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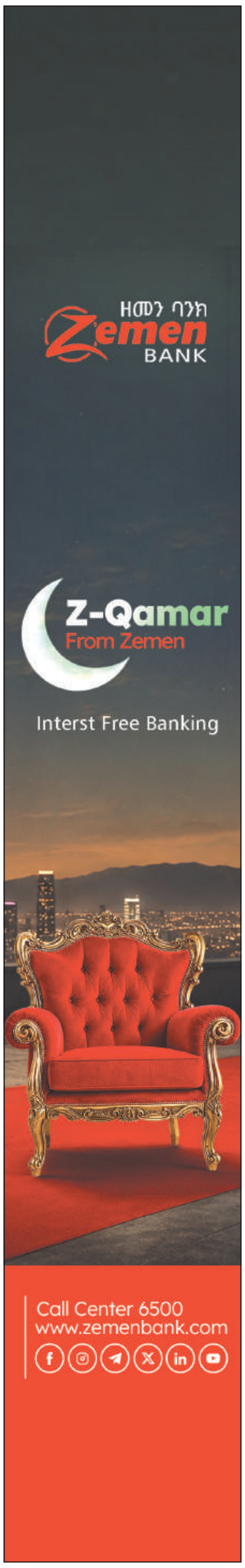

NBE prepares to end composite insurance licensing

By Eyasu Zekarias

Ethiopia's insurance industry is approaching what could become its most significant regulatory reform in decades. Under a draft proclamation expected to be enacted this year, insurance supervision would shift from the National Bank of Ethiopia (NBE) to an independent regulatory authority.

For a sector long sheltered from foreign capital and overshadowed by the banking industry, the draft proclamation signals a major transformation. Developed with World Bank support, the proposed reform could bring the most consequential structural change the Ethiopian insurance market has seen in recent history.

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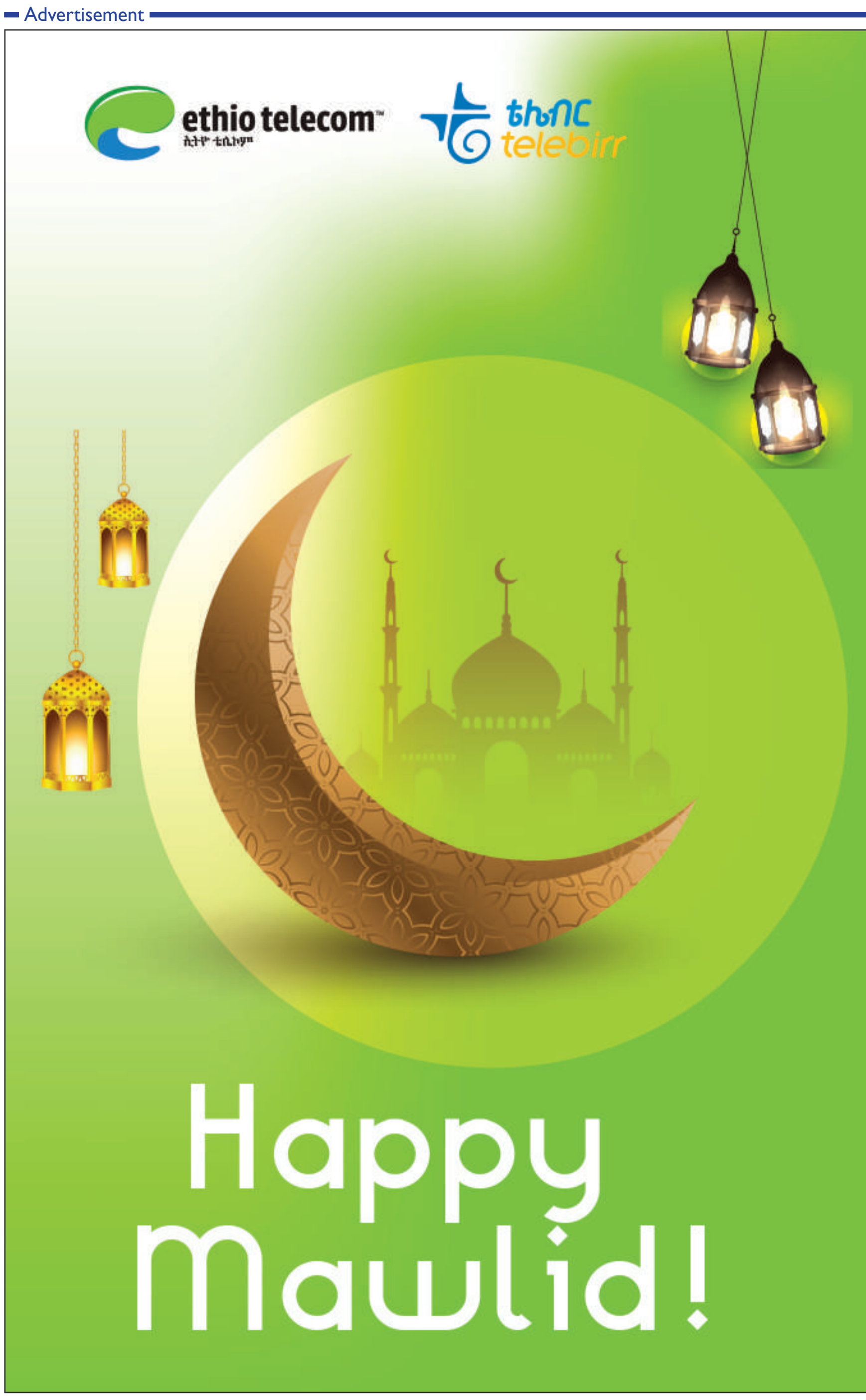

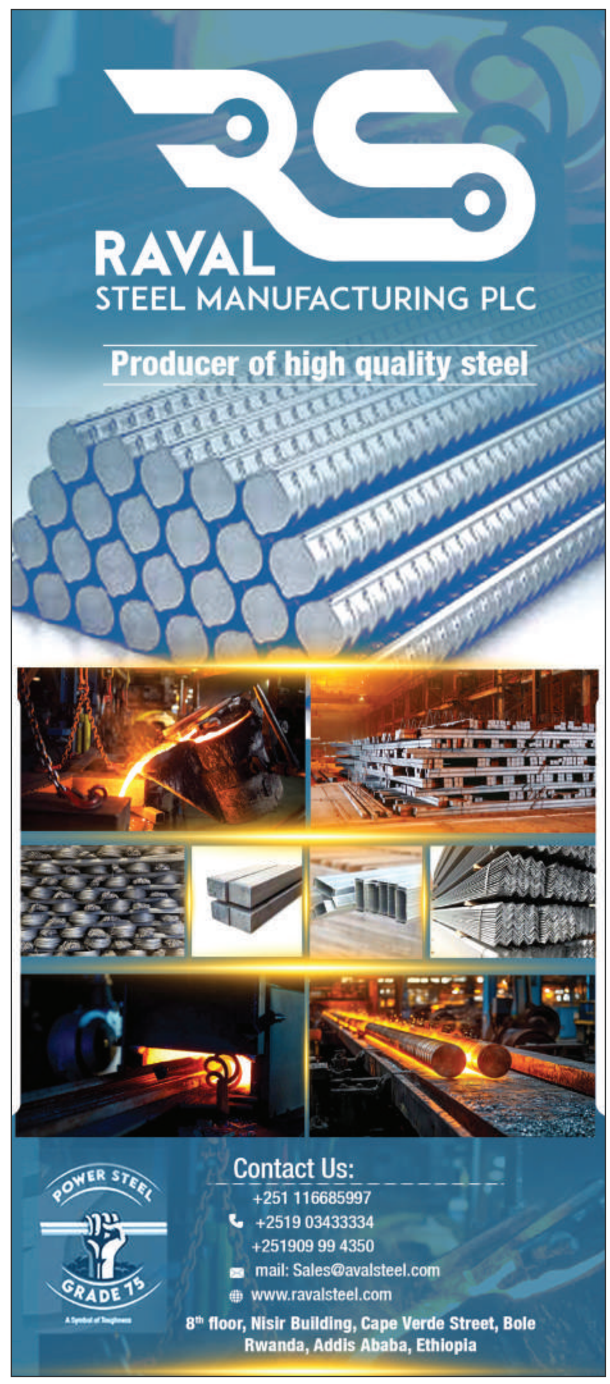

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Breaking the debt and currency cycle

Ray Dalio's 'How Countries Go Broke: The Big Cycle' is not a book about one country, one government or one moment of bad policy. It is a warning about a recurring economic pattern: countries become vulnerable when debt rises faster than their ability to earn, produce, tax and repay. Eventually, the bill arrives through inflation, currency weakness, financial instability or painful austerity.

Ethiopia should read that warning carefully—not because it is destined to "go broke," but because it is now attempting a difficult recovery from many of the conditions Dalio identifies: foreign-exchange scarcity, heavy public obligations, weak domestic revenue, import dependence, inflation and the temptation to solve structural problems with short-term financial measures.

Dalio's central argument is straightforward. A country enters danger when debt-service costs consume an ever-larger share of government revenue, while buyers become less willing to finance new borrowing. At that point, policymakers face unpleasant choices: raise taxes, cut spending, borrow at higher interest rates, default or rely on the central bank to create money. The latter can ease pressure temporarily, but risks devaluing the currency and fuelling inflation.

For Ethiopia, the language is different, but the logic is familiar.

For years, Ethiopia's growth model relied heavily on public investment, large infrastructure projects, state-led financing and external borrowing. Roads, railways, industrial parks, dams and public enterprises were meant to create the foundation for industrialisation. Some of these investments were necessary. No country can develop without infrastructure.

But infrastructure does not repay debt by itself. It must be followed by exports, productive firms, jobs, tax revenue and foreign-exchange earnings. When those returns arrive slowly, debt accumulates faster than repayment capacity.

That is where Ethiopia's challenge lies. The country has not merely faced a public-debt problem. It has faced a foreign-currency problem. Ethiopia earns hard currency through exports, remittances, tourism and foreign investment, but it needs even more hard currency for fuel, machinery, medicines, industrial inputs, debt service and essential imports.

For too long, the difference was managed through foreign-exchange controls, rationing and an overvalued currency. This did not eliminate the shortage. It only distributed it through queues, privilege, informal markets and administrative discretion.

The July 2024 shift toward a market-determined exchange rate was therefore a necessary correction. It recognised an uncomfortable truth: a currency cannot remain artificially strong when the country lacks enough foreign exchange to support it. Since then, Ethiopia has recorded stronger export performance and improved reserve buffers, while the parallel-market premium has narrowed from earlier extremes. The IMF has stressed that maintaining adequate reserves and exchange-rate flexibility is essential for cushioning external shocks.

But correction is not the same as cure.

The depreciation of the birr has made imports more expensive. That means higher costs for fuel, fertiliser, medicines, transport, machinery and consumer goods. Inflation reached 13.9 percent in June 2026, driven largely by food and non-food price pressures. For ordinary citizens paid in birr, macroeconomic reform can feel less like stabilisation and more like a reduction in daily purchasing power.

This is the political danger of reform. A government can be technically correct and socially unsuccessful at the same time if the burden of adjustment falls too heavily on households, wage earners and small businesses.

Dalio's book reminds us that debt crises are never only about accounting. They are about the distribution of pain. When prices rise faster than incomes, when jobs do not grow, when access to foreign currency depends on connections and when public services remain weak, economic hardship becomes a crisis of trust.

Ethiopia must therefore avoid treating exchange-rate liberalisation as the end of reform. It is only the beginning.

The first priority must be to expand the country's ability to earn foreign exchange. Gold and coffee have helped lift export revenues, but an economy cannot depend indefinitely on a narrow range of commodities. Ethiopia needs processed agricultural exports, tourism, digital services, mining value addition, manufactured goods, logistics and electricity exports. It must export more than raw potential; it must export reliability, quality and value.

The second priority is fiscal discipline. Dalio's warning about debt service is relevant here. Governments cannot borrow indefinitely to cover current spending, bail out inefficient institutions or finance projects without clear returns. Ethiopia needs better public investment selection, stronger oversight of state-owned enterprises, transparent borrowing and realistic assessment of contingent liabilities.

That does not mean abandoning development spending. It means distinguishing between investment that expands productive capacity and expenditure that merely postpones difficult decisions.

Third, Ethiopia must deepen domestic savings and capital markets. A country that depends entirely on external finance becomes vulnerable whenever global conditions worsen. Stronger pension funds, insurance companies, bond markets, investment banks and transparent capital-market institutions can help mobilise local resources for long-term development.

But domestic finance must not become another form of hidden taxation. If banks are forced to absorb government obligations at uncompetitive returns, or if inflation erodes depositors' savings, confidence in the financial system will weaken.

Fourth, reforms must strengthen the private sector rather than merely announce its importance. Investors still face foreign-exchange constraints, regulatory uncertainty, weak property-rights protection, inconsistent taxation and administrative delays. The IMF has noted that while Ethiopia's reform direction has been welcomed, implementation remains uneven.

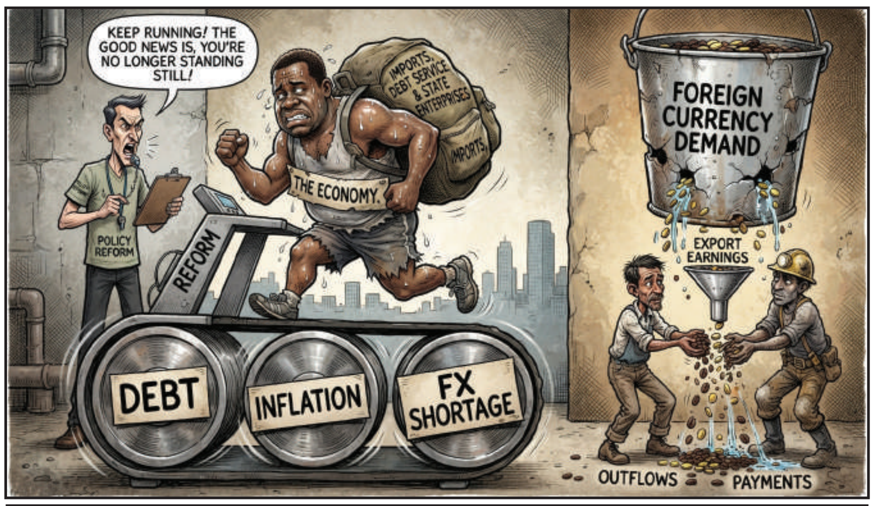
The country does not need more declarations about private-sector leadership. It needs predictable rules, fair competition, functioning logistics, access to finance and an environment in which productive businesses can survive.

Finally, Ethiopia must recognise that social stability is an economic asset. No macroeconomic programme can succeed if conflict, displacement and insecurity continue to destroy farms, markets, roads, schools and investor confidence. The cost of war is not only measured in military spending. It is measured in foregone exports, lost livelihoods, interrupted education and generations of weakened human capital.

Dalio's "big cycle" is a cautionary framework, not a prophecy. Countries do not collapse simply because they have debt, inflation or currency pressure. They collapse when leaders deny reality, delay adjustment and allow short-term politics to overwhelm long-term economic discipline.

Ethiopia has begun to confront reality. The task now is to ensure that reform produces a more productive economy—not merely a more expensive one. The true test is whether the country can turn stabilisation into jobs, exports, domestic investment and improved living standards.

