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Ethiopia’s regulatory environment for digital trade has to consider the wider ACFTA and international trade platforms, experts suggest



By Staff Reporter

Hosted by Addis Chamber in partnership with the Center for International Private Enterprise (CIPE), a high profile public private dialogue forum was convened to discuss on the window of opportunities and challenges of the digital trade and economy. Bringing together key stakeholders of the digital trade sector, the forum highlighted the current endeavor of the government towards digitizing the economy. It was also disclosed that the Ethiopian private sector role is growing paving the way for a bright digital future.

However the forum underlined the current challenges of digital infrastructure, internet penetration rate, digital literacy and use to remain very low.

Continue to pg. 4

Few days to go for the 26th Addis Chamber International Trade Fair



By Staff Reporter

Sources from Addis Chamber reveal that, the annual Addis Chamber International trade fair is to take place from 22 to 26, February 2024.

Having the theme “Spurring Development through Innovation”, the 26th Addis Chamber International Trade Fair, is one of the highly awaited trade shows to be held during the fourth week of February, 2024.

According to Trade Fair and Investment Promotion Department of Addis Chamber, preparation is underway to host this grand event that will be expected to attract numerous exhibitors and actors. The event that will be held at the splendid Addis Ababa Exhibition & Development Center is expected to bring together all business sectors such as manufacturing, agro industries, service and the likes to connect and network.

The event that is open for local and international exhibitors are also intends to host symposium as well as match making platforms for potential joint venture businesses and investments.

Undertaking grand trade shows are among key activities of Addis Chamber that intends to promote trade and investment in Ethiopia. Such events are taking place for long years connecting businesses and forging networks among local and international businesses.

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Editorial

Business Communities Shall Play Key role for sustainable peace in Ethiopia

As the goes, peace and business are the two faces of a coin or when of these elements get cold, the other will sneeze. Peace and business are also directly tied or interlinked each other and the damage occurs in one of these will undoubtly affect the other.

In a situation where peace prevails, the chance of witnessing smooth flow of business is familiar and contrary to this, the absence of peace will undoubtedly disrupts or affects trade and economic activities that eventually affects socio economic wellbeing of societies and communities.

In recent years the ensuing political instability in some parts of Ethiopia is resulted in humanitarian and material damages. Such conditions are also manifested in disruptions of logistics supply and slowdown of production, layoffs and dwindling income for citizens and government as well. Such instabilities are also affecting trade and investment activities particularly in conflict prone areas.

As the situation remains unsolved, its impact will be pervasive affecting or leaving no one behind. Thus it has to be noted that key stakeholders including business communities are entitled to play fundamental role in bringing durable peace and stability in Ethiopia. The business community will also be key actor in supporting the current peace building initiatives taken by different organizations including the government. This due to the fact that business communities will be one of the most affected sections of societies due to conflict or instability.

Business communities will also be expected to engage in the post conflict reconstruction effort such as in providing employment opportunities for former combatants to pursue normal life. Business communities shall also play key role in supporting post war reconstruction efforts undertaken in Ethiopia.

Similarly the government will also be key actor in taking initiatives to ensure peace and stability that are essential to undertake effective business activities in Ethiopia. By forging effective synergy among the different actors , lets create a viable economy and society!

The NRC calls upon business communities to support the rehabilitation and reintegration efforts of ex-combatants in Ethiopia



By Staff Reporter

The National Rehabilitation Commission (NRC) is established last year with a regulation approved by the Council of Ministers shortly after the Pretoria peace accord with a mandate to demobilize and rehabilitate ex-combatants located in various regions of Ethiopia.

According to the commission, more than 371,000 former combatants are listed out across different regions of Ethiopia that need to be addressed by the joint efforts of all stakeholders including business communities.

In a panel hosted by Addis Chamber in collaboration with NRC, a high profile meeting is conducted to address the issues of ex-combatants sited in multiple areas of the country.

