

VIII. INVESTMENT

During the first quarter of 2008/09, the Ethiopian Investment Agency and Regional Investment Offices licensed 2,951 investment projects with a combined capital of Birr 31.5 billion. The number of approved investment projects was lower by 9.4 percent and registered capital by 48 percent compared to the previous quarter. Year-on-year basis, however, the number of approved investment projects increased by 64 percent and investment capital by 36.6 percent.

Ownership wise, of the total approved projects, 2,945 were private investments, out of which 84 percent of the projects and 56.5 percent of investment capital were domestic. Foreign investment projects, on the other hand, accounted for the remaining 16 and 43.5 percent in terms of number and investment capital,

respectively. Some six public projects with an aggregate capital of Birr 4.4 billion were also approved during the reported period.

Up on going operational, the investment projects are expected to create casual and permanent jobs to 391,994 citizens.

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

Capital (In Millions of Birr)						
Types of Projects	Items	2007/08		2008/09	Percentage Changes	
		Q.I	Q.IV	Q.I	C/A	C/B
		A	B	C		
Total Investment	Number	1,793	3,256	2,951	64.6	-9.4
	Capital	23,050.1	61,333.2	31,497.3	36.6	-48.6
	Permanent Jobs	84332	218822	112076	32.9	-48.8
	Casual Jobs	187189	453667	279918	49.5	-38.3
Private Investment	Number	1,793	3,256	2,945	64.2	-9.6
	Capital	23,050.1	61,333.2	27,079	17.5	-55.8
	Permanent Jobs	84332	218822	112,076	32.9	-48.8
	Casual Jobs	187189	453667	279,918	49.5	-38.3
Domestic Investment	Number	1321	2850	2471	87.1	-13.3
	Capital	10517.9	28742.0	15298.6	45.5	-46.8
	Permanent Jobs	52335	111487	65797	25.7	-41.0
	Casual Jobs	134112	275767	193432	44.2	-29.9
Foreign Investment	Number	472	406	474	0.4	16.7
	Capital	12532.2	32591.2	11780.7	-6.0	-63.9
	Permanent Jobs	31,997	107,335	46,279	44.6	-56.9
	Casual Jobs	53,067	177,900	86,486	63.0	-51.4
Public Investment	Number	-	-	6	-	-
	Capital	-	-	4,418	-	-
	Permanent Jobs	-	-	-	-	-
	Casual Jobs	-	-	-	-	-

Source: Ethiopian Investment Agency

In terms of sectoral share, agriculture, hunting and forestry accounted for 30 percent of the total approved investment projects, followed by manufacturing (19.3 percent), real estate development, renting and various business activities (18 percent) as well as hotel and restaurant services (14.4 percent). In terms of total investment capital too,

agriculture, hunting and forestry made up for 26 percent of the total projects followed by manufacturing (24.4 percent) and real estate development as well as renting and various business activities (14 percent).

The approved investment projects in the agriculture, hunting and forestry sectors

are expected to generate 40.7 percent of the total permanent employment; followed by manufacturing (30 percent) and hotel and restaurant services (9.6 percent). As to casual employment,

