



ADDIS BUSINESS

March 2023

☎ 011-5573544

✉ 2458

✉ E-mail: info@addischamber.com

🌐 www.addischamber.com



“Success is beyond leading a Luxurious life alone, rather it is all about Empowering the Needy One”

By Ashenafi Mitiku

Addis Chamber is currently endeavoring The March 8 panel that brought together various women entrepreneurs and key stakeholders made discussion the various challenges facing such communities. Despite their role for the socio economic development of their nation, women still operates under difficult business environment, highlighted at the panel. With the theme “sharing experience from successful women in business” the panel has shared the experience of prominent women in businesses their success and challenges they have witnessed.

Page 9 >>>

Addis Chamber conducts training on RBC

By Yidnekachew Alemayehu

The training was helpful to companies engaged in papaya value chains install the principles of Responsible Business Conduct, RBC in their production system. Being an RBC compliant is now becoming one of the important international requirements to business.

Page 6 >>>

The unabated Impediments of the Ethiopian Construction Industry



By Ashenafi Mitiku

With a population of more than 110 million plus, Ethiopia is the second most populous nations in Africa followed by Nigeria. According to economists the fast growing population and fast urbanizations at a rate of 4.7 percent per annum are attributed to the booming construction industry majorly in cities like the capital Addis Ababa.

Page 7 >>>



ንብ ኢንሱራንስ ኩባንያ (አ.ማ.)
Nib Insurance Company (S.Co.)

Your Intelligent Choice!

THE SERVICE WE INCLUDE:

- Motor Insurance
- Property Insurance
- Marine Insurance
- Engineering Insurance
- Legal Liability Insurance
- Pecuniary Insurance
- Travel Health Insurance
- (For European And Schengen States)
- Life Insurance



ንብ ኢንሱራንስ ኩባንያ (አ.ማ.)
Nib Insurance Company (S.Co.)

Your Intelligent Choice!

CONTACT US

Head Office: Dembel City Center 2nd and 11th Floor
Bole road Africa avenue

Tel. 011-552 81 95/96, 011-553 5129-32
011-554 37 05, 011-552 0475
Fax. 011-552 81 93

Life Insurance Department
Tel. 011-552 7581, 0911 62 4772

P.O. Box 285 Addis Ababa, Ethiopia
E-mal. nibinsgm@ethionet.et
www.nibinsuranceethiopia.com



**Addis Ababa Chamber
of Commerce & Sectoral
Associations Monthly
Newspaper**

ADDIS BUSINESS

MARCH 2023

Editor-in-Chief

Kassahun Mamo

Designer

zgirma0357@gmail.com

Coloumnists

Israel Manaye

Yidnekachew Alemayehu

Ashenafi Mitiku

Senait Eshetu

Editorial Board

Zekarias Assefa - Chair

Yohannes W/Gebriel - Member

Kassahun Mamo - Member

Ashenfi Mitiku - Member

seyoum Chane- Member

Editorial

Tackling Inflation a Timely Agenda

Food and nonfood price pressure is currently the greatest challenge in Ethiopia. The economic growth Ethiopia has registered for the past few years clouded by the macroeconomic indicators uncertainty. In fact, high foreign debt, sustained trade deficit, high inflation rate, internal conflict and scarcity of foreign currency supply constrained the current economy.

It is widely believed in economics that moderate and stable rate of inflation mostly rests between the range of 0 and 10% in the emerging economies promotes output growth, enhances investment, and accelerates economic growth.

Inflation in Ethiopia now continues to increase despite administrative measures put in place. According to the Central Statistics Agency (CSA), the total inflation in March 2023 increased by 34 %, compared to the same period last year, and from this, food inflation increased by 38.1%.

Higher inflation rate reduces the purchasing power of consumer's money making them unable to buy the same quantity and quality of goods and services as before, given their income constant. When inflation approached double-digit levels like the one observed in Ethiopia/ more than 34 %/ most experts consider inflation now as a public enemy number one.

