Economic Theme

The Economic Relations between Turkey and Ethiopia

Dr. Ali Mohamud Muhumed*

Ethiopia has one of the longest relations with Turkey; the diplomatic relations between Turkey and Ethiopia have started in 1896 with the exchange of delegations during the rule of Sultan Abdülhamid II and Emperor Menelik II. Following the opening of the first Ottoman-Turkish Consulate General in Harar, in 1912, the first Embassy of the Republic of Turkey’s in Sub-Saharan Africa was opened in Addis Ababa, in 1926. The Ethiopian side opened its Embassy in Turkey in 1933. The Embassy of Ethiopia in Ankara was closed in 1984 during the Communist Derg regime and it was re-opened on 21 April 2006. Turkey-Ethiopia relations currently continue in a positive track, though there are still areas that should be further developed. Turkey is one of the leading countries in terms of foreign direct investment in Ethiopia, along with China and India. There are more than 350 Turkish companies operating in Ethiopia to date. These companies have created jobs for more than 50,000 Ethiopians.

This study clarifies the Ethiopia’s economic relations with Turkey; the paper gives an introduction to Ethiopian profile which includes people, government and economy of Ethiopia. Also the paper illustrates a general background on Ethiopia’s relation with Turkey. It especially examines relations during the Menilik II Era, Haile Selassie, the Derg Administration and the current administration of the Federal Democratic Republic of Ethiopia (FDRE) as well as the paper describes the major areas of cooperation between Ethiopia and Turkey such as Investment, Trade and International Economic Aid. There are also outcomes and recommendations based on the results of the paper.

INTRODUCTION TO ETHIOPIAN PROFILE
(People, government and economy of Ethiopia)

1. PEOPLE AND DEMOGRAPHIC CHANGES IN ETHIOPIA:
   Ethiopia entered the 20th century with about 11 million people and left it with about 62.6 million people.\(^1\) The average annual rate of growth of population which was only 0.2 per cent at the beginning of the century rose to 2.92 percent at the end of the same century. Among the major factors that could cause a change in population are economic growth and development, investments in health and education, epidemics and other health threats, public health interventions and availability of family planning and reproductive health services.

   According to the second population and Housing Census of 1994, the size of the population was 53.5 million in 1994 and it was projected to reach 66 million in 1999 and

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88.0 million in 2012 if we consider the doubling time since the beginning of the last century, it doubled to 22.0 million in 1960 to 44.0 in 1987, and it is projected to reach 88.0 million in 2012.\(^{(2)}\)

Population is a central issue in the development of a country, and if economy grows faster than the growth of population, then it can be said the population is an asset. Hence, population as an integral part of a broader socioeconomic system is central in development issues.

Population, if properly trained and utilized is considered as an important resource base because it is a source of labour and entrepreneurship. Population might be considered as a liability if its growth rate is equal or greater than the growth rate of the economy. The implication of rapid growth rate of population in developing countries is significant.

The economy has to provide food, clothing, shelter, health and education services and employment to the growing population.\(^{(3)}\) Like all developing countries, the population Ethiopia is characterized by one of the growing population in the world. It is the second most populous country in Africa next to Nigeria.

Ethiopia is a melting pot of various ethnic groups that speak numerous languages. There are Semitic, Cushitic, Osmotic and Nilotic people. Rural dwellers account for 85 percent of the population. They are mostly small-holder peasant agriculturalists. The annual rate of population growth is 3 percent. The economically active population (14-60 years of age) accounts for 50 percent of the population.\(^{(4)}\)

In the future, the annual growth rate of population is estimated to decline and reach 1.85 per cent in the period 2025 – 2030.\(^{(5)}\)

