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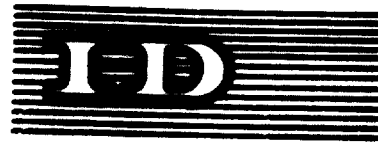
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COUNTRY INFORMATION SHEET ✓

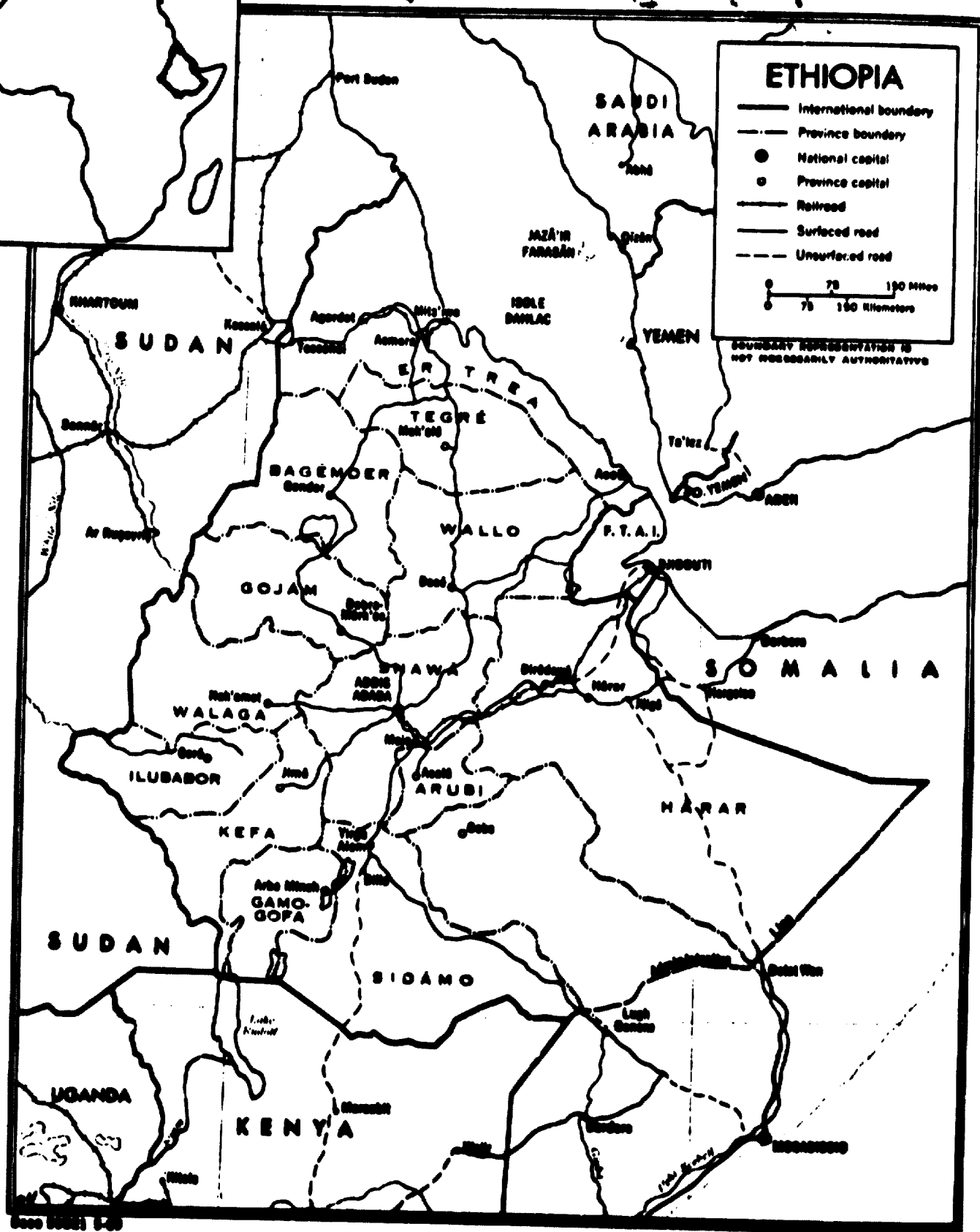
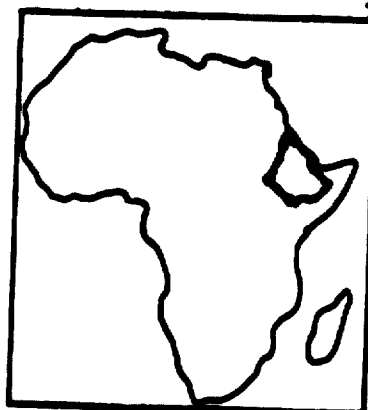
ETHIOPIA

