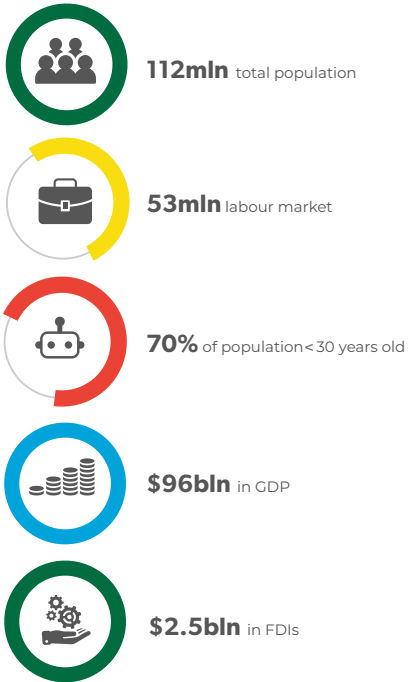




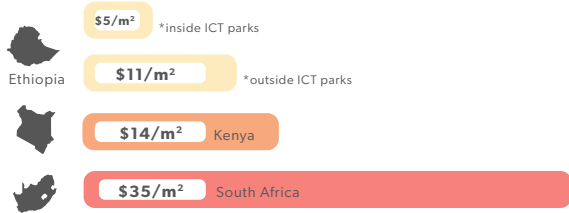
# OFFSHORING TO ETHIOPIA

## At a Glance\*

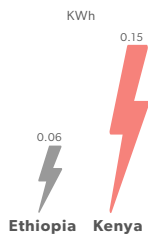


\*Source: <https://www.worldbank.org/en/country/ethiopia/overview>

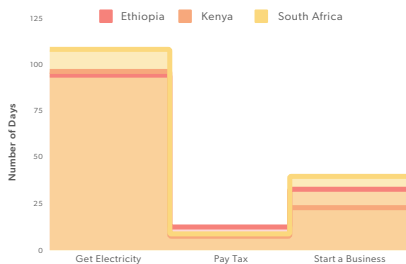
## Real Estate Costs



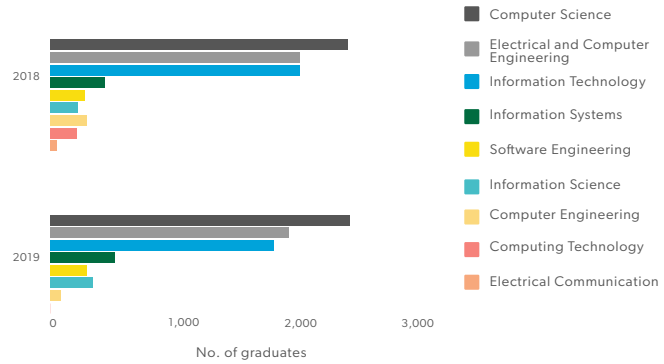
## Electricity Costs



## Ease of doing Business

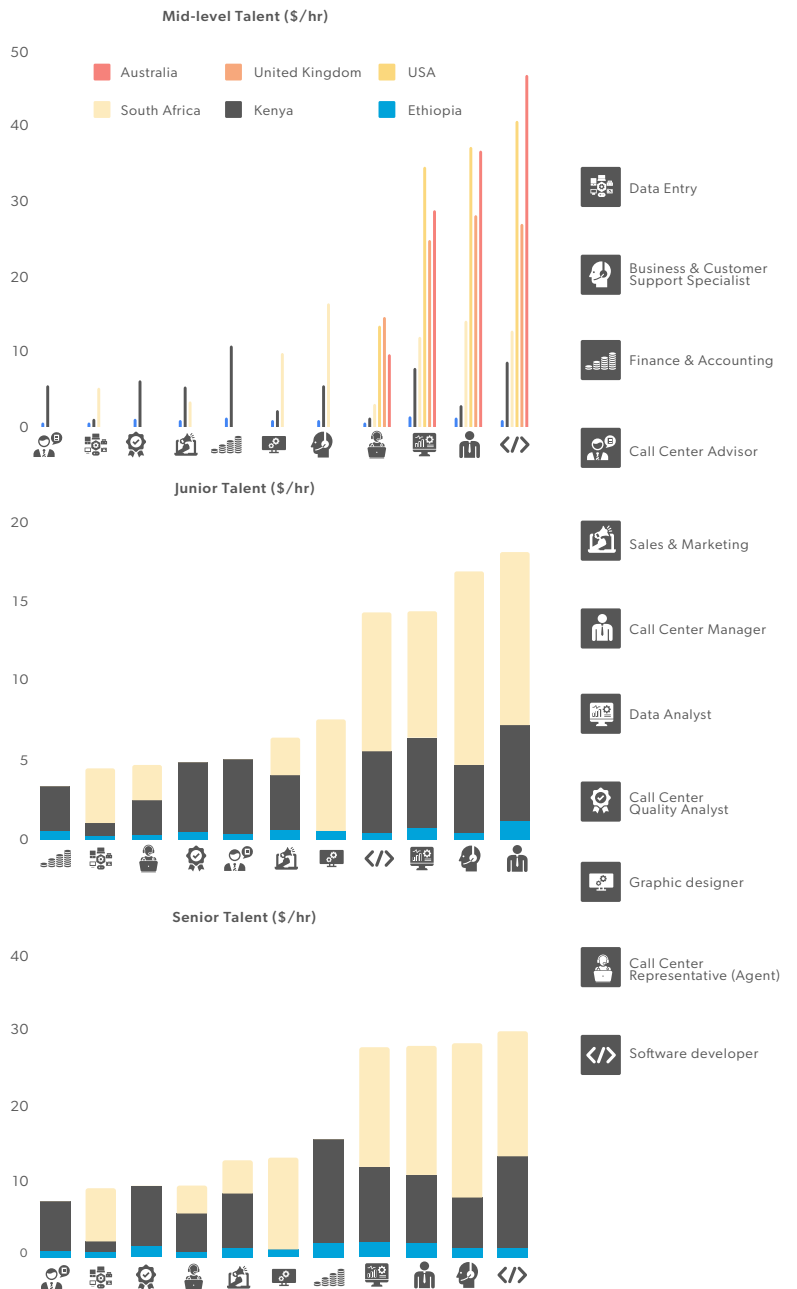


## Graduating Talent\*



\*Source: <https://data.worldbank.org/indicator/SE.TER.ENRR?locations=ET>

## Talent Costs\*



\*Source: <https://www.paylab.com/et/salaryinfo>



# Connectivity

## Kenya



### In ICT Parks

- ✓ Two service providers connected to the smart city

### Rest of Country

- ✓ 3G coverage: 78% of population
- ✓ 4G coverage: 37% of Population
- ✓ Four telecom providers are present



**USD\$1.05/GB**

## Ethiopia



### In ICT Parks

- ✓ 10Gb/sec fiber connected to the backbone
- ✓ VSAT connectivity under construction

### Rest of Country

- ✓ TelCos include Ethio Telecom,, with two more providers to be announced by H2 2021
- ✓ Several ISPs available including WebSprix and www.g2gi tsolutions.com



**USD\$2.53/GB**

# Incentives

## Kenya



### Capital Deduction

- ✓ Tax exemptions, holidays, deductions under SEZ and EPZ programs