That is how a nation escapes the cycle: not by borrowing more time, but by building more capacity.



By Harold James

COMMENT

The Dollar's Outer Defenses Have Been Breached

In a Reuters photo from late July, US Treasury Secretary Scott Bessent can be seen holding a to-do list with just one item: purchase $5–10 billion worth of yen. As he explained soon thereafter, invoking the famous phrase that then-European Central Bank President Mario Draghi used to save the euro in 2012, the Trump administration will do "whatever it takes" to prop up the Japanese currency.

Bessent's public rationale for this surprise intervention was that the yen is undervalued, and that the US does not want to see a round of currency wars in which countries try to prop up their exports by undervaluing their currencies. Such conflicts do carry a powerful historical echo, given their role in destroying the world economy and threatening international peace in the 1930s. The victorious Allied powers organized the 1944 Bretton Woods Conference precisely to prevent the kind of protectionism and currency wars that had produced World War II.

But currency wars did return in the 1980s, when a surging dollar led Americans to believe that the yen (along with Germany's Deutsche Mark) was undervalued. These suspicions then generated much academic research into whether currency interventions are effective. The overwhelming consensus was that they are not. A single intervention might move the markets for a short time, but in the longer run, economic fundamentals will reassert themselves and market pressures will return. The only enduring solution is to alter existing policy regimes.

Both in the 1980s and now, a Japanese effort to address underlying fundamentals would involve higher interest rates and perhaps also a fiscal contraction, with the US simultaneously lowering interest rates and issuing less debt (implying its own fiscal contraction). But neither side is likely to undertake such measures. Japanese Prime Minister Sanae Takaichi has made it clear that she thinks interest rates are high enough; and barring a dramatic economic downturn, lower US rates would only fuel stock-market exuberance and inflation concerns.

Exactly as economic theory would suggest, the yen has already started to fall again since its immediate post-intervention surge. More and more interventions will be needed to achieve Bessent's desired exchange-rate effect, but markets will treat them with increasing skepticism. Since everyone knows how interventions play out, they are typically reserved for dramatic market situations. Not since the Fukushima disaster in 2011 has the US sold yen, and not since the height of the 1997–98 Asian financial crisis has it bought yen.

In any case, fears of currency and trade wars probably do not reflect the Trump administration's real motive, considering that it has been openly following the 1930s playbook on tariffs. Nor should we believe Trump's own explanation: that propping up the yen is a "signal of friendship" to a country that has "been very good to us, with the exception, of course, of Pearl Harbor." Usually, the president's measure of "friendship" is the trade balance—on the assumption that countries with a surplus must be taking advantage of the US. Yet US goods exports to Japan in 2025 totaled roughly $82.1 billion, while imports from Japan reached $149.8 billion.

For his part, Bessent has rather oddly mentioned other undervalued currencies alongside the yen, including the South Korean won and the Chinese renminbi. But if he cares about these currencies, too, he should support a big international currency reordering—a reworking of Bretton Woods. In reality, Bessent and Trump's only genuine motive is to help the United States. In its August intervention, the US Treasury sold euros rather than dollars because it wanted to make clear that it would not approve of Japan (or anyone else) offloading US Treasuries.

The puzzle of why the US is so concerned with a falling yen has historical parallels not to the 1930s or the 1980s, but to the 1960s. At the time, the Bretton Woods fixed-exchange-rate regime, designed to prevent currency wars that could become real wars, was under increasing strain. Claims on the dollar were building up as a consequence of US military spending and investment abroad, but the country that was most vulnerable was the United Kingdom. Fearing a domino effect in which a financial crisis in the UK could trigger an attack on the dollar, US officials came to see the British pound as their "outer perimeter defense."

The yen is playing the same role today. Japan's government debt-to-GDP ratio is 248%, which looks like the limit to how much government spending is possible. The US figure is 122%, and bond yields have been rising throughout the summer, reflecting investors' reluctance to purchase more government debt, the lure of AI investment, and America's deteriorating fiscal situation (which was not helped by having to repay large sums collected for tariffs that have since been struck down).

Higher borrowing costs make life harder for the government (US debt service in 2025 consumed more of the budget than defense expenditure). They also raise mortgage, auto-loan, and credit-card rates, making voters more likely to turn against incumbents.

Seeing the writing on the wall, Bessent has already taken an even bigger gamble, intervening in bond markets to drive down the most politically sensitive long-term rates. But doing that requires more short-term issuance, which will push up the money supply and inflation. When markets realize how desperate the current and subsequent governments are, long-term rates will rise again, and Bessent's bond excursion will have proven futile. It may already be happening: Following an initial boost to bond prices, a reversal appears to be underway.

Bessent wants to make debt look safe and cheap once more, but he is unlikely to succeed. He pursued a similar ploy late last year to weaken the Iranian currency, explaining that this would produce regime change without boots on the ground. Will people in countries that see the US as a menace consider a similar strategy and launch an attack on the yen and the dollar? One can think of worse ways to bring about regime change in Washington.

Harold James is a Professor of History and International Affairs at Princeton University, and the author, most recently, of Seven Crashes: The Economic Crises That Shaped Globalization.

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Ethiopia dominates Kenya's informal export market, claims over 50% share

By Eyasu Zekarias

Ethiopia has solidified its position as the premier destination for Kenya's informal cross-border trade, absorbing more than half of all unrecorded outbound goods across surveyed frontiers, according to newly released official statistics.

The 2025 Informal Cross Border Trade (ICBT) Survey Report, published by the Kenya National Bureau of Statistics (KNBS), reveals that Ethiopia captured a commanding 54% share of Kenya's total unrecorded exports during the June 2025 observation cycle.

The joint study—conducted by the KNBS alongside the Central Bank of Kenya (CBK), the Kenya Revenue Authority (KRA), and the Ministry of Trade—monitored unrecorded goods flows at key border points during two 14-day sample periods in December 2024 and June 2025.

The findings emphasize that small-scale, unrecorded cross-border trade continues to serve as a vital support for food security, community livelihoods, and regional trade integration in the Horn of Africa.

Ethiopia was the main destination for Kenya's informal exports across both survey cycles. During the 14-day monitoring period in December 2024, Kenya recorded a total informal export value of 159.7 million Kenyan Shillings (KES) across all its land borders. Of this total, exports to Ethiopia accounted for KES 74.5 million, or roughly 46.7%.

By June 2025, Ethiopia's dominance as a trade destination expanded further. Out of the KES 124.0 million in total informal exports recorded during the 14-day period in June, shipments to Ethiopia reached KES 67.0 million—representing 54.0% of Kenya's total informal exports.

Combined with Uganda (which received KES 36.2 million or 29.1% in June 2025), the two neighboring countries accounted for over 83% of Kenya's unrecorded export trade.

Conversely, Kenya imported informal goods from Ethiopia valued at KES 50.4 million in December 2024 and KES 39.1 million in June 2025. During both periods, Kenya maintained a significant trade surplus in its informal trade with Ethiopia—rising from KES 24.2 million in December 2024 to KES 27.8 million in June 2025.

The Moyale border post emerged as the primary gateway facilitating informal trade between Kenya and Ethiopia, consistently outperforming all other surveyed border points in export value.

In December 2024, Moyale registered KES 63.8 million in informal exports and KES 8.2 million in imports, yielding a trade surplus of KES 55.6 million.

In June 2025, Moyale recorded KES 51.9 million in exports and KES 19.1 million in imports, maintaining a trade surplus of KES 32.8 million.

According to the study released on August 21, 2026, key routes serving the Ethiopia-Kenya border also include Mandera (Ethiopia side) and Ramu. In December 2024, Mandera handled KES 10.8 million in exports and KES 8.8 million in imports, followed by KES 11.2 million in exports and KES 11.1 million in imports in June 2025.

On the other hand, Ramu shifted from being heavily import-dependent in December 2024 (KES 33.4 million in imports against KES 2.4 million in exports) to recording KES 4.1 million in exports and KES 8.9 million in imports in June 2025.

The three state agencies explained that in December 2024, exports passing through Moyale and Mandera mainly consisted of inedible crude materials (excluding fuel), representing 42.1% (KES 67.2 million) of Kenya's total informal exports. Food and live animals accounted for 28.3% (KES 45.3 million). During this cycle, unprocessed agricultural materials and food items constituted 63.7% and 17.1%, respectively, of direct exports to Ethiopia.

By June 2025, food and live animals became the leading export category across all borders, accounting for 37.9% (KES 47.0 million) of total informal exports, followed by crude materials at 24.0% (KES 29.8 million), officials reported.

Recognizing the scale and economic importance of this informal trade, both governments have taken steps toward formalization.

In December 2025, Kenya and Ethiopia signed a bilateral agreement in Moyale to establish a Simplified Trade Regime (STR) aimed at facilitating trade by streamlining procedures and reducing administrative hurdles.

Under the new framework, eligible traders must reside within a 50-kilometer radius of the authorized border crossing on the Ethiopian side and within a 100-kilometer radius on the Kenyan side. Licensed traders are permitted to trade goods valued up to $1,000 per month under simplified customs procedures, with border crossings restricted to once a week.

The system covers locally produced goods, including livestock, agricultural produce, food items, and other approved commodities. While it does not exempt participants from customs duties, qualifying goods receive a 10% bilateral tariff discount under COMESA Rules of Origin.

However, trade policy experts have raised concerns that the system's limitations—including travel frequency caps, geographical restrictions, and administrative requirements—might inadvertently discourage traders from choosing formal channels.

An article published on the World Bank website suggests that allowing more frequent crossings, raising value thresholds, and expanding the operational radius would make formal trade more competitive and better reflect the daily reality of local traders.

This critical study highlights that total regional informal trade across Kenya's borders declined by 16.7%—dropping from KES 299.0 million in December 2024 to KES 249.1 million in June 2025. This overall decline shifted Kenya's overall informal trade balance from a surplus of KES 20.4 million in December 2024 to a slight deficit of KES 1.1 million in June 2025, driven primarily by an increase in informal imports from Tanzania.

Statistical authorities noted that recording these unrecorded flows is essential for improving national accounts, the balance of payments (BOP), and international merchandise trade statistics (IMTS).

Wegagen Capital earns 6.85m birr from 2.69bn birr in securities trades

By our staff reporter

Wegagen Capital Investment Bank generated 6.85 million birr in brokerage-fee income after facilitating securities transactions worth 2.69 billion birr during the fiscal year ended June 30, 2026.

The investment bank, which is 75 percent owned by Wegagen Bank, reported the performance during its second Ordinary and Extraordinary General Meetings of Shareholders. It was Wegagen Capital's first full fiscal year of operation following licensing by the Ethiopian Capital Market Authority.

Abdishu Hussein, Vice Chairman of the Board of Directors, said the company generated total revenue of 140.99 million birr during the year and recorded a gross operating profit before tax of 46.58 million birr.

Net profit after tax stood at 43.7 million birr, exceeding the company's 41.5 million birr target by 12.2 percent, according to the report.

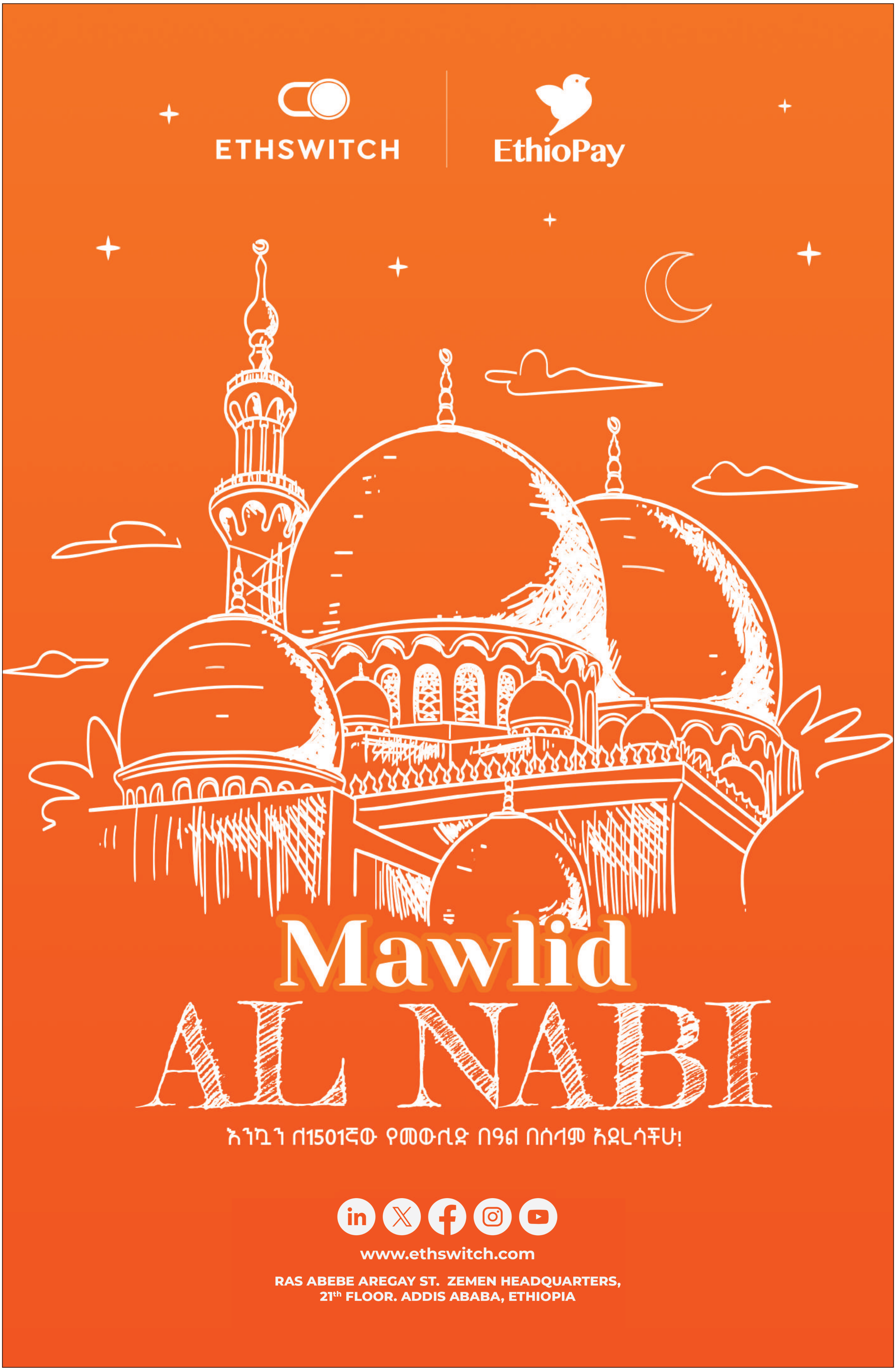
Financial-advisory services accounted for the largest share of revenue, generating 89.89 million birr, or 63.8 percent of total income. Interest income contributed an additional 43.98 million birr.

Of the 2.69 billion birr in securities transactions facilitated by Wegagen Capital, 2.22 billion birr came from rights issues. The remaining volume was generated through Treasury-bill transactions, initial public offerings and follow-on public offerings.

The company said it had expanded its investor base to 3,850 brokerage accounts, reflecting increased public participation in Ethiopia's emerging capital market.

