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Solomon Mekonen
EWCA solidifying sustainable wildlife conservation

Photo: Dagne Abera

Opening doors to foreign banks: Boon or bane for local actors?

BY MENGISTEAB TESHOME

The House of People's Representatives (HoPR) recently passed two significant banking decrees, one of which permits

foreign banks to operate in Ethiopia. This landmark decision has ignited a debate among economists, with opinions split on whether it presents an opportunity or a challenge for the local banking sector.

The new decree marks a major shift for Ethiopia's private banking industry, which currently comprises over 30 local banks. Many observers argue that these institutions

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Yasmin Wohabrebbi

Ethiopia's economic reform sees promising export surges

BY MISGANAW ASNAKE

ADDIS ABABA – The recent macroeconomic reform and revised trade policy would enable Ethiopia generate increased export earnings, Ministry of Trade and Regional Integration (MoTRI) stated.

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Ethiopian to further stretch wings across Africa

BY YESUF ENDRIS

ADDIS ABABA—Ethiopian Airlines has expressed its ambition to establish new airlines across Africa in partnership with various countries, aiming to strengthen regional and continental integration.

According to the airline's CEO, Mesfin Tasew, these collaborations have significantly improved connectivity across the continent.

In an interview with local media, Mesfin acknowledged challenges Ethiopian Airlines faces in connecting all African cities from its hub in Addis Ababa, despite its impressive reach of 65 destinations across the continent. To overcome these hurdles, the airline is focusing on joint ventures with African nations, which Mesfin described as the "best business solution."

"Ethiopian Airlines, with its 65 destinations in Africa, is a key player in integrating the continent," Mesfin stated. He cited



Togo as a notable success story, where Asky Airlines, established with Ethiopian Airlines' support, now links the country to 26 African cities, including Johannesburg, Abidjan, and Abuja.

Mesfin also highlighted the importance of the recently launched Air Congo, which he believes has even greater potential for fostering regional integration than Asky

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News

Avocado export shows significant improvement: Bureau

BY ASHENAFI ANIMUT

ADDIS ABABA—Since recently, avocado's productivity and export has been witnessing a formidable growth, the Oromia State Agriculture Bureau said, revealing plans to export 12,000 quintals of avocado in 2024/25 budget year.

Bureau's Fruit Development Director Tegegn Erana told the Ethiopian Press Agency (EPA) that wide-ranges of activities are being undertaken to meet the set plans of exporting about 12,000 quintals of avocado products to the Middle East, neighboring countries.

Tegegn further stated that planning to export about 1,000 quintals this budget year, the bureau managed to export about 610 quintals of avocado over the past months to the European market.

The bureau has collected about 2.9 million quintals of avocado over the past months, he said, adding that out of the total coverage of 55,112 hectares of land, some 30,145



hectares are producing yields.

He mentioned that the bureau produced 6.5 million quintals of avocado during the concluded fiscal year.

“Engaging hundreds of thousands of people in avocado development activities, about 1,751 avocados are planted in a cluster system in 185 woredas found in 21 zones in Oromia State.”

Since last June, the state has been undertaking comprehensive preparations to plant about 20 million avocado saplings and planted 12.5 million in the last seven months, the director said.

Mentioning the challenges affecting the sector's development, Tegegn emphasized that the bureau along with stakeholders in the area is exerting utmost efforts to address

constraints of all input supplies which help promote productivity.

Chains of capacity building and awareness creation activities are underway to bridge the witnessed skill gaps in the field. Also, trainings ranging from early production to the market value-chain are being given to the exporters and farming communities in a bid to advance the sector.

Women's multirole in Nat'l Dialogue

BY BETELHEM BEDLU

Women have consistently been the major victims of armed conflicts. They have been forced to shoulder multiple responsibilities as men, breadwinners, are tend to be part of the conflict.

Forcibly, they are expected to play double role of leading and protecting their families. Sadly, these women are also the ones that flee from their village in search for a safer place for their children. This is majorly the reason why women seek and value peace the most.

On one hand, resolving challenges through dialogue is not new in the country. Dialogue, mediation and reconciliation have been part of different culture in the nation. Moreover, it has been almost three years since the country established a National Dialogue Commission.

To this end, women, as part of the major segment of the society, have been playing a vital role throughout the commission's activities over the past years. Women are expected to have greater role in the National Dialogue given its anticipated role in resolving differences peacefully and facilitating consensus on national issues.

The Ethiopian National Dialogue Commission is currently holding agenda gathering process in Oromia State which is estimated to draw over 7,000 participants from over 356 districts.

Representing women from Melka District at the Oromia State agenda gathering, Hurji Ali, emphasized that instability affects women the most. Holding dialogue has been part of nation's indigenous knowledge.

The community has deep seated culture of resolving differences through mediating and discussing. The national dialogue would play an instrumental role to settle the major challenges in the country, she stressed.

“As a mother and woman, my only wish is to see a peaceful country where every citizen could move and live freely. The National Dialogue, in this regard, would play a significant role.”

She further indicated that mothers are highly regarded and respected in the Oromo culture. Thus, they will make use of their value in the society for the success of the National Dialogue.

For Aberash Qumbi, another representative from Wenji District, women, as part of the community that covers huge portion of the total population, hold high responsibility in the National Dialogue.

Women are the most vulnerable segment of the society when it comes to conflicts and insecurity. On the other hand, they have been taking a leading role in resolving problems in the society.

“Not only they have contributed in shaping their children and spouses, but they have played a major role in being part of various peace processes. Hence, they would also exert a similar responsibility in the National Dialogue.”

For her take on the issue, Yetnayet Tsegaye, a representative from West Harargie, expressed that women and children are the major victims of conflicts.

She mentioned that they need peace the most as they are the ones who are majorly affected during skirmishes. This is one of the reasons that the National Dialogue is highly anticipated by them to bring about sustainable peace in the country.

“The journey has not been easy. Nonetheless, the National Dialogue would serve as a golden opportunity to right past mistakes and build better country,” she underscored.

Highlighting her readiness to contribute her share, Yetnayet urged all participants particularly women to be active participant for the realization of the dialogue.

MoLS reinforces skill-based reforms to boost job creation

BY ASHENAFI ANIMUT

ADDIS ABABA—The Ministry of Labor and Skills (MoLS) said it has intensified regional collaborations to strengthen skill-based reforms aimed at promoting institutional development, productivity, and the nation's inclusive growth.

Speaking during the National Job and Skills Bureau's five-month performance report presentation yesterday, MoLS Minister Muferihat Kamil emphasized the ministry's commitment to advancing reform agendas through strategic initiatives aligned with national development goals. The report highlighted progress in areas such as job creation, skills development, employer-employee partnerships, and institutional capacity building.

The minister outlined ongoing efforts to enhance skill development by implementing strict monitoring practices and supportive measures in collaboration with regional bureaus. These efforts aim to foster reform activities through tailored pillars that address both local and international needs.

Amid increasing demand for domestic and overseas job opportunities, the government, enterprises, and private training centers have been steadfast in equipping employees with essential skills. “We are spearheading capacity-building programs and utilizing locally produced machinery to enhance the youth's innovative skills and knowledge transfer,” Muferihat noted.

She further highlighted the ministry's response to technological advancements by providing quality maintenance training to over 21,000 trainers from Technical and Vocational Education and Training (TVET) institutions. These initiatives are designed to bolster institutional capacity and ensure the delivery of qualified training programs. The minister also underscored the government's efforts



Muferihat Kamil

to promote job opportunities by facilitating financial support and consultative engagements. These measures aim to empower communities to leverage local resources and opportunities to drive economic growth.

Acknowledging the need for international certification in training institutions, Muferihat revealed plans to align TVET institutions with ISO standards. This move is expected to enhance institutional capacity, improve livelihoods, and bolster Ethiopia's global image.

As part of the government's national priorities, MoLS and regional states have launched campaigns and community engagement initiatives in key sectors such as agriculture, services, and industry. These efforts aim to generate decent jobs nationwide and address unemployment.

During the performance report presentation, regional bureaus identified key challenges affecting their interventions, including input shortages, financial constraints, and other operational hurdles.

The ministry's comprehensive and collaborative approach reflects its dedication to creating a robust workforce and advancing Ethiopia's inclusive development agenda.

News

EWCA solidifying sustainable wildlife conservation

BY MESERET BEHAILU

ADDIS ABABA – Ethiopian Wildlife Conservation Authority (EWCA) announced that it is reinforcing efforts to combat illegal settlement and poaching aimed at ensuring sustainable wildlife and national parks development.

EWCA's Deputy Director General, Solomon Mekonen told *The Ethiopian Herald* that the Authority has been carrying out various activities to reduce human impacts on animals and their habitats.

Of Ethiopia's 87 wildlife reserves, 27 of them are national parks, and the authority administers 11 national parks and two sanctuaries, he mentioned.

