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Macroeconomic reforms'role in manufacturing transformation

BY TSEGAYE TILAHUN

Ethiopia

undertaking macroeconomic reform measures to tackle pressing economic challenges like foreign exchange crunch, inflation and

alleviating inflation.

Documents indicated thatEthiopia is among the fastest-growing economies over the past decades. The recent key macroeconomic reforms include the use of floating exchange system and interest rates as a policy tool. However, questions are still being raised about the benefits the macroeconomic reform measures would

bring to manufacturing industry.

The National Bank Ethiopia (NBE) Governor Mamo Miheretu said that the undertaken economic reform measures highly contribute to the effectiveness of manufacturing industry if investors properly utilize macroeconomic opportunities.

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Experts spotlight efficient infrastructure for EVs promotion

BY ASHENAFI ANIMUT

ADDIS ABABA - As Ethiopia is pushing for sustainable transportation, the development of efficient infrastructure and incentives remain crucial for the promotion of electric vehicles (EVs), experts and stakeholders in the area stated.

debt sustainability. These reforms began

paying off in terms of narrowing the gap

between the official and parallel market, and

Addis Ababa University Environmental Engineering Department Lecturer and Renewable Energy Researcher Mintesnot Gizaw (Asst. Prof.) told the Ethiopian Press Agency (EPA) that spearheading amicable policies and strategies in the green economic sector have huge contributions for the nation's holistic development.

Apart from promoting socio economic development, he emphasized that expanding zero emission vehicles helps mitigate carbon emissions, job creation, reduces fuel cost among many other virtues.



He has also recommended the proper manipulations of renewable energy sources such as hydro, wind, solar and geothermal, inclusive infrastructural development and off-grid electricity access to rural areas where there is no adequate electricity.

Urging the government and other pertinent stakeholders in the sector, the assistant

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Anaclaudia Rossbach

UN-Habitat advocates climateresilient housing to Africa's urban growth

BY ASHENAFI ANIMUT

ADDIS ABABA – Promoting climate mitigation and innovative housing solutions is essential to meeting the rising housing demand across Africa, said UN-Habitat Executive Director Anaclaudia Rossbach.

In an interview with The Ethiopian Herald, Rossbach stressed that implementing viable housing policies, climate action initiatives, and modernizing land management systems are crucial steps to address settlement challenges in Ethiopia and the continent as a whole.

With cities expanding rapidly both in size and population, she emphasized the importance of preserving resources and taking swift action to mitigate the effects of climate change.

See UN-Habitat ... page 3



Reformset to boost export, curb illegal trade in cereal, oilseeds sector

BY BETELHEM BEDLU

ABABA -The macroeconomic reform will be pivotal in promoting value addition, balancing imports and exports, attracting investment, and curbing illegal trading in Ethiopia's cereal and oilseeds sector, according to senior experts.

Speaking to the Ethiopian Press Agency (EPA), Ethiopian Economy Association Senior Analyst Arega Shumete (PhD) emphasized that the reform would address the foreign currency shortage, thereby enhancing

See Reformset to ... page 3

News

Political parties vow to support fruitful Nat'l Dialogue

BY MESERET BEHAILU

ADDIS ABABA - Various political parties residing in Sidama State have pledged their commitment to ensuring that the ongoing National Dialogue in Ethiopia delivers meaningful outcomes.

The Netsanet and Equlinet Party Coordinator Tadele Tanie told the Ethiopian Press Agency (EPA) that his party is determined to play a constructive role in the dialogue, which is critical to the country's immediate aspirations.

The coordinator mentioned that his party has been holding discussions with residents of Sidama State to gather valuable input for the National Dialogue. "Ethiopians should work together and engage in open discussions, as it is the best way to achieve a common goal," he stated

While acknowledging the challenges of sporadic conflict and instability in some areas, Tadele stressed that the government should remain patient and create a conducive environment for dialogue. He also emphasized the importance of using



Tadele Tanie



Birhanu Birbato

indigenous conflict resolution methods to protect the nation and seek true justice.

The Ethiopian Biherawi Andent Party

Deputy Chairperson Birhanu Birbato highlighted that Ethiopians have high expectations from the National Dialogue. He said it is an opportunity to build a better nation by learning from experiences.

Birhanu called for the National Dialogue to serve as an example for Africa and the world, stressing that all citizens should actively participate and take responsibility. His party has already engaged with 37 districts in Sidama State, gathering relevant input from the people to aid in the dialogue process.

Both leaders underscored the need for political parties to focus on common understanding and goals rather than advancing their self-interests. The political parties in Sidama State are actively contributing to the National Dialogue by identifying the root causes of conflict, discussing solutions with residents, and working towards peaceful resolutions.

Ethiopia's National Dialogue is ongoing across most regions, with plans to soon address issues in the Amhara and Tigray States to ensure a comprehensive national conversation.

Ethiopia-China investment, dev't cooperation elevating to new heights

ADDIS ABABA (FBC) – Chinese Prof. Wang Xingping underscored that the Ethio-China investment and development cooperation have been elevating the bilateral relationship of the two countries to a new heights.

The professor elaborated that the partnership between the two countries, dating back to the early 1970s, has remained steadfast through various governmental changes.

According to the professor, the foundation for the cooperation was laid by Emperor Haile Selassie I and Mao Zedong.

Over the decades, particularly since the China-Africa Cooperation Summit began two decades ago, the scope of Ethiopia-China collaboration has expanded significantly.

A notable milestone was the upgrade of their diplomatic relations to All Weather Strategic Cooperation Partnership in October 2024, he said, adding that this was further strengthened at the recent China-Africa Cooperation Conference, where Ethiopia and China signed 17 memorandums of understanding.

Professor Wang Xingping also highlighted the tangible results of Ethio-China development cooperation and investment.

Chinese companies have made substantial contributions to Ethiopia's economic growth through their involvement in construction, industry, and various investment sectors. Moreover, they have played a crucial role in transferring knowledge and technology, he

The recent China-Africa Cooperation Summit, where the Chinese President announced a new initiative to support African development, promises to further elevate the partnership.

Prof. Wang Xingping emphasized the potential of strengthening Ethio-China cooperation in education to effectively build human capital.

The recent China-Africa Cooperation Conference, where Prime Minister Abiy Ahmed (PhD) along with other African leaders participated, witnessed Ethiopia and China sign a significant 17 memoranda of understanding.

Professor Wang Xingping from the School of Architecture at Southeast University of China emphasized the tangible progress made in Ethio-China's development cooperation and investment.

Chinese companies operating in Ethiopia and across Africa have actively contributed to economic growth through their involvement in construction, industry, and various investment sectors.

Professor Wang further highlighted the effective transfer of knowledge and technology facilitated by these Chinese companies.

Professor Wang stressed the importance of strengthening Ethio-China cooperation, particularly in the field of education, as a means to effectively build human resources, ENA reported.

Southern electricity grid expansion projects progressing well

BY MENGISTEAB TESHOME

ARBAMINCH - Southern Electricity Grid Expansion is progressing as per plan and believed to supplying reliable and surplus power to the community and investors, according to Site Engineer.

Speaking to media outlets, Arbamich and Sodo project Site Engineer Andualem Melaku said that the project has reached 48 percent completion and once it is completed, the city's current power supply capacity will be quadrupled.

Apart from providing reliable electricity for the planned Agro-Industrial Park around Arbaminch and cities, the project would benefit residents within a 120 km radius, it was learnt.

According to Andualem, the project includes the construction of a 420KM long electricity transmission line and the design, manufacturing and supply, construction, testing and inspection of three new substations, as well as the capacity building of two substations in South Omo, Wolayta Sodo, Shigdan and Arba-Minch.

The overall progress of the project has reached above forty and forty nine in Sodo and Arbaminch respectively.

He indicated that the ultimate objective of the project is to reinforcing the weak power system in southern state of Ethiopia; supplying about 180MW surplus power from Omo Sugar factories to the national grid



(Steam Power Plant - Bagasse).

The projects would also provide stable power to the Omo Kuraz Sugar Factories, aside from delivering power to Arba Minch Industrial Park and residents of the town in the near future.

