Attracting Strategic Investment for an Inclusive and Resilient Economy

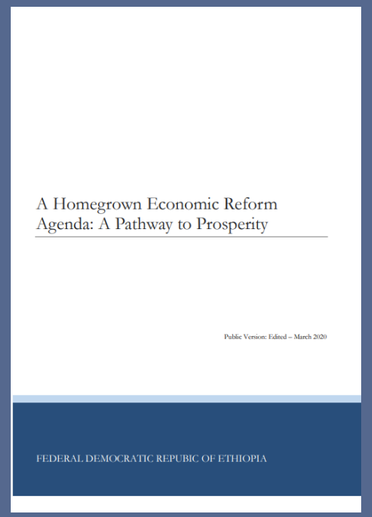
JUNE 2025



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Operationalizing the Vision: Ethiopia's Strategy to Promote Targeted, Inclusive and Sustainable Investment





The need to reposition Ethiopia's investment promotion strategy stems from:

- Persistent structural challenges: foreign exchange shortages, regulatory inefficiencies, and infrastructure gaps.
- Underperformance in FDI despite improvements in macroeconomic reforms.
- An urgent requirement to align with Ethiopia's development priorities under the Ten-Year Development Plan and Homegrown Economic Reform Agenda (HGER 2.0).

Building on these diagnostic findings and sector insights, the **Ethiopia Investment Promotion Strategy (2025–2030)** was developed to move from analytical diagnosis to coordinated, actionable transformation of the investment ecosystem.

The new strategy pivots from a broad-based model to a **targeted, sector-focused, investor-centric** approach that responds to dynamic global investment trends and maximizes Ethiopia's comparative advantages.



Why Ethiopia Needs a New Investment Playbook

- FDI inflows underperforming despite abundant opportunities.
- Strategy required to respond to geopolitical shocks, reform bottlenecks, and shifting investor expectations.
- Transition from passive, broad-based approaches to focused, high-impact sector strategies.

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Strategic Rationale: *A Strategic Pivot to Targeted, Impact-Driven Investment Promotion*



Vision

Make Ethiopia the preferred investment destination in Africa

Strategic Pillars

Investment Attraction
Investment Facilitation
Investment Retention
Institutional Coordination

TYDP, HGER, and ongoing reforms and liberalization

Alignment

Providing high-quality services that attract and facilitate foreign direct investment to maximize its economic contribution.

Mission

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Investment Landscape Overview: FDI Growth Underscores Urgency for Smarter Promotion Approaches

2015 — **$33B** — **2023**

Between 2015 and 2023, Ethiopia attracted over $33 billion in FDI. However, inflows remain volatile and below the Ten-Year Development Plan targets.

KEY OBSERVATIONS

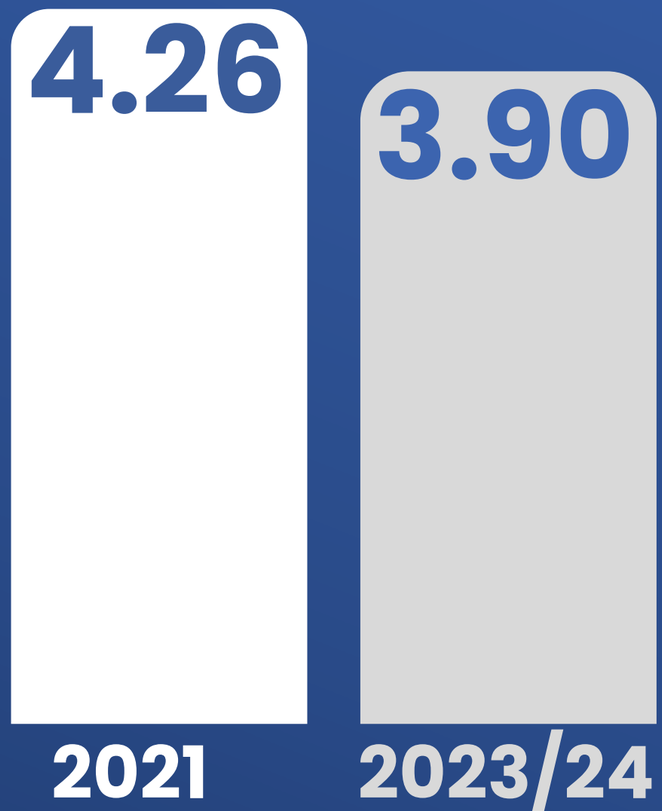
Peak FDI of $4.0 billion in 2020/21 fell to $3.9 billion by 2023/24.

