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## The rise of Abiy ‘Abiyot’ Ahmed

The Ethiopian People’s Revolutionary Democratic Front (EPRDF) has always been secretive about its party affairs. This is particularly true with regards to the internal party processes by which its chairman and deputy chairman are named. The vast majority of the public had no idea how these positions were filled in the party whether it is through secret ballot, show of hands or just nomination. This year everything was different. Sizable social media users were seen invest-

ing time and resources this past two weeks to learn more about the nomination, voting and confirmation of the chairman of EPRDF and the eventual Prime Minister of the country. By conservative estimates, some 65 media institutions were present at the offices of the EPRDF awaiting the announcement of the new chairman. Bypassing members of the press at their doorsteps, the party broke the news that Abiy Ahmed, chairman of the Oromo People’s Democratic Organization (OPDO), has

landed the most important political job in Ethiopia at this time. In all fairness, Abiy has been at the forefront to clinch the chairmanship position for several weeks now. Nevertheless, Abiy is a relatively new face to topflight politics in Ethiopia. Indeed his rise to the top office, which started in Beshasha, a small village near the town of Agaro, some 479kms south-west of Addis Ababa, is certainly fast tracked than many; and it is set to culminate on Monday at House of Representatives.

Source: [The Reporter, March 31, 2018]



**Dr. Aklilu Hailemichael**  
State Minister for  
Business and Diaspora  
Affairs in the Ministry  
of Foreign Affairs

## Scaling up the sectors

The Chinese investors who have placed their fingerprints on the railways, roads, manufacturing, and the Turkish and Indian investors in textiles and the coming of European and American businesspeople to work in industry is a good witness to show that much has been done to attract foreign investors to Ethiopia. Obtaining land,

electricity and fast service are challenging areas for investors. The current State Minister for Business and Diaspora Affairs in the Ministry of Foreign Affairs Dr. Aklilu Hailemichael says more investment will come from abroad if work is done to increase exports. His biography on the Ministry of Foreign Affairs' website shows that he started

his career in the agricultural sciences and completed his PhD degree in Technology and Agrarian Development in the Department of Social Sciences at the Wageningen University and Research Centre of the Netherlands in 2007.

He worked as a lecturer and researcher in the College of Agriculture and Natural Resources in Mekelle University.

Source: [Capital, March 26, 2018]

## Corporations to build 1.1 bln birr ethanol plant

Two state owned enterprises, the Ethiopian Minerals, Petroleum and Bio Fuel Development Corporation and the Ethiopian Sugar Corporation, are going to jointly build an ethanol (power alcohol) refinery at a cost of some 1.1 billion birr.

The ethanol refinery plant

which will have a daily production capacity of 50,000 liters of ethanol from molasses, a bi-product of sugar will be built in South Omo, Kuraz III Sugar Factory.

Mulugeta Seid, CEO of the Ethiopian Minerals, Petroleum and Bio Fuel Development Corporation and

Endawek Abite, CEO of the Ethiopian Sugar Corporation signed a shareholder agreement on March 19.

Source: [The Reporter, March 24, 2018]

## Coffee exporters hobbled by lack of processing facilities

Despite reversal of previous years' declining trend in coffee export revenue this year, some exporters echoed difficulties they have been facing due to the inadequacies of coffee processing facilities in Ethiopia.

According to exporters who

requested to remain anonymous, the sector is facing critical challenges in the area of processed coffee export. One exporter told The Reporter: "I have approached some coffee processing houses to buy their services for my specialty coffee destined for foreign markets and

none of them agreed to provide the services I was looking for. They only process their own product".

Exporters also claim that they are facing a cancellation of a hard-earned Letter of Credit because they could not access coffee processing services.

Source: [The Reporter, March 24, 2018]

## Cement price hikes

At a time when the local cement factories are finalizing preparations to make price adjustments the retail price of cement has already increased by 28 percent.

