

### Message from the Ambassador



Ethiopia is a land of unique features with a long history of existence and home to the oldest human settlement. It is also a melting pot of diverse cultures where people from different ethnic and religious backgrounds live in harmony. Ethiopia has achieved considerable success in economic growth and social transformation in the last few decades. By registering a strong high growth rate over the last ten consecutive years, Ethiopia has become one of the fastest growing economies in Africa. Japan has been one of the major international development partners of Ethiopia, and I would like to express my deep gratitude for Japan's continued economic assistance for our country's development endeavors.

After Prime Minister Shinzo Abe's successful visit to Ethiopia, we have witnessed a growing positive image of Ethiopia among the Japanese public. The official visits of Speaker Abadula Gameda and other high level officials of Ethiopia to Japan have further strengthened the excellent relations between Ethiopia and Japan. In the year 2014, our Embassy organized a successful agribusiness seminar in May and a light manufacturing workshop in November. We have witnessed a growing interest by Japanese companies in Ethiopia. The government, recognizing that the rich potential resource of the country can only be achieved in collaboration with our private sector partners, has been continually improving the Investment Codes in favor of investors in order to attract more investors. Tax holidays and other incentives have been introduced. We will continue to work to strengthen Japanese private sector engagement in Ethiopia in the years to come. Over the last 6 months, our embassy has participated in the Coffee Exhibition organized by Specialty Coffee Association of Japan, the Tourism Showcase organized by the Japan Association of Travel Agents, the Ethiopian Light Manufacturing Workshop,

and the 50th Anniversary of the Tokyo Olympics which also commemorated Abebe Bikila's historic marathon victory.

Our semiannual newsletter covers features and news, informative articles on tourism, trade and investment, and includes an article on Ethio-Japan relations.

It is my sincere hope that you will be able to better understand Ethiopia and the activities of our Embassy from this newsletter. I wish for a jubilant 2015!

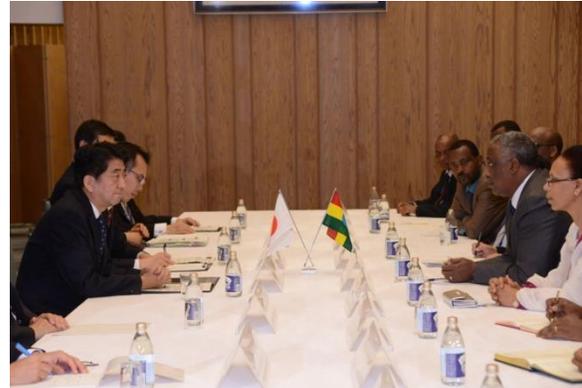
Markos T. Rike, Ph.D

Ambassador of Ethiopia to Japan

## Features and News

### **Speaker of the Ethiopian parliament meets Prime Minister of Japan (October 2014)**

The Speaker of the House of People's Representatives, Abadula Gemedo, met with Prime Minister Shinzo Abe in October. Their discussion covered bilateral and international cooperation between Ethiopia and Japan, the threat of Ebola to the African continent and Japanese government support for the development of Ethiopia.



The Speaker appreciated the government of Japan for extending its support to the development efforts of Ethiopia through the Japan International Cooperation Agency (JICA), stressing that continuous assistance through JICA makes a crucial contribution to the economic development of Ethiopia.

The Speaker told Prime Minister Abe that the Japanese business philosophy of Kaizen introduced to Ethiopia had helped to strengthen the business culture of the developing Ethiopian manufacturing industries, and urged the government of Japan to encourage private sector investment in Ethiopia. They also exchanged views on partnership of Japan and Africa through the Tokyo International Conference on African Development (TICAD). TICAD summits have been serving as a forum to bring together African governments and Japan together and have been held in Japan every five years. This has now been changed to

every three years with hosting alternating between Africa and Japan, to deepen the dialogue and strengthen cooperation.

