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Prime Minister Meles Zenawi said Ethiopia is expected to show an over 11% economic growth this year. According to Meles, the agriculture sector is expected to show an 8.5% growth while the industry and service sectors are expected to grow by 17.9 and 11.5%, respectively (*state media, Feb. 8*).

Regarding export performance, Meles indicated that Ethiopia earned 1.347bio USD in export revenue during the first half of the fiscal year. This shows a 21% growth compared to the same period last year, he said. He said the amount of revenue the nation got over the last six months amounted to 45.2bio Birr. Excluding loans and grants used for undertaking projects, the government spent 46.1bio Birr on various activities during the reported period, according to Meles (*state media, Feb. 8*).

The Prime Minister indicated that the government tax collection potential is on the rise. In the past six months, the government was able to collect around US\$2 billion from various taxes and non-tax services showing around 40% growth compared to previous years. Meles, however, said the country's tax collection was still below African standards, which stand at 18% (*The Africa Report, Feb. 9*).

The prime minister indicated that during the period under review there was a budget deficit of more than US\$400m, which many say will remain the challenge for the government in curbing rampant inflation. Meles said the country's budgetary deficit during the period stood at 941m Birr. The decrease in the amount of deficit is attributed to the government's decision to borrow from the National Bank of Ethiopia (NBE) (*State media, Feb. 8*).

South Sudan and Ethiopia's governments signed a memorandum of understanding to build an oil pipeline via Djibouti, South Sudanese Information Minister Barnaba Marial Benjamin said. South Sudan is evaluating alternative pipelines amid a dispute with neighboring Sudan over what fees it should pay to ship its oil through an existing facility that runs north to Port Sudan on the Red Sea. The disagreement led South Sudan to shut down its oil production last month (*Bloomberg, Feb. 9*).

Ethiopia's annual inflation rate dropped to 32% in January as food-price increases slowed, the Central Statistics Agency said. The inflation rate dropped from 35.9% in December, the Addis Ababa-based agency said. Annual food inflation was 41.4% from 46.7% in December, while non-food inflation slowed to 19.2% from 21.8%, it said (*Bloomberg, Feb. 8*).

Derba MIDROC Cement Plc, Ethiopia's biggest cement factory, was inaugurated on February 5. The 351m \$ plant was built by the MIDROC Ethiopia group owned by Mohammed al-Amoudi, an Ethiopian-born Saudi Arabian billionaire. Derba MIDROC located about 70 km northwest of the capital, Addis Ababa, near Chancho town of Oromia State will produce 8,000 MT of cement daily. The plant will raise the country's annual cement production to over 9 million t. Ethiopia, a net importer of cement, will boost output by ten-fold by mid-2015 to 27 million t, according to the government. The Derba Plant will add 2.5 million tons of cement per year, while expansion of the Mesobo Building Materials Production Plc and state-owned Muger Cement Enterprise will add another 1 million. Ethiopia „will become self-sufficient in cement in the coming two to three years.“ Al-Amoudi's company invested 100m \$ in the operation, with the European Investment Bank, the African Development Bank, the International Finance Corp. and the Development Bank of Ethiopia providing the rest of the funds (*State media, Feb. 5*). - Sheikh Mohammed Al-Amoudi said his newly inaugurated Derba Cement Factory plans to employ as many as 370,000 workers in the next three years (*Ethio-Channel, Feb. 11*).

Tigray Resources encountered an additional copper-polymetallic mineralization close to the site of its successful drilling last year at its Terakimti prospect in Ethiopia. Tigray highlighted as much as 74 m of 3.77% copper, 14 g/t silver, 1.31g/t gold, and 0.72% at about 57 m down at the Terakimti site last Dec.. The latest results from Tigray reveal that it has intersected with 41 m of 3.24% copper, 25 g/t silver, 1.19 g/t gold and 1.19% zinc at 41 m away from its previous intercept. The new results confirm „continued robust development in the thickness and grade of primary and sugergene mineralization in the southern gossan area,“ according to the company (*Mineweb, Feb. 8*).

