

# Reciprocal trade missions to Addis Ababa and Cape Town

Wesgro is currently leading a delegation of local businesses to Ethiopia on a trade and investment mission, aimed at increasing the Western Cape's presence in the country and generating export and partnership opportunities in key sectors of the province's economy.



Addis Ababa. © Ilona Sapozhnikova via [123RF](#)

Following a meeting between Wesgro, local businesses and members of the Addis Ababa Chamber of Commerce, the General Secretary, Getachew Regassa, commits to leading a reciprocal business mission to Cape Town and the Western Cape later this year.

Wesgro's head of international trade and development, Denan Kuni, commented: "It is promising to have such a positive response and commitment from the Addis Ababa Chamber of Commerce so early in the mission. This bodes well for our delegates as we seek to expand our Ethiopian footprint. The market for consumer goods in Ethiopia has grown significantly, providing potentially lucrative opportunities for Western Cape companies wanting to expand their foothold into the African market."

Forming part of Wesgro's International Trade and Investment Programme for Africa, the delegation comprises of 11 companies from a multitude of sectors including telecom, agribusiness, manufacturing and services.

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A key engagement scheduled for the delegation includes a meeting with the Ethiopia Investment Agency (EIA) to establish latest investment opportunities available for Western Cape companies. The mission programme also includes business networking seminars and B2B meetings - providing a platform for Western Cape companies to meet their Ethiopian counterparts in view of signing business deals and partnerships.

Reflecting on the work been done to date to strengthen business and tourism ties with the country, Yaw Peprah, Wesgro's chief business officer, commented: "In October 2017, Cape Town Air Access initiated seven non-stop flights a week with Ethiopian Airlines, one of the fastest growing and most profitable African airlines. With a market size of nearly 95 million

people, Ethiopia is the most populous landlocked country in the world - we are thrilled to have frequent and direct access to what has been identified as a key trade market.”

## **Ethiopian attractiveness**

Dubbed the heart of Africa’s economic evolution due to high demands fuelled by the government led infrastructure projects, Ethiopia’s economy is based on agriculture, but the government, through its state-led Growth and Transformation Plan, is pushing to diversify into manufacturing, textiles, and energy generation.

Of key importance is the launch of four National Integrated Agro Industrial Parks through which seven million square meters of land has been made available for potential investors to set up operations in value-added agricultural products, destined for export to the world market.

In addition, Ethiopia attractiveness as a business destination includes excise breaks, tax holidays of between four to six years (depending on the sector and location of the investment), cheap land rental, political stability and the added advantage of a competitive and youthful workforce.

## **Challenges**

Doing business with Ethiopia does not come without its challenges, warns Wesgro head of international trade in Africa, Michael Tiam-Gamwo. Notable hurdles include the difficulty relating to repatriation of capital, difficulty in identification of partners and restrictions on investment sectors reserved specifically for government, domestic investors and Ethiopian nationals.

However, if a special circumstance is declared, the Ethiopia Investment Board is permitted to give authority to allow investment by foreigners in areas which are exclusively reserved for domestic investors.

“Wesgro’s role as mission leader is to assist companies to go through that journey of expanding their operations in the chosen market. Through our partnership with key institutions such as the Addis Ababa Chamber of Commerce and the Ethiopian Investment Commission, we are able to help alleviate some of the above challenges. We encourage companies wanting to business in Ethiopia to join Wesgro on our missions to Ethiopia and other African markets,” adds Tiam-Gamwo.

Minister of Economic Opportunities, Alan Winde, said: “Ethiopia represents an exciting and growing market for Western Cape businesses seeking to expand their exports and investments. Ethiopia’s focus on the importance of agriculture in their economy mirrors that of Project Khulisa in the Western Cape and and we hope that the delegation’s trade discussions and meetings are fruitful”.

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