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

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. Lemlem 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 Teferri 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

Group 1: Reforming the investment climate: Finance, Land & Competition – Dr. Gebrehiwot Ageber (tbc) and Charles Sabel
Group 2: Cluster Development – Steven Humphreys, Eugene Nyambal & Eric Hansen
Group 3: Trade and Competitiveness – Dr. Hashim Ahmed
Group 4: Leveraging the Diaspora – Ato Addis Alemayehu

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.