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Record export earnings mask weak performance across wider commodity basket

By Muluken Yewondwossen

Ethiopia's record export earnings in the 2025/26 fiscal year have masked weaker performance across a wider range of commodities regulated by the Ministry of Trade and Regional Integration (MoTRI), raising concerns over the sustainability and diversification of the country's export growth.

Girma Biru, Macroeconomic Adviser

Ethiopia generated USD 11.2 billion in export earnings during the 2025/26 fiscal year, nearly 20 percent above the government's target and 35 percent higher than in the preceding year. However, most of the growth was driven by gold and coffee, while several major commodity groups under MoTRI's oversight struggled to increase foreign-currency earnings.

The contrasting performance has become a major concern among exporters and sector experts, who argue that the country's macroeconomic reform was

Page 6

War in the North: A point of no return

The prospect of another war in northern Ethiopia should alarm every Ethiopian, every neighbour and every international partner that claims to care about stability in the Horn of Africa. The country has not recovered from the devastation of the 2020–2022 conflict. To return to large-scale fighting now would not be a continuation of an old crisis; it would be the creation of a deeper and potentially irreversible one.

Recent clashes in western Tigray have already displaced civilians and revived fears that the Pretoria Agreement could collapse completely. The agreement ended full-scale war, but it did not resolve the territorial, political, humanitarian and security questions that produced the conflict in the first place. A region left in this unresolved condition is not truly at peace. It is merely waiting for the next trigger.

The danger is not confined to Tigray. A renewed war would pull in disputes over western Tigray, tensions with Eritrea, the conflict in Amhara and the broader instability of the Ethiopia-Sudan border. The alliances and rivalries now forming are far more complicated than those of 2020. Former allies are enemies; former enemies may find temporary common cause. This is the kind of political landscape in which miscalculation, not deliberate strategy, can ignite a wider catastrophe.

The first victims would again be civilians. Families who have already lost homes, livelihoods, relatives and years of education would face another cycle of displacement. More than three years after the Pretoria Agreement, around 750,000 people in Tigray remain displaced, many unable to return to their homes in contested areas. A new war would not begin on an empty field. It would strike communities already weakened by hunger, trauma, interrupted health care and economic collapse.

The second casualty would be Ethiopia's national economy. War does not only destroy roads, farms and factories. It destroys confidence. It discourages investment, interrupts trade, drains public resources and diverts attention from inflation, unemployment, debt, education and health care.

Ethiopia cannot pursue macroeconomic recovery while repeatedly financing armed conflict. It cannot attract long-term investors while major regions remain insecure. It cannot speak seriously of industrialisation, export growth and job creation while young people see mobilisation, displacement and unemployment as their most immediate realities.

The country's development ambitions require peace not as a slogan, but as an economic foundation. Every birr spent on ammunition is a birr not spent on irrigation, schools, clinics, roads or employment. Every farmer displaced from land weakens food production. Every young person pulled into violence represents a future worker, entrepreneur, teacher or professional lost to the nation.

The humanitarian consequences would also extend beyond Ethiopia's borders. Sudan is already struggling with its own devastating war. Eritrea remains deeply entangled in the political and security calculations of northern Ethiopia. The Red Sea and the wider Horn are becoming increasingly contested geopolitical spaces. A new conflict in northern Ethiopia could therefore become a regional crisis, drawing in neighbouring countries, armed groups, external powers and competing security interests.

This is why the language of military victory is dangerous. There may be tactical victories, captured towns and temporary shifts in control. But there can be no genuine victory when the social fabric of entire regions is torn apart. A government may defeat an armed group in one area, but cannot defeat the grievances, memories and distrust that remain after mass displacement and loss.

Likewise, armed movements may gain territory or popular support, but they cannot build a stable future through permanent war. No community will achieve security by making another community permanently insecure. No political claim can be sustainably resolved through civilian suffering.

The central lesson of recent Ethiopian history is that military solutions produce temporary control, not lasting settlement. The 2022 Pretoria Agreement proved that even after a devastating war, dialogue remains necessary. The tragedy is that dialogue came after immense loss. Ethiopia must not repeat the same mistake by treating negotiations as a final option after another cycle of destruction.

The immediate task is clear. All parties must prevent further escalation, protect civilians and restore meaningful channels of communication. The outstanding provisions of the Pretoria Agreement must be addressed seriously, particularly the return of displaced people, restoration of services, demobilisation, political inclusion and the resolution of contested territories through lawful and peaceful means.

This will require courage from leaders who may face pressure from constituencies that believe compromise is weakness. But real leadership is not measured by the ability to mobilise anger. It is measured by the ability to stop a country from walking into a disaster it can already see coming.

Ethiopians are tired of funerals, displacement camps, checkpoints, destroyed schools and promises that peace will come after one more battle. The north has suffered enough. The country has suffered enough.

War in the north would not simply derail Ethiopia's recovery. It could entrench a generation of trauma, deepen regional fragmentation and create a chaos that no future government could easily reverse. The choice is not between victory and compromise. It is between a difficult peace now and a far more destructive war later.

■ By Bertrand Badré, Bruno Bouygues, and Ludovic Subran **COMMENT**

Our AI, your problem

In 1971, US Treasury Secretary John Connally famously told European finance ministers that the dollar was "our currency, but your problem." The Nixon administration had just suspended the greenback's convertibility into gold, and the rest of the world had no choice but to absorb the shock. That is what happens when the global economy runs on a currency that most countries do not control and cannot influence.The same logic is apparent in the global adoption of new generative AI tools. European companies increasingly run on AI systems whose price, availability, and rules are set in the United States or China. On one side are leading Chinese models, most of which are open-weight, improving fast, and startlingly cheap. DeepSeek's V4 Flash, for example, costs roughly $0.14 per million input tokens, compared with $3 for a comparable US model. No wonder the share of tokens used by US companies on Chinese models (through OpenRouter) has skyrocketed from under 10% in early 2025 to 45% as of July.

On the other side are American frontier labs whose models are more capable at the top end, but pricier and shaped by their own government's whims. In June, the Trump administration temporarily blocked foreign nationals' access to Anthropic's newly launched Claude Mythos 5 and Fable 5 models. Vendor availability is thus becoming a salient issue for businesses, governments, and geopolitical strategists, making the debate over open-source/weight AI as much a strategic matter as a commercial one.

The choice facing Europeans seems stark: embrace the cheaper, open option and risk exposure to a state whose data governance remains opaque, or show loyalty to the pricier, closed option and pay a rising toll to vendors who will conclude that we have nowhere else to go. Either way, there is a high and compounding cost in terms of sovereignty. Unfortunately, the situation is not new for Europe, whose dependence on American cloud and software services costs the economy an estimated €264 billion ($304 billion) per year. As the global technology, media, and telecom sectors' market capitalization surged from $7 trillion in 2000 to $34 trillion by 2024, Europe's share collapsed from 30% to 7%, representing an $8 trillion missed opportunity. And now, generative AI is layering a new strategic dependency on top of an already lopsided cloud stack. One of us (Bouygues) runs a French manufacturer of industrial equipment whose order book reflects the current state of play: the demand from Chinese clients is breathtaking, whereas the demand from historical European partners has nearly stalled.

Viewed in this broader context, the debate over whether to go with a potentially state-directed model or one built by a private firm threatens to distract Europeans from their most pressing problem, which is that they have no seat at either table. The most urgent priority is to establish technological sovereignty, which requires domestic compute (data centers), data protection, market competition, clear liability rules, common standards, pro-European procurement, and ample energy. Europe's default policy instrument has long been regulation, aimed less at foreign states than at foreign firms. Through what the legal scholar Anu Bradford calls the "Brussels Effect," multinationals may voluntarily adopt EU rules across all their operations, simply because doing so is cheaper than crafting separate versions of their products or services for each market. And once that happens, other governments may shape their regulations to align with the standard Europe already set.

But while this approach worked well for privacy protections, it is far less promising with respect to AI. Analyses from the Brookings Institution and the Center for European Policy Analysis find very few jurisdictions copying the EU AI Act, reflecting the fact that the AI race runs on compute, capital, and talent—factors that European rulemaking has little bearing on.

To close its own capabilities gap, Europe needs sustained investment—a homegrown AI Marshall Plan—and strategic partnerships with other critical suppliers, not legalistic texts. Perhaps the biggest dependency is hardware. Taiwan produces over 90% of the world's leading-edge chips, and Samsung and SK Hynix in South Korea dominate the market for memory chips, which gives them real pricing power and diplomatic leverage. But it also means that every country betting on American or Chinese models is also betting on continued stability in the Taiwan Strait.

Of course, Europe is not the only bystander. Most emerging markets and developing economies face the same dilemma, and they have even less capital and diplomatic weight to negotiate with either the US or China. Their best option is to hedge rather than pick a side. Through diversified sourcing, regional compute alliances, and South-South coordination, they can make it less likely that a single shock will cascade through their economies.

Hedging is not the same as neutrality. No country today can avoid the implications of the US-China contest, because all will inherit whichever technological ecosystem wins. The outcome will be decided not through war, but through everyone optimizing, quarter by quarter, for the cheapest model. The risk for Europe and the Global South is that they will end up with no leverage—a case of "our currency, but your problem" all over again. The greatest costs will land on those who failed to build an alternative while they still could.

Fortunately, Europe still has real assets and leverage, owing to its large internal market, relatively clean grid, rules-based tradition, and possession of the only regulatory toolkit designed to treat AI governance as a first-order issue. Among Europe's most powerful tools is competition policy. A handful of firms setting the world's AI prices is exactly the situation that antitrust was created to address. What Europe lacks is the will to pair that toolkit with industrial-scale investment, and the imagination to partner with Taiwan, South Korea, and other emerging economies dominating the hardware layer of the AI stack.

AI need not follow the same script as the Nixon shock. But that is what will happen if the world keeps acting as if the only choice is between Chinese state-directed models and a handful of unaccountable US firms.

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AI-driven cyber threats raise alarm for Ethiopia's financial sector

By our staff reporter

Artificial intelligence and generative AI are emerging as major cybersecurity risks for Ethiopia's rapidly expanding financial-services sector, as banks, mobile-money providers and fintech companies process growing volumes of digital transactions.

The warning comes as Ethiopia advances its Digital Ethiopia 2030 agenda and financial institutions accelerate the shift toward digital banking, mobile payments and online services.

An Interpol assessment released this month found that artificial intelligence was linked to 55 percent of reported cybercrime cases across Africa in 2025. The report said AI-enabled tools are making cyberattacks faster, more scalable and harder for victims and institutions to detect.

Interpol's African Cyberthreat Assessment Report 2026 also showed that cybercrime-related financial losses on the continent more than doubled, rising from USD 192 million to USD 484 million. The number of identified victims increased from 35,000 to 87,000, driven largely by AI-facilitated scams, credential theft and automated social-engineering campaigns.

Ethiopia accounted for 3.3 percent of recorded digital vulnerabilities identified in the report, placing it among the countries requiring stronger cybersecurity capacity as digitalisation expands.

The Commercial Bank of Ethiopia (CBE), the country's largest lender, processed 3.48 billion digital transactions worth more than 22 trillion birr during the 2025/26 fiscal year. The volume accounted for about 70 percent of digital financial transactions by value nationwide.

The bank's digital channels now handle millions of transactions each day, reflecting the rapid adoption of mobile banking, internet banking and digital-payment platforms. However, the expansion has also increased the potential exposure of financial institutions to fraud, phishing, data theft, account takeovers and AI-enabled cyberattacks.

Seyoum Damte, Vice President for Information Systems Security at CBE, said financial institutions with concentrated assets and large customer bases had become more attractive targets for cybercriminals.

"Just as bees need flowers to make honey, hackers and fraudsters target institutions where wealth is concentrated," Seyoum said during the bank's Cybersecurity Awareness Month programme.

He said AI-driven attacks, digital fraud and AI-agent security were among the principal emerging threats facing the country's financial sector.

Interpol said cybercriminals are increasingly using AI and machine-learning tools to scan large numbers of systems for vulnerabilities. Attackers can exploit unpatched software, exposed virtual private networks, weak credentials and poorly configured online platforms, the report said.

Online scams remain the most widely reported form of cybercrime in Africa, with criminals using mobile-money platforms, social media and AI-powered impersonation tools to reach victims at scale.

CBE is responding by integrating an AI-supported zero-trust security approach into its information-systems architecture, according to bank officials.

The approach moves away from traditional perimeter-based cybersecurity systems, which assume that threats are primarily external. Zero-trust security instead requires continuous verification of users, devices and applications, on the assumption that risks can originate from inside or outside an organisation's network.

CBE has previously said that it is strengthening its zero-trust model as digital channels account for an increasingly large share of banking activity.

Andrew Karanja, Founder and Director of CIO Africa, said ongoing cybersecurity monitoring reflected a growing commitment by institutions to build a secure and trusted digital ecosystem.

The issue will be a central focus of CBE's third Cybersecurity Awareness Month Conference, scheduled for Oct. 29–30, 2026, at the bank's headquarters in Addis Ababa. CIO Africa will serve as the event partner.

The conference is expected to bring together banks, microfinance institutions, fintech companies, technology providers, regulators and other stakeholders to discuss cyber resilience and emerging digital threats.

CBE and CIO Africa have also signed a memorandum of understanding to establish a broader platform connecting Ethiopia's financial sector with regional and international cybersecurity experts.

As Ethiopia's digital economy grows, sector leaders say cybersecurity will need to be treated not only as a technical issue but as a core requirement for sustaining trust in financial services. The challenge will be to ensure that innovation in AI and digital payments improves access and efficiency without creating new openings for fraud, data breaches and financial loss.

Government mandates full statutory fuel-tax collection

By Eyasu Zekarias

The Government of Ethiopia has mandated the collection of all federal fuel taxes at full statutory rates, a measure projected to generate revenue equivalent to 0.8 percent of gross domestic product (GDP) in the 2026/27 fiscal year.

Under the directive, the Ministry of Finance has authorised the Ethiopian Customs Commission to remit all fuel-tax proceeds directly to the federal treasury, marking a significant departure from previous practice. In the past, part of the revenue was retained by entities such as the Ethiopian Petroleum Supply Enterprise (EPSE) and the Road Fund to offset operational losses and finance subsidies.

The fuel-tax reform is a central component of Ethiopia's broader IMF-supported structural reform programme. It is intended to phase out untargeted subsidies, strengthen public finances, support the restructuring of key state-owned enterprises and help curb inflation.

During the 2025/26 fiscal year, the government formally incorporated fuel subsidies into the federal budget. Under the new framework, revenue derived from excise tax, value-added tax (VAT) and other fuel-related charges is to be channelled directly into the central treasury. Authorities aim to eliminate off-budget accounts, secure more predictable revenue and strengthen macro-fiscal stability.

According to recent International Monetary Fund documents, the initiative forms part of a broader strategy to improve Ethiopia's tax-to-GDP ratio, which has historically remained among the lowest in the region. The planned reforms include expanding the excise-tax base, introducing specific excise regimes with higher rates on alcohol and tobacco, removing selected VAT exemptions and introducing motor-vehicle transfer taxes.

