



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

# UPDATES ON THE LATEST BUSINESS ENVIRONMENT OF ETHIOPIA, UGANDA, RWANDA AND BURUNDI

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## UNIDO Investment and Technology Promotion office (ITPO) TOKYO Advisory Programs in Africa

### Our Services to Japanese investors and enterprises in Africa

- professional consultancy and support business information
- match-making with local partners
- Facilitation of company visits
- Dissemination of investment opportunities





Currently a reasonable number of Japanese companies are operating in the region:

**Investment**

- Light manufacturing industry
- ICT
- Auto Assembly
- Agro-Processing
- Floriculture
- Construction ....

**Trading –  
with the  
region**

- As buyers of differed types of agricultural products mainly c
- Suppliers of machineries, tools and technology products, automotive and parts, pharmaceuticals and medical equipment and , Chemicals, and many more.

( have branches and representative offices in the region )



- Many more Japanese companies were involved in
  - Exploring investment opportunities in the region and
  - Conducting fact finding and feasibility studies to consider investment/business in the region.
- Those the existing Japanese companies operating in the region are performing their regular investment and business activities ,
  - \* the outbreak of **Covid 19 posed** the initiatives of the **upcoming new Japanese investors and business developers** for the obvious effect of this global pandemic.

## Covid 19 and the Economy

- The Novel Coronavirus or COVID-19 pandemic has created historic and unprecedented shocks including **health, supply, demand and financial shocks**.
- As of June 9, 2020 A total of 3539 confirmed cases and 35 deaths have **been** reported in Ethiopia, Rwanda, Uganda and Burundi.



	Confirmed <u>Cases</u>	Deaths
Ethiopia	2336	32
Uganda	657	0
Rwanda	463	2
Burundi	83	1



- Apart from the **health crisis**, the pandemic has **affected the economy** of countries in the region as elsewhere in the world.
- Global FDI including FDI from Japan ceased for the time being due to the international travel ban and global movement restrictions.
- As a result, **Transport sector more specifically air transport, Tourism and hospitality, Logistics, Manufacturing Industry. Construction sector**, and others have been affected since the outbreak of the pandemic in the region.



- **There are at times some opportunities created as a result of the outbreak:**
  - there is a sign of an increase in the global demand for coffee and agricultural products.
  - Stimulating the **Digital economy- Digital payments, online services ...**
  - Re-purposing the production process for industries in the region and **opportunities created in the production of PPE and covid 19 related products locally**
  
- Since the start of the outbreak, countries in the region are taking swift actions to save lives /livelihoods and protecting the economy from the damage caused by the pandemic through various mechanisms.



**Countries in the region are simultaneously performing two challenging tasks successfully:**

**Saving lives and livelihood**

- Taking preventive measures, intensifying testing and treatment
- Improving the health sector to combat the spread of the virus,
- Taking social protection measures to support the disadvantaged group of the communities.

**Protecting the economy** - Measures are being taken to keep the economy going **during** and **post pandemic** without major disruption in the economy.

**It is also worth considering that those 3 countries (Ethiopia, Uganda and Rwanda) are among the fast growing countries in the continent and are the ones with positive growth prediction by WB for 2020.**





- **Summary of timely measures being taken by the respective government of the three countries to support investors and business people and to protect the economy from the unprecedented effects of covid 19:**
  - **Fiscal Relief**
  - **Tax breaks and subsidies,**
  - **Access to Finance,**
  - **Operational support.**
  - **Uninterrupted cargo services - (eg. the case of Ethiopian Airlines)**
  - **price reductions for inland transport and dry ports and related measures to support exporting manufacturers.**
  - **Suspended demurrage costs for the duration of COVID-19 pandemic.**
  - **Accelerating import substitution and export promotion by providing additional funding.**
  - **Encouragement of use of online services and digital payment systems and other positive and supportive measures.**



With the Above positive measures taken and implemented in the region, nations are making efforts to creative conducive investment climates in their respective countries.

## Investment opportunities in Ethiopia

### General Remarks :

- Ethiopia has fastest growing economy,
- Implementation of “Home-grown Economic Reform” under the leadership of H.E PM. Abiy Ahmed, 2019 Nobel Peace Prize Winner.
- key economic sectors such as Telecom, Airlines, logistics, .....  
Are now open to foreign/local investors.
- Has Geographic and market access advantage - proximity to EU, USA, Middle East and Asia.
- New Electric-driven railway: 4 – 12 hours from industrial parks to



- Plenty of World-class sustainable eco-parks ready for ‘plug & Play’
- Africa’s Aviation hub: Ethiopian Airlines serving more than 98 international destinations including Cargo.
- Zero Tax on exports for products produced in the industrial parks and exemption from tax up to 8 – 10 years
- Very low electricity rate at around 3 US cents/kwh; one of the lowest in the world
- **Ethiopian Grand Renaissance Dam** is now nearing completion (73% complete) will start first phase of water filling by the coming July and will start partial power generation by next year.  
(Capacity more than 6000 MW. The largest hydropower project in Africa and 7<sup>th</sup> largest in the world upon completion).



