



Ethiopian News

August 2011 Issue

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NEW Introducing a new recurring column dedicated to covering updates of the construction of the Grand Renaissance Dam (Back Cover)



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

Ethiopia will celebrate its New Year on 12th September this year as it is a leap year. It is normally celebrated on 11th September on the Gregorian calendar. "Enkutash", coincides with the end of the rainy season in spring. Gifts of flowers are usually exchanged, as well as cards and gifts.

More than \$350 million pledged in the AU pledging conference on the Horn of Africa

On 25th August, African Union (AU) leaders gathered at the first ever AU Pledging Conference, held under the theme 'One Africa, One Voice Against Hunger', and made pledges of more than \$350 million (£312m) for relief of the Horn of Africa's worst drought in 60 years.



Prime Minister Meles Zenawi, who is also Chairperson of IGAD, called upon delegates to examine the root causes of the crisis – security and stability – with a view to avoiding famine in the future. He also advised scaling up successful climate change adaptation projects as the worst is yet to come.

He said that Ethiopia has managed to contain the humanitarian emergency caused by the drought in the region. He attributed the achievement to the effectiveness of the drought risk management capability that the government has developed over the years.

The Prime Minister said the government had foreseen the current drought situation and had made an early appeal for urgent humanitarian assistance.



“While waiting for outside help, we have been distributing food to those in need from our Emergency Food Security Reserve,” Meles said. He added that the Government of Ethiopia has bought and will import 300,000 tonnes of wheat to replenish the country’s reserves and ensure there is adequate food in the pipeline.

Chairperson of the AU Commission, Dr. Jean Ping, noted “this is no time for rhetoric but concrete action through the announcement of redeemable pledges that build concerted action by Africa against hunger on the continent.”

About \$2.48 billion is needed, of which \$1 billion has been committed so far for an estimated 12.5 million people, including hundreds of thousands in Somalia, parts of which have fallen into famine. An additional \$28 million of ‘in kind’ donations, such as food, medicines, and other forms of assistance was also pledged.

The pledging remains open and the African Union called on the private sector to help fill the funding gap. The international community was asked to renew commitments as well as to help support medium- and long-term strategies aimed at creating resilience that allows for food sustainability and mitigates against the negative impact of climate change.

The Prime Minister’s speech, the AU press release and other documents from the conference are available on demand. Send an email to angela@ethioembassy.org.uk

Ethiopia, first African country to launch green growth plan

Ethiopia announced plans to launch a “green growth strategic plan” – the first of its kind in Africa.

The plan will be unveiled at the climate change conference to be held in Durban, South Africa in December, by Prime Minister Meles Zenawi.

The plan is sponsored by the Ministry of Agriculture and is aimed at realising a carbon-free economy by 2020, which many countries across the globe are striving to implement. Ethiopia envisages cutting carbon emissions by half through undertaking soil and forest development work.

Prime Minister Meles is a spokesperson and representative of Africa at the ongoing world climate change talks. He has also been lobbying developed countries to give Africa huge sums of money to tackle the impact of climate change, since most African countries have the lowest average per capita emissions, but are affected most by the impact of climate change.

Ethiopian Airlines announces ambitious plan

Ethiopian Airlines has announced a 15-year strategic plan which will hopefully see it become Africa’s biggest airline by 2025, pushing its annual revenue to \$10 billion.



The plan, which envisages Ethiopian becoming Africa’s biggest aviation company, among the best in the world, will enhance the airline’s capacity in all aspects including the quality of its services and increase of its fleets and passengers.

The airline is also seeking to raise its three star status to four after two years by improving its services and the number of planes and routes in and outside Africa.

Ethiopian's current income has reached \$1.6 billion per annum, by transporting around three million passengers a year. According to the plan, the airline will have a fleet of 70 modern fuel-saving aircraft, with around 40 aircraft on its order books already.

In related news, a former CEO of Ethiopian Airlines, Mr. Girma Wake, has been received the 2011 Medal of Glory Award (MOGA) by the organisers, the Foundation of Democracy in Africa (FDA).

