



Ethiopian News

February 2016 Issue



Coffee comes home

Ethiopia hosts 4th Coffee Conference

6-11 March (see page 5)

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Egypt hosts Africa 2016 Business Forum

The Africa 2016 Business Forum was held in the Egyptian resort of Sharm el Sheikh from 20th to 21st February, under the auspices of the African Union Commission. African leaders in attendance included Prime Minister

Hailemariam Dessalegn, President Buhari of Nigeria and Sudan's President Omar al-Bashir.

Opening the two-day Forum, Egypt's President Abdel-Fattah el-Sisi said 'The Forum aims to strengthen Africa's place in the world economy,' and both 'presents investment opportunities that



Africa offers to the international business community' and 'paves the way for communication and cooperation.'

The President stressed the importance of providing African youths with the skills for engaging effectively in the labour market. Enhancing productivity and growth are key, as is the need to focus on the transition to knowledge societies through research and innovation. Countries should develop 'mutual mechanisms through regional integration models', to fulfil economic development in Africa and to execute large regional projects, especially in infrastructure. He said 'We hope such efforts contribute towards doubling intra-African trade which is currently a fraction of what it could be.'

Egypt, el-Sisi said, is looking forward to the establishment of African Free Trade, with free trade zones for goods in the short-term and the hope of promoting services and intra-continental investment opportunities at a later stage. He called on fellow Africans and international partners to launch projects 'that open new horizons for more investment and capital flows.'

Prime Minister Hailemariam told the Forum that the event reaffirmed Egypt's involvement in Africa's Renaissance and its commitment to strengthening partnerships and cross-border private sector engagement. Noting the Forum's bold initiative at strengthening intra-Africa trade relationships and promoting peace and security, the PM said, 'development needs clear policies and strategies that fit our own specific conditions, genuine partnerships among nations and institutions and a favourable political, economic and social environment in order to attract international capital.' 'Over the last few years' he added, 'we have laid a strong foundation for our economic and social development, putting in place many of the factors so vital for development, expanding power generation;



major construction of roads and railways; a large, trained and enthusiastic workforce; complimentary legal frameworks and a sustainable peaceful environment. All this is helping to open up significant opportunities for the participation of foreign investment.'

On forging regional integration, PM Hailemariam said Ethiopia, as the second most populous country in Africa, is fully aware of its responsibility, and continues to create power interconnections, road and rail links, expanding these to Djibouti, Sudan, Kenya and South Sudan. 'Ethiopia has gone a long way to lay the foundations for consolidating economic ties within the Horn of Africa, which underlines our resolve to play our part in regional integration.'

On the margins of the Forum, PM Hailemariam, el-Sisi and Sudanese President Omar al Bashir discussed their common vision of promoting inter-regional partnerships and enhancing economic cooperation among the three countries, which have also agreed to form a Joint Investment Fund to bankroll development.

A business deal was also secured at the summit - a 5-year contract for Egyptian company Qalaa Holdings to export environmentally friendly alternative solid fuel to Ethiopia. Its co-founder Hisham El-Khazindar noted, 'Within the context of our continent and within the context of developing



solid waste solutions, this is a very important milestone for the Egyptian Company for Solid Waste Recycling (part of Qalaa Holdings).’ They also signed a 5-year memorandum of

understanding for a new joint venture with Ethiopia's East African Mining. Egypt's cable-making firm, Elsewedy Electric Group, announced that it would establish an Egyptian industrial zone in Ethiopia within two years to encourage Egyptian investors to establish their projects in the country.

Concerning the role of the private sector, the President of the African Development Bank, Akinwumi Adesina, said ‘across the continent, 645 million people do not have access to electricity and the only way to address the gap is to widen private sector participation in the energy sector, so we plan to invest 12 billion dollars in the energy sector over the next five years.’



Ethiopia establishes migration taskforce

The Ministry of Justice has announced a taskforce that helps prevent illegal migration has been established, comprising members from various governmental departments and from NGOs (non-governmental organisations).

Tasked with fully implementing the law against illegal migration, it is also responsible for crime

prevention, rehabilitating victims, awareness raising and providing psychological and social support at a national level. The ministry called on the media to contribute their share to the success of the taskforce’s mission.

In related news, over 3,000 people were detained while trying to cross the border in the last 6 months, said the National Council on Prevention and Control of Human Trafficking - it sent them back to their respective areas.



The Council, which is chaired by Deputy Prime Minister, Demeke Mekonnen, said the number of victims of human trafficking had increased compared to the same period last year.

86 human traffickers were arrested and charged and more than 20 smugglers have been tried and sentenced. Laws to curb illegal immigration and approve overseas employment proclamations were introduced. The efforts seek to coordinate the actions of taskforces established at federal and regional level, the security forces, government bodies, embassies and diplomats.