The price of cement, which was 210 birr per quintal, in the past two weeks, is sold as high as 270 birr in the retail market. In Addis Ababa a quintal of cement is sold at 250 birr

while in Adama town a quintal of cement costs 260 birr. In remote regional towns the price ranges between 280-300 birr per quintal. In Bahir Dar a quintal of cement is being sold at 300 birr.

Cement retailers The Reporter talked to in Addis Ababa said that there is shortage of cement created as a result of the political

instability in some parts of the country. The retailers said due to the sporadic clashes particularly in the Oromia Regional State, trucks were unable to transport the cement to the central market.

Source: [The Reporter, March 17, 2018]

## Ministry Slaps VAT on Transportation Rental Services

The Ministry of Finance & Economic Cooperation (MoFEC) has slapped a value-added tax (VAT) payment on transportation service providers that rent out cars, after a request from the Ethiopian Revenues & Customs Authority (ERCA).

A two-page circular was signed by Bochu Sentayhu, director of Legal Services at the Ministry, which stated

that all rentals worth over a million Birr annually must be taxed at a rate of 15pc of their revenue.

The circular was an answer to a letter sent on December 29, 2016, to the Ministry by the Authority. The letter raised the challenge that was being faced by the Addis Abeba City Road Authority (ACCRA), which was unable to rent vehicles.

The country's procurement proclamation states that only firms that are VAT registered can bid for a government contract.

The Roads Authority, thus, could not find eligible companies for when it needed to rent vehicles, being forced to withdraw the companies from bidding, according to the letter.

Source: [Fortune, March 11, 2018]

## Metahara sugar factory restarts production

General Electric's (GE) Power Services business and FieldCore – GE's customer-focused field services company – announced that they have successfully restarted Metahara Sugar factory; seven months after the plant was severely damaged by a thunderstorm.

As announced by the company on Tuesday, the duo managed to fix

the two steam turbines in 20 days, eventually succeeding in bringing 5,000 employees back to their jobs and solving sugar scarcity in the country.

“We lost all hope that these extremely aged units, which were manufactured by Compagnie Electro Mecanique in the 1950s, would never become operational again due to

the severity of damage. Hotels and supermarkets had run out of sugar and it was a critical situation. We are glad that the machines are working again,” Fahmi Dawud, Metahara's deputy manager, said. [...]

Source: [The Reporter, March 24, 2018]



## Geothermal sites with over 10,000 MWs potential

ADDIS ABABA- After 18 months of researches and exploration with partners, Ethiopian Geological Survey has identified 23 geothermal energy potential areas in the Ethiopian Rift Valley Zone, it disclosed.

Tamiru Mersha, Communi-

cation Affairs Director at the Ethiopian Geological Survey, told The Ethiopian Herald that a potential of over 10,000 Mega Wats (MW) geothermal energy was discovered in that area.

According to him, the development of the energy

has been started. In collaboration with the Ministry of Water Irrigation and Energy, the development is already being undertaken in Aloto Langano site, which is expected to have a capacity of generating eighty MW of geothermal energy. He said two holes have been drilled in 1952 and 1921 meters depth.

Source: [Eth. Herald, March 24, 2018]

*According to Dr. Koang, Poly-GCL will build an LNG plant in Djibouti that would change the gas into liquid natural gas which will be exported to China with special LNG vessels.*

## Oil in Ogaden

Poly-GCL, the Chinese company engaged in oil and gas exploration and development project in the Ethio-Somali Regional State, Ogaden basin, has discovered oil and gas deposits.

Poly-GCL, which signed petroleum exploration and development agreement

with the then Ministry of Mines in November 2013, has been prospecting for oil and gas reserve in a vast exploration area in the Ogaden basin. The company is also trying to develop the Calub and Hilala gas fields which was found in the Ogaden basin many years ago. [...]

Koang Tutlam (MD), state minister of the Ministry of Mines, Petroleum and Natural Gas, told The Reporter that Poly-GCL has discovered additional gas reserves in the Calub gas field. "In the appraisal wells the company drilled around Calub it has discovered additional gas reserve.

