

VII. Investment

During the second quarter of 2014/15 the Ethiopian Investment Agency (EIA) and Regional Investment Offices licensed a total of 14 projects having a total investment capital of Birr 73.9 million. The number of investment projects rose 75 percent and investment capital 314.8 percent, on year-on-year basis (Table 7.1).

All the projects registered were private owned of which 13(93 percent) were domestic and the remaining 7 percent foreign. Foreign investment projects recorded an investment capital of Birr 6 million, or 8 percent of the total private

investment capital where as the share of domestic investors was Birr 67.9 million or 92 percent.

During the review quarter, foreign investment projects went down by 50 percent while domestic investment projects increased by 116.7 percent over the same quarter of last year.

Upon implementation, the investment projects are expected to generate employment opportunities for 1,281 employees, of which 222 (17 percent) permanent and 1,059 (83 percent) casual. (Table 7.1)

Table 7.1: Performance of Operational Investment Projects

Type of Projects	Items	2013/14	2014/15		Percentage changes	
		QII	QI	QII	C/A	C/B
		A	B	C		
1. Total Investment	Number of projects	8	15.0	14	75.0	-7
	Capital[in million Birr]	17.8	162.3	73.9	314.8	-54
	Permanent Employment	406	417.0	222	-45.3	-47
	Temporary Employment	305	1,644.0	1,059	247.2	-36
2. Private Investment	Number of projects	8	15.0	14	75.0	-7
	Capital[in million Birr]	17.8	162.3	73.9	314.8	-54
	Permanent Employment	406	417.0	222	-45.3	-47
	Temporary Employment	305	1,644.0	1,059	247.2	-36
2.1 Domestic Investment	Number of projects	6	8.0	13	116.7	63
	Capital[in million Birr]	13.5	138.7	67.9	403.1	-51
	Permanent Employment	68	231.0	183	169.1	-21
	Temporary Employment	293	1,574.0	1,059	261.4	-33
2.2 Foreign Investment	Number of projects	2	7.0	1	-50.0	-86
	Capital[in million Birr]	4.3	23.6	6.0	38.8	-75
	Permanent Employment	338	186.0	39	-88.5	-79
	Temporary Employment	12	70.0	0	-100.0	-100
3. Public Investment	Number of projects					
	Capital[in million Birr]					
	Permanent Employment					
	Temporary Employment					

Source: Ethiopian Investment Agency

Of the 14 investment projects licensed during the quarter, construction sector constituted 36 percent followed by manufacturing (21 percent), real estate and agriculture each constituted (14 percent) and health and social work (7 percent).

In terms of investment capital, of the total Birr 73.9 million, manufacturing takes 34 percent, followed by agriculture, hunting & forestry (33 percent), construction (21 percent), real estate and health & social work (5 percent each) and transport, storage & communication (1 percent) (Table 7.2).

With regard to job opportunity, about 36 percent of permanent employment is in health and social work, 35 percent in manufacturing, 13 percent in construction sector and 10 percent in agriculture hunting & forestry. Agricultural projects also constitute about 90 percent of the total casual employment followed by construction (7.4 percent).

Table 7.2: Investment Distribution by Sector during the Second Quarter of 2013/14

Sectors	Project	Share (%)	Capital (In Million Birr)	Share (%)	Perm. Emp.	Share (%)	Temp. Emp.	Share (%)
Agriculture, hunting and forestry	2	14	24.5	33	23	10	954	90
Construction	5	36	15.5	21	29	13	78	7.4
Education								
Electricity, gas, steam and water supply								
Health and social work	1	7	4.0	5	79	36	2	0.2
Hotels and restaurants								
Manufacturing	3	21	25.0	34	78	35	25	2.4
Mining and quarrying								
Other community, social and personal service activities								
Real estate, renting and business activities	2	14	4.0	5	11	5	0	0
Transport, storage and communication	1	7	0.9	1	2	1	0	0
Wholesale, retail trade & repair service								
Grand Total	14	100	73.9	100	222	100	1,059	100

As for regional distribution of investment projects, about 35.7 percent with 21 percent of the total investment capital are in Afar regional state followed by Tigray (28.6 percent and 58.9 percent respectively). Similarly, 21.4 percent of the projects with 10.8 percent of investment capital go to Amhara regional state and 14.3 percent projects with 9.3 percent capital to Addis Ababa.

Of the total permanent employment, 57.2 percent will be in Tigray; 18.5 percent in Addis Ababa, 13.1 percent in Afar and 11.3 percent in Amhara regional states. Concerning temporary employments, about 91.2 percent will be in Tigray, 7.4 percent in Afar and 1.4 percent in Amhara regional states (Table7.3).

Table_VII.3: Regional-Sector Nexus in the Number, Capital (in ‘000 Birr) and Employment Creation of Operational Investment Projects for the Second Quarter of 2014/15

Sector/Region	Indicators	Addis Ababa	Afar	Amhara	B.Gu muz	Dire Dawa	Multi-regional*	Oromia	SNNPR	Gam bella	Somali	Tigray	Grand Total
Agriculture, hunting and forestry	No of Proj.											2	2
	Capital.											24,542.5	24,542.5
	Perm.emp.											23	23
	Temp.emp.											954	954
Construction	No of Proj.		5										5
	Capital.		15,500.0										15,500.0
	Perm.emp.		29										29
	Temp.emp.		78										78
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.												
Health and social work	No of Proj.											1	1
	Capital.											4,020.0	4,020.0

Sector/Region	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Multi-regional*	Oromia	SNNPR	Gambella	Somali	Tigray	Grand Total
	Perm.emp.											79	79
	Temp.emp.											2	2
Hotels and restaurants	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
Manufacturing	No of Proj.	1		1								1	3
	Capital.	6,000.0		4,000.0								15,000.0	25,000.0
	Perm.emp.	39		14								25	78
	Temp.emp.			15								10	25
Mining and quarry	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
Real estate, renting and business activities	No of Proj.			2									2
	Capital.			4,000.0									4,000.0
	Perm.emp.			11									11
	Temp.emp.												
Tour operation, eco-tourism, cold storage service, etc.	No of Proj.	1											1
	Capital.	857.7											857.7
	Perm.emp.	2											2
	Temp.emp.												
Wholesale, retail trade & repair service	No of Proj.												
	Capital.												

Sector/Region	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Multi-regional*	Oromia	SNNPR	Gambella	Somali	Tigray	Grand Total
	Perm.emp.												
	Temp.emp.												
Others	No of Proj.												
	Capital.												
	Perm.emp.												
	Temp.emp.												
	Total No of Proj.		2	5	3							4	14
Total Capital.		6,858.0	15,500.0	8,000.0								43,563	73,920.2
Total Perm.emp.		41	29	25								127	222
Total Temp.emp.			78	15								966	1,059
Percentage shares													
No of Proj.		14.3	35.7	21.4								28.6	100
Capital.		9.3	21	10.8								58.9	100
Perm.emp.		18.5	13.1	11.3								57.2	100
Temp.emp.		0.0	7.4	1.4								91.2	100

Source: Ethiopian Investment Agency.

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