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Eritrea's government accused neighboring Ethiopia of jamming its satellite broadcasts and threatened to take legal action, the Information Ministry said. Ethiopia has been warned by the Arab Satellite Communications Organization that the interference is illegal, the Asmara-based ministry said in a statement on its website. Ethiopian government spokesmen Bereket Simon and Shimeles Kemal didn't answer calls to their mobile phones seeking comment (*Bloomberg, Jan. 11*).

Ethiopia's annual inflation rate dropped to 35.9% in December as some food costs declined, the Central Statistical Agency said. Inflation slowed from 39.2% in November, the agency said. Prices rose 1.7% in the month, while food prices climbed 0.2% from November, even as the cost of some cereals and pulses eased, it said. - The inflation rate may fall to below 10% by June amid reduced central bank lending and crop harvests reach the markets, Access Capital, an Addis Ababa-based research group, said (*Bloomberg, Jan. 10*).

Ethiopia's National Bank has changed its monetary policy in a move aimed at increasing the amount of cash that banks have available for lending. The National Bank of Ethiopia cut the minimum ratio of deposits to be held in reserve to 10% from 15% with effect from Jan. 2. The amount of „liquid assets“ to be held as a proportion of deposits was also reduced to 20% from 25%. Lending to exporters and other businesses declined after the central bank issued a directive in April ordering banks to buy government securities equivalent to 27% of their total loans to help fund infrastructure projects, said Eyob Tesfaye, an independent economist who previously worked for the Ethiopian government. A slowdown in deposits also curbed banks' ability to lend, he said in a phone interview today (*Bloomberg, Jan. 8*).

The Ministry of Mines (MoM) will resume issuing licenses for mineral exploration to local and foreign mining companies. Due to piled up applications for mineral exploration licenses, the ministry had decided to suspend receiving new applications three months ago. - The ministry has attracted world mining giants such as Vale and BHP. It has granted about 200 licenses to more than 100 local and foreign companies. In addition to evaluating the applications submitted by companies, the ministry's mining licensing department has been assessing the exploration work being undertaken by the licensed companies. The ministry has deployed experts to assess the exploration work at different sites. It has reportedly written several warning letters to companies which failed to undertake the exploration work according to schedule (*WIC, Jan. 14*).

The Ministry of Water and Energy (MoWE) is to commission economic feasibility studies to finance the construction of hydropower plants on the Tekeze River, 903 km north of Addis Abeba, and Dedessa River, in Benishangul Gumuz Regional State, 386 km from the capital. The project on the Tekeze River will be the second phase of the development of hydropower in Tigray Regional State, after Tekeze I was built by a Chinese company last year, consuming 350m \$. Tekeze II, which will generate 150MW more than its predecessor will be built downstream of the existing hydroelectric plant, according to officials at the Corporation. The brand new dam to be erected on the Dedessa River, one of the 24 tributaries of the Abay (Blue Nile) River on the east side, will be built in Kemashe Zone, Benishangul Gumuz. With a project generation capacity of 301MW of electric power, this dam will be the second hydropower plant to be constructed in the region, after the Grand Ethiopian Renaissance Dam, to be the largest dam in Africa (*Fortune, Jan. 9*).

Yaya Africa Athletics Village PLC (Yaya Village), a new high altitude training center for domestic and international athletes and a 4-star recreation facility, has began its operation after a two-year construction work on the outskirts of the capital, Addis Ababa. Yaya Village was established in 2009 by Joseph Kibur, an Ethiopian-Canadian businessman, in partnership with double Olympic gold medalist Haile Gebreselassie, Belay Welasha and Temesgen Alemu. Joseph owns 90% of the company's share while Haile owns 5%. The recreation village, which is located 11 km north of the capital, lies on 50,000 sqm and has a hotel, athletics and recreational facilities (*Capital Ethiopia, Jan. 8*).