Over the past many years, people have affected wildlife conservation efforts while activities are still taking place for effective preservation and to increase the contribution of the tourism sector for socioeconomic development, according to Solomon.

"The Authority has made significant achievements in safeguarding wild animals and the environment through improving law enforcement, awareness creation and strengthening partnerships." For instance, the restoration of Lake Abijatta, preservation of Bale Mountains National Park, and Nech Sar National Park showcase the success of the conservation works that have been done since 2018, he added.

Solomon further stated that Elephant poaching in Babile Sanctuary, which was a serious challenge for reducing the number of 500 elephants to 350, is showing a gradual improvement.

"Particularly, as Babile Elephant Sanctuary located between Oromia and Somali states, there is a need to exert combined efforts to fight against illegal hunting and illegal settlement," he suggested.

Likewise, Omo and Mago National parks, which are sanctuary to many elephants have been exposed to similar challenges by the



Photo: Degne Abera

Solomon Mekonen

illegal hunters due to the demand for fur, horns, tusks, teeth, and the likes.

Ethiopia's economic...

MoTRI State Minister Yasmin Wohabrebbi expressed that recent macroeconomic reforms and revised trade policy implemented by the Ethiopian government are expected to boost the country's export earnings, as they are designed to enhance the competitiveness of Ethiopian exporters in global markets and seize new economic opportunities.

She told journalists yesterday that the homegrown macroeconomic reform will boom the nation's export volume of oilseeds, pulses and other agricultural products.

The ministry is encouraging exporters to export additional volumes of agricultural products as the government is effectuating the homegrown macroeconomic reform to solve trade bottlenecks to bring structural transformation, she stated.

To increase foreign exchange earnings, Yasmin said that the country should properly utilize the opportunities that the African Continental Free Trade Area (AfCFTA) holds.

Ethiopia would also increase trade exchange through the intra-African trade with neighboring nations like Kenya, thereby accelerating business activities and investment flows, which are significant to connect the continent. "On the other hand, the country will continue the negotiation secure World Trade Organizations (WTO) membership so as to actively participate in the international trade," the State Minister expressed.

Joining WTO, increases Ethiopia's investment attraction and its role in the continental and global economies. According to Yasmin, such a measure requires to improve foreign currency earnings through increasing the export of value added products.

Ethiopian Pulses, Oilseeds, and Spices Processors and Exporters Association (EPOSEA) President, Edao Abdi stated that the association is highly contributing to improve country's advantages from volumes of pulses and oilseeds product exports.

According to the President, the policy intervention on trade is timely as it helps to promote export competitiveness in the world market.

"The government should encourage exporters to see some improvement and show exponential growth by creating conducive environment for local exporters specifically engaged in oilseeds and pulses exports," he said.

In the last five months, the nation earned 2.6 billion USD through exporting agricultural products, with over 200 million USD coming from pulses and oilseeds.

Opening doors to foreign banks: Boon or...

others caution about the risks involved.

During his report to the HoPR, the Planning, Budget, and Finance Standing Committee Chairperson Desalen Wadajo emphasized the importance of the decree. However, he warned that improper management could destabilize the financial system and the macro-economy. Desalen noted that many local banks lack critical skills, advanced technology, and experience, making the entry of foreign banks a potential game-changer for strengthening the sector and supporting Ethiopia's broader economic reform agenda.

Governor of the National Bank of Ethiopia, Mamo Mihretu, addressed the concerns raised, assuring stakeholders that the central bank's regulatory capacity will remain robust. He emphasized that foreign banks must collaborate with local institutions to improve credit access and stimulate economic growth. According to Mamo, the move is designed to complement Ethiopia's ongoing economic reforms rather than undermine them.

Economist and privatization advocate Shewafera Shitaye welcomed the decision, stating that the banking sector should not be limited by borders or ethnic affiliations. He argued that the decree should have been implemented 17 years ago, as it offers significant opportunities for innovators and entrepreneurs. Shewafera highlighted that Ethiopia's

current financial system, which heavily relies on collateral for credit services, has left young entrepreneurs and innovators at a disadvantage.

"There is a severe capital shortage, and foreign banks can address this gap by providing accessible financial services," Shewafera noted. He expressed hope that foreign banks would accept alternative forms of credit guarantees, such as certificates or proposals that validate the feasibility of business ideas. "I have been advocating for this change through community radio programs," he added.

The economist also highlighted the potential for foreign banks to introduce competitive practices, improve interest rates, and enhance customer experiences. He noted that their advanced technologies, expertise in risk management, and innovative financial products could modernize Ethiopia's banking sector. Moreover, foreign banks could expand financial services to underserved areas, stimulate investment across various sectors, and contribute to overall economic growth and development.

"I believe a diversified banking sector that includes foreign entities can enhance financial stability by spreading risks and reducing overreliance on local banks," Shewafera concluded.

On the other hand, financial management expert Abdulmanan Mohamed expressed doubts about the long-term impact of this initiative. He noted that while the market

is now open, major global banks may not rush to enter Ethiopia. Instead, African banks might be the first to show interest, focusing on large institutions rather than rural areas, thus avoiding direct competition with local banks.

Economist Atlaw Alemu (PhD) voiced concerns about the potential dominance of foreign banks over local institutions. He warned that without proper regulation, foreign banks could leverage their superior capital and technology to attract the most profitable customers, leaving local banks at a disadvantage.

However, Abdulmanan pointed out that the National Bank has significantly improved its regulatory capacity over the past three decades. He indicated that the decree includes safeguards to ensure a balanced competitive environment, preventing foreign banks from monopolizing the market.

Governor Mamo reiterated that the ultimate goal of opening the financial sector is to strengthen Ethiopian banks, ensure economic continuity, and align the banking system with international standards. He emphasized that the move is not intended to undermine local banks but to position them to compete globally while driving economic growth.

As the debate continues, the success of this initiative will largely depend on its implementation and the ability of local banks to adapt to a more competitive financial landscape.

Ethiopian to further stretch wings...

Airlines. "In Central Africa, airline services are underdeveloped. We expect Air Congo's operations to significantly enhance mobility and integration among regional countries," he said.

Air Congo CEO Mesfin Biru further

elaborated on Africa's limited presence in global aviation, noting that the continent accounts for just two percent of the market. "Africa is the most deprived continent in air transport. If you look at the world air traffic map, Africa's skies are the clearest,

unlike other regions busy with flights," he observed.

The expansion of Ethiopian Airlines through partnerships is seen as a critical step toward addressing the continent's aviation gap and

boosting regional economic integration. By bridging these gaps, Ethiopian Airlines continues to position itself as a vital player in Africa's aviation landscape, fostering connectivity, mobility, and economic growth across the continent.

Opinion

The long awaited advent of foreign banks in Ethiopia's finance industry

BY ABEBE WOLDEGIORGIS

Recently, Ethiopian lawmakers approved a "Banking Proclamation" - a transformative shift in the financial sector by allowing foreign banks to establish a presence in the country.

The legislation permits foreign banks to enter the market through several avenues, including establishing subsidiaries, opening branches or representative offices, or acquiring shares in local banks.

Strict regulations, however, have been introduced to safeguard local interests. The law mandates that the total shareholding of foreign nationals and foreign-owned Ethiopian organizations in a local bank shall not exceed 49% of the bank's subscribed shares.

The remaining 51% must be retained under Ethiopian ownership to ensure local control of financial institutions. Parliament also indicated the proclamation allows foreign banks to hire foreign nationals as senior executives in governance.

It also requires the inclusion of Ethiopians on the boards of the banks to maintain local representation and oversight. The landmark approval follows six months of deliberation after the Council of Ministers passed a draft version of the proclamation and forwarded it to the House of Peoples' Representatives for final endorsement.

As part of its strategy to open the financial sector, the Ethiopian government announced in June 2023 its plan to issue up to five banking licenses to foreign investors over a five-year period marking a critical step in its policy to integrate the banking industry into the global financial market, according to a statement.

Discussions around the entry of foreign banks have been ongoing since the Council of Ministers adopted a policy presented by the National Bank of Ethiopia three years ago to liberalize the financial sector.

The move signals the end of decades of exclusivity for local financial institutions, paving the way for foreign competition and innovation.

Despite its potential benefits, the liberalization of Ethiopia's banking industry has raised concerns among some MPs, who warn that the robust financial resources of foreign banks could overshadow local institutions, creating challenges in maintaining a level playing field.

Ethiopia recently floated its foreign exchange, marking another significant shift from the central bank's strictly regulated interventions.

According to the National Bank of Ethiopia, the banking sector remains the backbone of Ethiopia's financial system, holding 96% of the sector's total assets. By June 2024, 32 banks, including private, interest-free,

and microfinance-transformed commercial banks, operated in the country.

