



Ethiopia Economic Fact Sheet

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Economic Highlights

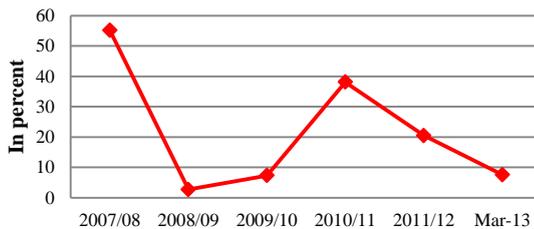
- Ethiopia's FY2011/12 GDP growth was 8.5 percent*
- Gross investment was 34.6 percent of GDP and domestic saving was 16.5 percent of GDP in FY2011/12
- Broad money supply is estimated to have grown at 33.5 percent in FY2011/12
- Year-on-year inflation accelerated during 2010/11 reaching 40.6% at its peak in August 2011. It started to subside afterwards, reaching 7.6 percent in March 2013.
- Government depreciated the Birr against the USD by over 102% from Nov. 2007 to Feb. 2013
- In general, the government continues to manage their foreign currency reserves responsibly
- Government budget deficit was 2.3 percent of GDP in FY2011/12 (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 FY2011/12 road density increased by almost 20 percent to 57.4**

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

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

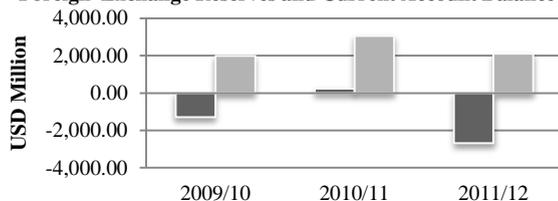
Sources: Ministry of Finance and Economic Development, International Monetary Fund, National Bank of Ethiopia, Central Statistical Agency

Year-on-Year inflation



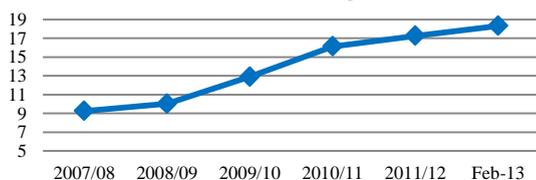
Source: Central Statistical Agency

Foreign Exchange Reserves and Current Account Balance



Foreign Exchange Reserves □ 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	FY10/11	FY11/12
Average Annual	16.12	17.25
Period End	16.90	17.73

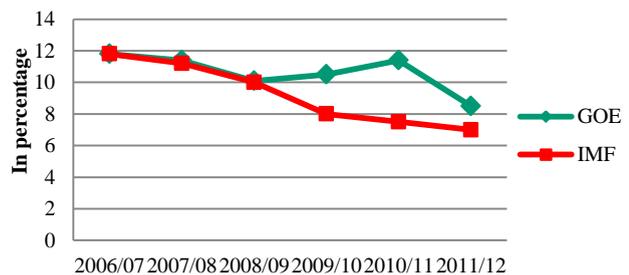
Source: National Bank of Ethiopia

Gross Domestic Product (GDP)

(Billions) – IMF Data	2010	2011	2012
Nominal GDP (USD)	29.7	31.7	41.9
GDP PPP (int'l USD)	86.4	94.9	103.1
Nominal GDP (ETB)	382.9	511.2	725.8
Real GDP growth	8%	7.5%	7%
GDP per capita (USD)	350.1	365.2	471.1
GDP PPP per capita (int'l USD)	1018.7	1,092.3	1159.9
Population est. (millions)	79.5	82.1	84.3

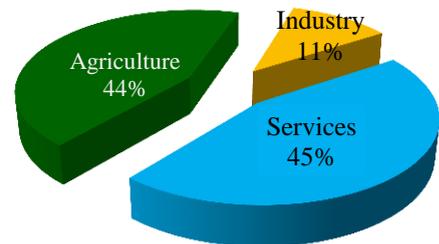
Sources: International Monetary Fund, Central Statistical Agency (FY2011/2012)
*PPP – Purchasing Power Parity

Real GDP Growth



Source: Ministry of Finance and Economic Development, IMF

GDP Distribution



Source: Ministry of Finance and Economic Development, FY2011/2012

Vital Development Information

- World Bank's 2013 Ease of Doing Business Report ranking: 127th out of 185 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*
- Urban unemployment = 17.5 percent*
- Life expectancy = 55 years**
- Percent of the population living in poverty = 29.6**
- Percent of population with access to safe water = 52**
- Adult literacy rate = 37.5 percent**

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 Programme, World Bank

EV-DO stands for Evolution Data Optimized, a 3G telecommunications standard for wireless data transmission

* At end of fiscal year (FY) 2011/2012

** At end of FY 2010/2011

U.S.-Ethiopia Trade

- o The U.S. was the 3rd largest export destination of coffee, the 1st import source of air crafts/parts and the 2nd import source of grains for Ethiopia in FY2011/12.
- o Aircrafts (including parts) represent more than 80 percent of the total US exports to Ethiopia in 2012.
- o Ethiopia's 2012 AGOA exports to the U.S. were USD 22 million.

