

I. Macroeconomic Highlights

Gross Domestic Product and Employment

- Ethiopia's GDP reached \$ 55 Billion with per capita GDP of \$631 by end of 2013/14.
- Agriculture, industry and services sectors respectively contributed 40%, 14% and 46% to the GDP.
- Real GDP grew by 10.3% in 2013/14 and 5.3% of this growth came from the service sector, 2.7% from industry and the balance from agriculture.
- As of 2013 72.7% of employment is generated in the agriculture sector, 19.8% in Services 7.4 % in Industry.

Figure 1: Real GDP Growth and Sectors Contribution

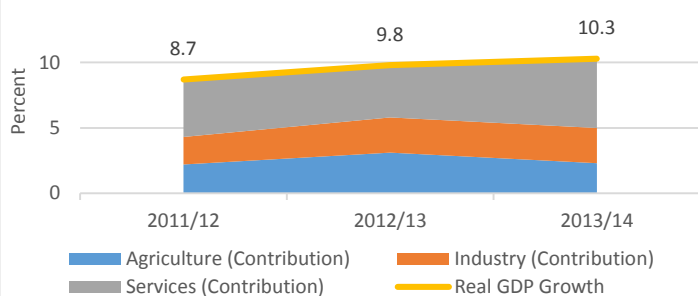
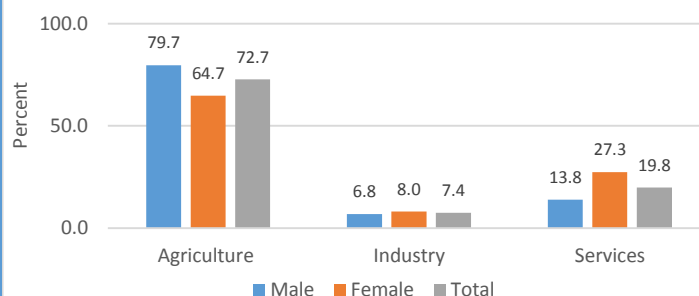


Figure: Employment by Industrial Division (2013)



Prices

- Year-on-year headline inflation has been increasing since November 2014 (5.9%) to reach 9.4% in May 2015 mainly driven by food inflation. Food inflation in turn increased from 4.8 % to 10.1% while non-food inflation increased from 7.1% to 8.7 % in the same period.
- One US\$ was exchanged for Birr 20.45 by the end of May 2015 indicating 5.18% annual depreciation of the Birr.

Figure 3: Trends in Annual Inflation (in %)

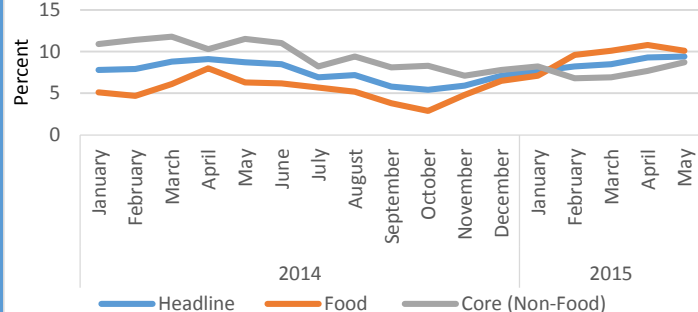
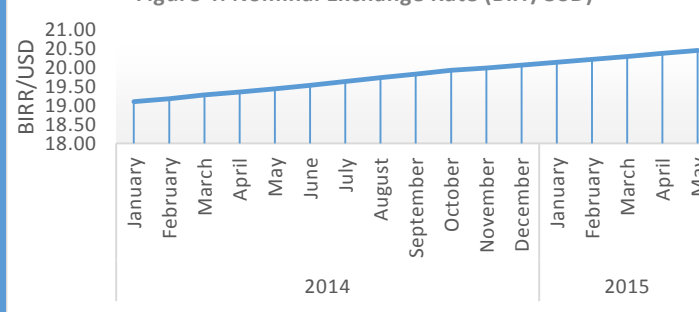


Figure 4: Nominal Exchange Rate (Birr/USD)