In more related news, on 23rd February, State Minister of Foreign Affairs, Regassa Kefale, received a high-level delegation from the International Organisation for Migration (IOM). Mr Regassa expressed his appreciation to the organisation for its support and partnership, citing the IOM’s assistance in the recent operation assisting Ethiopian returnees from Yemen, Libya and Malawi. The State Minister noted that Ethiopia is currently hosting 800,000 refugees and is working closely

with the EU and other international organisations to help with the migration crises. Ethiopia is raising awareness, creating work opportunities and establishing a legal framework for people to migrate legally to mitigate the challenges of migration.

The IOM delegation expressed its gratitude for Ethiopia's immense role in migration areas and said the country is to be commended for taking responsibility to care for so many people. Members of the delegation also noted that they were looking forward to working with the government, not only on migration issues, but also on areas of prevention and mitigation.

US-Africa Business Summit



The 10th biennial US-Africa Business Summit took place at the United Nations Conference Centre in Addis Ababa from 1st to 4th February.

Prime Minister Hailemariam Dessalegn opened the Summit with a speech in which he stated that he hoped the Summit would generate interest among business communities, not just in the United States but around the world, for working in Africa. He also noted how Africa as a continent had been less affected by the global economic downturn than other areas of the world; indeed: 'Africa is rising and its future is bright, very bright', he said. The World Bank had recently stated that Africa was on the brink of an economic take-off, much as China was 30 years ago, he said.

While the US has always been a long-standing and central partner to African

states, the Prime Minister lamented that US private sector engagement needed to improve and increase. Africa is an untapped source of potential, he said, citing the growing availability of clean and cheap energy, large populations and rapidly growing markets as reasons to invest.

During the Summit, African countries were urged to further improve infrastructure by building up the capacity of private financial institutions to invest in projects. On the final day of the Summit, Reed Kramer, CEO of Africa Media Group, made the closing remarks attributing Africa's recent economic revival not only to the exploitation of its natural resources (a common claim) but also to the dynamism of African entrepreneurs - they have found solutions to local problems, provided services to a growing middle class and created networks to facilitate communication.

Ethiopia hosts Africa's first conference on immunisation

A two-day event, which began on 24th February, brought together African leaders, health ministers, NGO staff and other stakeholders under the banner: **Fulfilling a promise: Ensuring immunisation for all Africa**. It was hosted by the regional offices for the World Health Organisation in collaboration with the African Union Commission.



While opening the conference, Prime Minister Hailemariam Dessalegn called for African leaders to commit to expanding vaccination programmes. 'African leaders need to do more to save the lives of future generations. Without comprehensive immunisation programmes, we undermine future generations, exposing them to often deadly diseases,' he told the conference participants.

Editorial: Coffee returns home to Ethiopia

The history of coffee started in Ethiopia around 800AD when a goat herder by the name of Kaldi noticed that his goats were intoxicated after eating red berries in the bushes. He picked some, tried them, and shared them with monks living in the area and from there coffee spread around the world.

Today, 12 centuries later, coffee has become a global business. It is currently the second highest traded commodity in the international market, after petroleum. In Ethiopia, it is more than just a commodity or a beverage. It is a way of life with cultural and social significance.

It is therefore fitting recognition that, as we go to press, the International Coffee Organisation (ICO) is holding the 4th World Coffee Conference from March 6-8, 2016 and the 116th International Coffee Council from March 9-11, 2016, in Addis Ababa, Ethiopia. Previous locations of the conference have included the UK, Brazil and Guatemala.

Coffee plays a crucial role in the Ethiopian economy. More than 6,000 coffee varieties are said to be available in Ethiopia. In terms of annual output, Ethiopia is the largest producer of coffee in Africa and the 5th largest in the world behind Brazil, Colombia, Vietnam and Indonesia. It is also the ninth largest exporter of coffee in the world. The livelihoods of over 15 million people depend on coffee farming and the foreign exchange generated by coffee exports amounted to around US\$900million in the year 2014/2015.

Ethiopia intends to maximise the benefits it derives from the production and export of coffee. The World Coffee Conference, which brings together producers, exporters, importers and other stakeholders in the coffee business, will be an ideal forum for promoting Ethiopian coffee and facilitating direct interaction between Ethiopian coffee exporters and their international counterparts. Around 1,000 participants and 100-120 exhibition stands are expected at the event. We hope that Ethiopia will use this unique opportunity to increase the economic benefits that can be gained from the high quality Arabica coffee it introduced to the world over a millennium ago.



US Investment in Ethiopia hits US\$4 billion



In related news, despite criticism by PM Dessalegn of levels of US investment in Africa, US investment in Ethiopia, has recently hit US\$4billion. Several US companies such as Coca Cola, Corbetti Geothermal Company, KKR & Co., I.P. Horticulture and Blackstone have made use of the advantages offered by the AGOA pact (African Growth and Opportunity Act).

