

# The Economic Contribution of Copyright Industries in Ethiopia



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## Acronyms

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AGOA	African Growth and Opportunity Act
BIRR	The unit of currency in Ethiopia
CSA	Central Statistical Agency
GDP	Gross Domestic Product
GVA	Gross Value Added
EIPO	Ethiopian Intellectual Property Office
ERCA	Ethiopian Revenues and Customs Authority
ESIC	Ethiopian Standard Industrial Classification
GTP	Growth and Transformation Plan
HCE	Household Consumption Expenditure
HS	Harmonized System
ICT	Information and Communication Technology
ISIC	International Standard Industrial Classification
MeTEC	Metal and Engineering Corporation
MOFED	Ministry of Finance and Economic Development
NBE	National Bank of Ethiopia
PASDEP	Plan for Accelerated and Sustainable Development to End Poverty
SDPRP	Sustainable Development and Poverty Reduction Program
WIPO	World Intellectual Property Organization



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## Summary

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Various national studies have shown the significant economic impact of creative industries in both developed and developing countries. The studies have revealed the considerable contribution of the industries to GDP and national employment. It has also become evident through the studies that these industries are among the most dynamic in the trading system. The activities of these industries, which include the creation, production, marketing, and distribution of products and services resulting from human creativity, deal with the interplay of various knowledge-based economic activities. The significance of copyright-related issues has become more apparent with the growing role of knowledge as the driver of productivity and economic growth.

The World Intellectual Property Organization (WIPO), at the request of the Ethiopian Intellectual Property Office (EIPO), commissioned this study on the contribution of the copyright industries to the Ethiopian economy. The objective of the study is to assess the impact of copyright industries on the Ethiopian economy by quantifying the contribution of these industries in terms of their value added to the country's GDP, as well as their contribution to employment and revenue generated from foreign trade. It is also aimed at generating research-based evidence and analysis to inform policymakers about the economic significance of the sector. It is expected that the results of the study will provide data on the actual economic contribution of creative activities, which can serve as the basis for adjusting policies and strategies aimed at promoting growth and development in the country's copyright sectors. The evidence produced by the study will also serve as an input to future studies on the determination of the optimal levels of protection standards given by copyright law and establish a robust level of copyright protection acceptable to the different stakeholders.

The study follows the methodology recommended by the 2003 World Intellectual Property Organization (WIPO) Guide on surveying the economic contribution of copyright industries. The guide categorizes copyright industries into core copyright industries, interdependent copyright industries, partial copyright industries and non-dedicated support industries, as a function of their dependency on copyright material. It suggests methods and procedures for quantifying their contribution in statistical terms.

Data for the study were mainly obtained from the Central Statistical Agency of Ethiopia (CSA), the Ministry of Finance and Economic Development (MoFED), the Ethiopian Revenues and Customs Authority (ERCA) and the National Bank of Ethiopia (NBE). The research team also used data contained in various government reports. Data reported by MoFED and CSA are used for the measurement of the value added by the copyright industries in Ethiopia. In this study gross value added (GVA) was used for analyzing the contribution of the copyright industries to GDP.

In 2012, the value added of the copyright industries in Ethiopia was 23,989,211,925 Birr. As a percentage of Gross Domestic Product (GDP) at constant prices, this amounted to 4.73 per cent. The copyright industries also provided jobs to 240,287 persons, which is 4.2 per cent of the urban population employed by the different economic sectors. With a 0.65 per cent share in exports and a 10.87 per cent share in imports, the copyright industries played an important role in Ethiopia's external trade. The total exports by the copyright industries amounted to 465,501,740 Birr, while the total imports amounted to 24,358,767,344 Birr worth of goods and services.

The labor productivity index for the copyright industries as a whole was 112.6. This index was the highest for the core copyright industries, with a ratio of 143. In the interdependent and partial industries the ratios were 109 and 130, respectively. The lowest labor productivity index was observed in the non-dedicated copyright industries with a ratio of 77. The small figure for the non-dedicated support industries is a result of the labor-intensive nature of wholesale and retail trade activities in the country observed in the study. The non-dedicated support industries accounted for 29.25 per cent of the labor force in the copyright industries, while their share in the GDP contribution of the copyright industries was only 20.05 per cent.

The contribution of the core copyright industries in 2012 was 9,945,308,947 Birr, which represented 1.96 per cent of the GDP. In 2012, the three largest sub-sectors—press and literature; radio and television; and music, theatrical production, and operas—accounted for 78.72 per cent of the total contribution of core copyright industries in terms of gross value added. Motion pictures and video contributed only 5.54 per cent to the total share of the core copyright industries in the reference year. The official data also revealed the current low level of development of Ethiopia's software industry. With 584,653,226 Birr value added in 2012, software and

databases accounted for only 5.88 per cent of the share of the core copyright industries. Out of this, software programming and consultancy accounted for 88,163,949 Birr, while the remaining 496,489,277 Birr is the contribution from database activities.

In the interdependent copyright industries, TV sets, radios, VCRs, CD players, DVD players, and other electronic equipment took the leading place with 57.48 per cent. Blank recording material (17.74 per cent), paper (15.70 per cent), computers and equipment (7.69 per cent), photographic and cinematographic instruments (0.98 per cent), and musical instruments (0.28 per cent) follow in the order of their contributions to the sector. The lowest contribution in the sector came from photocopiers, which accounted for only 0.13 per cent. The group of interdependent industries together contributed 1.39 per cent of the GDP. The wholesale and retail trade constitutes a significant share of the interdependent copyright industries.

The value added of the partial copyright industries was 2,172,916,485 Birr, representing 0.43 per cent of the country's gross value added in 2012. Apparel, textiles, and footwear accounted for 61.91 per cent of the sub-sector's contribution to value added. The second place in the partial copyright industries was taken by architecture, engineering, and surveying (22.16 per cent), followed by furniture (8.54 per cent). Interior design, with 0.03 per cent of the sector's contribution to value added, had the lowest share.

The last group of industries, non-dedicated support industries, includes general wholesale and retailing, general transportation, and telecommunication. These industries contributed 4,809,519,397 Birr, which was 0.95 per cent of the GDP. Out of the contribution of the non-dedicated support industries in Ethiopia, 78.25 per cent was accounted for by general wholesale and retail activities. General transportation contributed 11.64 per cent of the sub-sector's share, while the remaining 10.11 per cent was accounted for by telecommunications.

In terms of the contribution to employment, the core copyright industries, which employed 78,407 persons, have the highest share (32.63 per cent), followed by the interdependent copyright industries, which employed 72,725 (30.27 per cent) of the manpower in the sector. The partial copyright industries and non-dedicated support industries provided jobs for 18,861 and 70,294 people, representing 7.85 per cent and 29.25 per cent of the employment in the copyright industries, respectively.

Within the core copyright sector, press and literature held the largest share of employment, with 50.91 per cent. Software and databases, motion picture, video, radio, and television together accounted for 41.09 per cent of the employment in the sub-sector. In the software and database sub-sector, 11,053 persons (63 per cent) were engaged in data processing and database activities while 6,394 (37 per cent) professionals worked in software programming and consultancy. Very few employees were reported in music, theatrical productions, and operas due to lack of data for most of the economic activities in the sub-sector.

Photographic and cinematographic instruments ranked first in the group of interdependent copyright industries in terms of contribution to employment, representing 64.42 per cent of the employees in the group. Most of these persons were employed in wholesale activity, which reflects the weak manufacturing capability in the sub-sector. With a share of 12.95 per cent, blank recording material represented the second largest employer, followed by TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic games equipment, and other similar equipment, which accounted for 11.14 per cent.

In 2012 the value of copyright exports was 465,501,740 Birr, which was 0.65 per cent of total exports. Copyright product imports were 24,358,767,344 Birr, accounting for 10.87 per cent of the total imports. This shows that there was a deficit of 23,893,265,604 Birr in the balance of trade for the copyright industries. The core copyright industries, with an export value of 13,378,815 Birr, accounted for only 2.87 per cent of the total export value of the copyright sector. The largest deficit was registered in the interdependent group, which amounted to 22,647,781,605 Birr. The value of imports in the group was one hundred times higher than the value of exports.

The export value of the core copyright industries constituted only 0.02 per cent of the total national exports. This indicates the need for a strong effort to improve the sub-sector's export performance. Given the fact that activities in the group of core copyright industries are the principal sources of pure copyright activities and creative industries, the issue merits serious concern.

A comparison of copyright industries with other sectors of the economy showed that the contribution of the copyright industries to GDP was higher than that of many important sectors. Copyright industries contributed

more to the country's GDP than mining and quarrying, hotels and restaurants, financial intermediation, education and health, and social work. The copyright industries also performed better than mining and quarrying, transport and communication, and financial intermediation in terms of employment generation.

With a contribution of 4.73 per cent to the GDP, the share of copyright industries in Ethiopia was higher than in Brunei (1.58 per cent), Bulgaria (4.54 per cent), Colombia (3.3 per cent), Dominica (3.4 per cent), Grenada (4.6 per cent), Jordan (2.43 per cent), Pakistan (4.45 per cent), Peru (2.67 per cent), South Africa (4.11 per cent), Tanzania (4.56 per cent), Thailand (4.48 per cent), and Ukraine (2.85 per cent). In terms of contribution to employment, Ethiopia's copyright industries outperformed similar industries in Brunei (3.2 per cent), Grenada (3.6 per cent), Jamaica (3.03 per cent), Jordan (2.88 per cent), Kenya (3.26 per cent), Pakistan (3.71 per cent), Panama (3.17 per cent), South Africa (4.08 per cent), Romania (4.19 per cent), St. Kitts and Nevis (3.1 per cent), and Thailand (2.85 per cent).

Considering the contribution of 1.96 per cent to GDP, the core copyright industries in Ethiopia have a higher percentage share than the same industries in Jordan (1.53 per cent), Mexico (1.55 per cent), and Pakistan (1.37 per cent). However, the contribution of the industries to the economy of the Philippines (3.53 per cent) was nearly twice as high as the corresponding figure in Ethiopia. The core copyright industries in Tanzania, with 3.22 per cent contribution to GDP, also had a significantly higher value than that of the corresponding industries in Ethiopia.

The general picture emerging from the analysis suggests that copyright-related issues are highly relevant and important for Ethiopia, due to their enormous potential for economic development. Putting in place the right policy measures is therefore necessary for the realization of the potential of these industries for wealth creation, employment generation, and export promotion. The need for government policies that establish an effective link between creativity and economic development is now apparent.

Key points for consideration in copyright policy making should be balancing the interests of copyright holders and improving access to knowledge by consumers. The right balance has to be struck between copyright protection and ensuring adequate access to knowledge and knowledge-based products. This can be achieved through informed copyright policy making. Evidence-based policy allows the use of copyright protection as a stimulus to creativity without negatively affecting access to knowledge and knowledge-based products by the different user groups.

This is a pioneering study in Ethiopia on the economic contribution of the copyright industries. The results confirm the significant role of the sector in the Ethiopian economy and provide a basis for future research. Further evidence for policy making should be obtained from future studies, which should undertake an in-depth analysis of the different sub-sectors.

## 1. Introduction

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The role of the creative industries<sup>3</sup> as a source of national wealth has gained increasing attention over the past few decades. Aside from helping countries to maintain their cultural identity, it has become evident that the creative industries offer them comparative advantages for improving their global competitiveness. The activities of these industries—which include the creation, production, marketing, and distribution of products and services resulting from human creativity—deal with the interplay of various knowledge-based economic activities. They are less dependent on natural resources than traditional economic sectors. Therefore, the shift from an industrial society to an informational society, which relies more on ideas and knowledge, has placed the creative industries at the center of economic development. Today the creative industries serve as a platform for promoting innovation, enhancing services, and reducing unemployment.

Strengthening the capacities of creative industry practitioners and entrepreneurs requires adoption of the right policies. The creation of new products, local distribution, improving access to the global market, and exploiting new opportunities of wealth creation are highly influenced by the policy environment in which the different actors interact with each other. In this view, copyright can play an important role in the development of the creative industries.

Traditionally, discussions on copyright focused on the legal protection of literary and artistic works, with differing views promoted on the interaction of copyright protection with creativity. Such discussions overlooked the substantial role of copyright in national economies in terms of the production, distribution and consumption of copyrighted materials. The past decade, however, has seen growing interest in better understanding the size and economic contribution of those industries that rely on protections afforded by copyright law. In 2003 the World Intellectual Property Organization (WIPO) issued a methodological guide with a view to revealing the economic contribution of copyright industries.<sup>4</sup> This methodology outlines four groups of copyright industries, identified on the basis of their level of dependence on copyright material. It establishes a set of major indicators—contribution to gross domestic product (GDP), employment, and foreign trade—and lays out research standards and approaches. The guidelines have served as the basis for national studies on the economic contribution of copyright industries in many developed and developing countries.

Various national studies undertaken on the basis of the methodological guide have shown the considerable economic impact of copyright in both developed and developing countries.<sup>5</sup> The contribution to GDP varies significantly across countries, from 11.10 per cent in the USA to 1.58 per cent in Brunei. With the average at 5.26 per cent, three-quarters of countries have a contribution between 4 per cent and 6.5 per cent. The contribution of copyright industries to national employment is slightly higher than the share of GDP and stands at an average of 5.49 per cent. Nearly three-quarters of countries fall into the range between 4 per cent and 7 per cent contribution to national employment. Mexico and the Philippines have by far the highest share of their labor force in the copyright industries.<sup>6</sup> The studies also revealed that these industries are among the most dynamic in the trading system.

The fact that similar studies had never been undertaken in Ethiopia made it difficult to realize the fundamental role of copyright in value creation. Ethiopia is home to more than 80 ethnic groups, each with its own language, culture, customs, traditions, and lifestyles. There are rich traditions of art, music, dance, literature, and other forms of creativity. The country thus has great potential to diversify its economy through the use of its cultural heritage and pool of creative talent as a feasible development tool. Using creativity as a strategic asset for economic development in Ethiopia calls for defining effective intervention strategies, which in turn requires understanding and responding to the factors shaping the development of the creative industries.

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<sup>3</sup> The terms *creative industries* and *copyright industries* are used interchangeably throughout the document.

<sup>4</sup> WIPO. (2003) *Guide on Surveying the Economic Contribution of the Copyright-Based Industries*, WIPO Publication No 893 (E), ISBN 978-92-805-1225-7.

<sup>5</sup> Research on the economic contribution of industries that are dependent on copyright and related rights protection has been conducted in more than 40 countries.

<sup>6</sup> World Intellectual Property Organization (WIPO). (2013) *Studies on the Economic Contribution of the Copyright Industries: Overview*. Geneva.

In Ethiopia the Federal Constitution provides for the protection of copyright and the government has also enacted a comprehensive law for copyright and related rights. Furthermore, the cultural policy of Ethiopia recognizes the need for the protection and promotion of the copyright industries. A focus on copyright protection is also one of the strategic directions of the five-year Growth and Transformation Plan (GTP) of Ethiopia, covering the period 2011–2015. These developments in policy and law are important steps toward enhancing the role of literary, artistic, and other creative works in socio-economic progress. However, despite the increasing attention given to the copyright industries in Ethiopia, there has never been a study on the contribution of the sector to the Ethiopian economy. The limited studies on copyright and related matters viewed the subject from a legal perspective. The studies covered areas such as the nature of copyright, the scope of its protection, and infringement and enforcement. This has created an information gap for evidence-based copyright policy making in the country and limited the capacity of policy makers to fully appreciate the potential role of the copyright industries in the growth of the national economy. It was in recognition of this fact that the Ethiopian Intellectual Property Office (EIPO) requested the World Intellectual Property Organization (WIPO) to support this study, which is intended to produce research-based evidence for policy making.

To make a copyright policy firmly based on evidence, it is necessary to properly understand the actual and potential impact of copyright protection on creativity and access to knowledge. Absolute openness is not required to facilitate knowledge sharing, and at the same time, copyright protection does not mean restricting access to everyone except the copyright holder. Harnessing the potential of the creative industries for economic development requires creating a balance between copyright protection and the flows of ideas and knowledge. It is not the intention of this study to delve into the subject of determining the optimal level of copyright protection. Rather, it focuses on providing policy makers with empirical findings, so that proper attention can be given not only to the legal protection of copyright but also to the role of literary, artistic, and other creative works in wealth creation and employment generation.

The primary objective of this study is to assess the impact of copyright industries on the Ethiopian economy by quantifying the contribution of these industries in terms of their value added to the country's GDP, as well as their contribution to employment and the revenue generated from foreign trade. It is also aimed at generating research-based evidence and analysis to inform policymakers about the economic significance of the sector. It is expected that the results of the study will provide data on the actual economic contribution of creative activities, which can serve as bases for adjusting policies and strategies aimed at promoting growth and development in the country's copyright sectors. The evidence produced by the study will also serve as an input to future studies on the determination of the optimal levels of protection standards given by copyright law, and establish a robust level of copyright protection that is acceptable to the different stakeholders. This report is structured into eight chapters. In the next chapter the legal and administrative framework for copyright protection is discussed. Chapter 3 provides an overview of the main features of the Ethiopian economy. Chapter 4 presents the methodology of the study and the approach followed in collecting and analyzing data. The most important findings of the study on the economic importance of copyright, in terms of value added, employment, and external trade, are presented in chapter 5. The chapter analyzes the core, interdependent, partial and non-dedicated support industries by breaking them into sub-sectors. In chapter 6 the findings of this study are compared with results from similar studies in other countries. A description of the profile of selected core copyright industries is provided in chapter 7. The final chapter presents the conclusions of the study and policy recommendations.

## 2. The Copyright System in Ethiopia

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Intellectual property rights are enshrined in the 1994 Constitution of the Federal Democratic Republic of Ethiopia. Article 55(9) of the Constitution empowers the House of Peoples' Representatives to enact laws on patents and copyrights. The protection of patents and copyrights is also among the powers and functions of the Council of Ministers as provided by Article 77(5) of the Constitution. These provisions were further consolidated by different intellectual property laws issued subsequently. The Decree Concerning Inventions, Minor Inventions and Industrial Designs, and the implementing regulations were issued in 1995 and 1997, respectively. Copyright is protected on the basis of the Copyright and Neighboring Rights Decree of 2004. The parliament approved a Trademark Registration and Protection Decree in July 2006 to serve as a legal basis for the protection of trademarks. The Plant Breeder's Right Act enacted in February 2006 also serves to give protection to those who breed and develop new plant varieties.

### 2.1 The Copyright Law of Ethiopia

The Copyright and Related Rights Protection Decree gives protection to literary, artistic, and other creative works, and recognizes rights on works in the following areas:

- Books, booklets, articles in reviews and newspapers, and computer programs
- Speeches, lectures, addresses, sermons, and other oral works
- Dramatic arts, dramatic musical works, pantomimes, choreographic works, and other works created for stage production
- Musical compositions
- Audiovisual works
- Works of architecture
- Works of drawing, painting, sculpture, engraving, lithography, tapestry, and other works of fine art
- Photographic works
- Illustrations, maps, plans, sketches, and three-dimensional works related to geography, topography, architecture, or science

Under Article 3 of the Copyright Law, protection is conferred on works of authors who are nationals of Ethiopia or have their principal residence in the country. Protection is also given to works irrespective of the nationality or residence of the authors if they are first published in Ethiopia or published in Ethiopia within 30 days of their publication abroad. For audiovisual works to be protected in Ethiopia, the producer shall have his headquarters or principal residence in Ethiopia. The provisions of the law also apply to works of architecture erected in Ethiopia and other artistic works incorporated in a building or other structure located in the country.

The rights of performers, producers of sound recordings, and broadcasting organizations are protected as related rights. These rights protect the legal interests of persons and legal entities who contribute to making works available to the public. Related rights give to the right holders the exclusive right to carry out or authorize activities relating to broadcasting/rebroadcasting, reproduction and rental of performances, sound recordings, and broadcasts. Performers and sound recording producers who are nationals of Ethiopia qualify for protection for their performances and sound recordings. The performances of non-nationals get protection under the Law if they take place on the territory of Ethiopia or if they are incorporated in sound recordings or broadcasts that are protected under the Law. Similarly, sound recordings first fixed or first published in Ethiopia get protection under the Law. The provisions of the Law regarding the protection of broadcasts state that it is applicable to broadcasts of organizations whose headquarters are situated in Ethiopia and to broadcasts transmitted from transmitters situated in the country. In the case of sound recordings, the rights also include importation of copies.

The Copyright Law gives protection to works based on or derived from already existing works. These are translations, adaptations, arrangements, and other transformations or modifications of works; and collections of works such as encyclopedias, anthologies, or databases, whether in machine-readable or other form, provided that the collection has original traits.

The Law defines the scope of works not falling under the protection of copyright. These include legal and administrative texts, ideas, procedures, concepts, formulas, numerical tables, principles, and discoveries.

The Copyright Law provides automatic protection to a work if it is original and fixed in material forms. Voluntary registration for a copyright is available in Ethiopia. The owner of a copyrightable work may register his right by applying to the Ethiopian Intellectual Property Office. However, failure to register a work does not affect the protection of copyright and related rights.<sup>7</sup>

The economic rights provided by the Law to the author or owner of a work are the right of reproduction, translation, adaptation, distribution by sale or rental, importation, public display, performance, broadcasting, and other communication of the work to the public. The provisions of the Law, however, do not apply to rental or public lending of a computer program, except where the program is an essential object of the rental or lending. For original works of art or original manuscripts of a writer or a composer, the author or his heirs have the right to have a share of the resale price of the work subsequent to the transfer of the work by the author. The economic rights of a work belong to the author during his/her lifetime and to the heirs fifty years after the author's death.

The Law also gives moral rights to an author irrespective of whether or not he is the owner of the economic rights. These moral rights are: the right to claim authorship of his work, the right to remain anonymous or to publish under a pseudonym, the right to prevent distortion, mutilation or other alteration of his work, and the right to publish his work. The heirs of an author enjoy moral rights until the expiry of the economic rights.

There are also provisions for works that result from employment or commissioning. Under such conditions, the original owner of the work is the employer or the person who commissioned the work. For audiovisual works, the producer shall be the owner of the economic rights. However, the scriptwriter, director, cameraman, lyricist, composer, and other authors have the right of authorship in the work and have the right to economic benefits. In the case of preexisting works included in or adapted for the making of the audiovisual work, the authors maintain their rights.

Exceptions to the rights of copyright owners are intended to strike a balance between the interests of authors and the interests of users and the public at large. These exceptions are:

- (a) reproduction for personal purposes,
- (b) quotation of a published work,
- (c) reproduction for teaching,
- (d) reproduction by libraries, archives, and similar institutes,
- (e) reproduction, broadcasting, and other communication to the public for informatory purpose,
- (f) reproduction of a computer program in a single copy and adaptation of a computer program,
- (g) importation for personal purposes, and
- (h) private performance free of charge.

Another exception to the right of a copyright holder is the distribution of copies of works. According to this exception, after a published work has been sold to the public, the copyright holder no longer has the ability to control that particular copy. For this reason the copy may be redistributed by means of sale without authorization of the right holder. This is based on the principle of exhaustion, an established international legal doctrine. It provides that a copyright owner's right to control copies of his work "exhausts" on its first sale by the copyright owner or with his consent. The principle prevents the copyright owner's right to control

<sup>7</sup> Council of Ministers Copyrightable Works Registration Regulations, No.305/2014.



copies of his work from extending beyond the point at which he receives reasonable remuneration for the copy. Further, it allows the purchaser to have control over the copy, including the right to resell it free from interference by the copyright owner.

In addition to the exceptions described above, the Law limits the rights of copyright holders with compulsory licenses. Normally, in order for someone to reproduce, translate or broadcast a published work, permission must be obtained from the copyright owner. However, in a few circumstances the government may grant a compulsory license without requiring the copyright owner's permission. The user should follow certain rules and pay fees set by regulation. Compulsory licenses serve as compromises between the economic interests of copyright holders and the public interest in using copyrighted material.

The Copyright Law authorizes the courts to award adequate compensation for material and moral damage suffered, including payment of the right holder's expenses. The courts are also authorized to grant injunctions to stop infringement, to order confiscation of infringed copies, and to impound packaging and implements that could be used for the making of documents, accounts or business papers in relation to the infringement activity. The amount of compensation for material damage is fixed on the basis of the extent of material damage suffered by the owner of the right and the amount of profit attributable to the act of infringement. The amount of compensation for moral damage is also based on the extent of the damage and will not be less than 100,000 Birr.

Provisional measures against the infringement of copyright include measures for the prevention of infringed copies from entering the channel of commerce, including imported goods immediately after customs clearance and preservation of relevant evidence in regard to the alleged infringement. The courts may also grant a temporary injunction after a deeper investigation of the relative strengths of the parties. The provisions of the country's civil procedure and criminal procedure codes on search and seizure also apply to acts of copyright infringement. The Law also provides for certain border measures, such as retention of alleged infringing goods by the customs authority based on a written application from the copyright owner.

Criminal sanctions for infringements of copyright include imprisonment. The penalty may also include seizure, forfeiture, and destruction of the infringing goods and of any materials and implements used in the commission of the offense. The Law provides for imprisonment for a term of not less than five years and not more than ten years for intentional violation of copyright. Violation of copyright through gross negligence may result in imprisonment ranging from one to five years.

### **2.1.1 *The Institutional Framework for Copyright Protection***

The government body responsible for the administration of intellectual property rights in Ethiopia is the Ethiopian Intellectual Property Office. The office, which was established in 2003 by decree, facilitates the provision of adequate legal protection for intellectual property rights. The office also studies, analyses, and recommends policies and legislation on intellectual property to the government. The powers and duties of the office include, among others:

1. creating an information system on intellectual property rights and providing services to users;
2. implementing intellectual property laws and regulations issued by the government;
3. designing and implementing an extensive and coordinated popularization strategy to create and strengthen awareness about intellectual property among the general public;
4. undertaking studies on intellectual property and following up national and international developments in the field of intellectual property;
5. implementing and/or following up the implementation of intellectual property policies, as well as international agreements to which Ethiopia is a party;
6. providing advisory services on intellectual property matters to public, state and private organizations and professional associations as well as individuals; and
7. facilitating the establishment of associations of authors, inventors, musicians and similar societies.

A national intellectual property council advises the office on policy proposals to be submitted to the government. The council also advises the office on guidelines, programs, and activity reports. Members of the council are drawn from relevant government offices, enforcement agencies, and copyright holders' associations.

