

VIII. INVESTMENT

A total of 1,701 investment projects with an aggregate capital of Birr 28.1 billion were licensed by the Ethiopian Investment Agency and Regional Investment Offices during the first quarter of 2009/10. Both the number and capital of approved investment projects fell in the review quarter as compared to the preceding quarter and the same period of last year, respectively (Table 8.1).

Out of the total investment projects approved in the review period, 1,699 projects were private, while the

remaining 2 were public. In addition, of the total approved private investment projects, 1,315 projects (77.3 percent) were domestic and the rest 384 (22.7 percent) foreign direct investments. Despite their small number foreign direct investment projects constituted Birr 18.6 billion or 66.2% of the total capital of approved projects during the review period.

Upon going operational, the approved investment projects are expected to create 69,136 permanent and 112,174 casual jobs.

Table 8.1. Performance of Approved Investment Projects

Type of Projects	Items	2008/09	2009/10		Percentage changes	
		Q.I	Q.IV	Q.I	C/A	C/B
		A	B	C		
1.Total Investment	Number of projects	2,951	1,712	1,701	-42	-1
	Capital[in million Birr]	31,497	142,250	28,047	-11	-80
	Permanent Employment	112,076	82,418	69,136	-38	-16
	Temporary Employment	279,918	184,071	112,174	-60	-39
2. Private Investment	Number of projects	2,945	1,711	1,699	-42	-1
	Capital[in million Birr]	27,079	67,250	27,995	3	-58
	Permanent Employment	112,076	72,418	69,071	-38	-5
	Temporary Employment	279,918	134,071	112,169	-60	-16
2.1 Domestic Investment	Number of projects	2,471	1,323	1,315	-47	-1
	Capital[in million Birr]	15,299	43,989	9,470	-38	-78
	Permanent Employment	65,797	30,543	53,287	-19	74
	Temporary Employment	193,432	94,365	82,310	-57	-13
2.2 Foreign Investment	Number of projects	474	388	384	-19	-1
	Capital[in million Birr]	11,781	23,261	18,525	57	-20
	Permanent Employment	46,279	41,875	15,784	-66	-62
	Temporary Employment	86,486	39,706	29,859	-65	-25
3. Public Investment	Number of projects	6	1	2	-67	100
	Capital[in million Birr]	4,418	75,000	52	-99	-100
	Permanent Employment	0	10,000	65	-	-99
	Temporary Employment	0	50,000	5	-	-100

Source: Ethiopian Investment Agency

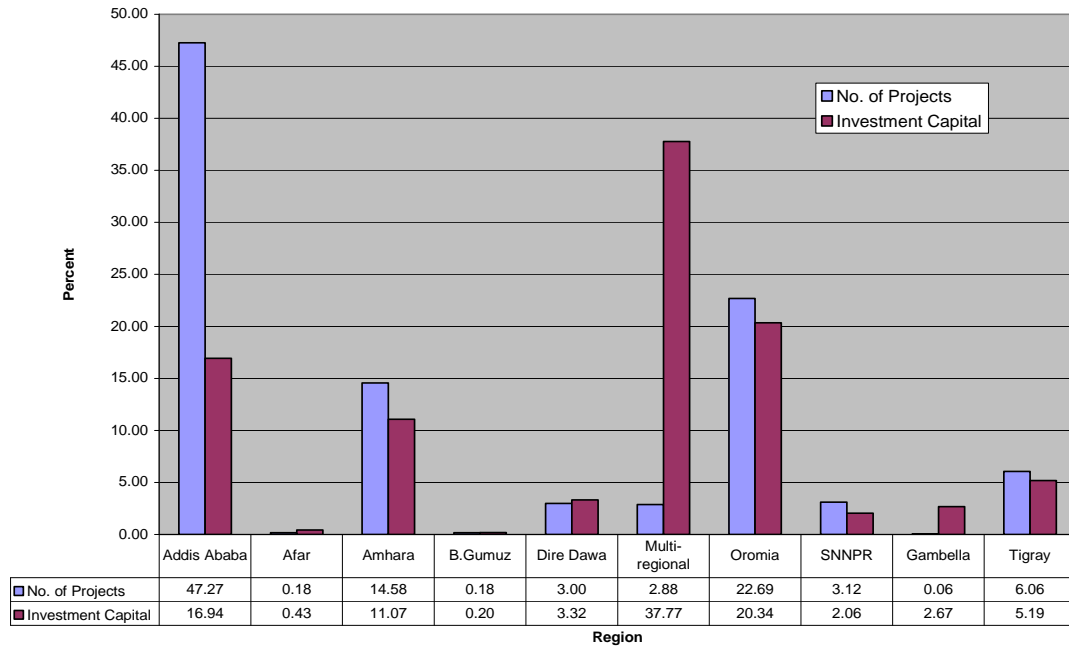
With regard to sectoral distribution, of the total 1,701 projects licensed during the stated period, manufacturing makes up 23.9 percent followed by real estate, renting and various business activities (18 percent), construction (16.5 percent) and agriculture, hunting and forestry (15.6 percent). The order of sectors in total capital also follows the same pattern. (Table 8.2).

