

# Ethiopia Investment Weekly

09 June, 2020

Top News Selected For You,  
Frequently Asked Information,  
Communication on EIC initiatives.



## The week in brief

**Hawassa Industrial Park gears up to export masks, bio suits:** “Companies in the Hawassa Industrial Park have started the process for the export of personal protective equipment (PPE) after getting a green light from the Ministry of Health. A majority of the 22 companies in the Park are prepared to start production by early June. The companies will be producing reusable face masks, bio suits and surgical N95 masks with the capacity to make between half a million and three million PPE items a month. The Ministry of Health, which initially prohibited the export of medical equipment in the interest of giving priority to health centers in the country, lifted the ban at the end of last month.”

**Ethiopia eases mandatory quarantine for diplomats:** “The Ministry of Foreign Affairs (MoFA) revealed that the quarantine measures that have been in place for the diplomatic community in the country has been revised. According to the Ministry, all diplomats including United Nations and African Union passport holders as well as their immediate family members will no longer be required to quarantine in government designated hotels. Instead, they will be required to quarantine themselves at their respective embassies or residence for 14 days as per the guidelines set out by the Ministry of Health (MoH) of Ethiopia.”

**The Government has allowed tour operators to rent out their vehicles which were imported duty-free:** As recently reported, it has been decided to allow tour operators to rent their tax exempt vehicles for aid agencies and similar institutions to generate revenue until the crisis is over. Normally, these companies were not allowed to rent their duty-free imported vehicles other than for touring services.

**The COVID-19 National Ministerial Committee Raises Inter-Regional Transportation Fare:** “The Committee has issued a directive that increases the tariff on inter-regional transportation by between 75pc to 100pc, intending to curb the movement of people. The directive requires vehicles with 45 seats to charge passengers 100pc more than the regular fare and buses with more than 45 seats to increase their rate by 75pc. Previously, the inter-regional transportation fare was capped at a 50pc increase from the regular rate. The new decision of the Committee has also repealed the controversial decree that permits the use of private cars on alternating days. The new regulation also mandates the use of masks in all public spaces except for people’s own houses.”



## COVID-19 IN ETHIOPIA

### IMPACT ON PUBLIC HEALTH

Total number of cases to date: 2,336

Total tests performed to date: 152,334



### Additional resources<sup>1</sup>

**IFC PPE Calculator:** The IFC provides a tool to help manufacturers determine investment and working capital requirements to repurpose production

**Ethiopia’s unconventional COVID-19 response:** This article reviews the Ethiopian government’s measures to contain the health and economic impacts of Covid-19

**Phone Survey Data: Monitoring COVID-19 Impact on Firms and Households in Ethiopia:** This provides policy briefs based on the results of surveys to monitor the impact of Covid-19 pandemic on formal firms and households in Ethiopia.

1. The EIC does not endorse any of the below publications







## Preparation for the recovery period

Companies are implementing measures to mitigate the unprecedented disruptions to supply chains, operations, and revenue caused by Covid-19. In parallel, companies also need to start preparation for the post-crisis period as it could present several complex challenges from shortage in labor force to protracted recovery period. Companies therefore need to start planning now to be ahead of the curve.

This piece reviews articles by [Bain & Company](#), [Cape Gemini](#), [McKinsey](#), and [MIT Sloan](#) to extract 5 main advises for the recovery period.

- 1. Establish a recovery taskforce** - companies could put in place an empowered hyper agile team to respond to the ever evolving situation during the post-crisis period.
- 2. Respond to changes in industry** - companies need to determine how to best serve their customers in accordance to shifting values, expectations, and behaviors.
- 3. Act with urgency** – Companies need to maintain the level of speed demonstrated during the crisis and move fast.
- 4. Embrace new operating models** – companies should retain the agile operating models that allowed them to move fast during this crisis (e.g. clear goals, focused teams, rapid decision making)
- 5. Protect supply chains and build resilience** – to develop an effective recovery plan, companies could map disruption to supply chains under different scenarios to determine their effect on products and operations, and use the insight to plan manufacturing activities.

Please refer to the full articles for further details.



## Challenges and response for Africa's food processors facing Covid-19

Companies in the food processing industry currently face challenges caused by Covid-19. This [article by Technoserve](#) provides guideline on how food processors in Africa can respond to challenges in 4 areas:

- 1. Workforce management:** Covid-19 has made it difficult for companies to ensure employees' safety while maintaining operations. To respond to this challenge, companies can adopt the necessary protocols, tailor recommendations to their plants, ensure all staff are familiar with and understand protocols, and explore available support mechanisms.
- 2. Supply chains:** Measures to control the spread of Covid-19 (e.g. travel restrictions) have caused disruptions in supply of raw materials. To address this challenge, food processors could work with relevant government bodies, suppliers, peer companies and stakeholders. Processors could also ensure predictable supply through farmer contracts and vertical integrations.
- 3. Market, sales and distribution:** Covid-19 has caused increased and volatile demand for selected products, fall in demand for selected others, and change in customer shopping and consumption behavior. Consequently, companies could build up stock of supplies and manage production while maintaining safety protocols, analyze the situation to develop contingency plans, and adopt strong self-regulating procedures.
- 4. Ecosystem:** The evolving nature of the crisis has made coordination difficult and caused uncertainties and confusion. To strengthen cooperation during this period, where in it needed most, organizations can support processors by aggregating reliable information and guidance. Industry association also need to be strengthened to serve as a liaison between private and public bodies.