The organisers said that the highest honour is awarded annually during the AfrICANDO Trade and Investment Symposium to "exemplary leaders for their extraordinary contributions to economic, social, cultural and agricultural development and democracy in Africa."



Mr. Wake was chosen from a list of solid contenders for "his lifelong contribution to the development of civil aviation in Africa, and globally; and for linking markets and destinations within Africa, and connecting Africa to international markets and destinations."

Ethiopian Airlines' most successful CEO, Girma Wake retired last year as part of the airline's management reform. Under his leadership the airline transformed into a billion dollar company and at the conclusion of Vision 2010 - a five-year strategic plan - Ethiopian came top as the continent's number one most profitable airliner.

This year's AfrICANDO is scheduled to take place from 15th – 16th September in Miami, USA, and is expected to bring government and business leaders, particularly, small and medium business owners from most of the 37 AGOA eligible sub-Saharan countries, to meet with their counterparts from the US and countries in the western hemisphere.

Ethiopia good investment destination

Leading pan-African financier, Rand Merchant Bank (RMB), in its *Where to Invest in Africa* report, has identified Uganda, Ethiopia and Kenya as good investment destinations for companies focused on the African consumer.

Taking Sub-Saharan African countries' current population size, population growth, per capita GDP growth and urbanisation rate, RMB's continental experts created an index that combines these variables into a single measure.

Ethiopia came second to Uganda as one of the top ten countries that provide a favourable macroeconomic backdrop for consumption growth. The report also ranked Ethiopia the 4th best investment destination.

The report - the first of its kind by RMB - bases its conclusions primarily around market size, market growth and operating environment. It rated the countries by combining the data from The World Bank's Ease of Doing Business Index, The World Economic Forum's Global Competitiveness Index, The Heritage Foundation's Index of Economic Freedom and Transparency International's Corruption Perception Index.

Heineken acquires two breweries

On 11th August, Heineken N.V. announced that it has completed the acquisition of the Bedele and Harar breweries from the Government of Ethiopia for \$85 million and \$78 million, respectively, following public auctions.



Siep Hiemstra, Heineken's Regional President Africa and the Middle East, said, "We are delighted to have acquired these two breweries which give us a sustainable footprint in one of Africa's most exciting beer markets. The transactions reflect Heineken's strategy of increasing our exposure to and growth from developing markets.

Our expansion into the Ethiopian market increases our long-term commitment to Africa. Heineken will immediately look for ways to use less water in the brewing process. It will introduce practices to ensure that water returned to the eco-system is clean so local users have access to clean, fresh water. Heineken is also committed to working closely with farmers and small-holders to help build their understanding of sustainable agricultural practices to increase yields and enable permanent, positive change in the country.

Heineken's work in these areas has delivered positive economic and social benefits in other countries across Africa and we expect the same positive impact in Ethiopia."

With brands such as Bedele Premium, Bedele Special, Harar, Hakim Stout and Harar Sofi (malt), the two breweries have a combined market share of 18% in the Ethiopian beer market. Heineken plans to further develop the existing brands and boost exports. In addition, it will also start producing the Heineken brand in Ethiopia.

Meanwhile, the Ethiopian government invited bids for the last brewery owned by the government. Foreign companies, including South African, British and Dutch breweries, put in bids for the Meta Abo Brewery, which brews one of Ethiopia's most popular beer brands with the same name. The bids for Meta Abo closed on 3rd September with Diageo acquiring it for \$225m.

In related news, SABMiller, the world's second largest brewer, and SouthWest Development

(SWD), an Ethiopian investment group, are building a \$60 million brewery near Holeta, 40km from Addis Ababa with an annual production capacity of 500,000 hectolitres of beer upon completion. Construction is scheduled to start at the end of the rainy season (Sep) and will be completed 18 months thereafter.

