



ETHIOPIAN INVESTMENT AGENCY

FACTOR COSTS

2008

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Part 1: COST OF LAND

Under the constitution of the Federal Democratic Republic of Ethiopia land is the property of the State and the people of Ethiopia. Both urban and rural land is available for investment on leasehold, rental basis or freely depending on the type of investment which is undertaken on it.

1. Urban Land

1.1 Lease Holding

In conformity with plan guidelines of a city an urban land shall be permitted to be held by lease on auction or negotiation. Minimum price shall be determined for urban land to be permitted on auction or through negotiation. Lease-hold title deed shall be conferred on a person to whom an urban land is permitted.

1.1.1 Period of lease

According to Proclamation No. 272/2002 (Re-Enactment of Urban Lands Lease Holding Proclamation), the period of lease shall vary depending on the level of urban development and sector or type of development activity on which land is held by lease. The ceiling period of lease is shown in **Table 1.1 below**.

1.1.2 Rights of lease holding

Any lease hold possessor may transfer, or undertake a surety on his rights of lease hold, and he may also use it as a capital contribution to the amount of the lease payment he has made.

1.1.3 Performance of payment

Lease price payment may be made totally at the signing of the lease contract or periodically with bank compound interest on the unpaid portion.

A person, to whom lease hold of urban land is permitted:

- Must make advance payment not less than 5 percent out of the total lease payment
- Shall make payment every year, and the yearly payment shall amount to the average price of the remaining lease payment divided over the period payment.
- Shall pay interest over the remaining payment as per the rate of interest on loan offered by bank

The modality of lease payment is shown in **Table 1.2 below**.

1.1.4 Use of urban land

Any person, to whom lease hold of urban land is permitted, must begin to use the

land for the prescribed activity or service within the period of time set by regulations.

1.1.5 Renewal of period of lease

Period of lease may, upon the termination thereof, be renewed for the lease hold possessor as per the agreement to be

reached, unless the urban land is wanted for public interest. Where the lease period is not renewed upon termination on account of the land being wanted for public interest however, compensation shall not be paid to the lease hold possessor.

Table 1.1 Period of Lease hold

Name of City/Region	Sector of development or type of Services	Period of lease
Addis Ababa City Administration and other towns designated as Addis Ababa City	• Housing(Personal & Leasable)	Up to 99 Years
	• Science, technology, research & study	Up to 90 years
	• Government offices	
	• Non-profit making philanthropist organization	
	• Religious institution	
Other towns which is not designated as of grade of Addis Ababa	• Industry	Up to 60 years
	• Commerce	Up to 50 years
	• Others	Up to 50 years
	• Education Health, culture, sports, etc	Up to 99 years
Amhara National Regional State (Bahir Dar, Gonder, Dessie)	• Industry	Up to 80 years
	• Trade and commerce	Up to 70 years
	• Urban Agriculture	Up to 15 years
	• Others	Up to 70 years
	• Housing (personal and leasable)	Up to 99 years
	• Education, Health, Culture, Sport	Up to 99 years
Oromiya National Regional State	• Private dwelling houses	Up to 99 years
	• Rental dwelling houses	Up to 60 to 99 years based on the grade of towns
	• Industrial activities	Up to 70 to 95 years based on grade of towns
	• Educational, Scientific, Technological, Cultural, Health and Sporting activities	Up to 95 years
	• Others	Up to 60 to 99 years based on the grade of towns
SNNPRS	• Housing (personal and leasable)	Up to 99 years
	• Education, Health, Culture, Sport	Up to 99 years
	• Industrial activities	Up to 80 years
	• Trade and commerce	Up to 70 years
	• Urban Agriculture	Up to 15 years
Dire Dawa Tigray National Regional Stat	• Others	Up to 70 years
	• Private Dwelling house	Up to 99 years
	• Industry	Up to 80 years
	• Trade	Up to 70 years
	• Social Services	Up to 99 years
	• Urban Agriculture	Up to 15 years

Table 1.2 Performance of payment of lease hold

Name of City/Region	Sector of development or type of Services	Period of payment	
Addis Ababa City Administration	• Private dwelling houses	Within 99 years	
	• Industry	Within 30 years	
	• Business	Within 15 years	
	• Culture, Sport and education	Within 20 years	
	• Rental Dwelling houses	Within 30 years	
Amhara Regional State (Bahir Dar, Gondar)	National	• Private dwelling house	Within 99 years
	Dessie,	• Private housing through auction or negotiation	Within 50 years
	Gonder)	• Social development and cultural undertakings (Health, Education ..)	Within 40 years
		• Industry	Within 40 years
		• Commerce	Within 30 years
		• House for rent	Within 40 years
		• land with 15 years lease period	Within 10 years
Oromiya National Regional State		Within 30 years for holding periods of less than 40 years and within 40 years for holding periods for 40 years and above	
Tigray National Regional State		15 to 99 years depending on the sector of development	

1.2 Minimum Lease price.

Minimum price shall be determined for urban land to be possessed on auction or through negotiation. The minimum lease price for regions is shown below.

1.2.1 Addis Ababa City Administrative

The Addis Ababa city administration has graded lease land and allocated initial prices as follows:

Table 1.3 Minimum Lease Price in Addis Ababa City Administration

Zone	Grade of Lease Land	Minimum price in Birr / M ²	Negotiation Price	
			Excluding the added value of production	Including the added value of production
Central Business Zone	1	1297	2204.90	2480.51
	2	1181	2007.70	2258.66
	3	1018	1730.60	1946.93
	4	835	1419.50	1596.94
	5	688	1169.60	1315.80
Transitional Business Zone	1	796	1353.20	1522.35
	2	719	1222.30	1375.09
	3	622	1057.40	1189.58
	4	525	892.50	1004.06
	5	427	725.90	816.64
Expansion Zone	1	273	464.10	522.11
	2	230	391.00	439.88
	3	167	283.90	319.39
	4	147	249.90	281.14

Source: Addis Ababa Trade, Industry and Development Bureau.

1.2.2 Tigray National Regional State

In the regional State industrial zones are established in five towns, namely Mekele, Adigrat, Adwa, Axum and Endasselase. The Regional State has set lease prices for the industrial zones and real estate. The price for industrial zones varies from 0.30 to 0.75 Birr/M²/Year, while the price for real estate varies from 0.35 to 2.00 Birr/M²/Year. The following table depicts the initial lease price for both the industrial zones and real estate development:

Table 1.4 Minimum Lease price in Tigray

Industrial Town	Lease Price in Birr/M ² /Year			
	Industrial Zones	Real Estate		
		1 st Grade land	2 nd Grade land	3 rd Grade land
Mekele	0.75	2.00	1.50	1.00
Adigrat	0.35	1.10	0.75	0.35
Axum	0.35	1.10	0.75	0.35
Endasselase	0.30	1.10	0.75	0.35
Adwa	0.35	-	-	-

To encourage Real Estate development in the region, the following discount is applicable on the initial lease price.

a. 10 and above housing units

Housing Unit	1 st Grade Town Mekele	2 nd Grade Town (Out side Mekele)	Lease Price Discount in %/M ²
10-25 Houses	G+1	Villa	10
26-40 Houses	G+1	Villa	20
41-50 Houses	G+1	Villa	30

b. G +2 and above buildings

1 st Grade land Mekele	2 nd Grade Town Out side Mekele	Lease Price Discount in % /M ²	
		Apartments	Others
G+2	G+2	7	5
G+3	G+2	10	7
G+4	G+3	15	10
G+5	G+4	20	15
G+6	G+5	25	20
G+7	G+6	30	25
G+8	G+7	35	30
G+9	G+8	40	35
G+10	G+9	45	40

1.2.3 Oromiya National Regional State

In the regional state cities/towns has been classified into different grades as follows:

Town Grading in the Oromiya Region

Grade of Towns	Zones												
	East Shewa	West Shewa	North Shewa	Arsi	Bale	Borena	West Wellega	East Wellega	Jimma	Illubabor	East Harerge	West Harerge	
Grade 1	Adama	Sebeta							Jimma				
	Busheftu	Alemgena											
	Dukem	Burayu											
	Modjo												
	Shashamene												
	Ziway	Ambo	Fiche	Asela	Robe	Moyale	Nekemite	Gimbi	Agaro	Metu	Haromaya	Chiro	
Grade 2	Wonji gefersa	Weliso	Sendafa	Dera			Dembidolo			Bedele			
	Metehara	Ginchi	Gerba										
			Guracha										
		Holota											
Grade 3		Tulu Bolo											
	Meki	Bako	Chancho	Robe	Goba	Negele Borena	Shambu	Nejo	Limu Genet	Gore	Funganbira	Bedessa	
	Welenchiti	Guder	Debre Tsigaye	Abomsa	Adaba	Hagere Mariam	Sibusire	Mendi		Yayu	Deder	Gelemso	
	Arsi Negele	Addis Alem	Sheno	Huruta	Ginir	Kibre Menginst	Arjo			Toba	Kombolicha	Mechara	
	Bulbula	Ejaji	Muke Turi	Bokoji	Dodola	Yabelo				Choea	Chelenko	Messo	

Grade of Towns	Zones												
	East Shewa	West Shewa	Noth Shewa	Arsi	Bale	Borena	West Wellega	East Wellega	Jimma	Illubabor	East Hararghe	West Harerge	
	Alem Tena	Gedo	Bako	Kofele		Shekiso				Hurumu		Hirna	
	Awash Melkasa			Eteya									
				Asasa									
				Kore									
				Diksis									
				Segure									
				Gobaa									
				Awash Melkasa									
Grade 4	Adami Tulu	Ameya	Gohatsion	Ticho	Agarfa	Mega	Fincha	Mugi	Chacha	Kumbabe	Bedeno	Asebot	
	Koka	Taji	Alidoro	Borujawi	Dinsho		Obora	Gidami	Yebu	Dembi	Harawacha		
	Kuyera		Ejere	Merero	Gesera		Jare	Bira	Saka	Gachi	Giraw		
	Ajje		Hambiso	Agulte	Jara Golelecha		Gori	Kake	Sheki (Dedo)		Kersa		
				Seltena	Mana		Gellila	Gulliso	Sarbo		Fedis(Boko)		
				Chole	Gore		Hareto	Enango	Shabe				
				Arbouejaji			Ayana	Gudatu Godo	Sekeru				
				Bale			Alemteferi	Bube	Asendabo				
				Adele									
				Karsa									
				Kore									

Subject to the size and location of the land in each specific town or area, the minimum annual lease charge ranges from Birr 0.37 to Birr 2.33 per square meter. Specific land sites in each town are categorized up to 3 grades, depending on the location and development level.

The following table indicates the minimum land **Lease Prices** for the first and second grade towns:

Grade of town	Grade of land	Land size in M ²	Minimum price in Birr/M ² /year		
			Commerce and related services	Industry, Storage, Education, Culture, Sport and others	Residential Houses
1 st	First grade	up to 500	2.85	0.98	1.68
		501-750	3.45	1.14	2.03
		751-1000	3.66	1.21	2.17
		1001-1250	3.89	1.26	2.43
		1251-1500	3.92	1.28	2.49
		More than 1500	4.01-4.08	1.35-1.42	2.54-2.59
	Second grade	up to 500	1.98	0.74	0.89
		501-750	2.45	0.93	1.05
		751-1000	2.89	1.14	1.31
		1001-1250	2.98	1.19	1.42
		1251-1500	3.01	1.21	1.47
		More than 1500	3.10-3.17	1.24-1.35	1.49-1.59
	Third grade	up to 500	1.33	0.70	0.77
		501-750	1.42	0.81	0.86
		751-1000	1.72	0.88	1.05
		1001-1250	2.07	1.02	1.21
		1251-1500	2.10	1.10	1.28
		More than 1500	2.19-2.26	1.19-1.23	1.30-1.40
Grade of	Grade of land	Land size in M²	Minimum price in Birr/M²/year		

town			Commerce and related services	Industry, Storage, Education, Culture, Sport and others	Residential Houses
2 nd	First grade	up to 500	2.12	0.86	0.84
		501-750	2.45	0.93	1.05
		751-1000	2.89	1.14	1.31
		1001-1250	2.94	1.17	1.40
		1251-1500	2.96	1.19	1.45
		More than 1500	3.01-3.08	1.24-1.26	1.49-1.54
	Second grade	up to 500	1.33	0.74	0.77
		501-750	1.45	0.81	0.84
		751-1000	1.68	0.86	1.02
		1001-1250	1.93	1.07	1.17
		1251-1500	1.93	1.10	1.31
		More than 1500	2.05-2.14	1.16-1.23	1.45-1.47
	Third grade	up to 500	0.68	0.65	0.68
		501-750	0.74	0.70	0.74
		751-1000	0.74	0.70	0.81
		1001-1250	0.79	0.77	0.88
		1251-1500	0.84	0.81	0.96
		More than 1500	0.93-1.17	0.89-1.05	1.03-1.30

1.2.4 Amhara National Regional State

In the Amhara National Region State land is available for investment on leasehold or rental basis. The towns to which urban land lease-holding system currently applies are Bahir Dar, Dessie, and Gonder

The towns in the region are classified into 5 grades and the grade of land in each classification is divided from 3 to 5 grades.

Grade of Town	Number of Grade of Land
4 (Highest of all)	1 to 5
3	1 to 5
2	1 to 5
1-A	1 to 3
1-B (Lowest of all)	1 to 3

The list of towns from grade 4 to 1-A is presented below, while the rest towns not included here are grade 1- B.

