

## VI. EXTERNAL SECTOR DEVELOPMENTS

### 6.1 Overall Balance of Payments

The balance of payments recorded a surplus of USD 309.9 million in the third quarter of 2008/9 compared with deficits of USD 43.9 million in the preceding quarter and USD 175 million in the same quarter last year. A

significant drop in the trade deficit coupled with a modest increase in the surplus of the capital account were responsible for the registered surplus offsetting declines in the surplus of the service account and net private and public transfers.

**Table 6.1 Balance of Payments**

(Millions of USD)

Particulars	2007/08	2008/09		Percentage Change	
	QIII	QII	QIII	D=C/B	E=C/A
	A	B	C		
<b>Trade Balance</b>	<b>-1297.1</b>	<b>-1671.5</b>	<b>-1321.6</b>	<b>-20.9</b>	<b>1.9</b>
Exports	474.3	270.9	401.6	48.2	-15.3
Imports	1771.4	1942.4	1723.1	-11.3	-2.7
<b>Net Services</b>	<b>59.2</b>	<b>166.5</b>	<b>103.4</b>	<b>-37.9</b>	<b>74.6</b>
Travel	42.8	49.1	57.7	17.5	34.9
Transportation	21.9	84.1	36.8	-56.2	67.9
Government (n.i.e.)	20.6	60.4	49.0	-18.8	138.3
Investment Income	7.9	-9.6	-6.0	-37.3	-176.3
Interest	9.4	-1.5	-0.4	-73.3	-104.3
Cash (net)	9.4	-1.5	-0.4	-73.3	-104.3
Arrears	0.0	0.0	0.0	-	-
Dividend	-1.6	-8.1	-5.6	-30.9	259.0
Other Services	-33.9	-17.5	-34.1	95.1	0.6
<b>Private Transfers</b>	<b>563.9</b>	<b>777.3</b>	<b>640.8</b>	<b>-17.6</b>	<b>13.6</b>
<b>Current Account Balance(excl. public transfers)</b>	<b>-674.0</b>	<b>-727.7</b>	<b>-577.3</b>	<b>-20.7</b>	<b>-14.3</b>
<b>Public Transfers*</b>	<b>331.7</b>	<b>515.4</b>	<b>322.7</b>	<b>-37.4</b>	<b>-2.7</b>
<b>Current Account Balance(incl. public transfers)</b>	<b>-342.3</b>	<b>-212.3</b>	<b>-254.7</b>	<b>20.0</b>	<b>-25.6</b>
<b>Non-Monetary Capital</b>	<b>185.3</b>	<b>416.3</b>	<b>418.7</b>	<b>0.6</b>	<b>125.9</b>
Long-Term (net)	50.0	179.7	184.7	2.8	269.4

Disbursements	63.9	188.8	187.1	-0.9	193.0
Repayments	13.9	9.1	2.4	-73.6	-82.7
Cash	13.9	9.1	2.4	-73.6	-82.7
Arrears	0.0	0.0	0.0	-	-
Direct Investment (net)	176.9	226.8	215.6	-5.0	21.8
Short-Term (net)	-41.6	9.8	18.4	88.7	-144.2
<b>Net Errors &amp; Omissions</b>	<b>-18.0</b>	<b>-247.9</b>	<b>146.0</b>	<b>-158.9</b>	<b>-911.3</b>
<b>Overall Balance</b>	<b>-175.0</b>	<b>-43.9</b>	<b>309.9</b>	<b>-806.2</b>	<b>-277.1</b>
<b>Financing</b>	<b>175.0</b>	<b>43.9</b>	<b>-309.9</b>	<b>-806.2</b>	<b>-277.1</b>
<b>Reserves (-:increase)</b>	<b>175.0</b>	<b>43.9</b>	<b>-309.9</b>	<b>-806.2</b>	<b>-277.1</b>
<b>NBE net foreign assets</b>	<b>329.9</b>	<b>-103.0</b>	<b>-245.0</b>	<b>138.0</b>	<b>-174.3</b>
<b>CBs net foreign assets</b>	<b>-155.0</b>	<b>146.9</b>	<b>-64.9</b>	<b>-144.2</b>	<b>-58.1</b>

Source: NBE Staff compilation

Current foreign exchange receipts reached USD 1,803.7 million during the third quarter of 2008/09, which was 15.6 percent lower compared with the preceding quarter and 1 percent higher than the same quarter last year. Declines in service receipts and private and public transfers were behind the quarterly drop in current receipts offsetting a 48.2 percent surge in export proceeds.

On the other hand, current payments showed a quarterly and annual declines of 12.4 and 3.3 percent, respectively and reached USD 2,058.3 million. Declines in both import and service payments contributed to the quarterly as well as the annual decline in current payments. As a result, the net outflow increased by 20 percent on quarterly basis, while it went down by 25.6 percent on annual basis.

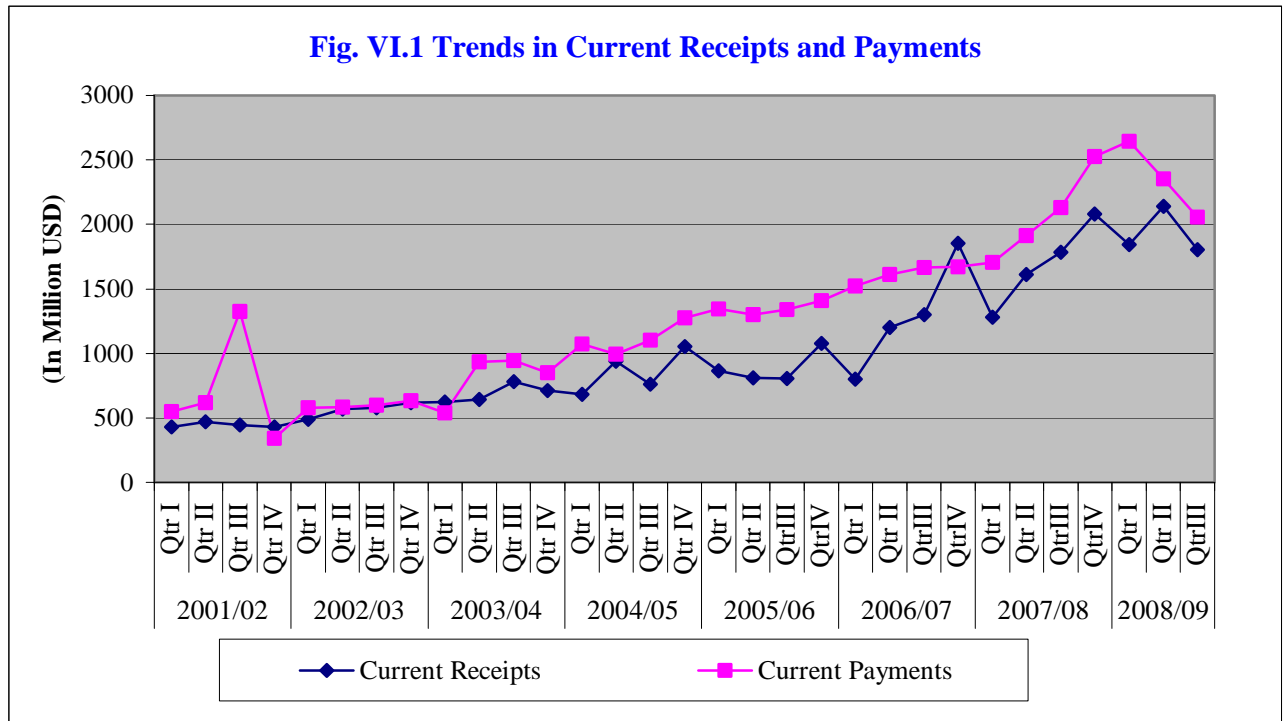
**Table 6.2 Current Receipts and Payments**

(In Million of USD)

Particulars	2007/08	2008/09		Percentage Change	
	Qtr III	Qtr II	Qtr III	D=C/B	E=C/A
	A	B	C		
<b>1. Current Receipts</b>	<b>1,785.4</b>	<b>2,138.3</b>	<b>1,803.7</b>	<b>-15.6</b>	<b>1.0</b>
Export Proceeds	474.3	270.9	401.6	48.2	-15.3
Service Proceeds	415.5	574.7	438.6	-23.7	5.6
Private Transfers(Net)	563.9	777.3	640.8	-17.6	13.6
Public Transfer(Net)	331.7	515.4	322.7	-37.4	-2.7
<b>2. Current Payments</b>	<b>2,127.7</b>	<b>2,350.6</b>	<b>2,058.3</b>	<b>-12.4</b>	<b>-3.3</b>

Import Payments	1,771.4	1,942.4	1,723.1	-11.3	-2.7
Service Payments	356.3	408.2	335.2	-17.9	-5.9
<b>3. Net (1-2)</b>	<b>-342.3</b>	<b>-212.3</b>	<b>-254.6</b>	<b>19.9</b>	<b>-25.6</b>