Regarding job creation, more permanent jobs are expected to be created by the manufacturing sector (29.3 percent), followed by construction (19.4 percent) and real estate, renting and business activities (15.8 percent). While, agriculture, hunting and forestry are envisaged to employ more casual workers.

	No. of Proj.	Share [in %]	Capital(in Million Birr)	Share [in %]	Perm. Emp.	Share [in %]	Temp. Emp.	Share [in %]
Agriculture, hunting and forestry	266	15.64	1,709.61	6.10	10,849	15.69	63,103	56.25
Construction	281	16.52	2,706.86	9.65	13,390	19.37	12,497	11.14
Education	53	3.12	222.43	0.79	1,429	2.07	833	0.74
Electricity, gas, steam and water supply	1	0.06	2.00	0.01	10	0.01	10	0.01
Fishing	7	0.41	17.46	0.06	165	0.24	40	0.04
Health and social work	16	0.94	98.99	0.35	362	0.52	688	0.61
Hotels and restaurants	171	10.05	1,549.94	5.53	7,655	11.07	5,742	5.12
Manufacturing	407	23.93	17,016.56	60.67	20,258	29.30	18,150	16.18
Mining and quarrying	4	0.24	26.20	0.09	112	0.16	180	0.16
Other community, social and personal service activities	18	1.06	74.74	0.27	600	0.87	478	0.43
Real estate, renting and business activities	306	17.99	3,824.66	13.64	10,953	15.84	8,125	7.24
Transport, storage and communication	97	5.70	270.08	0.96	1,048	1.52	682	0.61
Wholesale, retail trade & repair service	74	4.35	526.98	1.88	2,305	3.33	1,646	1.47
Grand Total	1,701	100.00	28,046.52	100.00	69,136	100.00	112,174	100.00

Source: Ethiopian Investment Agency

Fig 8:1 Approved Investment Projects by Region during First Quarter of 2009/10



Source: Ethiopian Investment Agency

Regarding the distribution of licensed investment projects by region, 47 percent of the projects were in Addis Ababa followed by Oromia (22.7 percent) and Amhara (14.6 percent) (Fig. 8.1). Sector wise, Oromia took 45.9 percent share in agriculture, hunting and forestry and 34.5 percent in hotels and restaurants. Meanwhile Addis Ababa's share was 79.4 percent in construction projects, 45.7 percent in manufacturing and 28.3 percent in education. (Tabl8.3).

