

VII. INVESTMENT

The Ethiopian Investment Agency and Regional Investment Offices issued investment licenses to 2,294 investors (of which 99.8 percent were private) with an aggregate capital of Birr 39 billion during the first quarter of 2010/11. Both the number and capital of approved projects increased in the review quarter as compared to the fourth quarter of 2009/10 and a year ago, respectively (Table V.II.1).

Private investment projects licensed reached 2,291 with a total capital of Birr 31.6 billion. At the same time, three public projects with a Birr 7.5 billion capital were approved.

Of the total private investment projects approved, 1,940 projects (84.6 percent) were domestic and 351 (15.3 percent) foreign with the rest being public projects. The total capital investment of foreign projects accounted for Birr 18.3 billion or 47 percent of the total capital.

Upon commencement of operation, the approved investment projects are expected to create employment opportunities for 75,740 permanent and 146,761 casual employees.

Table 7.1. Performance of Approved Investment Projects (capital in millions of Birr)

Type of Projects	Items	2009/10		2010/11	Percentage changes	
		Q.I	Q.IV	Q.I	C/A	C/B
		A	B	C		
1. Total Investment	Number of projects	1,701	1,715	2,294	34.9	34
	Capital[in million Birr]	28,047	23,785	39,013	39.1	64
	Permanent Employment	69,136	53,986	75,740	10	40
	Temporary Employment	112,179	125,671	146,761	31	17
2. Private Investment	Number of projects	1,699	1,715	2,291	35	34
	Capital[in million Birr]	27,995	23,785	31,556	12.7	32.7

	Permanent Employment	69,071	53,986	75,365	9	40
	Temporary Employment	112,169	125,671	146,718	31	17
2.1 Domestic Investment	Number of projects	1,315	1,338	1,940	48	45
	Capital[in million Birr]	9,470	10,480	13,219	39.6	26
	Permanent Employment	53,287	35,002	55,321	4	58
	Temporary Employment	82,310	70,610	103,099	25	46
2.2 Foreign Investment	Number of projects	384	377	351	-9	-7
	Capital[in million Birr]	18,525	13,306	18,338	-1.0	37.8
	Permanent Employment	15,784	18,984	20,044	27	6
	Temporary Employment	29,859	55,061	43,619	46	-21
3. Public Investment	Number of projects	2	0	3	50	
	Capital[in million Birr]	52	0	7,456	-	-
	Permanent Employment	65	0	375	477	
	Temporary Employment	5	0	43	760	

Source: Ethiopian Investment Agency

In line with sectoral distribution of investment projects, the lion's share (23 percent) was taken up by real estate, renting & business activities followed by manufacturing (20 percent), agriculture, hunting & forestry (16 percent) and construction (15 percent). Manufacturing accounted for 30 percent of the investment capital followed by agriculture, hunting & forestry (20 percent), electricity, gas, steam and water supply (18 percent), real estate,

renting and business (12percent) (Table VII.2).

Regarding creation of employment opportunities by sector, the largest permanent employer is expected to be manufacturing (31 percent) followed by agriculture, hunting & forestry (24 percent) and construction (11 percent). Agriculture, hunting & forestry are envisaged to create 47 percent of the casual employment.

