Capital

THE PAPER THAT PROMOTES FREE ENTERPRISE

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Three local banks to finance ESL's vessel procurement

By our staff reporter

Ethiopian Shipping and Logistics (ESL) has opened a bid for the procurement of new Ultramax vessels and is inviting shipbrokers to help purchase four second-hand mid-sized vessels for various purposes. Three local banks—the Commercial Bank of Ethiopia, Awash Bank, and Dashen Bank—are expected to finance this procurement.

This initiative is part of ESL's long-term strategy to expand its fleet, which currently consists of ten vessels. Previously, the state-owned deep-sea operator had planned to build two Ultramax vessels at a Chinese shipyard, but the project was delayed due to financial issues.

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Suspension of AGOA leads to departure of 18 foreign companies, $45 Million loss

By Eyasu Zekarias

Ethiopia has experienced significant economic setbacks following the suspension of the African Growth and Opportunity Act (AGOA) in January 2022, with approximately 18 foreign companies exiting the country and industrial parks losing an estimated $45 million in revenue, according to the African Development Bank Group's (AfDB) Country Focus Report 2025 Ethiopia released on June 23.

AGOA had previously allowed Ethiopia duty-free access to the U.S. market for a wide range of products, fostering export growth and job creation. However, the suspension disrupted established market linkages and supply chains, leading to a 24% decline in exports from Ethiopia's industrial parks in 2023. The Hawassa Industrial Park, one of the country's largest, alone saw over 1,000 jobs lost due to these disruptions.

The report highlights that the suspension has compounded broader geopolitical and economic challenges, adversely affecting Ethiopia's annual budget and threatening critical public services. Key donor countries are also scaling back aid: Germany plans to reduce its aid budget by 1 billion euros in 2025, while the UK intends to cut aid spending through 2027. Furthermore, following a U.S. government "work stoppage" on foreign aid programs, Ethiopia's Health Ministry was forced to lay off 5,000 health workers previously supported by USAID and the CDC.

Food aid delivery has also been hampered. The AfDB report notes that 34,880 metric tons of essential food supplies—enough for 2.1 million people for one month—remain stranded at the port of Djibouti due to insufficient funds for transportation to Ethiopia.

The suspension has particularly hit Ethiopia's textile, leather, and apparel sectors, which relied heavily on

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Silencing dissent is not the solution

In recent years, Ethiopia has witnessed a troubling and growing trend: the systematic silencing of voices that express dissent or offer critical perspectives on pressing national issues. From legal professionals sharing their opinions on contentious laws to journalists discussing political developments—even in private settings—many have faced detention, intimidation, or harassment. This alarming pattern of repression is not only a violation of fundamental human rights but also a grave threat to the country's democratic foundations and social cohesion.

The suppression of freedom of expression is often justified by those in power as necessary for maintaining stability or national security. However, history and experience show that silencing dissent does not resolve conflicts or heal divisions; rather, it drives grievances underground, breeds mistrust, and fosters resentment. When individuals are punished for voicing concerns—whether about governance, legal reforms, or public policy—it sends a chilling message that questioning authority is dangerous and unwelcome. Such an environment stifles open debate, weakens institutions, and erodes public trust in government.

Ethiopia is a nation marked by rich ethnic, cultural, and political diversity. It faces complex challenges that require honest dialogue and inclusive governance. Yet, the growing tendency to criminalize dissent threatens to deepen existing fissures. When people are denied the right to express their views or criticize policies, they often feel marginalized and unheard. This alienation can lead to frustration, social unrest, and even violence—outcomes that repression claims to prevent.

Moreover, the targeting of journalists and legal experts undermines the essential roles these professionals play in society. Journalists serve as watchdogs, providing citizens with information necessary to hold power accountable. Legal professionals analyze and interpret laws, ensuring that governance adheres to principles of justice and fairness. When these voices are muzzled, transparency diminishes, corruption can flourish, and governance suffers. The weakening of these pillars threatens the very foundation upon which sustainable development and peace depend.

Attempts to maintain control through intimidation and censorship are inherently short-sighted. Repression may temporarily silence critics, but it cannot erase the underlying issues that give rise to dissatisfaction. In fact, it often exacerbates them. When people feel they have no safe avenue to express their concerns, those concerns fester and grow, sometimes erupting in unpredictable and destructive ways.

Furthermore, the absence of open dialogue impedes the government's ability to understand and address the root causes of discontent. Without feedback from diverse voices, policymakers risk crafting solutions that are out of touch with the realities on the ground. This disconnect can lead to ineffective policies and missed opportunities for reconciliation and reform.

True progress in Ethiopia depends on embracing dialogue rather than repression. Engaging with those who express dissatisfaction—listening to their concerns and addressing them constructively—is vital for healing divisions and building a resilient society. Dialogue fosters understanding, encourages compromise, and strengthens democratic norms.

Open discourse allows grievances to be aired and addressed before they escalate. It creates a platform where different perspectives can be shared, helping to break down stereotypes and fears. Inclusive conversations empower citizens to participate actively in shaping their country's future, fostering a sense of ownership and responsibility.

Leaders who welcome criticism demonstrate confidence in their vision and policies. They show respect for the rights of all citizens to participate in national debates. This openness builds trust and legitimacy, which are essential for enduring peace and development.

If the current trend of silencing dissent continues unchecked, Ethiopia risks further polarization and social unrest. The country's democratic aspirations could be severely undermined, and its international reputation damaged. Investors and development partners may lose confidence, affecting economic growth and aid flows.

Moreover, repression often leads to a cycle of fear and suspicion that permeates society. When people are afraid to speak openly, misinformation and rumors fill the void left by the absence of honest communication. This environment is fertile ground for division and conflict.

Ethiopia's challenges are significant but not insurmountable. The country has a rich history of resilience and a vibrant civil society eager to contribute to its progress. By fostering a culture of dialogue and respect for human rights, Ethiopia can chart a course toward peace, stability, and inclusive development.

This requires concrete steps: releasing those detained for peaceful expression, reviewing laws that restrict free speech, protecting journalists and legal professionals, and creating safe spaces for public debate. It also means investing in education and civic engagement to empower citizens to participate meaningfully in democratic processes.

Silencing dissent is a dead end. It may offer a false sense of control in the short term, but it ultimately undermines the social contract and the promise of a just society. Ethiopia's future belongs to those who listen, engage, and build together. The path forward is clear: embrace conversation over repression, foster open discourse, and respect the voices of all citizens.

Only through dialogue can Ethiopia hope to heal its divisions, address its challenges, and build a future that is just, prosperous, and inclusive for all its people. The time to act is now—silencing is not the solution. Talking and listening is.

By Andrey Kortunov

COMMENT

Russia takes on the West's biggest obsession

When Russian President Vladimir Putin told the St. Petersburg International Economic Forum last week that the world needs "a new model of global growth," many Western commentators heard only a familiar plea: lift the sanctions, drop the tariffs, stop using trade as a geopolitical cudgel.

Important as those points are, they miss the larger ambition. Even if every punitive measure vanished tomorrow, the world economy would simply roll back to its early-2000s setting – fresh paint on an old engine. Putin's challenge cuts deeper: capitalism's traditional "produce more, consume more" logic has hit its planetary and social limits, and Moscow is calling time on the illusion that endless expansion can continue unopposed.

Why the old formula is exhausted

Since the first steam engines hissed into life in the 18th century, national success has been measured by rising GDP and swelling personal consumption. That linear model delivered astonishing gains –but it never cracked the problem of inequality. The gap between North and South stubbornly yawns; within many countries, the gulf between penthouse and pavement only widens. The promise that "a rising tide lifts all boats" rings hollow for the majority still paddling in the shallows.

Even starker are the material constraints. The capitalist appetite is infinite; the planet's resources are not. If the next three billion people push their consumption up to Western middle-class levels, our biosphere simply will not cope. Climate stress, ecological degradation and resource scarcity are already obvious. They will only intensify.

Toward 'reasonable sufficiency'

Putin's "leap into the future" therefore means more than de-weaponizing trade. It means replacing quantity-obsessed growth with what he called rationalization of consumption and production – a shift from bigger to better, from accumulation to sustainability.

This is not a call for universal sackcloth or forced equalization. Eradicating poverty, ensuring food and energy security, and meeting basic human needs remain non-negotiable. But raw GDP will decline as a yardstick. A state's success will increasingly be judged by life expectancy, educational quality, environmental health, cultural vibrancy, scientific breakthroughs, social cohesion and the absence of corrosive political divides.

That list is hardly utopian. Many governments already compile "well-being indices" alongside budget spreadsheets. What Russia is urging is a coordinated effort – within BRICS, the SCO, the Eurasian Economic Union and beyond – to turn those indicators into shared development targets.

Technology as midwife

Sceptics ask how any economy can thrive without relentless material churn. The answer lies, partly, in the very technologies now unsettling labor markets. Artificial intelligence, advanced robotics, sixth-generation mobile networks and other breakthroughs are stripping out drudgery. They free people to pursue creative, scientific, and community-building roles – activities that enrich societies without battering the biosphere.

The new growth model, in short, prizes human potential over disposable products. It values the software of civilization more than the hardware of mass consumption. That change will not come overnight, nor without friction. But the alternative is to race ever faster toward ecological overshoot and social fracture.

Evolution – or revolution?

Transitions of this scale can be smooth or cataclysmic. The best chance of an orderly shift is deliberate, multilateral coordination:

- Trade that respects limits. Countries must keep markets open while discouraging wasteful, environmentally destructive patterns of demand and supply.
- Shared modernization road-maps. National development plans – Russia's, China's, India's, Brazil's – should align where possible, exchanging technology and policy know-how to accelerate sustainable goals.
- Cultural cross-pollination. A "new Comintern," as State Duma Speaker Vyacheslav Volodin once quipped, need not advance ideology but could champion anti-colonial, post-Western cultural dialogue – film, literature, research, education – that diversifies global narratives.

BRICS, the SCO and the EAEU already possess the demographic and economic heft to pilot such experiments. They represent most of the world's population, a majority of global growth, and regions where consumption is still rising fastest. If these blocs can demonstrate that higher living standards need not equal higher emissions or deeper inequality, the model will sell itself.

Will the West listen?

Critics in Washington, London, and Brussels dismiss Moscow's pitch as cover for its own geopolitical battles. Yet the underlying logic – finite resources, intolerable inequality, technological disruption – matches concerns voiced daily in Davos, at UN climate summits, and in IMF working papers. The difference is that Russia frames the problem as systemic, not managerial. Tinkering with carbon taxes or supply-chain "friend-shoring" is cosmetic if the growth engine itself demands perpetual overdrive.

A post-GDP world

From St. Petersburg, Putin's message was blunt: chasing an ever-rising output curve is obsolete. The 21st century will belong to states that balance reasonable sufficiency with genuine human flourishing – and that resist the temptation to weaponize economics when domestic politics falter.

Building that world will test every government's ingenuity. But the alternative is a planet where growth's winners barricade themselves against a majority left behind and a climate tipping toward instability.

Russia says a different path is possible. The question is whether the rest of the world is ready to step onto it – or whether we will keep sprinting along a road we know ends at a cliff.

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Design flaws inflate costs of water projects, AG reports

By Eyasu Zekarias

Ethiopia's ambitious water supply projects have incurred billions of birr in additional costs due to critical design deficiencies and poor planning, according to a recent report by the Office of the Federal Auditor General (AG). The findings were presented during the 39th regular session of the House of People's Representatives, shedding light on significant inefficiencies in major drinking water initiatives.

The report focused on drinking water projects in Gidole, Mojo, and Dongora, which aimed to improve access to clean water for local communities. However, these projects were launched without comprehensive pre-feasibility and detailed feasibility studies, which should have included financial, economic, social, technical, and environmental impact assessments. The absence of such studies contributed to unexpected delays, cost overruns, and operational challenges.

The Gidole drinking water project alone experienced substantial cost escalations. Delays in pipeline supplies and welding material clearance at the port extended storage durations by 257 days, resulting in container and warehouse rental fees exceeding 11.49 million birr. Moreover, significant design improvements during construction created a 72% cost gap, adding more than 25.67 million birr and over $251,000 beyond the original budget.

The report also highlighted poor site selection for water reservoirs, which led to landslide risks and difficult access. Additionally, the main pressure line design failed to account for the region's frequent landslides, jeopardizing infrastructure stability.

Similarly, the Mojo project suffered from an ineffective water source, rendering the investment futile. In Dongora, the original water source was contaminated and failed to meet drinking water standards set by the World Health Organization and Ethiopian Water Quality Authorities, resulting in unusable water and a loss of 16.90 million birr.

The Auditor General's report also revealed that government institutions left approximately 14.49 billion birr unused in the 2023/24 fiscal year. This unspent budget, representing over 10% of allocated funds, was spread across 115 public institutions. The Ministry of Agriculture accounted for the largest share, with 7.81 billion birr unutilized, followed by the Customs Commission with over 573 million birr.

The Auditor General urged stricter oversight and improved budget planning to ensure efficient use of the country's limited financial resources. The report recommended enhanced monitoring to identify unspent funds early and reallocate them to ministries facing budget shortfalls.

These findings align with broader research on water infrastructure challenges in Ethiopia. Studies show that design errors, inadequate feasibility assessments, and poor maintenance are major contributors to cost overruns and project delays in water and irrigation schemes nationwide. Experts emphasize the need for thorough planning, realistic budgeting, and sustainable maintenance strategies to improve project outcomes and ensure long-term water security.

The Federal Auditor General's report underscores the urgent need for improved project design, rigorous feasibility studies, and effective budget management in Ethiopia's water sector. Addressing these issues is critical to maximizing the impact of investments aimed at expanding access to clean and reliable water, a cornerstone for public health and economic development.

Plastic manufacturers struggle under 12 billion birr in loans amid new waste management directive

By our staff reporter

More than 860 plastic and rubber manufacturers across Ethiopia, carrying over 12 billion birr in unpaid debts to banks and microfinance institutions, are confronting serious economic and social challenges following the enactment of Proclamation No. 1383/2017 on solid waste management and disposal.

The Ethiopian Plastic and Rubber Manufacturers Sector Association (EPR) expressed support for the environmental goals of the new law but raised concerns about the short six-month implementation period mandated after its publication in the Negarit Gazette. The association warned that this rapid transition could push many local producers—already burdened with significant debts—toward bankruptcy.

Speaking at a stakeholder meeting held at Ghion Hotel, the association's general manager highlighted that the proclamation lacks clear alternative exit strategies for manufacturers who may be forced out of the sector. This omission, he cautioned, could result in substantial economic, social, and environmental losses not only for the producers but also at the national level.

The decree also fails to provide detailed guidance on replacing "single-use plastics" with sustainable alternatives within the tight six-month timeframe, leaving manufacturers without an adequate transition period to adapt their production processes.

Despite these concerns, the association affirmed its commitment to comply with legal provisions banning the production and marketing of problematic plastic products, such as low-density plastic bags and certain packaging materials that are difficult to collect and contribute to urban pollution.

The plastics sector plays a significant role in Ethiopia's economy and environmental efforts. According to the association, it contributes over 51.6 billion birr annually to the national economy, saves more than $391 million in foreign exchange, and provides employment to over 268,000 people—predominantly women and youth with limited formal education. Additionally, the sector generates more than 10 billion birr annually in taxes and service charges paid to the government.

However, the new proclamation poses risks of substantial financial and asset losses. The association estimates that machinery valued at over $248 million could become stranded if manufacturers are forced to cease operations. The sector's registered investment capital stood at more than 58.8 billion birr in 2022.

Under the Solid Waste Management and Disposal Proclamation, individuals found in possession of single-use plastic bags face fines of up to 5,000 birr, signaling strict enforcement measures.

A recent study further highlights the precarious position of plastic manufacturers, many of whom owe more than 12 billion birr in outstanding loans. The decree's implementation is expected to increase financial pressures, especially as manufacturers may need to invest heavily in new machinery and raw materials to produce sustainable alternatives, potentially requiring over $760 million in foreign exchange in the short term.

In light of the sector's substantial contributions and current challenges, the Ethiopian Plastic and Rubber Manufacturers Sector Association has called on government bodies to engage in extensive consultations regarding the proclamation's implementation. The association urges the establishment of appropriate transition periods and exit strategies to mitigate economic fallout and support sustainable industry transformation.

As Ethiopia advances its environmental agenda, balancing ecological goals with economic realities remains critical to ensuring that vital industries and the livelihoods they support are not unduly harmed.

AUCTION RESULT | Thursday, June 26th, 2025

The 25th OMO auction result for Liquidity-Absorbing Open Market Operation

Auction No.	OMO-Auction No.26
Date of Auction	June 26, 2025
Type of Operations	2-Weeks-Deposit Taking Operation
Total amount of bids submitted by participants (in Millions of Birr)	44,000.0
Number of bidders	6

Total allotted amount (in Millions of Birr):	44,000.0
Fixed Interest Rate	15%
Start date of the operations	June 26, 2025
Maturity date of the operations	July 10, 2025
Settlement Date	June 26, 2025


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TikTok expands global mental health initiatives to Sub-Saharan Africa at Johannesburg Summit

Visa denial prevents Capital's reporter from attending TikTok's landmark summit

By our staff reporter

TikTok has announced a significant expansion of its global mental health initiatives to Sub-Saharan Africa during its inaugural Digital Well-being Summit in Johannesburg.

The summit brought together policymakers, mental health experts, NGOs, and industry leaders from South Africa, Kenya, Nigeria, Ghana, Ethiopia, and Zimbabwe to discuss strategies for improving digital well-being across the continent.

A key highlight of the event was the extension of TikTok's USD 2.3 million Global Mental Health Education Fund to Sub-Saharan Africa, marking the first time organizations from the region will benefit from this fund.

These organizations will receive both funding and platform support to create culturally relevant, evidence-based content aimed at raising awareness, reducing stigma, and promoting open dialogue around mental health in African communities.