## Lufthansa to fly five times a week from A.A. to Frankfurt

From Tuesday March 20, travelers can book Lufthansa's new non-stop flights between Addis Ababa and Frankfurt. The enhanced service reduces the trip time to Europe to just 6 hours 45 minutes, as it no longer has a stopover in Jeddah.

"We are delighted to now offer our passengers a fast non-stop connection between Addis Ababa and Frankfurt. Lufthansa wants to be part of Ethiopia's growing market and continued success story", says Tobias Ernst, General Manager Sales Regional East Africa Lufthansa Group.

Passengers coming from Addis Ababa will now travel on a more convenient schedule with full connectivity in Europe and the North Atlantic market due to the early arrival in Frankfurt.

Source: [Capital, March 26, 2018]

## A Bill Springs Up to Safeguard Bee Farming, Honey Processing



Authorities have drafted a new legal framework to administer and regulate honey production and its value chain all the way from the farm to export destina-

tion.

Under draft for the past year by the Ministry of Livestock & Fisheries (MoLF), Food, Medicine, Health Care Administration & Control Authority and the Ethiopian Meat and Dairy Industry Development Institute, the bill on the way to be sent to the Council of Ministers (CoM) after the Attorney General has commented on it. The CoM will then approve and endorse, and send it to the parliament for legislation.

The draft has provisions to administer bee farm owners, honey producers, wholesalers and exporters, on issues of product quality, market price and the packaging process, which have been practised on a traditional and in a small-scale level. It will also set standards and grades for the products.

Source: [Fortune, March 11, 2018]

## New Inspection on Foods Lures Frustration on Importers

The Food, Medicines & Healthcare Administration & Control Authority (FMHACA) issued a new system which requires the inspection of every food and beverage imported into the country.

It makes each delivery by an importer subject to laboratories tests. This has brought the cost of a laboratory test for a single 20ft con-

tainer from a minimum of 20,000 Br, going as high as 147,000 Br.

Importers are warning that the laboratory costs, in addition to the price of the item, transportation costs, duties and such laboratory costs will incur consumers up to threefold the current cost of imported products.

One of the pioneers of modern retailing in Addis Abeba, Bambis Supermarket, is feeling the burden of the Authority's new system. Having to pay 5,000 dollars for the laboratory tests of the 20ft container of spaghetti products it imports from Greece. The item costs 9,000 dollars, and they spent 11,000 dollars in duties... [...]

Source: [Fortune, March 25, 2018]

## Industrial agri-food labs pilot program starts

ADDIS ABABA- Industrial agri-food labs pilot program has been commenced in areas where industrial parks' constructions are underway, and would start function when the parks enter production phase. So said Ethiopian Conformity Assessment Enterprise Director Teshale Belhu in an interview

with The Ethiopian Herald. The director indicated that the labs would offer services in line with the agricultural inputs of the areas.

Yirgalem, Bulbula, Bure and Humera industrial parks' project are sites the program is under implementation,

he added.

The program is being carried out with a six million USD outlay secured from World Bank to support agri-food testing services, Enterprise Director Teshale Belhu told The Ethiopian Herald.

Source: [Eth. Herald, March 23, 2018]

## Upcoming Events

### **AGRIFEX Ethiopia**

Dates: 10 - 14 May 2018 | Venue: Addis Ababa Exhibition Center, Addis Ababa

The event is quality international Trade Exhibition on Food and Agriculture Industry sectors with facilities and atmosphere to match the highest standards possible. The event would attract Importers, Traders & Distributors, Manufacturers, Exporters, Shopping malls, Departmental stores, super markets, Hotels, restaurants, catering, govt. and military food supplies.

### **Matex Ethiopia Expo**

Dates: 21 - 25 June 2018 | Venue: Addis Ababa Exhibition Center, Addis Ababa

The place to meet and do business with leading Manufacturers & Technology Producers & Suppliers from around the world. It is an event you do not have to miss! Visitors like professionals, key decision makers, buyers, suppliers, traders, distributors and much more.



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