

A Week in the Horn (5.1.2018)

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News in Brief

Africa and the African Union

The Chairperson of the AU Commission, Moussa Faki Mahamat, emphasized the importance of fighting corruption in his New Year message, underlining that the African Union (AU) has declared the year "Project 2018", with the theme, "Winning the Fight Against Corruption: A Sustainable Path to Africa's Transformation." This will be the theme of the forthcoming Summit of AU Heads of States at the end of the month. (See **article**)

Ethiopia

The Chairpersons of the four EPRDF national member organizations, the Amhara National Democratic Movement (ANDM), the Oromo People's Democratic Organization (OPDO), the Southern Ethiopian People's Democratic Movement (SEPDM) and the Tigray People's Liberation Front (TPLF), held a press conference on Wednesday (January 3). They accepted full responsibility for current problems, emphasized all problems and challenges were discussed, agreements reached and the foundations laid for immediate action. Prime Minister Hailemariam, Chairperson of the EPRDF, said some politicians currently facing prosecution and those previously sentenced will either have their cases annulled or be pardoned in accordance with the law of clemency and the country's constitution as well as following appropriate verification procedure. Those released would be allowed to participate in a national dialogue to "widen the political space". He also announced the Maekelawi prison would be closed and turned into a museum.

The Executive Committee of Ethiopian People's Revolutionary Democratic Front (EPRDF) carried out an exhaustive evaluation of the country's situation during a marathon 17-day session last month, (December 12 – 29). The Front reached a united stance and a consensus on the future direction and action for their four parties, issuing a press statement on Saturday (December 30). **(See article)**

The Ethio-Djibouti railway line today announced tariffs for passengers and freight on Monday (January 1) during a ceremony organized to officially declare the commencement of commercial operation. Minister of Transport, Ahmed Shide, and other senior officials attended the occasion. **(See article)**

State Minister for Foreign Affairs of Ethiopia, Dr. Aklilu Hailemichael, received a delegation led by Dr. Gugo Obang Kwot t on Monday (January 1). The delegation, which coordinates activities of the Gambella Diaspora community along with partners in the US, expressed interest to establish a Gambella Medical School to be administered under Gambella University. Dr. Aklilu described the idea of training local medical physicians as encouraging and strategic.

During its first year at the UN Security Council, Ethiopia played a proactive role in the discussions on matters of peace and security in the Horn of Africa; defended Africa's positions on issues of peace and security based on the decisions of the African Union and its regional mechanisms and worked in close coordination and collaboration with African members of the Council; promoted enhanced cooperation and partnership between the UN and the AU in general and the UNSC and the AUPSC in particular; advanced balanced and principled positions to contribute positively and constructively to the search for peaceful resolution of conflict and crisis situations through political dialogue and negotiation; worked to strengthen the role of UN Peacekeeping as an important tool in the promotion and maintenance of international peace and security; and strongly advocated the provision of adequate, sustainable and predictable financing for AU-led Peace Support Operations mandated by the UN Security Council.

Data released by the Ethiopia Investment Commission on Friday last week (December 29) showed Foreign Direct Investment (FDI) had increased five-fold over a decade, rising from US\$814.6 million in Fiscal Year 2007/2008 to US\$4.17 billion in Fiscal Year 2016/17 ending on July 8. The agriculture, manufacturing, construction, hospitality and horticulture sectors took the majority of this.

The Ethiopian Coffee and Tea Development and Marketing Authority said on Wednesday that Ethiopia earned US\$334 million from the export of 92,136 tons of coffee to the global market in the past five months. It generated a record US\$866 million from the export of coffee last Ethiopian fiscal year from the export of 221,000 tons of coffee to 56 countries. Germany, Saudi Arabia, the United States, Belgium, Sudan and South Korea, account for close to 86% of coffee exports from Ethiopia

The Ethiopian Trading Business Corporation (ETBC) has concluded a purchase agreement of 4 million quintal of wheat with a Pakistani company. This will be used mainly to prevent any shortage of flour for preparing bread. It is expected to arrive in the next two months. The Corporation has also bought 184, 415 quintals of wheat from local producers, in addition to the 2.6 million quintals it bought in first quarter of the financial year to stabilize the market.,

It has also been stabilizing the market in other consumer goods including sugar and edible oil.

The beautiful and ancient city of Harar has been selected by the editors of National Geographic magazine as among the nine best places in the world to visit in 2018. Harar, a UNESCO World Heritage Site since 2006, is home to over 80 mosques some dating back to the 10th century, as well as over a hundred shrines for saints. Its historical architecture includes the famous five gates of the city, the Medhane Alem Cathedral, the 16th century Jami Mosque, and the residence of Haile Selassie's father, Ras Mekonnen. UNESCO notes the "townhouses with their exceptional interior design constitute the most spectacular part of Harar's cultural heritage. The impact of African and Islamic traditions on the development of the town's building types and urban layout make for its particular character and uniqueness."