The IMF programme states that all federal fuel taxes—estimated at 0.8 percent of GDP in 2026/27—will be collected in full at statutory rates by Customs and remitted to the federal budget. It specifies that VAT and excise liabilities must be assessed using the applicable statutory tax base, without caps or ad hoc adjustments that reduce effective tax collection.

The tighter enforcement is seen as vital to the government's plan to eliminate costly fuel subsidies. For the 2025/26 fiscal year, the budget set fuel and fertiliser subsidy ceilings of 100 billion birr, or 0.6 percent of GDP, and 84 billion birr, or 0.4 percent of GDP, respectively. However, reported fuel-subsidy spending exceeded the original cap during the year.

As the country enters the 2026/27 fiscal year, the fuel-subsidy envelope is expected to decline substantially. To institutionalise the transition, the government is deploying an automatic fuel-price adjustment mechanism developed with IMF technical assistance.

In the 2025/26 fiscal year, the Ministry of Revenue collected 1.5 trillion birr, an increase of about 618.39 billion birr from the same period in the previous year. The performance was largely driven by income-tax reforms. The revenue impact of tax policy measures already implemented is projected to raise the general government tax-to-GDP ratio to 10.1 percent in 2026/27, moving towards a medium-term target of 10.5 percent by 2027/28.

To resolve legacy fuel-subsidy debt—arising mainly from exchange-rate volatility and the historical use of deferred letters of credit for fuel procurement—the government is undertaking a major financial restructuring of EPSE.

As a prior action under the IMF programme, the Ministry of Finance decided to allocate 286 billion birr to recapitalise the state-owned enterprise. The decision was approved by the Ethiopia Investment Holdings board.

According to IMF assessments, approximately 170 billion birr, equivalent to USD 1.05 billion or 0.9 percent of GDP, from anticipated World Bank Development Policy Operation and Rapid Response Option financing is expected to be transferred to the federal budget to strengthen EPSE's capital position. The remaining 116 billion birr, sourced from central treasury resources, is expected to be transferred before the end of March 2027.

As part of broader fiscal reforms introduced in June 2026, the Ministry of Finance directed the Ethiopian Customs Commission to collect fuel taxes—including 15 percent VAT and 15 percent excise tax—at their full statutory rates and transfer all proceeds to the federal treasury. Excise and VAT liabilities will be assessed on statutory tax bases, a move intended to improve fiscal transparency and make revenue collection more predictable.

Industry analysts say the social and economic effects of heavier tax burdens will require close monitoring, particularly as successive policy changes risk placing additional pressure on households, businesses and productive sectors. They also note that continued volatility in global fuel markets, compounded by geopolitical tensions in the Middle East, remains an important macroeconomic risk.

Inflationary pressures have also re-emerged. After falling to 9.4 percent in March 2026, 12-month headline inflation rose to 11.7 percent in April and 13.4 percent in May, largely driven by food prices and higher global commodity costs.

The Consumer Price Index reached 13.9 percent in June 2026. Food inflation stood at 15.1 percent, while transport costs rose by 14.3 percent year on year.


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Record export earnings . . .

Continued from page 2

expected not only to raise total export earnings, but also to expand the volume, value and diversity of the export basket.

Gold exports surged to about USD 5.6 billion, accounting for roughly half of the country's total export earnings during the year. Coffee generated USD 3.1 billion, bringing the combined contribution of the two commodities to nearly 80 percent of total export revenue. However, the performance of the broader commodity-export basket was considerably weaker.

Latest figures obtained by Capital show that exports of oilseeds and pulses—among the main commodity groups regulated by MoTRI—increased in volume during the 2025/26 fiscal year but generated less foreign currency.

Exports of pulses and oilseeds rose by 4.83 percent in volume to 554,837 metric tonnes. Yet total export earnings from the sector declined by 6.16 percent to USD 571.4 million, compared with USD 609 million in the 2024/25 fiscal year.

For the fiscal year, the Ministry had projected USD 743 million in earnings from the two subsectors: USD 394 million from oilseeds and USD 349 million from pulses. Actual performance reached only about three-quarters of the target.

Sector experts said the figures show that higher export volumes did not translate into higher foreign-currency earnings.

The decline was attributed partly to lower international commodity prices, particularly for sesame. Pulse exports performed relatively better, with export volume increasing by 3.84 percent and export earnings rising by 4.44 percent.

The development has reinforced concerns that Ethiopia's recent export growth remains heavily concentrated in a small number of commodities, rather than reflecting broad-based expansion across the sector.

"One of the key objectives of Ethiopia's macroeconomic reform was to boost foreign-currency earnings through commodity exports, improve the profitability of export businesses and encourage greater private-sector participation in the sector," exporters and sector experts said.

However, exporters and other stakeholders following commodities regulated by MoTRI say the reforms have not yet produced significant improvements across the wider export basket.

They acknowledged that international conditions have affected the sector, including regional security challenges, changes in U.S. policy, stagnation in agricultural production and the emergence

of new large-scale producers of some of Ethiopia's key export commodities.

"Particularly, the situation observed over the past couple of years in connection with regional security and new policy from the U.S., in addition to the stagnation of our agricultural production and the emergence of new and big producing countries in our major export commodities, has impacted export growth and earnings," they said.

However, exporters argue that global challenges alone cannot explain the sector's weak performance.

They say the government should complement macroeconomic reforms with additional policy instruments aimed at increasing export-commodity production in both volume and quality, while also providing stronger incentives to exporters.

Exporters question engagement

Private-sector actors, including senior exporters, have raised concerns about the relationship between the business community and the National Macroeconomic Committee at the Office of the Prime Minister, chaired by Prime Minister's Macroeconomic Adviser Girma Biru (Amb.).

Exporters said they are unclear about how the macroeconomic team obtains information on the challenges facing the export sector.

"It is not clear how they get the actual information. Is it that they only get it through papers and figures from relevant ministries?" exporters and sector experts asked.

They recalled that Girma had previously engaged directly with the business community and called on businesses to provide information and updates on trade developments.

"But now he is far from us," they told Capital.

The exporters said they want greater clarity on the relationship between the macroeconomic team and the business community.

"We want to clarify the relationship between the macroeconomic team and the business community regarding sector development and the new direction set at the highest level of government," they said.

They also questioned whether the macroeconomic team has firsthand information about the challenges businesses face or relies mainly on reports and data submitted by relevant ministries.

Responding to the concerns, Girma said exporters do not necessarily need to communicate with him or the macroeconomic team directly, arguing that sector-specific concerns should be raised through relevant ministries.

"There is no reason to communicate with me directly. There are relevant ministries, like the Ministry of Agriculture for commodities that it follows, the Ministry of Industry for the industrial sector, MoTRI for other sectors, or other sectors through their institutions, so I can get their concerns through these ministries," Girma told Capital.

He said exporters should use existing institutional channels to raise concerns, while indicating that he would intervene when an issue specifically required his attention.

"It is enough for exporters to come through the ministers, but if there is an issue that needs me, I will check it," he said.

Girma also said he would examine complaints where exporters and regulators have unresolved differences.

"If there are satisfactory concerns from exporters or misunderstandings between regulators and traders, we would check and solve the problems," he said.

Call for incentives

Exporters have called for additional incentives to encourage production and exports, including preferential financing linked to foreign-currency earnings.

They pointed to other countries where exporters benefit from tax rebates and credit incentives based on export performance.

"In other countries, there is a rebate system. They apply it based on earnings, not only for taxes but also through bank credit rebates," they said.

"For instance, based on the value of hard-currency earnings, bank interest could be reduced to as low as zero percent," they said. "If such encouraging schemes are introduced, exporters would also be involved in production."

Exporters argue that such measures could encourage businesses to invest not only in trading but also in production, helping expand supply and improve the competitiveness of Ethiopian export commodities.

Girma, however, said there is currently no new policy direction or change regarding the export sector.

"There is no new policy direction or change regarding the export sector," he said, adding that "the incentives are the same as they were."

He nevertheless said the government remains open to hearing concerns from businesses.

"Even though there are no envisaged new policy issues, we would listen if business actors have concerns regarding policy intervention," Girma said.

Exporters say existing measures, including duty-free schemes for importing processing machinery, are not sufficient to address the structural challenges facing the sector.

They are calling on the government to examine the experience of competing countries and introduce additional mechanisms that can increase production, improve quality and make Ethiopian commodities more competitive in international markets.

They argue that incentives should be linked to actual export performance and foreign-currency generation.

"The same scheme could be applied in Ethiopia. Banks should provide not only credit, but also incentives with different parameters," exporters said.

They added that the government should consider a range of policy-support measures to achieve the objectives of macroeconomic reform and maintain Ethiopia's competitiveness in global markets.

Recently, the central bank increased the share of foreign-currency export earnings that commodity exporters may retain to 70 percent, from 50 percent. The retention share is also expected to rise to 100 percent in the coming weeks, in line with the arrangement already applied to service exporters.

Exporters welcomed the move but said additional measures are needed to address production, financing and market-access challenges.

Fragmented responsibility

The weak performance of the broader export basket has also renewed concerns over fragmented institutional responsibility for Ethiopia's exports.

At present, export responsibilities are divided among several public institutions. MoTRI oversees oilseeds and pulses, while the Ministry of Agriculture manages coffee, tea and flowers. The Ministry of Mines oversees gold and other minerals, the Ministry of Industry handles manufacturing exports, and the Ministry of Water and Energy is responsible for emerging electricity exports.

Experts recently told Capital that the absence of dedicated export oversight is one of the main reasons for the sector's underperformance, arguing that more than five ministries currently share responsibility for export development.

Ethiopia previously had a dedicated export-promotion institution. The Ethiopian Export Promotion Agency, established under Proclamation No. 132/1998, played a role in expanding and diversifying the country's export base, including the development of the flower-export industry.

However, export responsibilities became fragmented among different public institutions and ministries in the mid-2000s.

Experts argue that the current arrangement makes it more difficult to develop a unified national strategy covering production, finance, logistics, market access and export promotion.

Diversification challenge

The growing dependence on gold and coffee is raising questions over whether Ethiopia's export growth is broad enough to withstand changes in international commodity markets.

Although total export earnings reached a record level, the decline in income from oilseeds and pulses demonstrates that higher export volumes do not necessarily result in higher foreign-currency receipts.

Experts say Ethiopia needs to expand and diversify its export basket alongside the increase in total earnings.

The issue is particularly important because the government has set an even higher export target for the current fiscal year.

For the 2026/27 fiscal year, the government has targeted USD 13.4 billion in export earnings, almost 20 percent above the USD 11.2 billion achieved in 2025/26.

On Wednesday, MoTRI met with exporters to evaluate the previous year's performance and discuss the target for the current fiscal year.

The central question is not only whether Ethiopia can reach the USD 13.4 billion target, but how much of that growth will come from a diversified export basket rather than continued dependence on gold and coffee.

For exporters, the weak performance of several commodities under MoTRI's oversight highlights the need for stronger production incentives, closer engagement between policymakers and businesses, and a more coordinated national export strategy.

UAE Targets Broader Africa Investments in Energy, Infrastructure, and Tech

By Abel Takele

The geopolitical and economic architecture of the twenty-first century is being reconfigured toward South-South partnerships built on mutual prosperity. At the centre of that shift is the expanding relationship between the United Arab Emirates and the African continent — one that has moved well beyond historical trade routes and commodity exchange into capital deployment, logistical integration and next-generation innovation.

Speaking to Capital in an exclusive interview, HE Dr. Thani bin Ahmed Al Zeyoudi, UAE Minister of Foreign Trade, put the trajectory plainly: "The state of UAE-Africa relations is the strongest it has ever been. Ethiopia is a powerful illustration: bilateral non-oil trade surged threefold to US$6.2 billion in 2025."

For Ethiopia, that figure sits alongside a wider set of commitments in capital, connectivity, energy and skills, the four areas where the partnership is now being tested.

Capital and commercial frameworks

Between 2012 and 2022, Foreign Direct Investment from Gulf Cooperation Council states into Africa totaled $101.9 billion across 628 projects, with the UAE capturing the lion's share. Between 2020 and 2024, UAE investment commitments surged past historical averages, establishing the Emirates among the continent's premier economic partners.

That capital is anchored by institutional frameworks designed to facilitate commerce, including Comprehensive Economic Partnership Agreements forged with key nations across Africa to streamline market access and deepen commercial integration. For Ethiopia, which maintains a multifaceted and rapidly deepening relationship with the UAE, these mechanisms have translated into economic momentum.

Connectivity and trade corridors

Economic potential relies on physical connectivity, and infrastructure remains a key pillar of Africa's participation in global value chains. Emirati state-linked logistics groups, specifically DP World and AD Ports Group — have led modernization projects across maritime and overland corridors, operating multiple strategic ports across the continent.

Supply chain security is central to keeping those corridors open. Dr. Thani described the approach: "The UAE has invested in a distributed logistics model: multiple ports, multiple modes, and multiple corridors, ensuring no single chokepoint can significantly disrupt connectivity."

For landlocked economies such as Ethiopia, expanded corridors and diversified routes reduce transit costs, improve export competitiveness and strengthen regional integration.

Energy and green industrialisation

Africa possesses roughly 60% of the world's premier solar potential, alongside substantial wind, hydro and geothermal reserves. The UAE is bridging generation capacity gaps through clean energy operators including Masdar and AMEA Power, backed by the $10 billion Masdar clean energy deployment program and the $4.5 billion Africa Green Investment Initiative.

In Ethiopia, that is already materializing through AMEA Power's wind project in the Somali region. Beyond supplying power, these projects lay the groundwork for green industrialisation, enabling African economies to process their own resources rather than export them raw.

Skills and digital capability

Sustained growth requires investment in minds as much as in infrastructure. With artificial intelligence and digital transformation set to shape future competitiveness, the UAE and its African partners are aligning around a knowledge-based model. Africa accounts for a growing share of global innovation investment, and digital innovation could contribute significantly to the continent's economy over the decade.

In Ethiopia, where the vast majority of the population is under 25, this is a demographic question as much as an economic one. Programs focused on digital skills offer a scalable route to equipping that generation with advanced technological capability.

A partnership built to last

The relationship has matured into a multi-dimensional strategic axis. Combining capital, technology and logistics with Africa's demography, resources and reform-driven economies, the UAE and African nations are building a cooperative model for the long term. For Ethiopia and the wider continent, anchoring that cooperation in economic transformation, energy security and digital innovation offers a pragmatic pathway to shared prosperity.

AGRA, Mastercard Foundation launch youth-focused agriculture programme

By our staff reporter

AGRA Ethiopia and the Mastercard Foundation have launched a youth entrepreneurship programme aimed at expanding employment, skills, finance and market access in Ethiopia's agriculture sector.

The Youth Entrepreneurship for the Future of Food and Agriculture Ethiopia programme, known as YEFFA Ethiopia, will focus on wheat and horticulture value chains in selected districts of Oromia Region. The initiative is part of a wider Pan-African partnership between AGRA and the Mastercard Foundation designed to create dignified work opportunities for young people in agrifood systems.

