FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF PLANNING AND DEVELOPMENT

HIGH LEVEL REPORT

2017 EFY GDP Rebasing

A new, larger and more complete measure of Ethiopia's economy

+59.21%	ETB 24.03 Tn	USD 201.42 Bn
Nominal GDP, old → new	Rebased GDP, 2017 EFY	USD equivalent

Addis Ababa, Ethiopia • October 2026

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Acronyms

BOP	Balance of Payments
CPI	Consumer Price Index
EFY	Ethiopian Fiscal Year
ESS	Ethiopian Statistical Service
ETB	Ethiopian Birr
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GVA	Gross Value Added
HGER	Home-Grown Economic Reform
ICBT	Informal Cross-Border Trade
IMF	International Monetary Fund
ISIC	International Standard Industrial Classification
MoPD	Ministry of Planning and Development
NPISH	Non-Profit Institutions Serving Households
SNA 2008	System of National Accounts 2008
SUT	Supply and Use Tables
USD	United States Dollar

Executive Summary

The successful conclusion of the **2017 Ethiopian Fiscal Year (EFY) Gross Domestic Product (GDP) rebasing** exercise marks the culmination of a rigorous year-long technical undertaking. This landmark milestone accurately captures the structural shifts in the economy, expands coverage of previously underrepresented informal and emerging sub-sectors. It also ensures full alignment with the 2008 **System of National Accounts (SNA 2008) and the International Standard Industrial Classification (ISIC Revision 5).**

+59.21%	**ETB 24.03 Tn**	**USD 201.42 Bn**
Nominal GDP growth (old → new series)	Rebased GDP at current market prices	Rebased GDP, USD equivalent

Key Take-Aways

- **Sectoral Rebalancing:** The rebased economic structure remains relatively **balanced** across broad sectors**,** with Services accounting for 35.91%, Agriculture 31.57% and Industry 30.20% of GDP. Industry share rises to +2.43 percentage points relative to the share in the old estimations.
- **Methodological Improvement:** The rebasing fully aligns the national accounts with the 2008 System of National Accounts (SNA 2008) and adopts the International Standard Industrial Classification of All Economic Activities Revision 5 (ISIC Rev. 5).
- **Coverage Expansion and Price Reset:** The rebased series expands the measurement boundary through comprehensive census, survey and administrative data to capture previously underrepresented institutional, informal and emerging economic activities. In addition, updated producer and factory-gate prices improve valuation and address the previous underestimation of gross value added (GVA) in the agriculture and industrial sectors.
- **Policy Implications:** A larger nominal GDP base will lower Public Debt-to-GDP and Tax-to-GDP ratios, underscoring the need to accelerate domestic revenue mobilization. The balanced contribution of Agriculture, Services, and a resurgent Manufacturing sector highlights the country's underlying potential for broad-based development planning.
- **Outlook for 2018 EFY:** Following the 2017 baseline revision, real GDP expanded by **7.7% in 2018**. Nominal GDP for 2018 EFY is estimated at **ETB 31.97 trillion** (approx. **USD 210.73 billion**), marking a 31.94% nominal increase over 2017 EFY (see Section XI).

1. Introduction

This section presents the conceptual framework for Gross Domestic Product (GDP) rebasing and explains its importance for improving the accuracy, reliability and relevance of Ethiopia's national accounts. It outlines the immediate need for rebasing in light of structural changes in the economy and the limitations of the existing base year in capturing the evolving composition of production, consumption, investment and trade. The section also examines the macroeconomic imperatives behind Ethiopia's current base-year update, with particular emphasis on the need for more accurate economic measurement to support evidence-based policymaking, fiscal planning, domestic revenue mobilization and the assessment of economic performance. Finally, it provides the rationale for selecting 2017 Ethiopian Fiscal Year (EFY), corresponding to 2024/25, as the new reference period. This choice reflects the need for a more recent and representative economic benchmark that incorporates updated data sources, improved statistical methods and internationally recognized standards for national accounting and industrial classification.

1.1. Concept of GDP Rebasing

GDP rebasing is the process of updating the base year used to compile national accounts and measure real economic growth to a more recent and representative reference period. It involves updating the underlying data sources, economic structure, industry classifications, relative price weights and compilation methodologies to reflect changes in production, consumption, investment and trade. The process improves the accuracy, coverage, consistency and relevance of GDP estimates and provides a more reliable picture of the size and composition of the economy. It also aligns national accounts with internationally recognized standards and best practices, particularly SNA 2008.

The Core Problem: Price Distortion & Missing Sectors

GDP, at both national and subnational levels, is measured in two complementary terms:

1. **Nominal GDP:** The monetary value of all final goods and services produced within an economy during a given period, measured at *prevailing* market prices. It reflects changes in both production volumes and prices.
2. **Real GDP:** Measures the volume of economic production by removing the effects of price changes. It enables the assessment of economic growth over time by distinguishing changes in actual production from changes attributable to prices.

In estimating Real GDP using the fixed-base-year approach, a specific year is selected as the base year and its prices are applied to the quantities of goods and services produced in subsequent years. By holding prices constant at base-year levels, this method eliminates the effect of price changes and isolates changes in the volume of economic production. It therefore provides a measure of real economic growth over time that reflects changes in output rather than changes in prices.

However, continued reliance on an outdated base year over a period of 5 to 10 years period can introduce two major distortions in GDP estimates:

- **Relative price change:** Relative commodity prices may change substantially over time and alter the relative economic importance of different goods and services. For example, fuel prices may rise more rapidly than cereal prices over a decade. The continued use of outdated base-year

prices assigns weights that no longer reflect prevailing relative prices and may therefore distort estimates of real GDP growth.

- **Emergence of new economic activities:** New industries and economic activities emerge overtime while existing sectors expand or undergo structural transformation. For example, digital financial services, ride-sharing platforms, and massive solar installations may become increasingly important contributors to economic output. If national accounts rely on outdated data sources, classifications and statistical coverage, these activities may remain inadequately captured or entirely excluded, thereby producing an incomplete representation of the economy and potentially leading to GDP underestimation.

The Solution: How Rebasing Works

GDP rebasing performs a structural overhaul involving three distinct steps:

01

Resetting the Price Anchor

It shifts the constant-price anchor to a recent year (e.g., transitioning from 2015/16 prices to 2024/25 prices).

02

Updating Sectoral Weights

It adjusts the percentage weight assigned to different sector of the economy to better reflect changes in economic structure. For example, if agriculture was 45% of the economy a decade ago but later has shrunk to 35% while services expanded, the new base year reflects that modern balance.

