



# Ethiopian News

January 2012 Issue (2)

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## 18<sup>th</sup> AU Summit – the highlights

The 18<sup>th</sup> Ordinary Session of the Assembly of Heads of State and Government of the African Union (AU) opened on 29<sup>th</sup> January under the theme: **“Boosting Intra-African Trade”**, at the new African Union Conference Centre (AUCC) in Addis Ababa, Ethiopia.



The Heads of State and heads of delegations of the 54 African Union member countries proceeded in the morning with a tree planting ceremony on the site of the AU headquarters, a symbolic act aimed at highlighting the need to preserve green vegetation to fight drought on the continent.

The opening ceremony was presided over by the outgoing Chairperson of the African Union and President of the Republic of Equatorial Guinea Mr Teodoro Obiang Nguema Mbasogo. This was Mr Mbasogo's last day as AU Chairperson, as the

Heads of State were due to elect another Chairperson as the Chairmanship rotates. President Obiang passed over the baton of command to Mr Boni Yayi, President of the Republic of Benin, who will lead the African Union for the year 2012. President Obiang gave an account of the achievements of the AU during his chairmanship and called for greater involvement of the AU, speaking with one voice, at international fora.

The guest of honour was Mr Jia Qinglin, Chairman of the Chinese Peoples' Political Consultative Conference of the Peoples' Republic of China, in recognition of the gift of the AUCC, which was built by the Chinese Government.



Dignitaries attending the inaugural meeting included Ban Ki-Moon, UN Secretary General; the Deputy Chairperson of the AUC, Mr Erastus Mwencha, the Commissioners of the AUC;



former Heads of State; former Secretary Generals of the OAU and the Diplomatic Corps.

The outgoing Chairperson of the AU Commission, Mr Jean Ping, said 2011 had been a tough period for the Union, as outbreaks hindering peace on the continent had been of great concern. He saluted the revolutions in Tunisia, Egypt and Libya, and welcomed the new leaders into the AU Assembly - Dr Mohamed Moncef Marzouki, President of the Republic of Tunisia; Dr Abdurrahim El Kieb, Prime Minister of Libya; Mr Salva Kiir Mayardit, President of the Republic of South Sudan; Mr Micheal Sata, President of the Republic of Zambia; and Mr Carlos Fonseca; President of the Republic of Cape Verde.

Thanking the Member States for the valuable support they had contributed to the AU's efforts to resolve most of the conflict situations and humanitarian issues in the Horn of Africa, Mr Ping stressed the need for the AU to be stronger. "But in order to do so, it needs substantial and predictable resources...there is need to speed up economic integration of the continent," he noted, adding that conflict prevention should be at the centre of all AU policies.

Guest of honour, Jia Qinglin, praised the existing friendship between Africa and China. "Since the beginning of the 21<sup>st</sup> century, the China-Africa relationship has grown rapidly and made progress on all fronts." The establishment and development of the Forum on Africa-China Cooperation (FOCAC) and the new type of strategic partnership between the two, has boosted bilateral exchanges in the political, economic, trade and cultural fields, deepening the friendship between the people.

Mr Qinglin said China attaches great importance to its relations with the AU, which it considers a key cooperation partner in African and international affairs. China is ready to work with the AU to improve the strategic dialogue and to enhance cooperation in cross-border and cross-

region infrastructure development in Africa especially in the areas of peace and security.

The UN Secretary General lauded China's magnificent gift of the new AU conference centre, and expressed satisfaction at the UN-AU partnership, saying the UN will continue to support the efforts for democracy and shared values. "I am committed to deepening the ties between the AU and the UN... united we can make good progress." Mr Ban Ki Moon said the AU and UN must see how effectively and quickly the two institutions are able to respond to crises.

The AU Summit ended on 30<sup>th</sup> January when the Heads of States adopted 25 Decisions, one Resolution and two Declarations. Amongst the decisions was the suspension of the elections of the Chairperson and Deputy Chairperson of the AU Commission, alongside that of the eight Commissioners. This came after long debate as none of the candidates for the chairmanship could obtain 2/3 of votes stipulated in the AU constitution.

Jean Ping, former foreign minister of Gabon, was standing for a second four-year term and was challenged by Nkosazana Dlamini-Zuma, currently South Africa's Home Affairs Minister.

The summit resolved that an ad-hoc committee be set up to look into the election matter ahead of the next AU summit scheduled for June 2012 in the **Republic of Malawi** and is expected to meet in March 2012. The mandate of the present Commission was extended until the next AU Summit.

