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Ethiopian and Somali troops seized a town in Somalia controlled by al-Shabaab militants who fled after battles with troops, residents said. Hundreds of residents and rebel fighters fled Hudur, 420 km southwest of Mogadishu, as troops moved into town. Hudur is the administrative headquarters of Bakool region. The town has served as a training base for the militant group al-Shabaab. The fall of Hudur is a big blow to the al-Qaida-linked group's control of southern Somalia. Al-Shabaab confirmed the withdrawal, saying its forces made a tactical retreat as part of the plan to disable the enemy in guerrilla warfare (*AP, March 22*).

Hundreds of heavily armed Ethiopian troops advanced into a central Somali town with the aim of attacking the main stronghold of the Al Qaeda-linked Shabaab militia in the region, witnesses said. A convoy of battle trucks drove into Dhusamareb, which is under the control of a pro-government Somali militia, ahead of a planned attack on the Shabaab-controlled town of El Bur, 100 km away, local residents said. El Bur district is the main base of the Al-Shabaab in central Somalia, said Abdulahi Ahmed, an elder in Dhusamareb. The Shabaab commander in the region, Sheik Adan Farey, confirmed the military movement, saying his fighters were ready for the Ethiopians (*AFP, March 24*).

Ethiopia is on the right track to achieve the Millennium Development Goals (MDGs) in poverty reduction, the World Bank said. Lead Economist with World Bank Ethiopia, Chorching Goh, said the poverty reduction strategy and policy designed by the government is registering successful results. Goh said Ethiopia would join the list of middle income countries by ensuring sustainability of the results registered so far. Goh stressed the need to give prime attention to ensuring food security in rural parts of the country where most of the population lives as this helps towards growth of productivity. Activities carried out to reduce poverty in urban and rural areas during the past couple of years are encouraging, Goh said, adding, in particular the activities undertaken in urban areas helped to bring about change. An Associate Professor of Addis Ababa University, Dr. Tassew Woldehanna, who is also a consultant of the Ministry of Finance and Economic Development, said the survey covered almost all rural and urban areas of the country and is based on a sample size of 27,830 households. Results of the 2010/2011 HICES data analysis showed that the proportion of poor people (poverty head count index) in the country is 29.6%. This shows a marked decline in poverty from its level in 2004/05, which stood at 38.7%. The analysis also showed that poverty has declined both in rural and urban areas. The proportion of the population below the poverty line stood at 30.4% in rural areas and 25.7% in urban areas in 2010/11. In 2004/05 rural poverty was 39.3% while urban poverty has declined by ten per cent from the previous 35.1% (*WIC, March 19*).

Ethiopia's government said it plans to clear land and provide infrastructure for investors to accelerate a commercial farming drive in the west of the country, amid opposition to the plans that left 19 people dead. More than 100,000 ha of land in the Gambella and Benishangul-Gumuz states on the border with Sudan will be targeted in a process managed by the Agriculture Ministry's Agricultural Investment Support Directorate, its director, Esayas Kebede, said the government will provide infrastructure including irrigation, electricity, telephones and drinking water. Ethiopia, which according to the London-based Overseas Development Institute is one of the world's top five recipients of food aid, has leased out 400,000 ha of land over the past four years to investors including Saudi Star Agricultural Development Plc to grow crops partly for export. The government may increase a so-called land bank that sets aside 3.6 million ha of Ethiopia's total 110.4 million ha for commercialization, Esayas said. Ethiopia's land-lease program has led to „human rights violations and the forced relocation of over a million Ethiopians,“ in Gambella and the nation's southern region, the California-based advocacy group, Oakland Institute, said in an e-mailed statement on March 19. The government denies human rights violations and any connection between investment and a resettlement program that it says is voluntary. - Increasing numbers of U.S. and European companies are interested in renting plots, according to Esayas. In Gambella, 228,000 ha have been leased and another 877,000 earmarked for investors, he said. The total area to be farmed is 42% of region. In Benishangul-Gumuz, the directorate has transferred 100,000 ha and is marketing a further 981,000 hectares, which is equivalent to about one-fifth of the state. Bangalore, India-based Karuturi Global Ltd. (KARG), the world's largest rose grower, has developed about one-tenth of its Gambella plot of 100,000 ha in around three years, said Esayas. Karuturi is paying 20 birr (\$1.15) a year per ha for the land, according to its agreement with the government (*Bloomberg, March 30*).

Huajian Group, a Chinese shoe maker, plans to build a manufacturing zone in Ethiopia that may generate \$4 billion of exports a year within a decade, Vice President Helen Hai said. Construction of the 320 ha site in Lebu on the outskirts of the capital, Addis Ababa, may start before the rainy season begins in June, Hai said. „It should start in May with my own investment,“ she said. „We will own it and we will manage it. The government promised me in two weeks' time to finalize the process.“ Huajian Group, based in Dongguan, Gaungdong province, produces about 20 million pairs of shoes a year for brands including Calvin Klein (6625B) and Guess, according to Hai. Ethiopia generated \$65.8 million from shipments of leather and leather products in the six months through December, up 62% from a year earlier, according to the Trade Ministry. Total exports last year were \$2.8 billion, it said (*Bloomberg, March 22*).