Indeed, in early February, Black Rhino, owned by investment firm Blackstone Group, was awarded the contract for a 500km fuel pipeline, worth \$1.5billion, connecting Ethiopia's Awash region and Djibouti, with construction set to begin in June 2016. Ethiopia and Djibouti approved the project,



also known as the Horn of Africa Pipeline (HOAP), back in October 2015. The pipeline will be 20 inches in diameter and will transport diesel, gasoline and jet fuel. UK consultants Turner & Townsend have also been awarded the contract to project manage the pipeline,

The US is not the only one increasing investment and trade; there is a growing number of Ethiopian entrepreneurs also taking advantage of AGOA which offers expanded duty-free benefits that were only previously available under the Generalized System of Preferences (GSP). Currently there are over 7,000 different African products entering the United States tariff-free.

Grand Ethiopian Renaissance Dam

On the side-lines of the Africa 2016 Forum, President Abdel Fattah el-Sisi met with Sudanese Presidents Omar Hassan Al-Bashir and Ethiopian Prime Minister Hailemariam Dessalegn to discuss the technical progress made on the Grand Ethiopian Renaissance Dam, to review the progress of the Declaration of Principles signed in March 2015, and the progress of the tripartite meetings between the three countries’ ministers of foreign affairs and water resources.



Sudanese ambassador to Egypt Abdel Mahmoud Abdel Halim said the meeting had boosted progress between the three countries in terms of the technical aspects of the GERD.

On 17th February, a tripartite meeting was held with representatives of the two French companies – Artelia and BRL - who will conduct studies on the impact of the GERD. The UK-based law firm Corbett

& Co was selected to manage the legal affairs of the tripartite committee.

Ministry Border and Trans-Border Rivers Director, Teshome Atnafe, said the study will begin after the signing of the proposal, to be discussed and ratified in Addis Ababa.

The countries discussed a draft contract document and an agreement and finance proposal; the French consultant companies have requested €4.5 million for the study and each country has agreed to contribute €1.5 million.

GERD background

On September 22, 2014, the panel of experts in the three countries proposed the conduction of two additional studies on the dam project, the first one on the effect of the dam on the water quota of Sudan and Egypt and the second one to examine the dam’s ecological, economic and social impacts on Sudan and Egypt.

On 10th February, the tripartite national committee on the Grand Ethiopian Renaissance Dam agreed on a joint stance toward the technical proposal submitted by the French consultancy firms that were assigned to study the impact of the dam on Sudan and Egypt.

The French companies Artelia and BRL were selected to undertake the dam impact studies.

The multi-billion dollar dam is being constructed on the Blue Nile, about 20km from the Sudanese border, and has a capacity of 74 billion cubic meters, and is expected to generate electrical power of up to 6,000MW.

Egypt is concerned that the dam could reduce its water share, while the Ethiopian side maintains that the dam is primarily built to produce electricity and will not harm Sudan and Egypt.

Drought Update

At a press conference on 23rd February, PM Hailemariam said that response to the drought appeal is moving in the right direction and that the government, in collaboration with its international partners, will continue to facilitate access to food and water supplies and other essentials, as well as build resistance to reverse the effects of the El Niño phenomenon.

The Grain Trade Enterprise, the World Food Program and the NDRMC [National Disaster Risk Management Commission] are all importing food, and the Port has made available four extra berths to ease congestion. In late February, in addition to vessels unloading 144,000 tons of wheat, there were another ten vessels at anchorage with 418,038 tons of sorghum, wheat and fertilizer, ordered by various agencies involved in the relief efforts. Another three ships with 82,000 tons of wheat and sorghum were expected by the beginning of March.

The latest UN Global Emergency Report said areas affected are Afar, the Somali region's Shinile zone, and parts of Amhara, Oromia, and SNNPR.

The government communications offices said that locally manufactured nutritious food has helped protect mothers and children during the drought. Since last October, seven food manufacturing factories operating in and near Addis Ababa have teamed up to manufacture the supplies.



Manufacturing locally enables a timely response and is cheaper than importing. The Food, Beverage and Pharmaceuticals Industry Development Institute reported that 125,000 quintals of nutritious food was distributed in the last four months. The seven factories plan to manufacture an additional 80,000 quintals.

The government is providing factories such as FaFa Food Complex Share company with inputs from local and foreign markets.

The semi cooked foods comprise 78% corn and 22% chick peas and includes added vitamins and minerals.

Ethiopian Airlines going from strength to strength



February saw a multitude of news-grabbing headlines regarding Ethiopian Airlines. RwandAir announced that it had selected Ethiopian as a strategic partner, offering it a 49% investment stake if it provided technical

assistance and management to the airline. Etihad Airways were also among the airline carriers that had shown interest in RwandAir's offer, but subsequently withdrew. Kigali will now be Ethiopian's fourth base in Africa, alongside Addis, Lome and Lilongwe with ASKY and Malawi Airlines.

