either

A Feature Story

Nearly all jobs in Ethiopia, and more than half of those in Angola, Mauritius, South Africa, and Nigeria could be taken over by automation, according to an incisive new study, leaving Africa's hopes of manufacturing in a precarious position.

- This is because the majority of jobs are either low-skilled or in industries highly susceptible to computers and robots, including the continent's mainstay agriculture;
- 85% of jobs in Ethiopia are at risk of being automated from a pure technological viewpoint, the highest proportion of any country globally;

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

Agency Organised MSEs' Exhibition, Bazaar

The Federal Micro and Small Enterprises Development Agency (FeMSEDA) organised a national exhibition and bazaar opening on 02 February that drew 180 MSEs, of which 96 of them are women-owned/run enterprises.

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

Cotton Producers Complained Lack of Buyers

"Cotton marketing halted"

Though the state owned Industry Inputs Dev't Enterprise announced its scheme to buy cotton at 33 Birr per KG (subsidising 2 Birr per KG), the Ethiopian Cotton Producers Ginners Exporters Association (ECPGEA) rejected the offer as being too low and complained that the sector is not supported by the state like other countries.

- ECPGEA deputy chairperson Hadush Girmay stressed that the sector lacks support in chemical inputs, machinery imports, and shortage of improved seeds, regarding the latter, the country has been using seeds introduced 25 years ago;
- “Cotton marketing is halted now, we are planning to go up to the Prime Minister, and even stage a peaceful protest, the government should respond us;”
- “Even if all these problems would pass, the producers decided to abandon cotton production by next year”;

Though ECPGEA tried to act as a bridge and solve the problem, we failed to do that, Hadush said;

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

Textile Sector Way below Export Targets – Mid-Year Report

Textile sector’s export performance during the first six months of the current 2008 Ethiopian fiscal year attained 69.9% only, earing in million \$41.8 of the targeted \$60.07, also a mere 5.7% growth compared to the same period of the preceding year, despite the fact that a lot of new and bigger investments started operation during the year.

- Export of yarns, fabric, and readymade garment fell below targets, except traditional/artesian cloths, which achieved a 247.9% performance and earned \$1.81 million, though it declined by 21.8% compared to the same period last year;
- Turkish owned Ayka Addis Textile contributed more than half of the export earning, i.e., in millions \$21.8 of \$41.82, indicating a critical dependence of the sector on few exporters;
- Export of 11 factories worsened, for instance Engels Cotton & Textile factory made zero earning and Almeda exported only \$7K;
- Though 4.2 billion Birr is allocated and 3 billion Birr disbursed for cotton producers, only 40% of them used the fund for the intended cotton cultivation, the rest diverting the money to other businesses;
- Many producers are selling their products to the local market, instead of the international;

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

Third National Workshop on University-Industry Linkage

Third National Workshop on University-Industry Linkage, jointly organised by the Ethiopian Institute of Textile and Fashion Technology (EITEX) and the Bahir Dar Institute of Technology (BIT) was held on 4 to 5 December 2015 at Bahir Dar.

- Participants from different technology institutions of Ethiopia, and governmental and non-governmental organisations deliberated on how to work closely on capacity building, problem solving, and mutually benefiting activities.

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

Fogera Dam Nearing Completion

Lagged four years behind schedule, construction of Fogera Irrigation Dam on the Rib River in Amhara State by the Ethiopian Water Works Construction Enterprise is 72% complete, which is expected to cultivate 20K hectares of land, also protect flooding and supply drinking water.

- The dam can catch 234 million cubic meter water and develops areas up to 45 KMs radius;

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

Mid-Year Leather Export Fell below Targets

The Ethiopian Leather Industry Development Institute (ETIDI) held a discussion with stakeholders to evaluate the export performance of the leather industry that registered \$65 million of the targeted \$95 million.

