

Keynote Speech by

H.E. Deputy Prime Minister and

Minister of Foreign Affairs, Hailemariam Desalegn

at

the UK-Ethiopia Investment, Trade and Tourism Forum

London

9th June 2011

**His Excellency Henry Bellingham MP, parliamentary under
Secretary for Africa,**

Honorable MPs,

Distinguished Invited Guests,

Ladies and Gentlemen

On behalf of the Ethiopian Government, I would like to thank and congratulate the organizers of this UK-Ethiopia Investment and Trade Forum, and welcome participants representing a cross-section of the business sector from all over Europe. The Forum presents a rare display of interest in on-going development dynamics in Ethiopia. Special thanks go to Africa Matters, DMA, Wafa Promotion and all those who were the source of inspiration and support for the success of the London event.

I would like to express my gratitude for the initiative and performance of the British Embassy in Ethiopia and of our London Mission in organizing the forum, encouraging stakeholders who have been our development partners and encouraging others to engage with us.

It is just two decades since the demise of the Derg regime, the beginning of a new era in Ethiopian history when people began to strive to master their destiny. But the progress we have made ever since in all areas, economic, social and political has been very impressive.

**Excellency,
Distinguished Guests,**

Ethiopia has drawn up foreign policy focused on squarely tackling economic backwardness, poverty, lack of good governance and democracy. That is why economic diplomacy is at the center of our foreign policy, as a nation seeking rapid economic development together with the object of advancing democracy.

The realization of a viable Ethiopia hinges on sustainable economic growth and stable democracy. Committed to such lofty ideals, the Ethiopian Government set in motion a development strategy which made it possible for the nation to achieve, over the past eight years or so, an annual growth rate of about 11 percent. Quite an unprecedented feat in the history of the ancient African nation. Government policies – from foreign through to development – were mapped out in a way reflecting the needs and aspirations of the Ethiopian peoples.

Poverty alleviation and sustainable development programmes focusing on pro-poor and shared growth generating sectors like agriculture, mainly private small holder farming, small and micro enterprises development, education, health, etc, and creating vibrant private sector development in agro based and manufacturing infrastructure, industry, trade and investment were the hallmarks of the massive nation building scheme now

bearing fruit, opening up new and equal opportunities for citizens.

Excellency,

Distinguished Guests

In yet another grand scheme – the Five- Year Growth and Transformation Plan (GTP) – the Ethiopian government envisages doubling agricultural production and the Gross Domestic Product (GDP) and sustaining the rate to 14.9 percent, in the best case scenario. Indeed, this London Investment and Trade Promotion Forum is taking place when the government and peoples of Ethiopia are poised to intensify economic activities in areas of agro- processing, both intensive and commercial farming, road and railway construction, ICT services expansion, trade and investment as well as energy infrastructure development.

Between now and 2015, the GTP will lay the foundation for the industrial sector to take lead in the economy. Expansion of micro and small enterprises alongside export- led industries will be central in this regard. The strategy embraces massive infrastructure development, or social over- head capital schemes, including railway, highways, telecommunications and hydropower and wind power to mention a few to propel the economy in the desired direction.

In all these, the role of the private sector is central. Agriculture, for instance, which employs over 80 percent of the population is, in the main, under small- scale private holdings and moreover in recent years intensified agro-investment and large scale

commercial farming is growing very rapidly. The most important industries, such as textiles and garments, leather and leather products and services, are run by the private sector. With diversification taking firm hold, the export sector is shedding monoculture and the progress is evident in, for instance, floriculture which has made Ethiopia one of the leading exports in Africa. Oil seeds, horticultural products, meat and live animals, garments and leather products are also some of the export items earning the nation revenues in hard currency, crucial for the sustainability and furtherance of on-going development projects.

The Ethiopian development roadmap, the GTP, is focused on telecom expansion, irrigation schemes, power generation, and construction of transport infrastructures and social amenities. Over the next five years, the number of mobile subscribers will reach over 61 million dwarfing the current 4 million subscribers. Primary health care will be accessible across the whole of Ethiopia. In addition to extending the total road coverage to 64,500 kilometers, a railway network stretching for about 2,400 kilometers across the country is part of the grand scheme to completely overhaul a sector key to economic transformation.

Ethiopia has now laid the foundations for the construction of the Renaissance Dam, which will generate 5,250 MW of power and will go a long way to addressing the surge in energy demand following the liberalization of the economy.

Demand for energy by some estimates grows at an annual rate of 20 per cent. With a sense of greater unity and dedication, the

Ethiopian peoples and government are in the process of mobilizing 4.7 billion dollars needed to finance the big project, thereby underlining their ownership and support of this huge undertaking that will make Ethiopia a net exporter of energy in the near future. Energy is a key component for a major economic transformation and this will be an asset to my country as an emerging investment destination in Africa.

With empowerment of people at the core of its major objectives and with due emphasis on the expansion of education, the Government has successfully implemented its policies over the past years, paving the way for about 19 million Ethiopian children to go to school and we hope to achieve universal education by the year 2015. Hundreds of thousands of young Ethiopians have joined the mushrooming higher learning institutions, currently numbering 22- there were just two universities ten years ago. Over the next few years the number of universities will rise to 31. Tertiary education is becoming accessible to all as private universities and colleges are sprouting up right across the nation. More than 180,000 technicians are graduating every year from massive technical and vocational centers across the country. And these will create the pool of skilled labour on which investors can rely in the ventures across the board.

Excellency,

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The crucial role of Foreign Direct Investment (FDI) in spurring economic performance is by now clear to all of you here,

representing as you do entrepreneurs and professionals in Europe where industrialization and commerce remain the major driving forces behind the affluence of your societies.

The government of Ethiopia has put in place legal and institutional frameworks with a view to creating an enabling investment environment. Incentives for priority sectors, such as duty free schemes, tax holidays, bank loans and export incentives are put in place and have so far proved instrumental in promoting the flow of FDI to the country.

Ethiopia, as you might well know, is the diplomatic hub of Africa; it hosts the African union as well as the UN-ECA, a regional arm of the United Nations and more than a hundred diplomatic missions are based in the capital, Addis Ababa.

The national carrier, Ethiopian Airlines, flies to about 60 destinations across Africa, Europe, Asia and North America, making travel and business easier and closer to home.

Ethiopia is the cradle of humanity. The rock-hewn churches of Lalibela, the Walled City of Harar, the Axum obelisks, the Castle of Gondar, the Nejashi mosque, the Sofomar cave, are just a few of the magnificent tourist attractions we have.

The Great Rift Valley Lakes, the National Parks, with their rich bird and animal life, the Simien Mountains in the North and the

Bale mountains in the south East are also home to unique wildlife and rich flora and fauna and ideal for trekking.

A land of peace and stability, Ethiopia offers a variety of comparative advantages on top of its diverse agro-ecological zones, huge water and mineral resources and exquisite flora and fauna. It is home to more than 80 million people with 80 languages and more spoken, making it a mosaic of nations and nationalities.

Excellency,

Distinguished Guests,

Today, we will be discussing issues of mutual interest with particular focus on investment and trade opportunities in Ethiopia, looking into the mining, energy, infrastructure, agriculture and agro-processing sectors, as well as the creative industries and tourism.

In all deliberations, I hope participants and stakeholders will have an insight into what Ethiopia offers as a development partner and an emerging African investment destination.

My colleagues and those representing investors based in Ethiopia are here to walk you through the details and you know how best to use their expertise.

I would like to assure you that the government of Ethiopia will be on your side all the way through your journey to become development partners in all sectors you are interested to be engaged.

I thank you for your kind attention!