The power supply will enhance garnering the potential of the area for export-oriented manufacturing, fruits and ensure balanced regional development and improve quality of life in the southern state through the extension of the national power grid.

Talking about challenges, the site engineer pointed out that extended rainfall has caused delays; however, they used to work on Sundays, holidays, and night shifts to catch

He further stated that rapid urbanization near the transmission line routes around Arbaminch City, along with the construction of houses by squatters within the transmission line right-of-way (ROW), remains to be a challenging.

Despite preconstruction awareness creation, close monitoring and efforts at both the site and Head Office level of Ethiopian Electric Power, the issue has yet to be urgently addressed by the Gamo Zone, Arbaminch-Woreda, and Arbaminch-city administrations, respectively.

It was noted that strict weekly site meetings and monthly project office meetings are held to assess progress, identify risks and issues, and implement mitigation and corrective actions in a timely manner and ensure effective project management from the start.

The contactor is a Korean company named Hyosung Heavy Industries, the construction of the project is planned to be completed within three years and the project budget is covered by over 178 million USD loan obtained from Korea Exim Bank.

News

Macroeconomic reforms'role...

The measures would offer unique benefit to manufacturing sector. Mainly the foreign exchange floating would highly benefit in improving and strengthening the involvement of private sector, creating a stable macroeconomic approach.

The macroeconomic reform measures have been encouraging and appreciating export, expanding investment, import substitution, supporting manufacturing sector and others. The reforms would support to develop competitive manufacturing sector to deliver positive economic outcome. They would enable to create more jobs, register promising performance and others, he added.

Furthermore, the action would enable to correct foreign exchange distortions, balance trade, and reduce inflation and others. Mentioning the measures are golden opportunities for private sector, especially for manufacturing industry to create sustainable jobs, resolve foreign exchange shortage, and expand investment, Mamo urged the private sector to galvanize their

energy and utilize these opportunities.

Currently, investors can repatriate their 100 percent of income, dividend and other export earnings. This would enable investors to focus on their tasks, he added.

According to the Governor, the banking sector has been shifting offering almost its generated resources or deposits to privet sector creditors which is basically intended to address manufacturing sector challenges in order to increase production and productivity and import substitution.

For his part, the Industrial Parks Development Corporation (IPDC) Director General Fiseha Yitagesu (PhD) said that the IPDC has been working to upgrade industrial parks into dynamic special economic zones (SEZ) establishing additional business units. So far, the local and global uncertainty has been highly affecting the effectiveness of parks, especially textile and garment sector.

The SEZ would contribute to boosting operational efficiency excellence and infrastructure quality, balancing local and

foreign investors, emphasize on import substitution and export promotion, create quality jobs, diversify investments and others, he said.

In the near future, the parks would be a center for trade and logistics, financial and other one-stop-services in addition to manufacturing. Through process, parks would be center of urbanization and modernization.

The IPDC has been undertaking reform measures to be a key player in the sector. For instance, in addition to transforming service land to investors, it has been establishing new business units such as logistics and transports service, industrial project service, agriculture, construction and hotel service. The business units are aligned with macroeconomic reform, Fiseha indicated.

The ongoing macroeconomic reforms such as opening up of wholesale, retail, exportimport trade, foreign exchange flotation, banking sector liberalization and others would contribute to the effectiveness of manufacturing sector.

So far, the parks are facing poor export performance, low operational excellence, global and local uncertainty, low resource optimization, bureaucratic hurdles, foreign exchange shortage, infrastructure gaps, regulatory complexities and other challenges, he noted.

According to Industry Minister Melaku Alebel, the market share of manufacturing industry has been growing from time to time. As part of making the sector competitive, the annual growth of manufacturing sector has hit 10.1%.

Changing exporting of raw agricultural products trend requires fully capacity operation of industrial parks as well as joining of more investors into IPs. To support investors or private sector, the government has been supplying land, fulfilling infrastructure, designing suitable policies and others for this purpose, he

The great share to improve production and productivity of manufacturing sector belongs to private sector, he added.

Experts...

professor suggested investing in the sector to provide efficient transport access, reduce carbon emissions and environmental pollution which in turn expedited technology transfer and decent job creation.

For his part, Ministry of Transport and Logistics Climate Change Senior Expert Yizengaw Yitayew for his part told the press that the government has given wider rooms for the sector by revising national transport policies and charging standards as priorities for the promotion of electric vehicles that would have huge importance to address health and environmental related crises.

To support the growth of the EV sector, the government, along with private investors, is working to provide infrastructure, incentives like excise tax exemption and VAT subsidies, and raising awareness. Lack of efficient infrastructure, land and charging gadgets are affecting the expansion of electric vehicles, he added.

Mentioning the main constraints on the development of EV such as infrastructure, land and charging gadgets, the expert highlighted that efforts are being made to facilitate the tax-free import of charging machines, land access, and licensing.

Currently, charging standards are being developed to ban substandard charging gadgets, he added.

On the other hand, National Oil Ethiopia PLC CEO and Oil Companies Association President Tadesse Tilahun advocated for the implementation of hydropower energy to bring about resilient electric mobility across the country.

Expressing the company's readiness to install charging infrastructures, Tadesse stressed the need to enhance renewable energies both off-grid and on-grid systems and the involvement of private sector participation.

UN-Habitat advocates climate-...

Failing to do so would exacerbate existing issues.

Currently, about 50% of Africa's population lives in informal settlements without access to basic services such as water, electricity, and sanitation. The combined effects of climate change, housing affordability gaps, and displacement will severely impact African cities if immediate action is not taken, the director warned.

Despite the challenges, Rossbach acknowledged Africa's vast resources

and opportunities, mentioning the continent's promising urbanization trends. She emphasized the need to focus on urgent infrastructural needs and leverage opportunities to bridge gaps in services.

"The UN-Habitat Cities Resilience Program, in partnership with the AU, UNDP, and other agencies, offers significant support for Ethiopian cities and the broader region," she noted.

The director further highlighted Ethiopia's rapid urban transformation and called for African nations to prepare for a future where African cities are projected to house 600 million people by 2050. She urged for streamlined housing policies to address the growing prevalence of informal settlements.

Rossbach concluded by outlining her institution's efforts, which include slum upgrading programs across various countries, as part of the broader strategy to create resilient and sustainable cities in Africa.

Reformset to boost export, curb

the nation's export performance.

Arega highlighted that the association's survey indicated the reform would significantly influence the cereals and oilseeds sector by reducing parallel market activities and illegal trading, both of which have long plagued the industry. Beyond increasing investment, the reform is expected to create new market opportunities. "By addressing the foreign currency shortage, the reform will stabilize market costs and open doors for traders," he said.

While acknowledging that internal and external factors might challenge the reform's timing, the analyst warned of potential concerns related to brokers emerging within the system. He also noted that 85% of input for local manufacturing companies is imported, with exporters previously benefiting from this system. However, he stressed the need for cautious oversight in import-export operations, with a focus on adding value to products.

Ethiopian Pulses, Oilseeds, and Spices Processors Exporters Association (EPOSPEA) President Edao Abdi (PhD) also remarked that the new reform would stimulate the cereals and oilseeds sector, improving export performance. Although agriculture accounts for over 30% of the GDP and more than 75% of exports, the sector's

Edao explained that previous import-export trends imposed a burden on consumers and contributed to rising inflation. The new policy, however, separates import and export functions, creating a clear system that will help stabilize the market.

performance has been unsatisfactory.

The reform is also expected to open opportunities for investors across various sectors, as it fosters a more competitive market system. By allowing value addition, enhancing market share, and increasing productivity, the reform will encourage legal trading while significantly reducing the estimated 20% of products exported illegally.

Additionally, Edao noted that the reform would help stabilize the oilseeds market, maintain prices, and attract more revenue for the nation.



Opinion

Foreign exchange rate related risks, possible solutions

BY GETACHEW MINAS

Poreign exchange is the conversion of one country's currency into another. In a free market, a currency is valued according to the laws of supply and demand. In other words, a currency's value, such as the Ethiopian Birr, can be pegged to another country's currency, such as the US Dollar, or even to a basket of currencies. The sources of foreign exchange are exports of goods and services and foreign investment. The amount of foreign investment increases the supply of foreign exchange.

