



Ethiopian News

April – May 2011 Issue

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Ethiopia to host WEF next year

The 22nd World Economic Forum (WEF) on Africa will be held in Ethiopia from May 9th – 11th 2012.

After being hosted in Cape Town for most of the past 20 years, the WEF on Africa will be held in South Africa every second year, with the forum being held in “exciting parts of Africa” in alternate years. Last year’s forum was held in Dar es Salaam in Tanzania.

Richard Greenhill, managing director and chief business officer of WEF, said Ethiopia is the second-most populous nation in Africa. Its economy is expected to move to the third-fastest growth rate in the world in the next few years. These were all reasons to have Ethiopia as the WEF host country.

Hailemariam Desalegn, Ethiopia’s Deputy Prime Minister and Minister for Foreign Affairs, said the Ethiopian government is committed to ensuring next year’s WEF will be a success.

Ethiopian Diaspora in the UK pledge full support for the GTP

Ethiopians and UK citizens of Ethiopian origin have vowed to contribute their share to the Five-Year Growth and Transformation Plan (GTP) following discussions and consultations at the Ethiopian Embassy, London on 16th April.



In a keynote address he made to over 600 participants, the Minister of Civil Service, Ato Juneidi Sado, said Ethiopians would march ahead joining hands to defeat poverty and entrench development. In Ethiopia, said the minister, everybody has been a winner, leaving poverty and backwardness as the major losers.

Minister Juneidi Sado, who headed the high-level Government delegation, which included the Head of the Somali State, Abdi Mohammed Umer and the Board Director of the Ethiopian Commodity Exchange Market, Ambassador Addisalem Balema, stressed the crucial role the Diaspora plays in the successful implementation of the plan.

Citing South Korea as a model of transformation, which brought massive improvements in the lives of its people, the Minister called on Ethiopians to follow suit in the national drive they have set in motion with the Growth and Transformation Plan.

In a PowerPoint presentation he made at the meeting, Ambassador Addisalem Balema, elaborated the gist of the plan which includes doubling both Ethiopian agricultural production and the GDP. The blueprint, embracing massive infrastructure development, includes the construction of additional universities, hospitals, schools, roads and other social amenities that will help transform the lives of the Ethiopian people.

Ethiopia, at the end of the five-year plan, aims to achieve the Millennium Development Goals (MDGs), and its longer term vision of being a middle income country by 2020 – 2023, ensuring people from all walks of life enjoy benefits accruing from the country's continuing fast economic growth, he said.

The Ambassador noted that the Ethiopian government, alongside its hard working people, envisages making Ethiopia an even more vibrant and fast growing economy, a stable democracy and a nation where citizens will benefit from on-going development at all levels.

He urged members of the Ethiopian community to uphold the Ethiopian national interest by promoting trade and investment, partaking in technological transfer and in resource mobilisation so the massive transformation projects may fully materialise, leading to the realization of the Ethiopian Renaissance.



Encouraged and highly inspired by the prospect of Ethiopia's bright future, participants at the conference did not hesitate in making pledges to buy bonds, including bonds for the Millennium Dam project, which symbolises a viable and prosperous Ethiopia.

In opening remarks at the conference, H.E. Berhanu Kebede, Ambassador of Ethiopia to the UK, cited gains made over the past years particularly in the areas of education, health, infrastructure, agriculture, trade and investment, and highlighted massive projects under the GTP, including additional power generation of up to 8,000MW, construction of over 130,000km of roads, and more than ten huge sugar factories in various regions of the nation.

Ambassador Berhanu urged the Diaspora to actively involve themselves in the implementation of this historic renaissance plan, budgeted at a trillion birr, with a sense of national pride and commitment, and he assured participants of success in their joint efforts in all fields of endeavour.



Following a lively discussion and a question and answer session on the GTP, members of the Ethiopian community issued a six-point communiqué, reflecting their resolve and determination to play a crucial role in the realization of the Five-Year Growth and Transformation Plan the Government has drawn up for fast track development in Ethiopia.

IMF raises sub-Saharan Africa's growth forecasts

In its World Economic Outlook report, the International Monetary Fund (IMF) said Sub-Saharan Africa will enjoy robust growth this year and in 2012, but urged monetary authorities to beware of inflation from rising commodity prices.

