

Seven Days, Vol. 19 No. 47, January 21, 2012(\*)

Ethiopia's Prime Minister Hailemariam Desalegn is slated to take over as the chairperson of the African Union this month, replacing Benin's President Boni Yayi as the head of the pan-African bloc, officials said on Wednesday. Hailemariam must be officially voted in by member states at the opening of this month's African Union heads of state summit, which runs from 27 to 28 January. A new chairperson is elected every January at the annual summit and is awarded on a regional basis. - Before current chairperson Boni Yayi took on the role, the chairmanship has been successively occupied by northern, southern and central Africa. The last time East Africa chaired the AU was in 2008 when Tanzanian President Jakaya Kikwete served as head of the bloc. Ethiopian Foreign Affairs spokesman Dina Mufti said the appointment is especially important for Ethiopia, which hosts the headquarters of the AU and is a founding member nation of the AU's predecessor, the Organisation for African Unity (OAU) (AFP, Jan. 16). The Ethiopian Road and Transport Authority on Tuesday revealed that the construction of a highway linking Ethiopia with neighboring Sudan has been completed and opened for traffic. Officials told that the 100km-long corridor, stretching from Ethiopia's Asossa town to Kumruk will enhance trade relations as well as social ties between the two countries. The construction of the project was executed by a Chinese construction company at a cost of over \$27m (Sudan Tribune, Jan. 15).

In spite of an irregular rainy season, the meher harvest (Oct. to Dec.) is expected to be above-average, leading to a stabilization or slight decline of prices in the cereal market. The harvest is expected to have a positive impact on the market supply and staple food prices during the first quarter of 2013, with further declines in price later in the year, according to a report issued by the UN Office for Coordination of Humanitarian Affairs. Nonetheless, reduced yields are expected in belg rain (March-May) dependent areas in eastern Amhara, southern and southeastern Tigray, East and West Harerge and parts of Arsi, Bale, Borena, North and West Shewa zones, as well as the agricultural and agro-pastoralist areas in Somali Region (Fortune, Jan. 17).

Local mining services provider Manhattan Corporation will undertake a R160-m contract to build a 25 000 t/m carbon-in-leach (CIL) gold plant in Ethiopia, for industrial group Ezana Mining and Development. The contract will see Manhattan supplying the gold plant on a turnkey basis and included design, engineering, procurement, shipment, construction, installation, implementation, after-sales skills development and support, with an optional offtake contract. The company added that the plant process would incorporate crushing, milling, leaching, carbon absorption, washing, stripping, elution, electrowinning and smelting (Mining Weekly.com, Jan. 14).

According to Fortune (January 13), Tullow Oil has begun drilling work on its concession in South Omo, Ethiopia. The British oil exploration is drilling its first well following eighteen month long seismic tests an area over 18 thousand kilometers square. The company began drilling last week on the bloc named after a local bird 'Sabisa'. The explorer has hired a drilling company, and all the drilling machines and other required machines have arrived at the drilling location, according to sources (SDU, Jan. 21).

Brazil will co-finance the Ethiopian railway infrastructure construction project alongside China and Turkey. The Ethiopian Ministry of Finance and Economic Development is in the final stages of negotiations with Brazil for the financing of the Sebeta-Ijaji-Jimma-Bedele railway project according to sources at the ministry. Andrade Gutierrez S.A., a Brazilian contractor signed a Memorandum of Understanding with the Ethiopian Railway Corporation last financial year to handle the construction of the railway project under the condition that it will find financing. The negotiation between the two sides have reached the final stages and financing has been secured requiring only the approval of the lending party and official from the MoFED for the funds to disbursed, according to sources.

The Addis Ababa City Roads Authority announced a budget of 2.6bio birr to construct interchanges and roundabouts as a part of the Light Railway Transit being launched in the Ethiopian capital. The budget for the roads development is expected to be covered by the federal government and the city administration, according to sources. The authority plans to invite capable and experienced

international contractors to handle what is expected to be a difficult project, explained Engineer Fekade Haile, General Manager of the AACRA. The main challenges anticipated with the realization of this project are the major water pipelines found around the Mexico and Megegnagna squares, Fekade said. The projects expected to start in April. Concerns were raised in relation to the construction of interchanges and roundabouts alongside the construction of the Light Railway Transit System by both the Ethiopian Railway Corporation and the China Engineering Corporation, contractor for the project (The Reporter, Jan. 17).