Declining growth rates signal inefficiencies in the current promotion model.

Investment projects are concentrated in few regions, limiting inclusive growth.

Bureaucratic delays and high regulatory costs deter investor retention.

These trends reflect the limitations of previous passive promotion strategies and underscore the need for strategic recalibration.



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Strategic Objectives: Quality, Inclusiveness, and Institutional Coherence at the Core

1

Increase the volume and quality of FDI aligned with national development goals.

2

Enhance investor retention through effective facilitation and aftercare services

3

Promote inclusive, sustainable investment that supports green growth and gender equality.

4

Strengthen institutional coordination and policy coherence across federal, subnational and line-ministries levels.



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Every element of promotion—what we say, who we say it to, and how—is tailored to investor profiles to maximize relevance and conversion.

WHAT
TO PROMOTE

Specific products and services by sector.

[ANSWERED BY THE DIAGNOSTICS and Continuous updates]

TO WHOM
TO PROMOTE

Investor segments using data analytics and AI-powered lead generation and CRM systems

Segmented investor profiles (MNCs, High-Growth SMEs, Impact Investors)

HOW
TO PROMOTE

Outreaches will be redesigned: tailored pitches, market-specific messaging, and digital-first strategies.

Investment Branding & Outreach, Proactive and Data-Driven Investor Targeting, Digital

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Each pillar informs and strengthens the others—forming the foundation of modern promotion.

WHAT

DIAGNOSTICS & SECTORAL ANALYSIS



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Based on the Harvard Competitiveness Framework assessment, these sectors demonstrate Ethiopia's strongest competitive advantages

- Textile & Garment
- Real Estate
- Commercial Agriculture
- Leather Products
- Telecom & ICT
- Pharmaceutical
- Tourism
- Mining
- Energy
- Agro-Industry

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Infrastructure Upgrades

Relevant Sectors

Tourism, Energy, Commercial Agriculture, Pharmaceutical, Telecom/ICT

Workforce Development

Relevant Sectors

Mining, Tourism, Textile & Garment, Telecom & ICT, Leather

Value Chain Integration

Relevant Sectors

Agro-Industry, Textile & Garment, Leather, Mining, Commercial Agriculture, Tourism

Policy and Digitalization

Relevant Sectors

Real Estate, Telecom & ICT, Pharmaceutical, Commercial Agriculture

FDI Facilitation & Aftercare

Relevant Sectors

Real Estate, Pharmaceutical, Energy, Textile & Garment, Agro-Industry, Mining

To boost competitiveness and attract investors, Ethiopia must upgrade infrastructure, streamline policies and digital land systems, develop industrial clusters, and enhance workforce capabilities

Key Strategic Pillars: Four Strategic Pillars to Power Ethiopia's Investment Competitiveness and Attraction

Following rigorous diagnostics and sectoral analysis, Ethiopia's strategy is anchored in four core pillars that directly respond to the systemic limitations identified—ensuring a more agile, targeted, and investor-friendly promotion architecture.

