



# Ethiopia Investment Weekly

02 June, 2020

Top News Selected For You,  
Frequently Asked Information,  
Communication on EIC initiatives.





## The week in brief

**Ethiopian Airlines has been Continuing its global mission-critical cargo operation in response to COVID-19:** Addis Ababa has established itself as a transit hub for the distribution of PPE and medical supplies to Africa and other regions, including shipments of masks and diagnostics donated by the Jack Ma Foundation. Ethiopian cargo services has doubled in size, with 25 of the Airline's 130-strong fleet converted to carry freight. Recently, the Airline has opened new routes to Latin America to deliver medical equipment. The Airlines has also transported 20 tons of fish from Mwanza, Tanzania to Brussels, Belgium, as well as medical supplies & flowers to Moscow, Russia for the second time using its Dreamliner Passenger aircraft.

**Ethiopia advises investors from the Netherlands-to diversify their investments from the horticulture and flower industry :** During a webinar discussion Million Samuel, Ambassador of Ethiopia to the Netherlands, advised Dutch Companies to explore new areas of cooperation beyond horticulture and floriculture such as agriculture, manufacturing, energy, ICT and service sectors. The Netherlands, with over 150 investments in Ethiopia, is the largest European investor and accounts for 5.23% of Ethiopia's exports, making it the 6th largest export destination for Ethiopian goods.

**Ministry of Finance Offers 40% of Ethio Telecom's Stake for Acquisition:** The Ministry has decided to transfer 40% of Ethio-telecom to private owners, which will allow the government to retain a majority holding of the company. Following this decision, the Ethiopian Communications Authority has launched a request for [Expressions of Interest \(EOI\)](#) to issue two new telecommunications licenses. Telecom companies who showed interest in the Ethiopian market include MTN Group (South African based operator), Orange (France based operator), Vodafone (Safaricom in Kenya and Vodacom in other markets including South Africa), Etisalat (UAE based operator), Econet, (Zimbabwe based operator), and other companies from China and Saudi Arabia.



## COVID-19 IN ETHIOPIA

### IMPACT ON INVESTORS

Please find the results of our initial survey [here](#)

### IMPACT ON PUBLIC HEALTH

Total number of cases to date: 1,344

Total tests performed to date: 116,309



## Additional resources *(The EIC does not endorse any of the below publications)*

[Reopening and reimagining Africa:](#) This latest McKinsey article on Covid-19 in Africa presents 9 ideas on reimagining African societies, businesses and government

[ILO Monitor: COVID-19 and the world of work. 4th edition:](#) The latest report from the ILO explores the loss of working hours due to Covid-19, the disproportionate impact of Covid-19 on youth, and the benefits of testing and tracing on labor markets



## Tax Exemption on the import and local manufacturing of PPE

The Ministry of Finance (MoF) has announced the waiver of import duty and taxes for manufactures and importers of PPEs supplying the local market. Six categories of items are covered under this measure:

1. Covid-19 test kits or instruments and apparatus used in diagnostic tests
2. Protective garments and the like
3. Thermometers
4. Disinfectants or sterilization products
5. Medical consumables
6. Other medical devices (computed tomography (CT) scanners and Extracorporeal membrane oxygenation (ECMO)

For a full list of the detailed products, please find attached. Finished products that are specified on this list can be imported duty free.

In addition, manufacturers of PPE products are also allowed to import the required raw material duty free and sell products locally without payment of duties & taxes.



This waiver will last until the government notifies that COVID-19 is no longer a concern for the country.



## Application

### Manufacturers

Manufacturers need to obtain a support letter from the EIC for each shipment of raw materials to be used for PPE production. In addition, manufacturers will also need to present temporary certification from EFDA

### Required documents for EIC support letter

In order to obtain the support letter from the EIC, manufacturers need to submit the below documents, either online [here](#) or in person.

1. Commercial invoice
2. Packing list
3. Airway bill or bill of landing
4. Certificate of origin (if available)

If all documents are fulfilled, the EIC will forward the approved support letter to the Customs Commission within 3 days.

For further questions, please reach out to Dawit Feleke at [dawit.feleket@ethio-invest.com](mailto:dawit.feleket@ethio-invest.com) or Yeabsira Kefelegn at [yeabsira.kefelegn@ethio-invest.com](mailto:yeabsira.kefelegn@ethio-invest.com)



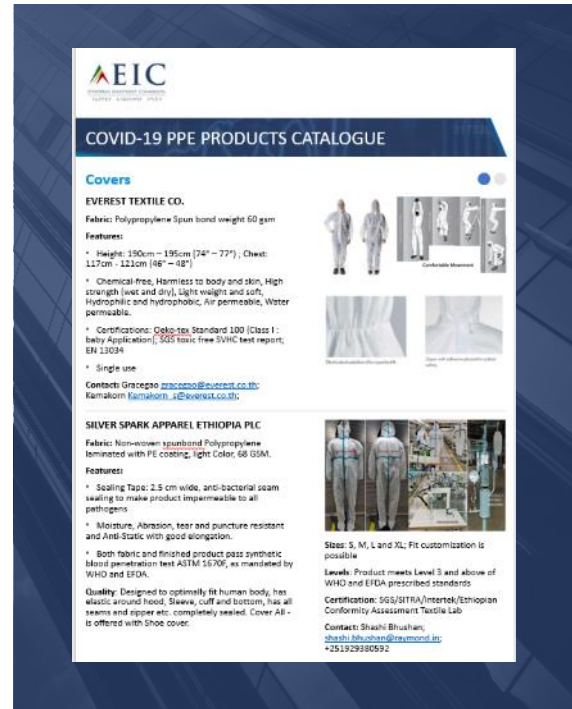
## PPE catalogue is live!

The EIC has published the PPE catalogue, which provides information on local manufacturers of PPE products and raw materials in Ethiopia.

This catalogue features suppliers of the below products:

- Fabric face masks
- Coveralls
- Hand sanitizers
- Raw material suppliers – fabric and packaging

The catalogue can be found on our website and would be updated regularly. If you would like to be included in this catalogue, please register your product [here](#)



## Employee income tax waiver measure taken by the government

The Council of Ministers (CoM) has recently approved several measures to stimulate the economy and support businesses survive the adverse impact of COVID 19. One of the measures approved by the CoM is the waiver of employee income taxes for businesses.

This support is available for businesses that have been paying wages to employees staying at home. For these businesses, the government has waived four months of employee income tax payable on the salaries of the employees. The regional and city administrations, which have the jurisdiction to collect employment income tax, are aligned with this measure.

In order to be approved for this income tax waiver, employers need to submit proof of salary payment to workers staying at home for the months of March and April. Upon approval, the relevant government body will waive the income tax applicable for four months.

## CONTACT

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