03

Expanding the Data "Basket"

It revises the statistical rulebook to include new data streams, administrative records, and industries that were previously unrecorded or inadequately captured.

The Typical Result: The "Scale-Up"

When a developing and rapidly modernizing economy undergoes a rebasing exercise, it certainly leads to a substantial upward revision in the nominal GDP estimates. This does not mean the economy grew overnight. It rather implies the statistical framework becomes more comprehensive and accurate, and lures previously unmeasured economic activity into the official national accounts.

1.2. Key Rationale for GDP Rebasing

Ethiopia's decision to rebase its GDP reflects deep structural changes in the economy, evolving statistical standards, and the need to build stronger national capacity for independent economic analysis and policymaking. Over time, new industries, digital services, informal activities, and emerging business models alter the structure of production and create activity that outdated statistical benchmarks may fail to capture adequately. GDP rebasing updates the base year, data sources, and estimation methods to reflect these changes more accurately and offers a more reliable picture of economic structure, sectoral composition, and productive capacity. It also aligns the country with the System of National Accounts (SNA) and improves international comparability, transparency, and statistical consistency.

- **Global Standards and Frameworks:** International guidelines often recommend that GDP rebasing be conducted every five years to preserve the integrity and accuracy of macroeconomic indicators. Timely rebasing prevents price structure distortions, eliminates cumulative measurement bias, and ensures national economic indicators remain fully comparable with peer economies and global financial institutions. Ethiopia's baseline, however, has not been updated

for over a decade. This increases the risk that official estimates may not adequately reflect the evolving size and structure of the economy. Addressing this prolonged reliance on an outdated base year through comprehensive rebasing is essential. This update will provide policymakers with an accurate benchmark, improve the reliability of key macroeconomic metrics and reinforce investor and international confidence by aligning with standardized global practices.

- **Outdated Base Year:** As economies evolve, national accounts benchmarks can become less representative of current economic conditions. New industries emerge, consumption patterns shift, and broader structural transformations occur. Ethiopia's current baseline is anchored in 2015/16, so its framework is a decade old. Therefore, a comprehensive reset is long overdue. Economic expansion often creates large uncaptured pockets of activity, particularly within informal, rural, and digital markets. Over the last ten years, the fundamental drivers of Ethiopia's economy have shifted. Relying on outdated sectoral weights risks misrepresenting the evolving structure and composition of Ethiopia's economy. Sectors such as digital financial services, telecommunications, logistics, and manufacturing have expanded significantly. In contrast, agriculture's relative share of the economy has declined. The rapid growth of mobile money services, e-commerce, and digital payment systems, with transaction values reaching trillions of birrs. This further illustrates the scale of economic transformation since the adoption of the 2015/16 base year.
- **Push for "Statistical Sovereignty":** By building comprehensive, standardized and quality administrative datasets and moving away from fragmented, externally influenced, or ad-hoc sample surveys, the government aims to establish a unified data architecture that aligns federal macro-estimates directly with regional reality. Moreover, accurate economic statistics are vital for sovereign fiscal and monetary policy decisions. A rebased GDP provides policymakers with reliable metrics on debt-to-GDP ratios, tax-to-GDP ratios, and revenue mobilization capacity. This then reduces reliance on outdated projections and strengthening national autonomy in fiscal planning and negotiation.

1.3. Why was 2017 EFY (2024/2025) selected as the new base year?

Alignment with SNA Base-Year Criteria: International statistical guidance emphasizes that the selection of a GDP base year should prioritize a period characterized by relatively normal economic conditions, without major temporary shocks or distortions that could significantly affect production patterns, relative prices, and expenditure structures. The 2017 Ethiopian Fiscal Year (2024/25) satisfies these criteria for several key reasons:

Alignment with SNA Base-Year Criteria A "normal" year: falling inflation, no major shocks and no election cycle.	**Robust Data Availability** Two national censuses, an integrated household survey and rich administrative data.	**Homegrown Economic Reform (HGER 2.0)** Captures market-determined prices after the July 2024 reforms.

In addition, EFY 2017 falls outside an election cycle, so the data remains isolated from political spending distortions. Selecting this year provides an ideal, undistorted benchmark. It captures an accurate snapshot of national production, consumption, and structural growth.

Robust Data Availability and Institutional Capacity: A critical prerequisite for a successful GDP rebasing is the availability of comprehensive and high-quality data sources. The 2017 Ethiopian Fiscal

Year (2024/25) marks a landmark turning point for data accessibility and statistical infrastructure in Ethiopia. Through the implementation of the national Statistical Development Program, the country has undergone a major modernization initiative. This has resulted in two countrywide censuses (Agriculture and Economic Establishment), an Integrated Household Survey, robust administrative datasets, expanded digital data collection systems, and the comprehensive registration of both formal and informal economic activities. This unprecedented wealth of data provides the solid empirical foundation required to accurately rebase GDP and re-anchor key macroeconomic accounts.

Alignment with Homegrown Economic Reform (HGER 2.0): The 2017 EFY marks the most consequential economic policy pivot in decades: the launch of the Homegrown Economic Reform (HGER 2.0). Anchoring the base year after this transition captures the true market-determined values of imports, exports, and foreign direct investment without the massive pricing distortions caused by the old, heavily controlled system.

2. Institutional Preparedness and Workflows for GDP Rebasing

Ethiopia's GDP rebasing exercise*,* led by the Ministry of Planning and Development (MoPD) under the umbrella of the multi-year **Ethiopian Statistical Development Program***,* represents a comprehensive modernization of how the nation measures, captures, and analyzes its economic output. The GDP rebasing exercise officially commenced in January 2026 and was finalized at the end of September 2026, in line with the planned schedule. During the implementation phase, institutional efforts and technical resources were strictly dedicated to addressing two primary pillars:

Pillar 1: Strengthening internal capacity

To ensure high-quality and sustainable execution of the rebasing work, significant human resource capacity-building activities were implemented:

15

Junior Experts Recruited
Deployed to address workforce needs, facilitate institutional knowledge transfer, and build long-term sustainability.

5

Senior Technical Experts
Extensive experience in GDP rebasing, Supply and Use Tables (SUT) and quarterly GDP, providing on-the-job training to junior experts.

2

Mid-Level Experts
Onboarded to strengthen the compilation team alongside the senior and junior experts.

Pillar 2: Reviewing and validating the datasets

This phase represents the core technical work of the rebasing exercise. Significant efforts were directed at ensuring all data inputs are reliable, consistent, and compliant with international standards. Rigorous data cleaning and organization were conducted in close collaboration with the Ethiopian Statistical Service (ESS).

