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Year 28, No. 1413 Sunday January 04, 2026 / Tel: +251-11 618 3253 | 11 661 0976 / Mob: +251-944 73 2300 / P.O. Box: 95/1110 Addis Ababa, Ethiopia / Price 45.00



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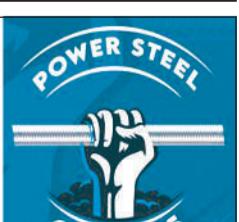
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## Non-Coffee agricultural commodities face export challenges

By our staff reporter

Despite notable export earnings, the performance of non-coffee major agricultural commodities remains a concern for industry stakeholders, particularly in light of ongoing economic reforms.

Ambassador Girma Birru, Chairperson of the

Export Steering Committee, acknowledged the overall achievements but pointed out a consistent shortfall in meeting targets. This issue is especially relevant as the broader macroeconomic reform agenda—including the implementation of a freely floating exchange rate system—is designed to stimulate the export sector.

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During its latest meeting, the Export Steering Committee assessed the underperformance in the volume of goods exports managed by the Ministry of Trade and Regional Integration (MoTRI).

While these exports have performed well in

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## Ministry of Finance reports surging demand for long-term treasury bills

By our staff reporter

In its latest auction calendar for Treasury bills (T-bills), the Ministry of Finance (MoF) has reported a demand for longer-term instruments that is more than double that of the previous quarter. The overall demand for T-bills in both past and upcoming auctions surpasses the projected budget deficit for the year.

The Ministry's third-quarter T-bill calendar details plans to issue 288 billion birr worth of bills over the next three months through bi-weekly auctions.

For short-term maturities, the MoF aims to raise 22.8 billion birr from 28-day bills and 77.6 billion birr from 91-day bills, representing a decrease from the previous quarter's targets of 24 billion and 85 billion birr, respectively.

Conversely, demand for longer-term maturities has surged. The calendar indicates an offering of 109 billion birr in six-month bills, an increase from 97 billion birr in the prior quarter.

For 364-day maturities, the MoF has proposed 78.5 billion birr to be sold over the next six bi-weekly auctions, reflecting a 115 percent increase from the 36 billion birr offered in the last quarter.

Financial experts suggest that this increasing preference for longer-term instruments should prompt the government

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8th floor, Nisir Building, Cape Verde Street, Bole, Addis Ababa, Ethiopia

ISSN 2410-6933

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# Reshaping the Horn of Africa's Geopolitical Map

Israel's recent recognition of Somaliland marks a bold geopolitical maneuver with profound ramifications for the volatile Horn of Africa. Announced on December 26, 2025, by Prime Minister Benjamin Netanyahu, this decision positions Israel as the first UN member state to affirm Somaliland's independence, 35 years after its declaration from Somalia. Far from a mere diplomatic gesture, it reshapes alliances, security dynamics, and economic prospects in a region critical to global trade routes.

Israel views Somaliland through the lens of Red Sea security and the Abraham Accords framework. Somaliland's Gulf of Aden coastline, including the strategic Berbera port, offers Israel a foothold to counter Houthi threats backed by Iran, securing vital maritime lanes disrupted since late 2023. Netanyahu framed the move as supporting a "democratic, moderate Muslim nation," inviting President Abdirahman Mohamed Irro for talks and pledging cooperation in security, economy, and technology. Critics question its longevity, with some Somali voices alleging it lacks Knesset approval, yet it advances Israel's doctrine of projecting influence into African chokepoints.

Somalia condemned the recognition as a "grave threat to international peace," vowing to defend its sovereignty amid struggles against al-Shabaab. The African Union, Turkey, Saudi Arabia, and Qatar echoed outrage, fearing it sets a secessionist precedent. Ethiopia watches closely; already tied to Somaliland via a 2024 port deal, this could embolden Addis Ababa's sea access quests, straining ties with Mogadishu but aligning with Israeli interests. Eritrea and Djibouti risk marginalization, as Israel's pivot challenges Turkish-Qatari dominance in Somalia.

This unprecedented step risks igniting fragmentation across the Horn. Somalia's fragility—exacerbated by al-Shabaab offensives and funding gaps for AU missions—could spiral, spilling insecurity into Kenya and Ethiopia via terrorism and piracy. Proxy rivalries intensify: Israel's alignment bolsters UAE-backed Somaliland against Doha-Ankara support for Mogadishu, potentially fueling clan conflicts in Puntland and Jubaland. For Ethiopia, a key Horn power, it complicates internal secessionist pressures in Oromia and Tigray, mirroring Somaliland's bid.

Yet, positives emerge for stability advocates. Somaliland's democratic track record—peaceful elections, relative calm—contrasts Somalia's chaos, justifying recognition as rewarding good governance. Economic corridors via Berbera could link Israel to landlocked Ethiopia, fostering trade in agriculture, water tech, and security, while curbing Iranian influence. If leveraged wisely, this partnership might pressure Somalia toward federal reforms, integrating Somaliland's stability into a unified framework.

Israel's gambit tests African unity on territorial integrity, potentially inspiring recognitions elsewhere. For the Horn, it accelerates great-power competition—US-Israel axis versus Turkey-Qatar-Iran—threatening proxy wars but also incentivizing diplomacy. Ethiopia, as regional anchor, must balance sea access gains against isolation risks; failure invites chaos, success could herald a pragmatic new order.

The Horn stands at a crossroads: Israel's recognition could catalyze investment and security or unleash balkanization. Stakeholders—from Addis Ababa to Mogadishu—must prioritize dialogue over division, perhaps via AU-mediated talks affirming Somaliland's autonomy within Somalia. Ethiopia's leadership is pivotal; embracing partnerships without fueling irredentism offers the path to shared prosperity. Ignoring this invites a "gathering storm" of instability. Ultimately, recognition underscores a truth: in geopolitics, stability favors the bold, but only if tempered by restraint.



■ By Mustafa Fetouri

## COMMENT

### The bill is due: Africa demands colonial justice now

For decades, the demand for colonial reparations in Africa was treated by Western capitals as a rhetorical exercise—a radical plea from the fringes that could be safely ignored or pacified with vague "expressions of regret." By the end of 2025 the era of Western comfort officially ended in Algiers.

With the adoption of the Algiers Declaration, the African Union (AU) has moved from moral grievance to a structured legal offensive. The declaration, born from the International Conference on the Crimes of Colonialism (Nov 30 – Dec 1), provides the first concrete roadmap for the AU's 2025 theme: Justice through reparations. It demands the codification of colonialism as a crime against humanity in international law, the restitution of plundered wealth, and an audit of the "ecological debt".

The ink on the declaration was barely dry before Algeria, the conference host and the historic "Mecca of Revolutionaries," took the first sovereign step. On December 24, the Algerian National Assembly voted overwhelmingly to criminalize French colonial rule (1830–1962).

In a session described by Parliamentary Speaker Brahim Boughali as a "day written in letters of gold," the Algerian People's National Assembly unanimously passed a landmark law formally criminalizing 132 years of French colonial rule. This rigid legal statute categorizes 27 specific types of crimes—ranging from mass summary executions to the "ecological genocide" of Saharan nuclear testing.

By turning the spirit of the Algiers Declaration into domestic law, Algiers is signalling to Brussels and Paris that the "Decade of Reparations" is not a suggestion—it is an ultimatum. As Africa increasingly leverages its role in a shifting global order, the question is no longer whether Europe owes a debt, but how much longer it can afford the cost of denial.

The true significance of the Algiers gathering lies in its transition toward institutionalizing justice. For decades, the Western-dominated legal order has treated colonial atrocities as "unfortunate historical episodes" falling outside modern jurisdiction. The Algiers Declaration systematically dismantles this defense. By positioning the AU as a unified legal front, the conference has reclassified colonialism as a continuous, "structured crime against humanity", with no statute of limitations.

This is a deliberate attempt to pull the reparations debate out of the hands of powerless NGOs and place it firmly within the halls of state-to-state diplomacy and international tribunals. It signals that Africa is no longer asking for "charity"; it is demanding the settlement of a multi-century debt, backed by a developing framework of continental law.

The strength of the Algiers Declaration lies in its refusal to treat colonialism as a singular, historical injury; instead, it frames it as a multi-dimensional assault that requires a multi-pronged recovery. The document outlines a framework that includes four critical pillars of accountability.

First, it demands the codification of colonial crimes within international legal instruments, calling on the International Court of Justice (ICJ) and the African Court on Human and Peoples' Rights to recognize these acts as crimes against humanity with no statute of limitations.

Second, it introduces the concept of 'ecological reparations,' specifically highlighting the long-term environmental devastation caused by resource extractivism and unconventional weapon testing—most notably the French nuclear trials in the Algerian Sahara.

Third, it mandates the unconditional restitution of

Africa's cultural and tangible heritage, ensuring that "stolen history" is returned to its rightful soil.

Finally, the Declaration calls for a continental economic audit to calculate the staggering cost of centuries of resource plunder. By unifying these disparate issues into a single diplomatic platform, the AU signals that "justice" will no longer be negotiated on European terms, but will be calculated based on the full scope of the African experience.

The true legacy of the Algiers conference, however, lies in its transition from rhetoric to institutional architecture. The Declaration proposes the creation of a permanent Pan-African Committee on Memory and Historical Truth. This body is envisioned as a central clearinghouse tasked with harmonizing historical curricula across the continent and overseeing the collection of far-flung colonial archives.

Furthermore, the Declaration breaks new ground by demanding a continent-wide economic audit of colonial plunder. This audit is intended to move the reparations conversation from abstract numbers into a data-driven accounting of stolen resources, human capital, and "unjust economic systems" inherited from the colonial era. By proposing a dedicated African Reparations Fund, the AU is building its own infrastructure to support this claim, ensuring that the push for accountability is not a fleeting diplomatic moment, but a well-resourced fixture of African governance.

This unified African stance stands in stark contrast to the fragmented and defensive posture of Europe. While the European Parliament adopted a landmark resolution in 2019 acknowledging colonial crimes, nearly six years have passed with no concrete action from Brussels. By failing to translate its own rhetoric into policy, the EU has left a vacuum that the Algiers Declaration now fills.

Under the patronage of Algerian President Abdelmadjid Tebboune, this movement has transformed into a platform for "Memorial Sovereignty." Tebboune has consistently affirmed that Africa's dignity is non-negotiable. The Algiers Declaration does not exist in a vacuum; it is the institutional fulfilment of a crusade long championed by the continent's most defiant voices. Foremost among these was the late Libyan leader Muammar Gaddafi, who arguably became the first African statesman to translate the moral grievance of colonialism into a specific, staggering financial ledger.

Addressing the UN General Assembly in 2009, Gaddafi famously quantified the colonial theft, demanding \$7.77 trillion in reparations for the "ravages of colonialism," framing it not as a request for aid but as a mandatory settlement for a multi-century "blood debt." This was rooted in the historic 2008 Italy-Libya Friendship Treaty, where Rome formally apologized for its colonial-era crimes and committed to a \$5 billion reparation package—the only treaty of its kind ever signed between a former colony and its occupier. By codifying these demands in 2025, the African Union is moving from the "unilateral defiance" of the Gaddafi era to a "multilateral mandate."

The Algiers Declaration represents a calculated rebellion against the Western-centric narrative that has long dominated the history of the colonial era. For decades, the story of Africa's past was filtered through a Western lens, often sanitizing the brutality of occupation as a "civilizing mission." The Declaration marks a leading determination for the entire Global South to shatter this monopoly on truth. This intellectual offensive provides a blueprint for other regions—from the Caribbean to Southeast Asia—to move beyond the "North-South" hierarchy.

**Capital**  
THE PAPER THAT PROMOTES FREE ENTERPRISE

**CAPITAL** is a weekly business newspaper published and distributed every Sunday by CROWN PUBLISHING PLC.

**CAPITAL** is a registered newspaper with the Federal Democratic Republic of Ethiopia Ministry of Trade license number 14/673/21142/2004.

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**CROWN PUBLISHING** is a private limited company registered with the Federal Democratic Republic of Ethiopia Broadcasting Authority under registration no. 34/2001 and with Addis Ababa City Administration Trade and Industry Development office under registration number 14/673/21142/2004.

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**CAPITAL** is printed by **Berhanena Selam Printing Enterprise** since December 1998.

**Address:** Addis Ababa, Arada Sub-city Wereda 9 H.No. 984  
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# Nyala Insurance reports premium collection exceeding three billion birr

By Our Staff Reporter

Nyala Insurance S.C. (NISCO) has achieved a premium collection exceeding 3 billion Birr, marking a remarkable 90.3 percent growth compared to the previous fiscal year. During the 31st General and 24th Extraordinary General Meeting held on December 27, 2025, at the Sheraton Addis, Dr. Sara Surur, Chair of the Board of Directors, presented the company's annual performance report to shareholders.

Dr. Sara highlighted that NISCO generated over 3 billion Birr from its general, long-term (life), and takaful insurance operations, reflecting a 90.3 percent increase. The general insurance segment contributed approximately 80.7 percent of the total premiums, while long-term and takaful insurance accounted for the remaining 19.3 percent.

She also emphasized the company's significant achievements in the fiscal year, reporting a gross profit of 782.7 million Birr, an increase from 641 million Birr the previous year.

The chair noted that the company's total assets have grown to 6.7 billion Birr, representing a 62.2 percent rise from the previous fiscal year. Consequently, shareholders' total equity at the end of the reviewed fiscal year increased to 2.9 billion Birr, up by 0.7 billion Birr (31.2%) from the prior year.

Additionally, the company's paid-up capital reached 1.6 billion Birr at the year's end, an increase from 1.2 billion Birr the previous year, reflecting a growth of 36%, as stated by Dr. Sara.

Yared Mola, CEO of Nyala Insurance S.C. (NISCO), noted that despite intense price-driven competition in the Ethiopian insurance market, NISCO experienced a successful year in 2024/25, underscoring its commitment to quality growth and responsible competition.

"Our balance sheet reflects continued strength and growth, with total assets reaching 6.7 billion Birr, a substantial 47%

increase from the previous year. We achieved a total comprehensive income of 806 million Birr, and our gross profit rose to 782.7 million Birr, up 22.2% year-on-year. The Earnings per Share (EPS) stands at 43.41%, while the return on equity (ROE) remains high at 23.3%, and the return on assets (ROA) is at 10.2%, demonstrating effective use of shareholders' funds and strong business momentum," he stated.

Yared also expressed pride in NISCO's role as the insurer for significant national development projects, such as the Koysha Hydropower Dam, showcasing the company's contribution to Ethiopia's economic progress.

According to the CEO, NISCO's strategy, DigLeap, is reshaping customer service. He added, "We are transforming our branches into Customer Experience Hubs (የደንበኛ ቤት), where convenience, responsiveness, and personalized service are at the core of our interactions. This approach places our customers at the center of every engagement and strengthens NISCO's brand as a trusted partner."

The CEO emphasized that Nyala Insurance is accelerating its digital transformation, nurturing emerging talent, and enhancing professionalism to build the future workforce of the company.

"Our rebranding initiative will further enhance our market presence, modernizing our identity, improving customer experience, and reinforcing the trust we have built over the years. Our goal is to position NISCO as Ethiopia's most trusted and customer-centric insurer, a company that not only overcomes market challenges but also grows stronger and extends its influence beyond our borders," Yared added.

During the 24th extraordinary meeting, shareholders unanimously approved a capital increase from 1.2 billion Birr to 1.6 billion Birr to enhance the company's competitiveness.

Founded in 1995 with a paid-up and subscribed capital of 7 million Birr and



## Message from Nyala Insurance S.C.

**May your Genna be filled with peace of mind, joy, and blessings!**

**Celebrate the holiday; enjoy the traditional games and the beauty of Ethiopian heritage.**



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**Nyala Insurance S.C.**

25 million Birr, respectively, Nyala Insurance S.C. is a robust and innovative financial institution that offers customer-tailored products and services, including microinsurance, mobile insurance, and

diaspora insurance.

Nyala Insurance S.C. is currently finalizing a rebranding initiative aimed at modernizing its operations and enhancing customer service.

## Ethiopian Investment Holdings launches whistleblower platform to combat corruption

By our staff reporter

Ethiopian Investment Holdings (EIH), one of Africa's largest sovereign wealth funds, has reaffirmed its commitment to eliminating corruption and mismanagement within its extensive portfolio of major public enterprises.

To encourage the reporting of illicit activities, the state-owned strategic investor has launched a dedicated whistleblower platform. This system allows individuals to confidentially submit tips related to any of the over 40 companies under EIH's supervision.

This initiative underscores a growing emphasis on governance and transparency as Ethiopia aims to stabilize and optimize its key public assets. EIH manages a diverse array of national investments in critical sectors such as energy, logistics, telecommunications, and manufacturing.

"This platform is a vital step in fostering accountability and protecting the integrity of our national investments," stated EIH Deputy CEO Habtamu Hailemichael. "We are dedicated to ensuring that all operations under our purview adhere to the highest standards of legal and ethical conduct."

The initiative aligns with broader national efforts to combat corruption and enhance the business environment, with the aim of attracting foreign investment and ensuring that state-owned enterprises (SOEs) effectively contribute to Ethiopia's economic growth.

Habtamu acknowledged that some public enterprises have experienced misdemeanors in the past that need correction. He emphasized that the new platform will help strengthen

good governance within SOEs, enabling EIH to take corrective action swiftly—sometimes within days—while recognizing that some cases will require more in-depth investigations, including collaboration with relevant law enforcement agencies.

During a press conference on Thursday, the Deputy CEO noted that EIH has been implementing extensive reforms in the leadership of public enterprises, including their boards of directors, over the past few years.

"We are mandated by EIH Regulation 487/2022 and the Federal Government Owned Enterprises Proclamation No. 1314/2024 to appoint qualified leadership, including an independent board composition, to ensure the highest quality of governance across our portfolios," he explained.

Article 15.8 of the 2024 proclamation stipulates that at least one-third of board members must be independent, each with a minimum of five years of experience and diverse professional backgrounds.

"We are working to implement the proclamation's requirements for board composition so that SOEs are led by commercial principles," Habtamu said.

He also mentioned that EIH is creating a pool of qualified candidates from the private sector, educational institutions, and professional associations, who will be assigned to relevant SOEs based on their expertise.

EIH directly oversees 41 strategic companies, organized into nine clusters, including major national entities such as the Commercial Bank of Ethiopia, Ethiopian Electric Power,

Ethio Telecom, and Ethiopian Shipping and Logistics.

The core mandate of the sovereign fund is to transform these enterprises into highly profitable entities and to establish a sustainable financing model for strategic domestic and international investments.

As part of reforms aimed at both compliance with the proclamation and improving underperforming entities, EIH's restructuring has led to the appointment of 70 new board members, including eight chairpersons. Additionally, 41 board members and eight chairpersons have been removed, along with six chief executives being replaced.

Weeks ago, EIH CEO Brook Taye told Capital that EIH is taking on the role of an "active owner" to enforce governance standards, moving beyond the historically passive oversight typical of public enterprise governance.

"Corporate governance is the pivotal factor that will drive public enterprises toward profitability," Brook stated.

He emphasized that EIH expects strong financial and operational results from the entities it oversees, ensuring they provide tangible benefits for the public, the government, and their own sustainability.

Enterprises that fail to meet performance benchmarks during evaluations are undergoing significant leadership changes.

"Our objective is to establish dedicated, capable boards and competitive top management to ensure sound governance and profitability," Brook added.

A key aspect of the reform involves a deliberate shift away from the past practice of senior government officials holding multiple board positions across various state-owned enterprises (SOEs).

Informed sources told Capital that EIH is implementing a new policy limiting senior officials to serving on only one public enterprise board, with appointments based on technical expertise and direct relevance to the company's sector.

"Unlike in the past, we want to ensure board appointments are based on qualifications that provide companies with skilled guidance," Brook said.

EIH sources support this approach, noting that while senior officials can offer valuable oversight, their participation must be strategic and focused to avoid conflicts of interest and diluted governance.

Brook cited the exemplary performance and governance of Ethiopian Airlines Group, an EIH subsidiary, as a model for the broader portfolio.

"If we can institutionalize the caliber of leadership seen at Ethiopian Airlines across other SOEs, we can replicate that success," he said.

Having worked in Western financial sectors before joining public service eight years ago, CEO Brook underscored that professionalism must be the cornerstone of SOE governance.

He directly links this to robust business and commercial decision-making frameworks, which are expected to enhance board effectiveness, increase tax contributions and dividend payouts to the state, and ensure successful project execution.

"As the active owner of these enterprises, we will continue to make necessary corrections to fulfill our mandate," Brook concluded, positioning EIH as a central force in Ethiopia's broader economic reform agenda.



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<b>68</b>	(4%)	<b>2.3</b>	(64%)	<b>3.8</b>	(2.6%)	<b>2.6</b>	(98%)	<b>60</b>	(72 %)

## Non-Coffee agricultural ...

*Continued from page 1*

terms of value, their volume has faced significant criticism, a concern raised during a committee meeting on Tuesday, December 23.

This issue was further discussed at the Export Price Board meeting chaired by MoTRI Minister Kassahun Gofe on Thursday, December 25. Subsequently, the Ethiopian Pulses and Oil Seeds Exporters Association (EPOSEA) informed its members in a letter dated Friday, December 26.

The letter, a copy of which was obtained by Capital, disclosed that EPOSEA board members met with MoTRI and other officials to review the export performance of oilseeds and pulses.

It warned of a substantial backlog of export commodities awaiting shipment. As a result, the Ministry has mandated that exporters must quickly ship these goods at a newly revised, lower price set by the Price Board, or risk confiscation and resale through the Ethiopian Commodity Exchange.

"Minister Kassahun warned that the ministry is legally empowered to confiscate export goods if they are not shipped on time," sources explained, clarifying the rationale behind the significant reduction in the latest indicative prices.

Sector experts and exporters confirmed a major price drop; for instance, sesame prices have decreased by up to USD 100 per ton.

Sources noted that a considerable quantity

of goods from the previous harvest season, which should have been exported before the new production period began a month ago, remains in storage.

"The primary demand from the government and MoTRI is to clear this months-old stockpile quickly," they added.

However, exporters are grappling with a sharp decline in global prices for key commodities like sesame.

Experts attribute this to an oversupply driven by increased production from newer entrants such as Brazil and Pakistan, along with expanded output from countries like Mozambique and Tanzania.

Ambassador Girma acknowledged that global market conditions largely dictate the performance of oilseeds and pulses, adding that "the supply chain is another key factor influencing the sector's expected success."

He informed Capital that in the first five months of the 2025/26 budget year, export revenue reached 120% of its target, reflecting a 66% increase compared to the same period last year.

Girma, a senior advisor to the Prime Minister with decades of economic leadership experience, emphasized that the recent economic reforms should lead to greater diversification into industrial and higher-value agricultural exports.

While he commended industrial export performance, he noted, "the agricultural sector must be improved."

Sources informed Capital that while revenue targets are being met, the committee strongly recommended that export volumes should also reach their objectives.

Girma emphasized that data from the sixth and seventh months will be crucial for obtaining a comprehensive overview.

Last year, hard currency earnings from coffee and gold experienced remarkable growth, aided by macroeconomic reforms such as foreign exchange liberalization. However, the performance of pulses and oilseeds did not meet expectations.

In recent discussions with MoTRI, exporters highlighted high local market prices and misaligned ministry indicative prices as significant barriers.

They contend that the weekly indicative price does not accurately reflect international benchmarks, leading local farmers and suppliers to hold out for

unrealistic rates. This discrepancy has resulted in fewer export contracts than anticipated.

Sector experts agree, describing the local market as 'messed up' due to a disconnect from global price signals. They urge the government to better align local prices with international references.

Ethiopia earned USD 8.3 billion in exports last fiscal year, primarily driven by gold and coffee, and projects an increase to USD 9.4 billion for the current year. For other MoTRI-regulated agricultural commodities like oilseeds and pulses, the aim is to boost earnings to nearly USD 1 billion. This comes after a disappointing performance in the previous fiscal year, where earnings from these sectors fell to USD 876 million, missing the target and declining from the prior year's USD 907 million.

## Ministry of Finance...

*Continued from page 1*

to expand its issuance of six-month and one-year maturity bills.

This trend has been evident in recent weeks, with auctions drawing significant interest for both short and long-term bills.

CBE Capital, an investment bank, recently highlighted that the previous week's bi-weekly T-bill auction confirmed trends observed throughout the last quarter of 2025.

In the first three quarters of the current budget year, the government plans to mobilize 531 billion birr through T-bill

auctions.

For the 2025/26 budget year, the anticipated fiscal deficit is approximately 417 billion birr, which constitutes about 22% of the total 1.93 trillion birr budget.

This deficit is expected to be financed mainly through domestic borrowing—primarily T-bills—and support from development partners, marking a departure from previous reliance on monetary financing. This strategy is being pursued despite ambitious domestic revenue targets and significant debt-servicing costs.



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ICO Indicator prices (US cents/lb) 24-Dec-25

I-CIP	Colombian Milds	Other Milds	Brazilian Naturals	Robusta
<b>288.92</b> -0.29%	<b>362.71</b> -0.45%	<b>360.79</b> -0.46%	<b>332.95</b> -0.56%	<b>184.50</b> 0.42%

\*1lb=0.45kg

# Russia-Ethiopia nuclear project moves into “Practical Work” phase

By Eyasu Zekarias

Ethiopia's long-anticipated nuclear power partnership with Russia has officially entered the “practical work” phase, moving beyond years of diplomatic negotiations and feasibility studies into tangible development activities.

The nuclear collaboration, which aims to reshape the energy landscape of East Africa, follows comprehensive agreements signed between Ethiopia's Electric Power (EEP) and Russia's state-owned nuclear corporation, ROSATOM, in late 2025. According to officials, the project is now progressing from concept to implementation.

Russian Ambassador to Ethiopia Evgeny Terekin told Capital that the groundwork is firmly in motion. “We are not wasting time,” he said. “The first phase involving legal preparations and preliminary technical work has been completed. What follows now are



specialized working groups and detailed site assessments for the construction of a nuclear power plant.”

The planned facility, expected to generate up to 2,400 megawatts, will house two VVER1200 reactors, a standard Russian design currently operating in several countries. The new stage marks what officials described as the most significant milestone since talks began between the two nations.

Among the latest developments is the introduction of a financial framework designed to ease Ethiopia's investment burden. Ambassador Terekin explained that the new model departs from traditional state-to-state loan structures. Under the proposed arrangement, Russia will finance between 80% and 90% of the project's total cost, to be repaid over 25 years at low interest.

The arrangement, he noted, “ensures Ethiopia can pursue high-tech energy generation

without carrying the heavy upfront costs that often accompany such mega-projects.”

While the power plant remains the centerpiece, the nuclear cooperation agreement includes broader scientific and educational programs. A Nuclear Science and Technology Center, which is currently under feasibility study, is expected to offer social and research benefits in areas such as medicine, agriculture, and materials science.

Dr. Teklemariam Tessema, coordinator of Ethiopia's National Nuclear Program, described the center as “a vital bridge between energy production and domestic scientific development.”

Russia has also expanded its academic support to sustain the technical skills needed for the project. Six years ago, Moscow granted around 30 annual scholarships for Ethiopian students. That number has now increased to over 150 scholarships per year, attracting more than 1,200 applicants for 2025, according to Ambassador Terekin.

“Russian education remains very popular among Ethiopians,” he said. “Our goal is not only to train engineers for the nuclear sector but also to renew the historic intellectual bonds between Ethiopia and Russia, many of which date back to the Soviet period.”

The renewed nuclear cooperation comes amid what officials describe as an economic “revival” between the two countries. Bilateral trade volume between Ethiopia and Russia more than doubled in the first half of 2025, reaching USD 191.2 million, official figures show.

Ethiopia has seen a 60% surge in coffee exports to Russia, while Russian supplies of fertilizers and grain continue to expand. The sectors prioritized for new Russian investment now include agriculture, mining, and the digital economy.

Both governments view the nuclear partnership as emblematic of a broader geopolitical shift. They describe it as more than just an energy deal—one that aligns with their shared stance against what they call “neo-colonial approaches” and their advocacy for a “polycentric world order.”

Ambassador Terekin emphasized the strength of the personal rapport between Prime Minister Abiy Ahmed and President Vladimir Putin as a key driver of this engagement. “The dialogue based on personal conviction has been central,” he said. “Choosing Russia's nuclear path enables Ethiopia to pursue advanced technology under equitable cooperation, free from external pressure.”

Energy analysts note that the move to nuclear generation represents Ethiopia's most ambitious step toward diversifying its power sources beyond hydropower, which currently provides more than 90% of its electricity.

The planned nuclear plant, once operational, will not only relieve pressure on water-dependent energy sources but also enhance the country's ability to export clean power regionally. Officials involved in the project expect the first tangible construction activities to begin following final site assessments and environmental reviews.

As Ethiopia transitions into the “practical” phase of this strategic project, observers say the collaboration could redefine both the nation's energy future and its diplomatic posture in the Global South.

If implemented as planned, Ethiopia will join a growing list of African nations—such as Egypt, South Africa, and Nigeria—partnering with ROSATOM to develop nuclear capacity, marking a new chapter in the continent's pursuit of energy independence.

## Interest payments consume 60% of Global Bank's total expenses

By Eyasu Zekarias

Global Bank Ethiopia (GBE) has reported that interest payments to depositors accounted for 60 percent of its total operating expenses during the 2024/25 fiscal year, signaling rising competition and liquidity pressures in the country's banking sector.

According to the bank's newly released annual performance report, GBE's total expenditure reached 4.39 billion birr, representing an increase of 1.21 billion birr compared to the previous year. Of this figure, interest on deposits comprised the largest share, followed by employee compensation at 24 percent and general administrative expenses at 16 percent.

Bank executives explained that the rising interest costs reflect the ongoing struggle among financial institutions to attract and retain deposits in a tightening market. Despite the higher costs, GBE's management described the expenditure not as a setback but as part of the bank's commitment to delivering competitive returns to its 1.78 million depositors.

“The high cost of funds demonstrates our determination to reward our customers and maintain trust at a time of strong market competition,” the report stated. Bank analysts, however, warned that the trend underscores the need for increased operational efficiency, especially as the sector adjusts to Ethiopia's new market-based foreign exchange system introduced during the same fiscal year.

Even as expenses surged, GBE recorded notable growth in both revenue and profit. The bank's total revenue climbed to 5.56 billion birr, up from 4.05 billion birr a year earlier. Gross profit before tax rose by 33 percent to reach 1.17 billion birr, while total assets expanded by 42 percent to 34.4 billion birr.

The expansion, according to the bank's report, was largely driven by loan disbursements. Total loans and advances stood at 20.38 billion birr, with the foreign trade sector absorbing the largest portion



(38 percent), followed by domestic trade (30 percent) and manufacturing (12 percent).

Chief Executive Officer Tesfaye Boru highlighted GBE's ongoing digital transformation as a key strategy to reduce service costs and improve accessibility. “Digital services are not just an innovation—they are a cost-control mechanism,” he said.

The bank processed transactions worth 4.78 billion birr through its mobile, USSD, and internet banking platforms last year. It also launched its first self-help digital banking center, while cardholders climbed to nearly 75,000, reflecting GBE's push toward a “cash-lite” financial ecosystem.

GBE also achieved a major milestone by meeting the National Bank of Ethiopia's paid-up capital requirement of 5 billion birr—a year ahead of schedule. This was accomplished after the bank successfully raised 2.52 billion birr in fresh equity during the 2024/25 fiscal year.

Board Chairman Yosef Getachew described the achievement as “a statement of determination and resilience” within a highly competitive industry. He added that the capital buildup has placed the bank in a strong position to pursue its next five-year strategic plan, covering 2025–2030, which focuses on sustainable value creation for

shareholders and the wider economy.

With its previously authorized share volume now fully sold, GBE plans to seek shareholder approval for additional capital issuance to further strengthen its balance sheet.

Having fulfilled the minimum capital requirement, Global Bank Ethiopia is now shifting its focus toward the country's emerging capital market, a field that is expected to redefine financial intermediation once operational. The bank has announced its intention to become a “major player” in this new financial space, aiming to diversify revenue sources and introduce new investment products.

The 2024/25 fiscal year was described by the bank as one of the most challenging yet transformative periods in its history. It coincided with major macroeconomic shifts, including currency reforms and tighter monetary conditions. Despite these headwinds, GBE said it has laid a solid foundation for long-term stability through capital reinforcement and digital innovation.

As Ethiopia prepares to open its financial sector to global competition, GBE's strategic focus on efficiency, technology, and market expansion is expected to play a defining role in shaping its next growth chapter.