Table 8.3 Regional-Sector Nexus in Number, Capital and Job Opportunities of Licensed Projects During First Quarter of 2009/10

Capital in million Birr

Investment Region												
Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gu muz	Dire Dawa	Multi-regional	Oromia	SNNPR	Gambella	Tigray	Grand Total
Agriculture, hunting and forestry	No of Proj.	6	2	90	3	4	13	122	11		15	266
	Capital.	37	100	220	55	12	79	884	140		183	1,710
	Perm.emp.	147	451	4,681	70	110	455	3,036	1,397		502	10,849
	Temp.emp.	160	3,500	16,382	300	140	1,005	35,398	440		5,778	63,103
Construction	No of Proj.	223		13		4	4	15	6	1	15	281
	Capital.	1,388		270		20	156	28	10	750	84	2,707
	Perm.emp.	11,676		726		54	165	165	107	75	422	13,390
	Temp.emp.	8,536		342		47	860	491	223	1,100	898	12,497
Education	No of Proj.	15		12		2	1	10	4		9	53
	Capital.	103		18		10	4	67	6		14	222
	Perm.emp.	614		123		128	10	247	107		200	1,429
	Temp.emp.	309		223		9	0	165	20		107	833
Electricity, gas, steam and water supply	No of Proj.					1						1
	Capital.					2						2
	Perm.emp.					10						10
	Temp.emp.					10						10
Fishing	No of Proj.			3				1	3			7
	Capital.			4				3	10			17
	Perm.emp.			75				10	80			165
	Temp.emp.			24				5	11			40
Health and social work	No of Proj.	8		3		1					4	16
	Capital.	51		15		9					24	99
	Perm.emp.	184		40		20					118	362
	Temp.emp.	65		574		12					37	688
Hotels and restaurants	No of Proj.	43		42		8	1	59	4		14	171
	Capital.	174		410		34	10	467	141		314	1,550
	Perm.emp.	2,936		1,744		227	30	1,924	346		448	7,655
	Temp.emp.	1,429		1,193		190	10	2,050	0		870	5,742
Manufacturing	No of Proj.	187	1	24		10	19	120	14		32	407
	Capital.	1,300	20	1,590		23	10,265	2,914	209		695	17,017
	Perm.emp.	7,180	50	1,422		165	949	7,796	1,460		1,236	20,258
	Temp.emp.	4,355	150	2,038		108	2,347	5,758	2,305		1,089	18,150
Mining and quarrying	No of Proj.							4				4
	Capital.							26				26
	Perm.emp.							112				112
	Temp.emp.							180				180

... Continued Table 8.3

Other community, social and personal service activities	No of Proj.	4		10		1		1	1		1	18
	Capital.	43		24		2		4	2		1	75
	Perm.emp.	176		248		15		15	20		126	600
	Temp.emp.	229		210		12		25	0		2	478
Real estate, renting and business activities	No of Proj.	222		34		16	8	9	8		9	306
	Capital.	1,400		395		811	72	970	49		128	3,825
	Perm.emp.	8,091		1,618		225	141	157	502		219	10,953
	Temp.emp.	5,862		1,267		296	329	202	71		98	8,125
Transport, storage and communication	No of Proj.	87		1			3	1	1		4	97
	Capital.	241		2			8	1	5		13	270
	Perm.emp.	854		12			30	6	76		70	1,048
	Temp.emp.	594		7			55	4	0		22	682
Wholesale, retail trade & repair service	No of Proj.	9		16		4		44	1			74
	Capital.	15		156		11		341	5		0	527
	Perm.emp.	100		1,313		53		814	25			2,305
	Temp.emp.	90		783		8		765	0			1,646
Total No of Projects		804	3	248	3	51	49	386	53	1	103	1,701
Total Capital		4,752	120	3,104	55	932	10,594	5,704	578	750	1,456	28,047
Total Permanent employment		31,958	501	12,002	70	1,007	1,780	14,282	4,120	75	3,341	69,136
Total Temporary employment		21,629	3,650	23,043	300	832	4,606	45,043	3,070	1,100	8,901	112,174
Percentage share												
No of Project		47.27	0.18	14.58	0.18	3.00	2.88	22.69	3.12	0.06	6.06	100.00
Capital.		16.94	0.43	11.07	0.20	3.32	37.77	20.34	2.06	2.67	5.19	100.00
Permanent employment		46	1	17	0	1	3	21	6	0	5	100
Temporary employment		19	3	21	0	1	4	40	3	1	8	100

Source: Ethiopian Investment Agency

Note: The empty spaces show that the values are zero