It kept its 2011 gross domestic product growth forecast for sub-Saharan Africa at 5.5 percent and modestly raised its estimate for next year to 5.9 percent from 5.8 percent.

Growth this year and in 2012 will largely be driven by low income countries such as Ghana and Ethiopia, with oil exporters Nigeria and Angola also lending support.

The region's economic powerhouse, South Africa, will trail behind, with growth forecast at 3.5 percent this year and 3.8 percent in 2012 - insufficient to reverse the substantial job losses of the past two years, the IMF said.

South Africa and other middle income countries in the region, whose output remained below potential, had room to continue with accommodative monetary policies, it said.

Ethiopia's economic growth rate could overtake China, India

Ethiopia's economic growth rate could overtake China and India in 2011, said *African Business* magazine (April issue).

Quoting the January 2011 forecast of the Economist Intelligence Unit, the magazine reported that Ethiopia's economy, Africa's fifth-largest economy in 2010, is projected to grow by 9% in 2011.

According to the IMF, Ethiopia will be the world's third fastest-growing economy for 2011-2015, just behind only China and India. While the IMF predicts the Ethiopian economy will grow by 8.1 percent each year over the next five years, the government forecasts a higher growth rate.

"The economy is projected to grow by 11 percent this budget year," said Prime Minister Meles Zenawi, while presenting his government's eight month performance report to parliament.

The IMF predicts that exports of goods will grow from 1.4 billion dollars in 2008/09 to 2.3 billion dollars in 2010/11 and 4.4 billion dollars in 2014/15. Imports of goods will grow from 7.7 billion dollars to 13.8 billion dollars over the same period.

In his previous parliamentary address, PM Meles revealed that the export sector has shown a staggering 48% growth over the past eight months.

Zemedeneh Negatu, managing partner of Ernst & Young Ethiopia, predicts that Ethiopia's economy will reach 472 billion in 15 years on the basis of GDP at purchasing power parity exchange rates. He says by 2023 it will be sub-Saharan Africa's third-largest economy, with per capita GDP of over \$4,000.

The magazine reported that the service sector including real estate, hotels, transportation, communication, banking, health and education, recently overtook agriculture as the main contributor at 45% of GDP and are forecast to become even more dominant. In the six months to January 2011, gold passed oil seeds as the second-biggest contributor to exports, providing more than 179 million dollars of the total 1.1 billion dollars exported.

Ethiopia to start exporting power to Djibouti

The Ethiopian Electric Power Corporation (EEPCo) has announced that Ethiopia will begin exporting electricity to Djibouti by the end of May after completing connection of its power grid to Djibouti. It will supply up to 30MW of electricity.

The link, completed in November, is in the final testing and commissioning stage. The project forms part of a programme to link nine regional countries to a single electricity grid by 2016.



Ethiopia plans to produce as much as 8,000MW of additional electricity, mainly from hydropower sources, over the next five years. Ethiopia's current generating capacity is 2,000MW but it has a potential hydropower capacity of 45,000MW, the second highest in Africa after the Democratic Republic of Congo. On 2nd April, Ethiopia announced the construction of a \$4.76 billion, 5,250MW project near the Sudanese border. The *Grand Millennium Dam* will be funded by Ethiopia, partly through the sale of government bonds, and by Ethiopia's international partners. The dam will not only benefit Ethiopia, but also neighbouring Egypt and Sudan. It will significantly reduce evaporation and devastating floods.

Ethiopia receives UN praise for improving investment climate

The United Nations Conference on Trade and Development (UNCTAD) said that Ethiopia is one of the countries that has made significant progress in improving the investment climate. Tanzania was also praised for this achievement.

UNCTAD undertakes investment policy reviews of developing and transition countries at the request of their governments and advises them on how to attract greater foreign direct investment (FDI) and spur economic development.

Ethiopia achieved positive results in the agriculture and leather sectors, which in turn led to improved domestic production and better environmental standards.

Rwanda, Vietnam, Argentina and Costa Rica were also mentioned as having taken steps to clarify and simplify government rules.