Prime Minister Abe said the government of Japan would continue its multifaceted development assistance to Ethiopia's development efforts. Expressing the commitment of the government of Japan, the Prime Minister said it would maintain JICA's support for the implementation of Kaizen management philosophy in Ethiopian manufacturing companies to enhance technology transfer, improve productivity and efficiency. JICA has long supported Ethiopia with technical assistance and economic cooperation, which mainly focuses on enhancing food security for small-holder farmers, increasing drinking water accessibility, developing infrastructure such as building road and bridges, improving education access and quality, and private sector development. Prime Minister Abe also pointed out that the current outbreak of Ebola in West Africa poses a challenge for Africa and the world in general, expressing the Japanese government's support, through international organisations, for halting the spread of Ebola. He also emphasized Japan's

wish to partner with Ethiopia on bilateral and international issues.



During the 5 day visit the Speaker led an Ethiopian parliamentary delegation and held talks with the President of House of Counselors, the Speaker of the House of Representatives and the Chairman of the Japan-Africa Parliamentary League. The two sides exchanged views on deepening Ethiopia-Japan parliamentary friendship and cooperation. The Ethio-Japan Parliamentary Friendship Groups were established in Japan and Ethiopia in 1985 and 1997 respectively.

### **Oromia Regional State President meets Prefectural Governors and JICA officials (November 2014)**

A delegation led by the Oromia Regional State President Muktar Kedir met with the Governors of Kanagawa and Aichi

Prefectures and officials of the Japan International Cooperation Agency (JICA) to establish partnerships and foster cooperation with Japanese prefectural governments and JICA in various spheres,.

In a meeting held with Mr. Yuki Kuroiwa, Governor of Kanagawa Prefecture, the President expressed Oromia`s keen interest to partner with the prefectural government and called for further cooperation regarding business and investment activities. The Kanagawa Governor for his part said the prefectural government encouraged Kanagawa companies to follow in the footsteps of Hiroki, the successful Yokohama private company manufacturing leather and leather products in Ethiopia. Detailed discussions sought to share experiences and expertise in various areas of common interest.

In a discussion held with Mr. Hideaki Ohmura, Governor of Aichi Prefecture, and both sides exchanged views on strengthening ties by twinning the regional governments. Since Kaizen philosophy was pioneered in Aichi Prefecture, home for many leading manufacturing companies in Japan, Mr. Muktar said that Oromia regional state has much to learn from Aichi Prefecture. He also

highlighted the range of investment opportunities suitable in Oromia particularly for small and medium size enterprises and welcomed investors from Aichi Prefecture to consider opportunities in manufacturing, agribusiness, agriculture, pharmaceutical and other sectors. Mr. Muktar also invited Governor Kuroiwa to visit Oromia Regional State with representatives of Aichi businesses. Governor Kuroiwa said such a visit would strengthen relations between Oromia and Aichi would consider visiting Oromia region following further consultation. Both sides agreed to consider the opening of an investment promotion desk in their respective capitals to encourage and support trade and investment. Aichi Prefecture has had many successful experiences from such cooperation with East Asian countries.

The Oromia Regional State delegation also held discussions with JICA Vice President Mr. Hiroshi Kato regarding JICA development projects in Ethiopia and Oromia Regional State in particular. The President, recognizing JICA`s support in Ethiopia, requested an expansion of the successfully implemented JICA forest management project in Belete-Gera regional forest to other

parts of Oromia region. The Vice President express JICA's commitment to continue to support Ethiopia's development endeavor and to work closely with Oromia. The Kaizen program for private sector development and Abe initiative were also discussed.

### **Ethiopian coffee exporters take part in SCAJ Exhibition (September 2014)**

Coffee exporters from the Ethiopian coffee exporters association took part in this year's Specialty Coffee Association of Japan (SCAJ) World Specialty Coffee Conference and Exhibition 2014. This major coffee industry event brings together coffee suppliers and buyers from around the world. It offers participating coffee exporters an opportunities to meet many Japanese coffee importers.



Ethiopian coffee exporters who attended SCAJ 2014 had a private opportunity to engage with Japan coffee buyers during a lunch reception hosted by the Ethiopian

Embassy. Speaking on this occasion, Ambassador Dr. Markos Tekle said the volume of Ethiopian coffee exports to Japan has been increasing year on year. A representative of the Ethiopian Coffee Exporters Association told coffee buyers stressed the high quality of Ethiopia's coffee beans they are selling Japanese coffee buyers. 20 Ethiopian coffee exporters met Japanese coffee buyers.