Building on successful pilots in Europe, TikTok will also launch in-app helpline resources across Africa. In the coming weeks, users in select African countries will have access to local helplines within the app, providing expert support for issues related to suicide, self-harm, hate, and harassment. These helplines will offer counseling, advice, free psychological support, and other essential services.

As part of its commitment to digital well-being, TikTok has introduced a guided meditation experience within its "Sleep Hours" feature. Automatically activated at 10:00 PM for users under 18, and optional for older users, this feature aims to help users unwind and establish healthier nighttime routines. Research suggests that mindful meditation can enhance sleep quality and emotional regulation, especially for teens navigating the pressures of a hyper-connected world.

According to information obtained by Capital from the event organizers, the summit also highlighted ongoing initiatives like TikTok's #MentalHealthMatters campaign, which promotes positive mental health practices worldwide. These efforts are designed to support balanced digital habits and provide communities with access to reliable information.

"We commend the private sector's efforts to foster digital literacy and create a safer online environment for all. Such efforts reflect the collective responsibility of the government and the private sector to inspire creativity, empower communities, and connect young people to the digital world," said Siviwe Gwarube, South Africa's Minister of Basic Education, at the inaugural event.

In collaboration with the World Health Organization, TikTok has introduced its first-ever Mental Health Ambassadors from Africa. This diverse group of verified healthcare professionals will share expert advice and relatable content on mental health and emotional well-being.

These initiatives are part of TikTok's broader strategy to proactively address digital harms through innovation, collaboration, and empathy, aiming to create responsible and empowering online environments for African users.

A Capital reporter, invited by TikTok South Africa to cover the Digital Well-being Summit in Johannesburg for Ethiopian audiences, was unable to travel after the South African Embassy in Addis Ababa denied his visa application, despite the reporter having visited the country multiple times before.

IMF projects Ethiopia's growth to boost Djibouti's port activity

By our staff reporter

The International Monetary Fund (IMF) projects that Ethiopia's rapidly growing economy will increase activity at Djibouti's ports, strengthening the vital trade partnership between the two nations. However, Djibouti is facing significant fiscal pressures due to declining revenues and rising debt, which may hinder long-term growth.

In its latest Article IV assessment, the IMF noted that Djibouti has effectively managed regional tensions, achieving strong economic growth, moderate inflation, and a recovery in foreign reserves. The country's strategic role in maritime security and humanitarian operations has further enhanced regional stability.

Over the past decade, Djibouti's GDP per capita has doubled, fueled by extensive infrastructure investments that have modernized its economy. Growth in 2024 is estimated to exceed 6.5%, driven by increased transshipment activity amid disruptions in the Red Sea, while stable global food and energy prices have helped control inflation.

Despite this progress, the IMF warned that declining government revenues and high debt servicing costs have strained public finances, pushing debt to unsustainable levels. While growth remains robust, job creation in the formal sector is still inadequate, and there is diminishing fiscal space for development spending.

Ethiopia's ongoing economic reforms—such as trade liberalization, market-based exchange rates, and increased foreign investment—are expected to enhance demand for Djibouti's port services. As a landlocked country, Ethiopia depends heavily on Djibouti's ports for over 95% of its trade.

"The robust Ethiopian economy is anticipated to boost activities at Djibouti's ports," stated the IMF. However, it cautioned that fiscal consolidation and a slowdown in large-scale investments could temper growth in the medium term.

The IMF also identified key risks, including potential regional conflicts that may increase migration and strain social stability, along with trade policy shifts that could weaken the Djibouti franc (pegged to the dollar) and raise inflation, despite enhancing service exports.

In spite of these challenges, Djibouti has shown resilience, successfully navigating multiple shocks in recent years, including the COVID-19 pandemic, the conflict in northern Ethiopia, the war in Ukraine, and disruptions in the Red Sea.

The IMF forecasts that Djibouti's growth will remain strong at around 6% in 2025, although a gradual slowdown may occur in the following years. Policymakers will need to balance debt sustainability with investments in critical sectors to ensure long-term stability.

Experts suggest that as Ethiopia's reforms unlock new trade opportunities, Djibouti's ports are poised to benefit, but maintaining fiscal discipline will be essential for sustaining economic momentum.

BANKS ASSET IN BILLION ETB AS OF JUNE 30, 2024

Abay Bank:	Addis Int'l Bank:	Ahadu Bank:	Amhara Bank:	Awash Bank:
66.4 (21%)	15.4 (22%)	6.4 (107%)	35 (24%)	282 (26%)

ECX faces decline in export-standard products, trading volume, AG reports

By Eyasu Zekarias

The Ethiopian Commodity Exchange (ECX) has experienced a significant decline in both the volume of export-standard products and overall trading activities, according to the latest audit report released by the Office of the Federal Auditor General (AG). The findings were presented to the House of Representatives as part of the 2023/24 fiscal year audit.

The report highlights critical deficiencies in ECX's product intake, inventory management, and trading systems. Data shows that the volume of export-standard products traded on the ECX platform dropped by 19% to 29% between the 2014 and 2016 Ethiopian fiscal years, ranging from 47,529 to 59,813 metric tons.

The audit revealed major problems with ECX's storage infrastructure. Many warehouses are vulnerable to flooding and have leaking roofs, while lacking essential facilities such as parking and sample pick-up areas for vehicles transporting products. These shortcomings undermine the ability to maintain product quality and provide timely services.

Although ECX has identified 25 agricultural products for trading and contracted warehouses across several branches—including Saris, Adama, Hawassa, Dilla, Jimma, and Bonga—these facilities only accept a limited range of produce, restricting market participation.

Between 2014 and 2016, the volume of agricultural yields received by ECX dropped sharply, with decreases ranging from 13% to 49%, falling from 40,049 to 294,805 metric tons. Correspondingly, the volume of production traded through ECX declined by 14% to 51%, from 42,874 to 314,446 metric tons. This downturn led to a reduction in transaction liquidity, which fell between 13% and 30%, decreasing from 3.7 billion to 11.9 billion birr.

The report attributes these declines partly to ECX's struggle to expand its membership base, both formal and informal. Many traders have shifted to alternative trading systems, further reducing volumes traded on the ECX platform.

The ECX plays a vital role in Ethiopia's agricultural exports, particularly in coffee and sesame, which together account for a large share of the country's export revenue. However, recent years have seen fluctuating export volumes and declining international commodity prices, affecting overall export earnings.

Experts and stakeholders have pointed to systemic issues such as product grading inconsistencies, delivery delays, and pricing mechanisms within the ECX as factors contributing to export underperformance. While the ECX maintains it provides transparent market data and facilitates trading, some exporters argue that quality control and operational inefficiencies hinder competitiveness.

Three local banks . . .

Continued from page 1

In its latest tender, ESL is seeking bids for the construction of two heavy-lift Ultramax multipurpose (MPP) bulk carrier vessels. This represents a significant advancement for the company, which recently added its first medium-sized Ultramax bulk carrier to its fleet, marking a milestone in its six-decade history.

Additionally, ESL is calling on shipbrokers to assist in acquiring two more second-hand Ultramax bulk carriers. The bid documents specify that the company is looking for vessels with a deadweight tonnage (DWT) of 60,000–65,000 and no more than eight years old.

ESL aims to enhance its capabilities by also procuring specialized ships. It has invited shipbrokers to help acquire second-hand container vessels with a capacity of 3,000–5,000 TEU, not exceeding ten years of age.

Currently, ESL's fleet primarily consists of multipurpose and bulk carriers. This initiative will reintroduce container ships to its operations, a segment the company exited nearly three decades ago.

For the construction of new vessels, ESL has chosen a two-stage bidding process. Shipbuilding companies will first submit proposals with their specifications, after which ESL will select the most suitable bidder.

Similarly, the acquisition of second-hand vessels will start with the selection of brokers who will identify appropriate ships.

Financing for the two vessels has been secured through agreements with Awash Bank and Dashen Bank, which will fund the MPP and Ultramax bulk carrier, respectively.

The Commercial Bank of Ethiopia is expected to support the procurement of three additional vessels, including the new Ultramax MPP and the two second-hand container ships.

Under the financing plan, ESL will cover 30% of the total cost for all five vessels, with the banks providing the remaining 70%. Additionally, the company plans to fully self-finance the acquisition of one vessel.

ESL anticipates taking possession of the four second-hand vessels in the near term, while the construction of the two brand new MPP vessels is expected to take at least two years after the bidding process concludes.

Payments for the new ships will be made in installments based on construction progress, while purchases of second-hand vessels will be finalized upon deal completion.

About a year ago, ESL CEO Berisso Amallo highlighted the urgent need for the four second-hand vessels to strengthen operations. Currently, ESL operates one Ultramax bulk carrier and nine handy-size multipurpose vessels.

This expansion is a significant step in ESL's strategy to enhance its maritime capacity and diversify its fleet to meet growing logistical demands, including feeder services.

Ethiopia leads East Africa's hydropower surge, reflecting global trends in renewable energy expansion

By our staff reporter

East Africa is undergoing a dramatic transformation in its energy sector, with hydropower at the heart of the region's clean energy ambitions. Ethiopia is at the forefront of this movement, leveraging its vast water resources to drive energy security, economic growth, and climate resilience—mirroring global trends highlighted in the 2025 World Hydropower Outlook1.

The centerpiece of Ethiopia's hydropower strategy is the Grand Ethiopian Renaissance Dam (GERD), now recognized as Africa's largest hydropower facility. By April 2025, GERD had reached 98.66% completion, with six turbines operational and full capacity expected later this year. The dam currently provides 2,150 MW of electricity and is set to achieve a total capacity of 5,150 MW once all turbines are online. In its first ten months of operation, GERD generated over 2,700 GWh of electricity—26% above projections—demonstrating the project's efficiency and the country's improved water management.

Beyond domestic supply, GERD is poised to bolster regional energy exports, supporting neighboring countries such as Kenya, Uganda, and Sudan, and strengthening Ethiopia's position as a regional energy powerhouse.

Ethiopia's hydropower ambitions extend well beyond GERD. Several major projects are in development, including: Genale Dawa 5 (100 MW) where construction is set to begin with commercial operations expected by 2028 and Halelle Werabesa II (326 MW) located in the Guraghe region, this plant is in pre-construction and will further expand the country's hydropower output.

These projects align with Ethiopia's vision to become a major electricity exporter by 2030, supporting both domestic industrialization and regional energy integration.

Ethiopia's leadership in hydropower reflects a broader global trend. According to the 2025 World Hydropower Outlook, hydropower remains the world's largest source of renewable electricity, supplying 14.3% of global power. In 2024 alone, global hydropower generation increased by approximately 10% to 4,578 TWh, with installed capacity reaching 1,443 GW1. The sector is also experiencing rapid growth in pumped storage hydropower (PSH), which is crucial for grid stability and integrating variable renewables.

The global pipeline for hydropower remains robust, with over 475 GW of conventional projects and 600 GW of pumped storage projects planned. However, challenges such as climate change, water scarcity, and the need for modernization persist worldwide.

Ethiopia's leadership is mirrored by hydropower developments across East Africa. Tanzania's Julius Nyerere Hydropower Plant, now fully operational, delivers 2,115 MW to the national grid, making it the largest in East Africa and the second largest on the continent. Kenya and Uganda are also investing in new hydro projects to meet rising energy demand and diversify their power mix.

However, the region faces challenges from climate change, with recurring droughts and water variability impacting hydropower generation. The World Hydropower Outlook notes that climate change is intensifying competition for water resources globally, making efficient water management and infrastructure resilience critical for future energy security. Ethiopia's proactive approach in these areas offers important lessons for neighboring countries.

Ethiopia's hydropower expansion is not only about energy generation. By reducing dependence on fossil fuels, these projects are helping to combat climate change, foster economic development, and promote cross-border collaboration. The interconnected power grid envisioned by Ethiopia and its neighbors is expected to enhance energy security and drive shared prosperity across East Africa.

Globally, hydropower's flexibility and storage capabilities are increasingly valued for their role in stabilizing electricity markets and supporting the integration of renewables—a trend that is shaping policy and investment decisions from Africa to Asia and beyond.

Suspension of AGOA . . .

Continued from page 1

AGOA's preferential access. The National Bank of Ethiopia reported that the suspension put approximately 11,500 jobs at risk across industrial parks, with Hawassa, Mekelle, and Bole Lemi among the hardest hit. Major investors, including PVH (parent company of Calvin Klein and Tommy Hilfiger), withdrew operations, causing supply chain disruptions and leaving many industrial park facilities idle.

The report stresses the urgent need for Ethiopia to diversify its export markets to reduce vulnerability to such shocks. While some companies have shifted focus to domestic markets, the loss of AGOA privileges has exposed the fragility of Ethiopia's export-oriented manufacturing base.

The AfDB report also draws attention to illicit financial flows (IFF) as a significant challenge to Ethiopia's economy. Mis-invoicing in trade documents—such as import over-invoicing and export under-invoicing—is estimated to account for between 55% and 80% of illicit money leaving the country, representing 6% to 23% of Ethiopia's total business value. The International Monetary Fund (IMF) estimates that these illicit flows could reduce Ethiopia's average annual GDP growth by 2.2% and cause a loss of 10% to 30% of government revenues.

While the Ethiopian government has enacted legislation to combat money laundering and terrorism financing, including the Prevention and Control of Money Laundering and Terrorism Financing Proclamation No. 780/2013, the report notes difficulties in effective enforcement.

The suspension of AGOA has had far-reaching consequences for Ethiopia's economy, from job losses and declining exports to strained public services and aid delivery. Coupled with challenges such as illicit financial flows and reduced foreign aid, the country faces a complex landscape requiring strategic reforms. The AfDB report underscores the need for market diversification, enhanced governance, and stronger international cooperation to restore economic stability and growth.

ICO Indicator prices (US cents/lb) 26-Jun-25

I-CIP		Colombian Milds		Other Milds		Brazilian Naturals		Robusta	
271.76	1.21%	334.38	0.50%	337.48	0.42%	311.56	0.56%	178.29	3.56%

*1lb=0.45kg

Exploring Xinjiang's cultural heritage and economic transformation

By our staff reporter

Urumqi, China

A diverse group of journalists from across Asia, Africa, Latin America, and the Middle East recently concluded an immersive week-long field trip to China's Xinjiang Uygur Autonomous Region, gaining firsthand insight into the area's rich cultural heritage, rapid socio-economic development, and efforts to balance tradition with modernization.

Organized as part of the "China Up Close" media initiative, the visit brought together 51 delegates from 49 media outlets representing 41 countries. The itinerary spanned key sites in the Turpan-Hami cities, with stops in Urumqi, Turpan, Shanshan, Hami City, and Yiwu County. Journalists explored ancient cities, religious and medical institutions, traditional villages, and modern industrial hubs, experiencing both Xinjiang's historic legacy and its contemporary dynamism.

Delegates visited the Xinjiang International Grand Bazaar in Urumqi, a vibrant marketplace renowned for its ethnic crafts, local cuisine, and cultural performances. In Turpan, the group toured the Jiaohe Ruined City—one of the world's largest and best-preserved ancient earthen cities and a UNESCO World Heritage site—as well as the Thousand Buddha Caves and the historic Karez irrigation system, an ancient engineering marvel still vital to the region's agriculture.

The itinerary also highlighted Xinjiang's economic transformation. Journalists observed cutting-edge projects such as the Hami Molten Salt Tower-type Solar Power Plant, a pioneering renewable energy facility, and the Urumqi Bonded Exhibition and Trading Center, which anchors Xinjiang's growing role in cross-border e-commerce and global trade. Visits to local enterprises showcased advances in high-tech agriculture, traditional Chinese medicine, and the burgeoning wine industry, all contributing to rural income growth and sustainable development.

Organizers emphasized that the field trip aimed to provide a nuanced, authentic perspective on Xinjiang's multifaceted identity, countering prevailing narratives by highlighting economic progress, cultural preservation, and social stability. The journey included high-speed train travel, allowing delegates to experience the region's modern transportation infrastructure alongside its ancient landmarks.

Xinjiang's government, marking the region's 70th anniversary, has set ambitious goals for 2025, targeting robust GDP growth and prioritizing ten key industries, including tourism, advanced manufacturing, and high-quality agriculture. The region expects to welcome over 320 million tourists this year, underscoring its emergence as a major destination for both domestic and international visitors.

The media field trip follows recent international forums, such as the 2025 Media Cooperation Forum of Shanghai Cooperation Organization (SCO) Countries, which underscored the importance of media in fostering mutual understanding and connectivity across Eurasia. Organizers hope that firsthand reporting by participating journalists will enrich global coverage of Xinjiang and promote balanced dialogue about the region's ongoing transformation.

As Xinjiang continues to position itself as a strategic link between Central Asia, Eurasia, South Asia, and the Middle East, initiatives like this field trip highlight the region's commitment to openness, cultural exchange, and shared prosperity.

EFFSAA launches Africa's first FIATA Higher Advanced Diploma in Supply Chain Management

By our staff reporter

The Ethiopian Freight Forwarders and Shipping Agents Association (EFFSAA) has launched the prestigious FIATA Higher Advanced Diploma in Supply Chain Management for selected logistics experts, marking the first high-level training of its kind in Africa.

This intensive program includes 40 participants from six universities and key stakeholders such as Ethiopian Shipping & Logistics (ESL), Ethio Djibouti Railways (EDR), Ethiopian Airlines, private freight forwarders, and FIATA-certified trainers. Over 15 days, participants will engage in 10-hour daily lectures led by Prof. Thomas Sim, a globally recognized logistics expert and FIATA Senior Vice President.

For the past eight years, EFFSAA has offered the standard FIATA Diploma, certifying only 300 professionals during that time. In the last year alone, however, 350 trainees, including 100 women, have either completed or are currently in training, indicating a significant expansion in capacity-building efforts.