Zone	Town	Grade of Town
Bahir Dar	Bahir Dar	4
North Gonder	Gonder	4
South Wello	Dessie	4
East Gojam	Debre Markos	3
North Shewa	Debre Birhan	3
South Wello	Combolcha	3
South Gonder	Debre Tabor	2
North Wello	Woldiya	2
East Gojam	Mota	2
Awi	Dangla	2
West Gojam	Finote Selam	2
Awi	Chagni	2
North Wello	Kobo	1-A
North Shewa	Shewa Robit	1-A
North Shewa	Mehal Meda	1-A
North Shewa	Debre Sina	1-A
South Gonder	Addis Zemen	1-A
South Gonder	Woreta	1-A
North Gonder	Debarik	1-A
North Gonder	Dabat	1-A
West Gojam	Bure	1-A
West Gojam	Jiga	1-A
East Gojam	Dejen	1-A
East Gojam	Bichena	1-A
Oromiya	Bati	1-A
South Wello	Hayik	1-A

The initial lease prices of land obtained through auction are presented below:

Grade of Town	Grade of land	Initial Lease Price by Type of Activity /M ² /LeaseYear			
		Commerce	Industry	Cooperatives/ Service	Residence
4	1	80.0	60.0	40.0	20.0
	2	68.56	51.42	34.28	17.14
	3	45.70	34.28	22.85	11.42
	4	22.85	17.14	11.42	5.71
	5	11.42	8.57	5.71	2.85
3	1	72.6	54.45	36.30	18.15
	2	62.22	46.67	31.11	15.55
	3	41.48	31.11	20.74	10.36
	4	20.74	15.55	10.37	5.18
	5	10.37	7.77	5.18	2.59
2	1	63.81	47.86	31.90	15.95
	2	54.69	41.02	28.03	13.67
	3	36.64	27.34	18.68	9.11
	4	18.32	13.67	9.34	4.55
	5	9.16	6.83	4.67	2.27
1-A	1	36.80	27.61	18.40	9.20
	2	26.53	19.90	13.26	6.63
	3	22.24	16.69	11.12	5.03
1-B	1	33.73	25.31	16.85	8.43
	2	24.31	18.24	12.14	8.07
	3	20.39	15.29	10.18	5.08

1.2.5 Southern Nations, Nationalities and Peoples Regional State(SNNPRS)

In the region, the lease holding price applied for industrial zones in 18 towns is presented below:

Name of Town	Price in Birr/M ² /Year
Awassa (First Grade)	0.80
Arba Minich (Second Grade)	0.70
Dilla, Hossana and Wolaiyta Sodo (Third Grade)	0.35
Yirga Chefe, Yirga Alem and Alaba	0.20
Wolkite, Butajira	0.15
Jinika, Mizan Tefferri, Sawula, Teppi, Araka, Bonga, Boditi, Durame,	0.10

The lease holding price for different activities is also classified as follows:

Grade of Town	Activity	Price in Birr/M ² /Year by Grade of Land				
		1 st	2 nd	3 rd	4 th	5 th
1 st	Commerce	1.50	1.25	1.00	0.75	0.50
	Industry and others	1.00	0.80	0.60	0.40	0.20
2 nd	Commerce	1.25	1.00	0.75	0.50	0.25
	Industry and others	0.80	0.60	0.40	0.20	0.10
3 rd	Commerce	1.00	0.75	0.50	0.25	-
	Industry and others	0.60	0.40	0.20	0.10	-
4 th	Commerce	0.75	0.50	0.25	-	-
	Industry and others	0.40	0.20	0.10	-	-

The lease price based on the size of lease hold is shown below

Grade of Town	Land Size in meter square	Price in Birr/M ² /Year by grade of land				
		1 st	2 nd	3 rd	4 th	5 th
1 st	Up to 500	0.18	0.14	0.11	0.07	0.04
	501 - 1000	0.21	0.18	0.14	0.11	0.07
	1001 - 1500	0.25	0.21	0.18	0.14	0.11
	1501 - 2000	0.29	0.25	0.21	0.18	0.14
	Over 2000	0.32	0.28	0.25	0.21	0.18
2 nd	Up to 500	0.14	0.11	0.07	0.04	0.02
	501 - 1000	0.18	0.14	0.11	0.07	0.04
	1001 - 1500	0.21	0.18	0.14	0.11	0.07
	1501 - 2000	0.25	0.21	0.18	0.14	0.11
	Over 2000	0.28	0.25	0.21	0.18	0.14
3 rd	Up to 500	0.11	0.07	0.04	0.02	-
	501 - 1000	0.14	0.11	0.07	0.04	-
	1001 - 1500	0.18	0.14	0.11	0.07	-
	1501 - 2000	0.21	0.18	0.14	0.11	-
	Over 2000	0.25	0.21	0.18	0.14	-
4 th	Up to 500	0.07	0.04	0.02	-	-
	501 - 1000	0.11	0.07	0.04	-	-
	1001 - 1500	0.14	0.11	0.07	-	-
	1501 - 2000	0.18	0.14	0.11	-	-
	Over 2000	0.21	0.18	0.14	-	-

1.2.6 Dire Dawa City Council

According to the city council's lease regulation, land is provided through auction, negotiation, and freely depending on the investment activity. Incentives are also given for agriculture, industry, mining, social development activities and real estate.

Minimum Lease Price in Birr

Grade of Lease Land	Zone	Lease price/M ²	Houses Compensation price/M ²	Leased Land and Houses Compensation price
1 st	Central Business Zone 1 (CBD 1)	52.31	47.09	99.4
	Central Business Zone 2 (CBD 2)	38.59	34.79	73.38
	Central Business Zone 3 (CBD 3)	33.74	31.01	64.75
2 nd	Transition Zone 1	17.09	26.8	43.89
	Transition Zone 2	12.45	22.87	35.32
	Transition Zone 3	2.85	5.37	8.22
Industry	Industry Zone Spot	9.78	-	9.78
	Industry Zone surrounding	5.57	0.46	6.03
Others	Expansion Zone 1	1.64	1.81	3.45
	Expansion Zone 2	0.5	0.46	0.96

1.2.7 Gambella Regional State

Urban land price in the region depends on type of activity and the grade of land. The price of land for industry is shown below.

Grade of Town	Activity	Price in Birr/M ² /Year by Grade of Land
1 st	Industry	0.03 to 0.07
2 nd	Industry	0.02

1.3 Rental Holding.

The rental price for regions where rental land holding is applicable is shown below:

1.3.1 Oromiya National Regional State

In the region, urban land is also available on rental bases. The period of rental holding ranges from 20 to 45 years and payment are made annually throughout the contract period.

Minimum *Rental price* in the region is shown as follows:

Grade of Town	Grade of Land	Minimum price in Birr/M ² /Year		
		Commerce and related services	Industry, storage, education, culture, sport and others	Residential Houses
1 st	1 st	0.20-0.36	0.16-0.32	0.20-0.40
	2 nd	0.16-0.32	0.12-0.28	0.16-0.36
	3 rd	0.12-0.28	0.08-0.24	0.12-0.32
2 nd	1 st	0.16-0.32	0.12-0.28	0.16-0.36
	2 nd	0.12-0.28	0.08-0.24	0.12-0.32
	3 rd	0.08-0.24	0.04-0.20	0.08-0.28
3 rd	1 st	0.12-0.28	0.08-0.24	0.12-0.32
	2 nd	0.08-0.24	0.04-0.20	0.08-0.28
	3 rd	0.04-0.20	0.02-0.16	0.04-0.24
4 th	1 st	0.08-0.24	0.04-0.20	0.08-0.28
	2 nd	0.04-0.20	0.02-0.16	0.04-0.24
	3 rd	0.02-0.16	0.01-0.12	0.02-0.20

1.3.2 Amhara National Regional State

In the region urban land is also available on rental basis. Rental land holding is applicable in those towns where lease holding is not applicable.

Urban *Land Rent* in Birr for those towns administered on rental basis is presented below:

Grade of town	Type of Activity	Price in Birr/Year by Grade of Land				
		1	2	3	4	5
4	Commerce	0.25	0.18	0.12	0.10	0.08
	Industry	0.20	0.15	0.11	0.08	0.05
	Social Service	0.18	0.13	0.09	0.05	0.03
	Urban Agriculture	0.15	0.10	0.08	0.05	0.04
3	Commerce	0.20	0.15	0.12	0.09	0.06
	Industry	0.15	0.13	0.10	0.07	0.04
	Social Service	0.14	0.12	0.08	0.04	0.03
	Urban Agriculture	0.10	0.06	0.04	0.02	0.01
2	Commerce	0.18	0.14	0.10	0.08	0.05
	Industry	0.12	0.11	0.09	0.06	0.03
	Social Service	0.11	0.10	0.07	0.03	0.02
	Urban Agriculture	0.08	0.05	0.03	0.01	0.01
1-A	Commerce	0.15	0.12	0.09	-	-
	Industry	0.10	0.09	0.08	-	-
	Social Service	0.09	0.08	0.06	-	-
	Urban Agriculture	0.05	0.03	0.02		
1-B	Commerce	0.12	0.10	0.08	-	-
	Industry	0.09	0.08	0.07	-	-
	Social Service	0.08	0.07	0.05	-	-
	Urban Agriculture	0.04	0.02	0.01		

1.3.3 Benishangul Gumz National Regional State

Grade of town	Land Size in meter square	Price in Birr/Year by Grade of Land				
		1	2	3	4	5
1 st	Up to 500	0.07	0.06	0.05	0.04	0.03
	501-1000	0.08	0.07	0.06	0.05	0.04
	1001-1500	0.09	0.08	0.07	0.06	0.05
	1501-2000	0.10	0.09	0.08	0.07	0.06
	Above 2000	0.11	0.10	0.09	0.08	0.07
2 nd	Up to 500	0.06	0.05	0.04	0.03	0.02
	501-1000	0.07	0.06	0.05	0.04	0.03
	1001-1500	0.08	0.07	0.06	0.05	0.04
	1501-2000	0.09	0.08	0.07	0.06	0.05
	Above 2000	0.10	0.09	0.08	0.07	0.06
3 rd	Up to 500	0.04	0.03	0.02	0.01	0.009
	501-1000	0.05	0.04	0.03	0.02	0.01
	1001-1500	0.06	0.05	0.04	0.03	0.02
	1501-2000	0.07	0.06	0.05	0.04	0.03
	Above 2000	0.08	0.07	0.06	0.05	

2. Rural Land

Generally, the rental value and the lease period of rural land are determined and fixed by land use regulation of each region. Accordingly, the prices of rural land for selected regions are indicated below.

2.1 Oromiya National Regional State

Rural land can be held on rental basis from 20 – 45 years based on the type, magnitude, and location of project.

The rental price of rural land for agricultural purpose has been set based on the development level of the zones and distances from all weather roads. Accordingly, the minimum and maximum annual charges for one hectare of rural land in the region are Birr 70.40 – 135.00 respectively.

Location/zone	Distance from main road in kms and price in Birr/Hectare /year				
	Less than 10	11-25	26-40	41-55	Above 55
East Shewa, West Shewa, South-West Shewa and Arsi	135	129	124.42	119.44	114.66
Jimma, North Shewa and East Harerge	114.75	110.16	105.75	101.52	97.46
East Wellega, West Harerge, and Bale	97.45	93.64	89.89	86.29	82.83
Illubabor, Borena, Guji and West Wellega	82.91	79.59	76.41	73.35	70.40

Any farmer can also rent out up to 50% of his/her holding to another farmer for a period of three years or to a private investor for about 15 years where the price will largely depend on the agreement of both parties, but not less than the floor rate set by the state.

The rental price of rural *Land* by activity

Activity	Price in Birr/M ² /Year
Industry	0.10
Tourism	0.10 – 2.00
Forestry	Free
Coffee, tea, and other permanent crops	Free for the first 4 years

Note: Land in East Shewa Zone located within 5 km. radius from main asphalt roads may be offered for industry at a floor rental charge of Birr 0.34 per square meter per year.

2.2 Tigray National Regional State

The rental price of land for agricultural investment in the rural area is Birr 30-40 per hectare per year and this value is not changed up to 10 years. Depending on conditions it can be revised every 5 years, and the increment should not be more than 20%.

Location/Woreda	Price in Birr/Hectare/Year
Kafita Humera	30
Wolikayit	30
Tsegede	30
Tahitay Adiyabo, Laelay Adiyabo	35
Others	40

2.3 Amhara National Regional State

In the region, rural land is administered by Environmental Protection and Land Administration and Use Authority. Land is provided through rental basis and the prices set are presented below:

Location/Zone/	Price in Birr/Hectare/Year
North Gonder	14.21-72.75
South Gonder	40.97-69.50
North Wello	49.00-73.57
Wag-Hemra	36.53-46.53
South Wello	48.22-75.75
Oromiya	45.46-57.37
North Shewa	22.50-76.12
East Gojam	49.26-79.37
Awi	51.65-68.98
West Gojam	50.99-75.94

2.4 Gambella Regional State

Land in the region is graded into two grades and the rental period is 50 years. The price of rent per hectare is presented below.

Grade	Place/Location	Price in Birr per Hectare/year
1 st Grade	Godere	30
	Alwero Openo	30
	Gillo	30
	Dimma	30
2nd Grade	Alwero Openo	20
	Jikawo	20
	Akobo	20
	Gambella zuria	20

2.5 Southern Nations, Nationalities and Peoples' Region (SNNPR)

SNNPR regional state leases rural land for more than 40 years. Based on the type of the project the yearly charge ranges from 30 – 117 Birr per hectare.

Rural *Land Rent* for Agricultural Investment is presented below:

Location/Zone/	Price in Birr/Hectare/Year	
	First grade land	Second grade land
Sidama	117	71
Gurage and Silte	105	64
Hadiya	103	62
Kenbata-Tenbaro	100	61
Alaba	100	31
Gedio	86	52
Gammo Gofa and Wolayita	78	47
Yem	76	46
Sheka , Kefa and Dirashe	63	38
Amaro	59	36
Burji	58	36
Konso	52	36
Dawuro, South Omo, Bench Maji, Kanta and Basketo	49	30

2.6 Somali National Regional State

The rental price of land in the region varies from zones to zones. The following table shows the rental price of land in the region.