In Ethiopia, in fact the drivers of the current inflation are various and different for food and nonfood inflation and in the short run and long run as well. Sharp rise in food demand triggered perhaps by political instability, economic conspiracy, an alarming rise in money supply/credit expansion, inflation expectation, devaluation and international food price hike are the prime factors that explain the dynamics food inflation in the long run while money supply, interest rate and inflation expectations explain nonfood inflation dynamics.

Prices have also experienced hikes or remained at higher levels in many developing countries in general and in Ethiopia in particular. The reasons for this phenomenon are not one and the same. However, a growing imbalance between demand and supply of food in both domestic and global markets has been aggravating the situation. Demand for food products in Ethiopia has been rising steadily but supply has relatively not kept up.

It is widely recognized that addressing the root causes of higher food price and price volatility generally inflation requires redressing the supply and demand imbalance in Ethiopia where food insecurity is prevalent.

The private sector should be the engine of economy and possesses the production, distribution and consumptions of goods and services. The biggest headache for the Ethiopian economy and the private sector right now is also youth unemployment. Job creation therefore comes on top of the economic agenda and the private sector has a huge role to play in this particular area.

However reform in the existing government will not come at an easy cost as long as tax evasion, illicit trade, contraband, political instability, economic conspiracy, high inflation and high unemployment looms the day.

In fact, the majority of Ethiopian businesspeople are mostly decent, responsible and law-abiding citizens. The fact that they are often the targets of misplaced criticism is either the reflection of the state of ignorance about inflation and its causes or a deliberate attempt to discredit them.

Now is the time for Ethiopian businesses to adhere to what is known as corporate social responsibility that obliges them to take into consideration the interests of consumers and that of the country. Few negative exceptions should not be used to tarnish the positive image of the business community in general. The Business community is a partner and not adversary to the public sector and to consumers.

So far so good, more needed for smoothing Doing Business, Chamber tells Gov't

By Yidnekachew Alemayehu

Business –related policy reforms, undertaken by the government so far are commendable policy steps. The recent launch of capital market by the government, according to the president was a good start but more remains to be done in relation to improving conditions for 'Doing Business' in general, said Mesentbet Shenkute, president of Addis Chamber on the occasion of the 25th Addis Chamber International Trade Fair, ACITF.

Accordingly, as the home for largest business community, Addis Chamber has been advocating the issues and concerns of the private sector to the attention of policy makers.

The policy commitment shown by the government to the extent of determining the private sector as the engine of the national economic transformation is encouraging for the business community to widely participate in the country's economic growth, she added. However, there are more to be done in terms of smoothing conditions to ensure an improved business environment. She said there are efforts to promote modern market systems and crafting favorable policies on the ground. However, she noted that the chamber will do everything possible to influence the government in order to undertake reforms that enables the private sector play a significant role in the national economic development of the country.

In a parallel move, Addis Chamber is extending international fairs with a view to providing opportunities for business community to reinforce business and investment in the country. Such business events help both domestic and foreign companies start businesses and establish long-term partnership. She also called on exhibitors to profit from the opportunity to explore more

Improving business environment a priority, Gov't



markets and find matching companies.

Boosting the national export is the highest prerogative of the government in an effort to rebuild our foreign currency reserve. However, the major source of our foreign currency is depends on the export sector, which is largely automated by the private sector.

Therefore, the government dully recognizes, that the private sector should be in the driver seat to our national economic locomotion, said State Minister of Trade and Regional Integration, Endalew Mekonnen.

The minister, who was the guest of honor to the

event said that government highly values Addis Chamber's promotion activities and services as part of promoting trade and investment in the country. Chamber's activities in creating favorable platforms for the business community to gather and discuss common issues, conduct business talks are important to accelerate the country's economic growth. According to Endalew, Addis Chamber's International business shows significantly contribute to the government effort in strengthening regional economic cooperation among states in the Horn of Africa, Africa and the rest of the world. Addis Chamber organizes three specialized international trade fairs annually in addition to the ACITF, is was reported.