TARGETED PROMOTION & BRANDING

Sectoral branding, investor outreach and tailored value propositions

INSTITUTIONAL STRENGTHENING

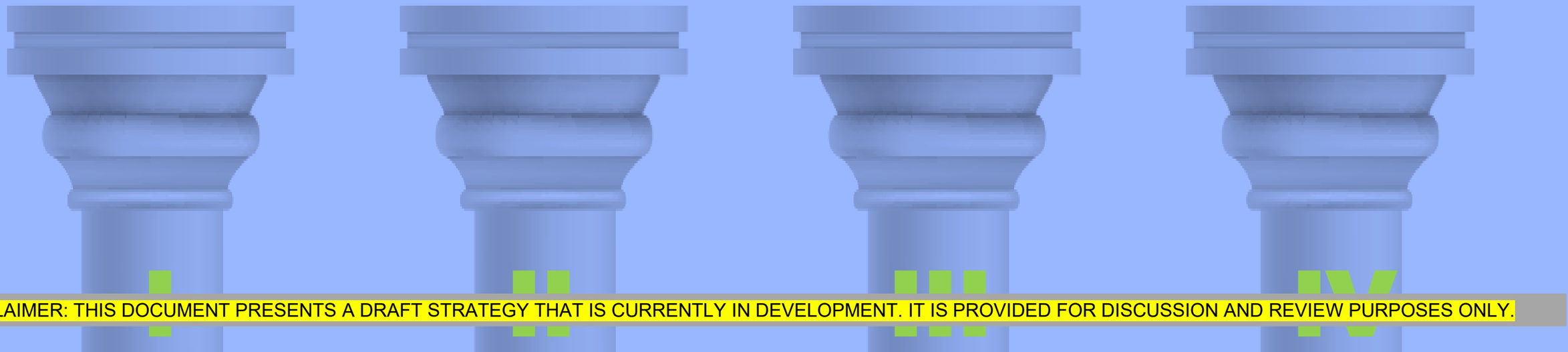
Establish clear coordination mechanisms with federal, regional and Strategic actors.

INVESTMENT FACILITATION & AFTERCARE

From one-stop shops to lifecycle investor services

POLICY & REGULATORY COHERENCE

Alignment of sector strategies and regulatory frameworks.



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TO WHOM

WHO WE SAY IT TO



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TO WHOM: Precision Targeting for Maximum Impact

Who are the target

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MULTINATIONAL CORPORATIONS (MNCS)

Attracting MNCs often means targeting industry leaders in priority sectors and offering them a compelling business case.

For example, Vietnam's success in attracting Samsung which committed over $17 billion and made the country its largest manufacturing base – is a global best-practice case. Similarly, Morocco transformed into an automotive export hub by securing Renault's €1 billion (~$1.1B)

HIGH-GROWTH SMES/STARTUPS: TECH, AGRI-TECH INNOVATORS.

Smaller foreign investors, including scale-ups and tech startups, bring innovation, agility, and can grow into larger investors.

Chile's Start-Up Chile program (launched 2010) has attracted over 1,900 startups from 85 countries by offering seed funding and accelerator support . Notably, ~74% of participating ventures have foreign founders.

IMPACT INVESTORS

Impact investors target emerging markets for inclusive growth and sustainability.

Kenya exemplifies this as East Africa's top hub, with 136 impact capital vehicles managed by 95 investors (as of 2015), active in sectors like solar, fintech, and healthcare. Ethiopia can attract similar investors by highlighting SDG-aligned sectors clean energy, agro-processing, and healthcare—and its large, underserved market.

HOW

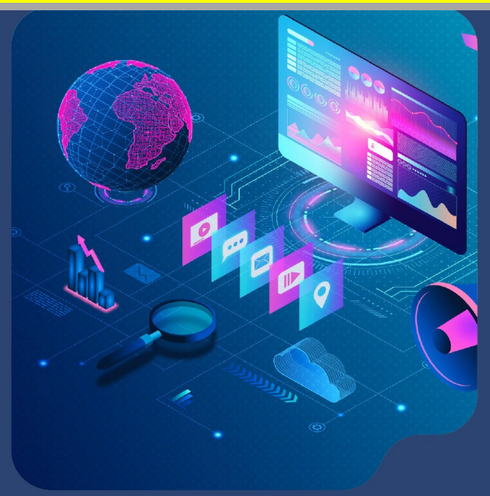
1. Investment Branding & Outreach



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Investment Branding and Outreach: Rebranding Ethiopia "Emerging" to "Ready"

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National Branding Campaign

Launch a **refreshed "Invest in Ethiopia" branding initiative** to project a consistent, positive image of Ethiopia as an attractive, reforming, and opportunity-rich destination.

The campaign will **spotlight recent economic reforms, success stories of investors, competitive costs** (e.g. power tariffs, labor), and Ethiopia's commitment to business-friendly policies – thereby building confidence among international investors.

Create alignment with ministries such as PMO, MoFA, MoF, MoI to initiate a coordinated promotion in investment attraction.



Targeted Promotion in Key Markets

Shift from general promotion to focused campaigns in priority source markets. Conduct strategic **roadshows, high-level investment forums, and B2B events in regions like China and East Asia, the Gulf States, Europe, and North America** – which are key sources of FDI for Ethiopia.