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ETHIOPIA



Scale 1:500,000

BRIEF BACKGROUND INFORMATION

A. THE COUNTRY AND ITS PEOPLE

1. Geography

(a) Area 450,000 square miles

(b) Situation, climate, physical features, etc.

Ethiopia has its Northern coast on the Red Sea. In the North-West is the Sudan, in the South Kenya and in the East Somalia. It is a land of rugged mountains cut by deep valleys. In the centre is the Plateau of Abyssinia with an average height of 6,000 ft., gradually declining to the dry and sandy lowlands in the South. Rivers flow swiftly and violently. Because of the altitude the climate is moderate. It is hot and dry near the Red Sea and around the gulf of Aden and Somalia. The Abyssinian plateau has two seasons: a dry season from November to May; and a rainy season from June to October. It has three main belts of vegetation: Lower than 6,000 ft. the "quocala" (sophorbia, succulents and dense forests; 7,000-8,000 ft. with vines and European type of crop; the mountain peaks with cold slopes where lobelia, wild olives, sycamores and junipers grow.

(c) Population

Estimated 1968: 25 million

Rate of growth: 1.9%

Density per square mile: about 49.

There are three main ethnic groups: The Abyssinians (Tigreans, Amharas, and Choans) live in the central plateau. The Hamitic group include the Golla, Somalis and Danakil. There are also Nilotics and Bantu.

(d) Languages

The official language is Amharic, but English is frequently used. Arabic is spoken by about 7 million people. There are about a dozen other languages.

Source: Africa 1969/70.

(e) Main commercial centres

Addis Ababa (the capital) (638,000); Amara (168,000); Dessie (43,000); Djimma (40,000); Harar (38,000); Dire Dawa (30,000); Gondar (25,000).

(f) Transport

- (i) Road. There are 23,000 km of public roads and trails. In 1964, 6,100 km of roads were of all weather type. Considerable road construction and upgrading has taken place during recent years. One of them is the construction of 430 km of Dillan Mayala which will link Ethiopia with Kenya.
- (ii) Railway. There are 11,000 km of railway tracks. Railway transportation is confined to the lines Addis Ababa-Djibouti and Agordat-Massawa with a total length of track of 1,090 km.
- Source: IBRD Report 1965.
- (iii) Air. There are 39 airports and Ethiopian Airways is the national airline. There are flights to East Africa, Europe, America, Asia and West Africa.
- (iv) Sea. There are two ports: Massawa and Assab. Djibouti is also still an important outlet to the Red Sea.

2. Government

Ethiopia has been independent since ancient times. The Emperor is the head of state. Legislative power is exercised by Parliament and Senate. Members of Parliament who number 251 are elected every four years by universal suffrage. The senators are nominated by the Emperor for six years, a third of their number being renewable every two years. Laws have to be ratified by the Emperor. Executive power is in the hands of the Emperor, who is assisted by the Council of Ministers. There are no political parties. The Supreme Court is the highest Appeal Tribunal.

B. BASIC ECONOMIC DATA

1. Economic indicators

(a) National currency

The Ethiopian dollar is the national currency.