The homegrown reform program introduced five years ago requires launching a comprehensive and well-coordinated economic reform agenda, encompassing macro-financial measures to stabilize the macro-economy and arrest financial sector vulnerabilities; structural reforms to alleviate business constraints to create an enabling environment for private sector investment; and sectorial policies to address sector-specific institutional and market failures and enhance productivity in key economic sectors.

Economists underscored the entry of foreign banks into Ethiopia will increase investment and enhance technological capabilities vital to efficient service delivery to the finance sector. In addition, it shores up the shortage of hard currency, raises the nation's currency reserve and reduces illegal trade because exporters can obtain fair prices for their products when they export through the formal channel.

The economists also warn that local banks need to improve their financial and technological capabilities in order to compete with their foreign counterparts. They should employ competent staff and occasionally provide training to create a world-class and professionally excellent employee.

The National Bank of Ethiopia is preparing to grant licenses to at least five foreign banks to enter the country in the next five years. This is part of a broader move being carried out by the government of Ethiopia to open up the economy to foreign investment, it was indicated.

Economists agree on the positive impact of the incoming foreign Banks here. They argue that foreign banks will help improve the overall efficiency of the Ethiopian financial system and make it more accessible to businesses and customers.

It also enables them to strengthen their link with international financial institutions and to do their business cooperatively. In addition to these, it paves the way for creating the chance to secure loans in hard currency. When they start operating in Ethiopia, they bring foreign wealth, skills and experience with them. That money will avail financial provisions to be used for various investments. They will bring the money that they have accumulated overseas and that is useful for boosting financial transactions. The other thing is they have better international experiences; therefore they will assist in facilitating international trade in the country.

However, the economists also warned that local banks need to be prepared to compete with foreign banks by improving their financial and technological capabilities in order to offer the same level of services. Others also suggest that it is to their benefit

and enhance their competitiveness that various banks merge themselves.

Currently, in an unprofessional manner, banks go around every street to make you open bank accounts in their branches. As to the long-serving bankers, if you don't bring your book they don't even serve you. That indicates how backwards they are. Therefore, as a regulation, these banks need to be forced to invest in research to help themselves with modern technologies and working systems.

Appointing members of the boards of directors of the banks must take into consideration their academic background, professional integrity and the trust of the shareholders. Nepotism and favouritism witnessed in some private banks only accelerate their demise. Because competing and winning the market without strong institutional commitment is unrealistic.

The economists also advised the government to put a certain mechanism with a view to protecting Ethiopian financial institutions from the domination of foreign banks.

In this regard, they urged the government to ensure that foreign banks are subject to the same regulations as the local ones and that creating job opportunities for local professionals should be obligatory.

Therefore, apart from creating a conducive working environment for banks coming to Ethiopia, strict monitoring and control should be put in place so that they do not go out of line and create undue economic pressure on local banks.

Overall, the economists pointed out that the entry of foreign banks into Ethiopia is a positive development. Allowing foreign banks into Ethiopia's financial sector will be instrumental to sustaining the economic growth and competitiveness of the country by ensuring a stable financial system.

Over the past five years, the government of Ethiopia has undertaken significant economic reforms to open up the nation's economy. Opening up the financial sector is part of the comprehensive reform.

In his briefing to questions raised by members of the House of Peoples Representatives during the approval of the new bill, National Bank of Ethiopia Governor Mamo Mihretu noted that having a stable financial system is crucial to the sustainability of the country's economy. Allowing foreign banks into Ethiopia's financial sector will be instrumental to sustaining the economic growth of the country by ensuring a stable financial system, he said.

This move is beneficial to ensure competitiveness and stability, he said, adding approving the proclamation is part of the implementation process of the government's policy decision made recently as part of the financial sector

reform.

Stating that the preparation to reach the approval stage took three years, he said all necessary preparations have been done with much detail to allow foreign banks in the Ethiopian market by taking other countries' best experiences.

For the governor, the main target of allowing foreign banks in Ethiopia's financial sector is to enhance the competitiveness and productivity of Ethiopia's banking sector and enhance its role in the sustainable economic growth of the country.

Allowing foreign banks entry into Ethiopia is believed to ensure a competitive, stable banking system, bringing new capital, advanced technology and innovative products to Ethiopia's financial sector, it was learned.

Similarly, the house also approved the revised proclamation of the National Bank of Ethiopia with the target of playing a crucial role to sustain the economic growth of the country and to support the homegrown economic reform.

Presenting the final bill to the HPR, Planning, Budget and Financial Affairs Standing Committee, Chair Desalegn Wodaje said the revised bill would be instrumental to enhancing productivity, supporting the country's economic growth, investment and saving, and supporting the homegrown economic reform in a meaningful manner.

The revised proclamation of NBE is said to be creating market stability, a healthy financial system and supporting the comprehensive economic growth of the country.

Over the past six years, various sectors and sub-sectors have been opened up for domestic and foreign investment to make Ethiopia a business-friendly nation alongside implementing plenty of legal and administrative reforms during the stated period.

In its recent study paper, the Ethiopian Economic Association indicated that foreign banks will bring much-needed capital and technology to the Ethiopian financial sector in addition to the efficient services they provide to customers.

"When these banks enter our country, they will bring better service as they arrive in Ethiopia after lots of study and analysis on what kind of strategies to follow to maximize their profit. So they are expected to improve service delivery. They also bring capital and technology to our country, therefore, competition increases in the market which in turn brings better financial services."

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

Editorial

Nation's strategic shift: Embracing foreign banks for economic growth

Ethiopia has recently opened its financial sector to foreign banks, signaling a significant departure from its longstanding policy that prohibited foreign ownership and operation of financial institutions. Historically, this prohibition stemmed from concerns regarding the potential misuse of advanced technologies in financial transactions. However, the current leadership has taken a bold step towards fostering a more open and competitive banking environment by inviting foreign participation, reflecting a commitment to economic reform and modernization. Luckily, this is a notable strategic shift for it results in tremendous economic progress.

The Ethiopian government has unveiled a comprehensive declaration aimed at attracting foreign banks, creating a structured framework that facilitates their entry and activities within the country. While some experts voice apprehensions about possible adverse effects on the economy—particularly concerning the introduction of unfamiliar technologies—there is a compelling case to be made for the myriad benefits that foreign banks can offer. Many analysts have welcomed this decision as a crucial element of Ethiopia's ongoing economic transformation. Indeed, this initiative comes at a time when the country is making substantial investments in infrastructure, laying the groundwork for a conducive environment for both domestic and foreign investments.

Integrating foreign banks into Ethiopia's financial landscape is poised to yield considerable economic advantages. The nation is currently engaged in a series of reforms aimed at strengthening its financial system and enhancing its attractiveness as an investment destination. Central to these reforms is a macroeconomic strategy that has successfully increased foreign currency reserves and spurred significant investments in critical infrastructure, including trade corridors essential for commerce.

Besides, in order to encourage the foreign direct investment (FDI) in other other sectors like health, manufacturing and the like, the government is offering an array of incentives. These include long-term land lease agreements—extending up to ten years without rental fees—and tax exemptions on income for nearly a decade. Such measures underscore the government's dedication to stimulating FDI.

For this initiative to achieve its intended outcomes, it is crucial for the National Bank of Ethiopia to bolster its regulatory capacity. Addressing concerns related to potential risks associated with foreign banks—such as the adoption of new technologies and the possibility of financial misconduct—must be prioritized. Establishing robust regulatory frameworks and oversight mechanisms will be essential in safeguarding the national economy and ensuring that foreign banks operate in alignment with Ethiopia's economic objectives.

One of the most significant advantages of integrating foreign banks into Ethiopia's financial sector lies in the advanced technology and diversified services they can introduce. This technological infusion is crucial for modernizing the banking system and enhancing the overall efficiency of financial services available to Ethiopian businesses and consumers.

Currently, domestic banks have struggled to keep pace with the rapidly growing demand for financing in Ethiopia. Despite a surge in investment across various sectors, particularly in infrastructure and construction, local banks have predominantly focused their lending on the construction sector, often neglecting the vital manufacturing industry. This misalignment has created a substantial gap in financing options for manufacturers, hindering their growth potential and the overall diversification of the economy.

The entry of foreign banks is anticipated to address this critical shortfall by providing a broader range of financial products and services tailored to meet the diverse needs of different sectors, including manufacturing. By leveraging their expertise and innovative financial solutions, foreign banks can stimulate investment in areas that have been historically underfunded, thus promoting a more balanced economic development.

In sum, while there are legitimate concerns surrounding the integration of foreign banks into Ethiopia's financial sector, the potential for positive economic outcomes is significant. By leveraging recent reforms and providing attractive incentives, Ethiopia is positioning itself as a competitive player in the global banking arena. With vigilant regulation and oversight, the country stands poised to harness the benefits of foreign investment, driving sustainable economic growth and development for years to come.