## Specific areas that are of interest to Japanese investors in Ethiopia

1. Agro-Processing
2. Textile and leather industries
3. Chemical and Pharmaceutical industries
4. Construction and real-estate.
5. ICT and telecommunications
6. Energy – Solar, Geothermal and Solar power generation
7. Sugar Industry
8. Lease Financing
9. Mining
10. Tourism & Others



## Investment opportunities in Rwanda

### General Remark

- **Transparent and supportive government to start and run business in the country.**
- **Rwanda Easiest place to do business in East and Central Africa, 2<sup>nd</sup> in Africa and 56<sup>th</sup> globally” by world bank report. (It only takes 6 hrs to registered your company in Rwanda).**
- **There is a huge need encouragements for ICT driven and innovative products in Rwanda.**
- **Strong Government Commitment and favorable investment climate**

## Specific investment areas that can be of interest to Japanese investors in Rwanda

ICT



Rwanda is moving from agricultural subsistence towards using ICT to build a Knowledge base economy.

Business opportunities included here are:

- Software Development
- Internet and computer services
- System design
- Networking and IT solutions....

## ...Investment opportunities, Rwanda

### Manufacturing



Manufacturing Industry with high and growing local and regional market

Investment opportunities included in this group are

- Food Processing
- Pharmaceutical industry
- Production of paper Mill and printing
- General Paper Packaging
- Manufacture of wood and metal products
- Production of bottles and others



Real Estates and Construction



There is huge demand for urban housing.

Tourism



*In the Tourism and Hospitality, there strong Government commitment to develop the sector.*



Energy



Energy is the much needed resource is given priority as energy is key for development.

..... AND MANY MORE AREAS OF INVESTMENT AND BUSINESS

## Investment opportunities in Uganda

### General Remark

- Uganda's liberalized economy is growing rapidly, and has created favorable investment climate.
- Strategic location near the very center of the Sub-Saharan Africa.
  - As a result the county is a **trade and investment hub within the East and Central African regions.**
- Investment on a massive infrastructure improvement programs that **covers national roads and regional railways.**
- Strong Government Commitment.



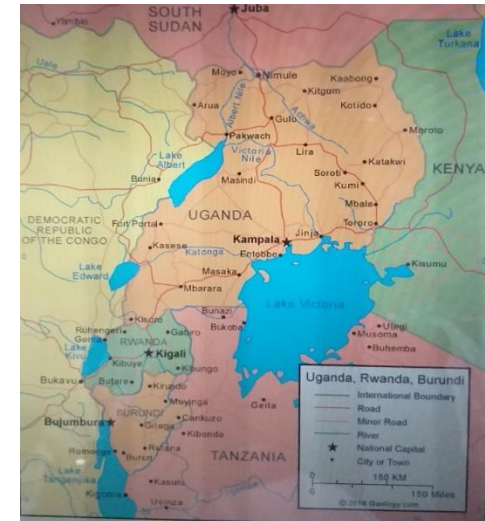
## ...Investment opportunities, Uganda

### Key investment areas for investors in Uganda

- Mining
- Tourism,
- Agro-processing
- Logistics,
- Agriculture, Horticulture, Floriculture, Poultry
- ICT
- Manufacturing Industries .....

