**Eritrea** **Investment Conference**

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Eritrean Investment Conference was held in Asmara, Eritrea at the Asmara Palace Hotel for two days and development sites excursion to Central and Gash Barka regions on the third day. There were investors from different parts of the world, the Americas, Asia, Australia, Europe, Middle East and 22 countries from Africa. The Eritrean Investment Center presented the goals and objectives of the Eritrean Governments economic growth and development objectives. It stated,

“Eritrea’s objectives are to establish a dynamic and self-reliant economy with equitable distribution of benefits and Public and Private Partnership that bring about wider participation of nationals in the process of economic development. To facilitate and enhance an effective nation-wide saving-investment mechanism that links savers and investors at home and the Diaspora.”

Furthermore, the conference gave details on ways that the nationals can be part of the economic development by directly investing in new ventures or by buying shares in the existing profitable corporations such as Eri-Tel, National Insurance Corporation of Eritrea and more.

The conference elucidated on the Societal and Economical climate of the country; Peace and security are the main pillars of a true and conducive investment environment in Eritrea. The economic policy underlines the necessity of having inclusive market-led economic system, responsible to the economic values of the country and respectful of the rule of law. The private sector should have the upper hand in all economic sectors with the government to intervene in major public shares. The private sector is seen as the major development partner, an engine of growth that will help jump start the economy and eventually lead to long-term growth in the Governments development agenda- as explicitly indicated in the Macro Policy document (1994). In line with the macro-policy objectives, a revised investment code was issued in 1994. The main objective of the investment code is to promote investment in Eritrea as well as develop and use the country’s natural resources and expansion of employment opportunities (GOE, 1994: 5). Moreover, all areas of investment are open to all investors both foreign and domestic (GOE, 1994:6).

In the mid-1990s, the government began major investments in infrastructure, roads, electricity, dams, and port operations to support the further development of its economy for domestic consumption as well as export. According to the Investment center conference Eritrea has many economic sectors that offer investment opportunities with higher than normal rate of return such as the Agriculture and Agro processing, Fisheries and fish processing and marketing, Tourism and Hospitality Industry, Mining of precious, industrial and construction minerals, Financial services, Housing, Manufacturing, Energy, Transportation and Foreign trade. Key investment opportunities in the fisheries sub-sector provide a potential of 90,000sq.km of fishing ground, and other marine produces. The Agro- manufacturing sector produces a variety of products with particular emphasis on processed food and dairy products leather goods.

The conference participants mentioned many questions and concerns. The questions were; the availability of foreign exchange, shortage of housing in Asmara, sectors of viable investments, domestic market conditions, buying power, fair pricing of commodities, availability of farm equipments and logistics and fishing industry as a viable industry.

The minister of Marine and Agriculture gave detailed information on their experiences specially the time of no peace no war and the structural adjustments that were made due to the foreign conspiracy to hold the economy hostage. Both officials stated that Eritrea’s share in domestic and International agriculture is low. There are no exports of high-value added agricultural or agro-based goods, but domestic and global demand for these products is dynamic and will continue to increase. Therefore, growth based on the development of agro-based industries is the way to go to promote sustainable development and resource based growth. There is high demand for fish which is the most dynamic commodity in world trade and has high unit value. Nevertheless, this requires substantial capital investment in upgrading infrastructure and domestic capabilities. The sanitary standards, trace-back systems and technical requirements with respect to packing and labeling constitute important restriction export to the international market. Export of high value products such as meat and meat products; dairy, fish products, vegetables, fruits and nuts are dynamic and their growth rate is high. The government of Eritrea has been working hard to help in the development of dynamic production groups, by building infrastructure, technical upgrading, establishing business services and export assistance to the private sector. Hence, understanding domestic potential and endowments Eritrea’s realistic strategy for sustainable economic development was based in finding opportunities within the primary agriculture and natural resource based sector generating spillovers to other sectors.

The last agenda of the conference covered the housing deficit problem. Estimates vary but demand for housing reveals that the Asmara housing deficit is high. There was consensus over the obstacles to prompt property development. The high cost of imported building materials, low-income levels, undeveloped local building material industry and inadequate long-term finance. Although revenues are only now beginning to reach the government coffers, small builders have already begun to invest in new housing developments in anticipation of the impact of economic development. Asmara’s huge, but delayed plans for housing will result in transformation of the country’s property stock in urban areas. The government of Eritrea is to ensure that both the public and private sectors combine forces to bridge the housing deficit within a short time by building mass development.

In summation, the conference highlighted the opportunity to construct a dynamic and self-reliant economy with equitable distribution beneficial to the Public and Private sectors based on partnerships that brings about wider participation of nationals in the process of economic development.