Dawit Woubshet, President of EFFSAA, FIATA Airfreight Institute Chairman, and FIATA Board Member, highlighted that the new advanced training of trainers program aims to integrate FIATA certifications into Ethiopia's higher education system. Undergraduates will earn the FIATA Diploma, while graduates and PhD candidates will qualify for the Higher Advanced Diploma in Supply Chain Management.

Woubshet noted that the advanced training will primarily target senior leaders in the public and private sectors, ensuring that the logistics industry is led by knowledgeable professionals.

Both certifications are internationally recognized, providing Ethiopian professionals with opportunities to work both domestically and abroad.

This initiative aligns with Ethiopia's expanding multimodal transport operations, which require highly skilled experts.

EFFSAA also aims to attract participants from other African nations and neighboring countries, further solidifying Ethiopia's position within FIATA.

This development coincides with Ethiopia's preparations to host the FIATA World Congress in 2027, highlighting the country's growing influence in global logistics and supply chain education.

The FIATA Higher Advanced Diploma in Supply Chain Management is a globally recognized qualification designed to equip professionals with the knowledge and skills necessary to excel in the complex world of global supply chains. Issued by FIATA, this diploma is highly valued by employers worldwide.

Government loan burden remains heavy amid fiscal pressures

By our staff reporter

The government's growing reliance on domestic and external loans continues to shape the nation's fiscal landscape, as authorities grapple with rising debt repayments and the need to finance critical infrastructure and social programs.

According to the latest official reports and financial disclosures, the government's total outstanding debt has reached new highs, reflecting both increased borrowing from international partners and a greater dependence on domestic sources. Analysts warn that while loans have supported key investments in energy, transport, and health, the mounting debt burden poses risks to long-term economic stability.

The Ministry of Finance's recent statements show that the government's external debt stock has grown steadily over the past year, driven by disbursements from multilateral lenders such as the World Bank, African Development Bank, and bilateral partners including China and France. Domestic borrowing has also increased, with the government issuing treasury bills and bonds to cover budget deficits and support public sector spending.

As of June 2025, the total public debt is estimated to exceed $38 billion, with external loans accounting for over 60% of the total. Debt servicing costs—interest and principal repayments—have risen sharply, now consuming a significant share of government revenues.

Officials acknowledge that debt sustainability is a growing concern. The government has faced challenges in generating sufficient export earnings and tax revenues to keep pace with repayment obligations. Recent currency depreciation and global economic volatility have further complicated the outlook, making it more expensive to service foreign-denominated loans.

The International Monetary Fund (IMF) and World Bank have both urged the government to strengthen fiscal discipline, improve revenue collection, and prioritize concessional borrowing to avoid a debt crisis. "Ethiopia's debt remains at high risk of distress," the IMF noted in its latest review, calling for "decisive policy actions to restore macroeconomic stability and safeguard debt sustainability."

Despite these concerns, government officials defend the use of loans as necessary for development. Major infrastructure projects—including new roads, railways, power plants, and industrial parks—have been financed through a mix of concessional and commercial loans. These investments, authorities argue, are essential for job creation, economic diversification, and poverty reduction.

However, critics point out that delays, cost overruns, and inefficiencies in project implementation have sometimes undermined the expected benefits. There are also concerns about the transparency of loan agreements and the terms attached, particularly with non-traditional lenders.

The government has pledged to improve debt management practices, enhance transparency, and seek debt restructuring where possible. Efforts are underway to renegotiate some loan terms, extend maturities, and secure grants or highly concessional financing to ease repayment pressures.


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Spotlight

Ever catch the perfect picture with your digital camera or camera phone and wish you could find a way for others to experience it? Here is your chance. If you find yourself at the right place at the right time and happen to catch an amazing scene you believe someone else should see, send us your news pictures with no more than 30 words to spotlight@capitalethiopia.com and we will publish it.

New study shows Coca-Cola System has an economic impact of $10.4 Billion across its value chain in Africa

The Coca-Cola Company announced the results of a comprehensive, Africa-wide socio-economic impact study during the 2025 U.S.-Africa Business Summit in Luanda, Angola.

The study shows that the Coca-Cola system, made up of The Coca-Cola Company and its authorized bottlers, working with a wide network of suppliers, manufacturers, service providers and customers, contributed $10.4 billion in value-added economic activity across its value chain in Africa in 2024.

The Coca-Cola system supported more than 1 million jobs across its value chain on the continent in sectors like retail, agriculture, manufacturing, transport and services. This included 36,800 direct Coca-Cola system jobs, plus 987,000 indirect jobs that are supported across the value chain, meaning the system collectively supported 27 additional jobs for every job it directly creates.

The study, conducted by global consultancy Steward Redqueen, shows that the system invested $4.3 billion in the African economy in 2024 through the purchase of goods and services from local suppliers, representing 83% of its total procurement.

High-Level Dialogue on Reimagining Democracy in Africa Concludes with Call for Inclusive, Accountable Governance Rooted in Dignity and Justice

The High-Level Dialogue on Reimagining Democracy in Africa: Comparative Experiences from the Global South concluded after two days of powerful deliberations, urgent reflections, and a strong call to action from African and Global South leaders, scholars, activists, and policymakers. Hosted by International IDEA, in collaboration with the Open Society Foundations, African Union, Switzerland's Federal Department of Foreign Affairs, European Union, and the Department of International Relations and Cooperation (DIRCO) of the Government of South Africa, the convening brought together over 200 participants to explore pathways toward inclusive and resilient democratic futures.

Held in the lead-up to South Africa's G20 presidency in November 2025, the Dialogue came at a critical moment. Democracy across Africa and the Global South is under increasing pressure from economic recession, surging populism, military takeovers, and deepening public disillusionment with political institutions.

Child Deaths Will Rise if Funding for Lifesaving Vaccine Program Falters

The Gates Foundation today announced a commitment of US$1.6 billion over the next five years to support Gavi, the Vaccine Alliance—one of the most effective mechanisms for delivering lifesaving vaccines to children and preventing disease in the world's most vulnerable communities.

"For the first time in decades, the number of kids dying around the world will likely go up this year instead of down because of massive cuts to foreign aid. That is a tragedy," warned Bill Gates, chair of the Gates Foundation. "Fully funding Gavi is the single most powerful step we can take to stop it."

The foundation's renewed support comes amid a global crisis. International development programs have been severely impacted by declining budgets and shifting political priorities. After years of stagnation, foreign assistance plummeted this year, putting at risk the hard-won progress in child survival and public health made over the last 25 years.

TANANESH II ON WHEELS

PHOTO: Anteneh Akilu

THE WHISPERS OF THE PAST

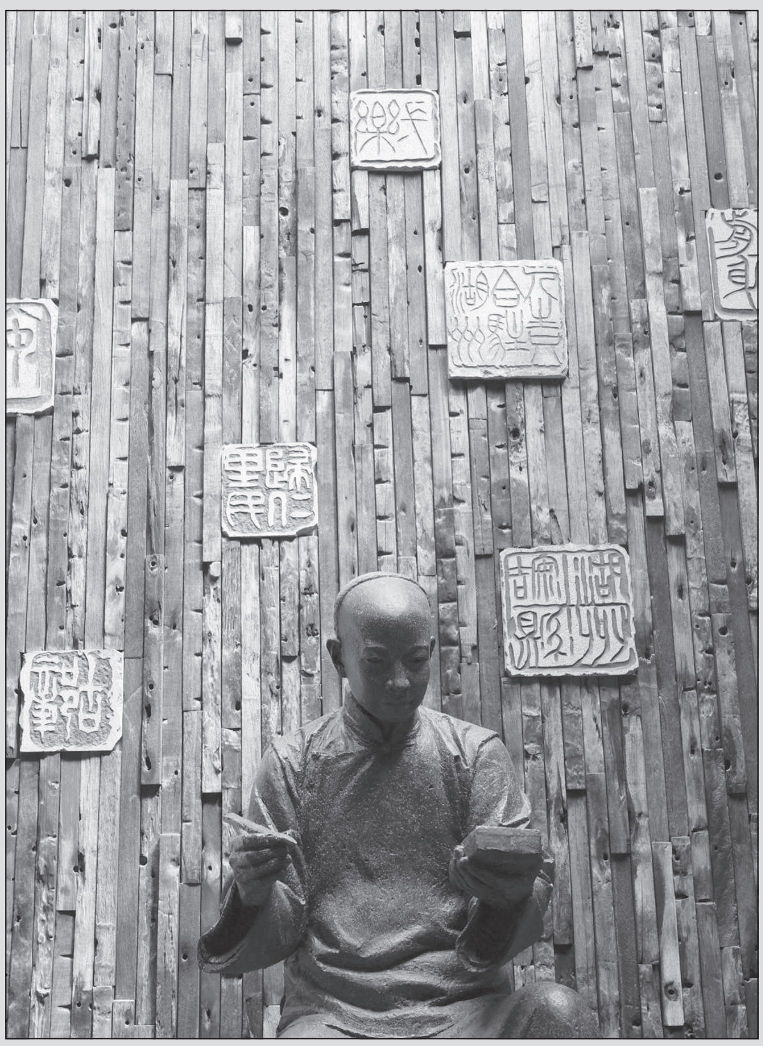

PHOTO: Anteneh Akilu

HANGING LANTERNS

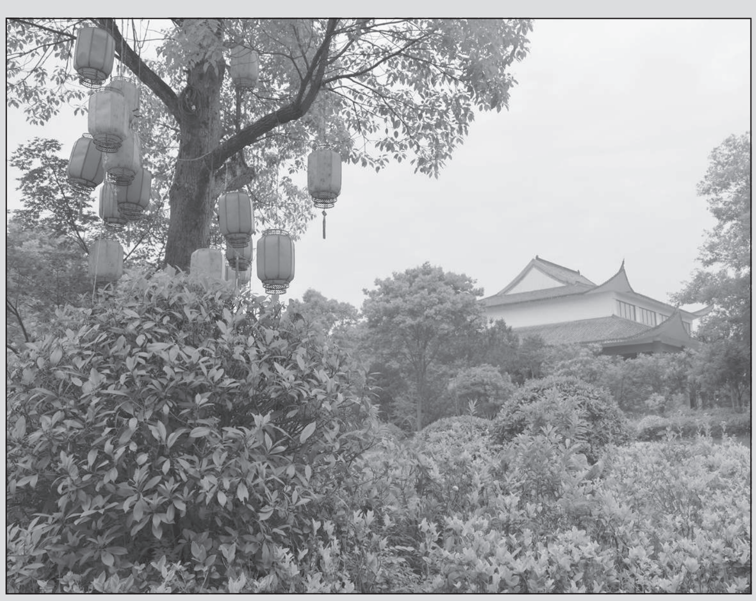

PHOTO: Anteneh Akilu

Unilever launches Vaseline in Ethiopia

Unilever officially launched its world-renowned Vaseline skincare range in Ethiopia.

This momentous occasion, made possible by recent economic reforms that have opened doors for foreign companies to directly import finished goods, signifies a powerful stride towards making high-quality skincare universally accessible to all consumers in Ethiopia. By streamlining the supply chain and directly importing Vaseline® products, Unilever Ethiopia is set to ensure greater availability and affordability of a brand trusted by generations worldwide for its healing and protective properties.

"Today is not just a product launch; it's a celebration of partnership, progress, and our unwavering commitment to the well-being of the Ethiopian people," stated Nesibu Temesgen, General Manager of Unilever Ethiopia. "The opportunity to directly import Vaseline is a game-changer for us and, more importantly, for Ethiopian consumers. It underscores our dedication to this dynamic market and our promise to provide products that truly make a difference in people's lives."

Momentum builds in the fight to end neglected tropical diseases as Kigali Declaration marks third anniversary

Over 80 countries and organisations in Africa have declared their commitment to ending the suffering caused by neglected tropical diseases (NTDs), a group of diseases that affect more than one billion people globally, primarily in vulnerable communities.

The commitments have been delivered through the endorsement of the Kigali Declaration on NTDs that marks its third anniversary today. Three years after its historic launch by Rwanda's President, H.E. Paul Kagame, the Kigali Declaration on NTDs has catalysed significant political will across the continent, cross-sector collaboration, and more than US$1.8 billion in financial and in-kind support.

Endorsements have grown substantially, from 57 entities in 2022 when the Kigali Declaration was launched to 84 today, demonstrating sustained and growing global support at the highest levels. Country leadership remains central to progress, with new signatories continuing to join the Declaration. Sudan recently became a signatory, showcasing their continued political engagement and national commitment to ending these debilitating diseases.

In Africa, the impact is particularly severe. Africa bears a significant burden of NTDs, with nearly 40% of the global burden originating from the region. These diseases have a profound impact on health, education, and economic productivity.

Smilepay Launches Seamless Global Remittance Service with NBE Approval

Smilepay, a digital remittance platform and a proud portfolio company of Kazana Group, is excited to announce the official launch of its global money transfer service, following regulatory approval from the National Bank of Ethiopia (NBE).

This approval officially licenses Smilepay to provide cross-border remittance services in full compliance with Ethiopian financial regulations. The platform is now live and offers individuals and businesses an easy, fast, and secure way to send money to Ethiopia from anywhere in the world.

Smilepay is currently integrated with 29 banks in Ethiopia, enabling users to transfer funds directly to local bank accounts or mobile wallets with unmatched reliability. The platform is built with a strong focus on safety, ease of use, and affordability—making it ideal for both personal and business use.

Capital NEWS IN BRIEF

Joyful Ethiopians and Eritreans Embrace at Rare Border Reopening

There have been celebrations at the border between Ethiopia and Eritrea as communities from the frontier villages came together for the first time in five years. Separated by the closed border since the outbreak of the 2020 conflict in Ethiopia's northern Tigray region, and subsequent political tensions, Sunday's coming together was a symbolic moment of peace and reconciliation. The reunion of families and friends took place in the Ethiopian town of Zalambessa in the presence of village elders and religious leaders. The move to re-open a section of the border was organised by local activists and community figures without the official backing of the authorities on either side. But those behind it indicated that they had the blessing from officials in Tigray and Eritrea...For five years, relatives and friends whose communities straddled the international boundary had not been able to see each other across the militarised border...The border has officially remained closed despite the end of the war amid tensions between the two governments... Since Eritrea seceded from Ethiopia more than three decades ago, relations have been tense – the border has been closed for most of that time. It was formally reopened in 2018, shortly after Ethiopian Prime Minister Abiy Ahmed came to power and signed a historic peace agreement with Eritrean President Isaias Afwerki. The deal earned Abiy the Nobel Peace Prize. While the move initially brought hopes of normalised relations, the eruption of the conflict in Tigray in November 2020 derailed progress.

(BBC)

Kenya Joins 'Accord for a Healthier World' Initiative

The Kenya Ministry of Health (MoH) and Pfizer Inc. announced that Kenya has joined 'Accord for a Healthier World,' a groundbreaking initiative which enables access to Pfizer medicines and vaccines on a not-for-profit basis to eligible lower and lower middle -income countries.

This milestone and collaboration align with the Kenya Universal Health Coverage Policy 2020–2030 and reaffirm the Ministry of Health's ongoing efforts to expand access to innovative health solutions that enhance the health and well-being of Kenyans.

"This partnership with Pfizer under the Accord for a Healthier World is a timely boost to our national agenda for Universal Health Coverage. It will expand access to quality, life-saving medicines and vaccines for millions of Kenyans, particularly in underserved areas," said Dr. Ouma Oluga, Principal Secretary for Medical Services. "Beyond improving availability, this collaboration will strengthen local capacity, address systemic access barriers, and align with our long-term vision of a resilient, inclusive and equitable health system for all."

(Press release)

German Embassy supports new school kitchen for vulnerable children

The Ambassador of the Federal Republic of Germany to Ethiopia and Permanent Observer to the African Union, Jens Hanefeld, has signed a contract to fund the construction of a new school kitchen at the German Church School in Addis Ababa. This initiative aims to provide essential nutritional support to approximately 300 vulnerable schoolchildren from the local community, including students with disabilities.

The new kitchen is expected to significantly improve the well-being and academic performance of the students by ensuring regular access to nutritious meals. The German Embassy expressed its strong support for the German Church School's comprehensive educational and social mission, emphasizing the importance of such projects in strengthening the future prospects of young people in need.

Founded on the principle of "Giving the poor a chance!", the German Church School currently serves nearly 300 children, adolescents, and young adults from some of the most disadvantaged families in Addis Ababa. Beyond academic instruction, the school offers vital social and medical assistance through its dedicated social and health stations, supporting both students and their families.

(Press release)

African entrepreneurs call for smarter investment in energy access solutions

Entrepreneurs and clean energy leaders from across Africa gathered in London this week for Financing Africa's Clean Energy Innovators, a dynamic showcase of the people and ideas transforming energy access for communities left behind by traditional systems.

Held during London Climate Action Week, organised by climate solutions charity, Ashden, and hosted by BBC World Service 'People Fixing the World' presenter Myra Anubi, the event spotlighted innovators supported by Ashden's Powering Clean Energy Investment programme—entrepreneurs driving change through solar technology, e-mobility, clean cooking and mini-grids.

Speakers made an urgent call for patient capital and long-term investment to reach the frontline of energy access.

Keynote Speaker Rachel Kyte, UK Special Representative for Climate, said: "One of the original drivers behind the Paris climate agreement was to provide clean, affordable and reliable energy for everyone. And the great news is that this technology is within our reach. It is financially within our reach. It is politically within our reach. We've just got a get a little bit better organised in order to be able to do it."

(Press release)

Term of the Day

QUOTA

Definition

A quota is a government-imposed trade restriction that limits the number or monetary value of goods that a country can import or export during a particular period. Countries use quotas in international trade to help regulate the volume of trade between them and other countries. Countries sometimes impose quotas on specific products to reduce imports and increase domestic production. In theory, quotas boost domestic production by restricting foreign competition.


