



# **Fikadu Asfaw & Associates Law Office**

## **Doing Business in Ethiopia**

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### **Introduction**

The main objective of this article is to provide one with basic information about Ethiopia; general overview of its Economy, Trade and Investment, Socio-Political Environment, Taxation System, Legal System and other relevant topics.

### **1. Ethiopia**

Ethiopia is situated in the North Eastern part of Africa near to the Middle East and Europe. It is bordered by the Sudan and south Sudan to the west, Eritrea to the north, Djibouti and Somalia to the east and Kenya to the south.

### **2. Climate and Topography**

Due to its elevation, Ethiopia has a moderate climate with two major seasons; dry and wet seasons. The dry season starts from October to May. The wet season runs from June to September.

Ethiopia has a central high plateau varying from 2,000 to 3,000 meters above sea level and a number of mountains reaching over 4,000 meters.

Blue Nile or Abbay is the biggest river in Ethiopia which flows a distance of 1,450 km from its source to join the White Nile at Sudan.

### **3. Population and Religion**

Ethiopian population is estimated to be over 90 million.

Major religions in the country are Christianity and Islam. But there are a number of traditional religions as well.

### **4. Language**

Ethiopia is a multi ethnic state with a variety of language. Amharic is the working language. English is a medium of instruction at junior and secondary schools, and higher educational institutions; and widely spoken particularly in business areas.

## 5. The Political System

The Ethiopian constitution was adopted in 1995 which provides for a multi party political system. Power of government is assumed by the political party or a coalition of political parties that constitutes a majority in the House of Peoples Representatives (HPR). The House of Peoples Representatives (HPR) is the highest authority of the Federal Government. Executive power is vested in the prime ministers, elected from among the members of the HPR for a five year term.

Ethiopia is believed to be one of the most stable countries in Africa. Rate of crime is low in the country which gives high level of security for the population and businesses. As Compared to other developing countries Ethiopia is a country with low levels of corruption.

## 6. Currency

The monetary unit of Ethiopia is [Birr](#). The official abbreviation of the Birr is “Br” or “ETB”. The current exchange rate of Ethiopian birr applicable in Ethiopian banks as per the [National Bank of Ethiopia exchange rate](#) is 1USD= 19.6419, 1Euro= 26.5637, 1 British Pound= 33.5857.

## 7. The Legal and Juridical System

The constitution is the supreme law of the land. Codified laws, proclaimed laws and international agreements ratified by Ethiopia are integral part of the law. Under the constitution of Ethiopia, the judiciary is an independent organ which is presumed to be free from any interference or influence of any governmental body, governmental official or from any other source.

In Ethiopia, judicial powers, at federal as well as state level, are vested on [courts](#). The federal Supreme Court has the supreme federal judicial authority. The Federal Supreme Court has a power of cassation over any final decision containing basic error of law. Federal courts are structured as Supreme Court, High Court and First Instance Court.

States also establish their own state Supreme, High and First Instance courts. State Supreme Court has the highest judicial power over state matters.

Also the State Supreme Court has a power of cassation over any final decision on state matters containing basic error of law.

Decisions rendered by a state Supreme Court on Federal matter are appealable to the Federal Supreme Court.

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There are also city and social courts given the power to adjudicate minor municipal matters as well as other features of the judicial system in Ethiopia. Quasi-judicial organs such as the Labour Relations Board (established by the labour law) and Tax Appeal Tribunal (established by tax laws) play a key role in resolving disputes.

The constitution ensures citizens' right to ownership of property. The Commercial Code which was adopted in 1960 deals with the basic legal framework of business law. Moreover, under the investment proclamation, areas reserved for domestic investors and restricted for foreign investors are stated. Also, investors under the investment law are given the right to own a dwelling house and an immovable property essential for the investment. In addition, the law guarantees investors against an act of expropriation or nationalization unless and otherwise for public interest. In such a case, the investor will be entitled to compensation.

Ethiopia is also a member of the World Intellectual Property Organization (WIPO) and the Multilateral Investment Guarantee Agency (MIGA). Also, Ethiopia has concluded Bilateral Investment Treaties (BIT) and Double Taxation Treaties (DTTs) with several countries.

## **8. Foreign Direct Investment**

Ethiopia is trying to implement the rural Development policy which emphasizes agriculture-centered development and the Industrial Development strategy, special emphasis being given to export manufacturing. The Federal government is currently encouraging the establishment of manufacturing industries. Accordingly, for the industrial sector to have a leading role in the economy, the Federal Government of Ethiopia has established Industrial Development Zones in regions. This zone development will be undertaken by the Federal Government or where necessary by joint investment of government and private sector.