Dubbed as “The Role of Business Communities for Peaceful

Economic Activity” the high profile consultation meeting brought together key stakeholders to deal with durable peace and security in Ethiopia.

In her remark, Mesenbet Shenkute, President of Addis Chamber, spoke to the panel saying that the political crisis unfolding locally and globally resulted in bringing trade deficit, high rate of inflation, debt burden and the likes.

She added that such crisis unfolding globally and locally is uniquely affecting private sector and business communities in general.

Thus, Addis Chamber, as one of its mandate to advocate on sustainable peace and security for ease of doing business, will be keen to work with National Rehabilitation Commission to rehabilitate former fighters.

While addressing the panel, Ambassador Teshome Toga,

Commissioner of the NRC, urged the business communities and the entire stakeholders to engage in the rehabilitation and re integration efforts of ex- combatants.

The commissioner also underlined that such efforts are not solely given to the government rather it requires the active participation of all stakeholders including the business communities. While emphasizing this, the commissioner said that as long as the absence of peace and security remains intact, it will affect business community, thus requires the active engagement of such communities to support the current initiative of helping ex-combatants to return to normal life.

Particularly the role of business community is fundamental in providing employment opportunities, peace advocacy engagements, capacity buildings, financial support for various development projects such as agriculture and manufacturing that are potentially assumed to employ ex-combatants.

The high profile panel discussion also hosted hot discussion preceded with presentations made by three scholars, Dr yonas Ashine(AAU), Ato Shanko Delelegn (from NRC) and Assistant Prof. Daniel mekonnen (from initiative Africa). While sharing his thought, Yonas Ashne (PhD), professor of political science at the Addis Ababa

University, highlighted on the need to engage business communities for peace building efforts undertaking in Ethiopia and employing both vertical and horizontal integration among and between stakeholders is key to achieve peace building efforts in Ethiopia.

Mr. Shanko Delelegn, office Head of the NRC also highlighted the importance of collective efforts and cross border discussion among various actors and stakeholders to ensure rehabilitation, re integration and lasting peace in Ethiopia.

Mr. Shaniko made presentations on the roles & mandate of NRC to sensitize among the business communities.

Assistant Prof Daniel Mekonnen on his part reflected that Business(economic) interaction among the society can have a paramount role to minimise incidents like war and conflicts.

Business for peace and vice versa are the best ingredient to one another, he said.

The panel that strongly calls for the engagement of business communities for sustainable economic development culminated with the signage of MoU between Addis Chamber and the NRC to further embark on rehabilitation & peace building initiatives.

Employing Digital Media is Key for an Effective Service Delivery, Experts Suggest



By Staff Reporter

With growing number of partners and services, Addis Chamber is keen to employ the current mode of media technology, digital media, to

effectively deliver its diverse services to wider business communities and its members, speaks Seyoum Chane, Deputy Secretary General. This is disclosed during the day long training workshop hosted by Addis Chamber.

Introducing news services such as Business Innovation Center and Institute of Director, Addis Chamber is enthusiastic to utilize modern business communication approaches and digital media, the DSG reiterates during the session.

During the day long training workshop, basic elements of organizational communication, members’ communication, role of leadership in communication, strategic communication & social

media management practices were shared by experts.

Bringing together teams of the chamber’s management staffs and experts from the fields of communication, the panel called for Addis Chamber to effectively use the current mode of communication and social media technologies to achieve the strategic objectives of Addis Chamber.

De-risking investments in Africa to unlock the continent's full potential of public private partnerships

Rome, Italy, 31 January 2024 (ECA) - Claver Gatete, Executive Secretary of the Economic Commission for Africa (ECA) has called for a shift in perspective and a more “intentional and targeted use of foreign direct investments and official development assistance, if Africa’s partnership with Europe is to deliver on the promises of shared prosperity.”