Tailor the pitch for each market (e.g. emphasize manufacturing opportunities to Asian investors, agro-industry and renewable energy to Gulf investors, etc.), and **participate in international investment conferences** to proactively market Ethiopia.



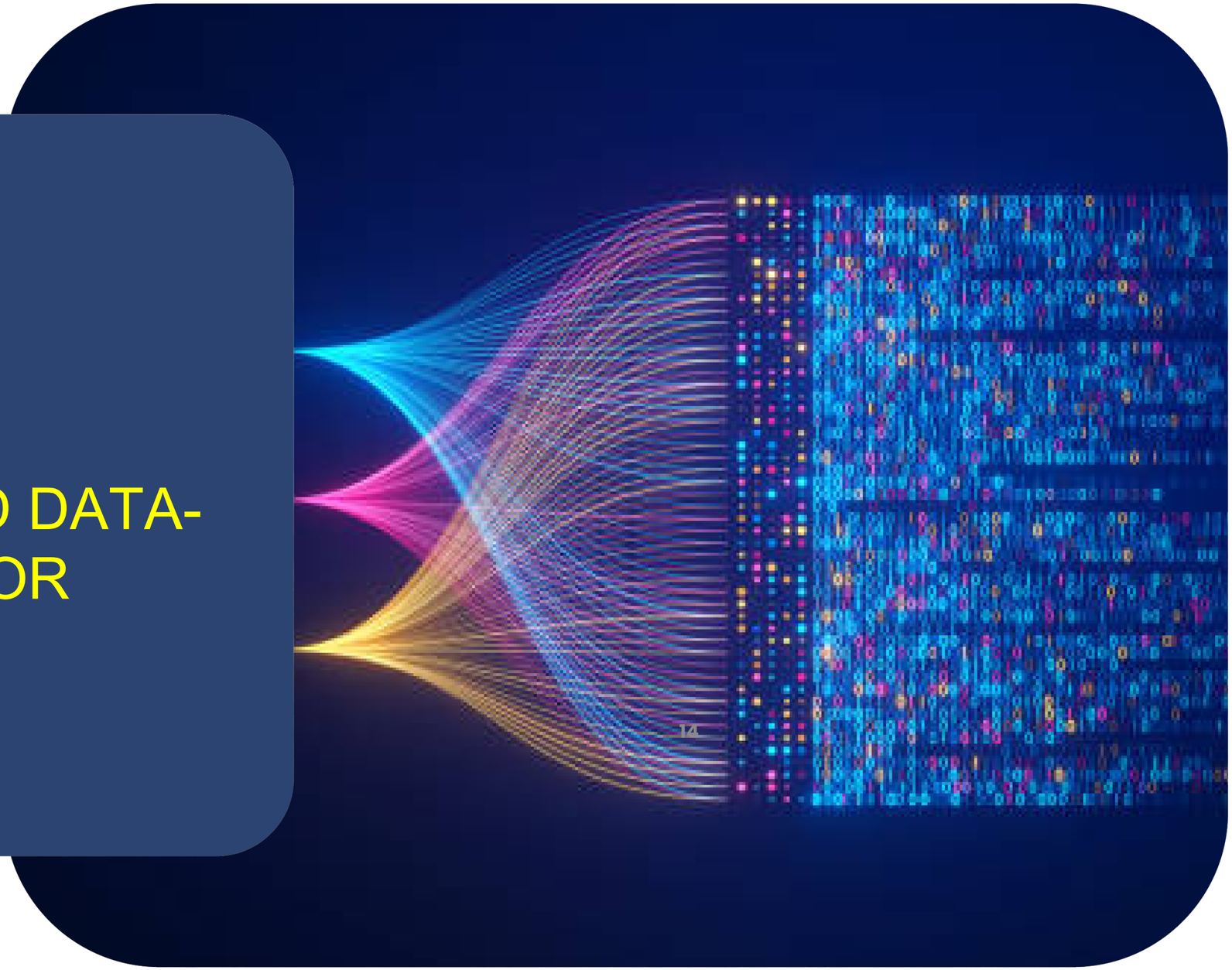
Leverage Foreign Missions & Diaspora

Activate Ethiopia's **embassies, consulates, and diaspora networks** as on-the-ground promoters of investment. Diplomatic missions will be trained to engage local business communities, facilitate investor delegation visits, and follow up leads generated by EIC.

