

## VIII. INVESTMENT

During the fourth quarter of 2007/08, the Ethiopian Investment Agency and regional investment offices have licensed 3256 investment projects with an aggregate capital of Birr 61.3 billion.

The number of approved investment projects has grown by 55 percent and registered capital by 36 percent as compared to the previous quarter. The number of approved investment projects surged by 92 percent and their investment capital by more than four fold year-on-year basis, too.

Ownership wise, 88 percent of the projects and 26.6 percent of the investment capital projects were private domestic investment whereas the remaining foreign investment projects.

Upon going operational, the approved investment projects are expected to create permanent and casual jobs to some 672,489 compatriots.

**Table 8.1. Number, Capital and Job Opportunities of Approved Projects**

(in mln. Birr)

Type of Projects	Items	2007/08			Percentage Changes	
		2006/07	Q.III	Q.IV	C/A	C/B
		Q.IV	B	C		
1.Total Investment	Number	1,693	2,100	3,256	92.3	55.0
	Capital	18,625.8	45,026.9	61,333.2	229.3	36.2
	Permanent Jobs	73,141	139,613	218,822	199.2	56.7
	Casual Jobs	155,526	223,299	453,667	191.7	103.2
2. Private Investment	Number	1,693	2,099	3,256	92.3	55.1
	Capital	18,625.8	44,853.5	61,333.2	229.3	36.7
	Permanent Jobs	73,141	13,9567	218822	199.2	56.8
	Casual Jobs	155,526	22,3299	453667	191.7	103.2
2.1 Domestic Investment	Number	1,373	1,703	2850	107.6	67.4
	Capital	11,936.3	11,927.2	28742.0	140.8	141.0
	Permanent Jobs	47,252	57,467	111487	135.9	94.0
	Casual Jobs	115,776	10,6545	275,767	138.2	158.8
2.2 Foreign Investment	Number	320	396	406	26.9	2.5
	Capital	6,689.5	329,26.3	32,591.2	387.2	-1.0
	Permanent Jobs	25,889	82,100	107,335	314.6	30.7
	Casual Jobs	39,750	116,754	177,900	347.5	52.4
3. Public Investment	Number	-	1	-	-	-
	Capital	-	173.379	-	-	-
	Permanent Jobs	-	46	-	-	-
	Casual Jobs	-	0	-	-	-

Source: Ethiopia Investment Agency

In terms of sectoral share, agriculture, hunting and forestry accounted for 27 percent of the approved projects, followed by manufacturing (22.6 percent), hotel and restaurant services (17 percent), real estate development, rental services and various business activities (15.2 percent).

In terms of total investment capital, manufacturing accounted for 47.5 percent followed by agriculture, hunting and forestry (33.0 percent) real estate

development, rental services and various business activities (10.3 percent).

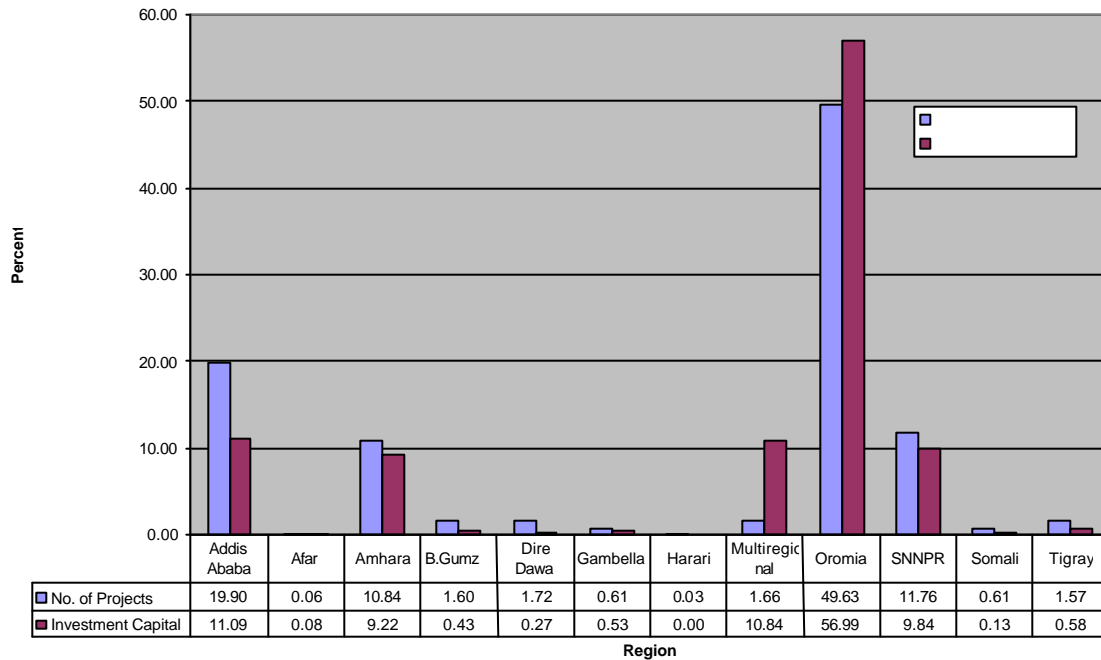
The approved investment projects in the manufacturing sector are expected to create 50.4 percent of the total permanent job opportunities followed by agriculture, hunting and forestry (32 percent) and manufacturing (22.8 percent). Agriculture, hunting and forestry would create about 67.2 percent casual job opportunities; whereas manufacturing sector some 16 percent.