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The Quest to Assert 'I Am the Best Leader': Developmentalism and Leadership Cult in Modern Nation-Building

Alazar Kebede

In the modern era of nation-building, the interplay between personal leadership narratives and national development trajectories has grown increasingly pronounced. Leadership plays a central role in shaping the direction and pace of national development. In many post-colonial and rapidly developing countries, political leaders frequently assert their personal centrality in achieving economic progress, national unity, and global recognition.

The declaration "I am the best leader" is not merely a rhetorical flourish - it signals a deliberate strategy to fuse personal authority with national destiny. While such approaches may deliver short-term gains, they also raise critical questions about institutional durability, accountability, and the risks of personalized rule.

Developmentalism refers to a state-led approach to economic growth, often characterized by heavy infrastructure investment, industrial policy, and centralized planning. Leaders who preside over such programs frequently equate national success with their personal vision and capacity. From South Korea's Park Chung-hee to Rwanda's Paul Kagame, the development miracle is often closely associated with a strong leader. These leaders position themselves as irreplaceable technocrats and visionaries, emphasizing metrics such as GDP growth, urban transformation, and poverty reduction as validations of their leadership.

In constructing the Development Miracle, the "miracle" narrative often depends on symbolic infrastructure (e.g., highways, dams, smart cities); international diplomacy and aid coordination; control of media narratives and suppression of dissent; and performance-based legitimacy over electoral legitimacy.

Leaders assert "I am the best" by juxtaposing their administration with prior regimes' failures or external threats. They often highlight improved access to education and healthcare, rapid urbanization and modernization and expansion of national pride and identity.

Leadership cults refer to a political culture in which a leader is elevated above institutions, ideology, and accountability. Such cults are characterized by excessive glorification of the leader in state narratives; iconography and symbolism (statues, slogans, portraits); attribution of all success to the individual leader and suppression of dissent under the guise of national unity or developmental urgency

This phenomenon differs from charismatic leadership in general; a cult of personality implies institutional imbalance, where formal checks on power are weakened in favor of personal

Regarding the Cult of Leadership and political risks, while development gains can be tangible, the personalization of credit raises risks which includes institutional weakness in which bureaucracies are undermined when loyalty outweighs competence; suppressed pluralism in which dissent is often reframed as anti-development or anti-national; as well as succession crises in which the image of an irreplaceable leader complicates transitions. The tendency to centralize both credit and power around one individual fosters a fragile political environment, where state continuity is uncertain, and opposition lacks space to mature.

There are several cases which illustrates this assertion. President Kagame has been praised for transforming Rwanda into a fast-growing, clean, and digitally ambitious economy. However, critics warn of authoritarian tendencies, suppressed opposition, and centralized decision-making, raising questions about long-term democratic resilience.

Erdoğan's tenure has involved massive infrastructure expansion and middle-class growth. Yet, his consolidation of power has weakened judicial independence and media freedom, prompting concern over democratic backsliding.

Ethiopia's late Prime Minister Meles Zenawi is frequently cited as a model of the "developmental state" leader during his reign of EPRDF No.1. Under his rule, Ethiopia experienced rapid infrastructure expansion and doubled its GDP. PM Meles Zenawi presented himself as both a philosopher-king and a technocrat, asserting that his leadership uniquely fused ideology with implementation.

However, the centralization of power around his person also generated concerns over repression, ethnic tension, and the marginalization of opposition voices - issues that would later contribute to political volatility.

A leadership cult, even when aligned with developmental goals, can undermine institutional checks and balances, reduce transparency in economic planning, concentrate power in informal networks as well as lead to overreliance on a single figure for national vision

In contrast, institutionalized leadership that shares credit, promotes meritocracy, and allows for contestation tends to produce more sustainable developmental outcomes.

To conclude, the quest to assert personal superiority in the realm of national development is a double-edged sword. It may yield impressive statistics and international applause, but it risks cultivating a fragile political ecosystem that depends on one leader's continuity. True leadership in the 21st century should be measured not by how indispensable one becomes, but by how effectively one empowers institutions, decentralizes capacity, and builds an enduring democratic legacy.

AFRICA Is Rewriting the Rules of Clean Power – As It Plays the Game

By Brian Kalero

Africa holds a critical position in the global energy transition – both as a frontier for renewable deployment and as a proving ground for how legal and policy instruments can be used to mobilise capital at scale. The responsibility now facing many African governments is not just to attract investment, but to design the regulatory frameworks that make clean power bankable.

That shift is already visible on the ground.

Zambia, for example, recently took a landmark decision to soften the edges of its long-standing single-electricity buyer model. With the introduction of its Electricity Open Access Framework, the Sub-Saharan nation is empowering independent power producers to generate and sell electricity directly to consumers using the networks of ZESCO (Zambia Electricity Supply Corporation Limited), CEC (Copperbelt Energy Corporation Plc), or NWEC (North-Western Energy Corporation).

The move forms part of a broader policy alignment under Zambia's National Energy Compact, launched in January as a formal pledge to accelerate clean energy deployment. The country is one of 12 African nations to have submitted such compacts under the "Mission 300" initiative, signalling a coordinated wave of regulatory and investment commitments across the continent. Taken together with parallel reforms in grid modernisation, regional interconnection, and procurement design, these measures reflect a quiet but significant shift: Africa's energy transition is no longer being planned in advance – it is being regulated in real time.

And the momentum is building: according to a recent World Economic Forum study, Sub-Saharan Africa recorded the strongest global performance in advancing equity within the energy transition, with 10% growth over the past decade.

But this progress stands against a longer backdrop of policy volatility, which has historically undermined investor confidence in African energy markets—particularly where project horizons stretch across decades. However, several governments are now treating regulatory clarity as a strategic condition for private capital. Tariff reform is emerging in parallel – pushing beyond the binary of cost-reflectivity and affordability toward more commercially viable pricing models.

At the same time, energy systems are becoming more decentralised. As urban and peri-urban consumers disinvest from central grids, distributed solar has gained traction – not only through market dynamics, but through deliberate policy choices by African governments.

The financial architecture underpinning the continent's renewable energy agenda is also evolving.

Regulatory frameworks are beginning to recognise green finance as a distinct category, with central banks in some jurisdictions introducing liquidity support mechanisms or easing constraints for commercial lenders investing in clean power. The terms of access – tenor, pricing, collateral – are slowly becoming more responsive to the realities of energy infrastructure financing.

The shift is uneven, and far from complete, but the trajectory is clear: regulation is being reshaped to absorb risk, mobilise capital, and sustain long-term investment. However, despite the pace of reform and project origination, structural bottlenecks remain embedded.

Chief among them is the persistent misalignment between new generation capacity and the transmission and distribution infrastructure required to deliver that power. Grid investment – particularly in transmission and distribution – has not kept pace with the development of generation assets, resulting in a growing risk of stranded capacity: megawatts that are added but cannot be absorbed, transferred, or distributed reliably due to outdated or insufficient network infrastructure.

What is needed is a more holistic investment paradigm – one that conceives of generation, transmission, and distribution as interdependent elements of a single strategy. In this context, regional power pools and cross-border transmission corridors are foundational, and without them, national grids will remain isolated, economies of scale will be lost, and the full value of renewable generation will remain unrealised.

Africa's positioning as an investment destination is inextricably linked to regulatory coherence and political stability. Investors require not only transparent and durable policy frameworks, but confidence in the macro-political context in which those frameworks are applied. Consistency in national policy, credible tariff trajectories, and the presence of independent regulators remain critical markers of energy project bankability. Where governance is predictable and reform is institutionalised, investment risk becomes measurable – and, with the right structuring and risk mitigation, manageable. Additionally, access to foreign exchange, clarity around repatriation, and the availability of local-currency instruments will materially shape project viability.

Africa's energy transition is not a waiting game. For those with long-term capital and a disciplined risk lens, the opportunity lies not only in unmet demand, but in the growing coherence of the systems built to meet it.

Brian Kalero is Corporate Banking Director, Absa Bank Zambia Plc

Propeller of poverty reduction and common development in the past eighty years

By Yi Fan

Eighty years ago, the United Nations was founded on the promise to "promote social progress" and "better standards of life" for mankind. Since then, poverty reduction and common development have stood as the core missions of the U.N., driving landmark initiatives such as the Millennium Development Goals and the 2030 Agenda for Sustainable Development.

As a founding member of the U.N., China has been a staunch supporter of global development. While lifting 800 million of its population out of poverty and meeting the 2030 Agenda's poverty reduction targets ahead of schedule, China is also committed to common development worldwide, providing substantial support to fellow developing countries.

The philosophy guiding China's actions is straightforward yet profound: The world cannot truly be a better place until all are better off. This vision is precisely what the world needs today to achieve the SDGs and build a better future for all. At a time when some countries tend to pursue their own interests at others' expense and development is increasingly viewed as a zero-sum game, China's story may offer some inspiration.

Helping Others to the Best of Its Ability

Knowing how important development is for a country, China is always willing and ready to reach out to those in need. Its commitment began as early as 1950—when the country itself still struggled for self-sufficiency—and continued to this day. During the early years before reform and opening up of 1978 set off over four decades of rapid domestic growth, China already extended a hand to fellow developing countries.

The Tanzania-Zambia Railway is a telling example. In order to help its African brothers and sisters complete this project crucial to their social and economic development, China did the best it could: From 1970 to 1975, it shipped nearly one million tons of raw materials to Africa, provided zero-interest loans worth RMB988 million yuan, and sent around 50,000 experts and technicians—an extraordinary effort for a country who was itself wrestling with poverty.

This philosophy—helping others to the best of its ability and leaving no one behind—has guided China's actions throughout the years. As China's economy grows, its commitment to common development has become stronger. From 1950 to 2009, China allocated RMB256 billion yuan in development assistance through various channels, and from 2013 to 2018 alone, aid totaled RMB270 billion.

Teaching How to Fish, Rather than just Giving Fish

From its own battle against extreme poverty, China learned an important lesson: sustained growth requires internal drivers. Therefore, beyond direct assistance, China prioritizes empowering development partners through technology promotion, infrastructure construction and talent cultivation, laying solid foundations for self-reliant development.

Since 1979, China has sent over 1,100 agricultural experts to more than 40 countries to share its hybrid rice breeding technology, which significantly boosted local yields and food security. China also assisted other developing countries in infrastructure, the backbone of economic and social development. In Africa, for instance, China has supported more than 6,000 kilometers of railway, over 6,000 kilometers of highway, and 80-plus large power facilities.

At the High-Level Roundtable on South-South Cooperation co-hosted by China and the U.N., President Xi Jinping announced the establishment of the Institute of South-South Cooperation and Development, an organization dedicated to cultivating governance talent for developing countries. So far, more than 400 students from some 70 developing countries have graduated from this institute, returning home well equipped to drive local development.

A True Brother Treating All as Equals

In the 1960s, the late Chinese Premier Zhou Enlai proposed eight principles for China's foreign assistance, which center on no political conditions attached, equality, and mutual benefit. Over the years, China has matched its words with actions.

Unlike some Western donors, China never attaches any political conditions to its assistance, nor does it seek to impose its own development model on others. It holds that no country's sovereignty and independence should ever be compromised, regardless of the country's strength or wealth.

True to its belief that development should be a common cause demanding collective efforts, China seeks no selfish gains through its aid. Of the RMB270 billion yuan in its development aid, nearly half is in the form of unconditional grants, the remainder being zero-interest or concessional loans. Through these programs, China is able to truly support many developing partners in overcoming poverty and advancing sustainable growth.

Ending poverty in all its forms everywhere comes first in the U.N. 2030 Agenda. For eight decades, China has not only championed this mission but emerged as a genuine propeller of global poverty reduction and common development. China will continue to press ahead down this road, yet for the world to truly be a better place, all countries need to pitch in, let go of zero-sum thinking, and embrace cooperation grounded in equality and good faith.

Yi Fan is a Beijing-based political commentator

Entrepreneur PROFILE:

RESUME

Name: Hunduma Atomsa

Education: BSc in Computer Engineering

Company name: Hearty Engineer PLC

Title: Co-founder & Chief Finance Officer (CFO)

Founded in: 2022

What it does: Provides livestock health monitoring for early disease detection

Hq: Addis Ababa

Number of Employees: 3

STARTUP CAPITAL

100,000 ETB

CURRENT CAPITAL

500,000 ETB

BIG PICTURE

Reason for starting the Business: To solve the problem of health monitoring in livestock

Biggest perk of ownership: Freedom to innovate and make impactful decisions

Biggest strength: I can agree with everyone as he/she is

Biggest challenge: Access to funding and integrating technology in rural areas

Plan: Scale the product across Ethiopia and East Africa, integrate mobile diagnostics

First career: Call Center Agent

PERSONAL

Most interested in meeting: *Visionary AgriTech investors and innovation leaders in livestock health*

Most admired person: *Pro. Gabisa Ejeta*

Stress reducer: Walking and listening music

Favorite pastime: None

Favorite book: The Count of Monte Cristo

Favorite destination: The Netherlands

Favorite automobile: Tesla

DAILY EXCHANGE RATE

June 27, 2025

Commercial Bank of Ethiopia

CURRENCY	BUYING	SELLING
US DOLLAR	131.5086	134.1388
POUND STERLING	174.4955	177.9854
EURO	149.8277	152.8243
SWISS FRANK	156.9823	160.122
SWEDISH KRONER	13.4396	13.7084
NORWEGIAN KRONER	12.8108	13.0671
DANISH KRONER	19.7202	20.1146
JAPANIS YEN	0.8912	0.909
CANADIAN DOLLAR	94.2697	96.1551
SAUDI RIYAL	35.069	35.7703
UAE DIRHAM	35.809	36.5252


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Real Estate
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GurdSholla Century Mall Ground floor #15
Atlas Century Executive Tower Ground & 1st floor
Brass Century Addis Treasure Apartment Ground floor

ዳሸን ባንክ
Dashen Bank

ለዳሸን ባንክ አ.ማ. ባለአክሲዮኖች በሙሉ

የዳሸን ባንክ አ.ማ. ባለአክሲዮኖች 27ኛ (ሃያ ሰባተኛ አስቸኳይ) ጠቅላላ ጉባዔ ሐምሌ 17 ቀን 2017 ዓ.ም. ከጠዋቱ 2፡00 ሰዓት ጀምሮ በሚሊኒየም አዳራሽ ስለሚካሄድ ባለአክሲዮኖች ወይም ወኪሎቻቸው በተጠቀሰው ቀን፤ ሰዓት እና ቦታ በስብሰባው ላይ እንዲገኙ የዳይሬክተሮች ቦርድ ጥሪውን ያቀርባል፡፡

የአክሲዮን ማኅበሩ ስም	ዳሸን ባንክ አ.ማ.
የአክሲዮን ማኅበሩ ዓይነት	የባንክ ሥራ ውስጥ የተሰማራ የአክሲዮን ማኅበር
የአክሲዮን ማኅበሩ የተከፈለ ዋና ገንዘብ	14,336,972,000.00
የአክሲዮን ማኅበሩ የምዝገባ ቁጥር	04/2/01821/88
የአክሲዮን ማኅበሩ ድረ-ገፅ	www.dashenbanksc.com
የአክሲዮን ማኅበሩ ዋና መሥሪያ ቤት የሚገኝበት ቦታ	አዲስ አበባ ፣ ልደታ ክ/ከተማ፣ ወረዳ 09፣ የቤት ቁጥር አዲስ

የአስቸኳይ ጠቅላላ ጉባኤ አጀንዳዎች

1. ድምፅ ቆጣሪዎችን መሰየም

2. ምዕላተ ጉባዔውን ማረጋገጥ

3. የጉባዔውን አጀንዳ ማፅደቅ

4. የዳሸን ባንክ አ.ማ. የመመስረቻ ፅሑፍ እና መተዳደሪያ ደንብን ስለማሻሻል፤

5. በ22ኛው አስቸኳይ የባንኩ ባለአክሲዮኖች የጠቅላላ ጉባዔ ውሳኔ መሠረት የተደረገውን የካፒታል ጭማሪ ተከትሎ በውርስ እና በሽያጭ የተላለፉ አክሲዮኖችን በተመለከተ ተወያይቶ ማፅደቅ፤

6. ጥቅምት 5 ቀን 2017 ዓ.ም. በ26ኛው አስቸኳይ የባንኩ ባለአክሲዮኖች ጠቅላላ ጉባዔ ላይ የባንኩን ካፒታል ማሳደግን አስመልክቶ የተሰጠውን ውሳኔ በከፊል ሰለማሻሻል፤

7. የጉባዔውን ቃለ ጉባዔ ማፅደቅ

ማሳሰቢያ

• በጉባዔው ላይ በግንባር መገኘት የማይችሉ ከሆነ ከኢትዮጵያ ብሔራዊ ባንክ ፊት ለፊት በሚገኘው የዳሸን ባንክ ዋና መሥሪያ ቤት 14ኛ ፎቅ የቦርድ ፅ/ቤት በመቅረብ የውክልና ቅፅ በመሙላት ከስብሰባው ከሶስት ቀን በፊት ማቅረብ የሚችሉ መሆኑን በአክብሮት እናሳውቃለን፡፡

• በባንኩ ዋና መሥሪያ ቤት ቀርባችሁ ውክልና የምትሰጡም ሆነ በጉባዔው በአካል የምትገኙ ባለአክሲዮኖች ማንነታችሁን የሚያሳይ የታደሰ መታወቂያ ወይም ፓስፖርት ዋናውን እና ኮፒ ይዛችሁ እንድትቀርቡ እንዲሁም በውልና ማስረጃ የተረጋገጠ ሕጋዊ ውክልና ይዛችሁ ለምትቀርቡ ተወካዮች የወካያችሁን ማንነት የሚያሳይ የታደሰ መታወቂያ ወይም ፓስፖርት ኮፒ ይዛችሁ እንድትቀርቡ እናሳስባለን፡፡

• በውል አዋዋይ የተረጋገጠ የውክልና ማስረጃ የያዘ ተወካይ ዋና ማስረጃውን እና ኮፒውን ይዞ በመቅረብ በስብሰባው ላይ መሳተፍ ይችላል፡፡

• በኢትዮጵያ የካፒታል ገበያ ሕግ መሠረት አክሲዮኖችን በኤሌክትሮኒክስ የምዝገባ ሥርዓት ለመመዝገብ የፋይዳ (ብሔራዊ መታወቂያ) ስለሚያስፈልግ በዕለቱ ሁሉም ባለአክሲዮኖች የፋይዳ መታወቂያችሁን ይዛችሁ በስብሰባው እንድትገኙ እናሳስባለን፡፡

• በተራ ቁጥር (4) ላይ የተጠቀሰውን የመመስረቻ ፅሑፍ እና የመተዳደሪያ ደንብ ማሻሻያን በተመለከተ የተዘጋጀውን ሠነድ ከባንኩ ድረ-ገፅ (www.dashenbanksc.com) ላይ ወይም በዳሸን ባንክ ዋና መሥሪያ ቤት 14ኛ ፎቅ ላይ ከሚገኘው የቦርድ ፅሕፈት ቤት በአካል በመቅረብ ማግኘት ይቻላል፡፡

የዳይሬክተሮች ቦርድ
ዳሸን ባንክ አ.ማ.