The programme was launched in Addis Ababa on Aug. 12 and will be implemented from March 2026 to March 2030 in 14 districts across North Shewa, East Shewa and West Shewa zones, as well as Sheger City Administration. AGRA, SOS Sahel Ethiopia and Green Agro-Solution Plc are among the implementing partners.

YEFFA Ethiopia aims to reach 80,000 economically disadvantaged young people, including 64,000 young women, through training, entrepreneurship support, market linkages, technology access and financial inclusion interventions.

Yihenew Zewdie, Country Director of AGRA Ethiopia, said the programme was designed to address persistent barriers that limit young people's participation in agriculture, including limited access to finance, technology, skills, markets and business-development services.

"Empowering youth in agriculture is not just about creating jobs; it is about building a sustainable future for Ethiopia," Yihenew said at the launch.

He said horticulture, in particular, could make a significant contribution to agricultural transformation if it received stronger investment and policy support.

Agriculture remains a major source of employment and income in Ethiopia, but young people seeking to establish agribusinesses often face high input costs, limited land access, weak market connections, climate-related shocks and restrictive credit conditions.

The YEFFA programme will prioritise the modernisation of wheat production and marketing, while also seeking to expand youth employment in fruit and vegetable value chains. Its implementation is expected to support young people working as producers, aggregators, service providers, traders, processors and other agribusiness entrepreneurs.

The initiative comes as Ethiopia works to raise agricultural productivity, improve food security and reduce import dependence. Wheat production has been a policy priority, while horticulture has been identified as a potential source of employment, export earnings and value addition.

The programme also places emphasis on the inclusion of young women, persons with disabilities, refugees, internally displaced people and returnees. Under the wider Young Africa Works strategy, the Mastercard Foundation aims for 70 percent of employment opportunities to benefit young women.

Mefthe Tadesse, Mastercard Foundation Ethiopia Country Director, said young people must be central to Africa's development agenda.

"At the Foundation, young people are at the centre of everything we do," he said. "We believe that Africa's future will be shaped by the aspirations, ideas and leadership of its young people."

Since the launch of its Young Africa Works strategy in Ethiopia in 2019, the Mastercard Foundation says it has enabled 1.27 million young people to access employment opportunities, with young women accounting for 49 percent of beneficiaries. The Foundation had committed USD 664 million through 38 partnerships in Ethiopia, according to its 2024 update.

The wider YEFFA partnership between AGRA and the Mastercard Foundation is a USD 350 million, five-year programme running from September 2023 to August 2028. Across Africa, it seeks to reach 10 million unemployed and underemployed young people and support 1.5 million into dignified and fulfilling work.

For Ethiopia, the key challenge will be translating the programme's targets into sustainable businesses and employment in rural areas. That will require coordinated action from government, financial institutions, private companies and development partners to improve access to land, credit, agricultural inputs, training, technology and reliable markets.

Farmland expansion fails to ensure food security, study finds

By our staff reporter

Expanding farmland into forested areas does not produce measurable long-term improvements in household food security in rural Ethiopia, according to a new study that warns against treating forest conversion as a solution to poverty and hunger.

The research, titled 'Do Farmland Expansion Motives Improve Household Food Security? Evidence from Rural Ethiopia', was presented at the Africa Evidence Summit. Led by researcher Robel Seifemicahel, it examined 598 farming households in three areas along active deforestation frontiers: Asgede-Tsimbla in Tigray, Adiyo in South Ethiopia Region and Adaba in Oromia.

The study found that farmers often clear land because they lack other sources of income or seek to benefit from high prices for particular crops. However, its econometric analysis found no measurable long-term food-security gains from farmland expansion.

Instead, the findings suggest that forest clearing is often a coping strategy adopted under severe economic pressure, rather than a reliable route to higher incomes, improved nutrition or long-term household resilience.

Agricultural expansion has long been recognised as one of the principal drivers of deforestation in Ethiopia. Research on land-use change has documented the conversion of forest, shrubland and grassland into cropland across several regions, with consequences for biodiversity, soil quality, water systems and local climate regulation.

The study measured food security through daily calorie consumption per adult equivalent. The average across the sampled households was about 2,700 kilocalories per day, but results varied significantly by location.

Households in Adaba, recorded the highest average daily consumption, at more than 3,211 kilocalories per adult equivalent. In Asgede-Tsimbla, Tigray, average consumption stood at about 2,584 kilocalories, producing a gap of up to 24 percent between the most food-secure and most vulnerable study areas.

Researchers said the findings challenge a widely held assumption that opening new land for cultivation automatically improves household welfare.

The study found that households that had not expanded their farmland would have faced substantial reductions in calorie consumption had they undertaken land clearing. This indicates that expansion may not be a path to prosperity, but an ineffective response to constraints such as inadequate income, limited market access and livelihood insecurity.

The study also identified land-tenure expectations and weak institutional support as important drivers of forest conversion.

Households that believed land certification would secure claims over newly cleared land were more likely to expand into forest areas. By contrast, households expecting future land redistribution showed lower incentives to clear additional land.

Distance from agricultural-extension services and limited access to timely climate information were also associated with a higher likelihood of farmland expansion. Researchers said households isolated from advisory services may have fewer opportunities to adopt productivity-enhancing practices, diversify income or respond to climate risks without clearing more land.

Earlier studies have similarly found that population growth, lack of diversified livelihoods, weak land-tenure systems and inadequate enforcement contribute to land-use change and forest loss in Ethiopia.

The researchers called for policies that reduce the economic pressure driving households to clear forests. These include expanded off-farm employment, support for small businesses, more diverse rural income opportunities and improved access to agricultural extension services.

The study also urged authorities to communicate land-certification rules more clearly and consistently, warning that uncertainty can create a perception that illegal forest conversion may eventually be regularised or rewarded.

Evidence from other rural Ethiopian studies suggests that livelihood diversification, soil and water conservation, higher incomes and stronger agricultural-extension services are associated with better food-security outcomes.

The findings underscore the need for a shift in policy focus from horizontal agricultural expansion to productivity growth, sustainable land management and diversified rural livelihoods.

Global youth unemployment rises to 67 million, ILO warns

By our staff reporter

Global youth unemployment increased to 12.4 percent in 2025, leaving an estimated 67 million people aged 15 to 24 without work, as weak economic growth and insufficient job creation made it more difficult for young people to enter the labour market, according to the International Labour Organization (ILO).

The ILO's *Global Employment Trends for Youth 2026: Back to the Future* report also found that the share of young people not in employment, education or training rose slightly to 20 percent in 2025, affecting more than 257 million young people worldwide.

The findings point to a worsening employment outlook for a generation entering the workforce amid slowing growth, geopolitical tensions and rapid technological change.

"A generation that cannot find decent work cannot build its future with confidence," ILO Director-General Gilbert F. Houngbo said in the report.

"When young people are locked out of quality employment, countries lose talent, productivity and social cohesion. Creating decent jobs for young people is not just a social imperative; it is one of the smartest investments a country can make," he said.

Youth unemployment increased in eight of the world's 11 subregions between 2023 and 2025, according to the report. The trend signals a renewed global youth-jobs challenge after earlier improvements in several labour markets.

Some of the sharpest increases in youth unemployment were recorded in higher-income economies, where many young people face diminishing opportunities in occupations that have traditionally served as entry points to stable careers.

In Northern America, youth unemployment rose from 8.3 percent in 2023 to 9.8 percent in 2025. In Northern, Southern and Western Europe, the youth unemployment rate remained high at 15 percent in 2025, with 20 of the 29 countries in the subregion reporting worsening employment prospects for young people.

The ILO said the decline in middle-skilled jobs was making it harder for young people to secure stable work. Clerical and administrative work, service and sales jobs, manufacturing-related occupations and some technical positions have traditionally provided pathways into the labour market but are now shrinking.

In developing economies, low unemployment rates often conceal more serious employment insecurity, the report said. Many young people cannot afford to remain unemployed and instead enter informal, low-paid or unstable work with limited social protection.

Nearly nine in 10 young workers aged 15 to 29 in low- and lower-middle-income countries are employed informally, according to the ILO. The report identified sub-Saharan Africa as facing particularly acute demographic pressure, with large numbers of young people entering labour markets that are not generating enough decent jobs.

The Arab States and Northern Africa continue to post the world's highest youth unemployment rates. Youth unemployment stood at 26.2 percent in the Arab States and 22.6 percent in Northern Africa in 2025. At least one in three young people in both subregions were classified as NEET.

Technological change, particularly advances in artificial intelligence, is also transforming the outlook for young workers.

The report estimates that 6.1 percent of jobs held by people aged 15 to 29 are in occupations highly exposed to AI-related change. Many of these jobs overlap with the middle-skilled occupations that have declined since 2023, especially clerical and administrative work.

However, the report said demand is continuing to grow in knowledge-based technical occupations, including science, health and engineering. It stressed the importance of improving access to education, technical skills and lifelong learning to help young people adapt to labour-market changes.

"There is increasing noise around AI," said Sukti Dasgupta, Director of the ILO's Employment, Skills and Sustainable Enterprises Department. "While the direct impact on jobs is still unclear, we must not be complacent and underestimate the risks."

"We need to step up our investment in skills, lifelong learning and social protection so that young people can adapt to change and seize new opportunities," she said. "Technological progress, including AI, must work for young people, not against them."

The ILO called for governments to adopt a human-centred approach to AI governance, invest in quality education and apprenticeships, strengthen employment services and expand social protection for young people.

It also urged policymakers to pursue macroeconomic and sectoral policies that generate more decent jobs, particularly for young women and young people in vulnerable situations.

The central challenge, the report said, is not only to create more jobs, but to ensure that young people can access work that offers security, dignity and a realistic path toward independent adulthood.


Life Fitness
WHAT WE LIVE FOR
BEKELE ABSHIRO PLC
PREMIUM COMFORT
TIMELESS ELEGANCE
ALAXANDER ROSE FURNITURE
Crafted for Comfort.
Designed to Impress.
SAN MARINO
CURVED ARMCHAIR W.C
Elegant curves. Superior comfort.
Perfect for any space.
CLEARANCE SALES
5% OFF
SAN MARINO
CLUB ARMCHAIR W.C
Contemporary design.
Relax in style.
Built to last.
Handwoven All-Weather Rattan
Comfortable Cushion Included
Durable & Long Lasting
Phone +251 116 299 951
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Gerji, Bawa Center
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Addis Ababa, Ethiopia.

Spotlight

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

PHOTO: Anteneh Aklilu

Magnitude 4.6 earthquake reported near Awash

A magnitude 4.6 earthquake was reported near Awash in Ethiopia's Afar Region on Sunday evening, August 9, according to VolcanoDiscovery.

The earthquake occurred at approximately 8:11 p.m. local time, with the epicentre located about 23 kilometres from Awash, the monitoring service reported. Other earthquake-monitoring sources placed the event near Metahara, approximately 19 to 22 kilometres from Awash.

The United States Geological Survey recorded the earthquake at 17:11:42 UTC, corresponding to 8:11 p.m. in Ethiopia.

The tremor occurred in the Awash-Metahara area, part of the seismically active Ethiopian Rift Valley. The region has experienced periodic earthquakes and tremors in recent years.

The available reports did not immediately provide details on casualties or structural damage from Sunday's event. Authorities and residents are expected to continue monitoring the area for possible aftershocks.

Earthquakes of this magnitude may be felt by people near the epicentre, particularly when they occur at shallow depth, although the level of shaking and potential impact can vary depending on distance, ground conditions and the quality of buildings.

The Awash area has previously experienced stronger seismic activity. In March 2025, the USGS recorded a magnitude 5.4 earthquake about 44 kilometres north-northwest of Awash.

More Than 2,600 Students Graduate from the Pathways to Space Program in Africa This Year

The Future African Space Explorers STEM Academy (FASESA) and Boeing [NYSE: BA] celebrated the graduation of 2,626 students from the third annual 'Pathways to Space' program. Spanning Ethiopia, Kenya, Nigeria, and for the first time South Africa, this initiative continues to cultivate the next generation of aerospace leaders across the continent.

"Seeing Ethiopian students master the intricate balance between pressurization, thermal control, radiation reduction and human ergonomics during the Space Suit Design Challenge filled me with absolute confidence in the future of African space science", said Dr. Bethelhem Nigussie, Deputy Director General of the Space Science and Geospatial Institute of Ethiopia (SSGI). "As the leading institution driving space mobilization in Ethiopia, SSGI is deeply committed to expanding our strategic alliance with FASESA and Boeing in the future. Together, we are not just teaching aerospace engineering; we are building the foundational infrastructure for Africa's next generation of astronauts, satellite engineers, and space innovators".

Emirates expands flexible travel options

Emirates has introduced new measures to give customers greater flexibility and confidence when booking and managing their journeys.

From August 10, 2026, passengers traveling to Dubai can change their travel dates unlimited times without paying a change fee across eligible Economy and Business Class fares. Refund fees have also been reduced to as little as US$25 on selected fares.

Customers traveling anywhere on the Emirates network with tickets booked from April 2, 2026, receive one free date change and can hold a fare for 24 hours without charge.

The airline has also introduced Comprehensive Travel Cover, including medical expenses, emergency evacuation, trip cancellation, baggage disruption and conflict-related cover. Customers affected by disruptions will be rebooked at no additional cost, with accommodation provided where necessary.

Emirates Skywards members can benefit from reduced Tier Mile requirements, bonus Tier Miles and improved Cash+Miles rates until August 31, 2026.

A SHOE SHINE AND REPAIR SHOP

A TRULY MASTERPIECE OF CHAOS

ASKED FOR A CONCRETE DRIVEWAY NOT A SWIMMING POOL

World Bank Group invests in Africa's digital commerce infrastructure to support jobs and small businesses

The World Bank Group is supporting the expansion of Africa's digital commerce infrastructure to help small businesses reach new markets, create jobs, and strengthen economic opportunities across the continent. Through Jumia (NYSE: JMIA), Africa's leading e-commerce platform, the investment is expected to enable approximately 60,000 local annual active sellers to participate more fully in the digital economy, support around 1,800 direct jobs, and create income-generating opportunities for more than 100,000 independent sales agents.

As digital commerce continues to grow across Africa, reliable access to online marketplaces, logistics networks, and digital payments are becoming increasingly important for entrepreneurs and small businesses seeking to expand beyond local markets. Strengthening this infrastructure can help firms increase sales, improve productivity, and connect consumers with a wider range of affordable goods and services.

To support this effort, the International Finance Corporation (IFC), the private sector arm of the World Bank Group, is investing US$25 million in equity in Jumia Technologies AG (Jumia), Africa's largest public e-commerce platform. The investment will support Jumia's next phase of growth across its core African markets, strengthening its integrated marketplace and logistics network.

ECA strengthens partnerships on social protection and youth employment

As part of ongoing efforts to strengthen social protection and promote youth employment across Africa, the United Nations Economic Commission for Africa (ECA) held a series of high-level engagements with member States on the margins the African Union Commission's Sixth Session of the Specialized Technical Committee (STC) on Social Development, Labour and Employment, held in Windhoek from 27 to 31 July.

