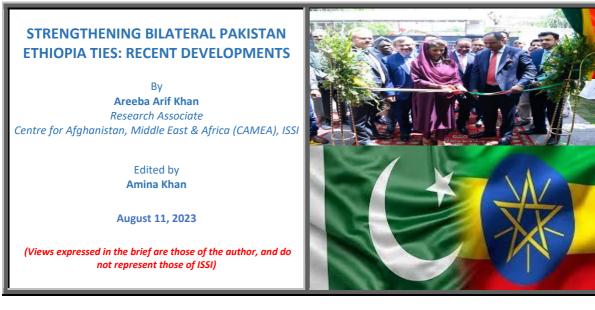


ISSUE BRIEF

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In recent years, the relationship between Pakistan and Ethiopia has been evolving, marked by a series of collaborative endeavors aimed at enhancing trade, investment, and diplomatic ties. Ethiopia, one of Africa's oldest and most populated countries, presents immense potential for Pakistani businesses seeking new markets. In turn, Ethiopia can benefit from Pakistan's diverse range of products and services. Ethiopia is also significant as it hosts the African Union (AU) Secretariat. Engagement with AU is key part of Pakistan's "Engage Africa" policy.

The Ethiopian Embassy in Islamabad was officially inaugurated on May 11, 2023.1 This historical milestone serves as a potent symbol of the deepening diplomatic, political, economic, and social cooperation between the two countries. Ethiopian State Minister for Foreign Affairs, Ambassador Mesganu Arga, and Minister of State for Foreign Affairs, Ms. Hina Rabbani Khar attended the inauguration of the Embassy, where they expressed their shared commitment to evolve a multi-faceted cooperation framework² which also seeks to strengthen collaboration across various sectors, including economy, trade and investment, health, education, climate change, and security.

Pakistan and Ethiopia have maintained diplomatic relations since 1958, marked by mutual respect and cooperation in diverse fields. Pakistan established its resident mission in Ethiopia in 1973 prior

¹ "Ethiopian embassy inaugurated in Islamabad", *The Nation*, May 12, 2023. https://www.nation.com.pk/12-May-2023/ethiopian-embassy-inaugurated-in-islamabad#google_vignette

 [&]quot;Ethiopia, Pakistan agree on multi-faceted coop", *The Nation*, May 18, 2023.
https://www.nation.com.pk/18-May-2023/ethiopia-pakistan-agree-on-multi-faceted-coop

to the visit of former President Zulfiqar Ali Bhutto.³ Pakistan's engagement with Africa is guided by its "Engage Africa" policy, aimed at enhancing political, economic, and cultural ties with African nations. The trajectory of Pakistan-Ethiopia ties has seen consistent diplomatic exchanges, collaboration in international forums, and cooperation in areas such as agriculture, education, and healthcare. The recent developments reflect a commitment to deepening these ties, fostering shared development, and leveraging each other's strengths for the benefit of their respective peoples and the broader region.

Ethiopia-Pakistan Business Forum and Direct Air Flights between Pakistan and Ethiopia

The Trade Development Authority of Pakistan (TDAP), in collaboration with the Embassy of Pakistan in Ethiopia, organized the Pakistan-Ethiopia Business Forum on May 9, 2023.⁴ The event brought together over 150 participants from various companies representing key sectors of both countries.

This Forum served as a platform for Pakistani and Ethiopian businesses to explore new avenues of cooperation and develop a comprehensive strategy to enhance bilateral trade. Participants of the event included representatives from diverse businesses and industries such as pharma and surgical goods, agro and food companies dealing with rice, pulses, lentils, sesame seeds, and spices, tour operators, tea and coffee, textile, and chemicals.

A Memorandum of Understanding (MoU) between the Karachi Chamber of Commerce and Industry and the Ethiopian Chamber of Commerce was also signed. Furthermore, Ethiopian Airlines marked the occasion by launching its inaugural flight from Karachi to Addis Ababa, enhancing connectivity between Pakistan and Ethiopia.⁵ This will serve as a unique opportunity for Pakistan to strengthen its relations not only with Ethiopia but also with Africa as a whole. The increased connectivity and the business forum would provide a platform for both sides to showcase business, trade and investment opportunities in different sectors.⁶

³ "ENGAGE AFRICA Pragmatic Strategy to Enhance Relations between Pakistan and African Countries", ISSI, November 2019.

https://issi.org.pk/wp-content/uploads/2020/02/ENGAGE_AFRICA_Nov_27-28_-2019.pdf

⁴ "Pakistan-Ethiopia Business Forum' organised by TDAP", *Business Recorder*, May 11, 2023 https://www.brecorder.com/news/40241404/pakistan-ethiopia-business-forum-organised-by-tdap

 [&]quot;Ethiopia, Pakistan agree on multi-faceted coop", *The Nation*, May 18, 2023. https://www.nation.com.pk/18-May-2023/ethiopia-pakistan-agree-on-multi-faceted-coop

⁶ "Ethiopian foreign minister to visit Pakistan, inaugurate direct flights, embassy in Islamabad", *Pakistan Today*, May 08, 2023.