SABMiller and SouthWest Development jointly own Ambo Mineral Water S.C. which they bought together from the Ethiopian Privatisation and Public Enterprises Supervisory Agency (EPPEA), upgrading it with a \$21m investment.

This brings the total Foreign Direct Investment (FDI) to the beer industry in Ethiopia to above half a billion dollars.

Ethiopia is Africa's second most populated country with 82 million people and its beer market has grown by about 20% a year over the past five years. Beer and non-alcoholic malt consumption in Ethiopia was approximately 4 litres per capita in 2010, which is well below the global average of 27 litres and below beer consumption in other countries in the region, such as Tanzania (7 litres), Uganda (9 litres) and Kenya (10 litres). In addition to a fast growing population and a developing beer market, the country's political stability and improving economy make Ethiopia a promising, long-term growth market for Heineken in Africa.

Bethlehem one of 20 Youngest Power Women in Africa, Forbes; SoleRebels goes online

Forbes magazine's contributing writer, Mr Mfonobong Nsehe, who chronicles Africa's success stories, has compiled a list of the "20 Youngest Power Women in Africa."

Among them was SoleRebels' founder, Bethlehem Tilahun Alemu.

Bethlehem is among 20 women, all under 45, who wield enormous influence in African

business, technology, policy and media. “They are change makers, trendsetters, visionaries and thinkers, builders, and young global leaders. They are at the vanguard of Africa’s imminent socio-economic revolution and its contemporary renaissance.”



About Bethlehem, Forbes said, “[This] Ethiopian-born entrepreneur was recently named the ‘African Businesswoman of the Year’ by African Business Magazine, a leading pan-African business magazine. She is the founder of **Sole Rebels**, a brand of eco-friendly shoes and sandals made in Ethiopia. She was also named a Young Global Leader by the World Economic Forum earlier this year.”

This month, SoleRebels, one of Africa’s leading green-footwear brands, announced the launch of its new e-commerce website.

Bethlehem said the launch of the new site will allow global customers to buy direct from SoleRebels using multiple online payment formats from credit cards to PayPal.



HANDCRAFTED IN ETHIOPIA

Proud to be the planet’s **ONLY WFTO** fair trade certified footwear company.



SoleRebel shoes are produced using indigenous practices such as hand-spun organic cotton and artisan hand-loomed fabric. Recycled tyres are

also incorporated for soles. The end result is environmental-friendly and top quality, vegan footwear.

The SoleRebels e-commerce website can be reached at www.solerebelsfootwear.co/ The shoes are also available on other online shopping sites, including Amazon.

Ethiopia ranks 6th largest coffee-producer

The United States Department of Agriculture, in their latest report, ranked Ethiopia as the world’s 6th largest coffee producer for the 2010/11 crop year, producing 4,400 bags of coffee (264,00kg). In July, Ethiopia earned \$841.6 million from the export of about 200,000 tonnes of coffee in 2010/11, a 59% increase from the previous year and a 124% increase from 2008/09. This was by far the most successful year for Ethiopian coffee exporters. Under the 5-year Growth and Transformation Plan, Ethiopia intends to double its agricultural output by 2015, raising coffee sales to 700,000 tonnes from 300,000 tonnes.

The top five coffee producing countries are Brazil (54,500 bags), Vietnam (18,725 bags), Colombia (9,500 bags), Indonesia (9,325 bags) and India (5,100 bags).

The introduction of the commodity exchange market and high global commodity prices led to the increase in coffee production. The Ethiopian Commodity Exchange, launched in 2008, promotes transparent trading and prevents hoarding. It trades coffee, maize, sesame and white pea beans through an outcry system.

Ethiopia is Africa’s biggest coffee exporter and is the birthplace of coffee.

Events

Ethiopia to host African Economic Conference

The Economic Commission for Africa (ECA), the African Development Bank (AfDB), the United

Nations Development Programme (UNDP) and the Development Bank of South Africa (DBSA) will hold the 6th African Economic Conference in Addis Ababa from 25th to 28th October, 2011.