Government sets up Agricultural Agency to double crop production

Wonderad Mandefro, Minister of State for Agriculture, has announced that the government has set up an agricultural agency that plans to help

double production in the Ethiopian economy's biggest industry over the next five years.

The Ethiopian Agricultural Transformation Agency, or EATA, is modelled on economic development organizations in South Korea and Taiwan and will be overseen by a council chaired by Prime Minister Meles Zenawi.

Ethiopia is Africa's biggest coffee grower. A 5-year plan to wean the Horn of Africa country off foreign aid aims to boost agricultural production by 14.9% annually. The industry accounts for 45% of economic output and employs about 80% of the population.

The agency was created after the Bill and Melinda Gates Foundation was asked by PM Meles in 2008 to assess an Ethiopian programme that provides support and equipment for farmers using extension workers. In partnership with international donors and agricultural-research organizations, the foundation was subsequently asked to assess other aspects of the industry, including irrigation, soil fertility and marketing. These will now be key areas of focus for EATA.

Sources say that Ethiopia has the potential to be self-sufficient in grain production and to vastly increase exports of livestock, flowers, oilseeds, sugar, vegetables and fruit.

Crops being targeted by the EATA include the most-widely grown *teff*, a cereal used to make Ethiopia's flatbread staple known as *injera*, which is currently grown on about 2.5m hectares (6.2m acres) of land. The government wants to increase yields to as much as 60 quintals (13,228 pounds) per hectare from 10 quintals currently, Wonderad said.

A small improvement in the productivity of *teff* would "automatically transform" the agriculture industry, he said.

Ethiopia among leading troop contributing countries to UN: report

Ethiopia is listed tenth highest country in terms of its contribution of military and police to the UN peacekeeping operations, according to the UN annual review report.

This was revealed when the UN launched its “Global Peace Operations 2011 Review Report” in Addis Ababa – the first ever to be declared in the African continent.

Ethiopia has currently sent a total of 2,368 peacekeeping forces, the fifth largest in Africa, after Egypt, Nigeria, Rwanda and Ghana, which according to the report are ranked third, fourth, seventh and eighth, respectively.

Ethiopia has a contingent of peacekeeping officers serving in Darfur with the joint African Union and UN Hybrid Operation in Darfur. The peace force has in the past received UN medals in recognition of their outstanding service in bringing relative peace and stability in western Darfur.

The Open University in Ethiopia

His Excellency Berhanu Kebede, Ethiopian Ambassador to the UK, was the guest of honour at the Open University graduation ceremony held in April at the Barbican Centre, London. The ceremony was lead by Lord Puttnam of Queensgate, Chancellor of the Open University and afterwards, the Ambassador met with two graduates from Ethiopia who had travelled to London for the ceremony.

The Open University has had a presence in Ethiopia since 1992 when Prime Minister Meles Zenawi began his studies for the Open University Masters in Business Administration (MBA), along with his senior colleagues. Today there are over 325 alumni of the Programme in Ethiopia including 25 new graduates in 2011, several of whom will be attending ceremonies over the next few months in

Belfast, Milton Keynes, Glasgow and Paris. On 27th August, all 25 graduates of the 2011 class will meet for a ceremony and celebration in Addis Ababa.



(l-r) Tewelde Mulugeta, Head of PR at the Embassy, graduating students, Isaias Lemma and Emebet Abu, H.E. Berhanu Kebede, Lord Puttham, Chancellor of the Open University and Carmel McMahon, the Associate Dean International at the Open University Business School.

The programme participants come from a wide range of occupations, including community development workers, chief executives and vice-presidents of companies and company owners, while others are working in the military and in the Federal and Regional governments. Alumni of the programme meet regularly to discuss management and business issues and many are planning doctoral studies.

Ambassador Berhanu expressed his appreciation of the contribution the Open University is making to the economic development of Ethiopia. Speaking after the ceremony, Carmel McMahon, Associate Dean International at the Open University Business School commented “What particularly impresses us about our MBA programme participants in Ethiopia is their commitment to using their skills and knowledge to contribute to the development of Ethiopia plus the quality and impact of the workplace initiatives they implement as part of their studies is extremely high.”



In addition to the MBA Programme, the Open University has worked with universities across Ethiopia to train over 50 tutors for the locally awarded Management Development Programme, based on Open University materials and methods. Over 2,000 managers have graduated from this programme.