ET. \$ 2.50 = US \$ 1

ET. \$ 1 = US \$ 0.40

(b) Gross National Product (1962/63)

GNP = US\$ 880 million

Per capita 1963 = US\$ 40

Rate of growth (long term 3.5%)

Recent years 3.8%

Gross Domestic Product at factor cost
(1962/63 prel.) ET. \$ 2,210 million.

Source: IBRD Report 1965

(c) Cost of living index (1963 = 100)

<u>1966</u>	<u>1967</u>	<u>1968</u>
127	128	128

Source: Lloyds Bank Ltd., Economic Report, September 1969.

(d) Balance of payments (US\$ million)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Trade balance f.o.b.	-15.7	-30.0	-23.0	-35.2
Transportation and insurance	-11.8	-12.1	- 6.4	-12.1
Investment income	- 3.8	- 5.1	- 6.9	- 6.8
Other services	1.1	2.7	- 1.3	14.4
Transfers	<u>13.1</u>	<u>11.9</u>	<u>6.3</u>	<u>11.8</u>
Balance on current account	-17.1	-32.6	-31.3	-27.9
Capital: Private	16.0	13.9	10.3	4.0
Government	10.9	14.6	4.2	23.8
Net errors and omissions	<u>3.8</u>	<u>1.0</u>	<u>- 0.8</u>	<u>3.2</u>
Overall balance	<u>13.6</u>	<u>- 3.1</u>	<u>-17.6</u>	<u>3.1</u>

Source: Lloyds Bank Ltd, Economic Report, September 1969.

2. Gross National Product at current factor cost (Ethiopian \$ million)

	<u>1966</u>	<u>1967</u>	<u>as %</u>
Agriculture, forestry and fishing	2,037.1	2,016.9	57.8
Mining and quarrying	11.6	12.1	0.3
Manufacturing	108.2	149.4	4.3
Cottage industries	136.7	149.2	4.3
Building and construction	187.2	217.6	6.2
Electricity and water	14.9	17.9	0.5
Wholesale and retail trade	256.1	245.9	7.0
Transport and communications	119.4	123.4	3.5
Banking, insurance and Real Estate	39.6	40.6	1.2
Public administration and defence	165.8	178.8	5.1
Ownership of dwellings	123.5	131.5	3.8
Other services	<u>187.9</u>	<u>204.8</u>	<u>6.0</u>
Total	<u>3,388.0</u>	<u>3,488.1</u>	<u>100.0</u>

Source: Economist Intelligence Unit, Annual Supplement, September 1969.

3. Main industries

The following are some of the existing industries. Mining, food and beverage, textile manufacture, brewery, oil refinery, sugar mill, tyre manufacturing plant, cement and footwear factories, tannery.

4. Investments

Foreign investment is officially encouraged and the concessions granted apply to investments in agriculture, mining, manufacturing, transport and tourism. If the initial investment is not less than Eth. \$ 200,000 income tax exemption is granted for a period of 5 years. Agricultural and industrial machinery are admitted duty free. The five-year development plan provides for an investment of Eth. \$ 565 million in manufacturing and handicraft industries.

5. Natural resources

The land is fertile and suitable for livestock raising and for the following crops: sorghum, millet, barley, maize, wheat, coffee, sugar, etc. Mineral deposits include: gold, potash, salt, sulphur, iron ore, copper and small deposits of lignite, lead, platinum, chromium, cobalt, manganese, graphite, asbestos, etc. Some petroleum has been discovered but it is not known yet whether it exists in commercial quantities.

6. Labour force

Population of about 25 million people provides source of labour. There is a dearth of technical and professional skills in many, if not all, fields.