Table 1: Core statistical datasets prepared for the rebasing

Dataset	Work undertaken
Agricultural Census (AC)	A thorough cleaning of agricultural production, crop types, and livestock data has been completed. Key indicators from the census including production volume, holding size, production use (household consumption, market, seed), and input costs were identified, formatted, and integrated into the national account's estimation framework.
Integrated Household Survey	An in-depth and robust data cleaning has been conducted on the survey to ensure data quality and consistency. Expenditures falling outside the scope of household final consumption expenditure were identified and excluded from the relevant estimates, in accordance with SNA 2008.
Economic Establishment Census	Data cleaning has been completed, accurately mapping the country's economic production base and sectoral linkages. The census is essential for GDP rebasing, as it provides updated information on the composition and weight of economic activities, ensuring the GDP reflect***s*** the current structure and dynamics of the economy.
CPI Rebasing	CPI rebasing was completed, adjusting the consumer price index weights and *expanding* market coverage, ensuring its alignment with the GDP rebasing.

Dataset	Work undertaken
Federal State-Owned Enterprises (SOEs)	Data collection and cleaning from 37 SOEs was finalized, ensuring comprehensive capture of the SOEs' share in economic activity.
Regional State-Owned Enterprises	Data collected from regional state-owned enterprises across all regional states, capturing public-sector output and fixed capital formation by categories, which had previously omitted from national estimates.
FinTech	Data collected on digital financial services, mobile payment platforms and non-bank financial intermediaries, which were not captured in previous accounts.
Non-Profit Institutions Serving Households (NPISH)	Data collection on NPISH has been completed. This effort captured comprehensive data on non-profit organizations, ensuring their economic contributions are reflected in the national accounts.

Updating the benchmark base year which is moving from the 2015/16 baseline to the 2024/25 fiscal year (2017 Ethiopian Fiscal Year); represents only one dimension of this comprehensive overhaul. Beyond recalibrating the relative price structure, Ethiopia's national accounts framework is undergoing foundational, methodological, and institutional modernization. This detail is addressed in greater depth in the following sections.

3. The Rebased GDP (2017 Base Year)

The new series introduces four foundational changes to Ethiopia's GDP compilation.

3.1. Full Integration of the Supply and Use Tables (SUT)

The compilation of Supply and Use Tables (SUT)[1] represents an important step in strengthening Ethiopia's national accounts framework. Although previous efforts have been made to develop SUT, a comprehensive set has not yet been made publicly available. As part of the ongoing GDP rebasing exercise, SUT compilation has been initiated to support the development of a more comprehensive and integrated national accounts system. Progress to date includes identifying the proposed dimensions of the SUT framework and initiating the preparation of the domestic output, valuation, and use matrices.

3.2. Expanded Structural and Informal Sector Coverage

The previous 2015/16 baseline significantly understated fast-evolving segments of the economy. The new benchmark incorporates comprehensive administrative datasets and updated Economic Establishment surveys designed to capture the informal economy, emerging services & digital output, and industrial & construction output.

3.3. Methodological Alignment with International Standards (SNA 2008)

The rebasing aligns Ethiopia's national accounting definitions more closely with the System of National Accounts 2008 (SNA 2008) guidelines:

- **Capitalization of Asset Classes:** Updating the classification of Fixed Capital Formation (e.g., proper treatment of research & development, software and database, cultivated biological resources, intellectual property products, and change in inventory by types).
- **Updated Classifications:** Revising activity and product codes to match international standards, including ISIC Rev. 5 (International Standard Industrial Classification) and COICOP 2018 (Classification of Individual Consumption According to Purpose) structures.

3.4. Synchronization with Wider Statistical Reforms

The GDP rebasing is synchronized with parallel updates across the national statistical system:

- **CPI rebasing:** Updating the Consumer Price Index (CPI) basket weights, geographic coverage, and market outlets to reflect modern household expenditure patterns.
- **BOP and GFS:** Harmonizing national accounts with updated Balance of Payments (BOP) and Government Finance Statistics (GFS), reflecting post-July 2024 macroeconomic developments (such as foreign exchange regime shifts and debt structures).

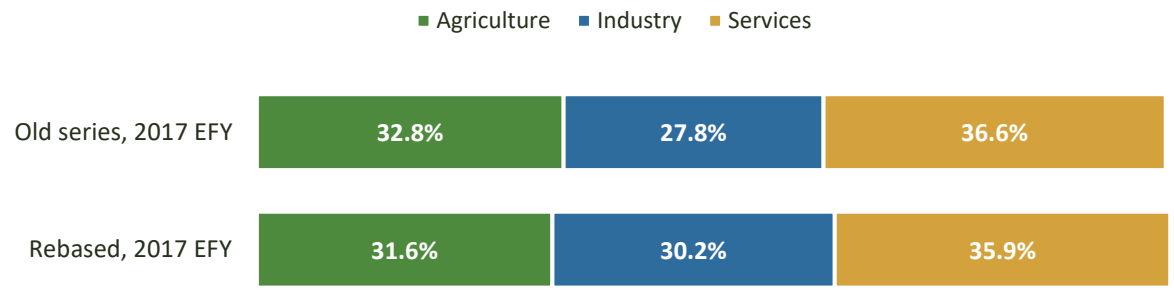
[1] SUT provide a systematic representation of the supply of goods and services from domestic production and imports, and their use for intermediate consumption, final consumption, capital formation, and exports. It also provides an essential statistical foundation for analyzing the structure and interrelationships of economic activities and developing Input-Output Tables (IOTs) and Social Accounting Matrices (SAMs).

4. Key Macroeconomic Findings

+59.21%	ETB 24.03 Tn	+61.66%	35.9%
Nominal GDP, old → new	Rebased GDP, current prices	Gross value added, old → new	Services, largest sector share

- **Nominal GDP Expansion:** The rebased Gross Domestic Product (GDP) baseline for the 2017 Ethiopian Fiscal Year (EFY) reflects a **59.21% expansion** in nominal GDP at current market prices. This increases the national output from ETB **15.09 trillion** under the previous old estimate to **ETB 24.03 trillion (USD 201.42 billion).**
- **Structural Distribution:** The rebased economic structure remains well-balanced across broad sectors, led by Services at **35.91%** of total nominal GDP, followed by Agriculture at **31.57%**, and Industry at **30.20%** (Figure 2). Compared to the old baseline, the updated series reflects a contraction in the relative share of Agriculture (−1.25 percentage points) and Services (−0.67 percentage points), alongside an expansion in Industry (+2.43 percentage points) (Figure 1).