On 8th February, Ethiopian also inaugurated its aviation academy, which cost US\$120 million. A mere five years ago the academy was only able to take 200 students, but with the improvements it can now take 4,000. On the occasion of the inauguration, Prime Minister Hailemariam Dessalegn stated that the academy made Ethiopia the leading African country in aviation technology, adding that he was 'proud of Ethiopian'.



The Academy has five education centres for pilot training, aviation maintenance training, commercial training, ground service training and leadership training. Late in January, 14 pilots graduated from the Academy, including 9 Rwandans, 3 of whom were women.

Later the same week Ethiopian announced a partnership with the company Mozio, with the aim of providing a more efficient, safe and affordable support service as a response to soaring customer demand. The partnership will seek to provide a better service for customers getting to and from the airport whether it be via shuttle, bus, taxi, train or even tuktuk in some countries.

Furthermore, starting on 26th March, Ethiopian Airlines will be starting twice daily flights to New Delhi in India. Tewolde Gebremariam, CEO of the airline, noted that as India is 'one of the strongest economic muscles zooming into the global economic picture, availing more frequencies would catalyse the remaining investors from both countries and facilitate business'. Undoubtedly, double daily flights will improve the growing economic, political and social relationship between India and Ethiopia and potentially the two continents, with connecting flights available to other destinations such as Khartoum, Nairobi and South Africa.

Ethiopian have also announced that it will be starting a private jet service in the future. Business plans are yet to be finalised but it is thought that the jets used will seat between 10 and 20 people and fly from Addis to various African cities. It is not yet known whether these flights would be scheduled or operate on an ad-hoc basis.

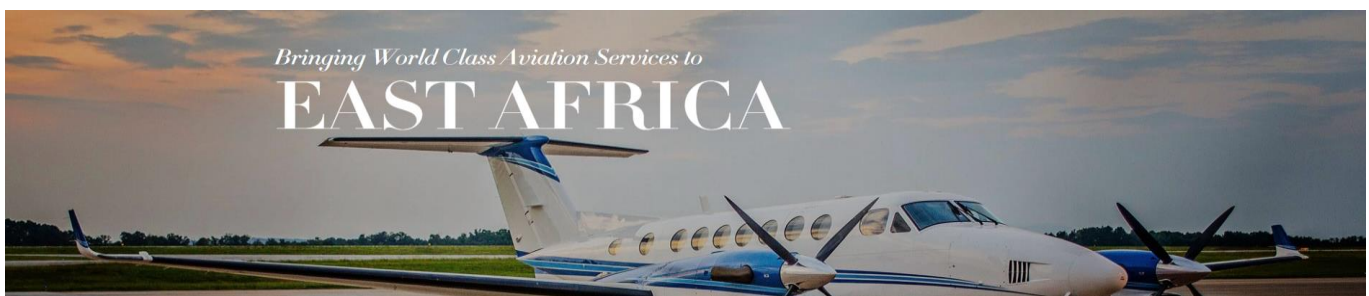
There's a new airline in town



East African Aviation began flying in Addis Ababa this February, offering air ambulance services and chartered flights. Established by a former Ethiopian Airlines captain, Mulat Lemlemayehu, with an outlay of 57 million birr, the airline can offer emergency medical treatment while flying a patient to hospital in Ethiopia or elsewhere.

East African Aviation disclosed that it had made an agreement with hospitals in Saudi Arabia, UAE, Kenya and South Africa as well as with insurance companies, so that when an insurance policy buyer falls ill after having bought a policy for US\$2,040/year, he or she will be flown to hospital to receive urgent treatment.

Aside from ambulance services, the Airline will be offering chartered flights to organisations, VIPs, investors and others. East African Aviation have also launched a pilot training school in Addis Ababa which has two Cessna 172 trainer aircraft and a full motion flight simulator. Currently the school is training eight cadets from Ethiopia, South Sudan and DRC, though it hopes to push this number to 20.



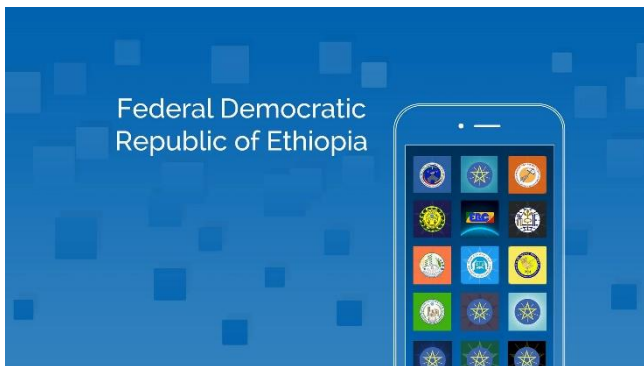
Ethiopia launches national app store

AhadooTec, an Ethiopian start-up company, has been awarded a tender to develop 20 apps and a national app store by the Ministry of Communications and Information Technology as part of the government's 'e-Gov' strategy.

