Ethiopia

Introduction

Ethiopia is a landlocked country located in Eastern Africa bordered by Djibouti, Eritrea, Kenya, Somalia, South Sudan, and Sudan. The geography of Ethiopia consists of high plateaus with the central mountain range divided by Great Rift Valley. The government system is a federal republic; the chief of state is the president, and the head of government is the prime minister. Ethiopia has a traditional economic system in which the allocation of available resources is made on the basis of primitive methods, and many citizens engage in subsistence agriculture. Ethiopia is a member of the Common Market for Eastern and Southern Africa (COMESA).

Key Economic Facts

Income Level (by per capita GNI):
Level of Development: Developing
GDP, PPP (current international $): $199.76 billion (2017)
GDP growth (annual %): 10.25% (2017)
GDP per capita, PPP (current international $): $1,903.24 (2017)
Manufacturing, value added (% of GDP): 5.59% (2017)
Inflation, consumer prices (annual %): 9.85% (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate): 1.81% (2018)

GDP Composition %

Agriculture 34%
Services 37%
Industry 23%
Manufacturing 6%

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

Index | Rank
---|---
Corruption Perceptions Index | 107 / 178
Global Competitiveness Index | 121 / 139
Global Enabling Trade Index | 117 / 136
Index of Economic Freedom | 136 / 179
Inward FDI Potential Index | 132 / 139
KOF Index of Globalization | 165 / 185
Networked Readiness Index (NRI) | 120 / 139

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: D - The business environment is very difficult. Corporate financial information is rarely available and when available usually unreliable. The legal system makes debt collection very unpredictable. The institutional framework has very serious weaknesses. Intercompany transactions can thus be very difficult to manage in the highly risky environments rated D.

Strengths

- Remarkable track record of growth and poverty reduction
- Public investments in infrastructures
- Economy diversification effort
- Strong hydropower potential

Weaknesses

- Vulnerability to weather conditions and changes in world commodity prices
- Isolation of the country
- Insufficient level of foreign exchange reserves
- On-going difficulties in the business and governance environment
- Unstable regional context
- Exacerbated ethnic tensions

U.S. Embassy

U.S. Embassy Addis Ababa
Entoto Street
P.O. Box 1014
Addis Ababa

https://et.usembassy.gov

Country Memo Provided by: globalEDGE.msu.edu and EXPORT.GOV

Key Websites

Main Government Page: ethiopia.gov.et
Commerce Ministry: mot.gov.et

Calling Code: 251
Voltage: 220

Location: Eastern Africa
Capital City: Addis Ababa (+3 GMT)
Chief of State: President Sahle-Work Zewde
Head of Govt.: Prime Minister Abiy Ahmed Ali
Currency: Birr (ETB)
Major Languages: Oromo (official working language in the State of Oromiya) 33.8%, Amharic (official national language) 29.3%, Somali (official working language of the State of Sumale) 6.2%, Tigrigna (Tigrinya) (official working language of the State of Tigray) 5.9%, Sidamo 4%, Wolaytta 2.2%, Gurage 2%, Afar (official working language of the State of Afar) 1.7%, Hadiyya 1.7%, Gamo 1.5%, Gedeo 1.3%, Opuuo 1.2%, Kafa 1.1%, other 8.1%, Arabic</p>

Primary Religions: Ethiopian Orthodox 43.5%, Muslim 33.9%, Protestant 18.5%, traditional 2.7%, Catholic 0.7%, other 0.6%

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