Zone	Rental price in Birr per hectare/ year	
	First Grade Land	Second Grade Land
Liben	45	27
Jigjiga	45	28
Shenele	39	24
Gode	38	23
Degehabur	27	17
Afder	25	15
Korahe	23	14
Fik	23	14
Warder	19	12

3. Incentives Related to Land

To encourage investment in selected development activities and services, there are different types of incentive schemes related to land. The incentive schemes include percentage discount on initial lease prices, provision of grace period of payment, tax exemption, provision of land for free, etc. The type of incentive scheme varies from region/city to region/city

3.1 Addis Ababa City Administration

As part of promoting investment in the city, significant reduction in lease prices are made for investments in some social infrastructures in the City.

Type of investment	Amount to be paid out of lease price
General hospital	15%
Health center	5%
Maternity and pediatrics hospital	5%
Special hospital	30%
Kindergarten	35%
Grade 1 - 8 school	20%
Kindergarten - grade 12 school	15.65%
Grade 1-12 school	13.5%
Grade 9 - 12 school	7 %
Technical and vocational school	Free
College level education	Free
Physical fitness, sport & culture	0-50%

3.2 Oromiya National Regional State

Land is provided freely for short period of time depending on the type of investment.

Activity	Period of free rent in years
Coffee, tea, sugarcane, or any other perennial crops on an area of more than 100 hectares	4
Cereals, pulses and oil seeds under rain fed on a land left fallow or virgin for a period of more than 5 years	2 - 3
Cereals, pulses and oil seeds under rain fed on a land previously developed but left for at least five years	1 - 2
Fruits, vegetables, and produces food crops or oil seeds under irrigation scheme	2 - 4
Producing flowers, herbs and spices	3
Producing improved seeds	3

3.3 Amhara Regional State

List of Investment activities in which land is provided freely as an investment incentive includes:

3.3.1 Industry

- Producing more than 50% for export.
- Agro-Processing Industries
- Fertilizer, and Pesticides Manufacturing
- Pharmaceuticals and related equipments
- Agricultural equipments
- Metal production
- Manufacturing of cooking ranges
- Electrical and electronics materials production
- Non-metallic construction materials production

3.3.2 Health

- Higher health center
- Primary general hospital
- Medium general hospital
- Higher general hospital

3.3.3 Education

- Kindergarten

- Elementary school
- Secondary school
- Technical and vocational school

3.3.4 Non-profit making Humanitarian organization

Investment activities in which land is provided with initial (without auction) lease price:

- Ginnery
- Tannery
- Starch Production
- Soft drinks and mineral water production

Investment activities in which land is provided with initial lease price and grace period:

- Residential and Commercial housing development
- Star Hotels
- Tourist Lodges

3.4 Tigray Regional State

List of Investment Projects in which land is provided freely as an investment incentive includes :

- Production of nursery
- Production of rubber and balsam
- Production of incense and resin
- Production of commercial forest
- Livestock production, processing and preserving of meat, and meat products
- Dairy farming and processing
- Poultry farming and processing
- Manufacture of pesticides and other agro-chemicals and products (must include bulk preparation)
- Manufacture of pharmaceuticals, medicinal chemicals, and botanical products
- Manufacture of glass and glass products
- Production, processing and preserving of fruits and vegetables
- Manufacturing of prepared animal feed
- Manufacturing of wines
- Tanning and dressing of leather
- Processing and preserving of fruits and vegetables

- Distilling, rectifying, blending of spirits, ethyl alcohol production from fermented materials
- Manufacture of wearing apparel except fur apparel
- Manufacture of leather products and articles
- Manufacture of leather footwear
- Technical and vocational training, engineering colleges and higher hospitals
- Low cost housing
- Manufacture of electric motors, generators and transformers
- Manufacture of electricity distributions and control apparatus
- Manufacture of electronic valves and tubes and other electronic components

3.5 Southern Nations, Nationalities and Peoples Regional State (SNNPRS)

- Depending on the type of the project, urban land is provided freely or with negotiation.
- There is a grace period of 3 – 20 years for long term crops.

3.6 Gambella National Regional State

List of Investment Projects in which land is provided freely:

- Higher Education
- Kindergarten
- Health
- Real Estate
- Star Hotels

Part 2: LABOR COST

Generally Wages and salaries vary depending on the size of the enterprise, type of profession and level of skill required. They are determined by the agreement between the employer and the employee. A study commissioned by the Confederation of Ethiopian Trade Unions on minimum wage for Ethiopia was undertaken by the Economics Department of the Addis Ababa University over the period May – October 2003. From this study, occupational and sectoral Wage indicators are presented below:

Average Wages by Occupation of Workers in the Sample for Cost of Living Survey

Occupation	Average Wage/Birr/Month
Sales Worker	356.67
Supervisor/Foreman	646.40
Equipment Maintenance	515.25
Unskilled Production Worker	471.77
Other Support Service	551.87
Domestic Skills/Cooking	257.73
Clerical	751.95
Daily Laborer	557.11
Security/Guard	391.71
Loading and Unloading	437.49
Messenger/Office Boy/Girl	355.43
Janitor	355.87
Gardening	324.82
Packing	564.75
Store keeping	661.00

Source: Minimum Wages for Ethiopia, A Report for the Confederation of Ethiopian Trade Unions by Economics Department of Addis Ababa University, June 2004 (page 99)

Sectoral wage from the Sample for the Cost of Living Survey (Wages Birr/Month)

Sector	Mean Wage
Agriculture, Forestry, Fishing	293.21
Mining and Quarrying	513.61
Manufacturing of Food	490.00
Beverages/Tobacco	562.24
Textiles/Leather	390.04
Wood/ Wood Products	420.82
Paper and Printing	486.20
Chemicals and Rubber	374.31
Fabricated Metals/ Equipment/ Machinery	514.91
Electricity/ Gas/ Water	415.66
Construction	312.54
Wholesale/ Retail Trade, Catering	412.97
Transport/ Storage/ Communications	630.34
Finance/ Insurance/ Banking	610.00
Social/ Cultural/ Recreational/ Educational	332.78
Others	440.14

Source: Minimum Wages for Ethiopia, A Report for the Confederation of Ethiopian Trade Unions by Economics Department of Addis Ababa University, June 2004 (page 103)

The government of Ethiopia also set minimum wage for civil service employees, which is Birr 320 per month for low skilled labor. The base salary scale for the civil service employees is shown below.

Job Classification	Range of Base Salary
Custody and Manual	320-841
Trade and Crafts	357-1935
Clerical and finance	357-2527
Semi Professional	395-2886
Administrative	801-3752
Professional Science	1068-4801

Source: Federal Civil Service Agency

Part 3: BUILDING COST

3.1 Cost of Building

Cost of building generally defers by type of the construction materials used, the type of foundation, wall height, and location. The following table shows current building costs in Addis Ababa:

Building type	Price in Birr per M ²
Simple storage building	1500-2500
Apartment building up to four stories	2500-3800
Tower building with elevator facilities	2800-4500
Residential G+1 building (Normal)	2400-2800
Residential villa type building (bricks)	2500-3000
Residential villa type building (HCB)	2000-2600

Source: Construction and Business Bank

Cost of buying
Price List of Apartment

Floor	House Name	No. of Bed Rooms	Total Area in m2	House Cost	15% VAT	Total Cost (with VAT)
Ground	B1 -- G--1	2	84.56	423,020.56	63,453.08	486,473.65
	B1 -- G--2	1	56.36	281,947.01	42,292.05	324,239.06
	B1 -- G--3	2	89.40	447,233.19	67,084.98	514,318.16
	B1 -- G--4	Studio	18.98	94,949.51	14,242.43	109,191.93
1 st Floor	B1 -- 1--1	2	84.56	407,008.82	61,051.32	468,060.14
	B1 -- 1--2	1	56.36	271,275.04	40,691.26	311,966.29
	B1 -- 1--3	2	88.56	426,261.84	63,939.28	490,201.12
	B1 -- 1--4	Studio	30.84	148,440.78	22,266.12	170,706.89
	B1 --2--1	2	84.56	392,297.66	58,844.65	451,142.31
2 nd Floor	B1 --2--2	1	56.36	261,469.92	39,220.49	300,690.40
	B1 --2--3	2	88.56	410,854.79	61,628.22	472,483.00
	B1 --2--4	Studio	30.84	143,075.45	21,461.32	164,536.76
	B1 --3--1	2	84.56	377,586.50	56,637.97	434,224.47
3 rd Floor	B1 --3--2	1	56.36	251,664.79	37,749.72	289,414.51
	B1 --3--3	2	88.56	395,447.73	59,317.16	454,764.89
	B1 --3--4	Studio	30.84	137,710.12	20,656.52	158,366.64
	B1 --4--1	2	84.56	362,875.33	54,431.30	417,306.64
4 th Floor	B1 --4--2	1	56.36	241,859.67	36,278.95	278,138.62
	B1 --4--3	2	88.56	380,040.68	57,006.10	437,046.78
	B1 --4--4	Studio	30.84	132,344.79	19,851.72	152,196.51

Price Lists of New Villas

House Type	Area/m2	House Cost	VAT 15%	Total Price
250-A	270	2,128,106.24	319,215.94	2,447,322.18
250-E	250	1,583,704.99	237,555.75	1,821,260.74
250-F	250	1,715,840.59	257,376.09	1,973,216.68

Price Lists of Villas to be Constructed in the 2nd Phase

Plot Area	House Type	House Cost	15% VAT	Total Price
500	A	1,566,744.60	235,011.69	1,801,756.29
500	B	1,542,007.51	231,301.13	1,773,308.64
500	C	1,594,947.12	239,242.07	1,834,189.19
500	D	2,131,730.00	319,759.50	2,451,489.50
500	E	2,467,250.46	370,087.57	2,837,338.03

Plot Area	House Type	House Cost	15% VAT	Total Price
250	A	1,533,286.04	229,992.91	1,763,278.95
250	B	1,140,037.62	171,005.64	1,311,043.26
250	C	1,271,421.35	190,713.20	1,462,134.55
250	D	1,361,882.60	204,282.39	1,566,164.99
250	E	1,230,099.85	184,514.98	1,414,614.83

Source: [Sunshine Construction PLC \(www.sunshinecon.com\)](http://www.sunshinecon.com).

Part 4: TARIFFS

4.1 Electricity Tariff

4.1.1 Energy Tariff

The price of electricity varies according to different categories of users. There are also different tariff categories and blocks within each user category. The "domestic" tariff category includes dwelling houses, government schools, health institutions, religious places, libraries, research centers and water service centers. The "general" category includes government offices, private offices, international organizations, embassies, and most business sectors excluding industries. Industries are included in the third, fourth and fifth categories. The current tariffs for different categories and blocks are indicated below:

S/N	Tariff category & block ID.	Monthly consumption (kwh)	Fee (Birr/kwh)
1	Domestic		
	Equivalent flat rate		0.4735
	1 st Block	0-50	0.2730
	2 nd Block	51-100	0.3564
	3 rd Block	101-200	0.4993
	4 th Block	201-300	0.5500
	5 th Block	301-400	0.5666
	6 th Block	401-500	0.5880
	7 th Block	Above 500	0.6943
2	General		
	Equivalent flat rate		0.6723
	1 st block		0.6088
	2 nd Block		0.6943
3	Low Voltage Time of Day Industry		
	Equivalent flat rate		0.5778
	Peak		0.7426
	Off-Peak		0.5453
4	High Voltage Industry @ 15 KV		
	Equivalent flat rate		0.4086
	Peak		0.5085
	Off-Peak		0.3933
5	High Voltage Industry @ 132 KV		
	Equivalent flat rate		0.3805
	Peak		0.4736
	Off-Peak		0.3664
	Street Light tariff		
	Equivalent flat rate		0.4843

4.1.2 Service Charge Rates

There is also a service charge that a customer pays together with the energy price for the services provided by the Corporation. Service charge rates also vary according to the categories and blocks of users as indicated below:

Tariff Name	Birr/Month
1. Domestic Sector	
Single phase: Kwh/month	
0 – 25	1.40
26 – 50	3.404
51 – 105	6.820
106 – 300	10.236
Above 300	13.652
Three phase	17.056
Active/Reactive	37.564
2. General Sector	
Single phase	14.494
Three phase	22.558
Active/Reactive	35.258
3. Low voltage Time-of-Day Industry Tariff	
Three phase	54.009
4. High voltage Time-of-Day Industry Tariff (15 kv)	
Three phase	54.009
5. High voltage Time-of-Day Industry Tariff (132 kv)	
Three phase	54.009
6. Street light tariff	
Single phase	14.494
Three phase	22.558
Active/Reactive	35.258

Source: Ethiopian Electric Power Corporation (EEPCO).

4.2 WATER RATES

In Addis Ababa, water charges vary depending on the tariffs set for different consumption brackets. In addition to water charge, a fixed amount of counter (meter) rent is also regularly payable.

The Addis Ababa Water and Sewerage Authority has a five years tariff schedule plan. The five year consumption charges, meter rent and deposits payable by a new customer are indicated in the following tables:

5 Years Tariff for Water Supply charges

Block	Tariff/m ³ (in Birr)				
	First Year Tariff July 8, 2002 To July 7, 2003	Second Year Tariff July 8, 2003 To July 7, 2004	Third Year Tariff July 8, 2004 To July 7, 2005	Fourth Year Tariff July 8, 2005 To July 7, 2006	Fifth Year Tariff July 8, 2006 To July 7, 2007
Public Foundation	1.15	1.30	1.45	1.60	1.75
Domestic Customers (Monthly Water Consumption in m ³)					
0 - 7	1.15	1.30	1.45	1.60	1.75
7 - 20	1.60	1.85	2.10	2.35	3.15
above 20	2.30	2.60	2.95	3.25	3.80
Non-Domestic customers	2.30	2.60	2.95	3.25	3.80

Note: Non-Domestic Customers are Manufacturing Industries and others.