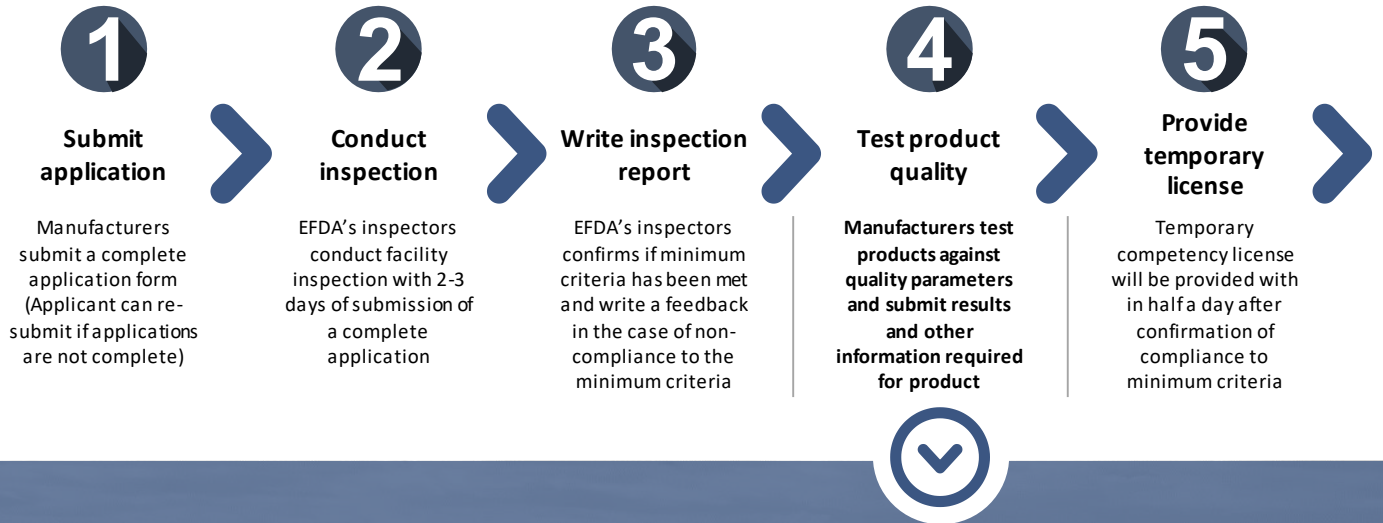
1. Please note that the EIC does not endorse the views expressed in the linked articles. This article aims to provide a consolidated view of external experts' advises to companies.

# EFDA Certification Process

The Ethiopian Food and Drug Authority (EFDA) has issued directives requiring all manufacturers, importers and distributors of medical PPE as well as large manufacturers of fabric face masks to have a temporary competency certificate/license<sup>1</sup> before entering production. These directives shall remain in effect until control of the COVID-19 Pandemic and further notice by the government.

Along with the directive, the EFDA has introduced a temporary licensing process to allow accelerated service for manufactures engaged in production of medical supplies related to COVID-19:

## Steps to follow



Below are laboratory testing and certification service providers with offices in Ethiopia

1. [Ethiopian Conformity Assessment Enterprise \(ECAE\)](#) for non-medical PPE
2. [Hohenstein](#): +251 911 980 507; [ethiopia@hohenstein.com](mailto:ethiopia@hohenstein.com);
3. [SGS](#): +251 116 670477

Please note that this list is preliminary, non-exhaustive and has not been validated by the EIC. References to individual companies are solely for information purposes. This list does not constitute any endorsement or recommendation of any specific supplier. Please reach out to individual companies for more information on services and accreditation. Please confirm with the EFDA that the service provider's accreditation and the services offered are sufficient to meet requirements.

The EIC will regularly update this list on our [Covid-19 webpage here](#)

### CONTACT

Send us your feedback or questions: [covid-19.response@ethio-invest.com](mailto:covid-19.response@ethio-invest.com)

### UNSUBSCRIBE

If you would like to unsubscribe from this newsletter please reply to this email

1. Temporary license means manufacturers/importers/distributors can use this license only for the purpose of covid -19 response

SOURCE: Directives and detail information on licensing and certification can be found on <http://www.fmhaca.gov.et/covid19publications/>