

# Ethiopia

## March 2024

This country fact sheet provides key trade and investment-related statistics for Ethiopia. Specifically, it shows Ethiopia's trade and investment flows in relation to both South Africa and the Western Cape, including an analysis of top markets and products. The report highlights the largest and fastest-growing products, and their sub-sectors. It also looks at tourism trends between Ethiopia and South Africa, and between Ethiopia and the Western Cape.

### Trade

In 2023, South Africa's exports to Ethiopia were valued at ZAR569.58m, representing an increase of 13.59% y-o-y from the ZAR501.42m recorded in 2022. In turn, the country's imports from Ethiopia totalled ZAR167.77m in 2023, amounting to a decrease of 42.27% y-o-y from a cost of ZAR290.62m incurred in 2022.

South Africa's dominant export category to Ethiopia in 2023 was machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth. At a value of ZAR38.65m, this was equivalent to 6.79% of the country's total exports to Ethiopia. South Africa's main import from Ethiopia was coffee, costing ZAR91.56m which was equivalent to 54.57% of South Africa's total imports from the country in 2023.

The Western Cape's export receipts from trade with Ethiopia totalled ZAR120.25m in 2023, representing an increase of 23.66% y-o-y from the ZAR97.24m earned in 2022. In turn, the value of the Western Cape's imports from Ethiopia increased by 6.86% y-o-y to a cost of ZAR32.49m in 2023, up from ZAR30.41m in 2022.

The province's leading export product to Ethiopia in 2023 was meat of sheep or goats which, at a value of ZAR32.62m, amounted to 27.13% of the province's exports to Ethiopia in 2023.

### Investments

From January 2011 to December 2023, there were no recorded investments from Ethiopia in South Africa. However, during the same period, South Africa invested in eight projects in Ethiopia, amounting to ZAR5,729.50m in capital expenditure (capex).

### Tourism

Between January and December 2023, a total of 6,489 tourists arrived from Ethiopia in South Africa, representing an increase of 29.75% y-o-y and a recovery rate of 96.78% when compared to the same period in 2019 (January–December). From a provincial perspective, a total of 615 Ethiopian tourists visited the Western Cape over the period January – September 2023, a decline of 4.95% when compared to the corresponding period in 2022, but a recovery of 77.85% when compared to the same period in 2019 (January–September).

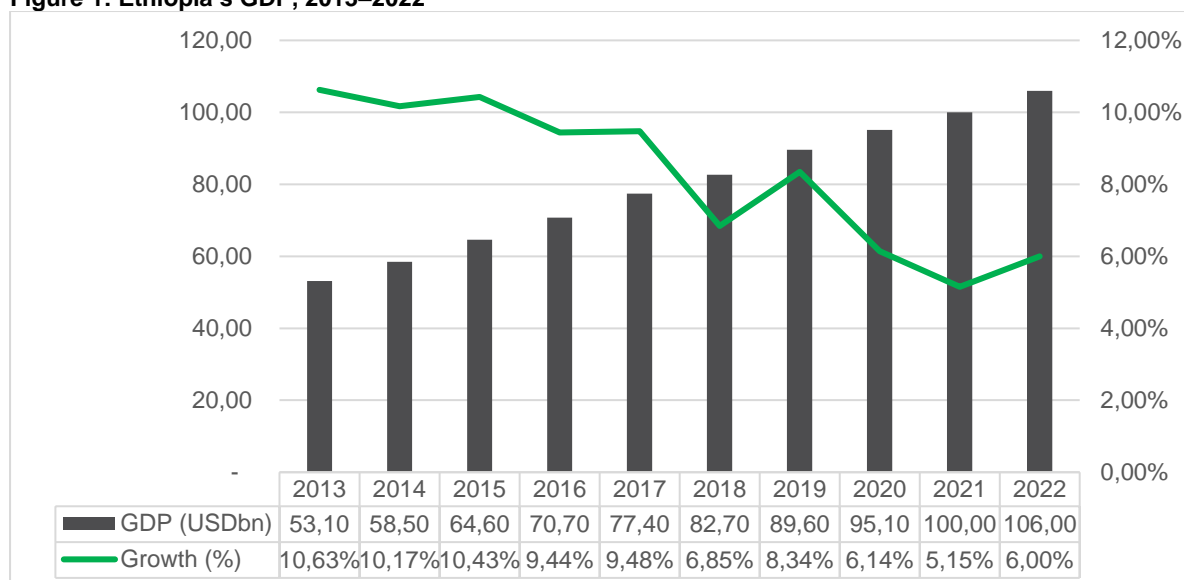
## Contents

1	Economic Overview .....	3
2	Trade .....	4
2.1	South Africa's Trade with Ethiopia .....	4
2.2	Western Cape's Trade with Ethiopia .....	6
3	Foreign Direct Investment.....	8
3.1	Global FDI in Ethiopia .....	8
3.2	Bilateral FDI: Global Outward Foreign Direct Investment from Ethiopia.....	10
3.3	Bilateral FDI: Ethiopia's FDI in South Africa.....	12
3.4	Bilateral FDI: South Africa's FDI in Ethiopia .....	12
4	Tourism.....	14
4.1	Tourist Arrivals from Ethiopia in South Africa, 2018–2023.....	14
4.2	Tourist Arrivals from Ethiopia in the Western Cape .....	14
4.3	Ethiopia Passenger Movement through Cape Town International Airport.....	15

## 1 Economic Overview

Despite the challenges of the Covid-19 pandemic, Ethiopia's economy has shown resilience, underpinned in part by its rapid policy response. The country has recorded consistently robust economic growth over the past decade, which at an average of 8.26% per year, was one of the highest rates in the world. Figure 1 shows that the country's gross domestic product (GDP) tracked consistently higher over the ten-year period leading to 2022, with GDP rising from ZAR53.10bn in 2013 to a record high of ZAR106.00bn in 2022. Growth in the east African country can be attributed to capital accumulation, particularly from public infrastructure investments.

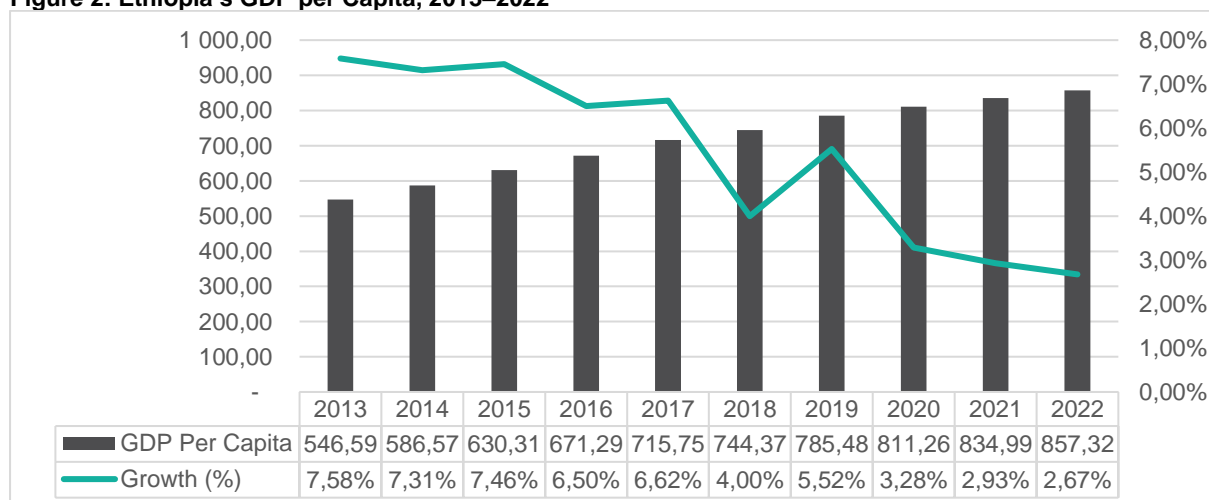
**Figure 1: Ethiopia's GDP, 2013–2022**



Source: World Development Indicators, 2024

Ethiopia's GDP per capita grew at an exponential rate from USD546.59 in 2013 to USD857.32 in 2022. This can be seen in Figure 2. Between 2013 and 2015, Ethiopia recorded a substantial increase in GDP per capita, which rose notably from \$546.59 to \$630.31. This growth was attributed to factors such as heightened investment, infrastructure development, and economic reforms. Although the pace of growth moderated slightly from 2016 to 2018, GDP per capita continued to climb from \$671.29 to \$744.37 in these years, indicating a sustained trend of economic development and stability. From 2019 to 2022, Ethiopia experienced further growth in GDP per capita, with this peaking at \$857.32 in 2022. This positive trajectory can be attributed to the country's ongoing efforts to maintain economic growth, attract investments, and implement structural reforms, all of which are indications of Ethiopia's dedication to economic advancement and development over the years.

