

India - Ethiopia Relations

Historical linkages

Historical linkages between India and Ethiopia go back about 2,000 years of recorded history. Trade between the two countries flourished during the ancient Axumite Empire (1st century AD), which is seen to be origin of modern Ethiopia. Full diplomatic relations were established in 1950 with Sardar Sant Singh as the first Ambassador. The current Ambassador is also accredited to Republic of Djibouti and the African Union.

Political Structure

After the overthrow of the Marxist Derg regime in May 1991 the Ethiopian People's Revolutionary Democratic Front (EPRDF) a coalition of 9 parties led by Prime Minister Meles Zenawi established a transitional government. A new constitution was adopted in December 1994 and elections were held in May and June 1995. The country has 9 regional states drawn along accepted ethnic/linguistic lines and 2 city states. One of the major features of the new Constitution is the right of secession of the constituent provinces. The current President is Dr. Mulatu Teshome, Prime Minister is Hailemariam Desalegn, and the Foreign Minister is Dr. Tedros Adhanom.

The new Constitution of Ethiopia has a President who is the nominal Head. The executive power vests with the Prime Minister. The Parliament is bicameral and the two Houses are known as House of Peoples Representatives (Lower House) and House of Federation (Upper House). The HPR has 548 MPs directly elected by the voters. The Upper House has 120 MPs elected by the State Councils of the nine Regional States. The appointment of Ministers is to be approved by the Parliament. In the parliamentary elections held in May 2015 out of 548 seats, the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) won 501 seats while its affiliates took the remaining 46 seats.

Bilateral visits

Prime Minister Meles Zenawi visited India in November 2007, in 2008 for the India Africa Forum Summit in 2008 and in February 2009 for the Delhi Sustainable Development Summit. From our side, President S. Radhakrishnan (in 1965), Vice President Zakir Hussain (in 1967), President V.V. Giri (in 1972) and Prime Minister Manmohan Singh (May 2011) visited Ethiopia. Vice President Hamid Ali Ansari visited Ethiopia in May 2013 for the Golden Jubilee celebration on the foundation of the African Union. Prime Minister Hailemariam Desalegn visited Delhi to attend IAFS-III in October 2015 and attended business meet in Mumbai.

Minister of State for Textiles, Mr. Santosh Kumar Gangwar had earlier visited Addis Ababa on 9-10 July 2015, as a special envoy of PM Mr. Narendra Modi to invite Prime Minister Mr. Hailemariam Desalegn to IAFS III. Mr. Gangwar also met Foreign Minister.

In July 2015, Minister of State Mr. Jayant Sinha headed a delegation for Third International Conference on Financing for Development in Addis Ababa 13-16 July, 2015 and had bilateral meeting with Ethiopian Foreign Minister, US Treasury Secretary, Canadian, Rwandan, Madagascar and Gambian Ministers along with President of IFAD. Mr. Sinha spoke at three side events.

Ethiopian Minister of Health, Dr. Kesetebirhan Admasu visited India to attend that "Call to Action Summit-2015" in New Delhi on 27-28 August, 2015.

Prime Minister Mr. Hailemariam Desalegn led the Ethiopian delegation to the India-Africa Forum Summit (IAFS) from 26-29 October 2015 and had a bilateral meeting with Prime Minister Mr. Narendra Modi.

Ms.ZenebuTadesseWoldetsadik, Minister of Women, Children and Youth Affairs of Ethiopia visited New Delhi to receive the “ICCR Distinguished Alumni Award 2015” on 10.12.2015. She also met Ms.Maneka Gandhi during her visit to New Delhi.

Bilateral Trade

Bilateral trade in 2014 stood at US\$1.2 billion, of which India’s exports to Ethiopia were over US\$1.1 billion and imports were US\$53.1 million. India was the third most important source of imports for Ethiopia in 2014, contributing 7.4% of all of Ethiopia’s imports next to China and Saudi Arabia. In 2015, there was an increase in bilateral trade and reached US\$993.7 million from January to October 2015, out of which India’s exports to Ethiopia were US\$945.1 million and imports were US\$48.6 million. Exports from India mainly included primary and semi-finished iron and steel products (17.3%), followed by drugs & pharmaceuticals (12.5%), rice (12.4%), transport equipment (7.4%), machineries (5.5%), sugar (5.4%), paper products (3.5%), plastics (3.4%), rubber (3.2%), textile and clothings (2.5%), etc. Pulses were the major item imported from Ethiopia, accounting 46.7% of India’s total imports from Ethiopia. It was followed by precious & semi precious stones (18.7%), vegetable (17.1%), leather (11.5%), spices (4.3%) and natural gum arabic (1.2%). **India is the second most important source of imports for Ethiopia, contributing 7% of all of Ethiopia’s imports next to China.**

Investment

There is no Ethiopian Investment in India. Indian companies maintained their reputation as being in the top three foreign investors in Ethiopia with newer Indian multinationals marking their presence in Ethiopia. More than 500 Indian companies with licensed investment of over US\$ 4 billion of which about US\$ 2 billion is estimated to be on the ground. Indian companies have invested in various sectors like agriculture and floriculture, engineering, plastics, manufacturing, cotton and textiles, water management, consultancy and ICT, education, pharmaceuticals and healthcare. About 44% of Indian investment is in the manufacturing sector, followed by agriculture (35%).

Some major investments by Indian companies announced in 2015 include Asian Paints, Arvind, Raymonds, Kanoria, Fontana Flower PLC, Balaaji Manufacturing PLC, Samaka Stones Private Limited Company and Velocity Apparel. More Indian companies began to invest in Ethiopia, especially in the textile and garments sector, which is a priority sector in the Growth and Transformation Plan-II. *Arvind* set up a six-million-piece garment plant in Ethiopia. Kanoria Africa Textiles PLC’s denim factory in Bishoftu was opened by the Honorable Prime Minister of Ethiopia on 24 October 2015. Raymond signed a US\$100 million investment agreement with the Ethiopian Government during the Ethio-India Investment Forum held in Mumbai in October.