Opinion

Building consensus for promising future

BY ADDISALEM MULAT

Since its inception, the Ethiopian National Dialogue Commission (ENDC) has been carrying out a wide range of preparations for conducting national dialogue on a national scale. In the present circumstances, the commission has carried out a diverse range of beneficial initiatives to reach where it is today in view of the fact that the effective involvement of all sectors of society is crucial for a fruitful national dialogue.

It is worth recalling that an inclusive national dialogue is vital for resolving the prevailing predicaments, and tackling historical pains through round-table discussion, pardoning, and other such initiatives.

From the outset, ENDC has made every effort to carry out a comprehensive national dialogue with meaningful participation irrespective of gender, religion, educational background, and more of the same.

Apart from that ENDC has held various discussion forums with stakeholders including civic societies, elders, religious fathers, and whatnot with a view to conducting successful national dialogue in a triumphant fashion.

In addition to greasing the wheels of the accomplishments of several undertakings of the commission, the government has acknowledged its pledge to carry out the national dialogue with flying color. The achievements thus far carried out by the commission and the overall endeavors being undertaken to ensure the comprehensiveness of the national dialogue have been moving forward in the right direction.

As the national dialogue becomes involved in getting to the bottom of political differences and divergences through all-encompassing public dialogue that brings about political consensus, people from all sectors of the society should play a paramount role actively participating in the national dialogue which is going to take place in the near future.

As things stand now, ENDC has been working in league with various stakeholders in various regions of the country with the objective of making the national dialogue with triumph. It is abundantly clear that to this point a lot of efforts have been carried out with the purpose of accomplishing the sought-after goal.

As the envisioned target of the national dialogue is resolving the various challenges unfolding in Ethiopia by fashioning national consensus among all segments of the society through dialogue, every Tom, Dick, and Harry should join hands. In doing so, ensuring sustainable peace in every nook and cranny of the country would be low-hanging fruit.

In a similar vein, ENDC has collected agendas in numerous parts of the country in a winning manner. Reasoning from this fact, most people have been expressing their hopes that Ethiopia will conduct the upcoming national dialogue in a successful manner.

It is recalled that briefing the media, the ENDC Commissioner Ambassador Ayrorit Mohammed (PhD) in the recent past stated that the process of district-level agenda collection for national consultation has been completed in Afar state. The commission held a consultation forum with over 800 representatives drawn from all districts or Woredas in Semera for the national

consultation for consecutive three days.

The representatives identified agendas for national consultation. The ENDC received agendas identified by participants and chosen 54 representatives for consultation with stakeholders. More to the point, agenda collection consultation forum held in Addis Ababa City Administration, Benishangul Gumuz, Gambella, Harari, Sidama, Central Ethiopia and Dire Dawa.

Ethiopians from all sections of the population should be reinvigorated to play a part in the national dialogue with the purpose of coming up with suitable solutions to the country's quandaries.

As conducting national dialogue plays a key role in resolving backlogs of problems once and for all from the face of the country, Ethiopians at home and overseas should be able to help one another for the successful realization of national dialogue.

To this point, as the ENDC general undertakings have been pointing in the right direction, the upcoming national dialogue process for sure will accomplish the desired goals.

Similarly, all participants that took part in the entire process of the national dialogue should be acknowledged. But this does not mean that the task is completed. It is in the pipeline. Therefore, all stakeholders should roll up their sleeves for the national dialogue which is expected to resolve accumulations of quandaries that stem from a wide spectrum of reasons.

The consultation process for gathering of agenda items, conducted for the last four consecutive days in Oromia region has been completed, the Ethiopian National Dialogue Commission (ENDC) announced, according to ENA.

The consultation forum for this agenda-gathering process brought together over 7,000 representatives, drawn from 356 districts from all-over the region and was accommodated in Adama, as stated by ENDC.

As the Commission has embarked on crucial agenda-gathering activities in various regions of Ethiopia, it revealed that the recent process in Oromia region marks a significant step towards fostering national unity and addressing long-standing issues.

The discussions included selecting representatives who will work with stakeholders to refine and prioritize the proposed agendas, it was learned.

A specialized session for influential community members is also anticipated to be held today. This will be followed by a dialogue involving 1,700 participants, including regional officials and community representatives from December 22 to December 24. Reports show that the Commission has already concluded agenda-setting sessions in nine regional states and two city administrations.

Taking the ongoing positive moves of the ENDC into consideration, people from all sections of society should actively partake in the upcoming national dialogue which is anticipated to solve the accumulated challenges of the country.

As the wider populations of the country are the only solution to the country's problem, they should go to the ends of the earth to contribute to the successful accomplishment of the national dialogue.

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Art & Culture

This could have been the tourism season in Ethiopia

BY MULUGET GUDETA

For many decades, tourism in Ethiopia has remained underdeveloped as it is constrained not only by time and space but also by lack of diversification, creativity or imagination. While experts often talk about modernization in other sectors of the economy, they often avoid the tourism sector in their discussions or strategic planning. There is no detailed plan or vision or activities geared towards the modernization of the sector. Recent talks about conference tourism or cultural tourism were spontaneous rather than planned and their contents are not yet elaborated, supported or presented with a clear strategic approach. As a result of this, diversification and development has failed to attract the attention of the major players in the sector.

Usually, the months from December to February in Ethiopia are months when tourism flourished again after the rainy season that ends by August. This was followed by the Ethiopian New Year festivities. Conventionally, the rainy season has never been a season of tourism activities. The rains make it difficult for the promotion of tourism as many rural roads were swamped and movement was limited to the all weather roads. As an unwritten rule, tourists prefer the dry or sunny season to schedule their visits for obvious reasons. One of the main explanation was that tourists from Western countries use this time to escape from the raging winter, the cold and the snow that make life a little bit miserable.

According to one study, “Ethiopia as a nation is endowed with various natural, cultural and historical heritages that enable the country to be a destination for many tourism, attractions, and cultural events and is also gifted with friendly climatic conditions. The capital Addis Ababa with an average altitude more than 2,400 meters is conducive for tourists in its natural tourism segment due to it’s being considered as a “naturally air conditioned” city.

I recently argued in this same column by saying that Addis Ababa as a potential tourist destination started to attract public attention only recently as the city started to grow, expand and show its potentials as a promising tourism destination. Conference and cultural tourism could be promoted, particularly in Addis Ababa which is fast become a hub for this kind of tourism in Africa. There are many cities in Africa that have already become famous tourist attractions. We can learn important lessons from these success stories. What is important is to be ready to learn from other African cities and use these lessons creatively so that they attain their intended objects. This is often easier said than done and commitment is the number one requirement to make the whole thing a success story in cultural tourism.

Although there is no available study as to the potentials of Addis Ababa as a tourism

Ethiopia is endowed not only in traditional tourism based on visiting historic sites and heritages. There are also ample opportunities for promoting nature tourism whether in the highlands or the lowlands where exotic and wild animals are largely available for visitors

destination, conventional wisdom tells us that the city could be the staging ground for various forms of tourist activities. As the tourism season is starting, the focus should turn to the Ethiopian capital which is the venue for the amazing religious festivities of *Timket* which is one of the most attractive occasions for orthodox Christianity in Ethiopia to display its cultural and traditional celebrations that are popular not only here at home but also across the world. Tourists from around the globe are usually fascinated by the amazing displays of religious passions and traditional heritages. This is also the season when foreign tourists converge on the city in great numbers simply to witness the unfolding of this most important occasion.

Addis Ababa is no doubt a melting pot of all the cultures and traditions available in the country at large. Addis can also be described as “Little Ethiopia” as far its

cultural profile is concerned. Tourists have the opportunity to learn a great deal about the entire country simply by visiting the various museums and exhibition centers, bars and restaurants in the city. Many if not most traditional, secular or religious celebrations that take place in the remote regions are also observed here in Addis both privately and publicly. Tourists have the opportunity to know about the beverage and culinary tourism of the country by simply visiting the various hotels and restaurants in the capital specializing in foods and beverages from the various regions.

Addis Ababa has thus a vast potential for promoting culinary or food tourism at least during the annual festivities. Culinary tourism or food tourism and sometimes called gastronomy tourism is perhaps the least known or least practiced type of tourism. Culinary tourism is defined as “the exploration of food as the purpose of tourism. It is considered a vital component of the tourism experience Dining out is common among tourists and “food is believed to rank alongside climate, accommodation and scenery in importance to tourists.” Culinary tourism is a relatively recent phenomenon in the tourism business which was only launched as recently as 2001.