[More AU News in Brief...](#)

### **AU to mark Golden Jubilee of the OAU**

The African Union will celebrate the 50<sup>th</sup> anniversary of the OAU on 25<sup>th</sup> May. The event will highlight the ideals of Pan-Africanism and

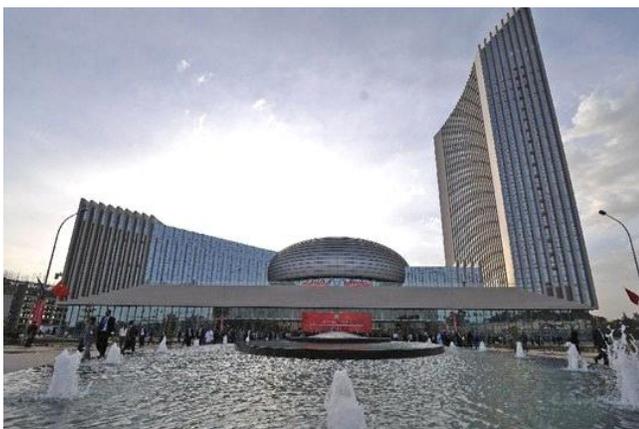
Africa's aspirations for peace, democracy, development and unity.

### First ever Global African Diaspora Summit

African Union leaders agreed to launch the first ever Global African Diaspora Summit on 25<sup>th</sup> May in South Africa. The Summit will help build foundations for reviving the African family across the world to give impetus to the renaissance of the continent.

### The AU's new home!

The new African Union Conference Centre, inaugurated on 28<sup>th</sup> January, was built at a cost of \$200 million as a gift from the Chinese Government to Africa.



The modern, fully equipped facility built on 130,000m<sup>2</sup> of land, donated by the Ethiopian government, represents a historical milestone for the AUC and Africa, the fulfilment of decades-

old aspirations of African leaders and member states of the African Union.



### PM Meles attends Davos Summit

On 25<sup>th</sup> January, the annual meeting of the World Economic Forum took place in Davos, Switzerland.

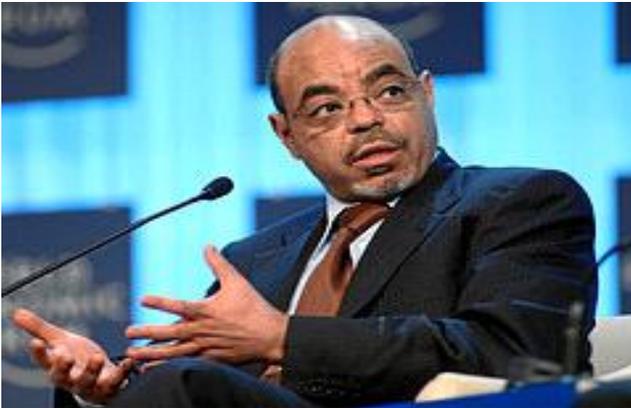
The meeting was attended by over 2,500 leading politicians, monetary policymakers and senior business executives. The overall theme was *"The Great Transformation: Shaping new models"*.

A plenary session on Africa, *Africa - from Transition to Transformation*, was chaired by former UK Prime Minister, Gordon Brown, who was joined by the Presidents of South Africa, Guinea and Tanzania, Prime Minister Meles of Ethiopia and the Prime Minister of Kenya.



Prime Minister Meles Zenawi joined by Former British Prime Minister Gordon Brown (right), South Africa's President Jacob Zuma (2<sup>nd</sup> right), Kenya's Prime Minister Raila Odinga (middle), Tanzania's President Kikwete and Guinea's President Conde.

Issues addressed at the meeting included strengthening governance systems; investing in commodity wealth long term; and fostering stronger national and regional identities.