The conference will be held under the theme, “Green economy and the structural transformation of Africa” and is expected to attract over 500 participants including heads of government, leading scholars, economists, social scientists and senior policy makers from governments.

The main objective of the Conference is to provide a platform for experts on Africa, both within and outside the continent, to reflect on and discuss new directions for growth policy on the continent, in order to determine the best approaches for attaining the Millennium Development Goals, achieve the objectives of NEPAD and accelerate Africa’s sustainable development.

An international exhibition will also be held on the margins of the conference, giving opportunity to businesses, corporations, institutions and organizations to showcase their goods and services, thereby strengthening brand identity.

Addis Ababa to host Digital Summit

The 10th annual Innovation Africa Digital Summit will be held in Addis Ababa from 27th to 29th March 2012.

The summit will provide a platform for stakeholders in the African ICT industry and international technology innovators to come together and network. The summit will bring together 350 leaders from the African ICT industry, including ministers, regulators, service providers, major end users and leading international solution providers.

Sports

Haile Gebrselassie wins Prince of Asturias Award for Sport



On 2nd September, it was announced that Ethiopian legendary long-distance runner, Haile Gebrselassie, will be awarded the prestigious Prince of Asturias Award for Sports.

The jury chose Gebrselassie in recognition of his “sporting and human excellence,” noting that he is regarded as the best long-distance runner of all time. Past winners of the Prince of Asturias Award for Sports include Spanish tennis great, Rafael Nadal, German auto racer, Michael Schumacher and American cyclist, Lance Armstrong.

The sports award recognizes people or institutions "whose lives and works are not only examples to others, but who have also reached new heights in man's quest to surpass himself, and whose efforts have contributed to the advancement, nurturing, promotion or dissemination of sport."

The Award website states that Haile Gebrselassie, “...is an extraordinary example of sacrifice and self-improvement who has been a leading figure among the sports elite for over two decades. His commitment to peace and understanding through sport and his humanitarian and social work in Ethiopia have made him an ethical role model for a whole generation of athletes worldwide.”

During his career, the 38-year-old has won two Olympic gold medals in the 10,000 metres, (Atlanta 1996, Sydney 2000) and has been

crowned world champion four times, while also winning two silver and one bronze medal.

He has won four gold medals at varying distances at the world indoor championships and several marathons, including the Berlin Marathon on four separate occasions.

The award will be presented in the autumn in Oviedo at a grand ceremony chaired by H.R.H. the Prince of Asturias.

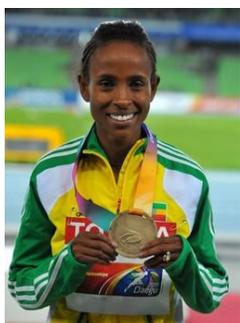
Ethiopia's squad in Daegu

Ethiopia had a 39-member squad for the world athletics championships between 27th August and 4th September in Daegu, South Korea. Twenty-one men and eighteen female athletes represented Ethiopia in seven disciplines.



Ethiopia's first gold came from Ibrahim Jeilan's triumph in the 10,000 metres race. 22-year old Jeilan clocked 27:13.81 to finish ahead of race favourite Mo Farah of Britain and Imane Merga of Ethiopia.

Jeilan had never won a gold medal at a senior level before and he was animated in celebrating his victory.



Other medals came from Feyisa Lilesa, who came third to take the bronze in the men's marathon at a time of 2:10:32 and Gebremeskel Dejen who won bronze in the men's 5,000m in 13:23.92.

In the women's category, Meseret Defar won bronze in 14:56.94 in the 5,000m.



Gold medallist Abel Kirui of Kenya (C) poses with silver medallist Vincent Kipruto of Kenya (L) and Feyisa Lilesa of Ethiopia (R)

News in Brief

Over \$509 million earned from mining sector

The Ministry of Mines has secured more than \$509 million from mining during the last financial year, from gold, tantalum and gemstones.

The ministry this year granted 54 licenses for mineral exploration, with ¾ of the licenses for the exploration of gold.