The discussions focused on expanding cooperation in youth employment, social protection, women's economic empowerment and poverty reduction, while identifying new opportunities for collaboration to advance inclusive development across the continent.

Key areas of focus at the STC meeting included expanding pathways from social assistance to sustainable livelihoods, extending social protection to workers in the informal economy, improving institutional coordination through integrated digital systems, and mobilizing sustainable financing for social protection programmes.

Led by Zuzana Schwidrowski, Director of ECA's Socio-Economic Development Division, the ECA delegation also held bilateral meetings with member States to discuss areas for deeper collaboration.

U.S. Embassy, AAU celebrate partnership in higher education

The U.S. Embassy and Addis Ababa University (AAU) jointly celebrated over 70 years of partnership in higher education and the 60th anniversary of the John F. Kennedy Memorial Library.

In 1966, Senator Robert Kennedy laid the cornerstone of the John F. Kennedy Memorial Library at Addis Ababa University (AAU) in memory of President Kennedy. Today, the Kennedy Library remains an enduring symbol of U.S.-Ethiopian friendship and serves as the academic core for AAU's 40,000 students across 18 campuses. To ensure the library's long-term safety and structural integrity, the U.S. Department of State's Ambassadors Fund for Cultural Preservation will fund a preservation project at the Kennedy Library for urgent roof and drainage repairs in order to preserve this historic intellectual hub. Future generations of students and scholars will be able use the Kennedy Library to access research materials, global literature, and as a collaborative academic space.

The United States' long legacy of cooperation with Ethiopia in higher education began under President Harry Truman's Point Four initiative in the 1950s. As the United States mark 250 years of American independence this year, the U.S. reaffirms its commitment to partnering with Ethiopia to advance higher education, foster academic exchange, and drive mutual progress.

Capital NEWS IN BRIEF

RSF Renews Assault on Sudan's Al-Obeid as Drones Strike Capital, Witnesses Say

The Sudanese Rapid Support Forces renewed its assault on the city of al-Obeid on Wednesday and stepped up drone and land attacks across the country this week following losses on several fronts, according to witnesses. The RSF has found itself on the back foot lately in its war with the Sudanese army, a conflict that began in April 2023, drawing in foreign powers and creating what the United Nations considers the world's worst humanitarian crisis. But on Wednesday, witnesses in al-Obeid said the strategically important city in the Kordofan region was targeted by eight drones, triggering army air defenses. Two people were killed and others were injured, according to medical sources. ... In a long RSF campaign for control of al-Obeid, the city has suffered drone attacks and siege tactics that had decimated its power, fuel, food, and water supplies, threatening a severe humanitarian crisis. The city is estimated to currently contain half a million inhabitants, including about 100,000 people previously displaced by the conflict.

(Reuters)

Ethiopians Make up Overwhelming Majority of Migrants Arriving in Yemen amid Worsening Regional Conditions

Ethiopian nationals accounted for 91% of the 13,687 migrants who arrived in Yemen in July 2026, making them by far the largest group of migrants recorded entering the conflict-affected country during the month, according to the International Organization for Migration (IOM). IOM's Yemen Displacement Tracking Matrix (DTM), in its July 2026 dispatch released today, said the number of migrant arrivals increased by 3% from June. The migrants entered Yemen through southern coastal landing points and the Yemen-Oman land border crossing. Of the total arrivals, an estimated 2,584, or about 19%, were under the age of 18, while 2,540, or 18.5%, were women. No children under the age of five were recorded among the incoming migrants during the month, IOM said. ... Somali nationals represented the remaining 9% of arrivals, highlighting the dominance of Ethiopians along the migration routes into Yemen during the reporting period. ... The IOM data also showed that Ethiopian nationals accounted for all 1,649 migrants who departed Yemen in July, with most heading to Djibouti through the Lahj coast and others travelling to Oman through the Al Maharah land border. ... The figures come amid a broader humanitarian crisis in Yemen, where IOM reported that more than 22 million people require humanitarian assistance. The agency said conflict, deteriorating maritime security, severe weather and damage to shelters at displacement sites continued to intensify humanitarian needs in July.

(Addis Standard)

Six Killed in Houthi Strikes on Red Sea Ship, Yemeni Government Says

At least six people were killed on Tuesday when a cargo ship was hit in the Red Sea by missiles fired by the Houthi militia, Yemen's government said, an escalation in the chaos that has engulfed shipping in the Middle East. The Yemeni Transport Ministry said in a statement that the vessel Tihamah was carrying food supplies and was hit while transiting the Bab al-Mandab Strait at the southern entrance to the Red Sea. The ministry added that four crew members — three Pakistanis and one Indonesian — were killed when a fire broke out on board. Later on Tuesday, the Yemeni Coast Guard said that two members of Yemen's armed forces were also killed during a rescue mission, when another Houthi missile targeted the vessel. ... The group has in recent weeks fired on Saudi-linked oil vessels in the Red Sea and said it was imposing a maritime blockade against the kingdom, after deadly clashes with the Saudi-backed government in Yemen.

(The New York Times)

South Sudan, Sudan Resume Security Talks after Years-long Hiatus

South Sudan and Sudan have resumed high-level political and security talks in Juba after a multi-year hiatus, bringing together senior defence and security officials to discuss border security and other issues between the neighbouring countries. A Sudanese delegation arrived in Juba on Sunday for meetings of the Joint Political and Security Mechanism (JPSM), a bilateral forum established under the 2012 Cooperation Agreement between the two countries. South Sudan's Defence Minister, Lt. Gen. Chol Thon Balok, welcomed the delegation and said the talks were aimed at strengthening security cooperation between the two countries. ... The JPSM was established following the 2012 Cooperation Agreement, which was reached after South Sudan's independence to provide a framework for addressing political and security disputes between the two countries. The resumption of the mechanism comes as both countries face significant security and economic pressures, including the continuing war in Sudan that erupted in April 2023. Sudan's conflict has also affected South Sudan, which hosts large numbers of Sudanese refugees and relies heavily on Sudan's infrastructure to export its oil.

(Radio Tamazuj)

Term of the Day

GAME THEORY

Definition

Game theory is a framework for analyzing strategic decision-making when the outcome depends on the actions of multiple participants.

The "Might Makes Right" Policy

By Gzachew Wolde

Power has always struggled to disguise itself as principle. In every era, dominant states have preferred their conquests to be understood as necessity, civilisation, law or security—rarely as the plain exercise of superior force against a weaker party.

Yet, stripped of the language of legitimacy, a blunter logic often persists beneath the architecture of the international system: the strong do what they can, and the weak suffer what they must. This logic has appeared repeatedly throughout modern political history.

This does not mean that sovereignty and self-determination are meaningless. Rather, it suggests that these principles often survive as constraints only when powerful states choose to observe them, rather than as rights weaker states can reliably enforce.

A "might makes right" policy implies that a powerful state can govern, dictate to or intervene in another country because it possesses greater military, economic or diplomatic power. It undermines international law and the principle of independence by treating sheer capability as a source of legitimacy.

In such a system, power becomes the basis for creating political earthquakes in other countries. International law risks becoming optional for powerful states because no authority exists above them with the consistent ability to enforce compliance.

Sovereignty and self-determination then become privileges extended by stronger states to weaker ones, rather than inherent rights. Legitimacy collapses into capability. A state dictates outcomes in another country not because it is right, but because it can.

"The strong do what they can, and the weak suffer what they must" remains an uncomfortable reality in world politics. Many people condemn it, but condemnation alone does not always produce change. International law—including the UN Charter, sovereignty norms and customary international law—exists precisely to restrain this dynamic. Yet its effects remain imperfect because enforcement itself ultimately depends on power.

This is not merely a theoretical tension between norms and enforcement. It has a long and documented history. Doctrines built on this premise—colonial empires and spheres-of-influence politics, for example—generated prolonged resistance, instability and, eventually, the delegitimisation of the powers that relied on them.

The Second World War was not initiated simply because aggression was universally considered morally wrong. Ethiopia's experience illustrates this clearly. When Fascist Italy invaded Ethiopia in 1935, Emperor Haile Selassie appealed to the League of Nations, warning: "It is us today. It will be you tomorrow." His appeal was not met with decisive collective action.

Ethiopia's 1935–36 appeal failed not because the League had no rules, but because major powers lacked the political will to enforce them until their own interests were directly threatened. Ethiopia remained under Italian occupation until 1941, when Commonwealth-backed forces and Ethiopian resistance fighters helped liberate the country as part of the broader war against the Axis powers.

This was not proof that the League of Nations system had worked. Rather, it showed that Ethiopia's moral and legal appeal was abandoned in practice because no powerful state considered enforcement sufficiently important until the conflict became linked to wider strategic interests.

There is also substantial evidence that colonialism did not end simply because colonial powers suddenly recognised it as wrong. The European governments and publics that had maintained colonial empires for generations did not undergo an immediate moral conversion after 1945. Decolonisation was driven significantly by colonised peoples themselves through nationalist movements, armed resistance, political organisation and sustained demands for independence.

France and the Netherlands, for example, fought hard to retain Algeria and Indonesia after 1945. In part, this was because colonial possessions were seen as important to national prestige, economic recovery and post-war reconstruction.

The Second World War was not a moral or civilisational mission for the Allied powers. It was fundamentally a struggle over power, territory and geopolitical balance. Even the Atlantic Charter's language on self-determination did not prevent Britain from maintaining its empire or the United States from building and defending its own spheres of influence after the war.

At the same time, history does not simply confirm that might makes right. Vietnam, for example, demonstrates that overwhelming military power does not necessarily produce political success or legitimacy. Stronger powers can be resisted, defeated or forced to retreat when political will, popular mobilisation and strategic conditions turn against them.

There have also been moments when major powers sought international legitimacy rather than acting unilaterally. In 1991, the United States built a UN-authorised coalition to expel Iraqi forces from Kuwait during the Gulf War. That action, whatever one's broader view of the conflict, differed sharply from unilateral intervention.

The 1989 United States invasion of Panama offers a contrasting example. U.S. forces entered Panama, captured Manuel Noriega on drug-trafficking charges and installed a new government without UN Security Council authorisation. A Security Council resolution condemning the intervention was vetoed by the United States, while the UN General Assembly subsequently adopted a resolution describing the invasion as a "flagrant violation of international law." The vote was 75 in favour, 20 against and 40 abstentions.

Recent events in Venezuela raise similarly serious questions. In January 2026, U.S. forces conducted military operations in and around Caracas and captured President Nicolás Maduro and his wife, Cilia Flores. The UN Secretary-General said he was deeply alarmed and warned that the action could set a dangerous precedent.

Unlike the 1991 Gulf War, this intervention did not have a UN Security Council mandate or a broad international coalition. It illustrates the danger of a stronger state reshaping a weaker state's internal governance and political economy through unilateral force.

The gap between the normative ideal of sovereign equality and the empirical reality that power often determines outcomes has repeatedly shaped history, but it has never gone unchallenged. Powerful states may treat international law as optional when it conflicts with their interests, but this does not make international law irrelevant.

International law's weakness is real. There is no global sovereign capable of consistently enforcing rules against great powers. Nevertheless, law persists because it performs important functions: it establishes standards, creates legitimacy or illegitimacy, mobilises diplomatic pressure, shapes public opinion and provides weaker states with language and institutions through which to resist.

Military invasions of sovereign states often produce instability, insecurity and deepening crises. The persistence of the gap between sovereign equality as an ideal and sovereign equality in practice is not evidence that the ideal is worthless. It is evidence that the ideal remains unfinished.

Today, the same dynamic appears in new forms. Nuclear protection, drug trafficking, terrorism, economic coercion and NATO-related security concerns can all become pretexts for intervention. In such an environment, military, economic and diplomatic power becomes the principal currency of influence.

Sovereignty is not an empty phrase on international platforms. The law is clear. But when enforcement is selective, its protections are weakened. Sovereignty becomes exposed, and weaker states may be pressured into compliance while stronger states calculate that they can absorb the cost of ignoring legal norms.

Under such conditions, appeals to the United Nations can appear futile or merely symbolic. This is largely because the powers capable of acting do not always have an interest in applying the law consistently and equally.

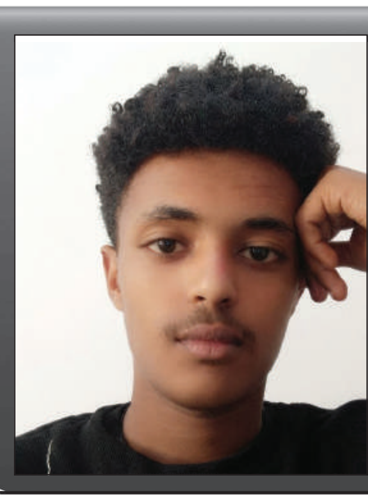
States with superior capabilities can shape agendas, dictate terms and use veto power when they choose to override the norms of sovereignty and self-determination. This is the selective morality of world politics: international law carries unequal weight depending on the power of the state involved.

That is the central danger of the "might makes right" policy. It turns law into an instrument applied unevenly, sovereignty into a conditional privilege and justice into a calculation of power.

Capital features a variety of independent voices; the opinions articulated in this column are the author's own and operate independently of our corporate viewpoint.

Entrepreneur PROFILE:

RESUME



Name: Alemayehu Belete

Education: TVET (Diploma)

Company name: Brother's Furniture

Title: Manager

Founded in: 2023

What it does: Manufacturing of furniture

Hq: Addis Ababa

Number of Employees: 7

STARTUP CAPITAL

250,000 BIRR

CURRENT CAPITAL

Growing

BIG PICTURE

Reason for starting the Business: To meet the demand for woodwork and the desire to work together with my friend

Biggest perk of ownership: Bringing creative ideas to life

Biggest strength: Customer service skills

Biggest challenge: Lack of workspace

Plan: To become a competitive furniture brand

First career: Assistant carpenter

PERSONAL

Most interested in meeting: Successful business people driving industrial development

Most admired person: Belayneh Kinde

Stress reducer: Resting

Favorite pastime: Focusing on my work

Favorite book: None

Favorite destination: None

Favorite automobile: Pick-up truck

DAILY EXCHANGE RATE

Aug. 15, 2026

የኢትዮጵያ ንግድ ባንክ
Commercial Bank of Ethiopia

CURRENCY	BUYING	SELLING
US DOLLAR	159.83	163.02
POUND STERLING	211.71	215.95
EURO	184.94	188.64
SWISS FRANK	194.38	198.27
SWEDISH KRONER	16.59	16.92
CHINESE YUAN	23.24	23.71
UAE DIRHAM	43.51	44.38
JAPANIS YEN	0.99	1.01

INTERVIEW

Worku Lemma is a towering figure in Ethiopia's financial and economic landscape, with more than two decades of leadership experience. Having risen through the banking sector from bank clerk to founding president of two commercial banks, his strategic acumen has helped shape the nation's financial institutions. He currently serves as a board member of Hibret Bank S.C. and is also involved in national logistics-modernisation efforts within Ethiopia's logistics sector.

