



# Ethiopian News

August 2010 Issue



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*Happy New Year  
to All the Ethiopian Diaspora  
From Everyone at the  
Ethiopian Embassy*

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## Ethiopia's five-year Growth and Transformational Plan achievable: PM Meles

Prime Minister Meles Zenawi has said that the five-year national development and transformational plan is achievable as it incorporates positive achievements and lessons learned over the past five years.



In a press conference to foreign media in Addis Ababa on 11th August, the premier said it is possible for Ethiopia to double its economic growth.

The proposal will succeed the previous Plan for Accelerated and Sustained Development to End Poverty (PASDEP). The new "Growth and Transformation Plan" (GTP), will shift from a

strategy dependent on foreign investment to a locally driven economy and will target an economic growth of 14.9%. Over the past five years, Ethiopia has achieved high economic growth averaging about 11%.

The PM said the plan is comprehensive and is largely designed to ensure food security as well as address the issues particularly related to youth and women. "In the future, we will feed ourselves and we will be able to manage our own forms of social security...I don't think that is impossible. I think it's quite achievable over the next five years," he added. PM Meles noted that the government has been striving more actively to meet the Millennium Development Goals and to expand social insurance programmes in the social sector, is making progress with efforts to build a national consensus through democracy and development.

The plan also predicts a huge expansion of infrastructure, with the country's power production set to increase from 2,000MW to 10,000MW and the construction of 2,395km of

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\*\*\*\*In the month of September in the Highlands of Ethiopia, after the Monsoon rains, rural areas of the country bloom with the yellow daisy known as *Yadey Abeba* and *Meskel Abeba* in *Amharic*. The flowers are used in the festivals of *Enkutatash* and *Meskel*. *Enkutatash* is the first day of the New Year in Ethiopia. It occurs on *Meskerem 1* in the Ethiopian calendar, which is 11 September (or, during a leap year, 12 September) according to the Gregorian calendar.



railway lines. Ethiopia plans to spend \$12 billion over 25 years on realising its ambition to become an energy exporter in Africa.

Agriculture was the decisive strategy of PASDEP, and GTP also sees this as crucial for social and economic development. However, unlike the former plan, GTP shifts the focus away from foreign contractors. This will include building a fertilizer company that will contribute to the average fertilizer demand which stands at 550,000 metric tonnes a year. The other target is significantly increasing the current four million mobile phone subscribers to 6.1 million and increasing the 0.74 million subscribers of fixed line phones to 8.5 million.

The press conference was covered in full by local weekly newspaper, Addis Fortune. For a transcript of the interview, please send an email to [info@ethioembassy.org.uk](mailto:info@ethioembassy.org.uk) or log on to our website [www.ethioembassy.org.uk](http://www.ethioembassy.org.uk).

### **IMF and AfDB hail Ethiopia’s fast economic growth**

The international Monetary Fund (IMF) has commended Ethiopia’s stable and fast economic growth, registered over the past seven years.

IMF Resident Representative in Ethiopia, Sukhwinder Singh, said the IMF is very pleased with the comprehensive and strong economic growth Ethiopia has registered. He added that the IMF is ready to back Ethiopia in order to maintain of the fast and stable development registered over the past years. He also praised Ethiopia’s development policies and their implementation mechanisms as well as the various measures taken to control inflation.

Regarding Ethiopia’s recently launched Growth and Transformation Plan (GTP), Singh said it is a comprehensive plan and will help pull the country out of poverty.

Similarly, the Vice president of the African Development Bank (AfDB), Professor Mthuli Ncube, also commended Ethiopia for its economic growth, saying the country will become a middle income one within five years.

AfDB supports Ethiopia’s GTP which aims at increasing the economic growth to over 14% within five years. Massive energy and road as well as railway infrastructure works will be carried out during this time.

AfDB is one of Ethiopia’s development partners and invests hundreds of millions of dollars annually in the form of loans and grants. Ncube said that the Bank will continue to work with Ethiopia on infrastructure activities.

### **Ethiopia to spend \$8.9 bn on roads in five years**

The Ethiopian government will invest billions of dollars over the coming five years to enhance the road sector development programme.

The Ethiopian Road Authority (ERA) will construct 82,500km of roads across the nation at a cost of \$8.9 billion.

The programme is part of a five-year development and transformation plan, during which Ethiopia will see its economy grow by about 15%, ending its dependence on foreign food aid.

Ethiopia’s total road coverage currently stands at 49,000km and will be boosted to 136,000km under the new 5-year plan.



