



COVID-19 Ethiopia Response

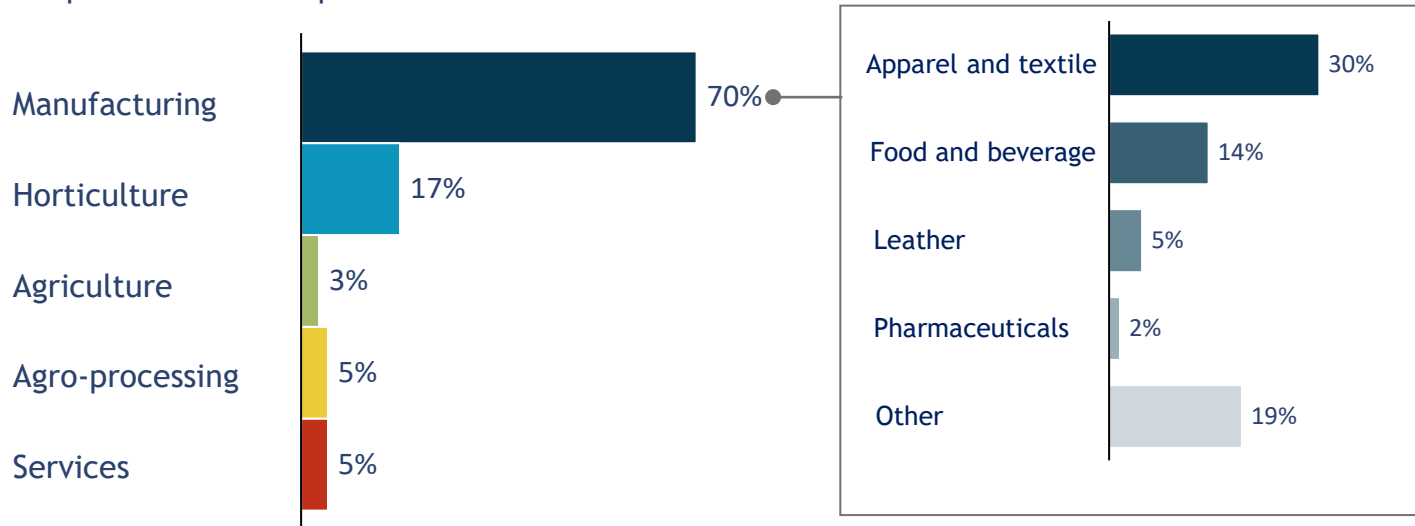
EIC survey results

May, 2020
Addis Ababa

Basic information on survey respondents

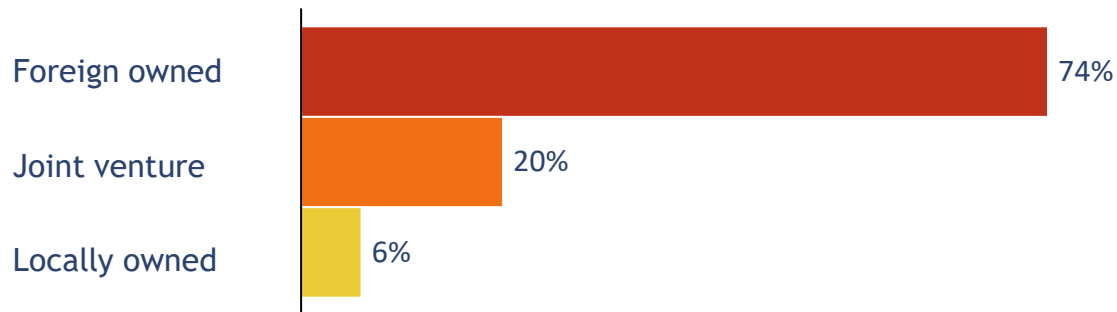
70% of the respondents are in the manufacturing sector