A four-day international management conference focusing on building the capacity of African institutions has been held in Addis Ababa this week (January 3-6). The conference is discussing ways of building the capacity of institutions in Africa, as well as contribution of management to make Africa's governmental and non-governmental institutions competitive on a global scale. Over 60 papers on human resources development, public administration and policy, innovation, and institutional competency are being presented at the conference being attended by 150 stakeholders from 20 countries.

An exhibition of Ethiopian cuisine in Riyadh last weekend provided over Saudi Arabian government officials, media representatives, members of the diplomatic corps and business community as well as of the Ethiopian Diaspora community, with Ethiopian gastronomic delicacies. They were attending the celebration of the 12th Ethiopian Nations, Nationalities and Peoples' Day at the Ethiopian Embassy (December 28-30). The occasion also honoured the historic ties between Ethiopia and the Kingdom of Saudi Arabia, underlining the determination to move the relationship forward in the future for the benefit of both peoples.

Djibouti

Following President Guelleh's recent visit to Turkey (December 19-20), the Djibouti Ambassador to the Republic of Turkey, Ambassador Aden H. Abdillahi, told the Turkish newspaper, Daily Sabah, that

Djibouti was open to any kind of approach from Turkey including building a military base to secure the Red Sea.

The CEO of Air Djibouti, Abdourahman Ali Abdillahi, held talks last week in Khartoum (December 27) with Presidential Assistant, Mohammed Al-Hassan Al-Mirghani, to discuss the possibility of flights between Djibouti and Khartoum. Mr. Abdullahi said in a press statement that an air link would facilitate businessmen in both countries and expand investments. He said Djibouti would facilitate entry visas to contribute to the freedom of movement between the two countries.

Eritrea

President Isaias spent the New Year in Abu Dhabi on his third visit in 14 months. From there he expressed his best wishes and a Happy New Year to the people of Eritrea, to the Eritrean Defense Forces and to friends and well-wishers of Eritrea. The President said the Eritrean people had emerged victorious against external hostilities and conspiracies through solid determination and strong resilience; that, he said, was a powerful indication of their bright future. **(See article)**

Kenya

President Kenyatta said in a New Year tweet that he would work every single day in 2018 to deliver. He said: “I urge you to include in your New Year resolutions a pledge to greet every new day with renewed dedication to add value in your job, and to become your neighbor’s minder and protector.

Somalia

The United Nations Secretary-General’s Special Representative for Somalia, Michael Keating, looking back on overall socio-economic and political developments in Somalia last year, said Somalis faced some of the toughest living conditions in the world. Looking forward he also underlined the challenges ahead and the serious issues that continued to threaten further progress. **(See article)**

Prime Minister Hassan Ali Khayre announced three ministerial changes on Thursday (January 4). Ahmed Isse Awad, Somali ambassador to the US, has replaced Yusuf Garaad Omar as Minister of Foreign Affairs; Abdi Mohamed Sabriye, a telecom businessman, has replaced Abdi Farah Saed 'Juha' as Minister of the Interior and Federalism; and Mohamed Abdi Mareye, an MP and a former Minister of Information, has replaced Khadra Ahmed Duale as Minister of Trade and Industry.

Deputy Prime Minister, Mahdi Mohamed Guleed officially launched the opening of the effort remove debris from Mogadishu port on Monday (January 1). Albayrak, the Turkish company that operates the port has brought in new equipment to remove sand and wreckage, one of the major goals of the Ministry of Ports and Marine Transport. Minister Maryan Aweis Jama was present along with other officials.

Minister of Information, Engineer Abdirahman Omar Osman Yarisow announced Federal government's plans for the New Year on Monday (January 1). The main tasks for 2018, he said were implementation of the 2020 election process, registration of political parties and review of the provisional constitution. He noted the government had made significant progress over the previous year in security and in regaining control of its country's airspace.

Southwest State officials confirmed on Tuesday (January 2) that two senior commanders from Al-Shabaab's Amniyat (intelligence, assassination and strike unit) had surrendered. Osman Abdi Hassan and Ali Unsow Mohamed are now being held in a secure undisclosed detention center.

South Sudan

The Chairperson of IGAD Council of Minister, Dr. Workeneh Gebeyehu, Foreign Minister of Ethiopia, expressed his deep concern and disappointment over the violations of the Agreement on the Cessation of Hostilities, Protection of Civilians and Humanitarian Access signed in Addis Ababa on the 21st of December by the Parties to the conflict in the Republic of South Sudan. Speaking on Friday (December 29) he strongly condemned violations of the Agreement on Cessation of Hostilities, demanded an immediate end to all forms of hostilities; and called upon all the parties who violate the Agreement to come to their senses, and underlined IGAD's firm position to hold all violators accountable. He also

called on CTSAMM, in collaboration with UNMISS to monitor the situation on the ground without any delay and immediately report its findings on which party was responsible for any violations.