Major export items include Coffee, chat, Gold, Live Animals, Leather and Leather products, Meat and Meat products, Pulses, Fruits and Vegetables and Flower. The major investment areas include agriculture, horticulture, floriculture, agro-processing, textile and garment, leather and leather products, sugar, cement, information communication technology (ICT), chemical and pharmaceutical industry, construction, air transport, tourism, mining, energy and hydro electric power, etc.

China, India, Sudan, Saudi Arabia, UAE, Japan, Italy, Turkey, United Kingdom, United States, Switzerland, Germany, Israel, Canada and the Netherlands are the major trade partners with Ethiopia.

[Investment](#) can be effected in Ethiopia in one of the following forms:

- Sole proprietorship
- Business organization incorporated in Ethiopia or abroad
- Public enterprises

- Co-operative societies

A foreign company can be incorporated in a form of a New Company, Branch Company, or a Representative Office in Ethiopia.

A foreign investor reinvesting his profit or dividends generated from an existing business is not required to allocate a minimum capital. The investment law encourages joint venture investment with Ethiopian individuals or companies. The minimum capital requirement decreases to a greater amount where the investment is made jointly with domestic partner.

The Investment proclamation as well as the regulation regulate the registration of companies and identify investment sectors permitted for domestic as well as foreign investors are listed in Appendix 1.

## **9. Investment Guarantees and Incentives**

The law gives equal protection both for domestic as well as foreign investors. The investment law of Ethiopia protects private property. A foreign investor has the right to own a dwelling house and other immovable property necessary for his investment. The investment law guarantees investors against measures of expropriation or nationalization. Government may only expropriate property on the ground of public interest and in such instances government is bound to make adequate compensation.

A foreign investor has the right to remit profits and dividends, principal and interest payments on external loans, payments related to technology transfer agreements, payments related to collaboration agreements and proceeds from the sale of liquidation of a company.

Ethiopia is a member of the Multilateral Investment Guarantee Agency (MIGA) which gives guarantee against non-commercial risks among member countries. Ethiopia is also a member of the World Intellectual Property Organization (WIPO). Furthermore, the country has signed double taxation avoidance treaties and concluded bilateral investment promotion and protection agreements with various countries.

The law specifies the areas of investment eligible for investment incentives. The major incentives include the following:

- Income Tax Exemption

An investor engaged in new manufacturing, agro-processing, the production of agricultural products, generation, transmission, and supply of electrical energy, information and communication technology development is entitled to income tax exemption. The period for an income tax exemption and the type of sectors eligible for such incentives and those which are not eligible are specified under the investment law.

An Investor engaging in a new enterprise in the state of Gambela, Benshangul, Afar, Somali, Guji and Borena zones and South Omo zone, Segen, Bench Maji, Sheka, Dawaro, Kaffa, etc. is entitled to income tax deduction of 30% for three consecutive years.

An investor expanding or upgrading his/her existing enterprise increasing in volume at least by 50% of attainable production or service rendering capacity or introducing a new production at least 100% of an existing enterprise is entitled to income tax exemption period stated under the law.

An investor who exports or supplies to another exporter as production or service input at least 60% of his/her products or services are also exempted for additional two years.

Company that suffers losses during the income tax exemption period may carry forward such losses, following the expiry of the exemption period, for half of the tax exemption period.

- Exemption from Custom Duty

An investor engaged in manufacturing, agro-processing, the production of agricultural products, generation, transmission, and supply of electrical energy, information and communication technology development, hotel and tourism, construction, education, importation of LPG and bitumen, etc. may import duty-free capital goods and construction materials necessary for the establishment of a new enterprise or for the expansion or upgrading of an existing enterprise.

An investor eligible to a duty-free privilege is also allowed to import spare parts the value of which is not greater than 15% of the total value of the capital goods within 5 years from the date of the commencement of the project.

Capital goods imported without the payment of customs duties can be transferred to another investor enjoying similar privileges.

- Export incentives

With the exceptions of products such as semi processed hides and skins, no export tax is levied on export products of Ethiopia.

Customs duty paid at the port of entry and locally on raw materials is drawn back 100% upon exportation of the commodity processed.