The main functions of foreign exchange markets are converting the currency of one country into the currency of another and providing some insurance against foreign exchange risk. Generally, there are three main types of foreign exchange risks: transaction risk, translation risk, and economic risk. The major components of foreign exchange in social marketing include trust, commitment, rewards, costs, and interdependence. The foreign exchange market enables currency conversion for international trade settlements and investment.

Foreign exchange risk is the possibility of an enterprise losing money on global trade due to fluctuations of currency. The exchange rate risk reveals the probability that the value of investment may decline due to variations in the relative values of the currencies involved. The risk inversely affects investors and any enterprises involved in external trade.

The risk takes place if a contract between two traders defines exact prices for goods or services. It may also include delivery dates of goods and services. If the value of a currency fluctuates between the date the contract is signed and the date of delivery, a loss for one of the traders or parties could result. The parties may face various types of risks mentioned earlier. They also face a jurisdiction risk that arises when laws change unexpectedly. This risk takes place in the country where the exporter is doing business. Economists are of the opinion that this risk is less common and exists primarily in unstable countries, such as those in the Horn of Africa.

Transaction risk arises when an enterprise purchases goods and services from a seller in another country. In this transaction, the price is given in the supplier's currency. When the supplier's currency appreciates against the buyer's currency, the buyer will have to pay more in line with the contractual price. This price has legal backing that forces the buyer to respect it. However, the risk of transaction exposure may impact one side of a transaction.

An enterprise that undertakes the

transaction in a foreign exchange is bound to face risk. However, economists are of the opinion that the enterprise receiving or paying a bill using its local currency, such as the Ethiopian Birr, does not face the same risk. The risk may be mitigated if experts in the financial sector make risk analyses in advance. Based on professional assessment of transaction risk, Ethiopia may be in a position to mitigate impacts of foreign exchange. The concerned national authorities, including the National Bank of Ethiopia, should be in a position to study in advance the real situation of foreign exchange risk in the country for the purpose of avoiding it.

High level of exposure to exchange rate risk may cause major losses, but knowledgeable finance professionals try to mitigate/hedge those risks. As mentioned earlier one of the risks of foreign exchange transaction is translation risk. This refers to how such exchange will impact financial reporting. The risk is that the equities, assets, liabilities or income of an enterprise will change in value as a result of exchange rate changes. This risk arises because branches of a parent enterprise in another country denominate their currency in the countries where they are operating.

The parent enterprise faces possible losses when it changes the financial statements of branch enterprises into the currency of its own country. The enterprise is also exposed to operating costs, which is known as "operating exposure." In actuality, this refers to the impact on the market value of an enterprise from exposure to unexpected fluctuations of currency. This may affect the future cash flows, foreign investment and earnings of an enterprise.

Economists point out that economic exposure may have a major impact on the market value of an enterprise. Specifically, exposure is greater for multinational enterprises that have several external branches and a large number of transactions in foreign exchange. The major contributor to increased exposure of enterprises is globalization. Its outcomes are long-lasting in nature. In this situation, economic exposure is hard to measure effectively and accurately. Consequently, hedging against economic risks may be difficult as it creates unexpected changes in foreign exchange rates experienced in developing counties such as Ethiopia. However, there are ways and means to reduce such risks.

Applying the strategy of diversifying the means of production may lead to risk-sharing. The manner in which foreign currency is exchanged may affect the global expansion of an enterprise. Also, problems related to production and delayed delivery affects the rate at which currency is exchanged.

Foreign exchange trading is another

currency risk mitigation strategy. This takes place in enterprises that are trading in the "currency of different countries." This financial strategy is, known as hedging, helps to reduce exposure to foreign exchange risk and financial loss. It removes a potential loss from foreign exchange trading by taking an "opposite position" in a related currency. Foreign exchange risk is created by "fluctuations" in international currencies.

There are several causes of these fluctuations indicated here. Macroeconomic factors such as: swings or changes in exchange rates, government policies, changes in inflation, interest rates, import and export duties and taxes affect the exchange rate. Foreign exchange risk may also occur when a government is "unable to repay" its debt and defaults on its payments. This would also have a direct impact on investment rates as the effects may trigger other enterprise related problems. The foreign exchange risk includes political unrest and even a change in government policies. This may impact the exchange rate and, in turn, affect enterprise transactions.

Foreign exchange risk is linked to default in making the obligation one owes. It is out of lender's control if the borrower fails to meet the commitment to pay debts. The lender must monitor the activities of an enterprise so that transactions are closed at the right time without risk of default. In this respect, there are means to manage foreign exchange risk, including the establishing of contract with a foreign exchange provider. This is a direct and common system for managing foreign exchange risk that ensures that an exporter will receive a fixed payment even if the rate of exchange fluctuates. Thus, the Ethiopian exporter, for example, should grasp the following elements: the foreign currency amount; date the importer in other country will pay and the currency exchange. Trade agreement also involves several steps including: exporter's agreement to accept payment in a different currency; exporter contacts a bank to negotiate rate of exchange; exporter and importer finalize sales price and payment agreement with assurance from the bank.

Finally, exporter then enters into a forward contract with its bank; the importer pays the exporter on time; exporter delivers the globally accepted currency. If the exporter is uncertain when the importer will pay, an alternative is to request a forward contract with the bank or service provider. This gives the exporter a date of delivery. The exporter accepts foreign currency payment only with cash in advance. This option is ideal for small transactions as well as for new relationships with importers. This option ensures full payment, and is risk-free.

But some importers may pay if cash in advance is their least desirable method of

payment. Exporters have to "match" foreign currency receipts with expenditures. In this case, the exporter sets up a foreign currency bank account to conduct transactions and eliminate currency conversion fees. This is ideal for exporters that use the same foreign currency with different trading partners. With this option, it is important to assess the cost and effort required to maintain a banking account in a foreign currency. Here, traders keep a record of gains and losses resulting from currency conversions in financial statements.

At the end, before agreeing to an importer's foreign currency requests, the exporter will have to consult with a bank to figure out some issues. These are: the time an exporter considers selling in a foreign country; the frequency a small exporter sets prices in foreign currency is noted; the types of transactions that are most suitable for foreign exchange are considered. The fees for using a forward contract are also recorded.

The most useful indicators on converting currency in foreign trade are foreign exchange risks as a result of global trade. Economists have identified some important considerations that help in limiting the risk. These are: trading in fully convertible currencies that are common in international trade; avoiding trading in "partially" convertible currencies in which governments restrict the amount that may exit or enter the countries, including Ethiopia.

The concerned authorities in Ethiopia have to know the risks to justify the rewards of foreign exchange. Global selling enhances the competitiveness and profitability of Ethiopian enterprises. If critically implemented, it may increase their benefits. However, recent information, financial skill, knowledge of planning and implementation, and monitoring are very important. They help in the development of risk mitigation strategies that must precede any global trade efforts. If these institutional capabilities are not in place, concerned authorities would fail to realize the benefits and profits from a global business enterprise expansion.

The economy of Ethiopia being mainly dependent on agricultural production for home consumption, supply of input delivery for local industries and export of produces, it needs import of tech for raising productivity. However, this strategy is mainly based on foreign exchange earning that is free from risk, if possible. This depends on the latest skills and knowhow of financial management in every sector of the Ethiopian economy.

Editor's Note: The views entertained in this article do not necessarily reflect the stance of The Ethiopian Herald

Editorial

Enhancing commitment to peace, inclusive development in New Year

As Ethiopia enters into a New Year, it finds itself at a critical juncture—one that intertwines the themes of peace, stability, and development. The recent time of this remarkable nation is laden with, challenges, and an enduring spirit of resilience. As we reflect on the past year and look toward the future, it becomes clear that the path to sustainable national undertakings hinges on fostering a harmonious coexistence and meeting on-going toll

Peace is the bedrock upon which all development is built. For Ethiopia, a nation of over 110 million people with myriad ethnic groups and cultures, achieving peace requires addressing historical grievances, promoting inclusivity, and engaging in genuine dialogue. The peace agreement signed in late 2022 was a beacon of hope, signalling the possibility of reconciliation and healing after years of conflict. However, the journey is far from over. As we embark on a New Year, it is essential for all stakeholder, government bodies, civil society, and international partners to commit to maintaining and expanding peace initiatives. This includes fostering national dialogue, promoting transitional justice, and laying the groundwork for sustainable conflict resolution mechanisms.