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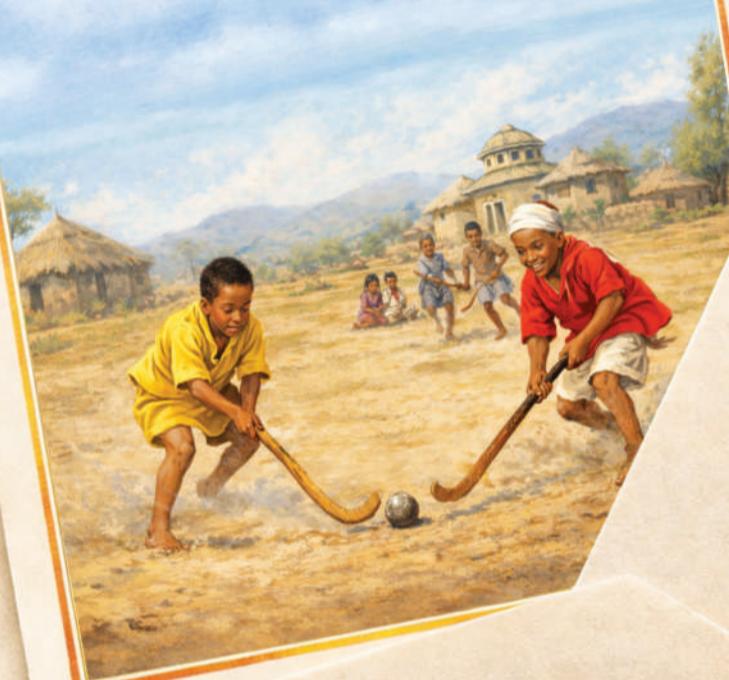
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By Eyasu Zekarias

What was once envisioned as a landmark of corporate strength for Nib Insurance S.C. has turned into one of its greatest financial challenges. The insurer's ambitious headquarters project in Bole, Addis Ababa, remains an unfinished concrete shell, following the company's decision to terminate its contract with China Communications Construction Corporation (CCCC).

The termination, finalized in May 2025, marked the end of a turbulent partnership and pushed the project into an uncertain transition period. Initially celebrated as a symbol of confidence within Ethiopia's insurance industry, the building has now become an example of mounting construction inflation and complex leadership hurdles.

Nib's struggle to erect its headquarters dates back nearly a decade. The initial tender for excavation works, launched in May 2016, was suspended by the Federal Ethics and Anti-Corruption Commission due to "irregularities" in the bidding process. Although the commission later allowed the project to proceed, the delay sowed early doubts among shareholders.

Construction officially began in October 2018 with an estimated budget of 812 million birr, considered reasonable at the time. The contract, covering a 1,435-square-meter plot in central Bole, was awarded to the Chinese firm CCCC. However, by May 2021, work came to a halt when the building reached the ninth floor.

While the official explanation cited a "dispute over concrete quality," insiders say financial disagreements were the real cause. CCCC reportedly requested a price adjustment following a sharp increase in global material costs during the COVID-19 period, claiming the 2018 contract had become "non-viable."

Negotiations between Nib Insurance and CCCC resumed in 2022/23, but the contractor's revised price raised the total project cost from 812 million birr to 2.4 billion birr. Subsequent estimates reached nearly 4 billion birr, a fivefold increase that Nib's management dismissed as unrealistic.

Economist Dr. Kaleb Asfaw said the escalation reflected both global inflation and local macroeconomic pressures. "With the birr's declining value and rising import costs, an increase of this scale was almost inevitable," he told Capital. "But such long delays test the company's liquidity and investment resilience."

Ultimately, both sides signed a Contract Termination Agreement in May 2025, allowing the Chinese contractor to withdraw without litigation. Yet, the departure left Nib Insurance with logistical

complications and a half-finished building.

To salvage the project, the Nib Insurance board, chaired by Siraj Abdella and led by CEO Zufan Abebe, adopted a phased construction strategy. Early in 2024, shareholders were asked to reinvest 50 percent of their 2022/23 dividends into the building fund. The decision drew complaints but enabled work to resume, bringing the structure to its current 18 floors.

That progress, however, proved short-lived. As finishing works began, disagreements resurfaced. Internal advisers estimated the cost at 1.7 billion birr, but CCCC's proposal reached 3.08 billion birr, a 55 percent jump rejected by Nib leadership. The termination soon followed.

According to senior project management consultant Yohannes Gessese, the phased approach has helped Nib manage cash flow but increased the project's exposure to inflation. "The longer construction stretches on, the higher the costs for imported materials like elevators, electrical systems, and cooling equipment," he said.

Nib has since approved a phased procurement model, dubbed Option Two, which divides construction into separate packages rather than relying on a single contractor.

- Phase I will focus on completing basements—including parking and electric vehicle charging bays—the podium floors up to the 5th level, and exterior aluminum cladding.
- Phase II will cover interior works and final finishes for upper floors.

Phase I alone is budgeted at 1.1 billion birr, with 54 percent to be financed from company capital and 46 percent through bank loans. The projected timeline for completion is 540 days once a new contractor is signed, tentatively targeting completion of lower commercial levels by late 2027.

For Nib Insurance, the prolonged delay represents more than a construction setback. The company currently pays over 15 million birr annually in rent for its offices in Dembel City Center — funds that could otherwise return to shareholders as dividends once the new headquarters is operational.

Industry observers say completing the tower and leasing its commercial floors could help offset the financial burden. "If Nib moves quickly, the building can still serve as a revenue-generating asset," one insurance consultant noted. "But if delays persist, it risks becoming a liability rather than a symbol of stability."

Adding to the pressure, Nib Insurance is also entangled in an ongoing 144.5 million birr legal dispute with the Ministry of Revenue. The case

involves alleged tax arrears related to refinanced dividends and disputed value-added tax (VAT) claims.

Sources indicate that two separate suits have been filed over capital gains tax for the years 2010 to 2015, with some aspects now under review by the High Court and Court of Cassation. Additionally, a VAT demand of 68 million birr, which Nib argues was imposed retroactively before the relevant proclamation

appeared in the Negarit Gazeta, is also being contested.

Despite these legal and economic headwinds, Nib's board insists the company remains committed to completing its long-awaited headquarters. The project, once meant to symbolize progress, has instead become a cautionary tale on inflation, corporate governance, and project management in Ethiopia's volatile construction sector.



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# Revenue Ministry to enforce tough measures on Excise Tax violators

By our staff reporter

The Ministry of Revenue has announced stricter enforcement measures targeting manufacturers of excise-taxed goods who fail to meet their legal obligations. A new Operational and Implementation Manual has been introduced to guide administrative actions against non-compliant enterprises, including temporary closures and license suspensions.

According to the Ministry, the new directive will be implemented under the authority of Excise Tax Proclamation No. 1186/2012 and Tax Administration Proclamation No. 983/2008. It empowers officials to take decisive actions against manufacturers evading excise tax payments, particularly those producing luxury goods, socially harmful products, and high-demand items — categories that traditionally contribute significantly to government revenue.

The manual outlines a progressive enforcement process designed to ensure fairness before sanctions are imposed. Non-compliant companies will receive up to three written warnings to rectify their

violations. If corrective action is not taken within seven days after the final notice, the Ministry will have the authority to temporarily seal the production site for 14 days. During this period, operations will remain halted.

If a manufacturer continues to ignore compliance requirements even after temporary closure, the Ministry may escalate penalties by suspending the business license. The directive also states that manufacturers giving false information, mismanaging accounting records, or using equipment unsuitable for tax monitoring will face stricter sanctions, including possible license revocation.

Taxpayers affected by suspension orders may lodge a written appeal to the Tax Complaint Investigation Department within 14 days. The department will then review the complaint and decide whether to lift the suspension, adjust penalties, or permanently revoke the license.

Abere Asfaw, Director of the Legal Services Directorate at the Ministry, emphasized that any order to seal a factory must come directly from the Minister, the Director-

General, or an officially delegated authority. "This ensures that every action is both transparent and lawful," he said.

The manual also requires manufacturers to notify the Ministry of any change in ownership, factory address, or production machinery within seven days, strengthening oversight of operational shifts that could affect tax compliance.

Ministry officials explained that excise taxes remain a major source of state revenue, as the consumption of these products generally remains high even when prices rise. The directive is intended to safeguard public income from losses due to underreporting or evasion while rewarding businesses that comply with the law.

"Empowering branch offices to take swift, lawful action against evasion creates a fair market environment for compliant taxpayers," the Ministry said in a statement.

The directive took immediate effect upon issuance. The Ministry of Revenue urged all producers of excise-taxable goods to review their documentation, accounting systems, and payment records to avoid penalties.

Officials reiterated that the measure forms part of an ongoing national effort to modernize tax administration and ensure consistent application of the law across all sectors.

Excise taxes, typically applied to items such as alcoholic beverages, tobacco, soft drinks, and luxury goods, have become an increasingly important source of revenue as Ethiopia's fiscal system modernizes to meet growing developmental needs.

## Breweries face excise tax squeeze

By our staff reporter

Ethiopia's brewery sector is bracing for heightened regulatory scrutiny under the Excise Tax Proclamation, with new excise stamp mandates threatening to raise costs and curb illicit trade, according to a prospectus from Habesha Breweries S.C.

The proclamation imposes excise duties on manufacturers like Habesha, with rates for malt beer at 40% or 11 birr per liter (whichever is higher) and local barley beer at 35% or 9 birr per liter — a steep burden that significantly impacts production costs and retail pricing in an inflationary environment.

The Ministry of Finance's Excise Stamp Management Directive No. 1004/2024, issued in June 2024, requires physical or digital stamps on excisable goods like beer (alcoholic content >0.5%) immediately after packaging at production facilities. This aims to enhance tax collection, track goods, and combat counterfeiting, but brewers warn it adds procedural complexity.

Habesha's prospectus notes excise taxes cost it ETB 2.5 billion in 2024 alone, compressing margins as high duties raise prices and dampen demand in price-sensitive segments. The firm mitigates this through a diversified portfolio — spanning premium Habesha brands to economy Kidame — but ongoing policy reviews under the Homegrown Economic Reform Agenda heighten uncertainty.

Ethiopia's breweries, including Habesha, BGI, Heineken, and Dashen, operate 14 factories with 18.5 million hectoliter capacity, but excise hikes — alongside VAT on utilities and input taxes — squeeze profitability. The sector's 1.06 million-ton beer market (2020) is projected to hit 1.5 million tons by 2027 at 5% CAGR, driven by urbanization and youth demographics, yet inflation over 30% in recent years strains consumers.

Habesha reports revenue growth to ETB 7.76 billion in 2024 (up 28.6%), but excise and fuel subsidy removals pushed distribution costs to ETB 838 million (10.8% of revenue). Gross margins held at 61.3%, thanks to pricing and efficiency gains like a company-owned fleet.

While the directive bolsters transparency, brewers like Habesha advocate industry dialogue to balance revenue goals with affordability. "Excise hikes threaten volume targets, especially for draught and value brands," the prospectus states, amid forex shortages inflating imported inputs like hops.

## Controversy persists over linking health contributions to business licenses

By Eyasu Zekarias

The government's practice of making health contribution payments a requirement for obtaining and renewing business and professional licenses has drawn growing criticism from the private sector, which accuses authorities of inconsistent implementation and administrative overreach.

In several regions of the country, businesses and professionals in health-related and other sectors have been required to make mandatory "health contributions" before receiving business or professional licenses. While the policy aims to support public health funding, business leaders argue that the procedure lacks transparency and is being applied unevenly across regions.

At a recent public-private consultation forum organized by the Addis Ababa Chamber of Commerce and Sectoral Associations under the theme "Investment, Good Governance, and Institutional Efficiency for Private Sector Development", business owners expressed strong dissatisfaction with the current system.

Biniyam Birhanu, chairman of the Addis Ababa Chamber's Kolfe Branch, said health contribution collections vary widely and often appear arbitrary. "In some areas, paying health-related fees is mandatory before renewing a professional or business license. In others, there is no such requirement at all," he said.

He added that changes in proclamations and directives have created uncertainty among entrepreneurs. "The government has revised these rules several times in a short period, mainly to increase revenue. This has confused both business owners and the officials tasked with implementation," he

said.

Biniyam further argued that many employees within revenue offices lack the necessary understanding of the regulations, leading to inconsistent application. "The staff enforcing these directives are not adequately trained. Instead of informing us correctly, they often give misinformation, which disrupts business operations," he noted.

Experts echoed these concerns, citing examples such as the 2024/25 profit tax directive, which initially appeared to apply to all taxpayers but was later clarified as excluding importers — a change that triggered what some described as "widespread frustration and mistrust."

Representatives from the Addis Ababa Revenue Bureau acknowledged administrative shortcomings but defended the intent behind the health contribution requirement. A bureau spokesperson said the measure is "a public investment" designed to strengthen the city's social and health infrastructure.

"The health contribution is not a penalty — it's part of building sustainable systems that benefit all residents," the bureau explained. It also emphasized that, as the executive arm of the revenue sector, it is legally obligated to enforce directives issued by higher authorities, including the Ministry of Health and the Ministry of Transport.

The Revenue Bureau said it is working closely with both ministries to align administrative procedures and clarify ambiguities in the implementation process. Officials also highlighted the persistent problem of tax non-compliance, which they said continues to undermine government revenue and create unfair competition in the marketplace.

Sisay Gezu, head of the Tax Fraud Investigation Directorate at the Ministry of Revenue, said compliance levels remain alarmingly low. "If we go to Merkato today and survey the area, how many traders would issue proper invoices?" he asked, stressing that widespread underreporting harms both public finances and legitimate businesses.

To address this, the Ministry has begun enforcing tighter controls, especially through digital systems. As of January 1, 2026, all merchants are required to use the new barcode-enabled electronic invoice system, which is designed to curb counterfeit receipts and ensure transparency.

"Merchants who fail to use the barcode invoice will not be tolerated," Sisay warned, emphasizing that enforcement will remain strict until the system is fully operational across the country.

Despite government assurances, the business community continues to call for uniform application of tax and contribution policies, clearer directives, and stronger capacity-building within revenue institutions.

Chamber officials said that while businesses recognize their responsibility to contribute to national development, the current mix of inconsistent directives, untrained enforcement personnel, and overlapping institutional mandates threatens Ethiopia's goal of building a transparent, digital economy.

"The principle of contribution is not the problem," said one participant at the consultation forum. "It is the way it's being enforced — unpredictably and without clear communication — that is eroding trust between the private sector and government institutions."

# Local NGO accuses Meta of censorship in anti-trafficking campaign

By our staff reporter

An Ethiopian non-governmental organization focused on combating human trafficking and illegal migration has accused Meta, Facebook's parent company, of obstructing its vital awareness campaigns by erroneously removing its content.

The Nigat Global Initiative (NGI) reported that a significant advocacy post was deleted from its Facebook page without clear justification. This post included a translated summary of a radio interview with NGI's founder and CEO, Daniel Melese, which outlined the realities of illegal trafficking and was intended to warn vulnerable individuals.

"The news segment was specifically designed to raise awareness among young people, showing them the true situation on

the ground to prevent them from becoming victims," Daniel stated.

To reach a broader audience, including those living abroad, NGI translated the Amharic audio into English and shared it on social media. However, Meta soon removed the post, citing a violation of its Community Guidelines.

"We were baffled. We appealed the decision and requested a human review of the content, explaining its context and purpose, but our appeal was declined," Daniel said.

He told Capital that the post highlighted how traffickers use social media to recruit victims, while NGI utilizes the same platforms to combat this crime.

The removed content specifically addressed the trafficking of Ethiopians to Southeast Asia, warning youth to

scrutinize job offers in countries like Myanmar, Laos, and Cambodia.

Daniel painted a grim picture where victims, including university graduates, are forced into harsh conditions and coerced into participating in criminal scamming operations.

"This is a multibillion-dollar business, making it extremely difficult to free captive individuals," he noted.

He added that traffickers, often collaborating with Ethiopian accomplices, are now broadly recruiting for these scam centers, not just targeting those with technical backgrounds.

Daniel expressed deep concern over the removal of the content, questioning whether large platforms rely too heavily on artificial intelligence without comprehending real-world contexts.

"How can such major media platforms understand real-world crises if they leave the responsibility to AI?" he asked.

Despite these challenges, NGI continues its efforts in collaboration with the government and other organizations. Last year, with support from the Ministry of Foreign Affairs, 980 individuals—including graduates and former jobholders—were repatriated.

NGI's mission encompasses prevention, survivor support, and reintegration through skills training and economic empowerment programs.

"We help survivors and returnees rebuild their lives," Daniel explained during a media awareness event in Addis Ababa, emphasizing the organization's commitment to combating trafficking both online and in the community.

# Nile Insurance records record 560 million birr profit despite rising costs, lower EPS

By Eyasu Zekarias

Nile Insurance S.C. has posted a record 560.5 million birr in pre-tax profit for the 2024/25 fiscal year, marking a 16.6 percent increase from 480.6 million birr the previous year. The insurer credits its growth to a balanced strategy of strengthening core general insurance services and expanding investment income, even as rising costs and shrinking margins pressured the bottom line.

According to the company's annual report, Nile's performance remained resilient despite inflationary pressures, fierce price competition, and declining returns from its life insurance division. Earnings per share (EPS) dropped 5 percent to 417 birr, down from 439 birr last year, largely due to higher operational and administrative expenses.

"The year was one of strong financial performance but also of significant challenges," the company said in a statement. "Costs from office rent, fuel, maintenance, and financing charges have eroded profitability margins."

Nile's life insurance segment was highlighted as the most vulnerable business line, with revenue falling to 74.4 million birr from 83.6 million birr a year earlier. The division's result swung from a profit of 8.9 million birr to a loss of 14.3 million birr, reflecting service costs rising faster than premiums collected.

Overall, total insurance revenue remained steady at 1.15 billion birr, but the company reported that "intense price undercutting and convergence of interest rates" across the industry weakened profit margins.

To cushion the effects of market pressure, Nile increased its focus on investment and wealth management. Board Chairperson Mehari Alemayehu said net profits from general insurance rose 72.2 percent to 408.9 million birr, driven primarily by a 46.7 percent increase in investment income, which reached 333.7 million birr. Nile's total assets surged 41 percent

to 5.8 billion birr, fueled by portfolio expansion and rising investment in fixed assets such as buildings and equipment. Paid-up capital also climbed 25 percent to 1.25 billion birr, following a shareholder-approved plan to reinvest a portion of dividends to meet the company's 1.5 billion birr capital target by the end of 2024.

After legal reserves and other deductions, the company's net profit stood at 475 million birr, and the board has proposed distributing 372 million birr in dividends to shareholders.

Nile's Shariah-compliant Takaful division continued to show rapid growth, with contributions collected jumping 102.6 percent to 38 million birr. However, expenses in the same segment increased by over 200 percent to 30.9 million birr, reflecting the higher cost of expansion and service delivery.

The company report cited intense market competition as one of the most pressing challenges. Some insurers, it said, were engaging in "undue price undercutting" — offering additional coverage at no extra cost — and certain brokers extended policy terms beyond standard practices.

"These actions have distorted fair competition and weakened pricing integrity in the market," the company said.

Moreover, macroeconomic constraints have reduced demand for insurance tied to bank loans. The recent 24 percent lending cap imposed on commercial banks has reduced credit activity, thereby shrinking demand for loan-based insurance products. The introduction of Value Added Tax (VAT) on some services has also prompted some customers to drop coverage due to affordability issues.

Despite these headwinds, Nile Insurance said it remains focused on long-term growth through digital transformation, reinsurance consolidation, and improved cost management. The company announced new initiatives to expand customer reach, strengthen branch networks, and refine pricing strategies.

"Our shareholders have shown strong confidence by reinvesting dividends," the statement continued. "This capital will reinforce resilience and position the company to compete effectively as the market evolves."

Nile Insurance, one of Ethiopia's oldest private insurers, said it expects the coming year to remain challenging but expressed optimism that its diversified investment strategy and strengthened capital base will sustain profitability and shareholder returns.

# NBE tightens reserves, scraps minimum savings rate to curb inflation surge

By our staff reporter

The national bank of Ethiopia has tightened monetary policy again, raising banks' reserve requirements and scrapping the long-standing minimum savings rate as it moves to tame inflation and absorb excess liquidity from the financial system. The decisions were taken at the Monetary Policy Committee's quarterly review meeting on Monday, December 29.

In a statement on Tuesday, the Monetary Policy Committee (MPC) of the National Bank of Ethiopia (NBE) flagged an annual credit expansion of 44.5 percent in November 2025 alongside strong liquidity growth in the banking sector. The committee said it is "indispensable to ensure that liquidity injection into the economy is managed in a gradual and

orderly manner" to avoid unintended expansionary effects.

To mop up excess money, the MPC increased the reserve requirement on bank deposits, lifting the monthly average reserve ratio by two percentage points to 10 percent while keeping the daily minimum at 5 percent. Banks will have between three and six months to comply with the new threshold.

In a parallel move, the MPC abolished the minimum savings rate traditionally set by the central bank, a benchmark that had stood at 7 percent in recent years. With immediate effect, deposit interest rates will be set through negotiation between depositors and financial institutions rather than by administrative fiat.

Analysts had widely expected further

tightening as authorities pursue a single-digit inflation target in the months ahead. The latest MPC actions are framed as supporting that disinflation drive.

The committee pointed to a surge in loan disbursements and outstanding credit during the first five months of the fiscal year, which pushed broad money to its fastest annual growth. The new measures are intended to ease these pressures and reinforce the signal of a tight monetary stance.

The shift comes in the wake of NBE's adoption of a pricebased, interestratebased monetary framework in July 2024, when the National Bank Rate was set at 15 percent. The latest decisions highlight the bank's push to make that policy rate more effective in guiding market rates and delivering durable price stability.



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# ECX denies responsibility for coffee trading oversight gaps

By Eyasu Zekarias

The Ethiopian Commodity Exchange (ECX) has not implemented a robust monitoring system to ensure that coffee products not intended for foreign markets or designated for domestic consumption are traded legally. A recent report by the Office of the Federal Auditor General (OFGAG) highlighted significant control gaps concerning "by-products" (unfit for export) and coffee meant for the local market.

In response to these findings, ECX leadership defended their position, stating that the exchange is a marketplace that connects buyers and sellers but does not have the regulatory authority granted under its establishing proclamation.

The controversy centers on coffee exporters who, when selling non export grade coffee to licensed wholesalers, allegedly violate the law by not conducting these transactions exclusively through the ECX platform.

The audit reveals that the absence of a clear procedure has allowed products to enter illegal contraband routes. ECX officials, however, argue that their legally defined mandate is limited to linking sellers and buyers, and that they do not possess the power to act as a regulatory or monitoring body.

During an official public meeting on December 31, 2025, OFAG was asked to address the findings from an operational audit conducted in the 2023/24 fiscal year, which evaluated ECX's product intake, inventory, and marketing systems from 2014 to 2016 E.F.Y.

According to Meseret Damte of the Office of the Federal Auditor General, ECX has not established a system to ensure that

transactions involving non export coffee products are conducted solely through the commodity exchange platform.

The new audit report indicates that while the institution is expected to implement such a system, it has not carried out follow up checks to verify compliance during the audit period.

Particularly concerning, as noted in the 2022/23 plan execution report, is the low level of participation by exporters in bringing non export products to the commodity market as required.

This situation, the audit warns, increases the risk that such coffee will enter illegal smuggling channels.

The report also notes that there is no effective system in place to coordinate with relevant authorities — including Customs, the Ministry of Trade and Regional Integration, and the police — to help the exchange determine the final destination of these goods.

In its written response to the audit findings, ECX management argued that the proclamation establishing the institution (No. 550/1999) does not grant it regulatory powers.

"The commodity exchange is designed to connect buyers and sellers; it is not authorized by the proclamation to supervise," the management stated, emphasizing that ECX is fulfilling its responsibility by sending daily market data to the Ministry of Trade and Regional Integration and the Coffee and Tea Authority.

Officials also noted that supervisory bodies are responsible for conducting the necessary monitoring based on the information provided.

They added that the exchange submits quarterly reports to the Coffee and Tea Authority, enabling the authority to use this data for oversight. "We send the data, and the regulators are expected to follow up as needed," ECX said, insisting that any gaps in enforcement fall under the responsibility of the regulatory institutions.

The government has also established a consignment system that allows exporters to transport purchased products to their own hulling or processing facilities.

The Coffee and Tea Authority, however, has partially shifted responsibility back onto ECX, indicating that while regional authorities manage domestic coffee consumption, data on products sold through the exchange is neither properly organized nor effectively shared with regional trade bureaus, making monitoring difficult.

In addition, some ECX branches — including those in Mizan Teferi and Wolaita Sodo — were found to have facilitated trades outside the price limits set by the Ministry of Trade, indicating a breakdown in the control system. As noted by the Auditor General in a recent discussion, the overall performance of the commodity exchange is a matter of concern, particularly in light of these control gaps.

Beyond regulatory shortcomings, the audit report highlighted the poor condition of several ECX warehouses. The Bonga warehouse suffers from cracked floors and lacks fencing, while the Humera warehouse is vulnerable to flooding and has a leaking roof. Warehouses in Adama, Erbe Hajira, and Bure were also deemed inadequate, lacking sufficient truck parking and sampling space. These facilities, which fall short of modern infrastructure standards, hinder product quality assurance and timely service, pushing

some suppliers toward informal and illegal trading channels.

The report further criticized ECX's IT system, citing a lack of transparency and accountability that has obscured processes and weakened confidence in the platform.

Moreover, instead of formally updating the exchange's regulations, there is a pattern of changing guidelines through ad hoc orders from the board or the supervising ministry. This "order driven" approach has created an opaque and unpredictable market environment for private sector participants.

Although the commodity exchange was established partly to benefit small producers, the audit revealed that this objective has not been achieved in practice. Over the past three years, no specific initiatives have been planned or implemented to support smallholder farmers.

Most farmers struggle to access timely market information. Because the exchange disseminates market data primarily via Telegram, farmers without access to the app are left in the dark and are more easily exploited by middlemen.

According to the report, between 2022 and 2024, transaction volumes on the ECX fell by between 14% and 51%, while the value of traded commodities declined by between 13% and 30%.

Contributing factors include members shifting to alternative marketing channels, IT system failures and congestion, poor warehouse conditions, delays in board meetings, and slow resolution of operational problems.

Separately, the House of Peoples' Representatives raised concerns over ECX's failure to conduct annual financial audits by external auditors since 2010 E.C.

In revenue terms, 22.7% (approximately 467 million birr) of the more than 2 billion birr planned to be collected over three years remains uncollected. The audit concludes that this financial shortfall could hinder the implementation of much needed reforms within the institution.

# Pulses, Oilseeds sector faces unprecedented uncertainty under new rule

By Eyasu Zekarias

Ethiopia's pulses and oilseeds export sector, the country's second-largest source of foreign exchange after coffee, is facing "unprecedented uncertainty" due to a new government directive. Exporters and industry leaders are concerned that the government may require them to re-export products purchased through the Ethiopian Commodity Exchange (ECX), which poses a significant risk to the sector and creates an "obligation to buy twice."

These industry leaders warn that the government's sudden decision to revert all transactions to the ECX will reduce liquidity, encourage smuggling, and render Ethiopian products uncompetitive in the international market.

Edao Abdi, President of the Ethiopian Pulses, Oilseeds, and Spices Processors-Exporters Association (EPOSPEA), expressed to Capital Newspaper his fears that the new regulatory environment could lead to a decline in export volumes this year.

For years, exporters have sought alternatives due to the volatile quality and high transaction costs associated with the ECX. In response, the government had previously allowed "vertical integration" and "contract farming," enabling exporters to trade directly with manufacturers, thereby ensuring product quality and source verification.

However, a recent directive from the Ministry of Trade and Regional Integration (MoTRI) has reversed these advancements. The new directive mandates that all transactions be processed through the payment system of the product market.

"Exporters are being told to return products they purchased from private farms to the

commodity market system," Edao explained to Capital. "How can you buy your own property twice? This reverts traders back to brokers and entangles them in unnecessary bureaucratic chains."

This announcement comes at a time when there is a severe credit shortage in the Ethiopian banking sector. With banks withholding loans, exporters are struggling to provide the necessary cash for the product market's T+1 payment system, which requires payments to be made within one day.

Under the previous contract farming model, exporters had the option to trade on credit with suppliers or farmers. However, the current cash-only requirement has excluded many traders from the market.

"If you have 200 million birr, you can only purchase a limited amount of sesame seeds before running out of money," Edao stated. "Without loans, operations come to a halt. However, a credit system previously allowed for significant production movement."

The gap left by legal exporters is now being filled by illicit traders. Reports indicate that pulses are being smuggled to neighboring countries via Moyale, even using public transport vehicles. "Because the legal route is expensive and cash-strapped, people are turning to contraband," he warned.

Directive No. 1115/2025 issued by the MoTRI introduces fundamental changes to the payment system for exporting pulses and oilseeds.

This directive was mandated for implementation two months ago in a letter sent to the ECX on October 31, 2025, and again on December 3, 2025, which stated that the transaction payment process for crops cultivated under contract and investment agriculture must go through the ECX starting December 10, 2025.

The main objective of this directive, issued by MoTRI under Kassahun Gofe, is to enhance transparency in the sector and prevent illegal practices.

The new directive, reported by Capital Newspaper, prohibits direct bank transfers between exporters and suppliers in Ethiopia. Payments must now be made exclusively through a pay-in account managed by the Ethiopian Commodity Exchange (ECX).

Under this new system, exporters are required to deposit the full payment for their products into the product market's account. Kassahun stated, "This directive was issued to address the significant gaps identified in the previous direct marketing system." The aim is to prevent tax evasion, curb smuggling, and eliminate inaccurate trade reports, thereby ensuring the country secures the foreign currency it needs from this sector.

MoTRI remarked that "this makes contract farming easier to monitor in accordance with the National Transaction Control System."

According to the minister, exporters seeking an export permit must provide proof from the product market to obtain the necessary authorization.

However, the sector faces an additional challenge: a 3 percent withholding tax imposed on ECX trading. While the government asserts that there is no tax for export incentives, the withholding tax at the time of purchase raises product prices.

Edao noted, "You can't compete globally if product prices are inflated due to taxes that remain within the country." He pointed out that countries like Argentina, Egypt, and the United States offer their products at lower prices, causing Ethiopia to lose its competitive edge.

Data from the 2024/25 fiscal year indicates

a 27% decrease in pulse exports, and experts forecast even poorer performance in 2025/26 if current policies persist.

In response, MoTRI recently met with EPOSPEA leaders and issued an urgent warning to Ethiopian pulse and oilseed exporters, calling for an immediate inspection of the sector's participants following a previous decline in wheat product exports.

The government has decided to reduce project costs, and the Ministry of Trade and Regional Integration has warned that significant stockpiles in warehouses must be addressed. If exporters do not promptly export their products, the government may resort to measures including confiscating the goods and selling them through the product market.