Sudan

President Omar al-Bashir on Tuesday announced plans to build a railway system linking Sudan to Ethiopia and South Sudan. The president, who was inaugurating a new train line linking capital Khartoum to the city of Wad Madani, the regional capital of Sudan's central El Gezira State said he wanted to connect [Sudan's] railway lines to Ethiopia, and "we also seek to link our railway to South Sudan so that it might serve as a transit hub with Kenya and Uganda, facilitating the movement of people and goods to those countries."

Defence Minister Awad Ibn Ouf met with Saudi Arabia's Assistant Defence Minister Mohammed bin Abdullah Al-Aish on Friday (December 29). A press release said they discussed regional security as well as necessary measures to deal with ongoing and emerging events to achieve security and stability and protect the strategic interests of the two countries and the Arab and Islamic world.

A new focus for the EPRDF after the Executive Committee's evaluation

The EPRDF Executive Committee issued a press statement on Saturday (December 30) at the end of seventeen days of rigorous and exhaustive evaluation of the current situation in which it identified previous and present challenges and reached a common consensus for a united stance. This unity will now provide the foundation for future measures. The statement noted the remarkable progress achieved in a number of areas since 1991 and the party's impressive accomplishments. The constitutional and democratic order being built in Ethiopia had created a situation in which no nation and nationality was ruled by anyone other than themselves. The federal and democratic system built over 25 years had established equality of languages, cultures, and history. Self-rule had become a practical reality, and neither hegemony nor marginalization was possible; the federal system simply did not allow it.

Nevertheless, the Executive Committee accepted that the mistakes committed and the new developments and demands resulting from growth meant the country was confronted with serious problems. Questions had emerged in recent years about the ability of the leadership in terms of its ability to foresee problems; to analyze and understand them; to plan ways to deal with them; and to resolve them consistent with the demands of the time and the stage of development.

The Executive Committee affirmed the absence of internal party democracy at every level of the leadership, particularly among top-level leaders. This not only weakened the democratic principles within the party, and encouraged opportunistic tendencies, it allowed strategies that relied on associations and connections rather than principles to become the order of the day. There had been incidents that could affect the scope of the democratization process and the leadership's inability to develop or expand the process created disputes and differences which in turn had triggered conflict and instability. Group links based on unnecessary interests became obstacles for the developmental state and party. The Executive Committee agreed to obliterate "the activities of those who move to satisfy their parasitical needs by the name of one or other nationality and party". The Government had decided to implement constitutional democracy firmly and scale it up to resolve recent concerns and problems.

The Executive Committee identified problems in the way officials assigned at all levels of government worked, and highlighted failure to hold officials involved in corruption to account. It emphasized that failures of good governance problems should get a quick response and corrective measures. The problems putting the country at risk of prolonged conflict were mainly the outcome of EPRDF's leadership weaknesses, particularly of the Executive Committee. Neither it nor senior government officials had discharged their responsibilities independently, strategically or tactfully. For its failures, the EPRDF expressed its heartfelt apologies and renewed its pledge to work to improve the situation, and expressing its remorse for putting a quarter of a century of development in jeopardy, the EPRDF renewed its covenant to work with commitment and perseverance to prevent any reoccurrence of this situation.

The Executive Committee put new and renewed focus on eight areas on the basis of its evaluation, to address urgent challenges and sustain the country's ongoing development. It stressed the importance of sustainable peace and stability in the country and improved participation of people's democratic and development activities. Both would be implemented in a short period. The government and people would take full responsibility to stop violent activities by anti-peace elements engaged in disrupting the peaceful life of people and any individual or groups aiming to instigate chaos by blocking roads or disturbing the

free movement of people. The death and the displacement of citizens as a result of recent conflicts between Somali and Oromia states would be brought to an end and those forced to flee would return to their normal lives. Illicit trade activities, the cause of conflicts in those areas, would be terminated. Adequate safety and support would be provided for the farmers and pastoralists in their daily activities

The Committee underscored the need to boost the skills of public and private media institutions to play their respective roles in development and national unity. It would take concerted measures to straighten out institutions that continued to disseminate destructive information and tried to disrupt political, legal and constitutional relationships.

It noted action was needed to speed up service delivery, take quick measures against corruption and resolve poor performance and ethical problems in the implementation of mega projects. A series of activities would be undertaken to speed up reform in governmental structures, to enhance the participation of youth in democracy and development and to tackle shortcomings of the multi-party democracy building process, enhancing the space for participation of the educated class and civic societies.

The Committee said it would take steps to restore the trust and confidence of the nation by responding to the demands of the people, setting directions for all necessary activities to address questions raised by youth and ensure youth participation in, and benefits from, ongoing development. It called on intellectuals and civic societies, along with all opposition parties and the people, to play their roles in widening the democratic space to build a democratic system

Members of the leadership of the national parties would fully evaluate the weaknesses observed in top leadership and take corrective measures based on transparency and accountability, to accomplish the objectives of Growth and Transformation Plan effectively.