In his New Year message, Prime Minister Abiy explained that there are chapters in our history that we are proud of, times in our lives that make us happy. For him, those chapters and times are nothing else and these times when we have made good use of the opportunity given to us.

Ethiopians are welcoming the New Year 2017 E.C with a sense of optimism and a renewed commitment to progress, Abiy emphasized. According to the premier, time is an opportunity but using time is the result of work. We all are given equally but the difference is created by working and not working in time, the Prime Minister elaborated.

Recalling the previous year that has been marked by both challenges and triumphs, but the premier appreciated the nation's resilience and determination that have carried it forward.

Development in Ethiopia must be inclusive, ensuring that the benefits of growth are felt by all segments of society. The New Year presents an opportunity to revisit and revitalize national developmental strategies. Emphasizing sustainable practices, particularly in agriculture and environmental conservation, should be a priority as the nation grapples with the effects of climate change. Furthermore, investing in education and health will yield dividends for the future, equipping the next generation with the skills and resilience necessary to navigate the complexities of global challenges.

Moreover, embracing technological innovation can propel Ethiopia into a new era of development. By fostering a vibrant ecosystem for start-ups and embracing digital solutions, the nation can unlock new avenues for economic growth, reduce unemployment, and improve service delivery in various sectors.

National undertakings must embody the principles of unity in diversity. This calls for an extensive national dialogue that genuinely includes voices from across the spectrum youth, women, marginalized groups, and various ethnicities—all reflecting the rich tapestry of Ethiopian society. It is through these collaborative efforts that Ethiopia can harness its strengths and work toward shared goals.

As Ethiopians gather in celebration and reflection for the New Year, let it be a time to renew commitments to peace, stability, and inclusive development. Through a collective effort that prioritizes dialogue, understanding, and sustainable practices, Ethiopia can navigate its complexities and reaffirm its position as a beacon of hope in the Horn of Africa.

In this auspicious New Year, may the spirit of hope and resilience flourish, guiding Ethiopia toward a future filled with promise and prosperity for all its citizens.



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Opinion

The need to accelerate efforts to revamp **African Food Systems**

BY STAFF REPORTER

The young people at the Africa food Systems on 6th September 2024 committed to being accountable for the Africa food systems, a commitment set to be presented at COP29.

The Kigali youth Declaration calls on various stakeholders to amplify the voice of the young people, address the pressing issues of climate change and youth employment in Africa and explore strategies to accelerate youth access to work opportunities in the agricultural and food system sector.

"This year we had over 1000 youths who presented new ideas every day. 40% of the young people being women, there was also a good representation of indigenous and differently abled individuals. These young people have today submitted a declaration on climate that they want presented to COP29. These young people are committed to make the food systems work. When the food system works, the world works and for that reason we need 80% of this forum to be youths" remarked Dr. Agnes Kalibata President AGRA

African youth face significant challenges in accessing resources such as land, capital, and agricultural inputs, navigating regulations policy constraints, and adapting to the impacts of climate change. These challenges, coupled with gender inequality and inadequate education and training, hinder their participation in the agricultural sector. Despite these obstacles, African youth possess an innovative spirit and entrepreneurial mindset, which can drive positive change in the food systems sector. The growing demand for sustainable food, technological advancements, and potential government support offer opportunities for youth to contribute to agricultural development. Youth Unemployment- 1/3 of African youths are currently unemployed, and another 1/3 are

Youth Population Growth- By 2030, African youth will constitute 42% of the global youth population, with over 100 million seeking employment opportunities.

vulnerably employed.

Agriculture's Role-Agriculture employs 50% of Africa's workforce, offering significant potential for youth employment.

Literacy Challenges- More than 25% of youths entering the job market lack basic literacy, hindering their ability to take advantage of opportunities.

Job Creation Gap- Only 3 million new jobs are being created annually in Africa, while 10 million young people are entering the labor

The Kigali Declaration therefore provides a roadmap for achieving this goal by addressing the challenges faced by youth and leveraging their potential to transform food systems and build a more resilient future for Africa.

The dysfunctionality of African food systems, here understood as their incapacity to deliver nutritious, sustainable and affordable diets, is inextricably linked to poverty. The factors leading up to this condition are complex and intricate, involving historical trade imbalances and a development discourse imported from countries whose context had little connection with the African reality and did not always work to Africa's advantage. Analogously, some international organizations and funders still promote agricultural development strategies for Africa without involving local actors

and neglecting context specificities. These strategies often involve the sole pursuit of higher yields for export commodities and do not consider the impacts that they may have on people and the environment or how natural resources could be better used. In the best-case scenario, countries might miss an opportunity to invest in more diverse, nutritious, resilient and inclusive food systems; in the worstcase scenario, countries may experience environmental degradation, the dismantling of social structures, the displacement of smallholders and the perpetuation of the cycle of hunger.

Solutions to the food system crisis must be plural, reflecting the diversity of food actors private and public, large and small — and responding to the need for their collective engagement. Yet, every solution should be tailored to local challenges and opportunities, guided by a shared vision. Closing the yield gap is important to reduce import dependency. But has yield increase reduced widespread hunger and ensured food sovereignty? What policies should be in place to ensure that the economic gains of agricultural intensification are widely distributed? Should greater yields be obtained through green revolution technologies, or could these technologies be combined with agroecological practices and more cooperative production systems? Should focus only be placed on export and cash crops, or also on local species?

During the Africa Food Systems Summit, several strategies for improving food security were discussed, such as sustainable food procurement programmes, empowerment of women, farmer education, more localized food systems, innovation, measures to increase resilience and climate-proof agriculture, technological development and youth entrepreneurship, among others. Many countries have already adopted the Comprehensive Africa Agricultural Development Programme and seek greater unity and collaboration to use resources more efficiently and gain leverage in international negotiations. Successful initiatives are being taken forward by organizations, many of which involve sizeable investments in smallholder farming and women.

All of this certainly sends a message of hope, but change must be accelerated. Two realizations are key for that to happen: change must come from within, and predatory behaviour must be curbed. The first relates to the fact that food security solutions must be culturally appropriate, sensitive to the demands of people on the ground and in line with Africa's new reality of population growth, urbanization, technologies and entrepreneurial forces. Apart from scaling up successful projects, it is important to work with local institutions and to internalize nutrition goals into local policies and decision-making. The second concerns individual agents as well as market and governance structures at the macro level that tend to perpetuate a condition of poverty. Examples include disadvantageous trade agreements and the recent inflow of ultra-processed foods onto the continent, associated with unhealthy diets and a rise in non-communicable diseases. Although this isn't unique to Africa, countries with more bargaining power, stricter regulations and consumer protection mechanisms are less vulnerable and better equipped to implement compensatory measures.

Sources: Nature.com, and AGRA

Editor's Note: The views entertained in this article do not necessarily reflect the stance of The Ethiopian Herald

Business & Economy

Cash crops economic contribution

BY MENGESHA AMARE

Cash crop production can effectively increase households' agricultural income, and specialization in cash crop production often brings a higher economic return per unit of land they have devoted, including land, water, technologies, and, to some extent, labor input.

Of late, *The Ethiopian Herald* conducted an exclusive interview with Tariku Debella, an agricultural economist who graduated from Dilla University and is working as a private economic consultant.

He said, "Cash crops provide cash in the market. These crops are most useful and are grown for nutrients and edible oil production in a country and the world. These crops are used in industries in high demand resulting in an increase in the rate of the crops. They include cereal grains, vegetables, and fruits, legumes and oil seeds. They help in the improvement of the economy of the country. Ethiopia often uses cash crops to augment its economy. Yes, these crops are used in industries and have a vast range of benefits."

As to him, commercial crops in some parts of Ethiopia have a significant economic impact. Agriculture contributes about 40% of the national GDP and sustains the livelihood of two-thirds of the population, making it the backbone of the agro-based industries.

It is well known that agriculture is the mainstay of Ethiopia's economy, encompassing crop production, animal husbandry, apiculture, sericulture, and dairy farming, among others. The agriculture sector also has an attractive portfolio of specialty oilseeds, including sesame, safflower, linseed, Niger seed, and castor beans, which are now given due emphasis for export markets.

