

## **VIII. INVESTMENT**

The Ethiopian Investment Agency and Regional Investment offices licensed a total of 3,016 investment projects with an aggregate capital of Birr 32 billion during the first quarter of 2012/13. The number of approved investment projects was 148.6 percent and 169 percent higher relative to same period of last year and against preceding quarter respectively. The total registered capital of these projects, however, declined by 2.4 percent annually but, grew by 146 percent on quarterly base (Table 8.1).

Except one project all projects approved during the stated period were private. Of the total projects, 2,825 having 93.7 percent share were domestic and the remaining 190 projects, constituting 6.3 percent share, were foreign.

Foreign investment projects, though small in number, recorded an investment capital of Birr 16.4 billion, accounting for 51.5 percent of total private investment capital.

Relative to a year ago, both domestic and foreign investment projects depicted substantial increases.

After completion, the approved investment projects are expected to generate employment opportunities for 123,507 employees (29,747 permanent and 93,760 casual employees).

**Table 8.1. Performance of Approved Investment Projects [During the first quarter of 2012/13]**

		Capital (In Million Birr)				
Type of Projects	Items	2011/12		2012/13	Percentage changes	
		Q.I	Q.IV	Q.I	C/A	C/B
		A	B	C		
1.Total Investment	Number	1,213	1,122	3,016.0	148.6	169
	Capital	32,677	12,976	31,890.1	-2.4	146
	Permanent Employment	33,969	20,104	29,747.0	-12.4	48
	Temporary Employment	96,322	45,523	93,760.0	-2.7	106
2. Private Investment	Number	1,212	1,122	3,015.0	148.8	169
	Capital	30,420	12,976	24,818.2	-18.4	91
	Permanent Employment	33,969	20,104	29,747.0	-12.4	48
	Temporary Employment	96,322	45,523	93,760.0	-2.7	106
2.1 Domestic Investment	Number	1,085	989	2,825.0	160.4	186
	Capital	7,842	4,573	8,406.9	7.2	84
	Permanent Employment	22,565	12,181	13,436.0	-40.5	10
	Temporary Employment	33,398	39,259	18,499.0	-44.6	-53
2.2 Foreign Investment	Number	127	133	190.0	49.6	43
	Capital	22,578	8,403	16,411.3	-27.3	95
	Permanent Employment	11,404	7,923	16,311.0	43.0	106
	Temporary Employment	62,924	6,264	75,261.0	19.6	1,101
3. Public Investment	Number	1	-	1.0	0.0	-
	Capital	2,256	-	7,071.9	213.4	-
	Permanent Employment	-	-	-	-	-
	Temporary Employment	-	-	-	-	-

Source: Ethiopian Investment Agency

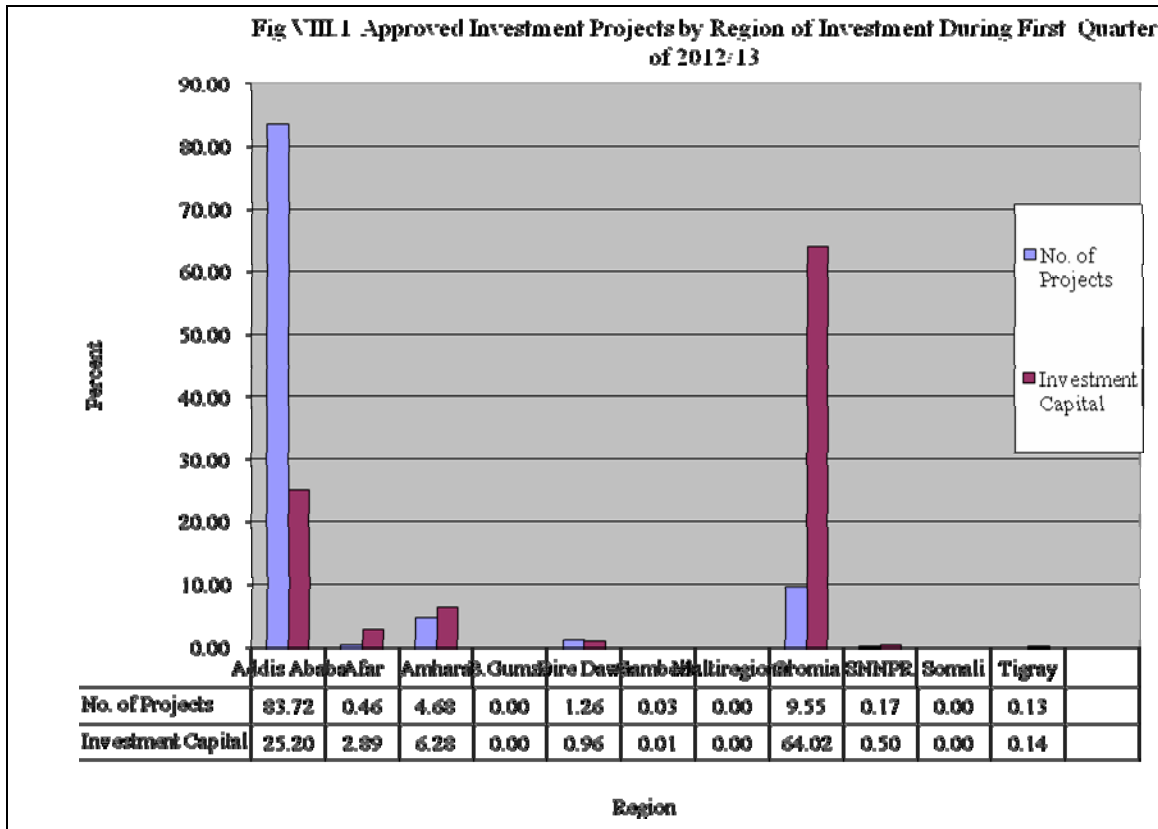
With regard to sectoral distribution of investment projects, the lion's share was taken up by mining and quarrying (78 percent) followed by construction (9 percent), real estate, renting and business activities (8 percent) and agriculture, hunting and forestry (2 percent). As for investment capital, real estate, renting and business activities accounted for (33 percent) followed by health and social work (22 percent), agriculture, hunting and forestry (19 percent) and mining quarrying (16 percent) (Table 8.2).