**Table 8.2 Sectoral Distribution of Number, Capital and Job Opportunities of Approved Projects**

	No. of Proj.	Share in %	Capital (in mln. Birr)	Share in %	Permanent Jobs	Share in %	Casual Jobs	Share in %
Agriculture, hunting and forestry	876	26.90	20261.10	33.03	69,910	31.95	304,768	67.18
Construction	197	6.05	1016.16	1.66	4,564	2.09	23,455	5.17
Education	88	2.70	325.32	0.53	2,742	1.25	2,063	0.45
Health and social work	49	1.50	246.06	0.40	1,532	0.70	1,165	0.26
Hotel and restaurant services	550	16.89	3296.51	5.37	15,596	7.13	15,610	3.44
Manufacturing	737	22.64	29110.72	47.46	110,320	50.42	72,164	15.91
Mining and quarrying	14	0.43	210.93	0.34	346	0.16	604	0.13
Other community, social and personal service activities	64	1.97	175.56	0.29	1,206	0.55	3,102	0.68
Real estate development, rental services and business activities	496	15.23	6344.01	10.34	10,412	4.76	27,729	6.11
Transport, storage and communications	84	2.58	160.95	0.26	874	0.40	887	0.20
Wholesale, retail trade and repair service	101	3.10	185.88	0.30	1,320	0.60	2,120	0.47
<b>Grand Total</b>	<b>3,256</b>	<b>100</b>	<b>61,333.19</b>	<b>100</b>	<b>218,822</b>	<b>100</b>	<b>453,667</b>	<b>100</b>

Source: Ethiopian Investment Agency

Fig. VII 1: Approved Investment Projects by Region



Almost half (49.6 percent) of the total approved investment projects during the reported time were registered in Oromia, followed by Addis Ababa (20 percent), SNNPR (11.8 percent) and Amhara (10.8 percent). Also in terms of investment capital, Oromia took 57

percent followed by Addis Ababa (11 percent) and SNNPR (9.8 percent).

Multiregional projects accounted for 10.8 percent of the total approved investment capital during the review quarter.