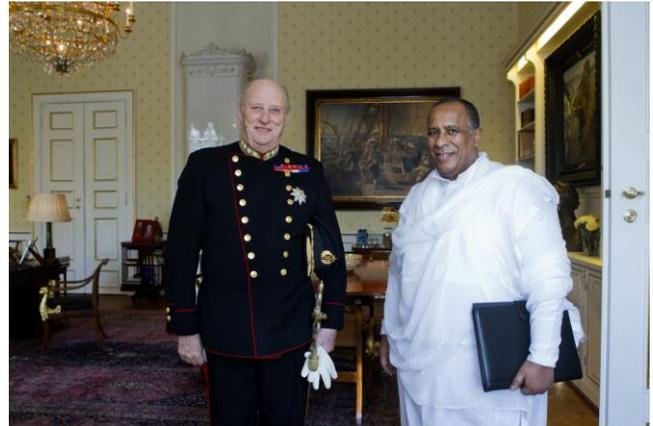


Prime Minister Meles expressed confidence that Africa would be the next "growth pole" of the global economy. It needed, he said, three things: higher investment in infrastructure; better skills; and the ability to attract low-cost manufacturing plants which are looking to re-locate from Asia. It was already being priced out of access to fossil fuel by rising oil costs and had no option but to turn to alternative energy. This might ultimately benefit the developing world by forcing the pace of change. "It is crucial (to have) access to bio-fuels, solar power.... in Africa we think fossil fuels already are being rationed... Maybe it's a blessing in disguise, forcing us to look for alternative supplies." He quoted the example of a new hydro-electric rail project in Ethiopia as the kind of idea that would prevail in future. Sustainable development was the only viable model. "In my view", he said "Africa has no option but to take the green path to development: we have to adjust, no matter what happens, with the climate change negotiations."

### **Cooperation with Norway strengthened**

H.E. Ambassador Berhanu Kebede presented his credentials to the Kingdom of Norway on 19<sup>th</sup> January. During the ceremony Ambassador Berhanu met H.M. King Harald V and discussed

bilateral cooperation matters between the two countries.



The Ambassador with H.M. King Harald V

During the meeting the King reiterated the longstanding relations between the two countries and his government's commitment to supporting Ethiopia's development endeavours, especially in the climate change domain. Ambassador Berhanu explained the democratisation process and the transformation of the Ethiopian economy. He briefed the King about Ethiopia's new strategy of a Climate Resilient Green Economy and expressed gratitude for Norway's support to Ethiopia.

Ambassador Berhanu also met and held discussions with the majority leader of the Parliament, H.E. Mr Raymond Johansen, and the Deputy Secretary General of the Ministry of Foreign Affairs, Mr Christian Syse, on bilateral, regional and international matters.



The Ambassador with Deputy Secretary General of the Ministry of Foreign Affairs, Mr. Christian Syse.

The Ambassador also exchanged views with Secretary General for the Environment Mr Tom Radahl on cooperation between the two sides on global and bilateral environmental issues.

Contacts were made with the Ministry of Trade, NORAD, NORFUND and Oslo Chamber of Commerce. Norwegian African Business Association (NABA), hosted a roundtable with hydropower and agriculture companies.

Ambassador Berhanu and the Consul General of Ethiopia in Stockholm, Mrs Mebrat Beyene, held discussions with representatives of the Ethiopian community in Oslo on current economic and political developments in Ethiopia.

### **State Minister for Education attends World Education Forum**

A high-level delegation led by the State Minister of Education, Fuad Ibrahim, visited London to take part in the World Education Forum. While in town, the delegation was honoured by a tour of duty at the Royal Society (RS) and the University of London.



The Education World Forum (EWF) is the internationally recognised ministerial forum for debating future practice in education. The Forum brings together delegates from more than 60 countries

across the globe to share ideas, form collaborative links and discuss education policy. This year's event examined some of the most rapid of improvements taking place in particular cities, states and regions within countries to enable ministers to benchmark and share the most effective education policies and strategies that are helping them achieve success.

At the Forum under the title "Increasing Access versus Quality in Education: a conscious choice of the Government of Ethiopia", Ato Fuad gave an account of the new Education and Training

Policy (ETP) and Education Sector Development Plans (ESDP).

The strategic vision of the ETP maximises the human resource development needs of Ethiopia's on-going nation building. Sector development plans have been crafted to translate the strategic goals into detailed policies and programmes.

Access to education in Ethiopia has improved significantly, with total enrolment over 20 million, more than 25% of the population.

Over the past fifteen years the number of university students has risen to 543,000, from only 17,000. There are now 32 public and 54 private higher learning institutions. At the technical and vocational training level enrolment has risen to 371,000 from barely 3,000. Gender parity stands at 0.94 for primary education and the state has earmarked 25.6% of total public expenditure (4.3% of the GDP) for the expansion and development of education.

The State Minister said even though there is uninterrupted upgrading of the capacity to plan, manage, communicate and monitor the education system, it continued to be a challenge to keep abreast with the vast expansion and speedy economic growth, which demands high level expertise in planning, implementing, monitoring and feedback techniques and mechanisms. In response to these challenges, the Ministry of Education has developed the General Education Quality Improvement Programme.