The largest permanent employment opportunity is expected to be generated by real estate, renting and business activities projects (50 percent) mining and quarrying (19 percent), agriculture, hunting and forestry (12 percent) and construction (9 percent). At the same time, agriculture, hunting & forestry, construction and real estate, renting and business activities are expected to employ 77 percent, 9 percent and 7 percent of the casual workers respectively.

**Table 8.2 Investment Distribution by Sector [During the first quarter of 2012/13]**

<b>Sector</b>	<b>No. of Projects</b>	<b>Share [%]</b>	<b>Capital(in Million Birr)</b>	<b>Share [%]</b>	<b>Perm. Emp.</b>	<b>Share [%]</b>	<b>Temp. Emp.</b>	<b>Share [%]</b>
Agriculture, hunting and forestry	57	2	5,943	19	3,585	12	72,402	77
Construction	265	9	922	3	2,740	9	8,375	9
Education	12	0	84	0	333	1	73	0
Health and social work	1	0	7,072	22		0		0
Hotels and restaurants	16	1	619	2	761	3	504	1
Manufacturing	40	1	1,245	4	1,368	5	544	1
Real estate, renting and business activities	242	8	10,663	33	15,002	50	6,258	7
Transport, storage and communication	1	0	1	0	19	0	5	0
Electricity, gas, steam and water supply	12	0	95	0	113	0	68	0
Mining and quarrying	2,339	78	5,172	16	5,522	19	5,390	6
Wholesale, retail trade & repair service	29	1	60	0	198	1	112	0
Others	2	0	15	0	106	0	29	0
<b>Grand Total</b>	<b>3,016</b>	<b>100</b>	<b>31,890</b>	<b>100</b>	<b>29,747</b>	<b>100</b>	<b>93,760</b>	<b>100</b>

*Source:* Ethiopian Investment Agency



Source: Ethiopian Investment Agency

Regarding regional distribution of investment projects, 83.7 percent of the projects with a 25.2 percent investment capital share were in Addis Ababa, followed by Oromia (9.5 percent) and Amhara (4.7 percent) (Fig.VIII.1). Sector wise, Oromia took 61.4 percent of the investment in agriculture, hunting & forestry. Meanwhile Addis Ababa’s share was 64 percent in manufacturing, 88.6 percent in real estate, renting and business activities and 77.7 percent in construction; Afar received 10.5 percent

in agriculture, hunting & forestry and 5 percent in hotels and restaurant (Table 8.3).