He further stated that Ethiopia has not yet benefited out of its cash crop resources as deserved as the cash crop production in the country has not followed a well organized fashion and situations have become difficult to add value to it. Hence, the government has to work on organizing activities to aptly and legally produce all sorts of cash crops. Producers are also expected to properly identify to whom and to where the products are referred. In so doing, it is possible in the country to bolster import substitution.

According to Tariku, opportunities for export are not fully exploited because little is known about the characteristics of the Ethiopian oilseeds in relation to high demanding export markets. Blending, inefficient marketing, improper cleaning and sometimes poor contract discipline complicates further exploiting the market prospect. Oilseeds are the second export earner of Ethiopia. Smallholders in remote areas mostly grow oilseeds. Growth and improvement of the oilseed sector can substantially contribute to the economic development at national, regional and family level. The oilseeds chain is fragmented and many smallholders and middlemen are involved, decreasing efficiency and chain responsiveness.

He said, "Lacking inputs can be exploited for high value export markets. To be able to realize sales of vegetable oils to highly developed consumer markets major investment in quality, hygiene and food safety measures are needed.



Sesame cash crop

Work on more advanced production methods at farm level."

Since it will be very difficult for Ethiopia to compete on the world market due to its relatively low volumes and high handling and transport costs, the country has to well embark on bolstering the subsector, oilseeds production. These crops, however, can be of high importance for the domestic market, as food crop. Most potential for the Ethiopian oilseeds sector concerns the following specialty.

Ethiopia's oilseeds export performance will be determined primarily by its domestic policies. The engagement of nations in the international trade depends upon a nation's specialization in the production of goods in which they have comparative advantages constructs room for improvement of the welfare of the society as a whole.

"Agriculture is the mainstay of the Ethiopian economy. Its share accounts for more than 40% of the total GDP, 50% of foreign currency earnings, and above 80% of employment creation. Both industry and services are dependent on the performance of agriculture, which provides raw materials and generates foreign currency for the import of essential inputs and food for the fast-growing population. In spite of its importance in the national economy, agriculture is based on subsistence farm households, whose modes of life and operation have remained unchanged for centuries. The objective of this study is to scrutinize oilseed export performance in Ethiopia," he opined.

The government should take measures to achieve greater levels of independence in vegetable oils only by boosting production in various oilseeds, oil palm, and mainly in tree-borne oilseeds.

As to Tariku, there is a need to promote efficiency in water use through protective irrigation and increase its area under irrigation of oilseeds grown in rain-fed areas. Effective market interventions through price support, price signaling, etc. have to be complemented and strengthened through the selective use of innovative market approaches like future markets.

The growing demand in the world market for these specialty products and the available capacity to expand production could make oilseeds turn into one of the engines of economic growth in Ethiopia.

He further elucidated that the Ethiopian

government always puts agriculture at the forefront of the national economy, and assists in improving the conditions of agricultural production continuously by stabilizing the basic policies in rural areas. The government thus protected and mobilized the enthusiasm of the farmers in their production efforts, and brought about the sustained and stable growth in the production of major crops.

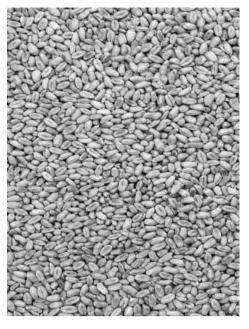
"Increasing cropping intensities in farming systems across the nation using the concept of horizontal diversification brought about economic emancipation to millions of farmers. However, because of the increase of consumption level of the increasing population, the proportion of output value of crops in the gross product of agricultural production and domestic commodity trade shows a declining trend," he added.

The Ethiopian government always attaches due importance to grain production and takes grain production as the basis of national food security and social stability. Along with the development of the economy, the urban and rural residents became more sophisticated in their demands based on specific varieties, quality and nutritive value of foods, he stated.

He said, "To solve these problems, the government is trying hard to improve the conditions of agricultural production, quicken the economic development in poverty-stricken areas and guarantee grain security for the poor people in rural areas on the basis of the policy of stabilizing the rural areas and increasing agricultural inputs. Meanwhile, attention is also stressed on the protection and development of crop resources, guiding and encouraging farmers to adopt a market-oriented cropping structure, enlarging the scope of employment for farmers and enhancing their income."

As to him, protecting arable land, saving water and developing and using natural resources of the environment rationally is the base for ensuring national grain security, and achieving sustainable development of agriculture as well as preserving the national wealth of crops and safeguarding the ecological balance. The government always provides special protection to arable land.

Meantime, water-saving irrigation farming is actively developing and the technologies of drip irrigation, spray irrigation, infiltration-protecting irrigation, pipe-borne water delivery systems etc., are being extended widely. Besides, the government has also strengthened



the work of construction of ecologically friendly agricultural systems and environment protection programs.

Cash crop economy is widespread in the semihighland area and climatic zones with most farmers having adopted a mixed farming system, using a progressively increasing part of their arable land for the production of one or several cash crops, he added.

He further elucidated that the main channel by which cash crops affect food security is through income: farmers or workers earn an income by growing cash crops with which they may purchase a wide variety of food. Cash crops thus improve the food access dimension of food security. Income growth also has implications for the other dimensions of food security like food availability, utilization, and stability, but these effects are indirect.

"We find that on a national level, food availability in terms of average energy supply is currently not compromised by cash crop farming. Cash crops cultivated as monocultures may be more susceptible to pests and diseases. Cash crop sectors are often concentrated with a few firms buying from a large number of smallholders, and prices often fluctuate heavily under the influence of policy change and the global commodities market. Adequate infrastructure and strong institutions like market information systems are key in reducing transaction costs and improving market integration," he said.

Generally, cash crops have helped the nation very well if they are legally shipped to all over the globe, excluding brokers and those who are meddling along the legitimate channel. Cash crops can also be food and non-food. Grains, oilseeds, tea, sugar cane, fruits, vegetables, peanuts, wool, and tobacco are examples of the type's food and non-food commercial crops.

Coffee, rice, tea, oilseeds, soybeans, and maize are cash crops, and all these crops are cultivated in large quantities and exported to other countries that have relatively fewer yields in that regard. They may help in accelerating these yields and help Ethiopia on a path of sustainable intensification if legally produced and channeled well. By contributing to increased agriculture production and income of rural households, cash crops also contribute to sustainable intensification. These crops have a catalytic effect on agricultural innovations because they add value and increase productivity in rural areas and help develop institutions to support further growth.

Art & Culture

From Addis to D.C., Rophnan emerges as the voice of a generation

BY SOLYANA BEKELE

Working his way across the major cities in the United States for his 2024 My Generation tour, Rophnan, the EDM-pioneering Ethiopian artist, made his way to the nation's capital on Aug. 31 at the Echostage performance venue.

Rophnan delighted fans this year when he released two full albums in one day (ZETEGN NOR and ZETEGN HARAMBEE). It's clear that Rophnan wasted no time since the release of his 2022 album Sidist (VI) before he began work on a new, but somehow thematically consistent, concept in his newest works. This quick turnaround time doesn't only demonstrate Rophnan's ability to produce quickly but also his multifacetedness, as the quality of his music and the versatility of his sounds have only advanced.

The ten-track album ZETEGN NOR includes party-starters like "HEBO" and "JEMAW (feat. Hupa)," but also mellow, Afrobeats-inspired tracks like "MENGED (feat. Iri Di)." The popular fifth track "SHEGIYE" is no less a party starter but is distinguished by the fact that it's a love letter to Ethiopia's capital Addis Ababa—or as Rophnan fondly sings, አዱ ንነት ("Adu Genet"). "SHEGIYE" can be considered a classic roll-call anthem in which different parts of a given city or countries are called out with the intent to excite people within the audience who might be from those respective areas.

ZETEGN HARAMBEE also manages to strike that same balance with ballads like "TAMRIYALESH," self-affirming tracks like "ENA," and celebrating the power and beauty of the Ethiopian script in the shortest track of the album "FIDELAT."

