

7. Logistics Sector Regulation

The logistics sector in Ethiopia is governed by various laws, regulations, and licensing procedures. Moreover, Ethiopia has a National Logistics Strategy which aims, by solving infrastructure gaps, improving trade facilitation, enhancing logistics services, and promoting collaboration, to transform Ethiopia into a regional logistics hub and improve its competitiveness in global trade.

The Ethiopian Institutional framework for transport and logistics is governed by the Ministry of Transport and Logistics (MoTL). According to Proclamation No. 1263/2021¹⁰, the MoTL has, among others, the following main duties in relation to inland transport and infrastructure development:

- initiate policies, strategies, programmes and laws that ensure sustainable development and competitiveness of the transport and logistics sector and implement the same upon approval;
- ensure the integration, efficiency and accessibility of land, air and sea transportation services, and thereby realise the country's development strategies and meet the needs of transport and logistics of development hubs and corridors;
- in collaboration with Ministry of Urban and infrastructure and other concerned organs, prepare a master plan of the country's transport and comprehensive logistics infrastructure and follow up on its implementation;
- establish a system that promotes the participation and role of the private sector in transport and logistics development and create conducive conditions for implementation of the same;
- ensure that the national logistic system, with respect to import and export, is efficient and competitive; and
- follow up the operations of the Ethio-Djibouti Railways in accordance with the agreement concluded between the two countries and monitor the same.

Furthermore, according to Proclamation No. 1263/2021¹¹, the Ministry of Urban and Infrastructure Development (MUID) is responsible for infrastructure development in Ethiopia. Its main duties in relation to transport and logistics infrastructure development are the following:

- prepare, in collaboration with the concerned organs, national integrated infrastructure master plan; follow up and monitor its implementation;
- ensure that national road infrastructure works are carried out on the basis of economic efficiency, importance and equitable access;
- prepare compensation formula and unit price for land and property expropriated for public interest; and
- support and follow up urban development, construction and infrastructure activities of Addis Ababa and Dire Dawa city administrations.

In addition to planning and policy development, the Ministries are accountable for coordinating all other planning and regulatory institutions and authorities. These institutions and authorities are responsible for developing, implementing, and regulating policies at their sectoral level in all aspects related to transport and logistics infrastructure. Proclamation No. 1263/2021 defines the relationship

¹⁰ Proclamation No. 1263/2021 Definition of Powers and Duties of the Executive Organs Proclamation – Government of Ethiopia – January, 2022 ([link](#))

¹¹ Proclamation No. 1263/2021 Definition of Powers and Duties of the Executive Organs Proclamation – Government of Ethiopia – January, 2022 ([link](#))

between a ministry and institutions accountable to it. The main institutions in relation to transport and logistics infrastructure are the following:

- Ethiopian Roads Administration (ERA): accountable to the MUID, ERA was established by Proclamation No. 1263/2021 and absorbs all the responsibilities and duties from both, the Ethiopian Road Fund (ERF) and the Ethiopian Road Authority.
- Ethiopian Roads Authority, *former*: established by Proclamation No. 80/1997. The objective of the Authority was to develop and administer highways and to ensure standards of road construction and to create a conducive condition for the development of the road network in a coordinated way. However, the reorganisation of executive organs established in Proclamation No. 1263/2021 states that the Ethiopian Roads Administration takes over all powers of this Authority.
- Ethiopian Road Fund (ERF), *former*: established by Proclamation No. 66/1997 with the objectives of financing the maintenance of roads and road safety measures. However, the reorganisation of executive organs established in Proclamation No. 1263/2021 states that the Ethiopian Roads Administration takes over all powers of this Authority.
- Federal Transport Authority (FTA), *former*: established by Proclamation No. 247/2011 with the objective of developing and administering roads; creating conducive conditions for coordinated development of the road network; and ensuring the maintenance of standards in road construction. However, the reorganisation of executive organs established in Proclamation No. 1263/2021 states that the Ministry of Transport and Logistics take over all powers of this authority.
- Ethiopian Maritime Authority (EMA): accountable to the MoTL, was established by proclamation No. 549/2007 to ensure transport operation and movement of goods of the country are economical; plan, coordinate and enforce such operation; and seek ways and means for the promotion and development of multimodal, marine, in-land water transport and ensure the availability of uninterrupted resource of skilled manpower in the maritime sector for the country.
- Ethiopian Pay Toll Road Enterprise (EPTRE): established by Proclamation No. 843/2014 with the objective of enforce the penalties imposed under the proclamation and shall fix the toll tariff applicable for use of toll roads, some cases in collaboration with the private sector.
- Ethiopian Railway Corporation (ERC) was established by proclamation No. 141/2007 with the purpose of building railway infrastructure; operate the cargo and passenger railway; and to engage in other related activities necessary for the attainment of its purpose.
- Ethio-Djibouti Railway Company (EDR) was created after the bilateral agreement established in Proclamation No. 1014/2017. This company is tasked with operating the Ethio-Djibouti Railway.
- Ethiopian Shipping and Logistics Services Enterprise (ESLSE), now Ethiopian Shipping and Logistics (ESL) was established by proclamation No. 255/2011 to provide services to stevedoring, shore-handling, dry port, warehousing and other logistics services for import and export of goods.

