

TRANSPORT INFRASTRUCTURE IN ETHIOPIA

SNAPSHOT BY: EAGATE FOREIGN TRADE AUXILIARY PLC



Country Data (2016-2017)

Population (million inhabitants)	102,374,044
Labor force (million)	50.97
GDP (billion USD)	69.22
GDP Growth	6.50%
Exports (billion USD)	2.93
Imports (billion USD)	14.7
Exchange rate for 1 USD	23.2

Sector Data (2016-2017)

GDP spent on transport	32.80%
Road share of GDP (12-13)	50.10%
Air share of GDP (12-13)	37.40%
N. of Airports (2013)	57
Length of railways (km)	659
Length of roadways (km)	110,414

The history of modern transportation in Ethiopia dates back to the reign of Emperor Menelik II who imported the first roller from Austria in 1885, used for the erection of the first bridge over the Awash River between 1886-87 with the combined labor of military and civilians. The first modern roads saw the light in the early twentieth century linking Addis Ababa to Addis Alam and Harar to Dire Dawa followed by the first automobile in 1906/07 operated by the Emperor himself. The first institution in charge of transportation was the Road Transport Administration Bureau established in 1960. Regarding the administration of other transportation systems, the rail transportation was established in the 1910's, with the inauguration of the Addis-Djibouti railway. The aviation sector dates back to 1938 and Ethiopian airlines, the national carrier, is currently seeing unprecedented growth. During the different regime changes the transport infrastructure sector had gone through several mutations.

Road building has traditionally played a pivotal role in the political and economic unity of Ethiopia and today the government has made it one of its priority sectors under the 5-year Growth and Transformation Plan's (GTP I, II and III). The current road network is approximately 113,066km in length with 14,632km paved and 98,434km unpaved.

The 34.25 km light rail train project in Addis Ababa has recently been completed by the China Railway Engineering Corporation for 475 million USD. The project is up and running and has an estimated 15 thousand passengers/hour.

There are a number of other so called mega projects. Most notably the recently completed Addis-Adama expressway which acts as a toll road and the Addis-Djibouti railway.

The transport infrastructure sector is currently at the zenith of spending with numerous projects simultaneously being completed and contributing to the country's double digit growth. However, in order to keep up with the country's rapidly growing population and economic growth further investment will be required. Deloitte estimates that the country need to invest an average of US\$5.1bn per year in infrastructure alone for an entire decade in order to overcome existing constraints to development.