Wegagen Capital also secured 22 corporate-finance advisory engagements across several economic sectors. The advisory contracts had an aggregate value of 175.3 million birr.

Abdishu attributed the performance to what he described as a resilient business model, disciplined strategy and focus on high-value execution.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NBE prepares to end . . .

Continued from page 2

A central feature of the draft is the removal of the long-standing practice of composite licensing, which allows insurance companies to offer both life and non-life, or general, insurance under a single corporate structure.

Under the proposed framework, new entrants would no longer be granted composite licences. Entities seeking to provide life insurance would need to register independently and obtain a life-insurance licence, while companies specialising in general insurance would be required to obtain separate general-insurance licences.

The reform is intended to address structural weaknesses in the life-insurance segment, enforce risk-based capital requirements and improve protection for policyholders as the country's economy and asset base expand.

A central pillar of the draft proclamation is the proposed establishment of the Ethiopian Insurance Regulatory Authority (EIRA) as an independent legal entity with perpetual succession.

While accountable to the Ministry of Finance, the proposed authority would have operational independence and broad powers to license, supervise and regulate insurance companies and intermediaries. The proposal responds to a long-standing demand from insurance-industry operators for a dedicated regulator.

Historically, most Ethiopian insurers have operated under a composite structure. All insurers, including the state-owned Ethiopian Insurance Corporation, have provided life and non-life insurance through the same corporate entity.

Asseged Gebremedhin, an insurance-sector executive and consultant, said the composite structure has contributed to limited focus on life insurance, compared with more profitable general-insurance segments such as property, motor and marine insurance.

"Under the composite model, life insurance received limited attention compared with the more lucrative general-insurance business lines," Asseged told Capital. "As a result, life-insurance penetration in Ethiopia has remained very low."

By requiring separate licences for new operators, the proposed framework aims to encourage dedicated life-insurance businesses, build specialised expertise, support product innovation and ensure more targeted allocation of capital and resources.

Over time, industry participants expect the transition to expand access to insurance, diversify coverage options and increase the sector's contribution to gross domestic product.

The separation of licences comes as the NBE has increased minimum paid-up capital requirements for insurers.

Under earlier directives, composite insurers were required to maintain paid-up capital of 75 million birr, comprising 60 million birr for general insurance and 15 million birr for life insurance.

Subsequent revisions raised the minimum requirement for composite operations to 500 million birr, including 400 million birr for general insurance and 100 million birr for life insurance.

Asseged said insurers are now operating under a multi-year transition period that runs through 2028 to meet the revised paid-up capital requirements.

"More than 70 percent of existing insurers have either met or are close to meeting the required capital threshold," he said, adding that new entrants are also working toward compliance.

According to NBE data for the fiscal year ending in June 2025, the insurance sector improved its liquidity position as total assets increased by 29.3 percent to 84.9 billion birr. General insurance accounted for 93.5 percent of total assets.

The sector's capital also expanded by 30.4 percent, driven partly by the NBE directive requiring insurers to raise their paid-up capital by June 2027.

Gross written premiums reached 41.1 billion birr during the year, a 43.1 percent increase from the preceding year. General insurance generated 38 billion birr, or 92.5 percent of total premiums, while long-term insurance and Shariah-compliant Takaful operations accounted for 3.1 billion birr, or 7.5 percent.

The figures underline the industry's continued dependence on general insurance. Recent sector estimates have placed insurance penetration at around 0.27 to 0.3 percent of GDP, while life insurance accounts for less than 10 percent of gross written premiums. The draft proclamation also provides for the partial opening of the insurance sector to foreign investors.

Foreign insurers would be allowed to establish partially or fully owned subsidiaries, acquire shares in local insurance companies or open representative offices. However, the draft sets limits on foreign ownership.

Direct equity participation by a strategic foreign investor would be capped at 40 percent. Non-strategic foreign individuals and entities would be limited to 7 percent and 10 percent, respectively. Total foreign ownership in a single insurance company could not exceed 49 percent of subscribed shares.

Initial investments would be required in foreign currency, while dividends could be reinvested in Ethiopian birr.

Industry observers say foreign participation could introduce additional capital, technical expertise, specialised products, technology and stronger risk-management practices. However, domestic insurers will also face greater competition and pressure to improve governance, service quality and operational efficiency.

Asseged said domestic insurers should not resist the opening of the market.

"Strong domestic insurers will actively seek strategic alliances under 60–40 or 51–49 ownership structures," he said. "Mergers, acquisitions, joint ventures, strategic alliances and conglomeration are not simply viable options; they are necessary paths forward."

The proposed law also seeks to strengthen policyholder protection through the creation of a formal Policyholders' Protection Fund and a resolution framework for distressed insurers.

The framework would require recovery planning and give the proposed regulator powers to establish "bridge insurers" to assume critical functions of failing insurance companies, protecting policyholders and reducing broader market disruption.

The draft also raises corporate-governance standards. Insurance companies would be required to appoint independent directors and maintain dedicated risk-management, compliance and internal-audit units.

Administrative penalties would apply to violations of capital-adequacy rules, while operating an insurance business without a licence could carry criminal penalties of between 10 and 15 years' imprisonment.

The draft further proposes a regulatory sandbox, a controlled environment in which insurers and technology companies could test innovative products and services under regulatory supervision before wider rollout.

The sandbox could support the development of digital insurance products, micro-insurance, inclusive insurance and alternative models such as Takaful.

Industry experts say the new framework reflects a broader shift in government policy from restrictive privatisation toward gradual financial-market liberalisation.

If adopted, the proclamation could fundamentally change how insurance companies operate, compete and raise capital. The immediate challenge will be ensuring that the transition is managed carefully so that stronger governance and market openness translate into deeper insurance penetration, better policyholder protection and more inclusive access to financial protection.

MoA mandates strict phytosanitary compliance for banana exports

By our staff reporter

The Ministry of Agriculture (MoA) has called for strict compliance with international quality standards and phytosanitary requirements for banana exports, saying higher production alone will not enable Ethiopia to penetrate global markets.

The directive was issued at the National Banana Conference in Addis Ababa, held under the theme, "From Bunch to Breakthrough: Positioning Ethiopia as a Global Banana Export Powerhouse." The conference brought together government institutions, producers, exporters, researchers, financial institutions and development partners to discuss production, quality, logistics, finance, market access and value addition.

Sofiya Kassa, State Minister for Agricultural Investment and Input Supply Development at the Ministry of Agriculture, said Ethiopia has substantial banana-production potential but must improve quality and meet international standards to compete in wider markets.

"Ethiopia has massive production, but quality is one of the main challenges to penetrating the world market," Sofiya said.

She urged producers, exporters and public institutions to focus on export-grade bananas capable of entering markets beyond Ethiopia's traditional destinations, including Djibouti and Somalia.

The Ministry said commercial production clusters will be subject to pre-production verification, disease-control measures and phytosanitary inspection protocols. The Ethiopian Agricultural Authority and the Ethiopian Institute of Agricultural Research are expected to support the process.

Phytosanitary compliance refers to measures designed to prevent the spread of pests and diseases through international trade in plants and plant products. Exporters must meet the plant-health requirements of destination countries, often through inspection, treatment, testing and certification before goods are shipped.

The government said the stricter approach is part of a wider effort to move the horticulture industry away from a volume-driven domestic focus toward a quality-assured, export-oriented supply chain.

The initiative is linked to Ethiopia's 10-Year National Horticulture Strategy, the Agricultural and Rural Development Policy, contract-farming models and the National Agricultural Finance Implementation Roadmap.

According to figures presented at the conference, Ethiopia earned USD 38 million from exports of 91,320 tonnes of bananas and avocados over the past five years, mainly to Djibouti, Somalia and Middle Eastern markets. Banana exports accounted for USD 25 million of that revenue, from 72,599 tonnes.

Despite ranking among the world's leading banana-producing countries, with annual output reportedly nearing 7.3 million tonnes, Ethiopia exports only a limited share of its production through formal channels. Most bananas are consumed locally or traded informally.

Tewodros Zewde, Executive Director of the Ethiopian Horticulture Producer Exporters Association, said Ethiopia's export income remains far below its potential.

"We have the potential to generate hundreds of millions—if not billions—of dollars from both fresh and processed banana products," Tewodros said.

However, he said the industry continues to face major obstacles, including limited access to virus-free planting materials, low productivity, inadequate technical capacity and limited financing.

"Access to finance remains the single largest challenge in the banana industry," he said, calling on financial institutions to increase lending to producers, exporters and horticulture developers.

The government has set a target of generating USD 700 million from fruit and vegetable exports during the current fiscal year. Officials expect the banana subsector to contribute to that objective, alongside other horticultural commodities.

Ethiopia launched its electronic phytosanitary platform, known as e-Phyto, in November 2025. The Integrated Export and Import Certification System allows exporters to apply for and receive plant-health certificates electronically, reducing processing time and improving the traceability of export documents.

The system is linked to the International Plant Protection Convention's ePhyto hub, allowing certificates to be transmitted directly to importing countries. Such digital certification can reduce delays and fraud risks, provided both exporting and importing countries are connected to the platform.

Ethiopia's climate, diverse production zones and potential for year-round cultivation give it a comparative advantage in banana production. Major producing areas include the South Ethiopia, Sidama, Oromia and Amhara regions, as well as the Omo-Rate cluster.

Industry representatives said production could be raised closer to international standards through improved harvesting systems, including cable-way technologies, as well as investment in cold-chain logistics, laboratory-tested planting materials and skills training.

Sofiya called on commercial banks and financial institutions to expand credit facilities for smallholder farmers and commercial horticulture developers.

Without sufficient capital, she warned, local producers will struggle to modernise farm infrastructure, improve productivity and obtain the international certifications required to access higher-value export markets.

NBE moves to establish central shari'ah advisory board

By Eyasu Zekarias

The National Bank of Ethiopia (NBE) has announced a pivotal step toward formalizing the country's rapidly growing interest-free banking sector through the establishment of a central Shari'ah Advisory Board.

According to Frezer Ayalew, Director of Banking Supervision at the National Bank, who noted that the move marks a significant milestone in Ethiopia's financial sector history, establishing a unified governance framework for Shari'ah-compliant financial services nationwide.

Ethiopia's journey into Islamic banking began with the 2008 Banking Business Proclamation, which permitted window operations. This was followed by fundamental product directives in 2011 and critical regulatory reforms in 2019 that paved the way for fully interest-free banks.

The legal framework was further reinforced by the revised Banking Business Proclamation, which officially integrated interest-free banking as a core operational pillar of the central bank, permitted foreign investment, and outlined clear guidelines for targeted oversight.

Recent data from the National Bank reveals that 24 banks now provide interest-free services through dedicated windows, managing over 33 million savings accounts with assets exceeding 567.1 billion Birr (approximately 3.2 billion USD). Furthermore, customer financing has reached 237.2 billion Birr (1.3 billion USD) across 86,000 accounts, allowing interest-free products to capture over 10% of total bank deposits nationwide.

Frezer said at during the 6th International Interest-Free Banking and Takaful Forum, limited public awareness of interest-free financial principles, a shortage of specialized human capital, and an inadequate legacy Shari'ah governance framework have historically presented major challenges.

Previously, the absence of a central advisory board required each financial institution to establish its own independent Sharia committee, leading to divergent interpretations of compliance standards. Emphasizing a strategic commitment to a dual financial system, the central bank aims to ensure that a Sharia-compliant alternative operates alongside every conventional financial institution in the country. "The goal in Ethiopia is to establish a dual system where there is a corresponding Shari'ah-compliant or interest-free financial actor for every conventional actor in the industry," he explained.

Historically, individual banks operated separate compliance supervisory committees without a cohesive national framework. This fragmentation led to inconsistent operational practices, challenges in asset-based financing, and risks of double taxation. To resolve these vulnerabilities, the National Bank has developed a tailored legal framework under the revised banking proclamations, with the central Shari'ah Advisory Board serving as its cornerstone.

According to Frezer, this overarching body will eliminate regulatory inconsistencies, establish robust compliance and audit standards, and align domestic practices with global benchmarks set by organizations such as the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Simultaneously, the central bank is deploying comprehensive liquidity management tools tailored for Islamic institutions. Interest-free banks previously lacked a Sharia-compliant interbank market infrastructure, making it difficult for institutions with cash surpluses to share funds with peers facing deficits.

To bridge this gap, the National Bank is introducing specialized instruments—including a lender-of-last-resort facility, discount windows, and deposit insurance—providing interest-free banks with safety nets comparable to those of conventional institutions.

A comprehensive study titled Legal and Regulatory Issues of Islamic Finance in Ethiopia underscores the urgent need for a robust legal framework tailored to the unique attributes of Islamic finance. The study highlights the necessity of a dedicated regulatory unit within the NBE and stresses the vital role of qualified professionals and Shari'ah scholars in the sector.

Drawing inspiration from international models in Malaysia and the United Arab Emirates (UAE), the central bank is firmly committed to its dual-system blueprint. "Globally, different countries have different models," He remarked. "While some nations follow a pure canonical or independent system, countries like Malaysia and Dubai maintain a dual system with a 'conventional plus' approach. At a strategic level, Ethiopia's goal is to adopt this dual model."

This vision is operationalized through the National Interest-Free Finance Strategy (IFB), which is currently undergoing stakeholder consultation. The strategy provides a unified long-term roadmap addressing critical priorities such as financial inclusion, resource mobilization, accessibility, and active private sector participation.

The central Sharia Advisory Board is expected to spearhead research and education on interest-free products while driving the introduction of innovative instruments, including Sukuk (Islamic bonds). Furthermore, the Ethiopian Securities Exchange (ESX) has indicated that Sukuk will feature prominently among primary Sharia-compliant instruments, alongside Islamic equities and mutual funds.

Interest-Free Banking forum spotlights Takaful growth

By our staff reporter

Ethiopia's growing interest-free banking and Takaful industries took centre stage on Aug. 17 as regulators, financial-sector executives, Shariah experts, fintech professionals and investors gathered in Addis Ababa for the 6th International Interest-Free Banking and Takaful Forum.

The forum, organised by AlHuda Centre of Islamic Banking and Economics (AlHuda CIBE) at the Hyatt Regency Addis Ababa, was held under the theme, "Connecting Global Expertise with Africa's Emerging Islamic Finance Markets."

Participants from 20 countries attended the event, reflecting growing international interest in Ethiopia and Africa's emerging markets for interest-free banking, Shariah-compliant insurance and other Islamic-finance products. The meeting brought together policymakers, central bankers, insurance executives, academics, consultants, investors and professionals from across the financial-services industry.

The forum came as Ethiopia continues to expand interest-free financial services, which are designed to provide banking and insurance products that comply with Shariah principles. These include profit-and-loss-sharing arrangements, asset-backed finance and Takaful, an insurance model based on mutual support and shared risk.

Muhammad Zubair, Chief Executive Officer of AlHuda CIBE, said Ethiopia had made encouraging progress in developing its interest-free banking and finance industry, but would need to address human-resource and professional-capacity gaps to sustain that expansion.

He said the growing involvement of financial institutions, improving regulatory conditions, rising customer awareness and increased demand for interest-free services had created a stronger foundation for the sector.

"The future growth of interest-free banking and finance in Ethiopia will depend not only on expanding institutions and products, but also on developing a strong pool of qualified professionals," Zubair said.

