

I. Macroeconomic Highlights

Economic Growth

- Ethiopia's GDP increased to \$80 Billion and per capita GDP to \$863 in 2016/17 compared to \$72 Billion and \$794 last year, respectively.
- Real GDP growth was 10.9% in 2016/17 (4.4% contributed by industry, 4.0% by services and 2.5% by agriculture) (Fig:1)
- IMF estimates the growth for 2016/17 to be 9.0%.
- The incidence of poverty declined to 23.5% in 2015/16 compared to 29.6% in 2010/11.

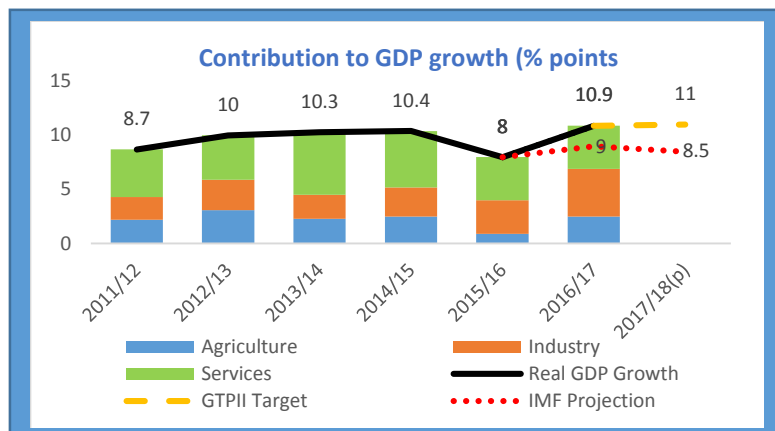
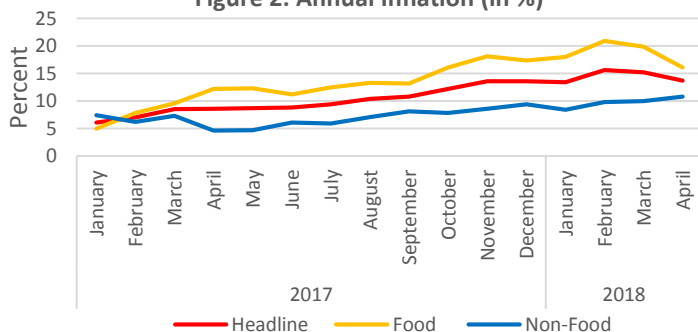


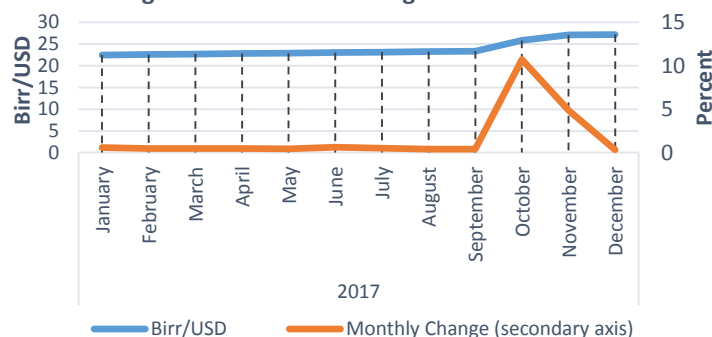
Figure 2: Annual Inflation (in %)



Inflation

- Year-on-year inflation reached 13.7% in April 2018 from 8.6% in April 2017; similarly food inflation increased to 16.1% from 12.2%, and non-food inflation reached 10.8% from 4.6% in the same period. (Fig:2)