Though the rate is declining, the size of population continues increasing.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>11,000</td>
</tr>
<tr>
<td>1925</td>
<td>12,730</td>
</tr>
<tr>
<td>1950</td>
<td>17,947.5</td>
</tr>
<tr>
<td>2000</td>
<td>63,495</td>
</tr>
<tr>
<td>2005</td>
<td>73,044</td>
</tr>
<tr>
<td>2025</td>
<td>117,586</td>
</tr>
</tbody>
</table>

Source: central statistical Authority, 1988,191, and 1994

According to the CSA Report, the total fertility rate in Ethiopian declined, on average from 7.5 births to 6.7 births per woman between 1984 and 1994. Total fertility rate indicates the average numbers of children born to woman in her child bearing age. That is approximately between the age of 15 and 45 years. High fertility rate increases the dependency burden in the short-rur. This reduces the saving and investment required to expand the productive capacity of the economy.\(^{(6)}\)

2. THE GOVERNMENT:

Ethiopia has come a long way from the centralized rule of the Haile Sellassie and Dreg regimes. It now has a federal government structure. After a brief administration by the transitional government of Ethiopia, following the fall of the military regime, the Federal Democratic Republic of Ethiopia was established in 1995 under a new construction.

The Federal Government is responsible for national defense, foreign relations and general policies of common interest to all states. The Federal Government recognizes that Ethiopia is composed of numerous nations. It accepts their right to self-
determination, giving them regional autonomy in the areas they inhabit. Hence there are nine autonomous states in Ethiopia with the power of self-administration. The Federal Government has a bicameral parliament, the members of which are democratically elected by universal suffrage for a term of five years. The federal state is led by a constitutional president. The federal government is led by an executive prime minister who is accountable to the house of peoples’ representatives. There is a constitutionally independent judiciary. (7)

3. ECONOMY:

The performance of the economy varies by regime in the last four decades. The Ethiopian economy has changed from a liberalized economy (till 1974) to a controlled one (1974 – 1989) and again back to a liberalized one (after 1991). The structure and objective of the economy was changed alongside the objective of the socialist government during the period 1974 – 1991. The performance of the economy was the worst during the planned economic era in which real GDP registered an average growth rate of 2.3 per annum (Per capita income growth being- 0.4%) between 1974/75 and 1989/90 (10). (8)

The period 1992 – 2005 was characterized by a more liberal regime. The performance of the economy has shown improvement in the 1990s real GDP grew on average by about 4.22 per cent. During 1990/91-1999/2000, GDP and per capital GDP on average grew by 3.7% and 0.7% respectively. However, the performance of agriculture was very poor also in this regime; It recorded an average growth rate of 2.77 per cent.

During the 1992 – 2003 periods, the economy grew by an average of 4.22% while the agricultural sector, the manufacturing sector and the service sector grew by 1.77%, 4.86% and 6.76% respectively. It is noteworthy that although agriculture is the mainstay of the economy and the focus of the government’s development strategy, it was the industrial and services sectors that grew faster. Of the total per year growth in total GDP over the period, 85.4% per cent was contributed by the services sector, compared with agriculture’s contribution of 18.2 per cent. (9)

Although the economy had shown a better performance in the 1990s, the improvements failed to be sustained as the economy continued to suffer from fluctuations due to weather conditions, civil war, drought and policy failures.

Sustained economic growth is presumably cut off by low human capital, insufficient infrastructures leading to low marginal productivity of capital, low saving rates, and swelling population. These poor conditions are overriding constraints to the development of an integrated economic base. Overall the growth performance has been too irregular and precarious for it is heavily dependent on the vagaries of nature and external shocks like political instability and war.

The Ethiopian economic transition towards a market economy with increasing private ownership has been one of the major objectives of two governments since the beginning of the 1990s. The reform process has reached the level of implementation where, to a large degree, it has stopped.