Government Finance and External Debt

- The Federal government collected Birr 120 billion in revenue, in the first 10 months of 2014/15 (97.6% from domestic sources and the balance from external grant). This was 88.8% against the annual budget and 20.7 percent higher compared to the revenue collected same period of the previous year.
- Total expenditure was Birr 132.4 billion (21% to recurrent, 32% to capital expenditures and 47% was transfers to regional governments).
- Annual ODA flow increased by 6.4 percent on average between 2011/12 and 2013/14. In 2013/14, 39.7% of the disbursement went to support "enhancing expansion and quality of social development" and 35.9% was allocated to "maintaining agriculture as major source of economic growth".
- Total ODA flow in the first six months of 2014/15 was USD 797 million (71% in form of grants and 29% in loan).
- The external debt stock reached US\$ 14 billion in 2013/14, which is 25.5% of GDP

Figure 5: Federal Government Revenue and Expenditure

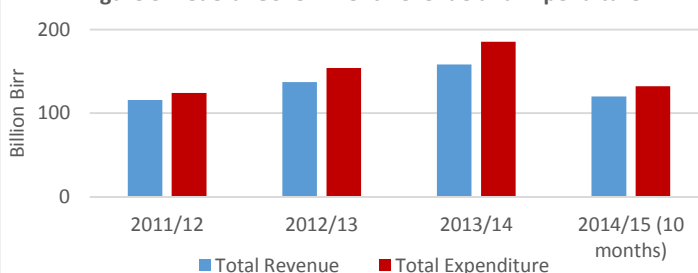
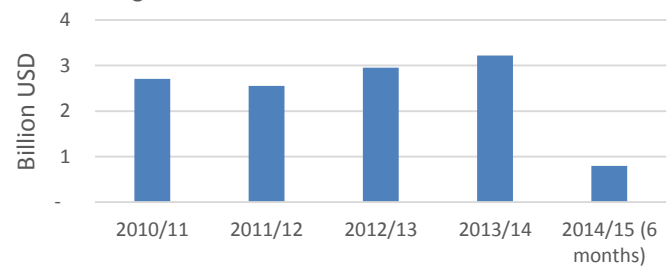


Figure 6: Annual ODA flows



Financial Sector

- Ethiopia's financial sector consists of 19 banks, 17 insurance companies, and 32 micro finance institutions.
- Outstanding credit by the banking system including to the central government totaled Birr 205.7 billion at the end of the third quarter of 2014/15. 40% of the credit went to industry, 20% to international trade and 12% to domestic trade.
- The public sector borrowing in the form of corporate bonds reached Birr 67.7 billion by the third quarter of 2014/15.

Figure 7: Trend in stock of Bank Credit by client

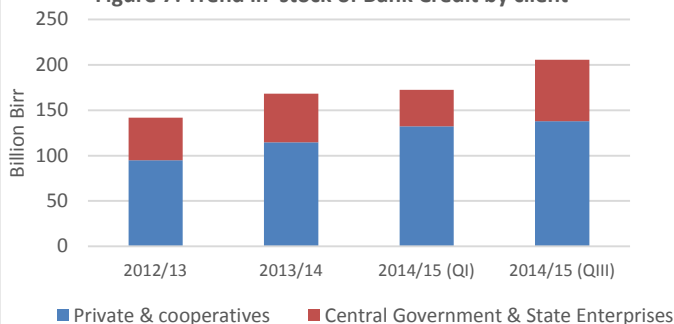
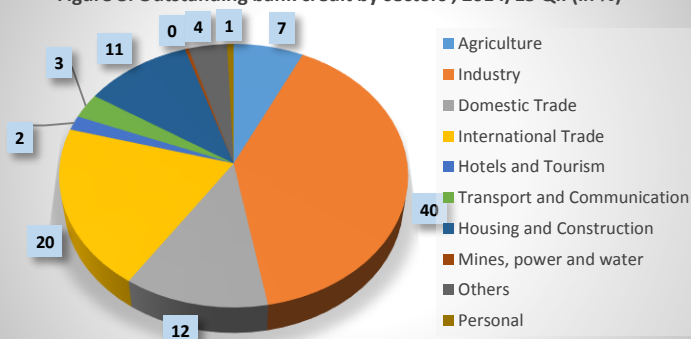


Figure 8: Outstanding bank credit by sectors, 2014/15 QII (in %)