### **Country promotion on JATA Tourism EXPO Japan (September 2014)**

The Ethiopian Embassy in Japan together with several Ethiopian travel companies attended JATA (Japan Association of Travel Agents) Tourism EXPO Japan 2014. Ethiopia is blessed with abundant historical, natural, archeological and cultural tourist attractions with ten UNESCO World Heritage Sites.



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As the largest travel industry event in the world, JATA offered a great opportunity for Ethiopia to showcase its rich tourist attractions and provide travel information to Japanese visitors. Ethiopia has been named as one of the top countries to visit by many reputable travel publications focused on the country's rich tourist attractions. Although the numbers number of tourists from Japan is not yet large, but is increasing steadily. The Ethiopian Airlines direct flights to Narita are scheduled to start operations in April, and together with the rapid development of the hospitality industry in Ethiopia, the numbers of tourists is expected to increase.

**Japan Africa Business Conference on the occasion of Abebe Bikila's 50th Anniversary of Tokyo Olympic Marathon Victory (October 2014)**

With the aim of encouraging more trade and investment between Japan and Africa, the Japan Africa business conference with the initiative of the Ethiopian embassy and Kyodo News held in October 16, 2014 in Tokyo. Addressing the conference Ambassador Dr. Markos Tekle noted it was held in the midst of 50th anniversary of the

marathon victory by legendary athlete Abebe Bikila at the Tokyo Olympic Games in 1964. He added that this conference would help enable Africa and Ethiopia in particular to exchange information on many business opportunities with Japanese companies.



Ethiopia's double-digit economic growth during the past decade makes it one of Africa's best performing economies, he said. The many available investment opportunities in manufacturing, pharmaceutical, textile, agro-processing and agribusiness were explained to the participants by the Ambassador, welcoming investment by Japanese companies into these value-added sectors promoting job creation and skills development. A JETRO representative also made a keynote speech focusing on business opportunities in Ethiopia and Africa in general. Nine African ambassadors and representatives of African missions

explained their respective country`s business opportunities to over 30 Japanese companies in attendance. Following the conference the participants in attendance had an opportunity to network and exchange information.

### **The 50<sup>th</sup> Anniversary of Abebe Bikila`s Marathon Triumph at the Tokyo Olympics (October 2014)**

In October, it was 50 years since our great athlete Abebe Bikila made history, winning his second consecutive marathon gold medal in at the 1964 Tokyo Olympic Games. He was not only a hero for Ethiopians, but also for Africans and the whole world. Abebe is also famous in Japan among elder generations who remember his strength and endurance during the 1964 Olympics. To commemorate his personal triumph, various events were held in the presence of his daughter Ms. Tsige and his son Mr. Yetnayyet who came to Japan to attend the celebrations.



One of the largest marathon events in Japan, the Chiba Aqualine Marathon commemorated his achievements with a specially dedicated race. The "Abebe Cup" was awarded to the winners of the Men`s and Women`s races by Mr. Yetnate, Abebe`s son. Ethiopian Airlines also awarded a round trip air ticket to visit Ethiopia as a prize to the winners.



The commemoration of Abebe`s achievements concluded with a reception hosted following the Chiba Aqualine

Marathon. In a speech on the occasion, Ambassador Dr. Markos Tekle said although the Abebe Bikila and his sporting achievements are well-known to senior Japanese citizens across Japan, this anniversary and the events had provided a great opportunity to create awareness of his achievements to the younger generation in Japan. The Ambassador also highlighted that the relationship between Ethiopia and Japan has become stronger and deeper than ever before. , He noted that the late Abebe would be remembered among the Japanese community and his legacy could be a bridge contributing to a broadening of ties between the two nations. Mr. Yetnayet also expressed his personal gratitude for the people and government of Japan for honoring Abebe and his family. “Japan is my second country” he said.

Members of Parliament, the family of Abebe Bikila, ambassadors from African countries, government officials, business communities, media, friends of Ethiopia, Ethiopian communities living in Japan and others attended this event.