Addis Chamber discusses with the Czech Embassy in Addis Ababa



H. E. Miroslav Kosek, Ambassador of the Czech Republic to Ethiopia and visited on March 27, 2023 the Addis Ababa Chamber of Commerce and Sectoral Association for an introductory meeting with W/ro Mesentbet Shenkute, President of AACCSA, and Ato Shibeshi B/Mariam, Secretary General of

AACCSA, to discuss strengthening bilateral cooperation and future projects.

The Ambassador invited the representatives of AACCSA to participate in an international conference to be held in Prague to promote business opportunities in Ethiopia with Czech partners.

Addis Chamber puts its Business Incubation Center into operation



Addis Chamber puts its much anticipated Business Incubation Centre (BIC) into operation. The BIC kick started with the first Cohort of 20 strong who are drawn from 10 agri-tech startups in a mini MBA training.

The projects has an ambition to contribute to job creation, increased income and growth during the next 4 years. The young entrepreneurs will shape the future membership of Addis Chamber. Addis Chamber is grateful to the

European Union, without whose funding this could not have been a reality. The consortium partners includes- GIZ, SEQUA, ADELPHI, GROWTH AFRICA and MENSHEN FUR MENSHEN.

Counting down Commences for the 14th Agri Fex and the 2nd International Medical and Pharmaceuticals Trade Fair

By Staff Reporter

The highly anticipated Agri Fex and pharmaceuticals trade fair is expected to be held from May 11-15 2023, at the well splendid and renovated Addis Ababa Exhibition center.

This is one of the four giant events of Addis Chamber that brings together multiple businesses such as agriculturalists, food industries, packaging industries, pharmaceuticals, medical equipment, and medical equipment suppliers and the like. The platform is also believed to be an ideal venue to forge business ties and helps to acquaint with new technologies.

The annual event will also draw the attention of local and international exhibitors, visitors and interested organizations.