- Prevalence of animal skin disease, poor post slaughter handling, power interruptions, global slowdown, inadequate skilled labour, and poor coordination among stakeholders continued to challenge the sector;
- ETIDI is working on 26 projects with local and foreign investors to adopt technologies for the sake of increasing the share of finished leather in export;
- Addis Ababa University partnered with ETIDI to train leather experts up to the level of tertiary degree;

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

Ministry Concerned by Activities of Int'l Org'ns in Genetic Resources Theft

The Ministry of Science and Technology (MoST) expressed concerns over the safety and security of the country's indigenous genetic resources, especially in connection with local based foreign/international organisations and individuals who are active in research and related activities (Enset (false banana) and livestock included).

- GoE set up a special committee to strengthen oversight, especially to that of the International Livestock Research Institute (ILRI) who owns a gene bank;
- "We don't oversee ILRI; it is an international organization," Minister of MoST told MPs and GoE should be well-informed about the kind of researches though he stated that ILRI's gene bank in its compound in Addis is probably one of the top 10 in the world;
- IRLI responded that it "is not aware of the issue" and "the genetic resources in the ILRI gene bank are housed under the International Treaty on Plant Genetic Resources for Food and Agriculture to which Ethiopia is ... signatory" and "all distribution is done in line with the standard Material Transfer Agreement of the Treaty and approved by appropriate government bodies";

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

Artificial Insemination to Breed Cows with More Milk

Interested to improve low rates of cattle breeding, Ministry of Industry set targets to artificially inseminate five million cows during the next five, with aims to increase current milk production from 1.5 litters to 20 litters per cow per day.

- Plan foresees doubling annual milk production from 4.2 billion to 8 billion litters;
- Only 1% of the country's 10 million milking cows are currently crossbred for improved genetics;

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

COMESA/LLPI Achieves QMS and EMS Certification

The Leather and Leather Products Institute (LLPI) of the Common Market for Eastern and Southern Africa (COMESA) earned a combined ISO 9001 Quality Management System (QMS) and ISO 14001 Environmental Management System (EMS) certification in December 2015 from a UK based UKAS accredited certification company.

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

FAO in Ethiopia - El Niño Response Plan 2016

To address the consequences of the global phenomenon of El Niño, FAO is moving forward on the development of response plans for emergency interventions, recovery, and resilience building in Ethiopia and 20 other countries.

- The one-year plan aims to assist 1.8 million vulnerable pastoralists, agro-pastoralists, and smallholder farmers in 2016, through prioritising agricultural production support to reduce the food gap, livestock interventions to protect the livelihood assets of pastoralists and agro-pastoralists, and activities to enhance the resilience of affected communities through coordinated response;

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

Market Access Indispensable for Livestock Products

Creating a globally competitive meat and dairy industry requires establishing marketing, financing, and processing linkage for livestock commodities together with other economic pioneers, it was said during the opening the African Livestock Exhibition & Congress (ALEC) 2016 at the Millennium Hall on 22 January.

- Besides the exhibition, ALEC held conferences on issues related to commercial livestock production, animal health and standardization, and breeding and overall farm management;

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

Leather a Boost for Ethiopian Economy

A Feature Story: Video

Leather industry is booming in Ethiopia as the government offers generous incentives to producers. As Marthe van der Wolf reports for VOA from Addis Ababa, the sector is poised for rapid growth.

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

NBE Drafts another Directive Targeting Banks' Transparency in Forex Trade

National Bank of Ethiopia (NBE) circulated a draft directive to commercial banks' feedback seeking to bring greater transparency in the foreign exchange trade and transaction activities by setting the priorities and instituting "first come, first served" rule.

- Though many banks generally followed the "first come, first served" rule, offering special treatment for high-value customers and exporters is widespread;
- Banks should prioritise forex requests for fuel and fertiliser imports, followed by pharmaceuticals, machineries, raw materials, spare-parts and the like; next in line are NBE approved loans, profit and dividends, excess sales of foreign airlines, and salary of foreign employees;
- Board of directors and the executive management are primarily responsible to monitor forex levels through devising detailed internal guidelines, forming an Audit Body;
- The practice of rewarding exporter customers by allocating large sum of forex for imports is strictly prohibited, which has been an incentive to attract valued customers;

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

Moti, CBM Battle for ATM Supply

The trade competition tribunal adjourned the Moti vs. CBM case yet again to determine if a financial proposal CBM made to Wegagen Bank in 2015 can be used as evidence to determine the legality of CBM Integrates PLC business in Ethiopia.