Remittance to Ethiopia grows by 88%

In the fiscal year to 8th July, the National Bank of Ethiopia (NBE) announced that remittances to Ethiopia grew to \$1.5 billion, an 88% increase over its value in the previous year. The record figure represents money sent by the Diaspora through banks.

Around one million Ethiopians are estimated to live in the US, Europe and other countries. NBE introduced new policies to encourage the Diaspora to send and save money locally, including being allowed to save money in foreign currency.

GRAND RENAISSANCE DAM

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



\$200 million mobilised for Grand Renaissance Dam Project

Ethiopia has so far mobilised about \$200 million from private and government employees towards the construction of Africa's biggest dam over the Nile River.

The Grand Renaissance Dam will cost about \$5 billion to construct and will produce 5,250MW of electricity upon completion. After the project launched in April, the government introduced the selling of bonds both locally and abroad to generate money for its implementation.

Ethiopian diaspora can now purchase bonds in foreign currency, from the government for the financing of the dam. The bonds are available for purchase in USD, Euro and Pound Sterling, from as little as 50 dollars/Euros/pounds.

The new bonds, dubbed the Grand Ethiopian Renaissance Dam Bonds, will replace the millennium bonds previously offered abroad by the Ethiopian Electric Power Corporation (EEPCo).

"The bonds have been circulated abroad. They are already available for purchase in Ethiopian embassies, consulates and mission offices," Issayas Bahire, president of the Development Bank of Ethiopia (DBE) said.

Directed by the National Coordination Council for the construction of the dam headed by H.E. Hailemariam Desalegn, Deputy Prime Minister and Minister of Foreign Affairs, the financial sector regulator National Bank of Ethiopia

(NBE) has issued a new document 'The Grand Renaissance Dam Bond Guidelines' detailing the bonds' sale, yield and other terms.

According to the guidelines, the Ministry of Finance and Economic Development (MoFED) and EEPCo are respectively offering bonds that can be purchased in birr and in forex.

Recently when ADA-UK held a fundraising at our London Embassy, £15,000 worth of bonds were bought by attendees (see below).

Meanwhile, the Ministry of Water and Energy (MoWE) said that concerted efforts are underway to complete the Gibe III Dam project on schedule. According to the MoWE, 46% of the project, which also includes a transmission line to Gibe II and Addis Ababa, is now completed. The 1,870MW dam is expected to be finalised in two years' time.

Gibe III will be a major boost for the government's GTP target of increasing power generation to 10,000MW from the current 2,000MW.

For more details about the bonds, please log on to our website: www.ethioembassy.org.uk

500,000 Birr raised from the sale of Renaissance Dam Bonds in London

Members of the Ethiopian community residing in the UK raised funds to the tune of 500,000 Birr during the sale of the Grand Ethiopian Renaissance Dam Bonds, at an event organised by the Amhara Development Association (ADA) UK.

Speaking at the event, which also raised funds to build a school in the Amhara region, Deputy Head of Mission, Ambassador Abdirashid Dulane, appreciated the multi-faceted involvement of the Ethiopian Diaspora in boosting support to local development schemes and commended ADA's initiative to secure the funds needed for the construction of an elementary school at the Kefet Kola Primary School in Borena Woreda of the Amhara Regional State.

Contributions in resource mobilisation by the Diaspora are crucial for the successful implementation of the five-year Growth and Transformation Plan, which encompasses huge and multiple projects in all areas, including Education.

He urged Ethiopians and foreign nationals of Ethiopian origin to continue to solicit pledges for the purchase of Grand Ethiopian Renaissance Dam Bonds.

In opening remarks at the Event, Chairman of ADA-UK, Zelalem Yibzawork, urged members and association supporters to raise the funds needed to create the opportunity for children to attend schools in their locality.

Participants at the event solicited over 120,000 birr in support of the new school project.

The Amhara Development Association, registered as a UK charity in 2008, mobilises resources in support of development schemes in the Amhara Regional State.

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