

Performance Report of HW Group

May , 2016

Quarterly Plan

Action Plan Title: Hardware													
No	Objective	Task	Expected Outcome	Implementation Duration						Responsibility	Status	Remark	
				1st Quarter			2nd Quarter						
				Jan	Feb	Mar	Apr	May	Jun				
1	Determine hardware scope	A. Catagorization 1) Trans Receiver e.g. Mobile, walky tolky, Computer etc... 2) Receiver e.g TV, Radio, Set box, Camera etc... 3) Networking Device e.g Router, switch, hub, Acces point,wifi, wimax etc... 4) Office Equipment e.g printer, Fax, Projector etc... 5) Accessories e.g power bank, data bank etc...	Categorize products that can be assembled in Ethiopia	Yellow						Team	Completed		
		B. Phases 1) Phase One e.g End product (Mobile, Television, Computer & Laptop) 2) Phase two e.g Device & Accessories 3) Phase Three e.g Accessories & Components	Identify products that can be manufactured and Assembled in Ethiopia in different phases	Yellow	Yellow						Team	20 % (Mobile Apparatus accessories have identified)	
		C. Roadmap 1) Study 2) Survey 3) Higher Consultant	Study SKD/CKD and Value Addition possibilities. Survey Companies engaged in the business. Local talent availability by establishing linkage with educational institutions	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow		Team MCIT MIDI	20% (SKD/CKD of mobile assembler accessori es have identified)	
		D. Project Team	1) setup project teams for each catagories identified & select team leaders	Yellow	Yellow						Team	30 % (Mobile & TV)	

Intended Targets & fulfilled Percentage

1. Import Taxation (55%)
 - A. HS Code Formation (all devices and accessories) (90%)
 - B. Accessories Valuation (50%)
 - C. Wthholding Tax (20%)

2. Export (55%)
 - A. Transport Rates (100 %)
 - B. Export Market Development (10%)

3. ForEx Allocation (55%)
 - A. Priority Allocation (100%)
 - B. Rate (10%)

4. Contraband
 - A. Forming regulation (100%)
 - B. EIR Implementation (50%)

5. Regulation
 - A. Value Addition (70%)
 - B. Defective Material (20%)
 - C. eWaste (20%)

6. Support
 - A. Ethio ICT Village (10%)
 - B. Consignment Model (Ethio Telecom) + Local Language Capabilities (10%)

HS code formulation procedure

1.HS Code

- First, we have identified 137 accessories which are needed for mobile apparatus, Tablet Assembly, Battery Assembly, Power Bank Assembly , Earphone Assembly, Data Cable Assembly & Components Manufacturing.
- Have identified 44 consumable tools with 146 equipments .
- Have identified components that can be manufactured in Ethiopia.
- Have assigned Hs code by taking Chinese HS code as well as local campiness' as a reference
- Have categorized the components under CKD and SKD

- Have identified components which **have Environmental Impact**
- Determined the wastage percentage of each 137 components.
- Mobile companies have submitted their coast description for 137 components (USD) to MIDI.
- Final draft will be submitted to MIDI & MCIT for further discussions and decision
- MCIT to follow the process & is expected to grade companies according to their performance.
- ICTET HW HS Code Project Final (1).xlsx

Contraband

2. EIR (Equipment Identification Register Current Status)

- Have done five times discussion with MCIT & ethiotelecom and finally agreed on the regulation (see in below table) .
- Have solved the problems of local companies' IMEI code.

Equipment Identification Register

Objective	Task (Implement EIR within Ethio Telecom Network)	Expected Outcome(Decrease in mobile theft, contraband and improved customer profile)	Implementation Duration									Responsibility	Status	Remark
			2nd Quarter			3rd Quarter			4th Quarter					
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Equipment Identification Register	Meeting with MCIT	To discuss on the regulation of EIR										MCIT		was commented by participant
	meeting with Ethio Telecom EIR Team	To know the importance of EIR										MCIT		Have got knowledge and awareness about EIR
	Meeting with EthioTelecom EIR team, IT department and top administrators	To be aligned & know the status of EIR										MCIT		Local companies have got a chance to check their IMEI
	Stakeholder Meeting (Assemblers, Importers, Others)	To discuss on the regulation										MCIT		The regulation was approved by all participants
	Final meeting with MCIT , EthioTelecom and all related companies	Have done discussion and contribute ideas										MCIT		The regulation is Completed

REGULATIONS (1/2)

Export (10%)

- TECNO Mobile has above 10 million export.
- Up to the coming June 2016, MIDI has decided that each 4 mobile companies (SMADEL, OKING, HEDASE Mobile % KINXINDA mobile are expected to export a minimum of 200,000 USD.

Withholding (5%)

- Have done discussion with ERCA & MIDI and still on discussion.

Procurement (ETHIOTELECOM)

- Have done discussion with ethiotelecom and decided to have one WG.

REGULATIONS (2/2)

- **VA**

- 5% is set by MoFED and MIDI.
- . Our team had started to collect tangible documents in-order to recommend the VA

Country	VA Recently	VA on 2020
India	11%	40%

[VA of india.pdf](#) [VA map of kenya.pdf](#) [VA map of china.pdf](#)

- IBM has started a deep study & proposed **10 subsectors** in the field of electronics (we recommended to see the expected VA)
- **Disposing of failed components**
 - Have submitted the letter to MIDI & MCIT and will work together with them.

Performance of TV GROUP

- Electronics manufacturing could be helped by the current Set Top Box manufacturing bid process.
- If successfully implemented, the STB manufacturing technology could serve as a stepping stone to other electronics CKD manufacturing.
- DVD, Satellite receivers, Radio, Surround sound systems, HD media players could be manufactured as a next step.
- Next could be the more technical intensive TV manufacturing
- The above transformation is very capital intensive



Thank you