## Investment opportunities in Burundi

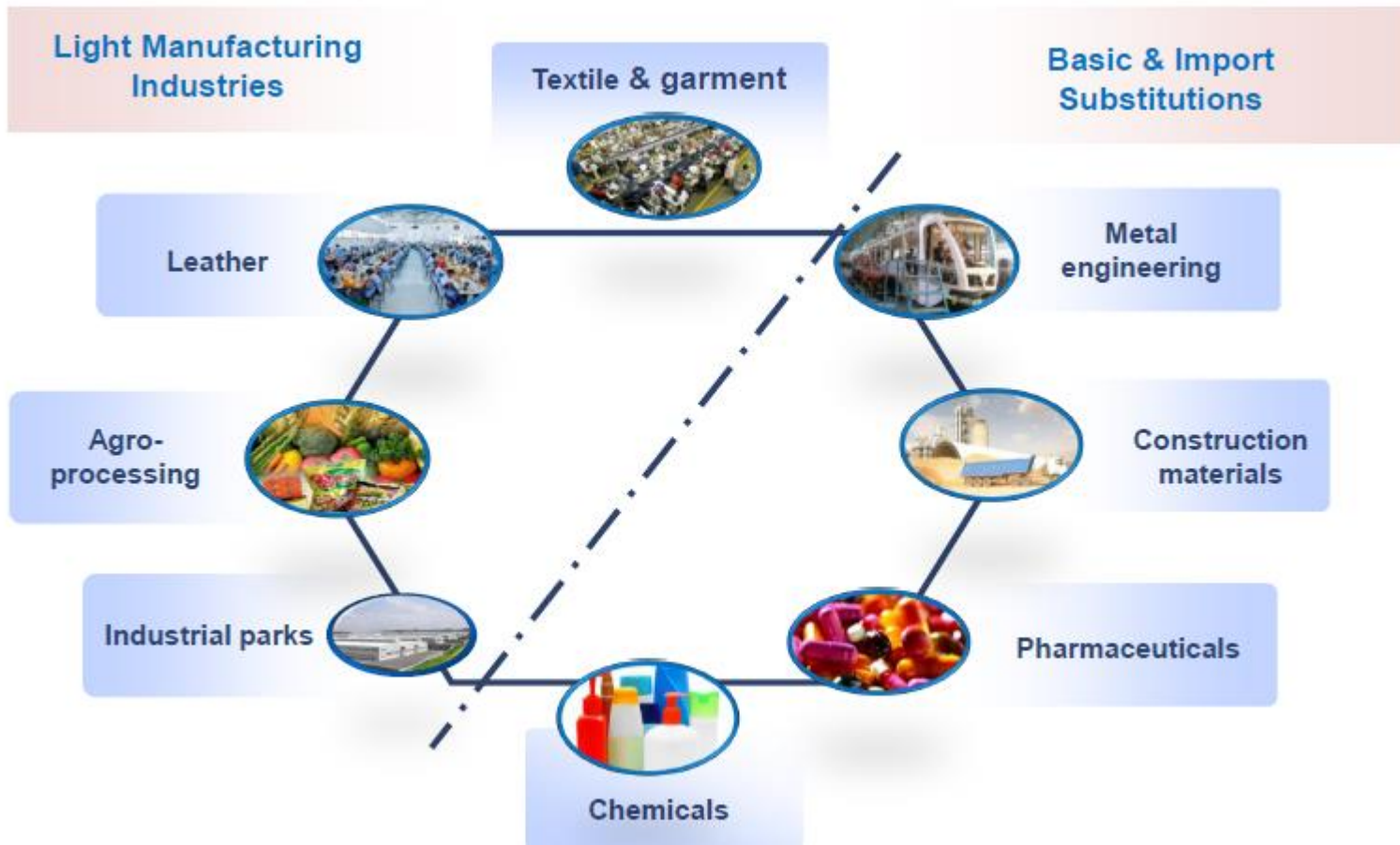
- The country has untapped opportunities and a young population,
- Has a strategic position and access to a wider regional market,
  - Burundi is member of EAC market, COMESA.
  - The country is a bridge between EAC and ECCAS (Economic Community of Central African States).
    - Connected to the SADC market through Lake Tanganyika.
- Bujumbura, is the main city on Lake Tanganyika. Stands as the business hub for the entire region.
- Attractive fiscal and customs benefits for investors
- Burundi has upgraded reforms on ease of doing business and applied a one-stop-shop for starting a business.



## **Business and investment opportunities in Burundi**

- **Mining - Burundi has 6% of world reserves of nickel with 180 million tones estimate.**
- **Energy – Hydro and Solar Power plants construction.**
- **Agro-Processing – Coffee, tea, cotton, palm oil, fish, raw hides, fruits and vegetables, etc.**
- **Manufacturing – soft drinks, carbonated waters, packaging, beverages, sugar, pharmaceuticals, textile....**
- **Transport - Roads construction, maritime transport on Lake Tanganika,**
- **Health and Education infrastructure**
- **Tourism -High standard 4 to 5 star hotel with an international conference centers, supermarket, malls.**
- **Finance – Banking and Micro-finance**
- **Information Technology and Communication**
- **Real Estate and construction**

# Light Manufacturing Opportunities in the region as a whole





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どうもありがとうございます  
Doumo arigatou gozaimasu  
Thank you very much



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