



Ethiopia Economic Fact Sheet

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Economic Highlights

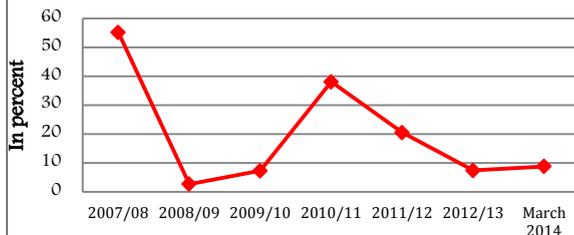
- Ethiopia's FY2012/13 GDP growth was 9.7 percent*
- Gross investment was 33 percent of GDP and domestic saving was 17.7 percent of GDP in FY2012/13
- Broad money supply is estimated to have grown at 24.2 percent in FY2012/13
- Year-on-year inflation remains in single digit at 8.8 percent in March 2014.
- The Ethiopian Birr depreciated by 5.5 percent against the USD in 2012/13
- In general, the government continues to manage their foreign currency reserves responsibly.
- Government budget deficit was 2 percent of GDP in FY2012/13 (not including public enterprise accounts)
- With several hydroelectric project coming online in the next five years, Ethiopia plans to increase its electric generation capacity from renewable sources to 10,000MW by 2015
- In FY2012/13 road density increased by almost 36 percent to 78.2**

* - Ethiopia's fiscal year runs from July 8 through July 7.

** - Road density is measured in km per 1000 persons

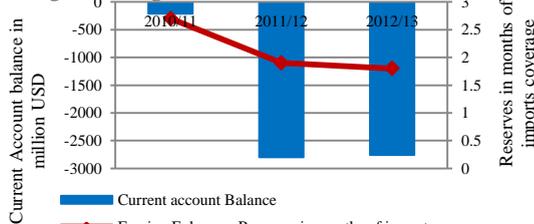
Sources: Ministry of Finance and Economic Development, National Bank of Ethiopia, Central Statistical Agency

Year-on-Year inflation



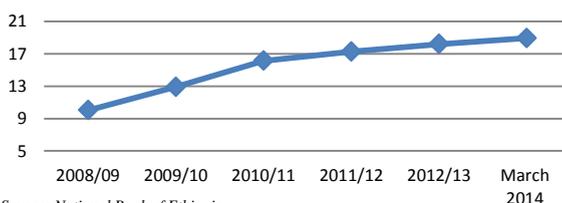
Source: Central Statistical Agency

Foreign Exchange Reserves and Current Account Balance



Source: IMF and National Bank of Ethiopia, staff estimates

Birr/USD Exchange Rate



Source: National Bank of Ethiopia

Birr/USD Exchange Rate	FY11/12	FY12/13
Average Annual	17.25	18.19
Period End	17.73	18.64

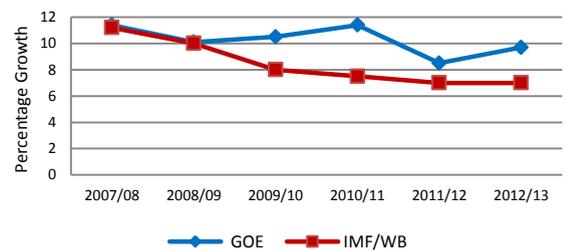
Source: National Bank of Ethiopia

Gross Domestic Product (GDP)

(Billions) – IMF Data	2011	2012	2013
Nominal GDP (USD)	31.4	42.5	48.1
GDP PPP (int'l USD)	98.7	108.9	121.4
Nominal GDP (ETB)	506.1	736.6	892.5
Real GDP growth	7.5%	7.0%	7.0%
GDP per capita (USD)	370.6	490	541.9
GDP PPP per capita (int'l USD)	1164.2	1255.7	1366
Population est. (millions)	84.7	86.8	88.9

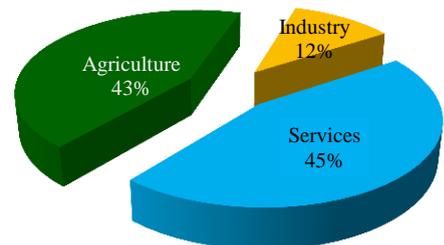
Sources: International Monetary Fund, World Economic Data Base, April 2014
*PPP – Purchasing Power Parity

Real GDP Growth



Source: Ministry of Finance and Economic Development, IMF

GDP Distribution



Source: Ministry of Finance and Economic Development, FY2012/2013

Vital Development Information

- World Bank's 2014 Ease of Doing Business Report ranking: 125th out of 189 countries
- UNDP 2013 Human Development Report ranking: 173th out of 187 countries
- Telecom penetration: 17.3 million mobile subscribers, 805 thousand fixed telephone lines, 221 thousand Internet and 2.4 million EV-DO subscribers in 2011/12
- Urban unemployment = 17.5 percent in 2011/12
- Life expectancy = 59.7 years in 2012/13
- Percent of the population living in poverty = 26 in 2012/13
- Percent of population with access to safe water = 68.4 in 2012/13.
- Adult literacy rate = 37.5 percent in 2010/11

Sources: Ministry of Finance and Economic Development, Ministry of Water and Energy, Central Statistical Agency, EthioTelecom web site accessed on 03/12/13 (<http://www.ethiotelcom.et/press/news.php?id=74>), United Nations Development Program, World Bank
EV-DO stands for Evolution Data Optimized, a 3G telecommunications standard for wireless data transmission

U.S.-Ethiopia Trade

- The U.S. was the 4th largest export destination of coffee, the 1st import source of air crafts/parts and the 2nd import source of grains for Ethiopia in FY2012/13.
- Aircrafts (including parts) represent more than 75 percent of the total US exports to Ethiopia in 2013.
- Ethiopia's 2012 AGOA exports to the U.S. were USD 22 million.