ERA has already secured \$4 billion to accomplish the road expansion plan.

According to state Minister of Work and Urban Development, Ethiopia has spent some \$3 billion to construct over 10,000km of roads during the past five years, a first phase of the ten-year Road Sector Development Programme. This Programme aims to rehabilitate, expand and upgrade the road network.

Over the past seven years, Ethiopia has registered average economic growth of 10.2% and the Road Sector Development Programme will enhance the country's economic growth with new transport links. The major donors to the programme are the World Bank, the European Union (EU) and the UK's Department for International Development (DfID). In June, the Ethiopian Government and the World Bank signed a \$100 million loan agreement to support these massive road construction projects.

#### **Regional power interconnection in five years**

The Eastern Africa Power Pool (EAPP) Executive Secretary, Jasper Oduor, has said that electrical power interconnection lines joining COMESA countries will be in place by 2014. The interconnection between Kenya and Tanzania will take place in 2015 due to the distances involved.

The interconnection is aimed at facilitating power flow from places of abundance to power deficit areas.



Ethiopia and Tanzania have excess power, and once the projects have been completed, they will be able to export cheap power to neighbouring countries.

With its permanent secretariat in Addis Ababa, EAPP was established by the Energy Ministers of Eastern Africa countries, who signed an Intergovernmental Memorandum of Understanding in 2005.

#### **150-km underground electric cable under installation in Addis**

The Ethiopian Electric Corporation (EEPCo) said that installation of an underground electric cable covering 150kms is currently being undertaken in Addis Ababa.

The cable, estimated to cost \$77 million, would provide fast and efficient maintenance service whenever electric lines are damaged or become dysfunctional.

Installation is also being carried out in regional cities and towns. In the next five years, the Corporation is planning to extend electricity supplies to all *kebeles*. More than 5,000 *kebeles* have gained access to electricity in the last five years.

The project will be finalised by October 2010, creating 1,500 new jobs.

The demand for power has been growing beyond expectations because of the country's fast economic development, and according to EEPCo's five-year strategic plan, access to electric power will increase from the existing 40% to 100%.



**British birdwatchers rally to help unique birds**

Tens of thousands of British birdwatchers attended the 22<sup>nd</sup> British Bird-watching Fair from 20<sup>th</sup> to 22<sup>nd</sup> August, in Rutland, to raise funds for Ethiopia’s unique bird life.

Conservationists hope that the proceeds from this year’s fair will help throw a lifeline to some of the most threatened species.

RSPB’s Martin Davies, one of the fair’s co-founders and key organisers, said: “Ethiopia has a remarkable natural heritage and is hugely rich in species found nowhere else in the world. Over 840 species of bird have been recorded in Ethiopia, 17 of which are unique to this country and 29 others nearly so. We hope that the proceeds from this year’s event will help the BirdLife Partner Organisation in Ethiopia - the Ethiopian Wildlife and Natural History Society (EWNHS) - to take the urgent steps needed to secure the future of this country’s unique birds.”



(l-r) Mengistu Wondafrash of the EWNHS, Martin Davies – Birdlife Co-founder, H.E. Berhanu Kebede, and Tim Appleton of Birdlife, Birdlife Co-organiser

Ethiopia’s Ambassador to the UK, H.E. Berhanu Kebede, who officially opened this year’s fair, said: “The government of Ethiopia has promulgated laws and put in place the appropriate institutions to protect Ethiopia’s biodiversity resources from the growing human and livestock population.

Significant achievements have been made in restoring the fauna and flora of the country - the percentage of land covered by forests has grown from three to nine per cent within five years...On behalf of my country, I’m delighted that Ethiopia’s unique birds have been chosen as a beneficiary for this year’s fair. It is fantastic that British birdwatchers have a passion for conserving Ethiopia’s birds. With four out of ten of Africa’s birds having been seen in Ethiopia, my country has a great deal to offer visiting birdwatchers and we believe that eco-tourism will be vital in helping to protect our unique wildlife and landscapes.”



Typical of the Ethiopian endemic species is the Liben Lark which, with a population possibly fewer than 100 birds, is now confined to a single grassy plain in the south of the country. Proceeds from the fair will be used by the Ethiopian Wildlife and Natural

History Society to work with local communities to reduce the pressure from overgrazing livestock and to help the grasslands recover.

The other species set to benefit from the proceeds this year include: Prince Ruspoli’s Turaco, the Ethiopian bush crow, the finch-like Salvadori’s seed-eater, the nocturnal and enigmatic Neschisar nightjar and the white-tailed swallow.