Part of what makes Rophnan's music popular among both the Ethiopian youth at home and abroad is the fact that his music is an image of what a united Ethiopia could look like. I think Rophnan's music speaks to the deep dissatisfaction many of the Ethiopian youth, and the Ethiopian people more generally, feel about animosities arising from ethnic tensions. But more importantly, Rophnan's music provides a sense of hope for a brighter future. This is a brighter future not made from hiding from the errors of our past but learning from them. And for Rophnan, it's partly the responsibility of this generation to make sure that neither



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historical nor familial trauma gets passed down, but rather, ends with us.

Rophnan's rise to fame has been compared to that of Bob Marley's—not in reach (at least not yet) but in the sense of popularizing a specific genre to a new audience. However, I also think it's worthwhile to make another connection. the dreadlocks, Rophnan parallels Marley in the sense that his music is not art for the sake of art, but art with a purpose. Art that can change your perspective. Art that can touch your consciousness. Art that can reach the deepest part of your soul and make you feel. Feel what, exactly? Well, that's up to the artist's discretion, and sometimes even beyond that since art can take a life of its own.

True, not every single track of every album Rophnan has released has a deep political meaning (even Marley's didn't). However, in the tracks where he may be seen as political, he's affirming humanity above ethnicity, religion, or any other means of demarcating difference. Like in the first track of his 2022 mini-album SOST (III), ሰው ነህ ይላል ("Sew neh yilal"), Rophnan chooses to emphasize sameness and unity.

Now it should be quickly noted that this isn't done at the expense of cultural difference or diversity. Rophnan goes out of his way to emphasize and showcase the various cultures within Ethiopia. He sings in Amharic, Afan Oromo, Tigrinya, and more. (My favorite example of this being "AJAIB," track 4 of "ZETEGN HARAMBEE," where Rophnan almost imperceptibly switches mid-verse and in between verses from Amharic to Afan Oromo and vice versa.) He even uses Arabic and Swahili (Harambee is a Swahili word expressing unity), also emphasizing his pride in his African identity since Swahili is Africa's most widely spoken language.

His choice of EDM (Electronic Dance Music) as his primary mode of expression is also tied to not just his embrasure of modern sounds—as he's known for mixing various traditional Ethiopian sounds within his beats—but also to the fact that his work in many ways is a consciousness-altering product for his generation. It's no coincidence his U.S. tour is titled "My Generation." He wants to reach young people, and I think he's succeeded in that.

The real challenge may come in what Dr. Bahru Zewde has argued is what's confronting many Ethiopian youths in recent times.

In a 2019 interview about the Ethiopian Student Movement of the 1960s with Jacobin Magazine, Dr. Bahru closes with the salient point that, "Students are so fragmented along ethnic lines they cannot even mobilize for a common cause...nowadays, everyone is in their own ethnic shell. This is completely different from the situation in the 1960s. Right now, it's difficult to have a pan-Ethiopian organization."

Dr. Bahru may not hold the same opinion as he did five years ago, but the concerns he raises arguably still exist. It's not any specific artist's job to tackle these issues, but it should be noted and celebrated when once-in-a-generation musicians like Rophnan use their music to remind us that not only can our differences be a point of strength and pride but also love and compassion.

Science & Technology

National reform transforming technology, digital sector in Ethiopia

BY DARGIE KAHSAY

Since 2018, the Ethiopian government has been undertaking multidimensional reform measures in all sectors. The national policy reforms on the socio-economic and political activities of the country are bringing meaningful changes and transforming the critical sectors. To honor the wide-ranging reforms implemented during the past six years since the reform was introduced, the Ethiopian government named Pagumen 02 of the 13th Ethiopian month as "Reform Day." The day was celebrated by commemorating the reform measures and the achievements of the reform measures applied during the reform years in various sectors.

The technology sector, especially digital technology, is among the top sectors being transformed due to the national reform measures. Before the national reform, digital technology was almost in its infant phase, and every transaction was applied through manual systems. The reformist government made technology among the priority sectors so as to transform the socio-economic development of the country. In this regard, the national reform helps the country to transform the technology sector, especially the digital technology sector, during the past six reform years.

The reformist government realized that technology is a key driver to sustainable economic development and productivity. To make technology a development catalyst to realize prosperity, the government made technology among the key sectors of the national reform. New attention was given to develop the technology sector during the reform.

By making technology among the key priority sectors in the national reform, the reformist government gives due attention to amending existing policies and endorsing new policies with regard to technology. Introducing new institutions like the Ethiopian Artificial Intelligence Institute (EAII), the government has given special attention to technology transfer and human resource development in the technology, as well as liberalizing some sectors like the telecom industry so as to create competition and provide quality service for the public. These national measures transform the digital sector in Ethiopia within a short period of time.

In connection with the Reform Day, Minister of Innovation and Technology (MInT) Belete Molla (PhD) had a stay with Addis Walta TV to discuss the achievements that were registered during the past six reform years in the technology sector. Belete stated that the national reform transforms many sectors and the technology sector is among the top sectors achieved meaningful outcomes during the reform years.

Ministry of Innovation and Technology (MInT) as a national institution to guide and coordinate the national technology reforms score a lot of achievements during



Belete Molla (PhD), Minister of Innovation and Technology

the past six plus years. During this period, technology, innovation and digitalization shows meaningful progress, thanks to the national reform and the national institutions. In developing the technology, innovation and digital sectors, MInT takes bold actions and the actions bring meaningful achievements.

According to Belete among the bold reforms applied in the technology sector during the reform years was the reform measure applied in the telecommunication sector. As to him, until the reform, the only telecom operator in Ethiopia was Ethio Telecom. However, following the national reform, the sector was liberalized for the first time and new telecom operator joined Ethiopia's telecom industry. The Safaricom Ethiopia joined Ethiopia's telecom industry following the government's decision to liberalize the telecom industry. This action, according to the minister, is promoting competition among the companies which accelerates the development of the sector and in providing quality services for the public.

Developing the telecom industry was crucial to develop digitalization in Ethiopia. Thanks to the reform measures, the infrastructure and services of the telecom sector shows significant development during the years. Mobile subscribers has almost exceeds 80 million and internet subscribers also shows significant increment following the reform. In addition, the telecom operators launched new services, Mobile money like Telebirr and M-Pessa, by Ethio Telecom and Safaricom Ethiopia respectively. Within less than four years, Telebirr already reached over 47 million subscribers and transacting in billions.

Connectivity, including meaningful

connectivity, shows meaningful growing following the reform. Digital payment and mobile money become a normal culture within short period of time following the measures applied after the reform. Due to the growing connectivity and digitalization following the development of the telecom industry, it attracts foreign direct investment (FDI), in addition to stimulating local economic transactions and businesses. "The development of the telecom sector became an initiative factor to attract FDI," Belete stated.

According to Belete, following the reform, new laws, procedures and proclamations were initiated and amended so as to realize the development reforms in the technology industry. Mainly the digital sector was mostly new sector and the policy measures, new laws and proclamations to administer the digital technology was among the measures applied during the reform years. By implementing these reform measures, Ethiopia strives to develop the digital technology, including by launching Digital Ethiopia 2025 Strategy. Recently, the Digital Ethiopia 2025 strategy mid-term evaluation was held recently and according to the evaluation, the achievements and gaps of the digital transformation were identified.

During the midterm evaluation, skill development gap was among the identified gaps in realizing digital transformation. Hence, following the identification of the gap, the government initiated new program to fill the gap where it launched 5 million coders initiative, with the goal of training five million youths in coding program and developing digital skills. The initiative targets all youths to take the online training

for free so as to develop digital literacy and to help the youth to exploit the economic opportunities of the digital industry. Through these continues measures, Ethiopia's plan is to establish to the full digitalize system.

According to Belete, the five million coders program is evaluated every Thursday jointly with federal institutions and regional states to evaluate the performance. According to the evaluation held two weeks ago, so far, some 157,000 Ethiopians are already registered ad taking the coding training. Despite the initiative is on its initial phase, the youth is registering to take the training and the subscribers are growing from time to time. Still, Belete said, awareness creation and campaign is crucial to attract more youths to take the training so as to achieve the five million coders' initiative by 2026

MInT Minister noted that despite the target was set to train five million coders within three years, there is a capacity to train up to seven million youths and it is possible to achieve the stretched target if the national institutions work hand in hand to meet the target. For Belete, realizing the five million coders' initiative by itself lays a foundation to develop and transform digital economy in Ethiopia by creating more professionals and digitally literate society. The policies, proclamations, institutions and the technology infrastructure are developing; Belete said adding, "Skilled human resource is critical to develop the digital sector. Digital literacy is crucial in digitalization and in creating cashless society."