Source: NBE Staff Compilation

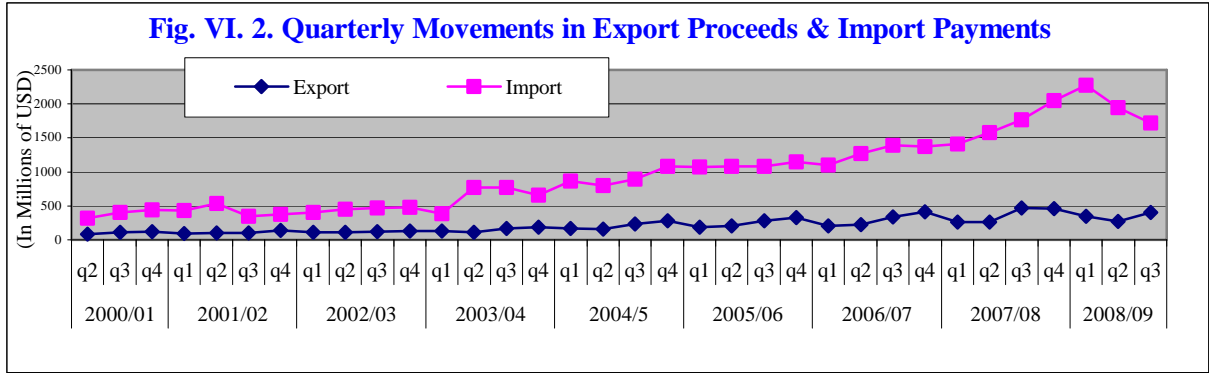


Source: NBE Staff Compilation

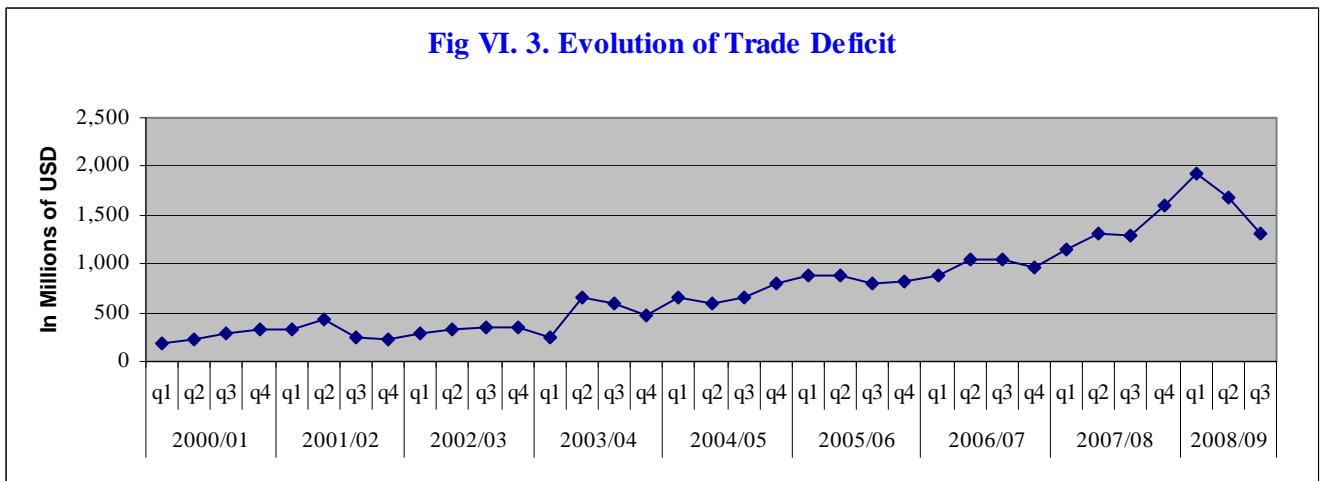
## 6.2 Merchandise Trade

In the third quarter of 2008/09, the merchandise trade deficit reached USD 1,321.6 million, down by 20.9 percent against the preceding quarter but slightly up by 1.9 percent on annual basis. The

narrowing down of the deficit on quarterly basis was the combined result of a slowdown in import payments and an increase in export earnings.



Source: Ethiopian Revenue and Customs Authority



Source: NBE Staff Compilation

### 6.2.1 Exports

Total export proceeds showed a quarterly increase of 48.2 percent but a 15.3 percent decrease over last year same period. The quarterly increase in export earning was largely attributed to the increase in export earnings from coffee (82 percent), oilseeds (158.7 percent), pulses (18.4 percent), chat (7.9

percent), gold (22 percent) and flowers (33.1 percent) outweighing the slowdown from other major export items such as leather and leather products (59.5 percent), meat and meat products (13.7 percent), fruits and vegetables (22.7 percent) and live animals (28.4 percent).

**Table 6.3 Values of Major Export Items**

(In Millions of USD)

Particular	2007/08		2008/09				Percentage change
	Qtr III	% Share	Qtr II	% Share	Qtr III	% Share	

	A		B		C		C/B	C/A
Coffee	191.9	40.5	41.7	15.4	75.9	18.9	82.0	-60.4
Oilseeds	87.3	18.4	51.7	19.1	133.6	33.3	158.7	53.0
Leather and Leather Products <sup>1</sup>	24.0	5.1	28.5	10.5	11.5	2.9	-59.5	-52.0
Pulses	49.0	10.3	22.5	8.3	26.6	6.6	18.4	-45.7
Meat & Meat Products	5.5	1.2	7.1	2.6	6.1	1.5	-13.7	12.1
Fruits & Vegetables	3.4	0.7	2.9	1.1	2.3	0.6	-22.7	-33.6
Live Animals	8.3	1.7	16.8	6.2	12.1	3.0	-28.4	46.2
<i>Chat</i>	25.5	5.4	34.4	12.7	37.1	9.2	7.9	45.4
Gold	15.6	3.3	20.3	7.5	24.8	6.2	22.0	59.0
Flower	32.7	6.9	28.8	10.6	38.4	9.6	33.1	17.2
Others	31.1	6.6	16.2	6.0	33.2	8.3	104.8	6.7
<b>Total</b>	<b>474.3</b>	<b>100.0</b>	<b>270.9</b>	<b>100.0</b>	<b>401.6</b>	<b>100.0</b>	<b>48.2</b>	<b>-15.3</b>

Source: Ethiopian Revenue and Customs Authority

<sup>1</sup>Previously known as hides and skin

Export earnings from coffee went up by 82 percent on quarterly basis, while dropped by 60.4 percent on annual basis. The quarter-on-quarter basis increase was due to the surge in the volume of exports by 87.1 percent offsetting a 2.7 percent decline in its international price. Export proceeds from coffee went down on annual basis as a result of declines in both the volume of export and international price. The share of coffee in the total export earnings rose to 18.9 percent from 15.4 percent in the preceding quarter but plummeted from 40.5 percent in the same quarter last fiscal year.

Exports of oilseeds went up by 158.7 percent on quarterly basis and 53 percent on annual basis and reached USD 133.6 million primarily owing to an increase in

export volume despite a fall in the international price. The export volume of oilseeds surged by 187.4 and 109.4 percent on quarterly and annual basis, respectively while its international price declined by 10 and 26.9 percent over the same period. As a result, the share of oilseeds export in the total export earnings went up to 33.3 percent from 19.1 percent in the preceding quarter and 18.4 percent during the same period of last year.

Similarly, receipts from the exports of pulses rose by 18.4 percent on quarterly basis due to the increase in the volume of exports by 28.7 percent despite a decrease in international price by 8 percent. However, it went down by 45.7 percent compared with a year ago because of lower volume of exports. The

slowdown in the export volume was due to relatively higher domestic price, which discouraged exporters and speculation that international prices would improve. Hence, the share of pulses in the total export earnings decreased to 6.6 percent from 8.3 percent in the preceding quarter and 10.3 percent in the same quarter last year.

Meanwhile, earnings from leather and leather products amounted to USD 11.5 million, down by 59.5 and 52 percent over the preceding quarter and same period last year, respectively due to lower volume of exports despite an increase in international price. The slowdown in the volume of leather & leather products was a reflection of the global economic slowdown and the shift from raw leather to finished leather export. Receipts from leather and leather products export accounted for 2.9 percent of the total merchandise export.

Flower export fetched USD 38.4 million during the review period showing a 33.1 and 17.2 percent increases over the preceding quarter and same period last year, respectively. The quarter-on-quarter basis increase was due to the rise

in the volume of exports augmented by slight increase in its international price. The share of horticulture in total export earnings stood at 9.6 percent, lower than 10.6 percent in the preceding quarter but higher than 6.9 percent same period last year.

Export revenue from gold reached USD 24.8 million, 22 and 59 percent higher than the previous quarter and a year earlier. The export of gold accounted for 6.2 percent of the country's export earnings during the review quarter.

Similarly, export proceeds from *chat* grew by 7.9 percent on quarterly and 45.4 percent on annual basis and reached USD 37.1 million. The yearly increase was attributed to the growth in both volume of exports and international price, while the quarterly increase was due to the rise in international price despite the decline in the volume of exports. *Chat* accounted for 9.2 percent of the total merchandise export.

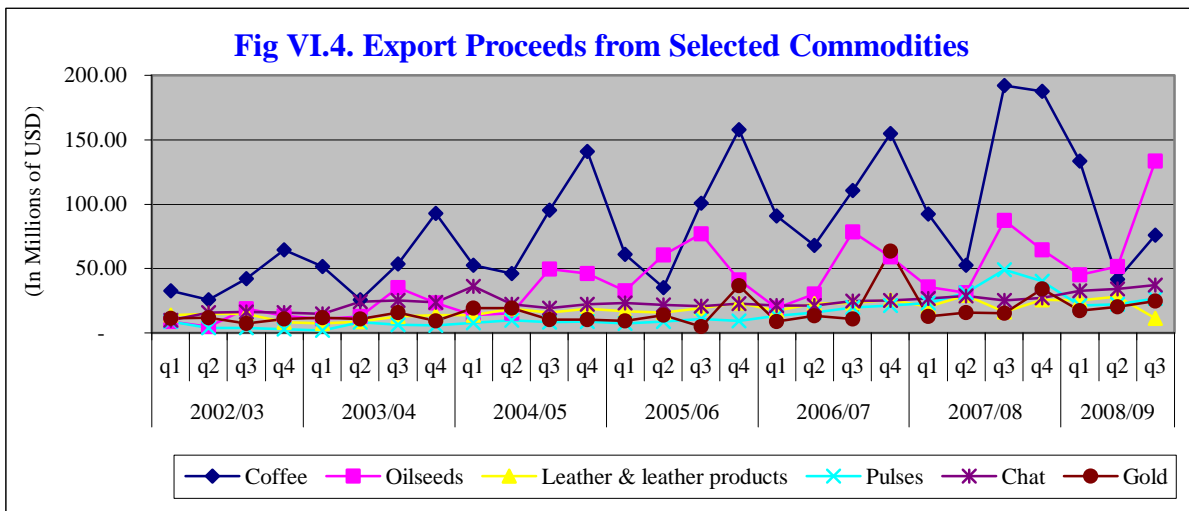
Revenue from exports of live animals went down by 28.4 percent on quarterly basis but went up by 46.2 percent on annual basis. The volume of exports increased by 29.9 and 9 percent on

quarterly and annual bases, respectively. Their international prices also went up by 2.2 and 60.6 percent over the same period.