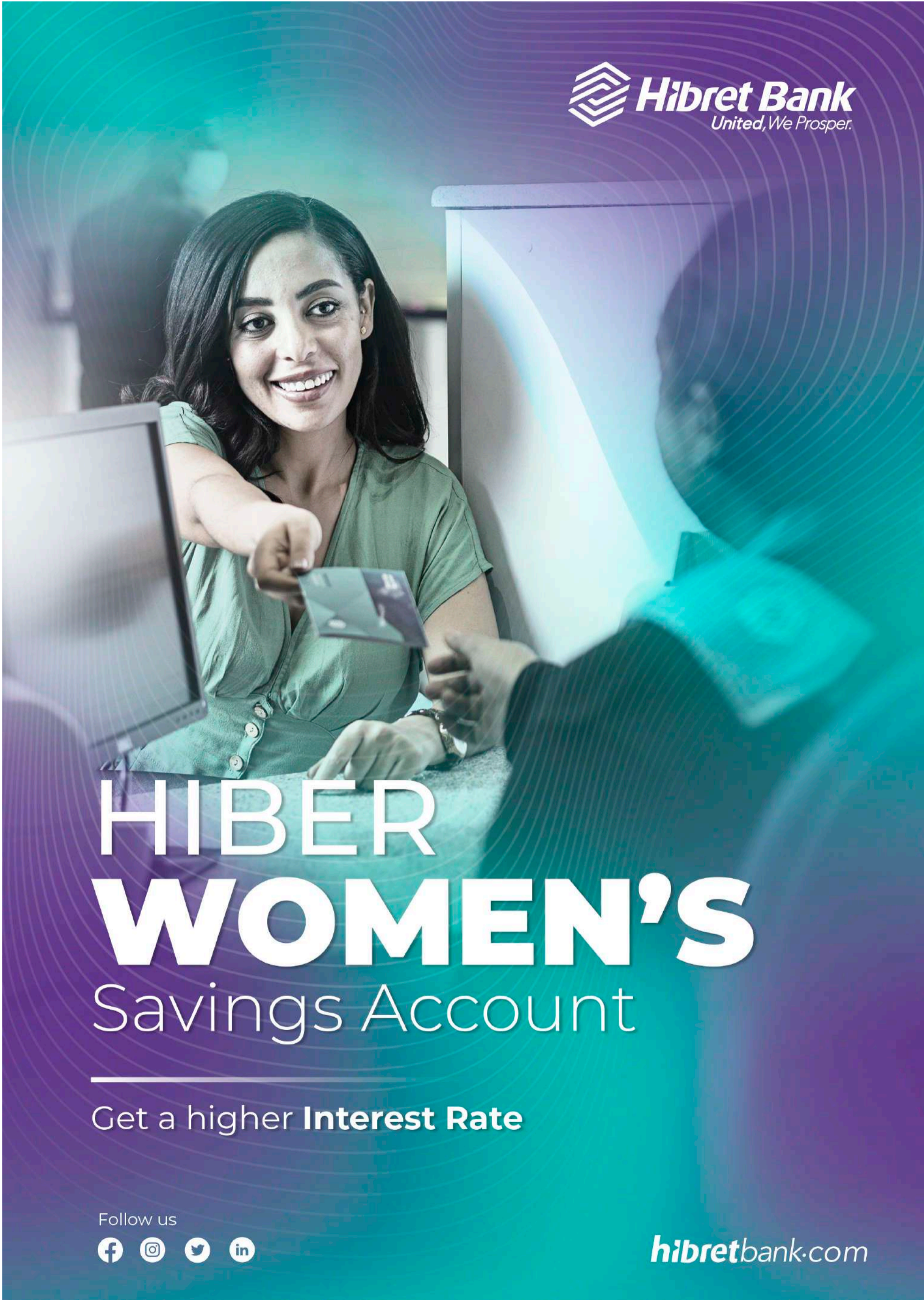
Amole

Lite 1.0

- Better Performance
- More Features
- Simple User Experience
- Light Weight

ዳሽን ባንክ
Dashen Bank

አዎሌ
AMOLE
Powered by DASHEN BANK



HIBER WOMEN'S

Savings Account

Get a higher **Interest Rate**

Follow us



hibretbank.com

Addis Chamber conducts training on RBC...

... Continued from front page



Ethiopia being a signatory state to some international conventions such as the UN Guiding Principles on Business and Human

Rights (2011), ILO's the most comprehensive principles on responsible business conduct with respect to workers, the Guidelines for Multinational Enterprises of OECD (1976), RBC is not widely practiced, said the resource person, Tsion Admasu.

Domestic laws such the Labor and Civil Service, Environment –related proclamations adhere to the principles of RBC. The private sector has to be aware of the basic business ethics and responsibilities such as business integrity, transparency and accountability, disclosure of Information, fair business competition, respect

for intellectual property and human rights of workers.

RBC helps business companies forecast Risk a earliest possible time, access more markets, achieve operational efficiency, product diversification, win community trust and value addition as well as reining employees.

Therefore, local companies are supposed to customize the RBC principles to the sector and nature of their establishment. The training was jointly organized with Addis Chamber and the Danish Industry, DI, it was reported.

Engaging Business Communities in Peace Building Endeavor Yields Better Outcome



By Ashenafi Mitiku

The prevalence of peace often times determines the socio economic and political life of a country. Particularly it's directly affects business and economy in a country that also determines productivity, trade and investment growth.