ROAD



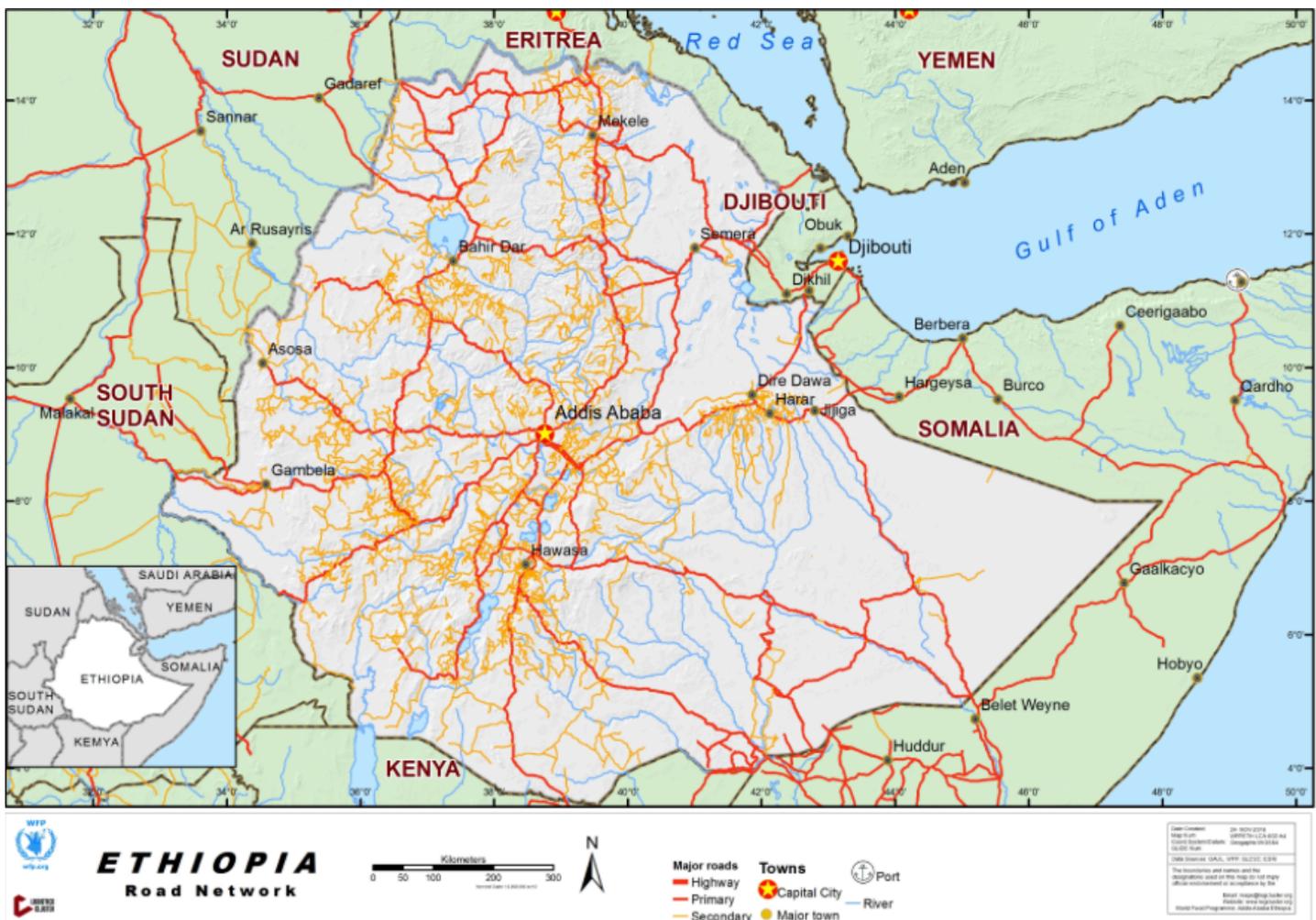
In Ethiopia road transport is the dominant mode of transportation and accounts for 90% to 95% of motorized inter-urban freight and passenger movements.

The road transport infrastructure is the key sub sector to which the government allocated 32.8% of the total transport GDP.

Over the period of 1997 to 2015 a total cost of ETB 185.5 billion was allocated for rehabilitating 2864km of trunk roads, upgrading 9474km of trunk and link roads, and constructing 7037km of link roads.

By the end of the fourth phase of the road sector development program in 2015, road density has reached 100.4km per 1000 persons, up from 44.4km in 2010 and the proportion of the road network in good condition increased to 70%, up from 56% in 2010.

The Addis-Adama expressway has been completed and there are plans to extend this to Hawasa. Recently the Ethiopian roads authority (ERA) signed a deal for road construction and upgrading which totaled 17.4billion birr and cover 1007 kilometers.





With a contribution of 37.4 % to the total GDP of the sector, the airline industry is one of the best performing sectors.

The history of aviation started in 1938 and the name Ethiopian is now a sign of quality and pride to the country and to the continent. Ethiopian Airlines is one of the top three African international carriers and a major regional air hub with more than one hundred destinations across every continent apart from Australia. Taking full advantage of Ethiopia's strategic location in the Horn of Africa, the airline has been growing at a rate of 20-25% per year since 2005. In the last decade the airline has expanded more in the last ten years than in the previous sixty.

Addis Ababa Bole International Airport, located in the capital city inaugurated its modern international terminal in 2003. This airport plays a major role both for Ethiopia and neighboring countries hub airports and it has become one of the three main international gateways for Sub-Saharan Africa. It is estimated that 70% of all passengers in Bole airport are there for transiting purposes. The airport is currently undergoing a \$300million expansion program due to be completed in 2018 which will expand its capacity to 22 million passengers.

Next to the Addis Ababa airport, which handles around 8.5 million passengers per year, Dire Dawa, Mekele and Bahir Dar Airports are the three other important airports in terms of passenger, airfreight and aircraft movements.