Ethiopia’s economy picked up pace in FY 2013/2014, expanding at the fastest rate in three years. The country has been one of Sub-Saharan Africa’s top performers in recent years, driven by its strong agricultural backbone and the government’s Growth and Transformation Plan, which has strengthened the manufacturing sector, improved the country’s infrastructure and attracted foreign investment. Meanwhile, in the political arena, it is widely expected that the ruling Ethiopian Peoples’ Revolutionary Democratic
Front (EPRDF) will be re-elected in the upcoming 24 May parliamentary election. The EPRDF has been in power since 1991 and dominates Ethiopian politics Ethiopia’s future is bright. The government’s ongoing reform plan will continue to spur economic growth and the country is on pace to record another strong expansion. Focus Economics panelists expect GDP to expand 7.8% in 2015, which is up 0.2 percentage points from last month’s forecast. For 2016, the panel sees the economy growing 7.6%.

Table 2 Evaluation of main macroeconomic indicators (2010 -- 2015)

<table>
<thead>
<tr>
<th>Years</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>83.0</td>
<td>84.7</td>
<td>86.8</td>
<td>88.9</td>
<td>91.0</td>
<td>93.0</td>
</tr>
<tr>
<td>GDP per capita (USD)</td>
<td>342</td>
<td>358</td>
<td>483</td>
<td>519</td>
<td>558</td>
<td>591</td>
</tr>
<tr>
<td>Economic Growth (GDP, annual var. in %)</td>
<td>11.4</td>
<td>8.7</td>
<td>9.8</td>
<td>10.3</td>
<td>8.4</td>
<td>7.8</td>
</tr>
<tr>
<td>Inflation</td>
<td>8.1</td>
<td>33.2</td>
<td>22.8</td>
<td>8.1</td>
<td>7.4</td>
<td>7.7</td>
</tr>
<tr>
<td>Exports (annual variation in %)</td>
<td>46.3</td>
<td>22.1</td>
<td>6.3</td>
<td>-7.6</td>
<td>8.8</td>
<td>12.3</td>
</tr>
<tr>
<td>Imports (annual variation in %)</td>
<td>8.0</td>
<td>13.1</td>
<td>41.2</td>
<td>2.6</td>
<td>27.4</td>
<td>-16.2</td>
</tr>
<tr>
<td>External Debt (% of GDP)</td>
<td>25.9</td>
<td>28.4</td>
<td>24.9</td>
<td>27.2</td>
<td>30.5</td>
<td>31.7</td>
</tr>
</tbody>
</table>


**General Background on Ethiopia’s Relation with Turkey**

This section provides special attention in analyzing the implication of Ethio-Turkish relation towards the political-economy of the two countries, outlining the contemporary relations. Hence, it is essential to uncover historical evidences to properly understand the magnitude and characteristics of the then relation. This in turn contributes to clearly analyze the current relations.

As noted above, the beginning of Ethiopia’s relation with Turkey goes back to the Ottoman period. The Ottoman Turks following their conquest of Egypt in 1517 began to extend towards the Red sea coast region. This territorial expansion was aimed to maintain the security of the east trade that stretched from Far East to Europe and contribute a lot for the strengthening of the Ottoman’s economic capacity. This relationship between the Ottomans and Ethiopia further strengthened with the appointment of Ozdemir Pasha as governor general of Yemen in 1548. He expanded his domination in the red sea region and in 1555 he had founded the province of Abyssinia.⁽¹⁾

Despite some declines in later periods Ethio-Ottoman relations restarted during the reign of Sultan Abdulhamid II. Emperor Menelik II of Ethiopia sent Ato Josef and Kont de Leonif to Istanbul as Ambassador. The king also sent various gifts and also requested Ottoman support for the protection of Abyssinian properties in Jerusalem, especially the Monastery of Deiru’s Saltana. Sultan Abdulhamid II sent a reply with
some presents and also made efforts to solve the problem concerning the monastery in Jerusalem.\textsuperscript{(10)}