Curriculum development, teacher development, a school development programme, a management and administration programme and programme coordination and monitoring and evaluation, are the five components designed to achieve the overall goal of improving the quality of education at primary and secondary levels.

During its visit to the Royal Society, the delegation met Vice President and Foreign Secretary Prof Martyn Poliakoff and Policy Adviser at the Science Policy Centre Mary Rumsby and discussed relations between the Ethiopian Science Academy and the RS, support to improve access to science books and facilitation of connections with schools associated to the Society.

Ethiopia, the professor said, could speed up its development by encouraging young scientists and expressed appreciation of the Ethiopian Academy of Sciences which he described as very dynamic. He had been among the invited guests at the launching of the Academy.

Scientists who have been in service for ten years can compete for government-funded research fellowships at the University of Nottingham and this, he hoped, could help them develop their careers.



The State Minister said that 70 per cent of new entrants to higher learning institutes had been encouraged to join the science and technology streams, which supports the national drive to produce qualified manpower crucial for the future growth of the country.

Citing the progress made in general education in teacher training, expansion of schools, supply of teaching materials and gender parity, he stressed the Ethiopian government's commitment to strengthening development in the sector, while

maintaining quality of education, in cooperation with partners. The Ministry will consider exchange of visits and experiences with schools associated to the RS.

The delegation also visited the Institute of Education at London University. Established in 1902, the institution, in addition to post-graduate programmes in all subjects, is the largest doctoral school of education.

In a briefing he gave in the presence of Dr Mary Stiasny, Pro-Director for Learning and International Directorate and other officials, State Minister Fuad explained what has been achieved in general education, educational leadership, teacher training, curriculum design, school development and IT.

Dr Stiasny said the main focus of the institute is training teachers at advanced level.

Asked whether the Institute could train students at home, she said it is possible to carry out short, sandwich programmes, intensive blocks and virtual e-learning. For such an engagement, a scoping visit will be needed, according to Mike Winter, Head of International Affairs.

The two sides agreed to further explore areas of cooperation. The Institute could contribute with teacher training to help meet demands for more highly qualified teachers in Ethiopian schools.

### **Ethiopia to achieve MDGs in health sector**

Ethiopia is set to achieve the Millennium Development Goal (MDG) in the health sector.

This Goal has been boosted with the Australian Government providing Ethiopia with \$45 million to strengthen the health programme over the coming four years, resulting in more trained health workers, increased rates of immunisation and a reduction in maternal and infant deaths.

Preliminary findings from the Ethiopia Demographic and Health Survey show that infant mortality has already decreased by 23% from 77 to 59 deaths per 1,000 births. Under-5 mortality rates have decreased by 28% from 123 to 88 per 1,000 births, and the use of contraceptives has nearly doubled from 15% to 29%.



Foreign Minister Kevin Rudd and Ethiopian Minister for Health, Dr Tedros Adhanom, signed the new bilateral agreement. The money will help to increase the number of trained midwives from 2,002 to 8,635, and increase the number of deliveries attended by skilled birth attendants from 18% to 62%.

Maternal mortality is expected to drop from 590 to 267 deaths per 100,000 live births and infant deaths to drop from 59 to 31 per 1,000 live births. It will also help measles immunisation reach 90% of the population.

“This work will build on Ethiopia's impressive health gains since 2005, and help keep the country on track to meet their millennium development goal targets for child health,” Mr Rudd said.

Dr Adhanom praised Australia's support and said it will help Ethiopia to further improve its health service programme, and especially to reduce maternal and child mortality rates as well as attain the MDGs.

## 215 health centres go operational in the SNNPS

215 health centres, serving over 5 million locals, were built in the Southern Nations Nationalities and People's State last budget year at a cost of 852 million birr. They were built in zones and *woredas* which had no access to basic health care services.

The construction of 82 new health facilities was begun this Ethiopian fiscal year. They will raise the SNNPS's health care service coverage from 97% to 100% when they are fully operational in two and a half years. 3,602 health posts, 672 health centres, 17 zonal and 3 referral hospitals currently provide health care service in the state.

## Iceland makes energy deal with World Bank

On 24<sup>th</sup> January, the Icelandic Ministry for Foreign Affairs made an agreement with the World Bank to collaborate on the harnessing of geothermal energy in the East African Great Rift Valley countries.