Figure 3: Nominal Exchange Rate



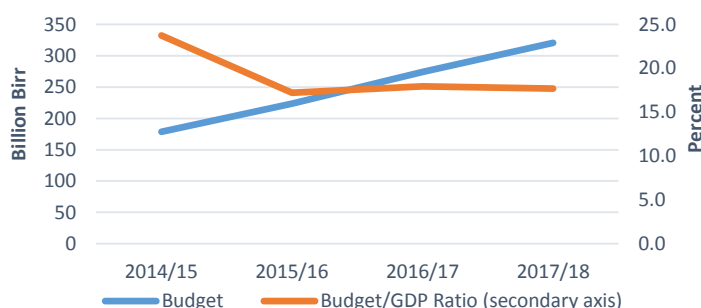
Exchange rate

- One US\$ was exchanged for Birr 27.24 in April 2018.
- There was 15% devaluation of the Birr in October 2017. (fig:3)

Interest rate

- Minimum statutory saving deposit rate is raised to 7% from 5% effective October 10 2017. Average nominal saving rate was 8% in December 2017.
- The real savings rate is negative due to higher inflation rate.

Figure 4: Federal Government budget



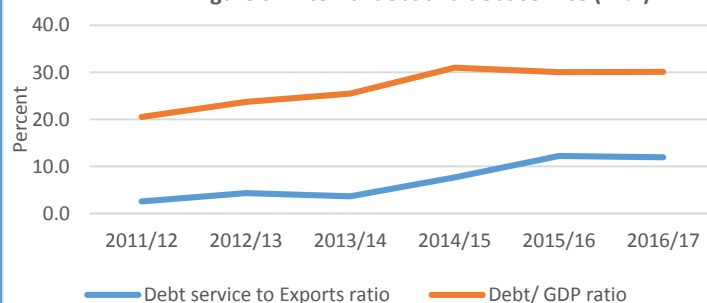
Government Finance

- Fiscal deficit was 68 billion in 2016/17, which is 3.8% of GDP
- The federal government collected Birr 47.9 billion, in revenue and grants, in the first quarter of 2017/18 (21.4% of the plan for the year), 84% from taxes.
- Total expenditure in the first quarter of 2017/18 was Birr 67.9 billion (42.9% regional transfers, 32.8% capital and 24.3% current spending).

External Debt

- The stock of public external debt reached \$24.2 billion, in September 2017, showing 12% annual growth. 56% of the debt is central government and 44% Public Enterprises (52% of which is government guaranteed)
- External debt/GDP was 30% and annual debt service to exports ratio was 11.9% in 2016/17, Fig:5)
- According to IMF/WB debt sustainability analysis (DSA) in 2017, Ethiopia's risk of debt distress increased from moderate to high.

Figure 5: External debt and debt service (in %)



Financial Sector

- Money Supply reached Birr 602.3 Billion in the first quarter of 2017/18 posting 30 percent annual growth.
- Domestic credit by the banking system reached Birr 576.2 Billion (75% of which is from public banks and the balance from private banks) in the first quarter of 2017/18 registering 24 percent annual growth.
- In the First quarter of 2017/18. 32.5% of the credit went to finance mines, power and water, followed by industry (22.7%) housing and construction (13.8%) and international trade (9.5%).

Figure 6: Money Supply and Its components

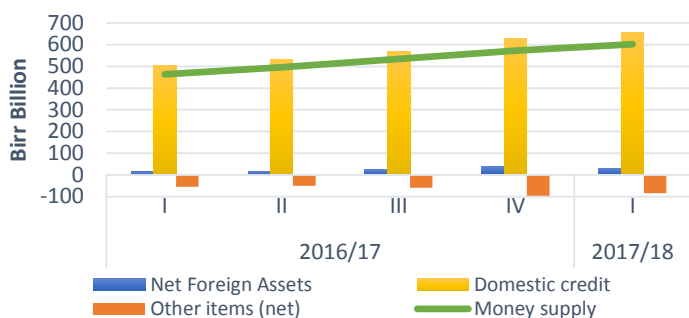
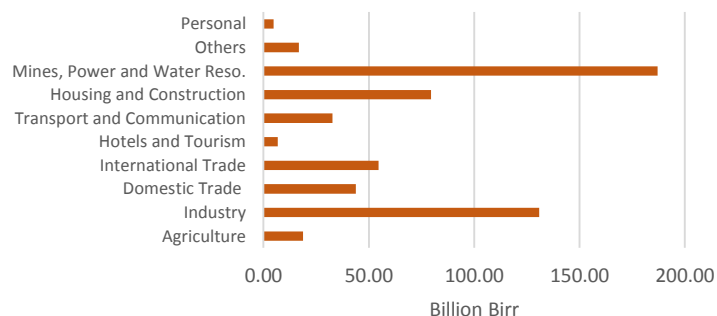