(USD Millions)	2012	2013
Eth. Exports to U.S.	183.1	193.6
Eth. Imports from U.S.	1274.7	678.1
Total Trade U.S./Eth.	1457.8	871.7

Source: www.agoa.gov, National Bank of Ethiopia, U.S. Census Bureau

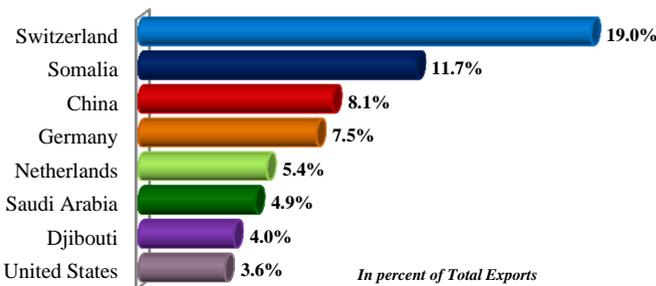
Ethiopian Trade

- Major exports: coffee, gold, oil seeds, flowers, pulses, live animals and chat.
- Exports declined by 2.5% in FY2012/13. Export growth was 14.8% and 37% per annum for the previous two fiscal years, respectively.
- Trade deficit enlarged to USD 8.39 billion in FY2012/13 owing to the decline in exports and expansion in imports.

(USD Billions)	FY2011/12	FY2012/13
Total Exports	3.15	3.08
Total Imports	11.02	11.47
Trade Balance	(7.87)	(8.39)

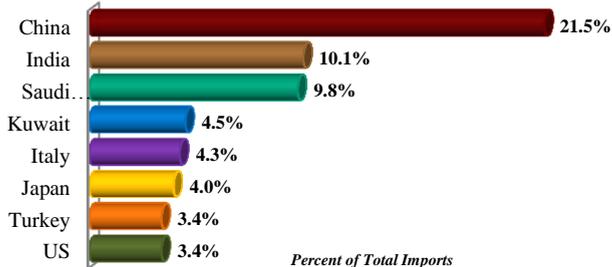
Source: National Bank of Ethiopia, Ethiopian Revenue and Customs Authority

Ethiopian Export Destinations (2012/13)



Source: National Bank of Ethiopia, Ethiopian Revenue and Customs Authority

Ethiopian Import Origins (2012/13)



Source: National Bank of Ethiopia, Ethiopian Revenue and Customs Authority



U.S. Investment in Ethiopia



- U.S. businesses in Ethiopia are primarily involved in the following industries: aircraft, construction equipment, real estate, agricultural machinery, farming, and engineering/consultancy services.
- According to Ethiopian Investment Agency, cumulative U.S. private investment in Ethiopia from 1993 up to 2011 is about USD 1.5 billion.
- Key sectors for U.S.-based investors in Ethiopia in 2013 were agriculture and agribusiness, construction and real estate, ICT and services.
- Important issues for U.S. investors in Ethiopia in 2013 were access to finance and foreign exchange, registration procedures, trade logistics and legal & regulatory framework.
- U.S.-based Ethiopian Diaspora contribute 60% of the estimated USD 2 billion in annual private transfers to individuals in Ethiopia.
- USAID supports various economic programs, including: Combating HIV/AIDS; Trade & Enterprise Expansion, Agricultural Expansion, Basic Education and Health Services, Emergency Food Assistance, Productive Safety Net, etc.
- U.S. provides 17% of World Bank (WB) global funding—Ethiopia's outstanding WB loans total about USD 3.7 billion as of February 28, 2014 and recent WB loans include USD 205 million for water supply, sanitation & hygiene and USD 320 million for road sector support program.
- U.S. provides 17% of International Monetary Fund (IMF) global funding— Ethiopia's IMF loan amounts to USD 290 million as of March 31, 2014. Ethiopia has no ongoing IMF program.
- U.S. also partially funds the African Development Bank, the Global Fund, and the International Fund for Agricultural Development —Ethiopia's outstanding loans from these institutions totaled USD 869 million as of December 31, 2011.

Macroeconomic Challenges

- Limited private sector access to bank financing
- Declining export earnings, low foreign currency reserves, strong pressure on foreign exchange rate and limited access to foreign exchange specially to the private sector.
- Negative real interest rates encouraging poor investments and conspicuous consumption
- Wide savings-investment gap which forced the country to rely on foreign resources
- Over ambitious GTP targets, lack of prioritization of investment projects and limited availability of financing
- Poor trade logistics

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