The Committee identified variations in development in the federal democratic system. It acknowledged the importance to strengthen the struggle for development as a quarter of the population still lived below the poverty line. The Committee requested the regional states to play their role in development by carrying out their duties and responsibilities and make the best of their development potentials. The gap in reconciling and integrating ethnic and national (Ethiopian) identity should be tackled quickly and sustainably.

The Committee decided to re-examine and sustain the deep renewal process, calling upon civil servants in the federal and state governments to develop a real attitude of public service to fully meet the demands of citizens. Any attempt to commit crimes against human and democratic rights would not be tolerated and additional steps would be taken to ensure the full observance of human and democratic rights of citizens.

The statement concluded by emphasizing that a lot remained to be done, and underlining the EPRDF's commitment and determination to bring the objectives of Ethiopia's renaissance to a successful conclusion and determine a bright future of our country.

Ethiopian Gastro-diplomacy: spicing-up links with Saudi Arabia

The Ethiopian Embassy in Riyadh held a Culinary Expo last week, offering a rich and diverse culinary map of Ethiopia, a new development in Ethiopia's public diplomacy - gastro-diplomacy. It provided an overview of Ethiopia's gastronomic history from its links with the ancient civilizations of the Nile Valley and the Arabian Peninsula and interactions with Greek, Roman and Islamic powers, and from Europe after the 15th century, to contemporary influences of the last half-century. The diverse taste of Ethiopian cuisines with their historic links to ancient civilizations, and cultures, was an opportunity to rekindle the cultural connectivity of Africa and Arabia in general and Ethiopia and Saudi Arabia in particular.

The occasion, marking the 12th Ethiopian Nations, Nationalities and Peoples' Day, was attended by the Saudi Arabian Foreign Affairs Ministry's Director-General for African Affairs, Ambassador Abedallah Al-Madi and the Dean of the Diplomatic Corps in Riyadh, Ambassador Dya-Eddin Said Bamakhrama of the Republic of Djibouti, as well as the Ambassadors of Sudan, Somalia and South Sudan, and Saudi TV host, scholar and social worker, Dr. Mohsin Shaikh Al-Hassan. Their presence underlined the historic inter-civilizational, inter-cultural, and religious links between Africa and Arabia and emphasized the importance of closer ties for the benefit of all peoples.

Ethiopia's Ambassador to Saudi Arabia, Ambassador Amin Abdulkadir, underlined his commitment to strengthen Ethio-Saudi ties by breaking *ambasha*, an Ethiopian bread, with Saudi TV host, , Dr. Mohsin Al-Hassan. In the Ethiopian culinary context, this is an act of love and sharing, symbolizing the life-strengthening affirmation of food at all levels, individual, family, community and nation, even the world. The culinary experiences on offer gave visitors examples of the richness of Ethiopian culinary culture with examples of the country's unique combinations of spices and herbs, including *beyayinetu*

(vegetarian), *kitfo* (raw beef), and other spicy dishes and rich stews, as well as *injera*, made from the grain, *teff*, the base for many Ethiopian dishes. A coffee ceremony also offered guests the example of Ethiopia's coffee culture, underlining the importance of socialization and human connections, a central element in Ethiopian life. Members of the Ethiopian Community in Riyadh, who have themselves brought Ethiopian cuisine, culinary culture, and gastronomic tradition to Saudi Arabia, re-connecting their children with Ethiopia's heritage, have put Ethiopia firmly on the world's gastronomic map.

The Culinary Expo provided a way for Saudi Arabians, members of the Ethiopian community and all people of Ethiopian origin to understand or connect with the reality and changing face of Ethiopia today. It showcased Ethiopia as the origin of humanity, providing the world with coffee and *teff*, and a civilization offering the architecture of rock churches, music, artistic performances, superb culinary traditions, as well as dramatic landscapes framing its tolerance of diversity and its strength of unity. A country of warmth and dramatic beauty. The Expo underlined Ethiopia's reality as a land of harmony and diverse and hospitable humanity; a mosaic of cultures; an independent land of harmonious co-habitation of the world's ancient religions. The event invited all to visit Negash, the Al-Najashi Mosque, the first mosque in Africa regarded as "The 2nd Mecca".

The students of the Ethiopian International School-Riyadh provided demonstrations of Ethiopian culture, music, dance, and poetry to the guests during the Expo which lasted over the whole weekend in the premises of the Ethiopian Embassy in Riyadh; and a traditional Aar House decorated with traditional crafts was also on display. The Ethiopian Diaspora Community co-organized the event with the Ethiopian Embassy in Riyadh which was attended by more than a thousand guests including Ethiopian Diaspora Community elders and religious leaders along with Saudi official dignitaries and members of the diplomatic corps, media agencies and the business community.