Figure 7: Outstanding Credit by Receiving Sector, 2017/18(QI)



Import and Export

- Export of goods was \$1.3 billion in the first six months of 2017/18, this was a 9% increase compared to same period of the previous year.
- Major exports were: coffee (28%), oil seeds (16.2%), chat (9.3%), pulses (8.5%), cut flower (7.7%), and leather (5%).
- Total import of goods was \$7.9 billion in the first six months of 2017/18, only marginal increase compared to 2015/16.
- Trade deficit in the first six months of 2017/18 was \$6.6 Billion.

Figure 8: Import and Export

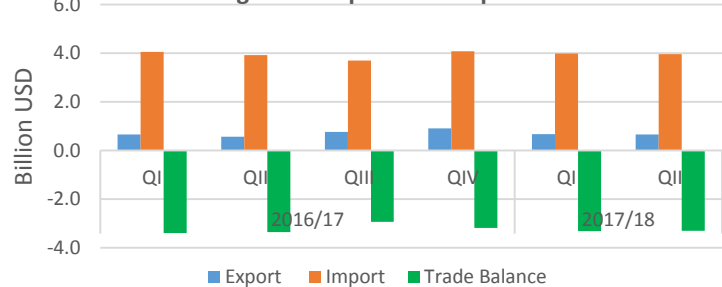


Figure 9: Major Exports

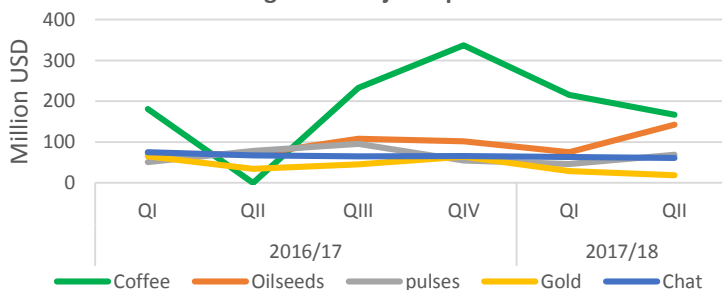
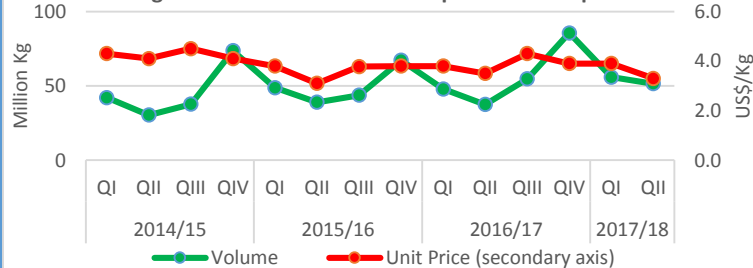


Figure 10: Coffee: Volume of Export and Unit price



II. Social Development Indicators

Human Development Index (HDI)	0.448 (2015)
Poverty headcount ratio	23.5% (2016) 14.8% in urban and 25.6% in rural areas
Gender disparity in primary and secondary education	0.91 and 0.93 (2016)
Child Mortality	67/1000 live births (2016)
Maternal Mortality	412/100,000 live births (2016)
Proportion of population with access to safe drinking water source	65%(2016)
Life Expectancy at Birth (years)	64.6 (2015)
Urban Unemployment	16.9% (2016)
Unemployment (% of total labour force modelled by ILO (WB, WDI)	5.2% (2014)

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