

VII. INVESTMENT

The Ethiopian Investment Agency and Regional Investment Offices issued investment licenses to about 1401 projects with a total capital of Birr 29.3 billion during the fourth quarter of 2012/13, showing annual respective growth rates of 25 and 126 percent (Table 7.1).

About 99.2 percent of the approved projects were private. Of the total projects thus licensed 87.3 percent were domestic.

Foreign investment projects recorded an investment capital of Birr 5.4 billion, accounting for 45.4 percent of total private investment capital.

The approved investment projects are expected to generate employment opportunities for about 97 thousand employees of which 36 thousand (37.4 percent) would be permanent and the remaining were casual.

Table 7.1 Performance of Approved Investment Projects; By Type (Capital in Millions of Birr)

Type of Projects	Items	2011/12	2012/13		Percentage changes	
		Q.IV	Q.III	Q.IV	C/A	C/B
		A	B	C		
1.Total Investment	Number of projects	1,122.0	647.0	1,401.0	25	117
	Capital	12,976.4	26,064.9	29,309.9	126	12
	Permanent Employment	20,104.0	33,192.0	36,206.0	80	9
	Temporary Employment	45,523.0	43,609.0	60,493.0	33	39
2. Private Investment	Number of projects	1,122.0	646.0	1,390.0	24	115
	Capital	12,976.4	23,417.9	11,907.2	-8	-49
	Permanent Employment	20,104.0	33,192.0	36,206.0	80	9
	Temporary Employment	45,523.0	43,609.0	60,493.0	33	39
2.1 Domestic Investment	Number of projects	989.0	444.0	1,214.0	23	173
	Capital	4,573.3	3,128.6	6,500.9	42	108
	Permanent Employment	12,181.0	9,682.0	17,464.0	43	80
	Temporary Employment	39,259.0	20,089.0	35,923.0	-8	79
2.2 Foreign Investment	Number of projects	133.0	202.0	176.0	32	-13
	Capital	8,403.1	20,289.3	5,406.3	-36	-73
	Permanent Employment	7,923.0	23,510.0	18,742.0	137	-20
	Temporary Employment	6,264.0	23,520.0	24,570.0	292	4
3. Public Investment	Number of projects	-	1.0	11.0		
	Capital	-	2.6	17,402,749.9		
	Permanent Employment	-				
	Temporary Employment	-				

Source: Ethiopian Investment Agency

With respect to sectoral distribution of the projects; real estate accounted for 46 percent followed by manufacturing (21 percent), construction (12 percent) and agriculture (10 percent). In terms of investment capital electricity (generation, transmission and distribution) constituted 59 percent, of which, manufacturing sector 14 percent, real estate 7 percent, agricultural projects 7 percent, construction 6 percent, and others 7 percent (Table 7.2).

With regard to employment opportunities, about 39 percent of the permanent job would be created by manufacturing projects, 17 percent by construction and 9 percent by real estate sector. Agriculture is expected to employ 56 percent of the casual workers, followed by construction (19 percent) and manufacturing sector (15 percent).

Table 7.2 Investment Distribution by Sector during Fourth Quarter of 2012/13

Sector	No. of Projects	Share (%)	Capital (in Millions of Birr)	Share (%)	Permanent Emp.	Share (%)	Temporarily Emp.	Share (%)
Agriculture	134	9.6	2,033	6.9	8,144	22.5	33,744	55.8
Mining and quarrying	11	0.8	81	0.3	365	1.0	278	0.5
Manufacturing	301	21.5	4,128	14.1	14,274	39.4	9,299	15.4
Education	8	0.6	49	0.2	1,129	3.1	338	0.6
Health	11	0.8	150	0.5	313	0.9	305	0.5
Hotels ⁵ and Restaurants	58	4.1	1,264	4.3	1,878	5.2	1,189	2.0
Tour Operation, Transport and Communication	22	1.6	68	0.2	199	0.5	204	0.3
Real estate, Machinery and Equipment Rental and Consultancy Service	647	46.2	2,110	7.2	3,219	8.9	3,244	5.4
Construction Contracting Including Water Well Drilling	167	11.9	1,728	5.9	6,147	17.0	11,454	18.9
Electricity ⁶	11	0.8	17,403	59.4		0.0		0.0
Wholesale, retail trade & repair service	7	0.5	252	0.9	356	1.0	327	0.5
Other ⁷	24	1.7	45	0.2	182	0.5	111	0.2
Grand Total	1,401	100.0	29,310	100.0	36,206	100.0	60,493	100.0

Source: Ethiopian Investment Agency

⁵ Includes Resorts, hotels and lodges

⁶ Includes generation, transmission and distribution

⁷ Gymnasium and Recreation center

As for regional distribution of approved investment projects, about 66 percent of the total projects with 18 percent of estimated total investment capital were destined to be in Addis Ababa while 18 percent of the projects and 10 percent of the capital will go to Amhara regional states. However 34 percent of the total investment capital will be in Oromia.

About 59 percent of the approved investment projects in agriculture will be in Amhara and 26 percent in Oromia regions.

Addis Ababa takes up 53 percent of the projects in manufacturing followed by Amhara (24 percent). Similarly 88 percent of real estate, renting and business activities and 76 percent of construction projects are in Addis Ababa. Concerning investment projects in hotel and restaurant 43 percent are in Addis Ababa followed by Amhara region 33 percent (Table 7.3).