Regarding infrastructure, the land and airside infrastructure at the airport is of good quality and adequate to handle current traffic levels and anticipated growth. A cargo terminal for storage of perishable agricultural products was constructed at Bole international airport and construction and expansion of seven airports were made at different locations. The amount of cargo doubled between 2005 and 2010 from 1.42billion ton/km to 2.84billion.

The Ethiopian Airports Enterprise, the governing body of airport in Ethiopia has made preliminary plans to build a new airport in a lowland area (in order for aircraft to save money on fuel). If completed to current plans, the airport will be able to serve 120 million passengers a year at an initial cost of approximately \$4 billion.



Initial designs for Ethiopia's \$4billion new airport

RAILWAY



The rail corridor between Addis and Djibouti established in the first decades of the 1900's was the first railroad in the country and since this line became obsolete there has not been a functioning railway in the country. However, in September 2010 the Ethiopian Government begun a massive renovation and construction program. This mega project, part of the GTP to construct more than 5,000 km of railroad lines, linking major resources with the country and neighbouring infrastructures such as the Djibouti port.

This new 656km long railway, connecting forty-nine towns stretches from Sebeta town, near the capital Addis Ababa, to the town of Dewele, near the Djibouti border.

The project has recently been completed and trains are expected to run within the next few months. When they do the railway is expected to carry 750,000 passengers and 8.5 million tons of freight annually and cut the current journey of several days to less than ten hours.

This is the first part of an ambitious plan to extend railways across the country and connect the system with the wider East African railway, promoting increased inter regional trade.

PLANNED RAILWAY ROUTES

ROUTE1: Addis Ababa-Modjo-Awash-Dire Dawa-Djibouti /656km/

ROUTE2: Modjo-Shashemene-Arbaminch-Konso-Moyale (including Shashemene-Hawassa and Konso-Weyto) /905km/

ROUTE3: Addis Ababa-Ijaji-Jimma-Guraferda-Dima including Jimma-Bedele /740km/

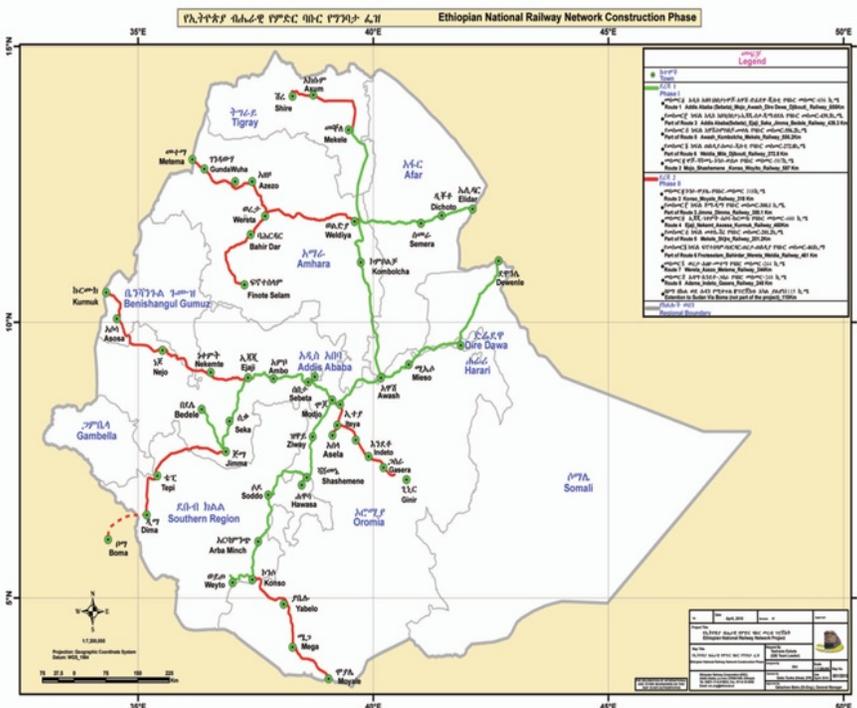
ROUTE 4: Ijaji-Nekemet-Assosa-Kumruk, /460km/

