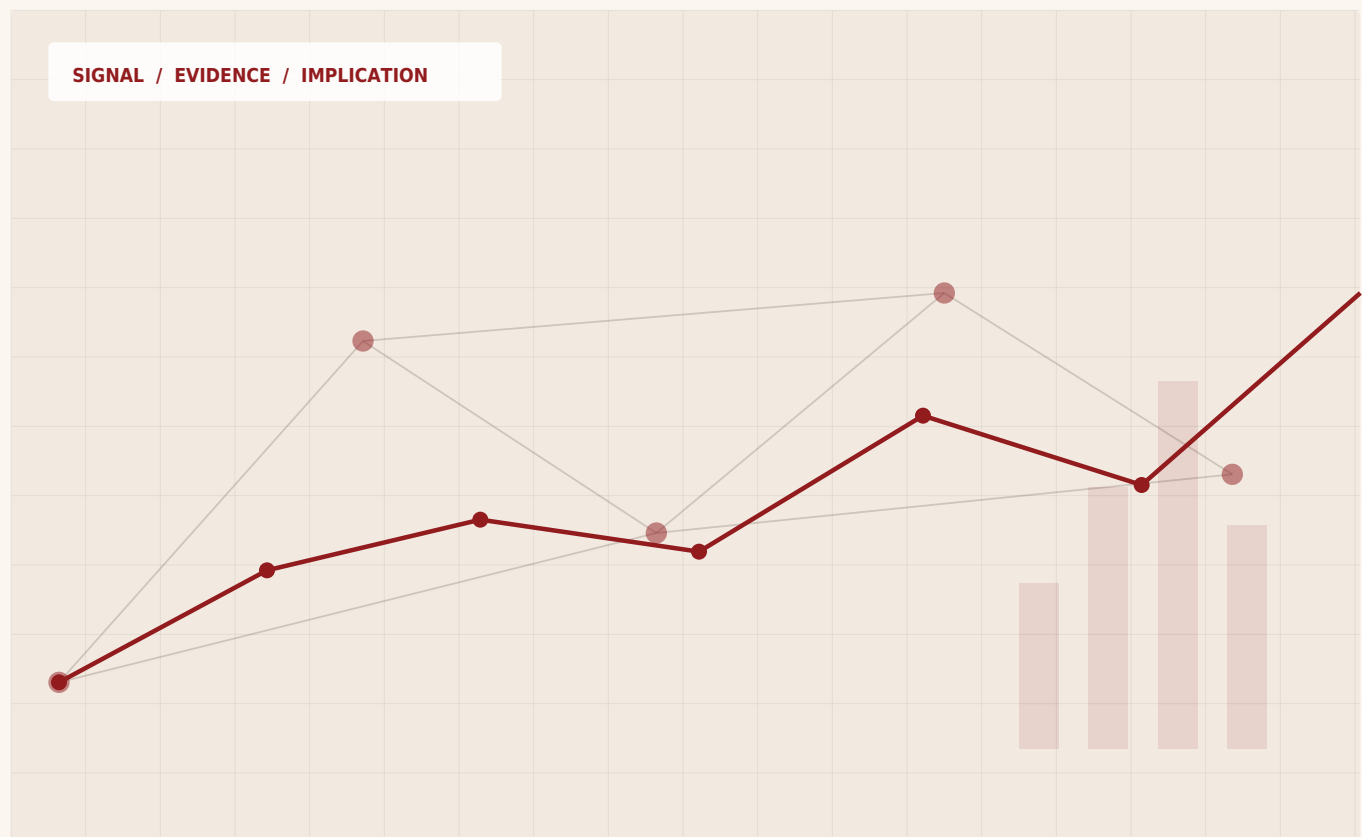




The Report Card

Grading Ethiopia's Reform Year



01

THE YEAR IN EIGHT NUMBERS

Ethiopian year 2018 (11 September 2025 to 10 September 2026) closes with its reform architecture essentially complete and its delivery record mixed. The eight figures below anchor everything that follows.

<div>24</div> <div>InfoPlate briefs published across Ethiopian year 2018</div> <div>InfoPlate Media and Consulting; Sept 2026</div>	<div>0</div> <div>Foreign banks with a full Ethiopian operating license, one year after liberalization</div> <div>National Bank of Ethiopia; Sept 2026</div>	<div>13 vs 6</div> <div>Companies registered on ESX versus companies actually trading</div> <div>Ethiopian Securities Exchange; Aug 2026</div>	<div>\$7.17B</div> <div>Formal diaspora remittances, FY2024/25, against an \$8B FY2025/26 target</div> <div>World Bank; Ethiopian Diaspora Service; Jul 2026</div>
<div>9.1%</div> <div>Share of Ethiopian trade that is intra-African, against a ~16% continental average</div> <div>AfCFTA Secretariat; Afreximbank; Aug 2026</div>	<div>44%</div> <div>Ethiopians with reliable Tier 1+ electricity access, on a grid that is 97% renewable</div> <div>World Bank; UNFCCC; Aug 2026</div>	<div>2M</div> <div>New labour-market entrants a year, against 23% urban youth unemployment</div> <div>ILO; CSA Ethiopia; Jul 2026</div>	<div>\$295M</div> <div>Zijin Gold's minority stake in Allied Gold, after its \$4B full buyout collapsed on Chinese approval</div> <div>Allied Gold Corporation; Aug 2026</div>