Another body with responsibilities for the administration of copyright is the Ethiopian Copyright Collective Management Society. The society was established with the objectives of administering the rights of its members, enhancing their benefits, and promoting the works of its members inside and outside Ethiopia. It serves as an umbrella association for eleven copyright holder associations, which have their own representations within the society. However, the Society has not yet started actively discharging its duties to their fullest extent and no royalties have been collected so far. An amendment to the Copyright Law of Ethiopia, recently approved by Parliament, provides that a collective management society be formed based on the recognition granted by the Ethiopian Intellectual Property Office. The amendment empowers a collective management society to collect royalties from users of protected works and administer rights related to foreign protected works on the basis of reciprocal agreements entered into with similar societies.

### 3. Main Features of the Ethiopian Economy

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Ethiopia is a country of diverse demographic, socio-cultural, and natural features. The country is the second most populous nation in Africa and home to more than 80 ethnic groups. In 2012, Ethiopia was the twelfth fastest growing economy in the world.<sup>8</sup> In the 2012/13 fiscal year, Ethiopia's economy grew by 9.7 per cent, the tenth year in a row of robust growth. The average annual real GDP growth rate for the last decade was 10.9 per cent. Agriculture, which accounts for 42.7 per cent of GDP, grew by 7.1 per cent, while industry, accounting for 12.3 per cent of GDP, rose by 18.5 per cent; and services, with 45 per cent of GDP, increased by 9.9 per cent in 2012/13.<sup>9</sup>

The government of Ethiopia, together with development partners, has implemented various poverty reduction strategies to promote economic growth in recent years. The latest sustainable growth strategy, the Growth and Transformation Plan (GTP), covers the period from 2010/11–2014/15. This plan focuses on seven strategic pillars that include sustainable and equitable economic growth, maintaining a focus on agriculture, improving social development and promoting gender and youth empowerment. The GTP was preceded by the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP, 2005/6–2009/10) and the Sustainable Development and Poverty Reduction Program (SDPRP, 2002/3–2004/5). The GTP aims to extend the functions of the PASDEP and achieve the Millennium Development Goals by 2015, as well as realizing middle-income country status by 2020–2023.

Ethiopia is highly dependent on the agricultural sector for income, employment, and export earnings. Although its share of GDP has been declining steadily over the past decade, agriculture continues to be the backbone of the Ethiopian economy, contributing 42.7 per cent to the GDP, about 80 per cent of employment, and 70 per cent of export earnings in 2012/13.<sup>10</sup> The bulk of agricultural output and value added is generated by peasant production. Of the total production in 2011/12, 97 per cent (225 million quintals) was produced by smallholdings and the remaining 3 per cent (7 million quintals) by commercial farms. This clearly shows the significance of smallholding farmers in crop production. Some of the finest coffees in the world are grown in Ethiopia, and the country is now the largest coffee producer in Africa. Similarly, Ethiopia has one of the largest livestock resources in the world. The sector also supplies factor inputs to the country's manufacturing sector.

Agricultural productivity is one of the lowest in sub-Saharan Africa. This indicates that there are untapped opportunities to increase production and productivity by promoting modern farming practices. Scaling up the practices of model farmers to the others by promoting the use of modern technologies, supporting the commercialization of agriculture and the production of high-value crops, encouraging micro-irrigation schemes, and improving marketing institutions and infrastructures are key policy tools that the government is pursuing to enhance agricultural production and productivity.

The industry sector accounted for 12.3 per cent of the GDP at constant prices in 2012/13. The role of industry in terms of supplying consumer goods, generating employment opportunities, absorbing agricultural raw materials, and earning foreign exchange through exports is very limited. The share of the manufacturing sector in industrial output was 36.5 per cent, with large and medium scale manufacturing taking the largest share. The manufacturing sector is dominated by manufacturing plants, such as those engaged in construction materials, metal and chemical products, and basic consumer goods including food, beverages, leather, clothing and textiles.

The service sector is made up of retail and wholesale trade, hotels and restaurants, transport and communications, banking, insurance and real estate, education, health, and domestic and other services. In 2012/13 the sector accounted for 45 per cent of the GDP at constant prices. Within the service sector, the largest sub-sector is distribution, which comprises retail and wholesale trade, hotels, transport, and communications. Distribution services contributed 23.8 per cent of GDP at constant prices in 2012/13. Wholesale and retail trade contributed 15.7 per cent of GDP and accounted for 66.2 per cent of the share

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<sup>8</sup> [www.worldbank.org/en/news/press-release/2013/06/18/ethiopia-economic-update-laying-the-foundation-for-achieving-middle-income-status](http://www.worldbank.org/en/news/press-release/2013/06/18/ethiopia-economic-update-laying-the-foundation-for-achieving-middle-income-status) (accessed 15 January 2015).

<sup>9</sup> [www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2014/PDF/CN\\_Long\\_EN/Ethiopia\\_EN.pdf](http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2014/PDF/CN_Long_EN/Ethiopia_EN.pdf) (accessed 15 January 2015).

<sup>10</sup> [www.afribiz.info/content/2014/ethiopia-economy-2014-recent-developments-and-prospects](http://www.afribiz.info/content/2014/ethiopia-economy-2014-recent-developments-and-prospects) (accessed 15 January 2015).

of the distribution service. The growth trend of the service sector showed that the sector has been gaining much importance in GDP; its share increased from 38 per cent to 45 per cent in 10 years. The highest increase was observed in the wholesale and retail trade and in hotels and restaurants. The sector is also gaining more prominence in terms of employment. According to data from CSA, about half of the people employed in urban areas are absorbed by service sectors. In addition, the informal sector, which is mainly concerned with services, makes up 31.7 per cent of urban employment.<sup>11</sup>

**Table 1: Growth Rates of GDP by Major Industrial Classification at Constant Prices (per cent)**

Sector	2010/11	2011/12	2012/13
Overall real GDP	11.4	8.5	9.7
Agriculture	9.0	4.9	7.1
Industry	15.0	17.1	18.5
Services	12.5	10.6	9.9

Source: Ministry of Finance and Economic Development (MoFED) and National Bank of Ethiopia (NBE).

The source of most of this overall economic growth is attributed to the growth in the agriculture and service sectors. As these sectors make up the lion's share of the economy, improvements in their growth boost the growth of the economy overall. Growth in the service sector emanated mainly from the expansion of hotels and restaurants, real estate and housing, transport and communication, banking, and insurance and trading activities. In the industrial sector, the increment mainly emanated from the boom in the construction sector and growth in energy.

**Table 2: GDP by Economic Activity at Constant Prices in 2011/12**

Economic activity	Value	Per cent share
Crop production	153,986,123,200	30.40
Animal Farming and Hunting	48,120,663,500	9.50
Forestry	20,261,332,000	4.00
Mining and Quarrying	7,633,456,831	1.51
Manufacturing	20,337,311,995	4.02
Electricity and Water	6,463,364,908	1.28
Construction	21,284,529,266	4.20
Wholesale and Retail Trade	79,727,834,887	15.74
Hotels and Restaurants	18,504,167,982	3.65
Transport and Communications	22,159,312,275	4.37
Financial Intermediation	15,077,470,207	2.98
Real Estate, Renting and Business Activities	45,232,410,623	8.93
Public Administration and Defense	19,646,400,574	3.88
Education	10,508,539,842	2.07
Health and Social Work	4,112,037,329	0.81
Other Community, Social, and Personal Services	12,107,665,470	2.39
Private Households with Employed Persons	1,370,679,109	0.27
<b>Total</b>	<b>506,533,300,000</b>	<b>100</b>

Source: MoFED.

<sup>11</sup> Central Statistical Agency. (2012) *Statistical Report on the 2012 Urban Employment Unemployment Survey*, Addis Ababa.

Development of the micro and small enterprises sector is thought to be the major source of employment and income generation for a wide group of society in general and urban youth in particular. According to the Federal Micro and Small Enterprise Development Agency, a total of 70,455 new micro and small enterprises (MSEs) were established in 2011/12, employing 806,322 people. The total employment has grown by 23.8 per cent, compared to that of 2010/11. The five-year Growth and Transformation Plan (GTP), which covers the period 2010/11–2014/15, envisages creating a total of three million Micro and Small-Scale Enterprises (MSE's) by the end of the Plan period.

Several strategies are indicated in the GTP to enable Medium- and Large-Scale Manufacturing Industries create a competitive national economy by ensuring rapid and sustainable technological transfer, being export-oriented, and creating an environment conducive for micro and small enterprises and agricultural developments. The strategies include attracting foreign investors to increase their investment in key industries by giving them all-round and effective support, encouraging industries which produce goods for the export market and substitute imports by giving them priority in accessing credit and other incentives, tuning higher education and Technical Vocational Education and Training (TVET) institutions to support industrial development, and developing industrial zones to deliver land efficiently and at affordable prices for industrial development.<sup>12</sup>

Over 82 per cent of Ethiopians live in rural areas and depend mainly on agriculture for their livelihood. In urban areas, the total number of employed persons in 2012 was 5,726,116. According to the CSA, 757,055 people were employed by the manufacturing sector. The corresponding figure for distributive services was 1,953,438 people, which accounted for 34.11 per cent of urban employment. Wholesale and retail trade, hotels and restaurants, and transport and communication employed 1,235,258, 457,810 and 260,370 people, respectively.<sup>13</sup>

**Table 3: Currently Employed Population of Urban Areas by Industrial Divisions in 2012**

Industrial Division	Number of Employees
Agriculture, hunting, forestry and fishing	469,377
Mining and quarrying	21,374
Manufacturing	757,055
Electricity, gas and water	53,226
Construction	395,129
Wholesale and retail trade	1,235,258
Hotels and restaurants	457,810
Transport, storage and communications	260,370
Financial intermediation	115,655
Real estate, renting and business activities	119,259
Public administration and defense; compulsory social security	381,757
Education	407,272
Health and social work	182,330
Other community, social and personal service activities	566,625
Private households with employed persons	269,616
Extra-territorial organizations and NGOs	34,003
<b>Total</b>	<b>5,726,116</b>

Source: CSA.

<sup>12</sup> FDRE. (2013) *Annual Progress Report for F.Y. 2011/12 Growth and Transformation Plan*. Ministry of Finance and Economic Development (MOFED), Addis Ababa.

<sup>13</sup> CSA. (2012) *Urban Employment Unemployment Survey*.

In 2012 Ethiopia's exports amounted to 71,434,925,500 Birr, which was 14.11 per cent of the GDP. The value of total imports in the same year was 223,999,290,000 Birr, accounting for 44.24 per cent of the GDP. This indicates that there was a trade deficit amounting to 152,564,364,500 Birr. The major export items of the country were coffee, gold, oil seeds and chat. On the import side, capital goods accounted for the lion's share of the country's total import bill, followed by imports of non-durable consumer goods, semi-finished goods, and petroleum.

Household consumption and expenditure surveys provide data on household expenditure patterns, values, and distributions at national and regional levels, in order to observe trends in living standards and welfare. Such surveys also provide information on estimates of household consumption expenditure for the compilation of national accounts. This gives an idea of the demand for copyright products and services. In Ethiopia a Household Consumption and Expenditure (HCE) survey is administered by the Central Statistical Agency every five years, with the most recent one conducted in 2010/11. The survey shows that 46.1 per cent of expenditure is on food and non-alcoholic beverages, while households spend 22.2 per cent of their income on housing, water, electricity, and gas and other fuels. Expenditure on clothing and footwear and on furnishings, household equipment, and maintenance accounted for 5.1 per cent and 4.3 per cent, respectively.

**Table 4: Household Expenditure by Item Category in 2010/11**

Item	Per cent
Food and non-alcoholic beverages	46.1
Alcohol, tobacco, coffee, tea, chat and buckthorn	3.3
Clothing and footwear	5.1
Housing, water, electricity, gas and other fuels	22.2
Furnishings, household equipment and maintenance	4.3
Health	1.0
Transport	2.5
Communication	1.3
Recreation and culture	0.5
Education	0.4
Restaurants and hotels	0.3
Miscellaneous goods and services	6.8
Unincorporated household enterprise expenditure	6.2
Total	100

Source: CSA.

## 4. Methodology and Data Sources

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### 4.1 Study Approaches

The study adopts the methodology developed by WIPO for estimating the economic contribution of copyright industries. The “*Guide on Surveying the Economic Contribution of the Copyright Based Industries*” published by WIPO in 2003 provides proposals on how to organize relevant information, how to structure the research, which measurements to use, and how to present the analysis. The guide recommends applying methodologies recommended by the System of National Accounts<sup>14</sup> and using international classification systems.

A study on the economic contribution of the copyright industries includes measuring value added, employment, and external trade for industries that are influenced by copyright. The WIPO guide recommends the following four steps for undertaking such a study:

1. identification and classification of the copyright industries,
2. data collection,
3. measurement of the contribution of the copyright industries, and
4. analysis and presentation of the survey results.

The Ethiopian survey follows the categorization of the copyright industries presented in the guide. The WIPO guide categorizes copyright industries into core copyright industries, interdependent copyright industries, partial copyright industries, and non-dedicated support industries.

*Core copyright industries:* For some sectors or industries, copyrighted works have fundamental importance; that is, the industries would not exist without copyrighted works and other matter. These industries are called core copyright industries. Such industries are wholly engaged in the creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter. They operate nearly exclusively with copyrighted works. All activities of these industries should be included in measures of the economic importance of copyright. These groups of industries are: press and literature; music, theatrical productions, and operas; motion picture and video; radio and television; photography; software and databases; visual and graphic arts; advertising services; and copyright collective management societies.

*Interdependent copyright industries:* Other industries depend on copyrighted works, and their operations would be considerably smaller without copyrighted works and other subject matter. These industries produce devices or hardware that is used for the creation, production, distribution, and consumption of copyrighted works. These industries are referred to as interdependent copyright industries. The interdependent industries include the manufacture, wholesale, and retail (sales and rental) of TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic games equipment, and other similar equipment; computers and equipment; musical instruments, photographic, and cinematographic instruments; photocopiers; blank recording material; and paper.

*Partial copyright industries:* The third category, the partial copyright industries, contains industries in which a portion of the activities is related to copyrighted works and other protected subject matter. The partial copyright industries involve the creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of works. This category of industries includes apparel, textiles and footwear; jewelry and coins; other crafts; furniture; household goods, china and glass; wall coverings and carpets; toys and games; architecture, engineering, and surveying; interior design; and museums.

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<sup>14</sup> The System of National Accounts (SNA) consists of a coherent, consistent, and integrated set of macroeconomic accounts, balance sheets, and tables based on a set of internationally agreed concepts, definitions, classifications, and accounting rules. The SNA was developed jointly by the Commission of the European Communities, Eurostat, the International Monetary Fund, the Organization for Economic Cooperation and Development, the United Nations, and the World Bank under the auspices of the Inter-Secretariat Working Group on National Accounts.

*Non-dedicated support industries:* The final category is the non-dedicated support industries, in which a portion of the activities is related to facilitating the broadcast, communication, distribution, or sales of works and other protected subject matter whose activities have not been included in the core copyright industries. General wholesale and retailing, general transportation, and telecommunications fall into this category.

The activities for the Ethiopian study that were identified on the basis of the guide are indicated in the following table:<sup>15</sup>

**Table 5: List of Copyright Industries Studied in Ethiopia**

Category	Groups
Core copyright industries	Press and literature
	Music, theatrical productions, operas
	Motion picture and video
	Radio and television
	Software and databases
	Advertising services
Interdependent copyright industries	TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic games equipment, and other similar equipment
	Computers and equipment
	Musical instruments
	Photographic and cinematographic instruments
	Photocopiers
	Blank recording material
	Paper
Partial copyright industries	Apparel, textiles and footwear
	Furniture
	Household goods, china and glass
	Architecture, engineering, surveying
	Interior design
	Museums
Non-dedicated support industries	General wholesale and retailing
	General transportation
	Telecommunication

Information on many business activities is organized according to the Ethiopian Standard Industrial Classification (ESIC) of 2010, prepared by the Ministry of Trade. The classification is mainly used for business licensing purposes. ESIC is an adaptation from the International Standard Industrial Classification (ISIC). In developing ESIC, the practices of the USA, Singapore, South Africa, and Britain have been considered by the Ministry for benchmarking. The Ministry found the experience gained from South Africa and Singapore to be more suitable for Ethiopian conditions; hence, the benchmarking is based on the adapted ISIC systems of the two countries. Although there are some areas where ESIC and ISIC differ in the aggregation of data, there is a rough correspondence between the two classifications. A comparison of the Ethiopian Standard Industrial Classification (ESIC) and the International Standard Industrial Classification (ISIC) given in Table 6 shows that, except in a few cases, there is correspondence in the naming of the activities. However, the codes used for the activities in the two classifications are different.

<sup>15</sup> Data on photography and visual arts were included in the study for import and export analysis.



**Table 6: Correspondence between ESIC and WIPO Classification (ISIC)**

	ESIC	Code	ISIC	Code
Core copyright industries	Publishing of newspapers, journals, and periodicals	3242	Publishing of newspapers, journals, and periodicals	2212
	Publishing of books, brochures, musical books, and other publications	3241	Publishing of books, brochures, and other publications	2211
	Other publishing	3249	Other publishing	2219
	Publishing of recorded media	3243		
	Printing and service activities related to printing	325	Printing	2221
	Service activities related to printing	3253	Services activities related to printing	2222
	Library and archive activities	9631	Library and archive activities	9231
	News agency activities	962	News agency activities	9220
	Wholesale trade in other household goods	6139	Wholesale of other household goods	5139
	Other retail trade in new goods in specialized stores	623	Other retail sale in specialized stores	5239
			Software publishing	7221
	Software consultancy and supply	8620	Other software consultancy and supply	7229
	Database activities	8640	Database activities and online distribution	7240
	Data processing	8630	Data processing	7230
			Writers, directors, actors	9214
	Wholesale of record albums, cassette tapes, laser discs and compact discs (including VCDs, DVDs)	61333	Wholesale and retail of recorded music (sale and rental)	5233
	Retail trade in recorded CDs, VCDs and related products	62397		
	Wholesale of books and magazines	61344		
	Radio and television activities	9613	National radio and television broadcasting companies	9213
			Other radio and television broadcasters	9213
	Advertising	885	Advertising	7430
	Activities of professional organizations	9512	Activities of professional organizations	9112
	Radio and television activities	9613	Radio and TV activities	9213
	Other business activities	88	Other business activities	7499
	Dramatic arts, music and other arts activities	9614	Dramatic arts and music and other arts activities	9214
	Other entertainment activities n.e.c.	9619	Other entertainment activities	9219
			Other recreational services	9249
			Publishing of music	2213
	Reproduction of recorded media	3260	Reproduction of recorded media	2230
	Motion picture, theater and video production and distribution	9611	Motion picture and video production and distribution	9211
	Motion picture projection	9612	Motion picture projection	9212
	Photographic activities	8865	Photographic activities	7494
	Translation and secretarial services	99031	Other business activities n.e.c. (for translation and interpretation)	7499

**Table 6: Correspondence between ESIC and WIPO Classification (ISIC) (continued)**

Interdependent copyright industries	Renting of office machinery and equipment (including computers)	8523	Renting of office machinery and equipment (including computers)	7123
	Wholesale trade in office machines and equipment (including accessories)	6152	Wholesale of computers, computer peripheral equipment and software	5151
	Wholesale trade in hardware and computer accessories	61523		
	Wholesale trade in software	61524		
			Retail sale of household appliances, articles and equipment	5233
	Manufacture of musical instruments	3922	Manufacture of musical instruments	3692
	Wholesale of musical instruments and scores	61332	Wholesale of other household goods	5139
	Retail trade in musical instruments	62396	Retail sale of household appliances, articles and equipment	5233
	Rental of musical instruments	96142		
	Manufacture of pulp, paper and paperboard and of containers made from paper product	3231	Manufacture of pulp, paper and paperboard	2101
	Wholesale trade in other intermediate products, waste and scrap	6149	Wholesale of other intermediate products, waste and scrap	5149
			Other retail sale in specialized stores	5239
	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus, and associated goods	3730	Manufacture of TV and radio receivers, sound or video recording or reproducing apparatus, and associated goods	3230
	Wholesale of radio and television sets and sound reproducing and recording equipment and supplies except electrical and electronic components	61326		
	Manufacture of office, accounting, and computing machinery	3590	Manufacture of office, accounting, and computing machinery	3000
			Wholesale of other machinery, equipment, and supplies	5159
	Manufacture of optical instruments and photographic equipment	3750	Manufacture of photographic and optical equipment	3320
	Wholesale trade in photographic apparatus, equipment and supplies, and optical goods	61397	Wholesale of other household goods	5139
	Other retail trade in new goods in specialized stores	623	Other retail sale in specialized stores	5239
	Renting of other machinery and equipment n.e.c.	8529	Renting of other machinery and equipment n.e.c	7129
Manufacture of other chemical products		Manufacture of other chemical products n.e.c	2429	
Wholesale trade in electronic components	61516	Wholesale of electronic and telecommunications parts and equipment	5152	
Wholesale trade in telecommunications equipment	61515			
Retail trade in household furniture appliances, articles, and equipment	6237	Retail sale of household appliances, articles, and equipment	5233	

**Table 6: Correspondence between ESIC and WIPO Classification (ISIC) (continued)**

Partial copyright industries	Manufacture of made-up textile articles, except apparel	3121	Manufacture of made-up textile articles	1721
	Manufacture of wearing apparel, except fur apparel	3140	Manufacture of wearing apparel	1810
	Manufacture of footwear	3170	Manufacturing of footwear	1920
	Wholesale trade in textile fibers, textiles, clothing, footwear, and leather goods	6131	Wholesale of textile, clothing, and footwear	5131
	Manufacture of furniture	3910	Manufacture of furniture	3610
	Wholesale trade in household furniture requisites and appliances	61391		
	Retail trade in household furniture appliances, articles, and equipment	6237		
	Renting of personal and household goods n.e.c.	853	Renting of personal and household goods n.e.c.	7130
	Manufacture of glass and glass products	3411	Manufacture of glass and glass products	2610
	Manufacture of knitted and crocheted fabrics and articles	3130	Manufacture of knitted and crocheted fabrics and articles	173
	Manufacture of other fabricated metal products n.e.c.	3559	Manufacture of other fabricated metal products n.e.c.	2899
	Manufacture of made-up textile articles, except apparel	3121	Manufacture of made up textiles articles	1721
	Retail trade in textiles, clothing, footwear, and leather goods	6236	Retail sale of textiles, clothing, footwear, and leather goods	5232
	Manufacture of carpets, rugs, and mats	3122	Manufacture of carpets and rugs	1722
	Manufacture of other paper products	3239	Manufacture of other articles of paper and paperboard	2109
	Wholesale of furnishings (including curtains, carpets, wall paper)	61322	Other retail sale in specialized stores	5239
	Manufacture of games and toys	3924	Manufacture of games and toys	3694
	Wholesale of toys and games	61334	Wholesale of other household goods	5139
	Other retail trade in new goods in specialized stores	623	Other retail sale in specialized stores	5239
	Museum activities and preservation of historical sites and buildings	9632	Museum activities and preservation of historical sites and buildings	9232
	Architectural, engineering, construction, and related technical consultancy	882	Architectural and engineering activities and related technical consultancy	7421
	Manufacture of jewelry and related articles	3921		
	Manufacture of jewelry and related articles	3691		
	Wholesale trade in precious stones, jewelry, and silverware	61392		
	Wholesale of other household goods	5139		
	Retail trade in jewelry, watches and clocks	62394		
	Other retail sale in specialized stores	5239		

**Table 6: Correspondence between ESIC and WIPO Classification (ISIC) (continued)**

Non-dedicated copyright industries	Wholesale trade in machinery, equipment, and supplies	615	Wholesale of machinery, equipment, and supplies	515
	Other wholesale trade n.e.c	411	Other wholesale	519
	Retail trade, except of motor vehicles and motor cycles; repair of personal and household goods	62	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	52
	Other retail trade in new goods in specialized stores	623	Other retail trade of new goods in specialized stores	523
	Land transport; transport via pipelines	71	Land transport; transport via pipelines	60
	Railway transport	7111	Transport via railways	601
	Other land transport	712	Other land transport	602
	Water transport	72	Water transport	61
	Air transport	73	Air transport	62
	Supporting and auxiliary transport activities; activities of travel agencies	74	Supporting and auxiliary transport activities	630
	Cargo handling	7411	Cargo handling	
	Storage and warehousing	7412	Storage and warehousing	
	Other supporting transport activities	7413	Other supporting transport activities	
	Travel agency and related activities	7414	Activities of travel agencies and tour operators; tourist assistance activities n.e.c.	6304
	Activities of other transport agencies	7419	Activities of other transport agencies	6309
			Post and courier activities	641
	National postal activities	7511	National post activities	6411
	Courier activities other than national postal activities	7512	Courier activities other than national post activities	6412
	Telecommunication	7520	Telecommunication	6420

## 4.2 Data Sources

Data for the study were obtained mainly from the Central Statistical Agency of Ethiopia (CSA), the Ministry of Finance and Economic Development (MoFED), the Ethiopian Revenues and Customs Authority (ERCA), and the National Bank of Ethiopia (NBE). Individual consultations were held with experts from these government institutes, which helped the research team to identify sources of secondary information. The consultations also gave the team some useful insights into the approaches to the measurement of the relevant economic indicators in Ethiopia.

CSA conducts several surveys to collect and compile economic statistics in various sectors. These surveys include Large and Medium Scale Manufacturing Industry Surveys, Small Scale Manufacturing Industry Surveys, Quarterly Manufacturing Business Surveys, Quarterly Producers Price Indexes, and Distributive Trade statistics. CSA uses ISIC rev. 3.1 down to four digits for: Large and Medium Scale Manufacturing Industry, Small Scale Manufacturing Industry, Quarterly Manufacturing Business Survey, and Quarterly Producers Price Index. CSA also publishes an Annual Statistical Abstract, which contains national accounts data and external trade statistics, among others. ISIC rev.4 is used for distributive trade statistics and construction statistics.