The AU Commission: activities in 2017; commitments for 2018

Chairperson of the African Union Commission, Moussa Faki Mahamat, underlined the progress of the African Union in 2017 in his New Year message; he also highlighted areas where new themes and initiatives were introduced for the year 2018, focusing on issues of Youth, Agenda 2063, Migration, Gender equality, Continental Free Trade, Institution Building, Financing of the Union, Silencing the Guns and the AU's engagement with other multilateral institutions.

The Commission Chair stressed that “Youth has been at the center of our agenda, as the African Union works to open up opportunities for them in every field.” Member States, he said, adopting the African Union Demographic Dividend Roadmap, had pledged to open up financial services for young people, promote entrepreneurship, increase investments in health, education, and create spaces for youth civic engagement and political participation. They further pledged to mobilize investments in sectors with the potential for high employment multiplier effects and to engage the corporate sector to encourage on-the-job training and philanthropic programs. In this regard, Ethiopia’s 10-billion-birr Youth Revolving Fund to reduce youth unemployment was notable. The Chairperson also noted that Governments had renewed their commitments to empower youth through the ratification, domestication and implementation of the African Youth Charter and the African Charter on Democracy, Elections and Governance.

Mr. Mahamat noted that the Commission had responded to the reports of African migrants being auctioned as slaves in Libya, taking a series of steps, working with the Libyan authorities, as well as the United Nations, the European Union, the International Organization for Migration and the High Commissioner for Refugees, as part of an African Union-led task force, to facilitate and accelerate the voluntary repatriation of migrants. He had requested the African Commission on Human and People’s Rights to carry out an investigation into the situation and to report as soon as possible. The Commission would also take additional steps to address the underlying drivers of irregular migration. A new gender equality and empowerment strategy was developed to ensure better alignment with agenda 2063. This places stronger emphasis on tangible results and accountability, and promotes innovative practices.

The Chairperson emphasized that regional integration remained a priority for the African Union. He noted that significant progress had been made regarding the negotiations over the Continental Free Trade Area (CFTA), along with another Agenda 2063 flagship project, the Single African Air Transport Market, adding following the 4th meeting of the African Ministers of Trade, held in Niamey in December 2017. He said the Commission envisaged that the CFTA agreement and other related documents would be adopted in March 2018. The CFTA, he pointed out, would create a market of over 1.2 billion people by significantly increasing intra-African trade.

Parallel to this project was the legal framework for the management of migration and mobility as a Protocol to the Treaty Establishing the African Economic Community Relating to the Free Movement of Persons, Right of Residence and Right of Establishment. This will be presented to the African Union Summit in January for adoption. The Chair noted that the commission would also implement continental

policies and programs such as Infrastructure Development in Africa (PIDA), and Comprehensive Africa Agriculture Development Program (CAADP).

The Chairperson noted the Assembly of Heads of State and Government took an important decision to transform the Union into an effective and efficient institution capable of accelerating progress towards economic integration, peace, security and overall prosperity for African citizens. He had established a Reform Implementation Unit to co-ordinate the implementation process. He expressed his satisfaction on the progress made on “Financing the Union” In 2018 Member States will fund 40% of the African Union program budget, compared to less than 5% in 2015. In January 2018, he said he would submitting a progress report, setting out a number of reform implementation proposals and recommendations, for discussion by the Summit.

Noting several successful elections had taken place in Member States during the last year Mr. Mahamat welcomed in particular the peaceful presidential and representative election in Liberia. He said, “I congratulate the peoples and Governments of the countries that held elections for their commitment to ensuring smooth electoral processes, moving us closer to realizing the spirit and letter of the African Charter on Elections, Governance and Democracy. He added: “I urge all concerned to respect the will of the people, abide by their national and international obligations, and to use non-violent and legal means in resolving electoral disputes.”

Mr. Mahamat went on to talk about corruption, saying: “As we work towards building stronger institutions and promoting prosperity, the fight against corruption assumes even greater importance and urgency.” In recognition of this concern, the African Union Assembly declared 2018 as t African Anti-Corruption Year (Project 2018), with the theme “Winning the Fight Against Corruption: A Sustainable Path to Africa’s Transformation”.

The Chairperson also emphasized the need for countries to rededicate themselves to the ambitious Agenda 2063 flagship project of silencing the Guns by 2020. He expressed his hope that the South Sudanese stakeholders would deliver on the commitments made in the Agreement on Cessation of Hostilities, Protection of Civilians and Humanitarian Access signed as part of the IGAD-led Revitalization Forum in Addis Ababa last month. He called for a successful conclusion to the ongoing peace processes in Mali and the Central African Republic, for elections planned in the Democratic Republic of Congo to take place on time and in a conducive environment, for progress to be consolidated

in consolidating in Somalia, and an end to the threat posed by terrorism in the Sahel, the Lake Chad Basin, and in Horn of Africa.