Speaking at the 5th European Corporate Council on Africa and the Middle East (ECAM Council) Summit on the margins of the Italy - Africa Conference in Rome, Italy, Mr. Gatete said this shift should include de-risking investments in key sectors that can unlock the full potential of public private partnerships. The Summit was held on the theme: “Creating a better present to build a greater future for Africa: the role of healthcare and investments.”

“Up to 80 per cent of the initiated infrastructure projects across Africa fail at the feasibility and planning

stages. African countries are also faced with unfair risk perceptions that deter investors. We need to reverse this trend,” he noted, adding that to address the current severe fiscal pressures that countries are confronted with, new and innovative financing sources that target investments better to get the most of each dollar or Euro invested are necessary.

“This means that the public sector must step in to finance de-risking measures that will attract the private sector. We should be more intentional about leveraging FDI and ODA to de-risk private investments,” he said. A 2023 Report by UNCTAD shows that between 2011 and 2022, combined public-private partnerships resulted in lowering interest rates spread by up to 40 per cent in renewable energy projects in developing countries. However, Africa still only attracts 2 per cent of global renewable energy investments today because

the business environment remains unfavorable.

“De-risking investments in Africa will make the region a globally competitive investment destination with mutual benefits to Europe, Africa, and the rest of the world,” said Mr Gatete.

According to Mr Gatete, although the Europe’s relationship with Africa has been driven by the priorities of official development assistance, foreign direct investment (FDI) and official development assistance (ODA), FDI constitutes only around 5 per cent each of Africa’s financial resources.

“FDI inflows into Africa have been static, hovering around the US\$40 to US\$50 billion annually, a trend that began well before the Covid-19 pandemic,” he said.

Preliminary data from the OECD Development Assistance Committee, in 2022 shows that only five countries met or surpassed the

UN’s target of allocating 0.7 per cent of gross national income to development aid.

Mr Gatete noted that numerous initiatives have been launched to leverage FDI and ODA, yet Africa has not fully realized the desired impact. Furthermore, initiatives like the G20’s Compact with Africa, which was designed to increase private sector-led development and develop domestic markets, is yet to attain its full potential.

ECA is conducting growth diagnostic studies, market and product space analysis, GIS-enabled hotspot analysis to clarify where to invest. These actions will increase the pipeline of bankable projects and ensure that countries make informed investments decisions whilst also generating multiple dividends, in line with the sustainable development goals.

Ethiopia’s regulatory environment for digital trade...

Continued from Pg. 1

Entitled with “Essential Regulatory Tools to promote Digital Transactions and prepare the Domestic ICT Sector for ACFTA Digital Trade” the forum disclosed that Ethiopia’s regulatory environment for digital trade has not yet been formulated entirely and existing laws are incapable of addressing issues sufficiently.

In his keynote address, Shibeshi Bettemariam, Secretary General of Addis Chamber, commends the current endeavor of the government in putting out new legislations on digital finance, electronic transaction, digital signature, communication services, he however urges for more needs to be done to create a regulatory environment that enables e-commerce to flourish.

Preceding the keynote address, experts from the ICT sector made

briefings concerning the current engagements of the government in introducing new legislatives, laws and strategies to promote digital trade in Ethiopia. Those briefings also include the existing challenges for digital trade that are attributed to impediments associated with unfriendly laws and policies tied with digital trade.

In his briefings to the panel, Bahiru Zeinu, CEO, of Africom technologies, highlighted the need to be ready in digital trade to accommodate the ACFTA. Some of his recommendations include the need to make ready a standard and competitive product and services that can be operational in Ethiopia and other parts of Africa, the need to promote knowledge and skill in international marketing, securing international standards such as ISO and the likes, developing the cultures of collaboration and partnership

among others.