Respondents to this question = 63



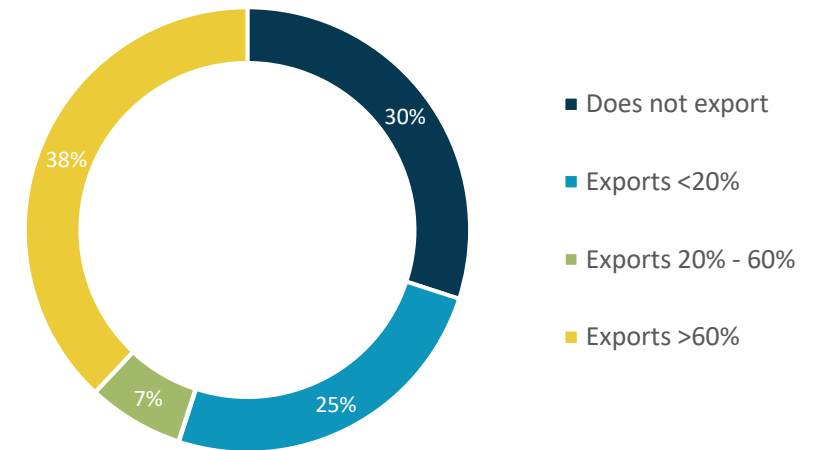
74% of the companies are fully foreign owned