Export earning from meat and meat products decreased by 13.7 percent on quarterly basis to USD 6.1 million as both volume of exports and international price declined by 7.6 percent and 6.6 percent, respectively. Year-on-year

basis, however, export earnings from meat and meat products went up by 12.1 percent.

Similarly, revenue from fruits and vegetables showed a respective fall of 22.7 and 33.6 percent on quarterly and annual bases and amounted to USD 2.3 million. As a result, their share in the total export earnings dropped to a mere 0.6 percent.



Source: Ethiopian Revenue and Customs Authority

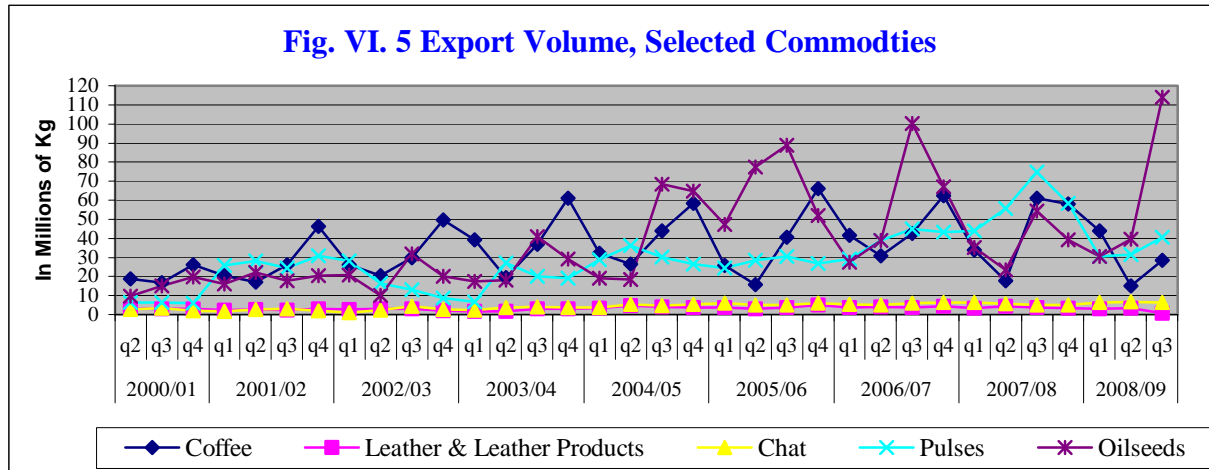
**Table 6.4: Volume of Major Export Items**

Particulars	2007/08	2008/09		Percentage Change	
	Qtr III	Qtr II	Qtr III	C/B	C/A
	A	B	C		
Coffee	61.1	15.2	28.4	87.1	-53.5
Oilseeds	54.4	39.6	113.9	187.4	109.4
Leather and Leather Products <sup>1</sup>	3.8	3.3	0.6	-81.6	-83.8
Pulses	74.9	31.6	40.6	28.7	-45.7
Meat & Meat Products	1.7	1.9	1.8	-7.6	3.9
Fruits & Vegetables	9.7	10.3	9.1	-11.3	-6.0

Live Animals	8.8	11.4	8.0	-29.9	-9.0
Chat	5.0	6.8	6.3	-6.5	26.0
Gold	0.0006	0.0011	0.0012	13.1	90.0
Flower	6.1	6.6	8.8	32.8	45.2

Source: Ethiopian Revenue and Customs Authority

<sup>1</sup> Previously known as hides and skin



Source: Ethiopian Revenue and Customs Authority

**Table 6.5: Unit Values of Major Export Items**

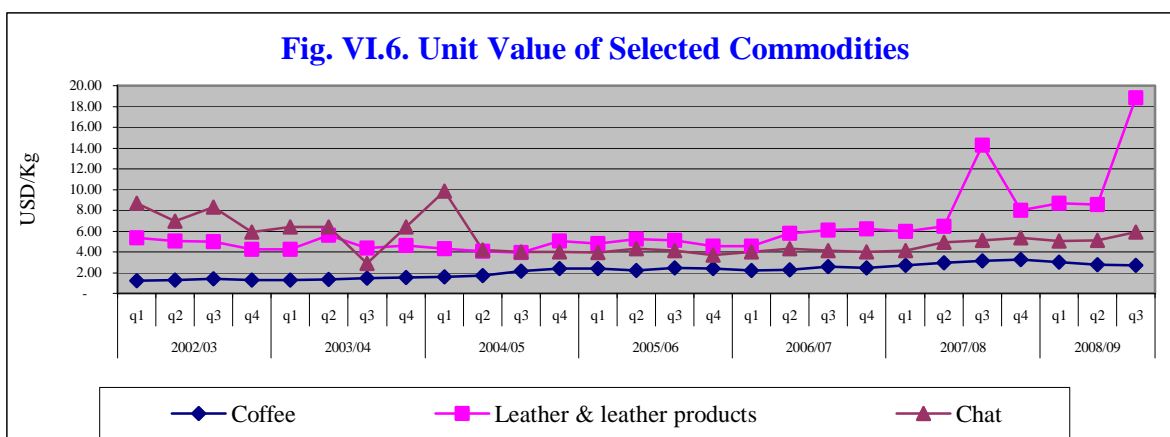
(USD/kg)

Particulars	2007/08	2008/09		Percentage Change	
	Qtr III	Qtr II	Qtr III	C/B	C/A
	A	B	C		
Coffee	3.1	2.7	2.7	-2.7	-15.0
Oilseeds	1.6	1.3	1.2	-10.0	-26.9
Leather and Leather Products <sup>a</sup>	6.4	8.5	18.8	120.9	196.4
Pulses	0.654	0.711	0.654	-8.0	0.1
Meat & Meat Products	3.2	3.7	3.4	-6.7	7.9
Fruits & Vegetables	0.354	0.287	0.250	-13.0	-29.3
Live Animals	0.9	1.5	1.5	2.2	60.6
Chat	5.095	5.094	5.878	15.4	15.4
Gold	24,017.3	18,635.9	20,099.6	7.9	-16.3
Flower	5.4	4.3	4.4	0.2	-19.3

Source: NBE Staff Computation

<sup>a</sup> Previously known as hides and skin





Source: NBE Staff Computation

## 6.2.2 Imports

The total imports bill during the third quarter of 2008/09 amounted to USD 1.7 billion, showing 11.3 and 2.7 percent decrease compared with the preceding quarter and same period last year,

respectively. Declines in import of fuel, raw materials and consumer goods were the major factors behind the quarterly slowdown in imports.

**Table 6. 6: Values of Major Imports Items**

(In Millions of USD)

Particulars	2007/08		2008/09				Percentage Change	
	Qtr III A	% Share	Qtr II B	% Share	Qtr III C	% Share	C/B	C/A
Raw Materials	50.8	2.9	117.5	6.1	77.1	4.5	-34.4	51.7
Semi-finished Goods	453.6	25.6	245.7	12.6	276.7	16.1	12.6	-39.0
Fertilizers	192.0	10.8	2.7	0.1	97.7	5.7	3,518.7	-49.1
Fuel	407.6	23.0	244.4	12.6	220.0	12.8	-10.0	-46.0
Petroleum Products	406.1	22.9	242.5	12.5	219.3	12.7	-9.6	-46.0
Others	1.4	0.1	1.9	0.1	0.7	0.0	-61.4	-49.3
Capital Goods	396.3	22.4	574.5	29.6	594.7	34.5	3.5	50.1
Transport	93.8	5.3	102.9	5.3	96.1	5.6	-6.6	2.4
Agricultural	6.0	0.3	6.4	0.3	9.1	0.5	42.9	53.1
Industrial	296.6	16.7	465.2	24.0	489.5	28.4	5.2	65.1
Consumer Goods	375.2	21.2	717.7	36.9	529.7	30.7	-26.2	41.2
Durables	107.4	6.1	147.7	7.6	156.9	9.1	6.3	46.1
Non-durables	267.8	15.1	570.1	29.3	372.8	21.6	-34.6	39.2
Miscellaneous	87.9	5.0	42.6	2.2	24.8	1.4	-41.9	-71.8
<b>Total Imports</b>	<b>1,771.4</b>	<b>100.0</b>	<b>1,942.4</b>	<b>100.0</b>	<b>1,723.1</b>	<b>100.0</b>	<b>-11.3</b>	<b>-2.7</b>

Source: Ethiopian Revenue and Customs Authority

Capital goods imports reached USD 594.7 million, up by 3.5 percent on quarterly and 50.1 percent on annual terms. Consequently, the share of capital goods in total imports went up to 34.5 percent.

On the other hand, the value of consumer goods import was USD 529.7 million which showed a 26.2 percent fall on quarterly basis but a 41.2 percent rise on annual basis. The quarter-on-quarter decrease was attributed to a fall in the import of non-durable consumer goods which offsetted a rise in import durable consumer goods. As a result, the share of consumer goods in the total imports went down to 30.7 percent from 36.9 percent during the preceding quarter.

Similarly, fuel import continued to fall and reached USD 220 million showing declines of 10 percent on quarterly and about 46 percent on yearly basis due to the fall in oil prices in the international market. As a result, it constituted 12.8 percent of total imports in the review quarter as compared to 23 percent a year ago.

Imports of semi-finished goods reached USD 276.7 million, showing a rise of 12.6 percent on quarterly basis but a decline of 39 percent on annual basis. Their share in total imports reached 16.1 percent compared to 12.6 percent during the preceding quarter and 25.6 percent during same period last year.

Imports of raw materials, on the other hand, amounted to USD 77.1 million, down by 34.4 percent compared to the preceding quarter but up by 51.7 percent over last year same quarter.

Meanwhile the import of goods on franco-valuta basis climbed to USD 49.1 million during the review quarter from USD 31.9 million the same quarter last year but decreased from USD 68.3 million during the preceding quarter. The quarterly decline was due to a decrease in some of the major components of franco-valuta imports, such as cement, vehicles, food stuff, electronic goods and textile and ready made goods.