Following the collapse of the Ottoman Empire and establishment of the Republic of Turkey also the two countries continued their economic and diplomatic relation. It was only after three years following the fall of the Ottoman Empire, 1926; Turkey opened its embassy in Ethiopia, which was the first Turkish embassy in sub-Saharan Africa. Ethiopia opened its embassy in Ankara in 1933 and it had been remained active until the Communist Derg regime closed it in 1984. The new government of Ethiopia EPRDF reopened the Ethiopian embassy in Ankara. Furthermore, In general all the above mentioned facts about past Ethio-Turkish relation have their own implication for the current and future socio-political and economic ties of peoples of the two countries.\textsuperscript{(11)}

Turkey has a long relationship with Ethiopia. Ethiopian Emperor Haile Selassie, who ruled the country between 1916 and 1974, was the first Ethiopian head of state to visit Turkey. Bilateral ties were ruptured during Ethiopia's period of military rule, which lasted from 1974 to 1991, following the fall of Ethiopia's military dictatorship, however, the two countries resumed diplomatic relations and Ethiopia reopened its embassy in Turkey in 2006. And Prime Minister Meles Zenawi was co-chair of the 2008 Turkey-Africa Summit in Istanbul. \textsuperscript{(12)} The Turkish Cooperation and Development Agency (TIKA) opened an office in Ethiopia in 2005, and Turkish Airlines began flights to Addis Ababa in 2006. The two countries have signed numerous agreements and memoranda of understanding. Turkey and Ethiopia held their 5th round of political consultations in 2012, as well as Turkey provides training each year for five Ethiopians at the Turkish Police Academy. \textsuperscript{(13)}

There is a strong relation between Turkey and Ethiopia at both the economic and political levels. But beyond these political and economic ties, there are cultural relations that are rarely mentioned by the media, even though they date back hundreds of years. The house of late Turkish businessman Mohamed Ali in Harar, a well-known town 525km east of Addis Ababa, reflects the strong cultural relations that go back more than a century. The house is now being transformed into a museum that will exhibit the culture and heritage of both countries. Ali arrived in Addis Ababa in 1875 in the company of Rauf Pasha, a Turkish man who ended up ruling Harar for ten years, according to Mohamed Rabel, a heritage expert from the same town and Turkey's cultural heritage is still visible in the town, apart from culture and heritage, Turkish nationals continued to live among Ethiopians to the present day.\textsuperscript{(14)}

**MAJOR AREAS OF COOPERATION BETWEEN ETHIOPIA AND TURKEY:**

1. **INVESTMENT:**

"We want more Turkish investment and will be working very hard with Turkish government and companies," Ethiopian Prime Minister Hailemariam

Turkey-Ethiopia relations currently continue in a positive track, though there are still areas that should be further developed. One of the most important areas is the investment.

There is an agreement between the republic of Turkey and the federal democratic republic of Ethiopia concerning the reciprocal promotion and protection of investments which signed by the two parts on the 16th day of November 2000, in Addis Ababa.\textsuperscript{(15)} The agreement contains of nine articles about deferent aspects of investment and investors of the two countries. As an example, article II which is about Promotion and Protection of Investments provides for the following points.\textsuperscript{(16)}
1. Each Party shall encourage and create favorable conditions for investors of the other Party to invest in its territory.

2. Investments of investors of each Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection in the territory of the other Party. Neither Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, or disposal of such investments.

So Turkey is one of the leading countries in terms of foreign direct investment in Ethiopia, along with China and India. There are more than 350 Turkish companies operating in Ethiopia to date. These companies have created jobs for more than 50,000 Ethiopians.

Turkish investments are also enabling technology and knowledge transfer to Ethiopia, according to Turkish officials, while Turkish investment in Ethiopia stands at $3 billion. Turkish businesses have invested in 14 projects in Ethiopia, including a 389 km-long railway extension project for the Awash-Weldia Railway which aims to connect the northern and eastern parts of the country.\(^{(1)}\)

As of June 2013, the number of Turkish firms active in Ethiopia is around 100 and the number of employment by these firms has reached about 46,000 although it was only 1 and 5 respectively, in 2003. The total amount of investment by the Turkish firms in Ethiopia estimated between $1.6 and $1.8 billion. The companies were involved heavily in textiles but also construction, leather, furniture, agro-processing, and water well drilling. Currently, Turkish firms employ highest number of workers in private sector in Ethiopia.