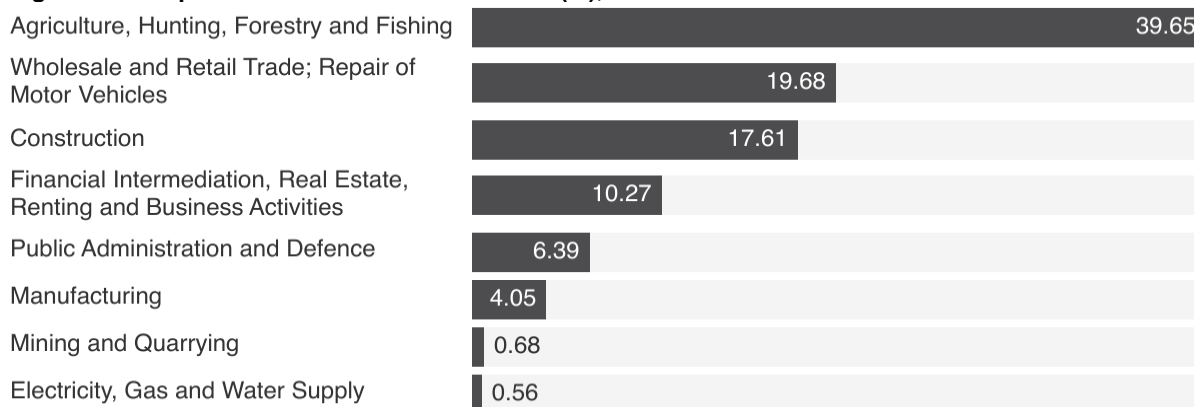
**Figure 2: Ethiopia's GDP per Capita, 2013–2022**



Source: World Development Indicators, 2024

Figure 3 presents the sectoral contributions to Ethiopia's gross value added (GVA) in 2023. The top three sectors contributing to GVA were agriculture, hunting, forestry and fishing (39.65%); wholesale and retail trade, repair of motor vehicles (19.68%); and construction (17.61%). The services sector is expected to remain a key driver of economic growth, with authorities having outlined a development strategy that focuses on fostering innovation through skills development; technological advancements; and improvements in information, communications, and technology (ICT) infrastructure.

**Figure 3: Ethiopia's Sector Contribution to GVA (%), 2023**



Source: Euromonitor 2024

## 2 Trade

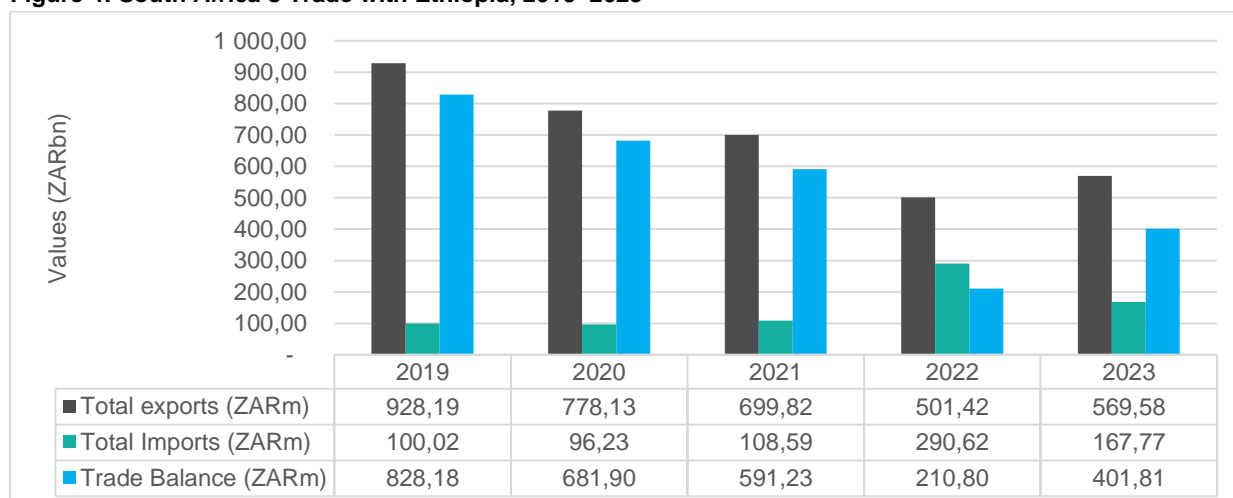
This section examines Ethiopia's trade flows with South Africa and the Western Cape between 2018 and 2023.

### 2.1 South Africa's Trade with Ethiopia

South Africa's exports to Ethiopia decreased substantially between 2019 and 2022, falling from a high of ZAR928.19m earned in 2019 to ZAR501.42m in 2022, owing in part to the impact of COVID-19 which affected trade between the two African nations. Export earnings recovered to a value of ZAR569.58m in 2023.

Similarly, the value of South Africa's imports from Ethiopia declined by 42.27% y-o-y to a cost of ZAR167.77m in 2023, down from ZAR290.62m incurred in 2022. South Africa's trade balance with Ethiopia remained firmly in surplus throughout the period under review.

**Figure 4: South Africa's Trade with Ethiopia, 2019–2023**



Source: Quantec, 2024

Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth was South Africa's largest export category to Ethiopia in 2023, as shown in Figure 5. At a value of ZAR38.65m, this accounted for 6.79% of total export earnings. Fruit juices (including grape must) was the second largest export product at a value of ZAR33.73m (5.92% of total exports), while exports of meat of sheep or goats placed third, at a value of ZAR32.66m (5.73%). The fastest-growing export product was meat of sheep or goats, with a five-year average growth rate of 2,940.72% between 2019 and 2023. Boards, panels, consoles, desks, cabinets and other bases followed with a five-year average growth rate of 513.11%.

**Figure 5: South Africa's Top 10 Export Products to Ethiopia, 2019–2023**

	ZARm	% Share	Ave Growth (%)
Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth	38.65	6.79	425.59
Fruit juices (including grape must)	33.73	5.92	19.95
Meat of sheep or goats	32.66	5.73	2,940.72
Sunflower-seed, safflower or cotton-seed oil	30.98	5.44	61.36
Boards, panels, consoles, desks, cabinets and other bases	22.46	3.94	513.11
Meat of bovine animals	22.09	3.88	32.56
Maize (corn)	21.81	3.83	40.43
Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products a	20.54	3.61	117.45
uman and animal blood	20.14	3.54	81.23
Parts and accessories of the motor vehicles of headings 87.01 to 87.05	15.01	2.64	30.52

Source: Quantec, 2024

Figure 6 shows that South Africa's top imported product from Ethiopia in 2023 was coffee. At a value of ZAR91.56m, this accounted for 54.57% of total imports from Ethiopia to South Africa in that year. This was followed by imports of dried leguminous vegetables which cost ZAR37.55m. In third place was the import category of carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, costing ZAR27.96m.