C. DEVELOPMENT PLAN

In 1968 a third five-year plan was introduced. The main economic goals are a growth rate of 6% per annum and an improvement in the standard of living by an average of 3% per annum. The estimated total investment during the plan period is Eth. \$ 3,415 million. The main sectors will benefit as follows:

(i)	Transport and communications	Eth. \$ 624 million
(ii)	Manufacturing and handicraft	" 565 million
(iii)	Agriculture, forestry and fishing	" 312.1 million
(iv)	Mining	" 179.4 million
(v)	Housing	" 524.6 million
(vi)	Electric power	" 120.0 million

D. FOREIGN TRADE DATA

1. Foreign Trade Balance (F.T.B.)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
	-15.7	-30.0	-23.0	-35.2

2. Value of principal imports (in US\$ million)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Machinery including aircraft	32.6	37.2	23.9	47.6
Motor vehicles and parts	15.8	17.1	16.8	16.8
Metals and metal manufactures	11.3	14.4	13.8	16.8
Petroleum products	9.3	10.5	12.4	10.7
Chemical products	5.5	6.9	8.1	9.7
Electrical equipment	10.2	8.4	9.9	9.1
Foodstuffs	8.0	12.3	9.2	7.6
Woollen clothing	6.9	6.0	5.8	5.7
Rubber products	4.3	5.3	5.4	5.2
Yarn and thread	4.4	4.2	5.1	4.6
Medical products	3.2	3.5	3.8	4.0
Others	<u>38.8</u>	<u>35.9</u>	<u>28.9</u>	<u>35.2</u>
Total	<u>150.3</u>	<u>161.7</u>	<u>143.1</u>	<u>173.0</u>

Source: Lloyds Bank Ltd, Economic Report, September 1969.

3. Principal sources of imports (in US\$ million)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
U.S.A.	17.5	13.3	13.5	32.0
Italy	27.0	31.0	27.1	30.9
Japan	22.7	20.9	19.5	16.3
United Kingdom	13.7	14.7	11.0	16.2
France	7.3	5.6	4.8	8.6
Iran	5.7	6.1	6.0	5.2
Netherlands	4.1	15.3	5.0	5.0
Others	<u>52.3</u>	<u>54.8</u>	<u>56.2</u>	<u>58.8</u>
Total imports	<u>150.3</u>	<u>161.7</u>	<u>143.1</u>	<u>173.0</u>

Source: Lloyds Bank Ltd., Economic Report, september 1969.