ROUTE 5: Awash-Kombolcha-Mekele-Shire /757km/

ROUTE 6: Fenoteselam-BahirDar-Wereta-Weldia-Semera-Elidar /734km/

ROUTE 7: Wereta-Azezo-Metema /244km/

ROUTE 8: Adama-Indeto-Gasera /248km/



PHASE I

1. Addis Ababa-Djibouti Railway Project
2. Mekele-Weldya/Hara Gebeya-Semera-Tadjourah Port Railway Project
3. Addis Ababa-Ijaji-Jimma-Dima-Bedele Railway Project
4. Awash-Kombolcha-Hara Gebeya Railway Project
5. Mojo-Shashemene-Arbaminch-Weyto Railway Project

PHASE II

1. Jimma-Guraferda-Dima
2. Ijaji-Nekemet-Assosa-Kumruk
3. Mekele-Shire
4. Fenoteselam-Bahirdar-Wereta-Weldia
5. Wereta azazo-Metema
6. Adama-Indeto-Gassera-Ginir



DRY PORT

Ethiopia is a landlocked country which primarily depends on the port of Djibouti to handle its exports and imports. However dry ports currently exist in Modjo and Semara.

Currently Modjo dry port is undergoing a vast \$150 million expansion program financed by the World Bank. The dry port currently has the capacity to hold 14,500 containers and handles around 95% of Ethiopia's trade, due to its strategic location 70km south east of Addis Ababa. When the expansion is complete the dry port will be transformed for a simple customs clearance center to a multipurpose facility with a variety of modern services available.

There are all plans for dry ports to be constructed in Hawassa, Dire Dawa, Mekelle, Kombolcha and Werta. When these are complete trade will inevitable be far more cost and time efficient.

	Road network					Growth rate (%)
	Asphalt	Gravel	Rural	Woreda	Total	
1997	3708	12162	10680		26550	
1998	3760	12240	11737		27737	4
1999	3812	12250	12600		28662	3.3
2000	3824	12250	15480		31554	10.1
2001	3924	12467	16480		32871	4.2
2002	4053	12564	16680		33297	1.3
2003	4362	12340	17154		33856	1.7
2004	4635	13905	17956		36496	7.8
2005	4972	13640	18406		37018	1.4
2006	5002	14311	20164		39477	6.6
2007	5452	14628	22349		42429	7.5
2008	6066	14363	23930		44359	4.5
2009	6938	14234	25,640		46812	5.5
2010	7476	14373	26944		48793	4.2
2011	8295	14136	30712	854	53997	10.7
2012	9875	14675	31550	6983	63083	16.8
2013	11301	14455	32582	27628	85966	36.3
2014	12640	14217	33609	39056	99522	15.8
Growth rate	7.6	0.98	7.1	351	8.3	8.3

Source: ERA

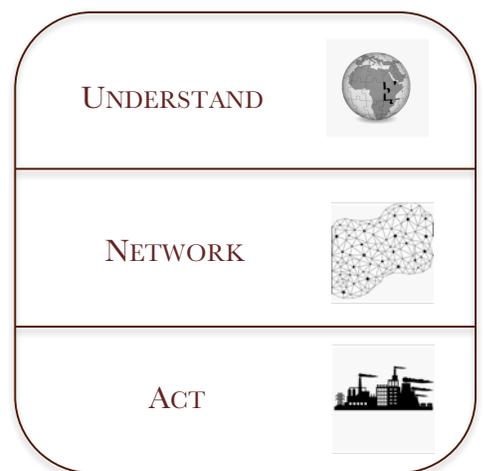
DOCUMENT SOURCES:

Photos: and illustrations: Ethiopian Railway Corporation/ Stratfor 2013 / Text and figures: Ethiopian Railway Corporation (ERC) / 16 Years Assessments of RSDP Performance, Ethiopian Road Authority (ERA), 2016 / Ethiopian Road Authority Website / Road Sector Development & Economic Growth in Ethiopia, EDRI, Ibrahim Worku, 2013 / Ethiopian Airports Enterprise/ Capital Ethiopia 'Ethiopian roads authority signs 17.4 billion birr road construction contract'



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