Figure 1: Structure of GDP by sector (% of GDP at current market prices)

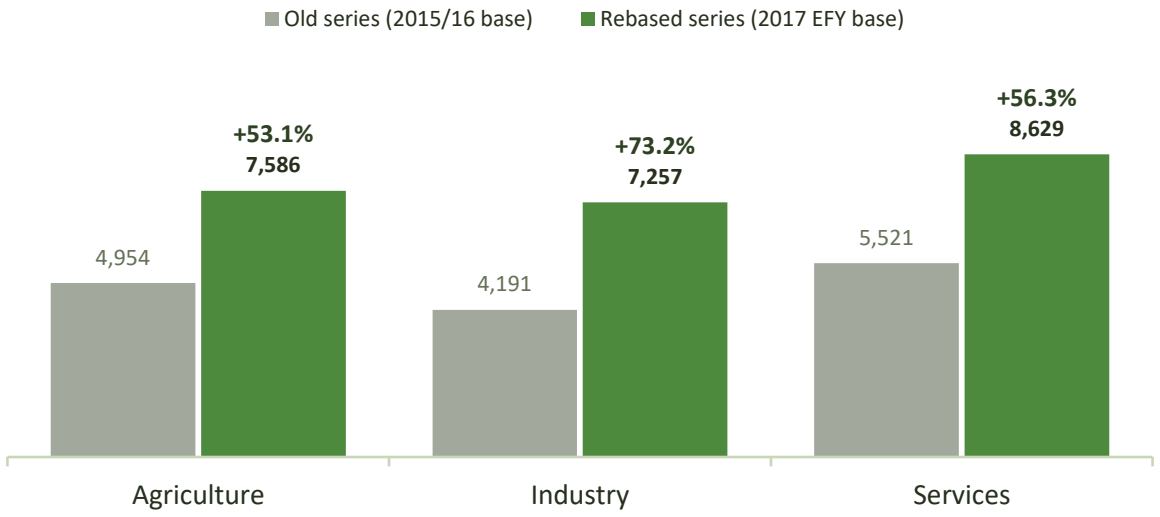


All three broad sectors are larger in absolute terms under the new series. Industry shows the largest upward revision (+73.2%), driven by mining, manufacturing, and electricity and water. Agriculture and services are revised up by 53.1% and 56.3%, respectively (Figure 2). Net taxes on products are revised slightly downward.

Table 2: Macroeconomic revaluation overview (ETB billion)

Indicator	Old Estimate	New Series	Absolute Change	% Change
GVA at Basic Prices	14,518.62	23,471.51	+8,952.89	+61.66%
Net Taxes on Products	575.80	559.57	−16.23	−2.82%
GDP at Current Market Prices	**15,094.42**	**24,031.07**	**+8,936.66**	**+59.21%**

Figure 2: Value added by broad sector, old vs. rebased series, 2017 EFY (ETB billion)



Source: Ministry of Planning and Development, rebased national accounts.

4.1. Key Drivers of the GDP Level Adjustment

The upward level adjustment in the rebased national accounts is primarily driven by three interconnected structural, methodological, and empirical factors. These are outline below.

1

Coverage Change & Production Increment

Comprehensive expansion in coverage across major economic sectors.

2

Systematic Omission Removal

Systematic removal of historical omissions from the production and measurement boundary.

3

Price Reset & Valuation

Price and valuation updates reflecting current producer prices.

Driver 1: Coverage Change & Production Increment

The primary structural driver of the level shift is the systematic inclusion of previously unmeasured economic activity, the transition from sample-based surveys to comprehensive census enumeration, and the integration of administrative datasets.

Agricultural Coverage and Measurement Improvements

- **Census vs. Survey Baseline:** Moving from sample-based surveys to a full Agriculture Census established a more comprehensive production baseline across agricultural activities in rural and urban areas. Yield and volume estimates for individual crop and livestock items better reflect observed production levels rather than scaled sample estimates.
- **Expanded Item Scope:** Previously untracked agricultural outputs and sub-commodities have been brought within the estimation boundary.

Economic Establishment Census (Industry & Services)

- **First Comprehensive Census in 20 Years:** Provides the first comprehensive empirical baseline in two decades for the industry and service sectors, reducing legacy structural undercounting.
- **Capture of the Informal Sector:** Explicitly incorporates informal economic activities across high-growth, traditionally under-measured areas:

- **Mining:** Informal, artisanal, and small-scale extraction.
- **Manufacturing:** Small-scale, micro, and unregistered production units.
- **Construction:** Informal building decentralized residential development, and own-account construction.
- **Wholesale & Retail Trade:** Unregistered merchant and market trade networks.

- **Strengthened Estimates of Gross Capital Formation:** The census provides information on acquisitions and disposals of fixed assets, depreciation, and changes in inventories, disaggregated by asset category, economic activity (ISIC), and institutional ownership. These data provide important inputs for improving estimates of gross fixed capital formation (GFCF) and changes in inventories across the industry and services sectors.

Extended Institutional Boundaries & Specialized Datasets

- **Non-Profit Institutions Serving Households (NPISH):** Integrated nationwide survey data capturing the economic footprint of non-governmental and community organizations.
- **State-Owned Enterprises (SOEs):** Direct survey integration of primary financial and output data for 37 major federal enterprises.
- **FinTech Sector:** First-time capture and integration of digital financial services, mobile payment platforms, and non-bank financial intermediaries that were omitted from previous accounts.

Driver 2: Systematic Omission Removal

The second major driver is the correction of historical coverage gaps by bringing previously omitted regional public-sector activity into the national accounting framework.

- **Regional State-Owned Enterprises (RSOEs):** Previous estimates focused primarily on federal-level enterprises. The rebased series incorporates regional state-owned enterprises across all regional states. This helps to capture previously omitted public-sector output and gross capital formation.

Driver 3: Price Reset & Valuation Adjustments

- **Updated Price Baselines:** This realigns nominal output valuations with current market conditions rather than outdated baseline prices and deflators.
- **Producer Price Realignment:** Significant producer price movements in crop and livestock production have been factored into the revised estimates. This corrects previous underestimation of nominal agricultural gross value added (GVA).