4. Value of principal exports (in US \$ million)

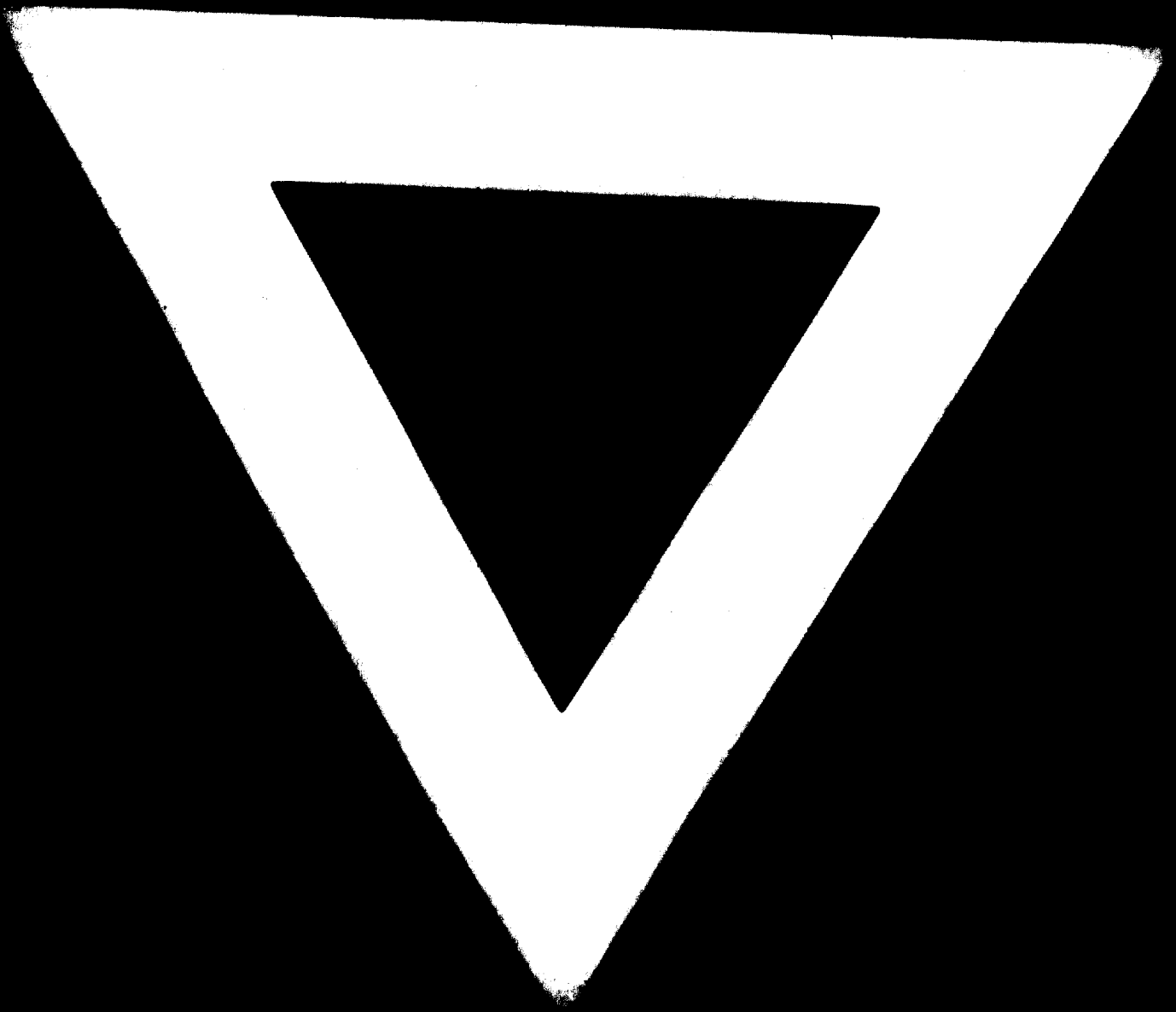
	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Coffee	75.3	62.4	55.8	61.3
Hides and skins	9.4	14.3	11.9	10.0
Oilseeds and oilcake	11.3	10.6	10.8	10.0
Cereals and pulses	6.0	8.5	8.3	8.7
Fruit and vegetables	2.2	3.1	3.4	2.9
Meat canned and frozen	3.0	2.9	2.4	2.2
Others	6.0	5.8	7.4	8.1
Re-exports	<u>2.7</u>	<u>3.4</u>	<u>1.1</u>	<u>3.2</u>
Total	<u>115.9</u>	<u>111.0</u>	<u>101.1</u>	<u>106.4</u>

Source: Lloyds Bank Ltd., Economic Report, September 1969.

5. Destination of exports (in US\$ million)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
U.S.A.	63.3	48.8	43.6	45.6
West Germany	5.0	6.2	5.4	8.7
Saudi Arabia	5.5	6.0	5.6	7.0
Italy	7.4	10.2	8.4	6.6
Japan	2.8	4.7	4.4	4.6
French territories of the Afars and Issas	3.3	3.9	3.1	4.1
United Kingdom	4.2	5.1	4.2	3.9
France	3.2	3.6	3.7	3.7
Others	<u>21.2</u>	<u>22.5</u>	<u>22.7</u>	<u>22.2</u>
Total	<u>115.9</u>	<u>111.0</u>	<u>101.1</u>	<u>106.4</u>

Source: Lloyds Bank Ltd? Economic Report, September, 1969.



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