MoFED compiles the national accounts of Ethiopia. In the measurement of national accounts, three basic approaches may be applied depending upon the available statistics, i.e. production, income and expenditure approaches. (a) The production approach: takes production as the total value of goods and services less intermediate inputs originating in the various industries which make up the economy; (b) the income approach: considers production as the sum of the incomes received by those producing these goods and services; and (c) the expenditure approach: sums up the value of the final uses of goods and services reduced by the value of imports of goods and services. In Ethiopia's national accounts, the production approach has been used mainly, except in the case of public administration and defense, education, and medical and health services, where the expenditure approach is applied. The national accounts for Ethiopia are largely based on the 1993 System of National Accounts, with few exceptions. The GDP data are compiled according

to the Ethiopian Fiscal Year (July 8th to July 7th) and are presented as the GDP at current market prices and at constant market prices.<sup>16</sup> This study used the GDP at constant market prices to compute the contribution of the copyright industries. MoFED publishes only the aggregate figures by major industrial classifications and the detailed data are not publicly available. The research team obtained detailed information on sector activities after having made a special request to the Ministry.

The key measure of an industry's economic contribution is the 'value added'. Value added is the value of gross outputs of a particular industry less the value of inputs from other industries. The sum of all industries' value added is the nation's gross domestic product (GDP). Thus, looking at the value added of the copyright industries provides a measure of the relative importance of the copyright industries. Data reported by MoFED and CSA are used for the measurement of value added of the copyright industries in Ethiopia. Value added may be calculated either before or after deducting the consumption of fixed capital on the fixed assets used. When consumption of fixed capital is deducted from GVA, the net value added is obtained. In the survey on the economic contribution of the copyright industries in Ethiopia, the GVA was used.

The number of employees in the copyright industries is obtained by analyzing the CSA Urban Employment Unemployment Survey. CSA has been carrying out the Urban Employment Unemployment Survey program since 2003. The survey provides data on the size, distribution and characteristics of the employed population by occupation and industry, status in employment, sector of employment, and earnings from employment. The survey follows international standard definitions of economic and noneconomic activities in order to determine the activity status of the population.

Import and export trade statistics are obtained from ERCA, CSA and the National Bank of Ethiopia. The trade system used in Ethiopia is general and compiled on the basis of the Harmonized System (HS).<sup>17</sup> The HS is a six-digit level international nomenclature; however, countries adopting the HS may make provisions for further subdivisions beyond the six-digit level. In Ethiopia, the tariff classification number consists of eight digits that expand on the six-digit classification codes set out in the HS.

### 4.3 Data Challenges

The research team could not acquire data for some of the activities in the copyright industries. Information obtained from the official sources lacked data in the following areas:

#### **Core copyright industries:**

- Photography (except import-export data)
- Visual and graphic arts (except import-export data)
- Collective management organizations

#### **Partial copyright industries:**

- Jewelry and coins
- Wall coverings and carpets
- Toys and games

In the non-dedicated support industries, employment data for transport and communication obtained from CSA were lumped together and it was not possible to get figures from other sources which could be used for data disaggregation.

It was also not possible to include data on gross output, because of lack of information for some of the sub-sectors. Data obtained from MoFED contained complete information on gross output. On the other hand, information obtained from the various reports produced by CSA indicated only the value added. This made it difficult to consistently indicate the gross outputs for all the sub-sectors.

<sup>16</sup> GDP at current prices is GDP at prices of the current reporting period; it is also known as nominal GDP. On the other hand, constant price estimates of GDP are obtained by expressing values in terms of a base period.

<sup>17</sup> The HS Code is a standard issued by the World Customs Organization (WCO) to unify the classification of the goods. It is the standardized coding system of names and numbers used in international trade.

It was difficult to get disaggregated data on employee incomes from the publications of CSA. However, the research team used the average monthly income in the various sub-sectors and the number of employees reduced by the corresponding copyright factors (for the partial and non-dedicated industries) to calculate employee income. Information on the two factors was obtained from CSA's report on the employment-unemployment survey of 2012.

#### 4.4 Determination of Copyright Factors

Establishing copyright factors enables the weighting of the portion of a specific industry that can be attributed to copyright or the level of dependence on copyright. Depending on the industry under consideration, the copyright factor may take a value between 0 and 1. The WIPO guide recommends that industries that only produce products and works and other protected subject matter should have a copyright factor value of 1, whereas industries having nothing to do with copyright should have a copyright factor value of 0. The weightings must be done in relation to the interdependent, partial, and non-dedicated copyright industries. The weights have to be applied before summing the portion of the value added, employment, or foreign trade attributed to copyright in these sectors with contributions of the core copyright industries.

In establishing copyright factors for the interdependent, partial, and non-dedicated copyright industries, one of the approaches to be followed is analysis of the components that make up each sector and the scale of activity associated with each component. Another consideration to be borne in mind is the use of international comparisons as an important source of information.<sup>18</sup> The approaches and solutions of researchers in countries with similar legal frameworks, economic structure, etc., could serve as references to determine specific copyright factors. These methods have been adopted in the Ethiopian study.

Since the core copyright industries are wholly engaged in the creation, manufacturing, and distribution of protected works and other protected subject matter, their copyright factor is one. Similarly, the interdependent industries are closely integrated in the creation, distribution, and use of the products of the core copyright industries, and a large part of the value added they create is directly related to those industries. Therefore, a copyright factor of one is adopted for this category of industries. For the partially copyright industries, the copyright factors are based on the data used and justifications given in the studies conducted in Kenya, Malawi, and Singapore. The study team opted to use the experience of other countries because conducting a national survey is time-consuming and it may be difficult to get an acceptable response rate. Furthermore, the intellectual property system in Ethiopia is very young compared to that of many other African countries, and there is a low level of awareness of the system among the different groups concerned. Addressing questions related to copyright activities requires knowledge of the intellectual property system. Therefore, it is not an easy task for enterprises in Ethiopia to determine the extent to which their different activities are based on copyright. The team chose Kenya, Malawi, and Singapore for different reasons. The choice of Kenya and Malawi was mainly due to various commonalities with Ethiopia in their socio-economic situations. On the other hand, the choice of Singapore was influenced by information obtained from previous studies that based their assumptions on the patterns from the Singapore study.

A relatively higher copyright factor compared to that of other countries was used in the Ethiopian study for apparel, textiles, and footwear. The copyright factor for this specific group of activities is determined on the basis of information from the Household Consumption and Expenditure Survey of 2010/11 carried out by CSA. The survey showed that clothing and footwear account for 5.1 per cent of the household consumption expenditure and rank third, next to food and non-alcoholic beverages and housing, water, electricity, and gas and other fuels. Many official reports indicate the key role of textiles and footwear in current manufacturing activities and the big potential of the sector in expanding the country's exports. A final point taken into consideration in determining the copyright factor for apparel, textiles, and footwear is the large number of applications filed for industrial design protection by the Ethiopian Intellectual Property Office for footwear designs. A good number of the applications are given protection certificates by the office.<sup>19,20</sup> This is a manifestation of the high intellectual property content of the products of the sub-sector.

<sup>18</sup> WIPO. (2003).

<sup>19</sup> This information is based on examination of different issues of the quarterly Intellectual Property Gazette published by EIPO.

<sup>20</sup> Depending on the particular national law and the kind of design, an industrial design may also be protected as a work of art under copyright law.

For the non-dedicated support industries, the formula recommended by WIPO is applied to derive the copyright factor.<sup>21</sup> Using the values computed in chapter 5, the factor is given by:

Copyright Factor for NDSI=Value added for core, interdependent, and partial Non–distribution GDP

$$0.047=9,945,308,947+7,061,467,096+2,172,916,485/506,533,300,000-102,330,199,955$$

The formula is based on the assumption that the proportionate contribution of the copyright industries to the distribution industries would be the same as the percentage contribution of the copyright industries to the total non-distribution industries. This means that the copyright factors to be derived in the non-dedicated support industries are the aggregate of the value added in core, interdependent, and partial copyright industries as a ratio of the non-distribution GDP.

**Table 7: Copyright Factors Used for the Ethiopian Study**

	Copyright factor
<b>Core copyright industries</b>	
Press and literature	1.0
Music, theatrical productions, operas	1.0
Motion picture and video	1.0
Radio and television	1.0
Software and databases	1.0
Advertising services	1.0
<b>Interdependent copyright industries</b>	
TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic games equipment, and other similar equipment	1.0
Computers and equipment	1.0
Musical instruments	1.0
Photographic and cinematographic instruments	1.0
Photocopiers	1.0
Blank recording material	1.0
Paper	1.0
<b>Partial copyright industries</b>	
Apparel, textiles and footwear	0.05
Furniture	0.045
Household goods, china, and glass	0.05
Architecture, engineering, surveying	0.1
Interior design	0.083
Museums	0.5
<b>Non-dedicated support industries</b>	
General wholesale and retailing	0.047
General transportation	0.047
Telecommunications	0.047

<sup>21</sup> Chow Kit Boey and Leo KahMun. (2005) *Economic Contribution of Copyright-Based Industries in Singapore*. IP Academy Singapore.

## 5. Contribution of Copyright Industries to the Ethiopian Economy

Different indicators can be used to measure the economic contribution of the copyright industry to a national economy. The guideline developed by the World Intellectual Property Organization (WIPO) in 2003 established a set of major indicators and laid out research standards and approaches. The indicators are contribution to GDP, employment, and foreign trade. The Ethiopian study, like previous national studies conducted in other countries, followed the approaches of the WIPO guide. The study year was 2012, which was selected because of the availability of most recent comprehensive data.

In 2012 the value added of the copyright industries in Ethiopia was 23,989,211,925 Birr. As a percentage of the Gross Domestic Product (GDP) at constant prices, this amounted to 4.73 per cent.<sup>22</sup> The copyright industries also provided jobs to 240,287 persons, which is 4.20 per cent of the population employed by the different economic sectors. With 0.65 per cent share in exports and 10.87 per cent share in imports, the copyright industries played an important role in Ethiopia's external trade. Total exports by the copyright industries amounted to 465,501,740 Birr, while the country imported 24,358,767,344 Birr worth of products and services of the copyright industry.

In 2012 the labor productivity index in Ethiopia for the copyright industries as a whole was 112.6.<sup>23</sup> The labor productivity index was the highest for the core copyright industries with a ratio of 143. In the interdependent and partial industries the ratios were 109 and 130, respectively. The lowest labor productivity index was observed in the non-dedicated copyright industries with a ratio of 77. The small figure for the non-dedicated support industries is a result of the labor-intensive nature of wholesale and retail trade activities in the country observed in the study. The non-dedicated support industries accounted for 29.25 per cent of the labor force in the copyright industries, while their share in the GDP contribution of the copyright industries was only 20.05 per cent.

**Table 8: Contribution of the Copyright Industries to the Ethiopian Economy in 2012**

Sector	Gross value added (Birr)	As per cent of GDP	Employment		Foreign Trade	
			Number	Per cent	Export value (Birr)	Import value (Birr)
Core copyright industries	9,945,308,947	1.96	78,407	1.37	13,378,815	1,049,289,952
Interdependent copyright industries	7,061,467,096	1.39	72,725	1.27	226,506,900	22,874,288,505
Partial copyright industries	2,172,916,485	0.43	18,861	0.33	13,216,025	349,692,267
Non-dedicated support industries	4,809,519,397	0.95	70,294	1.23	212,400,000	85,496,620
Total for copyright industries	23,989,211,925	4.73	240,287	4.20	465,501,740	24,358,767,344
<b>Total for the economy</b>	<b>506,533,300,000</b>	<b>100</b>	<b>5,726,116</b>	<b>100</b>	<b>71,434,925,500</b>	<b>223,999,300,000</b>

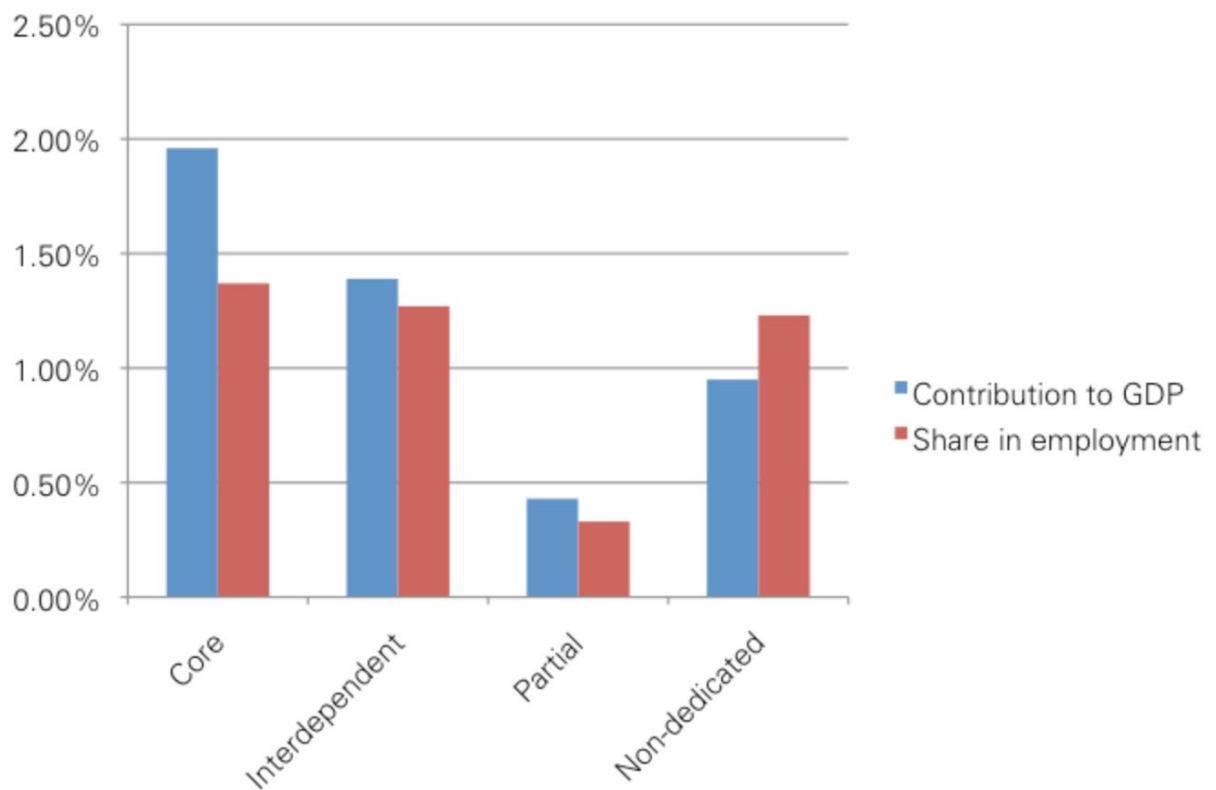
Source: Authors' calculations based on data from MoFED and CSA.

<sup>22</sup> The constant price was calculated on a 2010/11 base year series.

<sup>23</sup> The labor productivity index can be calculated using contributions to GDP and employment. It is calculated as the proportion between the share of GDP and share of national employment attributed to copyright industries.



**Figure 1: Contribution to GDP and Share in Employment by Sector, 2012**



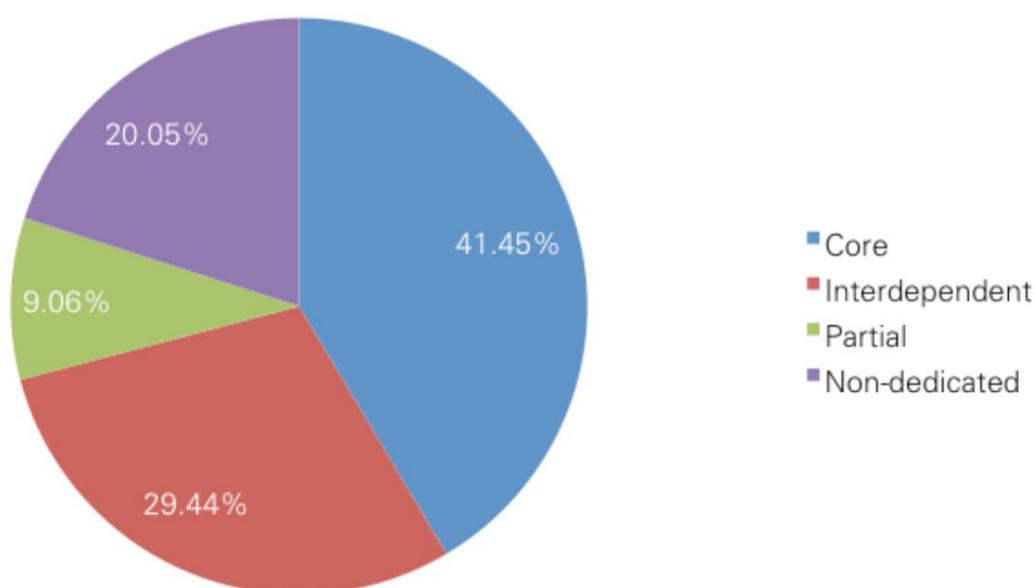
The core copyright industries constituted 41.45 per cent of the total contribution of the copyright industries to the GDP. Except in a handful of cases, many of the previous studies carried out in other countries showed that the core copyright industries accounted for more than half of the contribution of the copyright industries to the GDP. The low figure for Ethiopia may have resulted from the unavailability of data for three sub-sectors of the core copyright industry. The contributions of photography, visual and graphic arts, and collective management organizations could not be included in the estimations because of lack of data.

**Table 9: Share Contribution of the Copyright Industries to GDP in Ethiopia in 2012**

	Value in Birr	Per cent
Core copyright industries	9,945,308,947	41.45
Interdependent copyright industries	7,061,467,096	29.44
Partial copyright industries	2,172,916,485	9.06
Non-dedicated support industries	4,809,519,397	20.05
<b>Total for copyright industries</b>	<b>23,989,211,925</b>	<b>100</b>

Source: Authors' calculations based on data from MoFED and CSA.

**Figure 2: Share Contribution of the Copyright Industries to GDP in Ethiopia in 2012 (per cent)**



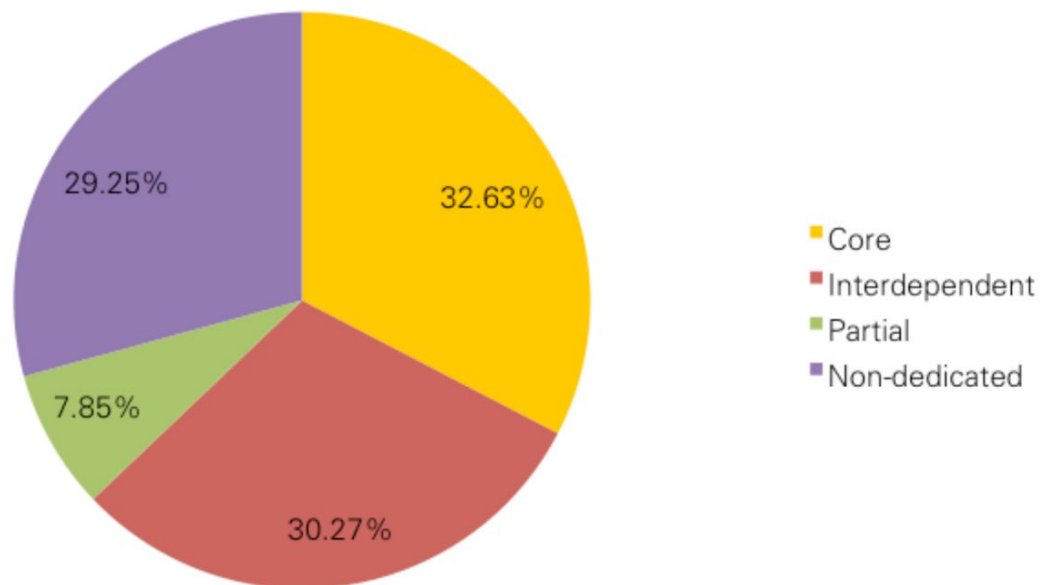
In terms of contribution to employment, the core copyright industries, which employed 78,407 persons, have the highest share (32.63 per cent), followed by the interdependent copyright industries, which employed 72,725 (30.27 per cent) of the manpower in the sector. The partial copyright industries and the non-dedicated support industries provided jobs for 18,861 and 70,294 people, representing 7.85 per cent and 29.25 per cent of the employment in the copyright industries, respectively.

**Table 10: Share Contribution of Copyright Industries to Employment in Ethiopia in 2012**

	Number of employees	Per cent
Core copyright industries	78,407	32.63
Interdependent copyright industries	72,725	30.27
Partial copyright industries	18,861	7.85
Non-dedicated support industries	70,294	29.25
<b>Total for copyright industries</b>	<b>240,287</b>	<b>100</b>

Source: CSA.

**Figure 3: Share Contribution of Copyright Industries to Employment in Ethiopia in 2012 (per cent)**



## 5.1 Contribution of Copyright Industries to GDP

In assessing the economic importance of industries, the most common measurement is value added or gross value added (GVA). Value added measures the contribution of a particular industry to a good or a service. It is defined as turnover (or production value) less the cost of all inputs from other industries. The sum of the GVA of all industries equals gross domestic product (GDP). GDP combines in a single figure, and with no double counting, all the output (or production) carried out by all the firms, non-profit institutions, government bodies, and households in a given country during a given period, regardless of the type of goods and services produced, provided that the production takes place within the country's economic territory.

The use of value added in economic impact studies provides a useful indicator of the wealth that an industry adds to the economy. Thus, the GVA of the copyright industries, as a percentage of the GDP, is used in this study as one of the indicators to measure their true contribution to the Ethiopian economy. The following sections provide a detailed discussion of the contribution of the different sectors of the copyright industry to the GDP of Ethiopia.

### 5.1.1 Core Copyright Industries

The core copyright industries had a total value of 9,945,308,947 Birr in 2012, which translates into 1.96 per cent of the GDP. Data obtained from various official sources showed that there is great variation between the sub-sectors of the core copyright industries in terms of their contribution to the GDP. In 2012, the three largest sub-sectors—press and literature; radio and television; and music, theatrical productions, and operas—accounted for 78.72 per cent of the total contribution of core copyright industries in terms of gross value added.

Motion picture and video contributed only 550,500,000 Birr<sup>24</sup> in 2012 to the country's GDP, constituting 5.54 per cent of the total share of the core copyright industries. This is a very low figure compared with the performances of other African countries, such as Nigeria and South Africa, with booming film industries. In Nigeria, Nollywood has taken a giant stride to become an industry to be reckoned with, both inside and outside the country. In just a few years, the industry has grown to become one of the largest film industries in the world, generating hundreds of millions of dollars per year for the Nigerian economy. South Africa also has a vibrant, growing film industry that is increasingly competitive internationally. Local and foreign filmmakers are taking advantage of the country's diverse, unique locations. The same can be said of the film

<sup>24</sup> The figure includes the value of video rental and sales of foreign movies.

industry of Burkina Faso, whose filmmakers are known internationally and have won international prizes. In Ethiopia some recent attempts are showing positive signs of the sub-sector's future. However, the Ethiopian film industry is suffering from a shortage of qualified personnel, and investors are not yet ready to make huge expenditure in the area. The poor marketing system of Ethiopian movies, which is controlled by a few groups, has also negatively impacted the growth of the sector. Much needs to be done to promote the country's film industry abroad, which has currently not received recognition outside of the Ethiopian diaspora.

The official data also revealed the current low level of development of Ethiopia's software industry. With 584,653,226 Birr, value added in 2012 software and databases accounted for only 5.88 per cent of the share of the core copyright industries. Out of this software, programming and consultancy accounted for 88,163,949 Birr, while the remaining balance, 496,489,277 Birr, is the contribution from database activities. Software is becoming more important for countries to build their competitiveness in different socio-economic activities. Software production and development can make meaningful contributions to the structural transformation of economies and improvement of the living standard of the people. It can boost learning, innovation, and job creation, especially for skilled youth. For instance the Indian software industry has brought about a tremendous success for the emerging economy. Presently there are hundreds of software companies in the country, which shows the monumental advancement that the Indian software industry has experienced. In many countries it is the pool of young manpower that is the key behind the success stories in the software industry. In this regard Ethiopia has great advantages and considerable room to improve its capability in the software industry and make better use of the potential. However, the current level of development of software companies in the country is unsatisfactory, and the potential benefits of the technology are underexploited in the economy. The new information and communication technology (ICT) park, Ethio ICT Village, which will be launched soon, is expected to bring about a noticeable change in the country's software industry. The major objectives of the ICT Park in Ethiopia are to foster the growth of the ICT sector in the country by providing a favorable environment for business, to develop ICT supported indigenous business entrepreneurs, and to provide employment opportunities for Ethiopians. Individuals and companies (local or foreign), public institutions, civic societies engaged in ICT, the Ethiopian diaspora, and foreigners who have investment permits to undertake business development activities in the ICT sector of Ethiopia are eligible to acquire space in the Ethio ICT Village.<sup>25</sup>

One of the sub-sectors under the core copyright industries comprises collective management organizations. Collective management organizations are also frequently called authors' societies and play an important and very useful role for authors, composers, and performers, as well as for users. The essential role of a collective management organization is to collect copyright fees and to distribute the appropriate amount to the copyright owners, after deducting the sum required to cover expenses, on a non-profit-making basis. Collective management organizations, acting on behalf of their members, negotiate rates and terms of use with users, issue licenses authorizing uses, and collect and distribute royalties. The Ethiopian Copyright and Related Rights Collective Management Society has not yet started actively discharging its role, and it was not possible to include data concerning its activities. Data problems have also been recognized in the area of photography and visual and graphic arts. The data from official sources do not show the value of outputs in these sub-sectors. Therefore, it was not possible to include information on these three sub-sectors of the core copyright industry in the survey.