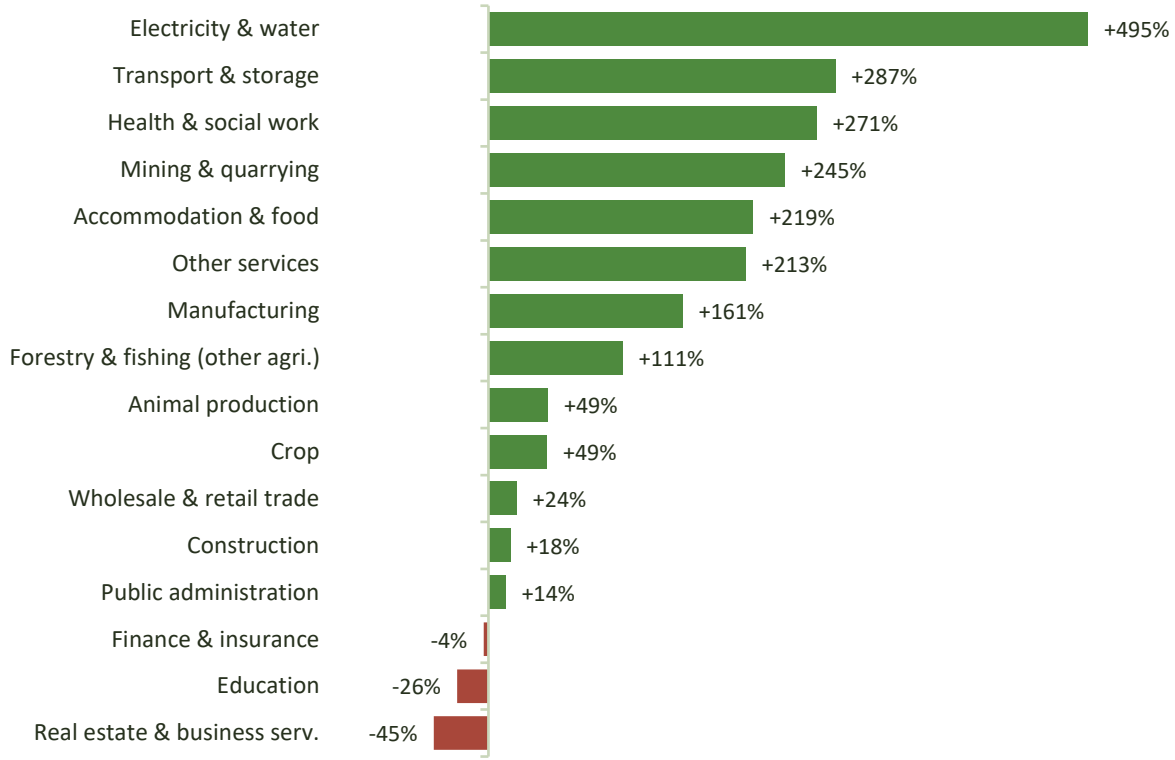
Table 3: Summary of impact

Impact Indicator	Primary Mechanism	Affected Sectors	Economic Effect
Comprehensive Scope	Agriculture & Economic Censuses	Agriculture, Mining, Trade, Construction	Structural upward shift in baseline GVA
Institutional Inclusion	SOE, RSOE & NPISH Integration	Public Sector & Other Services	Fuller capture of institutional output and capital expenditure
Modernization	FinTech Integration	Financial & Digital Services	Improved alignment with the modern service economy
Valuation Accuracy	Producer Price Reset	Crop & Livestock Production	More accurate nominal output valuation

5. Key Sectoral Highlights & Sub-Sector Dynamics

Figure 3 presents the magnitude of sectoral output revisions following the base-year recalibration. The most substantial upward level adjustments occurred in sub-sectors that were inadequately captured under the former baseline framework, most notably electricity and water utilities, transport and logistics, health services, mining and quarrying, and hospitality. Conversely, downward revisions in select service sub-sectors reflect the replacement of historical proxy estimates with more direct, higher-quality administrative and survey datasets.

Figure 3: Revision of value added by sub-sector, rebased vs. old series, 2017 EFY (% change)



NB: Telecommunications & information activities are not shown: they are a new ISIC Rev. 5 category with no old-series equivalent.

5.1. Agriculture Sector

- **Crop Production:** Expanded by **48.65%** to reach **ETB 5.07 trillion**, accounting for **21.10%** of total nominal GDP. This significant upward scaling stems from updated relative prices, output volume increments, expanded geographic coverage, and methodological refinements.
- **Animal Production & Hunting:** Increased by **49.44%** to reach **ETB 1.79 trillion**, driven by improved livestock population censuses and updated yield metrics. The livestock estimation has also been improved through methodological refinement.
- **Forestry, Logging, Fishing & Aquaculture (other agriculture):** Revalued upward by **+111.04%** to ETB 719.25 billion due to explicit inclusion of informal charcoal production and firewood harvesting, alongside enhanced coverage of inland fisheries and emerging aquaculture activities and methodological estimation improvements employed in the rebasing period.

5.2. Industry Sector

- **Electricity & Water:** recorded the highest growth at **+495.35%**, expanding to **ETB 613.58 billion**. This substantial upward revaluation is primarily attributable to the inclusion formal and informal economic activities captured through the Economic Establishment survey that were either omitted or only partially accounted for under the legacy framework. In addition, updated tariff structures, modern administrative metering data, and enhanced tracking of off-grid solar and rural water schemes replaced outdated baseline models thereby providing a more accurate measure of economic output of utility generation and distribution.
- **Mining & Quarrying:** Scaled up by **+245.08%** to ETB 1.38 trillion, driven by artisanal gold and industrial quarrying captures. Output in mining and quarrying was revalued substantially, driven by the systematic integration of previously unrecorded artisanal and small-scale mining activities alongside expanded industrial extraction. Improved administrative registers from regional mining bureaus and export tracking systems enabled to explicitly capture informal gold and industrial mineral production. Furthermore, the rapid expansion of urban construction created high demand for industrial quarrying (sand, stone, and aggregate), which was comprehensively mapped using Economic Establishment census and updated producer price inputs.
- **Manufacturing:** Revalued upward by **+160.56%** to ETB 1.65 trillion, accounting for 6.88% of total GDP. The sector underwent a major upward revision, expanding to ETB 1.65 trillion and solidifying a 6.88% share of rebased nominal GDP. This expansion reflects broader statistical coverage across both large-scale industrial parks and small-to-medium enterprises (SMEs). The Establishment Census captured rapid growth in agro-processing, textile and garment manufacturing, construction materials, and beverage production. Crucially, the update also captured informal urban manufacturing micro-enterprises that had proliferated over the past decade but remained unrecorded under the former 2015/16 baseline.
- **Construction:** Revalued at **ETB 3.61 trillion (+18.23%)**, reducing its economic share from 20.23% to 15.02% of GDP, reflecting empirical censuses and the elimination of proxy over-estimations. While the nominal output of the construction sector increased modestly to ETB 3.61 trillion, its relative contribution to total GDP contracted from 20.23% to 15.02%. Under the old benchmark, construction figures relied heavily on speculative proxy indicators derived from raw material inputs (such as cement and steel consumption), which frequently resulted in cumulative over-estimation. The current rebasing replaces those proxies with direct empirical data through economic establishment census, public capital expenditure audits, and verified building permit registers. These yield a more accurate, right-sized representation of actual construction activity within the broader economy.