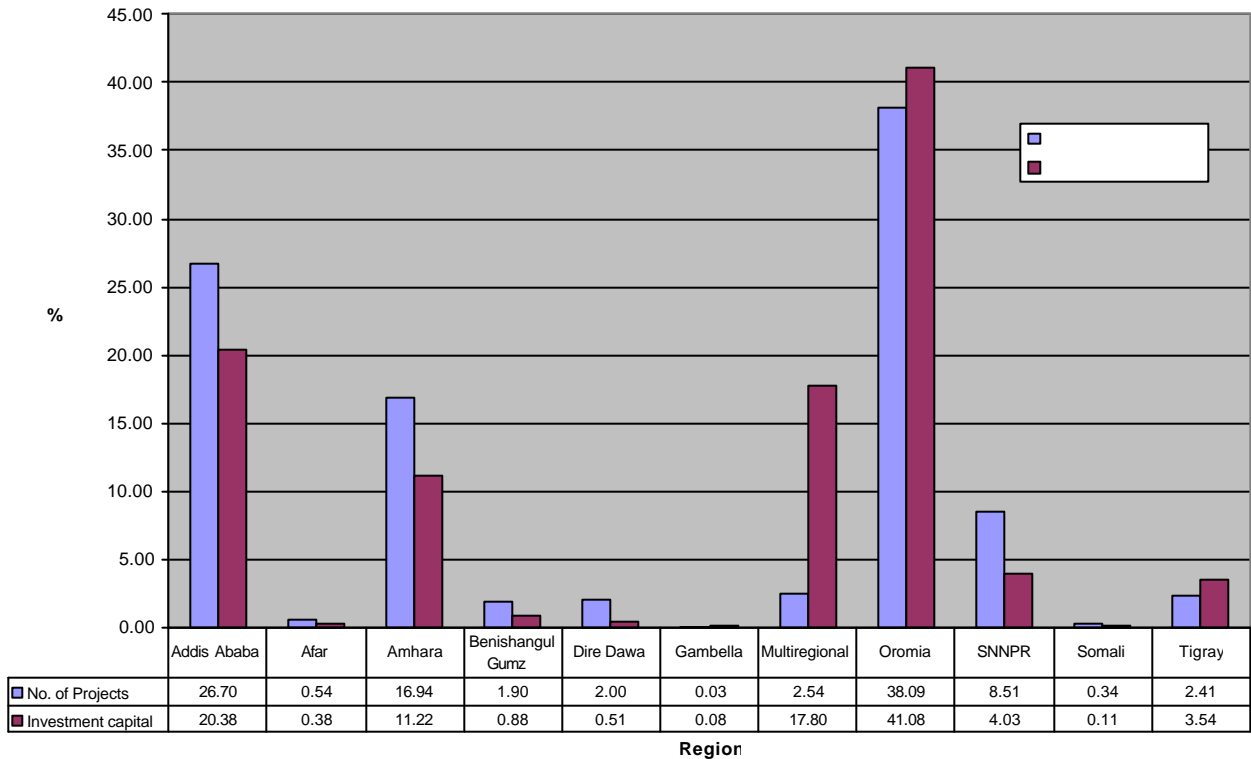
agriculture, hunting and forestry are expected to create 68 percent of the total capital while manufacturing some 13 percent.

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

	No. of Proj.	Share %	Capital(in Millions of Birr)	Share %	Permanent Jobs.	Share %	Casual Jobs.	Share %
Agriculture, hunting and forestry	888	30.09	8187.50	25.99	45,580	40.67	190,250	67.97
Construction	171	5.79	905.60	2.88	6,084	5.43	23,441	8.37
Education	94	3.19	456.49	1.45	3,025	2.70	2,789	1.00
Electricity, gas, steam and water supply	6	0.20	4418.04	14.03		-		-
Health and social work	54	1.83	740.40	2.35	1,797	1.60	1,330	0.48
Hotel and restaurant services	424	14.37	2802.69	8.90	10,784	9.62	10,347	3.70
Manufacturing	571	19.35	7689.45	24.41	33,541	29.93	36,213	12.94
Mining and quarrying	11	0.37	90.20	0.29	243	0.22	253	0.09
Other community, social and personal service activities	39	1.32	141.46	0.45	851	0.76	1,059	0.38
Real estate, renting and business activities	531	17.99	4423.72	14.04	7,557	6.74	11,369	4.06
Transport, storage and communications	81	2.74	334.88	1.06	1,389	1.24	833	0.30
Wholesale, retail trade and repair service	81	2.74	1306.90	4.15	1,225	1.09	2,034	0.73
Grand Total	2,951	100	31,497.33	100	112,076	100	279,918	100

Source: Ethiopian Investment Agency

Fig. VIII.1: Approved Investment Projects by Region during First Quarter of 2008/09



During the review quarter a significant proportion (38 percent) of the total approved investment projects went to Oromia, followed by Addis Ababa (26.7 percent), Amhara (16.9 percent) and SNNPR (8.5 percent). Similarly in terms of approved investment capital, Oromia stood first registering 41 percent. Addis Ababa and Amhara ranked second and third recording 20.4 and 11.2 percent, respectively.

Meanwhile, multi-regional projects made up for 17.8 percent of the total approved investment capital in the stated period.

Table 8.3 Regional-Sector Nexus in Number, Capital and Job Opportunities of Licensed Projects

Capital (in Millions of Birr)