- ✓ Industrial Building Deduction
- ✓ Removal of licensing requirements on information and broadcasting services



### Investment Incentives

- ✓ Double Taxation Treaties
- ✓ Special Economic Zone incentives
- ✓ Incentives already in place (subsidization of bandwidth costs through financing from the World Bank)
- ✓ Developed a legal framework for investment incentives and ease of incorporation and registration processes
- ✓ Office electronic machinery and equipment are duty free

## South Africa



### Capital Deduction

- ✓ Tax exemptions by number of job created
- ✓ Bonus Incentives based on the performance of the BPO
- ✓ Talent Development subsidies



### Investment Incentives

- ✓ Infrastructural development incentives
- ✓ IDZ related incentives

## Ethiopia



### Capital Deduction

- ✓ Customs duty relief
- ✓ Double taxation avoidance agreement (DTAA)
- ✓ Tax holidays and exemptions
- ✓ Export trade incentives
- ✓ Financial incentives



### Investment Incentives

- ✓ Capital goods to the core business of the company are tax exempted in the ICT park
- ✓ Industry Parks Incentives

\*Sources: <http://www.invest.go.ke/starting-a-business-in-kenya/investment-incentives/#1512020520964-67ff3f3f-0d69>  
<https://www.investmentincentives.co.za/expenditure-capital>