With regard to the engagements the Commission had with international multilateral institutions the Chairperson said there had been several key engagements with strategic partners. The high-level African Union Commission-United Nations Secretariat meeting renewed commitments to work together on Africa's peace, security and governance challenges. There was the EU-AU Summit in November. The outcome of these meetings, he said, would significantly enhance the quality, effectiveness and impact of these partnerships.

The AU Commission Chairperson concluded by remembering all those who lost their lives because of “the deadly cloud of conflict, intolerance and disregard for human life and endeavor.” The sacrifices of the women and men who died serving in AU or UN peace operations in Africa must not be in vain. He stressed the need to do more and better in 2018 to ensure “a future for ourselves, our children, our continent and our world, where the right to life, peace, opportunity and protection should be the basic barometer of our shared humanity.”

Ethio-Djibouti railway begins commercial operations

The electrified railway between Djibouti and Addis Ababa officially started commercial operations on Monday (January 1) with a ceremony held in Addis Ababa. Speaking on the occasion, Ahmed Shide, Ethiopian Minister of Transport, hailed the standard gauge project a milestone in China-Africa cooperation. The Minister underlined that in addition to further enhancing economic ties as well as the people-to-people links between Ethiopia and Djibouti, the railway have make significant contribution to the ongoing development efforts of building a new Ethiopia and developing the region. Commending China as well as other stakeholders for their contribution towards the successful realization of the project, the Minister urged local people, especially residents living by the line of the rail to take care of it for its successful and sustainable operation.

Ambassador Tan Jian, Chinese Ambassador to Ethiopia, emphasizing the line's significance and importance, noted that the project would contribute to the industrialization and diversification of the Ethiopian economy, and also towards successful implementation of the country's growth and transformation plan. He said: "It is the first trans-boundary and longest electrified railway on the African continent. We, the Chinese, see this as earlier harvest project of the Belt and Road initiative. It is regarded by many as a lifeline project for both countries, for Ethiopia and for Djibouti. And we see this as a railway of development; as a railway of cooperation; and as a railway of friendship." The ambassador reiterated China's commitment to further cooperate and closely work with Ethiopia and Djibouti for the railway's smooth operation.

The Djibouti Ambassador to Ethiopia, Ambassador Mohamed Idriss Farah, said the railway project would make a significant contribution to the economic integration between Djibouti and Ethiopia. He said: "This is an important corridor, an important railway between Djibouti and Ethiopia. We are working for economic integration between our two countries and this project is part of the economic integration; and not only economic integration but also the connection of the peoples of Djibouti and Ethiopia."

The railway will now play a role in transforming economic growth not only in Ethiopia and Djibouti but also throughout the whole of the Eastern Africa region. It used to take at least three days to get to Djibouti using road transport. Now by rail it is only 10-12 hours, in comfort and with less expense. Ethiopia's Ambassador to Djibouti, Ambassador Shamebo Fitamo said: "It is the face of China in Africa ...it's the best and most modern railway that connects Ethiopia and Djibouti, and for the future it will connect also up to Senegal. Its economic importance is very big for both countries."

The cargo train connecting Djibouti port to the heart of Ethiopia has a capacity to transport 3500 tonnes at a time in about ten hours. This would have previously required 70 trucks over three to four days. The 756 km line was built by the China Rail Engineering Corporation between Sebeta and Mieso (320 kms) and the China Civil Engineering Construction Corporation between Mieso and Djibouti (436 kms). Chinese engineers say the project has helped them transfer skills and knowledge to their counterparts in Ethiopia and Djibouti.

Fares have also been announced for four of the 19 stations on the line. An ordinary seat from Addis Ababa to Adama, Dire Dawa, Elsabeh and Negad will cost, respectively, 68 birr, 308 birr, 459 birr and 503 birr, equivalent to an average of 0.68 birr per kilometer. The sleeping coaches provide triple bunk beds with varying fares, ranging from 91 birr to Adama, 410 birr to Dire Dawa, 612 birr to Elsabeh and 671 birr to Negad for the upper berth, to 137 birr, 616 birr, 918 birr and 1,006 birr for the lower berths. The most expensive sleeping berths are the lower berths for the VIP sections priced at 182 birr, 821 birr, 1,224 birr and 1,341 birr respectively.

UN Special Representative on Somali developments in 2017

The United Nations Secretary-General's Special Representative for Somalia, Michael Keating, looking back on overall socio-economic and political developments in Somalia in 2017 said Somalis faced some of the toughest living conditions in the world. He said millions were struggling to cope with the consequences of drought and insecurity, adding: "2017 has seen many terrible moments, including the devastating bomb on 14 October that ruined so many lives".

Equally, despite these enormous challenges, Mr. Keating stressed 2017 had also seen some real progress. "Famine was averted", he said, "thanks to an effort led by government that included business, civil society and the diaspora". He also acknowledged that international donors were extraordinarily generous: "Aid actors, including the United Nations, local and international non-governmental organizations (NGOs), did a remarkable job to reach those in need, including a million newly displaced persons".