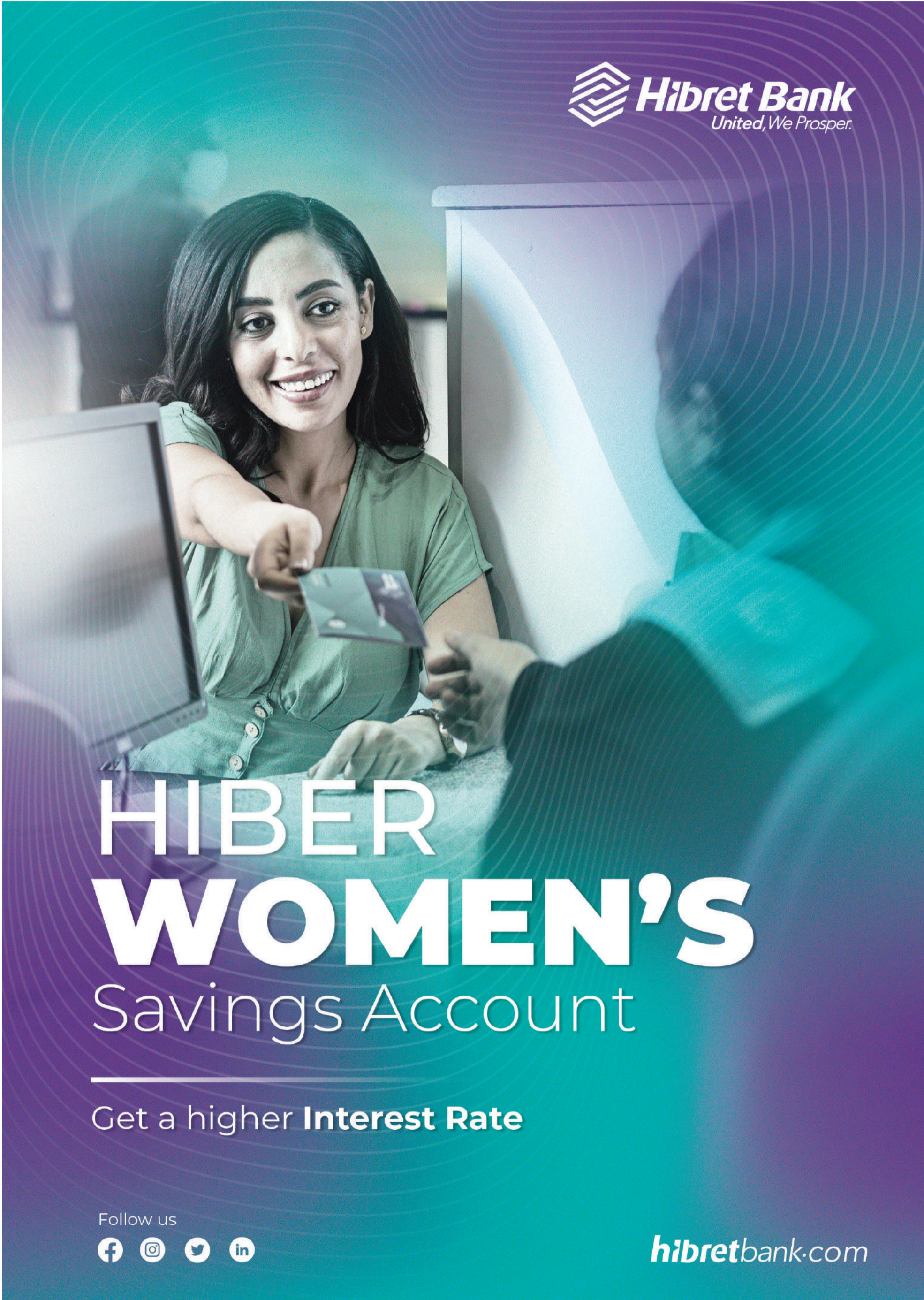
Abyot Bayou (PhD), Senior Advisor to Minister of Innovation and Technology on his part listed out major challenges that need to be addressed for effective digital trade and economy. Some the challenges, the advisor mentioned include data privacy and security concerns, intellectual property protection issues, consumer protection challenges and unfair competition practices among others.