DATA INTEGRITY NOTE: Ethiopia's government fiscal year (Hamle 1 to Sene 30; July to July) does not align with the Ethiopian calendar year (Meskerem 1 to Pagume; September to September) used to frame this edition. Figures above are dated by their own reporting period, fiscal or calendar, exactly as published in the source brief; none has been re-dated to force alignment.

02

THREE FINDINGS THAT DEFINE THE YEAR

THE PATTERN

Across sector after sector this year, the legislative or institutional signal outran its delivery. Banking liberalization produced a directive but zero licenses. ESX produced a record IPO but a listings count that missed its own target. Diaspora remittances hit a formal-channel record but captured only an estimated fifth of total flows. This is not six isolated stories. It is one story told six times.

AN INCOMPLETE, NOT A FAIL

The year's marquee capital story didn't finish as written. Zijin Gold's agreement to buy Allied Gold outright for roughly C\$5.5 billion (about \$4 billion) collapsed in July 2026 when Chinese regulators had not approved it by the deal's own deadline; Zijin took a \$295 million, 9.2% stake instead. But the underlying Ethiopian asset never stalled. Construction at the Kurmuk gold mine continued straight through the collapse, with first production still targeted for the third quarter of 2026. Capital still found its way to a well-defined project. It just arrived through a smaller door than the one that made headlines in January.

WHAT RAISES THE GRADE

Four decisions now sit on the critical path into Ethiopian year 2019: whether the National Bank of Ethiopia converts any of the three named bank suitors into an actual license, whether ESX's next listing cohort narrows the registered-to-trading gap, whether the Pan-

African Payment and Settlement System rollout gives AfCFTA's ratified protocols an operating layer, and whether the sugar and broader SOE privatization test now underway can deliver at the asset level even if the deal structure around it stumbles, the way Kurmuk's construction did, or stalls entirely, the way banking licensing has.

03

SEVEN MORE SIGNALS FROM THE ARCHIVE

The eight headline numbers do not capture the full year. These seven findings, each drawn from a separate InfoPlate edition, round out the picture.

- **Tourism's ceiling:** 1.2 million visitors and roughly \$2 billion in receipts sit against a \$5 billion target for 2030 built into the Dine Initiative; the infrastructure gap between the two, not the headline growth number, is the real investment question. (Ethiopian Tourism Organization; May 2026)
- **AfCFTA's paper architecture:** Eight of AfCFTA's core protocols are ratified and Ethiopia's tariff schedule is gazetted, but the payments and standards infrastructure that turns tariff-free access into actual trade is still under construction. (AfCFTA Secretariat; Aug 2026)
- **The slowest restructuring on the continent:** Two and a half years passed between Ethiopia's \$1 billion Eurobond default and June 2026's second agreement in principle, the longest Common Framework resolution process to date. (IMF; Ministry of Finance; Jun 2026)
- **A regulator that cleared its bar:** Ethiopia's drug authority now holds WHO Global Benchmarking Tool Maturity Level 3, yet the country still imports the majority of the medicines it consumes, a regulatory achievement that has not yet become a manufacturing one. (EFDA; Jun 2026)
- **Infrastructure ahead of ecosystem:** Ethiopia's digital and payments infrastructure scaled quickly this year, but the startup and fintech ecosystem sitting on top of it remains thin against regional peers. (InfoPlate; Apr 2026)
- **A three-decade governance gap closed:** WTO accession brought Ethiopia inside the rules-based trading system after decades outside it; the trade-diversification dividend it is meant to unlock is still ahead, not behind. (WTO Working Party; Apr 2026)
- **Landlocked risk, repriced:** Renewed Red Sea tension raised the practical cost of Ethiopia's landlocked position in 2026, keeping port-access diversification beyond Djibouti on the standing risk agenda rather than a settled question. (InfoPlate; Aug 2026)

04

ANALYSIS: THE ARCHITECTURE IS BUILT. THE DELIVERY IS NOT.

Capital Markets: A New Address, Not Yet a New Market

The two institutions built to carry Ethiopia's capital-market ambitions, ESX and a liberalized banking sector, both went live before this Ethiopian year began and were both tested during it. ESX's Ethio Telecom offering pulled in more than 47,000 investors, a genuine demand signal for a market that did not exist eighteen months ago. But the exchange closed FY2025/26 with only 6 of 13 registered companies actually trading, and interbank volume of ETB 3.32 trillion is still a wholesale liquidity story more than a public equity one. Banking tells the same story in starker terms: a year after the sector opened, zero foreign banks hold a full operating license against three publicly named suitors, KCB Group, Equity Group Holdings, and Absa, all citing

the 49% foreign ownership cap and Ethiopia's external position as the sticking points, not the law itself.