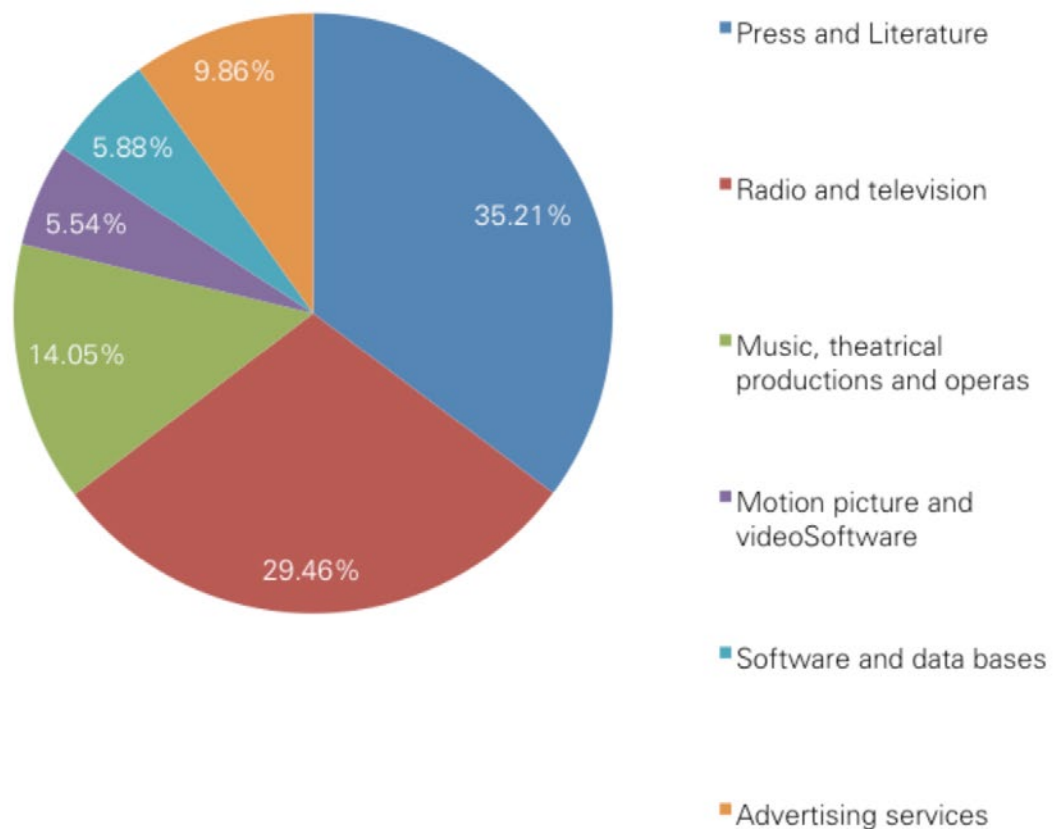
<sup>25</sup> [www.ethioictvillage.gov.et/index.php/about-ethio-ict-village/introduction](http://www.ethioictvillage.gov.et/index.php/about-ethio-ict-village/introduction).

**Table 11: Share Contribution of Various Sub-Sectors of Core Copyright Industries in 2012**

Economic activity	Value added (Birr)	Per cent
Press and literature	3,502,096,799	35.21
Radio and television	2,929,708,977	29.46
Music, theatrical production and operas	1,397,698,967	14.05
Motion picture and video	550,500,000	5.54
Software and databases	584,653,226	5.88
Advertising services	980,650,978	9.86
<b>Total for core copyright industries</b>	<b>9,945 308,947</b>	<b>100</b>
<b>Total for copyright industries</b>	<b>23,989,211,925</b>	
<b>Total for the economy</b>	<b>506,533,300,000</b>	

Source: Authors' calculations based on data from MoFED and CSA.

**Figure 4: Share Contribution of the Core Copyright Industries in 2012 by Sub-Sector (per cent)**



### 5.1.2 Interdependent Copyright Industries

Wholesale and retail trade constitutes a significant share of the interdependent copyright industries. Very few local enterprises in Ethiopia are engaged in the manufacturing of equipment required for the creation, production, or use of copyrighted material. Although there has been recent growth in investments for the assembly of such equipment, the local market is predominantly supplied by imports. There is heavy dependence on imports for TV sets, radios, computers and other office equipment, musical instruments,

photographic and cinematographic equipment and other equipment that fall under the interdependent copyright industries.

The first TV assembly plant was established in Ethiopia 15 years ago. The plant was producing 100 TV sets per day at its initial stage. However, the development in the sub-sector has not kept up the initial pace and the capacity building in the area has been very slow. Recently, there have been some signs of change that may strengthen the local manufacturing capacity of electronic products in the country. Prominent among these are the recent commencement of TV assembly by the Metal and Engineering Corporation of Ethiopia (MetEC) and the inauguration of the first printer assembly plant in Ethiopia, jointly owned by Tana Communications and Samsung Electronics Company. A hi-tech company was established as one of the companies under MeTEC in 2011. The company specializes in the manufacture of electronic and electromechanical technology, such as: the production and assembly of communication radios (both for military and commercial purposes), radar systems, cell phones, TVs, electromechanical devices such as energy meters, harmonic analyzers, optical devices such as night vision devices, thermal imagers, and security cameras. Tana communications is also a local company that uses Chinese technology to manufacture electronic products.

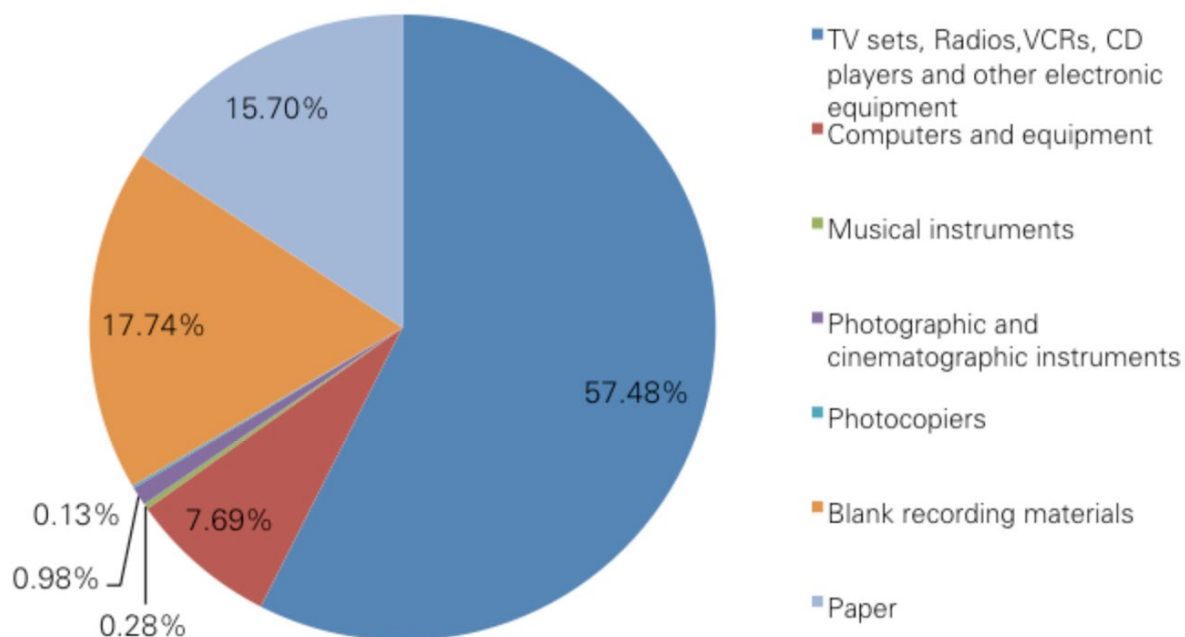
In terms of their share contribution in the group of interdependent industries, TV sets, radios, VCRs, CD players, DVD players, and other electronic equipment took the leading place with 57.48 per cent. Blank recording materials (17.74 per cent), paper (15.70 per cent), computers and equipment (7.69 per cent), photographic and cinematographic instruments (0.98 per cent), and musical instruments (0.28 per cent) follow in the order of their contribution to the sector. The lowest contribution in the sector came from photocopiers, which accounted for only 0.13 per cent. The group of interdependent industries together contributed 1.39 per cent of the GDP.

**Table 12: Economic Contribution of Interdependent Copyright Industries by Sub-Sector, 2012**

Economic activity	Value added (Birr)	Per cent
TV sets, radios, VCRs, CD players, DVD players, other electronic equipment	4,058,765,505	57.48
Computers and equipment	542,942,670	7.69
Musical instruments	19,654,786	0.28
Photographic and cinematographic instruments	69,480,339	0.98
Photocopiers	9,286,543	0.13
Blank recording materials	1,252,594,558	17.74
Paper	1,108,742,695	15.70
<b>Total for interdependent copyright industries</b>	<b>7,061,467,096</b>	<b>100</b>
<b>Total for copyright industries</b>	<b>23,989,211,925</b>	
<b>Total for the economy</b>	<b>506,533,300,000</b>	

Source: Authors' calculations based on data from MoFED and CSA.

**Figure 5: Value added of Interdependent Copyright Industries in 2012 by Sub-Sector (per cent)**



### 5.1.3 Partial Copyright Industries

In the partial copyright industries, only a portion of the activities is related to copyright works and connected subject matter. It is therefore necessary to include only that part which is attributable to copyright works. This can be done by adjusting the values by copyright factors. The copyright factors for the partial copyright industries are given in Table. 7. This makes the contribution of these industries to copyright value added low. The copyright factors for the partial copyright industries in Ethiopia range from 4.5 per cent for furniture to 50 per cent in the case of museums.

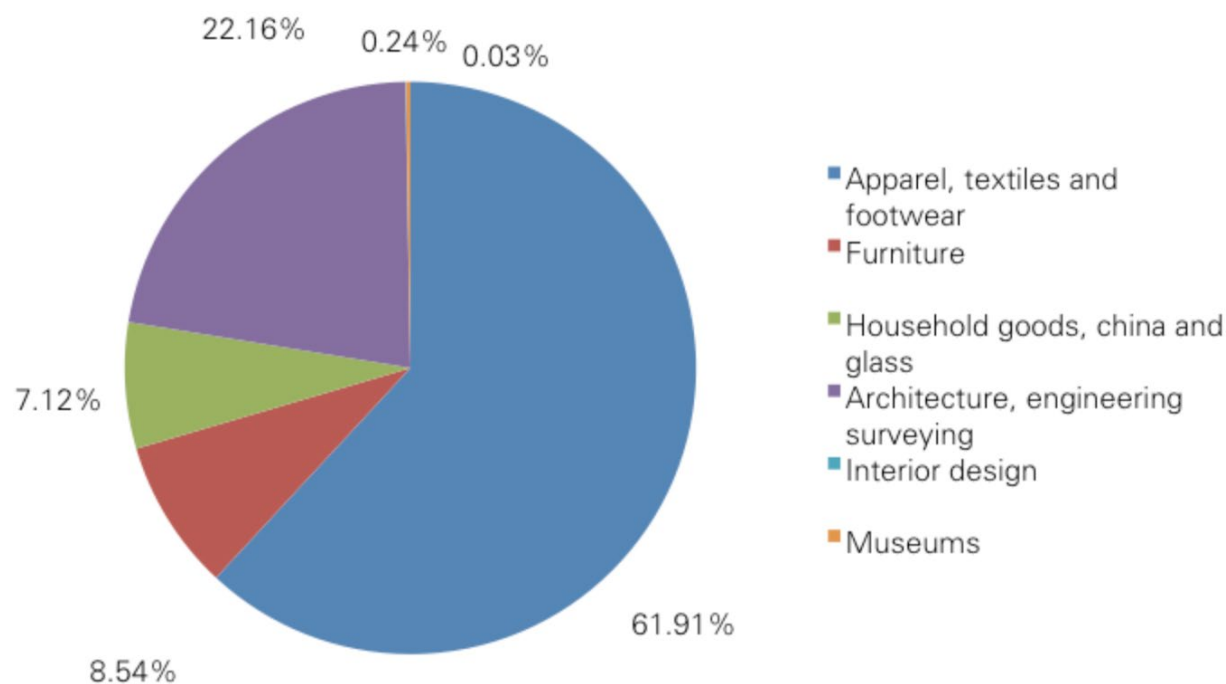
The value added of the partial copyright industries in 2012 after applying the copyright factor was 2,172,916,485 Birr. This represented 0.43 per cent of the country's GDP. Apparel, textiles and footwear accounted for 61.91 per cent of the sub-sector's contribution to the GDP. Ethiopia's footwear industry and its leather sector in general enjoy significant international comparative advantages, owing to abundant and available raw materials and cheap prices. Similarly, Ethiopia has all the essential ingredients for a competitive textile industry: raw materials, low wages, and low energy costs. This gives the country a competitive advantage over many other countries. However, the current contribution of the sector to the national economy is far less than its potential. The second place in the partial copyright industries was taken by architecture, engineering and surveying (22.16 per cent), followed by furniture (8.54 per cent) and household goods, china, and glass (7.12 per cent). The contribution of museums to the GDP was disappointingly low. Although Ethiopia has a long history and rich tradition, the economic potential of museums in particular and the tourism sector in general is underexploited. The share of museums in the partial copyright industries in 2012 was 0.24 per cent. The lowest contribution among the sub-sectors in the partial copyright industry came from interior design (0.03 per cent). It was not possible to get data on jewelry and coins, wall coverings and carpets, and toys and games. This obviously undervalued the contribution of the partial copyright industries to the GDP.

**Table 13: Economic Contribution of Partial Copyright Industries by Sub-Sector, 2012**

Economic activity	Value added (Birr)	Per cent
Apparel, textiles and footwear	1,345,234,672	61.91
Furniture	185,558,919	8.54
Household goods, china and glass	154,661,373	7.12
Architecture, engineering, surveying	481,504,148	22.16
Interior design	711,982	0.03
Museums	5,245,391	0.24
<b>Total for partial copyright industries</b>	<b>2,172,916,485</b>	<b>100</b>
<b>Total for copyright industries</b>	<b>23,989,211,925</b>	
<b>Total for the economy</b>	<b>506,533,300,000</b>	

Source: Authors' calculations based on data from MoFED and CSA.

**Figure 6: Value added of Partial Copyright Industries in 2012 by Sub-Sector (per cent)**



#### 5.1.4 Non-dedicated Support Industries

Non-dedicated support industries stem from backward linkages and generally refer to business services and delivery modes. The functions in these industries are shared between copyright industries and other sectors of the economy. As in the case of the partial copyright industries, only a limited portion of these industries is taken into account in estimating the economic contribution of the copyright industries. Therefore, the values of the different activities in this industry are reduced by the copyright factor to single out the proportion attributable to copyright. These industries include: general wholesale and retailing, general transportation, and telecommunication. Out of the contribution of the non-dedicated support industries in 2012, which was 4,809,519,397 Birr, 78.25 per cent was accounted for by general wholesale and retailing. General transport and telecommunication contributed 11.64 per cent and 10.11 per cent of the sub-sector's share, respectively. The share of non-dedicated industries in the country's GDP was 0.95 per cent.

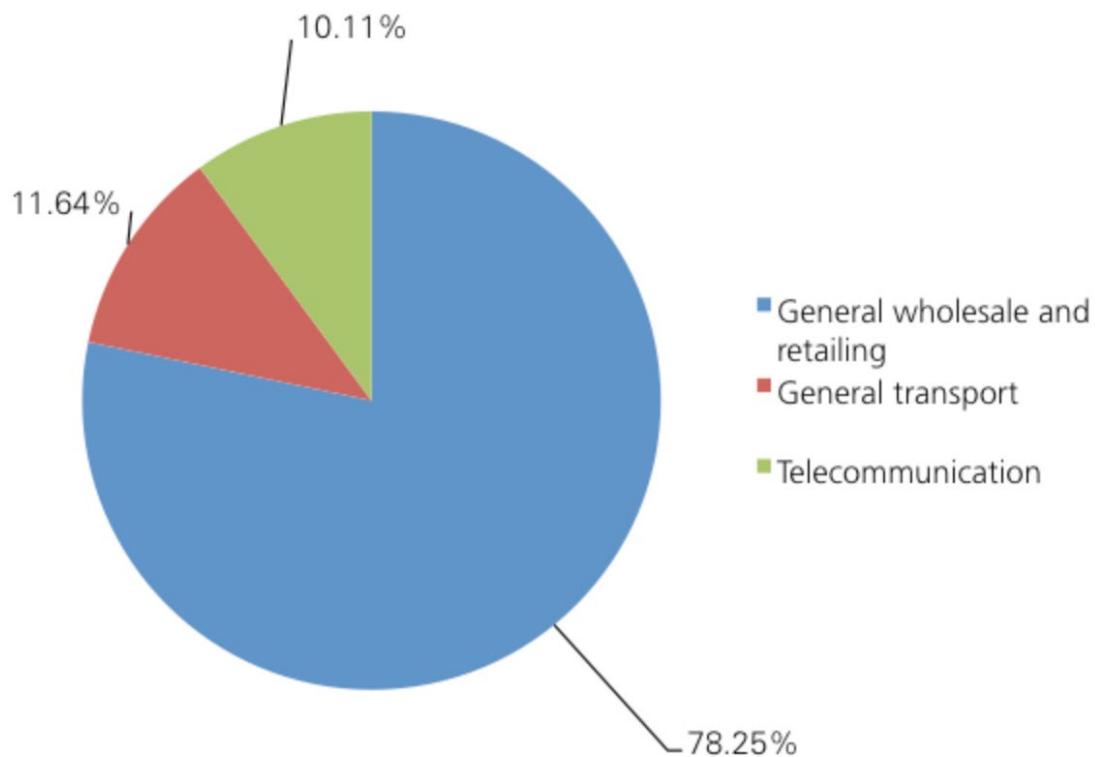


**Table 14: Economic Contribution of Non-dedicated Support Industries by Sub-Sector**

Economic activity	Value added after applying the copyright factor	Per cent
Wholesale and retail trade	3,763,503,513	78.25
General transport	559,915,559	11.64
Telecommunication	486,100,325,	10.11
<b>Total for non-dedicated industries</b>	<b>4,809,519,397</b>	<b>100</b>
<b>Total for copyright industries</b>	<b>23,989,211,925</b>	
<b>Total for the economy</b>	<b>506,533,300,000</b>	

Source: Authors' calculations based on data from MoFED and CSA.

**Figure 7: Value Added of Non-Dedicated Support Industries in 2012 by Sub-Sector (per cent)**



## 5.2 Contribution of the Copyright Industries to Employment

Estimation of the contribution of the copyright industries to employment is based on the Urban Employment and Unemployment Survey conducted by CSA in 2012. The survey covered all urban parts of the country except nine zones where the residents are pastoralists. The result showed that a total of 5,726,116 persons were employed by the various economic sectors in the urban areas covered by the survey. Out of these, 240,287 employees worked in the copyright industries, accounting for 4.20 per cent of the total employment. In terms of contribution to total employment, the share of the core copyright industries, employing 78,407, was the highest (1.37 per cent). The next place was taken by the interdependent copyright industries, with 72,725 (1.27 per cent) of the manpower in the sector. The partial copyright industries and the non-dedicated support industries provided jobs for 18,861 and 70,294 people, representing 0.33 per cent and 1.23 per cent, respectively, of the total employment figure.

The total income earned by persons employed by the copyright industry was 3,144,389,544 Birr. The largest share was that of employees in the core copyright industries, which amounted to 1,181,656,216 Birr. Employee incomes in the interdependent, partial, and non-dedicated support industries were 901,688,160 Birr, 229,766,552 Birr, and 831,278,616 Birr, respectively.

**Table 15: Contribution of the Copyright Industries to Total Employment and Employee Income**

	Number of employees		Employee income (Birr)
	Number	Per cent	
Core copyright industries	78,407	1.37	1,181,656,216
Interdependent copyright industries	72,725	1.27	901,688,160
Partial copyright industries	18,861	0.33	229,766,552
Non-dedicated support industries	70,294	1.23	831,278,616
<b>Total for copyright industries</b>	<b>240,287</b>	<b>4.20</b>	<b>3,144,389,544</b>

Source: CSA, Urban Employment-Unemployment Survey Report (2012).

### 5.2.1 Core Copyright Industries

Within the core copyright sector, the largest share (50.91 per cent) is held by press and literature. Software and databases, motion picture, video, radio, and television together accounted for 41.09 per cent of the employment in the sub-sector. In the software and database sub-sector, 11,053 persons (63 per cent) are engaged in data processing and database activities and only 6,394 professionals (37 per cent) work in software programming and consultancy. The very low number of employees engaged in music, theatrical productions, and operas is due to lack of data for most of the economic activities in the sub-sector. The 220 employees indicated in Table 16 are only those engaged in reproduction of recorded media.

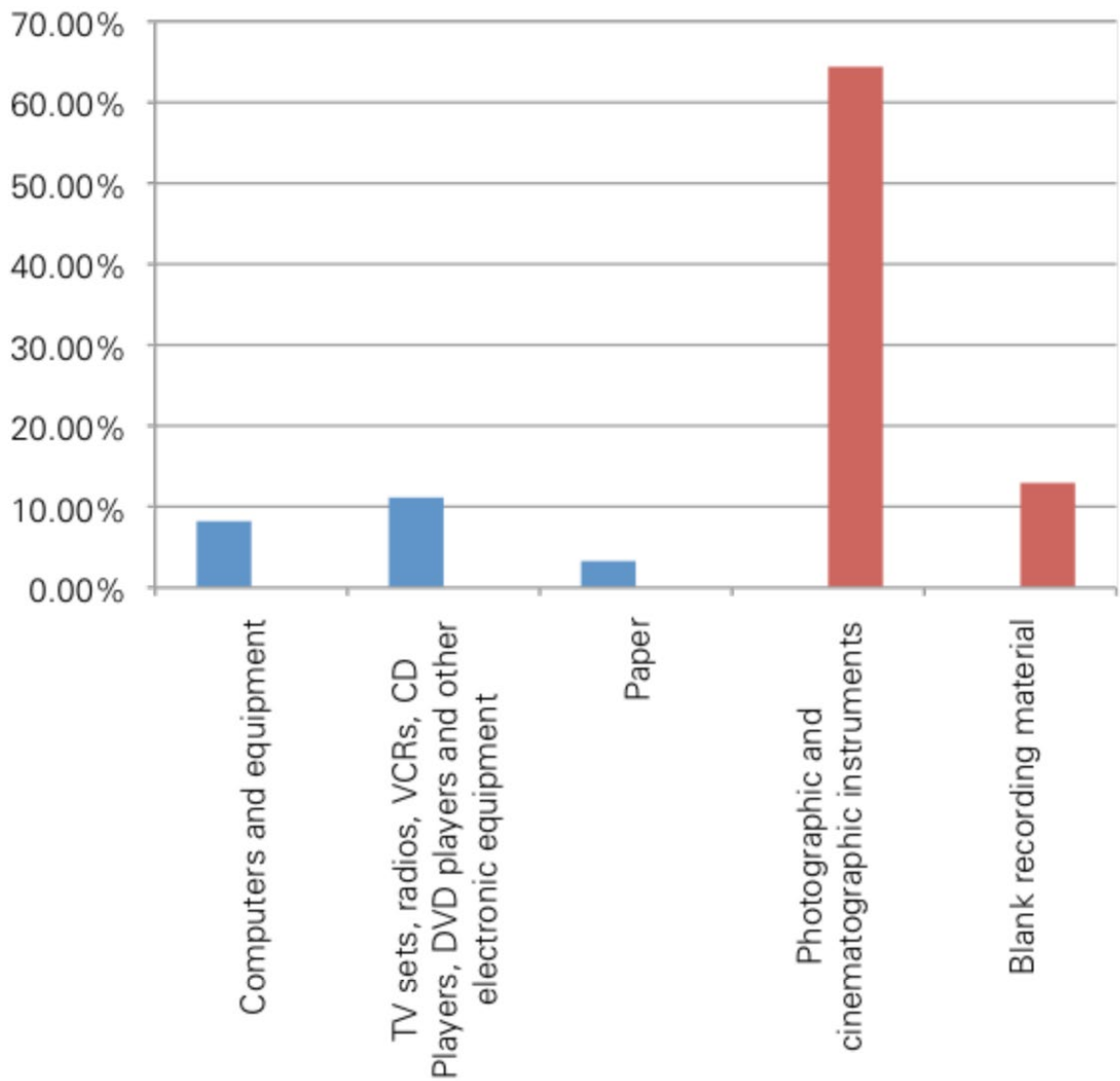
**Table 16: Share Contribution of the Core Copyright Industries to Total Employment and Employee Income by Sub-Sector**

	Number of employees		Employee income (Birr)
	Number	Per cent	
Press and literature	39,916	50.91	601,566,053
Music, theatrical productions, operas <sup>26</sup>	220	0.28	3,315,576
Software and databases	17,447	22.25	262,940,248
Advertising	6,056	7.72	91,268,765
Motion picture and video	2336	2.98	35,165,361
Radio and television	12,432	15.86	187,400,213
<b>Total for core copyright industries</b>	<b>78,407</b>	<b>100</b>	<b>1,181,656,216</b>
<b>Total for copyright industries</b>	<b>240,287</b>		

Source: CSA, Urban Employment-Unemployment Survey Report (2012).

<sup>26</sup> The figure indicates only employees engaged in reproduction of recorded media.