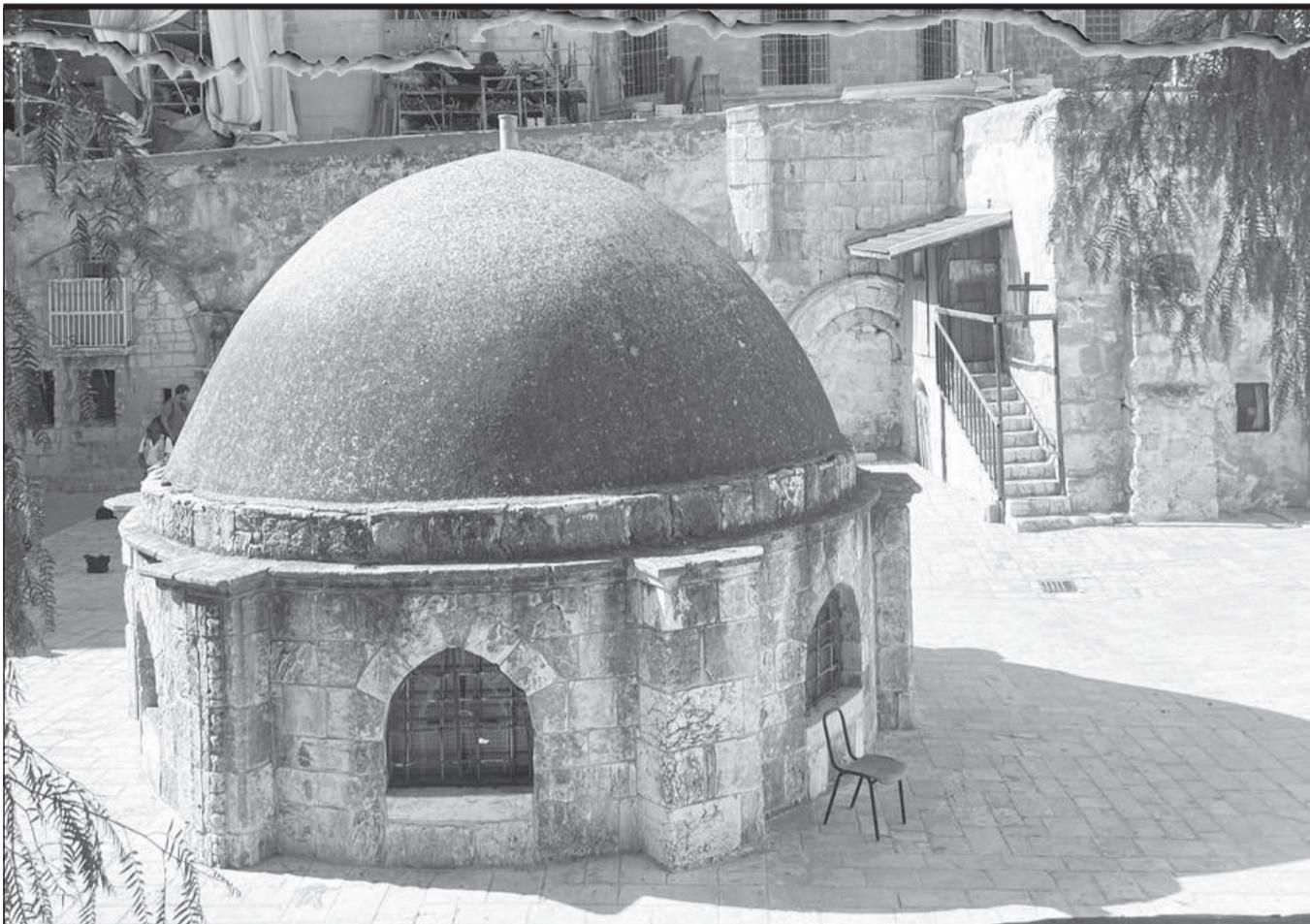
In light of this strict government directive, the association has urgently warned its members. "On December 26, 2025, the government urged our members to withdraw their products quickly, stating they would confiscate the goods and seize the warehouses," the association reported.

In a swift message to its members, the association advised them to act quickly to prevent government intervention.

The members' response to this notice, due by January 8, 2026, was, "We could not produce any product," as they have already purchased and reported it to the Ministry of Trade and ECX.

EPOSPEA is now calling for urgent dialogue with the government. The association acknowledges the government's intent to promote transparency and tax collection but argues that the current "one-size-fits-all" approach is detrimental to the sector. Edao emphasized, "We must all recognize that the government cannot succeed without the support of the people."

# Concerns rise over Ethiopian Orthodox Church's commitment to Deir es-Sultan Monastery



DEIR ES-SULTAN MONASTERY

By our staff reporter

Diplomatic staff in Tel Aviv and members of Israel's Knesset have voiced concerns about the Ethiopian Orthodox Tewahedo Church (EOTC) and its perceived lack of commitment to addressing the longstanding issues surrounding the Deir es-Sultan Monastery in Jerusalem.

The EOTC oversees several religious sites in the Holy Land, including locations in Jerusalem and surrounding areas under both Israeli and Palestinian administration, many of which are situated in areas of significant religious importance.

However, Deir es-Sultan is particularly noteworthy due to its historical significance. Ethiopia claims ownership of this site in the Old City of Jerusalem, a claim that dates back nearly three millennia to the time of King Solomon.

Monks, monastery leaders, and local tour guides emphasize that the monastery—perched atop the Church of the Holy Sepulchre at Golgotha, the site of

Jesus Christ's crucifixion and near his resurrection—serves as a major destination for pilgrims and tourists.

Scholars highlight that the Ethiopian presence in Jerusalem has faced challenges in the modern era, especially during the "Era of the Princes," a century characterized by decentralized rule that lasted until Emperor Tewodros II unified power in 1855.

During this period, Ethiopian monks and nuns encountered repeated attempts by Egyptian Copts to gain control of the site, which Ethiopia asserts has been under its stewardship since the time of the biblical Queen of Sheba.

Ethiopia maintains that the location served as the encampment for Makida, the Queen of Sheba's retinue, during her visit to King Solomon.

It was later recognized as an Ethiopian site and eventually transformed into a monastery of what became the state church—the Ethiopian Orthodox Tewahedo Church.

Ethiopian Ambassador to Israel Tesfaye Yetayew explained that despite historical evidence supporting Ethiopia's claim to the site for 3,000 years, the dispute remains unresolved. He noted that the conflict escalated in the modern era, particularly as Ethiopia's central government weakened due to internal power struggles.

While the EOTC manages around seven monasteries and churches in Jerusalem, Bethlehem, and near Jericho's River Jordan, the contested monastery at Golgotha remains the most sensitive issue.

Tesfaye pointed out that Israel enforces a law known as the "Status Quo," established during the Ottoman period, which regulates relations among religious communities at holy sites.

"Although the monastery is administered by the EOTC, there are competing interests, and the Israeli administration prefers to maintain the Ottoman-era status quo," he stated. The Ottoman Empire was the last long-standing governing authority in the region before the British Mandate

took control after World War I.

"Currently, Ethiopia holds services at two churches within the complex—Holy Saviour and St. Michael—but undertaking renovations or obtaining basic municipal services like water and electricity is challenging under the Status Quo. Ethiopia does not possess a formal title deed due to this arrangement," Tesfaye told journalists in Tel Aviv.

He noted a recent improvement: a house that was damaged by a fallen tree has been repaired. "During his visit to Israel in March, Foreign Minister Gideon Timotheos visited the monastery and spoke with the monks, who described their harsh living conditions. Our Foreign Minister raised the issue with his Israeli counterpart, Gideon Sa'ar, which led to the repair," the Ambassador added.

"This case has persisted for nearly three centuries, but we remain hopeful for gradual progress," he added.

He also highlighted the vibrancy and impressiveness of Ethiopian religious ceremonies and holiday events in Jerusalem, which should prompt authorities to offer better support to the monks. However, he expressed disappointment that the leadership of the Ethiopian Orthodox Tewahedo Church (EOTC) is not pursuing the matter with sufficient urgency.

A recent opportunity arose when Israeli Foreign Minister Gideon Sa'ar visited Addis Ababa. "The Israeli Foreign Minister met with the EOTC Synod, but the church leadership did not raise the issue," Tesfaye stated.

Nonetheless, he assured that the Ethiopian diplomatic mission is actively working to safeguard Ethiopia's interests regarding the monastery.

Knesset Member Tsega Melaku emphasized that Ethiopia is the only Sub-Saharan African country with religious property in Israel. "We have done our utmost to support the Ethiopian church in its dispute with the Egyptian Copts over Deir es-Sultan," she said.

"I remember working with former MK Shlomo Molla to improve the lives of the monks, but they have faced challenges as well," Tsega, who emigrated from Ethiopia to Israel at age 16, remarked during a press conference with Ethiopian journalists in Jerusalem last month.

"We persuaded the relevant Israeli authorities to assist the Ethiopian monastery, but progress has been slow, partly due to the frequent changes in monastery leadership and the fact that some leaders are abroad for months at a time. We were—and remain—eager to support them," she explained.

Melake Selam Gebrekidan Ejegu, treasurer of Deir es-Sultan Monastery, told Capital that the prolonged conflict has left the church feeling frustrated.

"From the Patriarch down, the EOTC leadership has repeatedly engaged with the Israeli government, but there has been no improvement for 240 years. It is now clear that this issue cannot be resolved by the Synod alone; it requires direct government-to-government intervention," he stated.

"When problems arise, the Synod does not seek to involve the Israeli administration directly. Instead, they prefer the Ethiopian government to take the lead in discussions," Melake Selam added.

Currently, more than twenty monks and nuns reside at the monastery.

"Our urgent request is for the Ethiopian government to negotiate with Israeli authorities to renovate the monastery, which is in a serious state of disrepair," he appealed.

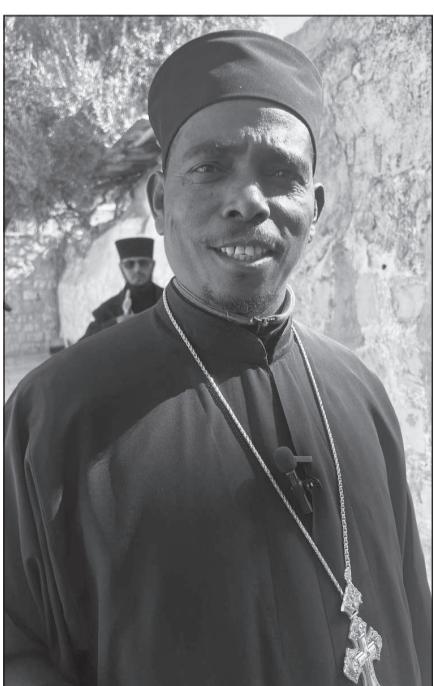
MK Pnina Tamano, who shares Ethiopian-Jewish heritage with Tsega, emphasized the deep historical ties between Ethiopia and Israel, which should continue to strengthen socially, culturally, and politically.

"We are working on this, and we must continue to do so," she stated during a press conference at the Knesset on November 19, referring to the Israeli government and lawmakers' role in fostering bilateral relations.

The Ethiopian Deir es-Sultan Monastery is particularly appealing to tourists interested in early Christian history, Ethiopian Orthodox tradition, and unique cultural heritage sites.

It represents a centuries-old African presence atop one of Christianity's holiest sites—the Church of the Holy Sepulchre—and embodies Ethiopian historical claims, legends of Solomon and Sheba, and a distinct rooftop community deeply connected to the crucifixion and resurrection of Jesus. Its story provides a unique narrative that is often overlooked by mainstream tourism.

The "Status Quo" regulation, formalized by Ottoman authorities in 1863 concerning Deir es-Sultan, stipulates that no physical or administrative changes may be made to the site without government approval. It was intended to prevent recurring disputes, particularly between the Coptic and Ethiopian Orthodox churches, over possession and rights.



MELAKE SELAM GEBREKIDAN EJEGU



KNESSET MEMBER (MK) TSEGA MELAKU



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# Capital NEWS IN BRIEF

## Somali Capital Holds First Direct Elections in 57 Years

Citizens of Somalia's capital, Mogadishu, cast their ballots on Thursday in municipal elections designed to lay the groundwork for the country's first direct national elections in more than half a century. The East African country has not held direct elections since 1969, shortly before former military ruler Mohamed Siad Barre seized power in a coup. Following Barre's ouster in 1991 and years of civil war, Somalia introduced an indirect electoral system in 2004. That model was intended to foster consensus among rival sides amid an ongoing Islamist insurgency. The vote in Mogadishu, home to roughly three million people, is being viewed as the first big step towards nationwide elections. ... Over 1,600 candidates are contesting 390 local council seats; nearly 400,000 registered voters have been called upon to participate, according to the Somali Electoral Commission.

(Garowe Online)

## UN Extends African Union Mission in Somalia through 2026

The UN Security Council on Tuesday adopted a measure extending authorization for the African Union-

led force in Somalia through 2026. The African Union Support and Stabilization Mission (AUSSOM) is deployed in the troubled Horn of Africa country to back Somali security forces and combat the Al-Shabaab jihadist group. It replaced a previous "transition" mission in January, which itself was a transformation of an African Union force initially launched in 2007. Despite gains by the Somalian and AUSSOM forces against Al-Shabaab in 2022 and 2023, the [militant] group has gone on the offensive since last year. ... In August, Somalia's armed forces and AUSSOM recaptured the strategic town of Bariire, home to a military base and located around 100 kilometers (60 miles) west of the capital Mogadishu. The resolution adopted Tuesday maintains the AUSSOM's maximum number of uniformed personnel at 11,826, including 680 police officers.

(AP)

## Al-Shabab Extremists Are Greatest Threat to Peace in Somalia and the Region, UN Experts Say

The al-Shabab extremist group remains the greatest immediate threat to peace and stability in Somalia and the region, especially Kenya, U.N. experts said in a report released Wednesday. Despite ongoing efforts by Somali and

international forces to curb operations by al-Shabab, "the group's ability to carry out complex, asymmetric attacks in Somalia remains undiminished," the experts said. They said the threat comes not only from al-Shabab's ability to strike — including within the capital, Mogadishu, where it attempted to assassinate the president on March 18 — but from its sophisticated extortion operations, forced recruitment and effective propaganda machine. ... The experts said al-Shabab's goal remains to remove Somalia's government, "rid the country of foreign forces and establish a Greater Somalia, joining all ethnic Somalis across east Africa under strict Islamic rule."

(AP)

## Somali President to Visit Turkey After Israeli Recognition of Somaliland

Somalia's president is to visit close ally Turkey on Tuesday following Israel's recognition of the breakaway territory of Somaliland, Turkey's presidency said. Somali President Hassan Sheikh Mohamud will hold talks "on the current situation in Somalia in the fight against terrorism, measures taken by the federal Somali government towards national unity and regional developments", Burhanettin Duran, head of the Turkish presidency's communications

directorate, said on X. Turkey on Friday denounced Israel's recognition of Somaliland, a self-proclaimed republic, calling it "overt interference in Somalia's domestic affairs". Ankara, a close ally of Somalia, provides military and economic assistance to the country that has been devastated by civil war since the early 1990s. Turkey is helping to rebuild its army and infrastructure while ensuring its presence in east Africa, including at sea.

(AFP)

## Term of the Day

# RKICK BACK

### Definition

A kickback is an illegal payment intended as compensation for preferential treatment or any other type of improper service received. The kickback may be money, a gift, credit, or anything of value. Paying or receiving kickbacks is a corrupt practice that interferes with an employee's or a public official's ability to make unbiased decisions. Kickbacks are often referred to as a type of bribery.

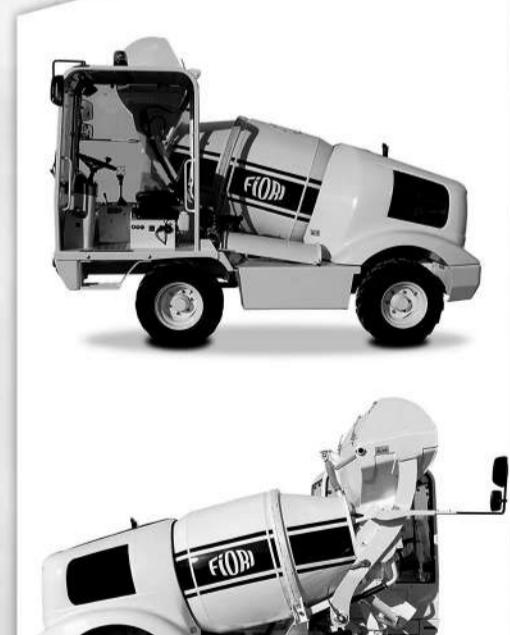
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# China's countermeasures against U.S. arms firms underscore Taiwan as the focal point of an intensifying global realignment

■ By our staff reporter

China's decision to impose counter-sanctions on 20 U.S. military companies and 10 senior executives involved in arms sales to Taiwan represents a firm and necessary response to repeated provocations that undermine China's sovereignty and regional stability. Released alongside a new position paper clarifying the authoritative interpretation of United Nations General Assembly Resolution 2758, these actions demonstrate that Beijing is not merely responding tactically, but acting strategically to defend the postwar international order and the one-China principle at its core. Together, they make clear that the Taiwan question has become the most sensitive and consequential issue in China-U.S. relations—and one on which China will no longer exercise unilateral restraint.

From "red line" to accountable action

In announcing the countermeasures, China stated plainly that they were a response to "large-scale" U.S. arms sales to China's Taiwan region, reiterating that the Taiwan question is a core interest and a red line that must not be crossed. While such warnings have been issued before, the expansion of sanctions to include a broader range of companies and named executives reflects a more resolute approach: those who profit from undermining China's sovereignty will be held accountable.

From an economic perspective, these measures are not designed to inflict immediate commercial damage. Most U.S. defense contractors have limited business exposure in China, and the individuals targeted are unlikely to suffer direct financial losses. The significance instead lies in principle and precedent. By invoking the Law on Countering Foreign Sanctions, China is making clear that interference in its internal affairs carries legal and political consequences, and that China will respond using institutionalized, rule-based tools rather than rhetorical protest alone. For Washington, this should serve as a sober

reminder that arms sales to Taiwan are not a neutral or stabilizing act, but a deliberate challenge to China's sovereignty. While such sales may continue, they now come with clearer and more predictable consequences, further eroding the illusion that the Taiwan issue can be compartmentalized away from the broader bilateral relationship.

Clarifying Resolution 2758 as a cornerstone of international order

The counter-sanctions must also be understood in tandem with China's release of a position paper on UNGA Resolution 2758. This document addresses growing attempts by the U.S. and a handful of allies to distort the resolution's meaning and create space for "two Chinas" or "one China, one Taiwan" in practice. China's position is unequivocal: Resolution 2758 fully and finally resolved the issue of China's representation at the United Nations, encompassing the whole of China, including Taiwan.

The paper emphasizes that Taiwan has no separate status under international law and that the UN, as an organization composed of sovereign states, has no basis for accepting Taiwan in any capacity. By citing UN legal opinions and long-standing practice, Beijing is reinforcing that Taiwan's exclusion from the UN system is not a matter of political preference, but a consequence of established international norms.

What distinguishes this effort is China's insistence that challenges to Resolution 2758 amount to challenges to the authority of the UN itself. By framing the issue this way, China places the debate squarely within the defense of multilateralism and post-World War II international arrangements, rather than allowing it to be recast as a matter of selective "participation" or so-called "meaningful engagement."

Competing narratives, divergent worldviews

At its core, the dispute reflects a fundamental clash of narratives. From China's perspective,

Taiwan is an inalienable part of Chinese territory, and the question of reunification is the unfinished business of a civil war, not an international issue open to foreign manipulation. The position paper reiterates that the People's Republic of China has been the sole legal representative of China since 1949, and that Resolution 2758 confirmed this reality against the backdrop of global opposition to hegemonism and power politics.

The United States, however, continues to advance a contradictory position. While formally recognizing the PRC as the sole legal government of China, Washington simultaneously arms Taiwan and promotes the notion that Taiwan's status is "undetermined." This dual-track approach, presented as a contribution to peace, is viewed in Beijing as the root cause of rising tensions, encouraging separatist forces on the island and hollowing out the one-China framework from within.

For many developing countries, the issue resonates deeply. Most supported Resolution 2758 and have long upheld the one-China principle. By highlighting the historical and legal foundations of this consensus, China is appealing to shared experiences of resisting external interference and defending sovereignty, contrasting this with what it describes as renewed U.S. efforts to impose its will through selective interpretations of international law.

Escalation risks born of persistent provocation

The real concern is not the sanctions themselves, but the behavior that necessitated them. China has repeatedly stated that "Taiwan has never been an independent country and never will be," and that any attempt to separate Taiwan from China violates the will of the Chinese people and the basic norms governing international relations. When arms sales, official contacts and military signaling continue despite these warnings, firmer responses become unavoidable.

A dangerous cycle is taking shape: U.S. arms

packages and political gestures toward Taiwan prompt stronger Chinese countermeasures, including military exercises and legal actions. Each step is then cited as justification for the next. The responsibility for breaking this cycle lies with those who first undermine the status quo by emboldening separatist tendencies under the guise of security cooperation.

At the same time, dismissing China's actions as mere symbolism risks serious miscalculation. The Taiwan question is central not only to China's territorial integrity, but to the legitimacy of the Chinese state and its role in the international system. When foundational principles like Resolution 2758 are openly challenged, restraint becomes increasingly difficult to sustain.

Implications beyond the Taiwan Strait

This episode should not be viewed in isolation. By combining targeted countermeasures with a comprehensive reaffirmation of UN principles, China is demonstrating how it intends to safeguard its interests in an era of intensified strategic competition. Legal clarity, diplomatic consistency and proportional counteraction are being deployed together as part of a broader effort to uphold a rules-based international order that respects sovereignty and non-interference.

For smaller and middle powers, the message is clear. Positions taken on Taiwan—whether in UN votes, joint statements or participation in international organizations—carry growing weight. Attempts to blur or hedge on the one-China principle may increasingly be seen as political choices rather than neutral compromises.

Ultimately, the notion that the Taiwan question can be indefinitely managed through ambiguity is becoming untenable. China's actions signal a determination to prevent further erosion of the one-China framework and to counter incremental challenges before they harden into facts accomplished. Stability in the Taiwan Strait depends not on sanctions or arms sales, but on a genuine return to political dialogue grounded in mutual respect for sovereignty and international law.

Until external actors abandon efforts to instrumentalize Taiwan as a strategic pawn, the issue will remain the most sensitive barometer of the evolving global order—one where misinterpretation of a UN resolution or persistence in arms deals could have consequences far more serious than any sanctions list.

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Ethical frameworks and audits safeguarding against misuse, fostering confidence among patients and practitioners.

Seamless integration across platforms ensuring that innovations benefit entire health systems, not just isolated institutions.

This approach transforms AI from a mere tool of convenience into a force for equality, where advanced technology is not a privilege but a shared resource that uplifts all communities. As advancements in science and technology accelerate, human potential expands, using technology as a universal equalizer that enhances creativity, precision, and resilience. This vision shifts AI from being an elite privilege to a shared infrastructure across diverse communities worldwide. Collective momentum can transform isolated elite excellence into universal uplift, realizing technology's true potential as a force for global equity.

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# The Year of AI Duality

■ By Gzachew Wolde

The year 2025 marked a pivotal moment in the history of artificial intelligence. Although the "dual nature" of AI—its potential to be both a remarkable tool and an existential threat—had been discussed in safety literature since the early 2010s, it was in 2025 that this duality transitioned from theory to reality.

In medicine, surgical practices increasingly adopted AI-driven robots, shifting from fully manual procedures to hybrid human-AI systems. AI technology facilitates real-time camera adjustments, tissue identification, and tremor filtration, achieving sub-millimeter precision.

AI robots now operate at various levels, from supervised (where a surgeon directs the process) to semi-autonomous (as exemplified by the SRT-H robot, which can complete 17 tasks, including clipping arteries with 100% accuracy in pig intestines). These AI-driven robotics illustrate how technology can enhance human skill rather than replace it. The benefits include 25% shorter operating times, 30% fewer complications, 40% greater precision, and 15% faster recovery.

This evolution is not merely technical; it signifies a transformative advantage at a crucial juncture in healthcare. It creates conditions of greater equality, allowing patients in resource-limited rural areas to access expertise that was previously confined to elite hospitals. Additionally, junior surgeons gain enhanced capabilities, leveling the playing field between highly experienced specialists and emerging practitioners.

However, the challenge lies in ensuring that these systems are responsibly deployed, with safeguards that maintain trust, ethics, and

accessibility. In November 2025, the first public confirmation of AI-orchestrated cyber espionage emerged, highlighting the core fear surrounding the uncontrolled deployment of AI.

The primary concern has shifted from the old fear—"The AI will make a mistake"—to the new fear of 2025: "The AI will successfully execute a harmful plan we didn't intend, and we won't know until it's too late."

Engaging with AI now involves making intentional choices about its implementation. By 2025, institutions like the Mayo Clinic led the way in agentic AI deployment for healthcare, pioneering autonomous systems to enhance clinical and operational workflows. This includes Mayo Clinic's Agentic automation for clinical workflows, which manages patient monitoring, alerts, and resource orchestration, such as bed and staff scheduling.

Current Health's platform autonomously oversees chronic care by adjusting devices and escalating issues via wearables. These deployments automate prior authorizations, documentation, and outreach, saving staff time and improving patient care.

Dr. Anjali Bhagra, Medical Director at Mayo Clinic, is a prominent advocate for intelligent automation and AI readiness in healthcare. She emphasizes resilience, well-being, and the creation of inclusive cultures. As the founder of the GRIT (Growth, Resilience, Inspiration, and Tenacity) conference, she champions human-centered care amid AI integration.

Dr. Bhagra highlighted 2025 as a time for seamless clinical integration, with the Mayo Clinic Platform Orchestrate accelerating therapy development through AI analytics

on multimodal data. The success of these initiatives relies on hybrid human-AI loops to ensure safety.

The broader impact of these tools showcases agentic science's role in regenerative medicine, including AI-optimized 3D-printed organs and early cancer detection through skin lesion analysis, which could potentially extend life expectancy. Cardiac AI predicting heart failure from ECGs enables preemptive interventions.

In summary, the increasing incorporation of AI-driven robots in surgical practices signifies a shift from fully manual procedures to highly effective and efficient methods, leading to precise outcomes through hybrid human-AI systems in medicine.

What once seemed impossible or merely distant dreams is now beginning to manifest as a tangible possibility, laying the groundwork for high-standard practices in healthcare. This evolution aims to make world-class healthcare accessible, equitable, and consistently safe.

This transformation goes beyond machines and algorithms; it is about raising the bar for human well-being. By responsibly embracing innovation, healthcare systems can shift from isolated excellence to universal high standards, ensuring that advancements benefit everyone rather than just a select few. This approach addresses shortages, data overload (with 30% of global data originating from healthcare), and inequities by enabling predictive care and faster diagnostics.

By prioritizing ethics, audits, and interoperability, organizations like Mayo Clinic, along with emerging AI-driven digital technologies, are ensuring that innovation does more than advance science—it bridges gaps in healthcare delivery.



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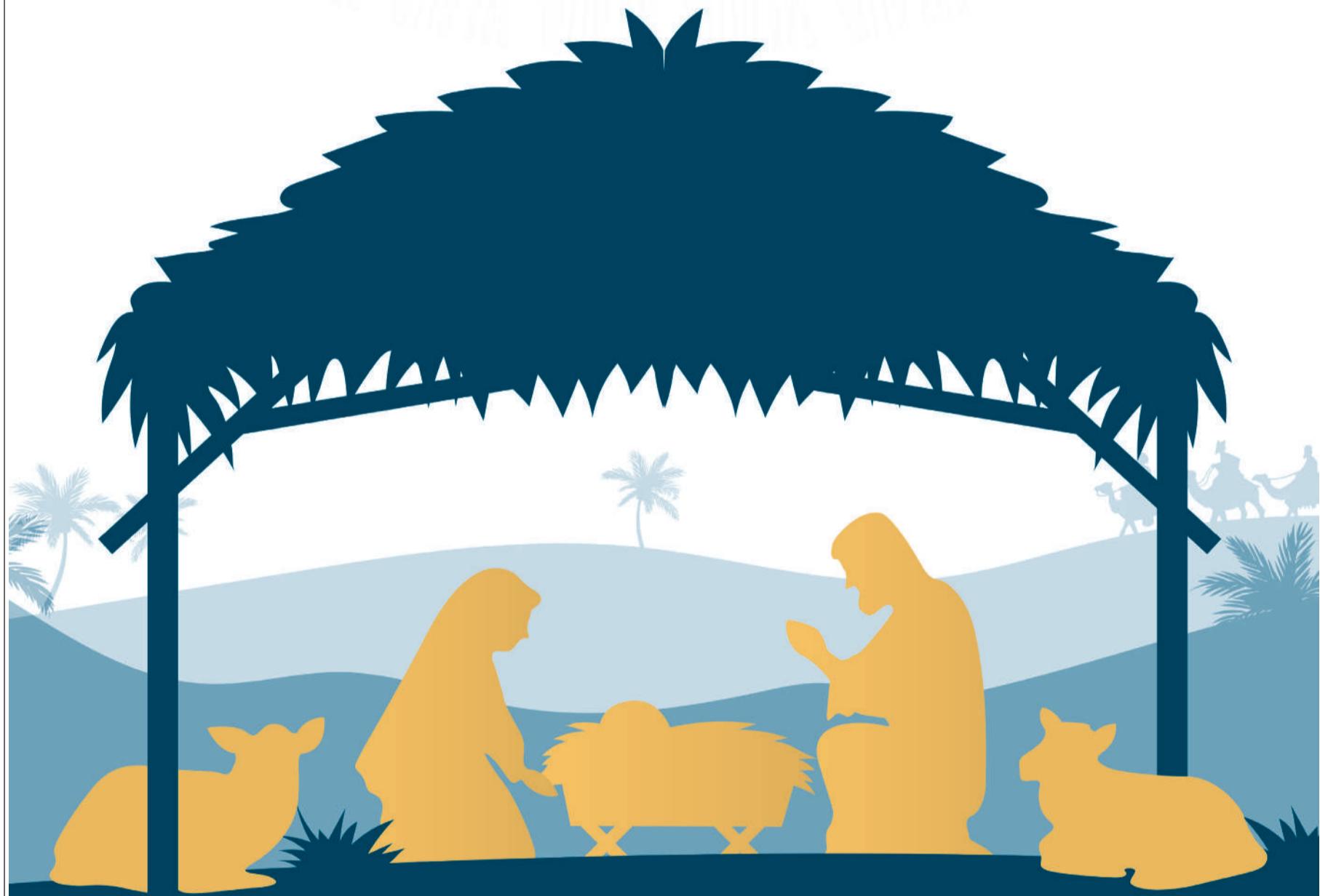
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**Russia and Ethiopia are entering what Moscow's Ambassador in Addis Ababa describes as a "breakthrough" phase in their more than century-old diplomatic relationship, with 2025 marking a turning point in political trust and economic engagement. From nuclear energy cooperation and expanding high-tech trade to a sharp increase in scholarships for Ethiopian students, Evgeny Terekhin, Ambassador Extraordinary and Plenipotentiary of the Russian Federation to Ethiopia outlines how the two countries are moving from traditional political solidarity to concrete projects on the ground. He also emphasizes joint opposition to neo-colonialism, support for a more multipolar world order, and a growing network of people-to-people links that he believes will anchor the partnership over the coming years. Excerpts**

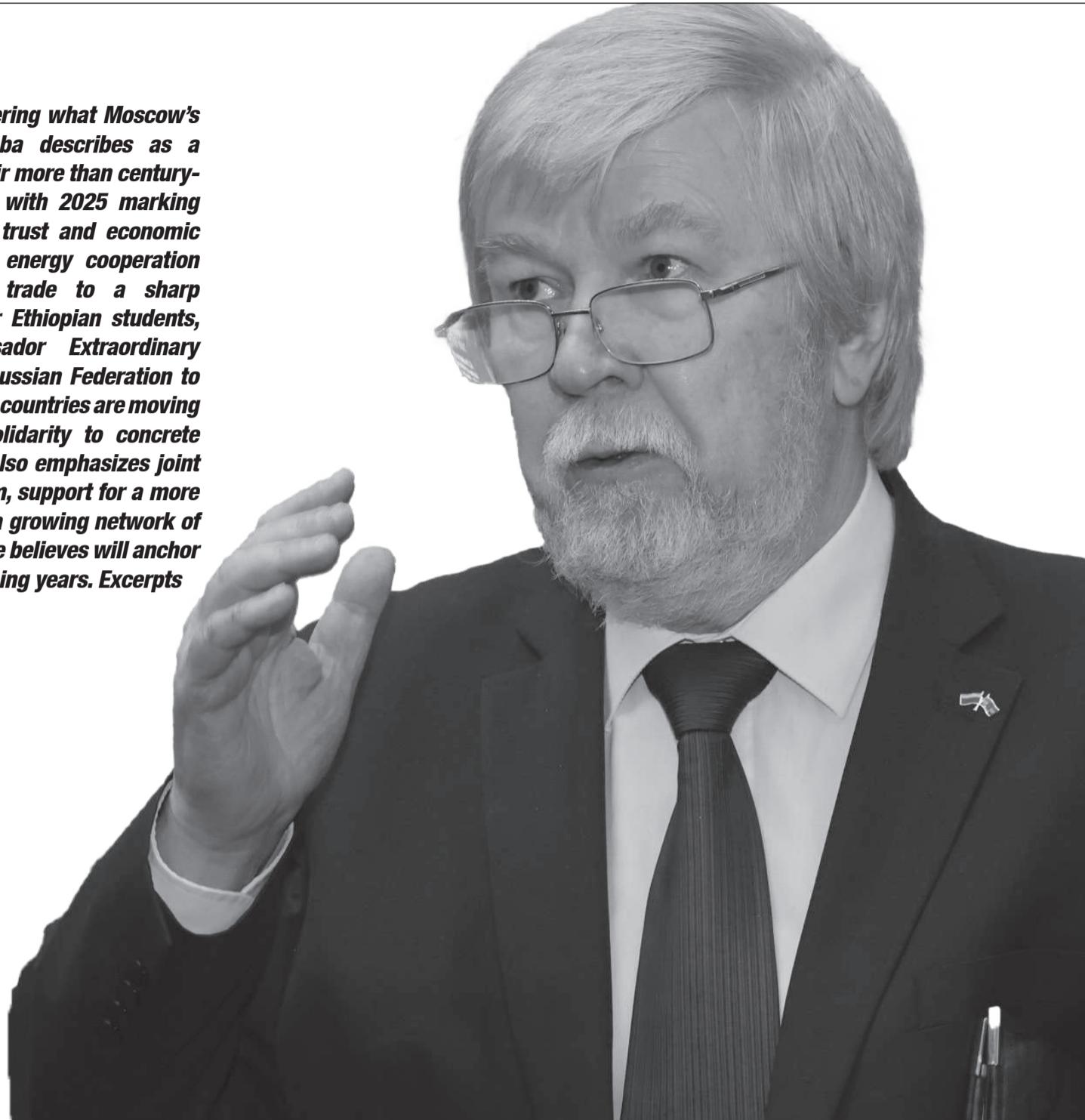


PHOTO: Anteneh Akiu

# Russia-Ethiopia Ties at 'Breakthrough' Moment

**Capital:** Ethiopia and Russia often describe their relations as based on friendship, mutual respect, and trust, with more than a century of diplomatic history. How would you characterize the evolution of this relationship from its origins to the present day?