He however emphasized on the need to develop new laws and regulations, the need to harmonize laws with in and across borders, strengthen and increase enforcement, educate consumers and businesses for an effective implementation of digital trade and economy in Ethiopia.

Entitled with Ethiopia’s Readiness for ACFTA Digital Trade, Sara

Seifu, senior ICT expert and digital trade at the ministry of trade and regional integration said that infrastructure development is being expanded to accommodate digital trade. Accordingly access to infrastructure for digital trade as of 2021 has reached forty-four percent of Ethiopia’s population had access to electricity and one of the cheapest electric tariffs that encourages digital trade. She however said that much has to be done to benefit rural communities to be part of the digital economy.

Following those presentations by experts of digital economy, participants of the panel forwarded their comments and concerns that have to be addressed by policy makers and key stakeholders of the sector.



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TVET's Role is crucial in filling the skill gap among Industries



By Ashenafi Mitiku

This is disclosed during the national public private dialogue forum (PPDF) Forum held in Addis Ababa.

Hosted by Ethiopian Chamber of Commerce & Sectoral Association, the second PPDF brought together key industrial players of TVET.

“In order to empower the TVET sector and produce highly qualified graduates, it is imperative to install competent and committed TVET governance since it is highly correlated with addressing challenges of industries and other sectors of the economy”, said Melaku Azezew, president of Ethiopian Chamber of

Commerce & Sectoral Association (ECCSA) while delivering his key note address to the Forum.

During the forum the new TVET proclamation 1298/15 (HETVTRIL) has been introduced by Solomon Benor(PhD). The proclamation that is endorsed by House of Peoples Representatives last June 2023 considers linkages and cooperation among and between key stakeholders of TVETs in Ethiopia. The new proclamation, according

to the presenter, intends to create competitive industries by forging linkages among key stakeholders as well as ensuring accountability and transparency by installing legal frameworks, said Solomon Benor.

The forum also hosted the presentations from GIZ on issues of sustainable training and education program (STEP III) as well as global experience was shared accompanied by series of discussion among participants.

A unified voice of the G77 plus China important at a time of multiple crises, says ECA's Claver Gatete



Kampala, Uganda, 22 January 2024 (ECA)- The Group of 77 countries plus China is an important platform for developing countries to make their collective voices heard at a time when the world is facing multiple crises, said Claver Gatete, Executive Secretary of the Economic Commission for Africa (ECA). This, he said, is the key principle of ‘Leaving No One Behind’ that must guide our actions.

Mr Gatete was speaking on behalf of the five UN Regional Economic Commissions at the Third South Summit in Kampala, Uganda that took place on the theme: Leaving no one behind. The Summit was aimed at “bringing a new dynamic to the cooperation among its 134 member States of the Group of 77 (G-77) in a more competitive world.”

“As we prepare for the Summit of the Future, the unified voice of the G77 plus China will be a critical factor for success. The convening role of the regional commissions will also be essential,” said Mr Gatete adding that the principle of

“leave no one behind” is more than the North-South divide. It is about the most basic and fundamental right and dignity of our people.

“If there was ever a time when multilateralism demanded more from us, now is the time, and the leadership role of the G77 plus China will become even more critical.

The ECA executive secretary noted that the regional commissions, established by resolutions of the Economic and Social Council to promote regional development remain committed to the spirit of partnership across the global divide, “as we work together to leave no one behind.”

There are five regional commissions: ECA: Economic Commission for Africa; ECE: Economic Commission for Europe; ECLAC: Economic Commission for Latin America and the Caribbean; ESCAP: Economic and Social Commission for Asia and the Pacific and ESCWA: Economic and Social Commission for Western Asia.

He highlighted three key areas illustrating the regional commissions’ role in contributing to the principle of Leaving No one Behind and assessing the sources of vulnerabilities in developing countries.

One is the deficit of industrialisation which prevents the creation of decent jobs to tackle poverty adequately. “Many developing countries, especially in Africa, still export primary commodities and import manufactured goods, leading to significant external deficits, high debt levels and narrow fiscal space for basic social needs,” he said.