**Figure 8: Employment in the Core Copyright Industries by Sub-Sector in 2012 (per cent)**



### 5.2.2 Interdependent Copyright Industries

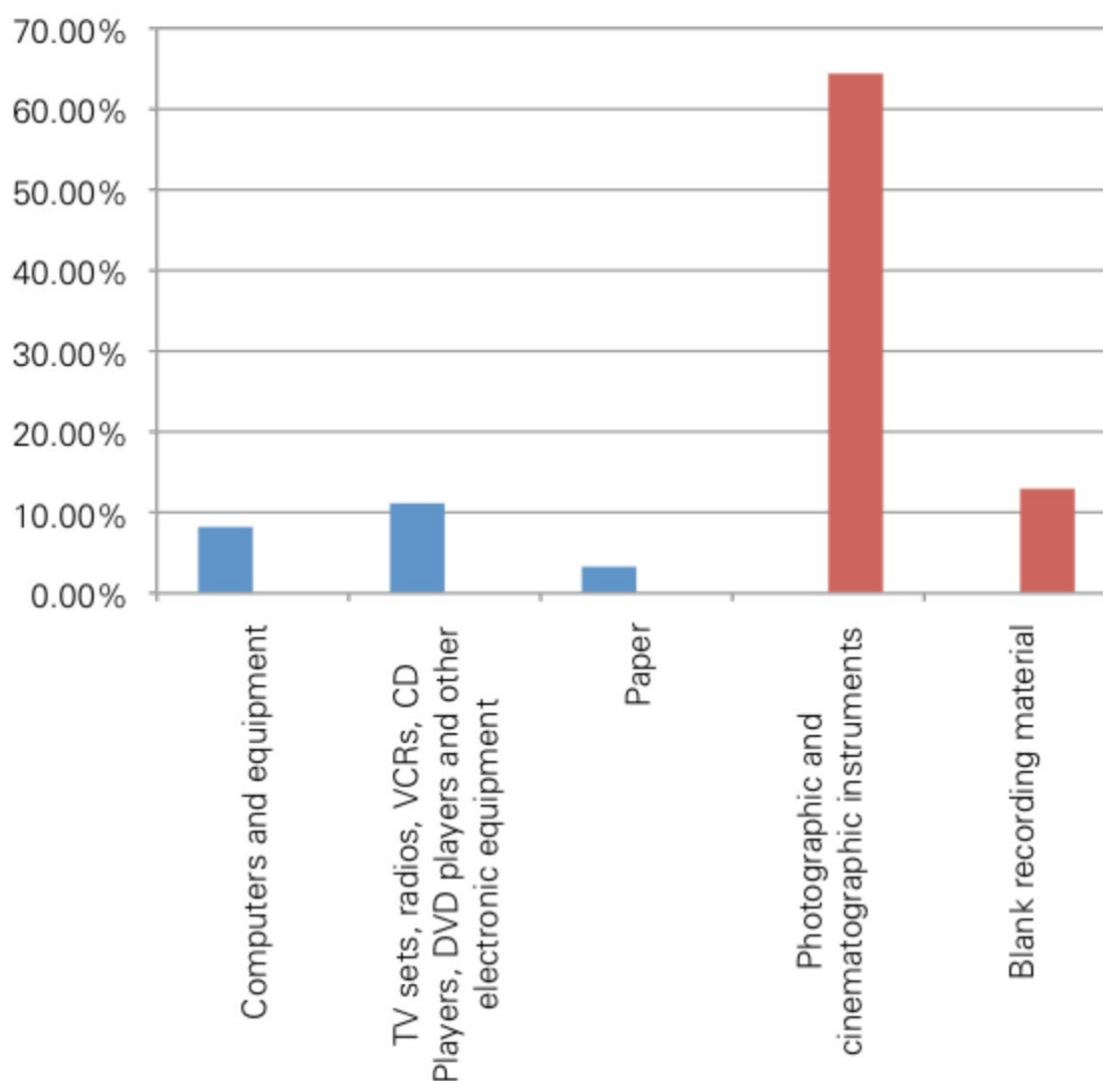
Based on their contribution to employment, photographic and cinematographic instruments rank first in the group of interdependent copyright industries. This represents 64.42 per cent of the employees in the group. The sub-sector is dominated by wholesale activities, reflecting the weak production capability in the sector. The low level of technological capability of the country in the electronics sector has negatively affected the capacity to manufacture equipment for the creation, production and manufacturing of copyright works. Very few enterprises are engaged in the assembly of products in the sector.

**Table 17: Share Contribution of the Interdependent Copyright Industries to Employment by Sub-sector**

	Number of employees		Employee income (Birr)
	Number	Per cent	
Computers and equipment	5,971	8.21	111,665,573
TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic game equipment, and other similar equipment	8,104	11.14	154,513,910
Paper	2,384	3.28	29,111,501
Photographic and cinematographic instruments	46,852	64.42	491,439,998
Blank recording material	9,414	12.95	114,957,178
<b>Total</b>	<b>72,725</b>		<b>901,688,160</b>

Source: CSA, Urban Employment-Unemployment Survey Report (2012).

**Figure 9: Employment in the Interdependent Copyright Industries by Sub-Sector in 2012 (per cent)**



### 5.2.3 Partial Copyright Industries

Unlike in the case of core and interdependent copyright industries, activities of employees in the partial copyright industries are not taken as fully copyright-related. In order to determine the proportion of copyright-related activities of the personnel working in the sector, copyright factors are applied. Therefore, in the following discussion the numbers of employees in each sub-sector are adjusted figures.

Employment data in the partial copyright industries were obtained for manufacturing of apparel, textiles and footwear; manufacture of furniture; household goods, china, and glass; and architectural, engineering, and other technical activities and museums. The total number of people employed in the sub-sector in 2012 after adjustment by copyright factor was 18,861.

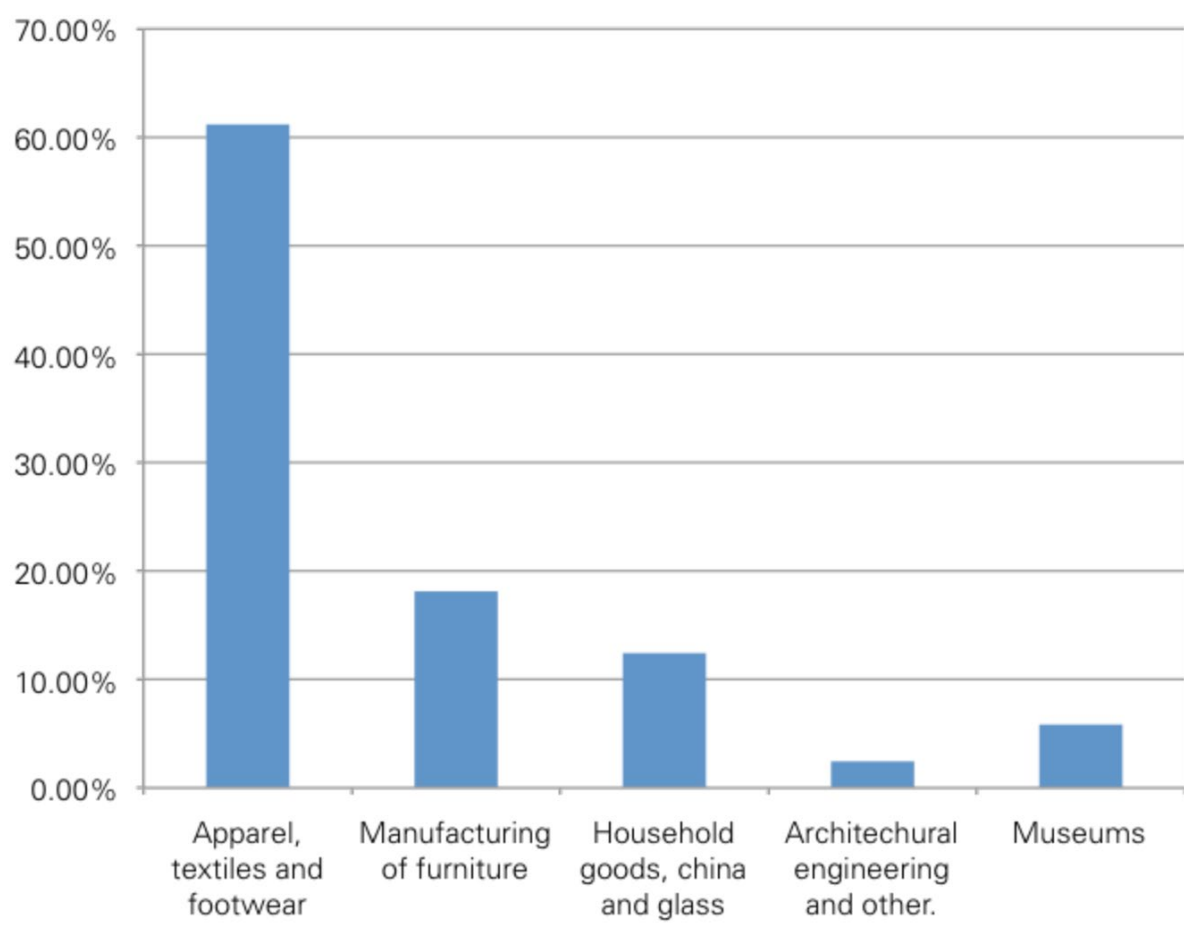
Apparel, textiles, and footwear, which employed 11,543 people after adjustment, ranked top in the sector of partial copyright industries with a share of 61.20 per cent. Architectural, engineering, and other technical activities, which have more than a 90 per cent contribution to the GDP compared to museums, employed less than half the number of people engaged in the same sub-sector. This shows the high productivity of architectural and engineering activities.

**Table 18: Share Contribution of the Partial Copyright Industries to Employment by Sub-sector**

	Number of employees after applying copyright factor		Employee income (Birr)
	Number	Per cent	
Apparel, textiles and footwear	11,543	61.20	140,953,882
Manufacture of furniture	3,418	18.12	41,737,882
Household goods, china, and glass	2,342	12.42	28,232,294
Architectural, engineering, and other technical activities	458	2.43	7,441,654
Museums	1,100	5.83	11,400,840
	<b>18,861</b>		<b>229,766,552</b>

Source: CSA, Urban Employment Unemployment Survey Report (2012).

**Figure 10: Employment in the Partial Copyright Industries by Sub-sector in 2012 (per cent)**



**5.2.4 Non-dedicated Support Industries**

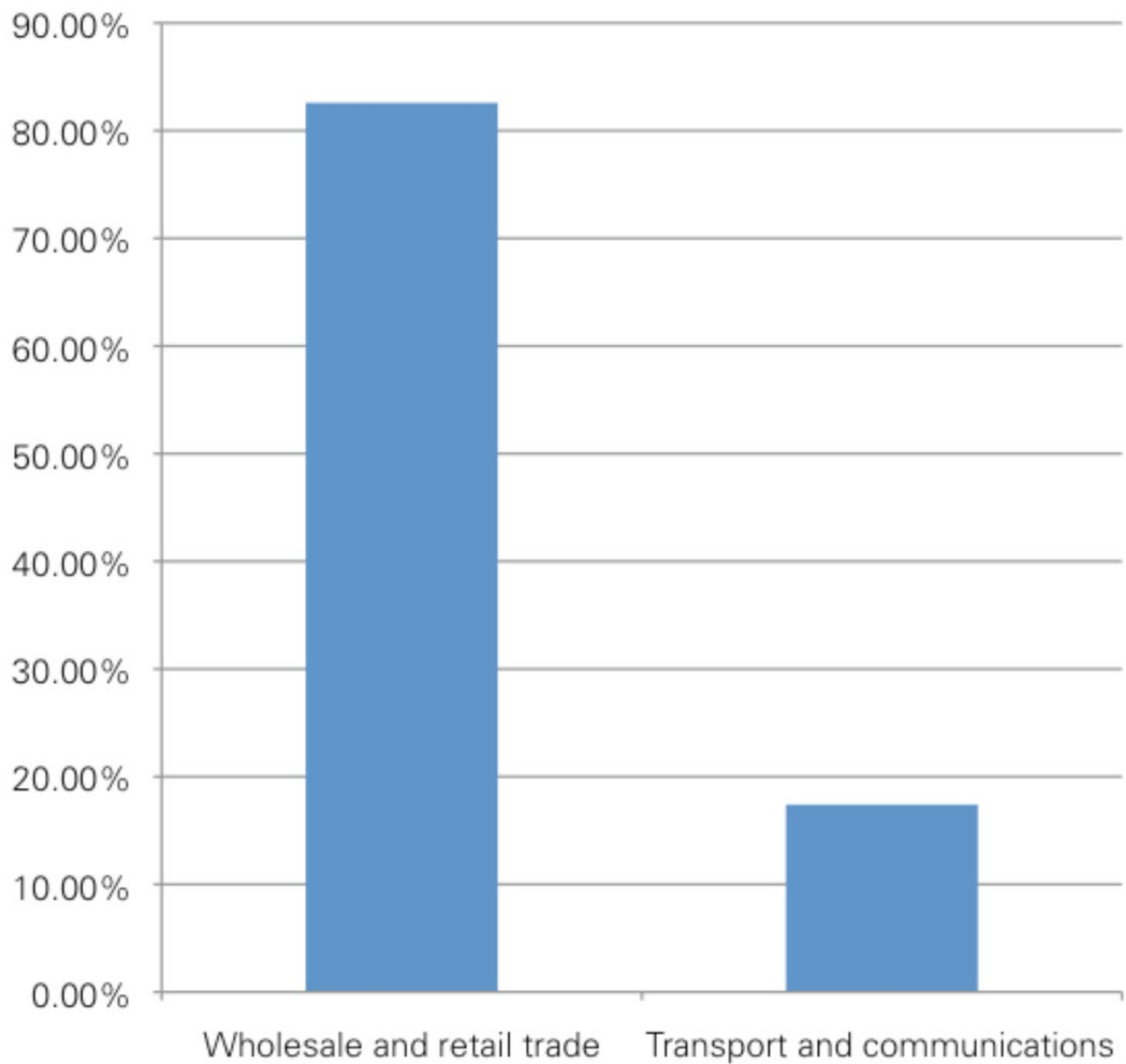
The activities in the non-dedicated support industries are service-based activities that provide support to the creation, manufacture, and dissemination of products of copyright industries. The group contributed 34.10 per cent of the employment in the copyright industries. The sub-sector that took the preponderant share of non-dedicated industries was wholesale and retail trade, with an 82.59 per cent contribution. The data from CSA on employment in transport and communication is reported together, and the research team could not get additional data to separate the data for the two sub-sectors. Therefore, the employment data for transport and telecommunication is presented in its merged form.

**Table 19: Contribution of Non-dedicated Support Industries to Employment**

	Number of employees		Employee income (Birr)
	Number	Per cent	
Wholesale and retail trade	58,057	82.59	608,971,484
Transport storage and communications	12,237	17.41	222,307,132
<b>Total</b>	<b>70,294</b>	<b>100</b>	<b>831,278,616</b>

Source: CSA, Urban Employment-Unemployment Survey Report (2012).

**Figure 11: Contribution of Non-dedicated Support Industries to Employment by Sub-Sector in 2012 (per cent)**



### 5.3 External Trade

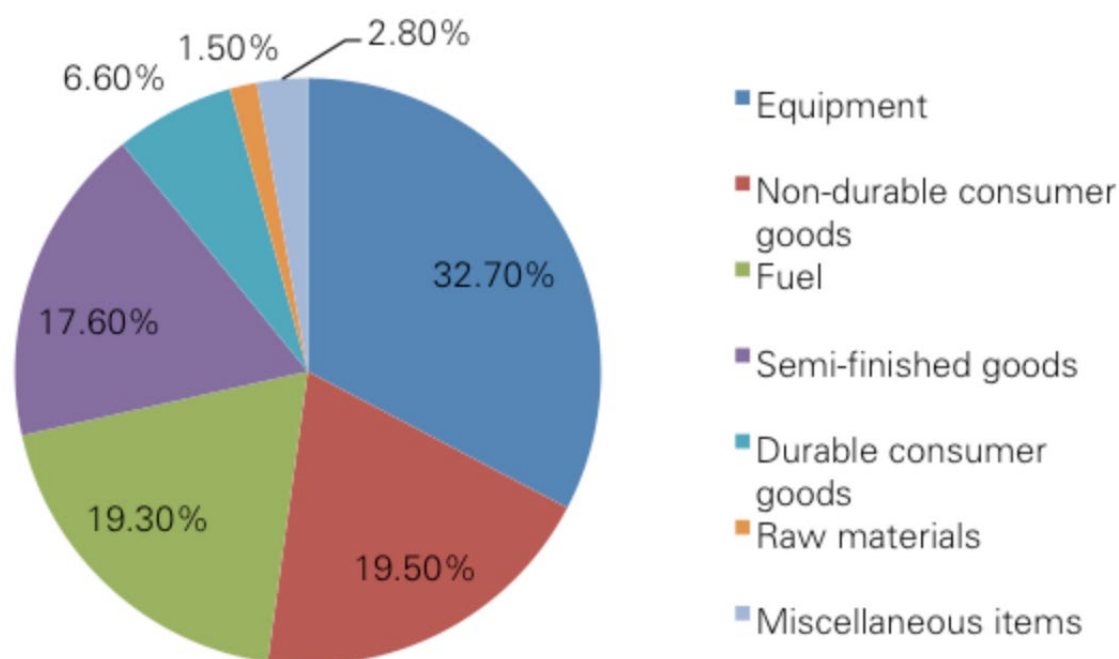
Ethiopia's exports are dominated by agricultural products, which provide about 70 per cent of the country's foreign exchange earnings. The country's export structure is characterized by greater commodity concentration with coffee accounting for a very large share, followed by oilseeds, pulses, spices, and hides and skins. This shows that the manufacturing and service sectors, to which the copyright industries belong, contribute a small share of Ethiopia's export trade. The structure of imports in 2012 shows that 32.7 per cent was accounted for by equipment. Other major import items were non-durable consumer goods (19.5 per cent), fuel (19.3 per cent), and semi-finished goods (17.6 per cent).

**Table 20: Structure of Imports in 2012**

Imported item	Per cent share in total imports
Equipment	32.7
Non-durable consumer goods	19.5
Fuel	19.3
Semi-finished goods	17.6
Durable consumer goods	6.60
Raw materials	1.50
Miscellaneous	2.80
<b>Total</b>	<b>100</b>

Source: CSA

**Figure 12: End-Use Classification of Imports**



Ethiopia's external trade statistics for the year 2012 show that total exports were valued at 71,434,925,500 Birr and the country's imports amounted to 223,999,300,000 Birr. The country's trade balance for the year showed a deficit of 152,564,374,500 Birr. In 2012, copyright exports were valued at 465,501,740 Birr, which was 0.65 per cent of total exports. Total copyright product imports were 24,358,767,344 Birr, accounting for 10.87 per cent of total imports.

It can be seen from the data that the largest share of copyright exports came from the interdependent industries, which accounted for 48.66 per cent. However, the value of imports in the sector was significantly higher than the value of exports. The core copyright industries, with an export value of 13,378,815 Birr, accounted for only 2.87 per cent of total copyright exports. In the non-dedicated industries the export value amounted to 212,400,000 Birr and came mainly from scheduled air transport.

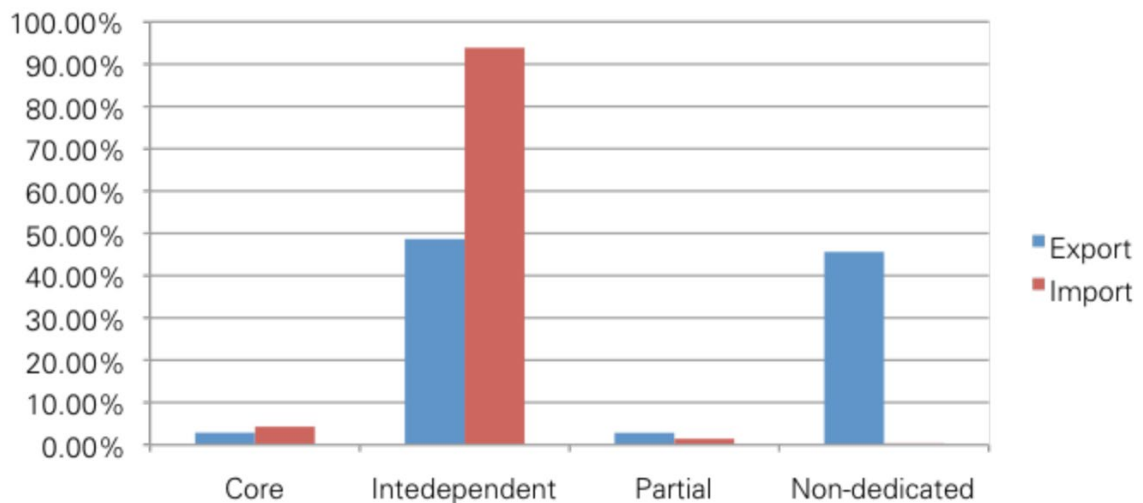


**Table 21: Contribution of the Copyright Industries to Foreign Trade in 2012**

Copyright Industries	Import	Per cent	Export	Per cent
Core	1,049,289,952	4.30	13,378,815	2.87
Interdependent	22,874,288,505	93.91	226,506,900	48.66
Partial	349,692,267	1.44	13,216,025	2.84
Non-dedicated	85,496,620	0.35	212,400,000	45.63
<b>Total for copyright industries</b>	<b>24,358,767,344</b>	<b>100</b>	<b>465,501,740</b>	<b>100</b>
<b>Total for the economy</b>	<b>223,999,300,000</b>		<b>71,434,925,500</b>	

Source: Authors' calculations based on data from Ethiopian Revenues and Customs Authority (ERCA) and CSA.

**Figure 13: Relative Shares of the Copyright Industries in Imports and Exports in 2012 (per cent)**



Since data on royalties and license fees were not presented in the official statistics, it was not possible to separately indicate such information in the trade data.

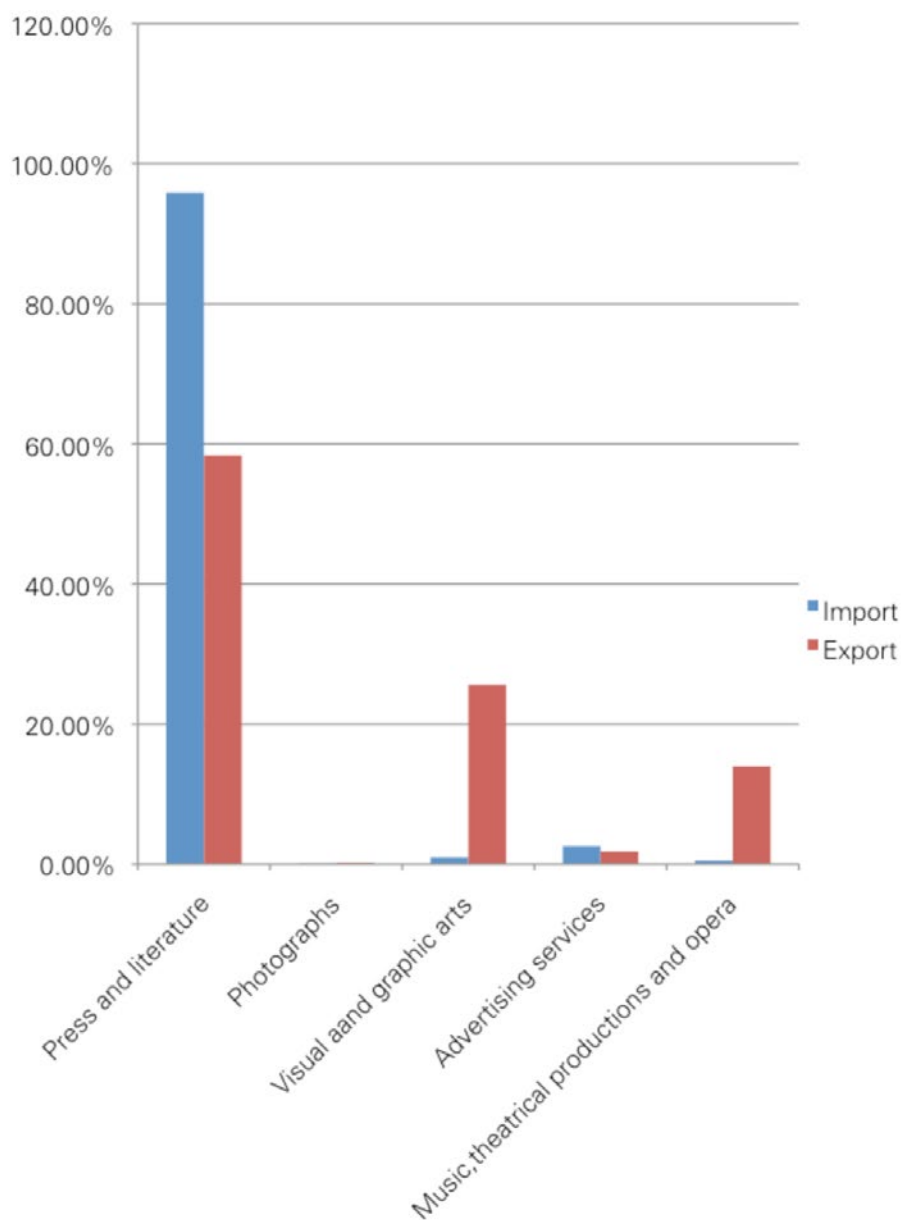
In the core copyright industries, printed books, newspapers, pictures, and other products of the printing industry (press and literature) took the leading place in terms of both import and export values, with 1,005,767,200 Birr and 7,809,600 Birr, respectively. This constituted 95.85 per cent and 58.37 per cent of the import and export values of the core copyright industries. The export of music, theatrical productions, and opera has a value of only 1,873,000 Birr. The low export figure, especially in the case of music, may be due to the nature of trade in the sector. Music trade is recorded in imports and exports of physical products by countries, principally sound recordings ready for sale to consumers. However, most records are shipped not in final form but in the form of masters that are then pressed locally for domestic retail distribution. Hence, much of the trade, in the sense of payment for musical product, occurs in the form of rights income flowing between countries. In the case of Ethiopia the external trade statistics do not capture payment for rights. Thus, it is difficult to evaluate the volumes and values of imports and exports of music. However, it should also be taken into consideration that Ethiopian music is not well-known abroad except among the Ethiopian diaspora.

**Table 22: Import and Export Values of Core Copyright Industries in 2012 by Sub-sector**

	Import		Export	
	Birr	Per cent	Birr	Per cent
Press and literature	1,005,767,200	95.85	7,809,600	58.37
Photography	982,668	0.09	28,394	0.21
Visual and graphic arts	10,158,436	0.97	3,422,840	25.58
Advertising services	27,191,346	2.59	244,981	1.83
Music, theatrical productions, and opera	5,190,302	0.50	1,873,000	14.00
<b>Total for core copyright industries</b>	<b>1,049,289,952</b>	<b>100</b>	<b>13,378,815</b>	
<b>Total for copyright industries</b>	<b>24,358,767,344</b>		<b>465,501,736</b>	
<b>Total for the economy</b>	<b>223,999,300,000</b>		<b>71,434,925,500</b>	

Source: Authors' calculations based on data from ERCA and CSA.

**Figure 14: Relative Share of Activities in the Core Copyright Industries in Imports and Exports, 2012**



The total export value of the core copyright industries constitutes only 0.02 per cent of total national exports. This indicates the need for a very strong effort to improve the sub-sector's export performance. Given the fact that the activities in the group of core copyright industries are the principal sources of pure copyright activities and creative industries, it is important to give serious attention to the issue. The pure copyright-related activities are important since they are closely related to creativity and originality in the arts and creative works.