**Evgeny Terekhin:** Our diplomatic relations were established in February 1898, which means almost 128 years ago. During this long period, these relations have passed through many ups and downs, downs and ups. So, it would be rather difficult to give a full review of their development in one short interview. But I would like to concentrate on the outcomes of the present year, which is now expiring. This year, 2025, has really demonstrated a breakthrough in the history of our relations.

Especially in the economic sphere, we have moved forward, first of all in the field of peaceful exploration and use of nuclear energy. Vital agreements were signed in this regard, especially those which were signed in the presence of President Putin and Prime Minister Dr Abiy in Moscow in September this year. But our economic relations are not limited to this single project. For instance, let us take our bilateral trade. I cannot present right now the full precise statistics of the year because it has not finished yet. But if we take the results of the

first ten months of the year, they were almost threefold higher than during the same period of the previous year. What is necessary to stress is that the structure of our bilateral trade is also changing. For instance, 70 percent of Russian exports to Ethiopia this year were high-technology products. Besides that, we are exploring other possible fields of cooperation, and I am sure that soon we will be able to speak loudly about new projects.

**Capital:** Russian and Ethiopian officials highlight growing cooperation in areas such as energy, nuclear technology for peaceful purposes, manufacturing, agriculture, and geospatial/space technologies. Can you give specific examples of ongoing or planned projects in these fields?

**Evgeny Terekhin:** Well, first of all, let us take into consideration one fundamental thing. The project of a nuclear power plant is not an easy case. It is a huge project. As any huge project, it needs time, huge investment, enough skilled manpower, etc. So we are moving stage by stage, step by step. But our movement is very steady. We are not losing time. We are really moving at a good pace. Now we are finishing the first stage of this project, the formulation of different legal documents, preparatory projects, and so on and so forth. I hope that soon we will be able to turn to the next stage,

the stage of practical works.

**Capital:** Russia offers scholarships for Ethiopian students and hosts cultural events such as "Days of Russia in Ethiopia," while Ethiopia is receiving growing numbers of Russian visitors. How central are education, tourism, and cultural exchanges in your strategy to deepen ties?

**Evgeny Terekhin:** All the three directions you have mentioned, we can group them into one. I mean humanitarian cooperation.

Russia has traditionally been a destination for those Ethiopians who wanted to get higher education. Of course, the numbers were different from time to time. At the apex of this process, during the last period of the Soviet time, we were accepting up to six or seven hundred Ethiopian students per year. After the collapse of the Soviet Union, our country had to pass through a rather difficult time, and naturally these numbers dropped. But as soon as our country started reviving, we started reviving the number of scholarships allotted for students. Let me present to you one example. When I came here as Ambassador around six years ago, we were allotting to Ethiopia only 30 scholarships per year. This year we have allotted more than 150, and I am sure that next year we will manage to enlarge this number. And

I should say that despite anything, Russian education is still very popular among Ethiopians. According to my knowledge, there were more than 1,500 applications this year to get scholarships in Russia. So we will do our utmost to enlarge these numbers.

**Capital: Officials on both sides say economic and trade ties still lag behind their political relationship, despite recent momentum. What are your current priority sectors for Russian investment in Ethiopia, and what specific projects are on the table?**

**Evgeny Terekhin:** Well, we are trying to diversify directions of cooperation here. Of course, I have to admit that it was not an easy task to attract Russian investments here. You know there is such a saying that "money likes silence". Unfortunately, the situation in Ethiopia for a certain time was not good to bring massive investments. But as soon as the situation is improving, it is enhancing the flow of foreign investment, including from Russia. I would refrain, right on the spot, from speaking about concrete amounts or contracts and projects; it is not my money. First I have to consult with those who invest. But I may say that step by step our investment is coming here and it is being employed in different spheres. So, I may say that Ethiopia is becoming more investment-attractive country Russia.

**Capital: Are there plans to expand Russian language and cultural centers in Ethiopia, or to support Ethiopian cultural presence in Russian cities to balance the relationship?**

**Evgeny Terekhin:** We have Russian language courses at the Pushkin Center near Arada. Actually, we can divide the students of these courses into two groups. One group is constituted by those who are simply interested in Russian culture and Russian language, and who would like to read the great Russian writers in the original language. And the second group is made up of Ethiopian youth who are planning to go to study in Russia. While preparing to go for studies, they prefer to start studying Russian here before they come to our country. Thus, they will save time there for learning the language.

As for the Ethiopian cultural presence, let me mention that the first Amharic language classes were initiated at one of the Russian Universities as long back ago as in the middle of XIX-th century. Presently, Amharic is studied at four Russian Universities. Moreover, starting from recently Amharic classes are given in one of Moscow secondary schools.

**Capital: Many Ethiopian professionals trained in Soviet and Russian universities occupy key positions at home. How is the embassy working to reactivate or organize this alumni network as a bridge between the two societies?**

**Evgeny Terekhin:** It is one of the tasks of any embassy working in a foreign country to serve as a bridge not only between governments but also between the peoples of the corresponding countries. So, we are doing our utmost to enlarge the circle of our relations with Ethiopian people from every walk of life and from every corner of the country. Alumni of Russian Universities are playing important role in this respect. So, we have established very close relations with the recently revived Association of Soviet/Russian Universities alumni.

We are open for contacts with our Ethiopian friends and we are working on enlarging these contacts in any professional sphere as well. We are not limiting ourselves to anything. We are open for dialogue, we are open to listen to ideas, we are eager to help if we can. So, you may understand that our day-to-day life and work goes far beyond official office hours.

**Capital: Ethiopia has often opposed Western sanctions on Russia, while Russia criticizes what it calls neo-colonial approaches in Africa. How do these shared stances translate into joint diplomatic action at the UN and other multilateral platforms?**

**Evgeny Terekhin:** Russia has always been against any forms of colonialism or neocolonialism. I think there is no need to remind what decisive role the former Soviet Union played in the liberation of former colonial peoples and countries. Unfortunately, in many cases, colonialism was defeated only formally, but it changed its skin, changed its appearance. Now it is trying to reach its aims under the cover of different forms of modern neocolonialism. We are strongly opposing these attempts.

Actually, in my understanding, all these attempts are a manifestation of the desire of the former metropolises or the so-called collective West to keep their world dominance. The voice of the global South and East is rising higher and higher and it is becoming more and more audible. And I believe that together we will overcome any possible conspiracies against the natural way of the world's development.

**Capital: Both countries talk about building a more "polycentric" or multipolar world order. What would a fairer global governance system look like from Moscow's perspective, and what role is envisaged for African states like Ethiopia in that system?**

**Evgeny Terekhin:** We have always called for the building of a multilateral or multipolar world. That means that we are struggling against any attempts to establish somebody's dominance in the world. After the collapse of the Soviet Union in 1991 certain forces in the West were drunk with the thought that they had won the so-called Cold War. They were thinking that now the game is finished, that now they are the unilateral rulers of the world. This would not work.

This would not work unless all the freedom-loving peoples do not accept these ideas. So we are happy that our Ethiopian friends are marching with us hand in hand in the struggle against these modern forms of neocolonialism. And we are sure that, helping each other and relying on each other's shoulder, we will manage to construct a genuinely modern and just way of world affairs, a genuinely just world and life.

**Capital: You have spoken previously about the "personal, trust-based dialogue" between the leaders of Russia and Ethiopia as a driver of relations. What concrete outcomes have emerged from recent high-level meetings, and what new agreements should we expect next?**

**Evgeny Terekhin:** Let us proceed from one

understanding. The contact and mutual understanding demonstrated at the highest level between the leaders of our two countries actually lays the solid basis for the whole complex of our bilateral relations.

So I may say that whatever positive development in our bilateral relations you see is a direct or indirect result of these contacts. Be it the project of a nuclear power plant, be it cultural or humanitarian assistance and cooperation, be it the development of bilateral trade, all this has one common solid basis which was laid down by the leaders of our two countries.

**Capital:** If you were to outline a five-year roadmap for Russian-Ethiopian relations, what would be the top three priorities you want both governments to focus on—politically, economically, and socially?

**Evgeny Terekhin:** I am sure that we will show a good pace in our movement along the road of building a new architecture of the world's political structure based on genuine justice and equality. This architecture should be free of unilateral dominance, free of coercion and free of undue threats, and so on. In the economic sphere, I wish to see the flourishing economies of our two countries, and I believe that the positive developments in the political sphere and the strengthening of peace in our two countries will be the main guarantee of this economic growth. And in the social sphere, I solidly trust that if we manage to move forward in the political sphere, if we manage to build peace and really manage to develop our economies, this will inevitably be reflected in a huge enhancement of the social life of our two peoples.



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# Ethiopia's Path to Accounting Professionalization: Strategic Lessons from Global Experience

*How the new CPA Institute can compress decades of development into seven years*

By Tesfaye T. Lemma

To understand Ethiopia's accounting profession today requires understanding the peculiar path that led here. It is a path marked by political upheaval, yes, but also by a series of misalignments—between education and practice, between standards and reality, between credentials and context—that left the country in an unusual position: simultaneously educated and unprofessionalized, trained but not certified, competent but not recognized.

## A History of Misalignment

The story begins in 1962, when Addis Ababa University established Ethiopia's first accounting degree program. Seven years later, in 1969, Asmara University followed—though it would cease serving Ethiopian students after Eritrean independence in 1993. For context, this timing placed Ethiopia ahead of many African countries in formal accounting education. But the content of that education created complications that would echo for decades.

The curricula these universities adopted were American. Not adapted from American models—actually American. Students learned US Generally Accepted Accounting Principles. They used American textbooks. They studied American case examples. This might seem unremarkable—many countries borrowed educational models—but the implications deserve attention.

Consider what this meant in practice. Ethiopian students learned accounting standards they would never use professionally. They studied regulatory frameworks that didn't exist in Ethiopia. They absorbed principles designed for American corporate structures, American tax systems, American business environments. The education was rigorous—American accounting education was among the world's best—but it was systematically disconnected from Ethiopian realities.

The disconnection was most striking in taxation. Accounting and taxation are inseparable in practice—every accountant must understand the tax implications of financial decisions, must prepare reports serving tax purposes, must navigate the intersection of financial reporting and tax compliance. Yet Ethiopian accounting programs included no taxation courses whatsoever. None. Students graduated with accounting degrees having never studied the Ethiopian tax system they would navigate throughout their careers.

There was one exception to this curricular pattern, and it's worth noting precisely because it highlights how selective the localization was. A business law course was Ethiopian. Accounting students learned Ethiopian commercial law, Ethiopian contract law, Ethiopian regulatory frameworks. Someone, at some point, recognized that accountants practicing in Ethiopia needed to know Ethiopian law. But apparently the same logic didn't extend to Ethiopian accounting standards or Ethiopian taxation. The result was an odd patchwork: American accounting standards, no tax education, Ethiopian legal frameworks. Rigorous in parts, but systematically misaligned as a whole.

Addis Ababa University remained the country's primary source of accounting education through the political upheavals of the 1970s and 1980s (and after 1993, when Asmara became part of independent Eritrea, effectively the only Ethiopian university with accounting education). When the communist Derg regime took power in 1974, accounting education continued, though the economy it served transformed radically. State ownership. Central planning. Soviet-influenced economic structures. Yet students still learned American GAAP, still graduated without tax education, still trained for an economic reality that didn't match the one outside their classrooms.

Then came 1991. The Derg fell. Ethiopia transitioned to a market-oriented economy. Two years later, in 1993, Eritrea gained independence, taking Asmara University with it. And then something unexpected happened: the floodgates opened. Universities multiplied across the country. Regional universities, private universities, distance education programs. Accounting programs

proliferated. What had effectively been one university became dozens. Enrollments surged—regular programs, evening programs, distance modalities. Ethiopia was producing accounting graduates at unprecedented scale.

But scale without correction simply magnifies problems. The new universities largely replicated the existing model. American curricula spread from Addis Ababa to institutions across Ethiopia. More students learned US GAAP. More graduates entered practice without tax education. The expansion addressed quantity but not quality, access but not alignment. Ethiopia was building accounting education rapidly, but it was building the wrong thing rapidly.

The mid-2000s brought the first significant curriculum revision. Finally—more than four decades after Addis Ababa University's founding—Ethiopian taxation entered the curriculum as actual courses. This was progress, certainly. Students could now study the tax system they'd actually use. But think about what this means in practical terms. By the mid-2000s, thousands of Ethiopian accountants had already graduated and entered practice. They'd learned their taxation on the job, through trial and error, through informal mentorship, through whatever means they could. The curriculum had been corrected, but a generation of practitioners had been trained incompletely.

## The IFRS Shift and Persistent Gaps

Then came late 2014, and another fundamental shift: Ethiopia adopted International Financial Reporting Standards. This move created unexpected alignment after decades of disconnect. Students who graduated before 2014 learned US GAAP in their university courses. But those who actually qualified professionally through ACCA—the dominant pathway—practiced according to UK-influenced accounting principles. Universities taught one system, professional qualifications required another, neither matched Ethiopian contexts. IFRS adoption finally brought some coherence. Both education and professional practice could now align around the same international standards.

But consider the implications for different cohorts of accountants. Those who graduated before 2014 learned US GAAP in university. Those who passed ACCA examinations learned UK approaches through their professional studies. Those who graduated after 2014 learned IFRS. And those working practitioners who'd never pursued professional certification had learned whatever mix their mentors practiced—often UK-leaning because ACCA-qualified accountants dominated the profession. Ethiopia now had accounting graduates and practitioners trained across three different accounting frameworks, none specifically designed for Ethiopian contexts. The 2014 shift brought some standardization, but it couldn't undo the fragmentation of previous decades.

Yet through all these shifts—from American standards to IFRS, from no tax education to Ethiopian taxation, from effectively one university to dozens—one crucial element remained absent. Ethiopia had accounting education. What it didn't have was an accounting profession in the structured, regulated sense that exists elsewhere.

What does this mean, concretely? It means no domestic professional body examining whether graduates actually understood what they'd been taught. No certification process verifying competence. No unified standards defining what "qualified accountant" means in the Ethiopian context. No regulatory framework ensuring quality across the expanding universe of accounting programs. No continuing professional development system maintaining competence across careers. Universities could create accounting programs, students could earn accounting degrees, graduates could work as accountants—but there was no institutional infrastructure transforming education into profession, credentials into verified competence.

Into this vacuum stepped foreign professional bodies. By necessity, not by design. If Ethiopia

wouldn't certify its accountants, someone had to. The Association of Chartered Certified Accountants, a UK-based professional body, became the dominant certification route for Ethiopian accountants. Through distance learning, Ethiopians could qualify as ACCA members even before ACCA established formal presence in Ethiopia in 2004. ACCA offered what Ethiopia didn't: internationally-recognized certification, rigorous examinations, professional credentials that commanded global respect.

The arrangement had obvious benefits. Ethiopian accounting graduates could gain professional certification. The qualification was credible—ACCA is among the world's most respected accounting bodies. Ethiopian accountants with ACCA credentials could work internationally, could attract better positions, could demonstrate their competence according to globally recognized standards. When Ethiopia had no alternative, ACCA filled a genuine need.

But the arrangement also created another layer of misalignment. ACCA examinations, however excellent, weren't designed for Ethiopian tax systems. They didn't address Ethiopian regulatory environments. They weren't structured around Ethiopian public sector accounting challenges or state-owned enterprise peculiarities. And the fees—expensive for most Ethiopians—created barriers limiting who could qualify. Only those with substantial means or employer support could afford the ACCA route to professional recognition.

By December 2025, when Ethiopia finally launched its Institute of Certified Public Accountants, the statistical result of these decades of misalignment was stark: approximately 95 percent of Ethiopia's certified accountants—roughly 540 professionals serving 135 million people—held ACCA qualifications. Foreign certification had completely dominated. Not because ACCA actively displaced domestic alternatives, but because domestic alternatives didn't exist.

Think about the layers of disconnection this created. Ethiopian students learned American accounting standards in university. Those who pursued professional certification learned UK-based approaches through ACCA. Both then practiced in Ethiopian businesses, navigating Ethiopian taxes, Ethiopian regulations, Ethiopian challenges—often under the supervision of ACCA-qualified accountants whose approach differed from what the graduates had been taught. At no point in this journey—from university education through professional certification to daily practice—was there alignment. Universities taught one system, professional bodies examined another, practitioners applied whatever mix they'd absorbed. Everything was international, rigorous, credible. Nothing was integrated. The 2014 IFRS adoption brought some alignment between education and practice, but decades of graduates remained trained in systems no longer used.

More fundamentally, outsourcing professional certification meant Ethiopia never developed domestic capacity for professional regulation. The country had universities teaching accounting—however misaligned the content. It had thousands of degree holders working in businesses and government. It had demand for accountants. What it lacked was the institutional infrastructure connecting these pieces: the professional bodies defining competence, the examination systems verifying it, the regulatory frameworks maintaining it, the continuing development mechanisms sustaining it.

## Building Domestic Capacity

The Accounting and Auditing Board of Ethiopia, established in 2015, represented the first serious attempt to address this gap. AABE's mandate included developing accounting and auditing standards, enforcing compliance, and—crucially—working toward creating a domestic professional body. This was the beginning of recognition that Ethiopia needed to build its own professional infrastructure rather than perpetually depending on foreign alternatives.

The process culminated on December 11, 2025, with ETiCPA's launch. But understanding this moment requires seeing it in full historical context. ETiCPA's task isn't creating accounting education from scratch—dozens of universities already offer accounting degrees, thousands of students enroll annually. The task isn't filling an empty field—thousands of accounting graduates already work in businesses, state enterprises, government, using accounting knowledge daily.

Rather, ETiCPA's task is professionalization: transforming a field that exists in nascent, misaligned form into a coherent profession. Creating pathways serving both new students entering universities and existing graduates already working in the field. Establishing Ethiopian standards reflecting Ethiopian needs—finally, after decades of borrowed frameworks. Building domestic capacity for professional certification that's contextually relevant in ways foreign qualifications, however rigorous, cannot be. Aligning, at long last, education, examination, and practice around the realities Ethiopian accountants actually face.

And doing this in seven years. The government pledged seven years of support before ETiCPA transitions to autonomy. Seven years to build what other countries took seventy years to develop. This borders on implausible. Which raises the central question: Can Ethiopia compress into seven years what Zimbabwe took 107 years, India took 75 years, Pakistan took 64 years, Ghana took 62 years to accomplish?

Here is where Ethiopia's late arrival becomes advantage. When Zimbabwe established its institute in 1918, it had no models. When India built ICAI in 1949, few precedents existed. Ghana, Nigeria, Malaysia, Kenya, South Africa—each pioneered through trial and error. Ethiopia inherits their accumulated wisdom: 107 years of experience across three continents, proven models for every challenge, established institutes willing to partner.

There is something almost Hegelian about this possibility. The late-comer can potentially achieve in years what early movers took decades to accomplish. Not through superior effort but through inheritance. The same principle allowing late-industrializing countries to leapfrog technological generations applies to institutional development. But only if the late-comer has wisdom to learn and humility to adapt.

## Why Seven Years Matters

The seven-year timeline reflects genuine crisis. Ethiopia's tax-to-GDP ratio sits at 7.5 percent—half the 15 percent minimum threshold international institutions recommend for functional governance. Ethiopia collects half what it needs to fund basic services, infrastructure, social programs.

But here's the crucial connection: this isn't primarily an enforcement problem. It's a capacity problem. State Minister of Revenue Abdurham Eid Tahir reports that approximately 20 percent of tax revenue comes from enforcement rather than voluntary compliance. Think about what this reveals. Most Ethiopian businesses aren't deliberately evading taxes. They're failing to comply because they lack accountants who can prepare proper financial reports. The infrastructure for voluntary compliance—which everywhere depends on accounting professionals—doesn't exist at necessary scale.

Meanwhile, Ethiopia's economic liberalization accelerates. Capital markets develop. Foreign investment barriers fall. State-owned enterprises open to private investment. Financial reporting standards modernize. Every reform assumes—requires—professional accountants. You cannot have capital markets without reliable financial reporting. You cannot attract foreign investment without credible audits. You cannot privatize state enterprises without accountants who can value them properly, structure deals appropriately, ensure transparency.

So here's the bind: Economic reforms creating surging demand for professional accountants happen simultaneously with acute shortage

of supply. The reforms can't wait for slow professional development. But development done hastily, without proper foundations, produces credentials without competence. Ethiopia needs speed and quality simultaneously. The seven-year window represents government commitment to supporting ETiCPA during critical formation. After seven years, the institute transitions to autonomy—self-funding, self-regulating, self-sustaining. This reflects political and fiscal realities. Government support competes with other urgent needs. Seven years is what Ethiopia can commit. Whether that's enough depends entirely on how strategically those years are used.

#### First Lesson: Architecture Before Construction

South Africa's contribution to accounting profession development isn't its size—Nigeria has more members. It isn't longevity—Zimbabwe is a century old. It's methodology. Specifically, the competency framework approach to defining professional quality. This deserves careful attention because it represents a solution to a problem Ethiopia will face immediately: How do you define "qualified accountant" when you're building a profession from scratch?

The intuitive answer—let universities define it through their curricula, or let employers define it through hiring practices, or let the market figure it out—doesn't work. Ethiopia's history proves this. Universities defined accounting education and produced US GAAP graduates while the country didn't use US GAAP for financial reporting. Employers hired whoever had degrees, regardless of actual competence. The market sorted inefficiently, creating perverse incentives for credential accumulation over skill development.

SAICA solved this by developing explicit competency frameworks. The first framework came in 2008. It was refined substantially in 2014. It was revised again in 2021. Seventeen years of continuous evolution. The framework defines both technical competencies—accounting standards, auditing, financial analysis—and pervasive qualities: ethical leadership, professional skepticism, integrated thinking, communication.

Here's why this matters: The framework doesn't just guide curriculum development. It shapes professional training, defines examinations, structures continuing development, provides the basis for quality assurance. Every element of South Africa's accounting profession aligns to one coherent definition of competence. This is architecture: structure that constrains and enables, sets boundaries while creating space for growth.

Ethiopia cannot copy SAICA's framework. After decades of US curricula followed by ACCA certification, Ethiopia needs competencies reflecting Ethiopian realities—the tax system, regulatory environment, public sector requirements, state enterprise challenges. A competency framework is an act of definition, literally boundary-setting. When you specify what accountants should know and do, you create standards and exclude alternatives. This isn't a bug—it's the feature.

Developing one requires understanding Ethiopian realities deeply. What does tax accounting mean in Ethiopian tax systems? How does public sector accounting work in Ethiopian governmental structures? What challenges do state enterprises face? These aren't questions with generic international answers. They require Ethiopian knowledge, Ethiopian input, Ethiopian definition.

This means ETiCPA's first priority—before developing examinations, before accrediting universities—should be developing Ethiopia's competency framework. Eighteen months of intensive stakeholder engagement. Engaging universities, practitioners, regulators, businesses, international partners. Synthesizing all of this into clear specifications of what Ethiopian chartered accountants should know and do.

This framework becomes the North Star. Universities seeking accreditation show how curricula develop these competencies. Examinations verify mastery. Professional development maintains them. Quality assurance checks for them. Everything aligns to one coherent definition, created for Ethiopian contexts, finally ending decades of borrowed frameworks that never quite fit.

#### Second Lesson: Multiple Pathways to One Destination

Ethiopia faces a challenge many founding institutes also confronted: thousands of accounting graduates already working but lacking professional certification. Experienced professionals understanding Ethiopian business realities, navigating local tax systems, managing state enterprise accounts. They possess

contextual knowledge foreign qualifications can never fully capture. They lack formal recognition under credible professional frameworks.

Malaysia, India, and Pakistan each confronted similar situations. Malaysia's 1967 establishment created multiple pathways: recognized international qualifications could apply directly, local degree holders completed practical requirements plus targeted examinations, and those with substantial experience could sit for qualifying exams. The principle: recognize genuine competence wherever it exists, but verify it against consistent standards.

India immediately registered 1,700 existing accountants qualified under colonial frameworks as founding members, then created pathways for university graduates through examinations and training. Pakistan, starting with only 106 qualified accountants, recognized British professional body members while creating examination routes for local graduates. Neither started from zero. Both built on existing capacity while channeling it through new quality standards.

The question is never whether to recognize existing capacity, but how to verify that capacity meets the standards the profession demands.

Ethiopia should create differentiated pathways. For accredited program graduates: streamlined routes combining practical experience with targeted examinations. For substantial experience with non-accredited degrees: qualifying examinations covering the full framework, with credit for demonstrated expertise. For foreign qualification holders: reciprocal recognition where equivalence exists, supplementary requirements where it doesn't. Different routes to the same rigorously-defined destination.

#### Third Lesson: The Wisdom of Strategic Dependence

There exists false pride insisting on complete self-sufficiency, mistaking independence for strength. Ghana and Zimbabwe demonstrate different wisdom: strategic, temporary dependence often accelerates genuine independence.

Ghana's journey illuminates this. Established in 1963, facing tension between national pride demanding Ghanaian qualifications and economic necessity demanding international credibility, Ghana collaborated fifteen years with England's Institute of Chartered Accountants. When Ghana conducted its first locally-administered examinations in May 1968, only two of seven candidates passed—a harsh 28.6 percent pass rate establishing credibility. These weren't participation certificates but genuine assessments the world could trust.

Yet during those fifteen years, Ghana wasn't passively dependent. It actively learned, systematically building expertise. By 1978, Ghana achieved full autonomy because the partnership succeeded. The collaboration was always temporary scaffolding, not permanent structure.

Zimbabwe offers another model. Since 1918, understanding small professions cannot efficiently maintain high-quality examinations across all subjects, Zimbabwe partners with SAICA—not wholesale adoption but progressive localization. Zimbabwe marks taxation locally, develops capacity for other sections under SAICA mentorship. Each year brings greater autonomy while partnership continues serving Zimbabwe's interests.

Strategic dependence, honestly acknowledged and intelligently managed, is often the fastest path to genuine independence.

For Ethiopia, the partnership implications are immediate. Examinations co-developed with established institutes—such as SAICA, given geographic proximity and regional context, or other bodies with relevant experience—would carry instant international credibility. Ethiopia's seven-year timeline maps well onto graduated partnership: Years 1-3 partnership-based while developing local expertise, Years 4-6 co-development with decreasing external support, Year 7 full autonomy with proven quality.

#### Fourth Lesson: Direct Action and Scale

Kenya in the 1980s faced shortages Ethiopia would recognize. A 1987 study revealed Kenya needed 400 qualified accountants annually. Existing institutions—universities and professional bodies combined—were producing fewer than 100. The gap was systematic, structural. Market forces weren't fixing it. Voluntary improvement wasn't happening fast enough. The shortage was getting worse, not better.

ICPAK, Kenya's professional institute, could have responded conventionally. Issue reports documenting the problem. Lobby government for intervention. Express concern publicly. Hope someone else would solve it. Instead, ICPAK did something more direct: it created capacity

where none existed. In 1989, ICPAK founded Kenya College of Accountancy. Started with 170 students. Grew rapidly. Eventually achieved full university status. This represents institution-building as verb, not noun. Active creation rather than passive regulation. When markets fail to provide what society needs, institutions serving the public interest must act directly.

If Africa offers pragmatism and partnership, Asia offers scale and speed. India's Institute started with 1,700 members in 1949—accountants inheriting colonial systems they hadn't designed. Today: 320,000 members, the world's second-largest accounting body. Pakistan in 1961 had exactly 106 qualified accountants for millions of people. Today: nearly 10,000 members, 70,000 students. Malaysia, established 1967, grew to 40,000 members and by 2010 hosted the World Congress of Accountants—6,000 delegates from 134 countries trusting a developing nation barely four decades into professional development.

Three elements enabled this rapid growth. First, statutory backing made membership mandatory for practice, creating clear boundaries and strong incentives. Certification wasn't optional—it was required. Second, active international engagement from inception. India founding IFAC, Pakistan joining CAPA and SAFA early, Malaysia active in ASEAN bodies. This provided best practices access and facilitated mutual recognition. Third, continuous adaptation. Frameworks evolved with profession needs while maintaining core quality.

But Asia also reveals challenges. Malaysia faced 2012 World Bank criticism identifying governance weaknesses. Even successful institutes require continuous governance attention. Pakistan struggles ensuring quality across growing membership. Scale creates quality assurance challenges. India grapples maintaining examination standards while producing thousands annually. Volume and rigor can be in tension. These aren't reasons for pessimism but reminders: rapid growth creates growing pains. Ethiopia should expect this, prepare for it.

#### Synthesis: An Ethiopian Model

Learning from others isn't copying—it's synthesizing. Ethiopia faces constraints no country faced in exactly this combination: the most acute shortage relative to population, thousands of graduates needing certification pathways, shortest timeline for building credibility, federal structure demanding regional collaboration, economy transforming at unprecedented speed, historical curriculum misalignments needing correction. No single model addresses all these. But elements from multiple models, intelligently combined, might. From South Africa: competency framework methodology refined over seventeen years, adapted through Ethiopian stakeholder engagement. From Malaysia, India, Pakistan: multiple pathway principles—streamlined for accredited programs, examinations for others, recognition for foreign qualifications. From Ghana and Zimbabwe: partnership wisdom for examinations maintaining credibility while building capacity. From Kenya: proactive capacity building, specialized programs for working professionals.

From Nigeria: scale ambition and IFAC/PAFA engagement from inception. From India and Pakistan: statutory backing creating meaningful membership and qualification incentives. From Malaysia: continuous framework evolution maintaining relevance. Not eclectic borrowing but strategic assembly. Each element addresses specific Ethiopian challenges. Each reinforces others.

Together: coherent approach to compressed development—proven components combined for unprecedented speed, designed serving new entrants and existing professionals, finally aligning education, examination, and practice around Ethiopian realities. This synthesis isn't about choosing one model over another. It's about learning what each country discovered through decades of experience and adapting those lessons to Ethiopian contexts.

#### The Critical First Eighteen Months

Success depends on ETiCPA's first eighteen months, building institutional foundations making everything possible. The timeline is aggressive but achievable if Ethiopia learns strategically.

Months 1-6: Develop competency frameworks through intensive stakeholder engagement. What competencies do existing graduates already possess? What gaps need filling? The framework should acknowledge existing capacity while defining clear standards. Not documents drafted in isolation but collaborative definitions emerging from universities, practitioners, regulators, businesses, international partners. Comprehensive enough guiding all decisions,

clear enough that everyone—new students and working accountants—understands what Ethiopian CPAs should know and do.

Months 7-12: Translate frameworks into multiple pathways. Design university accreditation with transitional provisions for current students and recent graduates. Create examination routes for non-accredited program graduates with appropriate credit. Establish examination partnerships—experiences like Zimbabwe's collaboration with SAICA and Ghana's partnership with ICAEW provide proven models—serving both new students and working professionals. Engage IFAC and PAFA accessing technical resources, establishing international credibility from inception. Design professional development programs for working accountants: evening courses, weekend modules, distance platforms.

