ETHIOPIA: Key Economic and Social Indicators

Macroeconomic Highlights

Gross Domestic Product
- Ethiopia’s GDP is $47 Billion by end of 2012/13, the economy has been growing by 10.9% on average in the past decade, and growth is estimated to be 11.3% in 2013/14. IMF projection is in the range of 8.1 to 8.5% accordingly.
- Agriculture accounted for 43% of GDP in 2013 in contrast to 51% share in 2007. The sector generates over 70% export values and employs 85% of the total labour force.
- The share of the service sector has been increasing in the past decade and reached 45% in 2013 from 39.8% in 2007 Industry’s share remains low at around 12%.
- Per capita GDP (nominal) reached $550 in 2012/13, from $142 in 2003/04.

Prices
- Annual Inflation remained in single digit since March 2013. Year-on-year inflation increased to 8.5% in June 2014 from 7.4% in June 2013
- Real interest rates remained negative with nominal saving interest rate at 5.4 percent and 8.5 percent annual inflation.
- The Nominal exchange rate of the Birr against USD reached 19.53 by end of June 2014 depicting 4.9% annual depreciation. Recent WB report however indicated that real exchange rate of the Birr is overvalued.

Federal Government Finance
- The Parliament approved a budget of 178.6 billion birr for federal government for 2014/15 fiscal year, 15.3% increase compared to 154.9 billion birr in 2013/14.
- 46% of the budget goes to capital expenditure of which around one-third (35%) going to road sector development followed by education sector (17%).
- 81% of the budget will be financed from domestic sources (68.9% from tax and non-tax domestic revenue, 11.8% from domestic loan) and 19 percent is expected from external sources (9.8% from external loan and 9.4% from external assistance).
- 16.2% of the total budget will finance the road sector, 13.8% education, 8.4% MDGs support, 4.6% debt service and 2.7% will go to the health sector.
Credit
- Total deposit mobilization of the banking system has reached 292.8 billion birr (68.5% by public banks) by end of 2013/14, which is 23.5 percent higher compared to 2012/13.
- In the same period, outstanding credit to the economy increased by 23.9% to reach 168.35 million birr. Majority of the credit went to the industry sector (39.9%) followed by trade (29.1%), housing and construction (11.8%), and agriculture (9.4%). 68% of the outstanding bank credit is held by the private sector. Outstanding credit to GDP ratio reached 17% in 2013/14 from 15.4% in 2010/11.

External Sector
- Ethiopia generated $3.25 billion from exports of goods in 2013/14, this was 5.6% higher compared to the preceding year.
- Major exports are: coffee (21.9%), oil seeds (20%), gold (14%), chat (9.1%), pulses (7.7%), cut flower (6.1%) and live animals (5.7%)
- Total import bill reached $13.7 billion in 2013/14 showing 19.7% increase compared to 2012/13.
- Major imports are capital goods (32.8%), consumer goods 27.9% (of which 17% is non-durables), fuel (18.5%) and semi-finished goods 15.3%
- Major Ethiopian export destinations were Asia and Europe. Most of the country’s import originated from Asia, mainly china (43.5 %).
- Current account balance was $-3.0 billion by end of March, 2014 (first nine months of 2013/14), widened by 8.5% since the end of 2012/13.
- The gross foreign exchange reserve was $2.3 billion in the same period (1.9 months of imports against the target of 3 months of imports.
- FDI inflows estimated to be $1.0 billion in the first nine months of 2013/14.

Social Development Highlights
- Ethiopia’s HDI reached 0.435 in 2013 – indicating 53.2% or an average annual increase of 3.34% since 2000. Still in the Low Human Development ranking: 173rd out of 187 countries (2013)
- Life Expectancy at birth 63.6 years (2013). Between 1980 and 2013, Ethiopia’s life expectancy at birth increased by 19.8 years
- Ethiopia has a Gender Inequality Index (GII) value of 0.547, ranking it 120 out of 149 countries (2013)
- 25.5 percent of parliamentary seats are held by women (2013)

Progress in MDGs
- MDG1: Eradicate extreme poverty and hunger
- MDG 2: Achieve universal primary education
- MDG 3: Promote gender equality & empower women
- MDG 4: Reduce child mortality
- MDG 5: Improve maternal health
- MDG 6: Combat HIV/AIDS, malaria and other diseases
- MDG 7: Ensure environmental sustainability
- MDG 8: Developing a global partnership for development

* Green on track, yellow likely to be on track and red off track

References
- MOFED, 2014/15 budget
- CSA Consumer price index various reports
- National Bank of Ethiopia Quarterly Reports, various issues
- UNDP Global HDR (2014)