## **Investment Promotion and Trade**

The Ethiopian investment commission and The Ministry of Trade and Industry are the main concerned organs in relation to investment and trade in general. The Ethiopian investment commission has given the authority to promote investments in the country. The commission is accountable to the Investment Board headed by the Prime Minister. The commission has also the duty to negotiate bilateral investment

promotion and protection treaties between Ethiopia and other countries. The commission provides promotion and counseling for investors on various sectors of investment, land acquisition, taxes and creates opportunities for joint venture partnerships.

Government-owned mass media outlets (radio, television, and newspapers) and privately-owned magazines, newspapers, radio stations and billboards play a key role in Advertising and trade promotion. The Addis Ababa Chamber of Commerce organizes the largest international trade fair in Ethiopia which attracts many foreign and local companies.

## **10. Forms of Business organization**

There are six forms of Business Organizations; Ordinary partnership; Joint Venture; General Partnership; Limited Partnership; Share Company; Private Limited Company. Among the above mentioned forms of business organizations, private limited company is the most common one.

## **11. Taxation**

The [Ethiopian tax](#) law provides for direct and indirect taxes. The direct taxes are divided into five categories; Personal income tax, rental tax, withholding tax, business profit tax and other taxes. The basic types of indirect taxes applicable are VAT, customs duty, excise and turn over taxes.

Corporate income tax (30%), turn over tax (2%and 10%), excise tax(10 up to 100%), customs duty (0% up to 35%), income from employment (0%-35%), withholding tax (2%), value added tax (15%), export tax (nil with the exception of hides and skins 150%), royal tax (5%), dividend tax (10%), income paid for services rendered outside Ethiopia (10%) , interest income (5%).

Ethiopia has concluded treaties for avoidance of double taxation with a number of countries including Algeria, check republic, china, Egypt, France, India , Israel, Italy, Kuwait, Romania, Russia, Seychelles, south African, Sudan, Tunisia, turkey, united kingdom, Yemen, etc.

The stamp duty charges are fixed where the value of the instrument cannot be determined or where the value of the instrument can be determined, the rate chargeable depends on the value of the property.

## **12. Appeal Procedure Under The Revenue Law**

Any tax payer objecting the assessment of the authority may [appeal](#) to a review committee. If the tax payer objects the decision may appeal to the tax appeal commission. If the tax payer is again dissatisfied with the decision of the tax appeal commission, he/she may appeal to the competent court.

## **13. Security and Its Enforcement**

In Ethiopia Securities, whether personal security (surety) or property securities (pledge or mortgage), are governed by the 1960 Civil Code of Ethiopia and various Banking Activity laws. The securities of pledge, mortgage and other types of securities like antichresis (special type of mortgage), lien rights, right of redemption ... etc also possess the nature of securities in the broad sense of the term. Banks have a foreclosure right over their collaterals.

Mortgage and Pledge are the prominent form of securities in any business transaction in Ethiopia. Under the Commercial Law of Ethiopia, a business can be mortgaged. Mortgage of a business derive either from the law or a contract. Any mortgage, whether legal or contractual, must be registered.

The seller of a business where the price of the sale has not been fully paid and a creditor of bankrupt trader have their claims secured by a legal mortgage on the business. Mortgage of a business applies only to the extent of part of the business which is expressly specified in the entry. Secured creditors have a preferred right on the proceeds of the sale of a business.

#### **14. Intellectual property**

Ethiopia is a member of the World Intellectual Property Organization (WIPO). The country also recognizes the protection of Intellectual Property (IP) rights via various Intellectual Property Proclamations and the Civil Code of Ethiopia. A proclamation enacted in 2006 on [trademark registration and protection](#), a proclamation enacted in 1995 on [Inventions and Industrial Designs](#), Copy Right and Neighboring Right proclamation in 2004, regulation enacted in 2012 on Trademark, Regulations and Proclamations and others play a key role towards the protection of Intellectual Property (IP) rights. The law provides clear protection for registered trademarks. The law provides protection for registered trademarks for well-known trademarks under an international convention also. However its implementation is conditional. The prerequisite for the protection of a well-known trade mark under an international convention of which Ethiopia is a party is where the trademark must be also well known in Ethiopia. Thus it is better get trademarks registered for [a better protection](#).

In Ethiopia Trademark registration process is undergoing a fundamental revision process. As part of this process a New Trademark Regulations is published in Ethiopia on 24 December 2012, followed by the issuance of detailed directive by the Ethiopian Intellectual Property Office. According to this [new law](#), owners of Trademarks that are already registered in Ethiopia will mandatorily be required to file new applications within 18 months of the publication date, which is by no means no later than June 24, 2014. These new applications will not be registered automatically but will be subject to examination on absolute and relative grounds.

