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A faction of a separatist rebel group said on Sunday it was seeking peace talks with the Ethiopian government, a development that could help stabilize a region with potential reserves of oil and gas. The Ogaden National Liberation Front (ONLF) has fought since the mid-1980s for independence for the mainly ethnic Somali province of Ogaden in southeast Ethiopia, bordering lawless Somalia. Abdinur Abdulaye Farah, the group's representative in east Africa, said his faction was in the Ethiopian capital hoping to have talks with the government. There was no immediate comment from the authorities. The initiative pointed to weakened secessionist activity in Ogaden, where rebels have not mounted a major attack since 2007. Several companies, including Chinese firms, are exploring for oil and gas in the area (Reuters, Dec. 23).

A World Bank Survey says Ethiopia is at the forefront of Chinese Foreign Direct Investment (FDI) in Africa. The survey finds Chinese FDI in Ethiopia totals US\$ 450m. The majority of Chinese enterprises in Ethiopia are privately owned (69%), the survey reports. Figures show by the end of 2011, Chinese companies employed 18,368 permanent, full-time employees from Ethiopia and China, of which 15,910 are Ethiopians. The average monthly salary for Ethiopian employees hired by Chinese firms is ETB 1,445; this is above earnings seen in domestic companies and businesses. Another figure in the survey indicates 69% of the surveyed Chinese companies provide formal training programs for Ethiopian workers which facilitates skills transfer. Increasingly, firms come to Ethiopia to produce for export, it states. The survey claims FDI from China to Ethiopia increased from virtually zero in 2004 to an annual amount of US\$ 58.5m in 2012 (WIC, Dec. 15). Lifan Industry Group Co., a Chinese automaker, plans to spend \$3.5m moving into a new vehicle-assembly plant in Ethiopia next year as it seeks to expand in Africa, General Manager Liu Jiang said. The company's Ethiopian unit, Yangfan Motors Plc, may begin manufacturing cars in the Horn of Africa nation and spend as much as \$30m over five years if sales continue to grow, he said. Lifan is basing its African operations in Ethiopia because of the country's "good relations" with China, its growing economy, low crime rate and political stability, Liu said. China is Ethiopia's biggest trading partner, according to the World Bank (Bloomberg, December.17).

The Ministry of Health on Wednesday signed a five-year a grant agreement for 100m USD to sustain the malaria reduction intervention program in Ethiopia with partners. The grant from the United States to UNICEF supports Ethiopia's National Strategic Plan for malaria prevention, control and elimination through the provision of life saving anti-malarial drugs, diagnostic kits and long lasting insecticide treated nets. Key interventions include the procurement and distribution of 11 million long lasting insecticide treated nets, which will protect 22 million people living in malaria risk areas, the procurement of 12.6 million courses of Artemisinin Combination Therapies (ACT) for treatment, and 16.5 million multi-species Rapid Diagnostic Tests and other anti-malarial drugs. The grant will help intensify prevention efforts especially in Oromia Regional State (Bloomberg, Dec. 17).

The United States Agency for International Development (USAID) has launched a 52m \$ five-year program to help pastoralists in Ethiopia. The program called "Pastoralist Areas Resilience Improvement and Market Expansion - PRIME" is jointly designed with global climate change initiative and will be implemented from October 2012 up to 2017 in 36 districts found in Oromia, Afar and Somali regions. USAID Mission Director, Dennis Weller, said the program will benefit more than 250,000 households in the three regions. He said the program will help in building resilience among pastoralists to allow them withstand increasingly frequent weather and market shocks that threaten the well-being of their communities and families. - PRIME will also assist in the continued transition of households out of the pastoralist lifestyle and the development of non-pastoralist livelihoods, Weller said adding that USAID and PRIME would work closely with the government of Ethiopia. Sileshi Getahun, State Minister of agriculture, underscored that creating better market access and better water and grazing land in pastoralist and agro pastoralist areas will help in changing the livelihood of the community (WIC, Dec. 19).