### **Light manufacturing investment workshop (November 2014)**

A business workshop designed to communicate and discuss the wealth of business opportunities available in the light manufacturing sector in Ethiopia was held in Tokyo in November..

Opening the workshop Ambassador Dr. Markos Tekle highlighted a series of reforms to accelerate economic growth.. The Ambassador underscored the keen desire of the Ethiopian government to attract Japanese small and medium enterprises, noting that the government of Japan and Ethiopia had instituted a mechanism for policy dialogue to facilitate a conducive business environment for investors from Japan. He appealed to attendees to invest in value-added sectors such as manufacturing, pharmaceutical, textile, agro-processing, agribusiness leather and leather products, particularly those that promote job creation and skills development.

The State Minister of Industry from Ethiopia, Mr. Sisay Gemechu, spoke about business and investment opportunities in light manufacturing sectors and said “the government`s commitment to support private sector development and improved investment

environment makes Ethiopia a good destination for doing business and investments.” In addition the State Minister emphasized the benefits of investing in manufacturing industries explaining Ethiopia’s industrial strategy and institutional arrangements, low-cost and young labor, abundant resource, cheap power supply and the development of Industrial Zones to help shorten lead-times required to build plants and start production.



Prof. Kenichi Ohno and Prof. Izumi Ohno of GRIPS who lead the Japan-Ethiopia industrial policy dialogue made presentations focused on the business opportunities Ethiopia offers Japanese companies in the manufacturing. In their presentations they highlighted low tolerance of corruption, low labor cost, available resources and growing domestic demand as critical factors that indicate that Ethiopia is a better location than many East Asian countries to do business. Mr. Tadese Daba, the Addis Ababa

representative of UNIDO investment and technology promotion of Tokyo Office and advisor for interested Japanese companies also made a presentation.

### **Ethiopian Embassy Marks Ethiopia’s 9th Nations, Nationalities and Peoples Day (December 2014)**

The 9th Ethiopian Nations, Nationalities and Peoples Day was colorfully celebrated on Saturday, December 13, 2014 with the theme of “our constitutionally accentuated national tie for our renaissance” and attended by Ethiopian communities living in Japan, African ambassadors, African communities, travel agents and friends of Ethiopia.



Ethiopia celebrates the Nations, Nationalities and Peoples Day every year to mark the adoption of our constitution which protects the rights of the various Ethiopian Nations, Nationalities and Peoples and reflects the

beauty within the diversity and unity of Ethiopia.



In his welcoming speech Ambassador Dr. Markos Tekle said the constitution ratified 20 years ago was the best means of accommodating multi-national and multi-ethnic diversity within Ethiopia and laid a foundation for today's rapid economic development. In an effort to attain middle income country status by 2025 the Ambassador underscored the decisive role Ethiopian communities residing in Japan could play, urging the communities in attendance to strengthen their contribution. Mr. Hiroyasu Kobayashi, ambassador in charge of RECs, peace and security in Africa, in the Ministry of Foreign Affairs of Japan acclaimed the government of Ethiopia for its arduous efforts to develop the country by uniting over 80 different nationalities. These multi-ethnic and multi-religious nations have been and are living in harmony for millennia. He highlighted the official visits of both

countries including the visit of the Prime Minister of Japan and the Speaker of the Ethiopian Parliament in 2014, and emphasized the determination of the Japanese government to further advance relations with Ethiopia in order to be a stronger development partner and to deepen the relationship between the east African region and Africa as a whole.

Speaking at the celebrations Mr. Mesay Shiferaw, Area Manager of Ethiopian Airlines in Japan said that the launch of their direct flight to Narita in April would help promote tourism, exchange of culture and smooth movement of people and goods and will bring Africa and Japan much closer.

## **Investment**

### **Why Invest in Ethiopia?**

Ethiopia is located in the north-eastern part of Africa, commonly known as the Horn of Africa, at the cross-roads between Africa, the Middle East and Asia. The country has a relatively stable political and economic environment. It is considered a gate way to Africa as the seat for the African Union, the Economic Commission for Africa and many other international and multinational organizations.