5.3. Services Sector & Modern Classification Alignment

- **Adoption of ISIC Revision 5:** The implementation of ISIC Revision 5 introduces a modern structural framework that explicitly isolates high-growth digital and tech-driven sub-sectors. By disaggregation, national accounts now directly capture **Telecommunications & Information Activities** as an independent engine of growth. This change reflects the rapid expansion of mobile network coverage, data centers, and internet service providers across Ethiopia that were previously folded into generic transport and communication categories.
- **Transport & Storage:** Revalued upward by +286.74% to ETB 1.85 trillion (7.71% of GDP). The sub-sector underwent a major upward revaluation to ETB 1.85 trillion, driven by comprehensive

economic establishment census updates and administrative mapping across freight, logistics, and passenger transit. The new framework captures ride-hailing services, urban informal transport (e.g., three-wheeler/Bajaj and minibuses), expanded air transport operations, and modern logistics infrastructure that had significantly outgrown legacy baseline estimates.

- **Accommodation & Food Services:** Revalued upward by **+218.76%** to ETB 1.13 trillion. Output in accommodation and food services expanded more than threefold to ETB 1.13 trillion. This substantial revision reflects the rapid growth of urban hospitality, tourism, catering, and informal food service enterprises. Modern census data and local administrative tax registries replaced outdated census inputs, systematically accounting for small-scale eateries, regional hospitality venues, and home-delivery food services.
- **Wholesale & Retail Trade:** Expands by **+23.65%** to reach ETB 2.42 trillion (10.08% of GDP). Wholesale and retail trade reached ETB 2.42 trillion, maintaining a major role in the economy at 10.08% of rebased nominal GDP. The steady 23.65% increase stems from enhanced coverage of commercial supply chains, distribution networks, and informal market vendors, aligned with updated price structures and household expenditure survey data.
- **Human Health & Social Work:** Revalued to ETB 318.95 billion **(+271.09%)**, capturing broader private healthcare delivery. The health sub-sector was revalued upward to ETB 318.95 billion, largely driven by the comprehensive mapping of private healthcare providers. Previous baseline models undercounted private clinics, diagnostic centers, pharmaceutical distribution networks, and non-governmental health initiatives.
- **Downward revisions:**
  - **Real Estate & Business Services (–45.24%):** Recalibrated downward as direct, empirical rental census and tax registers replaced speculative proxy estimations based on urban land area growth.
  - **Education (–25.84%):** Revised downward following the substitution of historical student enrollment projections and administrative expenditure data from public institutions with Census dataset sources.
  - **Financial Intermediary & Insurance Services (–4.01%):** Experienced a minor downward correction following methodological refinements to Financial Intermediary Services Indirectly Measured (FISIM) and exact regulatory audit data from the National Bank of Ethiopia.

6. The Demand Side GDP (2017 Base Year)

The rebasing introduces fundamental structural adjustments to the expenditure (demand) components of the national economy. Driven by direct survey inputs, updated price structures, and comprehensive coverage of capital formation, the rebased demand-side framework shifts total nominal GDP from **ETB 15.09 trillion** under the previous baseline to **ETB 24.03 trillion**.

Table 4: GDP by expenditure, 2017 EFY rebased series (ETB million)

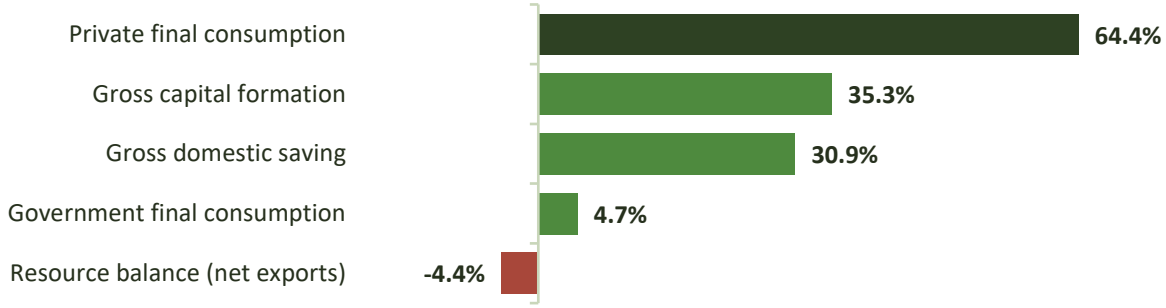
Component	2017 old	Share (%)	2017 EFY (new)	Share of GDP
Gross capital formation	**3,036,993**	**20.1%**	**8,486,756**	**35.3%**
Private final consumption expenditure	**12,216,351**	**80.9%**	**15,473,100**	**64.4%**
Household final consumption expenditure			14,807,330	61.6%
NPISH final consumption expenditure			665,770	2.8%
Government final consumption expenditure	**881,424**	**5.8%**	**1,136,844**	**4.7%**
Resource balance	**-1,040,349**	**-6.9%**	**-1,065,627**	**-4.4%**
Gross domestic saving	**1,996,644.27**	**13.23%**	**7,421,129**	**30.9%**
GDP	**15,094,419**	**100.0%**	**24,031,074**	**100.0%**

- **Investment Expansion:** Gross capital formation increased by 179.3% following GDP rebasing, rising from ETB 3.04 trillion under the previous series to ETB 8.49 trillion in the rebased estimates. Consequently, its share of GDP increased by 15 percentage points, from 20.1% to 35.3%. This substantial upward revision reflects more comprehensive measurement of capital investment across the economy. This improvement is supported by better statistical coverage and updated data sources, including fixed capital formation by asset category and economic activity from the Economic Establishment Census and regional state-owned enterprises.
- **Rebalancing Consumption Dynamics:** Private final consumption expenditure increased by 26.6% following GDP rebasing, rising from ETB 12.22 trillion under the previous series to ETB 15.47 trillion in the rebased estimates. Of this amount, Household Final Consumption Expenditure accounts for ETB 14.81 trillion (61.6% of GDP), while expenditure by Non-Profit Institutions Serving Households (NPISH) amounts to ETB 665.77 billion (2.8% of GDP). Despite the upward revision in nominal value, private consumption's share of GDP declined by 16.5 percentage points, from 80.9% to 64.4%. This reflects a proportionately larger upward revision in other expenditure components, particularly gross capital formation. The revised estimates therefore indicate a lower relative contribution of private consumption to GDP than previously reported, although it remains the largest expenditure component.
- **Government Consumption:** Government final consumption expenditure increased by 29.0% and reached ETB 1.14 trillion under the revised series. Despite this upward revision, its share of GDP declined by 1.1 percentage points, from 5.8% to 4.7%, as the overall upward revision in GDP exceeded that of government consumption.
- **Substantial Expansion in Gross Domestic Savings:** Gross domestic saving, calculated as GDP less total final consumption expenditure, increased substantially from ETB 2.00 trillion (13.2% of GDP) under the previous series to ETB 7.42 trillion (30.9% of GDP) in the rebased estimates. This significant upward revision reflects the relatively larger increase in estimated GDP compared with final consumption

expenditure. The revised estimates indicate a substantially higher domestic saving rate than previously reported, narrowing the measured gap between domestic saving and gross capital formation.

