

Ethiopia's impressive economic growth

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Ethiopia has made great strides to become one of Africa's fastest growing economies and continues to record impressive economic growth.

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The country which is sub-Saharan Africa's fifth biggest economy is at the focal point of emerging economies' interest with various delegations of foreign investors seeking investment opportunities in the largest landlocked country in the continent.

"If you look at it [Ethiopia] from an economic stand point, I think Ethiopia is one of the countries that has become the quint essential embodiment of the Africa rising narrative," Julians Amboko, research analyst at Stratlink Africa from CNBC Africa.



The country's economic growth is principally attributed to intense government projects aimed at achieving its Millennium Development Goals (MDGs) as the country aims at becoming a middle income status by 2025.

"Look at the year between 2013 and 2014, the GDP growth was about 10.6 per cent, double digits. Kenya did only 4.8 per cent, Rwanda which has been a very stellar performer did only 7.9 per cent and therefore from that stunt point indeed investors must be looking at how they can tap into this market

which is growing so fast,” Amboko said.

According to the country’s finance ministry, the Eastern Africa state’s economic growth is projected at 11 per cent per annum as the country seeks to maintain this rapid growth. The country has a grand five-year Growth and Transformation Plan which ran from 2010 and is expected to end by 2015 that foresees sustainable means of economic, social and environmental development.

“Their [Ethiopia’s] grand transformational plan is to really strengthen the manufacturing sector of the country because Ethiopia is quickly emerging as a manufacturing hub in the region especially in regards to agro processing and textiles and therefore the focus on industrial parts is driven mainly by the governments focus on manufacturing as an engine for growth going forward,” Amboko explained.

Ethiopia has witnessed an increased contribution from the sector, particularly focused on increased production in sugar, textiles, leather products and cement.

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