

## No.43, December 22, 2014(\*) **Seven Days**, Vol. 21

Egypt's President Abdel Fatah al-Sisi has told Ethiopian officials that his country remains open to formal talks for further cooperation over sharing the Nile waters. As he received a delegation from Addis Ababa headed by the President of the Ethiopian Parliament, President Sisi said Egypt will not be involved in undermining cooperation between countries sharing the River Nile, including Ethiopia. He reassured the Ethiopians that under him Egypt was opening a new chapter of relations with its neighbors in the region and Africa as a whole (*APA, Dec. 18*).

The tripartite committee looking into Ethiopia's Grand Renaissance Dam is expected to meet by mid- January to choose an international firm to conduct studies on the dam's impact, Egypt's irrigation minister said. Hossam Moghazi told state news agency that Egypt is committed to completing the study by mid-2015 (*MENA, Dec. 19*).

Ten people living in Benishangul-Gumuz State have been brought to justice for masterminding a terrorist scheme for the secession of Benishangul-Gumuz from Ethiopia. The ten people have had military training in Eritrea sponsored by the Asmara government. They were brought to trial at the 19th Criminal Bench of the Federal High Court (*Reporter, Dec. 17*).

A few people died and some others were injured during clashes in Bahir Dar between police forces and demonstrators against the government's confiscation of church land from the Ethiopian Orthodox Church (EOC). The government earlier said it needed the piece of land which is usually used for Epiphany celebrations. The demonstrators put on stiff resistance. Priests and other church clergy represented the majority of the demonstrators (*Netsanet, Dec. 20*).

Ethiopia plans to expand industry, sugar factories and power production using proceeds from its oversubscribed debut Eurobond that raised \$1 billion, the finance minister said. "This amount will be spent on industry zones planned for construction across the country soon. They will attract investment and generate foreign currency," Finance Minister Sufian Ahmed told reporters. Ethiopia's government is setting up a new industrial park and expanding another at a total cost of \$250 million as part of efforts to shift away from farming. Another three manufacturing hubs are planned across the country in the next decade, including a Special Economic Zone in the eastern town of Dire Dawa of 3,000 to 20,000 ha.

Ericsson signed a framework agreement on Dec. 16 on 2G/3G mobile communication equipment and related services - such as design, planning, deployment, tuning, and optimization - with Ethio Telecom. The newly signed framework agreement will allow Ethio Telecom to further improve the capacity and performance of its 2G/3G network. This will consequently ensure improved quality of network coverage, richer and more innovative mobile communication services to subscribers in southern Ethiopia. The agreement with Ericsson will be used for the procurement of Ericsson products and services and aims to transform the current network and add additional capacity to meet the country's need to bring connectivity to more than 60 million subscribers nationwide (*Your Communication News, Dec. 16*).

The Ethiopian Airports Enterprise (EAE) has signed a \$68.5m contract with three local firms for the construction of three airport runways. The three runways will be built in three major regional cities to equip them to host larger jets such as the B737. Each of the runways will measure 2,500m in length and 60m in width and is a part of the government's efforts to boost trade and tourism ties across the country. "The projects will take around two years to complete and will be followed by the construction of the respective airport terminals." The first contract was given to Yotek Construction for Hawassa, Ethiopia's premier resort and tourism hotspot, which would cost approximately \$22.9m. The second contract to build a \$24.7m runway for Robe Goba will be given to Akir Construction and supervised by Transport Construction Design. The third project will cost roughly \$20.9m and will be constructed by Ethiopian Roads Construction Corporation (ERCC) and supervised by Transport Construction Design near the city of Shire (*Airporttechnology. Com, Dec. 19*).

The Ethiopian Railways Corporation said that it has completed 85% of the construction of the Addis Ababa Light Rail Transit Project. Dereje Tefera, Communication Head of the corporation told that the remaining part of the construction will be completed in accordance with the schedule, until February 7, 2015. According to Dereje, the 4000 people participating in the construction have been working industriously to complete the project on schedule. ERC has also been backing the Chinese Railways Engineering Corporation Company, which started the construction contract at a cost of 470m USD, to run the project smoothly, he noted (*WIC, Dec. 18*).

The everincreasing land lease rate in Addis Ababa is giving rise to serious government concern. The Ministry of Urban Development and Housing Construction has launched a special study on the matter. The ministry has issued directives indicating future land lease be not above the present one. Ato Redwan Hussein of the Government Communication Affairs Office said the land lease rate increase has no economic explanation, and called on the concerned public bodies to put a stop to this trend. He said the government has no intention of increasing land lease rates to this extent, and wants such huge money to be invested in other projects. One m<sup>3</sup> of land was recently leased at 305,000 birr in Addis Ababa (*Reporter, Dec. 14*).

Ethiopian farmers are set to access agricultural inputs using vouchers. The announcement was made in the capital city of the Amhara region Bahir Dar in the presence of officials from the Agricultural Transformation Agency (ATA) and officials from the region. The scheme which works through the designation of microfinance institutions (MFIs) as payment agents and formal lenders to date has reached 156,000 farmers amounting to 230m birr in total input value distribution. Teshome Walle, Head of the Amhara Regional Bureau, stated that the coupon voucher system which was started two years ago has reached more than 150,000 farmers, with the Amhara Credit and Savings Association (ACSI) facilitating it and opening up 54 new satellite branches for this purpose. The credit voucher system has so far encompassed Ethiopia's staple crop, teff, corn, wheat, and, to some extent barley and cereals. While many variables affect the use of fertilizer and improved seed, limited access to credit is one of the key factors impeding adoption. This is part of the overall bottleneck constraining a more rapid increase in the productivity and production of Ethiopia's smallholder farmers and the development of a robust rural financial sector that the new voucher system hopes to deal with (*New Business Ethiopia, Dec. 16*).