Contrary to this the absence of peace and stability in a country will have an adverse effect on trade and investment as well as diminishing investors' confidence to take decisions related to investment. It is also true that the role of private sector is indispensable for bringing peace and stability in any country and United Nations also recognizes this fact such sector is key in stabilizing the economy and indirectly contributing for stability. In a recent panel discussion held

in Addis Ababa, Elias Geneti , the former president of Addis Ababa highlighted the role of business communities in bringing peace and stability by running healthy business activities that will create job for the youth. In this regard the role of the government is significant by inviting business communities to play active role in the socio economic issues of their country. Elias also reiterated the role business communities in reducing poverty as he said one of the root causes of political stability both in Ethiopia and many other countries. However failing to do so the prime victim will be the private sector, warns Elias adding that the various political conflicts erupted in Ethiopia victimized numerous private businesses including mine, said Elias.

The war in northern Ethiopia, according to Elias has also affected countless business entities that interrupted value chains especially in the agri business. In his briefing to the panel Elais , the former Addis Chamber president calls for the establishment of "peace building council" that embraces business communities that will play active role in peace building process in Ethiopia.

The initiatives taken by the Ethiopian government in setting up the National Council Forum that strives to bring durable peace and stability in the country is promising, said Asma Redi , senior official from Ministry of Peace. She also calls on the business communities to discuss with its employees on various

matters such as the importance of peace for sustainable business and income as well as livelihood. She also welcomes the idea proposed by the business communities in establishing "peace building council" that diligently works to ensure peace and stability in Ethiopia. In a recent panel discussion hosted by Addis Ababa Sectoral Association jointly Initiative Africa , various voices of the business communities were reflected urging the government to ensure peace and stability in the country , the need to protect properties and workers in time of conflicts , and more concerted effort of ministry of peace in ensuring peace and stability has to be beyond rhetoric and more practical actions are needed to protect the safety and property of business communities and the like.

Business communities also urges ministry of peace to take part business communities in peace building processes unfolding in Ethiopia and to take it as major stakeholders and to take its administrative structure to the lowest echelon. The panel also calls on all stakeholders to denounce racist mentality in the business atmosphere for betterment of the nation.

It is also suggested that the government has to take business communities as major stakeholder and consider recommendations that emanates from it for policy input that eventually envisions witnessing better society and country.

SMEs Financing Still Overlooked, *survey*

Staff Reporter

SMEs in Ethiopia that are largely identified with high credit constraints. Access to finance is important since the use of external finance among SMEs is associated with greater innovations. Studies, show that local banks have a crucial role to play in addressing credit constraints facing the SMEs. In the eyes of banks and insurance companies, agriculture is generally perceived as a risky sector. Banks do not trust given its productivity, occasional droughts and conflict. Therefore, because of lack of SME financing tradition, they look for informal financing mechanisms.

Small and Medium-Sized Enterprises, MSEs are important components of national economies of many countries around the world. Challenges that are undermining the development of SMEs are said to be lack of access to credit stands high. Financing SMEs in general and SMEs especially engaged in AgriTech and agricultural value chains has always been very low in the country. Various credit facilities provided by the local banks, the



share of loans channeled to MSEs, engages on Agribusiness applicants remains 2% on average, says a survey commissioned by Addis Ababa Chamber of Commerce. Lack of working place, banks are doubtful of SMEs credit worthiness. Entrepreneurs have also lack of modern financial management literacy also part of the challenges facing the SMEs. According to the findings, there are few companies providing digital solutions to provide credits. However, that is insignificant as compared to the size

of the demand.

Agri-Business enterprises business model includes, SMEs involved in one or more than along the agricultural value chain such as agro-processing of vegetables, milk, coffee, maize, fertilizer production, and services including animal clinics.

Agri-tech SMEs engaged in forestry, aquaculture, viticulture agriculture and horticulture are heavily overlooked by financial institutions. According to the survey, challenges

from the supply side include limited expertise at banks to assess and analyse the specific agricultural business models. SMEs have limited information on opportunities offered by banks.