Ethiopia has a large and young population of 95 million and is potentially one of the largest domestic markets in Africa. The economy is predominantly based on agriculture, which contributes approximately 41% of the gross domestic product (GDP), more than 75% of foreign currency earnings and employed more than 80 % of population. The country is among the top performing economies in Sub-Saharan Africa. For the last ten consecutive years (2003/4-2012/13) real GDP grew by an average of more than 10% percent per year. Moreover, Ethiopia is a member of COMESA and enjoys preferential market access.

Ethiopia qualifies for preferential access to European Union market under the EU's Everything-But-Arms (EBA) initiative and to USA markets under the African Growth and Opportunities Act (AGOA). Accordingly, most Ethiopian products can enter these markets quota and duty free. Furthermore, a broad range of manufactured goods from Ethiopia are entitled to preferential access under the Generalized System of Preference (GSP) of the USA. No quota restrictions are placed on Ethiopian exports falling under the

4800 products currently eligible under the GSP.

Ethiopia is endowed with abundant natural resources. Altitude in Ethiopia ranges from 125 meters below sea level in the Danakil depressions of the Afar region to 4,620 meters above sea level in the Amhara region. The country has 18 major and 49 sub agro-ecological zones, each with its own agricultural and biological potential. It possesses one of the largest and most diverse genetic resources in the world. Besides, it has the soils and the climate suitable for the production of a variety of food crops.

The labor law of Ethiopia, prepared in conformity with international labor norms and standards, provides adequate provisions for the conclusion and termination of employment contracts with safeguards that do not infringe the rights of investors. Labor cost in Ethiopia is relatively low compared to the African average. The number of skilled workers and technicians are growing steadily as a result of an increase in the number of universities, colleges, and vocational and technical training schools in the country.

The Ethiopian Government has made

commendable efforts, through legislative and procedural reforms, to improve the investment climate of the country and thereby attract more foreign direct investment. In line with market-oriented economic policy, the investment regime has been liberalized through a series of Government legislations. Since 1992, the investment code has been revised four times to ensure the participation of more foreign investments in various sectors of the economy.

Ethiopia has been a very attractive destination for the investors because of the following reasons.

Ethiopia as a land of opportunities:

- ↳ Political and social stability;
- ↳ Liberalized free market economy
- ↳ Macro-economic stability and growing economy;
- ↳ Adequate guarantees and protections;
- ↳ Transparent laws and streamlined procedures;
- ↳ Ample investment opportunities;
- ↳ Abundant and trainable labor force;
- ↳ Wide domestic, regional and international market opportunity;

proximity to the lucrative markets of the Middle East, Europe and Asia

- ↳ Competitive investment incentive packages ;
- ↳ Welcoming attitude of the people to FDI;
- ↳ Huge domestic raw material base and
- ↳ Pleasant climate and fertile soils.

### **Admission and Incentives of Investment Policy of Ethiopia.**

#### **Admissions**

- ↳ Foreign investors can invest on their own or in partnership with domestic investors in areas open for FDI;
- ↳ No restrictions on equity ownership in joint-venture investment;
- ↳ Required to have investment permit from the Ethiopia Investment commission /EIC/ and relevant government organs as appropriate;
- ↳ Required to allocate minimum capital:-
  - USD 200,000 for a wholly foreign owned single investment project
  - USD 150,000 for joint with a domestic investor
  - USD 100,000 for technical consultancy if wholly owned or USD 50,000 jointly with a domestic investor

- ↳ Guarantee against expropriation or nationalization (The Constitution and Investment Law provides guarantee for investors.)
- ↳ Signatory of MIGA and Bilateral Investment Promotion and Protection Treaties.
- ↳ Privilege to full repatriation of profits, dividends, principal and interest payments on external loan, etc. out of Ethiopia in convertible currency.
- ↳ The right to employ expatriate managers and experts.
- ↳ Exemption from the payment of customs duty on imported capital goods, construction materials;

### **Incentives for Industrial Zone (IZ) Developers:**

The Government of Ethiopia identified four Locations for the Industrial Zone development: Addis Ababa, capital and business city of Ethiopia, Kombolcha (north of Addis Ababa, 400km), Dire-Dawa (near Djibouti port, 300km), Hawassa (South of Addis Ababa, 275 km).

