

ETHIOPIA EV MARKET

Market Overview · Key Players · Opportunities & Challenges

100,000+

EVs on Ethiopian roads

500,000

Government EV target

\$4.5B

Annual fuel import spend

Background & Context

Ethiopia's EV transition reached a decisive turning point in January 2024 with a total ban on fossil-fuel vehicle imports — signaling that the green transition is absolute, not optional. The policy is backed by strong fiscal incentives and a national strategy to cut Ethiopia's annual fuel bill, which currently exceeds \$4.5 billion.

The government frames EV adoption around three core objectives:

- **Fiscal Relief**
Reducing the \$4.5B annual fuel import burden and freeing critical foreign currency.
- **Energy Security**
Leveraging Ethiopia's 96% renewable electricity to power domestic transport
- **Emissions Reduction**
Road transport accounts for over 90% of Ethiopia's transport-sector GHG emissions. EV adoption — backed by 96% renewable electricity — directly addresses this.

Market Momentum

EVs now face minimal customs duties; locally assembled EVs enjoy full corporate tax exemption and zero import duties on parts.

Policy & Regulatory Framework

Following the Internal Combustion Engine vehicles ban, Ethiopia adopted its first E-Mobility Strategy 2025–2030, covering 16 intervention areas including; policy reform, fleet transition, battery lifecycle management, geological surveys for critical EV minerals (lithium, cobalt, etc.), capacity building and more.

E-Mobility Strategy 2025–2030 — Key Policy Directions

- Vehicle scrappage policy and long-term exit strategy for ICE vehicles.
- EV insurance frameworks and investment incentives for manufacturers.
- Battery lifecycle management: this policy direction plans to manage the environmental impact of EV batteries through feasibility studies for local recycling facilities, pilot battery collection programs, partnerships with international companies in battery end-of-life specialists, and clear funding and responsibility frameworks for disposal and repurposing.
- Technical standards and testing procedures for EVs and batteries.
- Specific electrification strategies for public transport and freight vehicles.

Full strategy: motl.gov.et

EVCS Directive No. 1034/2024

Issued by the Ethiopian Petroleum and Energy Authority (PEA), this directive establishes the regulatory backbone for EV charging in Ethiopia with PEA as a mandated authority to regulate. The directive mandates PEA to license businesses, set standards and specification in installation, set tariff structures, and service charge determinations of EV charging stations. The directive applies to all individuals and business that provide and utilize any EVCS in Ethiopia irrespective of the source of its electricity supply.

Key provisions of the directive include:

- The directive mandates EV importers and assemblers to establish charging stations as market entry conditions.
- Public charging operators must be licensed from the PEA. Residential installations are exempt.
- Fast-charging stations mandated every 50 km on major highways; heavy-duty stations every 120 km.
- Public tariffs require PEA approval. Residential EV charging is billed at standard household electricity rates.

Dominant Brands, Local Assembly & Imports

Chinese brands dominate the passenger segment. BYD (Seagull, Yuan Up, E2) and Changan lead showroom inventories across Addis Ababa. European brands — Volkswagen, Mercedes-Benz EQ, and Kia — are available through local dealers.

Local Assembly (Manufacturing)

Belayneh Kindie Group (BKG)

Ethiopia's largest EV assembler — a 22-company conglomerate that has fully pivoted from fossil fuel vehicles to electric.

- Kit supplier: Xiamen Golden Dragon Bus Co., Ltd. (China)
- Vehicle types: Electric minibuses (15-seat), light buses, city buses (90–100 seat), coaches, cargo trucks
- Capacity: 1,000+ vehicles/year across three plants; one solar-powered facility cost over 3 billion Birr (~\$52M) to build
- Delivered: 150 electric minibuses + 100 large electric buses to Addis Ababa city government by early 2026
- Warranty: 8 years (vehicle), 12 years (battery) | Workforce: 500+ direct employees | Export ambitions active

Green Technologies Ethiopia (Go Green)

One of Ethiopia's first EV importers — now a pioneer in both assembly and charging infrastructure.

- Vehicle type: Passenger electric cars
- Assembly factory: ~1 billion Birr investment, 33 km east of Addis Ababa; financed partly via National Bank of Ethiopia supply credit
- Charging: 40 public fast-charging stations across Addis Ababa, installed before national charging legislation existed

Woda Vehicle Manufacturing Plc.

A fully Ethiopian company designing electric tricycles (bajajs) for rural and last-mile transport.

- Range: 80–100 km per charge | Operating cost: ~1/25th of a petrol bajaj per km
- Year 1 sales: 500+ units, with strong uptake in rural areas where three-wheelers are the primary mode of transport

Marathon Motors

Owned by Haile Gebrselassie. Assembles Hyundai EVs for the Ethiopian market.