INTERVIEW

For more than a century, the Mohan family has been a fixture in Ethiopia's business landscape, tracing its roots back to the arrival of Mayur Suryakant Kothari's grandfather in 1915. Now leading Mohan Group of Companies as CEO, Harsh Kothari represents the fourth generation of his Indian-Ethiopian family, guiding the company through an era of historic economic transformation. With academic credentials from the University of the West of England and the University of Warwick, Harsh Kothari brings both legacy and global perspective to the challenges and opportunities facing Ethiopia today.

In this interview with Capital, Harsh Kothari discusses the sweeping economic reforms reshaping Ethiopia, the prospects and pitfalls of opening the market to international players, and the evolving role of local businesses in a rapidly integrating global economy. Drawing on his family's deep history and his own experience at the helm of a diversified enterprise, Harsh Kothari offers candid insights into the country's economic trajectory and the resilience required to thrive in times of change.

PHOTO: Anteneh Akllu

GENERATIONAL VISION

Capital: How do you evaluate the evolution of the Ethiopian economy, particularly in light of the ongoing massive reforms?

Harsh Kothari: We are witnessing countless reforms, but some of the most significant include the revision of the commercial code, the introduction of a capital market, the liberalization of the telecom and banking sectors, a major and historical foreign currency reform, and the establishment of free trade zones. These changes are historic and will provide substantial advantages for the country.

Additionally, operational practices are shifting toward digital interfaces, making the environment more conducive for youth and incoming investors. Recently, a new directive was issued allowing foreign direct investment (FDI) in retail and wholesale trade. This signals Ethiopia's integration into the global economy, enabling it to compete internationally. The global market is now becoming our market.

These reforms will significantly benefit both existing and new businesses, boosting trade and investment activities.

Capital: The government recently introduced incentives for FDIs in free trade zones and industrial parks, including duty-free schemes. What are your thoughts on this?

Harsh Kothari: We are the first to operate in the Dire Dawa Free Trade Zone, which is a groundbreaking concept. Free trade zones operate outside standard government regulations, allowing goods to enter without the usual customs processes. Duties and other formalities only apply when goods leave the zone.

As a nation, we have faced long delays at ports, costing the country between USD 1 billion to USD 1.5 billion annually in demurrage and warehousing fees directly or indirectly. Accelerating the development the Dire Dawa Free Trade Zone, could help us save these costs. For context, Djibouti's free trade zones exported USD 5.5 billion last year, with 95% of those exports destined for Ethiopia. This shows that Ethiopia could similarly become a trading hub if we develop our own zones effectively.

Free trade zones also benefit exports. Once goods enter the Dire Dawa Free Trade Zone, they are considered exported, reducing lead times and streamlining transactions.

Another major opportunity is merchant trading, where we can facilitate exports between other countries without the goods ever entering Ethiopia. For example, if goods are in China and the market is in Nigeria, we can handle the transaction and documentation from Ethiopia, effectively becoming a financial hub. This is a transformative shift—Ethiopia doesn't have to rely solely on its own resources to be an exporter.

The capital market will also provide citizens with diverse investment opportunities, boosting economic activity and enabling businesses to scale up and compete globally. The Free Trade Zone is expected to reduce inefficiencies, increase supply, and help manage inflation.

Capital: Given that these reforms open Ethiopia to global competition, some worry that local businesses may struggle against more experienced international players. How do you respond?

Harsh Kothari: I believe we can compete. When FDI was first introduced, there were concerns about local manufacturers being overshadowed, but instead, both local and foreign investors expanded their operations.

Ethiopia's manufacturing and infrastructure base is relatively strong compared to many African nations. We have thriving cement, steel, and footwear industries, while sectors like chemicals and mining are emerging. Our clean energy potential is enormous, and we are making strides in technology and banking.

Our labor force is another advantage—Ethiopian youth are hardworking, trainable, disciplined, and eager to contribute to national development. With financial sector liberalization, we now have access to global financial tools, further enhancing our competitiveness.

Yes, there is a learning curve, but we have the capacity to adapt and thrive.

Capital: Some experts argue that foreign investors, including in banking, may not enter Ethiopia as expected. What is your perspective?

Harsh Kothari: I am of the opinion that investors will come. The government has laid the groundwork by improving laws and inviting foreign participation. The market is still assessing the changes, but interest is growing.

I have personally met with four foreign banks exploring opportunities in Ethiopia. Their primary concern is market maturity, but this will develop over time. Two decades ago, skeptics doubted large-scale investments in Ethiopian industries, yet today, global players in footwear, chemicals, and other sectors are operating here. The same will happen in banking, retail, and trade; foreign investors are evaluating the landscape before entering.

Capital: The IMF recommends maintaining tight monetary policies while easing restrictions on bank financing for the private sector. Do you think this will attract foreign banks?

Harsh Kothari: Yes. A disciplined financial sector ensures stability, limits inflation, and ensures that credit goes to viable businesses. This creates a more attractive environment for investors. I advise the business community to embrace modern practices so that it is easier to transition to a globalized market.

Capital: Your family has been in Ethiopia for over a century, witnessing periods of openness and restrictions. How do you compare past economic policies with the current reforms?

Harsh Kothari: My great-grandfather came to Ethiopia as an employee but later started his own business. The business continued through generations until it was halted during the socialist era. My father, Mr. Mayur Kothari revived it and transformed it, and I now manage it. My father called the group, 'Mohan' in loving memory of his father (my grandfather).

However, today's business landscape is vastly different. Trade is now interconnected with services, technology, and a more complex ecosystem. I envision Ethiopia leapfrogging into a modern, globally integrated economy.

Capital: What are your primary business ventures?

Harsh Kothari: We operate in multiple sectors, polymer compounds, which are essential inputs for over 300 industries, such as packaging, footwear, and cables. We also engage in value-added manufacturing, producing rubber sheets and various footwear (including leather shoes, canvas shoes, flip-flops, safety and industrial shoes), contributing to import substitution. We have a small nail and barbed wire factory in the steel sector. Of course, we are also in the trading business.

Additionally, we operate in the Dire Dawa Free Trade Zone, expanding into trading with key logistic advantages that come with the location and associated incentives provided by the Government.

Capital: How do you assess the progress of Ethiopia's manufacturing sector?

Harsh Kothari: It is growing, but I personally feel that it could've grown at a much faster pace. A Goldman Sachs report predicts Ethiopia could become the world's 17th-largest economy by 2075, with a GDP of USD 6 trillion. Achieving this requires relentless effort from all stakeholders. It is crucial to identify and streamline the challenges and impediments that hamper the rapid growth of the Ethiopian manufacturing sector.

Capital: Some fear Ethiopia's economy is heading for a crash due to slowdowns in finance and real estate. What is your assessment?

Harsh Kothari: "Crash" is a dramatic term; I see this as a market correction. Healthy economies experience cycles of growth and adjustment.

I believe the current corrections in the financial and real estate sectors are natural and necessary. A healthy market experiences fluctuations—prices cannot keep rising indefinitely without periodic adjustments. Whether it's real estate, equity and shares, or any other commodity, price movements reflect market responsiveness to reality. When money supply tightens, spending naturally slows. As prices decline, buyers re-enter the market, gradually driving growth again. This cyclical correction is inherent in free-market economies.

About four years ago, bank loans and real estate were booming. Many people took out loans to buy land, houses, or build factories. While some investments were productive, most were not. There was a widespread belief that land alone would appreciate in value without contributing to actual productivity. However, sustainable growth requires investment in productive assets—those that generate or expand economic activity.

Now, the market is correcting these imbalances. Money tied up in unproductive assets is being reallocated, while productive investments continue to grow. There was a significant gap between rental income and interest rates with investors hoping that the real estate curve will continue to rise at a constant rate (or above), creating a negative return against capital on real estate vis a vis bank interest rates—a gap that made real estate artificially attractive yet unsustainable. Now, rents and interest rates are adjusting, and real estate prices are stabilizing.

At the same time, bank lending has tightened, making credit less accessible than before. I see this as a positive development because the market is self-regulating. Banks are becoming more cautious, and the private sector is being pushed toward smarter, more sustainable investments.

The upcoming capital market will also provide new opportunities, diversifying investment channels so that resources aren't concentrated in just a few sectors. This is a correction—not a crash—and it's a normal part of any economy. The U.S. saw major corrections in 2008 and more recently in certain stocks and commodities. India has experienced multiple cycles of ups and downs as well.

Economic corrections vary in scale—sometimes affecting specific cities, other times having global repercussions. The magnitude differs, but the principle remains the same: markets must adjust to remain healthy.

Overall, this is a good sign. The economy is rebalancing, and the market is steering itself toward more rational and sustainable growth.

PHOTO: Anteneh Akilu

United Nations
Economic Commission for Africa

INVITATION TO BID

Sale of Obsolete Stationary Materials and Scrap Metals.

REF. PRO32-3-674 -PMU/25-13-1

The United Nations Economic Commission for Africa (UNECA) invites interested bidders to participate in a closed bid exercise for the Sale of obsolete Stationary Materials and Scrap Metals.

The bid is to be sold "as is, where is" without recourse to warranties of any kind. Bid with some information will be available from **16 June 2025 – 08 July 2025** on UN working hours and days from Monday to Thursday morning time between **9:00 AM to 12:30 PM** afternoon time **15:00 PM to 17:00 PM and on Friday 9:00 AM to 13:00 PM.**

For any queries regarding this bid, please contact the Bid Officer, Tel. **0115445163** extensions **(35163).**

For physical inspection purposes, please contact the Inventory Control Unit of ECA in person or by telephone at **0115-443115**, extension **33115.**

Physical inspections will be conducted on **June 16, 18, 20, 23, 25, 27, 30, and July 2, 4, and 7, between 9:00 AM and 12:30 PM.**

Interested bidders may collect the bid document from the Procurement Unit, in Room no. NG.4S.03 of its Secretariat Building (Niger) 4th floor in the ECA compound at Addis Ababa, Ethiopia, during working hours, starting from **16 June 2025 – 08 July2025** from Monday to Thursday morning time between **9:00 AM to 12:30 PM** afternoon time **15:00 PM to 17:00 PM** and on **Friday 9:00 AM to 13:00 PM** on UN working hours and days only.

The closing date of the bid submission will be on **08 July 2025 at 16:00 PM**, and the opening will be on **10 July 2025 at 10:00AM.** No Proposal shall be received after this deadline.

Please deposit Birr 200 in United Nations Economic Commission for Africa (UNECA) account No **1000090977858** and collect bid document from Supply Chain Management Section Procurement unit **4th floor Room No. NG.4S.03.**

Bidders will be expected to submit a bid bond of 10% of the total bid amount in the form of CPO as a guarantee to participate in closed bid exercise.

The 10% Bid bond will not be returned to the awarded bidder who failed to collect his/her award. Submission of bid on the basis of another bid is strictly prohibited. The Economic Commission for Africa reserves the right to reject any or all proposals received whenever such rejection is in the interest of the organization.

A.25-00661 (E)

ኒያላ ኢንሹራንስ አ.ማ
Nyala Insurance s.c

ለኒያላ ኢንሹራንስ አክሲዮን ማህበር ባለአክሲዮኖች በሙሉ ዕጩ የዳይሬክተሮች ቦርድ አባላት ጥቆማ ለመቀበል የወጣ ማስታወቂያ

የኢትዮጵያ ብሔራዊ ባንክ የኩባንያውን የዳይሬክተሮች ቦርድ አባላት ጥቆማ እና ምርጫ በአስመራጭ ኮሚቴ አማካኝነት እንዲከናወን በደነገገው መሰረት የኒያላ ኢንሹራንስ አ.ማ. ባለአክሲዮኖች ኅዳር 17 ቀን 2017 ዓ.ም. ባካሄዱት 30ኛ መደበኛ ስብሰባ በ2018 ዓ.ም. ለሚመረጠው ቦርድ 5 አባላት ያለው የቦርድ አስመራጭ ኮሚቴ መምረጣቸው ይታወሳል።

በዚሁ መሰረት ኮሚቴው ዕጩ የቦርድ አባላትን ጥቆማ ከሰኔ 22 ቀን 2017 ዓ.ም እስከ መስከረም 22 ቀን 2018 ዓ.ም. ብቻ የሚቀበል ስለሆነ በኢትዮጵያ ብሔራዊ ባንክ መመሪያ SIB/32/2012 እና SIB/48/2019 ላይ የተመለከቱ የሚከተሉትን መስፈርቶችን የሚያሟሉ ዕጩ የቦርድ አባላትን እንድትጠቁሙ ጥሪያችንን እናስተላልፋለን።

1. የኩባንያው ባለአክሲዮን የሆነ/ች
2. ከነባር የዳይሬክተሮች ቦርድ አባላት የአገልግሎት ዘመናቸው ያላበቃ
3. የኩባንያው ሰራተኛ ያልሆነ
4. እድሜው 30 ዓመትና ከዚያ በላይ የሆነ/ች
5. በሌላ የፋይናንስ ተቋም የዳይሬክተሮች ቦርድ አባል ያልሆነ/ች
6. የትምህርት ደረጃ፡
   ሀ) ቢያንስ 75% የሚሆኑት የመጀመሪያ ዲግሪ ያላቸው
   ለ) የቀሩት 25% ቢያንስ 2ኛ ደረጃ ትምህርት ያጠናቀቁ መሆን አለባቸው።
7. የእምነት ማጉደል ወይም የማጭበርበር ተግባር ያልፈጸመ/ች፤ ለፋይናንሻል ተቋማትና ለተቆጣጣሪ አካል ሀሰተኛ መረጃ ያልሰጠ/ች፣ ስነ ምግባር ደንቦችን ባለማክበር የስነ-ስርአት እርመጃ ያልተወደበት/ባት፣ በሙስና ወንጀል ተከሶ ያልተፈረደበት/ባት እና ከመምረጥ መብት ያልተገደበ/ች
8. በንግድ ስራና በንግድ ስራ አስተዳደር በተለይም በኢንሹራንስ ዘርፍ የስራ ልምድ ያለው/ያላት (ቢሆን ይመረጣል)
9. በራሱ ወይም በሚመራው ወይም ዳይሬክተር በሆነበት ድርጅት ላይ የመክሰር ክስ ያልቀረበበት/ባት ወይም የኪሳራ ውሳኔ ያልተሰጠበት/ባት
10. በኪሳራ ምክንያት ንብረቱ ለእዳ ማቻቻያ ያልተወሰደበት/ባት
11. በታክስ ማጭበርበር ወንጀል ተከሶ ጥፋተኛ ያልተባለ/ች
12. የሚመራው/የምትመራው ወይም ዳይሬክተር የሆነበት/የሆነችበት ድርጅት ከገንዘብ ተቋማት የተበደረውን ገንዘብ ባለመክፈሉ ብድሩ ወደ ጤናማ ያልሆነ የብድር ደረጃ ያልዞረበት/ባት
13. የባንክ ብድር ባለመክፈሉ/ሏ ምክንያት ንብረቱ/ቷ በሀራጅ ያልተሸጠ
14. ሌሎች በመመሪያዎች የተገለጹ መስፈርቶችን የሚያሟሉ መሆን አለባቸው።

የእጩ አባላት ተጠቋሚዎች ብዛት 18 ሲሆን ከእነዚህ መካከል 1/3ኛው ማለትም 6 እጩዎች በኩባንያው ውስጥ ያላቸው የአክሲዮን ይዞታ ከ2% በታች በሆኑ ወይም ተጽእኖ ፈጣሪ ባልሆኑ ባለአክሲዮኖች የሚጠቆሙና የሚመረጡ ሲሆን ቀሪዎቹ 12ቱ ደግሞ በሁሉም ባለአክሲዮኖች የሚጠቆሙና የሚመረጡ ይሆናሉ።

ማሳሰቢያ፡-

በአግባቡ የተሞላውን የጥቆማ ቅጽ በቀጥታ ዋና መ/ቤት ማድረስ፣ ወይም በመ/ሳ/ቁ 12753 አዲስ አበባ ወይም በፋክስ ቁጥር 011-6-626706 ወይም በኢ-ሜይል **nisco@nyalainsurance.com** ወይም **nisco@ethionet.et** በተሰጠው የጊዜ ገደብ መላክ ይቻላል።

የዳይሬክተሮች ቦርድ አስመራጭ ኮሚቴ

A Young Volunteer from Barcelona Brings Hope to Ethiopian Children

14-year-old Alisa Perekopskaya, a passionate and determined student from Barcelona, has embarked on a remarkable journey to Ethiopia this summer to volunteer her time and energy to children affected by cancer.