Furthermore, the Ministry of Transport and Logistics can delegate all its responsibilities to non-federal Government Institutions that will oversee all operations at city administrations such as the Addis Ababa Transport Bureau (AATB) and Dire Dawa Administration Transport Bureau (DDATB)

The main regulatory framework for the development of road, railway and logistics infrastructure as well as for private investment in Ethiopia is presented in Table 7.1.

Table 7.1: Regulatory Framework

Sector	Regulation
Executive Organs	Proclamation No. 1263/2021 ¹² - Definition of Powers and Duties of the Executive Organs Proclamation
Transport	Proclamation No. 486/2005 – Transport Proclamation. Establishes the Federal Transport Authority
Road transport	Proclamation No. 247/2011 ¹³ – Ethiopian Roads Authority Re-establishment Council of Ministers Regulation
Road transport	Proclamation No. 66/1997 ¹⁴ - Road Fund Establishment Proclamation
Road transport	Proclamation No. 843/2014 ¹⁵ – Toll Roads Proclamation. Establishment of the Ethiopian Pay Toll Road Enterprise (EPTRE)
Road transport	Proclamation No. 1274/2022 ¹⁶ - Road Transport Proclamation
Railway transport	Proclamation No. 1048/2017 ¹⁷ - Railway Transport Administration (RTA) Proclamation
Railway transport	Proclamation No. 141/2007 ¹⁸ – Ethiopian Railway Corporation Establishment Council of Ministers Regulation. Establishes the Ethiopian Railway Corporation (ERC)
Railway transport	Proclamation No. 1014/2017 ¹⁹ – Bilateral Agreement between the Government of the Federal Democratic Republic of Ethiopia and the Government of the Republic of Djibouti for the Development, Operation and Management of Standard Gauge Railway Network Ratification Proclamation
Logistics	Proclamation No. 549/2007 ²⁰ – Maritime Sector Administration Proclamation. Regulates and establish the Ethiopian Maritime Authority (EMA), including also dry ports and transport logistics infrastructures.
Logistics	Proclamation No. 255/2011 – Ethiopian Shipping and Logistics Services Enterprise Establishment Council of Ministers
PPP	Proclamation No. 1076/2018 ²¹ – Public Private Partnership Proclamation

The Industrial Parks Proclamation is the primary legislation that governs the establishment, development, and management of industrial parks. It provides the legal framework for the creation of industrial parks, including their operation, administration, and incentives provided to investors.

Regarding national Special Economic Zones (SEZ), it was not until August 2022 that the government of Ethiopia allowed their establishment aiming to improve the export system of the country, increase Foreign Direct Investment (FDI), and create wide employment opportunities in the sector.

¹² Proclamation No. 1263/2021 - Definition of Powers and Duties of the Executive Organs Proclamation ([link](#))

¹³ Proclamation No. 247/2011 – Ethiopian Roads Authority Re-establishment Council of Ministers Regulation ([link](#))

¹⁴ Proclamation No. 66/1997 - Road Fund Establishment Proclamation ([link](#))

¹⁵ Proclamation No. 843/2014 – Toll Roads Proclamation ([link](#))

¹⁶ Proclamation No. 1274/2022 - Road Transport Proclamation ([link](#))

¹⁷ Proclamation No. 1048/2017 - Railway Transport Administration (RTA) Proclamation ([link](#))

¹⁸ Proclamation No. 141/2007 – Ethiopian Railway Corporation Establishment Council of Ministers Regulation ([link](#))

¹⁹ Proclamation No. 1014/2017 – Bilateral Agreement ([link](#))

²⁰ Proclamation No. 549/2007 – Maritime Sector Administration Proclamation ([link](#))

²¹ Proclamation No. 1076/2018 – Public Private Partnership Proclamation ([link](#))

It should be noted that Ethiopia does not have specific regulations dedicated to Dry Ports or warehouses. Despite the enactment of the Warehouse Receipt System Proclamation in 2003, until 2021 there has been a notable absence of an active supervisory/regulatory body overseeing the warehouse system in Ethiopia, as well as a lack of specific legislation addressing this issue.