**Figure 6: South Africa's Top 10 Import Products from Ethiopia, 2019–2024**

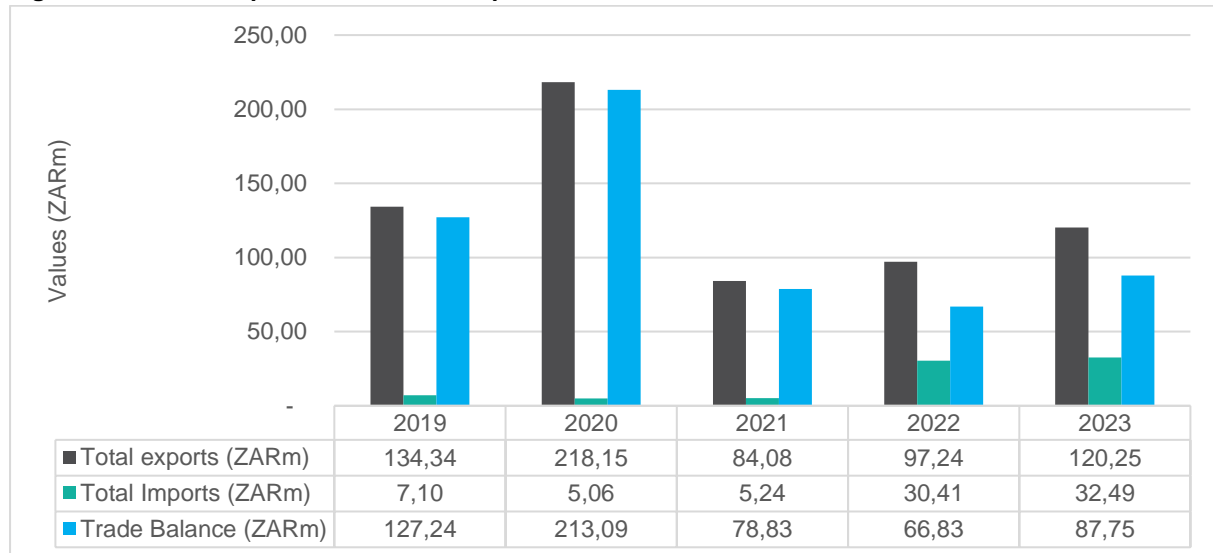
	ZARm	% Share	Ave Growth (%)
Coffee	91.56	54.57	33.82
Dried leguminous vegetables	37.55	22.38	27.58
Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers	27.96	16.67	1,772,238.91
Other fruit, fresh	3.27	1.95	68.78
Other live plants (including their roots)	1.16	0.69	32.89
Cut flowers and flower buds	0.83	0.49	2.53
T-shirts, singlets and other vests	0.78	0.47	191.37
Antiques	0.48	0.29	16.39
Millstones, grindstones, grinding wheels	0.42	0.25	197.95
Ginger, saffron, turmeric (curcuma)	0.38	0.23	241.94

Source: Quantec, 2024

## 2.2 Western Cape's Trade with Ethiopia

The Western Cape's export receipts from trade with Ethiopia totalled ZAR120.25m in 2023, representing an increase of 23.66% y-o-y from a value of ZAR97.24m earned in 2022. This can be observed in Figure 7. In turn, the province's import costs from Ethiopia totalled ZAR32.49m in 2023, representing a 6.86% growth compared to the cost of ZAR30.41m recorded in 2022. The province's trade balance with Ethiopia remained firmly in a surplus throughout the period under consideration.

**Figure 7: Western Cape's Trade with Ethiopia, 2019–2023**



Source: Quantec, 2024

The Western Cape's leading export product to Ethiopia in 2023 was meat of sheep or goats. Valued at ZAR32.62m, this was equivalent to 27.13% of the province's total exports to the east African country in that year. Fruit juices (including grape must) placed second, with exports valued at ZAR31.17m. In third place was the export category of meat of bovine animals, frozen, a value of ZAR22.04m. This can be seen in Figure 8. Exports of meat of sheep or goats was the fastest-growing export category, having recorded a five-year average growth rate of 4,210.21% from 2019 to 2023.

**Figure 8: Western Cape's Export Products to Ethiopia, 2019–2023**

	ZARm	% Share	Ave Growth (%)
Meat of sheep or goats	32.62	27.13	4,210.21
Fruit juices (including grape must)	31.17	25.92	20.43
Meat of bovine animals, frozen	22.04	18.33	32.36
Dried leguminous vegetables	6.75	5.62	20.01
Parts suitable for use solely or principally with the machinery	3.93	3.27	651.68
Human and animal blood	2.92	2.43	20.01
Meat and edible offal	2.71	2.25	21.09
Wine of fresh grapes	2.36	1.96	-2.66
Seeds, fruit and spores, of a kind used for sowing	1.52	1.27	541.97
Surveying (including photogrammetrical surveying)	1.49	1.24	69.43

Source: Quantec, 2024

The Western Cape's top import product from Ethiopia in 2023 was coffee, as shown in Figure 9. At a value of ZAR31.05m, this was equivalent to 95.57% of the province's total imports from the east African country in that year. Footwear with outer soles of rubber was the second largest import category at a cost of ZAR0.33m, while panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery placed third at a value of ZAR0.19m. Footwear with outer soles of rubber, plastics was the fastest-growing import category during the period 2019–2023, with an average growth rate of 24,429.91% per annum.

**Figure 9: Western Cape's Import Products from Ethiopia, 2019–2023**

	ZARm	% Share	Ave Growth (%)
Coffee	31.05	95.57	194.08
Footwear with outer soles of rubber	0.33	1.03	232.15
Panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery	0.19	0.59	185.79
Millstones, grindstones, grinding wheels and the like parts thereof	0.17	0.53	381.26
Babies' garments and clothing accessories	0.16	0.51	95.31
Other vegetables prepared or preserved	0.13	0.41	20.02
Footwear with outer soles of rubber, plastics	0.11	0.35	24,429.91
Other garments	0.06	0.19	64.96
Bed, table, toilet and kitchen linen	0.06	0.17	689.77
T-shirts, singlets and other vests	0.04	0.13	110.24

Source: Quantec, 2024

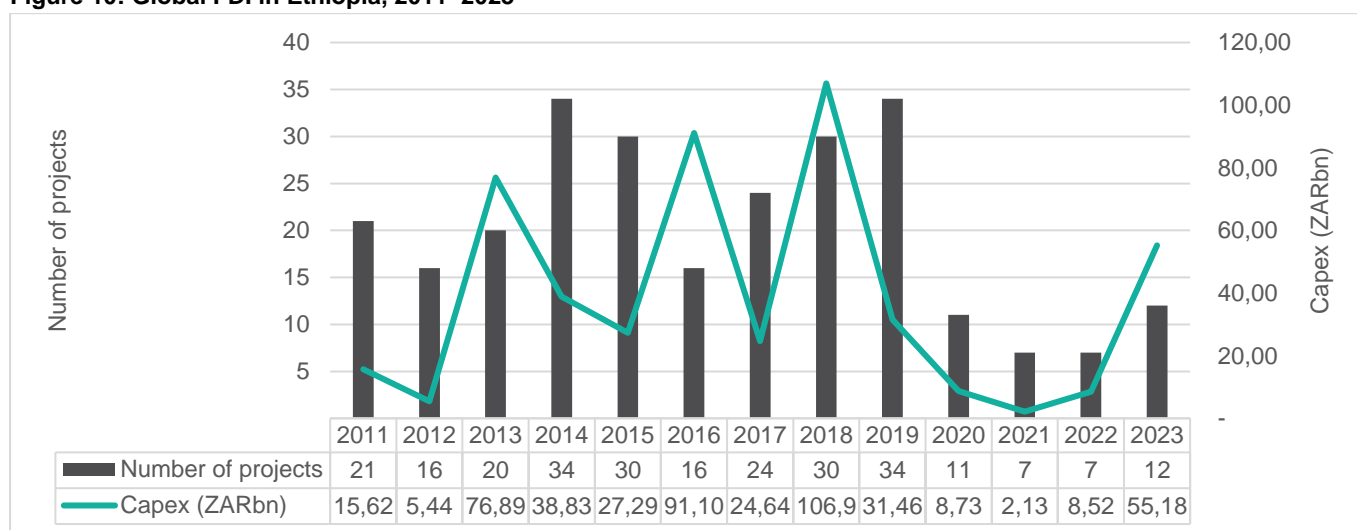
### 3 Foreign Direct Investment

This section examines foreign direct investment (FDI) flows between Ethiopia and South Africa, and between Ethiopia and the Western Cape.