Ethiopia lifted the almost year long ban on the export of raw cotton in view of the increase in production this year according to sources. The decision followed a complaint received by the government from cotton growers who pointed out to excess cotton stored in their warehouses with textile factories purchasing less than the expected quantities. Figures show that the actual demand for cotton by textile factories has shown an 8,000 t decrease with a demand of 60,000 t projected for this year. With just 29% of the 74,471 t of cotton produced this year having been purchased by local textile factories, cotton growers are unable to assume that there will be local demand for the 55,000 tons surplus in their warehouses, said an anonymous cotton producer (*Fortune, Feb. 7*).

BGI Ethiopia inaugurated a new billion birr factory in Hawassa, Southern Regional State. The new factory has the capacity to produce 500,000 hl every year. BGI completed the factory, built on a seven ha plot of land, in 14 months. The company expects to serve markets in the Southern and Western parts of the country and parts of Eastern Ethiopian. The new factory is equipped with cutting edge European technology including a new high tech, 25m USD waste management plant on the factory grounds. The current production capacity of BGI Ethiopia is estimated at 2 million hl (*Capital, Feb. 7*).

A British excavation has struck archaeological gold with discovery that may solve the mystery of where the Queen of Sheba of biblical legend derived her fabled treasures. Almost 3,000 years ago, the ruler of Sheba, which spanned modern-day Ethiopia and Yemen, arrived in Jerusalem with vast quantities of gold to give to King Solomon. Now an enormous ancient goldmine, together with the ruins of a temple and the site of a battlefield, have been discovered in her former territory. Louise Schofield, an archaeologist and former British Museum curator headed the excavation on the high Gheralta plateau in northern Ethiopia. An initial clue lay in a 20ft stone stele (or slab) carved with a sun and crescent moon, the "calling card of the land of Sheba", Schofield said. "I crawled beneath the stone – wary of a 9ft cobra I was warned lives here – and came face to face with an

inscription in Sabaeen, the language that the Queen of Sheba would have spoken." On a mound nearby she found parts of columns and finely carved stone channels from a buried temple that appears to be dedicated to the moon god, the main deity of Sheba, an 8th century BC civilization that lasted 1,000 years. It revealed a victory in a battle nearby, where Schofield excavated ancient bones. Although local people still pan for gold in the river, they were unaware of the ancient mine. Its shaft is buried some 4ft down, in a hill above which vultures swoop. An ancient human skull is embedded in the entrance shaft, which bears Sabaeen chiseling. Schofield will begin a full excavation once she has the funds and hopes to establish the precise size of the mine, whose entrance is blocked by boulders. Tests by a gold prospector who alerted her to the mine show that it is extensive, with a proper shaft and tunnel big enough to walk along (*The Guardian, Feb. 11*).

At least five people were arrested on Feb. 5 by Ethiopian troops in Beledweyne town of Hiran region over connection with terror attacks on military bases in the town, according to locals. After major operations in Beledweyne on Sunday morning, the Ethiopian forces seized five persons whom they believed masterminded the latest attacks and explosions in the town. Residents say all roads leading in and out of Beledweyne were closed for hours during the Ethiopian operations. Since Al-Shabaab fighters have withdrawn from Beledweyne, the town has become a scene of co-coordinated attacks against Somalia government troops and the Ethiopian army as well as Shabelle Valley Militias from the militants (*Shabelle Media Network, Feb. 5*).

The All-Ethiopia Unity Party (AEUP) has demanded that 112 of its leadership members imprisoned in Oromia, Amhara and SNNPS be released immediately. It said other AEUP members have been dispossessed of their land and personal property and have been forced to flee elsewhere leaving behind scattered families. The party called on the international community to save members of all opposition political groups from destruction. It also accused the ruling party of continuing to harass journalists, politicians and other innocent people who express independent political views (*Reporter, Feb. 8*).