Monthly Water Rent

Size of the water meter (in inches)	Rent	
	Birr	Cents
1/2	1	35
3/4	1	50
1	2	25
1 1/4	2	85
1 1/2	4	05
2	6	25
2 1/2	7	65
3	9	05
4	9	65
5	-	-
6	14	02

Deposit Payable by new Customer

Size of the water meter (in inches)	Amount of Deposit (in Birr)
1/2	120
3/4	133
1	196
1 1/4	251
1 1/2	355
2	551
2 1/2	673
3	795
4	853
5	945
6	1037

Source: Addis Ababa Water and Sewerage Authority

4.3 TELECOMMUNICATION TARIFF RATES

The construction, operation, maintenance and expansion of telecommunication services are performed by the Ethiopian Telecommunication Corporation (ETC). The Corporation also provides domestic and international telephone, telex, internet, mobile and other communication services and broadband multimedia services. The rates for different telecommunication services are indicated below.

4.3.1 National Telephone Service

Access Fee

For ordinary telephone line: Birr 305

For each main line connected to a PABX: Birr 305

Initial and monthly charge for a PABX varies with the capacity

Installation charge for extension line: Birr 75

Monthly rental

For each ordinary telephone line:

Residence: Birr 8.00

Business: Birr 17.00

For each main line connected to a PABX: Birr 17.00

For each extension line connected to PABX: Birr 9.00

4.3.1.1 Fixed National Telephone Charges

Telephone Service	Normal Charge	Reduced Charge
Urban Calls Private users	Birr 0.20/6 minutes	-
Public telephone	Birr 0.20/3 minutes	-
Calls between same tariff zones	Birr 0.40/1minute	Birr 0.25/1 minute
Calls between different tariff zones	Birr 1.20/1 minute	Birr 1.00/1 minute

Note: The tariffs do not include 15%VAT
Reduced charges apply from 8 p.m. – 8 a.m., on Sundays and Public Holidays.

Resale Service

Telephone Service	Normal Charge	Reduced Charge
Calls with in the same city	Birr 0.40/3minutes	-
Calls between same tariff zones	Birr 0.76/1minutes	Birr 0.59/minute
Calls between different tariff zones	Birr 1.68/1minute	Birr 1.45/minute

Note: The tariffs for resale service include 15%VAT plus profit for re-sale.
Reduced charges apply from 8 p.m. – 8 a.m., on Sundays and Public Holidays.

4.3.1.2 Mobile Telephone Service

It is a service with which you can access both the fixed and mobile networks when you are within the coverage area of the GSM network. It gives you access for social, business and emergency calls virtually 24 hours a day.

Mobile Telephone Rates

Call Type	Mobile to Mobile		Mobile to Fixed Telephone or Fixed to Mobile Call Rate	
	Normal charge (Birr/Minute)	Reduced charge (Birr/Minute)	Normal charge (Birr/Minute)	Reduced charge (Birr/Minute)
Calls between same tariff zones	0.72	0.30	0.72	0.30
Calls between different tariff zones	1.50	1.25	1.50	1.25

Note: The above payments do not include 15% Value added tax (VAT)

Resale Mobile Service

Call Type	Normal charge (Birr/Minute)	Reduced charge (Birr/Minute)
Calls between same tariff zones	1.08	0.60
Calls between different tariff zones	1.98	1.69

Note: The above tariffs do not include 15% Value Added Tax (VAT)

Mobile Value Added Services (MVAS)

Ethio-Mobile Value Added Services include:	
Call diverting Call waiting Call barring Roaming	Short Messaging Service (SMS) Voice Mail Others...

Tariff for the different mobile value added services

Service type	Description	Price
Post-Paid Service	For personal category	Birr 858.90
	For private & public business enterprises	Birr 1,132.90
	For government organizations & non-profit making organizations	Birr 944.90
	For Embassies, international organizations & foreign nationals: <ul style="list-style-type: none"> Free of tax payment For tax payers 	Birr 1,484.0 Birr 1,577.90
Pre-paid Service	For non- tax payers	Birr 399.00
	For tax payers	Birr 458.10
Other Services	Call Waiting	Birr 21.85
	Call Diverting	Birr 21.85
	Voice mail	Birr 34.50
	Deactivation fee	Birr 21.85
	Reactivation fee	Birr 21.85
	Bill Investigation	Birr 23.00

4.3.2 International Service

4.3.2.1 International Roaming

Currently, ETC is providing international roaming service to its customers in different continents and countries through roaming agreements with 60 operators.

Activation Fee for International Roaming is: Equivalent of **USD 500**

Lists of International Roaming Partners of ETC are presented at the end of this bulletin.

4.3.2.2 International Call Charges for Fixed Telephone

Birr 7 per minute for calls to Djibouti

Birr 10 per minute for calls to other countries

Operator Assisted International Calls: Birr 33.00/period (3 minutes) and Birr10 for additional 1 minute.

4.3.2.3 Telegraph

Ordinary: Birr 0.10 per word

Urgent: Birr 0.20 per word

4.3.2.4 Fax

Access charge

Fax machine Supplied by ETC

Initial charge

Fax machine with installation: Birr 6,940.00

For direct line: Birr 305.00

Monthly Rental

Maintenance and other cost: Birr 43.00

Rental for direct line: Birr 17.00

Fax machine Supplied by subscriber

(To be installed and maintained by ETC)

Initial charge

Installation: Birr 195.00

Direct line: Birr 305.00

Monthly Rental

Maintenance and other costs: Birr 43.00

For direct line: Birr 17.00

4.3.2.5 Internet Service

Tariffs for Dial up Internet and Dedicated Internet Services

For Dial up Service

Installation fee	Birr 156.00
Monthly fee rent (inclusive of 900 minutes free service)	Birr 60.00
Service fee (Over 900 minutes of service)	Birr 0.04 per minute (including 6 p.m in the evening up to 8 a.m in the morning, working days, holidays, Saturdays and Sundays)
	Birr 0.07 per minute (including 8 a.m in the morning up to 6 p.m in the evening and working days)

For Leased-Line Internet Service including Broadband Multimedia (64Kbs)

Installation fee	Birr 4,608.00
Monthly service fee	Birr 1,986.00

For Internet service fee of "Shared DSL" including Broadband Multimedia

128 Kbs	
Installation fee	Birr 1,835.00
Monthly service fee	Birr 545.00
256 Kbs	
Installation fee	Birr 2,528.00
Monthly service fee	Birr 905.00

Tariff for web designing, web hosting, and domain name registration.

No.	Content type	Price (birr)
1	Graphic scanning, scanning a photograph or printed graphic and conversion in to web readable form includes image enhancement and optimization.	50 birr/image
2	A page containing more than 10 links to a different location or link to your e-mail address includes verifying links	2 birr per link
3	Counters, counts visits to WebPages	100 birr
4	Tables layout per file	50 birr /file
5	Lay out per table element	2 birr
6	Image map lay out	150/image
7	Custom forms lay out	70 birr
8	Custom forms lay out per field	5 birr
9	Sound, for 1 hr real media video production	40 birr per hr
10	Video for 1 hr real media video production	50 birr per hr
11	Custom logo design	80 birr/image
12	Multimedia authorizing, shock wave file, MID file, quick time movies and PDF files	150 birr/file
13	Interactive page designing using CGI, Java, Java script and others	200 birr/page
14	Database development	80 birr/hr
15	Consulting	Free
16	Banner Advertisement hosting (pages with animation)	400 birr/month
17	Graphic designing	100 birr/file
18	Hard disk rent for: <ul style="list-style-type: none"> ▪ HTML files ▪ Audio/Video and data base file 	17 birr/MB 42 birr/MB
19	http://www.telecom.net.et/~ yourName	25 birr/file
20	http://www. yourdomain .et <ul style="list-style-type: none"> ▪ Domain Name Registration fee (rent for a year) ▪ Setup fee ▪ Uploading fee (Optional) 	500 birr/year 418 birr 25 birr/file
21	The maximum number of email address to be provided for internet leased line customers and/or .et domain name subscribers on free basis is recommended to be 10 and 5 e-mail boxes respectively.	500 birr/year

Digital Data Network (DDN)

Type of DDN	Subscription Charge (in Birr)	Monthly Rental
Point- to- Point Digital Leased line Circuit (<64 kb/s)	6,923	1,826
Point- to- Point Digital Leased line Circuit (128 kb/s)	9,385	3,989
Point- to- Point Digital Leased line Circuit (256 kb/s)	9,385	7,837
Point- to- Point Digital Leased line Circuit (512 kb/s)	9,385	15,533
Point- to- Point Digital Leased line Circuit (>512 kb/s)	9,385	Charge for 64kbps x n x 0.75 where n>9
Point- to- Point Digital Leased line Circuit (1mb/s)	9,385	23,229
Point- to- Point Digital Leased line Circuit (2mb/s)	9,385	46,317

For bodies that do not have their own access to Internet, Cyber Café Services are also available.

Note: The above payments do not include 15% Value added tax (VAT)

Source: [Ethiopian Telecommunication Corporation \(ETC\).](#)

Part 5: TAXES

The principal types of taxes are value added tax /VAT/, excise tax, customs duty, profit tax on business, income tax from employment, income tax from dividends and royalty tax.

5.1 Custom Duty

Custom duties, which currently range from 0-35%, are payable on imports by all persons and entities which have no duty-free privileges. According to Tariff Regulation 2002 Items are classified according to a schedule of 97 chapters, based on the Harmonized system of tariffs classification code.

Custom duty rates of some selected goods are indicated below:

No.	Items	Custom duty (%)
1	Live animals and products	5-30
2	Vegetables, fruits and cereals	5-30
3	Prepared food products	5-35
4	Beverages	30-35
5	Pharmaceuticals	5-10
6	Organic chemicals	5-20
7	Wood and articles of wood	0-35
8	Tanning or dyeing extracts, dyes, pigments and other coloring materials, paints and varnishes, putty and other mastics, inks	5-35
9	Primary cells and primary batteries	20
10	Leather and leather articles	35
11	Plastic and articles thereof	5-35
12	Articles of apparel and clothing accessories, knitted or crocheted	35
13	Footwear, gaiters and the like	10-35
14	Articles of stone, plaster, cement, asbestos, mica or similar materials	5-35
15	Ceramic products	5-30
16	Glass and glass ware	5-35
17	Optical, photographic, medical or surgical instruments and apparatus, parts there of	5-35
18	Iron and steel and articles thereof	5-35
19	Wire, rods, tubes, plates, electrodes and similar products of base metal or of metal carbides used for soldering, brazing, welding or deposition of metal or metal carbides, wire and rods of agglomerated base metal powder used for metal spraying	5
20	Boilers, machinery and mechanical appliances, parts thereof	5-30
21	Electrical machinery, equipment, parts thereof	5-30
22	Motor vehicles for the transport of ten or more persons including the driver and motor vehicles for the transport of goods not exceeding 1,500 kg.	35
23	Paper and printed materials	5-20
24	Fertilizers	Free of tax

5.2 Value Added Tax /VAT

In the Value Added Tax Proclamation No.285/2002, it is indicated that sales tax is replaced by Value Added Tax to enhance economic growth and improve the ratio relationship between Gross Domestic Product and Government Revenue. The Value added tax is paid at a rate of 15% of the value of every taxable transaction by a registered person and all imports of goods and services other than those exempted.

Exemptions and zero-ratings

Exempted Items

The following types of supplies of goods (other than by way of export) or rendering of services are exempt from payment of VAT to the extent provided by regulation:

- The sale of transfer of used dwelling, or its lease;
- Financial services;
- The supply or import of national or foreign currency;
- Import of gold to be transferred to the National Bank of Ethiopia;
- The rendering of religious or church related services by religious organizations;
- Import of prescription drugs specified in the directives issued by the Ministry of Health and the rendering of medical services;
- The rendering of educational services by educational institutions, as well as import of goods transferred to state agencies and public organizations for the purpose of rehabilitation after natural disasters, industrial accidents and catastrophes;
- The supply of Electricity, kerosene, and water;
- Goods imported by the government or by organizations, institutions or projects exempted from duties and other import taxes;
- Supplies by the post office authorized under the Ethiopian Postal Service Proclamation, other than services rendered for a fee of commission;
- The provision of transport;
- The issuing of permits and licenses;
- The issuing of permits and licenses;
- The supply of goods or services by a workshop 60% of whose employees are disabled individuals;
- The import or supply of books and other printed materials to the extent provided in regulations.

Zero-rated items

The following transactions shall be charged with tax at a rate of 0 %:

- The export of goods or services to the extent provided in regulations;
- The rendering of transport or other services directly connected with international transport of goods or passengers, as well as the supply of lubricants and other consumable technical supplies taken on board for consumption during international flights;

- The supply of gold to the National Bank of Ethiopia;
- The supply by a registered person to another person in a single transaction of substantially all of the assets of a taxable activity or an independent functioning part of a taxable activity as a going concern, provided a notice in writing signed by the transferor and transferee is furnished to the Inland Revenue Authority within 21 days after the supply takes place and such notice includes the details of the supply;
- Goods and services supplied to or imported by accredited diplomats.