There are apps for most of the major government departments including for Tourism, Ministry of Health and Ethiopian Revenue and Customs, which are designed to share up-to-date information with the public in a simple and easy to understand way.



Amanuel Abrha, co-founder of AhadooTec, expressed his excitement regarding the project and also said: 'We believe the apps will enable the government offices to be more service oriented and communicate with citizens effectively. Citizens on the other hand can obtain information on their mobile without the need to go to offices and stand in line for hours. They will save money and time and are able to make informed decisions'.



Speaking on their Facebook Page via 'Ethiopian Mobile Apps', AhadooTec said: 'the future importance of mobile applications is enormous. Thus investing into the mobile digital future of the

Ethiopian people and economy is essential. One of such initiatives is the development of apps for 20 governmental offices and an Ethiopian app store to encourage local app development. In the coming days the beta versions will be launched. We cordially invite you to test them and very much look forward to your constructive feedback.'

Currently the apps are only available for android devices but will be coming to iOS very soon.

Ethiopia's flower success

In February *The Star of Kenya* reported that Ethiopia was attracting investment in the flower sector away from Kenya.

In the last year Kenya has lost as many as five flower investors as a result of a punitive tax environment. Executive of the Kenya Flower Council, Jane Ngige, stated on the Council's website that the investors relocated to Ethiopia to take advantage of incentives being offered there, which include subsidies on freight, good infrastructure, and serviced areas of land.

The Executive also said in a media briefing in Nairobi that '[t]he entry of county governments [in Kenya] came with a multiplicity and duplication of taxes and levies, making it more expensive to do business and even discouraging new investors'.



This news also came alongside the revelation that Ethiopia exported more than 11 million stems of flowers for the Valentine's period.

First group graduates from Samsung Ethiopia's Electronic Engineering Academy

Fifty-six of Ethiopia's best students in electrical and computer engineering, information technology and mechanical and industrial engineering have

graduated from Samsung's Ethiopia Academy. They have been equipped with the latest skills for entering the job market, receiving hands-on training with state-of-the-art Samsung devices.

Top graduating students have the chance to intern at Samsung Electronics and later work as service technicians and employees in regional Samsung offices. This Academy is one of four in Africa, with the others located in South Africa, Nigeria and Kenya, reflecting where Samsung believes Africa's potential is located. The Academies are part of the 'Hope for Children' Initiative by Samsung, focused on education and healthcare provision for children worldwide.



In Ethiopia, the Initiative has also seen the completion of a solar-powered internet school in Debrebrehan which, when launched, will grant students unlimited internet access. In mid-February, Samsung also announced that it would launch a digital village, which will be a hub for communities to access educational and healthcare solutions.

Bridging the Seed Gap

Multinational Corporation Bayer have announced a partnership with the non-profit organisation Fair Planet in order to provide new seed opportunities for smallholder farmers. The scheme will be in collaboration with leading global vegetable seed companies and other stakeholders including governments, universities and farmers unions. It aims to give farmers access to higher quality

vegetable varieties that are better suited to their needs, while also providing training to help best utilise the new varieties with minimal changes to traditional production practices.

There will be four locations for the project: Dire Dawa, Harar, Butajira and Gondar. Selected seed varieties from Nunhems tomato, hot pepper and onion will be tested in cultivation trials during the 2016 growing season. The best varieties will then be distributed to a range of smallholder farmers for the 2017 season with the aim of demonstrating the advantages to fellow farmers.

'Access to high-quality vegetable seed varieties and know-how is essential to improve the economic growth of smallholder farmers in Ethiopia,' explained Vicente Navarro, Managing director M&S Vegetable Seeds. 'But this can only be successful with a holistic approach and through collaboration. We believe in the setup that Fair Planet has created. We will leverage local empowerment with our seeds and knowledge.'

H.E. Mr Motuma Mekasa visits the UK

From December 9-11 2015, a conference on Water Security and Sustainable Development was held at St Catherine's College, Oxford University, and attended by representatives from the Embassy as well as H.E. Mr Motuma Mekasa (Minister for Water, Irrigation and Electricity) who was accompanied by experts from Addis Ababa University and his Ministry.

The Conference was opened by Professor Andrew Hamilton, Vice Chancellor of the University. He stated that water security was one of the greatest

global challenges we face today as a result of issues including flooding, shortages



of potable water, water pollution and immense population growth. He also noted that now, more than ever, policy makers and experts needed to work together to overcome problems related to water security.

Minister Motuma gave a speech at the conference drawing attention to the lack of potable water for many Africans. He lamented that while Ethiopia was the water tower of Africa, with major potential as well as double digit economic growth, it lacked the technology to contribute to global water security. Despite this, Ethiopia's adoption of a green economy has resulted in a 50% increase of people able to access potable water in the country. A strong strategic bilateral relationship with the UK has helped to facilitate this, due to development finance being made available from DfID. Due to the potential of Ethiopia for the global water security, the Minister added, Addis Ababa has been chosen to hold a high level Ministerial meeting for Sanitation and Water in March 2016.

