

## **VII. Developments in Investment Sector**

During the first quarter of 2015/16, 674 investment projects with total investment capital of Birr 3.8 billion become operational. Year on year basis, the number of investment projects and the amount of investment capital grew by remarkable amount.

All the investment projects were privately owned of which 98 percent was domestic and 2 percent foreign. Domestic investment projects recorded an investment capital of Birr 3.7 billion or 98.5 percent of the total private investment capital whereas foreign investment constituted Birr 58 million (1.5 percent).

It is worth to make that, foreign investment projects grew by 85.7 percent compared to same period of last year while domestic investment projects surged extremely.

These investment projects have generated employment opportunities for 11,271 employees of which 38.8 percent were permanent and 61.2 percent temporary. In line with the increased investment projects and investment capital, the employment opportunities created went up by 47 percent on quarterly and 446.9 percent on yearly basis. There were no public investment projects running during the quarter (Table 7.1).

**Table 7.1: Performance of Operational Investment Projects**

Capital (In millions of Birr)

Type of Projects	Items	2014/15		2015/16	Percentage Changes	
		QI	QIV	QI	C/A	C/B
		A	B	C		
1.Total Investment	Number of projects	15	179	674	4,393.3	276.5
	Capital	162.3	608.5	3,750	2,210.8	516.2
	Permanent Employment	417	2,248	4,375	949.2	94.6
	Temporary Employment	1,644	5,417	6,896	319.5	27.3
2. Private Investment	Number of projects	15	179	674	4,393.3	276.5
	Capital	162.3	608.5	3,750	2,210.8	516.2
	Permanent Employment	417	2,248	4,375	949.2	94.6
	Temporary Employment	1,644	5,417	6,896	319.5	27.3
2.1 Domestic Investment	Number of projects	8	174	661	8,162.5	279.9
	Capital	138.7	594.9	3,691.9	2,562.4	520.6
	Permanent Employment	231	2,135	4,080	1,666.2	91.1
	Temporary Employment	1,574.0	5,327	6,616	320.3	24.2
2.2 Foreign Investment	Number of projects	7	5	13	85.7	160.0
	Capital	23.6	13.7	58.1	145.9	325.2
	Permanent Employment	186	113	295	58.6	161.1
	Temporary Employment	70	90	280	300.0	211.1
3. Public Investment	Number of projects					
	Capital					
	Permanent Employment					
	Temporary Employment					

**Source:** Ethiopian Investment Agency.

As for sectoral distribution, real estate, renting and business activities constituted 88 percent of the total projects followed by agriculture, hunting and forestry (5 percent), construction (4 percent) and manufacturing (2 percent).

Out of the total Birr 3.8 billion capital availed, real estate, renting and business activities constituted (90 percent), construction (6 percent), and manufacturing (3 percent).

With regard to job opportunity, about 75.1 percent of permanent employment was created by real estate, renting and business activities, 11.8 percent by manufacturing and 10.3 by construction sector. Real estate,

renting and business activities constituted 46 percent of the total temporary employment created followed by Agriculture, hunting and forestry (38.3 percent) and construction sector (11.8 percent) (Table 7.2).

**Table 7.2: Investment Distribution by Sector during the First Quarter of 2015/16**

Sectors	No. of Proj.	Share (%)	Capital (in Million Birr)	Share (%)	Perm. Emp.	Share (%)	Temp. Emp.	Share (%)
Agriculture, hunting and forestry	32	5	56.3	2	96	2.2	2,644	38.3
Construction	29	4	219.7	6	451	10.3	811	11.8
Education	0	0	0	0	0	0.0	0	0.0
Electricity, gas, steam and water supply	0	0	0	0	0	0.0	0	0.0
Health and social work	0	0	0	0	0	0.0	0	0.0
Hotels and restaurants	0	0	0	0	0	0.0	0	0.0
Manufacturing	13	2	101.4	3	516	11.8	204	3.0
Minining and quarrying	1	0	0.6	0	3	0.1	60	0.9
Other community, social and personal service activities	2	0	0.9	0	10	0.2	6	0.1
Real estate, renting and business activities	595	88	3,365.4	90	3,286	75.1	3,169	46.0
Tour operation, transport, and communication	2	0	5.7	0	13	0.3	2	0.0
Wholesale, retail trade & repair service	0	0	0	0	0	0.0	0	0.0
<b>Grand Total</b>	<b>674</b>	<b>100</b>	<b>3,750.0</b>	<b>100</b>	<b>4,375</b>	<b>100.0</b>	<b>6,896</b>	<b>100.0</b>