#### **15. Trade Competition Law**

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The Commercial Code of Ethiopia and Trade Practice and Consumer's Protection Proclamation 685/2010 provides the basic framework to create competitive market and implement the free market economic policy. The law restricts the business community from any form of anti-competitive and unfair market practices; so that consumers get goods and services equivalent to the price they pay. Therefore, obligations of the seller, rights of the buyer, illegal or harmful trade practices and their corresponding legal duties are incorporated within that aim to ensure the responsible carry of duties by parties as well as safety, health, interests and good will of the general public.

According to the [Consumer Protection Laws](#), the following acts are deemed to be acts of unfair competition;

- any act or practice carried out in the course of trade, which is dishonest, misleading, or deceptive and harms or is likely to harm the business interest of a competitor,
- any written or oral agreement that restricts, limits, impedes or in any other way harms free competition and others,
- Concerted refusal to deal, sell and render services
- any act that causes or is likely to cause, confusion with respect to another enterprise or its activities in particular, the products or services offered by such enterprise
- Any act that damages or is likely to damage the goodwill or reputation of another enterprise falsely and an act that misleads or is likely to mislead the public with respect to an enterprise or its activities in particular, the products or services offered by such enterprise
- Disclosure, acquisition or use of information without the consent of the rightful holder of that information in a manner contrary to honest commercial practice
- Any false or unjustifiable allegation that discredits or is likely to discredit with respect to another enterprise or its activities in particular the products or services offered by such enterprise
- The importation of any goods from any foreign country into Ethiopian at a price less than the actual market price or whole sale price of such goods in the principal markets of the country of their production with the intent to destroy or injure the production of such goods in Ethiopia or to restrict or monopolize any part of trade in such goods
- Act of abuse of dominance

In cases of unfair competition, the court may order that damages be paid by the unfair competitor and make such order as are necessary to put an end to the unfair competition. On top of the civil liability, an act of unfair competition is punishable with fine and/or imprisonment. Also, the law sets administrative measures and penalties for unfair competitors which include the suspension or cancellation of business license impose financial penalties, size and sell goods that are subject to price regulations and the authority may take any appropriate measures that enable the victim's competitive position to be reinstated.

## 16. Labour Laws

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With the view of ensuring the industrial peace and enforcement of the employer and employee's [rights and obligations](#) in line with the law, Ethiopia has issued its labor law. Therefore, employing Workers in Ethiopia and the employer-employee relationships are governed by the labour proclamation number 377/2003.

The labor law has fixed nominal hours of work as eight hours a day and thirty nine hours a week. Work done in excess of these hours is deemed to be overtime.

A worker is entitled to uninterrupted annual leave in no case be less than: fourteen (14) working days for the first one year of service; fourteen, (14) working days plus one working day for every additional year of service. Public holidays observed under the relevant law shall be paid public holidays. A worker who has completed his probation and terminate his contract due to different reasons will have the right to get severance pay from the employer.

The Ethiopian Investment Policy makes it easy to the Investor to mobilize its laborer from region to region without any restriction with efficient, economic manner and standard benefit of the workers. Investors are allowed to bring in or employee expat employees in case of unavailability in the local market from abroad who have practical experience to transfer the modern technologies and add value on productivity.

## **17. Immigration, Visas, Work and Residence Permit**

As per Ethiopian [Immigration laws and regulations](#), unless an exemption to show an entry visa is stipulated under the law or treaty to which Ethiopia is a party, a foreigner who wants to enter in to Ethiopia should possess a valid travel document, a valid entry visa or permanent residence permit and health certificate, if necessary.

A foreigner holding a tourist or transit visa should in addition possess a ticket valid for travel.

According to the immigration law of Ethiopia, the types of visas to be issued include Diplomatic Visa, Special Visa, Business Visa, Immigrant Visa, Tourist Visa, Transit Visa, Student Visa, Exit Visa, Re-Entry Visa and Other.

A foreigner who enters with a business visa and intends to stay for more than ninety days should be registered within thirty days of the date of his/her arrival.

A foreigner who is registered to stay more than ninety days in Ethiopia is required to obtain a temporary or permanent residence permit and a work permit.