He noted that AlHuda CIBE's online professional-development programme had attracted around 800 registered participants, which he said demonstrated increasing demand for specialist knowledge in interest-free finance.

Zubair said the organisation had maintained a long-standing role in Ethiopia's interest-free finance sector through professional training, institutional capacity building, technical assistance and international exposure programmes for Ethiopian professionals.

He also said AlHuda CIBE had supported the launch of the country's first three Takaful window operations, helping insurers develop Shariah-compliant products aimed at customers seeking alternatives to conventional insurance.

Takaful is based on contributions by participants into a collective fund that is used to support members who suffer insured losses. Unlike conventional insurance, which is generally structured around risk transfer from a customer to an insurer, Takaful is intended to operate through risk-sharing and mutual assistance.

Solomon Desta, Vice Governor for Financial Stability at the National Bank of Ethiopia, said the central bank remained committed to strengthening the country's interest-free finance ecosystem.

"The National Bank of Ethiopia appreciates the role of AlHuda CIBE since it entered the Ethiopian market," Solomon said. "Their contributions have been instrumental in building the foundation for our interest-free finance sector."

He said the central bank was continuing work on regulatory frameworks for interest-free banking and Takaful, while recognising their role in expanding financial inclusion alongside tools such as micro-Takaful.

Micro-Takaful refers to low-cost, Shariah-compliant insurance products intended for low-income households, small businesses and individuals who may otherwise lack financial protection against health emergencies, crop losses, accidents and other risks.

Solomon said the NBE's institutional transformation agenda included several tools related to interest-free banking and Takaful. He added that the development of Ethiopia's capital market and the Ethiopian Securities Exchange could create further opportunities for financial inclusion and product innovation.

"The future is focused on more inclusion," he said, adding that platforms such as the forum could encourage further sector development.

The event also featured regional participation. Abdirahman Omar Ibrahim, Director of Public Debt Management at the Central Bank of Somaliland, said the forum offered Somaliland an opportunity to exchange experience and learn from international participants.

"Somaliland is doing its best in interest-free banking and Takaful," he said. "This forum provides a valuable opportunity to share our experience and learn from the global expertise gathered here."

Yared Mola, President of the Association of Ethiopian Insurers, said Takaful was becoming increasingly relevant within Ethiopia's evolving insurance market.

"Since the introduction of Takaful by AlHuda CIBE in Ethiopia, we have witnessed increasing growth in the sector," Yared said. He added that capacity building, regulatory reform and public awareness were essential to sustaining that growth.

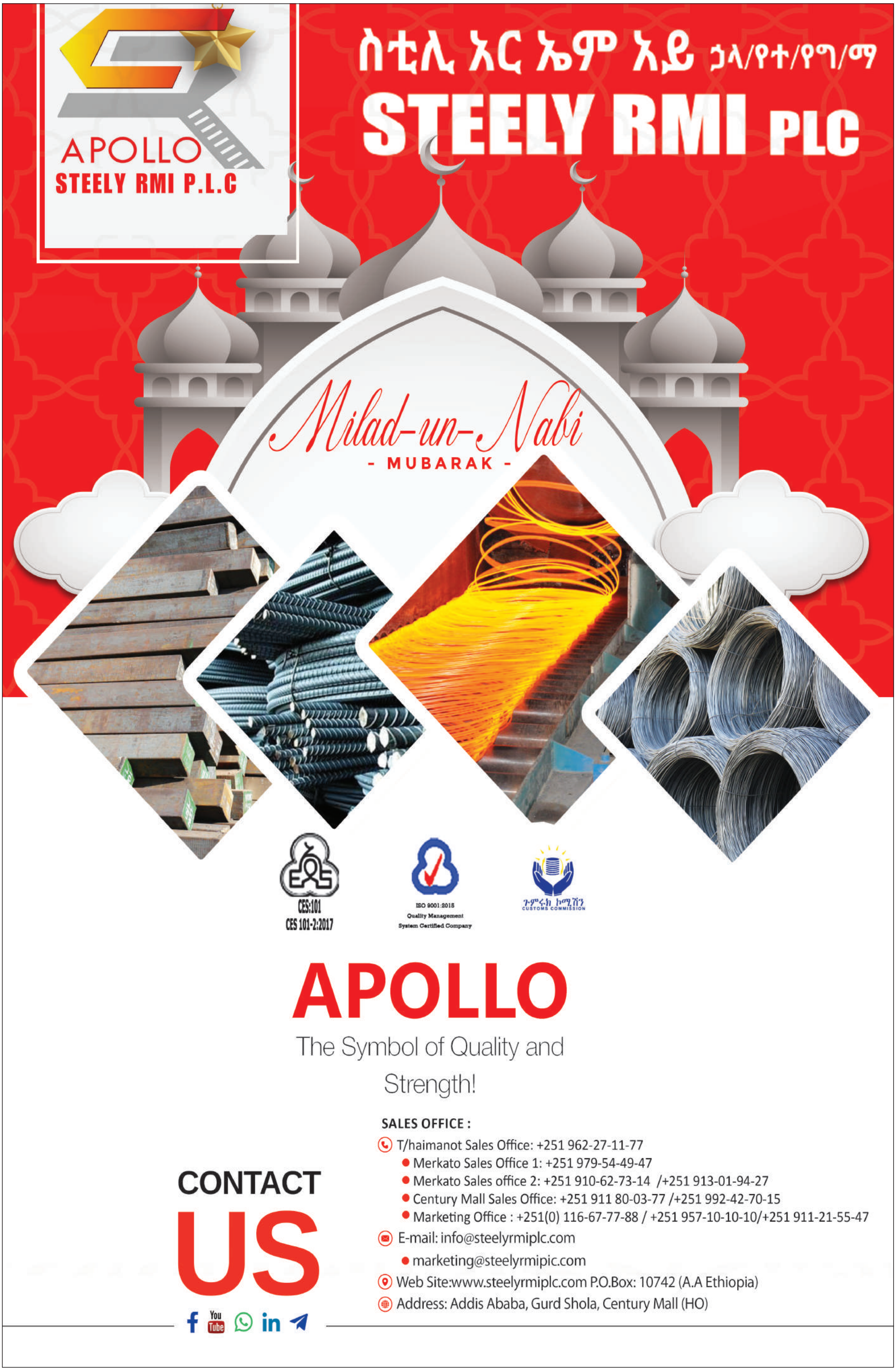
He said the industry would need stronger cooperation between insurers, regulators and other stakeholders, as well as more product innovation and consumer education.

The forum featured technical discussions on interest-free banking in Africa, including regulatory frameworks, community banking, financing for micro, small and medium-sized enterprises, retail finance, Shariah governance and institutional sustainability.

A separate panel on Takaful, re-Takaful and TakaTech explored the development of Shariah-compliant insurance, technology-driven Takaful business models and the role of insurance in expanding financial protection.

Re-Takaful is the Islamic-finance equivalent of reinsurance, through which Takaful operators manage part of their risk exposure by sharing it with another specialised provider.

The forum also resulted in institutional cooperation agreements between AlHuda CIBE and Digaf Microfinance Institution, as well as Capital Financial Excellence Center S.C. The agreements are expected to support professional training and wider industry development.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The FX Auction Meant to Restore Order Turns Two

By our staff reporter

The foreign-exchange auction turns two this month. Its 25 rounds since August 2024 have offered a running scorecard of the dollar market. More often than not the bids have run ahead of the dollars on offer.

The auctions have injected substantial foreign currency into commercial banks and helped establish a more transparent mechanism for determining the birr's price. But after two years, the most striking feature of the programme is how rarely the central bank has offered enough dollars to satisfy all the bids from commercial banks.

In fact, there has been only one auction in which the amount of foreign currency offered exceeded the total bids from participating banks. That was the February 21, 2026 special auction, when the NBE put 500 million US dollars on the table but banks sought only 455.29 million US dollars. All 30 participating banks received the full amount they requested, leaving 44.71 million US dollars unallocated.

That episode stands out precisely because it has been the exception.

The latest regular auction, held earlier this week, offered USD 125 million. Banks submitted bids worth USD 470.17 million, meaning demand was about 3.8 times the amount available. The subsequent special auction on Aug. 20 offered USD 500 million, but banks still submitted bids totalling USD 710.14 million.

The contrast captures the central tension in the foreign-exchange market two years into the reform. The National Bank of Ethiopia has accumulated more foreign currency and is able to supply the banking system with considerably larger amounts than it could before the July 2024 reforms. Yet the banking system continues to present the central bank with demand that, in most auctions, is substantially larger than the amount being offered.

The gap between foreign currency supply and demand has deeper roots. Ethiopia is turning on more taps for imports than it is opening for exports. Private-sector demand and higher fuel costs are expected to push imports of goods and services up by 21.0 percent in 2025/26 fiscal year, after 3.2 percent growth a year earlier. Exports are forecast to grow by 17.2 percent, helped by gold and coffee. Even so, the goods trade deficit is expected to widen to 12.6 billion US dollars.

There is another, less obvious, claim on the country's dollars: banks themselves. As they digitise, banks are spending more on core-banking systems, cloud computing, cybersecurity, data centres and payment infrastructure, much of it supplied by foreign companies and paid for in foreign currency.

"Even the things we export have high import content. It is not only about imports. Whether it is coffee or anything else we export, there are inputs involved," said Yisehak Teka Nibere, a former senior NBE banking expert and current chief compliance and risk officer at a capital-markets firm.

He said the same dynamic extends to the financial sector, where the amount of foreign currency absorbed by banks and other financial institutions is not always visible simply from the dollars they hold.

"Take core banking, payment systems or even the systems used by the capital market. They all carry licence fees. And it is not just the hardware. Banks and other financial institutions pay for software licences, often on a per-account basis, as well as additional fees whenever the systems are upgraded," he said.

The precise size of this outflow is difficult to establish because banks do not routinely disclose their foreign software and technology payments separately. But even a conservative estimate suggests that the bill could run into hundreds of thousands of dollars a year. If 30 commercial banks each spent an average of 250,000 to 750,000 US dollars annually on foreign software licences and related technology fees, the sector would be spending roughly 7.5 million to 22.5 million US dollars before accounting for payment systems, upgrades, cloud services, cybersecurity and consultancy.

Yisehak also pointed to consultancy payments as another source of foreign-currency outflows. Financial institutions bring in foreign consultants for specialised services, while government projects also hire international consultants.

"Are they really skills that we do not have? Are these gaps? Are they examined by foreign affairs and given work permits because they are skills that do not exist in our country?" he told Capital.

One of the central bank's objectives when it introduced the FX auction alongside the shift to a market-based foreign-exchange regime was to contain temporary disruptions that threatened the smooth functioning of the market. Since the float, access to foreign currency has improved, banks' FX liquidity has strengthened and the parallel-market premium has narrowed at times, although the move to a fully market-determined exchange rate remains incomplete.

The International Monetary Fund expects gross international reserves to reach 5.9 billion US dollars by the end of 2025/26 fiscal year, more than four times the 1.4 billion US dollars recorded before the programme. The parallel-market premium has also narrowed to about 11 percent, following 14 FX auctions between July 2025 and May 2026 that supplied a combined 2.5 billion US dollars to commercial banks.

Yet stronger reserve buffers have not removed the underlying imbalance in the market. By end-April 2026, banks still carried an estimated 1.4 billion US dollars in unmet FX demand, even as every bank remained within the NBE's prudential net open position limits.

"The gap between supply and demand points to a continuing shortage of foreign currency. With demand still running well ahead of supply, foreign-currency prices could face further upward pressure in the days ahead," said Worku Lemma, a seasoned banker.

He said two years was too short a period to judge whether the central bank had achieved its objectives, given the depth of the problems it inherited. Foreign-exchange reserves had been depleted, while the imbalance between imports and exports remained substantial.

"Some illnesses require treatment for a lifetime; others can be cured quickly. I do not think this is a lifetime illness," he told Capital.

The first auction, held on August 7, 2024, came shortly after the NBE abandoned the previous exchange-rate framework and allowed the birr to move more freely against foreign currencies. The first auction cleared at 107.90 birr per US dollar.

By April 2025, the NBE had moved from occasional special auctions to a regular programme, initially offering 50 million US dollars every two weeks. The central bank said the auctions would provide part of its accumulated foreign currency to the private sector while helping it meet monetary-policy objectives.

The size of the intervention has since changed substantially. The regular auction eventually settled around 70 million US dollars, while the NBE repeatedly turned to 500 million US dollar special auctions when pressure intensified. Those larger interventions have revealed just how elastic demand for foreign currency can be.

On January 27, 2026, the NBE offered 500 million US dollars and received 592.3 million US dollars in bids from 31 banks. Twenty-five banks received allocations.

On May 19, it offered another 500 million US dollars. This time bids reached about 1.06 billion US dollars, more than twice the amount available. Only 14 of 30 participating banks received allocations.

The auction serves a purpose beyond allocating scarce foreign currency. It is meant to bring greater transparency to the market, allow prices to emerge competitively and reduce the distortions and speculative pressures that can arise when foreign currency is rationed through less transparent channels. Yet two years on, price discovery remains an unfinished business. Banks continue to cluster their bids, while interbank FX trading remains limited and episodic, according to the IMF.

Worku is cautious about treating the auction rate as a complete reflection of market value. "I would not say that the auction price fully captures the market price. It can be an indication of where the market is heading, but I believe we should move gradually towards full market-based price discovery rather than simply letting the market go. Doing so without adequate preparation could have adverse consequences," he said.

He added that a deeper interbank FX market would give banks another way to manage foreign-currency surpluses and shortages. Banks with excess dollars could sell to those facing shortages, much as liquidity is redistributed between banks in the interbank money market. "The idea is there, and I think it is beginning to take shape," he said. In the meantime, he argued, the NBE should continue to provide a stabilising backstop through its auctions until the interbank market is deep enough to bring foreign-currency supply and demand into better balance.

The IMF has warned that continued reliance on FX auctions could complicate that transition because the auctions affect banking-system liquidity alongside the NBE's interest-rate-based instruments. When the NBE sells foreign currency, banks pay in birr, draining liquidity from the system. That may tighten monetary conditions, but it does so through an FX operation rather than through the policy rate or open-market operations. As the NBE seeks to make the policy rate the main signal of its monetary stance, the continued use of FX auctions could blur the transmission of monetary policy and make it harder to distinguish liquidity changes arising from monetary-policy decisions from those driven by foreign-exchange intervention.

Yisehak questioned whether FX auctions should be viewed as a straightforward drain on banking-system liquidity. When the NBE sells dollars to banks, it receives birr in return. Banks then recover birr when they sell the foreign currency to importers.

The more important issue, he argued, is the timing of these transactions. Banks may have to pay for foreign currency before they receive the corresponding birr from importers. Since many import transactions are financed through trade credit or bank financing, that gap can temporarily tighten a bank's liquidity.

The dollar tap is becoming a global pressure point as the war involving the US, Israel and Iran disrupts energy flows, strengthens the greenback's safe-haven appeal and tightens financial conditions for vulnerable economies. The Strait of Hormuz, through which roughly one-fifth of global oil and LNG shipments normally pass, remains heavily constrained, while Brent crude has climbed to about 88 US dollars a barrel.