The countries to benefit from this initiative include Ethiopia, Djibouti, Uganda, Eritrea, Kenya, Southern Sudan, Tanzania, Malawi, Mozambique, Burundi, Rwanda, Zambia and Somalia.

Experts believe that in the Great Rift Valley, which is 6,000 kilometres long, it is possible to harness up to 14,000 MW of geothermal energy providing 150m people with access to energy.

The collaboration involves Iceland assisting countries in the region to estimate where the best geothermal areas are located, conduct necessary studies and assist with making estimates of the extent of the resource.

World Bank funds will enable states to conduct the necessary feasibility studies and launch experimental drilling. It will then be possible to embark on organized power plant operations for electricity production.

The collaboration between Iceland and the World Bank assumes varied assistance to each state although they will all be assisted at some level. Other countries and institutions may participate and funding will be sought from international financial institutions and others.

In related news, the World Bank has expressed an interest in financing the Halele-Werabesa Hydropower plant project in Ethiopia at a cost of 700 million Birr, according to Guang Zen Chen, World Bank Country Director for Ethiopia. The project is expected to begin in 2013 and commence operations in 2018, according to EEPCo.

### **Ethiopia to launch three new dams**

Senior ministers at the Ministry of Water & Energy (MoWE) are planning to carry out feasibility studies on three additional hydropower plants in the basin of the Abay (Blue Nile) River, whose combined power generation capacity is projected to be larger than the Grand Renaissance Dam.

The cost of the feasibility studies on the technical, environmental, and social impacts of the dams will be covered with a \$20.1 million grant secured from the government of Norway.

Hydroelectric power plants planned in **Mendaia** (2,000MW), seven kilometres upstream on the Abay River and Dedessa River confluence; **Beko Abo** (2,100MW), located two kilometres upstream of Nekemt Bridge; and **Kara Dodi** (1,600MW), located 70km upstream from the Renaissance Bridge; will collectively produce 300MW more power than the Grand Renaissance Dam's 5,200MW - a capacity the dam will have once construction is completed in the second quarter of 2017.

The Grand Renaissance Dam will be the largest hydropower plant on the continent, with 15 generating units, each producing 350MW of

electric power, a capacity currently generated by Koka and Tekeze dams combined.

The Grand Renaissance Dam also symbolises the nation's determination to build the largest dam ever with its own resources, according to Prime Minister Meles Zenawi.



Mendaia and Beko Abo projects are expected to be roller compacted concrete (RCC) dams, with 200 metre and 285 metre heights, making the latter the highest of its type in the world, each having an annual energy output of over 12,000 GWh a year.

The pre-feasibility studies on Mendaia and Bako Abo projects were conducted by a consortium of consultants from Norway (Norplan and Norconsult), France (Electricite de France), and England (Scott Wilson), as well as Shebelle Consult Plc and Tropics Consulting Engineers, both domestic firms.

The report for the studies was approved by the Ministry after reviewing reports from the consultants, following consultation with the Ethiopian Electric Power Cooperation (EEPCo) and other relevant stake holders, sources disclosed.

The pre-feasibility study includes hydrology studies, topography surveys, and geotechnical foundation and environmental studies. Aside from hydropower generation, the projects also

aim to be multipurpose, providing improvements in flood control and conservation.

If all studies are finalised within the year as planned, construction will start within the coming few years. The cost of building all three dams is yet to be determined.

The Ministry is also commissioning economic feasibility studies on the Tekeze River, for its second dam, 903km north of Addis Abeba, and on the Dedessa River, in Benishangul Gumuz, 386km from the capital, which will have an estimated capacity of 450MW and 301MW.

The successful construction of these dams will increase the nation's hydroelectric power plants to 17. Currently, EEPCo generates 2,000MW of power, while an additional 8,000MW is expected in the coming three years; of which 97MW has already been added after Fincha Amertinesh Dam was inaugurated last month.

### Light rail service construction begins in Addis

The construction phase of the light rail transit service project in Addis Ababa has begun around Meshualekia and Ayat Village. The first phase of the project will be finalised within 30 months.

On completion, the railway line will begin service with 41 rails, each with the capacity to transport 286 people at a time, allowing transport for up to 60,000 people an hour in four directions, solving transport problems in the city. The project will cost more than \$400 million. The Government of Ethiopia will cover 40% of the financing and the Chinese Government the rest.