In order to get a work permit, an application form duly filled and signed by the employee or the agent will be submitted with the following documents;

- The employee's documents like Photograph, passport, Personal work history and work experience ...etc

- The employer's Company's documents like Business license, original registration certificate, Letter from the hiring company in Ethiopia...etc,

## **18. Import and Export**

### **Import Regulations**

According to Regulations No. 270/2012 Import trade (excluding LPG, bitumen, and raw materials imported by foreign investors who are in the manufacturing industry) in Ethiopia is exclusively reserved for domestic investors.

Ethiopian import export trade has been growing steadily and its import trade outweighs the export trade. Ethiopia imports a wide range of goods: from heavy machinery and steel to chewing gum. A large number of Ethiopian businesses are engaged in import activities. Even though the growing manufacturing industries will provide substitutes for some goods, Ethiopia will very likely continue to import most of the goods it is importing now. Participating in the import trade in Ethiopia may be a good idea for a domestic trader. A foreign exporter also can make use of the growing import to Ethiopia and sell its goods to Ethiopian Importers via a mutually benefiting business arrangement. Construction machinery and Vehicles, Steel, Chemicals, and Recently Cement are goods that are imported to Ethiopia in huge quantities.

Importers who secured foreign currency should use Ethiopian Shipping and Logistics Services Enterprise (for Sea Transport) or Ethiopian Air Lines (in case of Air Transport) to transport their cargo. If these carriers do not call a specific port, the carriers give the importers a waiver. However, the Ministry of Industry has recently sent a list of manufacturers to the National Bank of Ethiopia exempted from the requirement to use ESLSE.

For the purpose of carrying out customs activities imported goods from the time of their arrival at customs port until the completion of customs formalities and they are received by importer or his agent, export goods from the time they are deposited until they are removed from the ware house will be under the customs supervision and control.

Prohibited products will also be under the supervision and control until appropriate measure is taken. Duties on goods imported into the customs territory of Ethiopia shall be paid at the rates specified by customs tariff regulation.

### **Export Regulations**

According to Regulations No. 270/2012 export trade of raw coffee, chat, oil seeds, pulses, hides and skins bought from the market and live sheep, goats and cattle not raised or fattened by the investor is exclusively

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reserved for domestic investors. Foreign investors cannot be involved in export trade of these items from Ethiopia.

Businesses that wish to export from Ethiopia should know the export procedures needed to obtain export permit by commercial banks; should prepare Application for Quality Testing and Certification to obtain Export Authorization Certificate from the Quality and Standards Authority of Ethiopia; should fill the Customs declaration.

## **Exchange Control**

National bank of Ethiopia focus on maintaining stable rate of price and exchange, to foster a healthy financial system and to undertake such other related activities as are conducive to rapid economic development of Ethiopia. The National Bank has also a power to set limits on the net foreign exchange.

A foreign investor has the right to make remittances on profits and dividends, principals and interest payments on external loans, payments related to technology transfer agreements, proceeds from the sale or liquidation of an enterprise out of Ethiopia in convertible foreign currency.

## **19. Real Estate**

Ethiopia is to enact a new real estate law called the Real Estate Home Developers Proclamation which is presumed to address the issue of licensing for real estate developers, the transfer of finished homes, as well as outlining the developer's responsibilities and the framing of the contract between the real estate developer and the customers.

As stipulated under the FDRE constitution, land is the property of the state and the peoples of Ethiopia. For investment purpose, except in some regions, urban land is obtainable on lease-hold basis. The duration of the lease period varies depending on the level of urban development or the sector of development. The price of urban land is determined by auction. The lease-hold possessor has the right to transfer or undertake a surety or one may use it as a capital contribution to the amount of the lease payment.

Rural land is obtainable for investment on rental basis. The rental value and the lease period of rural land is determined by laws adopted by regions. Rural land is rented mainly for agriculture. Currently, there are nearly 11.55 million ha of potential land for farming.

Urban land is divided into land for industrial use and land for other activities. Industrial land is given much attention by the government and a number of industrial zones are established. Industrial land in industrial zones is allocated to investors at fixed prices. Land for export oriented industries is generally available at concessionary rate.

## **Escrow Arrangements**

There is no such arrangement under the Ethiopian context.

## **20. Dispute Resolution**

### **Arbitration**

Nowadays there is a growing trend of applying alternative dispute resolution mechanisms in Ethiopia. Those arbitration clauses are effective, as long as they are not contrary to the mandatory provisions of Ethiopian law. Where arbitration is required by law or the parties have entered into a written agreement to submit present or future differences to arbitration the provisions of the Ethiopian Civil Procedure will apply. The arbitration tribunal in particular hear the parties and their evidence respectively and decide according to law.