Politically, the Secretary-General's Special Representative acknowledged that 2017 saw a peaceful transfer of presidential power. A new Upper House, representing the regions, came into being and a total of 80 female members of parliament took their seats, accounting for a remarkable 24% of both houses. Parliament had been very busy, passing important legislation such as the National Telecommunications Act, that signaled a greater level of cooperation between big business and government.

Mr. Keating highlighted that the new Federal Government had initiated a number of reforms, including an agreement with Federal Member States on the National Security Architecture and plans for rebuilding the army and police. He noted a judicial and corrections model has been approved. Mr. Keating said that

2017 had seen “both a deepening and broadening of cooperation between the Federal Member States and the Federal Government”. Indeed, according to him, this was helping to unblock plans to implement security sector reform, the review of the provisional federal constitution, resource and revenue sharing agreements, and the definition of an electoral model that could see massive expansion of the number of voters in 2020.

He also acknowledged that measures were being taken by the Federal Government to reform revenue collection and financial management. These, he said, were setting the country on a pathway that would lead to debt relief, increased public and private sector loans and investment, and more money for basic services and infrastructure”.

At the same time, Mr. Keating acknowledged that Al-Shabaab had retained the capacity to mount spectacular attacks, usually involving large numbers of civilian casualties. He said: “It thrives, among other things, on the absence of functional local government and on the many conflicts around the country,” adding that “the recent signature of a political settlement between Ahlu Sunna wal Jama’a and the Galmudug administration is a very positive development, and bodes well for progress on reconciliation in Galkacyo”.

He underlined the challenges ahead and the serious issues that continued to threaten further progress. These, he said, included pervasive corruption, most obviously in politics, and powerbrokers’ willingness to use violence, or the threat of violence, against opponents. They also include failure to respect the Provisional Federal Constitution, the rule of law and human rights. All of these, he emphasized, play into the hands of extremists. Somalis deserve better than to watch the most privileged compete for personal gain at a time when they face so much adversity and insecurity. Young people in particular expect better; it is their future that is at stake, said Mr. Keating.

The UN Secretary-General’s Special Representative said lessons could be drawn from 2017, both good and bad. One was that when the Federal Government, Federal Member States, parliamentarians, clan elders, business or the international community cooperated, great progress could be made. When they do not, he stressed, the risks were enormous. Mr. Keating said there should be no place for violence, and respect for basic rules must prevail. Otherwise the chances for mobilizing the alliances and goodwill to address the many challenges ahead could evaporate. He said he himself remained optimistic, encouraged

by what had been achieved; he offered his best wishes for peace, prosperity, success and unity among all Somalis.

Latest business closures in Eritrea affecting the economy

Recent government actions to withdraw the licenses of many businesses and freeze bank accounts in Asmara and other towns have had a serious impact on the Eritrean economy and provided for an unusually quiet New Year. There have been numerous arrests and business closures, in the last few weeks following what has been officially described as a wide-ranging investigation and crackdown on alleged crimes of corruption. The majority of those affected were in the hospitality sector, including many coffee houses, restaurants and small hotels. Owners of closed businesses have been having difficulties paying salaries or end-of-service dues because their bank accounts are closed by the government. The confusion created by the arrest of hundreds of businesspeople and the closure of their establishments has resulted in the collapse of a number of businesses. The closures also had a serious impact on wholesalers and suppliers, already going through difficult times, as well as on villagers who supply urban markets but who have been unwilling, or unable, to take cheques rather than cash. Businesses affiliated to the ruling party, or those whose owners have a close association with the party or the military, are reported to be unaffected.

According to visitors to Asmara one effect was to mute New Year celebrations with many nightclubs, bars, and hotels closed. Equally, this may have been partly due to the uncertainty of the security situation following the anti-government demonstration in October. In fact, while the government actions may be a means to crack down on corruption and illegal transactions, it also offered a way to control people and their activities as most of the closures are of public places where people could meet, gather and discuss issues. It is no coincidence that the reports of additional measures against businesses of this kind followed the demonstration at the end of November and the arrests of dozens of students protesting against the closure of the Al Diaa school and the detention of Hajji Mussa and other members of the school board. Hajji Mussa, who refused to leave prison unless others imprisoned at the same time were released, was reported to be seriously ill at the end of last month.

There have been different estimates of the numbers involved but a government newspaper on December 28 said a total of 450 businesses had been closed. This is likely to be an under-estimate. The paper, Haddas Eritrea, in an almost unprecedented admission, said in an editorial, entitled “Appropriate Correction”, that the government had closed these businesses for short periods, ranging from one month to eight months, on the basis of violations of the new banking regulations established in 2015 when the currency was changed. Those changes, which included limiting cash withdrawals to 5000 Nakfa a month and use of cheques for all other transactions, had been made to establish and strengthen the culture of legal transactions. This was hardly convenient when so many did not and still do not use cheques or operate through the banking system.