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

Mixed Signals Result in Declined Profit

Nile Insurance Company's profit after tax dived by 27.7% to 46.89 million Birr and Earnings per Share (EPS) plunged to 311 Birr from 598 Birr.

- Huge payments that rolled down from previous years caused a sharp drop in the profit;
- Lack of cooperation among industry players especially in maintaining market discipline had negatively affected the company's competitiveness;
- Paid up capital increased by 56.78% to 156.78 million Birr;

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

Private Banks Continue to Make Profit

Aggregated figures accumulated performance reports of the 16 private banks in Ethiopia during the first six months of the 2008 Ethiopian fiscal year (July to December) indicated that they have continued making profit worth 2.7 billion Birr before tax.

- Their aggregated deposits reached to 131 billion Birr, an increase in 30 billion within one year;
- They allocated 87.8 billion Birr in loan during the stated six months;

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

20 Years in Business

Dashen Bank celebrated its 20th anniversary with a half-day symposium dubbed "Banking in Ethiopia in 2020" at the Sheraton Addis Hotel on 19 January 2016 that hosted presentations by Ethiopia's Financial Services Industry (FSI), followed by discussions. In attendance of Johannes Kinfu, Professor Emeritus of Accounting & Finance at Addis Ababa University (AAU) and Zemedeneh Nigatu, Managing Partner at Ernest & Young Ethiopia.

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

Starting Date to Collect Contributions of Health Insurance Postponed

The planned date to start collecting contributions for the new national health insurance scheme (requiring a mandatory contribution amounting 3% of salaries from all employees) is postponed from its planned due date of 10 January 2016, as there are remaining activities including briefing employers and distributing proper forms for all.

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

Ethiopia's Financial Sector Starts to Open Up to Foreigners

Ethiopia's financial sector is set to open to international actors in a relative liberalisation of capital goods and lease financing sector, after a decision by the National Investment Board, chaired by the Prime Minister.

- The *Capital Goods Leasing Business Proclamation* has three distinct categories – operating leasing, finance lease, and a hire purchase, though the former remained protected for local companies;
- New amendment allows investors to buy machineries on hire purchase or credit purchase via international capital goods financing companies;
- In a related development, NBE issued a new directive, [Manner of Financial and Operational Information Reporting Directives](#), dealing with reporting procedures by capital goods financing companies, effective as of 01 February;

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

Africa Insurance Paid Out over 2m Birr for Micro-Insurance Claims

Africa Insurance Company settled a compensation claim of 2.44 million Birr for 11,921 insured victims in Tigray regional state affected by the current drought.

- The number is almost half of the total number of insured farmers in the region;
- Teff is the major crop affected by the drought, while wheat is also affected in a few villages;
- Africa paid over 4.8 million Birr in 2012, the highest claim ever;

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

Tsehay Insurance Shines with Profit

Tsehay Insurance S.C. ended its third year with 11.6 million Birr profit after tax, a massive increase from last budget year by 185.7%, attributed to expansion in all income items.

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

Cooperative Bank Stagers Under 388.7m Birr Invalid Loans

An auditor's financial report about the Cooperative Bank of Oromia (CBO) S.C. for 2014/15 revealed that the Bank made invalid loans amounting 388.7 million Birr, though it survived dark days when its top executives were mass suspended by NBE.

- Report disclosed that 248.4 million Birr was loaned interest free and without security for import businesses and another 50.2 million Birr loaned to four customers without any agreement;

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

Insurance Professionals Association Discussed Industry Constraints

Ethiopian Insurance Professionals Association, enlisting the 23 insurance firms entirely as well as brokers and agents as members commemorated its 10th year founding anniversary and discussed policy issues of the sector, where the need for a stronger regulation framework of motor insurance was top of the agenda.

- Association urged the central bank to set a minimum premium threshold for motor insurance to curb alleged widespread malpractice and lack of motivation to properly serve clients due to the lessor amount of motor premium;

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