The Ethiopian diaspora can be tapped to both invest in projects at home and to spread the Ethiopia investment story abroad. Consistent messaging and materials will be provided to all representatives to ensure the branding narrative is carried globally

HOW

2. PROACTIVE AND DATA-DRIVEN INVESTOR TARGETING



Proactive and Data-Driven Investor Targeting



Data Driven Targeting Via Analytics

Use **analytics** to **segment investors** and tailor value propositions.

Subscribing to global investment intelligence tools (e.g. fDi Markets, LinkedIn Sales Navigator, PitchBook)

Focus outreach on high-fit companies and sectors where Ethiopia has a competitive edge.

Investing in a **data-driven lead generation system** that includes adopting a **robust CRM platform**

Investor Segmentation Strategy

Tailor outreach by investor type & customize messaging based on investor needs and evidence-based insights:

Multinationals: Offer industrial park incentives.

Tech Startups: Provide support programs, including for diaspora founders.

Impact Investors: Highlight Ethiopia's renewable energy potential.

Align engagement with each group's motivations and priorities.

Shift and Maintain To a Constant Proactive Outreach

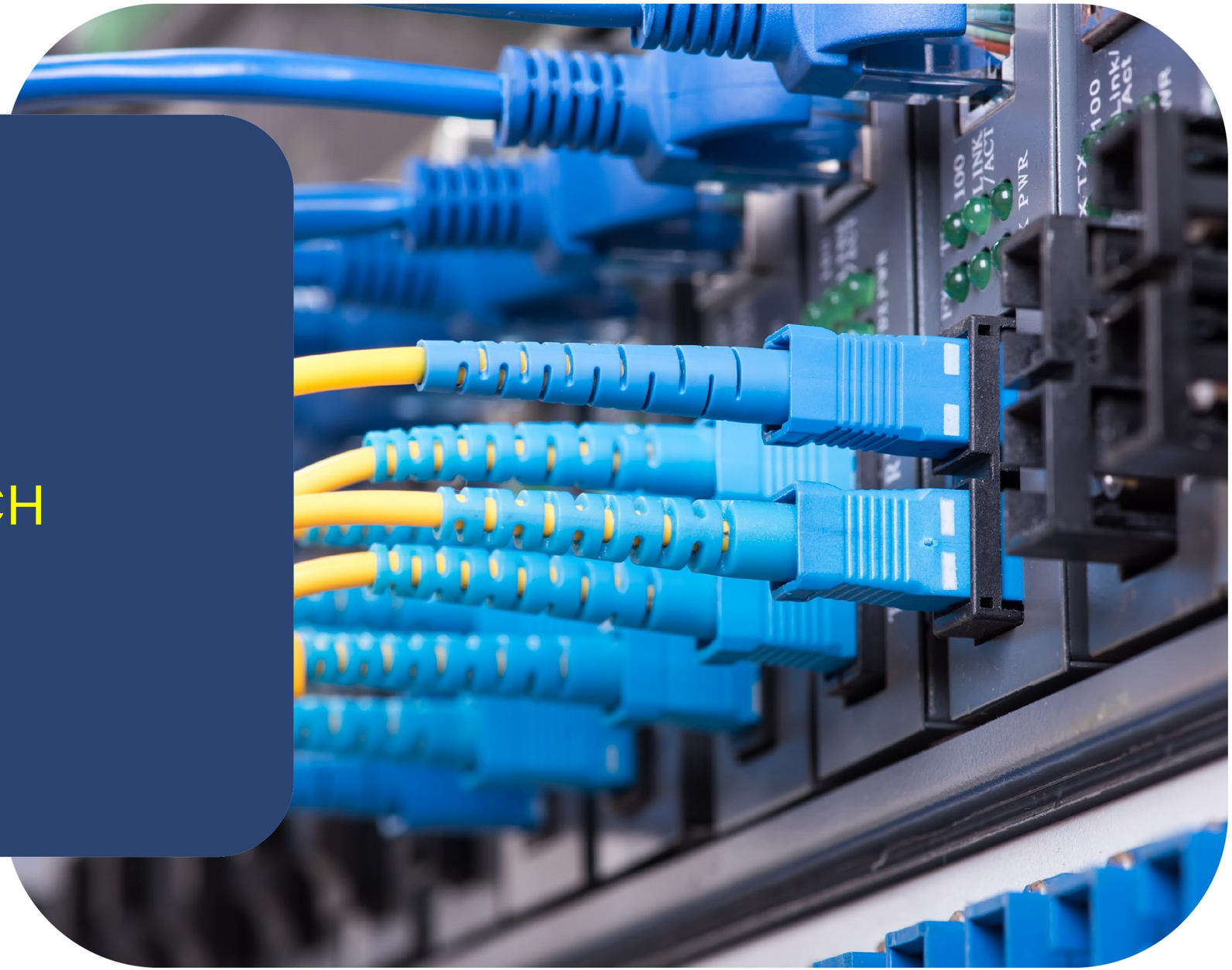
Transition from passive promotion to **actively targeting high-potential investors** aligned with Ethiopia's priority sectors.

