Seven Days, Vol. 19 No. 37, November 12, 2012(*)

Climate change could severely reduce the areas suitable for wild Arabica coffee before the end of the century. That is the conclusion of work by a UK-Ethiopian team published in the academic journal Plos One. It supports predictions that a changing climate could damage global production of coffee - the world's second most traded commodity after oil. Wild Arabica is important for the sustainability of the coffee industry because of its genetic diversity. The Arabica crops grown in the world's coffee plantations are from very limited genetic stock and are thought to lack the flexibility to cope with climate change and other threats such as pests and diseases (BBC, Nov. 8).- The wild plants have a genetic diversity that breeders rely on to improve the cultivated crop, which does not have the flexibility to respond to climate change (VOA, Nov. 7).

Ethiopia's government invited bids for six state-owned enterprises as part of a plan to raise 1bio birr ($55.1m) this fiscal year by selling assets to private investors. Among the companies being sold are the 600-ha Arbagugu Coffee Plantation in the central Oromia region, said Privatization and Public Enterprises Supervising Agency spokesman Wondafrash Assefa. The company grows the Harar variety of coffee. A mission of the agency is "to transfer public enterprises to the private sector because of the free-market policy" of the government (Bloomberg, Nov. 7).

Over 14 inmates were killed and dozens were injured when a building housing at least 1300 prisoners was destroyed in a bomb attack in Adigrat town, a source said. Bulldozers were used to pull out bodies from the debris. Those critically injured were admitted to the hospital in town. Fears have mounted that the death toll may rise. The government has remained quiet. Meanwhile, rebels of the Ethiopian Unity and Freedom Force (EUFF) have claimed responsibility for the attack. However, their claim could not be verified by an independent source. An EUFF spokesperson told by phone that the action was taken to free political prisoners that the government had kept behind bars since the ill-fated 2005 elections in which the opposition Kinijit was believed to have won. Over 40 prisoners have remained at large, according to the spokesperson. A climate of fear and uncertainty has engulfed the once-bustling town of Adigrat (Ethiomedia, Nov. 2).

Ethiopia, Egypt and Sudan have agreed to resume jointly working on organizing sustainable management, utilization and development of the Nile waters under the Eastern Nile Basin. The agreement was reached after water ministers and representatives of the three countries held a meeting in Addis Ababa. Accordingly, the parties agreed to resume their tripartite cooperation which had been suspended for some time due to some differences created on reaching a binding agreement on legal related issues. Representatives from South Sudan also attended the meeting. According to the Ethiopian official television, member states during the meeting agreed to discuss and approve that South Sudan join the Eastern Nile Technical Regional Office (ENTRO) (Sudan Tribune, Nov. 9).

A recent report indicated that from 2001 up to 2010 an estimated capital of USD 15 billion flew out of Ethiopia to foreign markets via both illicit and licit ways, a problem which appears to be gaining greater attention in the whole continent in recent years. Since 2009, reports about capital flight and illicit financial transactions, especially from those developing nations' economies that need the financial resource more than the others, is raising alert levels, it would seem. And Ethiopia seems to be at center of this discussions as the massive capital flight starts to rob the scarce finances (The Reporter, Nov. 3).

Ethiopia is set to approve a mining license for Nyota Minerals Ltd. to develop the Tulu Kapi gold deposit, Mines Minister Sinknesh Ejigu said. There is no date set for approval, she said. The project in western Ethiopia 500 km west of Addis Ababa, contains an estimated 1.87 million ounces of gold, according to the website of Nyota (Bloomberg, Nov. 5)

Bethlehem Tilahun Alemu is one of Africa's most celebrated businesswomen. The international media seemingly can't get enough of this founder of soleRebels, an Ethiopian-based footwear company. She has won numerous entrepreneurship awards, and regularly speaks at conferences across the world. SoleRebels shoes are made by Ethiopian artisans at a factory in Addis Ababa. The company is the world's first fair trade certified footwear brand. "At our core we at soleRebels are

creative artisans who aim to craft the coolest and most comfortable footwear," says Alemu. "Our business model centers on eco-sensibility and community empowerment; product design and development involve a great deal of effort to achieve fashionable and appealing quality products that use local materials."
The company was founded in 2005. It has a flagship retail store in Addis Ababa, although the majority of sales are generated online. A total of up to 30 soleRebels outlets are planned for Taiwan, with three locations expected to open by the end of 2012. SoleRebels predicts its global retail roll-out to add over US$15-20m in revenues by 2015 (How we made it in Africa, Nov. 5).
The German development company DEG mbH said it will invest $10m in Schulze Global Ethiopia Growth and Transformation Fund I, a private-equity fund focused solely on the Horn of Africa nation. The capital for the fund, owned by Schulze Global Investments and created this year, will be invested in small-and medium-sized enterprises in Ethiopian industries including agro- processing and manufacturing, DEG said in an e-mailed statement. Schulze plans to eventually have $100m available for investment in Ethiopian businesses, it said. DEG is a unit of KfW Bankengruppe, the state-owned German development bank (Bloomberg, Nov. 9).
Ethiopia is known by some as "the land of 13 months of sunshine." But the Ethiopian government's ambitious plans to expand renewable energy production seem to disregard all those months of sunny weather, focusing instead on wind energy and hydroelectric power. The country's ambitious five-year Growth and Transformation Plan (GTP), which began in 2010, aims to increase the power generating capacity at least fourfold from the current level of 2,179 MW of electricity. However, solar power is expected to contribute a mere 30 MW to the goal (Reuters Alert, Nov. 6).