Born in Saint Petersburg, Russia, Alisa moved to Spain at a young age and now studies at a British international school in Barcelona. Over the years, she has developed a deep love for Africa — having visited more than 15 countries across the continent — and this year, she decided to turn that connection into meaningful action.

In Addis Ababa, Ethiopia's capital, Alisa found a local children's center willing to welcome her as a volunteer. There, she will teach basic English and spend time supporting children undergoing cancer treatment, offering not only language lessons but also warmth, kindness, and encouragement.

Alisa didn't come empty-handed. She mobilized support from friends and well-wishers across several countries to raise donations, which will be used to improve care and facilities at the center. She also brought along a selection of essential medicines to help meet the children's treatment needs.

Her interest in oncology is both personal and academic. Alisa has been independently studying cancer types and current treatment innovations, speaking with scientists, and exploring how emerging technologies can be used to fight the disease. She sees this mission as the beginning of a lifelong commitment to helping others, especially those battling serious illness.

Ethiopian-American Author Aster Mohamed Shares Inspiring Journey in New Memoir

A new memoir by Ethiopian-American educator and community leader Aster Bato Mohamed is touching hearts and inspiring readers with its powerful message of faith, resilience, and hope. Titled "The Joy of Walking by Faith," the book chronicles Mohamed's remarkable journey from a humble village in Ethiopia to becoming an influential figure in the United States.

Aster Mohamed's story is deeply intertwined with her family, particularly her eldest brother, who raised her after their parents' passing. In a heartfelt dedication, Mohamed credits her brother's unwavering Christian faith and guidance as the foundation for her own spiritual journey. "He was an example of walking by faith for the villagers as well as for the missionaries," she writes.

Growing up as the youngest of six siblings in Aira village, Mohamed faced both love and hardship. She candidly recounts her experiences with traditional practices, including the pain and stigma of female circumcision, and the challenges of accessing education. Despite these obstacles, Mohamed's determination and faith propelled her forward.

Her journey took her from rural Ethiopia to the United States, where she learned new languages, assimilated into a different culture, and eventually became an educator in one of the nation's largest school systems. Along the way, she became a community activist, church leader, and advocate for safe schools.

Mohamed's motivation to write her memoir stemmed from a desire to leave a legacy for her children and grandchildren, and to offer comfort to immigrants and others facing adversity. Inspired by former President Barack Obama's memoir and encouraged by friends and writing groups, Mohamed overcame her own reluctance to share painful personal stories, including those considered taboo in her culture.

Her perseverance paid off, as she found support from fellow writers and editors who helped her refine her manuscript. The memoir also features journal entries from her late brother, adding a deeply personal dimension to her narrative.

At its core, "The Joy of Walking by Faith" is a testament to the power of faith, family, and community. Mohamed encourages readers to seek out mentors and supporters who can help them reach their full potential, regardless of their background or circumstances.

As Mohamed writes, "When fear knocks at your door, send faith to answer it, and you will find that there is no one there." Her story stands as an inspiration not only to Ethiopians and immigrants but to anyone striving to overcome life's challenges through faith and perseverance.

"The Joy of Walking by Faith" is now available for readers seeking a moving account of courage, cultural identity, and the enduring strength of the human spirit.

HOT MUSIC TABLE

JUNE 19 - JUNE 25, 2025

HOTTEST ARTISTS

RANK	ARTIST	RADIO	TV	TOTAL PLAY
1	Dawit Tsige	105	36	141
2	Neway Debebe	92	6	98
3	Veronica Adane	46	35	81
4	Bisrat Surafel	70	8	78
5	Kuku Sebsibe	74	2	76
6	Abdu Kiar	57	16	73
6	Michael Belayneh	61	12	73
7	Dawit Mellesse	67	0	67
8	Tsegaye Eshetu	56	4	60
9	Hibist Tiruneh	22	31	53
10	YEMa	36	16	52

HOTTEST TRACKS

RANK	TRACK	ARTIST	RADIO	TV	TOTAL PLAY
1	Yelebe	Haleluya Tekletsadik	37	14	51
2	Zemedye	Hibist Tiruneh	14	28	42
3	Dejazmach	Kuku Sebsibe	37	2	39
4	Men Aseba New	Bisrat Surafel	26	8	34
5	Sewedelat	Madingo Afework	26	6	32
6	Elakani	RAHEL HAILE	9	22	31
6	Zim	Mahlet Wendimu	18	13	31
6	Gen Yet Hager	Girma Teferakassa	27	4	31
7	Dar Dar	Dawit Tsige	25	4	29
8	Che Che	Bisrat Surafel & Millen Hailu	18	10	28
9	DAMMEE	IBIDDO GALAAN	3	23	26
9	Demama	Dawit Tsige	17	9	26
9	Wey Hager	Yirdaw Tenaw	10	16	26
10	Seb Rehibe	Kaleab Kinfe	0	25	25
10	Le'elte	Kal Kin	10	15	25

THIS DATA IS GATHERED BY A 24/7 AUTOMATED RECORDING & ANALYZING AII SYSTEM FROM 35 TV & RADIO STATIONS. THERE WERE MORETHAN 5,792 TOTAL MUSIC PLAYS ACROSS THE BROADCAST MEDIUM FOR THIS WEEK.

BROUGHT TO YOU BY - OMNIMEDIA ETHIOPIA

Society

By Tesfu Telahoun

The Digital Economic Vehicle

By Gezachew Wolde

On digital platforms, the rulebook seems to give free way for many online shops to multiply unseen without tread license. Digital platforms play book lowers the gate for business entry. Though free licence tread isn't not a new thing on commercial line, it is not equivalent to the way e-commerce platform flaunt taking it as free offerings leverage for growth hook. The digital world has accelerated free licence business beyond the level of history record.

However, it is true that free license business "concept" has roots with older informal economies like street vendors, gullet chercharies (spot sellers a designated market field), Sunday (weekend) market stalls and local service providers at different corners who've long operated outside formal systems.

Nonetheless, online digital platforms have of course lowered the gate to business entry. This make it so much easy for anyone having cell-phone to exchange product, service, or any bold items to launch without the red tape like licence requirement. The shift from traditional infrastructure need to the skill required in manipulating digital information highlights the new normal.

Somebody can easily operate without a formal license. This might feel like freedom that bypass traditional licence related funnels especially in emerging e-markets where regulation can be regarded as unduly pinching slow moving or bureaucratic. It's like trading old rulebook for a running free start. Such license-free business operators often feels free of barriers, to speeds up business, and let go entrepreneurial ideas hit the ground easily.

These days, E-markets in Ethiopia and other area are booming driven by digital transformation, mobile money, and a surge in local innovation. Just with a smartphone and internet or Wi-Fi access, someone can open a shop, to reach a global audience, and start earning with no permit, or storefront requirements. This is a critical shift in entrepreneurship.

However, this ease of business entry, shifts the competitive environment to complex battleground. It really creates a tricky business landscape contrary to fair competition platform where some players indulge in foul play offsite and others abide by the rules within the normal play field.

Instagram shops, TikTok live sales, and WhatsApp catalogues let anyone bypass physical inspections or business licenses requirements and inspection for some period. A seller in Addis can ship to Miami without legally registering a company—until payment processors (PayPal, Stripe) flag "suspicious activity." Sometimes they don't even worry about the payment transaction as it may pass under the crypt currency like networks. But once the system notices these foul payers, formalization is no longer an option—it's a matter of survival or otherwise.

Actually the game rule hasn't changed officially but ''operate informally until forced to formalize" is a hidden digital business players motto that amplify opportunity in the game they are playing. This is a show case how the gritty edge of innovation often may outpaces regulation.

The "Free License Trade" – from street markets to TikTok like shops where many operate quietly, till tax radar put them in the regulation light is rampant to day. Governments often turned a blind eye until scale of transaction or the grumble from other side draw attention.

For some, it's a lifeline; for others, it's strategic. The most successful players on digital platforms operate by a different set of rules compared to traditional marketing. The winners in the game are the ones who know how to smartly play with the new rule. They optimize until some benefit size and gamble till the other side knew and come with tax regulation order.

Side hustles and full-time ventures now coexist on the same platforms, with formal and informal sellers competing for the same business attention. This decentralized, low-business gate model empowers millions—but it also challenges traditional systems of regulation, taxation, and labour protection.

The game is faster, more dynamic, and often thrives on authenticity, virility, and direct engagement rather than traditional trade ground rule of licence. Here's how the new rules work in the untaxed wild beast of social media marketing,

A digital platforms resemble a kind of anarchy in attention seeking. Here, the cleverness trumps legacy and raw authenticity. It takes to choose the Right Platform(s): Instagram – Best for visually appealing products, lifestyle branding, and influencer collaborations. TikTok – Ideal for viral short-form videos, trends, and engaging younger audiences. Facebook – great for broader reach, community building (groups), and detailed ad targeting.

Platforms like TikTok, Instagram, and Telegram let you monetize overnight—with no business license, storefront, or even a website needed. The "Fake It till tax make It" advantage. may skip compliance cost for some period. But this may or may not be a long term play.

Digital platforms have unlocked enormous economic potential, but the rules of the game creates an uneven playing field. Digital Sellers Operate in a Regulatory Gray Zone. Digital Platforms Enable "Shadow Scaling": TikTok, Instagram, and Telegram let sellers monetize without business licenses, while payment processors (PayPal, Venmo) often don't enforce tax reporting until known thresholds are breached.

This difference has it's double-edged sword to dissect the business atmosphere. Some are forced to go by traditional tax rule and some to run business on tax free line. Traditional businesses carry the weight of compliance costs, licenses, and audits. But digital sellers can scale quickly, but often without legal control or tax line even may be for long-term.

The rapid growth of digital commerce has exposed a fundamental mismatch between outdated tax systems and today's borderless, platform-driven economy. While digital businesses thrive with minimal compliance less burdens, traditional businesses bear disproportionate regulatory costs—that creates an uneven playing field that distorts competition, erodes tax bases, and undermines fair standards.

This disparity doesn't just affect tax revenue alone, it reshapes competition, labour protections, and even consumer trust. Therefore, it shows the serious need for a new tax code design to create level ground in business atmosphere.

Thus, the need for zeroing the tension between traditional and digital business tread is critical. The wide dividing wall between the formal and informal players should be broken with new tax code designed to create level ground.

The "Fake It till tax make it" dynamic should not be the rule of the game. The reality of today's business competition, where digital acceleration has outpaced traditional business in some sector necessitates the need for setting a new norm to level the game area. One cannot ignore the need to act fast to avoid this undulation on business road. The goal isn't to punish digital innovation but to align rules with economic reality.

The traditional commercial code, anchored with the pre-digital presumption cannot serve, to provide equal ground for applicability in the new normal around business triangle. Those who can scale and profit while skating with digital economy unseen by the regulatory tax radar certainly benefit more. Lessons can be taken from digital tax tools practice in many areas including in free zones (e.g., Dubai's DIFC). Otherwise it is like forcing horses and cars to race on the same track.

Such rules facilitate for inclusion of digital transaction compliance with reporting and disclosure requirements. Digital assets need to be evaluated under some regulatory frameworks as traditional securities, ensuring transparency and adherence to established national financial tax practices.

Otherwise, it alters the very fabric of fair competition, risking a system where transparent and compliant players are penalized while the defectors freely swim with no tax. For every business, tax must be fair and must run as an acceptable obligation which allow residents to claim due right as regular citizen of the land. Thus, similar dress code must be given to players in business game. Otherwise, it must be considered as a time bombs when unreported income surface during sudden audit resulting penalties in terms of fines, or even sudden frozen assets.

To bridge the gap between informal and formal economies, incentives for formalization may be applied using like tax breaks or tax holidays as a governmental incentive to temporarily reduces or eliminates taxes for consumers or business enterprises. May be using financial tools, or visibility bonuses for registered digital sellers to encourage micro-digital ecommerce to gradually come on board, into formal obligations as they grow can be implemented. Some jurisdictions offer lower VAT/GST (Goods and Services Tax) rates or income tax holidays for newly registered digital businesses e.g., Italy's temporary DST (Documentary Stamp Tax) exemptions for small sellers may be taken as good attraction of these foul players to come to normal playfield.

Normally storefronts, payroll taxes, and local licensing create fixed costs that digital sellers bypass. Traditional business unit's employees pay tax benefits, while digital platforms classified workers serve at independent contracts. Anyhow reducing barriers to incentivize formalization of small online sellers may be advantageous to pull them to the normal play field.

According to IMF estimates 10-15% of potential tax revenue is lost to digital informality. Man issues disparity in enforcement, tax authorities lag behind. Thus there is a reform for AI-driven audits for high-risk digital income.

Let us save the future economy from digital hype exclusion to the inclusive, fairly competitive, and sustainable platform. Let us not allow the business playground where lawlessness and regulatory gaps flaunt and where only the unregulated win.

Enforcement gaps, especially against offshore digital platforms may push compliant players to go underground. Law-abiding businesses may deregister to compete with untaxed offshore digital rivals. Start-ups may relocate to deregulated zones. Take lesson from others practice. May be allowing tax amnesty or other means for offshore sellers to register without penalties. (e.g., Indonesia's 2023 e-commerce) or extending data sharing platforms like Meta to e-commerce.to add-buyer and seller data with tax authorities may help law enforcement units to exercise smart approach on this line.

Allowing online market operation with little or no restrictions while the rule is heavy for business otherwise could not create level ground for all players in the game. The digital economic vehicle should not go off the road with minimal oversight. Because, if any mechanical failure is encountered in the journey, it may be hard to find suitable garage to maintain the damage and allow safe ride on businesses pavement.

Thank be yours for reading this little piece.

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Somalia's new stock exchange signals push for formal economy

Somalia has launched its first national stock exchange, marking a major shift toward formal capital markets after decades of economic informality. With plans to begin live trading by 2026, the bourse is expected to attract diaspora and foreign investment, support local enterprise, and signal confidence in Somalia's broader reform agenda.

By Bonface Orucho, bird story agency

Somalia has launched its first-ever national stock exchange, signalling a bold step away from decades of instability and toward market-led growth and financial inclusion.

The launch of the National Securities Exchange of Somalia (NSES) is being hailed as a major milestone in the country's journey to rebuild institutions and reframe its image as a frontier of opportunity rather than crisis.

On June 19, the bourse was officially unveiled in Mogadishu, offering a platform for trading equities and Sharia-compliant Sukuk bonds. The exchange is expected to start live trading in early 2026, initially targeting listings from sectors such as banking, telecoms, real estate, and energy.

Speaking during the launch, Somali Prime Minister Hamza Abdi Barre noted that the NSES "marks a new dawn" for Somalia's economy. "We are opening the gates to investment, to entrepreneurship, to progress," he said.

According to Somalia's Finance Minister Bihi Iman Egeh, the exchange will be critical in helping local businesses access capital, while also attracting diaspora and foreign investment into the economy. The move comes as Somalia embarks on broader structural reforms aimed at stabilising and modernising the economy.

"This platform is not just about trading shares. It's about trust, governance, and long-term confidence in Somalia's economic future," said NSES CEO Mohamed Osman Ali.

The NSES launch places Somalia in the company of other Horn of Africa countries like Ethiopia, which inaugurated its own securities exchange, ESX, in mid-2024.

Just this April, Ethio Telecom, Ethiopia's largest telco, completed a record-setting share sale that drew over US$300 million in subscriptions, validating market appetite for well-established state-owned enterprises.

In both countries, stock exchanges are part of wider market liberalisation strategies. Ethiopia has begun privatising state assets and signalling openness to foreign land ownership. Somalia's exchange adds momentum to a similar reform push, coming on the back of macroeconomic achievements like HIPC debt relief and the lifting of decades-old sanctions.

Somalia's business landscape has remained largely informal for years. While the private sector has thrived in pockets, especially in telecommunications and remittances, access to structured capital markets has been nonexistent. The NSES is designed to bridge this gap.

The exchange also hopes to tap into the vast Somali diaspora, whose remittances are estimated to exceed US$1.3 billion annually, according to the World Bank. This is more than the total sum for humanitarian aid to the country, which reaches US$800 million at its highest.

Officials believe the formal platform could redirect a portion of these funds into productive, equity-based investments at home.

Neighboring countries have welcomed the launch. Financial analysts across East Africa have noted the symbolic and practical importance of Somalia's move.

"It's a critical signal to markets across the continent: that economic resilience can emerge even in post-conflict settings," said Clinton Apollo, a Nairobi-based investment strategist.

Frank Mwiti, Chief Executive Officer of the Nairobi Securities Exchange, believes Somalia's steady approach could yield long-term benefits.

"By starting steady and following the right standards, Somalia can unlock real economic potential. This exchange offers everyday people the opportunity to invest, grow, and contribute to a more inclusive and prosperous future," he wrote on LinkedIn.

Pan-African capital markets remain uneven. South Africa and Morocco lead the pack, but exchanges across the continent continue to grapple with low liquidity, shallow investor pools, and weak regulatory enforcement.

Only 14 companies went public across Africa in 2023, raising about US$1.3 billion, according to the African Securities Exchanges Association (ASEA). In comparison, India, another fast-growing economy, had 57 new listings that brought in over US$7 billion during the same period.

According to Jean-Marc Kilolo, Economic Affairs Officer with the Economic Commission for Africa (ECA), strengthening domestic capital markets is "critical for financing Africa's development ambitions."

For companies operating in Somalia, the NSES offers a chance to formalise their operations and raise capital. Officials are targeting listings from at least 10 firms in the next two years, and are currently drafting listing and compliance regulations to guide the onboarding process.

Still, challenges remain. Somalia's financial systems are young, regulatory oversight is still being developed, and political volatility continues to pose reputational risks. Analysts warn that liquidity and investor protection will need close attention if the NSES is to become a trusted exchange.