Ayat Village will be connected to the Defence Forces Hospital by a 17.26km stretch of railway, while 16.246km will lead from Meskel Square to Kality and 3.875km of railway is to extend between Lideta and Menelik Square.

### Ethiopia now third-largest producer

Coffee production in Ethiopia for the last two seasons has exceeded all expectations, according to the International Coffee Organization. The ICO, in a monthly update, put Ethiopia's 2011/12 output at 9.8 million bags, up from 6.35 million, overtaking Columbia's output for 2011/12 at 8.50 million bags. Brazil and Vietnam are the world's two largest producers.

The rise in Ethiopia's production, doubling in three seasons, comes amid the government's drive to more than double coffee output in its five-year Growth and Transformation Plan.

In Ethiopia, Africa's largest coffee producer, 15 million smallholder farmers grow Arabica coffee. Ethiopia prides itself as the birthplace of coffee. The coffee bean is believed to have originated from Ethiopia's Kaffa Province.

In related news, the 9<sup>th</sup> **African Fine Coffees Conference and Exhibition** is to be held in Addis Ababa from 16<sup>th</sup> to 18<sup>th</sup> February. The conference will include more than 1,500 buyers, producers, traders, marketers and equipment dealers.

The timing of the Conference is ideal as world prices for coffee are currently at a new high boosting the confidence of producers inclined to abandon coffee crops.

The conference will cover sustainable production systems, climate change, market outlook, the growing potential of Robusta and learning from the Ethiopian experience. It will help foster a positive image for Ethiopia, and promote knowledge transfer and market connections.

Introducing superb *Ethiopian Royal Coffee*...



This ecologically grown coffee is packed in exclusively made patented coffee tins and high standard foil bags to facilitate refilling.



Small quantities can be bought direct from Finland; larger quantities can be shipped to order directly from Ethiopia. For further information, please contact our Finnish Honorary Consul General, Elias Saboure on [elias@saboure.com](mailto:elias@saboure.com).

### **South West Energy signs exploration deal**

SouthWest Energy has signed a Petroleum Development and Production Sharing Agreement (PSA) to explore oil and gas reserves in the Gambella basin, becoming the first Ethiopian company to sign a petroleum exploration accord with the government.

The PSA gives SouthWest Energy the right to conduct exploration operations on a block that covers approximately 17,000km<sup>2</sup> adjacent to the South Sudan border.

The agreement was signed by Ethiopian Minister of Mines, Mrs Sinkenesh Ejigu, and Tewodroz Ashenafi, Chairman & CEO of South West Energy.

The Gambella PSA strengthens SouthWest Energy's existing presence in Ethiopia, which consists of 100% working interest and operatorship of three blocks in the Ogaden Basin. The addition of the Gambella concession makes SouthWest Energy one of the largest acreage holders in East Africa.

"This is an excellent opportunity for SouthWest Energy to expand its Ethiopian exploration and production activities," said Tewodros Ashenafi. "Due to its proximity to the oil production and reserves in South Sudan and the potential for new oil and gas infrastructure in the region, Gambella is an area of increasing strategic interest for international oil and gas companies."



"SouthWest Energy has done a very good job on its existing Blocks 9A, 9 & 13, and we expect SouthWest Energy to do the same on the Gambella concession," said Dr Ketsela Tadesse, Head of Petroleum Licensing & Administration of the Ethiopian Ministry of Mines.

### **Tendaho Sugar Factory to put Ethiopia first**

The Tendaho Sugar Factory is expected to put Ethiopia in the number one place for sugar cane crushing capacity when it goes operational in October.

The project, set up in Afar Regional State at a cost of 11.8 billion Birr, will have the capacity to

crush 26,000 tonnes of sugar daily when fully operational, 13,000 tonnes in its first phase.

The Factory will have an estimated output of 600,000 tonnes of sugar a year, 50% for export. It will also produce ethanol and 70MW of electric power.

### Diageo acquires Meta Abo Brewery

# DIAGEO

Diageo plc, the world's leading premium drinks business, has completed the acquisition of the Meta Abo Brewery Share Company SC, a leading beer company in Ethiopia, in a deal worth \$225 million. The acquisition concludes a competitive tender process held by the Privatization and Public Enterprises Supervising Authority on behalf of the Government of Ethiopia.

President of Diageo Africa Nick Blazquez said the acquisition represents a milestone in achieving Diageo's strategy of participating at scale in beer and spirits in growth markets in Africa.