Since 1989, the British Birdwatching Fair has raised almost £2.5 million for global conservation. The fair is jointly promoted and organised by the RSPB and the Leicestershire and Rutland Wildlife Trust.

**The Ambassador’s speech is available on demand.  
To receive a copy please send an email to [info@ethioembassy.org.uk](mailto:info@ethioembassy.org.uk).**

### **Stone tools discovery suggests earlier meat-eating by human ancestors**

Scientists have discovered evidence that human ancestors were using stone tools and consuming meat nearly a million years ago earlier than previously thought.

According to the study, published in the journal *Nature*, bones found in Ethiopia's Dikika region show that hominins used stone tools to cleave meat from animal bones.

Shannon McPherron discovered the bones 200m away from where archaeologists unearthed Selam



in 2000. McPherron is an archaeologist at the Max Planck Institute for Evolutionary Biology in Germany.



Fossil shows two parallel cut marks made by stone tools cutting into tissues on the rib of a cow-sized or larger hoofed animal.

He says that the grooves were produced when the bones were used as butchering tools to strip meat from animal carcasses or break open other animal

bones to get marrow. The marked bones date back to between 3.2 million and 3.4 million years ago.

The only known species from the Dikika region at the time was *Australopithecus afarensis*, represented by the famous fossil, "Lucy", who is believed to be a direct ancestor of Homo and therefore of us.

### **Ethiopian Airlines 16<sup>th</sup> most profitable airline**

Ethiopian Airlines has been listed among the World's Top 25 Airlines, when measured by net profit, says a report published by *Air Transport World* (ATW) magazine.

According to the latest data available for Ethiopia's flag carrier, the airline made a net profit of \$127.7 million, making it Africa's most profitable airline and the 16<sup>th</sup> most profitable in the world.



Ethiopian Airlines transported nearly 3 million passengers, an increase of 6.3% on the previous fiscal year. Its profit for the fiscal year ended June 30, 2009 was a 165% increase over the previous year's figure.

### **Ethiopia selected for international entrepreneurship award**

Legatum, a privately owned international investment group based in Dubai, and Omidyar Network, a philanthropic investment firm, has selected Ethiopia for the 2010 Africa Entrepreneurship Award due to be held in December this year in Accra, Ghana.



Ethiopia was selected from among 15 African states. According to the organisers, the award is expected to attract 1,500 entries from fifteen countries. A total of \$350,000 will be awarded to the winners and the funds directed towards growth and strategic re-investment in their companies. Winners will be selected on the basis of a rigorous and transparent selection process by an international panel of leading business experts.

The Legatum Africa Awards programme recognises and rewards African business leaders who embody the entrepreneurial spirit and demonstrate the qualities required to succeed in business – determination, a commitment to excellence, innovation and profitability.

**Ethiopia triples gold revenue to \$330 million**



The Minister for Mines and Energy, Alemayehu Tegenu, said that Ethiopia almost tripled earnings from gold exports to \$300 million in 2009/2010 from \$105 in 2008/2009,

outpacing plans to double the revenue this year, thanks to the stabilisation of the market and the introduction of incentives for artisan miners.

Ethiopia has identified possible gold reserves of up to 500 tonnes in various regions and wants to attract investors interested in exploration.

Currently there are 86 Ethiopian and international companies exploring for gold, base metals and gemstones, but a total of 180 licences are on offer to investors. Out of the 86 companies, 30 are exploring for gold.

Mohammed Al-Amoudi’s Midroc Gold Co. and Britain’s Golden Prospecting Co. discovered recoverable deposits estimated at more than 40

tonnes of gold last year and were awarded extraction licences.

The International Finance Corporation (IFC), the World Bank’s private sector lender, in May invested \$5 million in the sector through Nyota Minerals (NYO.L). Nyota has announced a maiden inferred resource of 690,000 ounces of gold at the Tulu Kapi project, 500km west of Addis Ababa.

According to the central National Bank of Ethiopia, Ethiopia has made \$450.5 million from about 48 tonnes of gold exports in the last 10 years.

**Over \$216 million obtained from horticulture exports**

The Ethiopian Horticulture Development Agency has announced that \$216 million has been earned from horticulture exports in the just concluded budget year.

The revenue was obtained from 1.8 billion cut flowers and over 60,000 tonnes of vegetables, fruits and herbs supplied to overseas markets, mainly to the Middle East, European and Asian countries.



The revenue generated has shown a \$51 million increase on the preceding year. The increase is attributed to the priority given to the sector by the government and active participation of investors in the sector.