#### 3.1 Global FDI in Ethiopia

Ethiopia benefited from 262 global FDI projects from January 2011 to December 2023, as shown in Figure 10. These projects amounted to a total capital expenditure (capex) of ZAR492.79bn, which equated to an average investment of ZAR1.88bn per project. The FDI projects generated 141,039 jobs. During this period, the number of FDI projects varied from 21 in 2011 to an estimated 12 in 2023. The capex value of these projects fluctuated between ZAR15.62bn in 2011 and an estimated ZAR55.18bn in 2023.

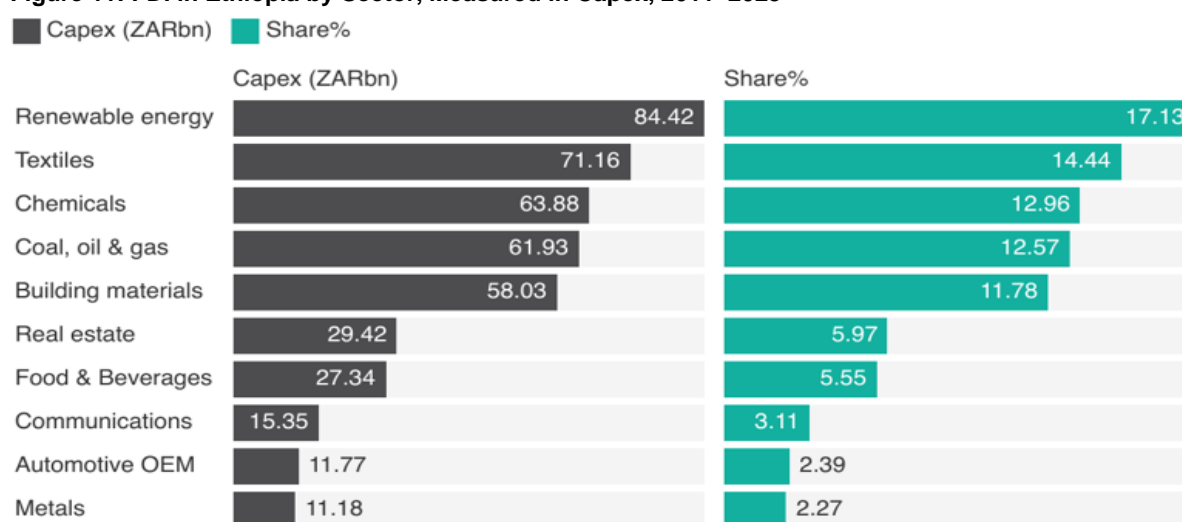
Figure 10: Global FDI in Ethiopia, 2011–2023



Source: fDI Markets, 2024

From January 2011 to December 2023, Ethiopia’s renewable energy sector was the largest recipient of FDI (in terms of capex) from around the world. Investments in this sector amounted to a share of 17.13% of total investments in the country during this period. The textiles sector and the chemicals sector were the second and third largest recipients of FDI (in terms of capex), with these sectors having benefited from investments worth ZAR71.16bn and ZAR63.88bn respectively. These figures are presented in Figure 11.

Figure 11: FDI in Ethiopia by Sector, Measured in Capex, 2011–2023

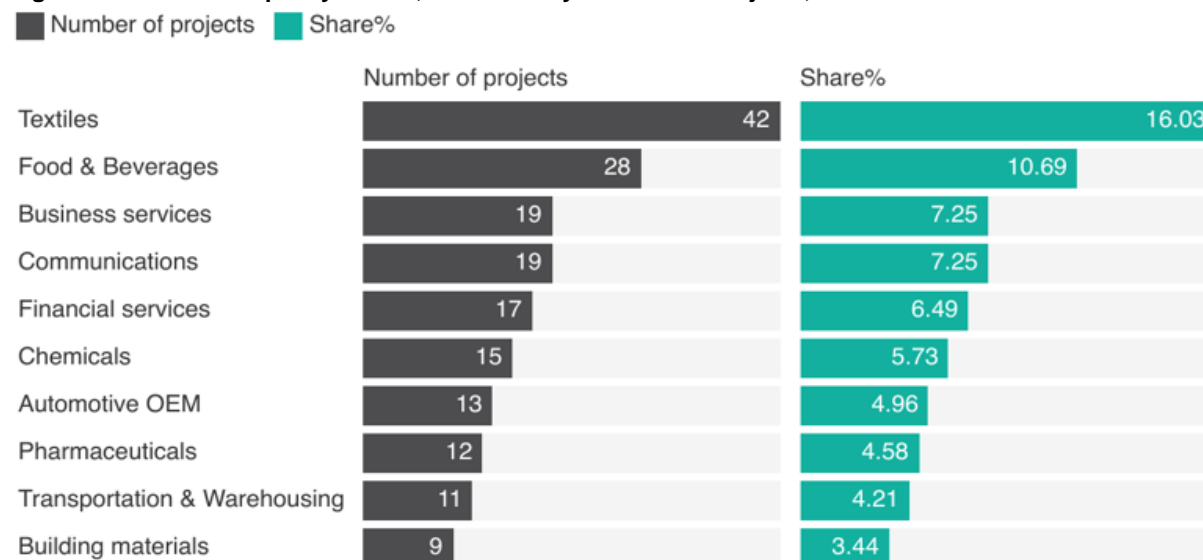


Source: fDI Markets, 2024



When ranked according to the number of FDI projects invested at a sectoral level, the textiles sector was the top beneficiary of FDI during this period, having attracted 42 projects equivalent to 16.03% of the total number of FDI projects. This can be seen in Figure 12. The food and beverages sector placed second with 28 projects, representing 10.69% of the total number of FDI projects. In third position were the business services sector and the communications sector, each with 19 projects, equating to 7.25% of the total number of FDI projects.

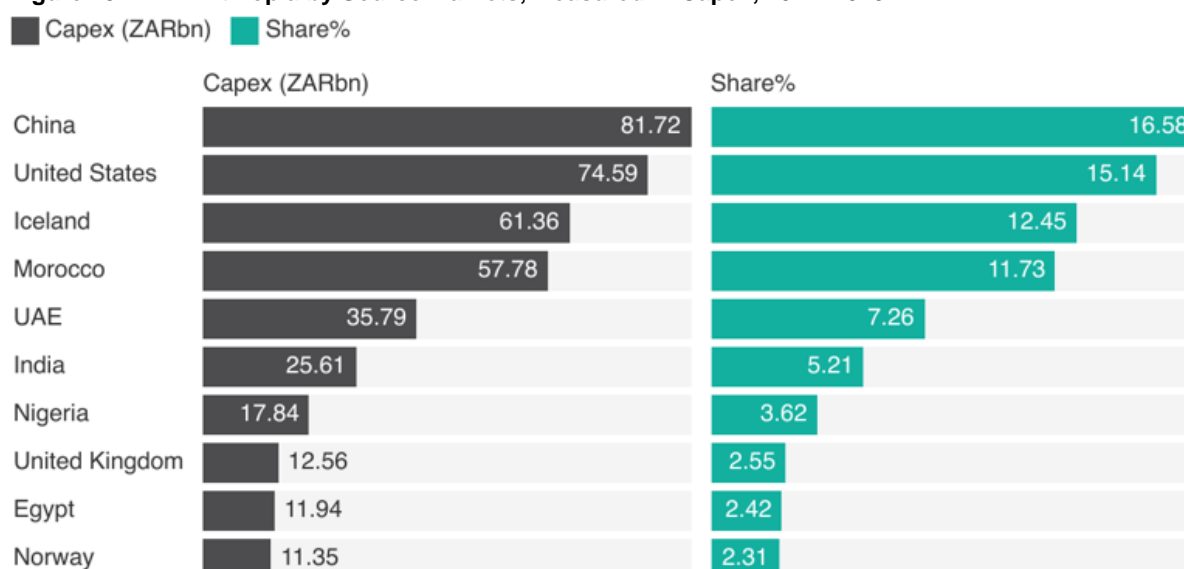
**Figure 12: FDI in Ethiopia by Sector, Measured by Number of Projects, 2011–December 2023**



Source: fDI Markets, 2024

In terms of key source markets, China was the main source market for FDI in Ethiopia when measured by capex, having invested ZAR81.72bn into Ethiopia over the period January 2011 to December 2023, as illustrated in Figure 13. The United States followed with investments totalling ZAR74.59bn (representing a 15.14% share of the total capex) across 27 projects in Ethiopia over this period, while Iceland was third with investments amounting to a capex of ZAR61.36bn, equivalent to a share of 12.45%. Morocco placed fourth with investments worth ZAR57.78bn invested across five projects, and equivalent to a 11.73% share of total capex invested.