H&M, ILO and SIDA cooperate to promote sustainable textiles in Ethiopia

Swedish clothing giant H&M, the International Labour Organisation and the Swedish International Development Cooperation Agency have launched an industrial relations project aimed at fostering and encouraging sustainability in the Ethiopian textile and garment sector.

H&M's priority is the promotion of dialogue between different partners which it feels is integral to the 'living wage' aspect of its strategy. For its part, the ILO has highlighted the importance it attaches to freedom of association, which it views as necessary when negotiating fairer wages and working conditions.

The three-year project will be funded by H&M and SIDA, and implemented by the ILO in conjunction with the Ethiopian Employers Federation, Ministry of Labour and Social Affairs, Ministry of Industry, and the Confederation of Ethiopian Trade Unions. It

will build on a similar project underway in Cambodia supported by H&M, SIDA and the ILO.

Anna Geda, Head of Sustainability at H&M, had this to say: 'Well-functioning relations and social dialogue in the labour market is key to improving working conditions and establishing fair living wages. We are engaged in projects which have the aim of strengthening employees' rights and their ability to negotiate on their own behalf on their terms and conditions through trade unions and or democratic elected employee representatives. Our goal is for all of our strategic supplier factories to have democratically elected and functional workplace representation in place by 2018 at the latest.'



Ethiopian diaspora to build grand mall in Addis

A business centre, dubbed Ethio-Diaspora Grand Mall, will be built in Addis Ababa funded entirely by the Ethiopian diaspora.

The 2.6 billion birr project will comprise a 17-storey grand mall, which will be the first of its kind in the capital, housing shops and a cinema, and will be built on 19 hectares of land. The construction of the mall is expected to start within the year and take up to six years to complete.

Currently over 3,000 diaspora have invested at least US\$1 billion in Ethiopia, mostly in real estate, hotels and the tourism sector. However, Dr Tedros has recently called upon the diaspora to use their skills and financial potential to further invest in Ethiopia,

where the government is working to make the environment more conducive to such activities.



Ground breaking ceremony takes place at Atlas bottle factory

On 15th February, a ground-breaking ceremony, attended by local dignitaries and Board members, took place at Atlas's Chancho project in Ethiopia. The project will see the construction of a bottling plant with the capacity to produce 105 million 330ml bottles a year, and is located 45km from Addis Ababa. The top soil of the 5.5 acre site has been stripped and the ground is beginning to be levelled.

The bottle project is located a mere 30km away from deposits of silica sand and limestone which are integral to the bottle-making process. It is also in an industrial area, well serviced by roads and power. An initial pre-feasibility study returned positive results and commissioning of the facility has been scheduled for 2018 with the aim of manufacturing beginning in early 2019.

Chief Executive of Atlas, Carl Esprey said, 'We are delighted to have broken ground at the Chancho Project, our state-of-the-art glass manufacturing facility neighbouring Addis Ababa. The Project has been an excellent acquisition for us, giving us a foothold in the burgeoning Ethiopian consumer market and positioning us at the forefront of advancements in the East African manufacturing sector. We are delighted with the progress that has been made so far and the ground breaking

ceremony marks another momentous step in our transition into exciting new territory. We can now look forward to commencing development of the project site over the coming year and updating the market on our progress in due course.'

Infrastructure News in Brief

The Ethiopian Roads Authority (ERA) has said that it achieved 86% of its targeted plan for the first half of this budget year. Of the 9,210km of roads the government hoped to construct, maintain or improve over the first 6 months of the budget year, it managed 7,894km. ERA has also signed agreements with contractors allowing 2.5 billion birr's worth of roads to be built in Oromia and Amhara.

- **Daewoo** Engineering and Construction have won an \$82 million deal to design and construct a 37km four lane highway connecting Meki and Zeway regions. The project will be financed by loans from the Economic Development Corporation Fund (run by the South Korean Government) and the African Development Bank.
- A 40km road connecting Ankober and Dulecha has also been awarded to another contractor at the cost of 858 million birr. The cost of the road will be covered by the Ethiopian government.
- The **Meki-Zeway road project** will be financed with a loan from Korea's Eximbank.

The 70km asphalt concrete **road connecting Dejen and Debremarkos** was inaugurated in mid-February. The construction took two and half years, costing 2 billion birr and was undertaken by Japanese company, Kajima.

Work on the **Ethiopia to Kenya powerline** will begin in May. A preliminary engineering and design report has been completed leaving the 612km of

high voltage transmission lines to be constructed in the coming months.