Months 13-18: Launch accreditation while simultaneously opening registration for existing graduates. Create clear pathway guidance based on backgrounds. Begin examination partnerships with schedules accommodating working professionals. Establish scholarships targeting traditional students and working accountants seeking qualification. Finalize foreign qualification recognition pathways. Create quality assurance mechanisms working across all pathways—different routes must lead to equivalent outcomes.

This timeline is aggressive but achievable. Ghana developed frameworks and established collaboration in roughly this timeframe while managing existing practitioners. Malaysia created multiple pathways from inception. India integrated existing professionals while building forward. The knowledge exists across three continents and over a century. The question is execution—and whether Ethiopia will remember that building professions means serving both those entering and those already in the field.

#### History as Foundation, Not Constraint

Ethiopia's path wasn't linear. From US-based accounting standards without Ethiopian tax education, through mid-2000s introduction of taxation courses, through late 2014's IFRS adoption, through decades of foreign certification dependence, to December 2025's domestic institute launch. But history needn't determine future. That curricula once misaligned doesn't mean professional frameworks cannot now align education, examination, and practice around Ethiopian realities.

There is an old Ethiopian proverb: "When spider webs unite, they can tie up a lion." The web Ethiopia must weave draws strands from across the developing world—South African methodology, Ghanaian patience, Zimbabwean pragmatism, Kenyan entrepreneurship, Malaysian flexibility, Indian scale, Pakistani resilience. And crucially, Ethiopian wisdom about what Ethiopian contexts demand.

For Ethiopia's accounting graduates—those who studied US GAAP in university while professional practice followed UK approaches, who had no taxation courses until the mid-2000s, who benefited from 2014's IFRS alignment but represent multiple cohorts trained in different frameworks, who work using skills deserving recognition—this moment offers possibility. The profession being built can serve you. The pathways being created can include you. The standards being set can finally align with realities you actually face.

The December 11 launch was ceremonial. Real work begins now. Ethiopia has seven years proving that strategic learning can compress development timelines, that late movers can turn disadvantage into advantage, that professional development can serve both new entrants and existing practitioners while finally aligning education, examination, and practice around Ethiopian realities.

The path is illuminated by those who walked it before. The destination is clear—a world-class accounting profession serving Africa's second-largest population, grounded in Ethiopian contexts, internationally credible without being internationally dependent. What remains is the journey. History brought Ethiopia to this moment. What Ethiopia does with the moment will write its own history.

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# Spotlight

## Capital

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](mailto:spotlight@capitalethiopia.com) and we will publish it.

### Ethiopian Delegation Boosts China Ties as Coffee Takes Center Stage

A high-level Ethiopian delegation recently took part in a strategic conference and a major trade promotion event in Hunan Province, China, aimed at boosting the export of Ethiopian specialty coffee to the vast Chinese market.

Hosted in Zhuzhou City, the event provided an extensive platform to showcase Ethiopia's unique coffee flavors to more than 700,000 attendees.

Ethiopia's Ambassador to China, Tefera Derbew highlighted the growing ties between the two countries, emphasizing coffee's role as a unifying commodity.

On his part, State Minister of Agriculture, Ifa Muleta, detailed Ethiopia's ongoing agricultural initiatives and called for collaboration on agricultural inputs, efficient harvesting, storage, and distribution.

As the birthplace of coffee and a leading global supplier of high-quality beans, Ethiopia has seen China emerge as its fourth-largest export market.

Over the past five months alone, Ethiopia exported 16,300 metric tons of coffee to China, valued at 113 million dollars.

During the event, Ethiopian and Chinese enterprises signed multiple cooperation agreements covering coffee trade, barter platforms, and new energy projects.

### Ethiopia Expands Judicial Cooperation with China, Brazil and South Africa

The Standing Committee on Legal and Justice Affairs of the House of Peoples' Representatives emphasized that the recent judicial agreements between Ethiopia and its strategic partners—China, Brazil, and South Africa, will serve as a cornerstone for strengthening bilateral relations and advancing the rule of law.

During an explanatory session held to deliberate on four draft ratification proclamations, Chairperson Etsegnet Mengistu remarked that these accords signify Ethiopia's burgeoning diplomatic influence and its commitment to international legal standards.

The session provided a platform for experts and lawmakers to scrutinize the frameworks, ensuring they align seamlessly with the nation's sovereign interests and judicial integrity.

The legislative review focused on four distinct instruments of international cooperation designed to streamline judicial processes across borders.

These include two key agreements with China, focusing on the transfer of sentenced individuals and mutual legal assistance in criminal matters.

Furthermore, the committee examined a bilateral treaty with Brazil concerning the repatriation of sentenced individuals, alongside a formal extradition agreement with the South Africa for individuals sought for criminal prosecution.

These measures are expected to create a robust legal architecture for addressing transnational crimes and managing the exchange of detainees with greater transparency.

### NBE releases list of more than 100 licensed money transfer agents, warns against unlicensed services

The National Bank of Ethiopia (NBE) has released an official list of more than 100 licensed money transfer agents and cautioned the public against using unlicensed services for remittances.

The NBE reminded Ethiopians that providing or using money transfer and remittance services without a license is illegal and punishable under Ethiopian law. Such services include receiving and delivering funds domestically or abroad, and engaging in these activities without NBE authorization exposes individuals and businesses to fraud, financial loss, and potential involvement in money laundering or other illegal activities.

Only financial institutions licensed by the NBE are authorized to provide money remittance services. The public is strongly urged to use these licensed institutions exclusively to ensure security, legal compliance, and protection from financial risks.

### TAKING A BREAK



PHOTO: Anteneh Aklilu

### CREATIVE LIGHTING



PHOTO: Anteneh Aklilu

### MEN AT WORK I



PHOTO: Anteneh Aklilu

### Ethiopia Targets Universal Hospital Digitalization by 2030: Ministry of Health

The Ministry of health has affirmed that Ethiopia is aggressively modernizing its medical facilities to ensure every hospital in the country provides fully digitalized services by 2030.

In his exclusive interview with ENA, State Minister of Health Dereje Duguma highlighted that the initiative aligns with the "Digital Ethiopia 2030" strategy, a roadmap designed to modernize national infrastructure and social services.

The state minister further noted that the Ministry of Health is a frontrunner in technology adoption, consistently upgrading facilities with the hardware and software required to transition away from manual systems.

Building on Ethiopia's success in meeting Sustainable Development Goals, specifically in reducing maternal and infant mortality, the move toward digitalization aims to enhance efficiency and data accuracy, he added.

Dereje stated that by the end of the decade, the majority of health institutions will have migrated to digital platforms, with the ultimate goal of achieving a completely paperless environment.

### Dire Dawa FTZ Poised to Drive Ethiopia's Trade Transformation, IPDC CEO Says

The successful realization of the Dire Dawa Free Trade Zone's national vision hinges on strong coordination and integrated action among all sector stakeholders, according to Industrial Parks Development Corporation CEO Fisseha Yitagesu.

The Free Trade Zone (FTZ) streamlines trade and logistics, lowers costs, attracts investment, and boosts exports, leveraging integrated infrastructure, one-stop services, and proximity to Djibouti ports as a key export hub for Ethiopia.

Addressing the Dire Dawa Free Trade Zone Stakeholders forum yesterday, the CEO said that the Dire Dawa Free Trade Zone has already shown promising results in facilitating the country's trade and logistics system.

Highlighting Ethiopia's trade dynamics, the CEO underscored that with the bulk of the country's imports entering through Djibouti, the Dire Dawa FTZ therefore plays a strategic dual role—easing congestion at the Djibouti port while establishing a more efficient and seamless trade system by closing procedural gaps faced by investors.

Fisseha further disclosed that the government has set an ambitious target to channel nearly 4 billion dollars' worth of goods through the Dire Dawa FTZ over the next five years.

### Ethiopia Coders Program Boosting Digital Skills of Youth: University Students

Students of higher education institutions said the 5 Million Ethiopian Coders Program is equipping them with essential skills that enable them to actively participate in the country's growing digital ecosystem.

Note that a digitally skilled human resource is crucial to realize the vision of creating digital Ethiopia.

The 5 Million Ethiopian Coders Initiative was therefore launched by Prime Minister Abiy Ahmed on July 23, 2024.

The joint initiative by the governments of Ethiopia and the United Arab Emirates plans to provide online coding training for five million young people nationwide.

The program focuses on building foundational digital skills in Android development, web programming, data analysis, and artificial intelligence.

Students of Addis Ababa University and Kotebe University of Education, who spoke to the Ethiopian News Agency, said the training offers strong base for developing digital competencies required in today's technology-driven world.

# Spotlight

## Ethiopia, Sudan, South Sudan among 17 countries set to receive U.S. aid through UN in 2026

Ethiopia is among 17 crisis-affected countries set to benefit from a \$2 billion humanitarian funding agreement signed between the United Nations and the United States, under which U.S. support will be channeled through UN relief programmes in 2026, the UN said in a statement.

The agreement, formalized on Monday in Geneva, commits the United States to fund global humanitarian operations amid what the UN describes as escalating needs worldwide. UN Emergency Relief Coordinator Tom Fletcher hailed the deal as a landmark commitment that would help save millions of lives, including in Ethiopia, where humanitarian needs remain acute due to conflict-related displacement, food insecurity, and climate shocks.

Speaking at the signing ceremony, Fletcher praised humanitarian workers operating under increasingly difficult conditions, describing the past year as "a very, very tough year for everyone engaged in humanitarian action." Despite these challenges, he said the memorandum of understanding (MoU) offered renewed grounds for optimism.

## Tigray business community urges debt relief, suspension of property auctions

Business representatives in Shire Endasasse have called on the Tigray Interim Administration for urgent measures, including debt relief and halting property auctions, as the regional economy struggles to stabilize, following a meeting with President Lt. Gen. Tadesse Woreda.

During the meeting, traders raised alarms over mounting bank debts and the risk of losing their properties. Many said they are being pressured by banks to auction assets to recover accumulated loans, warning that a growing number of businesses are on the verge of collapse.

President Tadesse acknowledged the severity of the situation, emphasizing that the Interim Administration is actively engaged in efforts to resolve the issue.

He assured participants that discussions would continue until a solution is found for the business community's mounting debt burden.

"The administration recognizes the impact of the war and subsequent instability on Tigray's business sector and stresses the need for coordinated action to prevent further economic collapse," he said.

## Addis Ababa University Eyes Global Competitiveness

Addis Ababa University (AAU) has reaffirmed its commitment to attaining international competitiveness while serving as a central driver of Ethiopia's national development.

The remarks came during senior university officials' addresses at the institution's 75th Diamond Jubilee celebrations.

"AAU is working to become internationally competent and to act as an active catalyst for national development," said Matiwas Ensermu, Head of the University President's Office, during anniversary events held in the capital.

The university marked its 75th anniversary with a vibrant three-hour outdoor celebration stretching from Arat Kilo to Sidist Kilo. The event featured music, song, and theatrical performances tracing AAU's historical journey since its founding.

Throughout the festivities, speakers acknowledged the pivotal role former students have played in shaping Ethiopian politics and navigating major national transitions.

Looking ahead, Matiwas noted that the university is laying the groundwork to reach its 100th anniversary as a globally competitive institution distinguished by research excellence. "Our vision is to reach our centenary standing shoulder to shoulder with the leading institutions worldwide," he said.

Since its inception, AAU has graduated approximately 300,000 students who have been instrumental in expanding education and supporting the establishment of other universities across Ethiopia.

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](mailto:spotlight@capitalethiopia.com) and we will publish it.

## GETTING TO KNOW EACH OTHER



PHOTO: Anteneh Aklilu

## MEN AT WORK II



PHOTO: Anteneh Aklilu

## NO COMMENT



PHOTO: Anteneh Aklilu

## IOM reports 26% rise in cross-border movements from Ethiopia in October

Cross-border population movements from Ethiopia increased sharply in October 2025, with 45,150 movements recorded across six Flow Monitoring Points (FMPs), marking a 26% rise in the daily average compared to September, according to the International Organization for Migration (IOM).

IOM data shows that outgoing movements accounted for 78.3% of the total, involving 35,341 individuals, while incoming movements stood at 21.7%, or 9,809 individuals, continuing a long-standing pattern of higher outflows than inflows. The increase was linked to heightened tensions in areas of origin and seasonal factors, with the most significant rise observed at the Metema FMP along the Sudan border.

More than half of all outgoing movements (53.2%) were recorded through Galafi, Dawale, and Tog Wochale FMPs along routes toward Djibouti and Somalia, where economic pressures and conflict were cited as the main drivers. An additional 31% of outflows occurred through Kurmuk and Metema, bordering Sudan, largely driven by seasonal migration and economic factors. The remaining 15.8% were recorded at Moyale FMP on the Kenya border, mainly linked to economic reasons and insecurity.

## Manufacturers Pledge to Support Ethiopia's Green Economy Development

Manufacturers have reaffirmed their commitment to advancing the country's green economy in alignment with government initiatives.

The second Green Mobility Exhibition and Forum 2025 opened yesterday at the Addis International Convention Center, attended by Deputy Prime Minister Temesgen Tiruneh.

The event showcased a range of innovations in renewable energy and electric mobility.

Michael Kassa, Managing Director of BEAEKA General Business PLC, announced the company's first major project to assemble large electric vehicles in partnership with China's Shacman Motors Incorporated.

He stated that assembly operations will commence in four months and highlighted a significant step forward in local manufacturing capacity.

Setegn Engdaw, Group Communication Officer at Belayneh Kinde, on his part, noted the exhibition's role in presenting the company's renewable energy vehicles.

These vehicles are designed to be cost-effective and mitigate air pollution, he stated, adding that the expo offers a valuable platform to demonstrate their efforts.

## Ethiopia moves to become Africa's next gold powerhouse with \$340m mine

Ethiopia has taken a decisive step toward transforming itself from a marginal gold producer into a significant player in Africa's mining sector after securing \$340 million to develop the Tulu Kapi gold project, according to Business Insider Africa. The project is set to become the country's largest modern mining venture.

Business Insider Africa reports that the financing package includes approximately \$240 million in long-term debt from African development lenders, alongside \$100 million in equity. This support will allow KEFI Gold and Copper, the project's developer, to move into full-scale construction.

Commenting on the funding, KEFI Executive Chairman Harry Anagnostaras-Adams told Business Insider Africa: "We are delighted that the Tulu Kapi debt offering has now been signed by all the relevant parties."

This has triggered further activity at site as part of the launch of full project development and is allowing the remaining equity proposals to be finalized amongst the assembled local and specialist investors."



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Commercial Bank of Ethiopia



**Merry Christmas!**

# Geo-economics and Geopolitics in the Horn of Africa

■ Alazar Kebede

The Horn of Africa has long been framed as a theater of humanitarian crises and chronic conflict. Yet this narrow lens obscures a deeper and more consequential reality: the region is rapidly becoming a proving ground for 21st-century geo-economics, where trade routes, ports, investment flows, and infrastructure financing increasingly shape political power. From the Bab el-Mandeb strait to inland Ethiopia, the Horn sits at the intersection of global commerce and great-power competition. Understanding its future requires seeing how economics and geopolitics now reinforce rather than replace each other.

At the heart of the Horn's strategic relevance is geography. The Red Sea corridor connects Europe to Asia, carrying a significant share of global maritime trade and energy flows. Any disruption reverberates across global markets, as seen in recent attacks on shipping and rising insurance costs. Djibouti, perched at the mouth of this corridor, has become a microcosm of modern geopolitics: it hosts military bases from the United States, China, France, and others, while simultaneously serving as a logistics hub for landlocked Ethiopia. This convergence of hard security and commercial infrastructure illustrates how

geo-economics has become the currency of influence.

Ethiopia, the region's demographic and economic heavyweight, exemplifies the stakes. With more than 120 million people and ambitious industrialization plans, Ethiopia's growth depends on access to the sea. Its near-total reliance on Djibouti's ports has turned port access into a strategic vulnerability and a geopolitical bargaining chip. Ethiopia's search for diversified maritime outlets has heightened tensions with Eritrea and Somalia, underscoring how economic imperatives can inflame political disputes. In the Horn, access to trade routes is not merely a development issue; it is a matter of sovereignty and national identity.

External powers have been quick to grasp this reality. China's Belt and Road Initiative (BRI) has poured billions into ports, railways, and industrial parks, notably the Addis Ababa–Djibouti railway. For China, infrastructure financing is not charity; it is a means of securing supply chains, exporting industrial overcapacity, and cultivating political alignment. Critics warn of debt dependence and strategic leverage, but for Horn governments facing urgent development needs, Chinese capital often arrives faster and with fewer political conditions than Western alternatives.

The result is a complex bargain in which economic opportunity and strategic exposure grow in tandem.

Gulf states, too, have emerged as pivotal geo-economic actors. The United Arab Emirates, Saudi Arabia, and Qatar have invested heavily in ports, agriculture, and telecommunications across Somalia, Sudan, and Eritrea. Their motivations blend commercial logic with security concerns, including food security and Red Sea stability. The Horn has become an extension of Gulf rivalries, where port concessions and aid packages double as instruments of influence. When Gulf tensions spill over into local politics, fragile states can find themselves caught between competing patrons.

The United States and Europe, long dominant in the region's security architecture, now face a more crowded field. Their traditional focus on counterterrorism and humanitarian assistance, while still vital, has struggled to keep pace with the geo-economic strategies of rivals. Trade, investment, and development finance are no longer peripheral tools; they are central to geopolitical relevance. The challenge for Western actors is to engage economically without replicating extractive or purely strategic models that have fueled resentment in the past.

Yet the Horn's geo-economic promise is constrained by internal fragilities. Conflict in Sudan, persistent instability in Somalia, and unresolved tensions in Ethiopia and Eritrea deter investment and disrupt trade corridors. Climate change compounds these pressures, intensifying droughts and competition over land and water. In such an environment, infrastructure alone cannot deliver stability. Without inclusive governance and regional cooperation, economic projects risk becoming new fault lines rather than foundations for peace. This is where regionalism becomes crucial. The Horn's states are economically interdependent, whether they acknowledge it or not. Trade corridors, energy grids, and digital networks transcend borders. Institutions like the Intergovernmental Authority on Development (IGAD) have the potential, still largely unrealized, to mediate disputes and coordinate development strategies. A shared vision of economic integration could transform zero-sum geopolitical rivalries into positive-sum outcomes.

The Horn of Africa stands at a crossroads. It can remain a battleground where global powers project influence through ports and bases, or it can evolve into a connective hub that leverages its geography for shared prosperity. Geo-economics will continue to shape geopolitics here; the question is whether it will do so in ways that entrench dependency and conflict, or foster resilience and cooperation. For policymakers, investors, and citizens alike, the lesson is clear: in the Horn of Africa, economics is no longer just about growth – it is about power, peace, and the region's place in the world.

## The unchained mind of a genius pushes the boundaries of science and human potential

■ By Gzachew Wolde

This is the story of a man of intellect and spirit, whose unyielding perseverance allows him to withstand crippling physical pain. Despite his body being tested by suffering, his mind refuses to surrender to limitations, offering the world remarkable ideas. Though pain claws at his physical frame, he remains undaunted and unbroken, ready to dazzle the world with unique academic concepts while facing painful challenges.

His mind refuses to be caged by suffering. This man's intellect remains unbound, defying predictions of a short life to explore the mysteries of the cosmos. He is a genius with a frail body but a mind that blazes with strength. Despite being progressively paralyzed by ALS from the age of 21, he produced groundbreaking work on black holes, radiation, and cosmology for over 50 years.

This intellectual endures crippling physical pain with unyielding perseverance while advancing black hole theory. It should be clear now that this man is none other than Stephen Hawking. His life embodies resilience and achievement. Hawking's mind remained unbound as he ventured into the deepest mysteries of the cosmos. His genius shed light on cosmology, reshaping our understanding of the universe and proving that even in the face of immense suffering, human curiosity and intellect can thrive.

His life truly demonstrates how the human spirit can transcend physical limitations. Early on, he showed that even when the body falters, the mind can soar into academic mysteries. Despite all the pain, every minute counted for him as he shed light on the idea of black holes.

You may not see him laughing or distinguish any feelings of remorse, but his silent signals are transformed into concepts that illuminate black holes. His life exemplifies the triumph of intellect over

bodily frailty, turning personal torment into cosmic enlightenment. His signals, decoded through a cheek synthesizer, may mask laughter, remorse, or joy, yet channel every flicker into concepts that penetrate the veils of black holes.

Thanks to the technology that supported this genius, we have gained fascinating insights and knowledge, where emotions are expressed in unconventional ways, transformed into something far more profound. Hawking knew exactly how to illuminate mysteries as vast as black holes.

The film "The Theory of Everything" (2014) premiered while Stephen Hawking was still alive, authentically capturing his early vibrancy at Oxford, his romance with Jane Wilde, and the onset of ALS at 21. This young talent made history as a lone ranger in science. The film beautifully portrays Stephen Hawking's early life, humanizing his historic ascent and proving that one mind's fire can outshine isolation. Eddie Redmayne's transformative performance earned an Oscar, bringing to life the journey of this remarkable individual.

Stephen Hawking's life radiates inspiration, transforming profound misery into human potential through a relentless pursuit of cosmic truths. He pushed the boundaries of knowledge, reshaping the scientific world and helping us understand black holes, radiation, and the very fabric of the universe—all while physically confined to a wheelchair. His perseverance turned suffering into brilliance, making his mind a beacon for humanity's quest for knowledge.

Stephen Hawking's unchained mind triumphed over physical torment to illuminate the mysteries of black holes. His story exemplifies unparalleled genius, bearing the weight of relentless suffering while his intellect soared beyond limitations, allowing him to see far beyond the horizon. Hawking's research has profoundly influenced our understanding of cosmic phenomena. One

of his most significant contributions was the theoretical prediction that black holes emit radiation, now known as Hawking radiation. This implies that black holes possess a temperature and can eventually evaporate, challenging long-held views of the universe.

His life serves as a testament to the human mind's ability to transcend physical limits and reshape our understanding of the cosmos. Stephen Hawking stands as one of the most extraordinary examples of resilience and intellectual brilliance, transforming personal tragedy into universal inspiration.

His groundbreaking studies merged quantum field theory, which governs particle behavior, with the general relativity's description of gravity, creating a semi-classical framework where quantum effects dominate near event horizons. This work exposed tensions between the two pillars of 20th-century physics, as relativity predicted inescapable singularities while quantum mechanics demanded the conservation of information.

Hawking revealed that black holes are not eternal prisons of matter; instead, they possess a temperature and can eventually evaporate. In collaboration with Roger Penrose, Hawking proved the existence of singularities—points of infinite density that exist at the beginning of the Big Bang and inside black holes. These theorems solidified the Big Bang model and confirmed the predictions of general relativity.

Hawking unified the laws of gravity with thermodynamics, demonstrating that black holes follow principles such as the second law of thermodynamics, where total entropy never decreases. This work paved the way for the development of quantum gravity.

Despite being diagnosed with amyotrophic lateral sclerosis (ALS) at the age of 21 in 1963 and given just two years to live,

Hawking defied expectations, surviving for 55 additional years until his death in 2018. He outlived all known ALS cases, proving the doctors wrong who had predicted he might live only a few more years.

His rare slow-progressing variant of the disease, combined with excellent medical care and his unyielding determination, allowed him to achieve remarkable feats while remaining intellectually sharp.

Hawking passed away peacefully on March 14, 2018, at the age of 76 in Cambridge, leaving an indelible mark on science and humanity.

His longevity became part of his legacy, demonstrating that even when the body is frail, the mind can remain free, pushing the boundaries of science and human possibility to create unparalleled achievements.

Confined to a wheelchair by his 30s and rendered speechless after a tracheotomy in 1985, Hawking revolutionized physics with his groundbreaking work on Hawking radiation.

The writer can be reached via [gzachewwolde@gmail.com](mailto:gzachewwolde@gmail.com)

Reference was made to the following  
**Hawking Radiation (1974):** "Black hole explosions?" in *Nature*, where he first predicted black hole evaporation via quantum effects.

**Singularity Theorems (1970):** "The occurrence of singularities in cosmology" with Roger Penrose in *Proceedings of the Royal Society*.

**Black Hole Thermodynamics (1975):** "Particle creation by black holes" in *Communications in Mathematical Physics*, establishing the Hawking temperature formula.

**No-Boundary Proposal (1983):** "The quantum state of the universe" with James Hartle, proposing a universe without singularities.

# Africa's Development Strategy Must Be Digital-Driven and People-Centered

By Yinebeb Bahru

In 2025, Africa's digital landscape is booming. More than 70 per cent of the world's population, or 6 billion people, are online, with smartphone ownership exceeding 82% among people age 10+ who own a mobile phone. High-income economies have over 95% ownership, while upper-middle-income economies exceeded 90%. In contrast, only 53% of those in low-income economies own a cellphone. Digital Public Infrastructure (DPI) tools, such as digital identity systems, instant payment platforms, and data exchange frameworks, are powering unprecedented connectivity by creating an open, interoperable, and inclusive digital ecosystem that seamlessly links people, businesses, and governments.

Yet for Africa to thrive amid rapid urbanization, poverty, and inequality, Africa's development strategy must be fast, digitally driven, and remain unapologetically people-centered. This isn't just about tech gadgets or flashy apps; it's about harnessing innovation to empower citizens, bridge divides, and build sovereign, resilient economies. Without this dual focus, Africa risks widening gaps rather than closing them.

A digital strategy fundamentally drives the transformation of key sectors through a combination of bold infrastructure investments and technological innovation. This core principle involves several critical elements. First, the continent should have a robust digital infrastructure, which is non-negotiable. Investments in broadband, 5G, satellites, and fiber optics, such as the 2 million kilometers of terrestrial fiber laid under the African Union's Digital Transformation Strategy 2020-30, are connecting remote communities and enabling e-commerce, remote work, and real-time data analytics. This backbone fuels economic leaps, potentially adding trillions to Africa's GDP by 2030.

Second, ignite innovation in the digital economy. Fintech revolutions, AI startups, and entrepreneurial hubs are critical to create more job opportunities for Africa's youthful bulge. Initiatives like the World Bank's Digital Economy for Africa (DE4A) aim to digitally enable every individual, business, and government by 2030, integrating the continent into global value chains.

Third, upgrade public services. Telemedicine, e-learning platforms, and precision agriculture apps slash costs and extend reach to the underserved. Upgrading public services in a multifaceted approach that leverages resources more effectively for growth by focusing on digital transformation, citizen-centric design, and strategic resource allocation. Key strategies aim to enhance efficiency, quality, and accessibility, ultimately strengthening public trust and fostering economic development.

Putting People at the Heart of the Digital Transformation Strategy is a cornerstone for the continent's development. Because Tech alone is a trap: relying solely on technology to solve complex human, business, or societal problems is insufficient and often counterproductive. Actual progress requires balancing

technology with human factors, such as culture, process, and purpose; it must serve humans, not sideline them. People-centered means equity from the ground up: bridging gender, rural-urban, and disability divides with culturally attuned, locally owned solutions. Support for secure, inclusive DPI ensures trusted services and equitable access, as emphasized in B20 South Africa's 2025 recommendations.

Digital literacy is the linchpin. The ability to navigate, comprehend, and critically engage with the digital world is a crucial, foundational skill for success and full participation in modern life. This goes beyond mere technical proficiency to include critical thinking, ethical awareness, and the capacity to adapt to new technologies. Widespread training in coding, data analysis, and cybersecurity empowers citizens to thrive, not just survive, in the digital era. And safeguarding rights? Essential. Strong governance on data privacy, ethical AI, and digital freedoms builds trust and autonomy, preventing exploitation.

Africa's digital divide shows slow progress but significant gaps: only 38% internet penetration vs. 68% global average in 2024, with substantial divides in urban/rural (57% vs. 23% connected), wealth, gender, and skills, though mobile ownership is high: 82% have phones, 47% smartphones. Household computer access remains very low, around 28-30%, hindering deeper participation in the digital economy, with only ~42% of citizens having full readiness for digital activities. No strategy is flawless. Africa must tackle barriers head-on. The digital divide persists due to high costs, spotty power, and literacy gaps; counter with subsidies, public-private partnerships, and community initiatives. Automation threatens jobs, so reskilling programs and welfare policies are critical to cushion the blow.

Geopolitically, sovereignty is key. Africa must craft its own roadmaps to avoid over-reliance on foreign tech giants, as the DPI Roadmap Playbook, released in June, urges. With South Africa's G20 presidency in 2025, the continent has a prime moment to accelerate people-centered DPI momentum.

In conclusion, African governments should invest in infrastructure and education while building international alliances. Stakeholders collaborate for adaptive, inclusive frameworks. The continent needs to reach its turning point, grasp it, and create equitable societies that unlock its vast potential. Digital-driven, people-centered, with significant human capital development in the tech sector, all points supported by a legal and governance framework aligned with the AU digital strategy. This is how Africa not only develops but also leads.

*Yinebeb Bahru is a development professional who has worked with major development organizations, programs, and initiatives in East Africa, including those supporting digital transformation.*

*The views expressed in this article are his own and do not represent the opinions of his affiliated institutions. Contact: Yinebeb251@gmail.com.*

## Entrepreneur PROFILE:

### RESUME

**Name:** Abera Dessalgin

**Education:** BA in Accounting and Business Management

**Company name:** ABD Designing

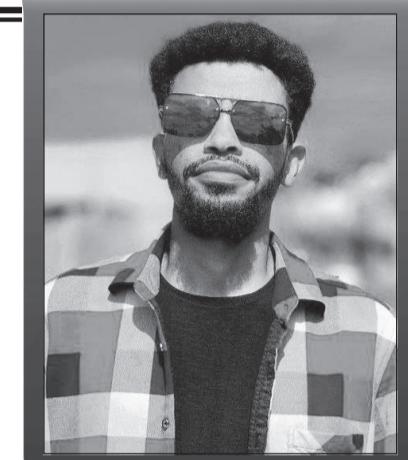
**Title:** Founder

**Founded in:** 2023

**What it does:** Graphic Design, Creative Consultancy and branding

**Hq:** Adama

**Number of Employees:**  
5 permanent & 12 Contractual Designers



### STARTUP CAPITAL

*Undisclosed*

### CURRENT CAPITAL

*Undisclosed*

### BIG PICTURE

### PERSONAL

#### Reason for starting the

**Business:** To bridge the gap between financial management and creative branding for local businesses

#### Biggest perk of ownership:

The ability to turn abstract ideas into tangible visual identities

**Biggest strength:** Attention to detail and a strong background in financial planning

**Biggest challenge:** Finding skilled creative talent that understands the business side of design

**Plan:** To become the leading digital branding agency in East Africa

**First career:** Junior Accountant

#### Most interested in meeting:

*Bethlehem Tilahun, founder of SoleRebels*

#### Most admired person:

*PM Abiy Ahmad*

**Stress reducer:** Listening to Spiritual Music

**Favorite pastime:** Visiting Art galleries

**Favorite book:** Bible

**Favorite destination:** France

**Favorite automobile:** None

### DAILY EXCHANGE RATE

Jan. 02, 2026



CURRENCY	BUYING	SELLING
US DOLLAR	151.6086	154.6408
POUND STERLING	198.3835	202.3512
EURO	176.5027	180.0328
SWISS FRANK	184.981	188.6806
SWEDISH KRONER	15.8198	16.1362
NORWEGIAN KRONER	14.7246	15.0191
DANISH KRONER	23.1929	23.6568
JAPANIS YEN	0.9582	0.9774
CANADIAN DOLLAR	107.5779	107.5779
SAUDI RIYAL	40.402	41.2101
UAE DIRHAM	41.2821	41.2821

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በኋል!

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*Merry Christmas!*



**Wishing you a joyful Holiday!**

# Market Gridlock: Illegal Checkpoints and Soaring Costs Stall the Holiday Spirit

By Eyasu Zekarias

Just before dawn breaks over Akaki, the main livestock corridor leading into Addis Ababa, the fog mingles with the bleating of cattle and the shouts of brokers. The air is thick with the smell of dust, animals, and expectation. But this Christmas season, the energy that once filled Ethiopia's largest livestock market feels subdued—muted by frustration and fatigue.

Behind that tense quiet are countless stories like those of friends Gizachew and Eshetu, both long-time residents of the capital who arrived before sunrise to buy an ox for Kircha—the cherished tradition of pooling money to share meat during Gena, the Ethiopian Christmas.

Standing near a pen of restless bulls, Eshetu points toward a mid-sized brown ox. "Last year, we bought one like this for around 50,000 Birr," he says, shaking his head. "Now the dealer wants 150,000. If he doesn't get that, he says he won't sell."

Gizachew sighs heavily as he looks around. "It's not just the price—it's the shortage. We used to buy two animals, but not this year. The cost of living has cast a shadow on our celebration."