The editorial complained illegal transactions had become habitual with many failing to deposit funds, operating illegally, not declaring the source and amount of their income, refusing to accept cheques, not paying taxes, and engaging in trading in foreign exchange and hard currencies. Last week the government said the changes in banking operations was still a work in progress, partly, it claimed, because any modernization of banking operations had to be based on efficient utilization of the latest technology in the field, on expert manpower and considerable experience, none of which was the case. It insisted that commercial transactions carried out in cash were always “fraught with security, social, economic and other avoidable pitfalls [and] monitoring or verification of these transactions is often impossible due to the absence of appropriate paper trail.” This easily led to tax evasion or black-market currency exchanges. The result was spiralling depreciation of the national currency and illegal capital flight.

The government admitted its efforts in the last few months to consolidate the routine use of the new financial modalities had not been wholly successful. This was due to inertia and “entrenched illicit practices in some circles.” In the circumstances, the Government, it said, was taking “appropriate remedial measures on the basis of rigorous inspection and appraisal of these practices.” It said that as part and parcel of these inspections, and as a first warning, temporary stoppage of commercial activities had been imposed on these businesses, mostly in the hospitality sector. The editorial stressed the remedial measures taken were aimed at the cultivation and consolidation of commercial practices that “fully adhere to the prevailing financial regulations.” It called on all citizens, and especially business enterprises, to conduct their affairs in accordance with the law, the more so because the ultimate objective of the

mandatory financial regulations was to strengthen the national economy and secure the interests and rights of the population at large.

The wider effects have been substantial with some estimates suggesting the closures make up a significant percentage, even as high as a third, of the independent private businesses that have still been managing to function in Eritrea. They have included many of “the largest and more visible institutions, some of whom employed many workers.” The closure of businesses and arresting of people begun in Asmara in November before expanding into all major Eritrean cities over the following weeks. The government claimed the number of enterprises affected wasn’t large when seen in the context of the 58,000 licensed businesses that operate in the country. This figure, however, appears to include street traders and the numerous other one-person activities operating in both urban and rural areas.

The latest government actions have also further affected the already battered private business community which was targeted largely when the government changed the currency two years ago, and effectively took control of all private and business assets held in. The government said then its moves were aimed to achieve its goal of bringing Eritrea into the 21st century by limiting cash transactions and getting Eritreans to use bank cheques instead of paper currency. The move, carried out with minimal preparation, caused enormous financial problems as few people had the experience or facilities to deal with cheques. Since 2015, depositors have practically lost free access to funds in the banks. People are only allowed to withdraw limited amounts in cash, up to 5000 Nakfa a month, and all other business has to be conducted by cheque.

The latest victims of additional new rules are Eritreans from the Diaspora who hold bank accounts in Eritrea, as the regulations demand that account holders must appear in person to make a withdrawal. It is unclear whether they can authorize properly delegated persons to withdraw allowed amounts on behalf of account holders to meet obligations in Eritrea. The way the change of currency operated in 2015 meant that remittances dropped sharply. Many migrant workers and the Diaspora had been sending money back to Eritrea to support families and relatives, and to meet certain financial obligations. Losing access to their own bank deposits has meant many have been unwilling to deal with banks, and have instead turned to their own parallel cash economy or the use of barter, effectively denying the government tax revenues. The shortage of Nakfa in circulation has also led to people to use alternative currencies in some areas, including Sudanese pounds or the Saudi Riyals.

A lot of people lost a lot of their savings in 2015. Demand for goods and services significantly declined and businesspeople bitterly complained about the currency change. Finance Minister Berhane Abrehe said at the time that the government had no choice: "The coffers of our banks were literally empty. When people came to exchange their notes, they had to explain how they had earned the money." As so much of it was illegal, only 40% of the old notes were handed in. This led to a 60% contraction in the money supply. The introduction of the new notes also had an impact on the parallel market. The fixed exchange rate has remained at 15 Eritrean Nakfa for \$1, but the parallel market fell to around 18 Nakfa for the dollar, instead of nearly 60 previously. In an interview in January 2016, President Isaias stressed that the issue of the new Nakfa Notes had been preceded by in-depth appraisal of the necessary fundamental financial parameters. This, he said, was part and parcel of the structural adjustments that must be taken to strengthen and invigorate the economy. New notes would not in itself, bring about miraculous economic change, but the government was taking incremental and supportive measures to bring about the desired changes and there were already positive signs and trends.

An Atlantic Council report the next year drew attention to Eritrea's poor business environment, last out of 189 countries on the World Bank's 'Doing Business' indicators. It said the government had "adopted policies that dissuaded the population from taking initiatives to build up their wealth (forcing many to look overseas for opportunity); discouraged investment and competition in most sectors of the economy; and deterred institutions from learning and modernizing through dynamic interaction with international markets and organizations." The anti-business sentiments of many top government officials, it said, created a situation in which the private sector was "small, under-developed, and continues to be constrained by lack of skilled labour and limited infrastructure, particularly in energy and roads."