Sector	Data	Addis Ababa	Afar	Amhara	Ben-Gumuz	Dire Dawa	Gambella	Multiregional	Oromia	SNNPR	Somali	Tigray	Grand Total
Agriculture, hunting and forestry	No of Proj.	5	9	310	51	8	1	22	354	105	2	21	888
	Capital.	89.73	81.40	2117.83	272.18	15.19	25.00	1178.68	3584.33	755.80	10.30	57.06	8187.51
	Permanent Jobs	539	282	11171	1212	125	100	9447	17953	4309	56	386	45580
	Casual Jobs	403	1474	90064	6688	147	800	16437	29322	43442	16	1457	190250
Construction	No of Proj.	147		3		3		6	8		2	2	171
	Capital.	802.47		5.30		2.90		72.09	7.20		3.00	12.65	905.60
	Permanent Jobs.	5518		43		57		160	116		130	60	6084
Education	Casual Jobs.	20611		290		45		755	660		0	1080	23441
	No of Proj.	14		14	1	2		1	48	13		1	94
	Capital.	76.87		33.31	2.50	7.90		8.50	283.71	38.70		5.00	456.49
Electricity, gas, steam and water supply	Permanent Jobs.	561		377	30	50		250	1367	375		15	3025
	Casual Jobs.	258		254	15	45		1000	943	268		6	2789
	No of Proj.			1				2	2			1	6
Health and social work	Capital.			688.51				2533.87	678.67			516.99	4418.04
	Permanent Jobs..												0
	Casual Jobs												0
	No of Proj.	19		4		1		2	24	3		1	54
Hotel and restaurant services	Capital.	619.808		10.8		1		20.8	66.85	16.761		4.3849	740.40
	Permanent Jobs..	1225		38		10		65	362	66		31	1797
	Casual Jobs	922		38		15		45	304	0		6	1330
	No of Proj.	64	5	70		4		3	219	48	2	9	424
Manufacturing	Capital.	942.95	26.72	288.35		18.06		4.40	1151.42	143.95	12.00	214.84	2802.69
	Permanent Jobs..	2741	89	1092		116		32	4720	1223	35	736	10784
	Casual Jobs	2053	47	1636		25		111	5457	698	8	312	10347
	No of Proj.	158		42		19		28	258	35	2	29	571
Mining and quarrying	Capital.	1305.70		235.80		36.23		1462.74	4181.55	194.87	3.50	269.06	7689.45
	Permanent Jobs..	8978		1404		352		3078	16702	1762	30	1235	33541
	Casual Jobs	11950		1821		284		3931	15452	1171	18	1586	36213
	No of Proj.	10						1					11
Other community, social and personal service activities	Capital.	87.10						3.10					90.20
	Permanent Jobs..	233						10					243
	Casual Jobs	228						25					253
	No of Proj.	7		8	1	2			17	2		2	39
Real estate, renting and business activities	Capital.	53.06		16.06	0.60	2.93			39.45	3.96		25.40	141.46
	Permanent Jobs..	177		159	5	28			373	49		60	851
	Casual Jobs	117		130	10	14			433	25		330	1059
Real estate, renting and business activities	No of Proj.	308	1	20		16		5	135	43	1	2	531
	Capital.	2235.40	2.10	64.94		69.37		222.50	1717.17	106.42	2.00	3.82	4423.72
	Permanent Jobs..	3291	20	226		262		230	2881	613	20	14	7557
	Casual Jobs	3732	30	419		447		645	5381	692	21	2	11369

Transport, storage and communication	No of Proj.	53		6		1		5	13			3	81
	Capital.	202.34		11.68		0.50		99.51	16.55			4.30	334.88
	Permanent Jobs..	731		49		10		474	104			21	1389
	Casual Jobs	405		54		5		148	169			52	833
Wholesale, retail trade and repair service	No of Proj.	3	1	22	3	3			46	2	1		81
	Capital.	2.72	8.83	62.10	1.57	5.02			1213.20	10.40	3.06		1306.90
	Permanent Jobs..	29	3	352	17	24			737	41	22		1225
	Casual Jobs	21	5	1019	20	50			918	0	1		2034
Total No of Proj.		788	16	500	56	59	1	75	1124	251	10	71	2951
Total Capital		6418.14	119.05	3534.69	276.854	159.106	25	5606.19	12940.09	1270.9	33.859	1114	31497.33
Total Permanent Jobs..		24023	394	14911	1264	1034	100	13746	45315	8438	293	2558	112076
Total Casual Jobs.		40700	1556	95725	6733	1077	800	23097	59039	46296	64	4831	279918
Percentage Share													
No of Proj.		26.70	0.54	16.94	1.90	2.00	0.03	2.54	38.09	8.51	0.34	2.41	100.00
Capital		20.38	0.38	11.22	0.88	0.51	0.08	17.80	41.08	4.03	0.11	3.54	100.00
Permanent Jobs..		21.43	0.35	13.30	1.13	0.92	0.09	12.26	40.43	7.53	0.26	2.28	100.00
Casual Jobs.		14.54	0.56	34.20	2.41	0.38	0.29	8.25	21.09	16.54	0.02	1.73	100.00

Source: Ethiopian Investment Agency