- ↳ Tax holiday of 10 and 15 years to IZ developers in Addis Ababa (its vicinity) and 40km away respectively.

- ↳ Additional tax holiday of 2 and 4 years to IZ resident enterprises in Addis Ababa (its vicinity) and 40km away respectively.

## **Tourism**

### **Ethiopia, Land of Amazing History**

Ethiopia has a proud and long history extending to the known beginnings of humankind. The Axumite kingdom was one of the great civilizations of the ancient world and has left behind the mystery of the great stelae found at Axum city.



Situated in the highlands of northern Ethiopia, Aksum symbolizes the wealth and importance of the civilization of the ancient Aksumite kingdom, which lasted from the 1st

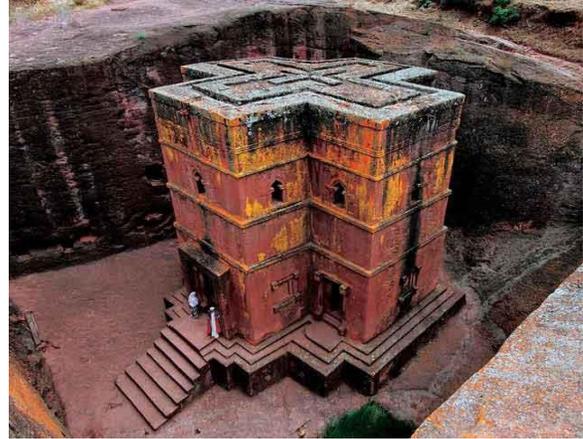
to the 8th centuries AD. The kingdom was at the crossroads of the three continents: Africa, Arabia and the Greco-Roman World, and was the most powerful state between the Eastern Roman Empire and Persia.

Several stelae survive in the town of Aksum dating between the 3rd and 4th centuries AD. The largest standing obelisk rises to a height of over 23 meters and is exquisitely carved to represent a nine-storey building of the Aksumites. The largest obelisk of some 33 meters long lies where it fell. It is possibly the largest monolithic stela that ancient human beings ever attempted to erect.

A series of inscription on stone tablets have proved to be of immense importance to historians of the ancient world. Some of them include trilingual text in Greek, Sabaean and Ge'ez (Classical Ethiopian), inscribed by King Ezana in the 4th century AD.

In the late middle Ages, great religious civilizations flourished in many parts of Ethiopia, particularly at Lalibela where eleven churches hewn out of massive monolithic rock testify not only to great faith but also to great architectural skills. Their building is attributed to King Lalibela who

set out to construct in the 12th century a 'New Jerusalem.'



There are several stories surrounding the creation of the churches, one of which says that humans worked during the day and angels would speed up the building overnight. Some historians say construction was completed at a remarkable pace, taking about 23 years.

Carved out of volcanic tuff rock, the famous churches have been built in a variety of styles. Some of them were chiseled into the face of the rock, where others stand as isolated blocks, like the iconic church of Saint George, constructed in the shape of the cross. A complex and extensive system of drainage ditches, tunnels and subterranean

passageways connects the underground structures.

Christian pilgrims from the entire country gather to the rock-hewn churches of Lalibela to attend ceremonies and rituals during different religious holidays including Ethiopian Christmas.

Thanks to their impressive architecture and rich influence on Ethiopian history, both Axum Obelisk and Rock Hewn Churches of Lalibela have been registered as UNESCO World Heritage Sites.

## **Trade**

### **Ethiopia's Export Products**

Conducive free market oriented policy environment, wide-ranging weather and soil conditions, abundant and capable labor force, preferential access to different world markets and proximity to the Middle-East and Europe offers substantial market opportunities for several export items from Ethiopia.

The major export products of Ethiopia include coffee, livestock products (Skins & hides, leather, live animals and meat), oil seeds and pulses, fruits, vegetables and

flowers, textiles, natural gum, spices and mineral products.

The trade relations between Ethiopia and Japan have been strengthened over the years. As a primary trading partner, Ethiopia has been exporting some of its products like coffee, oilseeds, cut flowers, leather products, bee wax, etc. to the Japanese market.