**Figure 13: FDI in Ethiopia by Source Markets, Measured in Capex, 2011–2023**

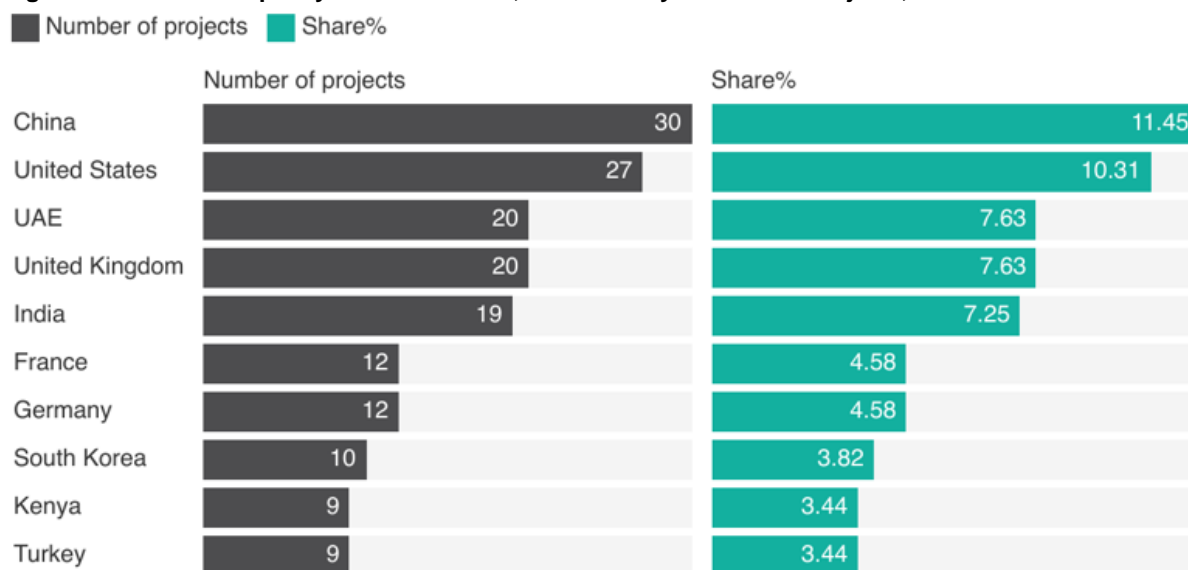


Source: fDI Markets, 2024

When ranked according to the number of projects in Ethiopia which benefited from FDI, China was also the top source market during the period January 2011 to December 2023. The country invested a total of ZAR81.72bn in 30 projects, which represented 16.58% of the total number of FDI projects during this time frame. Figure 14 shows

that the United States ranked second, having invested in 27 projects in Ethiopia. This was equivalent to 10.31% of the total number of FDI projects in Ethiopia. The UAE and the UK placed joint third with 20 projects each.

**Figure 14: FDI in Ethiopia by Source Markets, Measured by Number of Projects, 2011–2023**

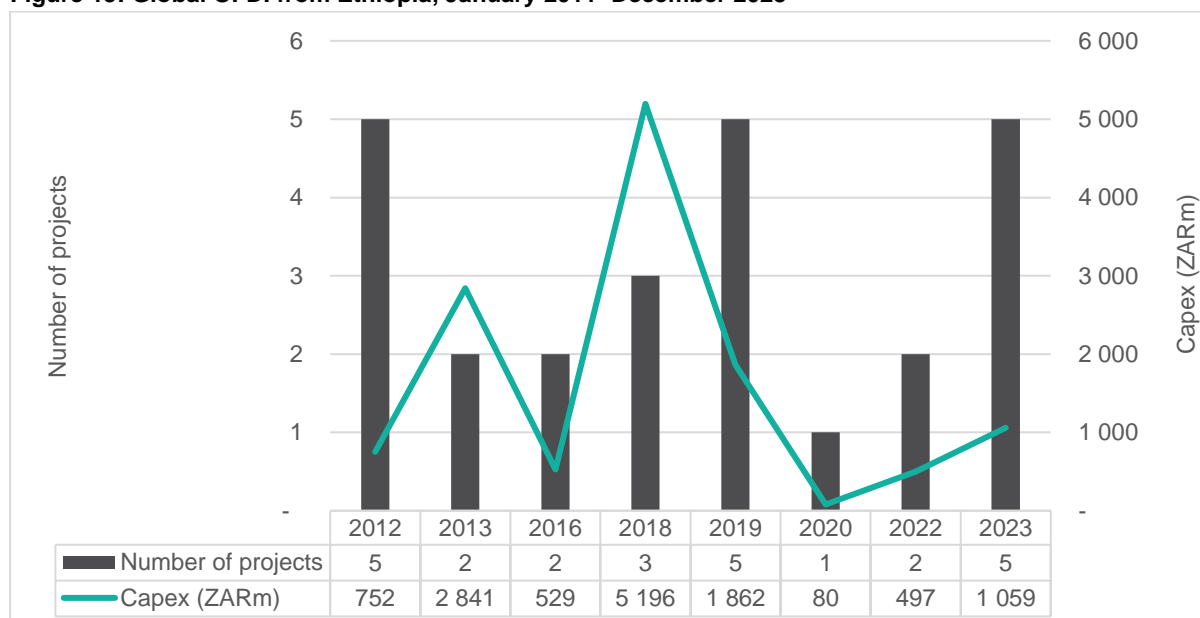


Source: fDI Markets, 2024

### 3.2 Bilateral FDI: Global Outward Foreign Direct Investment from Ethiopia

Figure 15 indicates that between January 2011 and December 2023, Ethiopian companies engaged in outward foreign direct investments (OFDI) in 25 projects worldwide. These investments cumulatively amounted to a capex value of ZAR12.82bn, translating to an average investment of ZAR512.40m per project. During this period, the OFDI projects generated 1,942 job opportunities.