Turkey’s USD three billion leads all nations in FDI, eclipsing giant China by one billion USD. Over 350 Turkish investors are registered in Ethiopia to invest on various fields, while manufacturing is the priority. The Turkish government also plans to get involved in Ethiopia’s financial sector which is currently reserved for Ethiopians only. Ziraat Bank, a Turkish agricultural bank, has tabled its interest for the government. This issue has been one of the areas mentioned by Turkish officials during President Erdogan visit. A delegate who accompanied the president talked with Ethiopian officials about the possibility of opening a Turkish bank in Ethiopia. Within a decade Turkish investment in Ethiopia has reached USD three billion, a figure which is expected to become even higher in the future. The two countries’ economic trade relationship has reached over USD 400 million dollars per annum, and that is also highly anticipated to grow in the coming period.\(^{(1)}\)

Turkish Foreign Direct Investment to Ethiopia is leading the group of emerging economies that have shown interest in investment opportunities in Ethiopian. Although, the Chinese lead in terms of number of companies that have invested in the Ethiopia, the Turks lead in combined capital outlay, according to the Ethiopian Investment Commission (EIC). The EIC believes that Turkish companies are number one in the quality of the investment on account of having the highest share of overall capital investments by FDI in Ethiopia.\(^{(1)}\)

A Business to Business (B2B) Meeting was held between Ethiopian and Turkish investors, on May 6, 2015 at Addis Ababa. The event aimed at creating business ties between the business people of the two countries and organized by WAFA Marketing and Promotion Plc. in collaboration with the Turkish Electro Technology Exporters’ Association (TET) and the Commercial Counselor of the Embassy of Turkey in Addis
Ababa, was attended by more than 27 Turkish and 100 Ethiopian companies. In a similar B2B meeting was held in Turkey, Istanbul, and the business communities of the two countries had established business ties.\(^{(20)}\)

2. **TRADE**

"With a total population of 170 million in the two countries, the trade volume is insufficient. By the end of 2015 we want to increase it to 500 million," Turkish President Erdogan

Another significant indication of the developing relations between Ethiopia and Turkey is the fast trade volume increase registered in recent years. The trade volume was 27 million USD in 2000, 140 million USD in 2005, 441 million USD in 2012 and 421 million USD at the end of 2013.\(^{(21)}\)

**Main export items from Turkey to Ethiopia** are metal and metal products, machines, mechanical and electrical devices and their spare parts, voice recording devices, plastics, chemical products, textile and ready-made clothes, food, tobacco products, visual equipment, musical instruments, clocks, measurement devices, medical and surgical equipments, vegetable oil, paper, stone, gypsum, cement, asbestos, mica, shoes, artificial flower, wood and wooden products, mineral products, leather and leather products, bags, suitcases, furs, gem stones, metals, imitation jewelries.\(^{(22)}\)

**Main import items from Ethiopia to Turkey** are vegetable (sesame, oil seeds) and animal products, leather and leather products, textile and ready-made clothes, paper and plastic products. In order to strengthen relations in the field of education, the Turkish government provided 47 scholarships for undergraduate study in Turkey in the academic year of 2013-2014. The following table indicates some of the Ethiopia’s key exports and imports to/from Turkey.\(^{(23)}\)