5.3 Excise Tax

Excise Tax Proclamation No. 286/2002 indicates that, excise tax is levied on selected items when produced locally or imported. The tax rate ranges from 10% to 100% depending on the nature of the goods. List of all goods currently liable to excise tax along with their tax rates is indicated below:

No.	Items	Excise tax (%)
1	Any type of sugar excluding molasses	33
2	Drinks	
	2.1 Mineral water	40
	2.2 All types of soft drinks except fruit juices	40
	2.3 Powder soft drinks	40
	2.4 Alcoholic Drinks	
	2.4.1 All types of beer and stout	50
	2.4.2 All types of wine	50
	2.4.3 Other Alcoholic drinks	50
3	Pure alcohol	100
4	Tobacco and Tobacco Products	
	4.1 Tobacco leaf	20
	4.2 Cigarettes, cigar, cigarillos, pipe tobacco, snuff and other products	75
5	Salt	30
6	Fuel-Super Benzene, Regular Benzene, Petrol, Gasoline and other Motor Spirit	30
7	Perfumes	100
8	Leather	
	8.1 All types of tanned or dressed leather	20
	8.2 All types of fur skin, tanned or dressed	50
9	Textile	
	9.1 Textile fabrics, knitted or woven of natural silk, rayon, wool or other similar materials	10
	9.2 Textile of any type partly or wholly made from cotton, which is gray, white, dyed or printed, in pieces of any length or with (except "Abudgedid") and including blankets, bed-sheets, counterpanes, towels, table clothes and similar articles	10
10	Various types of personal adornment of any origin	60
11	Dish washing machines for domestic use	80

12	Washing machine of a kind used for domestic purposes	30
No.	Items	Excise tax (%)
13	Video decks, television or video cameras	40
14	Television broadcast receiver whether or not combined with gramophone, radio, or sound receivers and reproducers	10
15	Motor passenger cars, Station Wagons, utility cars, and similar vehicles (including motorized caravans), whether assembled, together with their appropriate initial equipment:	
	15.1 Up to 1,300 c.c.	30
	15.2 From 1,301 c.c. To 1,800 c.c.	60
	15.3 Above 1,800 c.c.	100
16	Land rovers, Jeeps and other four-wheel drives	100
17	Goods made of plastic	20
18	Carpets	30
19	Asbestos and asbestos products	20
20	Clocks and Watches	20
21	Dolls and Toys	20

5.4 Taxable Business Income

In the Proclamation No.286/2002 it is indicated that taxable business income shall be determined per tax period on the basis of the profit and loss account or income statement which shall be drawn in compliance with the Generally Accepted Accounting standards, subject to the provisions of this proclamation and the directives issued by the Tax Authority.

5.4.1 Income Tax by Individual Entities /Unincorporated business/

Income Tax Proclamation No. 286/2002 indicates that taxable business income of other taxpayers shall be taxed in accordance with the following table:

Annual taxable income (in Birr)	Income Tax Payable (%)
Up to 1,800	Exempt
1,801 - 7,800	10
7,801 - 16,800	15
16,801 - 28,200	20
28,201 - 42,600	25
42,601 - 60,000	30
Over 60,000	35

5.4.2 Corporate Income Tax

As indicated in the Income Tax Proclamation No. 286/2002 (Amendment), organizations or companies pay 30% of their taxable income as profit tax or business income tax.

5.5 Rental Income Tax

As indicated in the Income Tax Amendment Proclamation No.286/2002, tax on income derived from rent of houses or office buildings, manufacturing plants, materials and goods, etc. is payable as indicated below. The tax is computed on the basis of annual rent income after deducting depreciation and allowable expenses.

Annual Taxable Income (in Birr)	Tax rate on every additional income (%)
Up to 1,800	Exempt
1801 – 7,800	10
7,801 – 16,800	15
16,801 – 28,200	20
28,201 – 42,600	25
42,601 – 60,000	30
Over 60,000	35

5.6 Royalty Payments

Income Tax Amendment Proclamation No.286/2002 indicates that a tax of 5% is paid on income derived from technology and intellectual property rights.

5.7 Mining Income Tax

As per Mining Tax Proclamation No. 23/1996 (Amendment), a holder of a large scale or small scale mining license shall pay 35% income tax on the taxable income.

5.8 Dividend Income Tax

The Income Tax Proclamation No. 286/2002 indicates that every person deriving income from dividends from a share company or withdrawals of profits from private limited company shall be subject to tax at the rate of 10%.

5.9 Export Tax

There are no taxes on export products.

5.10 Employment Income Tax

The Income Tax Proclamation No. 286/2002 (Amendment) indicates that income tax from employment is payable as per the following table. The tax rate is progressive for all income.

Taxable Monthly Income (in Birr)	Tax rate (%)
The first 150	Exempt
151 - 650	10
651 - 1,400	15
1,401 - 2,350	20
2,351 - 3,550	25
3,551 - 5,000	30
Over 5,000	35

5.11 Capital Gains Tax

The Capital Gains Tax Proclamation No.286/2002 demands that Income Tax shall be payable on gains obtained from this tax is paid up on the sale of shares and bonds or urban houses. As indicated in the Proclamation, 15/% of the gains realized is paid as a capital gains tax. Annual gains not exceeding Birr 10,000 is exempted from this tax.

5.12 Stamp Duty

The stamp duty rates are either fixed or depend on the values of the right or obligation executed by means of the instrument. The list of instruments liable to stamp duty and their corresponding rates are presented below.

No.	Instruments Chargeable with Stamp Duty	Stamp Duty Rates
1	Memorandum and Articles of Association of any business organization or any association (a) Upon first execution (b) Upon any subsequent execution	Birr 350 Birr 100
2	Memorandum and Articles of cooperatives (a) Upon first execution (b) Upon subsequent execution	Birr 35 Birr 10
3	Award	(a) With determinable value 1 % (b) With undeterminable value Birr 35
4	Bonds	1 % of value
5	Warehouse Bond	1 % of value
6	Contracts and agreements and memoranda thereof	Birr 5
7	Security Deeds	1 % of value

No.	Instruments Chargeable with Stamp Duty	Stamp Duty Rates
8	Collective Agreement (a) On first execution (b) On any subsequent execution	Birr 350 Birr 100
9	Contract of Employment	1 % of salary
10	Lease including sub-lease and transfer thereof	0.5% of value
11	Notarial Act	Birr 5
12	Power of Attorney	Birr 35
13	Register title to property	2 % of value

Special Customs Tariff Rates Applicable to Goods Produced in and Imported from COMESA Member Countries

No.	Regular Customs Tariff Rate (%)	COMESA Tariff Rates
1	5	4.5
2	10	9
3	15	13.5
4	20	18
5	30	27
6	40	36

Source: Ministry of Finance and Economic Development and Proclamation No.286/2002.

Part 6: TRANSPORT COSTS

6.1 Road Transport Costs

6.1.1 Dry Cargo Rates

The tariffs vary from place to place and are revised every 3 months according to market changes. The following are the freight rates for selected routes for the months of July, August, and September 2004.

Freight Transport Tariff Rate

Origin	Destination	Km	Tariff (Cents/Quintal/Km)		
			July 2006	August 2006	September 2006
Addis Ababa	Awasa	273	2.8869	2.9304	2.9304
	Bale Robe	442	3.2805	3.2805	3.2805
	Debre Markos	299	4.6823	4.6823	4.6823
	Desse	401	3.8098	4.1147	4.1147
	Djibouti	925	1.3382	1.2865	1.0720
	Diredawa	515	3.5282	3.5922	3.5922
	Gonder	738	5.4201	5.4201	5.4201
	Jimma	346	4.9133	4.9133	4.9133
	Mekele	783	5.0981	5.7471	5.7471
	Metu	600	4.7500	4.7500	4.7500
Nekemt	327	3.9755	3.9755	3.9755	
Awasa	Addis Ababa	273	2.5641	2.5641	2.5641
Bale Robe		442	2.3756	2.3756	2.3756
DebreMarkos		299	4.0134	4.0134	4.0134
Desse		401	2.4938	2.4938	2.4938
Djibouti		925	3.6511	3.7622	3.6407
DireDawa		515	3.3010	3.3010	3.3010
Gonder		738	3.7263	3.7263	3.7263
Jimma		346	3.7572	3.7572	3.7572
Mekele		783	3.5121	3.5121	3.5121
Metu		600	3.5833	3.5833	3.5833
Nekemt	327	2.9052	2.9052	2.9052	

Note: The rate is revised every three months.

Source: Road Transport Authority.

6.1.2 Passengers Rate

The following are passenger's price in Birr for some selected towns. The price per person per kilometer for asphalt roads is Birr 0.11264, while for gravel road is Birr 0.13812.

Town		Distance in Km.	Tariff per person (in Birr)
Departure	Arrival		
Addis Ababa	Adarkay	927	106.40
	Addis Alem	55	5.60
	Adigrate	898	101.20
	Adwa	1006	118.30
	Akaki	20	2.25
	Almaya	507	57.10
	Ambo	126	14.20
	Arba Minch	505	56.90
	Asayita	670	77.60
	Asebe Teferi	326	36.70
	Assala	175	19.70
	Assosa	675	77.35
	Awassa	273	30.80
	Axum	1024	118.6
	Bahir Dar	563	64.50
	Bure	411	47.40
	Chagni	504	59.30
	Chancho	40	4.10
	Combolcha	376	42.40
	Debarik	841	98.50
	Debre Birihan	130	14.60
	Debre Markos	299	34.80
	Debre Zeit	47	5.30
	Dejen	229	26.90
	Desse	401	45.20
	Dilla	359	40.40
	Dire Dawa	515	58.00
	Dukem	37	4.20
	Gambella	789	100.60
	Gebre Guracha	156	17.60
	Ginchi	89	9.05
	Goba	427	54.50
	Gonder	738	84.20
	Gore	625	72.70
	Hagere Mariam	467	52.60
	Harar	526	59.20
	Hossana	285	43.50
	Humera	991	126.30
	Jijigga	628	73.30
	Jimma	346	39.00
Kaliti	15	1.55	
Kibre Mengist	471	56.90	
Kosso Bere	447	51.40	
Kulibi	464	52.30	
Lalibella	701	83.50	
Langano	212	21.60	
Mekele	783	88.20	

Town		Distance in Km.	Tariff per person (in Birr)
Departure	Arrival		
Addis Ababa	Metehara	193	21.70
	Metema	954	114.40
	Metu	600	70.40
	Mili	531	39.80
	Mizan Tefferri	561	68.20
	Mojo	73	8.20
	Moyale	771	86.80
	Nazereth	98	11.00
	Nekemite	328	36.90
	Robe	412	52.40
	Semera	588	66.20
	Shakiso	495	60.20
	Shashemene	251	28.60
	Sodo	383	43.10
	Woldiya	521	58.70
	Wondo	337	38.40
	Zal Anbessa	933	105.10
Ziway	163	18.40	

Source: Road Transport Authority.

6.1.3 Liquid Cargo Rates

The current indicative rate obtained from Shell Ethiopia, one of the companies engaged in fuel import and distribution, is presented below.

Description	White products (Cents/ Liter/ Km)	Fuel Oil (Cents/ Liter/ Km)
Paved Road (Asphalt):		
Truck with trailer	0.037109	0.040449
Single trailer	0.0801554	0.087369
Gravel Road:		
Truck with trailer	0.04488648	0.048903
Single trailer	0.0927354	0.101082
Town Delivery	0.0090	0.0090
From Djibouti to Dire Dawa	Based on the above criteria	Based on the above criteria

Note: White products are Benzene, Kerosene and Gas oil.

Source: Shell Ethiopia Share Company.

6.2 Sea Transport Costs

Generally, freight rates are subject to market changes, nature of goods transported and currency adjustment factors.

The following are current freight rates for containerized and conventional cargoes of exported and imported goods for some trade routes. For all routes, the ports indicated are destinations in case of imports and origins in case of exports.

Route	Item	Type of Cargo	Freight Rates (USD)	
			Pre-Paid	Collect
South East & far East Asian Trade Route	Import	Containerized 20 feet 40 feet	1300-2250 2400-4400	1300-2250 2400-4400
		Break Bulk Vehicle	60-195 70-180	60-195 70-180
	Export	Containerized 20 feet 40 feet	1000 1650-1750	1000 1650-1750
North Europe & Mediterranean Trade Route	Import	Containerized 20 feet 40 feet	1275-2200 2300-3550	1275-2200 2300-3550
		Break Bulk	85-143	86-90
		Vehicle North Europe	65-82	65-82
	Mediterranean	440-875/ LM	440-875/ LM	
	Export	Containerized 20 feet 40 feet	900-100 1400-1450	900-100 1400-1450
Gulf and Red Sea Trade Route	Import	Containerized 20 feet 40 feet	1050-1300 1900-2500	1050-1300 1900-2500
		Break Bulk Vehicle	40-45 550-1200	40-45 550-1200
	Export	Containerized 20 feet 40 feet	550 450-950	550 450-950

Route	Item	Type of Cargo	Freight Rates (USD)	
			Pre-Paid	Collect
Indian Sub Continent Trade Route	Import	Containerized 20 feet	1150-1400	1150-1400
		40 feet	2100-2600	2100-2600
		Break Bulk	38-45	38-45
		Vehicle	550-1200	550-1200
	Export	Containerized 20 feet	550-850	550-850
		40 feet	1150	1150

Note

- The above rates reflect basic freight tariff excluding surcharges like Bunker Adjustment Factor for Pre-Paid and Bunker Adjustment Factor and Currency Adjustment Factor for collect which are to be levied as per prevailing situations and as may be applicable.
- The Freight ranges reflect variations between main and off-line ports
- Detail freight rate information can be obtained from Ethiopian Shipping Lines S.C.

Source: Ethiopian Shipping Lines.