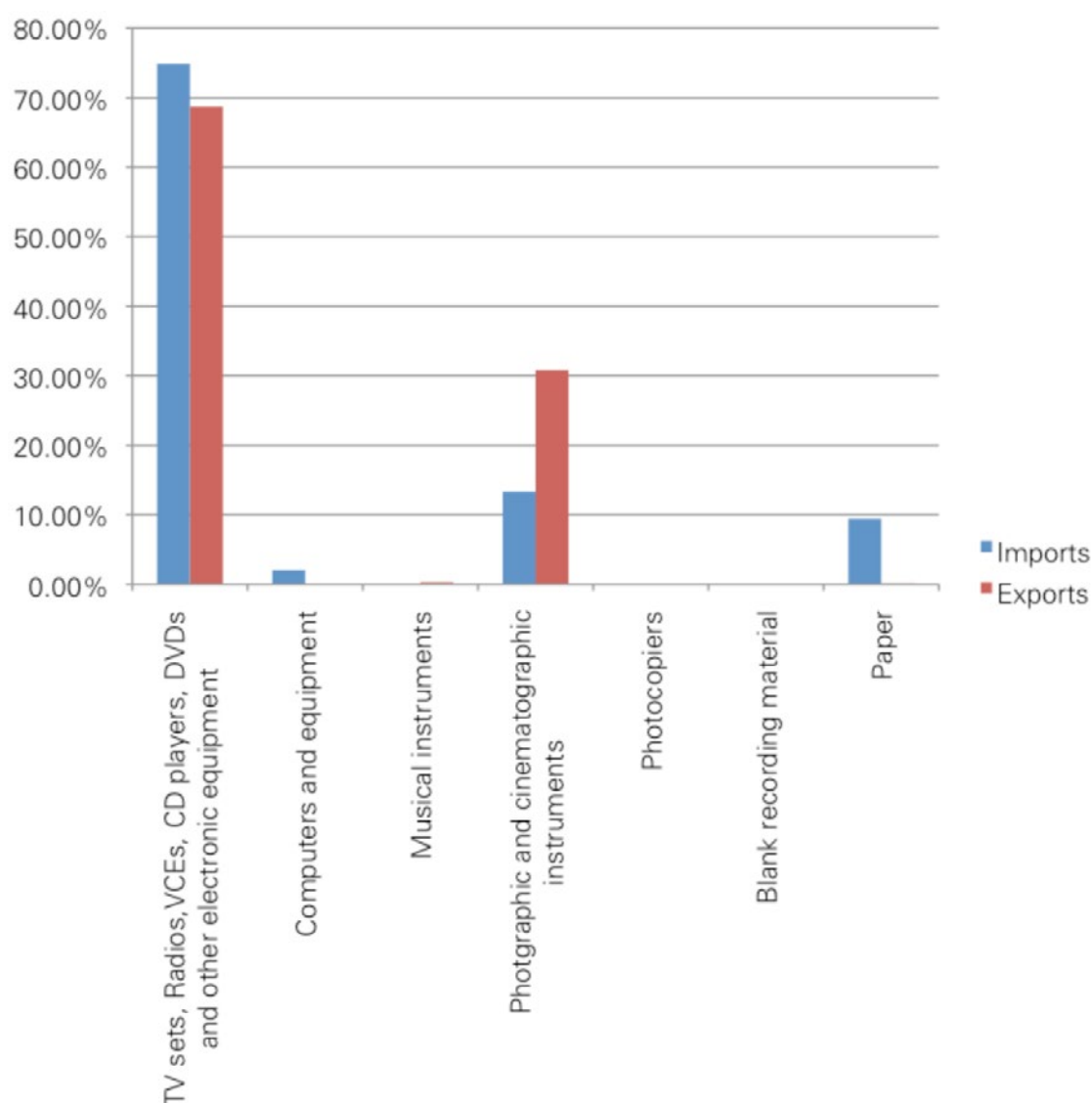
**Table 23: Import and Export Values for Sub-sectors of Interdependent Copyright Industries in Ethiopia, 2012**

	Import		Export	
	Birr	Per cent	Birr	Per cent
TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic games equipment, and other similar equipment	17,124,755,794	74.86	155,588,900	68.69
Computers and equipment	468,249,516	2.05	–	–
Musical instruments	25,714,000	0.11	700,400	0.31
Photographic and cinematographic instruments	3,051,862,500	13.34	69,843,600	30.84
Photocopiers	16,743,468	0.07	-	-
Blank recording material	26,356,506	0.12	–	–
Paper	2,160,606,721	9.45	374,000	0.16
<b>Total for interdependent copyright industries</b>	<b>22,874,288,505</b>	<b>100</b>	<b>226,506,900</b>	<b>100</b>
<b>Total for copyright industries</b>	<b>24,358,767,344</b>		<b>465,501,736</b>	
<b>Total for the economy</b>	<b>223,999,300,000</b>		<b>71,434,925,500</b>	

Source: Authors' calculations based on data from Ethiopian Revenues and Customs Authority (ERCA) and CSA.

The imports of the interdependent copyright industries, which are a hundred times higher than the exports, show the large dependence of the country on foreign equipment for the production, dissemination, and use of works and other protected subject matter. The difference is more pronounced in the area of TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic game equipment, and other similar equipment, which are essential for the crucial core copyright activities. Imports in these areas account for 74.86 per cent of the import value of interdependent copyright industries. Musical instruments, photocopiers, and blank CDs account for only 0.3 per cent of imports in the group. The import of computers and equipment was valued at 468,249,516 Birr, which is a very low figure for a country like Ethiopia with a large population. The weak production capacity of electronic products in Ethiopia, coupled with the small software industry, is a clear indication of the underdeveloped ICT sector in the country.

**Figure 15: Relative Share of Activities in the Interdependent Copyright Industries in Imports and Exports, 2012**



**Table 24: Import and Export Values for Sub-sectors of Partial Copyright Industries in Ethiopia, 2012**

	Imports		Export	
	Birr	Per cent	Birr	Per cent
Textiles, apparel, and footwear	45,916,472	13.13	7,714,455	58.37
Furniture	266,067,495	76.09	5,430,420	41.09
Household goods, china, and glass	37,708,300	10.78	71,150	0.54
<b>Total for partial copyright industries</b>	<b>349,692,267</b>	<b>100</b>	<b>13,216,025</b>	<b>100</b>
<b>Total for copyright industries</b>	<b>24,358,767,344</b>		<b>465,501,736</b>	
<b>Total for the economy</b>	<b>223,999,300,000</b>		<b>71,434,925,500</b>	

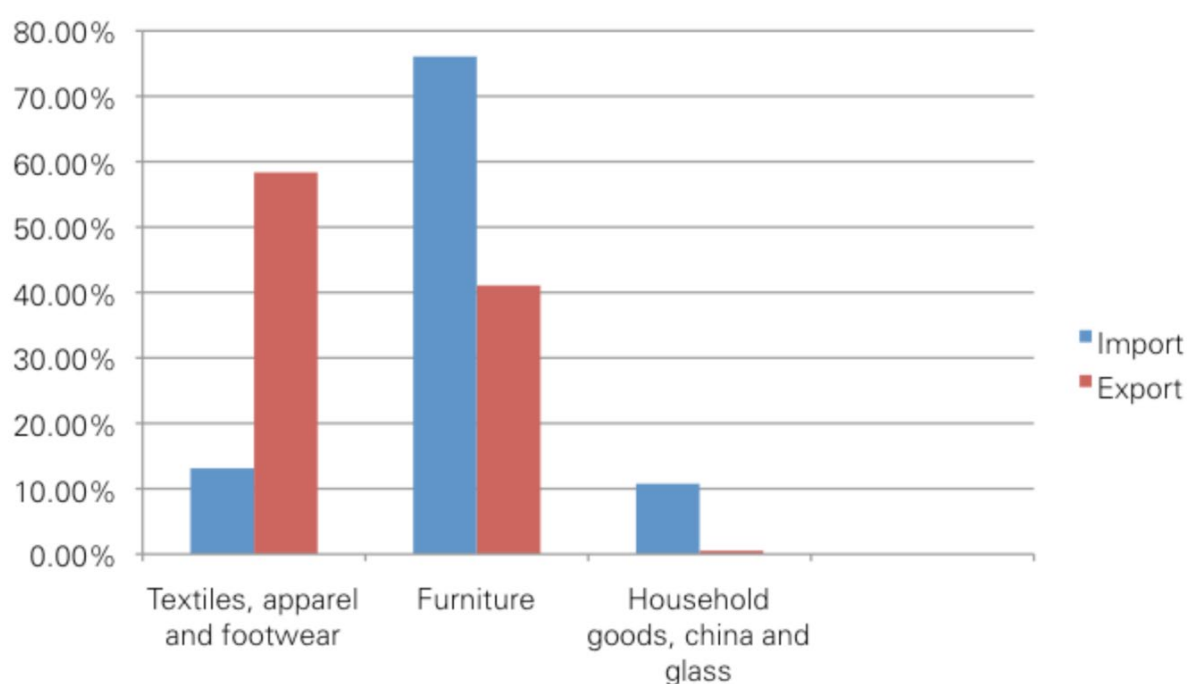
Source: Authors' calculations based on data from Ethiopian Revenues and Customs Authority (ERCA) and CSA.

In 2012 Ethiopia's imports in the partial copyright industries were dominated by the furniture sub-sector, with a total value of 266,067,495 Birr. On the other hand, the top ranking sub-sector in export was apparel textiles and footwear, whose export value amounted to 7,714,455 Birr. In recent years, the export performance of the textile industry in Ethiopia has gradually increased by more than 50 per cent per annum on average.

With the current increasing trend of investment in the textile sector and the interest shown by international retailers to buy more Ethiopian textiles, it is expected that Ethiopia's export performance in the sub-sector will show significant improvement.

A similar trend is observed in the export of shoes from Ethiopia. Because of its fine leather and commitment to top quality, Ethiopia has recently become a magnet for international retailers seeking high-end shoes. Between 2011 and 2012, Ethiopian shoe exports through the African Growth and Opportunity Act (AGOA) increased more than tenfold. The exports also go to the regional market in Africa.

**Figure 16: Relative Share of Activities in the Partial Copyright Industries in Imports and Exports, 2012**



**Table 25: Import and Export Values for Sub-sectors of Non-Dedicated Support Industries in Ethiopia, 2012**

	Import	Export
General transport	85,496,620	212,400,000
<b>Total for non-dedicated copyright industries</b>	<b>85,496,620</b>	<b>212,400,000</b>
<b>Total for copyright industries</b>	<b>24,358,767,344</b>	<b>465,501,736</b>
<b>Total for the economy</b>	<b>223,999,300,000</b>	<b>71,434,925,500</b>

Source: Authors' calculations based on data from Ethiopian Revenues and Customs Authority (ERCA) and CSA.

## 5.4 Balance of Trade

Except in the non-dedicated industries, the value of imports in the copyright industries far exceeds the value of exports. As can be seen from the table, the trade deficit is highest in the interdependent copyright industries, which registered a negative trade balance of 22,647,781,605 Birr in 2012. This is a direct reflection of the current low level of technological capacity in Ethiopia to manufacture electronic equipment, which falls under interdependent copyright industries.

In the core copyright industries, the value of imports exceeds that of exports by 1,035,911,137 Birr, demonstrating a large trade deficit. The value of imports in the partial copyright industries was 349,692,267 Birr, while the exports of the sub-sector were valued at 13,216,025 Birr. The balance of trade in this area was also negative, contributing to the deficit in the overall balance of trade for copyright industries. The trade deficit

for copyright industries as a whole in 2012 was 23,893,265,604 Birr, while the trade balance for the national economy as a whole showed a deficit of 152,564,374,500 Birr.

**Table 26: Ethiopia's Balance of Trade in Copyright Industries, 2012**

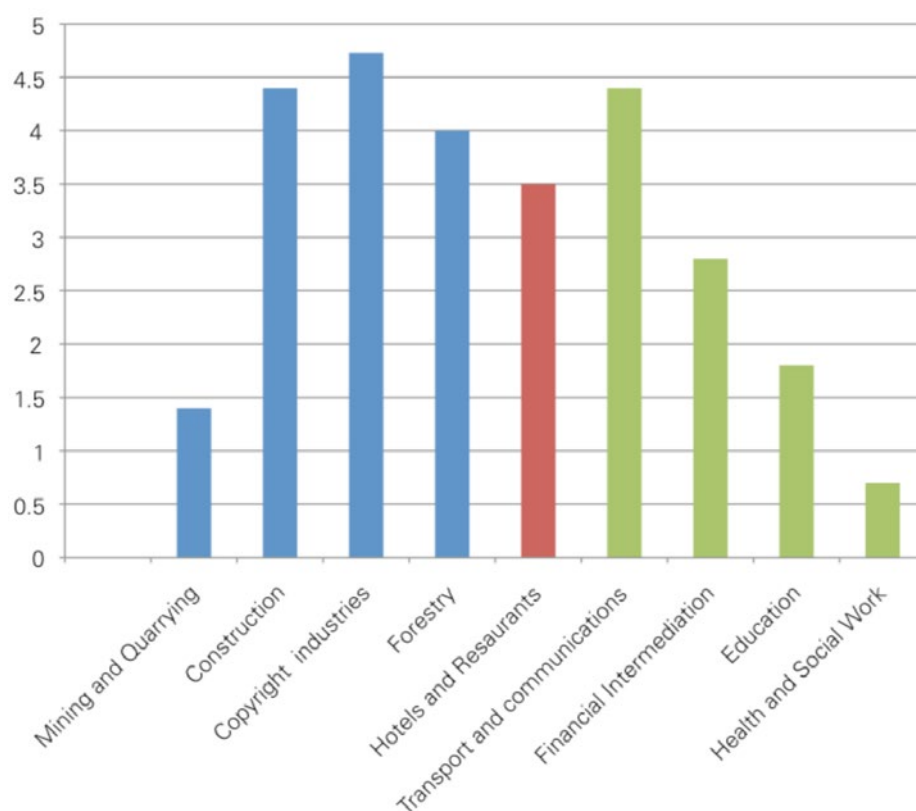
Copyright industries	Import	Export	Trade balance
Core	1,049,289,952	13,378,815	-1,035,911,137
Interdependent	22,874,288,505	226,506,900	-22,647,781,605
Partial	349,692,267	13,216,025	-336,476,242
Non-dedicated	85,496,620	212,400,000	126,903,380
<b>Total for copyright industries</b>	<b>24,358,767,344</b>	<b>465,501,740</b>	<b>-23,893,265,604</b>
<b>Total for the economy</b>	<b>223,999,300,000</b>	<b>71,434,925,500</b>	<b>-152,564,374,500</b>

Source: Authors' calculations based on data from Ethiopian Revenues and Customs Authority (ERCA) and CSA.

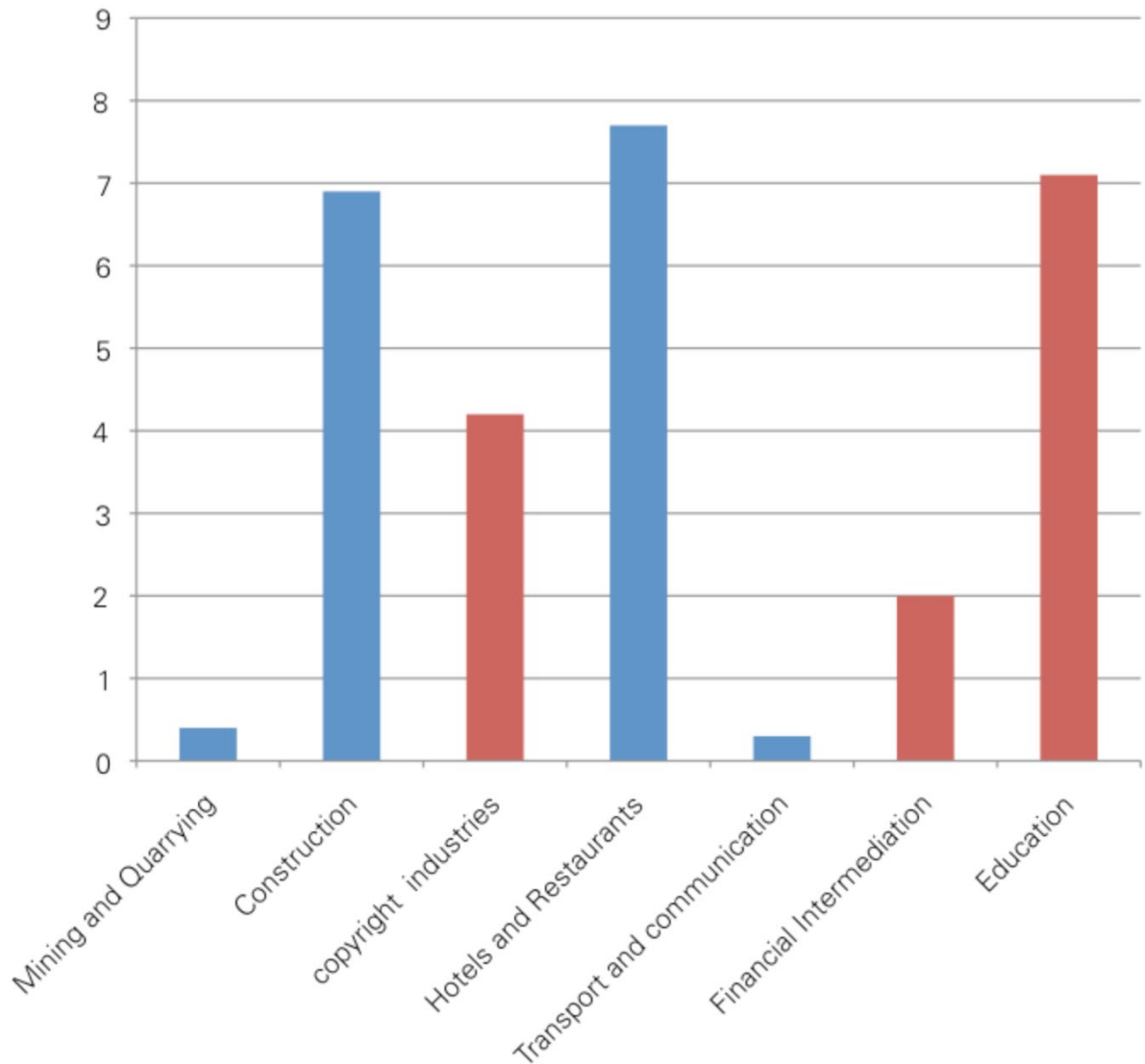
### 5.5 Comparison of Copyright Industries with Other Sectors of the Economy

Comparing the contribution of the copyright industries to the GDP with that of other sectors helps to create a clear picture of their role in national economies. In Ethiopia a comparison of the copyright industries with other sectors of the economy in 2012 shows that the contribution of copyright industries to the GDP was higher than that of many important sectors. Copyright industries contributed more to the country's GDP than construction, mining and quarrying, forestry, hotels and restaurants, financial intermediation, education, electricity and water, transport and communications, and health and social work. The copyright industries also performed better than mining and quarrying, transport and communication, and financial intermediation in terms of employment generation.

**Figure 17: Comparison With Selected Sectors of the Economy in Terms of Contribution to the GDP in 2012 (per cent)**

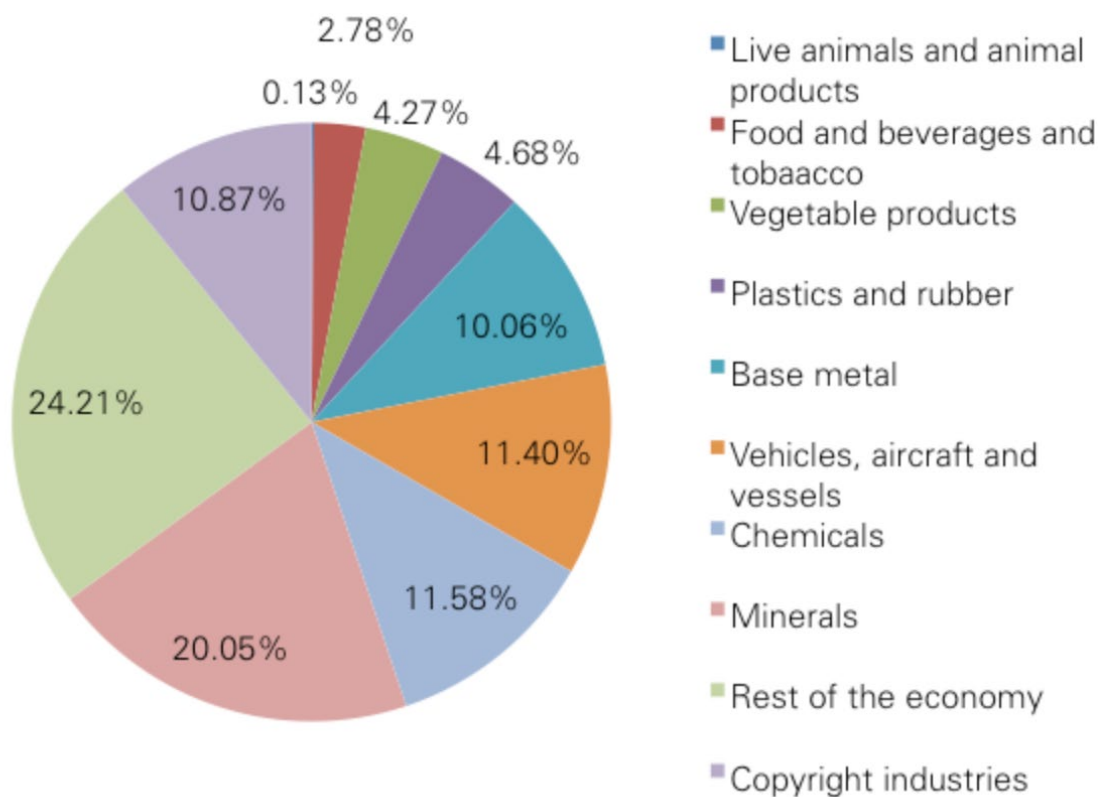


**Figure 18: Comparison with Selected Sectors of the Economy in Terms of Contribution to Employment in 2012 (per cent)**

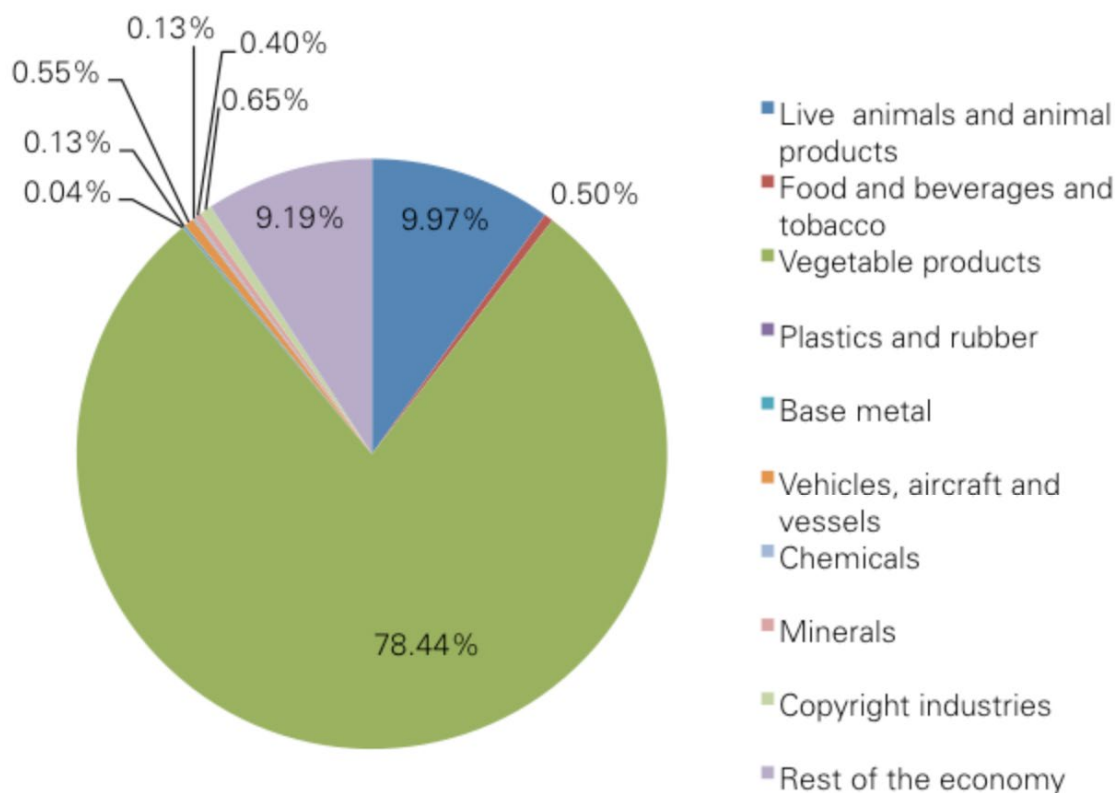


The contribution of the copyright industries to Ethiopia's exports, which stands at 0.65 per cent of the total, is very low compared to many other sectors of the economy. However, the 10.87 per cent share of the copyright industries in total imports is higher than the share of live animals and animal products (0.13 per cent), food, beverages, and tobacco (2.78 per cent), vegetable products (4.27 per cent), plastics and rubber (4.68 per cent), and base metal and articles of base metal (10.06 per cent); and is comparable to the import value of vehicles, aircraft, and vessels (10.93 per cent).

**Figure 19: Share of Copyright Industries in Imports in 2012: Comparison with Other Sectors**



**Figure 20: Export Contribution of the Copyright Industries: Comparison with Other Sectors, 2012**





## 6. International Comparisons

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Many studies have been carried out worldwide to determine the contributions of the copyright industries to a country's economic activity. As these studies have used the methodology suggested by WIPO, the results of this study can be compared easily with those of other countries. Such uniformity in methodology is very important, as it enables comparisons to be made with other countries of the region, or others worldwide, in terms of the copyright industries' contribution to selected indicators, such as GDP, employment, and foreign trade. The international comparison helps in raising awareness among public and private institutions involved in copyright of the economic importance of this sector, which was not fully appreciated until recently.

An overview by WIPO on national studies on the economic contribution of the copyright industries revealed that the overall performance of the copyright industries in the countries that undertook the study indicates the existence of a sizeable sector, which in most countries was found to be beyond the level of expectations. The overview included the findings of surveys in three African countries: Kenya, South Africa, and Tanzania. The contribution to GDP varies significantly across countries, from 11.10 per cent in the USA to 1.58 per cent in Brunei. With an average of 5.26 per cent, three-quarters of countries have a contribution between 4 per cent and 6.5 per cent. Countries that have experienced rapid economic growth typically have an above-average share of GDP attributed to copyright industries.<sup>27</sup> The finding of the Ethiopian survey, which showed that copyright industries contributed 4.73 per cent of the GDP, falls within the range of the results obtained in the majority of the countries surveyed.