Culinary tourism is almost unknown or so far neglected in Ethiopia although foreign tourists are usually appreciative of Ethiopia’s cultural heritages some of which are globally known and appreciated as many of them are registered as world heritage sites and practices. Culinary tourism which is considered “a subset of cultural tourism” because cuisine is a manifestation of culture and therefore relatively easier to be embraced and practiced as it is part and parcel of cultural tourism and that Ethiopia has a high standing in international cultural tourism.

Unfortunately, tourism development in Ethiopia is limited not only by time but also by space or geography. Most tourist activities are concentrated on the northern parts of the country where traditional destinations are concentrated. This is also determined by history, tradition and culture. Axum, Lalibela and other towns or venues are celebrated for their rich tourism potentials.

Although there are many potentially lucrative tourism destinations that are located in the eastern and southern parts of the country, such as the historic walled city of Harar, or the flora and fauna on the Bale mountains or the indigenous culture of Ivangadi in South Omo zone, to name but only a few of them, the lopsided growth of tourism has made it difficult to put the focus on. While these destinations could be potentially lucrative, exclusive focus on traditional destinations has made it impossible for the sector to benefit from modernization and diversification. Tourism is usually described as a smokeless industry that could be promoted with relatively small investment.

According to recent studies, “The tourism industry is one of the strongest sectors in the economy of most developed countries. However, in developing countries, like Ethiopia, the sector has not had visible impact on its economy. The revenues generated from tourism, are not reinvested in the sector. Moreover, the modernization of the sector requires a new vision and a new strategic approach which has not yet materialized. As experts often point out, the growth of tourism depends on the long term vision and the capacity to evaluate opportunities that requires appropriate policy, planning, investment, strategic alliances and strategic management.”

One of the limitations of tourism development in Ethiopia is the inward looking attitudes of the tourism policy planners and actors who are reluctant to learn from the best practices of other countries in the region or globally. Tourism in Africa could be developed by learning from the best practices of African countries, both at regional and continental levels. Let us take the example of Kenya, our nearest neighbor, whose tourism sector is one of the most developed and most lucrative in the world.

While Ethiopian tourism is still stuck in old patterns and the appetite for modernization is not yet available, our Kenyan counterparts have developed what we make call, “nature tourism” or tourism based on the grasslands, lakes and hills that are ideal places for tourist fond of hunting wild animals or trekking through the amazing natural landscapes. Ethiopia is endowed not only in traditional tourism based on visiting historic sites and heritages. There are also ample opportunities for promoting nature tourism whether in the highlands or the lowlands where exotic and wild animals are largely available for visitors.

The other constraint of Ethiopian tourism development is its failure to attract private investment or private initiative. Tourism should not be regarded as an industry that can be developed through the exclusive “ownership” of government institutions. It should rather be seen as a sector open to all the potential actors and mainly private investors who should be encouraged to put their money into selected areas and according to their preferences. They should also enjoy from the generous incentives from government offices entrusted or related to tourism development. These investors should not only be limited to building hotels and recreational centers but should also be involved in the promotion of small scale or cottage industries specializing in the production of souvenir items that are in high demand by foreign visitors.

Most of all, informed discussions should be encouraged dealing with the challenges, opportunities and the problems of modernizing Ethiopian tourism. The main actors in the sector should be encouraged or invited to be more extrovert and come out with concrete plans and initiative to awaken the still dormant giant of Ethiopian tourism.

Law & Politics

Connecting nations to power grids

BY DANIEL ALEMAYEHU

Ethiopia is emerging as a regional leader in power integration, leveraging its abundant water resources and renewable energy potential to drive economic growth and regional cooperation. Known as the “water tower of Africa,” Ethiopia has harnessed its rivers, including the Nile, to develop the Grand Ethiopian Renaissance Dam (GERD), Africa’s largest hydropower project. Despite significant international and financial challenges, Ethiopians rallied to fund the project, symbolizing national unity and determination.

GERD is now generating electricity, and Ethiopia has begun exporting power to neighboring countries such as Sudan, South Sudan, and Kenya at competitive rates. The Ethiopia-Kenya electricity highway, a 1,045-kilometer power connection inaugurated in 2023, exemplifies this integration. This initiative pools Ethiopia’s hydroelectric resources with Kenya’s geothermal and wind energy, enhancing energy security and economic collaboration in East Africa.

Ethiopia’s plans extend further, with trial power distribution linking Kenya to Tanzania. Supported by international organizations like the World Bank and African Development Bank, these efforts are expected to generate \$200 million annually while promoting green electricity trading.

Prioritizing regional stability, even amidst challenges like Sudan’s unpaid bills due to civil conflict, Ethiopia underscores its commitment to fostering trust, cooperation, and sustainable development in the Horn of Africa and beyond.

Striving to become the powerhouse of the Horn of Africa and the continent at large, Ethiopia has relentlessly worked to harness its economy and natural resources. It has contributed significantly, including through its people’s sacrifices, to uplift the continent to its rightful place. Ethiopia has consistently been a frontrunner in regional and continental integration and cooperation.

Known as the water tower of Africa, Ethiopia possesses abundant water resources, including rivers, transboundary rivers, and lakes. However, the country has waited for years to transform these resources into valuable economic tools that generate steady revenue and uplift its economy.

When Ethiopia decided to utilize one of its major water resources, the Abbay (Nile) River, to build a mega hydropower project, it faced immense pressure both domestically and internationally. The nation also struggled to secure loans or support from major international monetary organizations. In response, the Ethiopian government called upon its citizens to fund the construction of the Great Ethiopian Renaissance Dam (GERD) through bond purchases. Ethiopians, both at home and abroad, answered the call, making the GERD a truly national project.



Ethiopia is steadily becoming a key player in promoting sustainable energy and economic integration across East Africa

After over a decade of effort, Ethiopia is now poised to reap the benefits. The GERD, Africa’s largest hydropower dam, is nearing completion and has already started generating electricity, contributing to Ethiopia’s economy. Consistent with its commitment to integration and peaceful partnerships, Ethiopia plans to distribute electric power to neighboring countries. Sudan, South Sudan, and Kenya have already begun receiving electricity at competitive prices.

The Ethiopia-Kenya electric power agreement exemplifies this effort. According to the African Development Bank, the electricity highway between the two nations, officially opened in 2023 after a decade of planning and construction, is redefining energy connectivity in East

Africa. The 1,045-kilometer connection from Wolayta-Sodo in Ethiopia to Suswa in Kenya integrates resources like Ethiopia’s hydroelectric power and Kenya’s geothermal and wind energy, enhancing both countries’ energy security.

Similarly, Ethiopia has signed a Memorandum of Understanding (MoU) with South Sudan to supply 100 MW of electricity, with plans to increase this to 400 MW. This agreement is critical for South Sudan to meet its growing energy demands while generating revenue for Ethiopia.

Ethiopia’s approach to its energy partnerships highlights its commitment to regional stability. For instance, despite Sudan’s ongoing civil war and its failure to pay electricity bills for three consecutive years—amounting to around \$90 million—Ethiopia has refrained from severing the agreement. Prime Minister Abiy Ahmed (PhD) emphasized Ethiopia’s patience, showcasing the country’s dedication to harmony and reliability as an energy supplier.

The successful connection between Ethiopia and Kenya is a key milestone, laying the groundwork for broader regional integration. With its ambitious vision and commitment to cooperation, Ethiopia is steadily becoming a key player in promoting sustainable energy and economic integration across East Africa.

Such action taken by the government of Ethiopia shows that the country is always willing to live in harmony and regional integration. Besides, it sends a message that Ethiopia can be a genuine electric power supplier and its customers can rely confidently on it.

With all these ups and downs that the country has been passing through, Ethiopia has built a kind of confidence in the hearts of its customers. The country has even planned

to stretch its services to Tanzania through the Electric Highway project.

Building on its success, Ethiopia plans to expand its electric power services to Tanzania via the East Africa Electric Highway project. Ethiopia has already begun trial power supply from Kenya to Tanzania, further enhancing regional energy connectivity. The project, supported by the World Bank, African Development Bank, and French Development Cooperative, positions Ethiopia as a leader in renewable energy supply and green electricity trading. Initial trading efforts are expected to generate approximately \$200 million annually, providing a consistent and cost-effective power supply to the region.

The East Africa Electric Highway project, a key component of the power infrastructure initiative, is linking Kenya to Tanzania.

This milestone follows the successful establishment of the first power connection between Ethiopia and Kenya, made possible by an advanced power supply network, it was learned. The subsequent phase of the project, connecting Kenya and Tanzania, has now been completed, allowing for the initiation of trial power distribution.

This regional power connection is set to enhance cooperation among the involved nations by providing a consistent and cost-effective power supply.

“The East African Electric Highway Project’s first power connection has been implemented through the infrastructure of power supply from Ethiopia to Kenya.

“The project is part of the East African Electric Highway project which is extended to Ethiopia-Kenya power transmission line. It can be taken as an indication that the power transmission line is going to be implemented because the Ethiopian-Tanzania power sales agreement is going to be applied.”