**Table 8.3 Regional-Sector Nexus in the Number, Capital (in Mln. Birr) and Job Opportunities of Licensed Projects**

Investment by Region														
Sector	Data	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Gambella	Harari	Multi Regional	Oromia	SNNPR	Somali	Tigray	Grand Total
Agriculture, hunting and forestry	No of Proj.	7	1	178	46	3	18		17	421	172	4	9	876
	Capital.	339.08	43.92	2172.56	155.53	3.06	292.33	0.00	1541.00	10741.81	4939.56	2.10	30.15	20261.10
	Perm.emp.	198	33	9641	990	43	1528		3511	44715	8905	60	286	69910
Construction	Temp.emp.	157	3500	76977	7507	72	9546		90055	79151	37588	25	190	304768
	No of Proj.	151		5		10			2	14	10	2	3	197
	Capital.	789.56	0.00	10.24	0.00	17.46	0.00	0.00	55.88	91.22	31.92	16.00	3.87	1016.16
Education	Perm.emp.	3581		58		148			32	420	166	117	42	4564
	Temp.emp.	20022		700		223			37	1353	710	0	410	23455
	No of Proj.	13	1	9		3			2	45	8	1	6	88
Health and social work	Capital.	119.27	5.59	24.44	0.00	1.35	0.00	0.00	13.00	95.87	25.79	0.30	39.70	325.32
	Perm.emp.	507	48	178		45			155	1305	208	6	290	2742
	Temp.emp.	464	22	162		20			310	982	64	4	35	2063
Hotel and restaurant services	No of Proj.	7		8		2				24	6		2	49
	Capital.	51.58	0.00	71.06	0.00	2.53	0.00	0.00	0.00	91.35	18.50	0.00	11.04	246.06
	Perm.emp.	121		190		10				496	525		190	1532
Manufacturing	Temp.emp.	52		236		25				392	275		185	1165
	No of Proj.	50		81	4	4	2		2	326	66	7	8	550
	Capital.	898.26	0.00	317.44	5.53	21.57	30.00	0.00	122.29	1099.71	612.62	42.11	147.00	3296.51
Mining and quarrying	Perm.emp.	2039		1758	36	113	180		750	7950	1977	233	560	15596
	Temp.emp.	1563		2014	94	45	400		1425	7482	1678	89	820	15610
	No of Proj.	125		39		24		1	25	460	43	4	16	737
Other community, social and personal service activities	Capital.	2588.22	0.00	2911.41	0.00	83.33	0.00	2.50	4836.49	18432.16	161.25	6.00	89.37	29110.72
	Perm.emp.	8997		1728		714		5	57565	39184	1493	89	545	110320
	Temp.emp.	6462		7913		361		5	13084	41149	2520	49	621	72164
Real estate development, rental services and business activities	No of Proj.	11			2	1								14
	Capital.	109.10	0.00	0.00	100.24	1.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	210.93
	Perm.emp.	231			90	25								346
Transport, storage and communications	Temp.emp.	329			260	15								604
	No of Proj.	7		8						40	8		1	64
	Capital.	35.85	0.00	18.10	0.00	0.00	0.00	0.00	0.00	83.49	31.73	0.00	6.40	175.56
Wholesale, retail trade and repair service	Perm.emp.	94		110						775	179		48	1206
	Temp.emp.	2075		146						694	117		70	3102
	No of Proj.	239		9		7			3	169	63		6	496
Total No of Proj.	Capital.	1765.87	0.00	79.79	0.00	34.82	0.00	0.00	70.00	4161.66	206.43	0.00	25.45	6344.01
	Perm.emp.	2792		140		106			70	6449	808		47	10412
	Temp.emp.	3182		147		157			185	22140	1585		333	27729
Total Capital	No of Proj.	38		3		1			1	39	1	1		84
	Capital.	105.06	0.00	7.00	0.00	1.03	0.00	0.00	3.00	42.37	1.00	1.50	0.00	160.95
	Perm.emp.	470		25		0			6	362	3	8		874
Total Perm. Jobs	Temp.emp.	447		45		13			4	372	2	4		887
	No of Proj.			13		1			2	78	6	1		101
	Capital.	0.00	0.00	44.09	0.00	0.83	0.00	0.00	4.00	115.60	8.86	12.50	0.00	185.88
Total Casual Jobs	Perm.emp.			212		4			30	922	127	25		1320
	Temp.emp.			251		10			40	1774	45	0		2120
	No of Proj.													
<b>Percentage Share</b>														
No of Proj.	19.90	0.06	10.84	1.60	1.72	0.61	0.03	0.03	1.66	49.63	11.76	0.61	1.57	100
Capital	11.09	0.08	9.22	0.43	0.27	0.53	0.00	0.00	10.84	56.99	9.84	0.13	0.58	100
Perm. Jobs	8.70	0.04	6.42	0.51	0.55	0.78	0.00	0.00	28.39	46.88	6.58	0.25	0.92	100
Casual Jobs	7.66	0.78	19.53	1.73	0.21	2.19	0.00	0.00	23.18	34.27	9.83	0.04	0.59	100

Source: Ethiopian Investment Agency