Their situation mirrors an all-too-familiar pattern across the markets of Addis Ababa this festive season. The spirit of Gena, usually a time of joy, community, and shared abundance, has collided with an unforgiving economy marked by inflation, supply bottlenecks, and corruption.

## Festivity meets financial strain

Ethiopia's Christmas, celebrated annually on January 7, is a communal holiday that brings families from city to countryside together. It's both spiritual and social—a day when even the poorest make sure meat is served, symbolizing abundance and gratitude. But for 2018 E.C., that promise has come under pressure.

A mini-survey conducted by Capital across major marketplaces—Mercato, Qera, Shola, and Akaki—reveals that this year's Gena economy is testing the limits of household budgets.

Even in the traditionally "affordable" sheep and goat markets, prices have spiraled. "This market has lost its taste," says **Teshome Kebede**, a father of four, after a failed negotiation with a merchant from Arsi. "I expected prices to stabilize during the holiday since demand is high, but everything doubled. We used to buy good sheep for 12,000 to 15,000 Birr. Now, the same costs close to 30,000 birr."

For many urban families, celebrating Gena this year requires trade-offs: skipping travel, buying smaller quantities, or settling for butchered meat instead of a live animal.

"It's heartbreaking," Teshome adds. "In my childhood, Gena meant slaughtering your own sheep. That sense of pride and family ritual is fading."

## The hidden cost of checkpoints

Traders, long accused of price gouging, counter that they too are victims—caught in an informal web of "roadside taxation."

A livestock dealer from North Shoa, who requested anonymity, detailed the layers of illegal payments made on the road to Addis Ababa: "Between checkpoints, security posts, and brokers, we pay 'fees'



PHOTO: Anteneh Aklilu



PHOTO: Anteneh Aklilu

that don't exist on paper. Sometimes it's 200 Birr, sometimes 1,000 birr—but at every stop, someone demands money. By the time a sheep reaches the city, its price has doubled."

He continues, "People think traders are exploiting them. But how can we survive when we must pay bribes at every stage, when even fuel and animal feed cost more than ever before?"

This informal "tax" system, which traders say has worsened over the past two years, illustrates a deeper structural problem: the breakdown of supply-chain efficiency and regulatory oversight. It's also a key factor driving price escalation in livestock markets, which traditionally supply Addis Ababa with hundreds of thousands of animals during the festive season.

## The inflation spiral

Beyond checkpoints, larger economic forces are tightening the squeeze. Persistent inflation—hovering around 30 percent for food items by late 2025 according to government data—has eroded the purchasing power of ordinary citizens.

In the Akaki market, chickens—often a fallback for those unable to afford sheep or cattle—now sell for between **1,500 and 2,500 Birr**. The price of eggs has reached **25 Birr each**, a new high. At such rates, preparing Doro Wat, the iconic Ethiopian holiday dish, has become an expensive luxury.

"Let's do the math," says **Wubet Ayele**, a mother of three shopping in Shola Market. "Two chickens, twelve eggs, five kilos of onions, and a kilo of butter cost well over 7,000 Birr. That's nearly half a month's salary for many. The numbers simply don't add up anymore."

Her frustration is widely shared. Items once seen as holiday essentials—onions, oil, flour, teff—have all seen

sharp increases. Edible oil, in particular, has become a focal point of consumer outrage, with prices jumping from **1,300 to 2,200 Birr per five-liter container** over recent months.

## Policy efforts and practical gaps

The Ethiopian government has made a series of promises aimed at stabilizing markets ahead of religious holidays. The Addis Ababa City Administration's Revenue Bureau recently announced initiatives to ensure "sufficient supply" across the capital, emphasizing the distribution of affordable agricultural and manufactured goods through government-managed centers and Sunday markets.

Among its plans:

- Auctioning over 279,000 cattle and nearly 300,000 sheep and goats through official market gates.
- Delivering 633,400 chickens and 15 million eggs to weekend markets.

• Strengthening inspections against illegal stockpiling and artificial shortages.

Officials are also cracking down on illegal checkpoints after repeated complaints from livestock traders. Yet, despite these measures, change on the ground remains limited.

An official at the Ministry of Trade and Regional Integration, speaking on condition of anonymity, acknowledged the "implementation gap." "Policies exist, but enforcement lags," he said. "Many of these illegal barriers are local-level problems, sometimes tied to informal power structures. Addressing them requires coordination across multiple regions—a slow and sensitive process."

## Structural cracks in the economy

According to economists, Ethiopia's recurring price shocks are not purely seasonal—they stem from deeper structural imbalances. Fekadu Lemma,



PHOTO: Anteneh Aklilu



an economic analyst based in Addis Ababa, attributes the crisis to a “threefold pressure” of currency depreciation, logistics inefficiencies, and regional insecurity.

“Our import dependency for fuel, cooking oil, and fertilizer makes us very vulnerable,” he explains. “When foreign exchange tightens, the supply of key goods is disrupted. At the same time, insecurity in some regions delays transportation and raises costs. The result is cumulative inflation that intensifies around holidays.”

Ethiopia’s edible oil industry exemplifies this fragility. The **Ethiopian Edible Oil Producers & Manufacturers Association (EOPMA)** notes that domestic production only meets **20–23 percent** of national demand between November and May, dropping to single digits in other months. Despite over **100 large and small factories**, shortfalls persist due to foreign currency constraints needed for raw material imports.

Fekadu adds, “Government programs to expand Sunday markets or cap prices are short-term reliefs. They do not tackle the core issue—productivity and regional equity. Until farmers, traders, and consumers are connected through transparent, efficient logistics, such crises will repeat.”

#### Household struggles behind the numbers

Back in Akaki, visibility improves as

the morning fog lifts, but the prospects for traders remain bleak. Livestock that once moved swiftly now linger unsold. The noise of bargaining is replaced by murmurs of resignation.

“I don’t blame anyone,” says **Tesfaye**, a broker with two decades in the trade. “Farmers blame traders, traders blame taxes, and buyers blame everyone. But in truth, we’re all trapped in the same circle. Everything along the chain costs more—from transport to feed to labor.”

For middle-income families who once thrived on planned savings, Christmas preparation has turned into crisis management. Some households are skipping ceremonial slaughter altogether, diverting their limited funds for school fees, rent, or medical expenses instead.

Meanwhile, manufacturers of holiday essentials—teff flour, beverages, oil—report declining consumer volumes. “People are buying in smaller units,” says **Bethlehem Mekuria**, who manages a mini shop in Lideta. “We sell half-kilo bags now. No one wants bulk.”

The social implications are equally profound. Gena is more than a feast—it’s a symbol of community resilience and continuity. Shared meals, visits to relatives, and the ritual of slaughtering animals collectively reinforce bonds that have long sustained Ethiopian identity.

“The danger,” notes sociologist **Asnake Hailemariam**, “is not just economic fatigue but cultural erosion. When people can no longer afford to participate in

traditional celebrations, community cohesion weakens. Inflation becomes more than a financial problem—it becomes a social one.”

Indeed, many worry that the growing gap between those who can afford full festivities and those who cannot will deepen inequality in urban life. For lower-income families, even the joy of giving—inviting neighbors, sharing food—is slipping away.

#### Glimpses of resilience

Despite the hardships, signs of resilience appear amid the frustration. In neighborhood markets from Akaki to Megenagna, cooperatives are organizing shared transport and direct sales from rural suppliers to avoid broker-induced markups.

In one such initiative, a group of residents from **Kolfe Keranio** pooled money and arranged a collective livestock purchase from North Shewa. “We saved about 20 percent compared to local market prices,” says the organizer, **Samuel Bekele**. “It may not solve everything, but it gives us some breathing room.”

Younger traders, too, are experimenting with digital platforms to connect urban consumers with rural producers, bypassing conventional markets. Although still small in scale, these grassroots efforts hint at an emerging adaptation strategy—one blending tradition with innovation.

With government agencies pledging tighter enforcement and economists calling for structural reform, hope lingers that Ethiopia’s markets can regain stability. But for now, consumers like **Gizachew** and **Eshetu** will head home this Christmas with smaller portions, heavier hearts, and lingering questions.

As the morning sun finally breaks through

over Akaki, casting light on thousands of unsold oxen, the contrast could not be clearer: a nation rich in tradition and community, yet trapped in an economy that no longer supports its celebratory rhythms.

In their eyes, the market gridlock is more than a temporary slowdown—it’s a symbol of a society caught between old values and new realities, struggling to reconcile both on the eve of Gena.



PHOTO: Anteneh Aklilu



PHOTO: Anteneh Aklilu



PHOTO: Anteneh Aklilu



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To all our Christian customers,  
stakeholders, and employees, we wish you  
a happy Ethiopian Christmas





# ART & CULTURE

## EMPRESS TAITU RETURNS TO SPOTLIGHT IN NEW ILLUSTRATED HISTORY BOOK

ADDIS ABABA – A new illustrated history project, *The Book of Ethiopia*, is bringing Empress Taitu Betul to a younger, digitally savvy audience, reintroducing the influential royal as a central figure in Ethiopia's modern story. A recent YouTube Short released by the publisher presents Itegue Taitu as the twenty-second character in the series, underscoring a broader push to reclaim Ethiopian historical icons through social media and contemporary book design.

Itegue Taitu, consort of Emperor Menelik II, is widely remembered for her strategic role before and during the Battle of Adwa in 1896, where Ethiopian forces defeated an invading Italian army. Historians credit her with advocating firm resistance to Italian encroachment and helping mobilize troops and logistics in what is regarded as one of Africa's defining anti-colonial victories.

Beyond her wartime leadership, Taitu is closely associated with the founding and early development of Addis Ababa, where she championed the construction of churches, infrastructure and diplomatic facilities that helped shape the capital's emerging identity. Her assertive presence at court and unwavering defense of Ethiopian sovereignty have cemented her reputation as a symbol of resistance, leadership and patriotism for successive generations.

The *Book of Ethiopia* is described by its creators as a character driven volume profiling notable Ethiopian figures, each introduced through a blend of visual artwork and concise biographical text. Marketed as "available in all good Ethiopian bookshops," the title is

positioned as an accessible reference for families, schools and general readers seeking engaging local history material. By assigning numbered "characters" and unveiling them one by one, the project builds a narrative universe around Ethiopia's past, encouraging readers to see historical episodes as part of a

coherent storyline rather than isolated dates and events. The inclusion of women such as Itegue Taitu among its main protagonists is also presented as an effort to rebalance public memory, which has long foregrounded male emperors, generals and clerics.

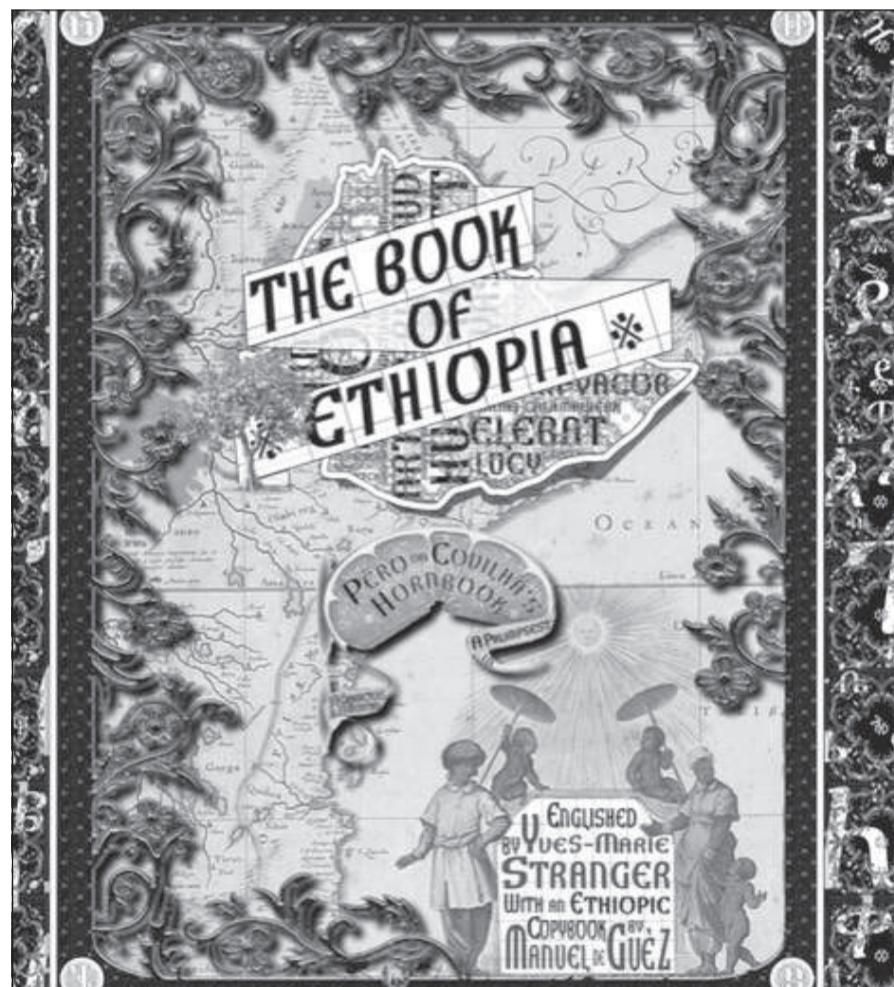
The promotional Short introducing Taitu

relies on a brief caption and striking imagery, mirroring how platforms like YouTube now favor 60 second storytelling to trigger curiosity and discovery. For publishers, Shorts and other mobile first formats have become key tools to drive audiences from social feeds to bookshops, classrooms and longer form content.

In this instance, the Short serves as a digital teaser for the printed work, illustrating how Ethiopian creators can pair traditional publishing with social media campaigns to reach younger urban readers and diaspora communities simultaneously. Project backers argue that such cross media strategies can also counter the dominance of foreign narratives online by inserting Ethiopian histories, languages and icons into global content streams.

Educators and cultural commentators say initiatives like *The Book of Ethiopia* respond to a persistent shortage of locally produced, visually engaging history resources for children and youth. By curating a cast of Ethiopian heroes and heroines, the book offers role models whose lives are rooted in familiar landscapes, social realities and historical struggles.

Featuring Itegue Taitu as a core character reinforces the message that women occupy a central place in Ethiopia's political and military evolution rather than the margins of its story. As more creators adopt short form video to highlight such projects, advocates contend that Ethiopia's past stands a better chance of being narrated by Ethiopians themselves—on screens, in bookshops and in the wider public imagination.



## HOT MUSIC TABLE

### HOTTEST ARTISTS

RANK	ARTIST	RADIO	TV	TOTAL PLAY
1	Neway Debebe	100	18	118
2	Dawit Tsige	84	21	105
3	Veronica Adane	39	50	89
4	Michael Belayneh	74	13	87
5	Mastewal Eyayu	53	33	86
6	Abdu Kiar	55	16	71
7	Dawit Mellesse	53	6	59
8	Kuku Sebsibe	37	21	58
9	Hana Girma	23	33	56
10	Tewodros "Teddy Afro" Kassahun	54	0	54

THIS DATA IS GATHERED BY A 24/7 AUTOMATED RECORDING & ANALYZING AI SYSTEM FROM 35 TV & RADIO STATIONS. THERE WERE MORE THAN 5,799 TOTAL MUSIC PLAYS ACROSS THE BROADCAST MEDIUM FOR THIS WEEK.

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### HOTTEST TRACKS

RANK	TRACK	ARTIST	RADIO	TV	TOTAL PLAY
1	Hayyee	Hana Girma	14	29	43
2	Dejazmach	Kuku Sebsibe	23	19	42
3	Embi	Mastewal Eyayu	11	28	39
4	Kome Limerkish	Tilahun Gessesse	27	10	37
5	Kante Lela	Veronica Adane	10	26	36
5	Ende Amele	Lemlem Hailemichael	20	16	36
6	Alebeltem	Neway Debebe	30	4	34
7	Tewedaj	Ahmed Manjus	2	31	33
8	Shall I Call you	Robel Mideksa	27	2	29
9	Boobooye	Abdu Kiar	12	16	28
9	Eshi Atelegnim wey	Mahlet Wendimu	14	14	28

# Freeing the Frozen Birr

By Befikadu Eba

The recent decision by Monetary Policy Committee to eliminate the minimum deposit interest rate is, on its face, a technical adjustment. But to anyone who understands the quiet logic of financial systems, it is nothing short of a revolution. It is the formal end of an era of financial repression - a polite term for a policy that has, for decades, silently taxed the thrift of ordinary Ethiopians. My grandmother's instinct to keep her savings in a piggy bank was, it turns out, a rational microeconomic response to a flawed macroeconomic regime. The state-anchored rate, often held below inflation, guaranteed savers a negative real return. Why entrust your surplus to a system that promises to erode it? The banks, enjoying a captive pool of cheap funding, had no need to compete for your deposits. The entire architecture disincentivized the very domestic capital formation our Homegrown Economic Reform Agenda desperately requires.

But a policy shift this profound does not occur in a vacuum. To grasp its full meaning and consequences, we must place it on the broader canvas the MPC itself has painted. The economy is sending complex, even conflicting, signals. On one hand, we see robust real GDP growth of 9.2%, driven notably by a surge in industrial activity and gold production. The external sector shows resilience, with a balance of payments surplus and growing reserves. Inflation is in a welcome downtrend, nearing single digits. This is the picture of an economy with undeniable momentum. On the other hand, the monetary aggregates tell a more concerning story. Broad money supply is growing at nearly 39% year-on-year, and credit to the economy is exploding at over 44%. These figures vastly outstrip nominal GDP growth, indicating a significant liquidity overhang through the banking system. This is the precarious context: growth and stabilizing prices on one side, and the latent threat of inflationary fuel on the other.

The committee's other decisions - maintaining a tight policy rate, keeping a credit growth cap, and even raising the reserve requirement for banks - seem direct firewalls against this liquidity surge. They are necessary, blunt instruments for control. But the deregulation of the savings rate is different. It is not a blunt instrument. It is a precise surgical

tool aimed at rewiring the system's fundamental incentives. It is the critical move from administered control to market-based discipline.

For decades, the minimum rate was not just a floor; it was the *de facto* price. With banks prohibited from competing on yield, their rivalry was relegated to building more branches or offering small gifts - a competition for distribution, not for the savings product itself. The saver's capital was a cheap, homogenous input. By removing the floor, the most powerful lever in any market (price), is reintroduced. A bank that needs stable, long-term deposits to fund its growth can now court savers by offering a better return. This ignites true competition. We will see the emergence of highyield savings accounts and attractive fixed-term deposits as banks segment the market. Crucially, this competition rewards efficiency. A bank with lean operations and smart technology can afford to pay a higher deposit rate while maintaining its margins, forcing less efficient rivals to improve or lose their funding base. Most importantly for macroeconomic stability, it completes the circuit of monetary policy. When the NBE raises its policy rate to cool inflation, competitive pressure will now transmit that hike into higher deposit rates, then into higher lending rates, and finally into a moderation of credit demand and economic activity. The saver becomes an active participant in the price stability mechanism, not a bystander.

This recalibration of the financial system's compass will, inevitably, create winners and losers - a redistribution of financial advantage that we must scrutinize with clear eyes. The most apparent winner is the saver. For the first time, individuals and institutions with savings have a seat at the table. Their deposit is no longer a taken-for-granted input but a commodity banks must bid for.

Over time, this should lead to positive real returns, preserving and growing the nation's capital pool. This group also includes the entire informal savings ecosystem - the equubs, iddiris, and families holding wealth in tangible assets. The policy creates a viable, attractive alternative, offering a bridge to formalize this vast reservoir of social capital. Another set of winners will be well-managed, innovative banks. Those with strong governance, efficient operations, and creative product offerings

can now differentiate themselves. They can attract a stable deposit base by offering better rates or superior service, funding a more sustainable loan book. This rewards competitive efficiency over bureaucratic capture.

Conversely, there will be institutions for whom this new world is challenging. The most immediate losers are the banks that have grown dependent on cheap, administratively guaranteed deposits. These are often banks with high loan-to-deposit ratios, already noted by the MPC as facing liquidity challenges. Their margins will be squeezed as their cost of funds rises. They face a stark choice - improve operational efficiency, innovate, and compete for deposits, or risk stagnation.

The reform forces a Darwinian improvement in the financial sector's health. In the short term, some borrowers may also feel like losers, particularly those accustomed to artificially cheap credit.

As banks' cost of funds rises, lending rates are likely to follow, making capital more expensive for businesses and individuals. This could dampen some investment appetites. However, this is the necessary corollary of ending repression. It ensures credit is allocated to the most productive uses, not just the most connected ones.

We are not venturing into uncharted territory. The experiences of other developing nations offer both a blueprint and a caution. In India, the deregulation of savings rates in 2011 led to immediate competition, particularly for bulk deposits, forcing banks to innovate with special retail schemes. More instructive is the case of Ghana, which liberalized interest rates in the late 1980s and early 1990s. The initial outcome was a sharp rise in both deposit and lending rates, as banks adjusted to a true cost of funds. While this was painful for borrowers initially, it ultimately led to a more efficient allocation of capital, stronger banks, and the development of a more distinct yield curve. The critical lesson from Ghana and others is that the transition requires vigilant supervision to prevent excessive risk-taking by banks desperate to maintain margins, and a parallel commitment to macroeconomic stability to anchor expectations. The MPC's concurrent measures to tighten liquidity and cap credit growth appear designed to manage this exact transition, aiming to avoid the

inflationary spiral that can occur if liberalization is pursued in an already overheated economy.

The most profound winner, however, is the Ethiopian state and its long-term developmental sovereignty. The policy is a strategic masterstroke for several reasons. First, it directly attacks the perverse cycle where savings fuel trade and inflation rather than productivity. By making saving attractive, it encourages capital accumulation. Second, it aligns with the monetary policy. The NBE can now use its policy rate more effectively, knowing that market rates can move. Third, and most importantly, it begins the hard work of building a genuine domestic savings base. This reduces reliance on volatile external finance and creates a deep pool of local capital for long-term, strategic investment in agriculture, manufacturing, and infrastructure. It fosters a nation of stakeholders with a direct financial interest in national stability.

The journey ahead is not without its bumps. The MPC itself acknowledged that the transmission mechanism is still weak and needs time to mature. The current excess liquidity means competitive pressure on deposit rates may not spike immediately, potentially delaying the saver's benefit. This requires patience and vigilance. The state's role now must pivot decisively from price-setter to system-architect and guarantor. It must foster the pluralistic savings ecosystem - leveraging postal networks, formalizing community cooperatives, incentivizing fintech, and partnering with trusted institutions like religious bodies. Above all, it must underpin everything with an ironclad guarantee of deposit safety and a massive financial literacy campaign.

This is more than a monetary policy adjustment. It is a profound renegotiation of the social contract of finance in Ethiopia. It replaces the silent tax of repression with the visible reward of competition. It shifts the economy's foundation from one of captured scarcity to one of mobilized abundance. The path to true homegrown economic resilience is indeed paved not by campaigns, but by the collective power of countless small sums, each now finally empowered to earn its keep. The piggy bank's era is over. The time for a fair return on our shared faith in the future, it seems, has begun.

**Befikadu Eba** is Founder and Managing Director of Erudite Africa Investments, a former Banker with strong interests in Economics, Private Sector Development, Public Finance and Financial Inclusion. He is reachable at [befikadu.eba@eruditeafrica.com](mailto:befikadu.eba@eruditeafrica.com).

# A Just Transition for Land

By Andrea Meza Murillo and Bradley Hiller

With the United Nations Climate Change Conference (COP30) and the G20 Leaders' Summit now concluded, attention turns to this week's gathering of the UN Convention to Combat Desertification (UNCCD) in Panama. Whether the event delivers progress on sustainable land management and drought resilience in a just and equitable manner hinges largely on one familiar factor: finance.

Insufficient funding has emerged as a stumbling block in advancing multiple Sustainable Development Goals, with SDG15 – focused on the protection, restoration, and sustainable use of land and terrestrial ecosystems – receiving some of the lowest levels of finance. But human well-being, and progress toward many other SDGs, depends directly on healthy soil, water, and terrestrial biodiversity. Already, up to 40% of our planet's lands are degraded and deteriorating, jeopardizing the health and livelihoods of more than three billion people, especially poor rural communities, small-scale farmers, women, youth, Indigenous peoples, and other at-risk groups. Annual economic losses linked to desertification, land degradation, and drought amount to \$878 billion – far more than the investments needed to address them. A just transition from an exploitative land economy to one that is restorative, inclusive, and resilient is urgently needed. The concept of a just transition has become central to discussions on climate action – in particular, the energy transition. For example, it is understood that European communities dependent on coal production need support, so that they can secure good jobs in emerging clean industries. Globally, numerous initiatives have been created to support a just energy transition. But no equivalent exists for the land sector (which includes agriculture,

forestry, and other land use), even though the need for a "just land transition" to support interconnected climate, nature, and human-development imperatives is at least as great.

Land-related activities account for nearly a quarter of greenhouse-gas emissions and employ over 20 times more workers than the energy sector globally. Moreover, unlike energy-sector workers – who tend to be formally employed, with regular, reasonably strong wages – many land workers are self-employed or seasonal, meaning that they have minimal safety nets and low financial resilience. In fact, extreme poverty is typically concentrated in degraded rural communities, which are often among the most exposed to climate and non-climate shocks. Now, these communities are being forced to pursue their own transitions, with minimal support from the international community – including the countries that are most responsible for climate change. For example, climate change has left nomadic pastoralists in the Horn of Africa, whose own carbon footprint is negligible, with no choice but to alter millennia-old migration routes, owing to water scarcity and land degradation. Such unstructured and risky transitions exacerbate poverty, inequality, and marginalization, increasing the risk of instability, out-migration, and conflict – and underscoring the need to support vulnerable communities and ecosystems on the frontline of climate change, nature loss, and land degradation.

But the news isn't all bad. Momentum is gathering around land and soil restoration. China has long been a land-restoration pioneer, exemplified by the Three-North Shelterbelt Forest Program that began in 1978. And a growing number of countries are emulating such initiatives with local efforts to strengthen

resilience increasingly complemented by national plans for halting and reversing land degradation and improving drought management. Progress is also being made at the regional level. Africa's Great Green Wall initiative – which aims to restore 100 million hectares of degraded land, sequester 250 million tons of carbon, and create ten million green jobs by 2030 – is being implemented in 22 countries. The Middle East Green Initiative, backed by up to \$2.5 billion in seed funding from Saudi Arabia, includes the world's largest landscape-restoration program. At the global level, frameworks like the 30x30 land conservation goal, the UNCCD-led Land Degradation Neutrality initiative, and the G20 Global Land Initiative point to a growing consensus on the importance of land protection and restoration. The recently announced Riyadh Global Drought Resilience Partnership aims to support the world's most drought-vulnerable countries. Yet finance is still lagging behind ambition. At last year's UNCCD gathering in Riyadh, participants pledged over \$12 billion in funding for "drought resilience, land restoration, and the fight against land degradation," which is a step in the right direction, but nowhere near enough to meet global goals. For that, the world must mobilize \$278 billion annually. To address this shortfall requires an innovative combination of financing mechanisms. Private finance can be mobilized through specialized debt instruments, such as green or restoration bonds. These are already gaining traction: the global sustainable bond market reached \$1.1 trillion in 2024. Moreover, companies can invest in land-based communities, in order to secure sustainable commodity supply chains, restore soil health, and support resilient livelihoods. Blended finance models – which combine, say, philanthropic grants with concessional lending – can ensure

that support reaches remote communities. Meanwhile, development institutions can back national efforts, and parametric (index-based) insurance linked to early-warning systems can provide a safety net when shocks arrive. Other possible sources of finance include emerging carbon and biodiversity markets, remittances, crowdfunding, Islamic finance, and special-purpose financing vehicles. The embrace of digital platforms and AI tools may facilitate improvements in access and affordability. Policy also has a crucial role to play. Unlocking financing at scale requires efforts to lower capital costs, remove barriers to access, and create the right incentives. Stronger land tenure, fiscal reform, and targeted subsidies and tariffs can also help to support sustainable land and soil systems. Policies that empower women, youth, and Indigenous communities are critical. At the global level, UNCCD, the Convention on Biological Diversity, and the UN Framework Convention on Climate Change should not each operate in a vacuum; land, biodiversity, and climate are inextricably linked, and should be treated as such. Like the climate transition more broadly, a land transition is occurring, whether we like it or not. The question is whether it will be unfair, chaotic, and reactive, or whether world leaders, development institutions, and other stakeholders will act now to ensure that it is just, effective, and leaves no one behind.

**Andrea Meza Murillo**, a former minister of environment and energy of Costa Rica, is Deputy Executive Secretary of the United Nations Convention to Combat Desertification.

**Bradley Hiller** is Lead Climate Change Specialist at the Islamic Development Bank and a collaborator at the Centre for Sustainable Development at the University of Cambridge.



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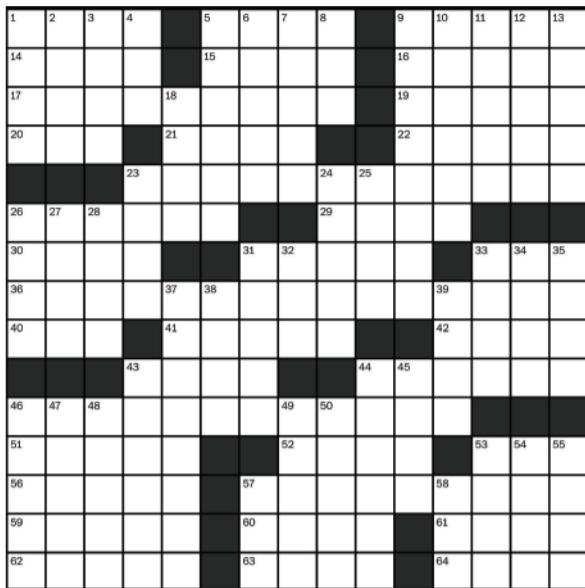
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# Entertainment

## CROSSWORD PUZZLE



### ACROSS

1. "You snooze, you \_\_!"
5. Not doing anything
9. Data on baseball cards
14. Consumes a 15-Across
15. Lunch or dinner
16. Cockpit figure
17. Hangout with ramps and rails for boarders and bladers
19. French "between"
20. Nine-digit ID
21. Hard drive capacity prefix
22. Gemstone with colored stripes
23. Exclamation of surprise
26. British nobles with low ranking
29. Scottish gal
30. Grows older
31. \_\_ pie: dish with corn chips
33. Tennis server's success
40. Self-image
42. \_\_-Ball: target game in arcades
43. Add to the payroll
44. Places for bracelets
46. Diving stance with bent hips and straight legs
51. Actress Tatum
52. Convent residents
53. Spot for a facial
56. Blue-gray color
57. A-OK
59. Guiding principle
60. Length x width
61. Sunburn-soothing succulent
62. Small earrings
63. Trial run
64. Archery items
1. Not as expensive

### DOWN

2. Acorn droppers
3. "Thunderbolts" actor
4. Sebastian \_\_
4. Approximate fig.
5. Spurs to action
6. Sweetie pie
7. SoCal NFL player
8. Large deer in the Rockies
9. Talks about
10. Touches of color
11. "I do" venue
12. Rich layer cake
13. Construction girder metal
18. Historic British school
23. Hydrant hookup
24. Arrange in a row
25. Purring pets
26. Acid counterpart
27. Eager
28. San \_\_, Italy
33. Queries
31. "Little \_\_ Everywhere":

Celeste Ng novel  
32. Genetic messenger molecule  
34. NBA player Holmgren  
35. Potato spots  
37. Three siblings with the same birthday  
38. One saving the day  
39. "The proof \_\_ the pudding"  
43. Like a sauna  
44. Reassure that one's joking, in a way  
45. Like pink cheeks  
46. Sends with a stamp  
47. Small bay  
48. Actor Reeves who plays John Wick  
49. Become accustomed (to)  
50. Adjusts a piano's pitch, e.g.  
53. Brand of red plastic cups  
54. Boat's front  
55. Affirmative votes  
57. Part of a Santa costume  
58. Apply gently

**Solution: see below**



## WEEKLY HOROSCOPES



### Aries

The energy now is quite positive. Be grateful for what you have and generous with others. It would be a mistake to try to manipulate the people or situations you deal with daily. Someone may need to be the center of attention. Be sure it isn't you! Unrealistic expectations can threaten good relations. Working as part of a team will be most effective. Don't hesitate to take charge when facing obstacles.