It is very beautiful to see Africa's willingness to industrialize, create local value addition under an integrated Africa

Analisa Primi (PhD)

BY ZEKARIAS WOLDEMARIAM

Special Economic Zones (SEZ) have been applied in various continents and countries to bring about rapid economic development. In this regard Africa is a late comer. Currently about 240 SEZs are operational in the continent, according to the UNECA. Hence, it has to consider the experiences of other continents so that it can make the best benefit out of them.

Analisa Primi (PhD) is the head of the economic transformation and Development Division at the OECD, based in Paris, France. The Ethiopian Herald recently met Dr Primi and discussed briefly special economic zones and how they should be promoted and managed. Have a nice read!

Could you tell me about the benefits of special economic zones especially in a continent that is economically and technologically challenged like Africa?

We are here with the development centre to organize this peer learning group meeting with the United Nations Economic Commission for Africa, we have collaborated for a long time. It's been more than 10 years. With the Economic Commission for Africa we are looking at drivers of economic transformation, we are looking at what the continent can do to transform its economies and to realize the ambition of an integrated Africa and Africa better integrated into the world. That is focusing, on special economic zones and the financing mechanisms that are working or that are in place to ensure that the special economic zones deliver on the ambition of industrialization and inclusion in the continent. We're looking at zooming in on the leather industry with specific addresses from the private sector the government and business associations. Now we just discussed, how we can use special economic zones to Foster, Industrial Development. What is worth, what doesn't work? We are trying to look at experiences from Asia and Latin America and compare them with these experiences in Africa.

My personal view is that special economic zones are one of the tools in the Industrial Development strategy. We must look at the context in which the continent is looking to use special economic zones. On this, I'm optimistic in the sense that it is very beautiful to see Africa with this very strong, willingness to industrialize, create local value addition and do it under the umbrella of an integrated Africa. This is the work that we do together with ECA. We looked at the Africa Continental Free Trade Agreement and now this creates an opportunity through industrialized trade. Now, to me the challenges in these Special economic zones come from first we need to look at how this industrial landscape is changing very fast and how the industries are changing. And there is a time issue that

we need to manage between the use of the tool, the creation of the infrastructure, the creation of the regulations that are required in order to make this delivery, and the fastest speed at which the industry is changing and services are changing across all Industries. Now, one issue that it is very important to look at what are the objectives that we have for special economic zones in the past, some zones have been accused of not delivering or because we end up just building infrastructure that then is not used, or, that they operate as an enclave so that they're not creating the linkages, and this is what we don't want to see. We want to see special economic zones be drivers of transformation.

There is one important issue, which is to look at the big objective. Of course, job creation is a very important objective job creation in terms of quality decent jobs, not just going for, attracting competitiveness and low labor costs. But actually to work on the upscaling of the workers and the conditions for work and also to look at the big objectives in terms of what is the National strategy of each country. That is how hosting special economic zones could be used to create local value addition. So today we discussed like mobilization of domestic investment and ways of interacting with foreign investors in terms of creating opportunities for learning through R&D Partnerships, through joint ventures and through specific mechanisms that can be set up for this. The foreign investors really link up with the local providers and also put a lot of emphasis in terms of the ecosystem that is needed. For example, here we had the association the Pan African Association of industrial associations from the continent. I think the voice of the private sector from the local is very important.



My optimism with regard to Africa is that I see a continental willingness to work on an integrated and industrialized Africa

How can Special Economic Zones provide equal benefits both for the host country and the companies that invest in them?

There are different models for setting up. Special economic zones are physical zones. Some are industrial regimes that different companies can apply to. This is one of the tools of an industrial strategy. So the big issue is to see from the top level of the government how this tool can be used to fulfill the industrialization aspiration. And of course, there will be negotiations, especially with the foreign investors but it is possible to find the win agreement. The idea is to conceptualize the special economic zones in a way that they deliver to the local economy. And it's not only the job creation but also the creation of opportunities for industrial Innovation. And so this is why you need a whole of a government approach. Then the trade policy, you need the infrastructure

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We want to see special economic zones be drivers of transformation

It is very beautiful to see Africa's willingness ...

Continued from page 8

policy, you need investment policy and training, and up-scaling policies on top of the industrial strategies. It is important to have a plan for preparedness for future pandemics, what is happening and the continent but also globally.

So you see anything that you can tell us just as have you learned anything about the dos and don'ts as a latecomer that African countries can learn from this?

We worked on the special economic zones of Shenzhen and Shenzhen is a very specific one because it was a small village that grew up very fast into one of the manufacturing places in the world. So what you had there was first a National strategy from China that allowed Shenzhen to experiment with different policies. Then you had the city that was a geographical location that made it with the proximity to Hong Kong; there was facility also in terms of possibility to create the infrastructure for exports. Those were working and there was a targeted National strategy to support and use the special economic Zone to nurture domestic entrepreneurs. Then, over the years, even the technological changes globally allow us now to benefit from the manufacturing base to work on AI and more high-tech Industries, it's a very specific case because we're talking about one of the fast, rising cities in China in terms of industrial capacity within China, which is one of the emerging industrial powers.

But I think in terms of the Special Economic Zone dos and don'ts, I think that there are two different areas. One is how

I think that special economic zones should be conceptualized. This is a way to give easy access for certain investors to the market

you conceptualize the special economic zones; and what the models are. I know in the case of Ethiopia, I'm not familiar with recent developments, but I remember in the past when Ethiopia started to set up the special economic zone, there was this very big engagement globally to go

and learn. I remember your leaders from here, going out and learning from what the world was doing. You have the modalities of operation: who decides what, who decides, which project is going to be admitted or not the overall specialization, and managing the modalities of attracting Investments. But then there is also a question about the ecosystem.

And this is what I see when we work with other countries. For example, we work on special economic zones in the Dominican Republic and in other countries and you see that what makes them work is when you have a national strategy, they use this special economic zone as one of the tools. I think that this is one of the main points that I always make. It is not that you get it right on this tool and then the country will industrialize and the benefits will accrue. It's part of a system. My optimism with regard to Africa is that I see a continental willingness to work on an integrated and industrialized Africa. And I think that under that umbrella there is a possibility to use these ads as ways to make certain Regional knowledge work because they will call for what is missing. You will realize that you do need infrastructure. It's very popular because you have the cargo you have Airlines, a lot of factors together is never just one tool because you can get the tool working perfectly but then what you search for the externalities for the country and I think that the prospects are positive. You need a lot of international partners because it's not only one investor that would make it change.

In these special economic zones, foreign

ones come to a developing country like in Africa they come for special treatments like tax incentives. So can we say that the host country can benefit from these foreign investors coming in search of special treatments like tax?

We tend too much to focus on the foreign investors that need to come. One of the things that we're discussing and this is part of the work that we do is a lot of the success stories come from mobilizing domestic investment in the special economic zones. I don't think they should be used as a shortcut for getting investments from abroad. Because if you work on this would be like the old-style special economic zones. You try to create conditions for investors to come and you lower the risk of investment for them because you're covering for infrastructure, you give certain benefits, but that doesn't pay off much. I think that special economic zones should be conceptualized. This is a way to give easy access for certain investors to the market. But as a tool to create local industrial capacities, this would mean that if you can create a certain regime in a certain moment to support and nurture an industry, you have to think of it dynamically because, at the end of the day, you need that the industry is a flourish, they will have to pay taxes to then re-inject the resources to the economy. So I think we need to look at the second generation of special economic zones and not, Not as what was done in the first wave.

Thank you very much.

Thank you so much.