<table>
<thead>
<tr>
<th>Exports</th>
<th>Share %</th>
<th>Imports</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal</td>
<td>0.43</td>
<td>Animal</td>
<td>0.72</td>
</tr>
<tr>
<td>Vegetable</td>
<td>68.23</td>
<td>Vegetable</td>
<td>1.84</td>
</tr>
<tr>
<td>Food Products</td>
<td>0.00</td>
<td>Food Products</td>
<td>3.98</td>
</tr>
<tr>
<td>Metals</td>
<td>0.03</td>
<td>Metals</td>
<td>56.40</td>
</tr>
<tr>
<td>Intermediate goods</td>
<td>42.84</td>
<td>Intermediate goods</td>
<td>62.77</td>
</tr>
<tr>
<td>Hides and Skins</td>
<td>0.31</td>
<td>Hides and Skins</td>
<td>0.04</td>
</tr>
<tr>
<td>Textiles and Clothing</td>
<td>29.76</td>
<td>Textiles and Clothing</td>
<td>2.65</td>
</tr>
<tr>
<td>Plastic or Rubber</td>
<td>0.01</td>
<td>Plastic or Rubber</td>
<td>2.66</td>
</tr>
<tr>
<td>Chemicals</td>
<td>0.08</td>
<td>Chemicals</td>
<td>4.43</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>0.59</td>
<td>Miscellaneous</td>
<td>2.97</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.00</td>
<td>Transportation</td>
<td>1.10</td>
</tr>
</tbody>
</table>

*Source: World Integrated Trade Solution WITS/
http://wits.worldbank.org/CountryProfile/Country/ETH/Year/2014/TradeFlow/Export/Partner/TUR/Product/all-groups*

Turkey would be another alternative for Ethiopian energy sector development, one of the major priorities for Ethiopian government. This was revealed while Prime Minister
Hailemariam Desalegn met Turkey’s President Recep Tayyip Erdogan in Addis Ababa on Thursday, January 22, 2015. During a joint press conference with Hailemariam, Erdogan said Turkey’s relations with Ethiopia have developed a great deal and Turkish investors can hugely contribute to the energy, construction and defense sectors in Ethiopia. The annual trade volumes between the two nations had surged to a current $400 million from only $30 million in 2006. The trade relation between the two countries is healthy and growing fast. Nevertheless concerted efforts have been made to strength the trade ties in recent years.

However, Ethiopia has to improve the quality and packaging of its products, it also needs to introduce its products to Turkish customers more aggressively. The following table indicating the Ethiopian trade exchange with Turkey.

<table>
<thead>
<tr>
<th>Year</th>
<th>Export (in thousand USD)</th>
<th>Import (in thousand USD)</th>
<th>Trade balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>33,297,36</td>
<td>238,708,83</td>
<td>-20,541,147</td>
</tr>
<tr>
<td>2011</td>
<td>45,215,03</td>
<td>359,723,72</td>
<td>-31,450,869</td>
</tr>
<tr>
<td>2012</td>
<td>50,571,50</td>
<td>513,586,04</td>
<td>-46,301,454</td>
</tr>
<tr>
<td>2013</td>
<td>81,691,36</td>
<td>503,235,43</td>
<td>-42,154,078</td>
</tr>
<tr>
<td>2014</td>
<td>77,176,62</td>
<td>453,327,40</td>
<td>-37,615,784</td>
</tr>
</tbody>
</table>

Source: World Integrated Trade Solution WITS/

3. INTERNATIONAL ECONOMIC AID:

Turkey has a great deal of investment in international banks, and Ethiopia is a member of many of these banks. Besides, the voting privilege is weighted in accordance with the capital contribution of the member countries. Turkey can help Ethiopia because of its great weight in voting procedure due to its huge contribution to these banks.

Turkey is a member of World Trade Organization (WTO), which Ethiopia is not a member of. As a part of its accession journey to the WTO, Ethiopia applies with Turkey the principle of open your market first before accessing the WTO members market, when a country applies to WTO membership, a member country who has specific business interest in the applicant country usually demands the applicant to open a certain sector or industry for its investors.

