

Seven Days, Vol. 19 No. 45, January 08, 2012(*)

Ethiopia and Sudan are in negotiations to balance the revenues earned from Ethiopia's sale of electric power to Sudan with the equivalent expenditure of oil imported from Sudan to Ethiopia, according to the Ministry of Foreign Affairs in Addis Ababa. After the completion of the Ethiopia-Sudan transmission line in Feb. Ethiopia has, in a test run, started exporting 100 MW of hydro-power generated electricity to Sudan. Sudan will initially be provided with 100 MW but this is expected to increase over time. Ethiopia imports most of its fuel from Sudan, spending over 50% of the 4.4bio USD made from the country's total 2012 export earnings to meet nation's fuel demand. Ethiopia sells electricity at a price of 0.6 Ethiopian Birr per kWh. This is equivalent to 0.07 USD for kWh. Sudan was already a large importer of Ethiopian agricultural products before the electricity deal. Ethiopia also supplies 80% of Djibouti's electric power (Sudan Tribune, Dec. 31).

The National Bank of Ethiopia (NBE) has begun investigations into the scarcity of foreign currency in the country. Members of the business community are demanding foreign currency but the supply is still scarce. In the meantime, corruption in this area of activity is getting worse. The government has been claiming that there is no shortage of foreign currency but the banks are finding it difficult to accommodate the growing request for letters of credit. One businessman told that his request to get 500,000 USD has been pending for the last two months (Reporter, Jan. 2).

Cotton supply falls short by tens of thousands of t, as a result of market problems faced during the previous fiscal year. The decrease in supply was disclosed during the general assembly of the Ethiopian Cotton Producers, Ginners and Exporters Association (ECPGEA). Demand for the textile industry, in the 2012/13 fiscal year, is 60,000 t. Supply, however, is short by 23,000 t, according to government estimates. The Cotton Association, on the other hand, says that the shortfall is actually larger than the government estimated. Growers produced a surplus of 11,741 t, in 2011/12, in addition to the expected demand of 68,000t. The textile sector, however, didn't buy what they had produced, as had been expected. Textile factories complained about financial problems and only purchased 22pc of the cotton produced, as of March 2012 (Fortune, Dec. 30).

The Central Statistics Agency has announced that over 236 million q of food crop is expected in the upcoming harvest season. The agency's Director, Samia Zekaria, said, "When we compare the survey forecast result of this year with the previous post-harvest season outcome, this year's productivity is expected to show a 4.8% or 10.5 million q increment." Teff, wheat, barley, maize, rice, sorghum, oats, 'Dagussa', are among the crops that have shown growth. Samia said that intensive farming on unploughed lands, use of agricultural inputs such as fertilizers, seed and technology contribute to increment in productivity. The director also said that the survey excluded both 'Belg' season agriculture productivity and extensive commercial farms. The survey was conducted on 12.3 million ha of private small holder plots of land which were covered with various crops. And about 236 million q of crops are expected to be reaped. The survey is conducted based on the data which is collected from 2,162 selected sample unit areas across the country (ENA, Dec. 31).

A study conducted by the Institute of Education Research of Addis Ababa University (AAU) in selected schools of four regional states revealed that the quality of primary education is declining. The research stated that the majority of primary students score below the minimum 50pc expected for all subjects. - The decline in quality of education is expressed in the research in terms of the students' inability to attain the basic literacy and numeracy skills expected at different grade levels, according to the study. The research also identified there is a mismatch between the students' capacity to learn with their grade level. Some students were not even able to properly comprehend classroom instructions, especially those that were given in English (Fortune, Dec- 30).