

# African Development Bank Commits up to \$500 Million to Fund Ethiopia's New Mega-Airport

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**The African Development Bank (AfDB) has announced a significant commitment of up to \$500 million to support the development of a new international airport in Ethiopia. The state-of-the-art facility is poised to become the largest on the continent, solidifying Ethiopia's position as a key aviation hub.**

Ethiopian Airlines, the country's national carrier and Africa's leading airline, has finalized a design agreement for the new airport. The four-runway facility will be constructed near Bishoftu, located approximately 45 kilometers southeast of the capital, Addis Ababa. With a total estimated project cost of \$10 billion, Ethiopian Airlines will contribute 20%, with the remaining financing secured from various creditors. The AfDB's pledged investment, which is currently pending board approval, is expected to serve as a pivotal anchor investment for what the bank calls a "transformational regional integration project."

The AfDB, which last week initiated efforts to raise a total of \$7.8 billion for the project, highlighted its strategic importance. In a statement, the bank noted, "The appointment of the African Development Bank as lead arranger reflects its catalytic role in advancing strategic infrastructure across the continent and its proven leadership in structuring complex transactions."

Upon its projected completion in 2029, the new airport is designed to handle up to 100 million passengers annually, a substantial increase in capacity that will support the airline's aggressive expansion plans. This ambitious project is a cornerstone of Ethiopian Airlines' broader strategy to consolidate its market dominance. Last year, the airline underscored its commitment to growth by placing a landmark order for 124 new aircraft, further demonstrating its dedication to modernizing and expanding its fleet.

This landmark infrastructure project not only promises to enhance Ethiopia's economic competitiveness but also to strengthen regional connectivity and trade across the African continent. The partnership between Ethiopian Airlines and the African Development Bank is a testament to the collaborative efforts aimed at driving sustainable economic development through strategic infrastructure investment.