**Figure 15: Global OFDI from Ethiopia, January 2011–December 2023**

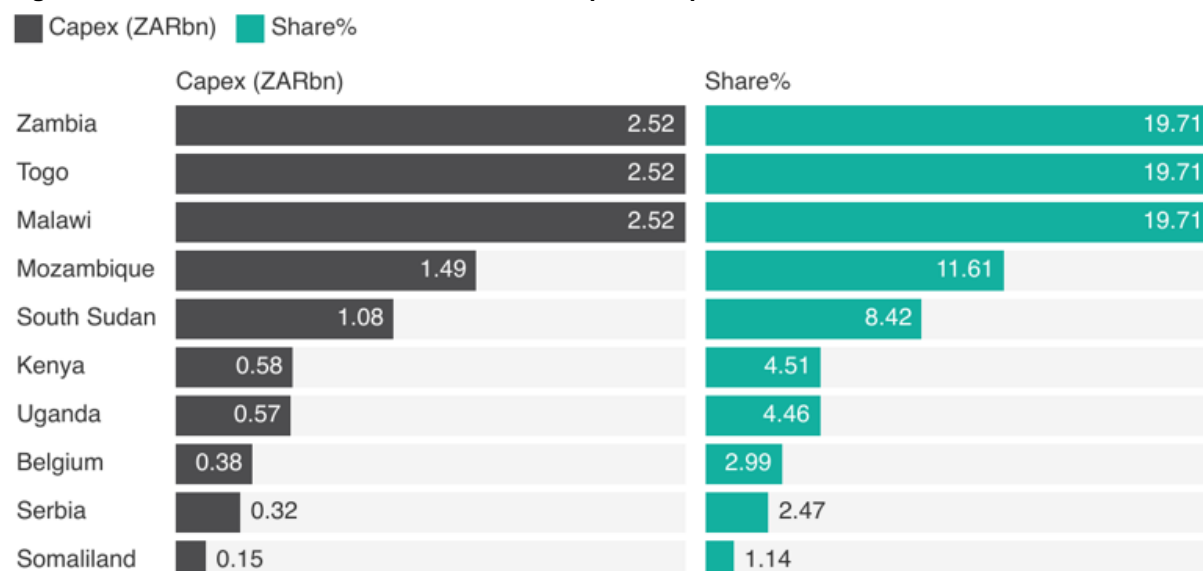


Source: fDI Markets, 2024

In terms of destination markets for OFDI from Ethiopian companies, Figure 16 shows that Zambia, Togo and Malawi were the top three recipients of OFDI (measured by capex) from Ethiopia during this period. Each country benefited from investments in single projects worth ZAR2.52bn (representing a share of 19.71% of the total OFDI). This was

followed by Mozambique, which benefited from investments in a single project with a capex value of ZAR1.49bn (representing an 11.61% share of the OFDI). South Sudan followed, having received investments worth ZAR1.08bn in capex (8.42%) during this period. Interestingly, eight African countries featured among the top 10 recipients of OFDI from Ethiopia, (measured in capex), from January 2011 to December 2023.

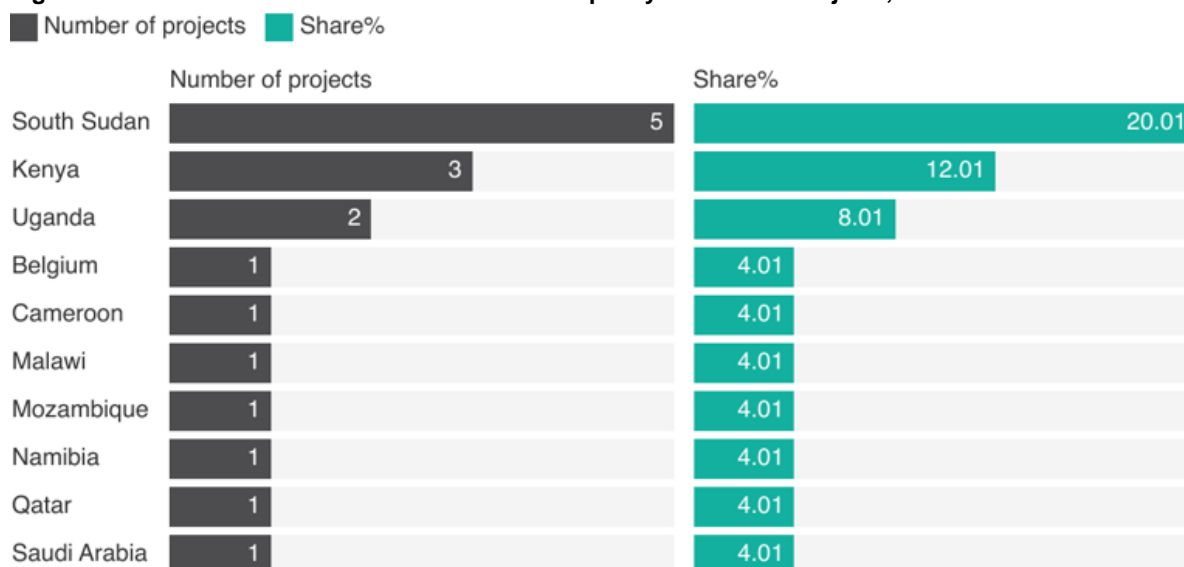
**Figure 16: Destination Markets for OFDI from Ethiopia in Capex, 2011–December 2023**



Source: fDI Markets, 2024

In terms of the number of projects, South Sudan, Kenya and Uganda emerged as the top three beneficiaries of OFDI from Ethiopia between January 2011 and December 2023. Figure 17 demonstrates that these nations collectively attracted 10 projects from Ethiopia, which represented 40% of Ethiopia's OFDI projects during this period.

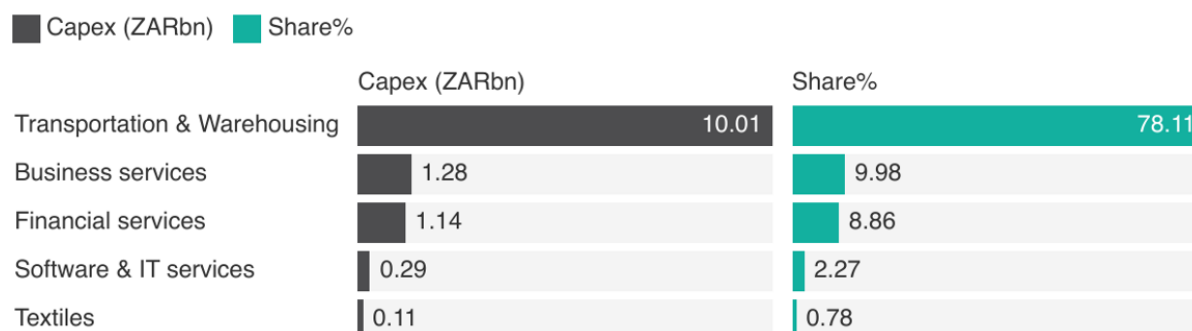
**Figure 17: Destination Markets for OFDI from Ethiopia by Number of Projects, 2011–December 2023**



Source: fDI Markets, 2024

Figure 18 shows the top sectors that benefited from Ethiopian OFDI from January 2011 to December 2023. The transportation & warehousing sector was the largest recipient for OFDI from Ethiopia. The sector received investments valued at ZAR10.01bn in capex spread across nine projects. This represented a 78.11% share of the total OFDI from Ethiopia. The business services sector was the second largest recipient of OFDI, with investments valued at ZAR1.28bn in capex, equating to a share of 9.98% of the total OFDI. In third place was the financial services sector with investments totalling ZAR1.14bn (a share of 8.86%).

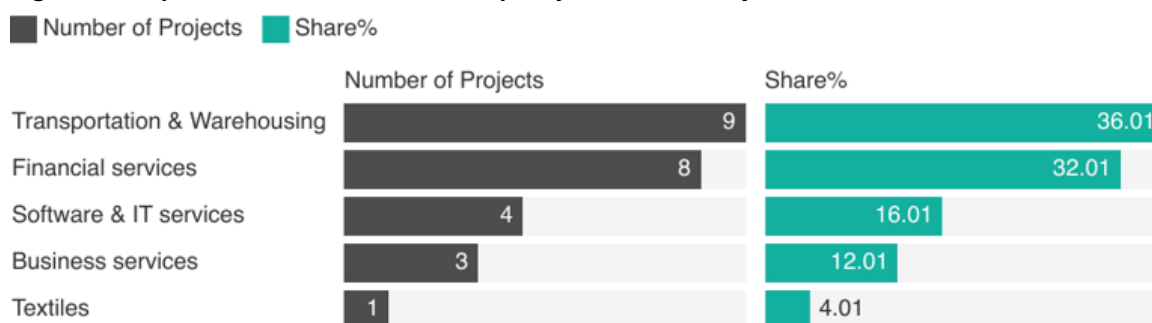
**Figure 18: Top Sectors for OFDI from Ethiopia by Capex, 2011–December 2023**



Source: FDI Markets, 2023

When measured by the number of projects, the transportation & warehousing sector was the top sector for OFDI from Ethiopia, as demonstrated in Figure 19. Between January 2011 and December 2023, Ethiopia directed investments into nine projects in this sector, which amounted to 36.01% of the total number of projects. The financial services sector followed in second position with eight projects, accounting for 32.01% of the total number of projects. In third place was the software & IT services sector which benefited from four projects (16.01% of the total number of projects) during this period.