Turkey ranks among world's top aid donors. As have been reported by Turkish Disaster and Emergency Management Authority, Turkey has carried out humanitarian work in over 40 countries across four continents, helping people reeling from the effects of natural disasters or civil wars. The top five recipients were Ethiopia, Afghanistan, the West Bank and the Gaza Strip, Somalia and Pakistan.\(^{(24)}\)

Turkey provided food aid to Ethiopia to help alleviate the suffering of people due to the drought in 2000 that has affected millions of people. As the first part, the Turkish Red Crescent sent 25,000 US dollars to Ethiopia. On the other hand, a lot of Turkish private organizations have been providing humanitarian aid to Ethiopia.\(^{(25)}\)

Turkish Cooperation and Coordination Agency (TİKA) renovating historic Ethiopian Nejashi Mosque which is one of the world's earliest mosques, built in the seventh century by the companions of the Prophet Mohammad Pease of ALLAH be upon him, Located in the town of Wukro some 800 kilometers from Addis Ababa. The history of
Nejashi and the ancient mosque of Nejashi means a great deal to Ethiopia and the world.

In recent years, TİKA, Turkey's official overseas development agency, has been very active in Ethiopia, where it has provided support in the areas of health, education and heritage preservation. In addition to renovating the Nejashi Mosque, TİKA also recently undertook the renovation of an Ottoman-era building in Ethiopia's Harari state. The agency had also helped build schools in several parts of Ethiopia, including the Afar, Oromia and Benishangul Gumuz regional states.\(^{(26)}\)

**CONCLUSION:**

1. **Results:**
The following are the results and findings, which can be derived from this study:
   1. Ethiopian Turkey economic relation is an important element in the process of economic development in the both countries.
   2. Turkey can benefit Ethiopia because of its great weight in voting procedure due to its huge contribution to the international banks.
   3. The Turkish investment companies have created jobs for more than 50,000 Ethiopians.
   4. The Ethiopian appropriate social climate encourages the international companies to invest in Ethiopia.
   5. Ethiopia and Turkey have historical relations which go back to the Ottoman period.
   6. Among the results, also, is a causal relationship shared between the good international trade and quality of domestic production.
   7. The Ethiopian economy could be developed more, if the international investments, especially the Turkish investments arc well organized.
   8. Turkey and Ethiopia need to conduct coordinated efforts to address their shared challenges and establish a fertile ground for economic development in the region.

2. **Recommendations:**
Based on the findings of the study, the researcher suggests the following recommendations.
   1. Developing and promoting the economic relations between the two countries, will represent a starting point in attempts of economic development in Ethiopia.
   2. Encouraging the establishment of specialized institution for international economic relations within which experience could be accumulated. This might help in enhancing the economic development either by providing economic researchers with the required literature related to economic development or even by gathering, rearranging and publishing any research activity related to the local and regional economic development.
   3. Quality of produced goods and Trade facilities recommended being priority areas for the Ethiopian government.
   4. The both countries’ investments suggested to be designed in such a way that reflects government commitment to realizing of good relation with the other partner.
   5. More strategic and economic oriented researches are needed in the field of economic relations and the role it could play on the economic development in the both countries.
Our last prayer is to thank Allah, the Lord of Creation.
And Prayer and peace of Allah be upon our Prophet and Messenger Mohamed, his family and companions and whoever follows them until the Day of Judgment.

Endnotes:
2 - I bid. p.2
4 - Kinfe Abbreham, (2001) the dynamics of economic reforms, Addis Ababa, EIIPD Press, p.3
10 - Muzeyen Hawas Sebsbe, JOURNAL OF THE ACADEMIC ELEGANCEEthiopia and the rising powers: A case study on the post-cold war era Ethio-Turkish relation. 2015 volume 2 issue 3 pp91–93
11 - I bid, p 92
16 - I bid (the same document)
23 - World Integrated Trade Solution (WITS) wits.worldbank.org

10
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