Respondents to this question = 54



38% of the respondents are exporters

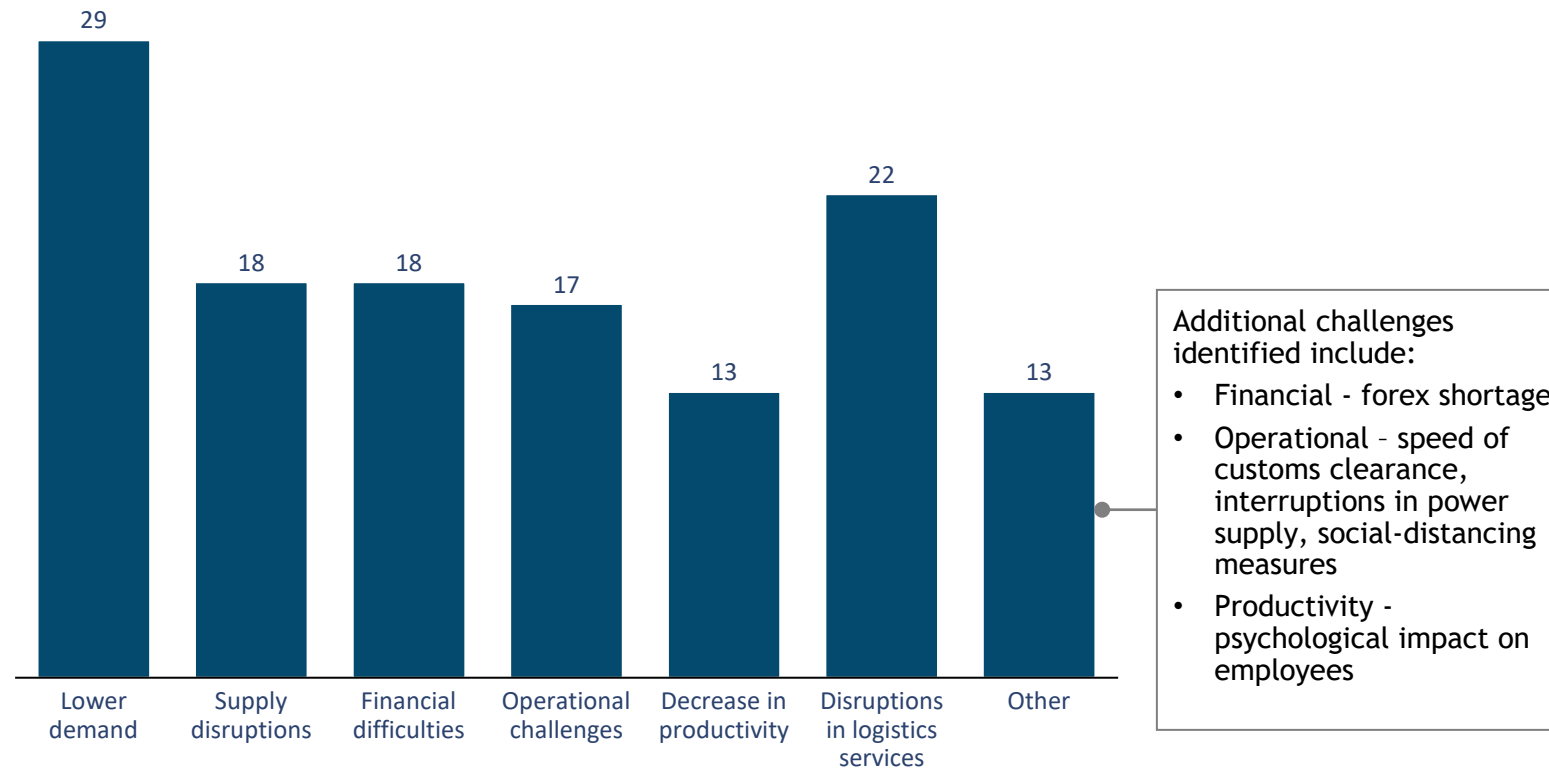
Respondents to this question = 56



Challenges with the highest impact on operations

Respondents to this question = 47

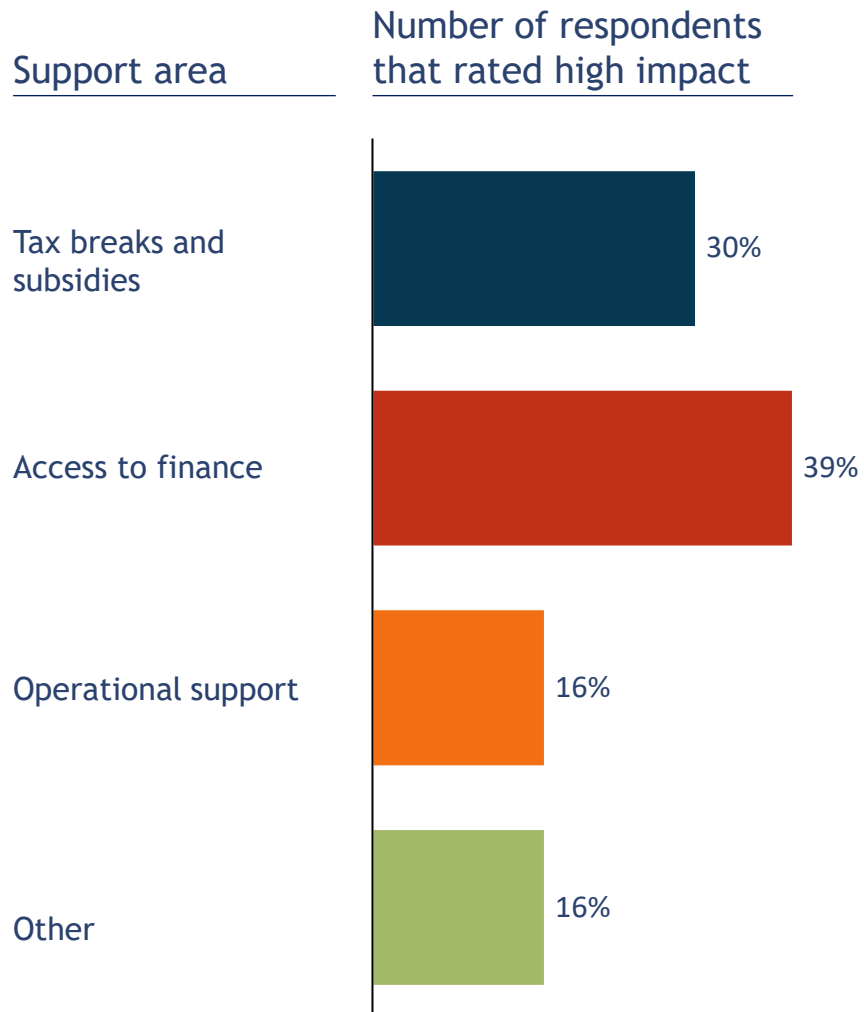
Number of investors that rated COVID-19 challenges for having high impact on operations



The EIC is exploring potential support measures to address investors' challenges and will communicate them with investors after approval.

Tax breaks and subsidies and access to finance are the most requested areas of support

Respondents to this question = 31



» Current efforts to support investors

The EIC is exploring potential support measures for investors and will communicate after decisions have been made. Below are current government measures to support the economy and investors.

Tax breaks and subsidies

- The Ministry of Finance has announced **tax debt relief** measures. Please refer to MoF directive [here](#) for details.
- The Council of Ministers has **exempted tax on import of COVID-19 response material and equipment**
- The Ministry of Revenue is **expediating VAT returns**
- The Council of Ministers has announced a number of measures to support the economy, including:
 - Government **donations are deductible from 2012 EFY taxable income**. Deductibles cannot exceed 20% of the taxable income.
 - VAT and TOT **declaration and payment period** for the period Megabit 2012 - Ginbot 2012 can be paid on Sene 2012
 - Employee pension payments for the 3 month period Megabit 2012 - Ginbot 2012 can be paid on Sene 2012

Access to finance

- The National Bank of Ethiopia has availed **15Bn ETB liquidity for private banks** to enable them to provide debt relief and additional loans to their customers in need
- Banks are instructed to **avail foreign currency for importers** primarily importing goods and input material for the prevention of COVID-19