Clearance and Delivery Costs

Estimates of The Maritime & Transit Services Enterprise consolidated port and inland import and export cargoes and handling and clearing transit charges are indicated below.

Import Cargoes	Birr 6000/20 feet container
	Birr 10131/40 feet container
General Cargo	Birr 200/ton
Export Cargoes	Birr 3300/20 feet container
	Birr 6600/40 feet container

Note: Imports are from Djibouti to Addis Ababa and Exports are from Addis Ababa to Djibouti

Source: Maritime & Transit Services Enterprise.

6.3 Air Transport Costs

Freight rates are subject to nature of goods transported and market changes. The following tables are the freight rates for international flights.

International Freight Rates Europe

Export Item	Weight in Kg	Region and Price per Kg (USD)				
		Stockholm	Paris	Frankfurt	Rome	London
Food stuff	+100	1.50	1.45			
	+250			1.80		
Leather and Leather Products	+45/+100	2.60 - 3.00	2.60/2.00		2.60/2.00	2.60
	+300	1.50				
	+500			1.80	1.70	1.85
	Flower	+100		1.59	1.46	
	+200			1.05	1.05	
	+500			0.98	0.98	
	+1000			0.90		
	Fruits and Vegetables	+45				2.20
	+200			1.05	1.05	
	+500			0.90		
	+1000				0.80	
	Handicrafts	+500		1.75	1.50	
Coffee	+500			1.80	1.50	1.85
Traditional Products	+500				1.45	1.85
Injera	+45					2.20
	+200					1.10
Chat	+100					2.20

Africa

Region	Weight in Kg	Price per Kg (in USD)
Khartoum		
General cargo	+100	0.55
	+500	0.65
Brazzaville		
Meat	+1000	1.10
Fruits and Vegetables	+300	1.00
Johannesburg		
Handicrafts	+45	1.30
Flower	+250	1.10
Roasted Coffee	+100	2.75
Kinshasa		
Sanitary Napkin	+1000	1.00
Pharmaceuticals	+500	1.50
Nairobi		
Pharmaceuticals	+100	0.60
Dare Selam		
Pharmaceuticals	+100	1.00
Lunda		
Pharmaceuticals	+100	1.45

Middle East

Region	Weight in Kg	Price per Kg (in USD)
Dubai		
Meat	+1000	0.60
Injera	+300	1.00
	+500	0.65
Flower	+100	0.70
Jeddah		
Meat	+1000	0.63
Fish	+1000	0.55
Flower	+45	0.80
Food stuff	+1000	0.60
Honey	+1000	0.70
Amsterdam		
Flower	+200	1.15
	+500	0.98
Fruits and Vegetables	+200	1.10
	+1000	0.85
Washington		
Traditional Products	+300	3.25
Textile Products	+500	2.50
Injera	+45	2.20
Leather Products	+45/100	5.00/4.00
HangZhou		
Leather Products	+45/100	5.00/4.00
Xiamen		
Leather Products	+45/100	5.00/4.00
Shanghai		
Leather Products	+45/100	5.00/4.00
Manila		
Leather Products	+45/100	5.00/4.00
Colombo		
Leather Products	+45/100	5.00/4.00
Jakarta		
Leather Products	+45/100	5.00/4.00
Seoul		
Leather Products		5.00/4.00
Hongkong		
Leather Products	+45/100	5.00/4.00
Bangkok		
Leather Products	+45/100	5.00/4.00
Beijing		
Leather Products	+45/100	5.00/4.00
Mumbai		
General Cargo	+45	1.75
Sanna		
General Cargo	+45	0.60
	+250	0.50
	+500	0.40
Beirut		
Flower	+500	1.00
Fruits and Vegetables	+500	0.70

Note: All rates above exclude all other charges (fuel and insurance surcharges, and Air way Bill Charges.

Source: Ethiopian Air Lines

6.4 Rail Transport Costs

The rail transport costs including tax and port dues for some selected items are as follows:

Activity	Item	Origin	Destination	Price in Birr/ton
Import	Fertilizer	Djibouti Port	Dire Dawa	122.55
			Nazareth	245.45
			Addis Ababa	278.30
			Methara	211.85
	Cereals and Flour	Djibouti Port	Dire Dawa	195.75
			Chinile	195.75
			Nazareth	295.80
	Fuel Oil Gas Oil Kerosene	Djibouti Port	Dire Dawa	87.60
			Dire Dawa	105.45
			Dire Dawa	108.05
	Kerosene Gas Oil Fuel Oil	Djibouti Port	Addis Ababa	273.10
			Addis Ababa	266.55
			Addis Ababa	221.35
	Food Items	Djibouti Port	Dire Dawa	197.75
Nazareth			410.4	
Addis Ababa			470.05	
Containerized Cargo	Djibouti Port	Addis Ababa (20 feet)	6000 Birr/Container	
		Addis Ababa (40 feet)	12000 Birr/Container	
		Dire Dawa (20 feet)	2373.90 Birr/Container	
		Dire Dawa (40 feet)	4747.75 Birr/Container	
		Nazareth (20 feet)	5208.70 Birr/Container	
		Nazareth (40 feet)	10417.40 Birr/Container	
Packing Cases (Returned)	Djibouti Port	Dire Dawa	183.05	
Metals	Djibouti Port	Akaki	300.00	
Spare parts for Industry or vehicles	Djibouti Port	Methara	316.25	
		Nazareth	368.00	
		Dire Dawa	178.55	
		Addis Ababa	418.90	
Electric materials	Djibouti Port	Addis Ababa	516.95	
		Nazareth	452.8	
		Methara	388.25	
Tyres	Djibouti Port	Nazareth	452.80	
		Methara	388.25	
Dangerous Chemical Products	Djibouti Port	Nazareth	452.80	
		Methara	388.25	

Activity	Item	Origin	Destination	Price in Birr/ton
	Non dangerous Chemical Products	Djibouti Port	Nazareth	368.00
			Methara	316.25
	Vehicles *	Djibouti Port	Dire Dawa	962.65
			Addis Ababa	2083.35
			Methara	1301.76
			Nazareth	1537.48
	Various Items	Djibouti Port	Nazareth	702.90
			Methara	596.75
Export	Coffee	Addis Ababa	Djibouti Port	194.15
			Nazareth	169.15
			Dire Dawa	151.20
	Fruits and Vegetables	Addis Ababa	Djibouti Port	194.15
			Nazareth	169.15
			Methara	160.15
			Dire Dawa	147.40
	Molasses	Methara	Djibouti Port	250.00
	Cattle	Addis Ababa	Djibouti Port	194.15
			Nazareth	169.15
Dire Dawa			151.20	

Birr 99.50 added for vehicles less than 10 tons and Birr 9.95/ton added for vehicles over 10 tons

In addition, domestic tariffs/ton for all types of commodities (except vehicles) are as follows:

- a) From Addis Ababa to Dire Dawa: Birr 192.40
- b) From Addis Ababa to Awash: Birr 132.75
- c) From Addis Ababa to Nazareth: Birr 91.00
- d) From Nazareth to Dire Dawa: Birr 168.90
- e) From Awash to Dire Dawa: Birr 170.70

Source: Ethio-Djibouti Rail Transport.

Part 7: FUEL PRICES

The government revises fuel prices (except butane) every three months in accordance with the price changes in the world market. Fuel price in Addis Ababa Starting from December 11, 2006 is as follows:

Items	Price in Birr/Liter
Benzene (regular)	7.77
Automobile diesel oil	5.44
Industrial light fuel oil	4.19
Industrial heavy fuel oil	4.11
Kerosene	4.12
Air Plane Fuel Oil	5.16

Fuel prices for localities outside Addis Ababa slightly vary depending on their distances from the seaport.
Source: Ministry of Trade and Industry.

Part 8: HOTEL ROOM AND HOUSING RENT RATES

Hotel rooms are usually negotiable and visitors who stay long may benefit from special discounts. Some Hotels (Like Addis Ababa Hilton) have special discount for Investors. The following are price ranges for Luxury Collection, five, four and three star hotels.

8.1 Hotel Room Rates

S/n	Type of Hotel	Type of room	Price in USD
1	Luxury collection	<ul style="list-style-type: none">▪ Single occupancy club room▪ Double occupancy club room▪ Single occupancy Executive room▪ Double occupancy executive room▪ Classic suite▪ Junior Suite▪ Deluxe suite▪ Villa	265 313 334 363 363 636 3817 3817
2	Five Star Hotel	<ul style="list-style-type: none">▪ Single bed room▪ Double bed room	87 102
3	Four Star Hotel	<ul style="list-style-type: none">▪ Single bed room▪ Double bed room▪ Suite	44-67 54-76 88-89
4	Three Star hotel	<ul style="list-style-type: none">▪ Single bed room▪ Double bed room▪ Suite	28-45 37-66 60-90

Note: The Room rates are subject to 10% service charge and 15% VAT. Charges are as of December, 2006.

8.2 Housing Rent Rates

The government and private sector undertake renting houses for dwelling or office. Prices may vary significantly from location to location or from building to building depending on the quality of the building and distance from the center of the town. The minimum bid prices set by the Administration for Rented Houses are as follows:

- 1st grade houses: Birr 65/M²
- 2nd grade houses: Birr 55.25/M²
- 3rd grade houses: Birr 45.50/M²

Source: Agency for the Administration of Rented Houses.

Part 9: COSTS OF ADVERTISING

9.1 Advertising on Television

Commercial

Amharic and English

Type	Local Products		Foreign Products (Cost in Birr)	
	Birr Per Sec.	Birr for 30 Seconds (With VAT)	Birr Per Sec.	Birr for 30 Seconds (With VAT)
PT1	46.66	1,610.00	70.83	2,443.75
PT2	38.33	1,322.50	62.50	2,156.25
NT1	33.33	1,150.00	56.66	1,955.00
NT2	25.00	862.50	50.00	1,725.00
SR	66.66	2,300.00	83.33	2,875.00

Tigrigna and Oromgna

Type	Birr Per Sec.	Birr for 30" (With VAT)
PT	16.66	575.00
NT	11.66	402.50

PT Prime Time (After News)

NT Normal Time

PT1 Evening Between and After Amharic News and first Amharic program

PT2 Evening between and after the second and third Amharic program.

Day Sunday "120" Program

NT1 Evening After the Third and Between the Fourth Amharic program

NT2 Evening Between & After the last Amharic program and after English News

Day Week day & Week end day program and ETV Music

SR Holiday Special rate

Frequency Discount

Number of spots	Discount
1---15	No
16---30	5%
31---50	10%
51---80	15%
81 and Above	20%

Production Rate

Type of Production	Amount
Vision and Audio Insertion	862.50
Editing	1,322.50
Vision and Audio	805.00
Camera	575.00
Script	287.50
Studio	230.00
Full Production	1,897.50

9.2 Advertising by Radio

National Service

Amharic

Commercial	Local Products				Foreign Products	
	Normal Time (NT)		Prime Time (PT)		Birr/Sec.	Birr for 30 Seconds (With VAT)
	Birr/Sec.	Birr for 30 Seconds (With VAT)	Birr/Sec.	Birr for 30 Seconds (With VAT)		
From Monday-Friday	15.00	517.50	25.00	862.50	16.50	948.75
Saturday and Sunday	16.50	569.25	27.50	948.75	30.25	1,043.62
Best Wish			32.50	1,121.25	32.50	1,121.25

Other Languages

Commercial	Local Products				Foreign Products	
	Normal Time (NT)		Prime Time (PT)		Birr/Sec.	Birr for 30 Seconds (With VAT)
	Birr/Sec.	Birr for 30 Seconds (With VAT)	Birr/Sec.	Birr for 30 Seconds (With VAT)		
From Monday-Friday	5.00	172.50	10	345.00	11.00	379.50
Saturday and Sunday	5.50	189.75	11	379.50	12.10	417.45

FM Addis 97.1

Amharic

Commercial	Local Products				Foreign Products	
	Normal Time (NT)		Prime Time (PT)		Birr/Sec.	Birr for 30 Seconds (With VAT)
	Birr/Sec.	Birr for 30 Seconds (With VAT)	Birr/Sec.	Birr for 30 Seconds (With VAT)		
From Monday-Friday	11.50	396.50	-	-	15.00	517.50
Saturday and Sunday	-	-	15.00	517.50	-	-
Best Wish	-	-	18.34	632.73	-	-

Studio Services for 15 Seconds: Birr 172.50
 Voice Fee for 30 Seconds: Birr 103.50

9.3 Advertising in Newspapers

Advertising cost in a newspaper may vary from newspaper to newspaper depending on whether it is owned by the government or the private sector. The size of a newspaper also matters on the cost of advertising.

The advertising cost rate in the government-owned *Ethiopian Herald* and *Addis Zemen* is indicated as follows:

Size of Page	Cost in Birr (With VAT)	
	Normal	Urgent
Full Page	10,626.00	13,282.50
Half Page	5,409.60	6,762.00
Quarter Page	2,704.80	3,381.00

The advertising cost rate in the private press particularly Fortune News Paper is presented below:

Space	Size (h x w) in Cm	Cost in Birr
Ear Front	5 x 6	750-1000
Quarter Inside	17 x 13.5	450 – 600
Half Inside	17 x 26	750 – 1000
Half Back	17 x 26	1125 – 1500
Box Front	7.5 x 5.9	450 – 540
Box Inside	8.5 x 6.5	297 – 400
Quarter Back	17 x 13.5	600 – 800
Full Inside	34 x 26	1500 – 2000
Full Back	34 x 26	2400 – 3000
Box Back	6.5 x 8.5	375 – 450
Ear Back	5 x 6	364 – 450

Note: The rate decreases for repeated advertising.