The Middle East accounts for about 19 percent of Ethiopia's non-gold goods exports, while the Gulf provides roughly 35 percent of remittance inflows. In March 2026, one of the country's two main petroleum suppliers declared force majeure, forcing the country to turn to spot-market purchases. The total cost of emergency diesel purchases, including supplier premiums, shipping, insurance and financing, reached about 270 US dollars a barrel, while jet fuel costs rose to around 300 US dollars.

The IMF said the pressure has not yet translated into a sharp deterioration in the birr, with exchange-rate expectations remaining broadly stable, depreciation relatively low and steady, and some appreciation in the parallel market. It warned, however, that this could change if the conflict persists and Ethiopia's terms of trade deteriorate.

Reducing import dependence is another piece of the structural reform that remains unfinished. The government has been pushing import substitution through initiatives such as the Made in Ethiopia movement, which it says has helped expand domestic manufacturing capacity and market share. In July 2026, the Ministry of Industry also published a National Import Substitution Strategy covering selected manufacturing subsectors.

But replacing imports is not simply a matter of producing more at home. Manufacturers still face constraints including access to foreign currency, finance, technology and industrial inputs. The World Bank said that even firms seeking to expand domestic production remain exposed to FX constraints and exchange-rate volatility.

The harder reform may be less glamorous: making the machinery of government predictable. Investors still complain of regulatory barriers, arbitrary taxation, weak property rights and difficulty obtaining foreign exchange. The IMF says the direction of reform has been welcomed, but its implementation has been uneven and the improvement in the operating environment limited.

Ethiopia targets China trade gap with export drive

By our staff reporter

Ethiopia is stepping up efforts to narrow its widening trade deficit with China by using new duty-free market access, domestic economic reforms and export-promotion initiatives to expand sales to the world's second-largest economy.

China remains Ethiopia's largest trading partner and leading source of foreign direct investment, with more than 4,500 Chinese companies operating in manufacturing, infrastructure and services. However, bilateral trade remains heavily tilted in China's favour.

During the 2025/26 fiscal year, Ethiopia imported nearly USD 21 billion worth of goods from China, largely machinery, construction materials, manufactured products and industrial inputs. Ethiopian exports to China, by contrast, reached USD 369 million, leaving a substantial trade imbalance.

The figures were highlighted at the *"Big Market for All: Export to China"* forum held in Addis Ababa on Aug. 19, where Ethiopian and Chinese companies signed 33 cooperation agreements valued at more than USD 330 million. The agreements cover coffee, oilseeds, pulses, leather, mineral products and textiles.

Kassahun Gofe, Minister of Trade and Regional Integration, said Ethiopia was seeking to use the Chinese market to accelerate domestic production, diversify exports and improve foreign-exchange earnings.

He said exports to China had grown at an average annual rate of 92 percent over the past five years, supported by demand for Ethiopian coffee, oilseeds, pulses, leather products and other agricultural goods.

However, the growth in exports remains small compared with the value of imports from China. Chinese involvement in Ethiopian infrastructure, including roads, industrial parks, energy projects and construction, has increased demand for imported machinery, equipment and materials.

The imbalance has placed additional pressure on Ethiopia's foreign-exchange reserves and strengthened calls for greater domestic processing, import substitution and export-oriented manufacturing.

Kassahun said the government's Homegrown Economic Reform Agenda was intended to address such structural challenges by liberalising the foreign-exchange market, improving trade logistics, reducing administrative bottlenecks and providing incentives for private-sector investment.

China has also expanded market access for African exporters. On May 1, Beijing began implementing zero-tariff treatment for imports from all 53 African countries with which it maintains diplomatic ties, including Ethiopia. The policy expanded an earlier preferential arrangement that had applied mainly to least-developed countries.

Chinese Ambassador to Ethiopia Chen Hai said the policy could reduce market-entry costs for Ethiopian small and medium-sized enterprises and encourage investment in sectors where Ethiopia has a comparative advantage.

The arrangement is expected to support exports of Ethiopian coffee, sesame, pulses, horticultural products, leather goods and other agricultural and manufactured items that meet Chinese quality, safety and quarantine requirements.

China has also granted market access to coffee beans meeting quarantine requirements from African countries with diplomatic relations with Beijing, creating an additional opening for Ethiopian exporters.

Chang Hui, Deputy Director-General of the Department of Foreign Trade at China's Ministry of Commerce, said China was committed to expanding imports and strengthening commercial ties with Ethiopia.

"The zero-tariff policy reduces trading costs and enables a wider array of specialty Ethiopian products to reach Chinese consumers," Chang said at the forum.

He said the policy could benefit farmers, processors and exporters by helping convert Ethiopia's natural-resource base into higher export earnings.

Zekarias Assefa, Secretary-General of the Addis Ababa Chamber of Commerce and Sectoral Associations, said the forum offered Ethiopian firms a route to establish commercial relationships in a market of more than 1.4 billion consumers.

"Platforms like 'Big Market for All' are vital for our business community," Zekarias said. "They enable investors to secure reliable partners, attract foreign investment and establish long-term commercial networks."

The 33 agreements signed at the forum demonstrate commercial interest, but their impact will depend on whether Ethiopian suppliers can meet buyers' standards on volume, quality, reliability, processing, certification and delivery.

Closing a multi-billion-dollar trade deficit will require more than duty-free access. Ethiopia will need to increase agricultural productivity, expand processing capacity, improve logistics, address foreign-currency shortages, secure trade finance and build stronger links between producers, exporters and Chinese buyers.

For policymakers, the immediate opportunity is to turn growing demand for Ethiopian coffee, oilseeds, horticulture, leather, textiles and mineral products into sustained export growth. The longer-term goal is to shift the trade relationship away from dependence on imported machinery and manufactured goods toward a more balanced exchange built on higher-value Ethiopian exports.

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

World Bank group funds 65% of petrochemicals projects studied by new IEEFA and IAP tracker

The Institute of Energy Economics and Financial Analysis (IEEFA) and International Accountability Project (IAP) on Tuesday released the Global MDB Investment in Petrochemicals Tracker. The tracker is an interactive database that visualises petrochemical investments across different sectors within the industry from 16 multilateral development banks (MDBs). The database is built using details from the Early Warning System (EWS) hosted by the International Accountability Project (IAP). It tracks 92 projects covering a total investment amount of USD10,042 million.

A key finding emerging from the database is that the World Bank group cumulatively funds 65% of the petrochemical projects tracked. The International Finance Corporation (IFC), which is a member institution of the World Bank group, has a 35% share of the total investment amount in such projects. This is followed by the Multilateral Investment Guarantee Agency's (MIGA) 24% share. The World Bank itself has a 7% share.

Among other MDBs tracked, the European Investment Bank (EIB) share stands at 18%, the European Bank for Reconstruction and Development (EBRD) at 6%, and the Asian Development Bank (ADB) at 2%.

CrissCross partners with Borderless to bring stablecoin-powered payments infrastructure to African markets

Cross-border payments provider CrissCross has partnered with stablecoin orchestration network Borderless to offer collections, payouts and foreign-exchange services across more than 30 African markets.

The integration allows Borderless clients to access CrissCross's local banking and mobile-money infrastructure through their existing API connection. Businesses can collect local-currency payments through bank transfers and mobile money, make payouts to bank accounts and wallets, and convert African currencies into dollars, euros and pounds.

CrissCross operates direct links to local banks and more than 15 mobile-money operators, including M-Pesa, MTN MoMo and Airtel Money. The company said the partnership will help global platforms and fintech firms navigate fragmented payment systems, limited correspondent-banking networks and varying regulatory requirements across Africa.

Borderless said its network connects stablecoin infrastructure to more than 15 locally licensed providers across 100 countries and 75 fiat currencies.

Ethiopia Welcomes Chinese New Energy Solutions at Silk Road Ceremony

The 2026 Silk Road Journey under the theme, 'Colorful Africa' departure ceremony kicked off Saturday August 15, 2026 at German Square, Addis Ababa, showcasing Guangzhou Automobile Group's new energy vehicles and reinforcing China-Ethiopia cooperation. State Ministers of Tourism and Culture and Sports, trade representatives, and business leaders discussed sustainable mobility solutions for Africa. The event featured vehicle unveilings, a Silk Road dialogue, seal-signing ceremony, and test-drive experiences - marking a new chapter in bilateral trade, industrial collaboration, and green innovation under the 2026 China-Africa Year of People-to-People Exchanges.

JUST A CASUAL DAY

LIVING ON THE EDGE OF STRUCTURAL INTEGRITY

MORNING COMMUTE

MSF launches healthcare support in Oromia region

Médecins Sans Frontières/Doctors Without Borders (MSF) has officially launched a comprehensive primary and secondary health care support programme in the East Wollega and West Wollega zones of Ethiopia's Oromia region.

The support aims to restore access to essential services for host communities and internally displaced people in hard-to-reach rural areas, while strengthening the capacity of key health facilities.

In these rural zones, limited movement of patients, staff and supplies - along with shortages of medicines and medical equipment, financial barriers and weak referral systems - have made it harder to deliver timely, quality healthcare. Some facilities have operated at reduced capacity or faced temporary interruptions.

As a result, communities have experienced untreated illness, challenges in sustaining immunization and maternal health services, a high burden of malaria with a greater risk of disease outbreaks, and increased pressure on the health facilities that remain functional.

Despite the scale of need, the presence of humanitarian organisations in these zones remains limited, leaving significant gaps in both primary and secondary care.

New studies to test whether existing Ebola vaccines can generate immune responses to Bundibugyo ebolavirus

CEPI is providing US$4.17 million to four research projects designed to assess whether vaccines already or previously licensed against Zaire ebolavirus—including Ervebo—could offer protection against Bundibugyo ebolavirus, the virus behind the rapidly escalating outbreak in the Democratic Republic of the Congo, which was declared a Public Health Emergency of International Concern by the World Health Organization (WHO) in May 2026.

Awardees include research groups led by UCLA (USA); Institute of Tropical Medicine (Antwerp); University of Oxford (UK); and MRC-University of Glasgow Centre for Virus Research (UK).

"There is no licensed vaccine against Bundibugyo virus. CEPI is funding multiple Bundibugyo vaccine candidates to address this gap, but even on the most compressed timelines those vaccines will not be available for the earliest phase of this outbreak", explains Dr Richard Hatchett, CEO of CEPI. "However, vaccines do exist for the related Zaire ebolavirus, including Ervebo. Given the recent announcement that Ervebo will be deployed for emergency use against Bundibugyo virus, these CEPI-backed studies will be all the more important to inform on how we can make the best use of the existing vaccine."

Life for Relief launches drive to sponsor Gaza orphans

Life for Relief and Development has launched a global campaign to find sponsors for an estimated 60,000 children in Gaza who have lost one or both parents during the war.

The initiative will provide food, health care, education, clothing and psychosocial support to orphaned children living amid displacement, damaged infrastructure and severe shortages of basic services.

The campaign comes as UNICEF estimates that more than 58,000 children in Gaza have lost one or both parents, while over one million require protection and mental-health or psychosocial support.

Life for Relief and Development said it has already sponsored more than 4,000 orphaned children in Gaza but that thousands remain without regular support. The organisation's orphan-sponsorship programme, operating for more than 30 years, also provides school supplies, medical assistance and holiday support to vulnerable children and foster families in 22 countries.

The organisation urged individuals and communities worldwide to sponsor children and raise awareness of their needs.

Capital NEWS IN BRIEF

UAE-backed Chinese Company Acquires Stake in Ethiopian Gold Mine near Sudan War Zone

Last week, after protracted negotiations and various plot twists, Canadian mining company Allied Gold sold a minority stake in its assets to China's Zijin Gold International. ... This is the latest, most significant development in a saga that involves investment from the United Arab Emirates, nearby Ethiopian army bases supporting Sudan's Rapid Support Forces (RSF), and a large stretch of Ethiopian land on the Sudanese border that could now be mined extensively for gold. The agreement, which is worth just under $300m, grants Zijin, a private company with at least three Chinese state-owned corporations among its leading shareholders, partial ownership of a portfolio that includes mining sites in Mali, Cote d'Ivoire and the Kurmuk concession in western Ethiopia. The Kurmuk site is in Ethiopia's Benishangul-Gumuz region, which hosts at least one army base used by the paramilitary RSF, which is supplied by the UAE, currently also the main buyer of Ethiopian gold. ... The regional capital of Asosa is, as MEE revealed earlier this year, home to a major logistics hub used by the UAE and Ethiopia to train and arm fighters from the RSF, which has been at war with the Sudanese Armed Forces since April 2023. The site is also about 100km away from Ethiopia's Grand Renaissance Dam on the Nile river.

(Middle East Eye)

Over 200,000 Displaced across Sudan's Kordofan Region as Fighting Intensifies, IOM Says

More than 200,000 people have been forced from their homes across Sudan's greater Kordofan region since late 2025, driven by intensifying clashes and targeted strikes on critical infrastructure, the International Organization for Migration reported on Wednesday. In North Kordofan's state capital of El Obeid, heavy fighting and drone strikes on the city's main electrical transformer caused prolonged power outages, paralyzing municipal water pumping systems, hospitals, and telecommunications networks. The escalating violence has triggered a 25 per cent surge in displacement across Sheikan locality alone over the past eight months, pushing regional displacement figures past the 200,000 mark as families flee collapsing basic services. Across Sudan, the total number of internally displaced persons has reached 8.6 million, with compounding crises in the Darfur and Blue Nile regions alongside heavy seasonal floods that destroyed over 1,300 homes in North Darfur last week. IOM Director General Amy Pope warned that families fleeing the violence are facing critical shortages of water, electricity, and medical care, while global shipping delays through the Red Sea and falling shelter funds continue to hamper relief operations.

(Sudan Tribune)

Deadly Attacks on Aid Workers and Contractors Surge in South Sudan as UN Urges Protection

At least 36 humanitarian workers and contractors have been killed in South Sudan since January, surpassing the 31 killed in all of 2025, as violence persists in the country that's one of the most dangerous for aid workers, the U.N. humanitarian coordinator there said Wednesday. "These are not just statistics," Ramanathan Balakrishnan said in a statement marking World Humanitarian Day, adding: "Every killing must be investigated, and those responsible held accountable. The continued loss of humanitarian personnel, overwhelmingly South Sudanese nationals, is unacceptable." More than 450 incidents of violence against humanitarian workers and assets were reported between January and July, more than double the number recorded during the same period last year, according to the U.N. Mission in South Sudan. Renewed fighting between government forces and opposition fighters has forced aid organizations to relocate from some areas, further restricting access to vulnerable communities in a country of about 12 million people that has struggled with both conflict and the effects of climate change since independence from Sudan in 2011.

(AP)

Ebola Cases in Congo Exceed 5,000, Government Data Shows

The number of confirmed Ebola cases in the Democratic Republic of Congo now exceeds 5,000, government data showed late on Tuesday, as health officials warn that response efforts are failing to contain the deadly disease. Congo's 17th Ebola epidemic turned into the biggest in the country's history in terms of number of cases in late July and over the weekend the death toll hit 2,378, the public health institute said, surpassing the previous worst outbreak in 2018-2020. The institute has so far logged 5,021 cases, according to its latest situation report, making it the second-worst outbreak globally, behind only the 2014 to 2016 epidemic in West Africa in both infections and deaths. The ongoing outbreak is caused by the Bundibugyo species of Ebola, which has no approved vaccines or treatments. It has gained momentum since it was declared on May 15, as weak health infrastructure, community resistance, instability and protests by response workers hinder efforts to identify and respond to cases.