In 6 months' time the **road between Mombasa Port and Addis Ababa** will be completed. The 121km section between Merille and Marsabit is 77% complete and from Turbi to Moyale only 15km of the 122km stretch is yet to be tarmacked. The road is part of the Lamu Port-South Sudan-Ethiopia Transport Corridor.

Energy update

The 2nd Growth and Transformation plan (GTP II) sets out ambitious targets for infrastructure and energy generation and requires further expansion of the energy sector to fuel industrial activities on a wide scale and the electrification of rural areas. The Ministry of Water, Irrigation and Electricity announced in mid-February that preparation of a legal framework to allow Ethiopia to benefit from the "Power Africa" initiative was nearing completion. The only element left is approval of the framework by the national parliament. This is also needed to deal with problems arising from the laying of power transmission cables and for the power export programme. The target for increasing electricity coverage to 75% in the first Growth and Transformation Plan period was not fully met as only 55% was achieved. The aim now is to virtually complete coverage during the current GTP II.

Rural electrification across the country is a major focus for the energy sector. Currently some 5,554 towns across the country have been connected. During GTP II (2015-2020), using local, private investment and international cooperation, the plan is to connect a total of 10,205 towns to the national grid, raising the current 54% rural access to electricity to 90% by 2020.

Other major power sector development projects under construction, besides the Grand Ethiopian Renaissance Dam, include the Genale Dawa III (254 MW from hydro) and the Aluto Langano

Geothermal expansion, the Repi Waste-to-Energy project, and the Melka Sedi Biomass project. The Gilgel Gibe III hydropower project, which will eventually produce 1,870 MW, started operations in January this year.

Ethiopia's first geothermal power plant to start power generation

The drilling of two wells at the Aluto-Langano Geothermal Power Project has been completed. The wells, the drilling of which cost an estimated US\$2 million, have a power generation capacity of 5-7MW each and should start power generation within the coming two months. Installation of turbines and other necessary equipment is underway and powerlines will be connected to the site soon.



Established in 1998 as Ethiopia's first geothermal power plant, these two wells are part of a larger \$30 million project that will see power generation capacity at the plant increase to 70MW. The wells are the first two of what will be 22 wells planned for the area, which is estimated to have a potential geothermal power generation capacity of 300MW.

Project Engineer Akalewold Seifu has said that four new wells are to be drilled soon.

22 potential geothermal sites identified



Representatives from the Geological Survey of Ethiopia have said that gathering geo-scientific information has been a success. 22



new potential geo-thermal sites have been identified, which together have a capacity to generate 10,000MW of power in the Rift Valley, said Tamiru Mersha, GSE Public Relations Communications Directorate Director.

More than 260 companies utilise information obtained by the GSE as well as traditional miners in the Amhara, Southern Nations, Nationalities and Peoples, Tigray and Oromia regional states. GSE is currently planning to address its shortcomings (skilled manpower, capacity limitation, and lack of modern equipment) by working in partnership with the governments of China, Iceland and Japan.

Africa Oil Corp completes farm out to Maersk



Africa Oil Corp has received a payment of US\$12.8 million for the completion of its farm out deal to Maersk. The areas in question are in the South Omo and Rift Valley blocks. The resulting interests in each of Africa Oil’s Ethiopian blocks are as follows:

Ethiopia Rift Basin Africa Oil – 25%
(Operator) Maersk Oil – 25% Marathon – 50%

Ethiopia South Omo Africa Oil – 15% Maersk Oil – 15%
Tullow – 50% (Operator) Marathon – 20%

Globaleq announces intentions to engage in energy development in Ethiopia

Globaleq, a UK-based firm working in energy generation in Africa, sent a team to Ethiopia to meet with Dr Tedros in mid-February. Led by Mr Paolo de

Michelis, the team announced its intention to work with the Government of Ethiopia in the development of conventional and renewable energy projects. It is ready to invest in projects that could generate more than 100MW.

Dr Tedros briefed the team on the opportunities available in Ethiopia specifically for UK companies as well as the general business environment.

Ethiopia looks to solar energy

Valoe, a Finnish photovoltaics specialist, has agreed a sale with an Ethiopian buyer for a US\$17.6mn solar module manufacturing plant. US\$10.5mn of the plant will be funded by the Ethiopian Development Bank, while Valoe will take a 30% share in the Ethiopian manufacturing partner to cover the rest of the cost. It is estimated that the plant will be delivered later this year.

Valoe is a company dealing in photovoltaic solutions for clean energy.

Dashen Breweries begins Dashen-Arsenal coaching programme

On 17th and 18th of February, the first of six coaching sessions took place in Bahir Dar town, part of the Level One Dashen-Arsenal Grassroots Coaches Programme. The programme has been developed by Arsenal specifically for Ethiopia and is part of several initiatives by Dashen to promote football in the country.