(USD Millions)	2011	2012
Eth. Exports to U.S.	144.4	183.0
Eth. Imports from U.S.	690.7	1287.4
Total Trade U.S./Eth.	835.1	1104.4

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

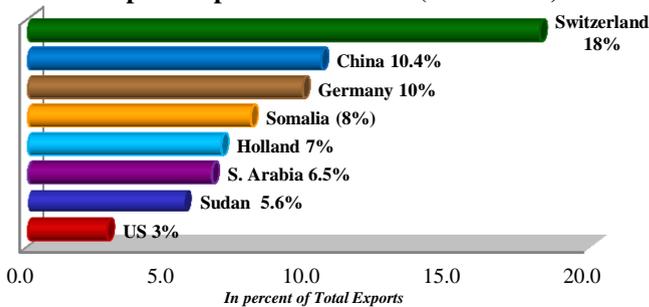
Ethiopian Trade

- o Major exports: coffee, gold, oil seeds, flowers, pulses, and live animals.
- o Export growth was 14.8% in FY2011/12, much lower than 37% per annum for the previous two fiscal years.
- o Trade deficit enlarged to USD 7.87 billion in FY2011/12 owing to lower than expected export growth and sharp surge in imports.

(USD Billions)	FY2010/11	FY2011/12
Total Exports	2.75	3.15
Total Imports	8.25	11.02
Trade Balance	(5.5)	(7.87)

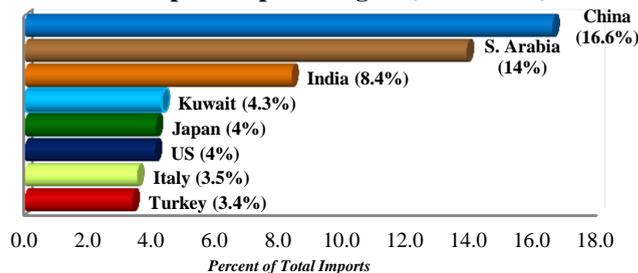
Source: National Bank of Ethiopia, Ethiopian Revenue and Customs Authority

Ethiopian Export Destinations (FY2011/12)



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

Ethiopian Import Origins (FY2011/12)



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



U.S. Investment in Ethiopia



- o U.S. businesses in Ethiopia are primarily involved in the following industries: aircraft, construction equipment, real estate, agricultural machinery, farming, and engineering/consultancy services.
- o According to Ethiopian Investment Agency, cumulative U.S. private investment in Ethiopia from 1993 up to 2011 is about USD 1.5 billion.
- o Key sectors for U.S.-based investors in Ethiopia in 2012 were agriculture and agribusiness, construction and real estate, ICT and services.
- o Important issues for U.S. investors in Ethiopia in 2012 were access to finance, registration procedures, and legal and regulatory framework.
- o U.S.-based Ethiopian Diaspora contribute 60% of the estimated USD 2 billion in annual private transfers to individuals in Ethiopia.
- o USAID supports various economic programs, including: Combating HIV/AIDS; Trade & Enterprise Expansion, Agricultural Expansion, Basic Education Services, Emergency Food Assistance, Productive Safety Net, etc.
- o U.S. provides 17% of World Bank (WB) global funding—Ethiopia's outstanding WB loans total about USD 2.7 billion as of May 31, 2012 and recent WB loans include USD 600 million for Public Basic Services III (PBS III) and USD 415 million for Ethiopian Transport Sector Project.
- o U.S. provides 17% of International Monetary Fund (IMF) global funding— Ethiopia's IMF loan amounts to USD 288.7 million as of December 31, 2011. Ethiopia has no current IMF program.
- o 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

- o Domestic financing for Growth and Transformation Plan could result in deceleration of medium-term growth
- o Foreign currency reserves fluctuate affecting access to foreign exchange
- o Real interest rates are negative as the minimum bank deposit rate of 5%, bond yield of 5.5-6%, treasury bill yield of less than 2% and simple average bank lending rates of 12.25% were all lower than inflation throughout 2012
- o Domestic savings rate is at 16.5 percent (of GDP)
- o Limited private sector access to bank financing

Updated April 2013

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