**Table 6.7: Values of Franco Valuta Imports**

(In Millions of USD)

Particulars	2007/08	2008/09		Percentage Change	
	QIII	QII	QIII	C/B	C/A
	A	B	C		
Vehicles	0.0004	0.0263	0.0299	13.51	6998.29
Vehicle Spare Parts	0.0166	0.0208	0.0117	-43.50	-29.26
Other Spare Parts	0.0538	0.0562	0.0835	48.60	55.24
Textile & Ready Made	0.0036	0.0054	0.0003	-93.56	-90.32
Household Goods	0.0006	0.0378	0.0002	-99.41	-61.03
Medicine & Medical Equip.	5.5068	0.5336	0.7255	35.96	-86.83
Food Stuffs	0.0019	0.0048	0.0019	-61.31	-0.39
Electronic Goods	0.0401	0.1293	0.0258	-80.07	-35.80
Machinery Equip. & Spare Parts	0.0000	0.0069	0.0000	-100.00	
Others*	26.28	68.26	48.25	-29.32	83.58
<b>Total</b>	<b>31.91</b>	<b>69.08</b>	<b>49.13</b>	<b>-28.89</b>	<b>53.98</b>

Source: NBE, Foreign Exchange Statistics and Monitoring Dept. (FESMD)

\*Includes franco valuta cement import

## 6.2.3 Direction of Trade

### 6.2.3.1 Exports

During the third quarter of 2008/09, Asia took the lead from Europe to be the largest market for Ethiopia's export by importing 39.8 percent of the country's exports. Of the total exports to Asia, 37.6 percent went to China, 18.7 percent to Saudi Arabia, 9.4 percent to United Arab Emirates (UAE) and 8.1 percent to Israel.

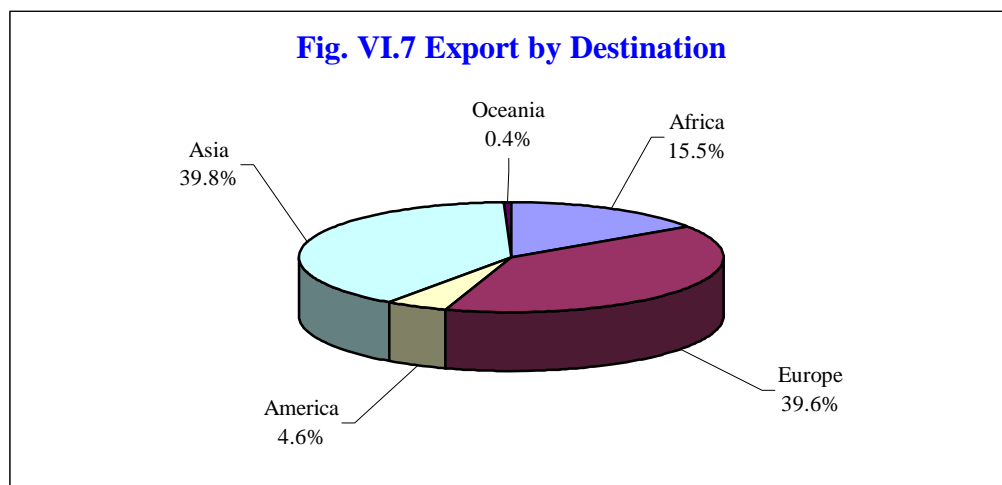
Leather and leather products and oilseeds make up the bulk of exports to China while the major export items sent to Saudi Arabia include coffee, oilseeds, live animals and meat and meat products. Some of the export items shipped to UAE comprised of live

animals, meat and meat products, pulses, oilseeds and fruits and vegetables; whereas oilseeds and coffee were major exports to Israel.

Exports destined to Europe accounted for 39.6 percent of the country's exports. Among European countries, the Netherlands, which mainly imported flowers and pulses was the largest buyer of Ethiopian commodities. United Kingdom was the second largest market which mainly imported raw cane sugar, coffee and leather and leather products. Switzerland which imported 97.3 percent of gold exports from Ethiopia was the third largest market followed by Germany that mainly imported coffee and flowers.

About 15.5 percent of Ethiopia’s exports went to African countries among which Somalia, Sudan and Djibouti accounted for 90.7 percent. Somalia’s major import from Ethiopia was *chat* (98 percent). Major exports to Djibouti market include *chat*, animal products, beverages and fruits and vegetables. Sudan mainly purchased coffee, pulses, live animals and animal products, and natural honey and bee wax.

The share of the Americas in Ethiopia’s total exports was just 4.6 percent of which 87.1 percent went to the USA and 11 percent to Canada. The principal export items shipped to the US include coffee, beverages and flowers while Canada purchased mainly coffee, flower and oilseeds.



Source: Ethiopian Revenue and Customs Authority

### 6.2.3.2 Imports

During the third quarter of 2008/09, about 68.7 percent of the total imports to Ethiopia originated from Asia among which China, Saudi Arabia, UAE and India accounted for 53.7 percent. Major imports from China included electrical

materials, machinery, metal and metal manufacturing, clothing and textile, rubber products and motor vehicles. The major item imported from Saudi Arabia was petroleum which constituted 94.6 percent of that country’s export to Ethiopia. Petroleum also constituted about 81.4 percent of Ethiopia’s import

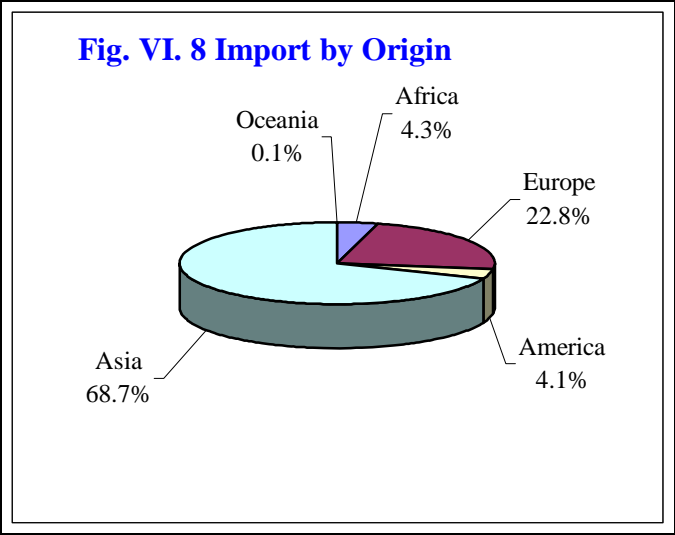
from UAE. Medical and pharmaceutical products, machinery, electrical materials, metals and metal products were the main items imported from India.

Meanwhile, imports from Europe accounted for 22.8 percent of total imports among which Italy, Russia, Turkey, Germany, Netherlands, France and Romania were the major suppliers. Import items from Italy comprised of machinery, electrical materials, metal, vehicles and grain. Russia mainly exported fertilizer and grain which constituted a respective 90.2 and 7.5 percent of that country's export to Ethiopia. Metal and metal products were the principal import items from Turkey constituting 67.4 percent of Ethiopia's import from that country. Similarly, imports from Germany were mainly electrical materials, vehicles and machinery. The principal import items from the Netherlands were medical and pharmaceutical products. Import items from France comprised of machinery,

electrical materials and vehicles, whereas almost all imports from Romania was grain.

The share of imports from the Americas was 4.1 percent among which three countries; namely, the USA, Canada and Brazil accounted over 95 percent. Grain and food products were the major import items from the US followed by machinery. Machineries were the main items imported both from Canada and Brazil.

The share of African countries from total imports accounted 4.3 percent of which 92.8 percent came from five countries; namely, Egypt, Sudan, South Africa, Libya and Kenya. Fertilizer, petroleum products, soap and polish and tobacco constituted the major import items from African nations.



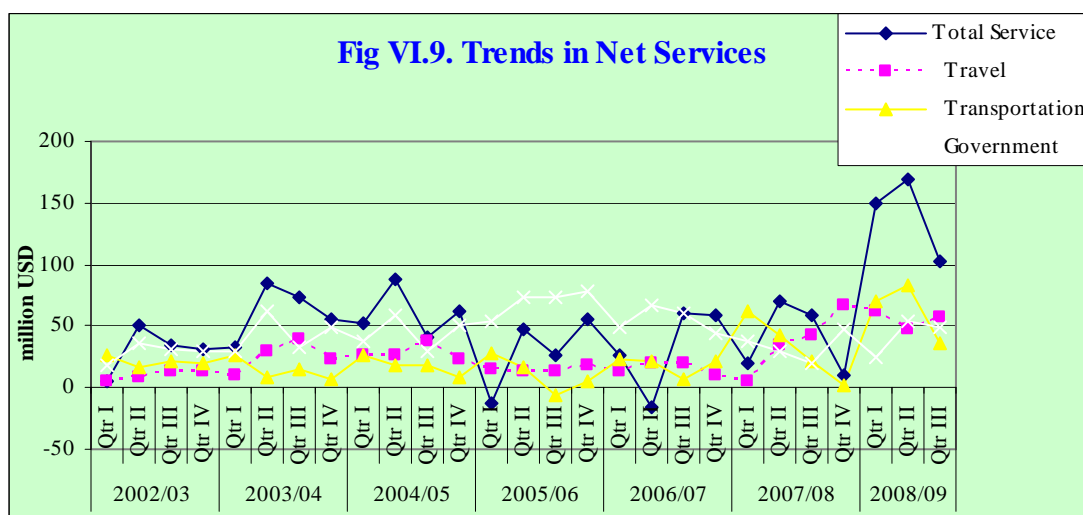
Source: Ethiopian Revenue and Customs Authority

### 6.3 Services and Transfers

During the third quarter of 2008/09, the surplus in the service account went down by 38 percent to USD 103.4 million compared with the preceding quarter. This quarterly decline in the surplus of the service account was the result of 56.2 and 18.9 percent fall in net receipts from transportation and government services, respectively coupled with a surge in net

payments for other services by 94.8 percent.

On annual basis, the surplus in the service account in the review quarter went up by 74.7 percent due to the surge in net receipts from travel, transportation and government services.



