

## **Economic information on the Federal Republic of Ethiopia**

Population: 82 million

Area: 435,186 sq km

Overview on the country's economy: -

Ethiopia's economy is based on agriculture, which represents half of gross domestic product (GDP) , 43% of exports and 85% of total employment.

In financial services, no foreign banks are allowed and it remains almost impossible to find start-up loans for small and medium businesses. Youth unemployment is estimated to be as high as 70%. Because of population growth, just to stand still the country must produce hundreds of thousands of jobs every year..

The current government has embarked on a program of economic reform, including privatization of state enterprises and rationalization of government regulation. While the process is still ongoing, the reforms have begun to attract much-needed foreign investment. Despite recent improvements, with an exploding population Ethiopia remains one of the poorest nations in the world.

Areas of investment: -

### Manufacturing in Ethiopia

This sector constitutes about 4 percent of the overall economy, although it has shown some growth and diversification in recent years. Much of it is concentrated in Addis Ababa. Food and beverages constitute some 40 percent of the sector, but textiles and leather are also important, the latter especially for the export market. A program to privatize state-owned enterprises has been underway since the late 1990s.

Aside from wholesale and retail trade, transportation, and communications, the services sector consists almost entirely of tourism. Developed in the 1960s, tourism declined greatly during the later 1970s and the 1980s under the military government. Recovery began in the 1990s, but growth has been constrained by the

lack of suitable hotels and other infrastructure, despite a boom in construction of small and medium-sized hotels and restaurants, and by the impact of drought, the recent war with Eritrea, and the specter of terrorism. In 2002 more than 156,000 tourists entered the country, many of them Ethiopians visiting from abroad, spending more than US\$77 million. In 2008, the number of tourists entering the country had increased to 330,000.

### Mining and Minerals

The mining sector is quite small in Ethiopia. The country has deposits of coal, opal, gemstones, kaolin, iron ore, soda ash, and tantalum, but only gold is mined in significant quantities. In 2001 gold production amounted to some 3.4 tons.

Other statistics:

Per capita gross domestic product (2009-2010): 365 \$.

Average inflation rate (FY 2009-2010): 2.8%.

Natural resources: salt, potash, gold, copper, platinum and natural gas is exploited

Agriculture (42% of GDP): Products - coffee, cereals, pulses, oilseeds, and khat, meat, and leather. Cultivated land - 17%.

Industry (13% of GDP): Types - textiles, processed foods, construction, cement, and hydroelectric power.

Services (45% of the gross domestic product.

Trade (2009-2010): Exports - \$ 2.0 billion. Imports - \$ 8.4 billion, in addition to financial transfers - according to official estimates \$ 2 billion.

Fiscal year: July 8 to July 7