Maintain and monitor target company lists and engage directly via calls, emails, and meetings.

Implement a **dedicated outreach team** with structured follow-up and regular reporting (weekly, monthly, quarterly).

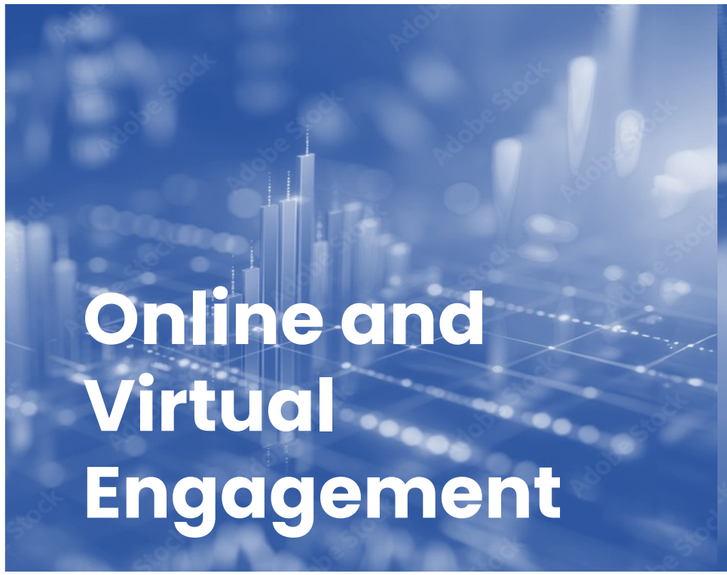
HOW

3. DIGITAL OUTREACH



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Digital Outreach



Online and Virtual Engagement

Upgrade EIC's **investment po**rtal for richer content and interactivity.

Launch virtual forums and online site visits to engage investors unable to visit in person.

Expand global reach and ensure 24/7 access to investment information.



Social Media Marketing

Leverage social media and **digital** ads to boost global visibility.

Share **success stories, opportunities, and updates** on LinkedIn, Twitter, and other platforms consistently.

Drive investor interest through **intentional, targeted content with refreshed branding**.



AI-Driven Targeting

Leverage AI, big data, and CRM systems for smarter investor targeting.

Identify and engage prospective investors with precision.

Prioritize high-potential leads and tailor outreach using personalized insights.

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STRATEGIC ENABLERS AND CROSS-CUTTING PRIORITIES



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Strategic Enablers and Cross-Cutting Priorities: Building the Foundations for Strategy Success through institutional effectiveness and inclusivity

Successful execution of the four pillars requires foundational systems, inclusive practices, and smart investments in digital tools and human capital.

Digital Transformation

Adopt a modern CRM system to track and manage investor relationships.

Development of a **comprehensive investor portal** that integrates promotion, conversion, licensing, facilitation, aftercare, and analytics.

Introduction of **dashboards for investor tracking** and automated service delivery.

Skills Development and Talent Matching

Aligning workforce training with sector-specific demand—particularly for prioritized sectors such as textiles, pharmaceuticals, ICT, and agro-processing.

Encouraging TVET and university collaboration with EIC and sector ministries to close skills gaps.

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Investment Ecosystem Development

Aligning and ensuring consistency in messaging and follow-up with strategic partners including line ministries, agencies, development partners, embassies, etc.

Empowering regional governments to develop local investment profiles aligned with the national strategy.

Establishing regional investment facilitation units linked to EIC's digital and operational systems.

Gender and Inclusion

Mainstreaming gender-responsive investment facilitation and enabling policies for women-led businesses and youth employment.