There is a plan to earn \$442 million this budget year by exporting more than 3 billion cut flowers and 74,000 tonnes of fresh produce.

### **Sole Rebels wins Eco-Bold Green Award**

Eco-Bold, the California-based provider of online video reviews of green and eco-friendly products, has named Sole Rebels, Ethiopia's environmentally-sensible footwear brand, winner of its Annual Green Awards under "Best Shoes" category.



Bethlehem Tilahun Alemu, co-founder and Managing Director of Sole Rebels, said her team welcomes the news. "We are really honoured and excited."

According to Eco-Bold's Chief Executive, contestants were primarily considered on the basis of the greenness of their products as well as eco-sensible business practices.

Bethlehem said her company accepts the accolade as recognition of the brand's message that organic living is part of the nation's way of life. "We utilise Ethiopia's immense, diverse, sustainable and eco-friendly materials and cultural arts to craft amazing footwear for the global market."



SoleRebels has grown from a small operation to a major employer in Addis Ababa. Their

range of eco-shoes is handmade using organic cotton and recycled tires. Their b\*kind label is for vegans, veggies and everyone who enjoys a cruelty-free, good-looking shoe.

The first fully World-Fairtrade-Organisation-accredited company in Ethiopia, SoleRebels adheres to the Fairtrade tenets of gender equity, healthy working conditions, fair wages, and sustainable production practices. SoleRebels can be purchased directly on their website <http://solerebelsfootwear.weebly.com/products.html> or in the UK on Amazon's new footwear website [javari.co.uk](http://javari.co.uk)

### **\$589 million for ten more universities**

Ethiopia is radically expanding its higher education sector, from two federal universities to 22 in just over a decade and another ten to open soon. The Ethiopian government sees higher education as an important plank in its strategy for social and economic development and therefore the Ministry of Education (MoE) has allotted \$589m for the construction of ten new universities in the country raising the number of universities to 32.

The universities will be constructed in every corner of the country including Addis Ababa, Borena in Oromia Regional State, Gondar, Debre Tabor and Woldia in Amhara Regional State, Assosa in Benishangul Gumuz Regional State and Wilkite in Southern Nations Nationalities and People's Regional State. Ambo College (west of Addis) will be upgraded to university level.

The Ministry has already secured plots for the construction of the universities and depending on construction material accessibility and other issues, the construction will be completed within three to four years.



**Events**

**The 2010 London Habesha Traditional and  
Modern Fashion Show**

After a lifetime interest in the fashion and media industry Lili Fashion was inspired to take action in 1998 to industrialise a new clothing collection made by industry specialists who provide expert designs for the international market. Their aim is to introduce Ethiopia’s beauty and its rich ancient culture to the world by bringing hand woven Ethiopian fashionable fabric to the international market.

The London Habesha Traditional and Modern Fashion Show will take a place on Saturday 25<sup>th</sup> September 2010.



The programme will include traditional Ethiopian music and cultural dancing, the traditional coffee ceremony, Ethiopian food and a fashion show featuring Ethiopian traditional and modern clothing.

**Venue:**           **The Green Room, 45a Goldhawk  
Road, London, W12 8QP**

**Date/Time:**   **Saturday 25<sup>th</sup> Sep, 6pm – midnight**

**Tickets:**           **£10 in advance or £12 on the door**

For more information, please contact Lili Assefa on [lili\\_weda@yahoo.co.uk](mailto:lili_weda@yahoo.co.uk)

**3<sup>rd</sup> International Trade Fair to promote local  
businesses**

The Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA), the umbrella organisation for the country’s private sector, is making preparations to organise an International Trade Fair to promote interaction among national, regional and international businesses, at the renowned Addis Ababa Exhibition Centre from 11<sup>th</sup> to 17<sup>th</sup> November this year.

Ethiopia is the Tiger Economy of Eastern Africa. It has registered an average GDP growth rate of over 10% during the past five years. This amazing economic growth has helped the country become the fifth biggest economy in sub-Saharan Africa.

The main objectives of this Trade Fair are to promote Ethiopian products and services, facilitating the establishment of business relations between Ethiopian and foreign businesses by offering a forum for discussing supplier-buyer relationships and joint venture opportunities and promoting Foreign Direct Investments.

The participants of the Trade Fair will be exporters, importers of all types of inputs for the agriculture and manufacturing sectors, manufacturers and foreign companies supplying material and technological inputs to local manufacturers.