Ethiopia's coffee, known as "Mocha Coffee" is famous in Japan, and currently ranked 6th in Japanese market.

More genetically diverse strains of Coffee Arabica exist in Ethiopia than anywhere else in the world, which has lead botanists and scientists to agree that Ethiopia is the center of origin, diversification and dissemination of the coffee plant.

For coffee specialists, Ethiopian coffee is not only the world's first, but also the world's finest. Harar coffee, with its distinctive mocha flavor, Sidamo Coffee, known for its balanced taste and good flavor, Yirgacheffe Coffee, which has an intense flora flavor and wine taste are among major varieties popular in Japan.

Ethiopian oilseeds and pulses are also known for their flavor and nutritional value as they are mostly produced organically. For instance, the Ethiopian white sesame seed is used as a reference for grading in international markets. It has been the second largest export commodity of Ethiopia to Japan.

Ethiopia's major oilseeds and pulses exports include, sesame seed, Niger seeds, linseeds, sunflower seeds, groundnuts, rape seeds, castor oil seeds, pumpkin seeds, haricot beans, pea-beans, horse beans, chick peas, beans and lentils

Ethiopia is endowed with extensive natural resources that make the country suitable for the development of different varieties of flowers, vegetables, fruit, and herbs. Such suitability of the country helped to bring exponential growth of export in the last seven years, making Ethiopia the fourth largest supplier of flower to the world market. The horticulture export industry has contributed about 10% of the total earnings of the country in 2013/2014.

Currently, the export from manufacturing sector is registering promising growth. Manufacturing of textile, apparel and leather

products are rapidly expanding and sought to get more access in the global market soon.

## **ARTICLE**

### **Ethio-Japan Relations: Lessons and Prospects for Cooperation and Friendship**

Japan and Africa met in China and Asia since the 17th century and traded goods. Ethiopian intellectuals had picked up fragments of information about Japan since the Meiji Restoration. Ethiopia's name was written in Japan's Foreign Ministry documents in 1896 shortly after the defeat of Italy at Adwa and the news of the First Sino-Japan war was heard in Ethiopia around the same period. The first pamphlet about Africa was published in Japan in 1899 by Dr. Tomizu Hirono with title "The Future of Africa" advocating Japanese involvement in Africa (Clark, 2011).

Ethio-Japan relations were formalized by the signing of the Treaty of Amity and Commerce in 1930 which followed the visit of the Ethiopian Foreign Minister Heruy Wolde Sellasie. In 1934 Japanese government sent Yutaka Tsuchida on an inspection tour of Ethiopia (Bradshaw and Ransdell, 2011). However, the interest in and study of Japan became so widespread

amongst the educated in Ethiopia from the early 20<sup>th</sup> century that the term "Japanizers" was coined to refer those intellectuals inspired by the Meiji restoration that compared the country with Japan and encouraged young and educated Ethiopians to create a modernization movement something like the Meiji Restoration. These intellectuals had advocated for more reform of the Ethiopian imperial regime. Accordingly, the framers of the 1931 Constitution of Ethiopia were inspired by and included ideas and principles from the Meiji constitution. During this period, three notable Ethiopian writers and their works were very influential. They were Gebrehiwot Bayikedagn (*Nigidina Yehizib Astedader: the State and Economy*, 1924) Heruy Wolde Sellasie (*Dai-Nihon and Mahidere Birhan: Hager Japan* 1934) and Kebede Michael (*Japan Endet Seletenech?: "How Did Japan Modernize?"*).

Ethiopia and Japan have enjoyed longstanding ties. Full diplomatic relations began in 1935, when both countries established legations in each other's capitals. In the post-WWII period, diplomatic relations were restored in 1955, with a subsequent visit by Emperor Haile Selassie in

1958, followed by the opening of the Ethiopian Embassy in Tokyo and a Japanese Embassy in Addis Ababa. The creation of a Japanese garden in Addis Ababa's imperial garden reflects the depth of interest and ties. Diplomatic and commercial ties were bolstered by the visit of the then Crown Prince and Princess of Japan's visit to Ethiopia. During the 1964 Tokyo Olympic Games, Abebe Bikila's marathon victory caught the public imagination in Japan and played a great role in bringing greater popular awareness of Ethiopia (and Africa) in Japan. Ethio-Japan relations reached their pre-1974 peak with the visit of Emperor Haileselassie to the Osaka Expo in 1970. The pre-1974 relations between the two countries are defined in terms of business, political cooperation and close ties between the royal families of both countries.