It is imperative for the government to revise the minimum interest rate considering SMEs can access credit. The government has to devise a mechanism to help active SMEs graduate to the level of full enterprise and closely collaborate with the private sector under Public-Private-Partnership, PPP, the study recommended.

The government has to introduce a policy so that farmers and experiences of countries such as Malaysia, Uganda, and Ghana were drawn and customized to the Ethiopian context. The government has to introduce a new policy that allows SMEs in the rural locations may offer their farm land as a collateral to get credit, it was recommended.

The survey was commissioned jointly by the Addis Ababa Chamber of Commerce and the European Union, it was reported.

The unabated Impediments of the Ethiopian Construction Industry...

... Continued from front page

Yet this is not always true as the sector has come across with multitude of impediments that emanates from illicit trade, shortage of foreign currency shortage of cement and bar, presumed to be the major input for the industry. Thus construction projects are hampered leaving countless developers to lay off jobs and businesses. Despite the shortage of construction input such as cement and bar, the construction industry also suffers from poor quality of input such as bar, one of the major components of building materials, it was learnt in a recent panel discussion hosted by the Construction Contractors Association of Ethiopia.

The panel discussion that has attracted diverse stakeholders from the construction industry deliberated on the current trends and prospects of the industry. Despite its role for GDP growth

and job creation, the sector suffers from lack of construction input to meet the demand of developers and fast rising house seekers, underlines Mesfin Negewo, General Manager of Ethiopian Construction Authority. Such scarce resources are not properly utilized in the construction industry, said Mesfin further mentioning that up to 35 percent of bars are wasted in projects being implemented by universities in Ethiopia. Mulugeta G/ Medhin (PhD), senior advisor of the sector expresses his frustration as low quality bars are being imported from abroad with shadow deals and corrupt practices that ultimately affects the end users among others. Bars that are smuggled in to the country through illegally have become a daunting task for the sector, warns Mulugeta. Besides to these, shortage of foreign currency has continued to be a bottleneck that impedes construction projects not to be executed on time.



Bar, one of the essential construction inputs, enters the market illegally or in an illicit manner that also becomes a bone of contention between developers and customers from the market, remarks Engineer Girma, president of Construction Contractors Association of Ethiopia. Engineer Sofonias Demeke, one of the key speakers of the panel urges the panel to pursue smart and sustainable technology to reduce wastage of raw materials and the need to recycle. Temesgen Alemayehu, CEO of Yegna Trading, on his part said

that maximum effort and great caution are needed to use quality raw materials such as cement and bar to produce quality products for the wider consumer. Actors of the construction industry are expected to undertake ethical business not to harm communities or customers from greed. The panel also calls on the government to tighten its regulation on quality control to envision a sustainable construction industry in Ethiopia. Such tasks can be carried out by formulating viable policy measures and quality standards.



የኢንዱስትሪ ፓርኮች ልማት ኮርፖሬሽን Industrial Parks Development Corporation

INDUSTRIAL PARKS DEVELOPED BY IPDC



**INVEST IN
WORLD-CLASS
INDUSTRIAL PARKS**

MAIN SERVICES PROVIDED BY IPDC AND STAKE HOLDERS



Serviced Land & shed



One-stop-shop services



ZERO LIQUID DISCHARGE



24/7 security service



Fire prevention and protection service

Phone

+251(0)116616986
+251(0)118722420

Website

ipdc.gov.et

Address

Comoros Street, Opposite to Kenyan Embassy, Addis Ababa, Ethiopia

Exhibitors' Corner

The 25 Edition of the Addis Chamber International Trade Fair (ACITF) was held 23-37 February, 2023 at the Addis Ababa Exhibition Center. The Fair is annually held, where all business sectors are participating from around the world. Below are some of the views of some exhibitors.