- **Narrowing External Trade Deficit Relative to GDP:** The external trade deficit in goods and services, measured by the resource balance, was revised from ETB 1.04 trillion under the previous series to ETB 1.07 trillion in the rebased estimates. Despite this slight increase in absolute value, the deficit as a share of GDP declined by 2.5 percentage points, from 6.9% to 4.4%. This reflects the increased domestic production in rebased sectors (such as energy, manufacturing, and agriculture) is gradually reducing external imbalance pressure relative to national economic capacity.
- **In summary,** the 2017 EFY GDP rebasing presents a revised picture of Ethiopia's expenditure structure, characterized by a substantially higher share of gross capital formation (35.3% of GDP) and gross domestic saving (30.9% of GDP), alongside a lower share of private final consumption expenditure. These revisions suggest that investment and domestic saving play a more significant role in the economy than previously estimated, providing policy makers an updated statistical basis for assessing capital accumulation, domestic resource mobilization, and long-term economic stability.

Figure 4: Main expenditure aggregates, 2017 EFY (% of GDP)



7. Technical Execution and Capacity Development

The rebasing was compiled by Ethiopian experts, with external review limited to quality assurance.

15

Junior Experts

Underwent rigorous on-the-job training, directly executing data entry, cleaning, and preliminary sectoral estimations under senior supervision.

5

Senior Experts

Managed the end-to-end data processing, compilation templates, and sector-level validations.

ESS

Statistical Service

ESS experts actively participated throughout the compilation process, developing internal capacity to interpret ***and use*** data in national accounting.

IMF

Technical Assistance

While fully managed and owned by domestic experts, **IMF TA missions** reviewed and provided feedback on the estimation methodologies, structural templates, and overall compliance with 2008 SNA guidelines.

8. Strategic Policy Implications

- **Fiscal Ratios:** A higher nominal GDP base will automatically reduce macroeconomic ratio indicators such as Public Debt-to-GDP and Tax-to-GDP ratios. This underscores an urgent policy mandate to scale up tax revenue generation to match the newly revealed size of the national economy.
- **Development Planning:** Structural allocations demonstrate that Agriculture and Services continue to account for 67.47% of GDP, while the surge in Manufacturing (+161%) highlights solid underlying potential for industrial expansion strategies.

Updating the baseline to EFY 2017 does not simply change the numbers. Rather, it fundamentally upgrades Ethiopia's strategic toolkit for policy and fiscal planning:

Accurate Fiscal and Debt Benchmarks: Because an outdated base year typically underestimates the true size of a growing economy, rebasing expands the nominal GDP denominator. This structurally adjusts critical macroeconomic ratios:

- **Debt-to-GDP Ratios:** Will provide a more precise, realistic picture of debt sustainability, potentially unlocking greater borrowing space and improving sovereign creditworthiness.
- **Tax Revenue-to-GDP:** Will highlight the true efficiency of domestic revenue mobilization, pinpointing the extent to which tax compliance lags actual economic activity.

Enhanced Global Credibility and Investor Confidence: By aligning with the System of National Accounts (SNA), Ethiopia secures international comparability. This transparency eliminates discrepancies between domestic statistics and external estimations, dramatically boosting the confidence of international rating agencies, foreign direct investors (FDI), and multilateral partners.

Illustration: the denominator effect

Because GDP is 1.59 times larger in the new series, any ratio to GDP falls by about 37% for the same numerator. For example, a ratio of 10% of GDP under the old series becomes about 6.3% under the rebased series.

9. Short- and Long-Term Implications of GDP Rebasing

Updating the economic baseline from 2015/16 to 2017 EFY (2024/25) acts as a catalyst that will ***significantly*** shift Ethiopia's primary macroeconomic indicators.

9.1. Short-Term Implications

- **The Denominator Effect & Immediate Ratio Changes:** The most immediate structural impact is an upward revision of Ethiopia's nominal GDP. Because the size of the total economic "pie" increases by pulling previously hidden digital, service, and informal transactions into the light, key ratios change overnight:
  - **Debt-to-GDP ratio drops:** This creates immediate fiscal headroom and improves debt sustainability optics on paper during external debt restructuring negotiations.
  - **Tax-to-GDP ratio drops:** While an increased GDP lowers this percentage further (potentially dipping below the historical level of nearly 7%), it exposes the exact magnitude of untaxed economic activity.
- **A Statistical Compression of Growth Rates:** Conversely, while nominal GDP increases, calculated real GDP growth rates may appear temporarily lower or stabilized in subsequent quarters. This occurs because the growth is calculated against a much larger, modern baseline rather than an outdated, smaller anchor.
- **Administrative Recalibration Costs:** In the immediate months, ministries, regional bureaus, and central bank systems face an intense data transition period. Transitioning all public accounting frameworks, budget allocations, and sub-national balancing pools to a brand-new indexing system creates short-term data alignment friction.

9.2. Long-Term Implications

- **Enhanced Sovereign Creditworthiness:** Over the long term, a more transparent, accurate, and comprehensively measured economy boosts investor confidence. Clearer economic data directly feeds into better credit ratings, lowers the risk premium on future international sovereign borrowing, and strengthens foreign direct investment (FDI) inflows.
- **Sustainable Domestic Revenue Mobilization:** Armed with data identifying precisely *where* the economy has expanded over the last decade (e.g., specific service niches, manufacturing sub-sectors, and urban trade), the Ministry can design highly targeted, equitable tax policies rather than relying on blanket increases.
- **Influence on Future Planning, Strategies, and Policy Decisions:** A rebased GDP effectively hands the Ministry a precision lens to replace outdated data. It structurally changes how the government designs and monitors future development strategies in fundamental ways.

