



UK-Ethiopia Investment Trade and Tourism Forum

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FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

Overview of the Ethiopian Transport Sector



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Ethiopia Transport Sector



Consists of :-

- Road, Rail, Maritime and Inland Waterways, Air, as well as Non-motorized Intermediate Means of Transports.
- Road network provides the basis of transit for a variety of transport modes playing a role in supporting the economic and social development of the country.

The rapid economic growth that Ethiopia has achieved in recent decades has been accompanied by the extensive development of the transportation system in general and the Road, Air and Maritime modes of transports in particular.

The Ethiopian government recognizes that transportation plays an extremely important role in promoting socio-economic development, improving the quality of life of citizens and hence promotes the country's rapid growth.

Key Policy issues



- **Accessibility in rural areas;**
- **Mobility in urban areas;**
- **Transport infrastructure, service as well as sustainable investment development;**
- **Develop and maintain an integrated transport infrastructure for efficient and effective movement of passengers and freight;**
- **Safety and security and compliance with standards;**
- **Sector capacity building;**
- **Integration with regional economy;**
- **Coordination in inter-modal transportation;**
- **Competitiveness and efficiency in sub-sectors;**

Key Policy Areas



ROAD INFRASTRUCTURE

- **Develop a modern and efficient road network connecting economic and political centers, urban and rural, town and villages, market overseas (to the port);**
- **Improve capacity and quality of road infrastructure to accommodate the growth of the country;**
- **Ensure adequate, efficient and high quality urban road infrastructure that accommodates the ever growing road traffic;**
- **Connect rural kebele (Community) to an all weather road and thus to the main road network using labour-based and labour-intensive methods, which will give strong impetus to rural and agricultural development of Ethiopia.**

Key Policy Areas



RAIL INFRASTRUCTURE

- **Develop a modern rail transport network which is a means to connect cargo and passenger movements within development centers of the country in supports of domestic and international trade activities.**

Contribution of the Transport sector to the Ethiopian Economy



In order to sustain the country's economic growth and hence achieve sustainable development, securing social justice and increasing per capita income of the citizen:

- Investment in growth enhancing sectors such as Road and Rail infrastructure is inevitable – contributing in the:
 - Promotion of industrial development
 - Resulted in the reduction of vehicle operating costs, travel time, freight rates on the import-export route.
 - Reduction in transport costs, stimulating production and marketing of agricultural and other commodities, and enhancing the integration of domestic markets.

Contribution to the Ethiopian Economy...Contd.



- **Civil works contracts created employment and income earning opportunities for skilled and unskilled labor in rural areas and towns:**
- **Economies of Scale**
- **Enhancing Accessibility in rural areas;**
- **Mobility in urban areas;**

International Investors Involvement Opportunities



Road development:

- Investors shall participate International Competitive Bidding (ICB) and National Competitive Bidding (NCB)
- Investors who facilitate on mobilization of Financial loan on road project can engage in the construction through direct negotiation.

International Investors Involvement opportunities... contd.



Rail ways development:

- Engage in the design, build and transfer turnkey arrangement provided that the company can mobilize the foreign portion of the investment required for any selected route.
- Financing the railway construction based on the terms and conditions that found to be acceptable by the Ethiopian government.
- Investors with a specialty in railway tunnel works, Electrification, or signaling and communication can deploy their expertise's in short term assignments.

Why it makes sense to invest in Ethiopia?



- **Political and social stability**
- **Micro-economic stability and growing economy**
- **Adequate guarantees and protection**
- **Transparent laws and streamlined procedure**
- **Abundant and trainable task force**
- **Wide domestic regional and international market opportunities**