Source: NBE Staff Computation

**Table 6.8: Trends in Service Accounts**

(In Millions of USD)

Particulars	2007/08		2008/09				Percentage Change	
	Qtr III A	% Share	Qtr II B	% Share	Qtr III C	% Share	C/B	C/A
Receipts	415.5	100.0	574.7	100.0	438.6	100.0	-23.7	5.6

Travel	79.7	19.2	87.2	15.2	89.5	20.4	2.7	12.3
Transportation	208.4	50.1	308.1	53.6	205.8	46.9	-33.2	-1.3
Government (n.i.e)	32.3	7.8	68.4	11.9	50.8	11.6	-25.7	57.2
Investment Income	10.9	2.6	4.8	0.8	2.9	0.7	-38.9	-73.3
Interest	10.9	2.6	4.8	0.8	2.9	0.7	-38.9	-73.3
Dividend	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Other Services	84.2	20.3	106.2	18.5	89.6	20.4	-15.6	6.4
Communication Services	18.4	4.4	23.9	4.2	23.6	5.4	-1.3	28.3
Construction Services	3.6	0.9	8.1	1.4	5.1	1.2	-36.6	42.9
Insurance Services	0.5	0.1	0.1	0.0	0.0	0.0	-50.1	-93.6
Financial Services	2.3	0.6	14.4	2.5	8.9	2.0	-37.7	291.4
Computer and Information Service	0.1	0.0	1.3	0.2	0.2	0.0	-86.6	151.6
Other Business Services	59.3	14.3	58.3	10.1	51.7	11.8	-11.3	-12.8
Personal, Cultural and Recreational	0.0	0.0	0.2	0.0	0.0	0.0	-	-
<b>Payments</b>	<b>356.3</b>	<b>100.0</b>	<b>408.2</b>	<b>100.0</b>	<b>335.2</b>	<b>100.0</b>	<b>-17.9</b>	<b>-5.9</b>
Travel	37.0	10.4	38.0	9.3	31.8	9.5	-16.5	-14.0
Transportation	186.5	52.3	224.1	54.9	169.0	50.4	-24.6	-9.4
Government (n.i.e)	11.8	3.3	8.0	2.0	1.9	0.6	-76.9	-84.3
Investment Income	3.0	0.9	14.3	3.5	9.0	2.7	-37.6	193.7
Interest	1.5	0.4	6.3	1.5	3.3	1.0	-47.0	125.4
cash (Banks & MOF)	1.5	0.4	6.3	1.5	3.3	1.0	-47.0	125.4
arrears	0.0	0.0	0.0	0.0	0.0	0.0	-	-
relief	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Dividend	1.6	0.4	8.1	2.0	5.6	1.7	-30.2	257.5
Other Services	118.1	33.1	123.7	30.3	123.7	36.9	0.0	4.7
Communication Services	4.4	1.2	3.8	0.9	4.7	1.4	22.9	6.8
Construction Services	39.6	11.1	80.9	19.8	88.8	26.5	9.8	124.1
Insurance Services	1.7	0.5	1.1	0.3	1.3	0.4	19.6	-25.8
Financial Services	0.0	0.0	0.1	0.0	0.3	0.1	256.1	793.5
Computer and Information Service	1.0	0.3	1.0	0.2	2.0	0.6	104.1	97.3
Other Business Services	71.3	20.0	36.9	9.0	26.6	7.9	-27.9	-62.7
Personal, Cultural and Recreational	0.0	0.0	0.0	0.0	0.0	0.0	-	-
<b>Net Services</b>	<b>59.2</b>		<b>166.5</b>		<b>103.4</b>		<b>-37.9</b>	<b>74.7</b>

Source: NBE Staff Compilation

Total net transfers went down by 25.5 percent compared to the preceding quarter due to 37.4 percent decline in net official transfers. Of the total official

transfers, only 8 percent was food transfers while the rest was in cash.

On the other hand, net private transfers (including transfers through NGOs) fell



by 17.6 percent on quarterly basis owing to 34.2 and 6.9 percent decline net transfers to NGOs and private individuals, respectively. Year-on-year basis, however, it went up by 13.6 percent due to 13.6 and 13.4 percent increase in transfers through NGOs and private individuals.

The share of private transfers from total transfers went up to 66.5 percent during the review quarter from 60.1 percent in the preceding quarter and 63 percent in the same quarter of last year.

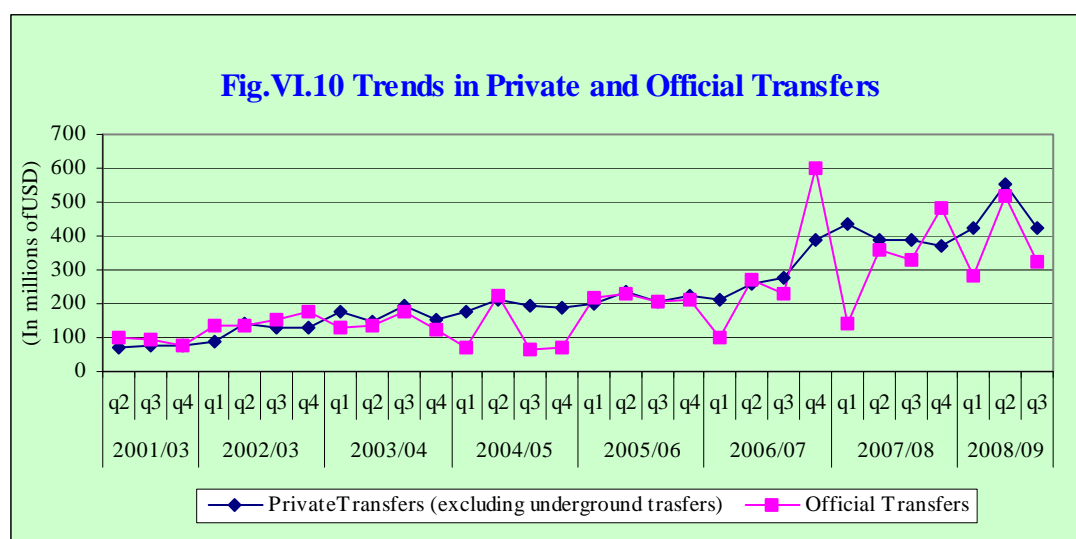
**Table 6.9: Developments of Transfer Accounts**

(In Millions of USD)

Particulars	2007/08		2008/09				Percentage Change	
	QIII	% share	QII	% share	QIII	% share	C/B	C/A
	A		B		C			
<b>Private Transfers</b>	<b>563.9</b>	<b>63.0</b>	<b>777.3</b>	<b>60.1</b>	<b>640.8</b>	<b>66.5</b>	<b>(17.6)</b>	<b>13.6</b>
Credit	573.3	63.2	781.7	60.0	646.5	66.5	(17.3)	12.8
<b>NGO's</b>	<b>175.2</b>	<b>19.3</b>	<b>296.7</b>	<b>22.8</b>	<b>195.1</b>	<b>20.1</b>	<b>(34.2)</b>	<b>11.4</b>
Cash	152.6	16.8	296.7	22.8	195.1	20.1	(34.2)	27.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Food	22.5	2.5	0.0	0.0	0.0	0.0	-	-
<b>Private individuals</b>	<b>398.1</b>	<b>43.9</b>	<b>485.0</b>	<b>37.2</b>	<b>451.4</b>	<b>46.4</b>	<b>(6.9)</b>	<b>13.4</b>
Cash	189.3	20.9	189.1	14.5	186.7	19.2	(1.3)	(1.4)
Inkind	31.9	3.5	69.1	5.3	49.1	5.0	(28.9)	54.0
Underground Private								
Transfers	176.9	19.5	226.8	17.4	215.6	22.2	(4.9)	21.9
Debit	(9.3)	83.8	(4.5)	43.9	(5.7)	60.9	28.1	(38.9)
<b>Official Transfers</b>	<b>331.7</b>	<b>37.0</b>	<b>515.4</b>	<b>39.9</b>	<b>322.7</b>	<b>33.5</b>	<b>(37.4)</b>	<b>(2.7)</b>

Credit	333.5	36.8	521.1	40.0	326.3	33.5	(37.4)	(2.2)
Cash	333.5	36.8	479.7	36.8	300.1	30.8	(37.4)	(10.0)
Other	0.0	0.0	0.0	0.0	0	0.0	-	-
Food	0.0	0.0	41.5	3.2	26.2	2.7	(36.7)	-
Debit	(1.8)	16.2	(5.7)	56.1	(3.7)	39.1	(35.5)	103.7
<b>Total Receipts</b>	<b>906.8</b>	<b>101</b>	<b>1,302.8</b>	<b>101</b>	<b>972.9</b>	<b>101</b>	<b>(25.3)</b>	<b>7.3</b>
<b>Total Payments</b>	<b>(11.1)</b>	<b>(1.2)</b>	<b>(10.1)</b>	<b>(0.8)</b>	<b>(9.4)</b>	<b>(1.0)</b>	<b>(7.5)</b>	<b>(15.8)</b>
<b>Net Transfers</b>	<b>895.6</b>	<b>100</b>	<b>1,292.7</b>	<b>100</b>	<b>963.5</b>	<b>100</b>	<b>(25.5)</b>	<b>7.6</b>

Source: NBE Staff Compilation



Source: NBE Staff Compilation

## 6.4 Current Account

Despite lower trade deficit in the quarter under review compared to the preceding quarter, the current account deficit (including official transfers) widened by 20 percent and reached USD 254.7 million. On the other hand, it narrowed down by 25.6 percent compared to its level of the same quarter last year.

## 6.5 Capital account

Meanwhile, net capital inflows marginally increased by 0.6 percent on quarterly basis while they surged by 126 percent compared to the same quarter last year due to higher net official disbursement and estimated foreign direct investment.

