

No.2, March 10, 2014(*) Seven Days, Vol. 21

Israeli Agriculture Minister Yair Shamir has voiced Israel's readiness to assist Egypt and Ethiopia reach agreement over the latter's construction of a multibillion-dollar hydroelectric dam on the Nile River. Shamir made the remarks at a meeting in Addis Ababa with Ethiopian Prime Minister Hailemariam Desalegn. The agency did not specify how Israel intends to assist both countries in ironing out their differences over the dam. The controversial project raised alarm bells in Egypt, the Arab world's most populous country, which fears a reduction of its traditional share of Nile water. Addis Ababa insists the new dam will benefit downstream states Sudan and Egypt, both of which will be invited to purchase electricity thus generated (Anadolu Agency, March 7). Egypt is considering preparing a formal request for Gulf mediation under the leadership of Saudi Arabia, in order to back Cairo's stance vis-à-vis the ongoing conflict with Ethiopia about the Renaissance Dam. The mediation request comes as part of a basket of escalator measures adopted by Egypt in January, following the breakdown of technical negotiations among the Egyptian, Sudanese and Ethiopian water resources ministers. An Egyptian government official said, "A detailed report is currently being prepared to examine and explain Egyptian concerns relating to the building of the dam (Al-Monitor online paper, March 7). Italy said it has no other option except to try to resolve the Ethiopian-Egyptian conflict over the Nile waters through arbitration. Last week, Egyptian officials visiting Rome said that they were much encouraged by the talks between the two countries. This time around, Italian officials said they will have no role except to try to resolve the conflict through negotiations. Egypt's Foreign Minister Nebile Fahmy said the Italian government had given them a positive response in trying to persuade Ethiopia not to continue building the Grand Ethiopian Renaissance Dam. In an interview with Al-Ahram, Italy's Ambassador to Egypt said his government's role would be only to try to tackle the conflict by peaceful negotiations. He admitted that Italian companies are indeed working as technical experts on the dam. But he added that these are private companies and that the Italian government cannot do anything to influence them. He said the Italian government's constitution provides that private companies can go everywhere to engage in intentional work (Reporter, March 5). Despite their much publicized row over Ethiopia's construction of a dam on the Blue Nile, the governments of both nations have committed to collaborate towards the establishment of a hydraulic research laboratory in Addis Ababa. Egypt's Minister for Irrigation and Water Resources, Mohamed Abdul Muttalib, told that Egypt's National Research Centre will co-ordinate research with Ethiopian authorities into the development of the center. Reports indicate that experts from the University of Addis Ababa and other research centers will also be involved in the project (Youm7, March 5).

The All-Ethiopia Unity Organization (AEUO) has disclosed that 288 of its members have been arrested by the government. AEUO said the men have been jailed in prison houses in Sidama and Kaffa Zones of SNNPS, and in police stations in ten woredas of Benishangul Gumuz State. The statement said the detainees are sometimes denied food for the whole day.

US Secretary of State John Kerry has described Ethiopia as a country which commits gross human and democratic rights violations in the 2013 US Human Rights Report issued by the US State Department. The US report has come as a big shock to the Ethiopian Government which is accused of mistreating its citizens especially innocent civilians, politicians, human rights activists and journalists. Wubishet Taye, now under arrest in Zway prison, has been forced to discontinue his distance education program under pressure of the prison authorities. Wubishet had been taking correspondence courses in management with the Rift Valley University College. He was taking an exam two weeks ago when the authorities intercepted him and ordered him not to stop taking his courses. (Ethio-Mihidar, March 5)

Impending news from Guriceel district of the Galgaduud region show that dozens of Ethiopian troops have reached the district after being expected to accommodate a contingent of Ethiopian forces. These soldiers that have appeared in Guriceel are reported to have stationed themselves at the four corners of the city where they made themselves a base to plan their offensives. The Spokesperson of the Ethiopian Ministry of Foreign Affairs has confirmed that

they are committed to restore the peace of Somalia and cleanse Al-Shabaab statement it issued this week

Ethiopia and Kenya secured a US\$5m grant from the Geothermal Risk Mitigation Facility for Eastern Africa to develop renewable energy and reduce costs in the use of fuel to generate electricity. The program will co-finance surface studies and drilling projects aimed at developing largely untapped indigenous and renewable energy resource. Ethiopia, 90% of whose energy comes from hydropower, also secured another grant of nearly US\$1m to conduct a study in the Dofan and Cobetti areas in the north of the country. It is also set to sign an additional US\$5.6m agreement with the Facility shortly to develop a 300mw project (WIC, March 6).

The CIA World Fact book has updated Ethiopia's GDP PPP (Purchasing Power Parity) to \$118.2bio USD for 2013. This is over \$9bio USD growth from the previous year's report. This is a remarkable annual growth particularly for an economy without oil, gas, or significant minerals. Ethiopia is now officially the 7th biggest economy in Africa and the 69th biggest economy in the world. Ethiopia's GDP (Official Exchange Rate) also grew from \$41.9bio USD in 2012 to \$47.3bio USD in 2013. Led by manufacturing and electric power grids, Ethiopia's economy is expected to continue leapfrogging many countries in the next few years. Some 30 Friends of Ethiopia from the business and media community, comprising both Germans and Ethiopians living in Frankfurt and the surrounding areas, gathered on 28th Feb. 2014, at the Consulate General Office of Ethiopia in Frankfurt, decided to form a German-Ethiopia Business Network, whose aim is to promote business between Germany and Ethiopia. They arrived at this conclusion, after having a lively discussion on doing business in Ethiopia, at the invitation of the Office of the Consulate General of Ethiopia in Frankfurt. All issues, be it promoting or hindering business, were discussed in a very frank and constructive way (WIC, March 3).

The Addis Ababa Electrified Light Rail Transit project has passed the halfway mark with 56% of the project completed, said the Ethiopian Railways Corporation, a government entity entrusted to oversee the construction of a modern railways infrastructure in the country. With its current pace of installation, the Ethiopian Railways Corporation is confident that the project will come to conclusion well ahead of the Growth and Transformation Plan period, which is just a year away (WIC, March 2).

The Mayor of Addis Ababa, Diriba Kuma, has approached the office of the Prime Minister for advice and directives concerning urban land kept idle after being fenced by the owners. Earlier, the Administration had set up a committee to study the status of eleven plots of land fenced and kept idle by Midroc Company. It had also earlier decided to confiscate the plot of land near Wabe Shebelle Hotel which Midroc Technology Group had failed to use. The land has been taken back and given to the Lideta Sub-city. The Administration has continued to probe into the status of other plots of land which have not been used (Reporter, March 2).