**Figure 19: Top Sectors for OFDI from Ethiopia by Number of Projects, 2011–December 2023**



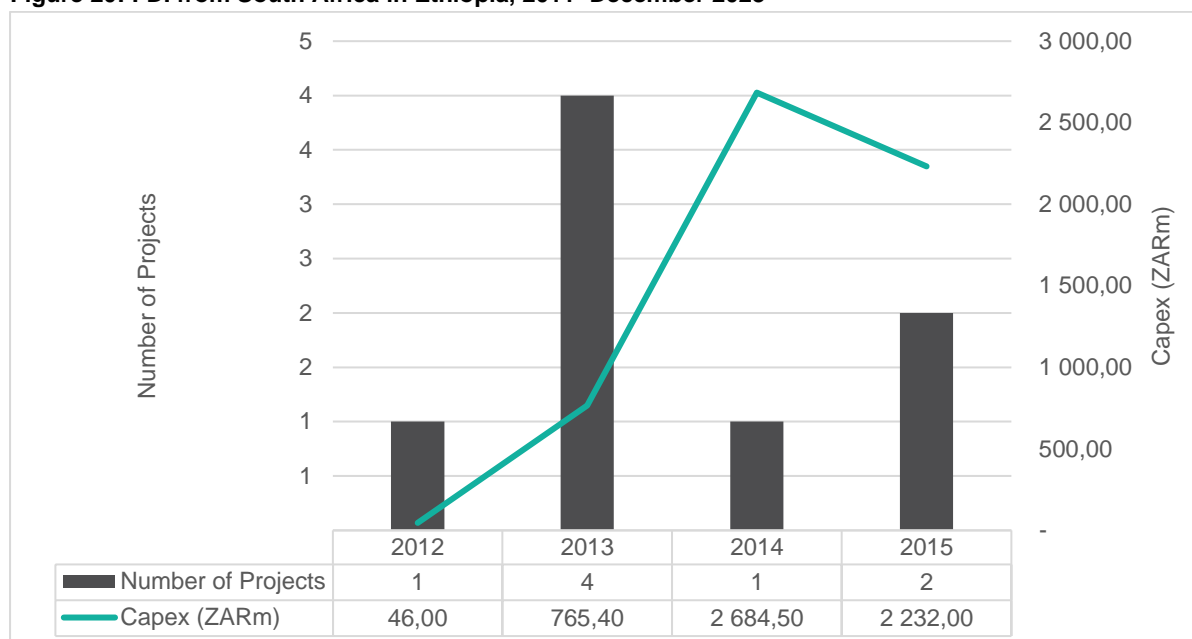
Source: FDI Markets, 2024

### 3.3 Bilateral FDI: Ethiopia’s FDI in South Africa

No FDI was recorded from Ethiopia in South Africa between January 2011 and November 2023.

**3.4 Bilateral FDI: South Africa’s FDI in Ethiopia** South African companies invested in eight FDI projects in Ethiopia between January 2011 and December 2023, worth a cumulative capex of ZAR5,729.50m. This equated to an average investment of ZAR716.40m per project which generated an estimated 1,278 jobs. South African FDI (in terms of capex) in Ethiopia peaked in 2014 at a value of ZAR2,684.50m, invested in a single project. These figures can be observed in Figure 20.

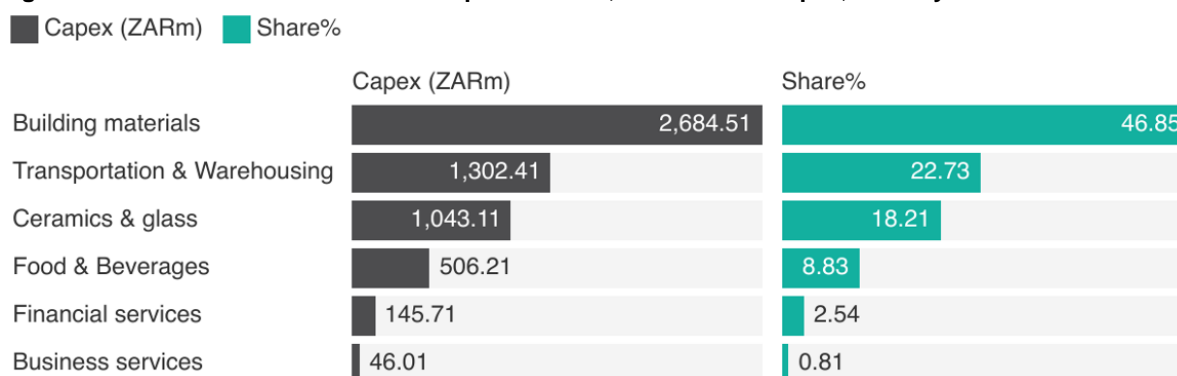
**Figure 20: FDI from South Africa in Ethiopia, 2011–December 2023**



Source: FDI Markets, 2024

When looking at South African FDI in Ethiopia in different sectors and measured in capex, almost half of South African investments were in the building materials sector, as seen in Figure 21. The sector attracted investments valued at ZAR2,684.51m in capex during the period January 2011 to December 2023. Transportation and warehousing was in second place, and the ceramics and glass sector was third, with these sectors have benefited from FDI worth ZAR1,302.41m (22.73%) and ZAR1,043.11m (18.21%) respectively

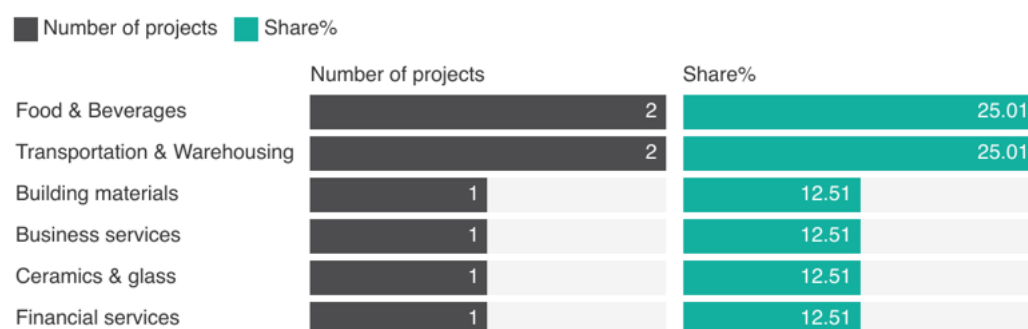
**Figure 21: FDI from South Africa in Ethiopian Sectors, Measured in Capex, January 2011–December 2023**



Source: FDI Markets, 2024

In terms of the number of projects, the food & beverages, and the transportation & warehousing sectors were the top sectors for FDI from South Africa in Ethiopia between January 2011 and December 2023. These sectors benefited from two projects each, representing a share of 25.01% of the total number of projects, as demonstrated in Figure 22. The building materials, business services, ceramics & glass, and the financial services sectors followed with each sector having attracted investments in a single project equivalent to a share of 12.51% of the number of projects.