## 6.6 Changes in Reserve Position

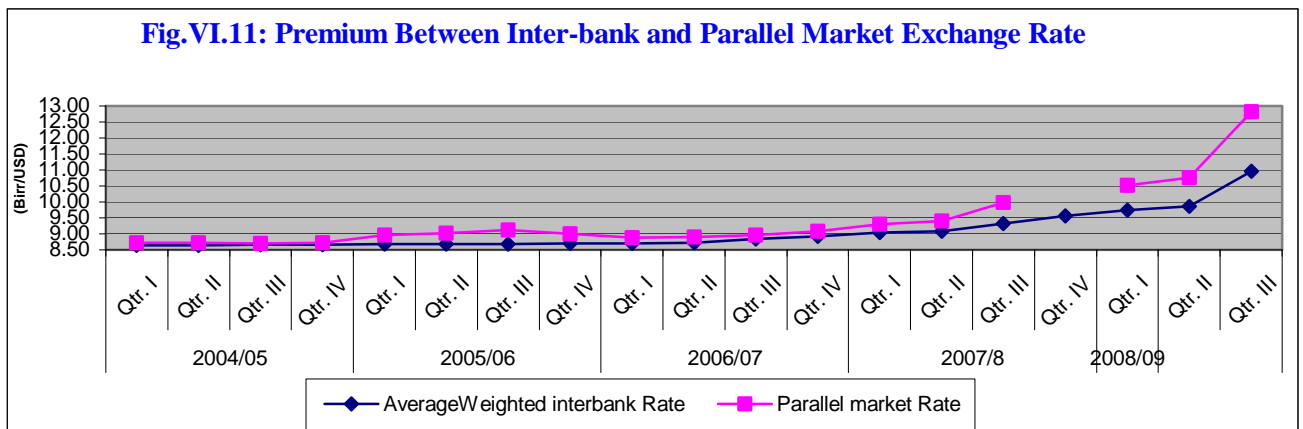
As a result of the surplus in the overall balance of payments, the foreign exchange reserves of the banking system increased on quarterly basis. Net foreign assets of NBE increased by USD 245 million while that of commercial banks went up by USD 64.9 million.

## 6.7 Developments in Foreign Exchange Market

### 6.7.1 Exchange Rate Movements

The average exchange rate of the Birr in the inter-bank foreign exchange market reached Birr 10.9521/USD during the third quarter of 2008/09 showing a

quarterly and annual depreciations of 11.0 and 17.5 percent, respectively. The rate of depreciation of the Birr was faster in the parallel market with quarterly and annual depreciations of 19.2 and 28.4 percent, respectively. Accordingly, the average spread between the exchange rates of the Birr in the official and parallel markets widened to 17.0 percent compared to 9.0 percent in the preceding quarter and 7.1 percent in the same quarter last year.



Source: NBE, Reserve Management and Foreign Exchange Market Department and Staff Compilation

Note: The gap in the parallel rate for the fourth quarter of 2007/08 was due to the government's action on parallel market dealers

**Table 6.10: Exchange Rates in Inter-bank Foreign Exchange Market**

Period	Rates in Birr per USD		Amount Traded in millions of USD	Number of Trades	Parallel Market	Premium
	End Period Rates	Average Weighted				

		Weighted Rate	Highest	Lowest	Rate	Total	o/w Among CBs	Total	o/w Among CBs	End Period	Average	m
<b>2007/08</b>												
<b>Qtr. III</b>	<b>C</b>	<b>9.4925</b>	<b>9.4935</b>	<b>9.4917</b>	<b>9.3192</b>	<b>28.9</b>	<b>0.0</b>	<b>512</b>	<b>0.0</b>	<b>10.3300</b>	<b>9.9822</b>	<b>7.11</b>
January		9.2436	9.2436	9.2401	9.2113	11.50	0.0	166	0.0	9.8000	9.6773	5.06
February		9.3402	9.3402	9.3357	9.2937	10.50	0.0	183	0.0	10.2150	9.9393	6.95
March		9.4925	9.4935	9.4917	9.4526	6.85	0.0	163	0.0	10.3300	10.3300	9.28
<b>2008/09</b>												
<b>Qtr. II</b>	<b>B</b>	<b>9.9566</b>	<b>9.9566</b>	<b>9.9566</b>	<b>9.8670</b>	<b>6.0</b>	<b>0.0</b>	<b>531</b>	<b>0.0</b>	<b>11.4000</b>	<b>10.7540</b>	<b>8.99</b>
October		9.9040	9.9040	9.9040	9.7456	2.3	0.0	203	0.0	10.6750	10.5160	7.91
November		9.9238	9.9238	9.9238	9.9144	2.0	0.0	181	0.0	10.7000	10.6630	7.55
December		9.9566	9.9566	9.9566	9.9409	1.7	0.0	147	0.0	11.4000	11.0830	11.49
<b>Qtr. III</b>	<b>A</b>	<b>11.1109</b>	<b>11.1109</b>	<b>11.1109</b>	<b>10.9521</b>	<b>3.0</b>	<b>0.0</b>	<b>387</b>	<b>0.0</b>	<b>13.4000</b>	<b>12.8163</b>	<b>17.02</b>
January		11.0181	11.0181	11.0181	10.7380	1.00	0.00	119	0.0	12.4000	12.2640	14.21
February		11.0527	11.0527	11.0527	11.0364	1.00	0.00	129	0.0	13.1000	12.9500	17.34
March		11.1109	11.1109	11.1109	11.0820	1.00	0.00	139	0.0	13.4000	13.2350	19.43
Percentage changes	A / B	11.59	11.59	12.59	11.00	-50.00		-27.12		17.54	19.18	89.34
	A / C	17.05	17.04	17.06	17.52	-89.60		-24.41		29.72	28.39	139.35

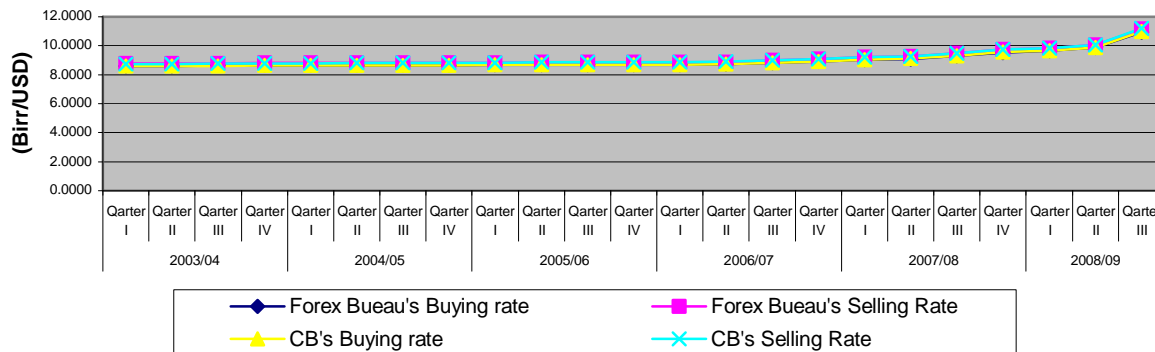
Source: NBE Reserve Management and Foreign Exchange Market Department and Staff Compilation

Looking at the retail market for foreign exchange, the average buying rate of foreign exchange bureaux during the period was USD 10.9577/USD while their selling rate was Birr 11.1760/USD. Both the buying and selling rates depreciated by 11 percent on quarterly and 17.6 percent on annual basis. The average spread between the buying and selling rates was about 1.99 percent.

percent on quarterly and 17.8 percent on annual terms and reached Birr 10.9852/USD. Similarly, their selling rate showed a 11.3 percent quarter-on-quarter and 17.7 percent year-on-year depreciation to reach Birr 11.2084/USD. The average spread between their buying and selling rates was 2.03 percent, showing a slight decline compared to 2.09 percent in the preceding quarter.

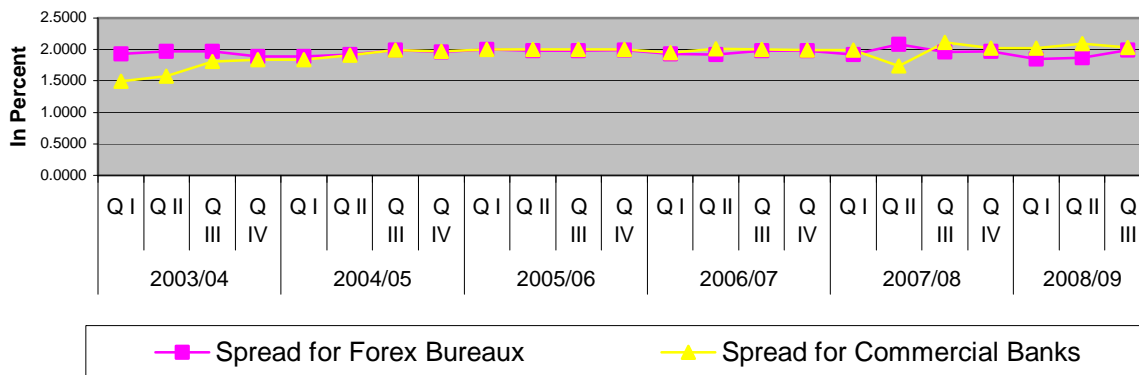
On the other hand, the buying rate of commercial banks depreciated by 11.4

**Fig. VI.12: Buying and Selling Rates in Forex Bureaus and Commercial Banks**



Source: NBE, Banking and Foreign Exchange Directorate

**Fig. VI.13: Spread Between Buying and Selling Rates of Foreign Exchange in the Retail Market**



Source: NBE Staff Compilation

During the review period, the average exchange rate of US dollar against all major currencies except Yen and Swiss Frank appreciated at different rates compared to the preceding quarter. The appreciation was highest against Pound Sterling (8.9%), followed by SDR (0.9%) and Euro (0.6%). The average

exchange rate of US dollar appreciated on annual basis also against all major currencies except Japanese Yen.