Changan x Ethiopian Joint Venture

Produces the Changan Benben E-Star — the most visible EV on Ethiopian roads, dominant in ride-hailing and urban taxi markets

Key Importers

GAC Group x Huajian Group

China's GAC Group — a state-owned automotive giant — entered Ethiopia in May 2025 through Huajian Group, an established local industrial conglomerate.

- Models: AION Y (compact SUV) and ES9 (luxury SUV)
- Committed to: building charging infrastructure and beginning local assembly — among the most long-term invested Chinese entrants

BYD x MOENCO

MOENCO (a subsidiary of Inchcape PLC, historically Ethiopia's official Toyota distributor) serves as BYD's official distributor — offering manufacturer-backed warranties, genuine spare parts, and maintenance centers.

- Models: BYD Seagull, BYD Tang, and others spanning compact city cars to full-size SUVs
- Next step: BYD has announced plans for a local manufacturing plant — which would make it the first global EV giant to establish production capacity in Ethiopia

Hambd Trading Plc.

Ethiopia's first-ever EV importer — bringing in vehicles 3.5 years before the ICE ban, when the market barely existed.

- Supplier: Sinogold (China) | Authorized Yutong Bus agent | Current annual sales: ~200 vehicles
- Next step: Dedicated EV assembly plant planned — transitioning from importer to assembler
- Pioneer role: Dispelled battery-on-rough-roads fears; introduced EV installment financing to Ethiopia

Charging Infrastructure Providers

EV importers, assemblers, utility providers, and telecom operators are all expanding charging infrastructure. The EVCS Directive mandates fast chargers every 50 km and heavy-duty chargers every 120 km on major highways.

1. Green Technologies Ethiopia

Public and commercial fast-charging across the country. Operates 3 stations. 1,000+ customers. 24/7 operation with multiple payment plans.

2. Ethio-Telecom

Growing network of AI-powered super-fast public charging stations, integrated with digital payment. 24/7 operation.

3. Ethiopian Electric Utility (EEU)

State utility operating fast-charging hubs including a 24-station hub at Kilinto Industrial Park. 40+ stations planned nationwide.

****There are also small scale charging infrastructure providers in the market for example;**
<https://www.eazypowerplc.com/>

Challenges in the EV Market

- **Power & grid reliability:** Although over 90% of Ethiopia's energy is renewable and low-cost, frequent power outages and grid instability severely disrupt charging and limit reliable EV use nationwide.
- **Inadequate charging infrastructure:** Charging is heavily concentrated in Addis Ababa, with very limited coverage in regional cities and rural areas.
- **Spare parts & skilled technicians:** Lack of EV-specific spare parts and a shortage of trained EV repair technicians constrain the after-sales ecosystem.
- **Rural electrification gap:** Electricity access remains highly uneven — while urban coverage is high, rural areas face significant gaps that limit EV expansion beyond cities.

Opportunities for Finnish Companies

- **Smart grid technology & energy management:** As EV adoption accelerates, load management becomes critical to avoid destabilizing the grid. A strategic fit given Ethiopia's grid profile.
- **Battery lifecycle & recycling:** Ethiopia needs to begin planning for battery end-of-life management now, before the volume challenge becomes acute.
- **EV charging infrastructure — technology and development:** The national charging network is still nascent, with significant room for technology solutions and infrastructure development.
- **Renewable energy systems & off-grid solutions:** Solar-powered and off-grid charging solutions are particularly relevant given Ethiopia's rural electrification gap.
- **TVET & technical skills transfer:** Designing and co-delivering an EV Technical Skills Programme in partnership with Ethiopian TVET institutions, the Ministry of Labor and Skills, and private sector players. The existing automotive technical workforce is trained for ICE vehicles and needs to transition.

Why Ethiopia? Why Now?

Ethiopia is not just a market — it is a structural opportunity.

- **Scale:** Ethiopia is Africa's second most populous country with more than 130 million population and GDP growth rate of 9.2% a year. With strong EV adoption momentum and firm government commitment, first-mover advantage is real and narrowing fast.
- **Momentum:** The market is moving from early adoption to scalable growth. EU, US, and Chinese companies are already expanding presence in Ethiopia. The window for establishing strategic footing is now.
- **Access improving:** Key barriers for foreign companies — particularly foreign exchange access and profit repatriation — are actively being resolved, improving the operating environment for international partners.

Key government Stakeholders

Ministry of Transport & Logistics: leads national EV policy direction and implements E-mobility strategy.

Petroleum & Energy Authority: regulates and licenses charging station operators, set standards and tariffs.

Ethiopian Electric Utility: owns and operates electricity distribution networks, provides grid connection to charging stations, also deploys public charging infrastructure.

Ministry of Finance: designs fiscal incentives including customs duty and VAT exemption for EV adoption.

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