Society

Exploiting women's capacity: Doable means for comprehensive change

BY MENGESHA AMARE

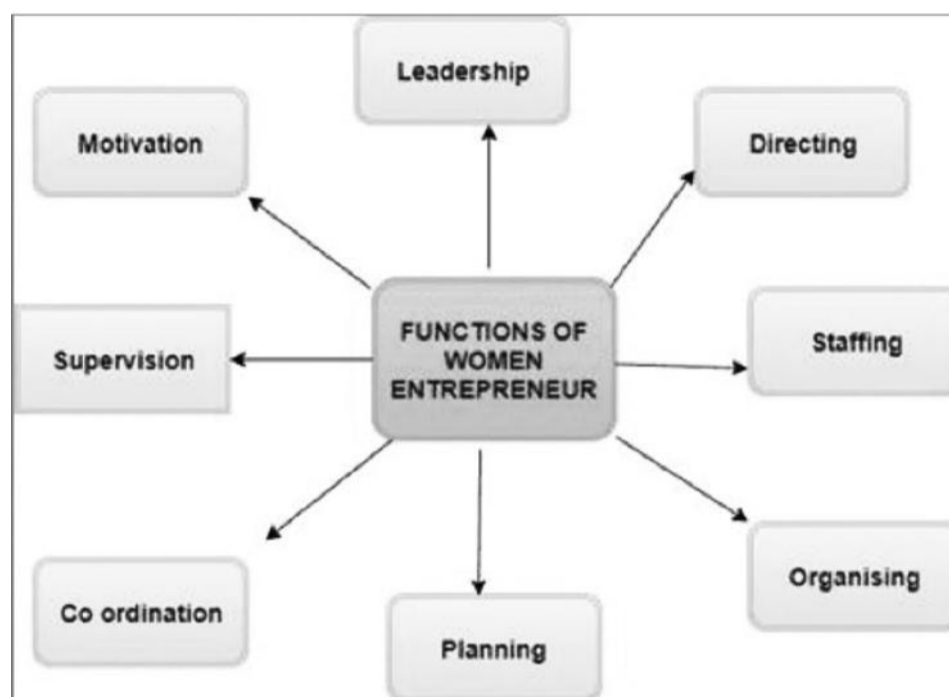
Of a variety of engagements women can be involved, peculiarly these days; entrepreneurship is dramatically rising and providing women with ample opportunity to bring about change in all aspects. Women entrepreneurs play a significant role in economic growth and job creation, and are important indicator of growth and development. Their entrepreneurial engagement does have a number of advantages. To mention, but a few: reducing poverty and inequality, empowering women private enterprise which can help reduce poverty and inequality by creating jobs, boosting economic advancement and overall prosperity.

Putting this clear fact in mind, *The Ethiopian Herald* approached Almaz Shamena, an economist graduated from Bahir Dar University, and working as an entrepreneur for the time being, to have a piece of information regarding women's role in helping the job opportunity strata grow and their contribution to the comprehensive economic growth of the country.

"The development of women's entrepreneurship is still a largely untapped potential for growth and prosperity. Furthermore, the economic role of women is crucial for growth and a more equitable distribution of wealth. Economic opportunities are much more important for women today than the previous generation, especially for developing countries like ours. In this regard, the impact of women's entrepreneurship on economic growth is an important area reflecting broader interests in gender equality, economic development and human resource optimization," she said.

She said, "Women entrepreneurship can be a powerful driver of economic growth, and can contribute to a more equitable distribution of wealth via creating jobs, intensifying innovation, expanding community investment. Besides, women-owned businesses create jobs, which can help alleviate poverty and unemployment. In essence of this, women entrepreneurs can add diversity and creativity to a country's entrepreneurial mix, which can intensify competition and lead to innovation."

As far as community investment is concerned, she said women-owned businesses are more likely to invest in their communities and prioritize social and environmental responsibility. As women entrepreneurs face many challenges like limited access to finance, incomplete technology, limited space and human resource, insufficient support from family members and spouses, lack of necessary skills, education, experience, and training. Societal patriarchal norms are also highly



challenging their active engagement and profitability, which call the government to take apt measures along that line.

According to her, encouraging more women to become entrepreneurs can help make economies fairer and increase national, continental and even global economic development. "Women are untapped resources for economic growth. Female entrepreneurs, like their male counterparts, can boast the economic growth of a country. Women owned business creates jobs which results in poverty alleviation and eradication of unemployment. Similarly, women entrepreneurs add diversity to the entrepreneurial mix of a country. Female entrepreneurs intensify competition through creativity and innovation."

Besides, Almaz said the institutional profile and overall business environment of any country have significant role in women business start-ups.

The relationship between female entrepreneurship and national competitiveness level has to be moderated by overall business environment of the country, and active participation of women in economic activities is necessary for development of any country, obvious. As many have confirmed; she added that countries with low participation of women are characterized by underutilization of the resources which has profound effect on their economic growth.

Undeniably, in the past, entrepreneurship was considered to be male dominated; but now the government, policy makers and overall population is giving due attention to female entrepreneurs. Following this step female owned businesses are expanding in many parts of the nation, and women are considered to be fast growing entrepreneurial population though there are gaps that need to be bridged regarding a number of issues apart from the aforesaid concerns, she added.

Entrepreneurs in general and women entrepreneurs in particular create new business which results in more jobs thereby reducing unemployment as entrepreneurs rely more on the human capital to achieve sustainable competitive advantage rather than the accumulation of physical factors of production. Female entrepreneurs are not exception.

As to Almaz, entrepreneurs intensify the competition by encouraging new entrants and upgrading the existing technologies. Yes, technological competitiveness involves development of new products and services and is cost competitiveness which entails replacement of human capital with traditional factors of production. Therefore, new business ventures result in fostering economic development through competition and innovation.

It is also recommended that Ethiopia should put in place appropriate legislative frameworks that will allow the women entrepreneurs risk taking, competitiveness and innovativeness to flourish which will in turn result to increased economic development of the region, Almaz opined.

According to Almaz, the other crucial fashion that has to be altered soon is despite the fact the women entrepreneurship is on rise, they operate in low growth sectors. Due to many individual, socio-cultural and economic constraints, female entrepreneurs are limited to micro-enterprises.

True, Almaz added regulatory and financial institutions are important for business activities as they directly and indirectly affect the demand and supply of entrepreneurs. Therefore, whether entrepreneurial initiatives are productive, non-productive or even destructive depends upon the development of institutions. Given the importance of institutions, female entrepreneurial activities are closely related with the

institutional system of a country.

As to her, given the importance of female entrepreneurship in economic growth of a country, Ethiopia has attached due emphasis to women entrepreneurship and women empowerment. Gender-specific obstacles such as societal norms, access to finance and imposter syndrome act as a glass ceiling that prevents female entrepreneurs from reaching their full potential. These barriers must be removed. By fostering women entrepreneurship through support programs and early-stage financing that specifically targets women, policymakers can help to grow economies for everyone. Overcoming pitfalls of course will require interventions from policymakers and other actors in the entrepreneurship ecosystem, including the creation of mentoring programs, as well as providing targeted financing and growth support strategies to female entrepreneurs.

Since the technological innovation promotes a healthy competition between the firms which results in either lower cost or better quality of product, entrepreneurship is generally regarded as a positive phenomenon, she added.

"Female entrepreneurs just like their male counterparts also intensify competition between firms operating in same market. In order to achieve rapid economic development, it is imperative to create opportunities and supportive environment for female entrepreneurs because the overall business environment and the growth orientation of the entrepreneurs have significant influence on the growth of a dynamic organization as well as the country. Women entrepreneurs can increase the competitiveness level in a country through creativity and innovation which boasts economic performance," Almaz underscored.

It is quite true and well attested that a special focus on generating more opportunities for female entrepreneurs will result in financial independence, social empowerment, and economic development of women.

In a nutshell, women entrepreneurs contribute to wealth production, human development, education and health as well as the entire societal proliferation. Basically, there are many ways to support women entrepreneurs. Promoting their business acceptance, which means women entrepreneurs can gain community acceptance by understanding local rules and expectations, and using personal connections. As far as improving government support is concerned, the government can enact policies and initiatives to maintain women entrepreneurs, such as providing training, mentoring, and financial assistance. Besides, addressing challenges is another thematic area.

International

Africa's Music Industry Fights Health Misinformation

As misinformation grows alongside public health threats, Africa's music industry is stepping in to counter it rowing up in a slum outside Kampala, Uganda, Robert Kyagulanyi Ssentamu didn't imagine he would one day become the voice of a global movement. What he did know was that for conditions to improve in his struggling city, he would need to call attention to the poverty, strife, and oppression its residents felt.

"Somebody had to speak for us," he said, matter-of-factly. "People thought I had the loudest voice."

Kyagulanyi's desire for change catalyzed his political advocacy and the breakout of his music career under the stage name Bobi Wine. Through his work, Wine has helped fuel the world's newfound embrace of African music and shed light on political issues, including health crises. He's the acme of how music has become a powerful tool to mobilize change, especially for public health responses—both in Africa and overseas. Its accessible, engaging format, history of trustworthy messengers, and appeal to wide demographics have positioned African music as an unexpected beacon of truth and optimism in navigating the continent's challenges.

When Hip Hop Saves Lives

Music has altered individual-level behaviors and sparked movements to address major health challenges in Africa. When the COVID-19 pandemic broke out, for example, a morass of disinformation bubbled up around the disease. In Kenya, rumors spread that black tea could be a cure; in Nigeria, men were told that shaving their beards would help prevent them from catching the virus. Around the world, countries—including the United States—faced their own infodemics, with suggestions of false remedies ranging from injecting bleach to taking ivermectin, the antiparasitic horse medication.

Wine saw an opportunity to use his platform to dispel that misinformation by releasing the song "Corona Virus Alert," urging audiences to take the disease seriously and delivering verses on how to help curb its spread. An upbeat track complete with a quintessential African drumming groove, plucky bass guitar, and steady, arpeggio-like marimba beats cultivates a motivating sound that drives his serious message to the world.