In this interview with Capital, Worku shares his perspective on Ethiopia's evolving macroeconomic policy framework, the National Bank of Ethiopia's latest monetary tools and the realities of credit demand. He assesses the likely impact of higher policy rates, raises practical concerns about performance-based secondary reserve requirements, and discusses foreign-exchange dynamics, inflation control and the balance between market liberalisation and national survival priorities. Excerpts;

MONETARY REFORM

Capital: How do you view the current macroeconomic policy framework and the newly introduced tools by the National Bank?

Worku Lemma: Overall, I view the matter positively. Regardless of the country or policy framework, when these measures are assessed against Ethiopia's current economic strengths and weaknesses, they represent a step that can improve stability and support macroeconomic development going forward.

In my view, lifting lending caps is consistent with the International Monetary Fund's recommendations. Looking closely at those guidelines, they do not advocate lifting all restrictions at once. Rather, the idea is that restrictions should be phased out gradually as economic conditions evolve. Maintaining rigid caps can be harmful in many ways. If the economy is starved of money, credit is not easily accessible and, conversely, sectors crucial for national survival and industrial development—such as manufacturing—do not receive adequate and appropriate financing, economic growth can be severely undermined.

Capital: Given that the Monetary Policy Committee raised the policy rate to curb credit competition, how effective will this tool be, given the realities of the banking sector?

Worku: Raising the policy rate helps to a certain extent, but I do not believe it will solve the challenge entirely. One of the main limitations is that the policy rate is not directly linked to the commercial lending rates set by banks. We rarely see banks automatically adjusting their lending rates in response to changes in the policy rate.

In practice, even when the nominal lending rate hovered around 15 percent, the actual effective interest rate was much higher—often surpassing 20 percent and reaching 22 or 23 percent for many borrowers. Beyond that level, the situation remains ambiguous. While the interbank lending margin—ranging from minus 3 percent to plus 3 percent—may have some impact, I doubt it can control the broader money supply to the extent intended.

To be honest, our country's economy and business community are credit-addicted. Whether the official rate rises or falls, the elasticity of credit demand is questionable. We have a business community that sometimes borrows at rates that border on usury.

If you look at the digital-lending and microfinance sector—small loans of 50,000, 75,000, 100,000 and up to 300,000 birr provided by banks and fintechs—the interest rates are shocking. Although structured over short terms of one to three months, the annualised rate often exceeds 30 to 40 percent. I genuinely worry about whether an entrepreneur can borrow at such a rate, build a viable enterprise and repay the loan. Furthermore, I have deep concerns about whether this high-interest credit sector helps control inflation at all.

Capital: What are your concerns regarding the practical implementation of the performance-based secondary reserve requirement linked to credit expansion?

Worku: My primary concern lies there. Instead of a traditional reserve requirement applied uniformly across all banks, this framework is formulated in a way that reserves could increase based on the lending behaviour of individual institutions. But under what exact conditions is that triggered? How is it monitored? Can it truly be practical?

Right now, a bank's standard reserve requirement is around 10 percent. If a bank is suddenly told to deposit 13 or 15 percent based on its loan-to-deposit ratio, it creates extreme uncertainty because institutions cannot predict when or how severely they will be affected. Because excess reserves yield no profit, banks naturally focus on managing their cost of funds. If regulations become ambiguous or punitive based on loan-to-deposit ratios, banks may tend to retreat from lending altogether, preferring instead to park their capital safely in government securities such as Treasury bills.

The figures show that the National Bank's Monetary Policy Committee noted that the current loan-to-deposit ratio is around 72 to 73 percent, while overall liquidity is about 30 percent—well above the 15 percent regulatory minimum. Compared with three years ago, when the loan-to-deposit ratio was stretched to 90 to 92 percent, banks are currently highly liquid.

However, if a bank has already deployed its liquidity into long-term loans and has exhausted its options, then is suddenly hit with a higher reserve requirement, where is it supposed to pull that cash from? Which market will it use to fill the gap? You cannot retroactively enforce compliance on money that has already been lent out. Doing this without prior warning

INTERVIEW

and preparation could push otherwise stable banks into severe liquidity crises. A clear operational guideline must be in place before any punitive measures are taken.

Capital: Some analysts argue that tightening reserve requirements is a tactical strategy used by the government to pull bank liquidity into Treasury bills to cover its domestic borrowing needs and budget deficit. What is your view?

Worku: The notion that the government is doing this primarily to cover its budget deficit is secondary, in my view. Procedurally, we know that the government is restricted from taking direct bank loans to cover fiscal deficits. While it may finance part of its deficit through competitive bidding in the Treasury-bill market, the overriding priority must remain inflation control.

Inflation is a heavy and destructive force. Today, most ordinary citizens face severe daily challenges; many cannot even afford basic meals. Under conditions in which life has become a daily survival test for many people, strict monetary policy is imperative. Monetary policy alone cannot fight inflation, however. It must be paired with strict fiscal discipline and robust supply-side measures. Economic best practice requires a combination of policy instruments. Above all, while we view the overall monetary direction positively, the operational rules must be clear to avoid destabilising the banking sector.

Capital: How does the current framework compare with the aggressive controls—including unwritten credit caps and mandatory bonds—used by the National Bank since the early 2000s?

Worku: Today's policy approaches are much closer to modernisation and international best practice than the heavy-handed interventions of the past. Looking back, we had mandatory National Bank bill purchases and Development Bank of Ethiopia 1 percent bond purchases, as well as strict caps on term loans, revolving credit, overdrafts and pre-shipment facilities. Those historical methods were blunt and restrictive instruments, with little market incentive or competitive dynamics. Implementing them was a nightmare for bank management, and the sector faced immense pressure.

Today's regulatory philosophy is vastly superior. The current Monetary Policy Committee includes independent professionals and autonomous bodies that bring high-level technical rigour to the table. Despite modern complexities—particularly in adjusting targeted reserve requirements—the current approach is more constructive and market-aligned than the opaque, administratively imposed caps we faced years ago.

Capital: How do you evaluate current foreign-exchange dynamics and the 70–30 surrender-and-retention scheme amid continuing parallel-market activity?

Worku: First, we must accept a fundamental reality: there is a foreign-exchange shortage. I strongly reject the narrow argument that "the exporter's dollar belongs entirely to the exporter." Hard currency is a critical national resource. A developing country depends on sustainable foreign-exchange inflows to drive macroeconomic growth. Fortunately, we are currently observing positive trends in national foreign-exchange reserves.

Until the external sector fully normalises, proceeding gradually is prudent. While some advocate complete and immediate liberalisation—allowing exporters to retain and sell 100 percent of their earnings freely, a privilege previously granted selectively to the service sector—we must weigh this against our primary national priorities.

Our country still desperately needs fuel to keep the economy moving. Citizens still require life-saving medicines. Allowing exporters to speculate freely while ordinary people suffer from medicine and fuel shortages is neither economically nor socially responsible.

The current policy direction—requiring exporters to surrender 30 percent while allowing banks and exporters to retain 70 percent—is balanced and rational. However, execution determines everything. The system must be strictly monitored. I have heard criticism that mismanaged foreign-exchange allocations contribute significantly to the ongoing trade deficit, and that criticism is valid. Closing the trade gap will not happen overnight; even under favourable conditions, achieving a sustainable balance could easily take a decade.

Young Artists turn UNFPA's mandate into 'Painting Choices' exhibition

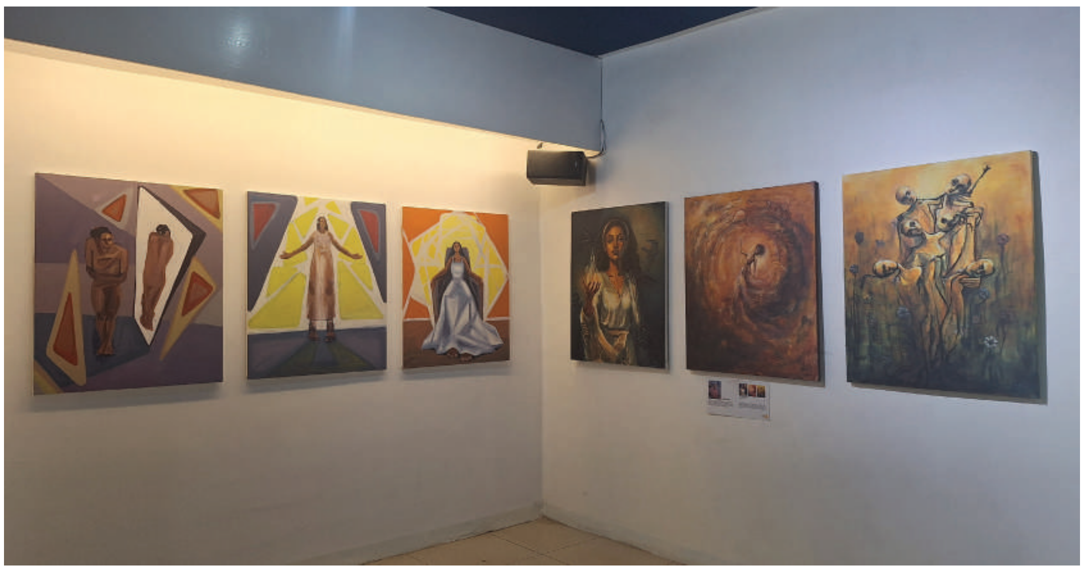
Ten young artists from Addis Ababa University's Alle School of Fine Arts have translated themes of health, rights and personal choice into original paintings at an exhibition opened in Addis Ababa on Wednesday.

Titled "Painting Choices," the exhibition was organised by UNFPA Ethiopia in collaboration with Laphto Contemporary Art Gallery to mark International Youth Day 2026. The exhibition will remain open to the public through Aug. 19 at Laphto Contemporary Art Gallery, located on the first floor of Laphto Mall.

Opening the exhibition, Taiwo Oluyomi, Officer-in-Charge and Deputy Representative of UNFPA Ethiopia, said the initiative sought to give young artists the opportunity to interpret the organisation's mandate through their own perspectives.

"Today is for you," Oluyomi told the participating artists, thanking them for transforming issues linked to health, rights and choices into visual art.

He said the idea for the exhibition followed a visit earlier this year by UNFPA Executive Director Dr. Diene Keita to Hamlin Fistula Hospital in Addis Ababa. During the visit, Keita witnessed the experiences of women receiving care and observed how art had captured their resilience and dignity in ways that words could not fully convey.



"She left with a recommendation: that we do the same for UNFPA's work—that we hand our mandate to artists and let them paint it," Oluyomi said.

The participating artists were asked to explore UNFPA's thematic areas, including sexual and reproductive health, gender-based violence, youth development, access to comprehensive services and the use of data for development. Their works, Oluyomi said, went beyond simply illustrating UNFPA's programmes.

"These young artists did not simply illustrate our mandate. They interrogated it. They questioned it. They made it personal," he said.

According to Oluyomi, the paintings represent individual perspectives and statements on development issues, rather than conventional communication materials.

"The paintings you will see today are not illustrations— they are perspectives. Statements. Conversations waiting to happen," he said.

He added that art should be considered a central component of development communication, rather than merely a form of decoration.

"Data tells you what is happening—but art makes you feel why it matters," Oluyomi said.

The opening ceremony included remarks from UNFPA Ethiopia leadership, a presentation by the jury and an award ceremony recognising the top three works.

The exhibition also highlights the role of young people in shaping public conversations around social and development issues.

Marking International Youth Day, Oluyomi said the initiative demonstrated that young people were already contributing important stories and ideas, rather than simply representing the future.

"Young people are not just the future. They are telling the most important stories, right now," he said.

The exhibition is open daily until Aug. 19 at Laphto Contemporary Art Gallery.

HOT MUSIC TABLE

AUGUST 06, 2026 - AUGUST 12, 2026

HOTTEST ARTISTS

RANK	ARTIST	RADIO	TV	TOTAL PLAY
1	Neway Debebe	71	11	82
2	Hana Girma	37	38	75
3	Abdu Kiar	57	9	66
4	Dawit Tsige	52	10	62
5	Michael Belayneh	47	6	53
5	Aster Aweke	44	9	53
6	Kalkidan Daniel	30	18	48
7	Dawit Mellesse	35	8	43
8	Addis Legesse	17	22	39
9	Rahel Getu	26	11	37
9	Mastewal Eyayu	31	6	37
9	Tsegaye Eshetu	33	4	37
10	Tewodros "Teddy Afro" Kassahun	30	5	35

THIS DATA IS GATHERED BY A 24/7 AUTOMATED RECORDING & ANALYZING AII SYSTEM FROM 35 TV & RADIO STATIONS. THERE WERE MORETHAN 8,509 TOTAL MUSIC PLAYS ACROSS THE BROADCAST MEDIUM FOR THIS WEEK.

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HOTTEST TRACKS

RANK	TRACK	ARTIST	RADIO	TV	TOTAL PLAY
1	Ngezaka	Hana Girma	13	17	30
2	Hayyee	Hana Girma	6	12	18
3	Etittu	Dawit Tsige	11	3	14
3	Kome Limerkish	Tilahun Gessesse	8	6	14
4	Bantelay	Hana Girma	11	2	13
5	Wenine	Mahlet Gebregiorgis	4	8	12
6	Endet	Michael Belayneh	10	1	11
6	Yirefdal	Ahmed Teshome (Dinbi)	11	0	11
7	Sewedelat	Madingo Afework	6	4	10
7	Kunjina	Fikadu Tizazu	7	3	10
8	Zarem Atirsagn	Fikeraddis Nekatibeb	6	3	9
8	Nana	Rahel Getu	7	2	9
8	Emeye Ethiopia	Tewodros Tadesse	6	3	9
8	Ende Amele	Lemlem Hailemichael	7	2	9
9	Tegene	Betelhem Sherefedin	8	0	8
9	Zim	Mahlet Wendimu	4	4	8
9	Gela Gela	Aster Aweke	8	0	8
9	Yedega Sew	YEMa	6	2	8
10	Enas	Kalkidan Daniel	4	3	7
10	Fikireh Beretabegne	Kuku Sebsibe	5	2	7
10	Meta Meta	Teamir Gizaw	4	3	7

Society

Truth has no nationality: Rethinking tradition and intellectual openness

By Gezahegn Anbelu

One of the defining characteristics of a traditional society is its strong attachment to continuity, inherited norms, and established ways of life. Such societies tend to place considerable value on preserving the cultural, religious, social, and moral frameworks through which previous generations have organized their lives. Consequently, ideas that have not been tested or experienced within society may initially be viewed with suspicion, particularly when they appear to challenge long-standing assumptions. Entertaining unfamiliar ideas can therefore be perceived not merely as intellectual exploration, but as a challenge to the norms believed to sustain social order. Tampering with those norms may consequently be interpreted as tampering with the very foundation upon which society stands.

This does not mean that traditional societies are incapable of innovation or that they simply reject everything foreign. Ethiopia itself provides ample evidence of societies engaging with, adapting, and sometimes transforming ideas originating elsewhere. The more significant issue is the strength of the mechanisms through which a community protects its inherited worldview. Where these mechanisms become excessive, even a slight deviation from established norms can invite ridicule, suspicion, ostracization, or, in extreme circumstances, serious threats to the individual.