Mohammed Chobari (TECNO OIL)

We have come with oils and lubricants, from Saudi Arabia. TECNO OIL manufactures all types of lubricants such as those for vehicles and machineries. This trade fair is giving us a chance to meet thousands people at once. We want to expand our market in Ethiopia. we understand that there is big demand for lubricants. So, we are now making contacts with many clients. So far it is going good.



I Chandra Gupta. (Guvo Group India.)

Our business is refining and extraction of edible oil. Also, we are engaged in animals feed and waste management technology businesses. We know, that you have over 100 million people. That population is a huge market. Now we are planning to establish a factory for edible oil next year, near Adama some 100 kms from Addis. This trade fair is an opportunity for us to do business connection. We are expecting more visitors and looking for local partners. In doing so, we are contributing to reduce the country's dependency on imported oil at this stage.



We exports have a role to boost export (Mekru Denebi , SWETA PLC)

We are happy to be here, . SWETA is exporting coffee, oil seeds and

some creases. We are also supplying agricultural inputs to the local market. Addis Chamber is giving us a good opportunity. We are promoting our business easily at home. One can imagine how much it would cost us, if we are making foreign travel to participate in an international trade fairs. Addis Chamber is also giving us a good opportunity to show our export items to our foreign clients in person. So that they can see, inspect the quality of our products on the spot in person. We understand that the commitment of the government in boosting the national export volume. In doing so, we- exporters have a big role to lay. We have to ensure that our products are to the highest quality and delivered on time. Today the world market is full of competition. So have to seriously observe agreements we concluded with our foreign partners.



Tedors (Jabi Trading & Industries)

We are exporters and construction machineries suppliers. This event

is an opportunity for us. We shared new business models, international experiences. We have also seen new technologies in our business sector. We are happy and grateful for the chance Addis Chamber has given. Thank you.



Yakhil Hassa (ASAID Co.,Sudan)

ASAID is a franchise company specializing in manufacturing packages for dairy products. The cheese packaging line is our new product .Here; we are looking for Ethiopian clients to start business. We started with a spreadable cheese now, manufacturing a single-use, convenient and high quality cheese with a reasonable price. We are producing both for individual and family sizes. We have a plan to expand our market to many countries in Africa. I learned that Ethiopia has a big market. Now we are starting business from here.

“Success is beyond leading a Luxurious life alone, rather it is all about Empowering the Needy One”

... Countinued from front page



Speaking at the panel, Mesenbet Shenkute, president of Addis Chamber, highlighted the various impediments facing women while doing their business. The household burden facing women is significant

challenge to operate and compete, adding that such difficult conditions has to be understood for further actions to be taken by concerned bodies.

The panel has also brought the

experience of successful women entrepreneurs and how they have withstand the various bottlenecks facing and the way how they passed though it. Tsedey Asrat, Owner of Khalid Coffee, said that despite the numerous challenges facing women, it is possible to withstand and achieve the desired goals, she said. Despite the numerous challenges facing women while running their business, it is essential to face all these challenges so as to meet our goals, further said Tsedey.

Mikra Idris , the founder of Micra Motors Industry and one of those panelists, have shared her work experience to the emerging female business runners. While sharing her experience, she said that the sector that she involved somehow is challenging for women however we don't have to give up said Micra and calling on women to endure all the hassles to reach the intended goals. Success is not leading a luxurious life

rather it is all about supporting women and communities to win poverty and aspire better life , underscores Micra. Wudassie Inqubirhan , the founder and manager of Wudassie Business Group calls for delegating women in leadership and management to empower them. Her company has created jobs for many people however this is not the end of my success, she reaffirmed.

While speaking at the event, Mebrat N/ Mariam, deputy secretary of Addis Chamber disclosed that various activities have been undertaken by her organization to empower women and youth. In order to carry out such tasks, Addis Chamber has currently implementing various projects that aims to support and empower women in business, further states Mebrat.

In her closing remark, Mesenbet Shenkute, reaffirmed the commitment of Addis Chamber in empowering and support women.