https://www.pakistantoday.com.pk/2023/05/08/ethiopian-foreign-minister-to-visit-pakistan-inauguratedirect-flights-embassy-in-islamabad/

Economic Cooperation

Trade and economic cooperation form the foundation of any robust bilateral relationship. President Arif Alvi in a recent meeting with Pakistan's Ambassador-designate to Ethiopia, Mian Atif Sharif, called for increasing bilateral trade volume by facilitating exports of Pakistani products to Ethiopia.⁷ By removing barriers to trade and encouraging business interactions, both countries can create a conducive environment for investment and economic growth. Ethiopia can benefit from Pakistan's diverse range of products and services. By tapping into each other's strengths, such as Pakistan's expertise in textiles and Ethiopia's burgeoning agricultural and manufacturing sectors, the two countries can establish an expanded, win-win trade relationship.8

In the field of education and academics Pakistan's Virtual University and Allama Iqbal Open University are offering online and video educational materials, making them accessible to students in Ethiopia. This collaboration will equip Ethiopian students with valuable skill sets and knowledge, contributing to their personal growth and professional development.⁹ Furthermore, Pakistan's offer to train young Ethiopian diplomats at the Foreign Service Academy and provide scholarships for banking courses showcases the commitment to nurturing talent and fostering capable leaders. Such educational exchanges can lead to a deepening of understanding and trust between the two nations.¹⁰

China's Belt and Road Initiative: A Catalyst for Development

A driving force behind Ethiopia's remarkable development trajectory has been its engagement with China's Belt and Road Initiative (BRI). The BRI has played a transformative role by spearheading critical infrastructure projects, fostering investments, and propelling economic growth in Ethiopia. The alignment between Ethiopia's Vision 2030 and the BRI's strategic framework has led to impressive outcomes, positioning Ethiopia as one of Africa's fastest-growing economies. The BRI's role in Ethiopia's agricultural, manufacturing, mining, and other sectors underscores its potential to expedite the nation's socio-economic transformation.

^{7 &}quot;President asks envoy to foster economic linkages with Ethiopia", *The Nation*, July 24, 2023. https://www.nation.com.pk/25-Jul-2023/president-asks-envoy-to-foster-economic-linkages-with-ethiopia

^{* &}quot;Trade, economic ties with Ethiopia needed to be strengthened: President", *Pakistan Today*, July 24, 2023. https://www.pakistantoday.com.pk/2023/07/24/trade-economic-ties-with-ethiopia-needed-to-bestrengthened-president/

⁹ Ibid.

[&]quot;Pakistan establishes bilateral relations with Ethiopia after 75 years" *Gulf News*, September 11,2023. https://gulfnews.com/world/asia/pakistan/pakistan-establishes-bilateral-relations-with-ethiopia-after-75years-1.90502227

Similarly under China Pakistan Economic Corridor (CPEC) a lot of development is taking place in Pakistan. This initiative is transforming Pakistan's economic and infrastructural landscape. This multifaceted project, a flagship component of China's Belt and Road Initiative (BRI), has ushered in substantial development across various sectors in Pakistan.

Under the frameworks of the CPEC and the wider BRI, Pakistan and Ethiopia have the potential to forge meaningful collaboration. By capitalizing on their shared commitment to enhancing trade and connectivity, both countries can exchange valuable insights on how the development of robust transportation networks, encompassing roads, railways, and ports, can catalyze economic growth and regional integration. Pakistan's experience in executing successful CPEC projects offers valuable insights to Ethiopia for efficient project management, funding, and stakeholder engagement in its own infrastructure initiatives.

Furthermore, Ethiopia's potential in renewable energy aligns with Pakistan's energy needs and its CPEC-supported energy projects. By exchanging knowledge in sustainable energy development, both nations could address energy challenges while contributing to environmental goals. Pakistan's establishment of special economic zones could guide Ethiopia in attracting foreign investment and fostering local industries. Collaboration on policy frameworks and project implementation could streamline procedures and ensure sustainable development.

Additionally, engaging in multilateral forums within the BRI framework would amplify their voices on shared interests. This collaboration, rooted in mutual respect, has the potential to drive economic growth, infrastructure development, and regional integration, showcasing the essence of South-South cooperation.

Conclusion

The strengthening of Pakistan-Ethiopia relations hinges on a multi-dimensional approach that encompasses economic cooperation, educational exchanges, cultural understanding, and solidarity in promoting shared interests. By capitalizing on their historical ties, both countries are poised to elevate their relationship to new heights.

The momentum generated by initiatives such as the Business Forum and direct flights between Karachi and Addis Ababa, combined with the commitment to bolster economic ties, positions Ethiopia and Pakistan on a trajectory of shared growth, prosperity, and the enriching interweaving of cultures. The combined partnership of Ethiopia-Pakistan is a testament to the potential that emerges when nations work in harmony toward a shared vision of progress. Furthermore, it will also

help explore new avenues of growth and development. Pakistan and Ethiopia are set to make significant strides in future, leaving a positive impact on their citizens and the international community.