In recent years the Open University has extended its activities and partnerships in Ethiopia into the fields of health and medical education, working with local institutions to train and support health workers and to establish a medical training centre.

The Health Education & Training (HEAT) programme is an ambitious project to train and support hundreds of thousands of community health workers across Africa. The project is being piloted in Ethiopia and was launched in 2010, working with local health experts in Ethiopia (practitioners and academics) to develop resources for the training programme. The project is training 100 tutors who in turn will facilitate the training of over 1,000 Health Extension workers, with a target of training 30,000. As the HEAT resources support work-based training, these key workers continue to work in the community while they train. The programme is being developed and delivered in partnership with the Federal Ministry of Health in Ethiopia, UNICEF, AMREF and the World Health Organisation (WHO).

Martin Bean, Vice Chancellor of the Open University recently visited Ethiopia and met with the Prime Minister, government Ministers and other key stakeholders to discuss the University's activities in Ethiopia. He visited maternal and child healthcare clinics and St Paul's Millennium Medical School to see the impact of the health and medical education projects.

He also met with MBA Alumni and students to hear about the impact of their studies and heard examples ranging from improved organisational performance, cascading of staff management

training, securing new business deals, corporate social responsibility and taking on Board membership of companies and universities.

Ethiopia and UK forge closer economic ties

Ethiopia and the United Kingdom are soon to sign a Double Taxation Agreement (DTA) that will give further impetus to growing trade and investment relations between the two countries.

The signing of the DTA is expected to eliminate double taxation, until now a drawback for businesses operating between Ethiopia and the UK. It will also strengthen and boost trade and investment between the two countries.

The announcement follows a visit to Ethiopia in March by a delegation of more than ten British business missions, headed by the London Chamber of Commerce and Industry (LCCI).

Chairman of LCCI, Subhash Tuakror, who led the business mission comprising a wide range of sectors including agriculture, laboratory equipment, power distribution, among others, signed a cooperation agreement with the Addis Ababa Chamber of Commerce and Sectoral Associations (AACCSA).

The agreement should help promote and strengthen the development of economic and trade relations and co-operation between member companies of both parties.

During the signing ceremony, Ayalew Zegeye, chairman of AACCSA, said there are immense investment opportunities in the areas of agriculture, manufacturing, construction, real estate, tourism and mining, among others, and invited the guests to invest in Ethiopia.

Tuakror concurred and said he hoped the agreement would strengthen the existing trade relationships between the two countries.

Bilateral trade between the two countries in the year 2005 raised about £98 million which more than doubled after four years, reaching £205 million in 2009.

Power generating machinery and transport equipment are among the major UK exports to Ethiopia, which is currently undertaking massive hydropower generation projects in order to meet a growing electric power demand not only in the country but also in the sub-region.

Ethiopia intends to generate foreign currency by exporting electricity to its neighbours, including Kenya, Sudan and Djibouti. So far, these three countries will import power from Ethiopia upon completion of a number of hydro electric dams.

Ethiopia's economic progress and gradual development of massive power generation infrastructure have seen an annual average growth of exports, by UK companies, hit 22%, reaching £120 million in 2009 from £53 million in 2005, according to British Embassy statistics.

Apart from its main traditional export product, coffee, Ethiopia's major export commodities include leather, oilseeds, sugar and gold production, which has grown in importance in recent years.

Heineken acquires two state-owned breweries

Heineken has succeeded with its bid to buy both Harar Brewery SC and Bedele Brewery SC for \$78.18 million and \$85.24 million, respectively.



The Dutch brewer will enter the high-growth potential Ethiopian market with the acquisition of the two state-owned breweries.

Heineken's bid for Harar Brewery was won without competition, but the company's bid for Bedele Brewery was met with three competing bids. Heineken beat a \$70m bid from South West Development, a \$68m bid from BGI, and a \$64m dollar bid from Carlsberg.

Heineken spokesman John-Paul Schuirink said the brewer expects to finalize the deal in the coming weeks and that it will continue to brew the local brands such as Bedele, Harar and Hakim Stout which have a combined market share of 18%.

