

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

ETHIOPIA

Africa East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Addis Ababa	Capital, financial and commercial hub; host of Ethiopia's annual Investment Forum, which targeted over 800 global participants and investment commitments exceeding USD 2.4 billion for its 2026 edition	Finance, banking, telecommunications, services, manufacturing
Grand Ethiopian Renaissance Dam (GERD), Blue Nile	Africa's largest hydroelectric power plant at 5,150 MW, inaugurated September 2025; a historic national infrastructure milestone expected to support broader economic development	Power generation, energy-intensive industry, regional power export
Kurmuk and Tulu Kapi gold mines	Both opening in 2026, together adding nearly 400,000 ounces of annual gold production capacity	Gold mining and processing
Danakil Depression	Site of the relaunched, USD 2.3 billion Danakil potash project	Potash mining and processing
Djibouti-Ethiopia trade corridor	Ethiopia's primary maritime trade route, running through landlocked Ethiopia's dependence on the Port of Djibouti; directly linked to the broader Djibouti logistics economy	Logistics, rail and road transport infrastructure, cross-border trade facilitation
Telecommunications and banking sectors nationwide	Both sectors are being gradually reopened to private and foreign investors as part of the Homegrown Economic Reform Program	Telecommunications, banking and financial services

INVESTOR ENTRY ROUTES

- **FOREIGN DIRECT INVESTMENT:** Actively courted through the annual Investment Forum and the gradual reopening of telecommunications and banking to foreign investors.
- **JOINT VENTURE:** Relevant across mining, manufacturing and energy, particularly as state enterprises transition toward partial private participation.
- **STRATEGIC PARTNERSHIP:** Suitable for GERD-linked power offtake and energy-intensive industrial development, and for institutions engaging directly with the National Bank of Ethiopia's reform agenda.
- **PPP / INFRASTRUCTURE:** Highly relevant given nearly 10% of GDP is allocated annually to infrastructure, alongside a newly launched, named mega-project reported at approximately USD 10 billion.
- **ACQUISITION / PRIVATISATION:** Central to the reform program, which commits to multiple privatisations open to foreign investors as part of Ethiopia's IMF-backed liberalisation agenda.
- **EXPORT → DISTRIBUTION → LOCALISATION:** Supported by strong recent merchandise export growth, which reached USD 5.1 billion in the first half of the fiscal year, more than double the official target.

MARKET-ENTRY OBSERVATION

An Ethiopia entry strategy should engage directly with the Homegrown Economic Reform Program as the organising framework for nearly every other opportunity in this guide, since mining, energy, banking and telecom openings are all explicitly sequenced within it. Investors should also treat the country's growth figures with direct scrutiny: reported 2025-2026 growth rates vary meaningfully even

across sources citing the same institutions, from the IMF's more conservative 7.1-7.2% to government figures above 9% and a Prime Ministerial upgrade to 10.2%, a genuine data-consistency question worth resolving directly with primary sources before underwriting any growth-dependent business case.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Genuinely divergent growth data across sources	Reported growth figures for 2025-2026 range widely, from the IMF's 7.1-7.2% to government claims above 9% and a Prime Ministerial figure of 10.2%, even where sources attribute their numbers to the same institution	Verify the specific fiscal-year period, source vintage and methodology behind any growth figure directly before relying on it in financial modelling
Persistent foreign exchange premium despite the 2024 float	As of January 2026, banks sold birr at close to 151 per US dollar while the parallel market reached above 180, a gap that has narrowed from pre-reform levels but persists, reflecting continued demand for foreign currency outside formal banking channels	Build realistic, parallel-market-informed FX assumptions into financial planning rather than relying solely on official rates
2024 Eurobond default and ongoing debt restructuring	A June 2026 bondholder agreement, confirmed by official creditors in August 2026, replaces the defaulted Eurobond with a USD 880 million, three-year instrument implying a roughly 12-15% haircut; commercial-creditor deals are separately targeted for October 2026. External public debt rose from 15.7% to 31.7% of GDP in one year, largely on currency depreciation, with present-value debt projected near 44% of GDP in 2026/27 under stress	Track the Eurobond restructuring's progress directly as a leading indicator of sovereign creditworthiness
Middle East conflict spillover	Higher import costs for oil and fertiliser, and to a lesser extent a slowdown in foreign capital inflows and domestic demand, are directly attributed to the wider regional conflict	Stress-test import-dependent project costs against continued regional energy and fertiliser price volatility
Underinvestment in social sectors	Identified directly as a persistent challenge alongside the exchange rate premium, constraining the human-capital base supporting broader economic growth	Factor workforce and social-infrastructure constraints into labour-intensive project planning
Post-conflict fragility	Independent analysis frames Ethiopia's growth recovery as conditional directly on reforms being sustained and peace enduring, given the country's recent civil conflict	Monitor domestic political and security conditions as a standing input to investment timing decisions

INVESTOR RISK NOTE

Ethiopia is best read as a genuine, IMF-anchored reform recovery generating Africa's fastest headline growth, alongside real, honestly disclosed data-consistency and currency questions that warrant direct verification. The IMF's own figures put growth at 7.1-7.2% for 2025-2026, while separate IMF-attributed reporting and government statements put the figure as high as 9.2% or above; Prime Minister Abiy Ahmed stated growth would reach 10.2% in the current fiscal year, up from a prior 8.9% forecast, the first time above 10% since 2016-17. Inflation has fallen substantially, from around 30% to roughly 13% according to one account, and foreign currency reserves have reportedly tripled, though the persistent gap between official and parallel exchange rates suggests the currency liberalisation remains incomplete. Ethiopia has solidified its position as the largest economy in East Africa and the third-largest in Sub-Saharan Africa. More recent data complicates the disinflation narrative: after falling to 9.7% in December 2025, annual inflation rose for four straight months to 15.3% by July 2026 (food inflation 15.7%, sugar prices up nearly 40%), driven partly by Middle East-linked fuel and fertiliser costs and a roughly 35% domestic petrol price increase; some independent commentators argue underlying inflation may be closer to 30%, though this is contested and unverified. Reserves are projected near USD 5.9 billion, about two months of import cover and still below the standard three-month benchmark, and the central bank has reportedly absorbed around USD 2.6 billion in FX losses since the 2024 float.