The song, promoted by the United Nations and public radio alike, quickly became a worldwide sensation. Putting global health over artistic ownership, Wine declared that anyone could cover his song to help the message reach wider audiences, allowing the track to

be streamed roughly 50,000 times across his platform and the United Nations' alone. Listeners from the Netherlands to Niger thanked him for teaching them about the virus in an engaging, accessible format.

The reach of musicians like Wine inspired UNESCO's #DontGoViral Africa-centered campaign, under which hundreds of artists from at least 40 African countries made COVID edutainment content. The United Nations has called it the campaign where "hip-hop saves lives."

In Niger, the band Ezza gave a cautionary warning in a regional dialect: "Corona exists, it is a reality and not a lie whatever you touch, wash your hands with soap." The Comoros group Compagnie Tcheza performed a spirited breakdance demo of how to social distance through an exaggerated routine of kinetic spins and flips. Zanzibar's Siti Amina sang about how the "worldwide fever kills" while demonstrating life in lockdown.

Between 2017 and 2022, the number of times Afrobeats songs streamed on Spotify rose by a staggering 550%. These modern African styles of music have taken hold of the world to become one of the continent's biggest cultural exports—and, with it, the messages they convey.

The soundscape of the pandemic, inspired by Wine, thus became a movement: a drumbeat of health warnings, a disinformation combatant, and a social touchstone for a world confronted with navigating an unknown challenge.

African Music's Effect on Health

Like Wine, many African artists are inspired to comment on their communities' challenges: "When you're in the creative space, it's almost impossible to have tunnel vision," says Eka Ikpe, director of the African Leadership Centre at King's College London, who has studied the influence of music on African politics.

Epidemics including HIV and Ebola have seen musicians step in to galvanize their listeners. Some of Africa's most well-known singers banded together with academics to educate on Ebola and "rebuild people's trust in the health services in their countries," as rife disinformation deteriorated that relationship, remarks music and social change scholar Carlos Chirinos.

Other health issues have become a significant part of Africa's sonic scene. Nigerian singer Tiwa Savage, for example, has called out sexual abuse and pleaded for government intervention in her songs "Loaded" and "Koroba." In Sudan, rap has become the outlet for the diaspora to connect and call out the humanitarian issues caused by the country's civil war, helping bring attention

to a globally ignored crisis.

Nigeria, the birthplace of Afrobeats, has seen two other massive protest movements in the last few years fueled by music. Earlier this year, the End Bad Governance campaign called out the cost-of-living obscuring food security. In 2020, the End SARS campaign—the government's violent Special Anti-Robbery Squad—protested police brutality and public safety.

Although many Afrobeats stars, including genre juggernauts Burna Boy and Fikky, released music that commented on the crises and called for public and government action, none were as emblematic as Afrobeats titan Davido, whose song "FEM" became the End SARS soundtrack for a revolution. "Fem" loosely translates to "shut up" in the local dialect pidgin, encapsulating the anger that Nigerian youth felt about their lack of safety and security as they took it to the streets.

"FEM" was an instance where fans in turn inspired the artist. Davido went to the capital to meet with government officials and explain the urgency of the movement's demands. "You're messing up for my people," the rapper famously told the inspector general of police.

What drives Davido's work now as a musician, he says, is "leaving a legacy" like the Afrobeats founder before him, Fela Kuti, who is known decades later for his songs challenging the political system.

The genre's focus on authenticity and local audiences has resonated with both African and global markets, Ikpe says. It "offers an opportunity to tune in to visions of hope from younger generations" on their countries' futures. The mental health impacts of this were inordinate as well: Nigerians credit Afrobeats as one of the few things able to lift them out of depression during the compounding COVID pandemic and SARS trauma.

Notorious Music Lovers

African music has become both a platform for rallying cries and guidance on pressing issues, such as those in the health sphere. The body of research on how music has power in African communities to influence politics, work, and everyday behavior is growing. In large part, the social history of postcolonialism renaissance and the way that music has infiltrated almost every "parcel of their everyday life," quite literally from birth until death, has culminated in Africans' turning to the medium more and more, Nigerian researcher Celestine Chukwuemeka Mbaegbu writes. As "notorious music lovers," music as a mode of messaging seems to have a dominion unmatched in

African countries.

More sinister drivers also push the public to look to musicians for guidance. Many Africans live where democracy is deteriorating or governments are outright authoritarian. When people don't trust their government and misinformation belies the truth, they turn to other sources for leadership, and music and pop culture figureheads can sometimes bear more weight, experts say.

Although some think there's room for collaboration between governments and artists, in these situations, musicians' messaging is often more effective when they act on their own. "There're these questions about authenticity," an Afrobeats investor tells Think Global Health. "If you put a musician next to a government official, would that be useful? If you put them next to an embassy, would that be visible?" In cases of misinformation and lack of trust in institutions, a message is not as potent when the government adds its stamp of approval. Sometimes, artists who speak out on issues and garner too much attention in places where authoritarian governments reign are at risk of certain dangers.

The Quantification Gap

Artists becoming involved in politics can be controversial, but the African public seems to respond well. The next step, to better leverage this, is understanding more about why and how.

Although artists like Wine and Davido are prime examples of how influential music with health messaging can spark movements, researchers have had trouble quantifying the connection.

Music's potential to shape behavior hasn't been extensively studied—but it should be, the policy experts say. "I think there's research to be done," a former U.S. government official tells Think Global Health. "This would be a huge win." Measuring the music phenomenon can help inform governments about new communications tools and encourage artists to sing with a socially conscious angle.

The appetite for harnessing the power of music there in the policy world, the former official says, "does cause excitement given how much musicians or celebrities or athletes are respected in their respective societies."

This potential, coupled with the surge in the world embracing Afrobeats, carries tremendous significance. It gives artists a chance to steer the music industry and harness it to unravel health and governance challenges. African musicians, from Fela to Bobi Wine to Davido, are changing minds around the world, not just at home.

Source: [Thinkglobalhealth.org](https://thinkglobalhealth.org)

Verbatim and Caption



Foreign banks' entry is instrumental to economic growth, competitiveness: NBE Governor

Allowing foreign banks to enter Ethiopia's financial sector will be instrumental in sustaining economic growth and competitiveness in the country by ensuring a stable financial system.

Having a stable financial system is crucial for the sustainability of the country's economy. This move will not only promote competitiveness but also ensure stability.

Mamo Mihretu, National Bank of Ethiopia (NBE) Governor

The entry of Foreign banks is a significant shift in Ethiopia's economic policy: Economist



Zemedeneh Nigatu, Global Fiar Fax Africa Fund Chairman said during his stay with BBC's 'News Day'

Ethiopia's decision to permit foreign banks to operate in the country for the first time in over 50 years is a significant shift in its economic policy and marks a big step forward.

This decision will have a major impact on Ethiopia's overall economy, especially its financial sector. Allowing foreign banks to operate will encourage international competition in the sector, which is beneficial for the nation's economy.

Ethiopia, with the third largest economy in sub-Saharan Africa, requires a robust banking sector to support its growth. Many banks from Africa, the Middle East, the Gulf, Asia, and China are now considering entering Ethiopia's banking industry.



Agenda gathering consultations forum in Oromia region came to an end: ENDC

The consultation process for gathering agenda items in the Oromia region has been completed over the last four consecutive days.

The forum brought together over 7,000 representatives from 356 districts across the region, all accommodated in Adama.

The Ethiopian National Dialogue Commission (ENDC)

Ethiopia is candidate for AU-PSC membership: FM Gedion



Ethiopia is a candidate for the African Union's Peace and Security Council (AU-PSC) for the 2025-2027 terms. Ethiopia plays a crucial role in the African decolonization process and is a founding member of both the OAU and AU.

Considering its long-standing commitment to peace, stability, and unity across the continent, Ethiopia is hopeful to gain the support of AU member states in the process.

Ethiopia is committed to strengthening multilateral cooperation and advancing Africa's collective voice, particularly in achieving the goals of Agenda 2063.

Gedion Timothewos (PhD), Minister of Foreign Affairs of Ethiopia

The people of the state have demonstrated their desire for dev't and sustainable peace: Chief Administrator

The peaceful demonstrations organized by the public throughout the Amhara region were urging for lasting peace and an end to conflicts. The messages conveyed during the demonstrations were unified in calling for conflicts to cease and demanding a shift towards peace and development in Amhara.

Threats and intimidation have not shaken the people's resolve; they have shown unwavering commitment to peace.

These demonstrations serve as a strong reminder to conflicting parties to prioritize dialogue as a means to resolve conflicts. It is a call for all stakeholders in the region to address their concerns through peaceful means.



Arega Kebede, Chief Administrator of Amhara Regional State