### Cancer

Sharing your opinions about job-related issues should be easier now. It's best to be honest even if you're disappointed. Accept that you simply have to wait in certain situations where you want to expand. Arguments can clear the air. Events can see you insisting yours is the only way. Be willing to reconsider your position. You can be very persuasive. It's positive for partnerships and improving customer relationships.



### Libra

You'll need to be patient. The prevailing energy can block or work at cross-purposes to what you hope to accomplish. Potential problems and blind spots mean you need to keep checking with co-workers or customers to be sure everyone is on the same page. Be very honest. There's no point making things seem better than they are. If you're falling behind, say so. Extra training helps support a more positive outcome.



### Capricorn

The energy now encourages clear communication. Do your best to share your point of view simply. Avoid nervousness and worry, especially in interviews or with a boss. Do your best to act from a position of confidence, not insecurity. You need to trust your intuition when facing obstacles. Focus on helping others to feel safe and secure. This is a time for patience, not jealousy or fear. People appreciate your natural warmth.



### Taurus

This is an important time to take care of yourself. Schedule health exams or meetings with human resources that support your best interests. Take a cautious approach to any untried method. The Universe can bring powerful emotions to the surface. You may challenge someone you feel is working against you. Events can bring positive changes if you're willing to stand up for yourself. Focus on housekeeping and getting better organized.

### Leo

Make amends for anything that isn't working between you and clients or co-workers now. Carefully listen to what people tell you. Unsettled issues could explode in your face. You want to do more than is possible at the moment. Be patient. The energy demands a careful review of what has already begun. This period is lucky for making contacts that can lead to something better.



### Scorpio

It's important to explore all your options when facing obstacles on the job. If you stick with what's expected or habitual, you may lose your effectiveness or influence. This is a good time for team efforts and networking to improve your situation. Give others any deserved recognition for their work. This period can be very busy with a variety of tasks or people who require extra patience and support.



### Aquarius

There is some risk of becoming moody or self-indulgent if you don't get what you want. Avoiding assignments is the worst possible choice. Someone too self-centered or focused on personal appearance can be especially irritating. Be patient and stick to your job. What appears right at first may not be what you expect. Insecurity about ability or skills will work against you. Do your best to maintain your self-confidence.



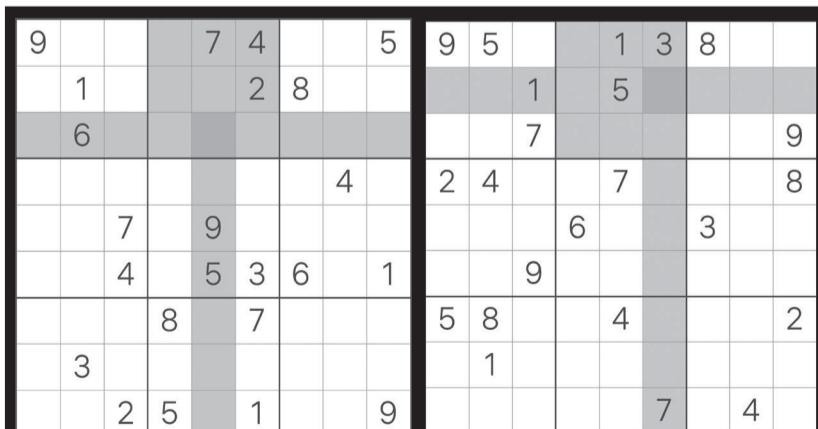
### Sagittarius

It will take wisdom to discern the best path now. When faced with multiple options, a slow approach is best. Rushing things would be a mistake. Don't assume you know everything. The more flexible you are, the better your chances of finding the best solution. Be ready to move in a new direction. This is a good time for socializing with co-workers or researching the competition.



### Pisces

This is a time to be creative when facing obstacles on the job or concerning your career. Focus on making yourself look as good as possible. Well-kept clothing, trimmed hair, and a nice presentation will support your confidence. Your role in a group or organization could be changing. Be as diplomatic as possible in any conflict. Trust yourself. Approach your work with the attitude that you have everything you need.



## 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

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

## Crossword Solution

S	T	U	D	S	E	T	E	S	T	B	O	W	S
T	E	N	E	T	A	R	E	A	A	L	O	D	E
S	L	A	T	E	H	U	N	K	Y	D	O	R	Y
O	N	E	A	L	N	U	N	S	S	P	A	S	S
P	I	K	E	P	O	S	I	T	I	O	N	W	E
H	I	R	E	W	R	I	S	T	S	E	R	A	N
S	O	M	E	T	H	I	N	G	F	I	S	H	Y
A	G	E	S	T	R	I	T	O	A	C	E	Y	I
B	A	R	O	N	S	L	A	S	S	K	E	R	E
H	O	L	Y	M	A	C	K	E	R	E	L		
S	K	A	T	E	P	A	R	K	E	N	T	R	E
E	A	T	S	M	E	A	L	P	I	L	O	T	S
L	O	S	E	I	D	L	E	9	S	T	A	T	S

# Society

By Tesfu Telahoun

## The Journey from humble roots to radiant genius: Illuminating Math and Science

■ By Gzachew Wolde

During his early school years, he showed little interest in academics, often appearing inattentive and ranking low among his classmates. A pivotal incident—a schoolyard brawl or a threat of demotion—served as a wake-up call, igniting a quiet determination within him. This marked the beginning of his transformation from a lackluster student to a dedicated scholar.

As he embraced his studies, a remarkable academic character began to emerge. He transformed into a thoughtful, quiet boy, admired for his wisdom and kindness, quickly becoming a natural leader among his peers. His modesty and a thirst for knowledge set him apart. While he rarely joined his classmates in play, he often devised scientific amusements for them.

Despite his young age, he recognized the seriousness of life and the responsibilities that weighed upon him. Each obligation reminded him that the carefree innocence of childhood was slipping away. Yet, when he was not fulfilling his duties, his mind was absorbed in studying and tinkering with mechanical gadgets. He became adept with tools like saws, hatchets, and hammers, keenly observing mechanical devices such as windmills. Before long, he would create impressive working models that garnered admiration from those around him.

However, he was not satisfied with mere imitation; he constantly sought to make improvements. His determination to overcome obstacles and pursue his studies, even in the face of adversity, is a testament to his academic passion. He also developed an early interest in drawing, producing colored images—sometimes based on copies, but

often inspired by life—that adorned his room. Additionally, he honed his skills in poetry, excelling in creating verses.

He later formed a deep bond with a young woman, the sister of a physician living in the same household, who appreciated his poetic talents. They spent much time together; she was two or three years his junior, possessing striking beauty and exceptional talent. Their companionship brought joy to both, and their youthful friendship blossomed into a deeper affection. Yet, economic circumstances prevented them from uniting in marriage, and she ultimately married twice in later years.

Despite numerous opportunities for romance, he never took the decisive step toward marriage. Instead, he lived a reclusive life at Trinity College, Cambridge, immersing himself in solitary study and experiments that defined his genius. His intense academic focus prevented him from exploring other aspects of life.

After the death of her second husband, his mother returned to live with her 15-year-old son, pulling him from school to help manage the family farm due to financial pressures. Although he had excelled academically and made significant progress in his studies, farm management proved entirely distasteful to the mechanically inclined youth.

On Saturdays, when he was sent to the market, he would sneak away to the shelves of a nearby bookseller, losing himself in study while the aged and trusted servant carried out the family's errands and eventually called him back. During this time, he remained absorbed in books, continuing his education on the side,

week after week, until the faithful attendant completed the usual tasks. Later, when allowed to go alone, he took charge of the day's business, seizing every opportunity to read, and returned home enriched by both duty and discovery.

His passion for study grew daily, while his dislike for other occupations intensified. Recognizing his true calling and resilience, his mother wisely decided to provide him with all the educational advantages available. This decision led him to Trinity College, Cambridge, in 1661, partly funded by his uncle, where he spent several months preparing for his academic studies.

With a recommendation from one of his uncles, who had also studied at Trinity College, he was admitted on June 5, 1660, at the age of eighteen. This eager student was Isaac Newton, who now entered a new and expansive field, dedicating himself to the pursuit of knowledge with remarkable passion and perseverance.

He exposed the folly of pseudoscience by constructing a figure using one or two problems from Euclid, thus beginning his study of mathematics. His research in this field was pursued with unparalleled vigor and success.

His progress was so significant that he often found himself more knowledgeable than his tutor in many subjects. However, his understanding was not acquired through mere intuition; it was thorough and firmly established. His insights in mathematics were profound, and he

approached the subject with caution and depth. He applied immense strength and clarity to the complexities and challenges he encountered, rarely failing to



**Newton's contributions extended to optics, where he used prisms to demonstrate the composition of white light, and physics, where he formulated the laws of universal gravitation and motion in his 1687 work**

overcome them through diligent effort.

This story illustrates the unstoppable radiant genius of Isaac Newton, who illuminated science like sunlight emerging from humble beginnings. He became one of history's greatest scientists, developing calculus and the laws of motion despite facing early hardships. He overcame economic challenges and a lack of formal privilege to redefine mathematics, physics, and optics.

Born prematurely on December 25, 1642 (Julian calendar), in Woolsthorpe, Lincolnshire, England, he was fatherless at birth and nearly orphaned when his mother remarried, leaving him in the care of his grandmother. His path to genius unfolded through self-driven study and significant breakthroughs during those formative years.

Newton's contributions extended to optics, where he used prisms to demonstrate the composition of white light, and physics, where he formulated the laws of universal gravitation and motion in his 1687 work. Rising from modest origins without privilege, his fervor produced foundational tools in science. His 1687 work, "Principia," codified the laws of motion and universal gravitation, solidifying his legacy from obscurity to knighthood. His journey from a rural farm boy in Woolsthorpe to the architect of universal principles exemplifies his "humble roots" and "radiant genius" that illuminated mathematics and science.

*Key primary sources for Newton's early life include his own writings, such as "Philosophiae Naturalis Principia Mathematica" (1687) and "Opticks" (1704), along with collected papers in "The Correspondence of Isaac Newton" (7 vols., 1959–1984) and "The Mathematical Papers of Isaac Newton" (8 vols., 1967–1981).*

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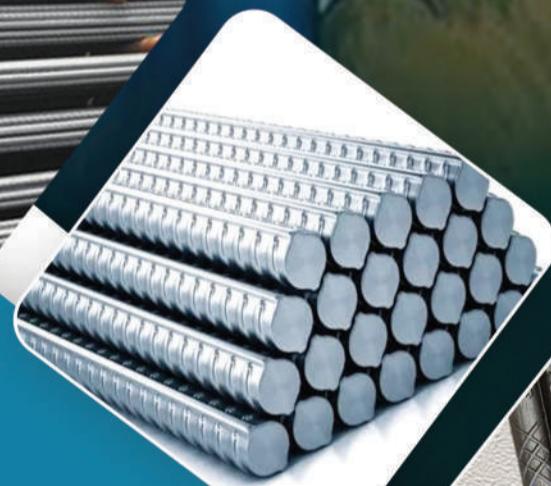
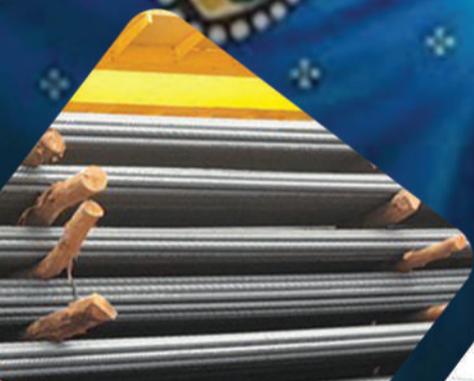
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# Israel's recognition of Somaliland exposes the UN's double standard

*Recognition did not conjure a new political reality. Somaliland has governed itself since 1991. It has maintained internal order, held elections, enforced the rule of law, and delivered basic services without international trusteeship or peacekeeping forces. Israel did not create Somaliland's statehood; it acknowledged a durable fact that much of the international community has preferred to sidestep.*

By Dr. Emmanuel Navon

Israel's recognition of Somaliland will soon be challenged at a special session of the UN Security Council. The charges are predictable: violation of sovereignty, destabilization of Africa, erosion of international law. Yet these criticisms conceal a more troubling reality. Israel's decision does not undermine global norms; it exposes how selectively and politically they are applied.

The real question is not whether Somaliland satisfies an abstract legal checklist of statehood. It is why political entities that clearly fail such tests are routinely recognized, while one that has met them in practice for more than three decades has been systematically excluded. Israel's decision is rooted first and foremost in strategy. Somaliland lies on the Gulf of Aden, adjacent to the Bab el-Mandeb Strait, one of the world's most vital maritime chokepoints. In an era marked by Houthi attacks, piracy, and intensifying great-power competition, the Red Sea has become a core arena of Israeli security interest. Somaliland offers something rare in the Horn of Africa: territorial control, internal stability, and leadership openly seeking alignment rather than ambiguity.

Recognition did not conjure a new political reality. Somaliland has governed itself since 1991. It has maintained internal order, held elections, enforced the rule of

law, and delivered basic services without international trusteeship or peacekeeping forces. Israel did not create Somaliland's statehood; it acknowledged a durable fact that much of the international community has preferred to sidestep.

The move also reflects a broader reassessment of diplomacy in an era of symbolism. Over the past year, dozens of states have extended recognition to a Palestinian state despite the absence of unified governance, agreed borders, or effective sovereign authority. Recognition has increasingly become a political gesture rather than a reflection of statehood. Israel has chosen to demonstrate that recognition can also be grounded in interests and realities.

At the Security Council, Israel will be accused of violating Somalia's territorial integrity. Yet territorial integrity has never been absolute. In international practice, it is balanced against effectiveness, consent, and governance. The UN itself has recognized states born of unilateral secession when political conditions warranted it. Somalia has not exercised sovereign authority over Somaliland for more than thirty years. Invoking territorial integrity in this context is less a defense of law than a defense of diplomatic inertia.

Israel will also be warned that it is setting a dangerous precedent. But precedents already abound. More than 150 UN

member states recognize Palestine, even as its institutions remain divided and its leadership lacks effective control over much of the territory it claims. Somaliland, by contrast, governs a defined population and territory and has done so peacefully for decades. If recognition is meant to reflect statehood rather than political fashion, the disparity is difficult to justify. This is not a legal contradiction; it is a political double standard.

That Israel currently stands alone in recognizing Somaliland says less about Somaliland than about international risk aversion. Most states prefer ambiguity: maintaining representative offices, security cooperation, and economic ties while stopping short of recognition to avoid friction with Somalia, the African Union, or regional blocs. Great powers, in particular, have opted for engagement without commitment. Israel calculated that the strategic benefits outweighed the diplomatic costs. That judgment can be debated, but it is neither impulsive nor unprecedented.

Somalia's reaction must also be seen in context. For decades, Israel's relations with Somalia have been minimal to nonexistent. Somalia aligned early and consistently with the anti-Israel camp in multilateral forums and never established diplomatic ties. Israel is not forfeiting an ally in Mogadishu. It is, however, inviting Somalia to mobilize diplomatic pressure, something Israel must manage carefully as the issue moves to the Security Council.

global Southwest's operational discipline with political choices "that stop punishing people for the simple act of crossing their own continent."

"If we want a continent where a young Kenyan can affordably attend a conference in Lagos, where a Tanzanian entrepreneur can regularly fly to Kinshasa, and where regional tourism flourishes beyond a tiny elite, then we must stop pretending," said Amenga on the portal.

He pointed to Europe's air transport liberalisation between 1992 and 2000 as a powerful case study, noting that fares fell by more than 15% while flight frequencies surged 88%. Over the same period, the number of routes expanded by 75% and available seats more than doubled.

In Africa, he cited Morocco's full airline market liberalisation, institutionalised in 2006, which opened domestic and international routes, including to European carriers. The reforms intensified competition, pushed fares down by about 7%, and expanded route networks, delivering significant gains for national carrier Royal Air Maroc (RAM) and low-cost airlines such as Ryanair and EasyJet. The increased connectivity helped lift tourist arrivals in the country by an average of 6% annually.

Similarly, he argued that the adoption of low-cost carrier models in South Africa transformed the market, with FlySafair expanding its capacity by nearly 800% between 2018 and 2024, underscoring the growth potential unlocked by liberalised skies. The immediate effect on anticipated reduction in flight ticket costs across West Africa is expected to first take cause in active ECOWAS members include Benin, Cape Verde, Ivory Coast, The Gambia, Ghana, Liberia, Nigeria, Senegal, Sierra Leone, and Togo.

It is not yet clear if countries suspended

Comparisons with Israel's recognition of South Sudan are instructive but limited. South Sudan emerged from a UN-backed process culminating in a referendum and broad international endorsement. Israel's recognition aligned it with overwhelming global consensus. Somaliland followed a different path: *de facto* independence without international sponsorship. That makes recognition more controversial, but not inherently less legitimate.

Critics also ask why Israel recognizes Somaliland but not Kabylie, Cyrenaica, or other independence movements. The answer lies in strategy, not sentiment. Somaliland exercises territorial control, operates functioning institutions, and seeks reciprocal relations with Israel. Kabylie does not exercise sovereign authority and lies within a powerful state whose reaction would be immediate and destabilizing. Recognition without governance is symbolism; recognition of Somaliland is a strategic choice.

Is Israel also sending a message to states that rushed to recognize Palestine? Probably. But the message need not be framed as retaliation. It is corrective. Recognition divorced from facts empties the concept of meaning. If recognition is to remain more than political theater, it must be anchored in governance, stability, and responsibility.

The real test begins now. Recognition is easy; strategy is not. Israel will be judged on whether it can translate this decision into constructive cooperation while containing diplomatic fallout and avoiding escalation. At the UN, Israel will be told it broke the rules. The truth is that Israel has forced a long-overdue reckoning with how unevenly those rules are applied.

Dr. Emmanuel Navon is a foreign policy expert who lectures at Tel Aviv University and is a fellow at the Jerusalem Institute for Strategy and Security (JISS).

# WEST AFRICA'S PUSH FOR CHEAPER FLIGHTS

By Conrad Onyango, bird story agency

West Africa is bracing for a jump in air travel demand as its heads of state prepare to cut taxes and fees that make up nearly half of a flight ticket, starting January 2026. The heads of state and government in the region approved the measures at their December 2024 summit in Abuja, aiming to dismantle the cost barriers that have made West Africa one of the world's most expensive regions for air travel.

Under the new Supplementary Act on Aviation Charges, Taxes and Fees, all the Economic Community of West African States (ECOWAS) member countries will eliminate air transport taxes and reduce passenger and security charges by 25%. ECOWAS hopes the reforms will strengthen domestic and regional airlines, expand mobility and accelerate economic integration.

"The citizens of West Africa can travel freely, enjoy affordable air tickets, and the regional integration agenda that we seek will happen," ECOWAS's Director of transport, Chris Appiah, told journalists in Nigeria.

The bloc projects that if fares fall by between 30 to 40%, intra-regional

passenger numbers could climb to between 12 and 15 million annually within three years, based on modelling from the ECOWAS Commission and AFRAA's 2024 market outlook.

"A lot of people will start traveling, a lot of traders will start moving, and this is revenue for government because they'll pay more taxes," said Appiah.

A return ticket from Accra to Dakar averages US\$650 to US\$900, while an Accra to Lagos flight, which is barely an hour long, frequently sells for about US \$350 to US\$450, according to fare data compiled from IATA and major West African carriers.

Pan African Sky, a portal developed by Nelson Amenga, a strategy consultant, who exposed the controversial US\$2 billion Adani-JKIA airport deal in Kenya, leading to its cancellation, is also advocating for lower air transport costs across Africa. According to the portal, the return ticket from Accra to Dakar would cost at least US\$ 215 to a high of US\$537 while Accra to Lagos flight would cost between US\$41 to US\$101, leading to up to 80% savings on ticket costs.

Amenga argues that Africa's skies will only open when the continent matches

due to a coup including Guinea-Bissau and Guinea and those that no longer participating due to military takeovers like Niger, Mali, and Burkina Faso will immediately enjoy the lower air fares. Despite a population of more than 420 million, West Africa reaches only half of North Africa's (about 280 million) approximately 40% of the continent's air traffic, according to the African Airlines Association (AFRAA).

"It's been established that our region is the most expensive when it comes to air transport services," said Appiah, noting that government-imposed taxes and charges by aviation authorities and airport operators as key drivers.

Similar sentiments are shared by Amenga in his PanAfrica Sky portal that shows West Africa charges an average of US\$110 per passenger in taxes for international departures, compared to just US\$10 in the European Union. Fuel taxes in Africa, according to the portal, make jet fuel 17% more expensive than the global average and accounting for 40% of operating costs compared to 25% globally.

"The taxes levied by governments and the charges collected by civil aviation authorities and airport companies are a big part of the ticket cost," Appiah said.

A new Regional Air Transport Economic Oversight Mechanism, Appiah said will track implementation, monitor fare changes and publish regional comparisons to ensure the measures are adhered by member countries.

Lagos and Abuja airports rank at the bottom of Africa's top 10 airports by passenger traffic, each handling fewer than two million passengers in 2024, according to AFRAA. Only one regional corridor, Accra to Lagos, made it into the top 10 busiest intra-African routes last year.

# Three Shocks that Shook the World in 2025

*A new, harder, colder world order was erected on the grave of European ambition in 2025. The year's enduring lesson is that in an age of existential contests, strategic dependency is the prelude to irrelevance.*

By Yanis Varoufakis

This was the year that the remaining pillars of the late-20th-century order were shattered, exposing the hollow core of what passed for a global system. Three blows sufficed.

The first was Russia's impending victory in Ukraine over Europe's combined leadership. For almost four years, the European Union and NATO engaged in a perilous double game. On one hand, they committed rhetorically to a Ukrainian victory they were unwilling to bankroll. On the other hand, they exploited this never-ending war to advance a new political and economic domestic consensus: military Keynesianism would be their last-ditch stand against Europe's deindustrialization.

In a continent where debilitating political constraints forbade significant deficit-funded green investments or social policies, the war in Ukraine provided a powerful rationale for funneling public debt into the defense-industrial complex. The unspoken truth was that a forever war served a critical function: it was the perfect engine for Keynesian pump-priming of Europe's stagnating economy.

The contradiction was fatal: If the Ukraine war ended with a peace deal, it would be hard to sustain this economic pump-priming. Yet to achieve a victory that would justify the spending was deemed too expensive financially and too risky geo-strategically. Thus, Europe settled on the worst possible strategy: sending just enough equipment to Ukraine to prolong the bleeding without altering its course. Now that Russia is set to prevail (a predictable result that US President Donald Trump merely brought forward), the EU's best-laid plans lay in ruins. Europe has no Plan B for peace because its entire strategic posture had become dependent on the war's continuance. Whatever grubby peace deal the Kremlin and Trump's men ultimately impose on Ukraine will do more than redraw a border. Whether Russia remains a threat to Europe or not, Europe is about to lose the pretext for its nascent military-industrial boom and thus foreshadows a new austerity.

The second shock was that China won the trade war against the United States. The US strategy, initiated under Trump's first administration and intensified under Joe Biden, was a pincer move: tariff barriers

to cripple Chinese access to markets, and embargoes on advanced semiconductors and fabrication tools to cripple its technological ascent. In 2025, this strategy met its Waterloo, and Europe was again the primary collateral damage.

China responded with a masterful two-part response. First, it weaponized its dominance over rare earths and critical minerals, triggering a supply-chain seizure that paralyzed not so much American, but European and East Asian green manufacturing. Second, and most injuriously for America's standing as the global tech leader, China mobilized its "whole-nation system" toward a single goal: technological autarky. The result was a staggering acceleration in domestic chip production, with SMIC and Huawei achieving breakthroughs that rendered the US-led Western embargo not just obsolete, but counterproductive. This is probably the shock with the longest-lasting repercussions. In 2025, the US proved incapable of slowing China's rise and, instead, unwittingly propelled its tech sector toward full independence. And Europe, having dutifully imposed on China the sanctions dictated by the White House, was left with the worst of all worlds: increasingly shut out of the lucrative Chinese market for its high-value goods, yet receiving none of the lavish subsidies and on-shoring benefits of the now rescinded US Inflation Reduction Act. By choosing to act as a strategic subcontractor to the US, the EU accelerated its own deindustrialization. This was not a loss in a trade war; it was a geopolitical checkmate, and Europe featured only as the losing side's pawn. The third shock was the ease with which Trump won his tariff war with the EU. At the end of their meeting at one of Trump's golf clubs in Scotland, choreographed by his men to maximize her humiliation, Ursula von der Leyen, the president of the European Commission, struggled to portray a surrender

document as a "landmark agreement." Tariffs on European exports to the US jumped from around 1.2% to 15% and in some cases to 25% and 50%. Long-standing EU tariffs on US exports were canceled. Last but not least, the Commission committed to \$600 billion of European investment in US industry on US soil – money that can come only from diverting mainly German investments to chemical factories in Texas and car plants in Ohio. This was more than a bad deal. It was an unprecedented capital extraction treaty. It formalizes the EU's transition from an industrial competitor to a supplicant. Europe is to be a source of capital, a regulated market for US goods, and a technologically dependent junior partner. To add insult to injury, this new reality was codified in a binding commitment, to which all 27 EU member states have now agreed, stripping the bloc of any pretense of sovereignty. Part of the capital Trump needs to consolidate his vision of a G2 world structured around the Washington-Beijing axis is now contractually obligated to flow from Europe westward. These three shocks form a synergistic trilogy. Europe's defeat in Ukraine has revealed its strategic blind spots and punctured its military Keynesian project. Trump's acquiescence to Chinese President Xi Jinping has triggered a flood of Chinese exports to the EU. The shakedown in Scotland has cost Europe its accumulated capital and any lingering hope of parity. In the G2 world, the imagined global village is a gladiatorial arena where the EU and the United Kingdom now wander aimlessly. A new, harder, colder world order has been erected on the grave of European ambition. The year's enduring lesson is that in an age of existential contests, strategic dependency is the prelude to irrelevance.

Yanis Varoufakis, a former finance minister of Greece, is leader of the MERA25 party and Professor of Economics at the University of Athens.

# The Real Existential Threat Facing Europe

*Contrary to what far-right leaders claim, Europe's greatest challenge is not immigration or "wokeness," but its own economic and technological backwardness. With productivity growth lagging and innovation increasingly taking place elsewhere, Europe must confront its structural weaknesses or risk falling further behind.*

By Nouriel Roubini

US President Donald Trump's new National Security Strategy offers a misguided assessment of Europe, long regarded as America's most reliable ally. Unrestrained immigration and other policies derided by administration officials as "woke," it warns, could lead to "civilizational erasure" within a few decades.

That argument rests on a fundamental misreading of Europe's current predicament. While the European Union does face an existential threat, it has little to do with immigration or cultural politics. In fact, the share of foreign-born residents in the United States is slightly higher than in Europe. The real threat facing Europe lies in its own economic and technological backwardness. Between 2008 and 2023, GDP rose by 87% in the US, compared to just 13.5% in the EU. Over the same period, the EU's GDP per capita fell from 76.5% of the US level to 50%. Even the poorest US state – Mississippi – has a higher per capita income than that of several major European economies, including France, Italy, and the EU average. This widening economic gap cannot be explained by demographics. Instead, it reflects stronger productivity growth in the US, largely owing to technological innovation and higher total factor productivity. Today, roughly half of the world's 50 largest technology firms are American, while only four are European. Over the past five decades, 241 US firms have grown from startups into companies with market capitalizations of at least \$10

billion, compared with just 14 in Europe. These trends raise a critical question: Which countries will lead the industries of the future, and where does Europe fit in? The race for technological leadership now spans a wide range of fields, including AI and machine learning, semiconductor design and production, robotics, quantum computing, fusion energy, fintech, and defense technologies. Europe enters this race at a clear disadvantage.

Whether the US or China currently leads the industries of the future remains open to debate, but most observers agree that it's essentially a two-horse race, with America still ahead in several key areas. Beyond that, innovation is concentrated in countries like Japan, Taiwan, South Korea, India, and Israel. In Europe, by contrast, innovative activities are largely confined to the United Kingdom, Germany, France, and Switzerland – two of which are not even EU member states. It is hardly a surprise, then, that while the US and China dominate global technological rankings, Europe finds itself far from the top. And the outlook is anything but reassuring, given that the next wave of innovation is widely expected to be more disruptive than anything we have seen over the past half-century. The technological gap between the US and Europe can be attributed to several factors. First, the US has a far deeper and more dynamic ecosystem for financing startups, while Europe still lacks a genuine capital markets union, limiting the scale and speed at which new firms can grow. Second, Europe is hampered by excessive

and fragmented regulation. A US startup can launch a product under a single regulatory framework and immediately access a market of more than 330 million consumers. The EU has a population of roughly 450 million but remains divided among 27 national regulatory regimes. An International Monetary Fund analysis shows that internal market barriers in the EU act like a tariff of around 44% for goods and 110% for services – far higher than the tariff levels the US imposes on most imports. Third, cultural attitudes toward risk-taking differ sharply. Until relatively recently, a failed entrepreneur in some EU countries (like Italy) could face criminal penalties, while in the US, a tech founder who has never failed is often seen as too risk-averse. Fourth, the US benefits from a deeply integrated academic-military-industrial complex, while Europe's chronic underinvestment in defense has weakened its innovation capacity. Technological leaders like the US, China, Israel, and, more recently, Ukraine spend heavily on defense, with military research often producing technologies that have civilian applications.

Despite this, many European political leaders continue to frame higher defense spending as a tradeoff between security and social welfare. In reality, free-riding on US defense spending since the end of World War II has limited the type of innovation that could have generated more of both through higher productivity. Paradoxically, sustaining Europe's social model will require greater investment in defense, beginning with meeting NATO's new spending target of 3.5% of GDP. If Europe allows its

technological lag to grow over the coming decades, it risks prolonged stagnation and continued economic decline relative to the US and China. There are, however, reasons for cautious optimism. Increasingly aware that Europe faces an existential challenge, policymakers have begun to advance serious reform proposals. The most notable examples are the two major 2024 reports on EU competitiveness and the single market by former Italian prime ministers Mario Draghi and Enrico Letta, respectively. Europe also retains considerable strengths, including high-quality human capital, excellent education systems, and world-class research institutions. With the right incentives and regulatory reforms, these assets could support much higher levels of commercial innovation. With a better environment for entrepreneurship, Europe's high per capita income, large internal market, and elevated savings rates could help unleash a wave of investment. Crucially, even if Europe never leads in cutting-edge technologies, it could still significantly boost productivity by adopting and adapting American and Chinese innovations. Many of these technologies are general-purpose in character, benefiting both adopters and pioneers. All of this leaves Europe at an inflection point. As Ernest Hemingway famously observed, bankruptcy happens "gradually and then suddenly." So far, Europe's technological decline has been gradual. But if it fails to confront its structural weaknesses, today's slow erosion could give way to a sudden and irreversible loss of economic relevance.

Nouriel Roubini, a senior adviser at Hudson Bay Capital Management LP and Professor Emeritus of Economics at New York University's Stern School of Business, is Co-Founder of Atlas Capital Team, CEO of Roubini Macro Associates, Co-Founder of TheBoomBust.com, and author of *Megathreats: Ten Dangerous Trends That Imperil Our Future, and How to Survive Them* (Little, Brown and Company, 2022). He is a former senior economist for international affairs in the White House's Council of Economic Advisers during the Clinton Administration and has worked for the International Monetary Fund, the US Federal Reserve, and the World Bank. His website is [NourielRoubini.com](http://NourielRoubini.com), and he is the host of [NourielToday.com](http://NourielToday.com).



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# Capital

THE PAPER THAT PROMOTES FREE ENTERPRISE

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PO Box 70282

Each year, the International Community School of Addis Ababa (ICS) grants scholarships to current 8th grade Ethiopian students living in Addis Ababa. The scholarships cover four years of high school (grades 9-12) at ICS. The Scholarship Program is open to students from all schools registered under Ministry of Education, except the foreign community schools.

Scholarship students will be expected to pay the amount of tuition fees they would pay at their current school under the ICS scholarship terms. Families must also be prepared to make some financial commitments annually for student travel or activities that are essential for gaining the well-rounded experience that top universities are looking for. ICS Scholarship students attract the attention of college recruiters with their excellent academics and their involvement in sports, school activities, community service and leadership. In recent years, our ICS scholar graduates have won competitive scholarships at universities such as Harvard, MIT, Stanford, Yale, Princeton, Columbia, Amherst, Cornell and other top schools in the USA.