Creating indicators to monitor the impact of inclusive investment promotion.

Strategic enablers provide the necessary foundation and functional tools to realize Ethiopia’s investment strategy objectives. They are designed to remove systemic bottlenecks, modernize service delivery, and enhance institutional responsiveness.

Empowering Reform Execution Through Systems, Skills, and Smart Infrastructure

Digital Transformation

Launch a **digital-first investment promotion campaign** leveraging SEO-optimized content, sector-specific landing pages, and interactive tools (e.g., virtual industrial park tours).

Enhance EIC's online presence with a modernized portal featuring 24/7 AI chatbots, e-services, and live data dashboards.

Use targeted digital advertising on platforms like LinkedIn and Google to reach executives in priority sectors using keywords such as "textile investment Africa."

Launch of an integrated digital investor portal, combining licensing, facilitation, aftercare, and feedback mechanisms.

Use of dashboards and real-time analytics for investor tracking and performance measurement..

Interoperability between federal and regional systems to ensure seamless service delivery.

Digitization of document submission, workflow tracking, and investor communication.

Investment Intelligence and Data Sys

Establishment of an **Investment Intelligence and Analytics Unit** within EIC.

Development of **sector dashboards to monitor trends**, benchmark performance, and forecast opportunities.

Use of **data for adaptive policy reform, promotion** targeting, and investor aftercare.

Monitor and refine campaigns through real-time analytics, ensuring high ROI and investor relevance.

Subscribe to global investment intelligence tools *e.g., fDi Markets, LinkedIn Sales Navigator, PitchBook*.

Align with global best practices in tech enabled strategic investor targeting.

Institutional and Human Capacity Development

EIC and regional bodies to undergo **capacity-building and continuous learning** in **investor servicing, digital tools, data analytics, and sector marketing**.

Build internal data analysis capacity to interpret expansion signals and investor trends.

Standardization of training curricula and certification across OSS staff.

Exchange programs with regional peers and global investment agencies.

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By doing so, EIC can proactively identify high-potential investors, prioritize outreach, and shift from reactive inquiry handling to strategic, targeted engagement—aligning with global best practices.

Stakeholder Roles and Commitment Areas: Shared Responsibility, Mutual Accountability, Sustainable Delivery

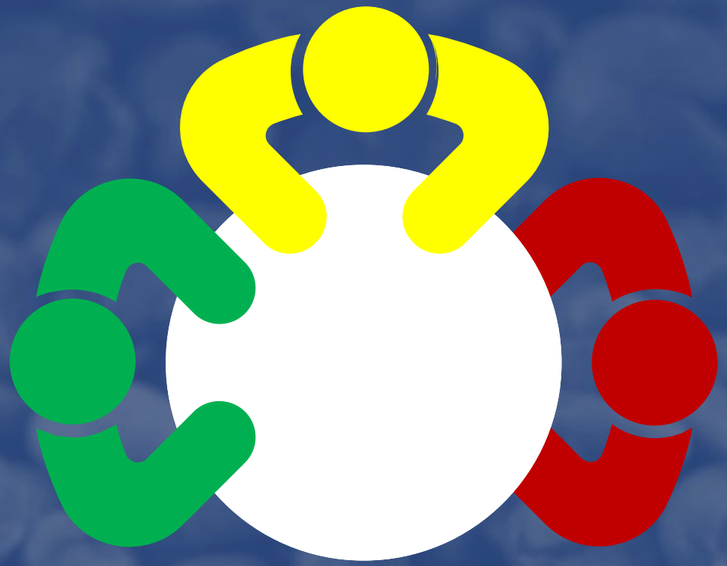
GOVERNMENT

Include: Line Ministries (Regional Agencies, MoI, MoTRI, MoFA, MoA, MoH, MiNT, MoWSA, Embassies

- EIC: Lead executor for promotion and aftercare
- Others: Proactive outreach and lead generation and enablers of sector-specific reform and investor services.

Lead strategy institutionalization and resource mobilization.

Ensure policy alignment and subnational engagement.



PRIVATE SECTOR

Investment Attraction and collaborators in promotion and delivery.

Actively participate in feedback loops and co-develop promotion content.

Align operations with national development priorities.

Commitment mechanisms must include MOUs, annual planning forums, and joint accountability frameworks.

DEVELOPMENT PARTNERS

Investment Attraction and collaborators in promotion and delivery.