The second is the exposure to the negative effects of climate change. “It is ironic that those in the global south who contribute the least suffer the worst consequences. And the global response falls short, leading to protectionist policies,” he stressed. The third is the deficit in technological development that could lead to further global divide.

He recognized the efforts of all the regional commissions in working together to advance the global discussions on loss and damage that led to the pledge of more than US\$ 700 million to the loss and damage fund.

“ECA has been working to strengthen the capacities of our member states to establish carbon credit markets. It does not make sense for African

countries to earn less than US\$10 per ton of carbon whilst countries in Europe earn over US\$100,” said Mr Gatete.

ECA has also been working jointly with the African Union and member countries, during the first ever Africa Climate Summit hosted by the Republic of Kenya. We were able to determine the priorities and actions needed to help the continent address pressing climate needs.

Furthermore, in the principle of leaving no one behind, the Blue Economy Conference convened by the President of Comoros, as Chairperson of the African Union, with ECA’s support, put the peculiar challenges faced by Island and Coastal States at the forefront of the discourse.

“We are supporting the implementation of the great Blue Wall initiative in the western part of the Indian ocean that will lead to income generating opportunities for more than 70 million people,” noted Mr Gatete.

He also highlighted ongoing support to the implementation of the Africa Continental Free Trade Area agreement and the African Union Digital Transformation Strategy for Africa (2020–2030), as master plans for transforming the continent, as well as ongoing work with member States on a common Africa voice on the Global Digital Compact.

From Ritual to Commercial: How is Jebena Coffee Evolving as a Business in Ethiopia!



By Etsubdink Sileshi(PhD)

Ethiopia as the origin of coffee Arabica is an obvious fact. What is less known is the degree of reverence coffee ceremonies have in Ethiopia? For centuries, coffee drinking rituals in villages and neighborhoods have served as platforms of social bonding, a place to channel out one's concerns, a space to relive stress and a clinic gain social therapy. This is done mostly by women to women. Traditions instruments such as Jebena are key in this process. Jebena coffee is a traditional Ethiopian coffee brewing method where coffee is prepared in a clay pot called a "jebena." The process involves roasting green coffee beans, grinding them, and then brewing them in the Jebena with water and sometimes spices like cardamom.

'Jebena coffee' has joined the market with unprecedented pace of expansion in the last decade and half. Nothing similar has emerged from the traditional corners of Ethiopia and changed the lives of many young women and their families as has done 'Jebena coffee'. It has many fascinating economic and social characteristics worth discussion. Some of these include low amount of initial capital: although the starting costs for jebena coffee businesses may vary from place to place and from time to time, compared to other commercial activities, we can say that it requires low financial capital, say a few thousands of birr. The Jebena, a few cups, the cup-seat (genda), a few killos of coffee and a space -usually by the side or corridor

of other businesses. It doesn't require high level of education: since coffee ceremony takes place nearly in every household, the traditional way of coffee brewing is familiar to all especially, girls. Hence, the fact that its brewing is a public knowledge serves as a human capital that can easily be converted in to business.

Coffee has high demand in most societies and some rough estimates show that nearly half of the Ethiopian coffee produce is consumed domestically. Neither religions nor specific cultures are against coffee drinking. As a result, sipping a cup of coffee is a normal occurrence in the daily life of an Ethiopian.

The other advantage is coffee supply: Ethiopia is one of the world's largest coffee producers, and coffee farming provides employment for millions of Ethiopians, from small-scale farmers to laborers involved in harvesting and processing the beans. For jebena coffee shops, so far the supply of coffee seems reliable. Since export of coffee requires high standards, what is locally consumed might not necessarily compete with foreign consumers to a larger degree.

What about its advantages? The popularity of jebena coffee -traditionally has led to the proliferation of coffee shops and cafeterias, not just in Ethiopia but also worldwide. These establishments create employment opportunities for baristas, servers, and other staff. If we are to focus on the direct advantages of jebena coffee shops in Ethiopia, we can at least extract the

following.