MARKET ACCESS

The IMF completed the fourth review of Ethiopia's 48-month, USD 3.4 billion Extended Credit Facility on 16 January 2026, unlocking approximately USD 261 million in additional financing, with total disbursements surpassing USD 2.1-2.6 billion depending on the

reporting date; the World Bank has separately committed approximately USD 5 billion in grants and concessional loans over the same period. The government's "Invest in Ethiopia 2026" forum closed on 27 March 2026 with agreements valued at over USD 13 billion across manufacturing, agriculture/agro-processing, energy and construction - up sharply from USD 1.6 billion at the 2025 forum, though no public breakdown by deal or investor has been released and these are agreements rather than confirmed disbursed investment. Separately, Ethiopia recorded a record USD 4.32 billion in FDI for fiscal year 2025/26. The Homegrown Economic Reform Program, launched in 2019 and reinforced by private-sector reforms agreed with the IMF in July 2024, commits Ethiopia to gradual foreign exchange market liberalisation, multiple privatisations open to foreign investors, and the launch of a stock market and broader financial market.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Ethiopian Investment Commission / investment promotion authority	Organises the annual Investment Forum and serves as the central government interface for new foreign investment	Project pipeline, investment forum access, institutional introductions
National Bank of Ethiopia (Governor Mamo Mihretu)	Leads currency and monetary reform, central to the 2024 float and ongoing FX market liberalisation	Monetary-policy dialogue, FX-reform tracking
IMF	Administers the 48-month Extended Credit Facility; its review cycle is the single most important leading indicator of reform credibility	Reform-linked monitoring, macro-stability tracking
World Bank	Providing approximately USD 5 billion in grants and concessional loans; actively engaged in private-sector development advocacy	Development co-financing, private-sector reform engagement
Ministries overseeing mining, energy and telecommunications	Lead sector-specific licensing for gold, potash, GERD-linked power, and the telecom/banking reopening	Sector licensing and regulatory-reform introductions
Ethiopian Airlines	National carrier whose expanding passenger traffic directly contributes to broader economic growth and connectivity	Aviation and logistics-sector context and introductions

CURRENT INTERNATIONAL BUSINESS CHANNELS

The IMF and World Bank are Ethiopia's most consequential current international relationships, anchoring the reform programme that underpins nearly every other investment opportunity in this guide. The annual Investment Forum is explicitly designed to broaden this base, with 2026 targets of over 800 global participants and more than USD 2.4 billion in new commitments. Djibouti remains Ethiopia's indispensable logistics partner given the country's landlocked status, directly linking Ethiopia's own investment climate to developments covered in Waverley's separate Djibouti Gateway Guide. These multilateral and regional-logistics channels represent the most established current entry points for Waverley to build further cross-border investor and institutional introductions.

INVESTOR PROFILE BEST SUITED

Mining investors in gold and potash, power and energy-intensive industrial investors linked to GERD capacity, banking and telecommunications investors entering newly-liberalising sectors, infrastructure and logistics investors tied to the Djibouti corridor, and manufacturing investors benefiting from a reform-anchored, rapidly growing domestic market are the strongest initial target profiles.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Market Intelligence

Map the sector, project location, applicable reform-programme component and counterparties.

STEP 2: Investor Fit

Match capital, technology and risk appetite to a defined Ethiopian project or investment theme, with explicit regard to currency and data-verification considerations.

STEP 3: Partner Identification

Identify government counterparts, the National Bank of Ethiopia, multilateral institutions and relevant international companies.

STEP 4: Strategic Introductions

Use Waverley's business-diplomacy and institutional-relations capability to facilitate selected, purposeful introductions.

STEP 5: Market Entry

Support the investor through feasibility, partner negotiations, financing discussions and implementation planning.

WAVERLEY'S ROLE

- Market Entry & Investment
- Business Diplomacy & Strategic Introductions
- Trade Missions & Market Access
- Trade & Geopolitical Risk Advisory
- Government & Institutional Relations
- Research & Investment Intelligence

INVESTOR CALL TO ACTION

International investors, companies, institutions and strategic partners seeking further market intelligence or selected introductions may contact Waverley to discuss their objectives.

Market Intelligence → Investor Assessment → Strategic Introduction → Market Engagement → Potential Investment

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Internal intelligence should track: project sponsor; location/region; sector; project stage; CAPEX; financing need; investor type; government counterpart; local partner; growth/FX data source and vintage; relevant international company; conference/mission opportunity; introduction status; and next action. Given the genuine data-consistency questions in this market, the specific source and date of any cited growth or currency figure should be tracked explicitly. Public Gateway pages should reveal enough to generate investor interest without exposing commercially sensitive intelligence.

POSITIONING

Waverley Investment Gateway - From Market Intelligence to Trusted Market Connections.

Waverley helps international investors understand selected emerging and frontier markets, identify relevant opportunities and navigate the relationships required to explore market entry.

SELECTED SOURCES

- Ministry of Finance (Ethiopia) - "Invest in Ethiopia 2026" forum results, March 2026.
- Capital Ethiopia - "Ethiopia's growth paradox," September 2026.
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