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Campaigners have warned of fresh efforts by the Ethiopian government to clamp down on certain types of internet use in the country. Al Jazeera recently reported that Ethiopia passed a law on 24 May criminalizing the use of VoIP (voice over internet protocol) calls. It said the maximum sentence was 15 years in jail. Other local reports have said that individuals providing such services face sentences of up to eight years, and users could also be imprisoned for using banned social media sites. The BBC could not independently confirm the details. While criminalizing such acts may be new, Ethiopia has long restricted internet use. Reporters Without Borders said it was concerned the latest effort to block access to Tor might be the first step towards creating a system that would allow the authorities to intercept any email, social network post or VoIP call made in the country. We've had in the past certain cases of blocking websites of independent and opposition parties, so censorship isn't new - but now it's a new stage, and what Reporters Without Borders is worried about, is that [by criminalizing] communications by Skype, the government is implementing a system to have a general policy of internet control (BBC, June 15).

Dozens of Ethiopian Christians remained imprisoned in Saudi Arabia nearly half a year after police raided their private prayer gathering and officials of the restrictive Islamic nation have given conflicting reasons why they were detained, rights activists said. The 35 Christians, including 29 women, were initially told they would face deportation for "illicit mingling of genders" but recently officials reportedly changed the explanation saying there were "visa issues" or they had been "involved in both drug and human trafficking" or just "some form of smuggling ring." U.S.-based advocacy group International Christian Concern (ICC) told it learned that the conflicting statements were made in separate talks between U.S. Congressional offices and the Saudi embassy in Washington D.C. (BosNewsLife, June 13).

The Ethiopian government has opened up five new security camps on the border with Kenya to help improve security in the area bordering Turkana county. The move is part of an agreement reached between the Kenyan and Ethiopian governments. Turkana North DC Albert Mwilitsa said the Ethiopians have agreed to implement all measures to curb frequent clashes between communities from the two countries. He said security forces from the two countries are carrying out joint operations on the border to ensure peace. Kenya has beefed up security along the border as part of the measures agreed on by the two countries last month. Mwilitsa said Kenya has deployed extra police and police reservists to ensure security on border (The Star, June 13).

Witnesses say that hundreds of gun-toting al-Shabaab fighters have moved back into central Somali towns abandoned over the last week by Ethiopian troops. Ali Muhyadin, a resident in the town of El-bur, said that residents woke up on Sunday and found that Ethiopian troops had abandoned their bases. Residents said al-Shabaab fighters then beheaded two men accused of collaborating with the Ethiopians and dumped their headless bodies in town. Al-Shabaab was reported to have returned to two other towns - Mahas and Wabho - after Ethiopian troops left. Ethiopia's president recently promised that Ethiopian forces would leave Somalia soon. Ethiopian forces still occupy the larger towns of Baidoa and Beledweyne (ABC, June 12).

Ethiopia's economy is expected to maintain a growth rate of 7% in 2012/2013, the International Monetary Fund said, raising its earlier forecast of 5.5% owing to slowing inflation. The Washington-based body's growth projection is below official estimates of 11.4%. A visiting IMF team said tight monetary and fiscal policies have contributed to declining inflation, through the termination of

central bank financing of the budget and significant sales of foreign exchange. The Horn of Africa country's annual inflation rate fell for the third straight month in May to 25.5% from 29.8% in the previous month, according to official data (Reuters, June 14).

Ethiopia's government proposed a 137.8bio birr 2012-2013 budget, a 17% increase over a year earlier, State Minister of Finance Abraham Tekeste said. "The budget focuses on pro-poor and pro-growth sectors," he said. "These are roads, education, agriculture, water, health and other infrastructure services." (Bloomberg, June 13).

In the budget for 2005 (E.C.), there is a deficit of 26,6bio birr between revenue and expenditure. Presenting the 137,8bio draft budget to parliament, MoFED Minister Ato Sufian Ahmed said that 13,0bio birr would be obtained from foreign loan and 13,6bio birr from local loans to cover the deficit. In the new budget, the highest share goes to defense with an allocation of 6.5bio birr, which is similar to the budget allotted last year.

Ethiopia and the World Bank signed three loan agreements amounting to 400m USD to finance various existing projects. The first agreement amounting to 150m USD will finance the Urban Water Supply and Sanitation Project, launched in 2007 to provide improved access to safe drinking water and sanitation facilities to urban areas.. The second financing agreement amounting to 200m USD will be used to finance the Electricity Network Reinforcement and Expansion Project. The third financing agreement amounting to 50m USD will be used to finance the Women Entrepreneur Development Project. Finance and Economic Development Minister, Sufian Ahmed and WB Country Director for Ethiopia, Guang Z. Chen signed the agreements.

Karuturi Global Ltd., the world's largest rose grower, is seeking \$100m from development banks to finance a sugar-cane plantation in southwestern Ethiopia, Chief Executive Officer Sai Ramakrishna Karuturi said. The Bangalore-based company leased 100,000 ha in the Gambella region from Ethiopia's government in 2008 to farm corn, rice, palm oil, sugar and other crops. It's now growing rice and corn on 12,000 ha (Bloomberg, June 13).