**Table 6.11: Period Average Exchange Rates (USD per other Major Currencies)**

Year		Euro			Yen			SDR			Pound			Swiss Frank		
		Buying	Selling	Mid Rate	Buying	Selling	Mid Rate	Buying	Selling	Mid Rate	Buying	Selling	Mid Rate	Buying	Selling	Mid Rate
<b>2007/08</b>																
Qtr. III	C	<b>1.5017</b>	<b>1.4999</b>	<b>1.5008</b>	<b>0.0095</b>	<b>0.0095</b>	<b>0.0095</b>	<b>1.5994</b>	<b>1.5979</b>	<b>1.5987</b>	<b>1.9781</b>	<b>1.9782</b>	<b>1.9781</b>	<b>0.9372</b>	<b>0.9372</b>	<b>0.9372</b>
January		1.4709	1.4709	1.4709	0.0093	0.0093	0.0093	1.5838	1.5791	1.5815	1.9695	1.9695	1.9695	0.9074	0.9074	0.9074
February		1.4759	1.4738	1.4748	0.0093	0.0093	0.0093	1.5843	1.5847	1.5845	1.9627	1.9629	1.9628	0.9161	0.9162	0.9162
March		1.5583	1.5552	1.5567	0.0099	0.0099	0.0099	1.6301	1.6301	1.6301	2.0020	2.0020	2.0020	0.9880	0.9880	0.9880
<b>2008/09</b>																
Qtr. II	B	<b>1.3200</b>	<b>1.3200</b>	<b>1.3200</b>	<b>0.0104</b>	<b>0.0104</b>	<b>0.0104</b>	<b>1.5086</b>	<b>1.5086</b>	<b>1.5086</b>	<b>1.5735</b>	<b>1.5735</b>	<b>1.5735</b>	<b>0.8657</b>	<b>0.8657</b>	<b>0.8657</b>
October		1.3326	1.3326	1.3326	0.0099	0.0100	0.0100	1.5178	1.5178	1.5178	1.6957	1.6957	1.6957	0.8761	0.8761	0.8761
November		1.2715	1.2715	1.2715	0.0104	0.0103	0.0103	1.4831	1.4831	1.4831	1.5311	1.5311	1.5311	0.8402	0.8402	0.8402
December		1.3559	1.3559	1.3559	0.0110	0.0110	0.0110	1.5248	1.5248	1.5248	1.4937	1.4937	1.4937	0.8808	0.8808	0.8808
Qtr. III	A	<b>1.3120</b>	<b>1.3119</b>	<b>1.3119</b>	<b>0.0107</b>	<b>0.0107</b>	<b>0.0107</b>	<b>1.4953</b>	<b>1.4953</b>	<b>1.4953</b>	<b>1.4338</b>	<b>1.4338</b>	<b>1.4338</b>	<b>0.8720</b>	<b>0.8817</b>	<b>0.8768</b>
January		1.3399	1.3398	1.3398	0.0111	0.0111	0.0111	1.5158	1.5158	1.5158	1.4429	1.4429	1.4429	0.8909	0.9180	0.9045
February		1.2790	1.2790	1.2790	0.0108	0.0108	0.0108	1.4872	1.4873	1.4872	1.4408	1.4408	1.4408	0.8583	0.8603	0.8593
March		1.3171	1.3167	1.3169	0.0102	0.0102	0.0102	1.4827	1.4827	1.4827	1.4176	1.4176	1.4176	0.8667	0.8668	0.8667
<b>Percentage change</b>	A/B	-0.61	-0.62	-0.61	2.79	2.87	2.83	-0.88	-0.88	-0.88	-8.88	-8.88	-8.88	0.72	1.85	1.28
	A/C	-12.63	-12.54	-12.59	12.75	12.71	12.73	-6.51	-6.43	-6.47	-27.52	-27.52	-27.52	-6.96	-5.93	-6.44

Source: NBE Staff Compilation

On the other hand, the Birr depreciated against all major currencies on quarterly basis as well as on annual terms. The annual depreciation was highest against Japanese Yen (32.2%) followed by USD (17.4%), SDR (9.7%), Swiss Frank (9.7%) and Euro (2.6 %).

**Table 6.12: Period Average Exchange Rates (Birr per Major Currencies)**

Year		USD			Euro			Yen			SDR			Pound			Swiss Frank		
		Buying	Selling	Mid Rate	Buying	Selling	Mid Rate	Buying	Selling	Mid Rate	Buying	Selling	Mid Rate	Buying	Selling	Mid Rate	Buying	Selling	Mid Rate
<b>2007/08</b>																			
<b>Qtr. III</b>	<b>C</b>	<b>9.3159</b>	<b>9.4088</b>	<b>9.3623</b>	<b>13.9769</b>	<b>14.1166</b>	<b>14.0526</b>	<b>0.0886</b>	<b>0.0895</b>	<b>0.0890</b>	<b>14.9019</b>	<b>15.0371</b>	<b>14.9695</b>	<b>18.4292</b>	<b>18.6136</b>	<b>18.5214</b>	<b>8.7346</b>	<b>8.8220</b>	<b>8.7783</b>
<b>January</b>		9.2108	9.3029	9.2569	13.5480	13.6835	13.6157	0.0854	0.0862	0.0858	14.5880	14.6904	14.6392	18.1411	18.3226	18.2318	8.3583	8.4419	8.4001
<b>February</b>		9.2919	9.3840	9.3379	13.6934	13.8303	13.7721	0.0867	0.0875	0.0871	14.7211	14.8704	14.7957	18.2374	18.4199	18.3286	8.5128	8.5981	8.5554
<b>March</b>		9.4450	9.5394	9.4922	14.6892	14.8361	14.7698	0.0938	0.0947	0.0942	15.3965	15.5505	15.4735	18.9092	19.0983	19.0038	9.3328	9.4261	9.3794
<b>2008/09</b>																			
<b>Qtr. II</b>	<b>B</b>	<b>9.8631</b>	<b>9.9617</b>	<b>9.9124</b>	<b>13.0183</b>	<b>13.1485</b>	<b>13.0834</b>	<b>0.1029</b>	<b>0.1038</b>	<b>0.1033</b>	<b>14.8785</b>	<b>15.0273</b>	<b>14.9529</b>	<b>15.5108</b>	<b>15.6660</b>	<b>15.5884</b>	<b>8.5381</b>	<b>8.6235</b>	<b>8.5808</b>
<b>October</b>		9.7364	9.8338	9.7851	12.9729	13.1027	13.0378	0.0968	0.0982	0.0975	14.7768	14.9245	14.8506	16.5071	16.6723	16.5897	8.5301	8.6154	8.5728
<b>November</b>		9.9134	10.0125	9.9629	12.6047	12.7309	12.6678	0.1027	0.1030	0.1028	14.7027	14.8498	14.7763	15.1785	15.3303	15.2544	8.3293	8.4126	8.3710
<b>December</b>		9.9394	10.0388	9.9891	13.4773	13.6121	13.5447	0.1092	0.1102	0.1097	15.1561	15.3077	15.2319	14.8468	14.9953	14.9210	8.7549	8.8425	8.7987
<b>Qtr. III</b>	<b>A</b>	<b>10.9330</b>	<b>11.0422</b>	<b>10.9876</b>	<b>14.3435</b>	<b>14.4849</b>	<b>14.4142</b>	<b>0.1171</b>	<b>0.1183</b>	<b>0.1177</b>	<b>16.3452</b>	<b>16.5087</b>	<b>16.4270</b>	<b>15.6754</b>	<b>15.8321</b>	<b>15.7537</b>	<b>9.5296</b>	<b>9.7330</b>	<b>9.6313</b>
<b>January</b>		10.6850	10.7918	10.7384	14.3043	14.4474	14.3759	0.1185	0.1197	0.1191	16.1915	16.3538	16.2727	15.4071	15.5612	15.4841	9.5123	9.9085	9.7104
<b>February</b>		11.0348	11.1450	11.0899	14.1135	14.2546	14.1840	0.1196	0.1207	0.1201	16.4112	16.5753	16.4933	15.8992	16.0581	15.9787	9.4712	9.5879	9.5295
<b>March</b>		11.0791	11.1899	11.1345	14.6126	14.7528	14.6827	0.1134	0.1145	0.1139	16.4328	16.5971	16.5149	15.7198	15.8770	15.7984	9.6052	9.7025	9.6538
<b>Percentage change</b>	<b>A/B</b>	10.85	10.85	10.85	10.18	10.16	10.17	13.87	13.95	13.91	9.86	9.86	9.86	1.06	1.06	1.06	11.61	12.87	12.24
	<b>A/C</b>	17.36	17.36	17.36	2.62	2.61	2.57	32.24	32.19	32.21	9.69	9.79	9.74	-14.94	-14.94	-14.94	9.10	10.33	9.72

Source: NBE, Reserve Management and Foreign Exchange Market Department (RMFED)



**Table 6. 13 Birr per Unit of Currency End Period Mid Market Rate**

Currency	Mar-08	Dec-08	Mar-09	Percentage change	
	C	B	C	C/B	C/A
USD	9.5391	10.0049	11.1637	11.6	17.0
Pound	19.0104	14.4451	15.9652	10.5	-16.0
Swedish Kroner	1.6041	1.2896	1.3491	4.6	-15.9
Djibouti Frank	0.0537	0.0563	0.0628	11.5	16.9
Swiss Frank	9.5726	9.4591	9.7397	3.0	1.7
Saudi Riyal	2.5424	2.6652	2.9766	11.7	17.1
UAE Dirham	2.5971	2.7236	3.0392	11.6	17.0
Canadian Dollar	9.3383	8.2088	8.8756	8.1	-5.0
Japanese Yen	0.0957	0.1107	0.1138	2.8	18.9
Euro	15.0679	14.1009	14.7852	4.9	-1.9
SDR	15.7012	15.4856	16.6347	7.4	5.9

Source: National Bank of Ethiopia –BFED

### 6.7.2. Movements in Real Effective Exchange Rate

Following a faster depreciation in the nominal exchange rate of the Birr and a slow down in domestic prices, the real effective exchange rate, which has been showing appreciation trends over the past couple of years, showed a quarterly depreciation of 13.9 percent during the

third quarter of 2008/09. Compared to its level of the same quarter last year, however, it appreciated by 13.8 percent.

On the other hand, the nominal effective exchange rate depreciated by 8.5 and 6.7 percent on quarterly and annual basis, respectively.