34 coaches were drawn from across Ethiopia and received advanced modern coaching in November 2015 from Arsenal Soccer Schools coaches. In



December, Ray Parlour travelled to Addis as part of the same partnership. He met with students from several football schemes, including the Ethiopian Sports Academy. He answered their questions and gave them advice on pursuing their footballing dreams while also attending street football at Meskel Square and providing new equipment courtesy of Dashen Breweries.

There will be further rounds of coaching that will take place in the future elsewhere around Ethiopia.

US contributes to conservation work on Abune Yemrehanna church

The Minister of Culture and Tourism, Engineer Aysha Mohamed, and World Monuments Fund Representative Stephen Battle, signed an agreement concerning a 30 million birr donation from the US government to implement a conservation analysis project of Abune Yemrehanna church.

The agreement will help in identifying problems that may arise when conserving the church, which is situated in Wollo, Amhara state, approximately 40 km from Lalibela, home to the famous rock-hewn churches.

Ethiopia in Sport: Defar and Dibaba triumph

Meseret Defar, two-time Olympic Champion, made an exceptional return to athletics this February after a two-and-a-half-year break, by winning the women's 3,000m at the Boston Indoor Grand Prix Athletics meet.

Defar had taken a break from athletics since September 2013 in order to give birth to a daughter in 2014, but was then later struck by leg injury, lengthening her time out. But the four-time World Indoor 3,000m champion returned to the sport with a convincing win in 8 minutes 30.83 seconds, beating the American Abbey D'Agostino by 5.94 seconds.

Commenting on her victory, Defar said: 'I feel very good today. I'm so happy. Still I am good. I want to again win more medals.' With a come-back like that, it looks like her dream is not so far away.



Meseret Defar makes great comeback

Genezebe Dibaba also triumphed in February, breaking a 26 year old record for the fastest indoor mile. She smashed the old record, which is older than she is, by nearly four seconds in Stockholm, running 4:13:31.

ETHIOPIA IN THE NEWS

Ethiopia in the News: Mulatu Astatke at the Roundhouse (Five stars)

theguardian 'Nobody fuses the sounds and rhythms of African, American and European music the way Mulatu Astatke does. The Ethiopian multi-instrumentalist balances a songwriter's seductiveness with a borderless vision and a relaxed faith in left-field improvisers.'

John Fordham's praise was not restricted to Mulatu but was also given to the rest of the band: 'Saxophonist James Arben's blurted free-jazz tenor break, Byron Wallen's warm flugelhorn sound, the abrupt punctuation of Alex Hawkins's piano chording and the combined percussion of the loose-limbed Tom Skinner, the talking-drums of Richard Olatunde Baker and Astatke himself on congas took the piece through constant changes.'


He finished the review by saying that the 'ruminative closing piano solo became the kind of glowing melody of rich brass sounds, lateral sax prods and deft resolutions to lazily curving themes that typified a truly memorable show'.



*Dark ecstasy ... Mulatu Astatke at the Roundhouse, London.
Photograph: Edu Hawkins/Redferns*

Full article can be found here:
<http://goo.gl/E2H3Sk>

Ethiopia in the News: Lions found in Alataash National Park

 On Monday 1 February scientists from Oxford University's Wildlife Conservation Research Unit announced that they had discovered what are being termed 'lost lions' in Ethiopia's Alataash National Park. The Unit has put the lion group as numbering between 100-200 with 27-54 lions being located in Alataash.

In November, the Unit had spent two nights camping in the park and had set up six camera traps, capturing images of the lions, as well as identifying lion tracks. Previously, the area had been highlighted as a possible location for the cats to reside, and locals had reported sightings of the creatures, but no hard evidence had been presented for their existence. It is thought that the cats also live in the adjacent Dinder National Park in Sudan.


Luke Dollar, a big cat biologist not involved in the study said: 'It's great to have confirmation of this suspected population, especially since we don't have a lot of information on this area.'

National Geographic also reported that: 'The lions likely hung on there because the remote area has relatively low human density and a fairly strong presence from the Ethiopian parks service,' according to Luke Hunter, the president of big cat conservation group Panthera, who was also not involved in the study. 'Lions are pretty good at maintaining a foothold as long as the human pressure on them isn't too great,' said Hunter.



Full article can be found here: <http://goo.gl/vg9hEI>

Ethiopia in the News: 'Ethiopia is the new flavour of the month'

 In February, Bloomberg reported how Ethiopia 'led the pack of fastest growing economies - not just in Africa, but in the world - in 2015.' Indeed, only Papua New Guinea had a stronger growth rate.

The article suggested that government spending was a major reason for Ethiopia's impressive economic growth, with the government 'building everything from industrial parks to sugar factories and power lines.'

Bloomberg further mentioned the role of Chinese investors in Ethiopia, where there exists stability, low tariff access to markets in nearby rich countries, and cheap labour. The soon-to-be finished electrified railway between Addis and Djibouti only solidifies Ethiopia's appeal.

Full article available here: <http://goo.gl/vUriKE>