Employment opportunity: Some jebena coffee shops not only open business opportunity for the owner, they also sometimes require additional labor depending on the number of customers. Thus, it is not unusual to see one young lady making the coffee, another young lady serving it to customers and even another washing the cups and readying them for next user. As mentioned earlier, since the skill requirement is met with traditional knowledge, this division of labor is not lasting one- you can see them changing roles now and then.

Business opportunity building owners: although it might not be that expensive, jebena coffee shop owners (sometimes simply a corridor) pay rents. Thus, land lords who rent rooms for other businesses can gain additional income from having a coffee shop in unbounded space-somewhere near the corner. **Good for other businesses:** before the flourishing of these jebena coffee shops, businessmen and women had to go to a faraway cafeteria to have a cup of coffee. These days you have one next to your business. This way it saves time and adds safety of other businesses.

Affordability: for most of the customers, the jebena shops are the best alternative to cafeteria as the price of a cup of coffee is almost half in the first compared to the latter. The affordability in turn attracts more consumers and owner gain profit from a small margin and a high volume of sale.

As more and more jebena coffee shops emerge, suppliers of coffee, coffee cups, the jebena itself, the cup seat and other important instruments of this highly cherished traditional drink will benefit a lot and their businesses will grow. Hence, it is important not to overlook the backward and forward linkages of the jebena coffee to other businesses. **Social bonding areas:** jebena coffee due to its traditional root promotes discussion, social bonding and laughter sharing experience. In this regard it's a best platform to bring

together the young and the old, the Christian and the Muslim and the poor and the rich, the student and the teacher- everyone from all walks of life enjoys it together.

As the extended family in big cities continues to shrink and as women engage more and more in outside activities, the role of jebena shops as an extension of the coffee ritual in households will be felt highly. As people spend less time at home and families are living far apart, compared to earlier times, the jebena coffee shops will serve as a reuniting space.

Tourism: Ethiopia's rich coffee culture, including the traditional jebena coffee ceremony, attracts tourists who want to experience authentic Ethiopian coffee. This boosts employment in the hospitality sector, including hotels, restaurants, and tour guides. The prevalence of jebena coffee shops, especially in Ethiopia, can be attributed to the deep-rooted coffee culture in the country. Ethiopians take pride in their coffee traditions, and jebena coffee is central to their social interactions and daily routines. As a result, coffee shops serving jebena coffee cater to both locals and tourists seeking an authentic Ethiopian coffee experience. Additionally, the rise of specialty coffee culture globally has also contributed to the popularity of Ethiopian coffee, further fueling the demand for jebena coffee shops both domestically and internationally. As yoga is from India, Pasta from Italy, jebena buna(coffee) has potential to go global with its Ethiopian flavor and cultural touch.

Like coffee, there are other products which are highly revered traditionally. Thus, commercializing them and helping the youth start businesses as is being done with coffee will have a significant social and economic outcome. To sum up, jebena coffee shops have been a few of the phenomena we have witnessed recently in which ritual is successfully converted in to commercial. Ethiopia, being the home of a well preserved, diversified and rich culture, there are enormous opportunities for the youth to tap.

Countries worldwide to experience a slow economic growth this year despite continued declining inflation rate, warns a UN report



Addis Ababa, Ethiopia, 25 January 2024 (ECA) - The global GDP growth is projected to slow from 2.7 per cent in 2023 to 2.4 per cent in 2024, according to the World Economic Situation and Prospects (WESP) 2024 launched by the Economic Commission for Africa (ECA) in Addis Ababa, Ethiopia.

Growth is forecast to improve moderately to 2.7 per cent in 2025 but will remain below the pre-pandemic trend growth rate of 3.0 per cent.

Adam Elhiraika, Director, Macroeconomics and Governance Division of ECA said, tight financial conditions, coupled with a growing risk of geopolitical fragmentation, pose increasing risks to global trade and industrial production.