Investment Region														
Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Multi-regional	Oromia	SNNPR	Gambella	Somali	Harari	Tigray	Grand Total
Health and social work	No of Proj.	9		1	-	1	-	3	-	-	-	-	2	16
	Capital.	495,794.0		7,681.1	-	3,023.3	-	104,500.0	-	-	-	-	7,600.0	618,598
	Perm.emp.	367		44	-	29	-	300	-	-	-	-	21	761
	Temp.emp.	312		0	-	-	-	-	-	-	-	-	12	504
Hotels and restaurants	No of Proj.	32	2	4	-	-	-	-	1	-	-	-	-	40
	Capital.	1,048,873.4	16,000.0	163,512.2	-	-	-	-	4,500.0	-	-	-	-	1,244,740
	Perm.emp.	991	27	261	-	-	-	-	6	-	-	-	-	1,368
	Temp.emp.	437	58	49	-	-	1	-	-	-	-	-	-	544
Manufacturing	No of Proj.	155	1	9	-	9	-	65	1	1	-	-	1	242
	Capital.	1,102,171.6	847,000	1,462,998.0	-	110,982.6	-	7,105,633.7	8,820.0	2,220.0	-	-	23,000.0	10,662,826
	Perm.emp.	5,590	57	700	-	288	-	8,261	12	34	-	-	60	15,002
	Temp.emp.	2,266	0	315	-	289	-	3,098	150	100	-	-	40	6,258
Mining and quarry	No of Proj.	-	-	-	-	1	-	-	-	-	-	-	-	1
	Capital.	-	-	-	-	1,200.0	-	-	-	-	-	-	-	1,200
	Perm.emp.	-	-	-	-	19	-	-	-	-	-	-	-	19
	Temp.emp.	-	-	-	-	5	-	-	-	-	-	-	-	5
Real estate, renting and business activities	No of Proj.	2,072	3	112	-	14	-	138	-	-	-	-	-	2,339
	Capital.	4,441,703.9	14,000.0	204,050.1	-	138,083.3	-	374,618.0	-	-	-	-	-	5,172,455
	Perm.emp.	4,177	13	462	-	206	-	664	-	-	-	-	-	5,522
	Temp.emp.	3,591	35	473	-	232	-	1,059	-	-	-	-	-	5,390

Investment Region														
Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Multi-regional	Oromia	SNNPR	Gambella	Somali	Harari	Tigray	Grand Total
Tour operation, eco-tourism, cold storage service, etc.	No of Proj.	27	-	-	-	1	-	1	-	-	-	-	-	29
	Capital.	57,437.1	-	-	-	2,309.1	-	750.0	-	-	-	-	-	60,496
	Perm.emp.	153	-	-	-	43	-	2	-	-	-	-	-	198
	Temp.emp.	110	-	-	-	-	-	2	-	-	-	-	-	112
Wholesale, retail trade & repair service	No of Proj.	-	-	2	-	-	-	-	-	-	-	-	-	2
	Capital.	-	-	14,675.8	-	-	-	-	-	-	-	-	-	14,676
	Perm.emp.	-	-	106	-	-	-	-	-	-	-	-	-	106
	Temp.emp.	-	-	29	-	-	-	-	-	-	-	-	-	29
Others	No of Proj.	9	-	1	-	1	-	1	-	-	-	-	-	12
	Capital.	90,350.0	-	1,500.0	-	1,342.2	-	1,800.0	-	-	-	-	-	94,992
	Perm.emp.	89	-	11	-	3	-	10	-	-	-	-	-	113
	Temp.emp.	68	-	0	-	-	-	0	-	-	-	-	-	68
<b>Total No of Proj.</b>	-	-	-	-	-	<b>0</b>	-	-	-	-	<b>0</b>	<b>0</b>	<b>4</b>	<b>3,016</b>
<b>Total Capital.</b>	-	-	-	-	-	<b>0</b>	-	-	-	-	<b>0</b>	<b>0</b>	<b>44,870</b>	<b>31,890,068</b>
<b>Total Perm.emp.</b>	-	-	-	-	-	<b>0</b>	-	-	-	-	<b>0</b>	<b>0</b>	<b>196</b>	<b>29,747</b>
<b>Total Temp.emp.</b>	-	-	1	-	1	-	<b>0</b>	-	1	-	<b>0</b>	<b>0</b>	<b>62</b>	<b>93,760</b>
<b>Percentage share</b>														
<b>No of Proj.</b>		<b>84</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>
<b>Capital.</b>		<b>25</b>	<b>3</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>64</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>
<b>Perm.emp.</b>		<b>45</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>41</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>100</b>
<b>Temp.emp.</b>		<b>11</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>81</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>

Source: Ethiopian Investment Agency