With the growing number of arbitration tribunals in Ethiopia and the growing culture of ADR in Ethiopia it is becoming effective and more efficient in terms of time and efficient decisions, as compared to the Ethiopian Courts.

## **21. Execution Of Foreign Judgments And Awards**

### **Execution of Foreign Judgments**

Article 456 of the Ethiopian Civil Procedure Code states that unless otherwise expressly provided for by international conventions, foreign judgments may not be executed in Ethiopia except in accordance with the following grounds.

- i. The Execution of Ethiopian judgments is allowed in the country in which the judgment to be executed was given;
- ii. The judgment was given by a court duly established and constituted;
- iii. The judgment debtor was given the opportunity to appear and present his defense;
- iv. The judgment to be executed is final and enforceable and
- v. The execution is not contrary to public order or morals

If the above requirements fulfilled the court will allow the application; but if not it is impossible to execute the judgment.

The decision shall be made on the basis of the application unless the court for some special reason to be recorded decides to hear the parties at a hearing which it shall fix. The court shall at the same time decide on costs. Once the application is allowed and permission to execute is granted, the foreign judgments shall be executed in Ethiopia as though it had been given by an Ethiopian court.

## Enforcement of Foreign Awards

The principle for enforcement of foreign awards is similar to the ones mentioned for execution of foreign judgments. Accordingly to Article 461 of the Ethiopian Civil Procedure Code the following are conditions to be fulfilled to enforce an arbitral award.

- i.* Reciprocity is ensured. i.e. the execution of foreign awards is allowed in the country in which the award to be executed was given;
- ii.* The award has been made following a regular arbitration agreement or other legal act in the country where it was made;
- iii.* The parties have had equal rights in appointing the arbitrators and they have been summoned to attend the proceedings;
- iv.* The Arbitration Tribunal was regularly constituted;
- v.* The award does not relate to matters which under the provisions of Ethiopian laws could not be submitted to arbitration or is not contrary to public order or morals and
- vi.* The award is of such nature as to be enforceable on the condition laid down in Ethiopian laws

## Appendix I

NO	AREAS RESTRICTED FOR FOREIGN INVESTORS
1.	Areas exclusively reserved for the government <ul style="list-style-type: none"><li>• Postal service except courier services.</li><li>• Transmission and supply of electrical energy through the integrated national grid system: and</li><li>• Passenger air transport services using aircraft with a capacity of more than 50 passengers.</li></ul>
2.	Areas reserved for joint-venture investment with the government: <ul style="list-style-type: none"><li>• Production of weapons and ammunition: and</li><li>• Telecommunication service</li></ul>
3.	Areas exclusively reserved for domestic investors: <ul style="list-style-type: none"><li>• Export of raw coffee, chat, oil seeds, pulses, precious minerals, natural forestry products, hides and skins bought from the market, and live sheep, goats, camel, equines and cattle not raised by the investor;</li><li>• Import trade (excluding LPG and bitumen),</li><li>• Wholesale trade (excluding supply of petroleum and its by-products as well as wholesale trade by foreign investors of their locally produced products).</li><li>• Manufacturing of ice crème and cakes;</li><li>• Manufacturing of plastic shopping bags</li><li>• Finishing of fabrics, yarn, warp and weft, apparel and other textile products by bleaching, dyeing, shrinking, sanforizing, mercerizing or dressing;</li><li>• Tanning of hides and skins below finished level;</li><li>• Manufacture of cement;</li><li>• Manufacture of clay and cement products;</li><li>• Tour operation below grade 1;</li><li>• Construction, water well and mining exploration drilling companies below Grade 1;</li><li>• Kindergarten, elementary and junior secondary education by constructing own building;</li></ul>

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	<ul style="list-style-type: none"> <li>• Diagnostic centre service by constructing own building;</li> <li>• Clinical service by constructing own building;</li> <li>• Capital goods leasing (this does not include leasing of motor vehicles); and</li> <li>• Printing industries</li> </ul>
4.	<p>Areas exclusively reserved for Ethiopian nationals:</p> <ul style="list-style-type: none"> <li>• Banking, insurance, micro-credit and saving services;</li> <li>• Broadcasting and mass media services;</li> <li>• Attorney and legal consultancy services;</li> <li>• Preparation of indigenous traditional medicines;</li> <li>• Advertisement, promotion and translation works;</li> <li>• Domestic air transport services using aircraft with a seating capacity of up to 50 passengers; and</li> <li>• Packaging, forwarding and shipping agency services.</li> </ul>