Operational Support

- The Ethiopian Food and Drug Authority (EFDA) has issued a temporary COVID-19 medical products approval and import permit authorization directive and a guideline to **expedite the authorization processes** for manufacturers, importers, and sales of COVID-19 medical products
- The EFDA has issued a directive on
- The Ministry of Transport, Ethiopian Shipping and Logistics Services, and Ethio-Djibouti Rail have announced **price reductions for inland transport and dry ports** to support exporting manufacturers. Details can be found under the government services tab [here](#)
- The Customs Commission has **suspended demurrage costs** for the duration of COVID-19 pandemic in Ethiopia

A full list of government measures can be found [here](#)

Repurposing production to supply COVID-19 response goods

Respondents to this question = 48

Percentage of Manufacturers planning to re-purpose production to supply COVID-19 response goods



Support request for re-purposing

Investors re-purposing productions mainly need the below support

- Confirmed orders
- Raw materials procurement
- Logistics support
- Financial support



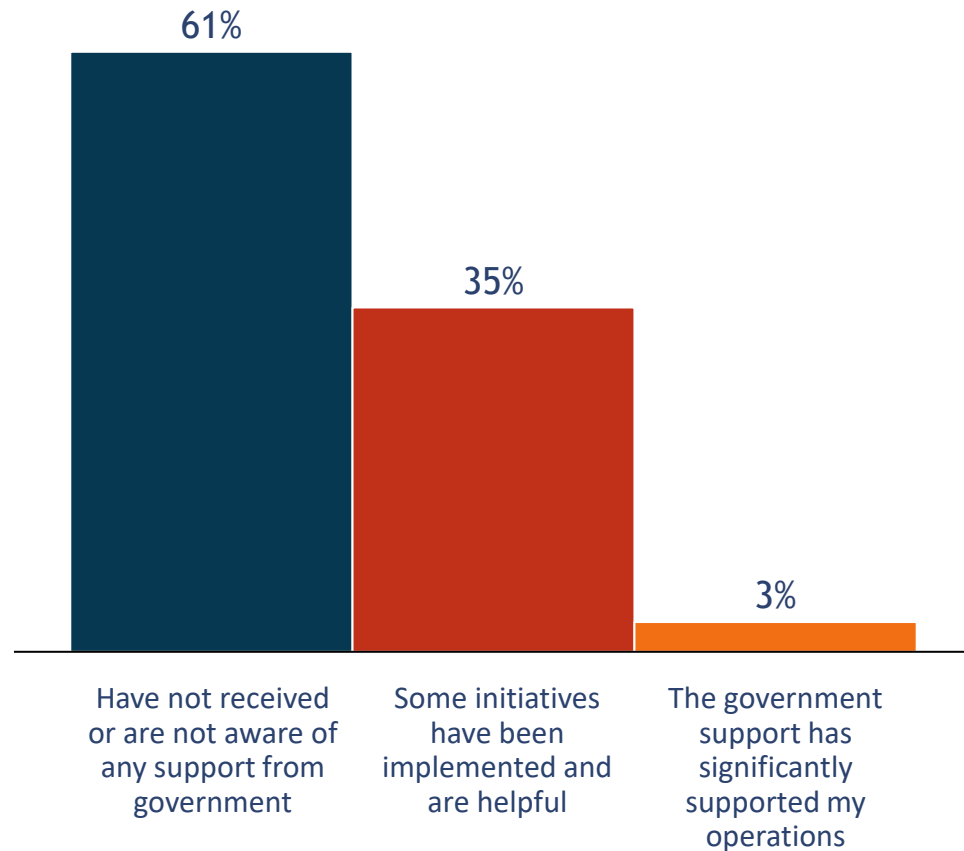
Current efforts to support investors

PPE products catalogue: EIC is developing a PPE catalogue to connect our investors with buyers. If you would like to be included in this product catalogue, please submit your product information [here](#).

The EIC is exploring additional potential measures to support investors' that are re-purposing operations and will communicate them with investors after decision have been made.

Feedback on government support

Respondents to this question = 31



EIC has launched three platforms to strengthen the communication with investors:

1. **Bi-weekly surveys** to understand the impact of COVID-19 on investors' operations and gather feedback on support
2. **Weekly newsletter** to communicate top national news, useful information to manufacturers, and latest EIC initiatives
3. **EIC COVID-19 webpage** to avail all relevant information to investors in one place.

Respondents expect that operations will be more impacted than today in the coming 2 weeks

Respondents to this question = 51