The diplomatic relations and human relations between Ethiopia and Japan faced various challenges between 1974 and 1991 because of the ideological orientation and dictatorial nature of the revolutionary regime in Ethiopia that overthrew the imperial government after 1974.

During this very difficult period, the visit of Foreign Minister Shintaro Abe to Ethiopia in

1984 reflects sustained Japanese support.. Bilateral relations reopened with high level visits by Ethiopian Foreign Minister in 1992 and an official visit by the Prime Minister Meles Zenawi in 1996.

During this period, Ethio-Japan cooperation and partnership has grown and prospered. The Sasakawa Global 2000 (SG 2000) became engaged in the Ethiopian agricultural sector. JICA began to re-engage in various areas including agriculture, water resources, health, education, physical infrastructure, forest management and environmental protection, capacity building and civil society support, providing grants and technical assistance as well as technology transfer through granting scholarships.

Currently, various diplomatic exchanges and ties in multiple areas of cooperation have elevated Ethio-Japan relations to the current all-time high level.

Today, Japan has become one of the most reliable development partners of Ethiopia, supporting its development endeavor in line with its policy priorities. JICA's grassroots development activities are impacting millions of people in Ethiopia. The champion product concept which resulted from the

policy dialogue is serving numerous SMEs in Ethiopia to come up with best products with comparative advantages.

Ethiopia has widely adopted the Kaizen system, a Japanese technique meaning “quality control in industry” (Imai, 1986). Through continuous improvement, selected industries have succeeded in enhancing their industrial quality and productivity (Tadesse, 2013). Ethiopia also adopted a “National Kaizen Movement’ intended to apply Kaizen in all industries and institutions in Ethiopia. KAIZEN is becoming the core philosophy behind the rapidly growing light manufacturing sector in Ethiopia.

The recent visit of Prime Minister Shinzo Abe to Ethiopia has added impetus to a growing positive image of Ethiopia in Japan. People to people relations and cultural exchanges are making a great contribution to relations between two countries. The Ethiopian Association of Japan, established in 1971 has become an important channel for people to people relations and cultural exchanges. The Nilo-Ethiopian Studies Association of Japan is making progress in linking two countries in academic and research arena. The Japan Alumni

Association of Ethiopia has been recently established and is becoming important gathering to promote the image of Japan in Ethiopia. Multiple friends of Ethiopia in Japan, those who have experience in living Japan and in Ethiopia as well as Ethiopian students who have studied in Japan all play their part in bolstering relations between two countries

There will be more prospects for business and investment. Kaizen and other people to people interaction between Ethiopia and Japan are the base for future cooperation. History is one key issue that brings Ethiopia and Japan together, as two of the few non-Western countries that found their own path to development and cultivated their own unique cultures. After the Visit of Shinzo Abe to Ethiopia, many private sector representatives in Japan are beginning to consider Ethiopia as a potential destination for Japanese investment. The Ethiopia-Japan policy dialogue is designed to facilitate more Japanese involvement in Ethiopia. The launch of Ethiopian Airlines’ service to Japan in April will practically facilitate increased communications and contribute to further organic development of business ties and relations.

Japan's focus on Africa in general and Ethiopia in particular promotes a win-win approach which is the base for sustainability. Japan is a pioneer in initiating the most organized series of partnerships with Africa through TICAD which encourages mutual engagement and genuine partnerships. Ethiopia is actively engaged in the TICAD Process which due to hold its Sixth Summit in Africa in 2016.

The Japanese policy of One Village One Product Initiative promotes products of developing nations.

Ethiopia and Japan's longstanding friendship and legacy of diplomatic relations is crucial for future cooperation, and needs to be harnessed positively for mutual benefits. Positive signs of engagement in business and investment now promise a bright future. We all need to make sure enhanced and coordinated efforts make the current initiatives a success

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