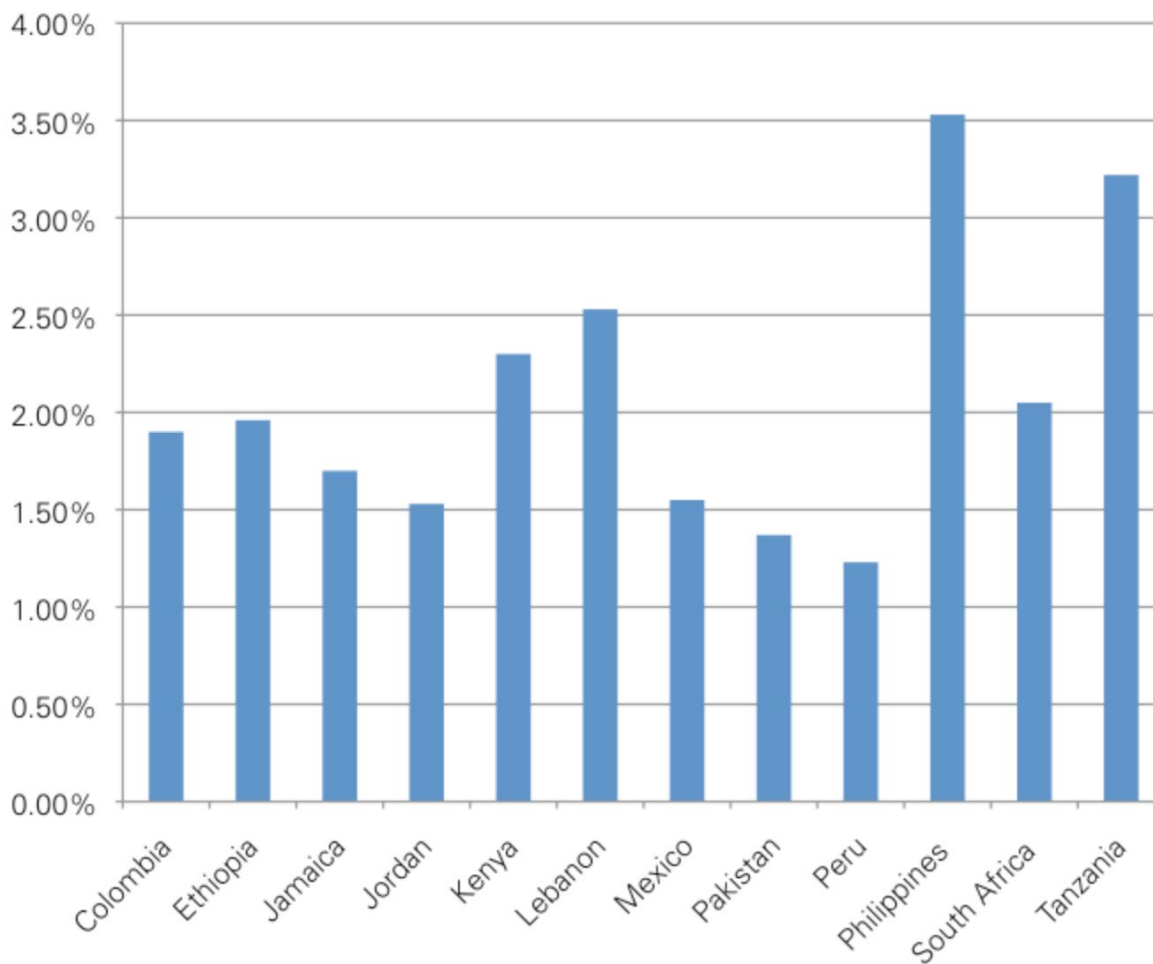
The national studies showed that the contribution of copyright industries to national employment is slightly higher than the share of GDP and stands at an average of 5.49 per cent. Nearly three-quarters of countries fall in the range between 4 per cent and 7 per cent contribution to national employment. The contribution of copyright industries to employment in Ethiopia, which was at a level of 4.2 per cent, was also within this range.

With 4.73 per cent contribution to GDP, the share of copyright industries in Ethiopia was higher than that of Brunei (1.58 per cent), Colombia (3.3 per cent), Dominica (3.4 per cent), Jordan (2.43 per cent), Peru (2.67 per cent), and Ukraine (2.85 per cent). In terms of contribution to employment, Ethiopia's copyright industries outperformed similar industries in Brunei (3.2 per cent), Grenada (3.6 per cent), Jamaica (3.03 per cent), Jordan (2.88 per cent), Kenya (3.26 per cent), Pakistan (3.71 per cent), Panama (3.17 per cent), Romania (4.19 per cent), South Africa (4.08 per cent), St. Kitts and Nevis (3.1 per cent), and Thailand (2.85 per cent).

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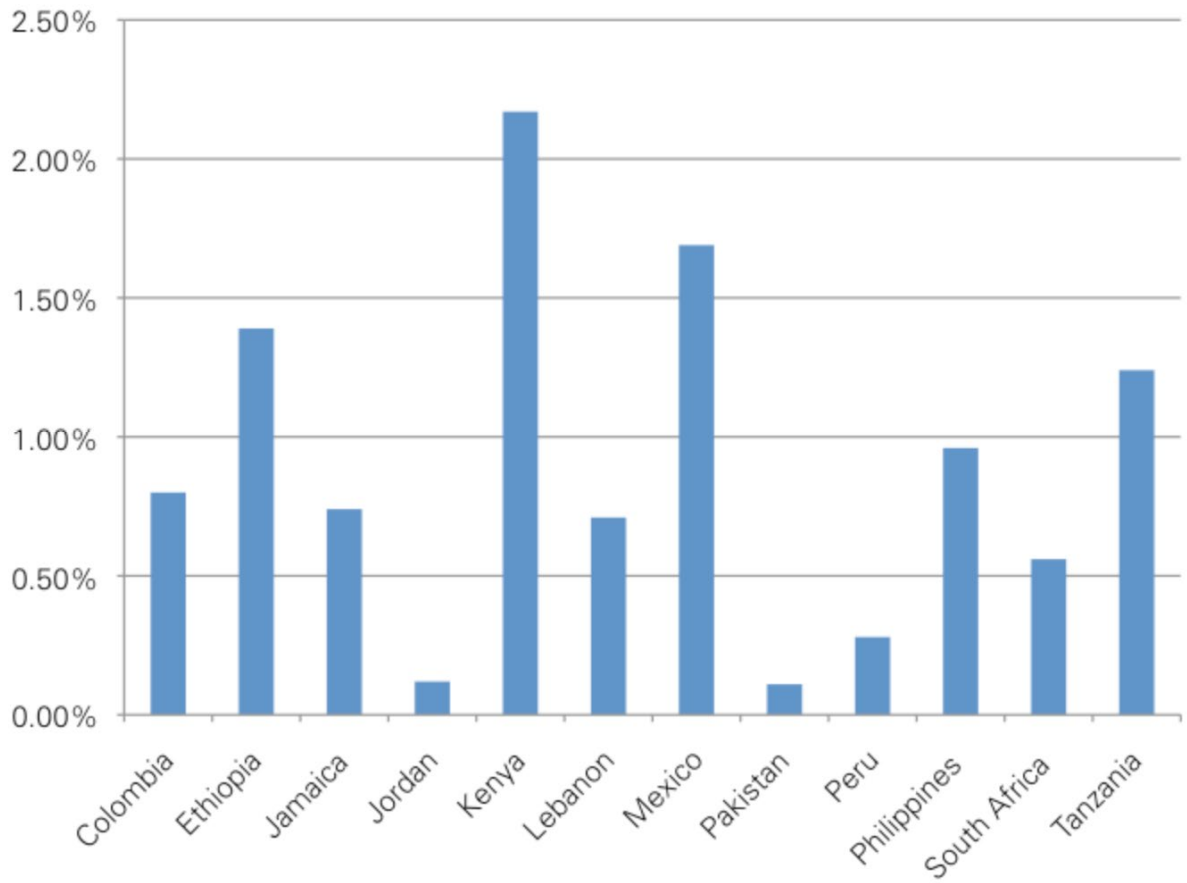
<sup>27</sup> WIPO. (2013) *WIPO Studies on the economic contribution of copyright: Overview*. Geneva.

**Figure 21: Comparison of the Contribution of Core Copyright Industries to GDP with Selected Developing Countries**

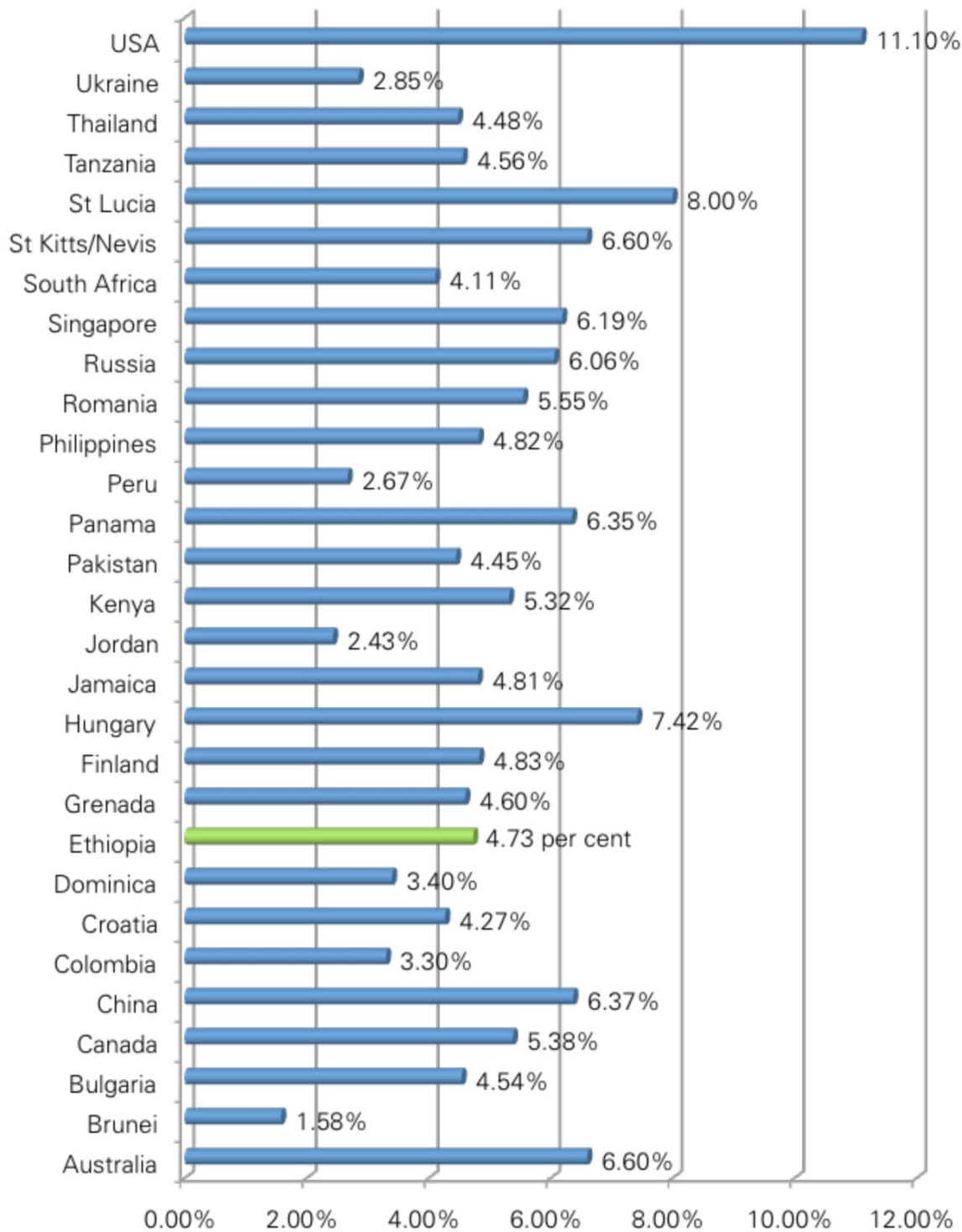


With a contribution of 1.96 per cent to GDP, the core copyright industries in Ethiopia had a higher percentage share than core industries in Jordan (1.53 per cent), Mexico (1.55 per cent), and Pakistan (1.37 per cent). However, the contribution of the core copyright industries to the economy of the Philippines (3.53 per cent) was nearly twice as high as the corresponding figure in Ethiopia. The core copyright industries in Tanzania, with 3.22 per cent contribution to GDP, also had a significantly higher value compared with the figure for the corresponding industries in Ethiopia. In the majority of the countries the core activities contributed more than 50 per cent of the share of the copyright industries to GDP. However, in Ethiopia the share of the core copyright industries was only 41.5 per cent of the sector's contribution to GDP.

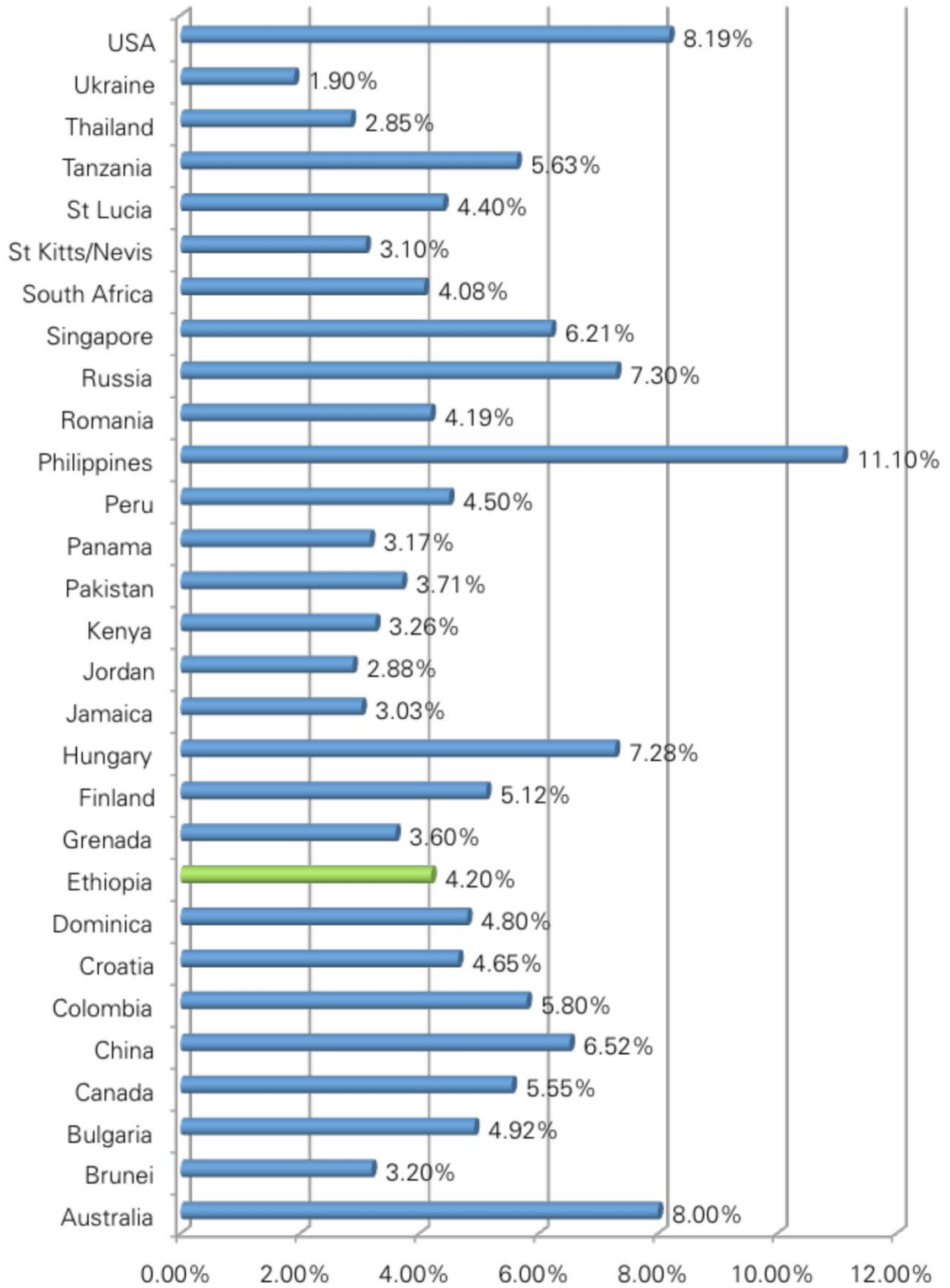
**Figure 22: Comparison of the Contribution of Interdependent Copyright Industries to GDP with Selected Developing Countries**



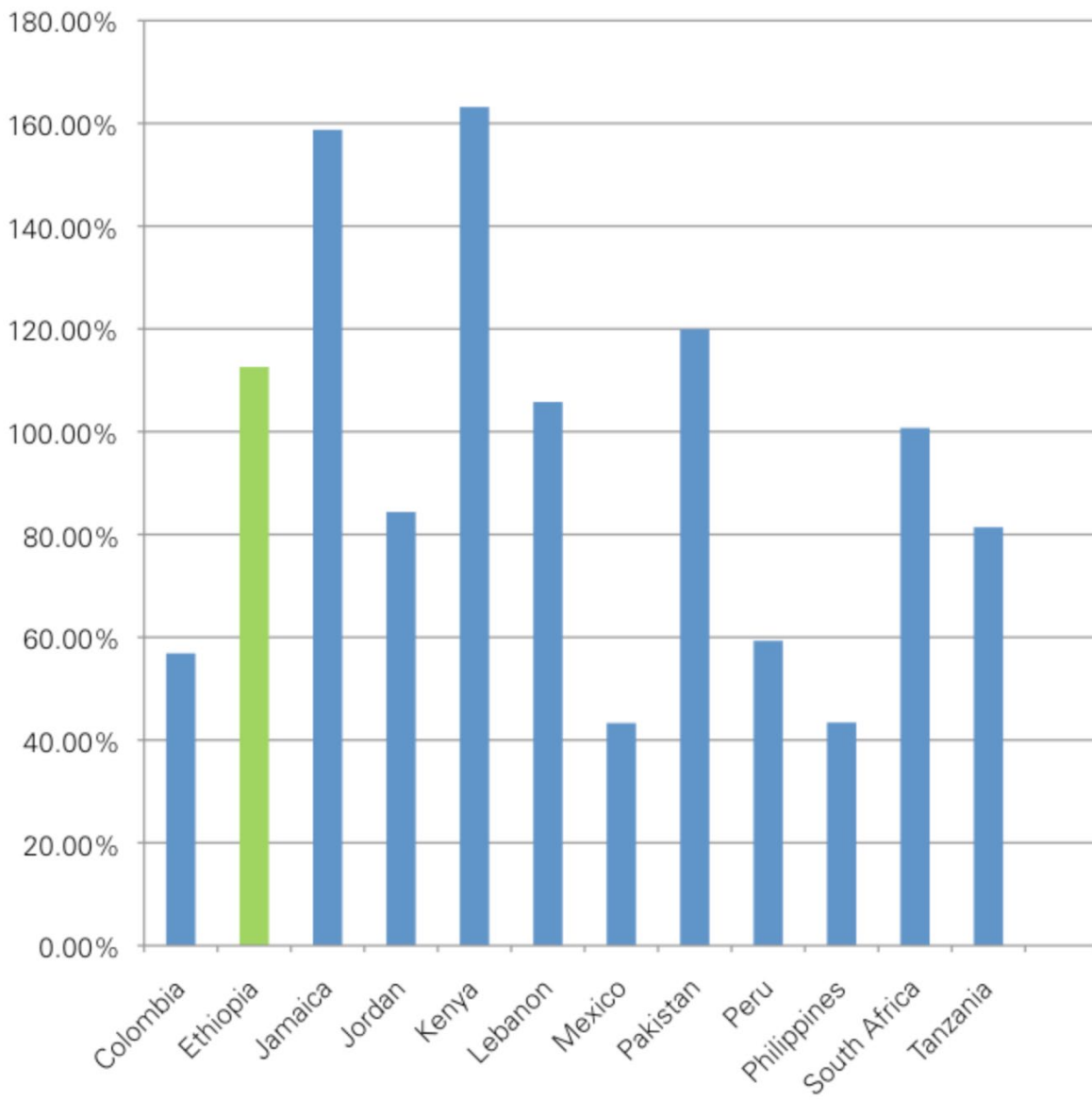
**Figure 23: International Comparison of the Contribution of Copyright Industries to GDP**



**Figure 24: Contribution to Employment: International Comparison**



**Figure 25: Productivity Index: International Comparison**



## 7. Profile of Selected Core Copyright Industries in Ethiopia

### 7.1 Press and Literature

Ethiopia has a vast body of literary works going as far back as the fifth century. The many religious writings in the Ge'ez<sup>28</sup> language testify to past developments of Ethiopian literature. However, a long period of political disturbances in the country, which lasted for more than five centuries, negatively affected the production of literary works. The revival of Ethiopian literature came in the thirteenth century, which was the most productive era of Ge'ez literature. The most significant work of early Ethiopian literature, which was produced during this era, is the "KibreNegest" or Glory of the Kings. The book combines history, moral teachings, and symbolism in its narration of the story of Queen Sheba, King Solomon, and their son, Menelik I of Ethiopia. This work represents a crucial part of the literature and culture of Ethiopia.<sup>29</sup> Other early translations and original religious works include: *Weddase Mariam* ("Praise of Mary"), *Fekharelyasus* ("Elucidation of Jesus"), *Ta'amra Maryam* ("The Miracles of Mary"), "Mystery of Heaven and Earth," and "Book of Mystery".

Secular writings became part of Ethiopian literature in the nineteenth century. During this period the Amharic language started to be used for literary purposes. The first major Amharic work of literature was "*TobiaLibbWolled Tarik*", a fictional story by AfeworkGebre-Yesus printed in 1908. This Amharic novel was the first, not only in an Ethiopian language, but also in an African language.<sup>30</sup> After AfeworkGebre-Yesus's book, up until the 1930s, Ethiopian writers wrote a sizeable number of literary works. With the restoration of Ethiopian independence after the Italian occupation of 1936–41, a great impetus was given to Amharic literature, with Emperor Haile Selassie encouraging authors to produce many types of books, especially on moral and patriotic themes.

The 1950s saw the appearance of outstanding works with excellent writing techniques in different literary genres. The two decades that followed are considered periods during which high quality literary works were produced. However, because of censorship and a lack of the necessary infrastructure for publishing, the number of published works was not satisfactory. There was also a very low readership of literary works because of the low literacy rate.

A national literacy campaign was launched in 1979 in a nationwide effort to raise literacy levels. The government organized the campaign in rounds, which began in urban centers and spread outward to remote parts of the country. The campaign has contributed to increasing the literacy rate in the country. This can be taken as an important contributing factor in increasing the number of readers in the country. The role of the mass media in improving the literary culture of the country and increasing the number of writers and readers is also worth mentioning.

The creation of publishing houses also significantly contributed to the growth of literature in the country. The early development in this respect is the establishment of Ethiopian Book Enterprise in 1977 as a private company. This was followed by the creation of Kuraz in 1978 as a government publishing enterprise. Kuraz was engaged in the publication of literary works as well as the import and distribution of books. Currently there are many publishing houses in Ethiopia, including the Mega Publishing and Distribution Company, which is the largest book publisher and has been operating in the country for several years.

Regarding newspaper publishing, the first newspaper—"Aimero"—was published in 1902. The founding of the *Berhanena Selam Amharic Newsletter* in 1923, with its circulation of five hundred copies, and the first monthly magazine consisting of different European languages, including an Amharic section, represent important advances in the development of the press in Ethiopia. Currently, Ethiopia's biggest daily newspaper, the government daily *Addis Zemen*, has a normal print run of fewer than 13,000 copies per day. There are also some 30 weekly and monthly newspapers published in Addis Ababa and a handful of other major cities. The largest of these is the privately owned weekly *Addis Admas*, which has an average print run of 21,000

<sup>28</sup> Ge'ez is a Semitic language formerly spoken in northern highland Ethiopia and still used as the liturgical language of the Christian church in Ethiopia.

<sup>29</sup> Wright, Stephen Graham, Ethiopian Literature, Britannica Academic edition. [www.britannica.com/EBchecked/topic/194186/Ethiopian-literature](http://www.britannica.com/EBchecked/topic/194186/Ethiopian-literature) (accessed 15 January 2015).

<sup>30</sup> Ellene Mocria, Mesfin Messele and Alemayehu Gebrehiwot. (2003) *Survey of Culture and Media*: Ethiopia. Sida, Department for Africa.

to 25,000 copies. Other private newspapers in Ethiopia include the *Reporter*, *Fortune*, *Capital*, and the *Daily Monitor*.

**Table 27: Government Newspapers and Magazines in Ethiopia**

Newspaper	Language	Year established	Number of copies circulated in 2010/11
Addis Zemen (Daily)	Amharic	1941	4,628,300
Ethiopian Herald (Daily)	English	1951	2,743,400
Baarisa	Oromifa	1942	650,900
Al-alam	Arabic	1977	26,000
Zemen Magazine	Amharic	2001	15,000

Source: Government Communication Affairs Office (GCAO).

The leading printing company in Ethiopia is BerhanenaSelam Printing Enterprise, which was established ninety years ago. When it was first set up, the enterprise was mainly engaged in the printing of religious books, produced in both Ge'ez and Amharic versions. Currently, the enterprise prints more than 90 per cent of daily and weekly newspapers across the country. Today there are a number of private and government-owned printing enterprises in the country. The sector is dominated by small and medium-sized enterprises.

Associations in the different sub-sectors of press and literature play important roles in the promotion of copyright activities and the protection of the rights of their respective members. These associations are the Ethiopian Publishers and Printers Association, established in 2004; the Ethiopian Writers Association, established in 1960; and the Ethiopian Women Writers Club, formed in 1997 and renamed as the Ethiopian Women Writers Association in 2005. These associations have 31, 1200, and 267 members, respectively.

## 7.2 Music

Church music and religious dance have been practiced by priests and deacons in Ethiopia from as early as the sixth century CE. St. Yared, who was born in 505 CE, was the creator of hymns specifically written for the purpose of praise and prayer in the ancient Ethiopian language of Ge'ez. St. Yared invented a notation system consisting of syllabic letters, curved signs, dots, and dashes. Folk music has also been part of Ethiopian life from time immemorial. The various tribes and ethnic groups of the country have their own distinct music, culture, and tradition. They have their own sounds that distinguish them from their neighbors, with each tribe having its unique dance patterns. Traditional music performances in Ethiopia are usually accompanied by dances. In folk songs, everyone participates — men, women and children. Even if there is a special performer singled out, the rest of the group surrounds him/her and claps and dances, joining in with the chorus. Religious festivals, along with other feasts and weddings, provide ideal occasions for folk music and dance in Ethiopia.