He said while the world economy avoided the worst-case scenario of a recession in 2023, a protracted period of low growth looms large. Growth prospects for many developing countries, especially vulnerable and low-income countries, have remained weak, making a full recovery of pandemic losses ever more elusive.

“The global economic slowdown, tighter monetary and fiscal conditions, and high debt sustainability risks will remain a drag on the region’s growth prospects,” said Mr Elhiraika.

“The unfolding climate crisis and extreme weather events will

undermine agricultural output and tourism, while geopolitical instability will continue to adversely impact several subregions in Africa, especially the Sahel and North Africa.”

He noted that the world economy proved more resilient than expected in 2023 amid significant monetary tightening and lingering policy uncertainties worldwide, even as multiple shocks arising from conflict and climate change which will have an effect on the lives and livelihoods of millions, further jeopardizing progress towards sustainable development.

The report indicates that developing countries face divergent near-term growth prospects. The economic growth in Africa he said is projected to remain weak, increasing from an average of 3.3 per cent in 2023 to 3.5 per cent in 2024.

On inflation, the report says that after surging for two years, global inflation eased in 2023 but remained above the 2010-2019 average. Global headline inflation fell from 8.1 per cent in 2022, the highest value in almost three decades, to an estimated 5.7 per cent in 2023.

Hopstone Chavula, ECA Economic Affairs Officer who presented the report highlighted that although the global inflation is ebbing, food price inflation can exacerbate food insecurity and poverty. After surging for two years, global inflation eased

in 2023 but remained above the 2010-2019 average.

“In addition to raising interest rates, the major developed country central banks started reducing the assets on their balance sheets, a process known as quantitative tightening, in 2022 and accelerated the pace in 2023 to reduce excess liquidity,” said Mr Chavula adding that the higher borrowing costs will exacerbate debt sustainability risks for developing countries.

Monetary tightening by major developed country central banks will have significant spillover effects on developing countries.

The report says the global investment trends will remain weak. Global investment growth is likely to remain subdued. Real gross fixed capital formation grew by an estimated 1.9 per cent in 2023, down from 3.3 per cent in 2022 and far below the average growth rate of 4.0 per cent during the period 2011- 2019.

International trade is losing steam as a driver of growth. In 2023, global trade growth weakened significantly to an estimated 0.6 per cent, a sharp decline from 5.7 per cent in 2022. It is expected to recover to 2.4 per cent in 2024, remaining below the pre-pandemic trend of 3.2 per cent. This slowdown, notes the report, is attributed to a slump in merchandise trade. By contrast, trade in services, particularly tourism and transport, continued to recover.

According to Mr Chavula, Central banks worldwide are expected to continue facing a delicate balancing act and difficult trade-offs in 2024 as they strive to manage inflation, revive growth, and ensure financial stability. Central banks in developing economies will face the additional challenges of growing balance-of payments concerns and debt sustainability risks. Central banks must navigate a delicate balance between inflation, growth and financial stability.

On fiscal space he said it is shrinking amid higher interest rates and tighter liquidity. Sharp increases in interest rates since the first quarter of 2022 and tighter liquidity conditions have adversely affected fiscal balances, renewing concerns about fiscal deficits and debt sustainability. Countries implemented bold and timely fiscal policy measures in response to the pandemic crisis and to stimulate recovery.

The report says that industrial policy, which is increasingly seen as crucial for fostering structural changes and supporting a green transition is being revived and transformed. This shift is aimed at fixing market failures and aligning innovation with broader development goals. Innovation policies are also changing, with more ambitious, systemic and strategic approaches being employed.

On meeting the SDGs by 2030, the report indicates that strengthening multilateralism will accelerate SDGs progress. “The world remains vulnerable to disruptive shocks, including a rapidly unfolding climate crisis and escalating conflicts. The urgency and imperative of achieving sustainable development underscore that strong global cooperation is needed now more than ever,” says the report.



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