



Ethiopia Economic Fact Sheet

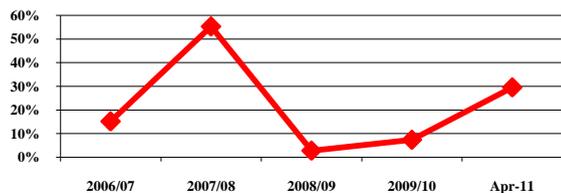
United States Embassy Addis Ababa

ETHIOPIA ECONOMIC FACT SHEET

Economic Highlights

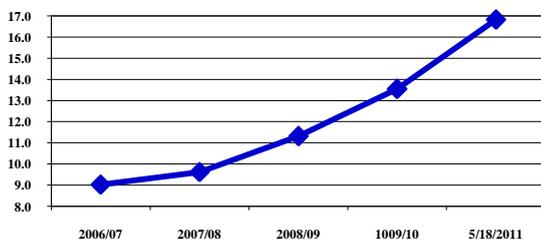
- Five year average real Gross Domestic Product (GDP) growth of 11%
- Gov't 2009/10 GDP growth was 10.4%, while IMF and World Bank estimate was 8%
- Year-on-year inflation peaked at 64% in July 2008—dropped to the single digits in 2009/10—back up to 29.5% in April 2011
- Real interest rates are negative as the minimum bank deposit rate of 5% is lower than inflation
- Government depreciated the Birr by over 80% against the USD since 2008
- Foreign currency reserves were down to 1 month of import coverage in 2008, but now stand at 2.4 months import coverage
- Intermittent power outages continue to force factories to cease operations in peak hours
- Agriculture employs 80% of the population
- Government announced price controls for 18 commodities/consumables in January 2011

Year-on-Year Inflation



Inflation	2008/09	2009/10
Average Annual	36.4%	2.8%
Year-on-Year	2.7%	7.3%

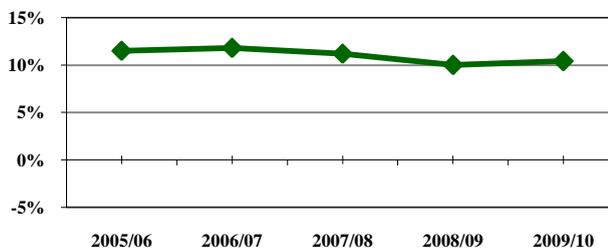
Birr/USD Exchange Rate



Birr/USD Exchange Rate	2008/09	2009/10
Average Annual	10.42	12.89
Period End	11.31	13.54

Note: Ethiopia's fiscal year runs from July 8 through July 7.

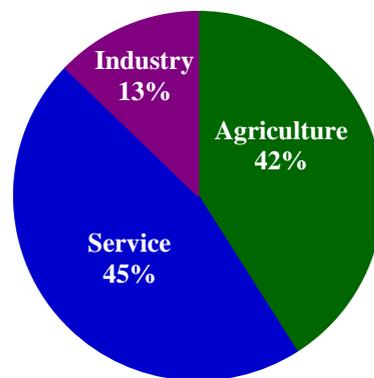
Real GDP Growth *



* IMF and World Bank estimate GDP growth at lower rates

(Billions)	2008/09	2009/10
Nominal GDP (\$)	32.1	29.9
GDP PPP (int'l \$)		86.0
Nominal GDP (ETB)	335.4	383.4
Real GDP growth	10.0%	10.4%
GDP per capita (\$)	404	365
GDP PPP per capita (int'l \$)		1,018
Population est. (millions)	80	82

Industrial Sector Percentages of 2009/10 GDP



Development Figures

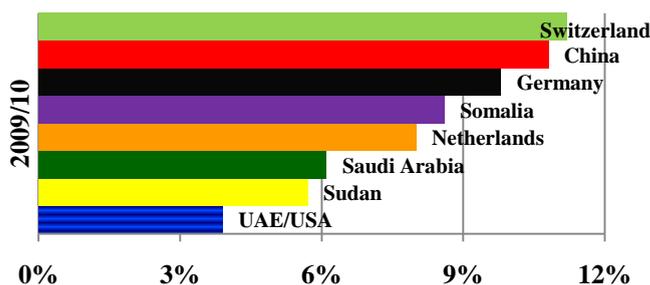
- Low Human Development ranking: 157th out of 169 countries from UNDP's Human Dvlpt Index
- Life expectancy is 56 years old
- Adult literacy rate is 36%
- Urban unemployment stands at 17% (2006)
- Percentage of population with access to safe water is 60%
- Low telecom penetration: 7 million mobile subscribers, 1 million fixed telephone lines, and 187,000 Internet subscribers
- World Bank's Ease of Doing Business ranking: 104th out of 183 countries

