

Oh to be in Abyssinia!

By Luyton Driman

The Horn of Africa is for me, notably to Ethiopia, the most unique part of this continent.

The whole scope of conducting business in Addis Ababa is so different from most other capital cities on the continent. Firstly the economy is generally quite "closed", ie the government has not allowed any international banks to open and trade in the country so all import and export transactions are done via the three largest local banks.

The government also owns and controls all the service providers, which essentially means in order to do business with these parastatals, you have to be listed/registered as a supplier, before you can tender for any new projects. This is not a major problem; just a certain amount of tenaciousness and perseverance is necessary!

The good thing about my trip there was that I could not help noticing a large amount of development in the form of the huge new international airport, a new "ring" road around the city and the upgraded main arterial route into the city, namely Bole road, which is now joined by new intersections, a fly-over, a round about and street lights (built by the Chinese).

None of these infrastructures were there on my first visit circa 2000. Other

encouraging signs are the numerous office blocks and apartment blocks currently under construction. I saw at least three new shopping centres that have sprung up (and which are well stocked) over the last couple of years or so as well.

Another important factor is that, although there are certain bones of contention with the way the government is governing the country, the local currency, the birr, is practically one to one with the ZAR and has been for years. This means the birr to the USD exchange rate is similar to that of the ZAR to the USD.

The population of Ethiopia is 76 million, of which 50% is 20 years old and below! The current growth phenomenons like cell phones, MP3 players and access to DSTV and the like are a growing market.

The launch of broadband multimedia is immanent, as is the pending introduction of 3G. The Ethiopian Telecommunications Corporation (ETC) has also just introduced a new type of internet service named "shared DSL", which basically falls in between the leased line and dial-up internet services.

The ETC has also launched a "school net", taking education directly to students at classroom level. Many of the younger generation Ethiopians speak reasonably good English (their first language is Amharic).



Luyton Driman, author of "Going the extra mile: A guide to trading in Africa" writes a monthly column for Export SA

I happened upon a document printed in English in Addis called "reasons why English is hard to learn". Here are some of the sentences used as examples:

- The bandage was wound around the wound.
- The insurance was invalid for the invalid.
- They were too close to the door to close it.

South African companies are not very well represented in Ethiopia, as we tend to favour the western side of the continent, namely Angola and Nigeria.

However, I see opportunities in the service industry, the food and beverage industry as well as selected light engineering products.

There is an international trade show which takes place on an annual basis and the South African Embassy in Addis will be able to help you with any information regarding booking a stand or alternatively offer advice on networking with local business, etc. ■



EIKOS Keeping an eye
Risk Applications on your cargo
and trade related risks



TTM ADVERTISING BIR

Eikos are specialist marine, trade and transportation risk consultants, providing leading edge risk financing and insurance products to SMME's, medium or large corporate businesses involved in domestic or international trade.

Johannesburg (+27)11 771-5400
Durban (+27)31 250-5100
Cape Town (+27)21 400-9000
London (+44) 207 326 8488

www.eikos.co.za

5900 Export 2004