Import and Export

- Ethiopia generated \$2.2 billion from exports of goods in the first 9 months of 2014/15, this was 4.1 % lower compared to the same period of 2013/14.
- Major exports are: coffee (21.7%), oil seeds (17.6%), gold (11.8%), chat (9.8%), pulses (8.3%), cut flower (6.6%) and live animals (5.2%).
- Total import bill was \$12.3 billion in the first 9 months of 2014/15. As a result the trade deficit reached \$10.1 billion.
- Major imports are capital goods (41.3%), consumer goods 27.9%, semi-finished goods 15.3% and fuel (12.8%)
- Ethiopia started exporting electricity. The receipt from electricity export between October 2014 and March 2015 was \$20.8 million.

Figure 9: Quartely trend in Import and Export

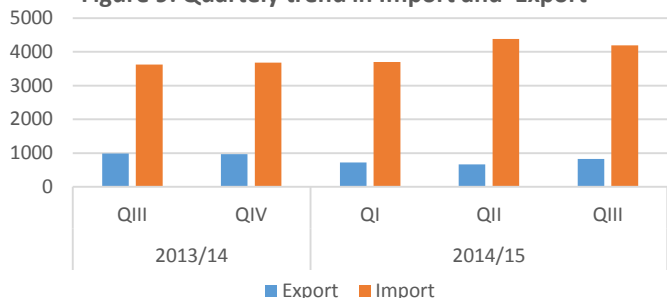


Figure 10: The trend in major exports of Ethiopia

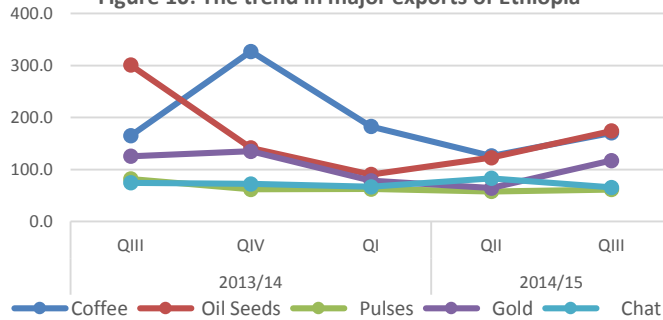
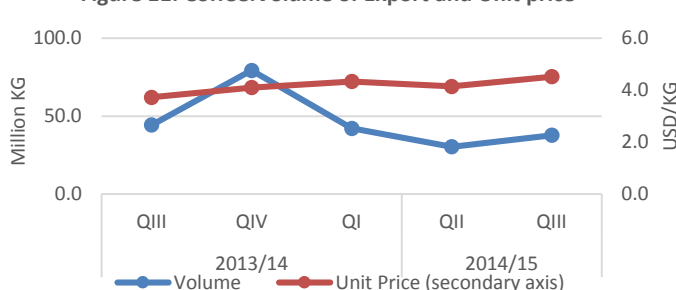


Figure 11: Coffee: Volume of Export and Unit price



II. Social Development Highlights

- Total Population reached 90 million in 2015
- Poverty headcount was 29.6% in 2010/11 and estimated to have declined to 26% in 2012/13 (GTP, APR 2014)
- Ethiopia's HDI is 0.461 (ENHDR)

Indicator	Value (2013/14)
Life expectancy at birth (Male- Female)	60.2-64.2 Years
Crude birth rate	30.3:1000
Crude death rate	7.2:1000
Population growth rate	2.31%
Total Fertility rate	3.94 Child/Woman
Infant Mortality Rate	62.4:1000

Progress in MDGs (Mini DHS, 2014)

Prevalence of underweight children under five years of	25.3%
Net attendance ratio in primary education	64.8%
Ratio of girls to boys in primary education	1.1
Ratio of girls to boys in secondary education	2.3
Ratio of girls to boys in tertiary education	1.6
Proportion of population using an improved drinking	50.3%
Proportion of population using an improved sanitation facility	4.5%

References

- MOFED National income accounting statistics (2014)
- CSA Consumer price index various reports
- National Bank of Ethiopia Quarterly Reports, various issues
- National Bank of Ethiopia, Annual Report 2013/14
- UNDP HDR (2014)
- CSA, Mini DHS (2014)
- MOFED, Report on ODA, January, 2015
- Ethiopia: NHDR (2014)