But in a region where most stock exchanges are struggling to attract new listings, Somalia's entry is seen as ambitious and timely. It may be nascent, but it speaks to a larger transformation taking root in Mogadishu.

"With the new exchange, Somalia is sending a clear message: it is ready to be part of the global financial system, not as a beneficiary of aid but as a participant in investment, innovation, and enterprise," Apollo, the investment strategist, noted.

The latest Somalia Economic Update projects modest medium-term growth, with GDP expected to expand by 3.7% in 2024 and 3.9% in 2025. The outlook reflects ongoing economic reforms and improved investor confidence, supported by rising infrastructure and social sector spending, even as climate shocks continue to constrain overall growth.

Ethiopia to Exploit AfCFTA for New Trade, Economic Opportunities

The Ethiopian government has expressed its keen interest to exploit the African Continental Free Trade Area (AfCFTA) Agreement to boost new economic opportunities, with a view of transforming the country's trade and economic landscape.

The statement was made by Ethiopian Minister of Trade and Regional Integration Kassahun Gofe, while addressing a validation meeting on Ethiopia's National AfCFTA Implementation Strategy, which was jointly organized with the United Nations Economic Commission for Africa (UNECA) on Friday.

The minister said the continental free trade pact has strong potential as it offers Ethiopia and the wider African countries with new economic opportunities by diversifying partnerships, which will ultimately help address the East African country's current "significant trade deficit."

As Ethiopia finalizes its national AfCFTA implementation strategy, Gofe said the strategy is "deeply integrated" with the country's wider development targets, focusing on structural reforms.

"The strategy encompasses bold macroeconomic and structural reforms aimed at enhancing resilience, encouraging private sector-led development, and modernizing our economy in accordance with global best practices," he said.

The Ethiopian government is taking efforts to open up the country's economic landscape so as to leverage intra-African trade opportunities through the effective implementation of the AfCFTA, according to the ministry.

The AfCFTA, a flagship initiative of the African Union's Agenda 2063, aims to create the world's largest free trade area in terms of the number of participating countries.

Since its entry into force in 2019, a total of 47 African countries, including Ethiopia, have ratified the AfCFTA.

With a market comprising 1.4 billion people and a combined gross domestic product of 3.4 trillion U.S. dollars, the AfCFTA seeks to boost intra-African trade by eliminating trade barriers, particularly for value-added goods.

The agreement has the potential to generate jobs, create regional value chains, attract investment, and stimulate economic development across Africa, according to the UNECA.

CFTAnow

PACCI is the lead business organization with members in over 50 countries of the continent representing the interests of businesses and industry associations of every size and sector. PACCI operates as Africa's voice of business, advocating for pro-business policies that create jobs, growth and prosperity.

PACCI Pan African Chamber of Commerce and Industry

Ethiopia Conducts Last Validation Workshop on Implementation of AfCFTA

The last validation workshop of Ethiopia's African Continental Free Trade Area (AfCFTA) Implementation Strategy was conducted with a view to finalizing the roadmap for the country's engagement with the free trade area.

The workshop, jointly organized by the United Nations Economic Commission for Africa (UNECA) and Ministry of Trade and Regional Integration, brought together diverse stakeholders.

In his opening remarks, Trade and Regional Integration Minister Kassahun Gofe said the validation workshop is one of the significant milestones in Ethiopia's journey to implement the AfCFTA agreement that secures the country's national interest and mitigate risk as well as fully harness the potential from the continental market.

According to him, the signing and ratification of the AfCFTA Agreement in 2019 represented a clear shift from a historically cautious trade position toward a more opening up and opportunity driven approach to the continental trade.

"Ethiopia has always viewed the AfCFTA not merely as a trade agreement, but as a development compact that enables us to re-imagine our economy, diversify our partnerships, and build new opportunities across Africa," he emphasized.

The strategy validated today is deeply integrated with Ethiopia's Homegrown Economic Reform Agendas, particularly the second phase, which focuses on structural reforms to enhance resilience, promote private-sector-led development, and modernize the economy.

The minister further pointed out the recent liberalization efforts, including the 2024 law allowing foreign banks, the 2021 liberalization of the telecommunications sector, and the lifting of foreign ownership restrictions in logistics and transport as foundational steps attracting global expertise and improving trade efficiency.

"HEGER (Homegrown Economic Reform) 2.0 places regional integration at the heart of Ethiopia's transformation strategy," he stated, adding that unlocking export potential and achieving industrialization necessitates integration with African and global markets.

Kassahun also shared insights into Ethiopia's robust economic growth, with an impressive 8.1 percent GDP growth rate in the 2023/24 fiscal year and export earnings surpassing 8 billion USD, an "extraordinary" achievement in Ethiopia's trading history.

Despite this, he acknowledged a significant trade deficit, emphasizing the need for enhanced productivity and deeper trade integration through frameworks like AfCFTA.

The minister concluded by reiterating call for action: "This is not a ceremonial milestone, it is a call to action. From this point forward, we must implement with purpose—through coordination, investment, monitoring, and shared accountability."

He affirmed Ethiopia's determination not only to participate in the AfCFTA but also to shape its evolution and ensure it delivers real impact for citizens and for the continent.

Policy Study Institute Director-General Fikadu Tsega on his part said the draft strategy has been reviewed by technical experts and the National Implementation Committee.

Series of discussions with multiple stakeholders from government, private sector, non-governmental organizations, and multilateral institutions were also conducted.

According to him, implementation of the strategy requires a coordinated effort among the respective stakeholders at multiple levels, a continuous follow-up and support.

"PSI will continue to support the implementation of the strategy and the agreement in any way possible at its capacity and cost," the director-general promised.

EU COMMITS €1BN TO SUPPORT AFCFTA IMPLEMENTATION

The Head of Cooperation at the Delegation of the European Union (EU) to Nigeria and ECOWAS, Mr. Massimo De Luca, has said the organization has committed about €1.1 billion in support of the African Union's implementation of Africa Continental Free Trade Agreement (AfCFTA).

He stated this on Monday while speaking at the 4th African Union Micro, Small and Medium Enterprises (MSMEs) Forum in Abuja, lamenting that access to finance remains a pressing challenge for businesses in the region, especially MSMEs.

According to De Luca, if Africa fails to harness the potential in the informal sector for small businesses to grow, the continent would "keep going round the same cycle of despair".

"Our EU initiative in support of the African Union in the implementation of the AfCFTA hovers around 1.1 billion euros. The African Continental Free Trade Area represents an unprecedented achievement towards realising Africa's full economic potential and integration.

"The EU remains firmly committed to our partnership with Africa and ECOWAS for inclusive and sustainable industrial development across the continent," he said.

Also the United Nations Development Programme (UNDP) Resident Representative in Nigeria, Ms. Elsie Attafuah, emphasised the need for enabling ecosystems to help MSMEs move from resilience to scalable impact.

She said, "Across our continent, MSMEs are the builders of local prosperity. They employ, they innovate, and they adapt, but they cannot thrive on resilience alone.

"They need ecosystems that work for them, platforms to commercialise innovation, access to working capital and markets both domestic and continental that recognise their value."

On his part, Permanent Representative of the African Union Sixth Region Global (AU6RG) to Nigeria and ECOWAS, Ambassador Afolabi Oke, announced the appointment of Mr. Temitola Adekunle-Johnson, Special Adviser to the Nigerian President on Job Creation and MSMEs, as the Special Adviser to the AU 6th Region on Job Creation and MSME Development.

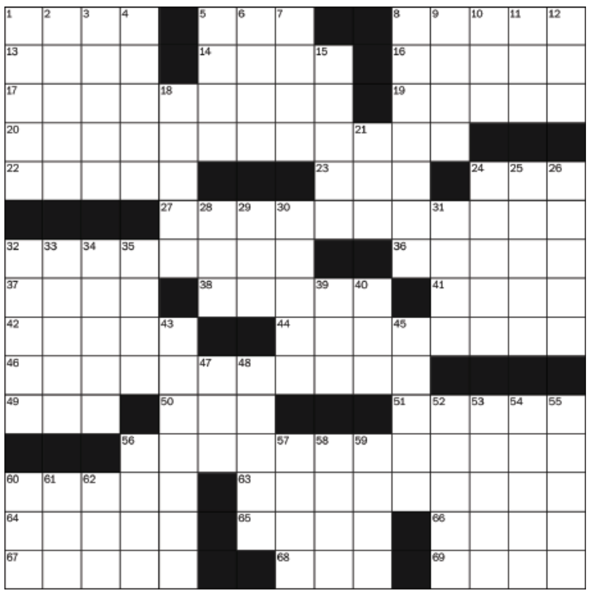
"The African Union Sixth Region Global is dedicated to representing and advocating for the African diaspora worldwide. As an extension of the African Union, we serve as the 'Sixth Region,' uniting people of African descent living outside the African continent and Friends of Africa," Oke said.

On Nigeria's export and industrialisation, the Managing Director of the Nigerian Export-Import Bank (NEXIM), Mr. Abubakar Abba Bello, reiterated the bank's commitment to MSME financing as a strategic pathway to value chain development and AfCFTA success.

"There's a need for Africa to look inward to develop its value chain. We need to facilitate the success of the AfCFTA, and this is dependent on boosting production," he said.

Entertainment

CROSSWORD PUZZLE



ACROSS

1 Olympic diver Louganis
5 Like lit barbecue coals
8 Juice box insert
13 Christmas carol
14 "Who does __!?"
16 Vulgar
17 Word puzzles involving quotations
19 __ and repeat
20 Soaker with jets
22 "Toodles!"
23 Clodhopper
24 Tofu base
27 Unexpected change in circumstances
32 Father of Jesus, familiarly
36 Capital on the Willamette River
37 Asia's North __ Sea
38 "Let's Make a Deal" choices
41 Give a hoot
42 Supreme Court Justice Sotomayor
44 Tried to control, as a horse
46 Public relations pros, informally
49 Agreeable answer
50 __ alai
51 New Haven Ivy Leaguer
56 The Byrds No. 1 hit whose lyrics come from Ecclesiastes, and what can be found at the starts of 20-,27-, and 48-Across
60 Ballet leaps
63 Tricolor feline
64 Major shindig
65 Raw minerals
66 "Whose __ Is It Anyway?"
67 Smartphone messages
68 Informal top
69 Animal's retreat

DOWN

1 Chews like a chipmunk
2 La __-Posay: L'Oréal brand
3 Spooky
4 Acclaim
5 Link letters
6 Cleveland's state
7 Handheld snack topped with salsa
8 Places to pick up kittens
9 Chicago paper, for short
10 Campaign for office
11 Free game pop-ups
12 Supersmall
15 Letter-shaped groove
18 Window shutter boards
21 Chinese philosophy
24 Starter course, often
25 "SNL" alum Cheri
26 Arabian Sea country
28 Join at the altar
29 Stock exchange launch,briefly
30 Not quite able to pay
31 Clock front
32 Smart-alecky
33 Overused plot device
34 Rock legend Joplin
35 "Riviera" actress Lena
39 __ Speedwagon
40 Knight's title
43 Fine-tunes
45 "No Strings Attached"boy band
47 Crew blade
48 __ de Mayo
52 Ring-shaped reef
53 Holy namesake of a Lesser Antilles island
54 Tehran native
55 Keyboard key
56 Big top
57 Small fruit pie
58 Peter Fonda title role
59 Greet the day
60 New York NFLer
61 Holiday lead-in
62 __-Mex cuisine

Solution: see below

WEEKLY HOROSCOPES

Aries

There is activity in your job zone, which is good news if you've been out of work and looking for employment. Your luck may be good, especially if you have experience in computing, website design, or other such skills. You may be able to make a lot of money from freelance contracts that could continue into the future. If you work for yourself, you're also going to see some spectacular results over the coming days.

Cancer

This is a good time to look for a job that brings in a lot more money. If you're feeling underpaid and unappreciated, this period will give you the determination and additional help to find what you're looking for. The cosmos is encouraging you to think big, summon your inner strength, and put everything you have into reaching your goal. This is a powerful time for you, so make the most of it. Don't get discouraged.

Libra

You're getting a lot of help and support from friends and business associates, which is giving you the confidence to aim for your goal. You have a career dream that you're determined to realize. The Universe is giving you the discipline and focus to get started. This period is perfect for joining select groups, especially those that can boost your image and help you move in the right circles.

Capricorn

As a natural entrepreneur, you have plenty of get up and go. You're ready to meet any challenge. The period ahead brings plenty of opportunities to advance your career. Make use of your creative abilities. You may be able to talk your way into an interesting project that will stretch your abilities. You also have many chances to make money right now. Today is a good day to ask for favors from someone that you normally might avoid altogether.

Taurus

You may be teaming up with others to create a website, blog, or other online presence. You have luck on your side now. It's worth putting time and effort into such projects. This is a great time to launch your own home-based business. You have a short window of opportunity to help you get off to a good start. You feel invincible, so go for it. Be careful of losing patience with this person and writing him or her off completely.

Leo

This is one of the best times of the year for you. It gives you an opportunity to make changes at all levels, including your career. If you're about to launch a new product, service, or online business, take the first step. The success you desire will come more easily. The Universe encourages you to showcase your skills and talents. It's time to let everyone know of your brilliance.

Scorpio

This is a great time for your career. The cosmos brings you a window of opportunity that's helpful for starting a new career, moving into a new position in your company, or launching a product or service through a major advertising campaign. If you want to be in the spotlight, this is the time. However, people are already noticing you whether you realize it or not. Get ready to stand out from the crowd.

Aquarius

This is one of the best times for talking to banks or financial advisers about funding for new projects. Positive aspects are helpful, although you'll still need to have a detailed business plan. This period is excellent for teaming up with a partner to bring twice the talent into a new project. If you need publicity, this is a great time to promote yourself. Give it to him or her without beating around the bush. Get right to the point.

Gemini

Business partners and co-workers are coming up with inspired ideas. Activity in your communication zone makes this a perfect time for signing deals and contracts, writing a book, or beginning a short class. Meetings go well, although there may be some intense discussions. If you're behind with administrative tasks, you'll want to clear away any backlog. Consider both sets of ideas.

Virgo

Listen to your intuition now. It has some important career guidance for you. This is a good time to work on your attitude toward success. Are you ready to be successful? You may have a block that's keeping it away from you just as you're about to do well. It might help to try hypnosis or other methods of erasing unhelpful thought patterns as a way to resolve the issue. The sooner you do it the better!

Sagittarius

You're busy exploring new options. The cosmos makes this a great time to start a degree or certificate program. If you're about to go on a business trip, this could go well for you. The Universe is encouraging you to share your ideas with key people. This is a good time to apply for a new job or career opportunity. Your creative skills are in demand, and that's good news. Be sure to explore both options thoroughly before you decide.

Pisces

This period brings positive energy for in-depth negotiations, especially in situations where you need to discuss sensitive issues. There's a chance to step into a new position that will enable you to show how talented you are. If you have an online presence, make sure you keep it updated. Don't lose out because of a lack of planning. If you run your own business, it's time to get out of that rut! Now you are seeing the results of your immature approach.

	2		4	9		3		6
					3			
7						5		
	9		1	6				4
		2					9	
				8				
					2			3
	1				8			
		5	3	1		6		

		8	9			5		
	1		7					6
4					7	6		
		7	8			3		
				4	2			
		4						2
		5	6					9
8			2	9				1

Sudoku

The game is easy, the rules are simple. All you have to do is make sure you fill every 3x3 box every row and every column, without repetition, using the number 1-9.

Word search

H	C	F	I	Y	B	P	E	A	C	H	C	I	B
C	K	I	B	R	Y	R	O	D	M	B	F	O	O
J	A	C	Q	U	E	S	F	I	N	D	I	N	G
E	C	O	R	A	L	R	E	E	F	B	S	A	H
U	H	T	A	N	K	G	A	N	G	A	H	H	S
N	N	O	E	C	U	R	B	A	I	H	A	N	I
T	A	N	B	B	F	C	R	N	N	S	R	E	F
S	C	A	U	A	N	E	M	O	L	S	K	I	N
I	I	H	B	L	O	A	T	O	I	N	S	E	W
T	L	S	B	B	A	R	R	A	C	U	D	A	O
N	E	H	L	B	I	M	A	R	L	I	N	N	L
E	P	F	E	H	U	A	D	E	M	U	H	C	C
D	O	U	S	E	E	A	E	L	L	E	N	T	U
G	U	R	G	L	E	D	D	E	B	M	B	A	J

CLOWNFISH	NEMO	CORAL REEF	ELLEN
TANK GANG	PELICAN	MARLIN	DORY
DENTIST	PEACH	SHARKS	CHUM
BARRACUDA	FINDING	GURGLE	JACQUES
NEMO	BRUCE	DEB	BUBBLES

Crossword Solution

G	R	E	G	■	H	O	T	■	■	S	T	R	A	W
N	O	E	L	■	T	H	A	T	■	C	R	U	D	E
A	C	R	O	S	T	I	C	S	■	R	I	N	S	E
W	H	I	R	L	P	O	O	L	T	U	B	■	■	■
S	E	E	Y	A	■	■	■	O	A	F	■	S	O	Y
■	■	■	■	T	W	I	S	T	O	F	F	A	T	E
S	T	J	O	S	E	P	H	■	■	S	A	L	E	M
A	R	A	L	■	D	O	O	R	S	■	C	A	R	E
S	O	N	I	A	■	■	R	E	I	N	E	D	I	N
S	P	I	N	D	O	C	T	O	R	S	■	■	■	■
Y	E	S	■	J	A	I	■	■	■	Y	A	L	I	E
■	■	■	T	U	R	N	T	U	R	N	T	U	R	N
J	E	T	E	S	■	C	A	L	I	C	O	C	A	T
E	V	E	N	T	■	O	R	E	S	■	L	I	N	E
T	E	X	T	S	■	■	T	E	E	■	L	A	I	R

Operating safely in a more conflict-ridden world

By Nick Careen

Recent conflict in the Middle East understandably has passengers asking what measures are in place to keep flying safe when there are military activities including missile launches.