Part 10: POSTAGE RATES

Postal services are operated, mainly by a government institution – the Ethiopian Postal Service. A few private companies also operate courier services. The postage rate is indicated below:

10.1 Inland Postal Service

Ordinary Rates

Item	Weight in gm	Domestic Price in Birr
Letters	Up to 20	0.40
	Over 20 but not exceeding 50	0.50
	Over 50 but not exceeding 100	0.65
	Over 100 but not exceeding 250	1.20
	Over 250 but not exceeding 500	1.40
	Over 500 but not exceeding 1000	1.70
	Over 1000 but not exceeding 2000	2.45
Post Card		0.40
Printed Papers	Up to 20	0.40
	Over 20 but not exceeding 100	0.50
	Over 100 but not exceeding 250	0.60
	Over 250 but not exceeding 500	0.90
	Over 500 but not exceeding 1000	1.40
	Over 1000 but not exceeding 2000	2.45
	for each additional 1000 gm	0.80
Small packets	Up to 100	0.70
	Over 100 but not exceeding 250	1.20
	Over 250 but not exceeding 500	1.40
	Over 500 but not exceeding 1000	1.70
Postal Parcel	Over 1000 but not exceeding 2000	2.45
	Up to 1000	4.55
	Over 1000 but not exceeding 3000	6.60
	Over 3000 but not exceeding 5000	9.40
	Over 5000 but not exceeding 10000	15.70
	Over 10000 but not exceeding 15000	22.65
	Over 15000 but not exceeding 20000	29.55
	Over 20000 but not exceeding 25000	38.70
	Over 25000 but not exceeding 30000	45.30
Aerogrammes	-	1.00

Charges for special services

Inland postal Service Charges for Money Orders

Up to Birr 300:	Birr 4.20
Over 300 but not exceeding 500:	Birr 6.95
Over 500 but not exceeding 1000:	Birr 7.90

Charges for Other Services in connection with Domestic postal items

Services	Charge (in Birr)
Registration charge (per item)	1.05
Express charge (per item)	3.00
Charges for advice of delivery	1.30
Charges for withdrawal of letter post item or alteration of address	2.10
For insured postal parcel (per parcel):	165.00
Highest insurance value	800.00
Free for power of attorney for collection of mail	10.00
Inquiry charge	Free
Request of redirection	Free
Charge for unpaid or underpaid ordinary letter post item	Double the amount of deficiency in postage
Indemnity for a registered letter	25.00
Fragile or cumbersome postal parcel	The charge of ordinary ones plus 10% increase
Returned or redirected postal parcel	The amount of charge paid shall be paid again

A parcel when requested to be returned from the delivery area will be charged the original amount plus the transport charge.

10.2 International Postal Service

Item	Weight in gm	Air Mail			Surface Mail
		International Zones			
		Zone 1	Zone 2	Zone 3	Price in Birr
		Price in Birr	Price in Birr	Price in Birr	
Letters	Up to 20	1.95	2.45	3.45	1.45
	Over 20 but not exceeding 50	2.90	4.15	6.65	1.65
	Over 50 but not exceeding 100	4.50	7.00	12.00	2.00
	Over 100 but not exceeding 250	9.40	15.65	28.15	3.15
	Over 250 but not exceeding 500	17.45	29.95	54.95	4.95
	Over 500 but not exceeding 1000	33.65	58.65	108.65	8.65
	Over 1000 but not exceeding 2000	66.10	116.10	216.10	16.10
Post Card		1.90	1.90	1.90	1.45
Printed Papers	Up to 20	1.95	2.45	2.45	1.45
	Over 20 but not exceeding 50	2.90	4.15	6.65	1.65
	Over 50 but not exceeding 100	4.50	7.00	12.00	2.00
	Over 100 but not exceeding 250	9.40	15.65	28.15	3.15
	Over 250 but not exceeding 500	17.45	19.95	54.95	4.95
	Over 500 but not exceeding 1000	33.65	58.65	108.65	8.65
	Over 1000 but not exceeding 2000	66.10	116.10	216.10	16.10
	For each additional 1000 gm	32.45	57.45	107.45	7.45
Small packets	Up to 100	5.65	8.15	13.15	3.15
	Over 100 but not exceeding 250	10.35	16.60	29.10	4.10
	Over 250 but not exceeding 500	18.10	30.60	55.60	5.60
	Over 500 but not exceeding 1000	33.35	58.35	108.35	8.35
	Over 1000 but not exceeding 2000	63.90	113.90	213.90	13.90
Aerogrammes	-	1.45	1.45	1.45	-

Note:

- Zone 1: Africa
- Zone 2: Middle East & Europe
- Zone 3: America, Far East and others

Charges for Other Services in connection with International postal items

Services	Charge (in Birr)
Registration charge (per item)	4.50
Express charge (per item)	4.50
Charges for advice of delivery	2.25
Inquiry charge	Free
Additional charge for an item handed over after the latest time of postage	0.50
Charge for delivery of a small packet exceeding 500gm at the post office counter	2.25
Storage of a letter post and M Bag exceeding 500gm for each day	0.50
Delivery of parcel post	5.00
For Insured postal parcel (per Parcel) Birr 165 and highest insurance value	800.00
Under paid items	2.25
Fragile or cumbersome postal parcel	The charge of ordinary ones plus 50% increase

Tariff for Parcel/Packet

Weight	Price in Birr					
	International					Domestic
	Zone A	Zone B	Zone C	Zone D	Zone E	
For the first ½ kg	142	160	185	205	220	20
For each additional 1/2 kg.	45	55	75	85	85	5

International Tariff for Documents

Weight	Price in Birr				
	Zone A	Zone B	Zone C	Zone D	Zone E
For the first ½ kg	105.00	125.00	150.00	160.00	170.00
For each additional 1/2 kg.	40.00	40.00	45.00	50.00	55.00

Note:

Zone A - Africa
 Zone B - Middle East, European countries not included in D below, and India.
 Zone C - U.S.A, Latin America, South Africa, and most Asian countries.
 Zone D - Austria, France, Germany, Italy, The Netherlands, and Sweden.
 Zone E - Canada

10.3 EMS Postal Service

Among the services you can send by EMS are: Tender documents, Business papers, Samples, Goods, Spare Parts, etc. The types of services provided by EMS Ethiopia include Public services, On-Demand services and Contract services.

10.3.1 International Tariff for Parcel/Package

Quantity	Tariff in Birr				
	Zone A	Zone B	Zone C	Zone D	Zone E
For the first ½ kg	142	160	185	205	220
For each Additional ½ kg	45	55	75	85	85

10.3.2 International Tariffs for documents

Quantity	Tariff in Birr				
	Zone A	Zone B	Zone C	Zone D	Zone E
For the first ½ kg	105	125	150	160	170
For each Additional ½ kg	40	40	45	50	55

Note: Zone A includes Djibouti, Fugi, Finland, Gabon, Gambia, Japan, Italy, Kenya, etc.
Zone B includes Congo, Cuba, Iran, Poland, Mexico, Mali, Liberia, Zambia, etc.
Zone C includes Cote Divore, Elsalvador, S.Africa, Ukraine, Tanzania, Romania, etc
Zone D includes Sychelles, Nicaragua, Israel, Jordan.
Zone E includes France,

10.3.3 Domestic tariff for documents and parcels

Quantity	Tariff in Birr
For the first ½ kg	20
For each Additional ½ kg	5

10.3.4 Charges for Other Mail Services

Rent of small size box: Birr 18 per year
Rent of medium size box: Birr 48 per year
Rent of large size box: Birr 96 per year
Charge for modification of lock: Birr 10
Key deposit: Birr 3

Source: Ethiopian Postal Service.

Part 11: INSPECTION AND MARKING FEES OF ETHIOPIAN STANDARDS

The Quality and Standards Authority of Ethiopia (QSAE) is a government organ that is responsible for certifying and assuring the quality, safety and durability of products and services in accordance with the published and valid Ethiopian standards. The unit inspection and marking fees for some selected goods are shown below:

No.	Title	Unit inspection and marking fee (% of products unit selling price)
1	Oil seeds	0.2
2	Pulses	0.2
3	Edible Oil	0.2
4	Green coffee beans	0.05
5	Non alcoholic beverages	0.3 – 0.4
6	Polymeric products	0.5
7	Leather and leather products	0.2
8	Soap and detergents	0.2
9	Cement and cement products	0.4 – 0.5
10	Safety matches	0.02
11	Iron sheet products	0.5 – 0.8
12	Paper	0.8
13	Fertilizer	0.2
14	Beer	0.2
15	Natural Wine	0.4
16	Citrus Squash	0.3
17	Edible salt	0.2
18	Cotton Yarn	0.2
19	Industrial safety Eye Protector	0.5
20	Filing Articles	0.8

Source: Quality and Standards Authority of Ethiopia.

Part 12

INVESTMENT PERMIT, PRINCIPAL REGISTRATION, BUSINESS LICENCE & WORK-PERMIT FEES

12.1 Investment Certificate Fees

An investor who will take investment certificate pays investment certificate fee upon receiving the investment certificate. The permit is expected to be renewed every year until the proposed investment is implemented. Renewal fee is, therefore, effected up on renewing the permit. Delivery time and fees for different types of payments is presented below:

Reason for Payment	Delivery time	Fee (in Birr)
Issuance of Investment permit New Investment Expansion Investment	6 hours 6 hours	600 300
Renewal of Investment permit New Investment Expansion Investment	1 hour 1 hour	200 100
Substitution of lost/damaged Investment permit	1 hour	100
Issuance of trade registration certificate Principal Registration Summary Registration	6 hours 6 hours	80 10
Issuance of business license	6 hours	80
Issuance of work permit	1 hour	600
Registration of technology transfer agreement	2 hour	200
Renewal of technology transfer agreement	1 hour	50
Registration of non equity foreign enterprise collaboration	1 hour	100
Renewal of non equity foreign enterprise collaboration	1 hour	50
Issuance of domestic status certificate to a foreign national permanently residing in Ethiopia taken for domestic investor	1 hour	100

12.2 Trade Registration and License Service Fees

Reason for Payment	Amount of Fee (in Birr)
Principal Registration	
Issuance of Principal Registration	80
Summary Registration	10
Principal Registration Alteration, Additional Registration, Cancellation, Substitute and extract for an entry in Principal Registration or for certificate of no entry	50
Issuance of Trade Name Registration	80
Trade Name Registration Substitute, Upgrading, Replacement, and Cancellation	50
Registration of Commercial Representation	80
Trade License	
Issuance of Business License	80
Substitute Business License	50
Temporary, Expansion, or Upgrading Business License	200
Business License Renewal	80
Business License for Commercial Representation	200
Business License Renewal for Commercial Representation	200
Substitute Business License for Commercial Representation	50

Part 13: BANKING CHARGES

The National Bank of Ethiopia serves as the central bank while the government owned Commercial Bank of Ethiopia, Construction and Business Bank, Development Bank of Ethiopia and several other private banks perform commercial banking services.

13.1 Domestic Banking Charges

Services	Charges (in Birr)
Transfer of funds (MT, TT, DD)	½ per mille, minimum 1.00 for areas within the radius of 150k.m.
	1 per mille minimum 1.00 for areas exceeding a radius of 150 k.m
CPO's and certified checks	Flat 5.00 for account holders
	Flat 10.00 for non account holders
Replacement of lost saving passbook	Flat 10.00
Stop payment orders	Flat 10.00
Re-transfer of funds	Flat 10.00
Cancellation and/or amendment on transfers	Flat 10.00
Standing instructions within same branch and same customer (inter-account), and for loan repayment purpose	Free
Standing instructions for transfers between branches within same location(city)	Flat 5.00 up to Birr 1,000
	Flat 10.00 above Birr 1,000
Cancellation and/or refunding of demand draft lost	Flat 50.00
Cancellation and/or refunding of CPO lost	Flat 50.00
Opening and closing an account	Free

Source: Commercial Bank of Ethiopia

13.2 Foreign Banking Charges

Service Category	Services	Charges (Birr)
Export Letter of Credit	Advising Commission	Flat 20
	Extension Commission	Flat 20
	Amendment	Flat 20
	Confirmation Commission	<ul style="list-style-type: none"> 0.5 % for values up to Birr 1 million 0.45% for values over 1 million Minimum 30
	Negotiation Commission	<ul style="list-style-type: none"> 0.25 % for values up to Birr 1 million 0.245% for values over 1 million Minimum 50
Import Letter of Credit	Opening Commission	<ul style="list-style-type: none"> 0.50 % for values up to Birr 1,000,000 0.495% for values 1,000,001-4,000,000 0.490% Over 4,000,000 Minimum 100
	Confirmation Commission	Per quarter or part there of:- <ul style="list-style-type: none"> 0.50 % for values up to Birr 4,000,000 0.45% for values 4,000,001-10,000,000 0.425% Over 10,000,000 Minimum 50
	Service Charge	Per quarter or part there of:- <ul style="list-style-type: none"> 0.50 % for values up to Birr1,000,000 0.495% for values 1,000,001-4,000,000 0.490% Over 4,000,000 Minimum 100
	<ul style="list-style-type: none"> Extension Commission 	Per quarter or part there of:- <ul style="list-style-type: none"> 0.25 % for values up to Birr1,000,000 0.245% for values 1,000,001-4,000,000 0.240% Over 4,000,000 Minimum 30

Service Category	Services	Charges (Birr)
	Amendment	Flat 30
	Cancellation	Flat 30
Inward Bills Received for Collection (IBC)	Service Charge	1% Minimum 20
	Documents released free of payments	Flat 10
Cheque & Foreign Transfer	Outgoing transfer	1% Minimum 10
	Traveler's Cheque	1%
	Service Charge	Minimum 5
	Commission	1%
	Incoming Transfer	<ul style="list-style-type: none"> 0.25 % for values up to Birr150,000 0.225% for values 150,001-1,000,000 0.20% Over 1,000,000 Minimum 3
	Cheques negotiated Service Charge	0.5% Minimum 5
Guarantee	Type A <ul style="list-style-type: none"> Up to USD 200,000 USD 200,001 – 400,000 USD 400,001 – 600,000 Over 600,001 USD Amendment <ul style="list-style-type: none"> Extension Other terms of guarantee 	<ul style="list-style-type: none"> 0.5% for 3 months of part there of 0.333% for 3 months of part there of 0.25% for 3 months or part there of 0.20% for 3 months or part there of 0.20% for 3 months or part there of USD 10
	Type B <ul style="list-style-type: none"> Bid bond passed by us with our authentication 	<ul style="list-style-type: none"> USD 10 per bond
	Type C Indirect foreign bid bond at request of local customer <ul style="list-style-type: none"> Against 100% deposit With credit facilities 	<ul style="list-style-type: none"> 0.125% for 3 months or part there of minimum 20 USD 0.5 for 3 months or part there of minimum 20 USD

Source: Commercial Bank of Ethiopia

13.3 Lending Rate

The development Bank of Ethiopia charges **8.5%** interest on projects not generating foreign exchanges. However, the interest rate to be charged is **7.5%** on export oriented and/or foreign exchange earning projects.