(Reuters)

Term of the Day

CREDIT DEFAULT SWAP (CDS)

Definition

A credit default swap (CDS) is a financial contract that offers protection against the risk of default on debt instruments.

Vision, Mission, and Core Values: Walk the Talk

By Samson Worku Teshome

"Leadership is not a singular experience. It doesn't begin and end with the writing of a mission statement. It is, rather, the ongoing process of keeping your vision and values before you and aligning your life to be congruent with those most important things."— Stephen R. Covey

In the bustling corridors of Addis Ababa's business district, and in the quiet, ambitious corners of startups sprouting from Mekele to Hawassa, there is a recurring mantra. Executives, founders, and public servants alike speak of "Vision," "Mission," and "Core Values." They are framed, often in elegant calligraphy, and hung in lobbies. But as the ink dries, a question lingers: Do these words truly breathe, or are they merely corporate wallpaper?

As Ethiopia navigates an era of prosperity and economic liberalization, the relevance of these foundational pillars has never been more profound. This is not just a conversation about management theory; it is a conversation about the character of our nation's future.

To understand the power of organizational DNA, we must peel back the layers of these often-misunderstood terms.

1. The Vision: The Horizon We Chase

A vision is not a business plan. It is a dream rendered in high definition. It is the answer to the question, "If we succeed beyond our wildest expectations, what does the world look like?" For an Ethiopian enterprise, this means envisioning not just market share, but a contribution to the national narrative—perhaps a more food-secure Ethiopia, a tech-literate youth, or an economy that competes on the global stage.

2. The Mission: The Daily Grind with Purpose

If the vision is the destination, the mission is the vehicle. It is the "why" we exist every morning. It is the fundamental function that defines our identity. A mission statement that fails to mention the people served, the problems solved, or the specific value added to the Ethiopian economy is a wasted opportunity.

3. Core Values: The Moral Compass

Values are not what we say; they are what we do when nobody is looking. In a market where shortcuts are often tempting, values provide the friction that prevents us from sliding into unethical practices. Integrity, resilience, community—these are not soft skills. In the context of business, they are the hardest, most resilient assets a company can possess.

From Paper to Practice: A Case Study

Consider the local SMEs that have survived the economic volatility of these days. If you speak to the owners, you rarely hear them quote their mission statement from a brochure. Instead, you hear them talk about how they treated their first ten customers. You hear them speak about how they stood by their workers during the hard times of the social and economic turmoil.

This is the true application of core values. It is seen in the hiring practices, in the way a conflict is resolved in the company, and in the way a business pivots when the market shifts. It is "culture by design," not "culture by default."

The Road-map to Institutional Integrity

For the modern Ethiopian enterprise, building a vision is a journey of introspection.

- Start with the 'Why': Why does your existence matter to the community?
- Involve the Team: A vision imposed from the top is a vision forgotten by the bottom.
- Iterate and Evolve: Our nation is changing. Our companies must change with it.

Conclusion: The Future We Shape Together

As we look toward the future, the success of Ethiopia's companies will not be measured solely by GDP contributions. It will be measured by the strength of our companies and the clarity of our collective purpose. When we build organizations based on genuine, human-centered vision and mission, we aren't just building businesses. We are building the backbone of a nation. Let us stop treating these words as check boxes for bureaucratic compliance. Let us instead treat them as the living, breathing promises we make to ourselves, our customers, and our country.

The writer has taught Business, Accounting, Management, and Economics since 1998 G.C. in higher education and international schools. He has served in academic leadership and research roles and published scholarly articles on higher education, management, quality assurance, and leadership.

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bsamsonworku@gmail.com

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: Hamziya Mohammed

Education: College Degree

Company name: Rivan Design

Title: Owner

Founded in: 2024

What it does: Traditional clothes and custom embroidery work

Hq: Hawassa

Number of Employees: 3

STARTUP CAPITAL

50,000 BIRR

CURRENT CAPITAL

Over 1 million birr

BIG PICTURE

Reason for starting the Business: Passion for promoting Ethiopian culture

Biggest perk of ownership: Fulfilling my own dream

Biggest strength: Patience

Biggest challenge: Rising cost of quality raw materials

Plan: To export traditional clothing

PERSONAL

First career: Assistant Designer

Most interested in meeting: First lady Zinash Tayachew

Most admired person: My brother

Stress reducer: Sketching designs

Favorite pastime: Spending time with family

Favorite book: None

Favorite destination: France

Favorite automobile: None

DAILY EXCHANGE RATE

Aug. 22, 2026

የኢትዮጵያ ንግድ ባንክ
Commercial Bank of Ethiopia

CURRENCY	BUYING	SELLING
US DOLLAR	160.03	163.23
POUND STERLING	212.95	217.21
EURO	185.58	189.30
SWISS FRANK	194.02	197.90
SWEDISH KRONER	16.55	16.88
CHINESE YUAN	23.30	23.76
UAE DIRHAM	43.57	44.44
JAPANIS YEN	0.98	1.00

INTERVIEW

INSURANCE REFORM

Opening a new market

As Ethiopia prepares to overhaul its insurance framework, the sector faces a potentially far-reaching shift in ownership, regulation, licensing and competition. A draft Insurance Proclamation would establish an autonomous insurance regulator, introduce a Policyholders' Protection Fund, open defined routes for foreign investment and replace composite licences with specialised categories for general, long-term, micro-insurance, inclusive insurance and Takaful operations. The proposal remains a draft, but industry players are already assessing how it could reshape a market long characterised by low penetration, limited investment options and slow technological adoption.
In this interview with Capital, insurance consultant Asseged G/medhin discusses the implications of the proposed reforms for insurers, policyholders and investors. Drawing on more than 17 years of experience in the sector—from junior insurance operations to deputy chief executive roles at three insurers—he argues that local companies must embrace partnerships, stronger risk management, digital transformation and specialised insurance models if they are to compete in a more open market. Excerpts;

Capital: Since insurance companies hold a large share of their liquid assets and reserves in bank deposits, what impact could potential liquidity shortages or crises in the banking industry have on the insurance sector?

Asseged: Because insurers are required by the National Bank of Ethiopia (NBE) to invest in approved assets, they predominantly place their funds in fixed-term bank deposits. Commercial banks then mobilise these deposits to provide loans to borrowers.

In this regard, banks face credit risk—the risk that loans will not be repaid—rather than an immediate liquidity risk arising from insurers' deposits.

However, insurers are severely restricted in where they can invest their capital. The NBE's underlying rationale is that insurance funds are public funds—policyholders' money—and therefore require strict regulatory oversight.

Consequently, while banks may avoid liquidity risks associated with these deposits, insurers suffer because their returns are heavily eroded by inflation.

Capital: Credit risk is also associated with delayed claim payments and reinsurance receivables. What strategies are domestic insurance companies using to monitor these receivables and shorten collection periods?

Asseged: Domestic insurers benefit significantly from the NBE's "no premium, no cover" directive, which was introduced to reduce default risk on primary insurance policies. However, credit risk on the reinsurance side remains largely unregulated, creating financing and liquidity challenges.

There needs to be a more rational approach to underwriting capacity and claim recoveries. Reinsurance facilities provide essential capacity to primary insurers. However, delays in recovering funds from reinsurers can create serious cash-flow shortages.

This effectively transfers liquidity risk to the primary insurer, even where cash-call provisions are included in reinsurance agreements.

Capital: A new draft proclamation has been prepared with World Bank support to establish an independent insurance regulatory authority. What distinct capabilities would this authority have in relation to policyholder protection and market stability?

Asseged: For many years, think tanks, macroeconomic-policy advisers, insurers, the Ethiopian Insurers Association, and broker and agent associations have advocated for an independent insurance regulator in Ethiopia.

This push gained momentum after the 2018 political transition, when the government under Prime Minister Abiy Ahmed moved from a simple privatisation model to a broader financial-liberalisation strategy. In response, the NBE conducted research that culminated in a draft proclamation to establish the Ethiopian Insurance Regulatory Authority.

INTERVIEW

The draft represents a historic milestone for the sector. Crucially, the new authority would report directly to the Office of the Prime Minister, elevating insurance regulation to the highest executive level. During the Imperial era, insurance supervision fell under the Ministry of Trade.

While the sector would remain under state oversight, the regulatory framework should leave adequate space for key stakeholders—including the Ethiopian Insurers Association, broker and agent associations, professional insurance institutes, primary market leaders such as the Ethiopian Insurance Corporation, and Ethio Re—to participate on a rotational basis.

Capital: The draft proclamation sets foreign equity limits at 40 percent for strategic investors and up to 49 percent for general foreign ownership. Do you expect domestic insurance companies to pursue cross-border partnerships, or will they resist giving up ownership control?

Asseged: I do not expect domestic insurers to resist. The draft proclamation protects local operators while setting a clear policy direction: the government is opening the sector through a liberal model that encourages healthy competition.

Neither bankers nor insurers have fully prepared themselves over the past two decades, despite benefiting from prolonged strategic protection by the state.

Based on my experience, strong domestic insurers will actively seek strategic alliances under 60–40 or 51–49 ownership structures. Initial resistance will quickly fade.

Mergers, acquisitions, joint ventures, strategic alliances and conglomeration are not merely viable options; they are necessary paths forward.

Capital: The draft proclamation introduces a formal Policyholders' Protection Fund. From an operational perspective, how could required capital allocations affect liquidity management and product pricing?

Asseged: The protective framework is comprehensive. Every policyholder—whether insured by a fully domestic company or a joint venture—would benefit from safeguards designed to protect policyholder funds and general reserves.

Operationally, traditional and inefficient practices will increasingly be displaced by technological innovation and the inflow of foreign capital. Foreign-exchange shortages and balance-sheet constraints, which have prevented insurers from meeting short- and long-term obligations, could be substantially mitigated through liberalisation.

Capital: Most insurance operations remain technologically underdeveloped and insufficiently automated. What are the main barriers preventing small and medium-sized insurance companies from upgrading their digital infrastructure?

Asseged: The primary barriers are limited technical knowledge and inadequate capital, both of which are rooted in leadership mindset.

Many board members and executives remain technology-averse, focusing narrowly on meeting shareholders' short-term financial expectations. That backward-looking approach is no longer viable.

Board leadership must become more vigilant and forward-looking. In my view, the executive mindset is currently the biggest bottleneck to digital transformation.

Capital: While general insurance dominates the market, life insurance remains underdeveloped. What structural problems hinder broader coverage, and how can pricing and risk management be improved?

Asseged: Insurance fundamentally relies on the law of large numbers, while pricing depends on precise actuarial and underwriting variables.

However, Ethiopia's main challenge is market structure. The insurance market functions as an oligopoly, characterised by a limited number of suppliers, low insurance penetration and negligible insurance-density rates. In such an environment, price wars can become common.

To maintain long-term profitability, insurers must focus on managing claims costs. They need robust risk-management practices, premiums that reflect actual risk profiles, adequate reinsurance structures and shorter claims-settlement cycles to offset the effects of high inflation and administrative costs.

Capital: Following recent macroeconomic, fiscal and foreign-exchange reforms, how significantly have domestic insurers' investment portfolios and foreign-currency-denominated liabilities changed?

Asseged: The landscape has shifted dramatically. Exchange-rate adjustment directly increases the local-currency value of imported property and assets. Higher asset valuations translate into higher total sums insured.

Consequently, insurance premium volumes can expand, provided proper coverage is underwritten. Insurers' liability portfolios will also need to be rebalanced to absorb the larger risk exposures adequately.

Capital: Given the rapid growth of the domestic Islamic-insurance sector, how dependent are operators on overseas re-Takaful markets, and how can domestic capacity be strengthened to retain risk premiums locally?

Asseged: A major challenge is that many executives still approach Takaful with a conventional-insurance mindset, treating it simply as an isolated product line.

Takaful is not merely a product. It is an end-to-end alternative insurance business model that includes a full suite of specialised products and services.

Transitioning the market requires structural and regulatory evolution, including the establishment of a dedicated Islamic Advisory Council within the National Bank of Ethiopia. Regulatory directives must also adapt to accommodate expansion.

However, scaling up full-fledged Takaful operations is ultimately an execution, marketing and strategic decision for individual companies.

Capital: What key developments are reshaping the wider insurance landscape?

Asseged: A powerful wind of change is sweeping through the sector. The most significant drivers are market opening and the rapid development of Ethiopia's capital markets, including the rise of investment banks, market operators, licensed securities brokers and publicly listed companies.

All of these financial institutions and instruments rely directly on insurance services.

A shift toward international standardisation is now inevitable. The domestic market is no longer reserved exclusively for local companies; foreign insurers and cross-border capital are entering the sector.

Capital: The new proclamation introduces distinct licensing requirements. What new categories are being established?

Asseged: In response to regional and global market trends, the government has moved from a restrictive, slow-paced privatisation model to a more active market-liberalisation approach.

Under the draft proclamation, which is awaiting final parliamentary approval, the regulatory and corporate-governance structure of insurance companies will undergo fundamental reform.

Notably, composite insurance licences—allowing life and non-life insurance under one entity—will no longer be permitted. Instead, specialised licences will be issued for micro-insurance, inclusive insurance and alternative insurance models such as Takaful.

Segmenting the market in this way could deepen financial inclusion, expand insurance coverage and increase the sector's overall contribution to national GDP.

Angelique Kidjo makes history with Hollywood walk of fame star

Five-time Grammy winner Angelique Kidjo on Tuesday became the first Black African to be honored with a star on the Hollywood Walk of Fame. In a glitzy ceremony under palm trees and picture-perfect California skies, Kidjo was feted by film stars and music industry titans as she unveiled the star on the busy thoroughfare.

"We Africans don't know what we've given to the world," the 66-year-old said. "Without us, there's no music possible on this planet." After offering thanks to her team and family, Kidjo erupted into song as those present sat in rapt attention.

Born in Benin, Kidjo has built an international career spanning more than 40 years and 18 albums. As well as being named one of Time magazine's 100 most influential people, she has also been nominated as one of Africa's 50 most iconic figures by the BBC, and one of the 100 most inspiring people in the world by The Guardian.

Harvey Mason Jr. of the Recording Academy hailed Kidjo as a "rare artist." "Your example has elevated our global music community, and your work continues to remind us that music is more than entertainment; it's connection," he said.

"This star is a permanent symbol; it's not going anywhere, and it's a symbol of your achievements. But your legacy, it lives in the people that you've touched, that you've inspired, the barriers that you've broken, the connections you've created all around the world."

Actor Willem Dafoe praised Kidjo's immense energy on stage. "The first time I saw Angelique perform live, I thought her music, her dancing, her commitment were incredible," the "Platoon" star said. "She is, without a doubt, the hardest-working woman in show business."

But, he said, more impressive was her dedication to the humanitarian work of her Batonga Foundation, which strives to empower girls and young women in Africa. "This is not a token celebrity involvement; it is an extension of what she does with her music. She stirs us, lifts us up, and reminds us that we're all connected, and that love and understanding is the way."

Buenos Aires coffee fair to bring together 100 exhibitors and 1,500 baristas

The 13th edition of Exigí Buen Café, Argentina's largest coffee fair, will take place on Sept. 13 and 14 at La Rural in Buenos Aires, bringing together 100 exhibitors from four continents and an estimated 30,000 visitors.