"Meta is a strong national brand that has great heritage in Ethiopia. We will invest behind the long-term growth of the brand, the Meta business, and the wider communities in Ethiopia," he said.

Meta Brewery is the second largest beer company in Ethiopia with a volume share of about 15%. From its brewery near the Ethiopian capital Addis Ababa, it produces and distributes its flagship national lager brands Meta and Meta Premium.

The acquisition will give Diageo direct access to the rapidly growing Ethiopian beer market, and will complement Diageo's existing premium spirits business in the country. The beer market in Ethiopia is estimated to continue to grow at more than 10% a year to 2015, driven by strong GDP growth and increased disposable incomes. Diageo currently markets its international premium spirit brands, including Johnnie Walker Scotch whisky, Smirnoff vodka and Gordon's gin, through its representative office in Addis Ababa.

Ekwunife Okoli, Managing Director, Africa Regional Markets, added, "We recognise the huge potential in Ethiopia and understand the market through our current spirits operation. It's an exciting place to do business and we are delighted to be owners of such a prestigious brand. Through combining the strength and heritage of Meta with our international brand and innovation credentials, we will grow the brand and the business. We want Meta to be enjoyed by more consumers across Ethiopia and beyond. We are delighted to welcome our new colleagues to the Diageo family, and look forward to growing our relationships to make a bigger contribution."

The transaction also represents a significant investment from the UK into Ethiopia, contributing on a number of levels to the Ethiopian Government's Growth and Transformation Plan. These include supporting local agricultural development, investing in and stimulating a competitive beer industry, and researching options to increase product exports. Diageo will also look to extend its Water of Life initiative in Ethiopia. The initiative currently provides access to clean drinking water for over

60,000 Ethiopians in the Kechene and Burko Gudo districts.

Commenting on the acquisition, UK Minister for Trade and Investment, Lord Green, said, "Sub-Saharan Africa is not only a trillion dollar market, but the IMF forecasts it will have seven of the world's ten fastest-growing economies over the next five years. Within this market, Ethiopia represents a great opportunity, and I hope that where Diageo leads, other UK firms will follow. I congratulate Diageo on this move and I wish them every success with their investment."

### **Charisma Ecology to build 13 new resorts**

In a major boost for Eco tourism, seven investors with 90 million birr are coming together to build thirteen hotels in places that were previously inaccessible to tourists.

**Charisma Ecology** plans to build resorts in pristine wilderness areas that, although spectacular, were seen by few because of their location. Formed five weeks ago, it plans to build first class cultural resorts on 13 different sites.

"Ethiopian classical architecture and local professionals will play a major role in constructing the resorts, mainly located in the southern part of the country. We want to preserve the ancient housing construction styles but these will be first class traditional resorts," board member Daniel Damtew explained.

During the first phase four resorts will be built in less than two years, expanding thereafter.

"The first 13 resorts will be in recognized tourist destinations but we have a plan to identify new potential tourist areas," Daniel explained.

Among exciting recreational activities are fishing and boat rides on the Omo River.

The resort locations include; **Tana Lake** on Zege Peninsula, accessible via water and land and the nearest location to the historical Tana islands.



Simien Mountains

**Kosoye Resort**, 23km from Gonder town, with perfect views of the Simien Mountains.

The resort on **Abayata/Shala Lake**, a popular place for aquatic birds and hot springs, **Geralta Resort**, with its rock-hewn churches along the highway from Mekele to Axum, and resorts in **Bale** and **Afar**.

### **Ethiopia to host textile expo**

Addis Ababa will host the first Ethiopian International Textile and Apparel Expo and Trade Fair from 8<sup>th</sup> to 11<sup>th</sup> March.

More than 130 suppliers of raw materials, producers, fashion designers and foreign investors are invited. The expo will offer an opportunity to introduce Ethiopia's textile products to the world and serve as platform for local and international suppliers and producers and manufacturers, expanding their market. It will also demonstrate finished textile products, fabrics, accessories, components and pattern and design skills.



The Ethiopian textile industry has a great many advantages to offer investors, such as the production of raw materials such as high quality cotton, widely used in the sector. The product/supply value chain provides abundant opportunities for investors wanting specialised production.

The industry has been growing exponentially in recent years, and growth has stimulated exports and domestic consumption of textiles - Ethiopia earned more than \$23 million in 2010 and \$62.2 million in 2011 from the textile and the garment industry. The textile industry has attracted local and international investors with more than eight middle- and high-level companies involved, as well as small scale enterprises.