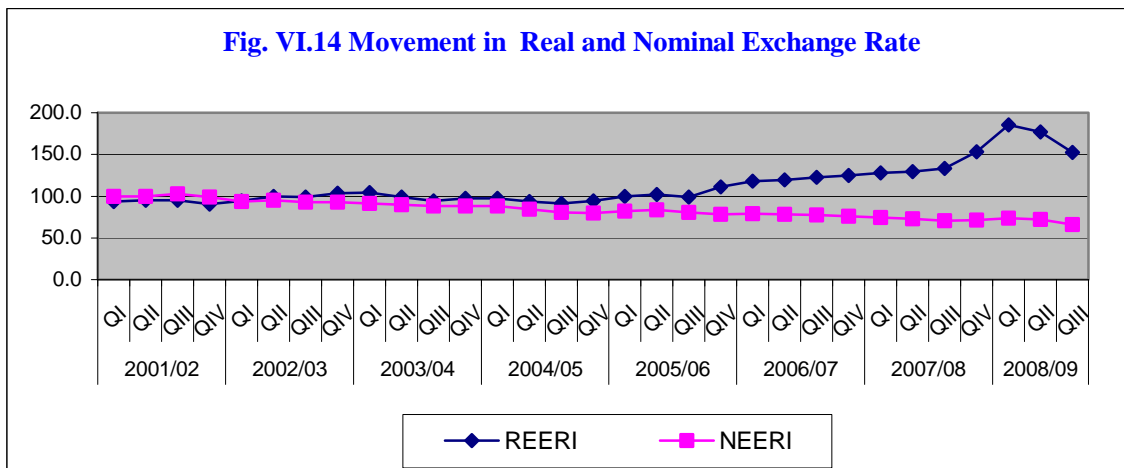
**Table 6.14 Trends in Real Effective Exchange Rate**

	2007/08	2008/9		Percentage Change	
	QIII	QII	QIII	C/B	C/A
	A	B	C		
<b>REERI</b>	<b>133.7</b>	<b>176.7</b>	<b>152.1</b>	<b>-13.92</b>	<b>13.76</b>
<b>NEERI</b>	<b>70.9</b>	<b>72.2</b>	<b>66.1</b>	<b>-8.45</b>	<b>-6.72</b>

REERI = Real Effective Exchange Rate Index

NEERI = Nominal Effective Exchange Rate Index

Source: NBE Staff Computation

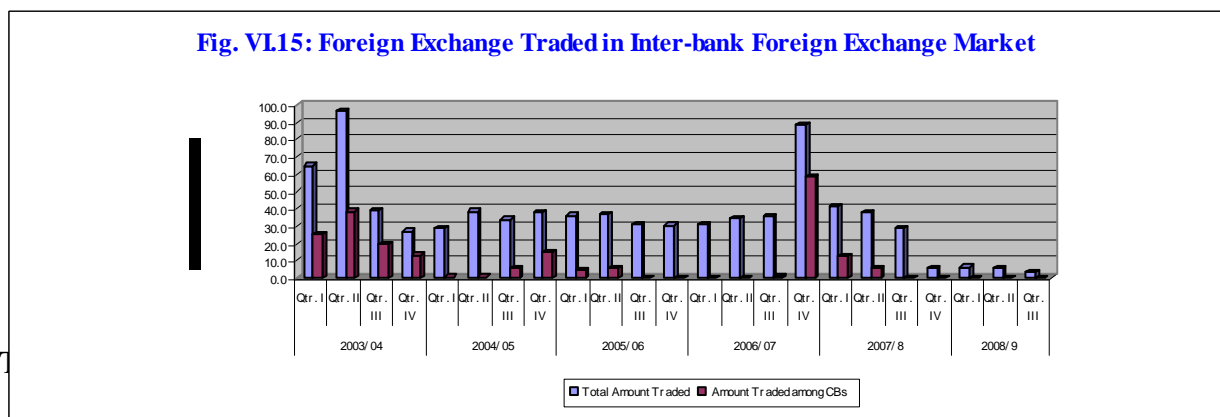


Source: NBE Staff Computation

### 6.7.3 Volume of Transactions

The amount of foreign exchange traded in the inter-bank foreign exchange market was USD 3.0 million during the review period about 50 and 89.6 percent

lower than the amount traded in the preceding quarter and the same quarter last year, respectively. All transactions took place between NBE and commercial banks with no trade among commercial banks.



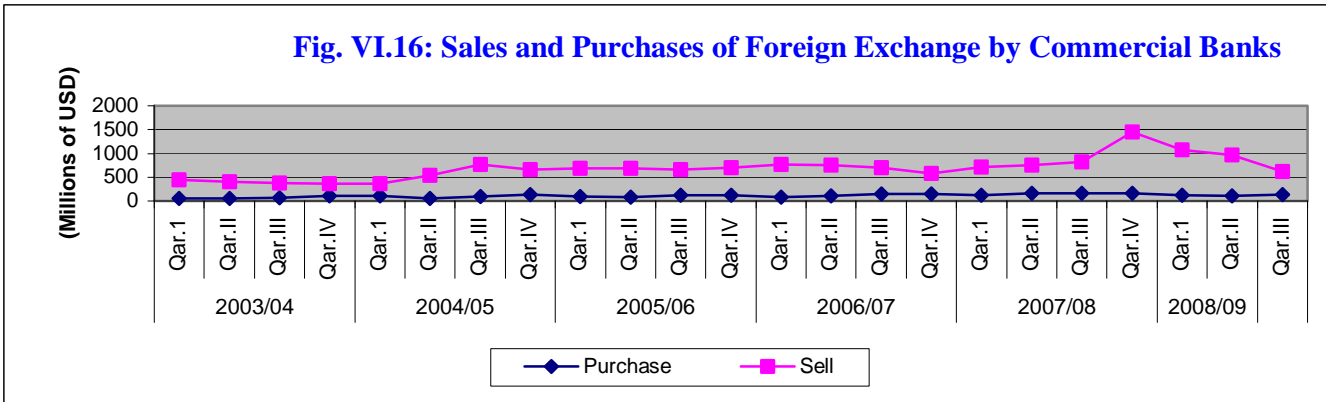
Source: NBE, Reserve Management and Foreign Exchange Market Department

In the retail market, commercial banks purchase of foreign exchange from exporters reached USD 131.8 million, which was 23.9 percent higher than the amount purchased during the preceding quarter but 20.9 percent lower than the same quarter last year.

On the other hand, foreign exchange sold by commercial banks to importers declined by 36.6 percent on quarterly

basis and 25.1 percent on annual terms and reached USD 615.8 million.

Meanwhile, forex bureaux purchases went up by 21.8 and 87.7 percent on quarterly and annual basis, respectively and reached USD 50.2 million. Their sales, on the other hand, decreased by 5.9 percent on quarterly basis but increased by 12.2 percent year-on-year basis to reach USD 14.3 million.



Source: NBE, Reserve Management and Foreign Exchange Market Department

**Table 6.15: Amount of Foreign Exchange Purchased and Sold by Forex Bureau of Commercial Banks**

(In millions of USD)

Name of Forex Bureau	No of Branches	2007/08		2008/09				Percentage Change			
		Quarter III		Quarter II		Quarter III		C/B		C/A	
		A		B		C					
		Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
Commercial Bank of Ethiopia	121	10.4	4.9	7.9	3.5	21.0	0.4	166.9	-88.0	100.9	-91.5
Bank of Abyssinia	28	0.8	1.2	1.1	1.2	0.8	1.2	-27.5	-2.3	0.6	-4.2
Dashen Bank	58	4.4	2.8	3.6	3.8	7.2	5.7	97.5	47.9	61.4	104.0
Awash International Bank	14	0.6	0.8	0.6	2.0	0.5	1.2	-16.4	-39.1	-14.8	43.7
Construction and Business Bank	5	0.2	0.1	0.5	0.2	0.3	0.1	-27.5	-60.1	59.1	-51.2
Wegagen Bank	19	1.6	1.4	1.8	1.9	2.2	1.7	22.6	-12.9	32.5	15.5
United Bank	34	2.9	0.8	3.2	1.3	4.4	1.8	36.2	39.6	51.5	132.1
Nib International Bank	29	5.8	0.6	22.6	1.3	13.6	2.3	-39.7	70.4	134.9	251.3
Oromiya Cooperative Bank	2	0.0	0.0	0.0	0.0	0.3	0.0				
<b>Total</b>	<b>310</b>	<b>26.7</b>	<b>12.8</b>	<b>41.2</b>	<b>15.2</b>	<b>50.2</b>	<b>14.3</b>	<b>21.8</b>	<b>-5.9</b>	<b>87.7</b>	<b>12.2</b>
<b>Average Exchange Rate</b>		<b>9.3186</b>	<b>9.5018</b>	<b>11.1729</b>	<b>10.9577</b>	<b>10.9577</b>	<b>11.1760</b>	<b>-1.9</b>	<b>2.0</b>	<b>17.6</b>	<b>17.6</b>

Source: NBE, Foreign Exchange Statistics and Monitoring Department

**Table 6.16: Amount of Foreign Exchange Purchased and Sold by Commercial Banks**

(In millions of USD)

Name of Forex Bureau	2007/08		2008/09				Percentage Change			
	Quarter III		Quarter II		Quarter III		C/B		C/A	
	A		B		C					
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
Commercial Bank of Ethiopia	55.8	384.1	34.2	514.6	77.9	417.5	127.6	-18.9	39.5	8.7
Bank of Abyssinia	2.9	46.8	5.0	50.5	0.8	13.3	-83.5	-73.7	-72.1	-71.6
Dashen Bank	47.2	113.6	29.2	129.3	20.4	66.0	-30.0	-48.9	-56.7	-41.8
Awash International Bank	10.0	37.7	6.6	26.3	4.5	5.0	-31.9	-80.9	-55.0	-86.7
Construction and Business Bank	0.2	23.7	0.5	14.0	0.3	9.8	-41.5	-30.1	17.9	-58.7
Wegagen Bank	40.9	85.8	23.3	75.4	19.3	37.4	-17.1	-50.4	-52.8	-56.4
United Bank	0.0	43.6	0.0	98.0	0.0	28.4	-	-71.0	-	-34.7
Develoment Bank	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-

Nib International Bank	9.6	80.9	7.7	60.7	8.6	37.6	12.4	-38.1	-10.1	-53.6
Oromiya Cooperative Bank	0.0	6.3	0.0	2.2	0.0	0.7	-	-67.0	-	-88.7
<b>Total</b>	<b>166.7</b>	<b>822.7</b>	<b>106.4</b>	<b>971.1</b>	<b>131.8</b>	<b>615.8</b>	<b>23.9</b>	<b>-36.6</b>	<b>-20.9</b>	<b>-25.1</b>
<b>Average Exchange Rate</b>	<b>9.3255</b>	<b>9.5225</b>	<b>9.8654</b>	<b>10.0720</b>	<b>10.9704</b>	<b>11.1729</b>	<b>11.2</b>	<b>10.9</b>	<b>17.6</b>	<b>17.3</b>

Source: NBE, Reserve Management and Foreign Exchange Market Department