The two-day event will cover 5,000 square metres and feature tastings, competitions, coffee-themed art and 20 free public workshops. Participants will learn about home brewing and methods including V60, Chemex and AeroPress, as well as the fundamentals of coffee tasting.

The fair will also host Argentina's national Barista, Brewers and Latte Art competitions, judged by an international panel. Visitors will be able to sample single-origin coffees and meet 40 producers from Latin America and Africa, including Brazil, Colombia, Ethiopia, the Democratic Republic of Congo and Venezuela.

A 300-seat auditorium will host discussions on coffee trends, sustainability and health research. The programme will also include coffee and Argentine wine pairings led by sommeliers and baristas.

"Each edition offers a snapshot of the state of the art of coffee in Argentina," said Sabrina Cuculiansky, founder and chief executive of Exigí Buen Café.

The fair will run from 10 a.m. to 8 p.m. at Pabellón Ocre, La Rural, Buenos Aires. Ticket prices start at ARS 18,000.

HOT MUSIC TABLE

AUGUST 13, 2026 - AUGUST 19, 2026

HOTTEST ARTISTS

RANK	ARTIST	RADIO	TV	TOTAL PLAY
1	Solomon Deneke	133	138	271
2	Neway Debebe	82	17	99
3	Dawit Tsige	68	19	87
4	Hana Girma	31	15	46
5	Lemlem Hailemichael	22	23	45
6	Dawit Mellesse	37	7	44
7	Aster Aweke	31	10	41
8	Michael Belayneh	33	3	36
9	Abdu Kiar	28	6	34
10	Ali Birra	22	11	33
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.

BROUGHT TO YOU BY - OMNIMEDIA ETHIOPIA

HOTTEST TRACKS

RANK	TRACK	ARTIST	RADIO	TV	TOTAL PLAY
1	Hoya Hoye	Solomon Deneke	103	83	186
2	Ende Amele	Lemlem Hailemichael	13	12	25
2	Ngezakan	Hana Girma	18	7	25
3	Hoya Hoye	Neway Debebe	20	2	22
4	Amen	Neway Debebe	11	7	18
5	Demama	Dawit Tsige	6	7	13
6	Yirefdal	Ahmed Teshome (Dinbi)	11	1	12
7	Iyyoolee	Gutu Abera	6	5	11
8	Walallay	Afrikaan Ali	3	6	9
8	Lemalmh	Mikaya Behailu	7	2	9
8	Tegene	Betelhem Sherefedin	8	1	9
8	Bante lay	Hana Girma	7	2	9
9	Gojamoch Zenetu	Seyumekal Gebre	6	2	8
9	Geru Mejen	Gizachew Teshome	5	3	8
10	Gen Yet Hager	Girma Tefera kassa	7	0	7
10	Wude Wude	Dawit Tsige	6	1	7
10	Yegle Nesh	Dawit Tsige	4	3	7
10	Endet	Michael Belayneh	7	0	7
10	Fikireh Beretabegne	Kuku Sebsibe	5	2	7
10	Fikireh Beretabegne	Kuku Sebsibe	5	2	7
10	Meta Meta	Teamir Gizaw	4	3	7

Society

The quiet scream beneath the performance

By Gzachew Wolde

We must acknowledge that human interaction often operates on a surface level—one that is useful precisely because it creates a meaningful result for its intended purpose, without being entirely true, yet not entirely false either.

A smile can work as a kind of social bridge. It says, "I'm okay, we are okay, or we are happy for the time being." A smile is like light without current: no power is drawn, no resistance is overcome, and yet it still gives off a glow that everyone can see. It suggests a luminous atmosphere that costs nothing, unlike conventional energy, but still somehow illuminates.

Yet smiling can also come through pain as a way to protect others, preserve personal dignity, and keep things moving even when the inner storm has not passed. Research and psychology both support the existence of this complex feeling.

A smile or laugh may not always spring from deep joy. Still, it does real work. It may be an act, or an intentional attempt to create an atmosphere that triggers laughter in others through practiced words, timing, or gesture. It may also be a performance, like what you see in theatre. Thus, there is sometimes tension between a real smile and one that is performed to create a different atmosphere that resonates in the mind. Nonetheless, it softens a room, signals safety, and invites others to relax.

So it is not always right to assume every laugh comes from deep joy. Different kinds of smiles may appear fine on the surface, while no one discerns what lies behind the laugh. It is sometimes difficult to capture the exact architecture of this feeling by looking only at the smile or laugh. The laugh can shield the true feeling inside. The smile may be a mask. And behind it there may exist a vast, quiet space where the real story lives.

That stubborn hope does not go away easily. It is still there, waiting—which is part of a surprised smile that can catch the audience off guard. The very fact that you put on a smile may mean that some part of you still believes in connection. Some part of you still wants the world to be okay, even if you do not feel that way. And sometimes, it may also come from a genuine feeling triggered by some comic circumstance.

Thus, just behind the smile and laugh, the mind may be screaming a different story. Not in a dramatic way, but in a constant low hum of overthinking. The smile is the volume button, turned down so no one else has to hear the static. Did I say the right thing? What if this all falls apart? Why is this happening? Why am I here?

It takes an immense amount of energy to perform a smile or laugh for a purpose. A fake laugh involves muscles being flexed, held, and relaxed over and over again. Behind it lies a bone-deep weariness—not from work or the day, but from the act of appearing unbothered and happy.

The louder the laugh, the more isolated the person can feel. Because if you are the one making everyone else comfortable with your smile or laugh, who is there to make you feel comfortable? Behind the smile, there may exist a quiet thought: you may really know what is in your head, yet you still laugh with others.

So people do smile when they are in pain, especially around others. Studies show that smiling during painful experiences is surprisingly common and often socially motivated: it helps maintain bonds, signals "I'm okay," and avoids burdening others.

If you feel pain and do not want to show it to someone who does not care, or if you do not want to reveal it to someone who is unequipped to help, then the best option may be to withdraw from such people or offer only a lighter smile. This is not about dragging anyone else into the dark with you. It may help preserve dignity or restraint, creating controlled composure as a way of carrying the weight alone. But it does not solve the actual problem. The pain still lingers somewhere.

All the same, there is a quiet, stubborn hope that you will be normal again. The very fact that you put on a smile means some part of you still believes in connection and still wants the world to be okay, even if you do not feel the same yet.

You may want to be generous in deciding not to let your internal weather become everyone else's storm. You may want to smile, keeping your internal shock inside for your own purpose, while appearing triggered by something comic or absurd. Come what may, a moment may arrive when your performance can no longer serve its purpose. In such a situation, you may not be able to hide behind your smile. The performance cannot conceal everything forever. Under such circumstances, however hard you try, the world can still break through your defenses.

Thus, sometimes the executed smile may no longer serve its purpose. The concealed feeling can come out forcefully and speak for itself. This will expose you as a completely different person. It becomes difficult to hide behind the smile. Timing, and even a memorized script, may no longer work. Because on a theatre stage, a facial smile alone is not all an actor needs. The effect is the result of many artful gestures combined.

Yet the performed smile is true to its purpose, even if it is false to its source. The mask is not just a lie; it is a promise you are making to yourself: I will get through this hour. I will get through this act. The fact that you are still laughing, still showing up, still trying to be light for others is not weakness. It is a profound, quiet form of strength. You may be intending to show the thing that causes others to smile, like an audience wearing the smile you hoped to create on stage. That is, if that is the target you want to achieve: to break the silence with laughter or a smile that feels right to you.

A trained comedian tells a joke. The smile they flash is not born from surprise; it is timed. But if the audience laughs, that performed smile can suddenly tip into genuine pleasure. The act generates the feeling.

It may be exhausting, it may be fake—and yet, at the end of the day, that same smile might become real because the atmosphere you built may finally reach the audience the way you hoped.

You smile to trigger laughter in others, not because you feel like laughing, but because you want the circumstance to exist. You are building an atmosphere, hoping it will create the desired emotion through your artful gesture and let the feeling catch up with the audience's heart and mind. Then that is success.

So the performed smile is a scaffold constructed to create the possibility of visible, genuine smile and happiness. This is something deeply human: the smile is not merely an expression of joy, but a complex social instrument—sometimes a shield, sometimes a gift, and occasionally a cage. Thus, there is a dual nature of the smile, not as a simple expression of joy, but as a complex social instrument.

There is a terrible irony here: the person who creates comfort for everyone else to laugh and smile may become the one least likely to receive it. You make others feel safe, but who makes you feel safe? You make others laugh, but would they still laugh if they knew what was behind the curtain? This is the quiet scream beneath the performance. The volume button is turned down so no one else has to hear the static in the source.

This is the tenderness at the heart of this argument. The performed smile, even when false to its source, is true to its purpose. It is a gift. It is an act of care—for others, yes, but also a possibility of connection for a noble purpose. Even if the smile is not fully genuine, it may become real through the audience's reflection. In that way, it becomes true and successful in its purpose as a different kind of smile.

Thus, the performed smile is not a failure of authenticity. It is an act of hope. It is a decision—made moment by moment, laugh by laugh—to keep the possibility of connection alive, even when you yourself cannot feel it. That is the quiet scream beneath the performance. Smiling is not always a simple emotional signal; it often carries subtle, complex, and delicate shades of expression, feeling, social labor, and coordination.

Thus, a smile is not merely the outward sign of inner joy, but often a deliberate, socially tuned instrument and, occasionally, a quiet act of hope. Research in psychology and social neuroscience supports this dual nature of the smile, showing that it can be both "false to its source" and "true to its purpose."

The writer can be reached via gzachewwolde@gmail.com

Does the law of attraction really attract wealth?

Alazar Kebede

The promise is irresistible. Think positively, visualise financial success, believe that prosperity is on its way and somehow the universe will deliver. The "Law of Attraction" has become a powerful idea in modern self-help culture, popularised by books such as Rhonda Byrne's The Secret. Its central proposition is simple: thoughts shape reality, and positive thoughts attract positive outcomes.

But economics asks a more uncomfortable question: does thinking about wealth actually create wealth? The short answer is no, not in the literal sense. There is little credible economic or scientific evidence that thoughts, wishes or visualisation possess an independent force capable of attracting money. Wealth is produced through a combination of human capital, productivity, entrepreneurship, investment, institutions, opportunity and, importantly, circumstances that individuals do not fully control. That does not make mindset irrelevant. Quite the opposite. Expectations can influence behaviour, and behaviour can influence economic outcomes. The mistake is to confuse this psychological channel with a supernatural one.

The Law of Attraction rests on the idea that "like attracts like". If an individual continually imagines being wealthy, the theory suggests, that individual increases the probability of becoming wealthy. There is an appealing logic to this argument. Someone who believes that financial improvement is possible may be more willing to acquire skills, pursue opportunities, negotiate a salary, establish a business or invest.

Economics has a framework for understanding this without invoking the universe. Human behaviour is influenced by expectations, incentives and beliefs. Albert Bandura's work on self-efficacy, for example, shows that people who believe in their ability to accomplish a task tend to demonstrate greater motivation and persistence. Confidence can therefore have economic value.

Consider two people with similar qualifications. One believes that changing careers is possible and actively searches for opportunities. The other assumes that nothing can change and never applies. Their different beliefs may eventually contribute to different economic outcomes. But the causal mechanism is behaviour not attraction. The first person does not become wealthier because the universe responded to positive thoughts. They become wealthier, if they do, because confidence encouraged action, action created opportunities and opportunities produced results.

That distinction matters. Wealth is not simply a state of mind. The more serious problem with the Law of Attraction appears when it is applied to inequality. If wealth is supposedly attracted through positive thinking, it follows at least implicitly that poverty may be the result of negative thinking. This is an appealing story because it makes economic success entirely personal. But it is also deeply misleading.

People do not begin their economic lives from the same starting point. Family wealth, quality of education, geography, access to finance, social networks, health, labour-market conditions and inherited assets all influence economic opportunity. Two people may possess equally ambitious mindsets while having dramatically different resources available to them.

Economists have long recognised the importance of these differences. Intergenerational wealth, for example, can provide access to better education, housing, investment opportunities and business capital. A young person whose parents can finance university and provide a financial safety net does not face the same constraints as someone who must immediately work to support a household.

Mindset matters but starting conditions matter too. Ignoring this reality risks turning a structural economic problem into a personal moral judgment. Telling someone facing unemployment or poverty simply to "think positively" may sound encouraging, but it does not create jobs, raise wages or remove barriers to capital.

There is another problem with manifestation culture: positive fantasies can sometimes substitute for action. Psychologist Gabrielle Oettingen in her 2014 published book entitled "Rethinking Positive Thinking: Inside the New Science of Motivation" has distinguished between imagining a desirable future and confronting the obstacles that stand between people and that future. Her work suggests that positive fantasies alone do not necessarily produce better outcomes. A more effective approach involves recognising the desired goal while also identifying the obstacles and developing strategies to overcome them.

This is particularly relevant to personal finance. Someone can spend an hour every morning visualising a million-dollar bank balance. But unless that exercise is accompanied by increased income, controlled expenditure, investment, entrepreneurship or skill development, the bank balance is unlikely to change. The economically productive question is not, "How do I attract a million dollars?" It is, "What combination of skills, income, savings, investment and entrepreneurial activity could realistically increase my net worth?" That is a less glamorous question but a much more useful one.

The Law of Attraction becomes particularly problematic when applied to financial markets. Markets are uncertain. Investments can rise or fall for reasons that have nothing to do with an investor's optimism. Interest rates, inflation, corporate earnings, geopolitical developments, technological change and investor expectations all affect asset prices. Believing that an investment will succeed does not make it succeed. In fact, excessive confidence can make investors more vulnerable to financial losses. Behavioural economics has documented the role of cognitive biases such as overconfidence, whereby individuals overestimate their knowledge, abilities or capacity to predict uncertain outcomes. This is precisely where manifestation can become dangerous. If investors interpret failure as evidence that they did not "believe strongly enough", they may continue taking risks instead of reassessing their assumptions. Sound financial management requires the opposite mindset: recognise uncertainty, diversify risk, evaluate evidence and accept that some outcomes cannot be controlled.

Yet it would be too easy to dismiss the entire concept. There is one valuable idea buried within the Law of Attraction: people's beliefs can influence their economic behaviour. A person who believes financial independence is impossible may never learn about investing. Someone who believes they can improve their circumstances may seek education, negotiate better employment conditions or establish a business.

The difference is not mystical. It is behavioural. This suggests that visualisation can be useful when treated as a motivational tool rather than a financial mechanism. Imagining a desired future may help clarify goals. But the next step must be measurable action. Instead of merely visualising financial independence, set a savings target. Instead of imagining a successful business, research the market. Instead of wishing for higher income, develop a skill that employers value. Instead of believing an investment must rise, assess its risk and expected return. In other words, convert aspiration into economic behaviour.

There is no universal formula for becoming wealthy. However, the underlying principles are considerably less mysterious than the Law of Attraction suggests. Wealth accumulation generally requires some combination of earning more than one spends, investing capital productively, acquiring valuable skills, managing risk and allowing time and compounding to work. But even these factors do not guarantee success. Economic conditions matter. A recession can destroy employment opportunities. Inflation can reduce purchasing power. A business can fail despite competent management. An investment can lose value despite careful analysis. This is why an honest discussion of wealth must contain both agency and uncertainty. Individuals have choices, but they do not control the entire economic environment.