**Figure 22: FDI from South Africa in Ethiopia by Sector, Measured by Number of Projects, January 2011–December 2023**



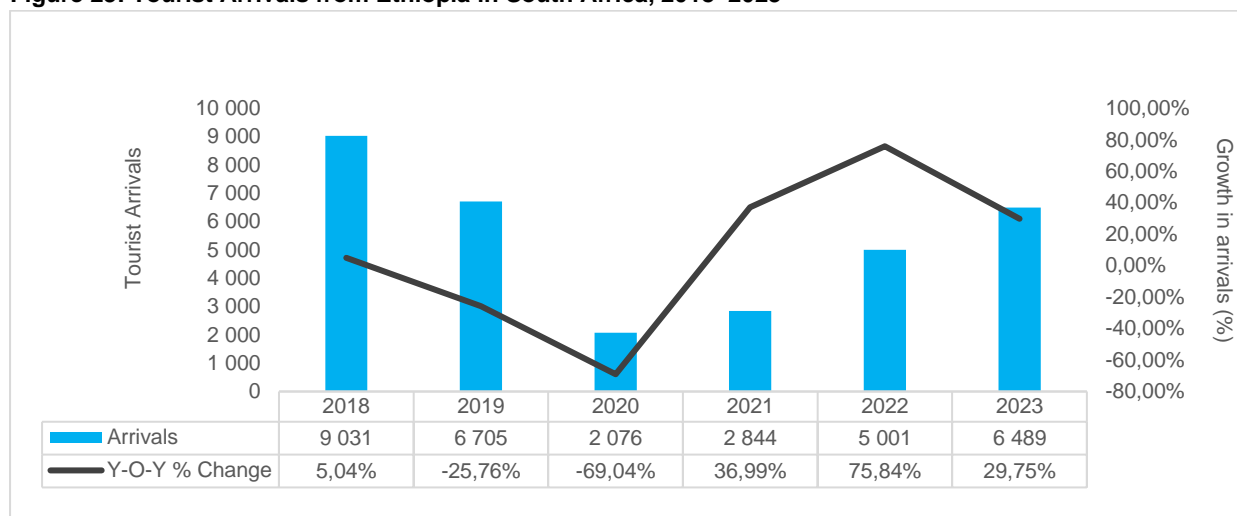
Source: FDI Markets, 2024

## 4 Tourism

### 4.1 Tourist Arrivals from Ethiopia in South Africa, 2018–2023

In 2022, South Africa welcomed 5,001 tourists from Ethiopia, reflecting a positive growth of 75.64% y-o-y when compared to 2021, and a recovery rate of 74.59% in relation to 2019 arrivals. This number increased to 6,489 in 2023, representing a y-o-y increase of 29.75% on 2022s arrival number. This is shown in Figure 23.

**Figure 23: Tourist Arrivals from Ethiopia in South Africa, 2018–2023**



Source: SA Tourism, 2024

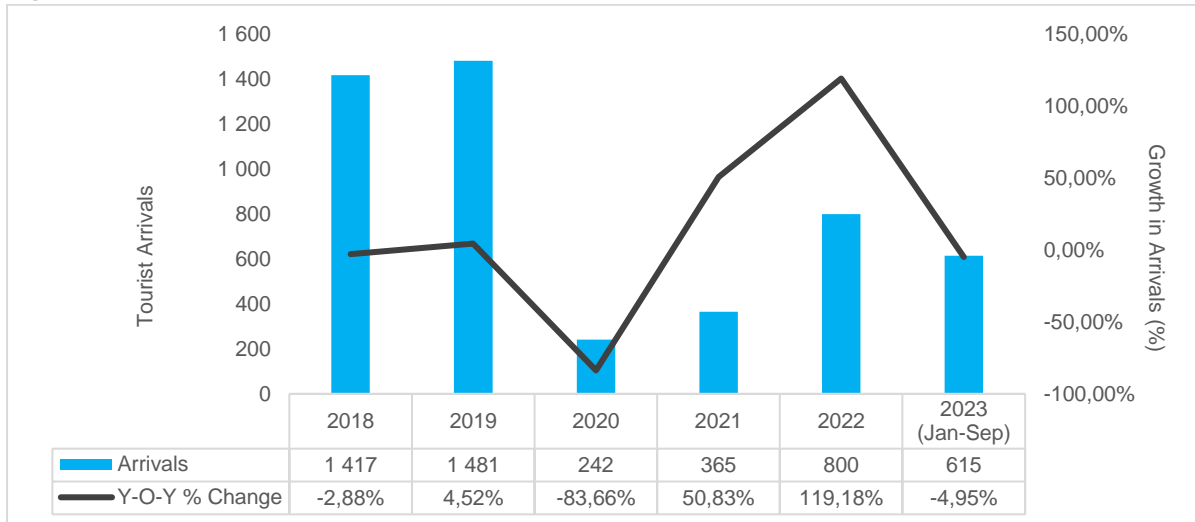
Note: The 2023 Annual International Tourist Arrivals data is realised on the SA Tourism Dashboard.

### 4.2 Tourist Arrivals from Ethiopia in the Western Cape

In 2022, 800 tourists from Ethiopia visited the Western Cape, as shown in Figure 23. This reflects a recovery of 54.02% when compared to 2019 and a y-o-y growth of 119.18% in relation to 2021.

Between January and September 2023, a total of 615 tourists arrived from Ethiopia to the Western Cape, reflecting a decrease of -4.95% year-on-year when compared to the corresponding period in 2022. However, a recovery of 77.85% was seen when compared to the same period in 2019 (January–September).

**Figure 24: Tourist Arrivals from Ethiopia in the Western Cape, 2018–2023**



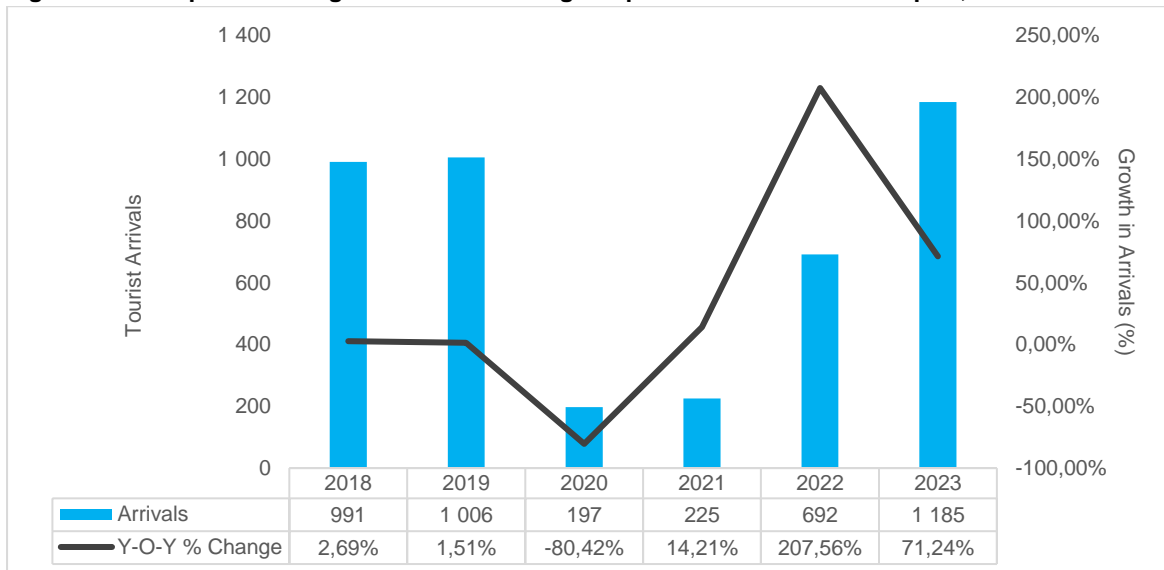
Source: SA Tourism (2023)

Note: The 2023 Annual Report has not yet been released.

### 4.3 Ethiopia Passenger Movement through Cape Town International Airport

Ethiopian tourist arrivals travelling to Cape Town via air totalled 1,185 in 2023, an increase of 71.24% compared to 2022 and a recovery of 117.79% in relation to 2019.

**Figure 25: Ethiopian Passenger Movement through Cape Town International Airport, 2018–2023**



Source: Stats SA (2023)

Note: No country air arrivals to Cape Town were collected between April-September 2020, owing to the Covid-19 pandemic

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