The event is designed to be an effective forum for the benefit of foreign participants, linking them with local companies seeking suppliers of material and technological inputs for their businesses. Business to Business Meetings are being organised alongside the Trade Fair where business persons are discussing joint venture and import export opportunities. There will also be a one-day



workshop where the country's investment opportunities are presented to potential investors and business people.

### **Tourism**

#### **Ethiopia earns 3 billion Birr from Tourism**

The Ministry of Culture and Tourism has announced that Ethiopia earned 3.061 billion Birr from tourism this year. The revenue was obtained from over half a million foreign tourists who visited the country's various tourist attractions.

According to Culture and Tourism State minister, Tadelech Dalecho, the amount of revenue Ethiopia obtained from the sector grew by 22% in the last five years, and that over 400,000 tourists had visited Ethiopia in 2009. This year's revenue accounts for 17% of the country's total export revenue for the same year.

#### **Addis Ababa, one of the world's cheapest cities**

According to a recent cost of living survey conducted by Mercer, Addis Ababa ranked 208 out of 214 cities around the world.

The report put Luanda (Angola) as the most expensive city in the world, followed by Tokyo, Ndjamen (Chad), Moscow and Geneva.



The Mercer survey covers 214 cities across five continents and measures the comparative cost of over 200 items in each location, including housing,

transport, food, clothing, household goods and entertainment. It is the world's most comprehensive cost of living survey and is used to help multinational companies and governments determine compensation allowance for their expatriate employees.

The socio-political history of Addis Ababa bestows upon this busy metropolis a dual status of a city and state and entitles it to be known as the "political capital of Africa". One can travel across the city by taking short excursions or simply tour on foot or by car.

The city is an exciting place for history buffs as it houses the Ethiopian National Library, the Ethiopian Ethnological Museum and former royal palace, the Addis Ababa Museum, the Ethiopia National History Museum, the Ethiopian Railway Museum and the National Postal Museum.

The city also features Merkato, the largest and most exhilarating outdoor market in Africa.

### **Sports**

#### **Haile to compete at Great North Run**

Haile Gebrselassie, universally recognised as the world's greatest-ever distance runner, will compete at the 30<sup>th</sup> staging of the Bupa Great North Run on 19<sup>th</sup> September, in Newcastle.

"This is a race I have always wanted to compete in and I'm really looking forward to running as it has a worldwide reputation for not only the quality but also the fantastic size of the field," Gebrselassie said.

Gebrselassie has broken 27 world records during his career, and collected two Olympic gold medals and four world titles.



Great North Run founder Brendan Foster, left, hands Haile Gebrselassie his race number

In other news, Haile Gebrselassie is poised to set up a Hyundai assembly plant in Ethiopia. He has been importing Hyundai cars for over a year now, and he is currently the sole importer of the South Korean-made vehicles.

Marathon Motors Engineering, a joint venture company he co-founded a year ago with 10 million Birr capital, is presently building a seven-storey structure that will incorporate a showroom for Hyundai products.

“Assembling the cars here is more feasible in many aspects, including a lower tax rate and job creation for local citizens,” the athlete said. “And we are now going for it.”

**News in Brief**

**Holland Car to provide financing**

A local car assembler, Holland Car Plc., is collaborating with commercial banks to create a credit facility for its customers.

The assembler has distributed the proposal of its credit deal to different organisations to discover the views of potential buyers.

Holland car is producing seven different types of automobiles that will be transferred to customers through a credit system. The first instalment is

from 30-50% of the total price, regardless of the type of automobile. The balance will be secured by commercial banks approached by the customer. Almost all banks have agreed with Holland Car to facilitate the loan privilege for customers.

Holland Car, a joint venture company with Dutch company Trento Plc., started operations about four years ago in Modjo, 79km from Addis Ababa. Currently, it assembles up to 10 automobiles a day, and has a production capacity of 20 cars a day with 24-hour daily production.

The company assembles Abay Executive, Tekeze Executive, Meskerem, Awash, Lalibella, Dallol and Shebelle models. Recently it also began assembling cars that run on biogas for the local market. The new automobiles will have a dual system that enables them to use either biogas or fossil fuel.



The Awash Car

To increase production of the new car, Holland Car established a sister company with a start-up capital of 80 million Birr, which is to produce the first biogas in the country from waste materials that will be collected from around the capital city.

Holland Car Plc. was the first car company in the country; other companies assemble automobiles and large trucks.

A version of this newsletter is also available online at [www.ethioembassy.org.uk](http://www.ethioembassy.org.uk).

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