Support technical assistance, capacity building, and digital platforms.

Facilitate regional and global investor linkages.

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Collaboration among the EIC, government ministries, the private sector, and development partners is essential for fostering meaningful discussions

A targeted public-private dialogue on FDI will bring together key stakeholders to discuss, align, and enhance the investment landscape



A unified **FDI-specific Public-Private Dialogue (PPD)** under EIC coordination will drive coherence and problem-solving.



Why? Investors leave when **uncertainty + fragmentation** outweigh incentives.



The PPD will bring **sector working groups**, issue tracking, and action-plan monitoring under one digital platform



Inspired by **Vietnam's Business Forum** and **Rwanda's PPD model,** it provides high-level political commitment, predictable rules, and data feedback loops.

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Roadmap and Monitoring, Framework



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Implementation Roadmap: From Quick Wins to Long-Term Systems Change

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Short-Term (2025-2026)

- **Design and launch PPD Forum for stakeholder & institutional cohesion**
- **Launch branding campaign with new slogan, videos, etc.**
- **Digital Media activation through revamp website with B2B, virtual tours.**
- **Pilot AI lead generation (target 100 leads/sector).**
- **Finalize legal reforms and restructure EIC's functions and leadership.**
- **Develop and launch digital investor portal and sectoral promotion kits.**
- **Establish Investment Intelligence and Data Analytics Unit.**

Medium-Term (2026-2028)

- **Rollout and institutionalization of a modern CRM system with** dashboards & real-time analytics of investor tracking
- **Strengthen investor aftercare services and streamline grievance redressal.**
- **Global Promotion & Image: Through conducting 3 roadshows, 2 virtual forums.**
- **Host global Invest Ethiopia Forum.**
- **Operationalize regional investment desks and integrate digital platforms.**
- **Introduce performance monitoring and investor feedback systems.**

Long-Term (2028-2030)

- **Institutionalize inter-ministerial coordination mechanisms and embed strategy KPIs in national planning systems.**
- **Fully digitize investor services, monitoring, and support mechanisms.**
- **Global Promotion and Image building leading to rankings and visibility**
- **Conduct regular reviews of investment competitiveness and reform responsiveness.**
- **Cross-cutting enablers: capacity building, digitization, and continuous monitoring.**

The implementation roadmap is phased to ensure manageability, accountability, and learning. The Outcome of this strategy: "Shift Ethiopia's image from "emerging" to "ready"

Monitoring FDI performance is crucial for identifying gaps and enhancing promotional strategies



KPIs that will offer a balanced scorecard across attraction, facilitation, institutional performance, and regulatory impact

1) **Annual Volume and Quality of FDI Attracted:** Measured by number and value of investment projects, sector alignment, and investor origin.

2) **Conversion Rate from Promotion Leads to Investment Commitments:** Assesses the effectiveness of targeted outreach and sector pitch efforts.

3) **Investor Satisfaction Score with Facilitation Services:** Captured via periodic surveys across pre-establishment, establishment, and operational phases.

4) **Turnaround Time for Key Investor Services:** Benchmarked against predefined service delivery standards for licensing, land access, etc.

5) **Reinvestment and Retention Rate of Existing Investors:** Tracks investor confidence and performance of aftercare systems.

6) **Utilization of Digital Investor Services:** Measures the uptake of online licensing, CRM systems, investor dashboards, and grievance tools.

7) **Legal and Policy Reforms Implemented Supporting Investment Climate Improvement:** Tracks actual reforms enacted in response to strategic recommendations and investor feedback.



Digital dashboards and CRM integrations to track



Development partners can plug in support on automation, benchmarking and systemization.



Emphasis on continuous iteration: test–measure–refine at scale

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Consensus Points and Call to Action: Validating Strategy, Aligning Action, and Mobilizing Commitments Now

This Strategy Delivers Results—But Only If We Execute Together, Starting Now



Ethiopia is not selling land or labor. It's offering **a reforming economy and a long-term partnership.**



This strategy is **designed**, not aspirational: with clarity on what to do, how to do it, and who should do it.



Together, we can ensure Ethiopia competes not just for investment, but for transformation.

I. **Validate priority sectors, key pillars and approaches.**

II. **Identify lead entities for immediate action.**

III. **Secure partnership and funding pledges.**

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