Parallel to investing in developing digital technology, the national reform gives special attention to digital security. In this regard, the national reform focuses on strengthening the cyber security of the country by investing in the three pillars of cyber security: people, process, and technology. Strengthening the national cyber security institution, the Information Security Administration, Network developing the cyber infrastructure of the country, and human resource development in the cyber sector were among the critical measures applied during the reform years. These measures help the country secure the critical infrastructure of the country from cyber-attacks.

In general, the national reform brings meaningful development in the technology, innovation, and digitalization sectors in Ethiopia. Especially the digital sector shows significant development following the reform. The policy reforms in the technology sector create a suitable ecosystem for private investment in the technology industry, and new businesses are stimulating using the rising technologies, especially the digital sector. New startups are rising, and the government is calling on the youth generation to penetrate the untapped potential of the technology sector in general and the digital sector in particular to make businesses.

Society

Celebrating holidays with a spirit of solidarity, togetherness

BY STAFF REPORTER

Bidding farewell to the outgoing year, 2016 E.C., Ethiopians welcomed their New Year, 2017 E.C., last Wednesday, September 11, 2024.

Unlike the rest of the world, the Ethiopian New Year, also known as *Enkutatash*, falls on September 11 or 2 during a leap year. The month heralds the end of the rainy season and the beginning of the bright and sunny season.

When *Enkutatash* comes, the Ethiopian highlands are covered with yellow flowers, called Adey Abeba, which also harbingers the end of the rainy, stormy, and floody season and the approach of the sunny, bright season.

Thus, September (*Meskerem* in the Ethiopian calendar) is a month that fills one's heart with hope and a bright future.

During this month, Ethiopians who were compelled to stay at their places for close to three months due to the heavy and excessive rainfall that results in the flow of rivers tend to visit their friends and relatives residing in distant areas.

It is known that one of the values that Ethiopians are well known for is their long-established culture of helping each other. Extending a helping hand and sharing meals with the unfortunate ones on normal and special occasions is the long-lived culture of Ethiopians.

As part of this time-honored culture of the community and in connection with the celebration of the Ethiopian New Year holiday, President Sahle-Work Zewde provided various food items to low-income members of the society.

Speaking on the occasion, President Sahle-Work said that welcoming the Ethiopian New Year in a manner considering, helping and showing care for the unfortunate ones, which is the unique value of Ethiopians, is vital.

"We, Ethiopians, have been able to overcome many difficult times through these values. This humane act and impressive value need to be further strengthened," the president underlined.

Likewise, Prime Minister Abiy Ahmed(PhD) shared food items with low-income staff members of the Office of the Prime Minister (PMO) and school supplies for orphaned children the PMO is helping to raise, ENA reported, mentioning the Office of the Prime Minister.

"Sharing food and other items with others is a symbol of patriotism, a beautiful reminder of friendship and tradition," Prime Minister Abiy stated on his social media page.

"Let's come together, share what we have, and spread joy. As we support each other, let's spend this holiday creating memories that nourish our hearts and souls and share them with those in need," the Prime stressed.

In addition to this, on the actual day of



the New Year (*Meskerem* 1, 2017 E.C.), the Premier along with First Lady Zinash Tayachew shared meals with the elderly and the impoverished sections of the society drawn from different areas of Addis Ababa.

As part of this gallantness and to help the unfortunate segments of the community celebrate the holiday joyfully, Addis Ababa Mayor, Adanech Abiebie also shared food items with 500,000 low income residents of the city.

Mayor Adanech handed over the items to the needy on *Pagumen* 4, 2016, the 13th month of the Ethiopian calendar (September 9, 2024.) while marking the "Diversity Day."

Speaking on the occasion, the Mayor stressed the need to enhance collaboration to tackle our shared challenges.

"Today on the occasion of Diversity Day, we share not only food but also togetherness and love," the Mayor underscored.

The City Administration has been working hard on various development activities to ensure the equitable benefits of all citizens by fulfilling its social responsibility, she underlined.

This long standing culture of extending a helping hand and sharing meals with the needy was also carried out in various parts of the country.

Debre Birhan Town Administration also shared meals with people who are in the lower living standard on the occasion of the New Year celebration.

Speaking on the occasion, town's Deputy Mayor Bedlu Wubeshet said that various activities are being carried out to help those unfortunate ones become economically selfreliant in a sustainable manner.

The Administration, by coordinating young people and investors, has built and handed over to elderly who were homeless. Concurrently, it is exerting utmost efforts to help them engage in urban agriculture thereby detach themselves from the chain of poverty

Mentioning that the activity carried out to share meals with the needy is a symbol of thoughtfulness, solidarity and togetherness he said, the program was designed to enable the low income members of the society to celebrate the New Year with their families



joyfully.

Women, Children and Social Affairs Department Head of Debre Birhan Town, Beletesh Girma on her part said that the Administration has distributed food items to over six thousand people. The program was realized by coordinating investors and stakeholders, she said. According to her, over 11.1 million Birr was collected to make the program a reality.

Chief Executive Officer of Menelik Sub-City in the Debre Birhan Town, Serawit Beza on his part said that following the collaboration and participation of different sectors in the town, it was made possible to share food with the people who are in the lower living standard.

Mentioning that the support was given in kind and money, he remarked that the Administration gives priority to peopleoriented activities.

One of the beneficiaries of the program, Fantu Kebede, also said, "The town administration has created a comfortable environment for the needy by providing them with houses. Even today, it has supported us to celebrate the New Year without any problems. I want to extend my gratitude," she said.

Assosa is the other town that celebrated the New Year by sharing meals with the poor.

As ENA stated, investors working in Assosa Town spent the New Year by sharing meals with the vulnerable ones.



According to the Mayor of Assosa Town Administration, Abdulkerim Abdurahim, spending the New Year with the needy creates a special happiness. Investors in the town are contributing their share by standing by the side of the government and supporting the society in various ways.

Coordinator of the program Ayub Ditamo also said there is no greater joy than making the hopeless members of society spend their holiday happily and joyfully.

Aside from sharing meals, educational materials were delivered to 300 students with lower socioeconomic status, he added.

Ethiopia has its own unique calendar in the world with 13 months. Each of the 12 months has 30 days. The 13th month, *Pagumen*, has 5 days or 6 during each leap year.

International News

US supports two permanent UN Security Council seats for Africa

The United States supports creating two permanent United Nations Security Council seats for African states and one seat to be rotated among small island developing states, US Ambassador to the UN Linda Thomas-Greenfield will announce on Thursday.

The move comes as the US seeks to repair ties with Africa, where many are unhappy about Washington's support for Israel's war in Gaza, and deepen relations with Pacific Islands nations important to countering Chinese influence in the region.

Thomas-Greenfield told Reuters she hopes the announcement will "move this agenda forward in a way that we can achieve Security Council reform at some point in the future," describing it as part of US President Joe Biden's legacy.

The push for two permanent African seats and a rotating seat for small island developing states is in addition to Washington's long-held support for India, Japan and Germany to also get permanent seats on the council.

Developing nations have long demanded permanent seats on the Security Council, the most powerful body in the United Nations. But years of talks on reform have proved fruitless and it is unclear whether



US support could fuel action.

Ahead of making the announcement at the Council on Foreign Relations in New York on Thursday, Thomas-Greenfield clarified to Reuters that Washington does not support expanding veto power beyond the five countries that hold it. The Security Council is charged with maintaining international peace and security and has the power to impose sanctions and arms embargos and authorize the use of force.

When the UN was founded in 1945, the Security Council had 11 members. This

increased in 1965 to 15 members, made up of 10 elected states serving two-year terms and five permanent veto-wielding nations: Russia, China, France, the US and Britain.