Think about this from an ordinary Ethiopian social experience. Suppose you begin reading the Bible seriously and, in the process, start questioning some of the premises you have inherited about Christian doctrine. Or perhaps you immerse yourself in philosophy and begin questioning assumptions that your society has long treated itself as self-evident. Before anyone seriously engages with the questions you are raising, you may find yourself being treated as though something is wrong with you. You may be told that you are "crazy," that you have been influenced by the wrong people, or that you need to be taken to a psychiatrist or to a place of prayer and Holy Water. At the very least, your questions may make ordinary interactions with family members and friends increasingly difficult.

The important point here is not whether every religious or philosophical question is correct. Some ideas can certainly be mistaken, confused, or poorly reasoned. The problem arises when the mere act of questioning an inherited belief itself is treated as evidence of psychological, moral, or spiritual abnormality. Instead of asking, "Is there merit in this person's argument?", the community may ask, "What has happened to this person?" The person becomes the problem, and the proposition is never seriously examined.

A common feature of highly traditional social systems, therefore, is the tendency to protect social order from elements perceived as strange, disruptive, or threatening to continuity. Anyone who challenges deeply established assumptions may consequently be perceived not simply as someone presenting an alternative argument, but as a potential threat to the collective order itself. In this sense, aspects of Ethiopian society can still be understood as strongly shaped by traditional streams of thought: long-standing cultural practices, mores, religious traditions, social conventions, and inherited principles continue to exercise considerable influence over how individuals understand themselves and the world around them.

Difficulty arises when the preservation of social continuity becomes an obstacle to intellectual examination. A society may preserve its identity and cohesion through tradition, but it may also become intellectually restrictive when inherited assumptions are treated as beyond examination. At that point, the introduction of alternative conceptions of human life, society, religion, education, politics, or economics can be met with outright rejection before the ideas themselves have been seriously considered.

Historically, Ethiopian society has encountered modernity gradually and often through difficult negotiations between inherited institutions and new forms of thought and organization. From the period of Emperor Tewodros II through Menelik II and beyond, attempts to reform political institutions, administration, taxation, education, military organization, and other aspects of society encounter resistance from different sections of society. These responses should not be reduced simply to an irrational rejection of modernity. Reform threatened existing interests, authority structures, religious arrangements, political autonomy, and established patterns of life. Resistance to change, therefore, was often simultaneously resistance to the redistribution of power and authority that change could produce.

Emperor Tewodros II provides an important example. His attempts to centralize authority and reform the Ethiopian polity encountered substantial resistance from established political and regional interests. His increasingly coercive response to that resistance illustrates another important dimension of social change: when reform is imposed primarily through a top-down approach, resistance to reform can become intertwined with resistance to the reformer himself. The difficulty is therefore not simply whether a society accepts a new idea, but whether the social and political structures surrounding that idea permit genuine intellectual and institutional transformation.

The same tension can be observed during the reforms associated with Menelik II and subsequent encounters with modern education, technology, administration, and intellectual thought. Ethiopian engagement with modernity has never been a simple movement from tradition to modernity. It has involved selective adoption, adaptation, resistance, negotiation, and reinterpretation. Nevertheless, the persistence of inherited assumptions demonstrates how difficult it can be for a society to reconsider deeply embedded ways of thinking.

The question, therefore, is not whether tradition should disappear. The more important question is how long a society can continue to resist examining ways of thinking, institutional systems, and cultural practices that may contribute to the transformation it urgently seeks.

Truth, Social Acceptance, and Communal Conformity

One area in which a society can experience a serious epistemic limitation is the way it determines the truth value of ideas. The question is whether information and propositions are evaluated primarily according to their evidence, coherence, reason, and correspondence with reality, or according to their consequences for the individual and the community.

In strong communal societies, the social reception of an idea can become an important factor in determining whether that idea is considered acceptable. Individuals may ask not only, "Is this true?" but also, "Will my family accept this?", "What will my community think?", or "What will happen to my relationship with those around me if I accept this?" These are legitimate social questions, but they become epistemically problematic when they replace the more fundamental question of whether the proposition itself is true.

Religion provides a particularly visible example. Changing one's religious conviction may be treated as much more than an individual intellectual or spiritual decision. It may be understood as an offense against family tradition, a rejection of one's community, or a source of social shame. Consequently, an individual may hesitate to examine religious or philosophical assumptions independently—not necessarily because the existing position has been demonstrated to be true, but because the social consequences of questioning it may be considerable.

This illustrates an important distinction between social legitimacy and truth. A proposition may be socially legitimate because a community accepts it, but social acceptance does not by itself establish its truth. Conversely, a proposition may initially be rejected by a community and yet eventually prove intellectually or empirically defensible.

Communality itself is not the problem. A strong communal structure can provide social support, belonging, mutual responsibility, and solidarity. At the opposite extreme, an individual completely disconnected from the organic bonds of society may experience profound social, psychological, and even economic dislocation. The challenge is therefore not to choose between the individual and the community as though they were mutually exclusive alternatives. The challenge is to establish a healthy relationship between individual intellectual agency and communal belonging.

A mature society should be capable of saying: You belong to us even when you question us. Disagreement should not automatically be interpreted as disrespect, disloyalty, rebellion, or rejection of one's community. Intellectual disagreement can instead be understood as a legitimate form of inquiry.

History provides numerous examples of individuals who were required to stand intellectually apart from prevailing institutions. Socrates challenged the intellectual assumptions of his society and ultimately paid with his life. Galileo's conflict with ecclesiastical authority demonstrated the tension that can arise when emerging scientific claims encounter established intellectual and theological frameworks. Martin Luther, despite enormous pressure from the Roman Catholic establishment, refused to recant positions he believed could not be abandoned without violating Scripture and conscience.

Luther's position is particularly relevant because he was not claiming that truth was whatever an individual personally believed. His argument was that institutional authority could not, by itself, determine truth. His conscience was bound by what he regarded as Scripture and compelling reason. His position illustrates an important principle: intellectual independence is not the same thing as intellectual relativism. To think independently does not mean believing whatever one wishes; it means being willing to examine inherited claims according to reasons and standards that one believes can withstand critical examination.

His challenge contributed to a religious and intellectual movement that profoundly transformed European history. The point is not to portray the Roman Catholic Church simply as an enemy of intellectual inquiry. Medieval Christian institutions also preserved and developed major traditions of scholarship. Figures such as Thomas Aquinas and Augustine engaged deeply with philosophy and theology and contributed enormously to the intellectual development of Europe. Rather, the historical lesson is that even institutions that have made substantial contributions to knowledge can become resistant to particular ideas when those ideas appear to threaten established structures of authority.

The Ethiopian literary tradition also provides an interesting window into this tension. The character of Gudu Kassa in Haddis Alemayehu's classic novel can be considered in this context. Gudu Kassa represents the social outsider whose ideas and behavior depart from established expectations. Literary interpretations have sometimes understood the character as an authorial vehicle through which Haddis Alemayehu could express unconventional reflections about Ethiopian society. Whether or not one accepts the strongest version of that interpretation, the character illustrates an important social phenomenon: the deviant or eccentric character can become a literary mechanism through which a society explores ideas that are difficult to express or accommodate within its ordinary social boundaries.

Truth Has No Nationality

Suppose you are conducting a training session, writing a book, or introducing a new educational idea. If you present the source as coming from a respected Western university, an international organization, or a well-known foreign scholar, the idea may immediately acquire an aura of credibility. Yet imagine presenting essentially the same idea without the prestigious foreign reference—or, even more provocatively, identifying its source as an Ethiopian teacher, researcher, or practitioner. The reaction may suddenly become more cautious.

Here we encounter another form of epistemic bias: the tendency to judge an idea according to its provenance rather than its merits. At one extreme, an unconventional idea may be dismissed because the person presenting it is considered "crazy." At the other hand, an idea may be given undue authority because it comes from a prestigious foreign source. In both cases, the central question—"Is the idea true, reasonable, useful, or supported by evidence?"—can be displaced by questions about the identity, status, or origin of the person presenting it.

This is precisely why intellectual maturity requires us to distinguish between the truth of an idea and the social status of its source. An idea does not become false because it comes from an unfamiliar person, nor does it become true because it comes from a prestigious institution or a foreign country.

Truth has no nationality.

Traditional societies have the tendency to evaluate ideas according to their origin. Communities naturally develop intellectual, cultural, and philosophical traditions of their own, and there is nothing inherently wrong with protecting and developing those traditions. The problem begins when the geographical origin of an idea becomes a reason either to accept or reject it.

An idea may be rejected simply because it comes from the West, from another African society, from Addis Ababa, from a particular religious community, or from any other external social context. In such circumstances, the question ceases to be primarily "Is this idea true or useful?" and becomes "Where did this idea come from?" This is a form of provenance bias. The origin of an idea may influence our perception of its credibility, but origin does not determine truth value.

At the same time, recognizing that truth has no nationality does not mean that every foreign idea should automatically be imported into another society. An idea must also be examined for its evidence, coherence, consequences, cultural compatibility, and practical applicability. A policy that succeeds in one country, for example, does not automatically follow that it will produce the same outcome in Ethiopia. Context matters. But context should determine how an idea is adapted and applied, not whether it deserves to be examined in the first place.

The epistemological mistake, therefore, is not preserving one's cultural identity. The mistake is assuming that cultural authenticity requires intellectual isolation. Defending one's national or cultural heritage does not require rejecting ideas merely because they originate elsewhere. Political, religious, social, educational, and economic ideas should be examined according to their intellectual and empirical merits.

The same principle works in the opposite direction. We should not assume that everything originating outside Ethiopia is superior simply because it is foreign, modern, or associated with a more technologically advanced society. That would merely replace one form of intellectual dependency with another. The goal should instead be critical appropriation: examining ideas, identifying what is valid, rejecting what is unsound, adapting what is useful, and integrating what can strengthen society without unnecessarily abandoning valuable elements of its own intellectual and cultural inheritance.

The intellectually mature society is therefore neither one that blindly preserves everything inherited nor one that blindly embraces everything new. It is a society capable of asking two difficult questions simultaneously: Can something we have inherited be wrong? Can something that comes from elsewhere be true?

The ability to answer both questions honestly is essential to intellectual maturity. A society must be sufficiently rooted to know what it values, yet sufficiently open to recognize its own limitations. It must be able to preserve tradition without becoming imprisoned by it and engage the outside world without becoming intellectually dependent upon it.

Transformation ultimately requires more than changing institutions. It requires the willingness to examine the assumptions upon which those institutions and social practices rest. Without that intellectual openness, even a society surrounded by technological, political, educational, and economic change may preserve the same underlying patterns of thought.

The challenge before us, therefore, is not to abandon our tradition but to develop the intellectual courage to examine it; not to reject foreign ideas because they are foreign, but to test them without prejudice; and not to accept new ideas merely because they are new, but to subject them to the same standard of reason, evidence, and truth. Only then can openness to new ideas become not an abandonment of identity, but an instrument of genuine transformation.

Gezahegn Anbelu is a communication expert specializing in multiculturalism, the synthesis of diverse perspectives, and the promotion of peace, and human flourishing. He can be reached via gezuanbelu@gmail.com

AUCTION – SALE OF USED VEHICLES

The Delegation of the European Union to Ethiopia intends to sell the following used vehicles through a public tender process:

Lot 1: Toyota Land Cruiser Prado

- Model Year: 2014
- Imported to Ethiopia: 2014
- Engine Type: Diesel
- Gearbox: Manual
- Mileage: 150,443 km
- Colour: Silver

Lot 2: Toyota Land Cruiser Hard Top

- Model Year: 2016
- Imported to Ethiopia: 2016
- Engine Type: Diesel
- Gearbox: Manual
- Mileage: 83,076 km
- Colour: White
- Condition: One side of the vehicle is damaged due to an accident.

Vehicle Inspection

Interested bidders may inspect the vehicles at the premises of the Delegation of the European Union to Ethiopia:

Delegation of the European Union to Ethiopia
Cape Verde Road, Bole Sub-City, Kebele 03
Addis Ababa, Ethiopia

Inspection dates:

17 August – 20 August 2026
from 10 Am up to 12 PM

Submission of Offers

Interested bidders are invited to submit their financial offers in a sealed envelope clearly marked:

"BID 2026/08/VEHICLE SALE"

Offers must be delivered by hand to:

Delegation of the European Union to Ethiopia
For the Attention of the Head of Administration
Cape Verde Road, Bole Sub-City, Kebele 03
Addis Ababa, Ethiopia

Tender Period

Offers may be submitted from:

24 August 2026 to 28 August 2026

Deadline for Submission

The closing date and time for receipt of bids is:

28 August 2026 at 17:00 (5:00 PM)

Late submissions will not be considered.

Additional Information

Further information and photographs of the vehicles are available on the website of the Delegation of the European Union:
https://www.eeas.europa.eu/filter-page/tenders_en?f%5B0%5D=tender_site%3AEthiopia&s=98

Conditions of Sale

1. The vehicles will be sold **as is, where is**, with no warranty or guarantee expressed or implied.
2. The successful bidder(s) shall be notified following completion of the evaluation process.
3. Full payment must be effected within **five (5) calendar days** from the date of notification of the tender results.
4. Failure by a successful bidder to make payment within the prescribed period shall be considered a disqualification, and the Delegation reserves the right to award the vehicle to another bidder or take any other action deemed appropriate.
5. All taxes, duties, fees and expenses related to the transfer of ownership shall be borne exclusively by the successful bidder.
6. The Delegation of the European Union to Ethiopia shall not provide assistance with procedures before government authorities other than issuing the relevant sales and handover documents.
7. The Delegation of the European Union to Ethiopia reserves the right to cancel the tender in whole or in part at any time without assigning any reason and without incurring any liability.

Delegation of the European Union to Ethiopia
Addis Ababa, Ethiopia

Industrial Land / Property Required near Addis Ababa

Why the best business leaders are not always the ones at the top

By Alazar Kebede

For decades, business leadership has often been presented as a story about one person which is the chief executive with the vision, the manager with the answers, or the charismatic leader who inspires everyone else to follow. But the modern workplace is making that model harder to sustain. Businesses today operate in rapidly changing markets, work across cultures and borders, depend on technology, and bring together employees with very different experiences and expectations.

In this environment, perhaps the most effective leader is not the person who knows everything, but the person who knows how to bring together people who know different things.

This is where the idea of mosaic leadership becomes particularly interesting. A mosaic is made up of many individual pieces. Each piece is different, but together they create something meaningful. Business organisations work in much the same way. Employees bring different skills, experiences, cultures, professional backgrounds and ways of thinking. The challenge for managers is to connect these differences rather than allow them to become barriers.

Mosaic leadership moves away from the idea that leadership belongs exclusively to the person sitting at the top of the organisational chart. Instead, it sees leadership as something that can be shared across a team. Researchers argue that leadership does not always have to be concentrated in one individual and can instead be shared among several people. They also suggests that leadership can emerge through people working together and contributing different forms of expertise.

