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Kenya and Ethiopia signed an agreement for the construction of a standard gauge railway line from Lamu in Kenya to Addis Ababa, Ethiopia. The deal was sealed ahead of the much hyped launch of a major infrastructure project (*Capital FM News, March 1*).

Kenya has signed a power purchase deal with Ethiopia for the import of 400mw annually from the Addis government. President Kibaki said the agreement is a good achievement that shows the interdependency of the two countries in the pursuit of the socio-economic development of their people. He cited limited infrastructural connectivity and low level of energy availability as some of the major challenges to the enhancement of trade between the two countries (*The Star, March 3*).

Peace Radio, funded through the German organization GIZ's financial and technical assistance, has begun broadcast services. The radio program transmits messages focusing on peace once a week for 20 min over Debub Dimts and FM radio. Journalists who visited the station observed that residents of various districts of SNNPS and Oromia have started listening to the programs gathered under tree shades. The peace program is intended to bring peace and harmony among feuding tribes in the two regions. The program is said to have brought some attitudinal changes among the public (*Negadras, March 3*).

A report by the Central Statistical Agency (CSA) of January 2012 indicated inflation went down to 32% from 35.9 as compared to the month of Dec. 2011. Meanwhile, over the past two weeks sugar has been scarce in the market, pushing the price on the black market from 18 birr up to 20 birr (*Capital, March 1*).

Trade Minister Kebede Chane said Ethiopia earned over 60m USD from oil seed export last month. Kebede said the revenue was earned from the export of 48,000 t of oil seeds. He said export trade is key to the agriculture led development strategy, and that sesame production has been contributing to the increase in the income (ENA, Feb. 27).

The Ethiopian manufacturing industry is neither internationally competitive nor shows improvement, a recent study conducted for the Common Market of Eastern and Southern Africa (COMESA) revealed. Paid for by the secretariat of COMESA and commissioned by the Ministry of Finance & Economic Development (MoFED), the study was undertaken by a team of experts led by Daniel Endelila, a representative from Zim Consult, an independent economic and planning consultant based in Zimbabwe, while Bekri Yesuf (PhD), from Bactec Consulting Firm; Tadele Ferede (PhD), economics lecturer at Addis Ababa University (AAU); and Werko Gebeyehu (PhD) also took part in the research. The federal government is keen to steer the industrial sector, whose share of the GDP lags behind at 13.4%. Although there has been marginal improvement in recent years from 11%, it, nonetheless, remains one of the least competitive in the world, considering its total factor productivity, technical efficiency, and unit cost indicators. - In a meeting the researchers laid out hosts of problems that the industrial sector confronts. Lack of finances, high production costs, and slow productivity were identified as major constraints, while shortages and the low quality of raw materials, low skill base, acute shortage in foreign exchange, and frequent power interruptions added to the list of items that characterize the local manufacturing sector. As a result, over half of the manufacturing industry's activities are either not competitive or are on the margin even under the protection of the domestic market, the study discovered. The manufacturing sector contributes less than 10% of the total value of merchandise exports, while the proportion of persons engaged in industry and related activities accounts for less than 5% of the workforce, the study also discovers (*Fortune, Feb. 27*).

The Southern Nations, Nationalities and People's (SNNP) Regional State will resettle 103,000 members of pastoral communities this budget year, as part of the government's resettlement plans. The regional administration has finalized the registration process based on the full consent of the communities involved. The beneficiaries of the current resettlement program, all volunteers, are pastoralist communities in sixteen identified villages in Southern Omo and Bench Maji zones. An irrigation pipeline capable of developing 1,000 ha for agriculture has been completed, and some 315 water pumping generators have been purchased for agricultural activities. The program also includes the construction of schools, health posts, and veterinary clinics and grinding mills in addition to facilities for kebele administration and police stations (*WIC, Feb. 27*).

An ethanol blending plant and multi purpose depot constructed in Dukem town of Oromia State by the National Oil Company of Ethiopia (NOC) at a cost of 45m Birr was inaugurated. Water and Energy Minister, Alemayehu Tegenu, said Ethiopia is exerting tremendous efforts to cope with the ever soaring cost of petroleum in the global market. NOC Chief Executive Officer, Tadesse Tilahun, said the company has installed a state of the art depot which could deposit 3.2 million liters of fuel. He said the repository has a potential to distribute two million liters of benzene and ethanol blend nation-wide. Currently, NOC has 125 stations which have created jobs for 30,000 people. A five percent ethanol blended with benzene, E-5, was started on October 12, 2009. The percentage of ethanol has been increased to ten (E-10). Ethanol blended fuel has enabled the nation to save more than 16m USD over the last three years (*ENA, Feb. 28*).

PEN, an international organization promoting literature and freedom of expression in more than one hundred countries across the world, inaugurated its first center in Ethiopia . After a three year long process of formation, PEN Ethiopia was officially launched at its first writers' conference held at the Italian Cultural Center. The conference was attended by British author and President of PEN International, John Ralston Saul. Ato Solomon Hailemariam, president of PEN Ethiopia, said in his opening speech that PEN was established in Ethiopia to promote Ethiopian literature domestically and internationally. PEN will make efforts to translate Ethiopian works of literature into international and national languages, said Solomon (*Ezega.com, Feb. 26*).