Source: The East African

Kenya bans sugar imports from outside Comesa, EAC trade blocs

Kenya on Tuesday imposed a ban on sugar imports from outside the Common Market for Eastern and Southern Africa (Comesa) and the East African Community (EAC), two regional trade blocs, citing an increase in local production.

Ministry of Agriculture and Livestock Development Cabinet Secretary Andrew Karanja said in a statement released in the Kenyan capital Nairobi that local sugar production has improved, with the country expected to produce more than 800,000 metric tonnes this year.

Karanja said the government thus had not extended the import window for sugar from countries outside the Comesa and EAC trading blocs.

He noted that over the past four years, Kenya has produced about 700,000 metric tonnes of sugar annually from 16 factories, with production peaking at around 800,000 metric tonnes in 2022.

Karanja observed that 2023 had been an unusual year, beginning with a severe drought that led to reduced sugar output, which necessitated significant imports to bridge the supply gap.

He said that the average annual consumption



Workers arrange bags of sugar at Mumias Sugar Company store in Western Kenya on September 28, 2018

of table sugar in Kenya is about 950,000 metric tonnes, with the shortfall covered by imports from Comesa and EAC countries under existing trade protocols.

The country temporarily allowed sugar imports from outside these regions to protect consumers from high prices, he said, adding that imports from Comesa and EAC

are currently facilitated by sugar safeguards, which are set to expire in February 2025.

Karanja also emphasised that Kenya has deployed security agencies to help address illegal sugar smuggling through porous borders and remains committed to adhering to the free trade protocols outlined in existing treaties.

The Comesa is a regional economic community in Africa with 21 member states, while the EAC is a regional intergovernmental organisation of eight partner states.

Source: The East African



Happy Ethiopian New Year!

BY TEWODROS KASSA

his week, on September 11, 2024 Ethiopians celebrated the first day of the Ethiopian New Year 2017 with renewed hope and dedication for their future.

The Ethiopian New Year, also known as Enkutatash, is different from the rest of the world as it falls on September 11 or 12 during a leap year.

The word Enkutatash, which means the 'gift of jewels' indicates the end of the rainy season. During this month, the Ethiopian landscape is covered with bright yellow flowers called Adey Abeba, the level of water in the rivers decreases and the rainfall becomes less and less. The sky also gets clearer. And as the heavy rain reduces and the sun starts beaming its rays, it lights up the mother Earth, and warms it, Ethiopian marks their New Year, Enkutatash.

Last Wednesday, September 11, 2023, Ethiopians bade farewell to 2016 E.C and received the New Year 2017 E.C.

According to ENA, religious fathers in their New Year best wish message highlighted the need for Ethiopians to reach new heights by resolving conflicts through dialogue, differences with unity, and disagreements with reconciliation.

Prime Minister Abiy Ahmed for his part emphasized the importance of seizing the opportunities presented by the incoming New Year and urged citizens to work together to address the nation's challenges and build a brighter future for all.

"We can create a brighter future for Ethiopia," the Premier underscored, noting that, "making the year to heal past wounds, and build a foundation for a prosperous future and create a legacy that our children will be proud to inherit," he argued.

Ethiopians celebrate their New Year (Enkutatash) in a variety of cultural ways. Young girls attired with new traditional clothes gather daisies and present friends with a bouquet, singing New Year's songs.

Moreover, Ethiopians and foreign citizens of Ethiopian origin in the diaspora have celebrated the New Year with various events in their respective countries.

The Ethiopian Embassy in Kenya has celebrated the 2017 New Year holiday in the presence of Ethiopians, officials of the Kenyan Foreign Affairs Ministry and diplomats based in Nairobi.

On the occasion, Ethiopian Ambassador in Kenya, Bacha Debele highlighted the significance of strong unity among Ethiopians to realize our shared opportunities in the New Year, stating that Ethiopia and Kenya will also mark their 60th year of diplomatic relations during the year.

The Ethiopian Embassy in India has also celebrated the Ethiopian New Year with a grand event held at the Embassy premises.



The event was graced by Shri Mayank Singh Joint Secretary of the East and Southern Africa division and other officials from the Ministry of External Affairs of India, Dean of African Heads of Mission in India, Ambassadors, Diplomats, Representatives of Chambers, Representatives of Media, Business Groups, Indian born in Ethiopia, Ethiopians residing in Delhi and Staffs of the Embassy.

On the occasion, Ambassador Bizunesh Meseret explained Ethiopia's unique 13-month calendar, which offers a distinct cultural experience and unites Ethiopians globally in celebration.

She also highlighted Ethiopia's achievements over the past year, such as in infrastructure development, agriculture, etc. showcasing Ethiopia's determination to harness its resources for sustainable development.

The Ambassador reflected on the strong bilateral relationship between Ethiopia and India and reaffirmed Ethiopia's commitment to elevate the excellent relationships that exist between the two countries.

Similarly, the New Year celebration was observed in Rome, Italy in the presence of members of the Ethiopian Diaspora and other invited guests.

Ambassador Demitu Hambisa on the occasion stressed the need for strong unison among the Diaspora to expedite the development of Ethiopia.

Representatives of the Diaspora Community in Italy for their part commended the Embassy for its efforts exerted to enhance ties of the Diaspora community with their country of origin, expressing their dedication for a better achievement in this regard during the New Year.

Similarly, Ethiopian Embassy in Ankara, Turkiye also celebrated the New Year with a remark made by Ethiopian Ambassador in Turkey, Adem Mohammed that urged the diplomats to further strengthen and coordinate their diplomatic activities in a manner that supports the overall development endeavors in Ethiopia.

Ethiopian New Year has also been marked in several other countries across the globe including Germany, Kuwait, and the United Kingdom.

On the other hand, tourists who are currently paying a visit to Ethiopia expressed their excitement on Ethiopia's unique calendar and extended best wishes to Ethiopians on their New Year celebration.

In fact, Ethiopians do not celebrate their New Year on January 1, like many parts of the world. The Ethiopian New Year falls on September 11 or 12 during a leap year.

The country has its own unique calendar in the world with 13 months. Each of the 12 months has 30 days. The 13th month, Pagumen, has 5 days or 6 during each leap year.

Accordingly, the 2017 Ethiopian New Year celebrated on September 11, 2024.

Tourists, who are in Ethiopia for a visit, approached by ENA expressed their excitement about the uniqueness of Ethiopia's calendar and the New Year.

Expressing their joy for participating at the celebration of Ethiopian New Year, the tourists have extended New Year best wishes to all Ethiopians.

Marcoj Corvini, a Brazilian tourist, said Addis Ababa is his first city to visit in Africa, expressing his pleasure to be in Ethiopia on the occasion of the New Year.

Stating that he was not aware of Ethiopia's New Year, which is very different from the rest of the world, corvini expressed his excitement about the country's uniqueness in this regard.

"It is very important for us to be here to celebrate Ethiopian New Year with the people of Ethiopia," he underscored.

Another tourist, Vikram Sriam, from India, also impressed by the Ethiopian New Year celebration which is new for him.

The Indian tourist also extended a happy New Year wish to all Ethiopians.

Indicating that it is his first time to visit Ethiopia, he lauded Ethiopians for their warm hospitality, which is very different from other parts of the world.

The African Union (AU), United Nations (UN) and embassies based at Addis Ababa have also conveyed New Year best wishes to the people of Ethiopia.

The Addis Ababa based diplomatic community has extended New Year best wishes to Ethiopians and expressed optimism for the nation.

"Melkam Addis Amet (Happy New Year - in Amharic Language) to all our Ethiopian brothers and sisters celebrating the New Year festival, 2017. May this New Year bring good tidings and prosperity to the great nation and people of Ethiopia," according to a statement issued from AU.

"As we enter the New Ethiopian Year (2017 E.C.), on behalf of UN Ethiopia, I wish you all a Happy New Year," UN Resident and Humanitarian Coordinator in Ethiopia Ramiz Alakbarov said.

Together, let's embrace the New Year with enthusiasm and a shared vision for advancing sustainable and nationally-driven solutions for the people of Ethiopia, he noted.

Various embassies based in Addis Ababa including USA, Russia, British and China, among others have also extended New Year wishes to the people of Ethiopia, and expressed optimism for the nation's future.