This matters because modern business problems are rarely simple. Consider the challenge of introducing artificial intelligence into a company. A senior manager may understand the business strategy, but that person may not understand the technology, the ethical concerns, the legal implications or how customers will respond. Bringing together people with expertise in technology, finance, law, marketing and customer experience can lead to a much stronger decision.

In other words, organisations do not always need one person with all the answers. They need a system that allows the right people to contribute the right answers at the right time.

There is also a strong argument for mosaic leadership when it comes to diversity. Businesses increasingly employ people from different cultural, professional and social backgrounds. That diversity can be a genuine competitive advantage because people who see the world differently are more likely to question assumptions and identify problems that others might overlook.

According to the researchers, effective management of diversity can support creativity, problem-solving and organisational flexibility. Shore et al. They go further by emphasising that inclusion is not simply about having different people in the room. People also need to feel that they belong while having their individual differences respected. That distinction is important. A company can have a diverse workforce and still have an old-fashioned leadership culture. Imagine a boardroom where people from different backgrounds are present, but only the chief executive and a small group of senior managers make the important decisions. On paper, the organisation may look diverse. In practice, very little has changed.

This is why mosaic leadership is about more than recruitment. It is about giving people a genuine opportunity to influence decisions. For that to happen, employees need to feel safe speaking up in which it is described as psychological safety which is the belief that people can express ideas, raise concerns and acknowledge mistakes without fear of embarrassment or punishment.

It sounds straightforward, but it can be difficult to achieve. Employees may have excellent ideas but remain silent because they do not want to challenge their manager. Junior employees may notice problems that senior executives do not see, but hierarchy can discourage them from speaking. A mosaic leadership culture attempts to break down these barriers.

However, there is a danger in presenting collective leadership as a perfect solution. Too many voices without clear direction can create confusion. Meetings can become endless discussions, decisions can be delayed and nobody may know who is ultimately responsible when something goes wrong.

Leadership cannot simply mean that everyone has an equal say on everything. Successful mosaic leadership therefore needs structure. Businesses still require people who can set priorities, make difficult decisions and accept responsibility. The difference is that those decisions should be informed by a broader range of knowledge and perspectives. Managers need to know when a decision requires collaboration, when specialist expertise should take priority and when executive authority is necessary.

There is also a deeper ethical question. Organisations increasingly talk about diversity and inclusion, but employees quickly notice when these commitments are only words. If certain groups are consistently overlooked for promotion, important projects or senior positions, then a company's diversity strategy becomes little more than window dressing.

Some researchers showed how organisational structures can influence the opportunities available to different groups. This remains relevant today. A genuine mosaic leadership approach requires businesses to look carefully at who gets heard, who gets promoted, who receives opportunities and whose ideas receive credibility. For managers, the practical message is therefore quite simple: stop looking for the mythical "perfect leader". Instead, ask a different question: What combination of people and capabilities does this organisation need to succeed?

That might mean creating cross-functional teams, encouraging mentoring, giving younger employees opportunities to lead projects, bringing different departments into strategic discussions or developing leaders who are good at listening as well as directing. It also means measuring whether employees actually feel that their contributions matter. This approach can change the way we think about leadership itself. The strongest organisation may not be the one with the most powerful chief executive or the most charismatic management team. It may be the one that knows how to connect the strengths of its people. Every organisation is already a kind of mosaic. It contains people with different experiences, personalities, expertise and ambitions. The real management challenge is deciding what to do with those differences.

Do we try to make everyone think alike, or do we create an environment where different pieces can come together to form something stronger? The answer may determine how businesses compete in the years ahead. The future of leadership is unlikely to be about finding one extraordinary person who can solve every problem. It is more likely to be about building organisations where leadership is shared, expertise is respected and different voices can contribute to a common purpose.

A mosaic works because every piece matters, even though no single piece tells the whole story. Business leadership may work in much the same way. The strongest organisations will be those that understand that their greatest strength is not found in one individual, but in how effectively they bring many different strengths together.

Capital features a variety of independent voices; the opinions articulated in this column are the author's own and operate independently of our corporate viewpoint.

Ethiopia needs a Council of Islamic Traditional Leaders

By Teshome Berhanu Kemal

Ethiopia's national reconciliation process cannot succeed through formal political institutions alone. Parliament, courts, government commissions and political parties all have important roles to play, but lasting peace is built in communities—where trust is earned, grievances are remembered and relationships must be repaired.

That is why religious leaders and traditional elders should be given a more formal place in Ethiopia's peace-building efforts. In a country where almost the entire population identifies with a faith tradition, religious figures command a level of public trust that political institutions often struggle to achieve. A call for peace from a respected imam, elder, Sultan or Ugaz can reach people in ways that an official declaration may not.

Ethiopia should therefore consider establishing a Council of Islamic Traditional Leaders of the Horn of Africa.

The proposed council would bring together respected traditional Muslim leaders from Ethiopia and neighbouring countries to support reconciliation, strengthen regional cooperation, preserve cultural heritage and help prevent conflict. It would not replace the state, religious councils or existing peace institutions. Rather, it would complement them by drawing on a form of authority that is deeply rooted in community life.

A living system of governance

The traditional Islamic leadership systems of the Horn of Africa are among the region's most enduring institutions. Their authority is not merely ceremonial. It is rooted in history, spiritual legitimacy, customary law and the consent of local communities.

The Ugazs of the Somali people are one example. Their influence extends across Somali communities in Ethiopia, Somalia, Djibouti and northern Kenya. Their authority reflects social realities that existed long before modern borders divided the region. Ugazs have historically convened communities, mediated disputes and supported peace agreements across national boundaries.

The Sultans of the Afar people also exercise influence across Ethiopia, Eritrea and Djibouti. In the Afar lowlands, where communities and livelihoods cross borders, traditional leaders have long helped manage disputes, maintain order and facilitate cooperation.

The Sultans of Harar, the Garads of the Silte people and the Adi Khebires linked to the spiritual lineage of Sheikh Abadir Umar ar-Rida represent other important traditions of Islamic leadership.

These institutions have preserved religious education, manuscripts, mosques, shrines, cultural practices and communal values. They have also served as mechanisms for conflict resolution and social cohesion.

Their continued relevance should not be dismissed as a remnant of the past. In many parts of the Horn, traditional leaders still reach communities that formal institutions cannot easily access.

Supporting reconciliation

The first responsibility of the proposed council would be to promote peace, reconciliation and social harmony.

The council could help mediate disputes, support dialogue between communities, discourage violence and encourage peaceful coexistence among Muslims and between Muslims and followers of other faiths.

It could work alongside the Inter-Religious Council, community organizations, government reconciliation bodies and other peace-building institutions. Its particular strength would be its grassroots legitimacy and its ability to speak to communities in familiar moral and cultural language.

The council could also establish early-warning networks to identify tensions before they develop into violence. Traditional leaders often know when communities are becoming divided, when rumours are spreading or when local grievances are escalating. A coordinated regional network could help communicate those warnings to authorities and peace organizations.

After conflict, the council could support reconciliation by helping communities acknowledge harm, restore relationships and develop locally accepted agreements. This is especially important because legal settlements alone do not always heal social wounds.

Strengthening regional cooperation

The Horn of Africa's conflicts and challenges do not stop at national borders. Communities share grazing areas, markets, water sources, family ties and religious traditions. Climate change, environmental degradation, poverty and displacement also affect several countries at once.

A council of traditional leaders could provide a platform for cooperation among Ethiopia, Somalia, Djibouti, Eritrea and northern Kenya. It could organize conferences, support cross-border dialogue and encourage joint humanitarian and educational initiatives.

Traditional leaders maintain relationships that can be used to promote regional cooperation. Their cross-border networks could help address local disputes, facilitate communication during crises and support agreements on shared resources.

The council could also support youth programs. Young people need both knowledge of their heritage and the skills to participate in the modern economy. Education programs could combine religious and cultural learning with training in entrepreneurship, technology, environmental protection and civic responsibility.

Preserving Islamic leadership

The proposed council would also help preserve and renew traditional Islamic leadership institutions.

These institutions face pressure from modernization, political centralization, social change and the rise of extremist interpretations that may seek to replace local traditions with rigid ideologies.

Traditional leaders need a platform where they can share experiences, coordinate responses and ensure that their institutions remain relevant.

The council could address questions of succession and continuity. Traditional authority must be passed to capable leaders who understand both customary responsibilities and contemporary realities. Young people should also be introduced to the history and values of these institutions so that heritage is not reduced to ceremony.

Preservation does not mean resisting all change. It means ensuring that valuable traditions continue to serve communities in changing circumstances.

Why Harar?

Harar would be an appropriate temporary seat for the proposed council.

The city is one of Africa's most important centres of Islamic heritage. It has historically been a meeting point for different peoples, cultures and trade routes linking the Ethiopian highlands with the Red Sea and the wider Muslim world.

Harar's history includes the coexistence of Harari, Oromo, Somali, Argoba and other communities. Its traditions of Islamic learning, cultural exchange and interfaith coexistence make it a powerful symbol of the unity that the council would seek to promote.

The Harari Regional State, working with the Sultans of Harar, Adi Khebires and other elders, could take the initiative to convene the founding meeting.

Harar could serve as the temporary seat until the council itself determines a permanent location. This would allow the institution to begin its work without waiting for a lengthy regional negotiation over headquarters.

Hosting the council would also strengthen Harar's role as a centre of Islamic heritage preservation. Its activities could support efforts to protect historic mosques, manuscripts, shrines and cultural traditions.

Necessary safeguards

The council must be designed carefully. It should be non-political, transparent and independent of partisan interests. Its members should represent the diversity of Islamic traditional leadership across the Horn, and its work should remain consistent with national law and the equal citizenship of all Ethiopians.

It should also operate in cooperation with women, youth, scholars and community organizations. Traditional leadership must not become an excuse to exclude groups from decision-making. Its authority should be used to broaden peace, not reinforce hierarchy or silence criticism.

The council should have clear rules, public reporting mechanisms and a defined mandate. It should not compete with elected institutions or claim authority over state administration. Its role should be advisory, mediating and community-based.

A necessary investment in peace

Ethiopia's future depends on using all of its social resources. The country's traditional institutions are among its greatest assets, especially at a time when trust in formal institutions is weak and political divisions remain sharp.

A Council of Islamic Traditional Leaders of the Horn of Africa would not solve every conflict. But it could create a durable platform for dialogue, early intervention and regional cooperation.

Its establishment would recognize that peace is not built only through laws and political agreements. It is also built through moral authority, community trust, shared history and the patient work of repairing relationships.

Ethiopia needs institutions that connect the past with the future. A council rooted in Islamic traditional leadership could help preserve heritage while strengthening reconciliation, regional stability and social harmony.

The strength of Ethiopia lies not in uniformity but in unity amid diversity. Its future will depend on whether it can turn that diversity into cooperation. A Council of Islamic Traditional Leaders would be a meaningful step in that direction.

The writer can be reached via bktesheat@gmail.com

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Why airlines need a new approach to payment

By Nick Careen

A passenger selects a flight. The schedule works, the fare is right, they add a bag and choose a seat. But the sale is not complete until the payment works.

That final step needs to be quick, secure, and familiar. If it's slow, confusing, or does not offer the payment option the customer wants to use, the sale is at risk.

That risk is not theoretical. IATA's 2025 Global Passenger Survey found that 17% of travelers who attempted to purchase an ancillary service—an extra bag, seat assignment, or other upgrade—could not complete their purchase. Why? Because the initial payment attempt failed and no other option was available.

The implication is straightforward: payments can directly affect revenue, as well as how much airlines spend, how quickly they receive their money, and their exposure to fraud or failed transactions. In 2024, IATA and Edgar Dunn & Company estimated that airlines processed approximately USD 977 billion in payments, at a cost of USD 22.2 billion.

At this scale, payment choices need to be managed deliberately. And that starts with recognizing that there is no single one-size-fits-all solution. From the customer perspective, an individual traveler might prioritize speed and simplicity of payment. On the other hand, a corporate buyer's needs include policy compliance, approvals, reconciliation, and reporting.

Meanwhile, airlines cannot view payments solely as a cost. Passengers are using an increasingly diverse range of payment methods. While physical cards still dominate, options such as instant payment and digital wallets are growing rapidly. If an airline does not offer a passenger's preferred payment method, it risks losing the sale.

This growing choice also creates greater complexity. Without effective payment orchestration, matching the right payment method to each customer, sales channel and transaction, settlement costs and delays can increase. To help airlines manage this complexity, IATA supports the industry through the IATA Financial Gateway (IFG) and IATA Pay.

Pleasing all customer segments while maintaining control over cost, fraud risk, settlement timing, refunds, chargebacks, and cash flow is no small challenge. The answer is often different depending on whether you work in commercial, finance, treasury, distribution, digital, risk, or technology functions.

The Airline Payment Framework

IATA has developed the new Airline Payment Framework – Management Foundation to help management teams look at payment options. Cost remains an important consideration. But the framework broadens the discussion by helping management teams evaluate what payment options enable, and the trade-offs that come with them.

The framework helps airlines look at payments holistically, enabling airlines to make decisions with the same rigor applied to other strategic areas and to track performance over time. Essentially the framework is a common lens through which commercial, finance, treasury, digital, and technology teams can efficiently evaluate payment options together. This avoids fragmented decisions that may serve one purpose but compromise others.

Adopting this disciplined approach does not require major transformation. The payments framework makes ownership clearer, improves visibility of key issues, and facilitates more structured conversations across the business. Elevating payments strategy to this level of rigorous consideration alone will bring benefits across the business.

Publishing the framework now is timely. As the move toward Modern Airline Retailing accelerates, managing payment effectively will become more important. More dynamic offers, richer service offerings, and more personalized customer journeys will require management teams to make decisions on payment options.

In the world of modern airline retailing, payment is no longer a back-office function. It is a strategic capability that influences whether a sale succeeds, how customers experience the airline, and how effectively revenue is converted into cash.

Airlines that recognize the business impact of these decisions will be positioned strongly to compete and grow in the era of Modern Airline Retailing.

Nick Careen is IATA Senior Vice President, Operations, Safety & Security

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United Nations Nations Unies

United Nations Economic Commission For Africa

REQUEST FOR EXPRESSION OF INTEREST (EOI)

This notice is placed by UNECA. The accuracy, reliability and completeness of the contents of furnished information is the responsibility of United Nations Economic Commission For Africa. You are therefore requested to direct all queries regarding this EOI to United Nations Economic Commission For Africa using the fax number or e-mail address provided below.

Title of the EOI: Production and Supply of Branded Africa Hall Merchandises	
Date of this EOI: 13 August 2026	**Closing Date for Receipt of EOI:** August 21, 2026
EOI Number: EOIUNECA24621	
Beneficiary Country/Territory: Ethiopia	
Commodity/Service category: Conference & Office Support Services	
Address EOI response by fax or e-mail to the Attention of: Hanna Engida/Aster Zewde	
Fax Number:	
E-mail Address: engidaweldetsadik@un.org/zewdea@un.org	
UNSPSC Code: 80141605,55100000,82121505	

DESCRIPTION OF REQUIREMENTS

The United Nations Economic Commission for Africa (UNECA), Addis Ababa, Ethiopia, hereby invites suitably qualified vendors with valid business licenses to express their interest in the Production and Supply of Branded Merchandise Items Based on the Africa Hall Design Collections.