The breweries have a total capacity of 600,000 hectolitres a year. The deal makes Heineken the No. 2 brewer in Ethiopia after BGI Castel, a unit of privately owned French drinks company Groupe Castel, which has a 50% market share.

Ethiopia is selling state-owned companies to private investors as it seeks to diversify its economy. The government plans to sell 50 companies by mid-2015, including agricultural, food and printing businesses.

Manufacturing exports earn \$141 million

Ethiopia has earned \$141 million from exports of manufactured goods over the last nine months.

While presenting the Ministry's nine month report to the Industry Affairs Standing Committee of the House of Peoples' Representatives, Minister of Industry, Mekonnen Manyazewal, said the income has increased by \$60 million compared to the same period the previous year.

He said the goods include leather and leather products, textiles and garments and agro processed and chemical products, among others.

Mekonnen attributed the success to capacity building activities and the priority given to the sector.



Countries recognising Ethiopia’s coffee specialities

The Ethiopian Intellectual Property Office (EIPO) says four of Ethiopia’s coffee specialities have been registered in 26 countries as a trademark.

The European Union, Japan, US, Canada and China are among those that recognise Ethiopian coffee specialities, which include Sidamo, Yirgacheffe and another two Harar coffees. India has also recently recognised the four specialities and Ethiopian coffee will be sold there for the next eight years.



The recognition of these trademarks will further enhance coffee’s 60% share of foreign trade earnings. Efforts to register Nemkete and Limu coffees are underway.

Ethiopian wins “Deal of the Year 2010” award

Ethiopian Airlines received the “Deal of the Year 2010” award from Air France Journal, a leading financial magazine serving the commercial aviation industry worldwide.

Ethiopian won the award in the African category for the package deal to finance its five B777-200LR aircrafts and a spare engine.

The magazine said that Ethiopian’s profitable business and excellent history of repaying loans contributed to the award.

Air force leaders from Africa, U.S. meet in Ethiopia

Air force leaders from more than 20 nations across Africa joined with U.S. Air Force leaders in Ethiopia

to discuss aviation issues and develop partnerships across the continent.

The 2011 African Air Chiefs Conference – from 26th – 28th April, was hosted by Air Forces Africa, also known as 17th Air Force, and is the largest gathering of air chiefs across African nations to date.

Air Force Chief of Staff Gen. Norton Schwartz, Chief Master Sgt. of the Air Force James A. Roy, and Maj. Gen. Margaret H. Woodward, the Air Forces Africa commander, spoke during the opening day of the conference and listened to issues faced by many partner nations across the continent.

General Schwartz addressed an audience of more than 150 military and diplomatic leaders as the keynote speaker, telling them that members of the represented air forces share common goals and challenges despite their different backgrounds and cultures.

"This conference brings together a community of airmen who are connected by an appreciation of what airpower can do to present additional strategic and operational options for our national and coalition leaders, and who are bound by a shared desire for stability, security, political viability and opportunity for economic development in Africa," General Schwartz said.

In discussing how the U.S. military supports U.S. foreign policy objectives and vital national interests, General Schwartz said joint military leadership is being recalibrated to be more effective by emphasizing three key areas:

- Mutual responsibility, respect, and support with and to U.S. interagency and international partners
- Full-spectrum military capabilities to underpin U.S. foreign and defence policy
- Direct and indirect leadership approaches as facilitator, enabler, convener and guarantor of support to broader U.S. foreign policy and national

security objectives, and those of U.S. friends and allies around the world

"The conference gives us an opportunity to work together on issues that are most important to regional cooperation and stability," General Woodward said.

She said the air chiefs will also "strengthen the personal and professional relationships that bring us together as airmen, colleagues and friends, so that we are better able to build bilateral and multilateral air partnerships that benefit us all."

General Woodward also pointed out that enduring partnerships, with the results of respect, integrity and trust, are goals of Air Forces Africa.

"U.S. Air Forces Africa emphasizes the importance of being a reliable partner, one with goals and programmes that will be sustained over the long-term," she said. "This conference is a prime example of our desire to hear and learn from the many perspectives our African partners bring with them."