The Government sees the textile sector as a key economic activity for growing the national economy by generating hard currency. To this end, the Government, in its five-year Growth and Transformation Plan, has set out to generate \$1 billion and to increase the total price of the sector's products to \$2.5 billion in the 2014/15 fiscal year. Employment opportunities for about 40,000 citizens will be generated during the plan period.

## Ethiopia joins UCI Continental Circuits



The International Cycling Union (UCI) completed the registration of 136 Continental Teams on 26<sup>th</sup> January, with five countries either being represented for the first time or returning to the Continental Circuits, namely Ethiopia, Argentina, Paraguay, Kazakhstan and Singapore.

Ethiopia will join Algeria and South Africa on the UCI Africa Tour.

The Ethiopian outfit, Marco Polo Cycling Team, is a Dutch structure committed to the development of cycling. After being active in Asia, where it held a Chinese licence, the team has now chosen to operate from Ethiopia. In accordance with UCI regulations, the majority of the team's riders will be Ethiopian.



The Marco Polo Cycling Team in Europe with sports director Gilbert de Weerd and the Ethiopian (and Eritrean) cyclists.

The organisation had already been involved with the Ethiopian Cycling Federation through the charity foundation Bike4All, and is currently seeking industry partners to support the team.



### **Timkat celebrated in Ethiopia**

On 20<sup>th</sup> January, Ethiopians gathered to celebrate the colourful festivity of Timkat (Epiphany) at different locations where replicas of the Ark of Covenant were brought to the baptismal pools. The Feast of Timkat, which celebrates the baptism of Jesus Christ in the River Jordan by John the Baptist, is the most important Christian holiday in Ethiopia.

In Addis Ababa, the day was celebrated with religious rites and traditional ceremonies. On the eve of Timkat (Ketera), thousands spent the night in procession in front of the Tabots, replicas of the Ark of the Covenant on which the Ten Commandments were engraved. On the day itself, the baptism water was blessed by His Holiness Abune Paulos, Patriarch of the Ethiopian Orthodox Church, and sprayed on the faithful gathered there.

The Patriarch, who is also president of the World Council of Churches, urged all Christians to further develop living in peace, tolerance and respect for each other and called on the faithful to preserve Epiphany celebrations for the coming generations.

Following the celebration, the Tabots were taken back to their respective churches in colourful processions.

The celebration attracts thousands of foreign tourists to Ethiopia annually. Distinguished guests, members of the diplomatic corps and dignitaries were also in attendance. Timkat is celebrated on the 10<sup>th</sup> day of Terr on the Ethiopian calendar, which corresponds to 19<sup>th</sup> January (or 20<sup>th</sup> January in a Leap year) in the Gregorian calendar.

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## **GRAND RENAISSANCE DAM**

**EXPRESSION OF ETHIOPIA'S COMMITMENT TO THE BENEFIT OF  
ALL THE COUNTRIES OF THE NILE BASIN**



### ***Renaissance Dam Committee meets in Sudan***

*Khartoum has hosted a two-day meeting of the tripartite technical committee that evaluates the Grand Renaissance Dam.*

*Ethiopia proposed the establishment of the technical team to create transparency and to guarantee to Sudan and Egypt that the construction of the dam will not diminish their downstream water share and to further create better understanding between the countries and to allow them to engage in continued cooperation, serving their mutual interests.*

*The committee, which includes four international professionals and six experts drawn from the three countries, held its first meeting in Addis Ababa.*

*Ethiopia pledged to provide all information needed for the evaluation of the dam. The tripartite committee will submit its report to the governments of Egypt, Sudan and Ethiopia following an assessment period of six to nine months. The report will include the benefits and drawbacks of the construction of the dam. The three states will announce a final position on the dam after considering the report.*

*Ethiopian experts say the construction of the dam will not harm Egypt and Sudan which, they say, will benefit from the electricity it generates. The dam will also regulate water flow and help control flooding risks. The next meeting is scheduled to take place in Cairo.*

*In related news, a bond selling day organised in collaboration with the Ethiopian Consulate in Denmark took place on 4<sup>th</sup> February, where the Ethiopian Diaspora showed support by purchasing bonds worth US\$78,400.*

*The event took place in the presence of H.E. Berhanu Kebede, Ambassador and H.E. Abdirashid Dulane, Deputy Head of Mission, where the importance of the Renaissance Dam to the national economy and regional peace and security was emphasised in a presentation.*