U.S.-Ethiopia Trade

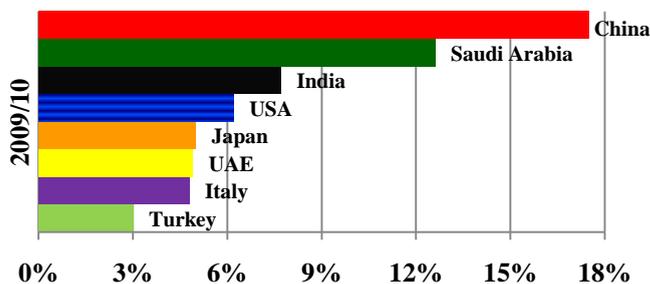
- The U.S. was the 4th largest import source (machinery/grains) and the 9th largest export destination (coffee/oil seeds) for Ethiopia in FY 2009/10
- U.S. exports to Ethiopia grew 180% in calendar year 2010, primarily due to the delivery of Boeing aircraft
- Ethiopia's 2010 AGOA* exports to U.S. were \$10 million

(\$ Millions)	2009	2010
Eth. Exports to U.S.	\$ 112.9	\$ 127.3
Eth. Imports from U.S.	\$ 270.4	\$ 758.3
Total Trade U.S./Eth.	\$ 383.3	\$ 885.6

Ethiopia Export Destinations



Ethiopia Import Sources



Ethiopian Trade

- Major exports: coffee; oil seeds; gold; chat; flowers; pulses; and live animals
- Export growth was 38% in 2009/10, making up for flat growth in the previous year
- Trade deficit reached \$6.4 billion due to heavy reliance on imported petroleum, machinery, metal products

(\$ Billions)	2008/09	2009/10
Total Exports	\$ 1.4	\$ 2.0
Total Imports	\$ 7.7	\$ 8.4
Trade Balance	(\$ 6.3)	(\$ 6.4)

U.S. Investment in Ethiopia

- U.S. businesses in Ethiopia are primarily involved in the following industries: aircraft; soft drinks; construction equipment; real estate; agricultural machinery; farming; and engineering services
- Cumulative U.S. private investment in Ethiopia since 1993 totals nearly \$1 billion
- U.S.-based Ethiopian Diaspora contribute 60% of the estimated \$2 billion in annual private transfers to individuals in Ethiopia
- U.S. is the top donor country providing assistance to Ethiopia—totaled \$800 million in 2010
- U.S. Agency for Int'l Dvlpt (USAID) supports various economic programs, including: World Trade Organization (WTO) accession project; AGOA+ program, Agribusiness & Trade Expansion Program (ATEP), Ethiopia Commodity Exchange (ECX), and the American Chamber of Commerce (AmCham) Ethiopia
- U.S. provides 17% of World Bank (WB) funding—Ethiopia's outstanding WB loans total about \$1.6 billion and recent WB Public Basic Services (PBS) grants total \$540 million over three years
- U.S. provides 17% of International Monetary Fund (IMF) funding—Recent IMF loan amounts include \$241 million in 2009 and \$50 million in 2008
- U.S. also partially funds the African Development Bank, International Fund for Agricultural Development, and the Paris Club—Ethiopia's outstanding loans to these institutions total about \$1.1 billion



Sources

- Quarterly Bulletin Second Quarter 2009/10 Volume 24 No. 1, National Bank of Ethiopia
- Annual Report 2008/09, National Bank of Ethiopia
- Ethiopian Investment Agency
- Public Sector External Debt, Statistical Bulletin No 5, October 2010, Ministry of Finance & Economic Development
- Doing Business 2011 Report, The World Bank Group
- The International Monetary Fund
- The Human Development Report 2010, United Nations Development Programme (UNDP)
- 2009 National Trade Estimate Report on Foreign Trade Barriers, Office of the U.S. Trade Representative
- United States International Trade Commission

* Note: The African Growth and Opportunity Act (AGOA) allows most Ethiopian exports to enter the U.S. market duty-free