Many tribes have special music for different events such as weddings, harvests, and funerals. The lyrics are associated with the events and in some cases special musical instruments are used for the purpose. Communal works are also accompanied with songs and dances that help to boost the morale of those participating in the work and make them more productive. Some of the communal works in Ethiopia are planting, coffee picking, and cotton picking. In addition, travel songs help travelers to persevere during long journeys.

Traditional Ethiopian musical instruments include the *masinko*, a single-string violin-like instrument that is played with a bow; the *krar*, a six-stringed lyre played with fingers or a plectrum; the *washint*, a flute made from bamboo; and various drums. Three types of drums are used on different occasions: the *negarit* (kettledrum), played with sticks; the *kebero*, played with hands; and the *atamo*, tapped with the fingers or palm. Other instruments include the *begena*, a huge, multi-stringed lyre often referred to as the Harp of David; the *tsinatsil* or *sistrum*, which is used in churches; the *meleket*, a long trumpet without fingerholes; and the *embilta*, a large, one-note flute used on ceremonial occasions.

The *masinko* is often played by "Azmaris" who give public performances in local bars. The word Azmari has its roots in the Ge'ez language and means a singer. In most cases, when Azmaris perform they improvise lyrics



with double meanings, known in Ethiopia as *semina* work, which is translated as wax and gold. Audiences are not meant to take the lyrics literally; rather, they are challenged to listen carefully to get the “golden” sense. Azmaris also accept verses given to them by members of the audience and skillfully incorporate them into their music. In traditional Ethiopian music and culture, the improvisational skill of the Azmari is as important as his/her vocal performance, or his/her skill at playing the *masinko*. With such improvised lyrics, one may appreciate, denounce, advise, teach, and entertain.

Modern music is a recent phenomenon in Ethiopia. It is associated with the coming of forty Armenians to Ethiopia in the 1920s. Most of these Armenians were musicians, and they had composed parade music for the coronation of RasTeferi Mekonen (Haile Sellassie I) in 1930. The group continued to play modern music in Teferi Mekonen and Menelik II schools until 1935. The first musical orchestra was formed in 1945 within the Imperial Bodyguard. This was followed by the establishment of musical orchestras by the Ground Force and the Police Force, which performed to the public. Although the bands were formed for strictly military purposes, the music they played became very popular with the civilian population. The Imperial Bodyguard in particular deserves a large part of the credit for introducing to the Ethiopian public new instruments and styles of music. The establishment of an orchestra by the Haile Sellassie I theater also deserves much credit for the development of modern music in Ethiopia.

Although music education started in 1945 with a limited number of students, the pivotal event was the establishment of a music school in 1966. The school was built by the Bulgarian government and named “*St. Yared*” after the famous Ethiopian saint who composed Ethiopian sacred chants and developed musical notation. Ever since, the school has been training professional musicians and music teachers and promoting cultural exchanges with foreign countries and artists. To a certain extent the training given at the school helped to change the perception of the people towards music and performances. Recently, the school became part of Addis Ababa University and started offering degree-level courses to students.

The mushrooming of amateur music groups beyond the role they played to introduce modern music widely did not significantly contribute to the development of the art. Apart from this, few students were sent abroad for higher training. Commercial activity in music, in the form of cassette recording, has also been widely promoted. The sector is still suffering from a lack of skilled manpower, copyright infringement, and other such problems.

Currently the Ethiopian music industry comprises authors, musicians, composers, record companies, agents, and distributors. The industry creates jobs for a number of Ethiopians and makes a considerable contribution to the economy. However, a sizable number of companies left the sector due to the damage they suffered from the distribution and sale of pirated products.

Three professional associations have been established to promote the interests of musicians, vocalists, and sound-recording companies. The objectives of the associations also include contributing to the development of the copyright industry in Ethiopia. The first of these associations, the Ethiopian Audio-Visual Producers Association, was established in 1996 through the initiative of private music and film producing enterprises in the country. The association has been instrumental in promoting respect for copyright in Ethiopia and improvement in the quality of audiovisual products. The Ethiopian Musicians Association, which was established in 2004, works for the protection of the rights of its members and encourages the development and promotion of musical works. The association has 893 members. Ethiopian vocalists also formed an association in 2012 to protect their rights and contribute to the development of the sector. Membership in this association currently stands at 83.

The Collective Management Society of Ethiopia, which is an umbrella association for copyright holders associations, has not yet become fully functional following its establishment. Therefore, it has been unable to play its expected role in promoting respect for copyright in the music industry.

### 7.3 Theater

The origin of Ethiopian theater may be traced back to the Axumite period, which existed from approximately 100–940 CE. The Empire of Aksum is notable for a number of achievements, such as its own alphabet and literature. The Ethiopian Orthodox Church, with its costumes and props, clerical vestments, multi-colored umbrellas, dances of the clergy, prayer sticks and drums, and *sistra*, was an arena for the highest theatrical

development in Ethiopia.<sup>31</sup> It is also possible to consider the early performers of war songs as actors for their dramatic way of presentation.

Theater in its modern form started in the early twentieth century with the introduction of a western education system into the country. Young Ethiopians who were sent abroad also brought the art into the country. Bejrond Teklehawariat Teklemariam was one of those Ethiopians who received an education abroad. He is credited with being the writer and producer of a comedy play based on the fables of *La Fontaine* called *Fabula* (1913), which was considered the first play in the history of modern theater. After *Fabula*, plays written and directed by teachers were staged in schools for special events such as national holidays and school days.

Just before the Italian invasion of Ethiopia in 1935, theatrical shows intended to arouse the morale of the people to defend their country were presented to the public. It was during this time that the Hager Fikir Theater was founded to encourage the patriotic mettle of the Ethiopian people. The Hager Fikir Theater is “a theater with the greatest tradition in Ethiopia and the oldest indigenous theater in Africa”. The first performances of the Hager Fikir group took place in a place called Menelik II Square before the erection of the present theater. After the war, the group resumed activities centered on further uniting the people and assisting national development. It was felt that the theater was an excellent medium for enlightening the public. Nowadays the Hager Fikir Theater has on its schedule movie performances and theatrical plays. In 1955, the Haile Selassie I Theater (now the Ethiopian National Theater) was inaugurated on the occasion of the Silver Jubilee of the Emperor’s coronation.<sup>32</sup> The series of theatrical shows that followed the opening of the Ethiopian National Theater were far more modern in style than those performed earlier. The stagecraft, lighting, costumes, and makeup were advanced enough to draw the appreciation of the people.<sup>33</sup> Until 1974 theatrical shows whose themes mainly focused on the social life of the people were staged.

After the 1974 Ethiopian revolution that overthrew Emperor Haile Sellassie, many theatrical productions aimed at convincing the people about socialist ideology were staged in different parts of the country. During this period amateur clubs also spread in the country. Currently the National Theater is a stage for music and theatrical performances.

The Theater Arts Department of Addis Ababa University was opened in 1978 and has been producing the necessary skilled manpower. This has been an enormous contribution to the development of the art. The graduates of the Department have been employed by various governmental and non-governmental organizations at both the federal and regional levels. The Department, however, with its very limited budget, was not able to afford important materials and technical equipment such as lighting and sound systems, computers, printers, scanners, etc. The Department is now under the recently formed College of Performing and Visual Arts, which comprises the School of Theater Arts, the Yared School of Music and School of Fine Arts and Design, the Cultural Center and Modern Art Museum, and the Gebre-Kirestos Desta Center.

There are some cases of misappropriation of theater works, especially the works of young playwrights. Some reports to the Ethiopian Intellectual Property Office indicated misappropriation of scripts submitted for evaluation and possible staging. However, due to a lack of studies addressing copyright protection in the music industry, it is difficult to give a detailed picture of the situation in the sector.

## 7.4 Motion Picture and Video

Cinema was introduced to Ethiopia only three years after the world’s first film was projected in Paris.<sup>34</sup> Later, the first cinema hall was opened in the year 1923. Until 1974, there were many cinema halls in the country. However, due to the nationalization of all cinema houses by the government in 1974, the number of cinema houses, instead of increasing, has gradually decreased.

Film production in Ethiopia began during the reign of Emperor Haile Selassie I with a film on his coronation. Following this, documentary films on different issues featuring historical sites, developmental activities, etc. were produced. There were also limited feature films produced by Ethiopians. The Ethiopian film industry that focused mainly on the production of documentary films continued with the establishment of the Ethiopian

<sup>31</sup> Mocria, E., Messele, M., and Gebrehiwot, A. (2003) *Survey of Culture and Media*: Ethiopia. Sida, Department for Africa.

<sup>32</sup> Ethiopian National Theater: Abridged History. [www.mysc.gov.et/NationalTheater.html](http://www.mysc.gov.et/NationalTheater.html) (accessed 15 January 2015).

<sup>33</sup> Mocria, E., Messele, M., and Gebrehiwot, A. (2003) *Survey of Culture and Media*: Ethiopia. Sida, Department for Africa.

<sup>34</sup> Tamene, K. (2014) *A Brief Overview of Ethiopian Film History: From Early Cinema to Contemporary*.

Film Center in 1978. The center was then replaced by the Ethiopian Film Corporation, which was established by Decree No. 306/1986.

These institutes were able to produce a total of 27 documentaries. Apart from these documentaries, two feature films entitled *BehiywetZuria* and *Aster* were produced. In contrast to the period covered, however, very little was achieved. This was particularly the effect of the divorce of the sector from private investment after the 1974 revolution.

The Ethiopian film industry has seen a great rise in the past ten years. The industry is growing significantly, generating more than a hundred movies a year. The number of viewers of local movies has increased to an average of 2.7 million over the last ten years from less than 200,000 before. The industry has come a long way in attracting more investors and skilled producers into the field of cinematography. Cinema halls are equipped with 2D, 3D, and high-tech 7D entertainment gadgets. However, the progress of the sector is very slow in view of the great opportunities the country has for its development.

The Ethiopian Filmmakers Association (EFIMA) was established in 1993 as a professional association of filmmakers with the prime objective of developing and expanding film and the film industry in Ethiopia. At the time of its establishment EFIMA had 27 founding members, who were employees of the Ethiopian Film Corporation—the only public enterprise of the nascent cinema industry at the time. Having 150 members who represent over five different regions in the country, EFIMA remains a pioneer association with a wide reach of filmmakers in Ethiopia.

## 7.5 Radio and Television

Radio is the main source of news and information in Ethiopia, especially in the rural areas where 80 per cent of the population lives. The government-owned Radio Ethiopia is the largest radio station with a nationwide reach through its network of Medium Wave transmitters across the country. The station broadcasts mainly in Amharic, but also has daily programs in Afaan, Oromo, Tigrigna, Somali, Afar, and English. Radio Ethiopia has both a national service and international services.

There are 47 radio broadcasting sites (23 public broadcasting sites, 6 commercial broadcasting sites, and 18 community broadcasting sites) in the country. Only three of these radio stations (Radio Ethiopia, Radio Fana, and Voice of Woyane Tigrai) have national coverage. Regional and community radio stations mainly broadcast in the local languages spoken within their coverage area. News and current affairs programs attract the biggest audience, while music and drama are the second and third most popular forms of radio programs.

Television service was first introduced to Ethiopia in November 1964, on the occasion of the first OAU Head of States meeting and to commemorate Emperor Haile Selassie's thirty-third Coronation Anniversary. Ethiopia Television broadcasts around the clock. Most of its output is in Amharic, but there are also regular programs in Somali, Tigrinya, Oromo, Afar, English, Arabic, and French. There are also five regional TV stations run by regional governments: Oromia TV, Dire TV, Addis TV, Somali TV, and Harari TV. There are no private television companies in Ethiopia.

The umbrella grouping for state radio and television is the Ethiopia Radio and Television Agency (ERTA), recently reestablished as the Ethiopian Broadcasting Corporation (EBC). This runs Ethiopia Radio, the only radio station with a genuinely nationwide reach, and Addis FM 97.1, which broadcasts to the capital and the surrounding area.

The community stations are partly financed by the government, but they also raise revenue from advertising and donations. Many of their staff are volunteers. Most of them serve small ethnic groups that have a strong sense of local identity. Ethiopia's larger radio stations, especially those based in Addis Ababa, mainly broadcast in Amharic. However, they also weave selected programs in Ethiopia's other main languages into their broadcasts.

## 7.6 Visual and Graphic Arts

Ethiopia has a centuries-old tradition of religious painting. The illuminated religious books and mural arts in a number of churches are testimonies to the long history of art in the country. For centuries, painting and calligraphy were taught in the monasteries of the Ethiopian Orthodox Church. Traditional Ethiopian painting

is characterized by a two-dimensional perspective, stylized facial expressions, and bright color with black outlines.

At all times in Ethiopian paintings, the content of the picture is predominant and the purpose is to illustrate the story. Church decorations, which in Ethiopia are second in importance to manuscript illumination, are another medium used in Ethiopian artistic expression. Some murals go back to the fifteenth and sixteenth centuries, but very few churches survived the devastations of the religious war in the early sixteenth century.

Quite a large number of church murals are secular in nature in that they are paintings of emperors and other important personalities, as well as of battles and similar historic events. Later on, paintings on different themes such as hunting, wars, dressing styles of patriots, and the historical journey of Queen Sheba to Israel began to be on sale for tourists as well as to Ethiopians.

The return of foreign-trained young Ethiopian painters from abroad in the 1940s brought about a meaningful change in Ethiopian painting. This, coupled with the expansion of modern education in the country, has contributed to the gradual change in the styles of traditional paintings and the transfer of the skill from parents to children. In this regard, the incorporation of painting into the school curriculum, and the offering of courses to students above grade four since 1931, had a significant role. The Department of Fine Arts was opened under the Ministry of Education and Fine Arts in 1940 to follow up and facilitate this activity. The Addis Ababa Fine Art School, which now serves as a national institution, was also established in 1957. It could be said that the foundation for the development of modern painting was laid down in 1957 and in the years up until 1974.

## 8. Conclusions and Policy Recommendations

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This study has attempted to measure the economic performance of the copyright industries in Ethiopia. The 2003 WIPO guide on surveying the economic contribution of copyright industries was employed for the study. Analysis of the study was based on the contribution of the copyright industries to the GDP, their share in employment, and export and import values. The study has revealed the crucial role of the products and services provided by the copyright industries in generation of value added, employment creation, and export earnings. The study found that these industries created 23,989,211,925 Birr worth of gross value added, which represented 4.73 per cent of Ethiopia's GDP. The importance of the copyright industries to the Ethiopian economy was also reflected by the 240,287 jobs they created and the 465,501,736 Birr export income they fetched.

Due to problems of data availability, it was not possible to include quantitative information on some of the activities identified in the WIPO guide. The data problem was more noticeable in the core copyright industries. Estimations of value added, contribution to employment, and share in foreign trade of photography and visual and graphic arts are, therefore, not part of the analysis. The copyright and related rights collective management society, which is the only one of its kind in Ethiopia, is also not fully operational. Therefore, it was not possible to include data on its activities. The same problem was encountered for some sub-sectors in the partial copyright industries; statistics from different official sources contained detailed information about traditional sectors rather than about copyright industries. This limitation obviously affects the estimation of the actual added value of the copyright industry and its role in employment generation and export earnings.

Despite these data-related problems, the findings of this study revealed that copyright industries represent a sizable sector of the Ethiopian economy. The results of the study showed that the copyright industries outperformed some important sectors of the economy by generating higher value added. Copyright industries contributed more to the country's GDP than construction, mining and quarrying, forestry, hotels and restaurants, financial intermediation, education, electricity and water, transport and communications, and health and social work. Total employment in the copyright industries was also found to be higher than the combined share of mining and quarrying, transport and communication, and financial intermediation. International comparisons also showed the relatively better performance of the copyright industries in Ethiopia than in some of the countries that had undertaken similar studies. The relative strength of the industries is more noticeable in the area of contribution to GDP, where the performance is better than that of economies like Colombia, Jordan, Pakistan, South Africa, Tanzania, and Ukraine. In terms of employment generation, the copyright industries in Ethiopia outperformed those in Kenya, Pakistan, Romania, South Africa, and Thailand. These findings suggest that copyright-related issues are highly relevant and important for Ethiopia due to their enormous potential for economic development.

On the basis of the evidence presented in this document and the revealing findings of the study, the following recommendations are made to Ethiopian policy makers:

With the right policy measures the country can realize the potential of the copyright industries in wealth creation, employment generation, and export promotion. Hence there is a need for government policies that establish an effective link between creativity and economic development. Proper understanding should be created among policy-makers of the interface between activities in the copyright industries and a number of other activities in different sectors of the national economy. When policy-makers appreciate the potential of the creative industries for sustainable economic development, it becomes possible to put the right policies in place. The lack of appropriate policies for development of the copyright industries will not only constrain the performance of literary, artistic and other creative works that are classified as core copyright activities, but will also affect activities in many other sectors of the economy in both the production and service sectors. Similarly, many government policies in different social and economic sectors of the economy have both direct and indirect impacts on the performance of the copyright industries. Therefore, the interface between the creative industries and other economic activities should be a central issue in policy making. Mechanisms should be developed to improve coordination of policy making to realize the full economic potential of the country's copyright industries. Immense economic benefits could be obtained through the integration of copyright issues with other areas of economic and development policy.

Current realities in Ethiopia show the need for stronger copyright protection and enforcement for the growth of the creative industries. However, copyright policies should not be dictated by the interests of the right holders alone; instead, due consideration should be given to the interests of the right holders in obtaining returns on their investment while recognizing the need for improved access to knowledge by the majority of the people. The current initiative to ensure access to education by all will be affected by the kind of copyright system the country tries to build. Similarly, the country is a consumer of materials and publication products from abroad, which are necessary to facilitate research and to expand and improve higher education.

The right balance has to be struck between protecting copyright and ensuring adequate access to knowledge and knowledge-based products. This can be achieved through informed copyright policy making. Good evidence-based policy allows the use of copyright protection as a stimulus to creativity, minimizing the negative impact on access to knowledge and knowledge-based products by the different user groups. The issue is central to Ethiopia because entrepreneurs and creative people are suffering from copyright infringement. At the same time, improving access to knowledge-based products is a priority in the country.

Evidence-based copyright policy making becomes possible when there are data available for detailed analysis of the sector. The differential effects of government policy on copyright-related activities can be seen when disaggregated data are generated by the government bodies concerned. When different data sources provide researchers with sufficiently rich information, it becomes possible to provide reliable impacts for a copyright policy. Therefore, it is necessary to separate the statistics related to copyright industries and publish them regularly. The Central Statistical Agency, as a government body responsible for the generation of statistical data related to the socio-economic condition of the country, should produce disaggregated data on the different sub-sectors of the copyright industry.

The copyright industries can absorb a sizable number of young people and reduce unemployment. The growing youth population is putting increasing pressure on the labor market in Ethiopia. The traditional economic sectors should not be taken as the only policy options to improve labor force participation and create employment opportunities. A focus on the copyright industries should also be part of employment creation initiatives. Government policies need to encourage and support the creation of micro and small enterprises in the different sub-sectors of the copyright industry. Some of the sub-sectors may require large-scale investment. However, a number of the activities in the core and partial copyright industries can be started with minimum financial resources using the creative talent and entrepreneurial capacity of young people.

The structure of Ethiopian exports is dominated by agricultural products, which constitute a preponderant share of foreign exchange earnings. Coffee has been the dominant export commodity for many decades. The copyright industries provide the country with an opportunity to diversify its export base and improve its export earnings. Ethiopia, as a country of great cultural diversity, has immense potential to benefit from the economic value of the entertainment industry. Copyright protection represents a key factor in promoting the development of music, dramatic arts, and the cinema industry. With the right policy measures and the coordinated actions of the different government bodies in the country, the future of the entertainment industry as a major export sector is bright.

As the first analysis on the economic contribution of copyright-based industries in Ethiopia, the findings of this study confirm the importance of the copyright industries to the Ethiopian economy. Future studies in the area should be carried out on a regular basis on each sub-sector for a deeper examination of the economic significance of the creative industries in Ethiopia. Policy makers should base their actions on the results of such studies and make informed decisions to harness the potential of the creative industries in a way that benefits the national economy.

## Appendices

### Appendix I International Comparison of Copyright Industries

Country	Contribution to GDP (per cent)	Employment share (per cent)
Australia	6.6	8.0
Bhutan	5.46	10.09
Brunei	1.58	3.20
Bulgaria	4.54	4.92
Canada	5.38	5.55
China	6.37	6.52
Colombia	3.30	5.80
Croatia	4.27	4.65
Dominica	3.40	4.80
Ethiopia	4.72	4.50
Grenada	4.60	3.60
Finland	4.83	5.12
Hungary	7.42	7.28
Jamaica	4.81	3.03
Jordan	2.43	2.88
Kenya	5.32	3.26
Korea	9.89	6.24
Latvia	5.05	5.59
Lebanon	4.75	4.49
Lithuania	5.40	4.92
Malaysia	5.70	7.50
Mexico	4.77	11.01
Netherlands	5.90	8.80
Pakistan	4.45	3.71
Panama	6.35	3.17
Peru	2.67	4.50
Philippines	4.82	11.10
Romania	5.55	4.19
Russia	6.06	7.30
Singapore	6.19	6.21
Slovenia	5.10	8.80
South Africa	4.11	4.08
St Vincent	5.60	4.90
Tanzania	4.56	5.63
Thailand	4.48	2.85
Trinidad and Tobago	4.80	5.00
Ukraine	2.85	1.90
USA	11.10	8.19

Source: WIPO (2012): Studies on the Economic Contribution of the Copyright Industries.

## Appendix II Copyright Factors Used in Different National Studies

	Malawi	Bulgaria	Panama	Ethiopia	Finland	Singapore	South Africa
<b>Core copyright industries</b>							
Press and literature	1	1	1	1	1	1	1
Music, theatrical productions, operas	1	1	1	1	1	1	1
Motion picture and video	1	1	1	1	1	1	1
Radio and television	1	1	1	1	1	1	1
Software and databases	1	1	1	1	1	1	1
Advertising services	1	1	1	1	1	1	1
<b>Interdependent copyright industries</b>							
TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic game equipment, and other similar equipment	1	1	1	1	.35	.35	0.35
Computers and equipment	1	1	1	1	.35	.35	0.35
Musical instruments	1	1	1	1	.20	.20	
Photographic and cinematographic instruments	1	1	1	1	.30	.30	0.3
Photocopiers	1			1	.30	.30	0.35
Blank recording material	1	1	1	1	.25	.25	
Paper	1	1	1	1	.25	.25	0.25
<b>Partial copyright industries</b>							
Apparel, textiles, and footwear	0.043	0.006	0.25		0.005/0.027	0.004	0.004
Furniture	0.038	0.050	0.05		0.067	0.083	0.100
Household goods, china, and glass	0.05	0.005	0.05		0.0055	0.006	0.006
Architecture, engineering, surveying	0.1	0.100	0.3		0.09	0.083	
Interior design			0.1			0.083	
Museums		0.500	0.5		0.5		
<b>Non-dedicated support industries</b>							
General wholesale and retailing	0.0315	0.028	0.04		0.06	0.058	0.057
General transportation	0.0315	0.028	0.05		0.06	0.058	0.057
Telecommunications	0.0315	0.028	0.05		0.06	0.058	0.057



## Appendix III Contribution of Copyright Industries to the Ethiopian Economy in 2012

	Contribution to value added	Contribution to employment	Share in imports	Share in Exports
<b>Core copyright industries</b>				
Press and literature	3,502,096,799	39,916	1,005,767,200	7,809,600
Radio and television	2,929,708,977			
Music, theatrical productions, and operas	1,397,698,967		5,190,302	1,873,000
Motion picture and video	550,500,000	14,988 <sup>35</sup>		
Photography			982,668	28,394
Software and databases	584,653,226	17,447		
Visual and graphic arts			10,158,436	3,422,840
Advertising services	980,650,978	6,056	27,191,346	244,981
Copyright collecting societies				
<b>Total for core copyright industries</b>	<b>9,945,308,947</b>	<b>78,407</b>	<b>1,049,289,952</b>	<b>13,378,815</b>
<b>Interdependent copyright industries</b>				
TV sets, radios, VCRs, CD players, DVD players, and other electronic equipment	4,058,765,505	8,104	17,124,755,794	155,588,900
Computers and equipment	542,942,670	5,971	468,249,516	
Musical instruments	19,654,786		25,714,000	700,400
Photographic and cinematographic instruments	69,480,339	46,852	3,051,862,500	69,843,600
Photocopiers	9,286,543		16,743,468	
Blank recording materials	1,252,594,558	9,414	26,356,506	
Paper	1,108,742,695	2,384	2,160,606,721	374,000
<b>Total for interdependent copyright industries</b>	<b>7,061,467,096</b>	<b>72,725</b>	<b>22,874,288,505</b>	<b>226,506,900</b>
<b>Partial copyright industries</b>				
Apparel, textiles, and footwear	1,345,234,672	11,543	45,916,472	7,714,455
Jewelry and coins				
Other crafts				
Furniture	185,558,919	3,418	266,067,495	5,430,420
Household goods, china, and glass	154,661,373	2,342	37,708,300	71,150
Wall coverings and carpets				
Toys and games				
Architecture, engineering, and surveying	481,504,148	458		
Interior design	711,982			
Museums	5,245,391	1,100		
<b>Total for partial copyright industries</b>	<b>2,172,916,485</b>	<b>18,861</b>	<b>349,692,267</b>	<b>13,216,025</b>

<sup>35</sup>The figure includes the number of people employed in reproduction of recorded media, radio, and television.

Non-dedicated support industries				
Wholesale and retail trade	3,763,503,513	58,057		
General transport	559,915,559	12,237 <sup>36</sup>	85,496,620	212,400,000
Telecommunications	486,100,325			
<b>Total for non-dedicated support industries</b>	<b>4,809,519,397</b>	<b>70,294</b>	<b>85,496,620</b>	<b>212,400,000</b>
<b>Total for copyright industries</b>	<b>23,989,211,925</b>	<b>240,287</b>	<b>24,358,767,344</b>	<b>465,501,740</b>
<b>Total for the economy</b>				

<sup>36</sup> Includes the employment figure for communication.

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