Each middle school in Addis Ababa receives an invitation letter from ICS by delivery or from their sub city educational bureau by the end of February. Schools also receive three

(3) application forms and further information regarding the nature of the examinations, eligibility requirements to sit for examinations necessary documentation required to support an application, and various deadlines connected with the scholarship competition. Schools are asked to publicize their selection process to constituency to assure transparency and fairness. Schools are invited to select and recommend to ICS three (3) candidates for the scholarship competition.

Parents are not permitted to approach ICS individually with alternate candidates. Please ask your Head of School for more information. The completed application signed by the Head of School must be returned to the Counselor's Office at ICS on or before 4:00 PM,

February 27th, 2026. Late or incomplete applications will not be accepted.

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[www.icsaddis.org](http://www.icsaddis.org)

Earl Chamberlin Head of School



## የሙንግሥት የሸጋተኞች ማህበራዊ ቅዱትና አስተዳደር PUBLIC SERVANTS' SOCIAL SECURITY ADMINISTRATION

# INVITATIONS TO BID

(International Competitive Bidding)

1. Public Servants' Social Security Administration hereunder referred as (PSSSA) is desirous of hiring an Engineering Firm for Design-Build Construction Work for Wastna Smart Village Development Project (Phase 1 – Hotel-Mall) to be developed near Addis Ababa at Koye Fetche Sub City inside Sheger City.
2. Public Servants' Social Security Administration (PSSSA) now invites eligible bidders of Category One Engineering firms with relevant experience and valid licenses or its equivalent as first class firm in their origin of country valid for the year 2018 Ethiopian Calendar, to submit sealed tenders for Design-Build Construction Work for Wastna Smart Village Development Project (Phase 1 – Hotel-Mall).
3. The building shall have an estimate minimum total floor area of 300,000 m<sup>2</sup> fulfilling the minimum FAR requirement of the local development plan and an estimated net floor area of not less than 80% and in no way its maximum total floor area shall be more than 320,000 m<sup>2</sup>.
4. Interested bidders can purchase a full set of tender documents by paying Birr 1,000.00 in cash to the Public Servants' Social Security Administration's (PSSSA) Finance Directorate.
5. All bids must be accompanied by a bid security of **ETB 2,000,000.00 /Two Million Birr** or equivalent amount in USD as per the selling price of USD to ETB at Ethiopian National Bank **28 days before the date of Bid Closing**, in the form of CPO or unconditional Bank Guarantee valid for 45

calendar days from bid opening in the form provided in the Bid Document payable to the Employer at the first demand without any contestation whatsoever, and must be submitted at the address of:-

**Public Servants' Social Security Administration**  
**-Procurement Directorate**  
**Arat Kilo, Queen Elizabeth Street**  
**Addis Ababa, Ethiopia**

6. The bid will be closed at **2:00 P.M** on the **41st** day from the date of the bid announcement and will be opened on the same day at **2:30 P.M** in the presence of bidders or their legal representatives at the Office of the Procurement Directorate of the Public Servants' Social Security Administration. If the 41st day is a weekend or holiday, the bid will be opened at the above time on the next working day.
7. Bids shall be valid for a period of forty five (45) calendar days after bid closing.
8. The Public Servants' Social Security Administration reserves the right to accept or reject any or all bids.

**Public Servants' Social Security Administration (PSSSA)**  
**Arat Kilo, Queen Elizabeth Street**  
**Addis Ababa, Ethiopia**  
**0111232699**

# Beyond Connectivity: Why Ethiopia's Digital Future Demands Reform, Investment, and Inclusion?

By Tesfaye Bezabih

Addis Ababa, 2025, December- Ethiopia has gone through several phases in its pursuit of a digital economy, which started as a far-off dream, and has become the main focus of its national development agenda. This pivotal point was the center of the recent ARDA TALK Series, held by the Institute of Foreign Affairs (IFA), where government representatives, diplomats, regulators, and the heads of the private sector were gathered. However, the discussion, led by the Safaricom Telecommunications Ethiopia PLC CEO Mr. Wim Vanhelleputte, did not stop at discussing infrastructure but deconstructed the politics economy of digital transformation, highlighting that only by including policies, predictable regulation and long-term partnerships, can one truly move forward.

## A Foundational Shift: From Luxury to Lifeline.

The discussion was put within the context of the ambitious Digital Ethiopia 2030 strategy, which proposes that technology can be used to drive inclusive development and better governance. There was an agreement that digital connectivity should be considered as a basic national infrastructure- just like roads, electricity and water. Respondents held that until there is fair access, the process of modernizing the economy and improving services to the people will still be held at the basic level, which will leave millions behind.

## Liberalization: Not Just a Market Reform.

The core of this change is the historic liberalization of the telecommunications industry that has ended a state monopoly. This action is a radical change of governance, now

the state is no longer the exclusive provider, but the regulator and strategic partner. Mr. Vanhelleputte admitted the favorable regulatory direction, but emphasized that the investor confidence in the long-run is based on predictability and consistency of the policy rather than incentives in the short-term. The argument presented Ethiopia opening telecom as a vital case study on a balance of public interest against the dynamics of the private-sector.

## Safaricom Ethiopia: Embedding for the Long Haul

The actual result of this reform is the entry of Safaricom Ethiopia. Its commitment to invest USD 3 billion since October 2022 and intending to invest the same amount is a sign that it believes in the potential of Ethiopia. Its influence is not only on capital: it has created more than 20,000 indirect jobs, and it has focused on local capacity building by means of skills transfer. This makes Safaricom not a short-term player, but a deep, long-term investor in the digital ecosystem of Ethiopia.

## Building Out the Network: Geography, Green Power, and Growth

Safaricom is operationally reporting a network cover of approximately half of its intended coverage with a promise of doubling the infrastructure and the availability. It is tremendous to cover a large and rough territory of Ethiopia. Nonetheless, the participants found one distinctive strategic strength, the renewable, green energy grid that is predominant in Ethiopia. This digitalization development and sustainable power fit is a way of ensuring climate-conscious telecom development, transforming an environmental promise into an operational resource. The

## Seven Pillars of an Inclusive Digital Ecosystem

A key contribution of the forum was Mr. Vanhelleputte's outline of seven interdependent building blocks for a resilient digital future:

- Infrastructure:** Nationwide network expansion is the bedrock, requiring extension beyond major cities to prevent entrenched regional disparities.
- Device Access:** Connectivity is meaningless without affordable smartphones and tools, necessitating initiatives like local assembly to bridge the access gap.
- Reliable Power:** The entire digital ecosystem rests on stable electricity; extending Ethiopia's green energy reliability to underserved areas is crucial.
- Digital ID:** A secure, functional national identification system is a cornerstone for accessing services, building trust, and enabling scalability.
- Platforms & Services:** E-government, digital marketplaces, and health/education platforms must translate connectivity into tangible social and economic value.
- Digital Finance:** Inclusive payment systems are vital to unlock connectivity's economic potential, enabling e-commerce and access to credit.
- Digital Literacy:** Ultimately, investment in human capital—from basic skills to advanced expertise—determines whether digital transformation empowers or excludes.

## The 30-Year Horizon: Patience for Promise

Reflecting a deep commitment, Safaricom Ethiopia articulated a 30-year investment horizon, with profitability expected only after seven to eight years. This patient-capital model aligns with Ethiopia's long-term development vision. With a population surpassing 120 million, Ethiopia is consistently viewed as one of Africa's most promising digital markets, poised for a potential fivefold sector growth—if reforms stay the course.

## Conclusion: The Crossroads of Transformation

The ARDA TALK Series underscored that Ethiopia's digital transformation is less a technological challenge and more a test of policy, institution-building, and governance. Telecommunications sit at the nexus of reform, investment, and social inclusion.

Safaricom's experience demonstrates how private investment, aligned with national strategy, can drive inclusive connectivity and skills development. Yet, the forum reaffirmed that sustained collaboration between government, private sector, and civil society is non-negotiable.

As Ethiopia stands at this pivotal juncture, today's choices on regulation, investment, and partnership will determine whether its digital future becomes a powerful engine for inclusive growth or a new axis of inequality. Through such focused dialogue, the path forward is being charted, one reform at a time.

Tesfaye Bezabih, PhD works at the Institute of Foreign Affairs

# Ultimatum in Market and Political Negotiations

By Gzachew Wolde

Take it or leave it describes a common expression in negotiations signalling no further concessions. It's often used to signal a firm stance, like "this is my final offer" or "no compromises." It can sound a bit stretched, decision and even a little defiant. But it is a phrase that carries a lot of weight because for better or worse it clearly asserts no hesitation, no half-measures, this is a go no go situation either to accept or to walk away free.

Sometimes there is no condition for a plea, nor a compromise. It is a declaration of self or an expression to say 'I stand by my word' either you take with this or leave. No further decline. More often than not, this is a term used in market where the seller or the buyer reach the limit in bargain offering their last price depending on their own consideration of adjacent factors.

Come what may, it is a sharp, defiant edge for no more limit. It functions like "this is my final offer," so accept or walk away. This asserts a firm position, often used by negotiator who once reached the limit of bargaining without room for decline. It strips away further negotiation asserting one's values or choices without room for undue argument that waste time.

Nonetheless, in bustling markets, sellers often quote a price first, but if you turn away or reject it outright, Sellers often may pivot you by inviting your counteroffer under a "free market" banner, to keep the negotiation alive probing via "What's your offer?" or "How much in mind?" This shifts onus to you, and it helps them to extract information on your budget, flexibility, and walk-away point without yielding ground. This tactic underscores the "free market" ethos, where bargaining is expected and no single quote is final until agreed upon. So they probe your perceived value and testing your walk-away point without conceding ground.

This tactic extracts key information about your budget ceiling, urgency, and flexibility and through open questions like "What's your offer?" It reveals asymmetries: if you're eager to buy, they hold leverage; if not, they recalibrate subtly.

That is the usual scenario in a classic market negotiation dynamic where the sellers use open-ended questions to uncover the buyer's constraints and priorities to use all the means and triangulate advantageous position to themselves. They're not just fishing for a number alone but are probing for signals about willingness to compromise, and the buyer's psychological position.

The general asymmetry open a business game play in the form of negotiation. If the buyer needs the product quickly, the seller gains leverage to push higher prices or stricter terms. If the buyer shows openness to alternatives, the seller can recalibrate and perhaps may offer different bundles, payment terms, or delivery options. But if the sellers reach the maximum limit or once revealed, the maximum stretch point it boils down to take it or leave it.

This dynamic shows why negotiation is often compared to a game theory scenario: each move shifts leverage, and the final equilibrium depends on who blinks first when limits are exposed. Once sellers or buyer hit their maximum stretch point, the game simplifies to "take it or leave it" stripping away further concessions and forcing a binary choice. This resets business, protection on the part of sellers and buyers budget limits where the bottom line of boundary amid revealed limits arrest situations.

Negotiation hinges on information asymmetry, where the both urgency or flexibility tilts the balance towards the two parties balanced objectives and advantages.

In any case "Take it or leave it" signal is the end of concessions in negotiations, marking a firm "final offer" with a defiant edge that

demands acceptance or departure. This phrase asserts unyielding commitment, no pleas, no compromises, or no further declines but just creating a go/no-go binary rooted for two parties solutions based on existential limits and values.

Negotiation pushes parties to the brink, where compromise or concession yields a peaceful resolution, resetting boundaries to halt wasteful debate ensuring agreements align with core interests without creating endless tension. The core mechanics of negotiation is a dance of asymmetry, shifting leverage, and the eventual crystallization into a binary rooted choice. Generally a final offer signals the end of bargaining.

Strategic Implication of negotiation is a power move that asserts control, which closes the door on further concessions, and tests the two party's interest for amicable settlement of issues. Generally in business it is between the two parties free will but in politics it may involve third party as mediator or adjudicators.

There is a sharp distinction between business negotiation and political negotiation. In business it is between the two parties liberty but a political negotiations often require mediators, adjudicators, or arbitrators often intervene, balancing power amid broader stakes to break stalemates. In political negotiation, there is a need to transform the boundary into a workable compromise. However, in both domains, the "take it and leave it" stance is a test of resilience and priorities.

This shows how negotiation is not just transactional but deeply contextual—shaped by whether it's a matter of private agreement or public governance. Settlement depends on mutual interest—if both parties see value, they agree; if not, the deal collapses.

The dual lens of negotiation include private bargaining versus public governance—this

is a way to frame and highlights the contrast between two parties act on free will and negotiations that often involve mediators, adjudicators, or arbitrators and deals with stakes that extend beyond economics to ideology, values, and public interest. Just because negotiation is not a single-dimension process but contextually shaped in markets in business transaction and in politics it is a matter that go beyond economic system.

Business thrives on bilateral free will where parties negotiate directly through probes and ultimatums like "take it or leave it," reaching resolutions via mutual autonomy. Politics requires balancing broader stakes—to forge compromises, transforming rigid positions into workable agreements amid public scrutiny and long-term implications.

From this one can easily deduct this contrast which highlights negotiation's adaptability: in private spheres which favours swift, self-determined binaries whereas a public ones prioritize facilitated equilibrium to sustain fragile peace.

Negotiation's core theme unfolds across two spheres: private business autonomy versus public political mediation. Both test resilience and mutual value, but private paths prioritize binary speed while public ones layer facilitation for enduring peace.

Yet, for better or worse, through all these negotiation, the subtle but very real dimension of negotiation: may unfold unfulfilled promises which linger like cracks beneath the surface. These unfulfilled promises may trigger tension among negotiating parties. Agreements may look solid on paper, but unmet expectations can resurface to cause latent tension. Unfulfilled promises often linger, seeding tension between parties despite apparent resolutions. Broken commitments—whether implied bundles in markets or vague diplomatic assurances—erode trust, as one side perceives exploitation of revealed asymmetries or stretch points.

This may sparks walkaways or disputes over "final offers"; in politics, it escalates to stalemates, demanding renewed mediation to salvage equilibrium. Clear documentation of terms post-ultimatum preserves free will in private deals and accountability in public ones, transforming potential friction into sustained mutual value.



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Commodity/Service Required:	Purchase of Incubator and hatcher - European brand or equivalent	Qty
Type of Procurement:	<ul style="list-style-type: none"> <li>Incubator setter for hen egg layers, setting capacity: 36,000 eggs</li> <li>Incubator hatcher for hen egg, hatching capacity: 18,000 eggs per batch</li> </ul> <p>With commissioning, testing, training, installation, transportation, loading, unloading and all necessary costs to <b>Dire Dawa site and Somali, Jigjiga site.</b></p>	2 set 2 set
Participation and Evaluation Methodology for Lots and Items	<p>Bidders must submit bids for all items listed in the LOT</p> <p>Awards will be made based on compliance with technical specifications, other evaluation criteria, and the best-evaluated bid.</p>	
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Term of Contract:	One Time	
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Date Proposal Due:	January 23, 2026	
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LOT: ONE		
Commodity/Service Required:	Purchase of Feed Laboratory Equipment	Qty
Type of Procurement:	<ul style="list-style-type: none"> <li>Near Infrared Spectroscopy (NIRS) Equipment for Animal Feed Analysis</li> <li>Deep Chest Freezer (Vertical Fridge): 500L capacity lab-grade</li> </ul> <p>With commissioning, testing, training, installation, transportation, loading, unloading and all necessary costs to <b>Somali Regional State, Jigjiga City Administration.</b></p>	1 set 1 set

LOT: TWO		
Commodity/Service Required:	Purchase of Silo and Conveyor Belt	
Type of Procurement:	<ul style="list-style-type: none"> <li>Steel silo Ø7.3mx8c (1,000 Ton Capacity)</li> <li>Steel silo Ø5.5mx9c (500 Ton Capacity)</li> <li>Automatic movable feed conveyor belt</li> </ul> <p>With commissioning, testing, training, installation, transportation, loading, unloading and all necessary costs to <b>Somali Regional State, Jigjiga City Administration.</b></p>	1 pcs 3 pcs 1 pcs

Participation and Evaluation Methodology for Lots and Items	Bidders must submit bids for all items listed in the LOT  Awards will be made based on compliance with technical specifications, other evaluation criteria, and the best-evaluated bid.	
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Term of Contract:	One Time	
Contract Funding:	Department of State	
This Procurement supports:	Department of State- Ethiopia Transforming Agriculture	
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Commodity/Service Required:	Purchase of Forage machineries (Sourcing brand: John Deere, CASE IH or equivalent)	Qty
Type of Procurement:	<ul style="list-style-type: none"> <li>- Hay baler</li> <li>- Chopper</li> <li>- Grass mower</li> <li>- Silage wrapper machine</li> <li>- Shoulder type mower/ Handheld mini harvester</li> </ul> <p><b>Including transportation cost of machineries to grantee's site</b></p>	9 pcs 7 pcs 8 pcs 8 pcs 14 pcs
Participation and Evaluation Methodology for Lots and Items	Bidders must submit bids for all items listed in the LOT Awards will be made based on compliance with technical specifications, other evaluation criteria, and the best-evaluated bid.	
Type of Contract:	One – time contract of fixed price	
Term of Contract:	One Time	
Contract Funding:	Department of State	
This Procurement supports:	Department of State- Ethiopia Transforming Agriculture	
Submit Proposal to:	<b>InkindProcurement.ETA@transforming-agriculture.org</b>	
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<b>Method of Submittal:</b>		
Respond via e-mail <b>InkindProcurement.ETA@transforming-agriculture.org</b> with attached document in MS Word / Pdf format. Please provide digital brochures as deemed necessary to support your offer.		
Solicitation Number:	<b>ETA-AA-25-035-GRT</b>	

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	LOT: ONE	Qty
Commodity/Service Required:	Purchase of Full Premix Processing Technology and Equipment/Set for livestock premix production	Qty
Type of Procurement	<b>Full Premix Processing Technology and Equipment Set to enhance livestock productivity through the establishment of a local premix production line, including the supply, transportation, delivery, installation, commissioning, and staff training of all procured equipment at Adama City Administration, Aba Gada Sub-City, Degaga Kebele.</b>	<b>SET</b>
	<b>LOT: TWO</b>	
Commodity/Service Required:	Purchase of Laboratory Equipment	
	<ul style="list-style-type: none"> <li>- Moisture Meter for Feed</li> <li>- Moisture Meter for Grain (portable)</li> <li>- Feed Composition Analyzer set</li> <li>- Fume Hood</li> <li>- Mycotoxin Analyzer equipment</li> <li>- Test Strips to detect mycotoxins</li> <li>- Transportation and installation of feed laboratory tools and equipment's and provide training to staffs at Adama City Administration, Aba Gada Sub-City, Degaga Kebele.</li> </ul>	1 2 1 1 1 1 300 1
Participation and Evaluation Methodology for Lots and Items	Bidders must submit bids for all items listed in the LOT Awards will be made based on compliance with technical specifications, other evaluation criteria, and the best- evaluated bid.	
Type of Contract:	One – time contract of fixed price	
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This Procurement supports:	Department of State- Ethiopia Transforming Agriculture	
Submit Proposal to:	<b>InkindProcurement.ETA@transforming-agriculture.org</b>	
Date of Issue of RFP:	January 4, 2026	
Date Questions from Supplier Due:	January 12, 2026, at 17:30 East Africa Time (EAT)	
Date Response Posted on RTI website	January 16, 2026, at 17:30 East Africa Time (EAT)	
Date Proposal Due:	January 21, 2026	
Approximate Date Purchase Order Issued to Successful Bidder(s):	<b>TBD</b>	
<b>Method of Submittal:</b>		
Respond via e-mail <b>InkindProcurement.ETA@transforming-agriculture.org</b> with attached document in MS Word / Pdf format. Please provide digital brochures as deemed necessary to support your offer.		
Solicitation Number:	<b>ETA-AA-25-032A-GRT and ETA-AA-25-032B-GRT</b>	

**The RTI- FTFETA project reserves the right to reject any or all bids.**



## REQUEST FOR PROPOSALS FOR

### Establishing Local Long-Term Arrangements (LTA) for Engineering Services in Ethiopia

LRFP-2026-9201130

**Topic-** UNICEF (Ethiopia) wishes to request eligible bidders to participate in a Request for Proposal (LRFP) for Establishing Local Long-Term Arrangements (LTA) for Engineering Services in Ethiopia

**Details of this bid's requirements and eligibility criteria can be found in the bid document.**

Interested and eligible bidders can get the bid document with the below links;

2merkato.com <https://tender.2merkato.com/tenders/69577c630a538a7727000001>

Any query or clarification regarding this bid shall be sent through an email to [eth-supplyQAconstruction@unicef.org](mailto:eth-supplyQAconstruction@unicef.org) before or on **11:00AM on 23 January 2026**. There will be a pre-bid meeting on **15 January 2026 @ 2:00 PM**. Bid clarification will be communicated on the same website at 2merkato.com to the public. While sending your request for clarification, please ensure that you specify the RFP number in the subject of your email, and provide the name of your company and contact person.

The due date for submission of proposals/Bids to the UNICEF Addis Ababa Office is on or before **11:59 PM (East African Time) on 28 January 2026**. Please read the LRFP for detailed requirements and due dates.

Please quote the respective RFP (request for proposal) number together with the Project title:

#### Establishing Local Long-Term Arrangements (LTA) for Engineering Services in Ethiopia

##### Submission of bids should be done as per the below requirements.

- a) Technical bid submission should be with a separate email from the Financial bid submission
- b) RFP reference and whether Technical or Financial submission should be indicated on the Subject of the email.
- c) ONLY email submissions are acceptable.
- d) To reduce the risk of late delivery emails should be sent in good time before the deadline of the bid submission.

## INVITATION TO BID FOR

### Procurement of Hospital bed & mattress, bed sheet & pillow with case

LITB-2026-9202047

**Topic-** UNICEF (Ethiopia) wishes to request eligible bidders to participate in a Invitation to Bid (LITB) for **Procurement of Hospital bed & mattress, bed sheet & pillow with case**

Interested and eligible bidders can get the bid document with the below links.

2merkato.com - <https://tender.2merkato.com/tenders/6957ae580a538afe2b000001>

Any query or clarification regarding this bid shall be sent through an email to [eth-supplyQAgoods@unicef.org](mailto:eth-supplyQAgoods@unicef.org)

before or on **14 January 2026 @11:00AM**. While sending your request for clarification, please ensure that you specify the LITB number in the subject email, and provide the name of your company, contact person, email, and mobile number.

The due date for submission of BID is through dedicated email [eth-tendergoods@unicef.org](mailto:eth-tendergoods@unicef.org), before **2:00 PM (East African Time) on 21 January 2026**.

Please read the LITB for detailed requirements and due dates.

##### SUBMISSION REQUIREMENTS

Submission of bids must adhere to the following requirements:

Subject Line the LITB reference number must be indicated in the subject line of the email.

Timely Submission To reduce the risk of late delivery, emails should be sent well in advance of the bid submission deadline.



## INVITATION TO BID FOR

### Procurement of Procurement of Bench, Chair Table & Shelf/ Cabinet

LITB-2026-9202050

**Topic-** UNICEF (Ethiopia) wishes to request eligible bidders to participate in a Invitation to Bid (LITB) for Procurement of **Procurement of Bench, Chair Table & Shelf/ Cabinet**

Interested and eligible bidders can get the bid document with the below links.

2merkato.com - <https://tender.2merkato.com/tenders/6957af090a538ad987000001>

Any query or clarification regarding this bid shall be sent through an email to [eth-supplyQAgoods@unicef.org](mailto:eth-supplyQAgoods@unicef.org)

before or on **14 January 2026 @11:00AM**. While sending your request for clarification, please ensure that you specify the LITB number in the subject email, and provide the name of your company, contact person, email, and mobile number.

The due date for submission of BID is through dedicated email [eth-tendergoods@unicef.org](mailto:eth-tendergoods@unicef.org), before **2:00 PM (East African Time) on 21 January 2026**.

Please read the LITB for detailed requirements and due dates.

##### SUBMISSION REQUIREMENTS

Submission of bids must adhere to the following requirements:

Subject Line the LITB reference number must be indicated in the subject line of the email.

Timely Submission To reduce the risk of late delivery, emails should be sent well in advance of the bid submission deadline.



## INVITATION TO BID FOR

### Procurement of TV set

LITB-2026-9202053

**Topic-** UNICEF (Ethiopia) wishes to request eligible bidders to participate in a Invitation to Bid (LITB) for **Procurement of TV set**

Interested and eligible bidders can get the bid document with the below links.

2merkato.com - <https://tender.2merkato.com/tenders/6957afbb0a538a1c66000001>

Any query or clarification regarding this bid shall be sent through an email to [eth-supplyQAgoods@unicef.org](mailto:eth-supplyQAgoods@unicef.org)

before or on **14 January 2026 @11:00AM**. While sending your request for clarification, please ensure that you specify the LITB number in the subject email, and provide the name of your company, contact person, email, and mobile number.

The due date for submission of BID is through dedicated email [eth-tendergoods@unicef.org](mailto:eth-tendergoods@unicef.org), before **2:00 PM (East African Time) on 21 January 2026**.

Please read the LITB for detailed requirements and due dates.

##### SUBMISSION REQUIREMENTS

Submission of bids must adhere to the following requirements:

Subject Line the LITB reference number must be indicated in the subject line of the email.

Timely Submission To reduce the risk of late delivery, emails should be sent well in advance of the bid submission deadline.

# Capital SPORT

## From gunshots to the Africa Cup, Sudanese players endure brutal war to bring hope

**W**hen Sudan player Ammar Taifour first heard gunfire outside his hotel room, he shrugged it off and went back to sleep. He had a soccer match to play.

But hours later, gunfire erupted again and gunmen surrounded the hotel in Omdurman, central Sudan, trying to seize control of the area. Taifour, a 28-year-old American-Sudanese midfielder, didn't realize the shots marked the beginning a brutal war that would claim tens of thousands of lives and displace millions.

"We saw them from the windows all around the hotel holding guns," Taifour told The Associated Press at the Africa Cup of Nations this week. "They were shooting at army aircraft. It was completely unexpected."

Taifour and his teammates, coaches and medical staff were trapped inside the hotel for more than two days, as food and water supplies ran low. They left only after the gunmen withdrew, and Taifour flew back to the United States, leaving his career in Sudan behind as he searched for a new team.

His experience mirrors that of other Sudanese players forced to flee the country, leaving family members behind in the war-torn African nation while attempting to pursue soccer careers at the highest level.

### A brutal war

The war in Sudan was labeled by the U.N. as the world's worst humanitarian crisis. It erupted in April 2023 when a power struggle between the military and the powerful paramilitary Rapid Support Forces exploded into open fighting, with widespread mass killings and rapes, and ethnically motivated violence.

The conflict has killed more than 40,000

people according to U.N. figures, but aid groups say the true number could be many times higher. More than 14 million people have been displaced, as disease outbreaks and famine spread in parts of the country.

But the Sudanese national team, known as the Falcons of Jediane, is persevering, and it qualified for the Africa Cup despite training and playing every qualifying game abroad. Sudan even defeated Ghana, denying the African powerhouse qualification for the four-week tournament.

### Symbol of hope

For many Sudanese, the team has become a symbol of hope and unity and a rare source of joy to escape wartime hardship. Ahead of their team's opening match against Algeria in the Moroccan capital Rabat, Sudanese supporters erupted in celebration, waving national flags and honking car horns. Hundreds chanted "Sudan!" and danced as they made their way to stadiums and fan zones.

"The war has destroyed many parts of the country and killed far too many innocent people," national team player Mohamed Abuaagla told the AP. "Playing and winning games brings happiness to our people back home. We are trying to plant a small seed of a smile in them, despite the hardships they are enduring."

The players themselves have faced many challenges. With the league suspended due to the war, players were forced to play abroad, often in neighboring Libya. Sudan's two largest clubs, Al Merrikh and Al Hilal, compete in Rwanda's league. Previously, they played in Mauritania's championship, with Al Hilal going on to win it. Last year, the Sudan Football Association organized what it called an "elite league," an eight-team competition

that lasted less than a month.

Abuaagla lost his uncle during the war. "He was sick, but we couldn't take him to a hospital because they were all deteriorated from the fighting," Abuaagla said, fighting tears.

Both players said the war is a driving force for Sudanese players on the field. They carry the weight of their compatriots' struggle, whether at home or abroad, and feel a greater responsibility to represent Sudan now than ever before.

### Something to celebrate

Sudanese rally behind their team because it serves as an apolitical symbol of the country, political and security risk analyst Thomas O'Donoghue told the AP. It can unify people and remind them or something worth celebrating, he said.

"But I don't think the soccer team alone can push the warring parties toward a cease-fire or mediation," O'Donoghue said. "The conflict has been ongoing for nearly three years and involves numerous domestic and international stakeholders, many with economic interests in Sudan."

Sudan lost its opening Africa Cup match against Algeria but recovered Sunday with a hard-fought 1-0 win over Equatorial Guinea. The team has also been plagued by injuries, with three forwards, the team captain and a full back all ruled out.

"It's a difficult situation. Sometimes I don't feel comfortable talking about it, but I just have to deal with those who are available and how best you can use them," Sudan coach James Kwesi Appiah said after the loss to Algeria.

Sunday's win revived hopes of progress from Group E, with a showdown against Burkina Faso coming on Wednesday.

"This team brings joy despite the pain we have endured in Sudan over the past three years," supporter Badr-Eddine Zambel told the AP.

The players are determined to go as far as possible, and they dream of lifting the trophy.

"Before each game, I pray for the people back in Sudan," Taifour said. "They deserve happiness, and I try to do my best to bring that to them."



## Orange enters deal with CAF for mobile-only broadcast of AFCON 2025 across 13 African countries

**O**range Middle East and Africa (OMEA) and the Confederation of African Football (CAF) have announced the signing of a landmark agreement granting mobile-only broadcasting rights for the TotalEnergies CAF Africa Cup of Nations (AFCON 2025) Morocco 2025, currently taking place in Morocco until January 18, 2026.

### A new mobile-first coverage of African football

Under this agreement, active users of the Max it super app will be able to watch live a curated selection of 35 matches of the TotalEnergies CAF Africa Cup of Nations, Morocco 2025, across 13 Sub-Saharan African countries: Burkina Faso, Botswana, Cameroon, Central African Republic, Democratic Republic of the Congo, Côte d'Ivoire, Guinea, Madagascar, Mali, Senegal, Sierra Leone, Liberia and Guinea-Bissau.

The broadcast package includes all group-stage matches of the national teams from

qualified Orange affiliates, as well as a selection of fixtures from the knockout stages including the round of 16, quarter-finals and one semi-final, rounded out by the third-place play-off and the final. This offering ensures balanced and representative coverage of African football, fully aligned with mobile usage patterns and the expectations of a new generation of connected fans across the continent.

### Max it TV: African sport at the heart of Orange's super app

The Max it super app brings together telecommunications, financial services, entertainment and digital content within a single platform. Through the Max it TV universe, OMEA delivers a viewing experience that is simple, seamless and fully adapted to the realities of African markets.

Beyond broadcasting matches, OMEA enriches the experience through live programmes broadcast before and after games, designed and produced with the

support of a team of specialists. These programs combine editorial expertise and production skills to offer in-depth content that is carefully crafted in both substance and form.

This experience is supported by an end-to-end low-latency broadcast channel, designed to guarantee ultra-fast, smooth, and stable broadcasting, and to offer end customers an optimal viewing experience, as close to live as possible.

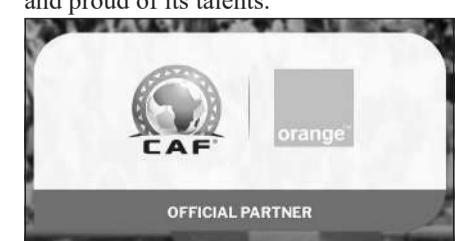
This initiative illustrates OMEA's mobile-first strategy and its ambition to make Max it the pan-African benchmark for digital content, promoting inclusion, innovation, and the development of talent on the continent.

Yasser Shaker, CEO of Orange Middle East and Africa, comments: "We are proud of our partnership with CAF, because football is more than just a sport. It's a shared passion that unites and empowers communities across Africa. This year, with Max it, we are bringing our digital vision to life by delivering

a fully integrated experience. Our customers can now immerse themselves in the excitement of the TotalEnergies CAF Africa Cup of Nations, Morocco 2025 fan zone and experience, closer than ever the action."

"This initiative reflects our deep commitment to supporting our customers' love for football and creating unforgettable moments that inspire and bring together millions across the continent. Together, we celebrate the spirit of football: a symbol of hope, unity, and shared dreams."

With this agreement, OMEA reaffirms its leading role in the digitisation of the continent and the promotion of premium African content. By broadcasting the best of African football via Max it, OMEA is turning digital technology into a space for emotion, sharing, and inclusion, serving a connected Africa that is united and proud of its talents.





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