For an investor, the read is not that Ethiopia's capital markets are closed. It is that the entry cost is patience: the legal architecture removed the prohibition, but it did not remove the negotiation over ownership terms, and that negotiation is where this year was actually spent.

Trade and Regional Position: Signed On Paper, Not Yet on the Ledger

Ethiopia's trade-policy year was, on paper, a strong one: WTO accession closed a three-decade governance gap, and AfCFTA implementation added eight ratified protocols and a gazetted tariff schedule. Neither has yet moved the trade numbers. Only 9.1% of Ethiopian trade is intra-African, below the roughly 16% continental average Afreximbank reports for 2026, and well short of the African Union's long-standing 25% integration target. Renewed Red Sea tension this year was a reminder that Ethiopia's single-corridor dependence on Djibouti remains the more immediate constraint than tariff schedules.

The benchmark matters here: Ethiopia is not an outlier within Africa's slow AfCFTA rollout, it is roughly in line with continental averages. That reframes the finding. This is a regional execution problem that Ethiopia shares, not a country-specific failure, which changes how an investor should weight it against country risk.

People and Capital: The Diaspora and Labour Paradox

Ethiopia's two largest sources of household and national income both posted strong headline numbers this year and weak conversion rates underneath them. Formal diaspora remittances reached \$7.17 billion in FY2024/25 against an \$8 billion FY2025/26 target, yet an estimated 22% formal-channel capture rate implies a much larger volume moving outside the banking system entirely, and outside FX reform's reach. Labour tells a parallel story: the economy is absorbing roughly 2 million new entrants a year at 73% labour-force participation, but urban youth unemployment sits at 23%, and headline unemployment of 3.4% is doing more to flatter the picture than describe it.

Both cases point to the same mechanism: aggregate flows into Ethiopia, whether human capital entering the workforce or financial capital entering through remittances, are healthy. What is missing is the formal-sector or productive-investment channel that converts the flow into structural gain.

Mining: A Grade of Incomplete

Mining looked like the year's cleanest counter-example to the gap pattern when Zijin Gold agreed in January to buy Allied Gold outright for roughly C\$5.5 billion, about \$4 billion, the largest capital commitment tracked in any InfoPlate edition this year. It did not survive the year intact. The arrangement was terminated on July 29, 2026 after Chinese regulators had not approved it by the deal's own deadline, with both companies citing broader external factors affecting cross-border transactions of this scale. Zijin took a \$295 million, 9.2% strategic stake instead, which closed on August 10.

What makes this a genuine incomplete rather than a repeat of the banking story is that the underlying Ethiopian asset never stopped moving. Construction at the Kurmuk gold mine continued straight through the collapse, with first production still targeted for the third quarter of 2026, and Allied Gold has said proceeds from Zijin's smaller investment will help fund the mine's completion. KEFI Gold's separate \$340 million Tulu Kapi financing tells a similar story. The distinction worth drawing for an investor is between country risk and counterparty risk: Ethiopia's asset-level case held up; the corporate-level transaction ran into a Chinese regulatory decision that had nothing to do with Ethiopia at all.

Security risk in Oromia and Benishangul-Gumuz remains the structural counterweight to both projects and is named here deliberately, because a mining story told without its risk is promotional content, not analysis.



Figure 1: Three of the year's headline reform signals set against verified delivery figures. Source: Ethiopian Securities Exchange; National Bank of Ethiopia; World Bank; Ethiopian Diaspora Service (2026).

05
EDITOR'S OUTLOOK

Ethiopian year 2018 was never going to be the year Ethiopia's reform program was judged on its legislation. That judgment happened in 2016 and 2017, when the birr floated, the banking law passed, and ESX opened its doors. Year 2018 was the year the program was judged on delivery, and on that measure the record is genuinely mixed rather than uniformly good or bad, which is the more useful finding for anyone allocating capital against it.

Year 2019 inherits an unusually concrete set of tests. The sugar and broader state-owned enterprise privatization process now underway is the most immediate: does it resolve like mining, where capital moved once the case was clear, or like banking, where an open door has not yet produced a single tenant. Beyond that, InfoPlate's Cycle 3 calendar tracks the same question across new terrain: the AGOA and industrial-park jobs question, GERD's power-export business case, the Djibouti dependency, and Ethiopia's shifting investment geography toward Gulf and Chinese capital. Ethiopia hosting COP32 in 2027 adds a fixed external deadline to the electricity-access question this edition raised.

The single most useful thing an investor, founder, or institution can do with this edition is treat every signal in it as provisional. A ratified protocol, a signed law, or a launched exchange is the beginning of the evaluation, not the end of it. InfoPlate's job into year 2019 is the same as it was in 2018: keep tracking the gap between the two, and say plainly when it closes or when it doesn't.

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