Table 7.3: Regional-Sector Nexus in the Number, Capital and Employment Creation Capacity of Licensed Projects for the Fourth Quarter of 2012/13 F.Y

Investment Region														
Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Oromia	SNNPR	Gambella	Somali	Harari	Tigray	Multi-regional*	Grand Total
Agriculture, hunting and forestry	No of Proj.	2	6	79	3	4	34	4	1					133
	Capital.	37,741.6	13,000	344,165.8	49,000.0	13,830.3	416,489.7	842,170.1	121,000.0					1,837,398
	Perm.emp.	115	47	1,821	126	191	1,465	4,224	105					8,094
	Temp.emp.	110	333	18,024	560	18	2,426	5,465	808					27,744
Construction	No of Proj.	127	1	11		5	14	7				2		167
	Capital.	1,432,490.2	2,000.0	133,988.6		13,112.3	77,962.0	24,900.4				43,335.5		1,727,789
	Perm.emp.	4,119	5	166		64	143	100				1,550		6,147
	Temp.emp.	9,477	15	1,032		10	288	112				520		11,454
Education	No of Proj.	3		2		2		1						8
	Capital.	21,291.0		2,300.0		21,202.8		4,053.2						48,847
	Perm.emp.	1,040		25		44		20						1,129
	Temp.emp.	255		21		30		32						338
Electricity,	No of Proj.						9					2	11	

Investment Region

Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Oromia	SNNPR	Gambella	Somali	Harari	Tigray	Multi-regional*	Grand Total
gas, steam and water supply	Capital.						8,011,174.5						9,391,575	17,402,750
	Perm.emp.													0
	Temp.emp.													0
Fishing	No of Proj.													0
	Capital.													0
	Perm.emp.													0
	Temp.emp.													0
Health and social work	No of Proj.	6		4		1						1.0		12
	Capital.	50,813.0		88,220.9		10,467.2						195,516		345,017
	Perm.emp.	56		223		34						50		363
	Temp.emp.	62		243								6,000		6,305
Hotels and restaurants	No of Proj.	25	1	19		4	4	5						58
	Capital.	677,161.9	30,518.3	365,415.6		20,056	101,020.0	70,122.5						1,264,295
	Perm.emp.	820	20	691		133	164	50						1,878

Investment Region														
Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Oromia	SNNPR	Gambella	Somali	Harari	Tigray	Multi-regional*	Grand Total
	Temp.emp.	359	90	595		28	56	61						1,189
Manufacturing	No of Proj.	158		73		10	57				1	1		300
	Capital.	1,339,996.5		1,535,256.8		120,521.8	1,062,738.4				9,500	59,521.2		4,127,535
	Perm.emp.	5,610		3,955		391	3,713				500	100		14,269
	Temp.emp.	3,425		4,210		219	1,380					50		9,284
Mining and quarry	No of Proj.	11	1											12
	Capital.	81,012.5	882.0											81,895
	Perm.emp.	365	5											370
	Temp.emp.	278	15											293
Real estate, renting and business activities	No of Proj.	555	2	60		13	13	4						647
	Capital	1,332,972.8	4,000.0	284,067.5		41,186.7	437,300.0	9,981.8						2,109,509
	Perm.emp.	2,122	9	587		146	320	35						3,219
	Temp.emp.	2,121	22	618		60	393	30						3,244
Tour operation, eco-tourism,	No of Proj.	19		2								1		22
	Capital	61,210.0		3,100.0								3,615.0		67,925

Investment Region														
Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Oromia	SNNPR	Gambella	Somali	Harari	Tigray	Multi-regional*	Grand Total
cold storage service, etc.	Perm.emp.	150		45								4		199
	Temp.emp.	104		100										204
Wholesale, retail trade & repair service	No of Proj.	2		2		1	1	1						7
	Capital	190,076.0		21,000.0		32,670.9	1,500.0	6,497.0						251,744
	Perm.emp.	195		37		120	4							356
	Temp.emp.			315			12							327
Others	No of Proj.	16	1	4		2	1							24
	Capital	21,931.0	800.0	9,350.0		9,662.8	3,500.0							45,244
	Perm.emp.	74	2	40		53	13							182
	Temp.emp.	44	4	38		20	5							111
														0
Total No of Proj.		924	12	256	3	42	133	22	1	0	1	5	2	1,401
Total		5,246,696	51,200	2,786,865	49,000	282,711	10,111,685	957,725	121,000	0	9,500	301,988	9,391,575	29,309,94

Investment Region														
Sector	Indicators	Addis Ababa	Afar	Amhara	B.Gumuz	Dire Dawa	Oromia	SNNPR	Gambella	Somali	Harari	Tigray	Multi-regional*	Grand Total
Capital.														6
Total Perm.emp.		14,666	88	7,590	126	1,176	5,822	4,429	105	0	500	1,704	0	36,206
Total Temp.emp.		16,235	479	25,196	560	385	4,560	5,700	808	0	0	6,570	0	60,493
Percentage shares														
No of Proj.		66	1	18	0	3	9	2	0	0	0	0	0	100
Capital.		18	0	10	0	1	34	3	0	0	0	1	32	100
Perm.emp.		41	0	21	0	3	16	12	0	0	1	5	0	100
Temp.emp.		27	1	42	1	1	8	9	1	0	0	11	0	100