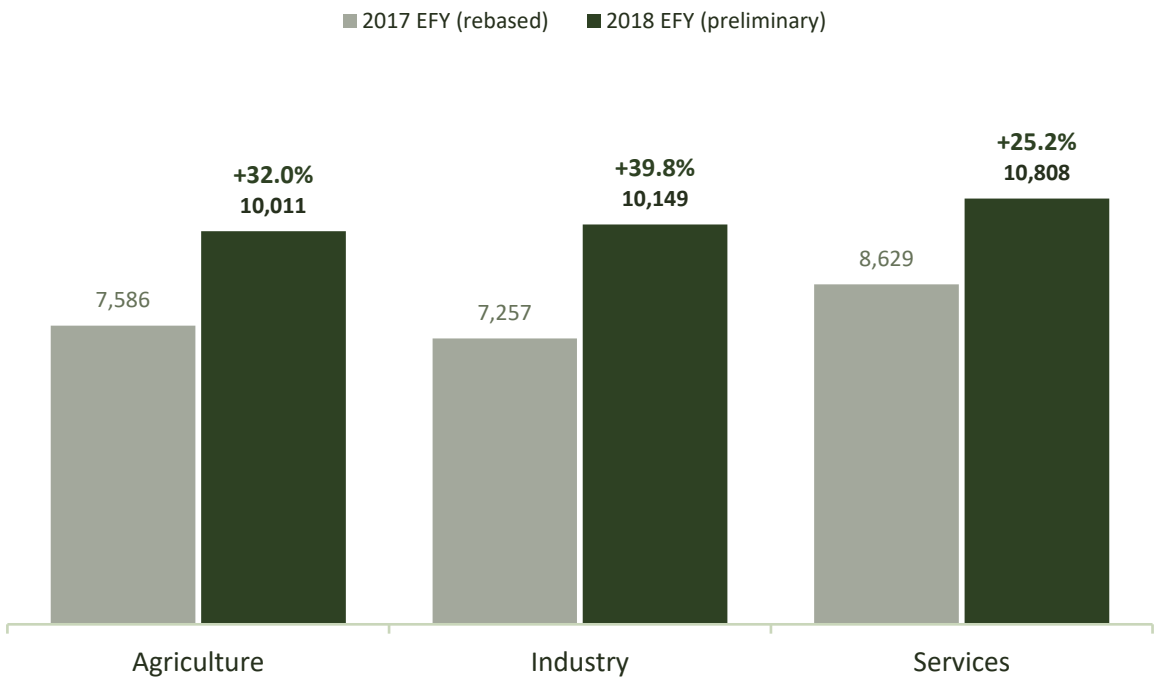
10. 2018 EFY Estimates (2017 Base Year)

Anchored on the updated 2017 benchmark baseline, real Gross Domestic Product (GDP) grew by **7.7%** in 2018 EFY (2025/26). In nominal terms, total output is reached to ETB **31.86 trillion** (equivalent to **USD 210.73 billion**), reflecting a **32.63%** year-on-year nominal increase compared to 2017 EFY. As current-price estimates, these figures capture the compound impact of real economic growth and price inflation; underlying real growth performance measured at constant 2017 prices will be evaluated independently.

ETB 31.86 Tn	USD 210.7 Bn	+32.6%
Nominal GDP, 2018 EFY	*USD equivalent*	*Nominal increase over 2017 EFY*

- Industry becomes the second-largest sector: Industry rises to 31.78% of GDP, overtaking Agriculture (31.35%), led by mining & quarrying, which more than doubles in nominal terms (+111.2%).
- Services remain the largest sector at 33.85% of GDP, although their share eases from 35.91% in 2017 EFY.
- Agriculture grows by 31.6% in nominal terms, driven by crop production (+39.7%).

Figure 5: Value added by broad sector, 2017 vs. 2018 EFY (ETB billion, current prices)



Annex: GDP by Economic Activity at Current Prices

Old series (2015/16 base) and rebased series (2017 EFY base), ETB billion. Figures are from the final rebased dataset; 2018 EFY is preliminary. Shares are percentages of GDP at current market prices.

Table 5: GDP by economic activity at current prices (ETB billion)

Economic activity	Old 2017	Share	New 2017	Share	Change	2018	Share
Agriculture	**4,953.78**	**32.8%**	**7,585.86**	**31.6%**	**+53.1%**	**10,011**	**31.4**
Crop	3,411.87	22.6%	5,071.67	21.1%	+48.6%	7,114	22.3
Animal production & hunting	1,201.09	8.0%	1,794.95	7.5%	+49.4%	2,086	6.5
Other agriculture (forestry, fishing)	340.82	2.3%	719.25	3.0%	+111.0%	811	2.5
Industry	**4,190.77**	**27.8%**	**7,257.06**	**30.2%**	**+73.2%**	**10,149**	**31.8**
Mining & quarrying	400.07	2.7%	1,380.58	5.7%	+245.1%	2,916	9.1
Manufacturing	634.34	4.2%	1,652.85	6.9%	+160.6%	2,123	6.6
Electricity & water	103.06	0.7%	613.58	2.6%	+495.4%	846	2.7
Construction	3,053.30	20.2%	3,610.05	15.0%	+18.2%	4,263	13.3
Services	**5,520.73**	**36.6%**	**8,628.58**	**35.9%**	**+56.3%**	**10,808**	**33.8**
Wholesale & retail trade	1,960.04	13.0%	2,423.52	10.1%	+23.6%	3,090	9.7
Transport & storage	479.01	3.2%	1,852.52	7.7%	+286.7%	2,231	7.0
Accommodation & food services	353.34	2.3%	1,126.33	4.7%	+218.8%	1,374	4.3
Telecom & information	new	new	326.72	1.4%	New	441	1.4
Finance & insurance	476.03	3.2%	456.94	1.9%	-4.0%	635	2.0
Real estate & business services	1,252.52	8.3%	685.94	2.9%	-45.2%	783	2.5
Public administration & defence	387.61	2.6%	443.44	1.8%	+14.4%	535	1.7
Education	272.96	1.8%	202.43	0.8%	-25.8%	282	0.9
Health & social work	85.95	0.6%	318.95	1.3%	+271.1%	438	1.4
Other services	253.28	1.7%	791.79	3.3%	+212.6%	1,000	3.1
GVA at basic prices	**14,518.62**	**96.2%**	**23,471.5**	**97.7%**	**+61.7%**	**30,968.0**	**97.0%**
Taxes less subsidies on products	575.80	3.8%	559.57	2.3%	−2.8%	965.69	3.0%
GDP at current market prices	**15,094.42**	**100.0%**	**24,031.07**	**100.0%**	**+59.2%**	**31,934**	**100.0%**