Interested firms will be invited to participate in a tender process through a Request for Quotation (RFQ) at a later stage. Detailed technical specifications and requirements will be provided in the RFQ solicitation document.

Local and regional companies are encouraged to participate. Women-owned businesses and businesses owned by persons with disabilities are also encouraged to participate.

Please note that UNECA is unable to enter into a contract with a company that is not fully registered in the United Nations Global Marketplace (UNGM). Vendors interested in responding to this Expression of Interest (EOI), but who are not yet fully registered with UNGM, are strongly encouraged to complete their registration before submitting a bid. Further information on vendor registration is available at: https://www.ungm.org/Vendor/Registration.

To be eligible for UN registration, interested vendors must declare in writing their compliance with the Prerequisites for Eligibility, Criteria A-F, as outlined in the attached EOI instructions.

Vendors that meet the above requirements are requested to submit their Expression of Interest electronically. In case of difficulties with the electronic submission process, please contact engidaweldetsadik@un.org (copy to zewdea@un.org) on or before the closing date of 21 August 2026.

SPECIFIC REQUIREMENTS / INFORMATION (IF ANY)

NOTE

Information on tendering for the UN Procurement System is **available free of charge** at the following address: https://www.ungm.org/Public/Notice

Only the United Nations Global Marketplace (UNGM) has been authorised to collect a nominal fee from vendors that wish to receive automatically Procurement Notices or Requests for Expression Of Interest. Vendors interested in this Tender Alert Service are invited to subscribe on http://www.ungm.org

Vendors interested in participating in the planned solicitation process should submit the Vendor Response Form of this EOI electronically (through the link available on the next page) before the closing date set forth above.

VENDOR RESPONSE

NOTICE

- Companies can only participate in solicitations of the UN Secretariat after completing their registration (free of charge) at the United Nations Global Marketplace (www.ungm.org).
- As you express interest in the planned solicitation by submitting this response form, please verify that your company is registered under its **full legal** name on the United Nations Global Marketplace (www.ungm.org) and that your application has been submitted to the **UN Secretariat**.
- While companies can participate in solicitations after completion of registration at Basic Level, we strongly recommend all companies to register at least at **Level 1** under the United Nations Secretariat prior to participating in any solicitations.
- Companies are reminded of the restrictions of employment of former UN personnel that were involved in the procurement process during their last three years of service as per ST/SGB/2006/15, including (a) employing those personnel for one year after separation of service and (b) allowing those personnel to communicate with, or appear before, active UN personnel for matters related to the procurement process for two years after separation of service. Violation of the provisions of ST/SGB/2006/15 may lead to suspension of the registration of the company as a UN vendor.

PLEASE NOTE: You should express your interest to this EOI electronically at: https://www.ungm.org/Public/Notice/310774

In case you have difficulties submitting your interest electronically, please contact engidaweldetsadik@un.org/zewdea@un.org directly for instructions.

EOI INSTRUCTIONS

1) **Registering as a Vendor with the United Nations**

Vendors interested in fulfilling the requirement described above must be registered at the UN Global Marketplace (www.ungm.org) with the UN Secretariat in order to be eligible to participate in any solicitation. Information on the registration process can be found at https://www.un.org/Depts/ptd/vendors.

Prerequisites for Eligibility

In order to be eligible for UN registration, you must declare that:

A. Your company (as well as any parent, subsidiary or affiliate companies) is not listed in, or associated with a company or individual listed in:
   I. the Compendium of United Nations Security Council Sanctions Lists (https://www.un.org/securitycouncil/content/un-sc-consolidated-list), or
   II. the IIC Oil for Food List website or, if listed on either, this has been disclosed to the United Nations Procurement Division in writing.
B. Your company (as well as any parent, subsidiary or affiliate companies) is not currently removed or suspended by the United Nations or any other UN organisation (including the World Bank);
C. Your company (as well as any parent, subsidiary of affiliate companies) is not under formal investigation, nor have been sanctioned within the preceding three (3) years, by any national authority of a United Nations Member State for engaging or having engaged in proscribed practices, including but not limited to: corruption, fraud, coercion, collusion, obstruction, or any other unethical practice;
D. Your company has not declared bankruptcy, are not involved in bankruptcy or receivership proceedings, and there is no judgment or pending legal action against your company that could impair your company's operations in the foreseeable future;
E. Your company does not employ, or anticipate employing, any person(s) who is, or has been a UN staff member within the last year, if said UN staff member has or had prior professional dealings with the Vendor in his/her capacity as UN staff member within the last three years of service with the UN (in accordance with UN post-employment restrictions published in ST/SGB/2006/15).
F. Your company undertakes not to engage in proscribed practices (including but not limited to: corruption, fraud, coercion, collusion, obstruction, or any other unethical practice), with the UN or any other party, and to conduct business in a manner that averts any financial, operational, reputational or other undue risk to the UN.

For Registered Vendors: Vendors already registered at the UN Global Marketplace with the UN Secretariat must ensure that the information and documentation (e.g. financial statements, address, contact name, etc.) provided in connection with their registration are up to date in UNGM. Please verify and ensure that your company is registered under its full legal name.

For Vendors Interested in Registration: Vendors not yet registered should apply for registration on the United Nations Global Marketplace (http://www.ungm.org); information on the registration process can be found at https://www.un.org/Depts/ptd/vendors. Vendors must complete the registration process prior to the closing date of the REOI. Vendors who have not completed the UNGM registration process with the UN Secretariat before the closing date of the REOI are not considered eligible to participate in solicitations of the UN Secretariat. We strongly recommend all companies to register at least at Level 1 under the UN Secretariat prior to participating in any solicitations.

IMPORTANT NOTICE: Any false, incomplete or defective vendor registration may result in the rejection of the application or cancellation of an already existing registration.

2) EOI Process

Vendors interested in participating in the planned solicitation process should forward their expression of interest (EOI) to United Nations Economic Commission For Africa (UNECA) by the closing date set forth in this EOI. *Due to the high volume of communications UNECA is not in a position to issue confirmation of receipt of EOIs.*

Please note that no further details of the planned solicitation can be made available to the vendors prior to issuance of the solicitation documents.

This EOI is issued subject to the conditions contained in the EOI introductory page available at https://www.un.org/Depts/ptd/eoi.

UNDP

Procurement Notice for Recruitment of Individual consultants

UNDP Ethiopia is recruiting Individual Consultants (ICs) for the procurement opportunities listed below. Qualified candidates who satisfy the requirements detailed in the relevant solicitation documents and Terms of Reference (ToR) are encouraged to apply.

No.	Post	CONTRACT TYPE	PROCUREMENT REF. NO.	Brief Job/Consultancy Description & Web-link for detailed advert	Submission deadline
1	Recruitment of National Individual Consultant to Serve as Timbuctoo ManuTech Hub Manager in Ethiopia.	IC	UNDP-ETH-00778	https://procurement-notices.undp.org/view_negotiation.cfm?nego_id=48708.	31-Aug-26
2	Recruitment of National Individual Consultant to undertake Terminal Evaluation (TE) of Climate Change Adaptation in the Lowland	IC	UNDP-ETH-00779	https://procurement-notices.undp.org/view_negotiation.cfm?nego_id=48703.	27-Aug-26
	Recruitment of an Individual Consultant – National Program Manager, timbuktoo ManuTech Hub	IC	UNDP-ETH-00776	https://procurement-notices.undp.org/view_negotiation.cfm?nego_id=48712	28-Aug-26

Important information on UNDP employment modalities

*** Individual Contract (IC):** a procurement modality for individual consultancies. Applications of Technical and financial proposals will be submitted as per the instruction given for this Particular post in the above link.

The use of UNDP's name and logo without UNDP consent is inappropriate. UNDP strongly recommends that people who receive solicitations to apply for positions or engage in procurement processes exercise caution to ensure authenticity. UNDP advises the public that:

- UNDP does not charge a fee at any stage of its recruitment or procurement process. All information related to these processes is published on the national or global UNDP websites.
- UNDP does not request or issue personal bank checks, Money Grams, Western Union or any other type of money transfer at any stage of its procurement or recruitment processes.
- UNDP does not request any information related to bank accounts or other private information prior to formal registration as a vendor.
- UNDP does not offer prizes, awards, funds, certificates, scholarships or conduct lotteries through telephone, e-mail, mail or fax.
- Related queries can be sent through **scam.alert.et@undp.org**.


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Emirates

SANDFORD
INTERNATIONAL SCHOOL
Addis Ababa, Ethiopia

Dear Parents and Guardians

Greetings from the Sandford International School Admissions Team.

We are pleased to invite interested Ethiopian parents, legal guardians and siblings of Sandford International School students to apply for a limited number of places in selected year groups for the 2026–27 academic year.

Application deadline: 21, August 2026, at 12:00 P.M.

Application procedure:

- Pay the non-refundable application fee of Birr 2,000.00 (Two Thousand Birr)
- Collect the application form from the Admissions Office
- Submit the completed application form together with all required documents

Assessment requirements:

- For Year 2 and above entry and placement will be determined by performance on the digital **CAT4 admissions assessment** and Interview with the Head of Primary or Secondary.

Year Group Entry Requirements (2026–27):

Year Group	Required Date of Birth	Age by August 31, 2026
Reception	By 31/8/2022	4 Years
Year 1	By 31/8/2021	5 Years
Year 2	By 31/8/2020	6 Years
Year 3	By 31/08/2019	7 years
Year 4	By 31 /8/2018	8 years
Year 5	By 31/08/2017	9 years
Year 6	By 31/08/2016	10 years
Year 7	By 31/8/2015	11 years
Year8	By 31/8/2014	12 years
Year 9	By 31/8/2013	13 years
Year10	By 31/8/ 2012	14 years
Year 12	By 31/8/2010	16 years

Admissions Team
Sandford International School

Email: admissions@sandfordschool.org
Tel: +251 11 1 23 37 20

INTERNATIONAL RESCUE COMMITTEE

REQUEST FOR QUOTATION

The International Rescue Committee, hereinafter referred to as "the IRC", is a non-profit, humanitarian agency that provides relief, rehabilitation, protection, resettlement services, and advocacy for refugees, displaced persons, and victims of oppression and violent conflict.

The IRC-Ethiopia Program has been working in Ethiopia since 1999 and is implementing integrated community-managed programs aimed at improving the quality of lives and recovery of livelihoods of disaster-affected populations through promoting individual participation, strengthening institutions, and emergency response.

IRC Ethiopia Program has been operating in Gambella, Benishangul Gumuz, Tigray, SNNPR, Sidama, Somali, and Oromia regions on refugee assistance and livelihood since its inception.

IRC invites the request for quotation from all eligible and qualified bidders, technically competent, and have valid licenses for the current Ethiopian FY 2018/ 2026.

The purpose of this request for quotation is to obtain qualified and competitive suppliers who can provide **Consultancy Service for Playful Education Pathways for Ethiopia (PEPE) Baseline Assessment Phase II (Quantitative Assessment).**

Please note that the request for quotation is open to National service providers.

You may obtain further information from the International Rescue Committee, Sets Building, 5th floor, Jakross to Salite Miheret Road, near Robera Coffee, P.O.Box 107, Code 1110, and Addis Ababa Ethiopia. Tel: 0116 63 83 02, 0116 63 67 35/6/7, Fax No. 0116 62 00 19.

The Complete set of the request for quotation documents in English for the activities can be obtained from the IRC Addis Ababa office during working hours from **August 17 to 26, 2026. located at Jakross to Salite Miheret Road, near Robera Coffee, Sets Building, 7**th floor.

International Rescue Committee (IRC)
Jakros to Salete Mihret church road around Robera coffee, Sets Building 7th floor.
Tel: 0116 63 83 02, 0116 63 67 35 / 6/ 7

The prospective vendors shall present his/her company's name and sign to acknowledge receipt of the bid documents.

IRC Ethiopia CP reserves, at its sole discretion, the right to select or reject either totally or partially any or all proposals made in the context of the request for quotation.

UNHCR
United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

TENDER NOTICE

The Office of the United Nations High Commissioner for Refugees (UNHCR), Representation Office in Ethiopia, Addis Ababa, invites qualified and registered Suppliers to participate in the following tenders:

SN	Tender Subject	Closing Date
1	**EXTENSION - REQUEST FOR QUOTATION (RFQ)** **UNHCR RFQ 3364** **For the Supply and Delivery of 346 Tikikil Metallic Portable Biomass/Charcoal Stoves for the Amhara Region** Delivery Location: UNHCR Central Warehouse, Addis Ababa	19 August 2026 at 12:59 AM

Interested suppliers are invited to visit the following links:

How to become a supplier | UNHCR – information on supplier registration and eligibility.

UNHCR Supplier Portal – Tender Opportunities:

UNHCR encourages companies to also register on the United Nations Global Marketplace (UNGM) to receive announcements only. This portal may not be used by vendors for submitting offers.

The above tender opportunities are also advertised through the following platforms:

1. United Nations Global Marketplace (UNGM)
2. Merkato: https://www.2merkato.com

Companies interested in engaging with UNHCR for business opportunities and tender processes are invited to register (Supplier Registration Portal) or Supplier portal log -in on the How to become a supplier | UNHCR (https://www.unhcr.org/get-involved/work-us/become-supplier/how-become-supplier) or

UNHCR Supplier registration portal (https://bit.ly/482Fqam). New suppliers need to be registered first others please login using your existing username (email address) and password, if you forgot your password, you could click forgot password.

UNHCR
United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

TENDER NOTICE

The Office of the United Nations High Commissioner for Refugees (UNHCR), Representation Office in Ethiopia, Addis Ababa, invites qualified and registered Suppliers to participate in the following tenders:

SN	Tender Subject (Tender submission deadline Extension)	Closing Date
1	**REQUEST FOR QUOTATION** **RFQ Reference No.: UNHCR RFQ 3356** **FOR THE SUPPLY AND DELIVERY OF ESSENTIAL MEDICINES AND MEDICAL EQUIPMENT FOR UNHCR ETHIOPIA OPERATION, DELIVERY LOCATION UNHCR WAREHSOUE AT KALITY IN ADDIS ABABA**	Submission deadline extended from 13 to 18 August 2026 11:59 AM
2	**REQUEST FOR PROPOSAL (RFP) - (UNHCR RFP 3329)** **FOR THE PROVISION OF Construction of Approximately 4.0 km of All-Weather Gravel Access Road with Associated Drainage and Cross-Drainage Works at Luakdong Refugee Settlement, Gambella Region, Ethiopia**	Submission deadline extended from 13 to 20 August 2026 11:59 AM

Interested suppliers are invited to visit the following links:

How to become a supplier | UNHCR – information on supplier registration and eligibility.

UNHCR Supplier Portal – Tender Opportunities: https://www.unhcr.org/get-involved/work-us/become-supplier/how-become-supplier

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Email: customercare@dmp.dj

ADDIS ABABA Representative Office
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Fax: (+251) 11 55 34 659
Email: port.office.addis@gmail.com