No.48, January 27, 2014(*) Seven Days, Vol. 20

The Egyptian Minister for Irrigation and Water Resources Muhammad al Din Allam has revealed that in light of the inability to traverse the disagreement with Ethiopia, Egypt has decided to call for the intervention of international bodies to settle their winding dispute. On Jan. 4, 2014, water ministers and experts from Sudan, Ethiopia and Egypt met in Khartoum in an attempt to find a solution to the longstanding dispute over the construction of Ethiopia's Grand Renaissance Dam on the Nile. Although officials had expressed optimism that a solution, which satisfied all the parties involved in the dispute, was in sight shortly after the meeting, hopes of a quick resolution to the impasse were dashed when Egyptian authorities revealed that they are not planning to attend the next meeting between ministers from the three nations in Khartoum next month. - The Egyptian Irrigation and Water Resources Minister has disclosed that Egypt is set to embark on an international protest against the construction of the Grand Ethiopian Renaissance Dam. He further noted that Egypt will officially lodge a complaint with the United Nations Security Council and other relevant international authorities over the GERD. Ethiopian and Egyptian authorities have been at loggerheads over the dam since its constructors began diverting water from the Blue Nile as part of the dam's construction in 2011 Besides concerns over the dam's impact on the water supply of Egypt, Egyptian officials have also raised alarm that studies into the impact of the dam on the environment have been insufficient, given its size. Meanwhile, the three nations have not been able to agree on the composition of a committee to effect the recommendations of a panel of international experts assigned to study the dam last year. While the dam has been a source of distrust between Egyptian and Ethiopian officials, several Ethiopians have hailed the initiative, which is set to provide electricity for a country where over 50% of the population lack reliable power supply (Zegabi, Jan. 21).

The new Egyptian constitution forbids Ethiopia to use Nile waters as it pleases. Ethiopia's Ministry of Foreign Affairs has said this provision in the Egyptian constitution is totally unacceptable. The new Egyptian constitution carries several articles on the use of the Nile waters. It says the government will provide support for research work conducted on the Nile especially concerning pollution. Some of the articles contradict the principle followed by Ethiopia and other riparian countries on the use of the Nile. Ethiopian Foreign Ministry Spokesman Dina Mufti said a country's constitution should not be formulated in a way that hurts the interest of other countries. Egypt says the use of the Nile waters must be governed by existing or former colonial agreements while Ethiopia and other riparian countries declare former colonial treaties are outdated and unbinding (Addis Admas, Jan. 18).

Three people have died and others were injured following clashes between Borena and Guji tribes on the border between Ethiopia and Kenya. This was reported by the All-Ethiopia Unity Organization (AEUO). Approached for comment, the Ministry of Federal Affairs admitted that the clashes had indeed taken place and that four people were killed and five injured. AEUO said over 1,000 people were made homeless, over 800 goats were stolen and a number of houses destroyed (Sendek, Jan. 22).

More than 4,000 Ethiopian troops have been formally absorbed into the African Union force in Somalia. They will be responsible for security in the south-western regions of Gedo, Bay and Bakool, the AU said. Ethiopia's contribution takes the AU force to the 22,000-strong level mandated by the UN Security Council. The BBC's international development correspondent Mark Doyle says the troops from the Ethiopian army - one of most battle-hardened in Africa - will be based in Baidoa, some 300km north-west of Mogadishu. There was a flag ceremony on Wednesday morning in the town to welcome them and hand over the security of the region. "The Ethiopian deployment will permit Burundian and Ugandan forces to move into parts of Lower and Middle Shabelle," the AFP news agency quotes an Amisom statement as saying (BBC, Jan. 22).

Ethiopia has allocated 50,000 ha of land to be leased for horticulture development, according to the Ethiopian Horticulture Producers Exporters Association (EHPEA). Despite its huge potential for the development of horticulture, the size of land developed with flower, vegetables, and fruit until 2011/2012 is 12,552 ha. However, during the past five or six years, the industry

has been growing significantly. Currently, over 120 companies are engaged in the cultivation of horticulture products. Due to the prevailing investment environment, attractive incentive, by the government and cheap labor, Ethiopia has now become a center of attraction for foreign direct investment (FDI) in horticulture development. "In order to meet the increasing flow of investment in the horticulture sector, the government has identified five corridors consisting of 50,000 ha," Tewodros Zewdie, Executive Director of EHPEA told. He said these corridors are located in Oromia, Amhara, Tigray, SNNP and Eastern region where there is huge potential of land, labor and infrastructures. Though horticulture development in Ethiopia started a decade ago, the industry has been playing a key role towards generating foreign exchange and creating labor. The sector has generated some 265m USD in 2011/12 and created million of jobs, Tewodros said. The revenue is expected to increase in the fiscal year. Flowers made up the biggest share in export value, according to the executive director. Ethiopia is the second largest supplier and exporter of flowers in Africa. Europe is the major market destination of Ethiopia's horticultural products, especially flower. But activities are underway to search other market destinations. "Efforts are being made to export Ethiopia's horticulture products to North America, Japanese and African countries' markets," Tewodros stated (WIC, Jan.

The US-based manufacturing giant, General Electric (GE), is planning to establish a medical equipment assembly plant in Ethiopia. Reliable sources told that the US multinational company is planning to assemble various medical equipment and machines in Ethiopia and distribute them to African markets. "They want to use the extensive cargo flight network of Ethiopian Airlines," sources told. The amount of the investment and specific list of items the company wants to assemble here are not yet known (The Reporter, Jan. 25).

The Turkish textile factory MNS Manufacturing P.L.C. has launched the first phase production of carpet, towel and bathrooms, polyester, fiber-line home furniture (spring mattress and sofa) investing over 1.2bio birr. The company has been undertaking expansion activities in three phases around Legetafo area. The factory, which has completed construction and equipment installation, has entered the first production phase and is expected to finalize phase two and three very soon (WIC, Jan. 22).

The United Kingdom (UK) has pledged to provide an £80m support for Ethiopia to improve access to safe drinking water, according to the Ministry of Water, Irrigation and Energy. Water, Irrigation and Energy State Minister Kebede Gerba told that the financial aid agreement is expected to be signed soon between the UK and the Ministry of Finance and Economic Development (MoFED) of Ethiopia. The support will help Ethiopia attain the Growth and Transformation Plan (GTP) in the water sector, Kebede said. In addition to the UK's pledge, the government of Ethiopia has been endeavoring to solicit more than 450m USD to further improve the access, he said. Ethiopia has set a target of raising its potable water coverage to 98% at the end of the Growth and Transformation Plan (GTP) period from 68.4% now, he noted. More than 21.2 million people across the country have got access to safe drinking water during the first three years of the GTP period, according to Kebede. Activities are also underway to make over 15 million people (2.1 million in urban and 13.1 million in rural areas) beneficiaries of safe drinking water this Ethiopian budget year, he said (WIC, Jan.21).