It's a legitimate question. The downing of Azerbaijan Airlines flight 8243 in December last year was a fresh reminder that the risks in conflict zones are real. And a simple internet search will find other examples. These extremely rare tragedies drive everyone in aviation to do their utmost to keep flying safe at all times, and especially when there is armed conflict.

Most travelers will be completely unaware of the work that this involves. While assessing risk is subjective in nature, there is a layered approach to managing flying when conflicts break out or escalate.

The first layer is the longstanding agreement by states that civilian aircraft must never be the target of military operations. This is written in the Chicago Convention which is the bedrock of international civil aviation.

The second layer of protection is the obligation of states to consider any risks and declare their airspace open, closed or restricted in any way. This information is broadly circulated among governments, airlines, providers of air traffic management services and others through a system of NOTAMs—or Notices to Airmen. If airspace is closed or restricted, airlines cannot, do not and will not use it.

A third layer is the airline's regulator who may decide, based on their assessment, that airlines operating under their jurisdiction must avoid certain areas or take extra-precautions. These restrictions are also communicated to all airlines through NOTAMs and other means of direct communication. In many cases aligned states will follow the lead of key regulators like the FAA or EASA on such judgements.

There is a fourth level of decision-making. Airlines are also obligated to do their own strategic and operational risk assessments. Even if airspace is unrestricted, airlines must use the information available to them to make a final decision on which routings they will use. The quality of such decisions depends highly on the quality of information that airlines receive. Improving that information is the focus of the Safer Skies Consultative Committee initiative which was formed after the downing of Ukrainian Airlines flight PS752 to improve the timeliness and accuracy of information in this area—particularly that which comes from governments.

It's also important to note that the position of aircraft is monitored throughout flight. As information is received in real-time the airline always has the capability of re-routing aircraft to adapt to any changes in operating risks. Airlines carry sufficient fuel to accommodate potential re-routings or diversions. If the airline, its regulator or the airspace operator change their assessment at any time the pilot can be instructed to change course. And the pilot, herself or himself, can also alter course based on their own judgement of prevailing conditions en-route or at destination.

In parallel to making these decisions, there are also well-established protocols to manage air traffic when aircraft are diverted from their normal routings. In the case of the conflict between Iran and Israel, for example, civil aircraft were directed to fly around the conflict zone. Given the nature of traffic flows in the area of Iran, this mostly meant pushing traffic either further north or further south. But this was not as simple as it may sound. The traffic pushed north of Iran went into an area that was already accommodating aircraft diverted south because of the Russia-Ukraine war. So careful international coordination and contingency planning was needed to make sure that there was sufficient capacity to handle a surge in traffic all along the affected flight paths.

The planning for such contingencies is under the leadership of the International Civil Aviation Organization (ICAO). They coordinate among the affected air traffic control organizations, aviation regulators and other concerned organizations. This includes IATA, whose main function is to ensure the smooth communication of airline needs to the ICAO coordination group and to feedback any constraints to airline operation centers. This is a well-practiced system. While travelers may experience some unavoidable delays due to longer flights times, the aim is to optimize the use of the available airspace as quickly as possible.

Even with best efforts, cancellations and delays can be expected because the available capacity cannot cope with increased traffic. Eurocontrol estimates, for example, that up to 2,000 flights a day are being cancelled in high summer, due to the Ukraine-Russia conflict and associated airspace restrictions.

Interference with Global Navigation Satellite Systems (GNSS) is a further complication that may be on the minds of media-savvy travelers. There has been a surge of such incidents where parties in conflict use radio signals to jam the GPS signals that airliners use for navigation. This occurs in areas bordering conflict zones. Here too, a layered approach keeps such incidents from impacting safety. There are backup navigational aids on the ground that pilots can rely on. IATA is working with the European Aviation Safety Agency (EASA) on improved information sharing so that pilots have early alerts to such risks and engaging with manufacturers for technical workarounds.

The entire civil aviation sector in managing the risks around conflicts so that travelers can get to their destinations without minimal inconvenience. At least for the time being, however, some disruption is an unavoidable consequence of keeping passengers and crew safe amid geopolitical hostilities. With the support of governments, airlines will do their absolute best to protect and deliver global connectivity which is in high demand. Nearly 22,000 routes were served in 2024 because people and businesses want and need to travel. Ultimately, face-face connections that only aviation can facilitate offer our best chance of a world with greater understanding and tolerance, and reduced tension and conflict for all.

Nick Careen is Senior Vice President Operations, Safety and Security at the International Air Transport Association (IATA)

Africa's giant fintechs accelerate global acquisition spree

African fintech firms are no longer just seeking global investment, they're acquiring international players, reshaping payments, and putting the continent at the center of global financial innovation.

By Conrad Onyango, bird story agency

Three years ago, Africa offered the world bold innovations and tech talent but lacked the financial muscle to scale its startups, making it largely dependent on foreign capital for growth.

Today, the continent is flipping the script as more African startups show they are no longer content with being acquired to access global markets.

Instead, a number of them are now the acquirers, using their growing financial strength and deep understanding of their markets to expand beyond the continent and stake a claim in global tech hubs across Europe and the United States.

Recent acquisition of a UK-based card issuer Pillar by LemFi, a Nigerian-founded fintech is among the latest moves that were unimaginable just a few years ago.

LemFi Chief Executive Officer, Ridwan Olalere said the company is leveraging the opportunity to design a global infrastructure to remove financial borders for migrants.

"We are starting with credit cards in the UK designed specifically for immigrants. With over 2 million customers globally, Lemfi is reimagining the future of international payments for immigrants," said Olalere in a LinkedIn post.

Olalere worked with Fintech Unicorns, Opay (as director of payment and operations) and Flutterwave (as a software developer) before founding LemFi in 2021.

The acquisition gives LemFi a Financial Conduct Authority (FCA) license and critical infrastructure to expand its remittance services between the UK, the US, and Africa spanning more than 20 markets.

LemFi can now bypass traditional regulatory bottlenecks and reduce its cost of customer acquisition in global markets, making remittances more seamless and affordable.

In 2022, MFS Africa purchased a U.S.-based company, Global Technology Partners (GTP) in a deal estimated at over US $30 million. This gave MFS Africa access to a robust prepaid card infrastructure that connects millions of mobile money users across the African continent.

As a result MFS Africa strengthened its global payments capabilities, making it the first pan-African fintech with an established presence in the United States.

Kenya founded Aza Finance, formerly BitPesa pioneered the trend long before it became a wave.

As an early mover in cross-border payments, the Kenyan company secured licenses in the UK and Spain, gaining a strong foothold in Europe and making itself a trusted link between African markets and global payments ecosystems.

In June, the company that started back in 2013 when fintech and crypto were beginning to take shape in Africa announced plans to be acquired by an Uruguayan-based Fintech, dLocal.

It affirmed its focus of easing cross-border payments on the continent through the power of technology will remain even after its acquisition, showing it will still have power to shape key decisions.

"Pending regulatory approval, we look forward to integrating our technology and our deep bench of senior-level experts with dLocal's massive global platform to connect even more markets with these services," said AZA Finance Founder Elizabeth Rossiello in a statement.

Over the last 11 years, the company said it has built 'Africa's largest and most efficient trading desk for both fiat and stablecoin foreign exchange – providing liquidity in African and G20 currencies to fintechs, businesses, banks, telcos, and NGOs across the globe.'

While Nigerian fintech giant Flutterwave is yet to announce any major acquisitions in the U.S. or Europe, it is pursuing aggressive global expansion by heavily investing in obtaining licenses in global markets.

According to its 2024 end-of-year report, Flutterwave's global presence increased fourfold, with 48% of businesses on its platform now receiving payments from new geographic locations—a 12% increase from 2023.

In addition to expanding its operations to Rwanda, Ghana, Uganda, Zambia, and Mozambique, Flutterwave secured 31 additional Money Transfer Licenses in the U.S. and launched its Send App in all 49 states.

Flutterwave said it will strengthen its position in 2025 as the leading payment partner for both local and global enterprises.

"Part of this journey to sustainable growth also includes taking advantage of any suitable funding or acquisition opportunities when we identify them," the company stated in the report.

Capital SPORT

Sexual and gender-based violence scars East Africa's sporting legacy

Rampant cases of sexual and gender-based violence against women in East African sports reveal a deeply rooted culture of abuse that threatens to damage the sports sectors of Kenya, Uganda and Tanzania, known for producing world-class athletes, according to a report.

The problem also affects women in soccer, particularly those in rural areas who are especially vulnerable to abuse from coaches, sports officials, spectators and even fans.

The report, released by Aga Khan University's Graduate School of Media Communications, found that Kenya has the highest prevalence of sexual and gender-based violence at 69 percent, a significant rise from the 43 percent reported by a government task force in 2022.

Tanzania followed closely at 62 percent, while Uganda had 48 percent of women aged between 18 and 44 stating that they had either experienced or knew someone affected by sexual and gender-based violence in a sports context.

Many female athletes, often at the peak of their careers, face a mix of verbal, emotional, physical and sexual abuse - frequently from coaches, teammates and even spectators.

Athletics Kenya President Jackson Tuwei termed as unfortunate that the issues are extending into homes, citing the recent incidents such as last year, where Ugandan Olympian Rebecca Cheptegei was set on fire by her ex-partner and the 2021 murder of Kenya's Agnes Tirop, allegedly by her husband.

While these two cases received international attention, he said, many lesser-known athletes suffer in silence as their abuse goes unrecorded and unresolved.

Hesbon Owilla, the research lead and a faculty member at Aga Khan University's school, reported a troubling trend where those meant to train, guide and support athletes often become the ones committing the abuse.

"Coaches, who have a lot of influence over team selection and career advancement were identified as key offenders, particularly in Kenya and Tanzania," he noted during the launch of the report in Nairobi on Wednesday.

Uganda showed a unique trend where 43 percent of participants pointed to spectators as major offenders, highlighting the need for public education on proper conduct in sports settings.

The study also found that exploitation, where athletes are pressured into providing sexual favors for opportunities, was especially prevalent in Kenya at 11 percent and Uganda at 10 percent.

This reflects serious flaws in a system that allows unchecked authority. The report titled "Sexual and Gender-Based Violence Against Women in Sports: Prevalence, Impact and Interventions in East Africa" noted that verbal abuse was the most commonly reported form of violence.

Tanzania led with 48 percent, followed closely by Uganda at 46 percent. Kenya reported 34 percent of verbal abuse cases but had the highest percentage of sexual harassment incidents at 19 percent, compared to 13 percent in Tanzania and 10 percent in Uganda.

Peer-on-peer abuse is also increasing in Tanzania, where 30 percent of respondents identified teammates as the primary offenders, suggesting a lack of awareness about respectful behavior and toxic locker-room cultures.

The findings also revealed an alarming level of underreporting, with a quarter of respondents unwilling to disclose whether they or someone they knew experienced abuse, indicating a culture of fear and stigma.

Many athletes expressed fears of retaliation or losing their positions on teams, especially as abusers often had control over their careers, Owilla said.

The report also mentioned that many abused athletes quit sports entirely after retirement, unable to cope with the trauma or unwilling to stay in a system that failed to protect them.

"This has led to a lack of experienced female mentors and leaders in sports, further solidifying male dominance and impunity," the report stated.

Tuwei stated that Athletics Kenya has a disciplinary committee and will act against the perpetrators when necessary.

The Principal Secretary in Kenya's State Department for Gender and Affirmative Action, Anne Wang'ombe, expressed concern that increasing sexual and gender-based violence cases are making it harder for girls to compete with their male counterparts.

Somalia launch first training of teachers and referees of country's club

The first training of the Somali Football Relations Center (SFF) opened for the teachers and referees of beach football, and it is the first of its kind to be held in Somalia.

This training was opened by the minister of youth and sports of the country Mr. Mohamed Abdiqaadir and the chairman of the Somali football relations Mr. Ali Abdi Mohamed, who together showed the importance of this training.

The Minister of Youth and Sports has pointed out that this training is historical and important for the development of the skills of teachers and referees, as it is part of building the first beach football competition held in Somalia.

Also, the president of the Somali Football Association said that this training is a big step taken towards the development of the sports, noting that SFF is committed to expanding and developing the sports of the country at all levels and their sectors.

The second deputy chairman of the relations, Mr. Abdirashid Abdulle Maxamed, members of the executive committee, head of the judicial committee Wiish Yabarow and director of the coastal volleyball department Abshir Abdi.

THE PUSH TO RETURN FORMULA 1 TO AFRICAN SOIL IS ACCELERATING

Multiple African nations are actively pursuing Formula 1 hosting rights, from South Africa’s upgraded Kyalami circuit to Morocco’s high-tech plans in Tangier. With political backing and private capital in play, the question is no longer if F1 will return to Africa, but who will bring it back first.

By Bonface Orucho, bird story agency

The campaign to bring Formula 1 back to Africa is intensifying, with multiple countries accelerating efforts to meet hosting standards.

On June 18, the Federation Internationale de l'Automobile (FIA) approved final design plans to upgrade South Africa's Kyalami Grand Prix Circuit to Grade 1 status. This designation is a prerequisite for any venue hoping to host a Formula 1 Grand Prix.

According to a press release from Kyalami, the planned upgrades do not require changes to the 4.522-kilometre layout, which was last revamped in 2016. Instead, the improvements will focus on safety-related aspects such as run-off areas, barrier systems, debris fencing, kerbs and drainage.

"This is a defining moment for South African motorsport," said Toby Venter, the circuit owner. "We are ready for the return of Formula 1 to African soil."

The approval gives Kyalami a three-year window to complete the upgrades. Final hosting rights remain contingent on South Africa being selected for the F1 calendar.

UK-based Apex Circuit Design, the same firm that designed the Miami Grand Prix circuit, developed the upgrade plans.

According to Clive Bowen, the founder of Apex, the changes needed are "a light-touch upgrade in engineering terms" that would bring the circuit up to modern standards.

Only two African countries have ever hosted an F1 race: South Africa and Morocco.

Kyalami last hosted a Formula 1 race in 1993. It remains the only African circuit with a legacy of 21 previous Grand Prix events.

In 2023, South Africa's Minister of Sport, Arts and Culture, Zizi Kodwa, expressed strong support for the return of Formula 1. "We believe South Africa is ready, both in terms of infrastructure and audience. Kyalami is a venue with historical significance," he told local media at the time.

South Africa has played a significant role in F1 from a continental standpoint, having produced the largest number of F1 drivers from the region. Since 1979, South African national, Jody Scheckter, remains Africa’s only title winner of the World Championship.

From an infrastructural and historical standpoint, South Africa’s hosting bid is the most advanced. However, Morocco is also emerging as a serious contender.

In May 2025, Morocco unveiled a US$1.2 billion plan to build a new motorsport complex near Tangier. The project, known as the Tangier International Circuit, is being developed by local group Marita Group in collaboration with Italian firm Studio Dromo.

According to the circuit website, the complex will include an FIA Grade 1 circuit, a five-star hotel, a motorsport museum, a karting track and surrounding urban developments. The proposed location lies near the Tangier Med port, which is the largest cargo port in Africa.

As outlined in a report by RacingNews365, Morocco's bid is being positioned as a strategic national investment aligned with its broader tourism and logistics ambitions.

The publication quoted a source close to the project saying, "This is not just about motorsport. It is about positioning Tangier as a global destination."

An estimated 10,000 jobs could be created through the project. Around US$800 million in private investment has already been secured, with the remaining funding expected to follow pending top-level government approval.

Morocco previously hosted a Formula 1 race in 1958 in Casablanca. Since then, no Moroccan circuit has met FIA's requirements. However, the country does have a history of motorsport activity, including Formula E races held in Marrakesh.

Rwanda was among the first African countries to express interest in hosting Formula 1 under the current Liberty Media management.

In December 2024, during the FIA General Assembly and Prize Giving in Kigali, Rwandan President Paul Kagame endorsed the country’s Grand Prix ambitions.

“I am happy to formally announce that Rwanda is bidding to bring the thrill of racing back to Africa, by hosting a Formula 1 grand prix… we are approaching this opportunity with the seriousness and commitment it deserves,” he noted at the event.

The East African country is laying the groundwork with a new circuit planned near Bugesera Airport, designed by ex-F1 driver Alexander Wurz.

Though no recent construction has been confirmed, Rwanda's capital, Kigali, continues to attract attention due to its urban organisation, international events, and modern facilities. The Kigali Arena and nearby Kigali Convention Centre have previously hosted events like the Basketball Africa League and the Commonwealth Heads of Government Meeting (CHOGM).

However, East Africa's most unusual entrant in the F1 race remains Zanzibar. The island, part of the United Republic of Tanzania, first announced its F1 ambitions in late 2023. It is proposing a unique beachfront circuit to attract both racing and high-end tourism.

In an earlier interview, Zanzibar's Minister of Tourism and Heritage, Simai Mohammed Said, noted, "We are thinking big. This is not just about Formula 1. It's about economic transformation."

Though details on Zanzibar's bid remain limited, the initiative has received attention for its ambition and the government’s willingness to partner with private investors.

The renewed competition comes amid growing calls within Formula 1 for African representation. The continent remains the only inhabited region without a Grand Prix event.

Seven-time world champion Lewis Hamilton has been particularly vocal on the need to host the sport on the continent.

In 2022, he said, "Africa is a place that’s dear to my heart. It’s the most important place for us to go to."

Liberty Media, the commercial rights holder for F1, has not confirmed which African bid is leading. However, with the next round of hosting contracts expected to take effect after 2026, decisions will likely be made within the next 18 to 24 months.