**Source:** Ethiopian Investment Agency.

As for regional distribution of operational investment projects, about 93.9 percent of the total projects with 97.7 percent of total investment capital went to Addis Ababa, whereas 5 percent of the projects with 1.8 percent of the total capital to Tigray. As a result, the largest share of permanent employment; 93 and 6 percent were created in Addis Ababa and Tigray, respectively. Similarly, 57.6 percent of temporary employments were created in Addis Ababa and 40.9 percent were created in Tigray region (Table 7.3).

**Table 7.3: Regional-Sector Nexus in the Number, Capital (in million Birr) and Employment Creation of Operational Investment Projects for the First Quarter of 2015/16**

Sector/Region	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Multi-regional *	Oromia	SNNPR	Gambella	Harari	Tigray	Grand Total
Agriculture, hunting and forestry	No of Proj.		4					1				27	32
	Capital.		12					2.6				41.7	56.3
	Perm.emp.		25					8				63	96
	Temp.emp.		67					-				2,577	2,644
Construction	No of Proj.	25	2									2	29
	Capital.	208.2	4									7.5	219.7
	Perm.emp.	303	13									135	451
	Temp.emp.	656	35									120	811
Education	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
Electricity, gas, steam and water supply	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
Fishing	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												

Sector/Region	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Multi-regional *	Oromia	SNNPR	Gambella	Harari	Tigray	Grand Total
Health and social work	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
Hotels and restaurants	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
Manufacturing	No of Proj.	11										2	13
	Capital.	87.9										13.5	101.4
	Perm.emp.	461										55	516
	Temp.emp.	149										55	204
Mining and quarry	No of Proj.											1	1
	Capital.											0.6	0.6
	Perm.emp.											3	3
	Temp.emp.											60	60
Real estate, renting and business activities	No of Proj.	593										2	595
	Capital.	3,360.2										5.2	3,365.4
	Perm.emp.	3,280										6	3,286
	Temp.emp.	3,158										11	3,169
Tour	No of Proj.												

Sector/Region	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Multi-regional *	Oromia	SNNPR	Gambella	Harari	Tigray	Grand Total
operation, eco-tourism, cold storage service, etc.		2											2
	Capital.	5.7											5.7
	Perm.emp.	13											13
	Temp.emp.	2											2
Wholesale, retail trade & repair service	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
Others	No of Proj.	2											2
	Capital.	0.9											0.9
	Perm.emp.	10											10
	Temp.emp.	6											6
<b>Total No of Proj.</b>		<b>633</b>	<b>6</b>					<b>1</b>				<b>34</b>	<b>674</b>
<b>Total Capital.</b>		<b>3,662.9</b>	<b>16</b>					<b>2.6</b>				<b>68.5</b>	<b>3,750</b>
<b>Total Perm.emp.</b>		<b>4,067</b>	<b>38</b>					<b>8</b>				<b>262</b>	<b>4,375</b>
<b>Total Temp.emp.</b>		<b>3,971</b>	<b>102</b>					<b>-</b>				<b>2,823</b>	<b>6,896</b>
<b>Percentage shares</b>													
<b>No of Proj.</b>		<b>93.9</b>	<b>0.9</b>					<b>0.1</b>				<b>5.0</b>	<b>100.0</b>
<b>Capital.</b>		<b>97.7</b>	<b>0.4</b>					<b>0.1</b>				<b>1.8</b>	<b>100.0</b>
<b>Perm.emp.</b>		<b>93.0</b>	<b>0.9</b>					<b>0.2</b>				<b>6.0</b>	<b>100.0</b>
<b>Temp.emp.</b>		<b>57.6</b>	<b>1.5</b>					<b>0.0</b>				<b>40.9</b>	<b>100.0</b>

**Source:** Ethiopian Investment Agency.

\*are projects having one license but invested in more than one region.