The lending rate for other banks ranges from 7% to 14% which is 10.50% on the average (June 2007).

13.4 Interest Rate

Saving Deposit:	Birr 3.08
Time Deposit	
Up to 1 Year:	Birr 3.637993
1 – 2 Year:	Birr 4.114377
Over 2 Year:	Birr 4.495206
Demand Deposit	Birr 0.06510

Note: The above figures are average of all Banks as of June 2007.

Source: National Bank of Ethiopia

Exchange Rates in the Inter-bank Foreign Exchange Market

Period	Average Weighted Rates in Birr per USD				
	First Quarter (July, August and September)	Second Quarter (October, November and December)	Third Quarter (July, August and September)	Fourth Quarter (July, August and September)	Yearly Average
2001/02*	-	8.5525	8.5605	8.5643	8.5425
2002/03	8.5697	8.5768	8.5845	8.5927	8.5809
2003/04	8.6057	8.6166	8.6244	8.6322	8.6197
2004/05	8.6408	8.6483	8.6554	8.6625	8.6518
2005/2006	8.6702	8.6776	8.6847	8.6914	8.6810
2006/2007	8.6986	8.7197	8.8315	8.9272	8.7943

*Daily inter-bank foreign exchange market operation began in October 2001.

Note: The lists of private banks operating in Ethiopia are presented at the end of this publication.

Source: National Bank of Ethiopia.

13.3 EXCHANGE RATES

The wholesale exchange rate is determined through auction in which the National Bank of Ethiopia (NBE) sales foreign currency to private and government commercial banks and investors intending to import goods for investment and to effect invisible payments. Commercial Bank of Ethiopia, a government owned bank and other private commercial Banks participate in the selling and buying of foreign currency. In the Inter-bank foreign exchange market there is a slight variation of exchange rate between banks.

Major Currencies Against Birr (*Applicable On 27-12-2006*) is presented below:¹

CURRENCY	CODE	CASH		TRANSACTION	
		BUYING	SELLING	BUYING	SELLING
US DOLLAR	USD	8.7755	8.9510	8.7755	8.9510
POUND STERLING	GBP	17.1824	17.5260	17.1824	17.5260
EURO	EUR	11.5222	11.7526	11.5222	11.7526
SWISS FRANK	CHF	7.1907	7.3345	7.1907	7.3273
SWEDISH KRONER	SEK	1.2777	1.3033	1.2777	1.3020
NORWEGIAN KRONER	NOK	1.4053	1.4334	1.4053	1.4320
DANISH KRONER	DKK	1.5453	1.5762	1.5453	1.5747
DJIBOUTI FRANC	DJF	0.0502	0.0512	0.0502	0.0512
JAPANESE YEN	JPY	0.0739	0.0754	0.0739	0.0754
CANADIAN DOLLAR	CAD	7.5514	7.7024	7.5514	7.6949
SAUDI RIYAL	SAR	2.3398	2.3866	-----	-----
UAE DIRHAM	AED	2.3890	2.4368	-----	-----
CFA	XAF	0.0120	0.0122	-----	-----
INDIAN RUPEE	INR	-----	-----	0.1978	0.2016
KENYAN SHILLING	KES	-----	-----	0.1264	0.1288
AUSTRALIAN DOLLAR	AUD	-----	-----	6.8888	7.0197
SPECIAL DRAWING RIGHT	SDR	-----	-----	13.213972	13.465037
SOUTH AFRICAN RAND	ZAR	-----	-----	1.2412	1.2648

For the latest of its kind please visit www.combanketh.com

Source: Commercial Bank of Ethiopia.

Part 14: INSURANCE PREMIUM RATES

The Ethiopian Insurance Corporation (EIC) is a public enterprise that provides various classes of insurance services. Several private companies are also engaged in the insurance business fostering a competitive business environment.

Regarding insurance service prices of EIC products, indicative premium rates for selected categories are presented below.

Vehicles

Generally, the rates for motor comprehensive cover vary according to the category, value and horse power of vehicles. The average annual premium rates for new vehicles as a percentage of insured value are:

Private cars: 1.25%

Trucks: 1.0%

Buses & tankers: 1.75%

Service business: 3.0%

Agricultural vehicles: 1.0%

Plants and Machinery of Construction

- Construction erection works:
0.5% of insured value per annum.
- Construction machinery:
1.5% of insured value per annum

Burglary and House Breaking

Note: All indicative data are as of January 2005

Source: Ethiopian Insurance Corporation.

The names and addresses of operational private insurance companies in Ethiopia are presented at the end of this publication.

Private dwellings: 0.25% of insured value

Commercial risk: 0.55% of insured value

Industrial risk: 0.175% of insured value for machinery

Industrial risk: 0.50% of insured value for other goods

Fire Risk

Private dwellings: 0.10% - 0.90 of insured value

Commercial risk: 0.15% - 0.1275% of insured value

Industrial risk: 0.3% of insured value

Others

Marine cargo:
0.75% of the insured value

Workmen's compensation:
1.50% of annual salary

Group personal accident:
1.62% of agreed value

List of International Roaming Partners of Ethiopian Telecommunication Corporation (ETC)

No.	Operators	Country	No.	Operators	Country
1.	Base	Belgium	31.	Orange	Slovakia
2.	Mascom	Botswana	32.	CellC	South Africa
3.	Telcel	Burundi	33.	MTN	South Africa
4.	MTN	Cameroon	34.	Vodacom	South Africa
5.	Sonfon	Denmark	35.	TME	Spain
6.	TDC	Denmark	36.	Mobitel	Sudan
7.	Telia Sonera	Denmark	37.	Telia Sonera	Sweden
8.	Sonera	Finland	38.	Orange	Switzerland
9.	Orang	France	39.	Syriatel	Syria
10.	SFR	France	40.	Celtel	Tanzania
11.	Liberties	Gabon	41.	Aria	Turkey
12.	Africell	Gambia	42.	Celtel	Uganda
13.	Mobitel	Ghana	43.	3G	UK
14.	Scancom	Ghana	44.	Vodafon	UK
15.	Hexacom	India	45.	Sabafon	Yemen
16.	Spice	India	46.	Spacetel	Yemen
17.	Partner (Orange)	Israel	47.	StarHub	Singapore
18.	TIM	Italy	48.	Impuls	Russia
19.	Vodafone	Italy	49.	Cellcom	Israel
20.	Kencell	Kenya	50.	Emtel	Mauritius
21.	Safaricom	Kenya	51.	Turkcell	Turkey
22.	P & T	Luxembourg	52.	Orange	Cote D'ivoire
23.	Celtel	Malawi	53.	Orange	Netherlands
24.	mCel	Mozambique	54.	Westel	Hungary
25.	MTC	Nambia	55.	Mobilkom	Liechtenstein
26.	T-Mobile	Netherlands	56.	BPL.	India
27.	Globacom	Nigeria	57.	Optus	Australia
28.	NetCom	Norway	58.	Wind	Italy
29.	PTK Central	Poland	59.	Celtel	Congo (DRC)
30.	STC	Saudi Arabia			

LIST OF GOVERNMENT AND PRIVATE BANKS

National Bank of Ethiopia Tel: (251-011) 551 74 30 Fax: (251-011) 551 45 88	Commercial Bank of Ethiopia Tel: (251-011) 551 50 04 Fax: (251-011) 551 45 22
Construction and Business Bank Tel: (251-011) 551 23 00 Fax: (251-011) 551 51 03	Development Bank of Ethiopia Tel: (251-011) 551 11 88 Fax: (251-011) 551 16 06
Abyssinia Bank S. C. Tel: (251-011) 551 41 30 Fax: (251-011) 551 15 75	United Bank S. C. Tel: (251-011) 465 52 22 / 65 52 43 Fax: (251-011) 465 52 43
Awash International Bank S. C. Tel: (251-011) 661 44 82 /83 Fax: (251-011) 661 44 77	Wegagen Bank S. C. Tel: (251-011) 552 38 00 Fax: (251-011) 552 35 20/21
Dashen Bank S. C. Tel: (251-011) 466 13 80 Fax: (251-011) 465 30 37	Nib International Bank S. C. Tel: (251-011) 550 32 88 Fax: (251-011) 550 43 49

LIST OF PRIVATE INSURANCE COMPANIES

Africa Insurance Company S.C. Tel: (251-011) 663 77 16 Fax: (251-011) 662 38 86	National Insurance Company of Ethiopia Tel.: (251-011) 466 11 29 Fax: (251-011) 465 05 60
Awash Insurance S.C. Tel: (251-011) 552 60 59 Fax: (251-011) 552 60 91	National Insurance Company of Ethiopia Tel.: (251-011) 466 11 29 Fax: (251-011) 465 05 60
Global Insurance Company S.C. Tel: (251-011) 156 74 00 Fax: (251-011) 156 62 00	United Insurance Company S.C. Tel: (251-011) 467 56 56 Fax: (251-011) 467 32 58
Nile Insurance Company S. C. Tel: (251-011) 551 49 99 Fax: (251-011) 551 45 92	Nib Insurance Company S.C. Tel: (251-011) 552 81 95/96 Fax: (251-011) 552 81 93

Source: Ethiopian Insurance Corporation

FOR FURTHER INFORMATION

Further information and /or any subsequent amendments to the information in this booklet may be obtained from the relevant office through the following addresses.

Ethiopian Investment Agency, P.O.Box 2313, Addis Ababa Tel: (251-011) 5510033/5537286 Fax: (251-011) 5514396 E-Mail: ethiopian.invest@ethionet.et	Road Transport Authority P.O.Box 2504, Addis Ababa Tel: (251-011) 5510244 Fax: (251-011) 5510715
Ministry of Trade and Industry, P.O.Box 704, Addis Ababa Tel: (251-011) 5518025 Fax: (251-011) 5515411 E-Mail: moti@ethionet.et	Shell Ethiopia Limited P.O.Box 3174, Addis Ababa Tel: (251-011) 4404040 Fax: (251-011) 4423017 E-Mail: shellethiopia@ethionet.et
Amhara Region Investment Office, P.O.Box 439, Bahr Dar Tel: (251-058) 2200640 Fax: (251-058) 2202033 E-Mail: amhara.invest@ethionet.et	Ethiopian Insurance Corporation P.O.Box 2545, Addis Ababa Tel: (251-011) 5512400 Fax: (251-011) 5517499 E-Mail: eic.mdxvs@ethionet.et
Southern Nations, Nationalities and Peoples' Region Investment Office, P.O.Box 328, Awassa, Tel: (251-046) 2203300/2210367-69 Fax: (251-046) 2203265 E-Mail: snnpinv@ethionet.et	Quality and Standards Authority of Ethiopia P.O.Box 2310, Addis Ababa Tel: (251-011) 6460111 Fax: (251-011) 6460880(81) E-Mail: qsae@ethionet.et
Tigray Region Investment Office, P.O.Box 947, Mekelle Tel: (251-034) 4408522/4402042 Fax: (251-034) 4408403 E-Mail: invest@ethionet.et	Ethio-Djibouti Rail Transport Organization P.O.Box 1051, Addis Ababa Tel: (251-011) 5154057 Fax: (251-011) 5513833
Oromiya Region Investment Agency, P.O.Box 8776, Addis Ababa Tel: (251-011) 5531525/531885 Fax: (251-011) 5531520	Maritime and Transit Services Enterprise P.O.Box 1186, Addis Ababa Tel: (251-011) 5517564/5510666 Fax: (251-011) 5514097/5515197/5518139
Ethiopian Electric Power Corporation P.O.Box 1233, Addis Ababa Tel: (251-011) 1550811 Fax: (251-011) 1551324	Ministry of Finance and Economic Development, P.O.Box 1037, Addis Ababa Tel: (251-011) 1560002/1552800 Fax: (251-011) 1550118/1556844 E-Mail: medac2@ethionet.et
Ethiopian Postal Service P.O.Box 1629, Addis Ababa Tel: (251-011) 5515011 Fax: (251-011) 5512999	Addis Ababa Water and Sewerage Authority P.O.Box 1505, Addis Ababa Tel: (251-011) 1124440 Fax: (251-011) 1553793
Ethiopian Telecommunication Corporation P.O.Box 1047 Addis Ababa Tel: (251-011) 5510500 Fax: (251-011) 5515777 E-Mail: etc.commun@ethionet.et Web Site www.ethionet.et	Transport Design S.C. P.O.Box: 41726 Tel: (251-011) 5513586/5515888 Fax: (251-011) 5514231