



### Overall performance

Ethiopia's significant investment in infrastructure has helped it remain among the fastest growing countries in the world. The increased openness of public procurement and foreign investment policies have also attracted greater investment from foreign equity in local projects. Despite areas of marked improvement, Ethiopia still faces challenges to reform its broader regulatory, planning and financial systems.

Drivers	Rank (1/6)	Rank change (2017-20)	Score (1/100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	74	-	25	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Regulatory frameworks	74	-	40	Green	Green	Green	Light Blue	Light Blue
Permits	74	-	27	Blue	Blue	Light Blue	Light Blue	Light Blue
Planning	55	↓ 4	54	Grey	Grey	Grey	Light Blue	Light Blue
Procurement	68	↑ 2	52	Light Green	Light Green	Light Green	Light Blue	Light Blue
Activity	19	↓ 2	46	Teal	Teal	Teal	Light Blue	Light Blue
Funding capacity	58	↓ 4	23	Orange	Orange	Light Blue	Light Blue	Light Blue
Financial markets	63	↓ 4	23	Yellow	Yellow	Light Blue	Light Blue	Light Blue

### Ethiopia at a glance

**\$953**  
GDP per capita  
(USD, 2019)

**95.6 million**  
Population  
(2019)

**17.9% of GDP**  
Infrastructure investment  
(2019 estimate)

**5.6% of GDP**  
Infrastructure gap  
(2019 estimate)

**43.4**  
Infrastructure quality  
(0-100, 100 is best, 2019)

**—**  
Private infrastructure investment  
(5-year average, USD, 2019)

### Top performing metrics



100/100

#### Transparency in public procurement

Public procurement regulation in Ethiopia follows international best practices, recognising a range of procurement processes and ensuring access to information about tendering opportunities. Open bidding accounted for almost 95% of procurements in 2019.



100/100

#### Infrastructure investment

Investment in infrastructure is a priority under Ethiopia's Growth and Transformation Plans (GTP) I and II. As part of GTP II, the government is continuing to expand physical infrastructure through public investments.



92.1/100

#### Long term GDP growth trend

Ethiopia is one of the fastest growing economies in the world, with an average GDP growth of 9.9% a year from 2008 to 2018. This has been driven by economic reforms and public investment programs fostering growth in the private sector.

### Opportunities to grow



No

#### Published project pipeline

Ethiopia does not currently have a pipeline of infrastructure projects. The addition of an infrastructure pipeline could help provide infrastructure participants with a clear indication of prospective and confirmed infrastructure activity.



No

#### Post-completion reviews

Ethiopia does not undertake post-completion reviews for infrastructure projects. The implementation of post-completion reviews could help determine whether projects have achieved their objectives efficiently, and better identify areas of improvement.



No

#### Published infrastructure procurement guidelines

While its transparency in public procurement is excellent, Ethiopia does not publish infrastructure specific guidelines for procurement. Publishing guidelines makes contractors more aware of the government's processes, expectations and requirements.

For guidance on how to improve these metrics, please see the [Ethiopia Country Page](#) on the InfraCompass website.



## ECONOMY OVERVIEW

GDP (\$US billion, 2019)	91.2	Population (million, 2019)	95.6	Unemployment rate (2019)	1.8%
GDP per capita (\$US, 2019)	953	Urbanisation ratio (2018)	21.0%	Inflation rate (2019)	14.6%
GDP growth rate (annual, 2019)	7.4%	Gross Government Debt (% of GDP, 2019)	59.0%	Digital Adoption Index (0-1 best, 2016)	0.27
GDP per capita growth rate (annual, 2019)	11.8%	Sovereign risk rating (2019)	31	Gini coefficient (0-100 worst, 2015)	35

## METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	No -	Effect of taxation on incentives to invest	41.4 ↓	Cost to start a business	8.9 ↑
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	44.4 ↑	Dealing with construction permits	56.9 ↑
Recovery rate	27.3 ↓	Product market regulation, network sectors	35.2 <sup>^</sup> -	Quality of land administration	18.3 ↑
Rule of law	41.4 ↑	Regulatory (including competition) quality	30.5 ↑	Registering property	53.6 -
Shareholder governance	0 -	Strength of insolvency framework	31.2 -	Time required to start a business	29.3 ↑
Political stability and absence of violence	27.6 ↑	Investment promotion agency?	Yes -		

PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	No -	Average procurement duration – transaction RFP	63.6 <sup>^</sup> ↑	Infrastructure investment	100 -
Published infrastructure plan?	Yes -	Degree of transparency in public procurement	100 ↑	Private infrastructure investment	34.7 <sup>^</sup> ↓
Preparation of PPPs	15 -	Published procurement guidelines?	No -	Value of closed PPP infrastructure deals	42.5 <sup>^</sup> ↓
Economic analysis assessment?	Yes -	Procurement of PPPs	69 -	Value of closed infrastructure deals with foreign equity sponsorship	5.8 ↑
Market sounding and/or assessment?	Yes -	PPP contract management	41 -		
Environmental impact analysis?	Yes -				

FUNDING CAPACITY		FINANCIAL MARKETS	
GDP per capita	1.2 ↑	Domestic credit to private sector	10 <sup>^</sup> ↑
Gross government debt	53.7 ↓	Financing through local equity market	39.2 ↓
Long term GDP growth trend	92.1 ↓	Stocks traded	15 <sup>^</sup> ↓
Summary credit rating	31 -	Financial depth	24.1 -
		Financial stability	73.4 ↑

**Drawing on data from:** International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.

**Metric key:**

↑ Increase from InfraCompass 2017    ↓ Decrease from InfraCompass 2017    - No change from InfraCompass 2017

**Note:**

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.

<sup>^</sup>Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.