AFAFRICA, located at Ramstein Air Base, Germany, is the Air Force component to U.S. Africa Command and is responsible for U.S. Air Force activities and programmes in Africa. Since the unit's activation in 2008, Air Forces Africa has worked in partnership with African nations to employ a full spectrum of capabilities, to include humanitarian airlift support, as well as civil and military engagements on the continent.

H. E. Hailemariam Desalegn, Deputy Prime Minister and Foreign Minister of Ethiopia, made a keynote speech at the meeting. For a copy, please send an email to info@ethioembassy.org.uk

Events

Ethiopia to host Africa - India Summit

Ethiopia will host the second Africa - India summit in Addis Ababa from 20th to 28th May. Sixteen heads

of governments and states are expected to attend the summit.

The first summit was held in New Delhi in 2008 and was formed to reinforce the regional cooperation in a wide range of fields as support to the already existing bilateral cooperation between African countries and India, according to the African Union.

India's bilateral trade with African countries is on the rise. In Ethiopia, Indian companies are engaged in agriculture, manufacturing and other sectors.

Tourism

Construction of modern museum at St. Mary of Zion, Axum launched

The construction of a modern museum on the premises of the Church of St. Mary of Zion, Axum, in Tigray state was launched on 18th April.

While unveiling the design of the museum to the faithful, Patriarch of the Ethiopian Orthodox Church (EOC), Abune Paulos, said the museum would preserve the history and relics of the church.

The museum, to be completed within two years, is expected to cost 160 million Birr. The patriarch called on the Christian faithful and donors to raise funds for the construction of the Museum.

The 17th Century old Church of St. Mary of Zion, is one of many sacred destinations for tourists.

Sports

Gebrselassie celebrates half comeback in Vienna

Ethiopia's marathon world record holder, Haile Gebrselassie, celebrated his comeback after a short-lived retirement on 17th April, by finishing the Vienna half-marathon in just over an hour, beating the country's previous record.

The two-time Olympic gold medallist finished the 21.1-km route in 1 hour 18 seconds, beating the



previous record of 1 hour 53 seconds by a Moroccan runner in 2009.



Haile Gebrselassie celebrates after winning the half marathon race during the Vienna City Marathon

Gebrselassie, who recently turned 38, had been set the solo challenge of catching up with the best runners who started two minutes ahead of him, and did just that after barely 34 minutes.

The full marathon was won by Kenyan John Kiprotich, 21, who beat two of his compatriots to finish in 2 hours, 8 minutes and 29 seconds, becoming Vienna’s youngest ever winner. Fate Tola of Ethiopia took the women’s race in a personal best of 2 hours, 26 min and 21 seconds.

Gebrselassie will next run a 10km event in Birmingham in May before deciding which marathons to run in the autumn. He also hopes to secure a place in the Ethiopian team for the 2012 London Olympics with a fast time in the Berlin marathon on 25th September.

Gebremariam to take part in New York Marathon

Ethiopia’s Gebre Gebremariam, who is the defending champion of the New York marathon has confirmed his participation at the 2011 edition scheduled for 6th November. A popular but difficult event, he will be struggling to perform better than the 2h 04’ 53’’ that he achieved in Boston.

Restaurant Review

Ethiopian flavours come to Reading



Guests enjoyed traditional Ethiopian cuisine at a buffet at the newly opened **Maiden Over** pub/restaurant in Reading. Sunday 1st May was gloriously warm with the delicious aroma of spicy food wafting in the air.

Owner Tutu made everybody feel at home. Tutu caters for all tastes by also offering traditional pub food and a Sunday roast. Amidst soft talk and laughter, guests had their fill.

On the menu were Fosolia (haricot beans and carrots), Sega wot (beef simmered in hot pepper and flavoured with homemade Ethiopian spices), Doro wot (the national dish of Ethiopia) and gently flavoured lentil stew. All were accompanied by the spongy Ethiopian pancake, *injera*. Beautiful Ethiopian ladies served guests with trade mark Ethiopian hospitality.

This writer and his friends savoured the colourful assortment of Ethiopian dishes with the rest of the guests, mostly from Reading, Tutu’s home for almost two decades now.

No one could fail to appreciate Ethiopian hospitality, and the warmth and rich flavours brought to Reading by Tutu, **Reading Food Hero** and a winner of **Pride of Reading**. Congratulations Tutu!

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