

*Investment flow from Middle East countries has increased over the past four years, the Ethiopian Investment Commission said*

Middle East FDI which was low before the beginning of the Growth and Transformation Plan (GTP) period, is increasing in the past four years, Getahun Negash public relations director at the Commission told ENA. In spite of the age-long relations and connections, Middle East investment has not reached at a desired level, he added.



Agri Flowers, MIDROC's Agro-Industry

The government of Ethiopia has understood the region's potential in terms of investment and is working to attract more investors from there. Intensive promotion of the country's investment opportunities, coupled with the fast economic growth and stability has increased Middle East investment during the GTP period.



Tea Plantations, MIDROC' Agro-Industry

Some 254 investment projects owned by Saudi Arabia, UAE, Yemen, Kuwait, Qatar, Bahrain and Oman were licensed during those years, of which 35 projects with an aggregate capital of 5.87 billion Birr have become operational. Derba Cement, the country's largest cement plant, Saudi Star Agricultural Development Plc and Julphar Pharmaceuticals plant are among the operational projects.

Middle East companies are largely engaged in agriculture, agro-processing and manufacturing sectors, Getahun said. "Middle East companies are largely engaged in agriculture sector. Next to agriculture, they have taken part in the agro-processing and manufacturing

sectors. In agriculture, they are working to get market for their local consumption, plus they are involved in agro-processing activities by adding values in Ethiopia's agricultural outputs and re-export to their markets. In similar, they have an active participation in the manufacturing sector."

Saudi Arabia (112), UAE (56), Yemen (56) and Kuwait (16) are the countries with large number of licensed projects during this period, Getahun stated. Saudi Arabia is the leading country from the region in terms of number of licensed projects with 112 projects of which 10 have already commenced operation. These projects with an aggregate capital of 5.4 billion Birr have created 3,604 permanent and temporary jobs. Investments owned by billionaire Sheikh Mohammed al- Amoudi takes the lion's share of Saudi investment. 'Derba Cement Factory and Saudi Star Agricultural Development are among the major projects of Saudi investment. The 351 million USD Derba Cement, with the capacity to produce 8,000 metric tons of cement per day, was inaugurated in February 2012.

UAE is the second largest country with 56 licensed investment projects among which 16 are operational. These projects with 345 million Birr capital created jobs for over 1,000 individuals. The Julphar Gulf Pharmaceutical Industries plant in Addis Ababa is among the UAE owned investment. Opened in February 2013 in joint venture with a local company, the facility produces solid and liquid dosage forms of medicines in Ethiopia.

The facility believed to be one of the largest pharmaceutical industries in East Africa has a capacity of producing 25 million bottles of suspension and syrup, 500 million tablets and 200 million capsules per annum.

'Among the Saudi Arabia investments, Sheik Mohammed Hussein Al Amoudi's companies take the lion's share. MIDROC hugely invests in Ethiopia and created employment for a large number of citizens. In similar, United Arab Emirates' Julphar Pharmaceuticals recently

opened a pharmaceutical facility that is able to render the largest injection treatment in East Africa.”

Intensive promotional activities combined with the successive economic growth and security contributed to improvement in Middle East investment, Getahun noted. Support of the government for companies that are interested to invest in the country and incentives given to companies engaged in priority areas are also causes for the increase, according to him. The government is working to attract more Middle East investment, since the region is among the promising areas, he remarked.

**Source: Walta Information Center**