

Accelerating Private Sector Led Growth in Ethiopia: Investment Climate and Competitiveness

Addis Ababa, Ethiopia, June 27 – 28, 2007
UNECA Conference Hall

Jointly Organized by:
Government of Ethiopia
DAG Working Group on Private Sector Development & Trade
The World Bank Institute
AIESEC

DAY 1 **Wednesday, June 27, 2007**

8:00-9:00am **Registration**

Session 1: **Opening Session: The Investment Climate Assessment**

Chair: H.E Sufian Ahmed

9:00-9:15am **Welcoming Remarks**
H.E Ato Sufian Ahmed, Minister of Finance & Economic Development

9:15-9:30am **Opening Remarks & Overview**
Ishac Diwan, Country Director, the World Bank

9:30-10:00am **Policy and Productivity: Results of the 2006 Investment Climate Survey**
Magdi M. Amin, Senior Private Sector Development Specialist, World Bank

10:00-10:15am **Q&A**

10:15-10:30am **Coffee Break**

Session 2: **Ethiopia's Competitiveness Challenge: Perspectives from the front line**

As a landlocked country with a difficult terrain and a legacy that has disrupted the development of market-supporting institutions, many economists would argue that private sector development is an uphill struggle for Ethiopia. Under these circumstances, what is the most appropriate model? What is the performance of Ethiopian entrepreneurs in government supported sectors? What are the challenges facing young innovators? The informal sector? Firms outside of Addis Ababa?

Chair: Ishac Diwan

10:30-11:40 **Ethiopia's Competitiveness Challenges: Panel Discussion**
Panel of Ethiopian Entrepreneurs:
Awed Abdul Hadi (Harar Chamber of Commerce); Dr. Lelmlen Sisay,
Paulos Endashaw, Nur Saney Mohammed, Berhanu Seifu, Hadia Gondji

State and private sector roles in creating competitiveness

A second session will focus on Ethiopia's industrial development strategy, which features a deliberate focus of the state on building the competitiveness of key export sectors. The discussion will focus on successes and challenges of this approach, as presented by the Ministry of Trade and Industry. The session will explore modern notions of industrial strategy and the evolving role for the state internationally.

- 11:40-12:00** **Ethiopia's Industrial Development Strategy**
H.E. Ato Tadesse Haile, State Minister for Trade and Industry
- 12:00-12:30pm** **Industrial Strategy without Picking Winners**
Prof. Charles Sabel, Columbia University
- 12:30-1:00pm** **Q & A**
- 1:00-2:00 pm** **Lunch**

Session 3 Responding to the Challenge: Industrial Clusters

Conference will focus on clusters, a concept increasingly recognized as an instrument of competitiveness and growth. The concept involves the role of networks of firms, universities/R&D, suppliers, buyers and service providers in coming together to address internal constraints and raising their collective competitiveness. To what extent is the concept relevant to Ethiopia? What are the lessons for Ethiopia from Africa and Asia?

Chair: H.E. Newai Gabre-Ab, Economic Advisor to the Prime Minister

- 2:00-2:45 pm** **How Can Ethiopia Use Clusters to Build Competitiveness?**
Dr. Eric Hansen, President, Economic Transformations Group, USA
Tashome Kebede, USAID Agribusiness & Trade Expansion
- 2:45-3:15 pm** **What Are the Lessons from African Experience in Cluster Development for Ethiopia?**
Douglas Zhihua Zeng, Economist, the World Bank
- 3:15-3:45 pm** **East Asian Experience in Cluster Development: Lessons for Ethiopia**
Prof. Keijoro Otsuka, Program Director, FASID/GRIPS
- 3:45-4:00 pm** **Coffee Break**
- 3:45-4:45 pm** **Breakout Groups**
- Group 1: Ethiopia's Industrialization Model, led by Charles Sabel**
 Group 2: Investment Climate, led by Mark Walter and Tefferi Asfaw
 Group 3: Cluster Competitiveness, led by E. Hansen and Keijoro Otsuka
- 4:45-5:00 pm** **Wrap-up of Day 1**

DAY 2

Thursday, June 28, 2007

8:45-9:00 am **Summary of Discussions from Day 1**

9:00-10:45am **Session 4: Trade, Market Linkages and Competitiveness**

With two prominent representatives of the international trading system, the session will focus on emerging market opportunities due to AGOA, WTO and EPA, how these access opportunities impact industrial competitiveness strategies for Africa. The second panel will explore the role of the Ethiopian Diaspora in helping link Ethiopian firms to markets.

Chair: Eyessuswork Zafu, Addis Ababa Chamber of Commerce

9:00-9:45 am **Panel Discussion: AGOA, EPA and WTO - How Can Ethiopia Leverage Market Access?**

Mr. William D. Jackson, Director for African Affairs, Office of US Trade Rep.
Andra Koke, Head of Trade and Development, DG Trade, European Commission
Mr. Guy Carpenter, President, Cape Fear Apparel Supplier to Major US Brands

9:45-10:30am **Panel: Leveraging the Ethiopian Diaspora for Trade & Investment**

Mr. Mesfin Ayenew, Former World Space Corp Chief Financial Office
Addis Alemayehou, Chief of Party, USAID Ethiopia AGOA Project, and
Promoter, Diaspora Investment and Export Center
Ms. Encou Ephrem, Julian & Sara, Inc- Children's clothing entrepreneur
Mr. Tadiwos Belete, Boston Partners

10:30-10:45am **Q & A**

10:45-11:00 am **Coffee Break**

11:00-1:00pm **Session 5: Addressing Specific Constraints & Opportunities**

What are the opportunities for reform of factor markets – land and finance – and for increasing competition?

Chair: Michael F. Klesh, USAID/Ethiopia Head, and Business & Markets

11:00-11:30am **Improving Access to Finance**

Messrs. Samuel Maimbo & Nebil Kellow, FirstConsult
Mr. Ermyas Emelga, Chairman, Access Capital

11:30-12:00pm **Improving Access to Land**

Ato Nega Woldegabriel, Ministry of Works and Urban Development
Dr. Romana Haque, World Bank
Ato Kebre Moges, Ethiopia Economic Association

12:00-12:30pm **Competition Policy and Regulatory Reform**

H E Ato Harqa Haroye
Mr. Mark Walter, USAID Doha Project

12:30-1:00pm	Q & A
1:00-2:00	Lunch
2:00-4:00pm	Session 6: Breakout Group Discussions
2:00-4:00pm	Breakout Group Discussions
	<p>Group 1: Reforming the investment climate: Finance, Land & Competition – Dr. Gebrehiwot Ageba (tbc) and Charles Sabel</p> <p>Group 2: Cluster Development – Steven Humphreys, Eugene Nyambal & Eric Hansen</p> <p>Group 3: Trade and Competitiveness – Dr. Hashim Ahmed</p> <p>Group 4: Leveraging the Diaspora – Ato Addis Alemayehu</p>
Closing Session	The Way Forward
	Chair: TBC
4:00-4:45pm	Reporting Back from Breakout Groups
4:45-5:00pm	Conference Summary
6:00 - 8:45 pm	Closing Session at the Ethiopian Prime Minister's Office
9:00 pm	Reception, Ballroom, Addis Ababa Hilton

Goals for Conference:

- Achieve clarity and building consensus on industrial strategy and self-discovery process;
- Obtain clarity on cluster and value chain development as response to Ethiopia's specific challenges in specific sectors;
- Raise awareness of the market access opportunities being created through bilateral and multilateral agreements, and how this can be translated into competitiveness and pro-poor growth;
- Contribute to policy dialogue on urban land markets, financial sector reforms, and competition policy.