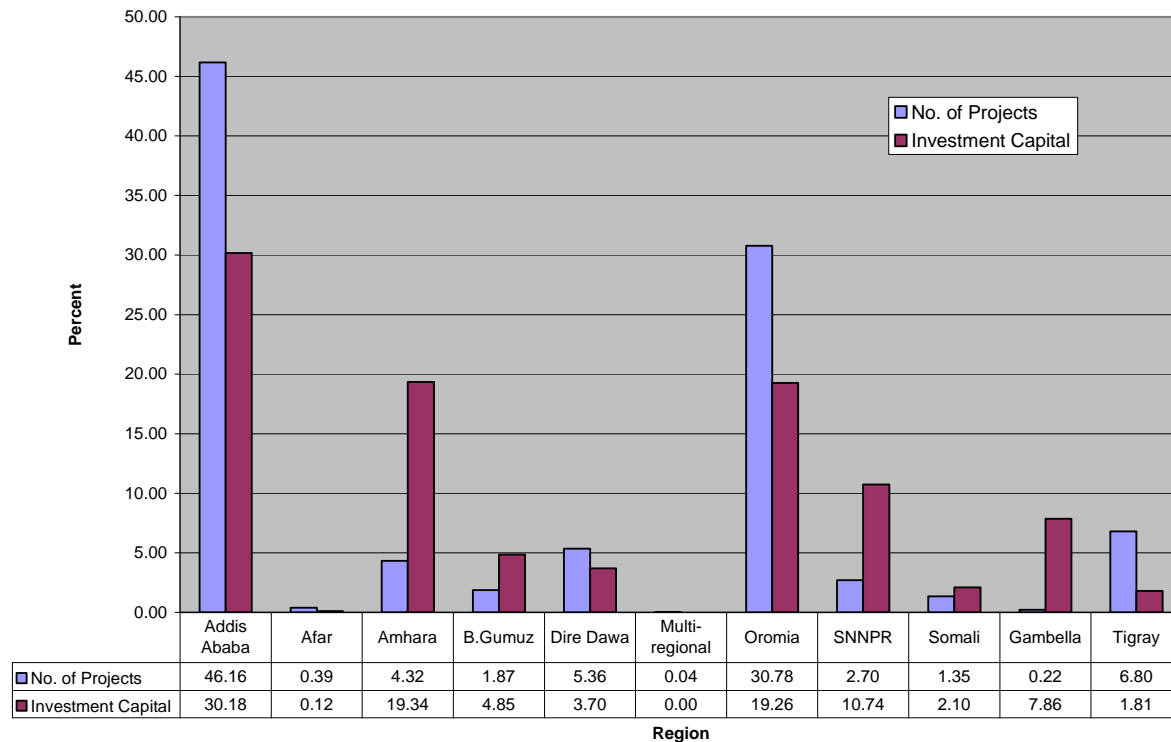
Table 7.2 Investment Distribution By Sector[Qrt.I, 2010/11]

	No. of Proj.	Share [percent]	Capital (in Million Birr)	Share [Percent]	Perm. Emp.	Share [percent]	Temp. Emp.	Share [Percent]
Agriculture, hunting	359	16	7,815	20	18,456	24	68,254	47

and forestry									
Construction	333	15	3,108	8	8,139	11	27,817	19	
Education	60	3	578	1	3,731	5	3,273	2	
Electricity, gas, steam and water supply	2	0	7,002	18		0		0	
fishing	1		8		10		20		
Health and social work	38	2	409	1	1,590	2	1,232	1	
Hotels and restaurants	207	9	2,416	6	7,902	10	5,096	3	
Manufacturing	456	20	11,609	30	23,746	31	26,770	18	
Minining and quarrying	4	0	31	0	194	0	155	0	
Other community, social and personal service activities	24	1	436	1	479	1	985	1	
Real estate, renting and business activities	539	23	4,752	12	7,719	10	11,131	8	
Transport, storage and communication	187	8	570	1	1,595	2	1,018	1	
Wholesale, retail trade & repair service	84	4	272	1	2,179	3	1,010	1	
Grand Total	2,294	100	39,013	100	75,740	100	146,761	100	

Source: Ethiopian Investment Agency

Fig VII:1 Approved Investment Projects by Region of Investment During First Quarter of 2010/11



Source: Ethiopian Investment Agency

Concerning the allocation of investment projects by region, Addis Ababa takes up 46.2 percent, Oromia 30.8 percent and Tigray 6.8 percent (Fig. VII.1). Sector wise, Oromia leads with a share of 54,9 percent in agriculture ,hunting and forestry, 43.2 percent in manufacturing and 54 percent in hotel & restaurant projects. Meanwhile, Addis Ababa accounted for 78.7 percent of the construction and 41.7 percent of education projects licensed (TableVII.3).