Marketing/Investment opportunities in Ethiopia

The areas, with most promising potential for investments in the country are agriculture, food-processing, leather & leather products, textile & garments, horticulture, sugar & related industry, chemicals industry, pharmaceutical industry, cement industry, metal & engineering industry, tourism, construction, mining & oil and hydropower. Leading non-agricultural sectors and investment include: renewable energy, information technology and communications (ICT), construction, tourism and aviation. Sub-sectors such as mobile banking services and outsourcing services, website software and technologies, software development for eGovernment services, and ICT training services are going to be among the major investment opportunities in the country. The ambitious road construction and expansion projects in the country also offers opportunities either to directly involve in the construction work or export of construction machinery, chemicals, and building materials as well as consultancy and supervision services.

Lines of Credit: The ongoing Gol assistance in developmental projects in Ethiopia continued with sanctioned Lines of Credit worth more than US\$1 billion to the Government of Ethiopia for sectors such as rural electrification, sugar industry and railways. Ethiopia is the largest recipient of long

term concessional credit from India in Africa. Finchaa and WonjiShoa sugar factories and Phase I of the Tendaho sugar factory being built in Ethiopia under the Indian EXIM Bank's Lines of Credit of US\$ 640 million are almost complete. India has also donated to Ethiopia a 64-Slice CT Scan Machine to Black Lion Hospital in Addis Ababa as part of our Grant Assistance. NIFT and CLRI also have twinning arrangements with their Ethiopian counterparts ETIDI and ELIDI and undertake capacity building projects.

Trade related visits from India: Momentum maintained in trade and economic engagements with participation of Indian business delegations in Trade Fairs, BSMs, etc. An FIEO-coordinated delegation of 28 Indian companies representing diverse sectors participated in the Addis Chamber International Trade Fair (ACITF). ASSOCHAM led an 11-member delegation and another 21-member multi-sectoral delegation also visited Ethiopia. The Embassy facilitated trade delegations and also organized Exhibitions and Buyer-Seller Meets. The Third International Conference on Financing for Development (FfD3) was held in Addis Ababa from 13-16 July 2015 and India was represented by ShriJayantSinha, Hon'bleMoS (Finance). 18 Indian companies representing building and construction materials participated in the 6th Addis Build Construction Exhibition in Addis Ababa.

Trade related visits from Ethiopia: Important visits and participation from Ethiopia included in *Vibrant India* First-B2B Trade Summit in Ahmadabad, in India Electronics Expo in New Delhi, visit of State Minister of Mines with a delegation to Jaipur to learn best practices in precious and semi precious stones sector and by Health Minister to attend Call to Action Summit-2015 in New Delhi. An Ethio-India Business Forum was organised in New Delhi and Mumbai in October 2015 by the Ethiopian Missions. Dr TedrosAdhanom, Minister of Foreign Affairs, Mr.FitsumArega, Commissioner, Ethiopian Investment Commission and Mr.Mayur Kothari, Convener, India Business Forum addressed the Forum.

Culture: The Embassy has been actively promoting Indian culture in Ethiopia. The *International Day of Yoga* was celebrated on 21 June 2015 in Addis Ababa with the participation of a large number of local and foreign Yoga enthusiasts/experts. Also participated for the first time in the Ethiopian International Film Festival (ETHIOIFF) with screening of Amharic-subtitled Hindi films. Kathak and Rajastani folk dance performances were organized. Ms.MeskeremAssegued, a renowned art critic in Ethiopia and Director, Zoma Contemporary Art Centre, Addis Ababa was sent to India from 21 February to 3 March 2015 under ICCR's Academic Visitor's Programme. H.E. Ms.ZenebuTadesseWoldetsadik, Ethiopian Minister of Women, Child & Youth Welfare was selected by ICCR in 2015 for the Distinguished Alumni Award for her outstanding contribution towards bilateral relations between India and Ethiopia in the field of promotion of welfare of women, children and youth in Ethiopia. The textile exhibition 'Vastram - Splendid World of Indian Textile' curated by Ms. Shelly Jyothi was mounted in Addis Ababa.

Cooperation for Capacity Building

The number of training slots under ITEC have gone up from 25 in 2007-08 to 200 in 2014-15. We also offer 55 Indian Council of Cultural Relations (ICCR) scholarships to Ethiopian students for University studies in India. The pan African e-Network project was launched in Ethiopia in July 2007. The Tele-Education Centre at Addis Ababa University and the Tele-Medicine Centre at the Black Lion Hospital in Addis Ababa are working well and are considered very useful by the Ethiopian side.

Indian Community:

The traditional Indian community in Ethiopia is from Gujarat. They came to this country in the latter years of the 19th century. The numbers of the Indian community fell very significantly during the Derg regime. It is now around 6,000 – the majority being the new investors, their employees and lecturers and professors in Universities. An *Indian Medical Professionals Forum* and an *India Education Forum* were established in 2014 by the Embassy under its patronage to coalesce and consolidate the increasingly diverse Indian community.

Useful Resources:

Embassy of India, Addis Ababa website:

<http://www.indembassyeth.in/>

Embassy of India, Addis Ababa Facebook page:

<https://www.facebook.com/EmbassyofIndiaAddisAbaba>

India Global- AIR FM Gold Program featuring India and Ethiopia Relations:

<http://www.youtube.com/watch?v=CoitlgLeBS8>

Twitter :IndiaInEthiopia

January 2016