Perhaps the Law of Attraction survives because it offers something economics often struggles to provide: hope. It tells people that their future can be different from their present. That message should not be dismissed. But hope becomes useful only when it is connected to reality. Positive thinking can strengthen confidence. Confidence can encourage action. Action can create opportunities. Opportunities, combined with skills, capital and favourable circumstances, can produce wealth.

That is a credible chain of causation. The claim that thoughts themselves send a signal to the universe that returns money, however, is another matter. There is insufficient evidence to support it. The better financial philosophy is therefore straightforward: do not merely visualise wealth, understand how wealth is created. Think positively, certainly. Set ambitious goals. Imagine a better future. But then examine the numbers, understand the risks, acquire useful skills, save consistently, invest prudently and take advantage of genuine opportunities. The universe may not owe anyone a fortune. The economy, however, rewards productivity, innovation, capital formation and persistence far more reliably than it rewards wishful thinking.

Silent Lessons: How the hidden curriculum shapes a generation

By Dawit Tefera and Gezahegn Anbelu

As the saying goes, "Watch what they do, not what they say." This age-old wisdom encapsulates a profound truth: humanity is far more deeply impacted by what it observes than by what it is articulately told to do. Indeed, we are social creatures, and our instinctual drive to mirror the actions of others and observe their consequences greatly shape our values, principles, and life trajectories.

When we send our children to school, the fundamental assumption is that they will acquire both knowledge and virtue. The theories and lessons we provide are built on years of study, discoveries, and preserved wisdom passed down from generation to generation. The structured, visible curriculum is intended to lead students toward intellectual illumination and moral decency.

However, a glaring paradox confronts contemporary society. After spending 12 years in primary and high school, followed by another four to five years in college, students may grow intellectually, but morally they often end up less astute in their decision-making faculties.

Globally, humanity invests staggering sums into the visible, formal curriculum—funneling approximately $4.7 trillion annually into schools, textbooks, and institutional infrastructure. Ethiopia for its part channels over 160 billion birr annually into its formal education sector, striving to expand school access, build infrastructure, and furnish classrooms. Yet, despite pouring billions into structured classrooms, official syllabi, and academic achievement data, societies continue to face deep moral failures because we ignore the unwritten forces shaping our youth. Why do our students fail to become wiser after spending two decades in academic institutions?

We cannot entirely blame the visible curriculum. Almost all academic institutions teach morality, regardless of their cultural or religious orientation. Why, then, are explicit lessons about the importance of decency, honesty, humility, and integrity left un-followed through?

The answer lies in the hidden curriculum—the unwritten, unofficial, and unintended lessons transmitted implicitly through institutional routines, adult interactions, bureaucratic procedures, and broader societal dynamics.

From Classical Sociology to Digital Realities

To understand this phenomenon, educational theorists have long examined how institutions shape behavior. Conceptual pioneers of the hidden curriculum such as John Dewey, Philip W. Jackson, and Benson Snyder argued that schools teach a hidden curriculum that is frequently retained better than formal academic lessons. Students absorb the unwritten rules of survival, compliance, and social navigation far more effectively than they absorb textbook abstractions.

Conversely, functionalist theorists like Emile Durkheim and Robert Dreeben concluded that society could not function without a high degree of homogeneity, asserting that the primary purpose of schooling is to teach structural norms—such as obedience to rules and respect for authority—that families cannot teach alone. On the other hand, critical theorists like Samuel Bowles and Herbert Gintis argued that the hidden curriculum mirrors the broader economic structure of society and serves as an instrument of ideological control, preparing different social classes for unequal roles in the workforce.

Unfortunately, classical frameworks left a critical gap: little has been said about the role of the hidden curriculum in maintaining social order in the era of globalization and the connectivism paradigm. Modern educational theorists like George Siemens and Stephen Downes argued that technology and digital networks have entirely altered the discourse of knowledge.

Yet, despite the blessings of digital connectivity, the contemporary generation—infused with corrupted social norms largely absorbed through the hidden curriculum—frequently uses digital technologies for undesirable activities that distort societal integrity. Social media algorithms, influencer culture, and instant gratification have accelerated a transactional mindset, turning moral decay into a viral spectacle where outrage, shortcuts, and vanity are rewarded with immediate digital validation.

The Incubator of Ethical Decay in Everyday Life

Students rarely follow abstract chalkboard principles; instead, they absorb the glaring contradictions between what is publicly preached and how adults actually behave in their daily lives.

When we tell our children to behave decently, and then watch ourselves aggressively fight over parking spaces or bypass lines, we teach them that civility is merely situational. When students are taught not to steal, yet they watch members of society engage in systemic corruption, get rich quickly, and receive societal celebration for that success, a devastating message is sent. The society's uncritical chorus for results—without caring how those results are achieved—overrides every ethics textbook ever printed.

Such contradictions create deep cognitive dissonance within the collective psyche. On one hand, we pride ourselves on deep-rooted spiritual traditions, historical pioneer status, and ancient civilizations. We inject this national pride into our youth to inspire them. On the other hand, the sheer disregard for simple traffic rules, public decorum, and mutual respect—even in prominent urban centers like Addis Ababa—is dumbfounding. Bureaucratic red tape, institutional favoritism, and the normalization of petty workplace corruption further reinforce the cynical lesson that rules are meant to be broken by those who can afford to do so.

The world is now on the verge of losing its integrity due to moral decay. Schools, higher education institutions, and digital platforms at large are modeling everything as a transactional commodity. English proverbs like Money talks, Latin legalistic sayings like Quid Pro Quo, and local expressions such as If I die, may the grass dry have become the cultural slogans of the day. These views and other unspoken social norms shape generations, embedding themselves as the core of a hidden curriculum that damages our socioeconomic and political ecosystem.

The Path Forward

One way or the other, we are all victims of this phenomenon, and we need to open our eyes before it is too late to reverse the impact of this cruel monster embedded in our society. Instability, greed, sexual immoralities, and anomie—largely advocated through the unregulated hidden curriculum—are becoming the order of the day.

While we cannot blame the hidden curriculum as the sole root cause of systemic corruption and societal indecency, it functions as its primary incubator. When educational environments and broader communities mirror a hypocritical external culture, they validate and reproduce those vices rather than challenge them.

Addressing this crisis requires intentional institutional and cultural reform. Educational leaders and policymakers must audit institutional routines, ensuring that transparency, fairness, and ethical behavior are modeled at every level of administration rather than just printed in student handbooks. Furthermore, schools must actively teach students how to navigate the connectivism era, helping them deconstruct the toxic transactional norms promoted across digital media. At the same time, communities must move away from an uncritical obsession with material results and instead celebrate genuine effort, ethical resilience, and community contribution.

Nations must investigate and fill the huge gaps created by the hidden curriculum, prioritizing structural and behavioral reform before it manifests as an existential threat. Bridging the gap requires transforming our institutional practices, leadership behaviors, and daily fairness to actively match the ethical values we profess. Until our actions match our rhetoric, the hidden curriculum will continue to teach our children that integrity is merely a performance, and hypocrisy is the true rule of the game.

The answer lies in what we call the hidden curriculum—though the irony is that it is not actually hidden at all. We label these unwritten lessons as "hidden," yet there is a profound irony at play: everyone sees it, everyone talks about it behind closed doors, and everyone feels its weight. It operates not because it is covert, but because it is quietly tolerated. It is an open secret woven into the fabric of our daily routines, adult interactions, bureaucratic procedures, and broader societal dynamics.

Because we pretend not to notice the hypocrisy, the double standards, and the shortcuts, this open secret gains a subtle, pervasive power. It thrives precisely in the gap between our official denial and our lived reality. We act as though our children are blind to the graft, the institutional favoritism, and the transactional nature of survival, while they absorb these behaviors as the true governing laws of the world. By refusing to name it, we grant it immunity. The moment we pretend that the hidden curriculum is invisible, we surrender our agency to it, allowing a toxic social culture to dictate the moral formation of the next generation.

To break this cycle, we must strip the hidden curriculum of its power by dragging it into the light. Dealing with what is hidden means refusing to look away from our own contradictions. It requires educators, school principals, community leaders, and parents to stop pretending that our institutional environments are neutral. When we openly discuss the gaps between our stated values and our actual behaviors, we demystify corruption and break its spell over the young.

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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	**INVITATION TO BID (ITB)** **ITB Reference No.: UNHCR ITB 3441 Supply and Delivery of Essential Medicines and Medical Equipment for UNHCR Ethiopia - Melkadida Operation** **UNHCR ITB: 3441 - Negotiations - Oracle Fusion Cloud Applications**	**O1 Sep 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.

SOMALI REGIONAL STATE EDUCATION BUREAU
INVITATION FOR BIDS (IFB)

National Competitive Bidding (NCB)

1. Invitation to Bid

The Somali Regional State Education Bureau invites sealed bids from qualified and eligible bidders for the procurement of the goods and works listed below.

LOT	DESCRIPTION	REFERENCE NUMBER	BID TYPE
1	Procurement of Cars/Vehicle for REB	SREB/NCB/Pro&Log/G/OO1/20 19	NCB
2	Procurement of Boarding Schools Educational Materials	SREB/NCB/Bs/IG/002/2019	NCB
3	Procurement of Curriculum Transportation	SREB/NCB/Crellm/S/003/2019	NCB
4	Procurement of Printing Annual Educational Newsletter and Pamphlets	SREB/NCB/PR/S/004/2019	NCB
5	Procurement of Bajajs	SREB/NCB/Pro&Log/G/005/2019	NCB
6	Procurement of Construction of New High Schools	SREB/NCB/Eng./W1006/2019	NCB
7	Procurement of Spare Parts of Cars	SREB/NCB/Pro&Log/G/071/2019	NCB

2. Procurement Method and Bid Security

Bidding will be conducted through National Competitive Bidding (NCB) and is open to all interested and eligible bidders. Bid evaluation shall be determined in accordance with the provisions indicated in the Bid Documents.

All bids must be accompanied by a bid security equivalent to 2% (Two Percent) of the bid price, in the form of a CPO or bank guarantee. Insurance bonds are not acceptable. The bid security shall remain valid for 60 days after bid opening.

3. Submission of Bids

Bids shall be submitted to the address of the Somali Regional State Education Bureau indicated in this Invitation for Bids. Bidders shall submit separate technical/original and/Original and copy offers in accordance with the instructions provided in the Bidding Documents.

4. Eligibility and Required Documents

Bidders are required to submit an official application letter, a renewed Trade License Valid for 2019 E.C. Taxpayer Registration Certificate, valid tax clearance/tax payment documents, VAT Registration Certificate, and Supplier Registration Certificate, together with any other documents required in the Bidding Documents.

5. Deadline for Submission and Bid Opening

Bids must be delivered to the Somali Regional State Education Bureau on or before 9:30 A.M. (East Africa Time), 15 calendar days from the date of publication/announcement in the Ethiopian newspapers. Late bids will be rejected.

Bids will be opened on the same day at 10:00 A.M. (East Africa Time) at the place specified in the Bidding Documents.

6. Bidding Documents

A complete set of Bidding Documents in English may be purchased directly from the Somali Regional State Education Bureau, Procurement and Logistics Department, Room No. 04, upon payment of a non-refundable fee of ETB 1,000.00 (One Thousand Birr) by interested bidders and submission of a written application.

7. Acceptance and Delivery Address

Somali Regional State Education Bureau reserves the right to accept or reject any bid. Delivery address for Bid Documents: Somali Regional State Education Bureau, Procurement and Logistics Department, Room 04, Tell No. +251257753853, Fax No. +251257753524, P.O. Box 210, Jigjiga, Somali Region, Ethiopia.

SOMALI REGIONAL STATE EDUCATION BUREAU

SPECIAL FEATURE REPORT

A Beacon of Hope Ignited in Gondar: The Remarkable Social Mission of 17-Year-Old Lahen Asefa Jejaw

Focus: Diaspora Youth Engagement & Education Infrastructure in Ethiopia

The contributions of the diaspora community to their homeland are multifaceted. While many choose to invest in commerce or traditional philanthropic projects, 17-year-old high school senior Lahen Asefa Jejaw has carved out a unique and inspiring path aimed at building her country through knowledge and nurturing a culture of reading.

Residing in the state of Maryland, USA, this passionate youth is working tirelessly to ensure that children and adults in her native country, Ethiopia, gain access to books and partake in the enriching feast of education.

ORIGIN AND CONCEPT OF THE INITIATIVE

Lahen conceived this noble vision two years ago during a visit to Ethiopia. Struck by the low culture of reading in the country and particularly observing the severe scarcity of book access for young children, she immediately took the initiative to draft a comprehensive project proposal to address the problem.

During her time in Maryland, Lahen often noticed how readily available books were in public spaces where passersby could freely pick up, read, and return literature along the streets. Inspired by this seamless access, she resolved to replicate this ecosystem of learning in Ethiopia. As she shared in an exclusive conversation with Fana Media Corporation: "Education comes above everything else, which is why I chose to focus my efforts here." Last year, she took her crucial first step by presenting the concept to her father.

THE "JEJAW LEARNING CORNERS" FRAMEWORK

Her innovative initiative was named "Jejaw Learning Corners" in honor of her late grandfather, who was a renowned educator and pioneer in academic leadership. Key pillars of the project include:

- Mobile Libraries & Micro-Units: Designing and constructing aesthetically pleasing, high-quality wooden book cabinets (corners) filled with curated, engaging literature.
- Open Access & Trust System: Enabling children and community members to borrow books completely free of charge, read them at their own pace, and return them conscientiously.
- Banks as Hubs of Literacy: Creating an unconventional synergy between financial institutions and education by transforming bank branches into reading centers. Banks were chosen as strategic locations because they serve as trusted community institutions, offer spacious environments, and experience high daily visitor foot traffic.

PARTNERSHIP WITH ABAY BANK AND THE GONDAR LAUNCH

When Lahen and her family presented the proposal to Abay Bank, the leadership warmly embraced the call and agreed to become official partners. The bank committed to providing physical space and operational oversight within its branches, while the family's charitable foundation undertook the task of building the custom learning units and stocking them with books.

Consequently, the inaugural four reading hubs were officially launched within four Abay Bank branches in Gondar. The centers have been stocked with books and are now fully operational, with local children and community members actively borrowing and reading books free of charge.

ACCLAIM FROM UNIVERSITY LEADERSHIP AND EDUCATION OFFICIALS

The inauguration ceremony in Gondar was attended by prominent academic and local government leaders, who expressed deep appreciation for the initiative:

FAMILY FOUNDATION AND PATERNAL SUPPORT

Lahen attributes her deep connection to her homeland and her passion for community service to her family's positive guidance. Reflecting on her upbringing, she noted: "Having been born and raised abroad, my grandmother, Sister Tsehaybesh Worku, helped me learn Amharic and understand my culture, while my father instilled in me a deep love for my country. I am profoundly grateful to both of them."

Her father, Dr. Asefa Jejaw, expressed unwavering support for his daughter's vision:

Dr. Asefa added that they plan to further strengthen their ongoing support for schools, teachers, and students, reaffirming their commitment to helping restore Gondar as a historic center of academic excellence.

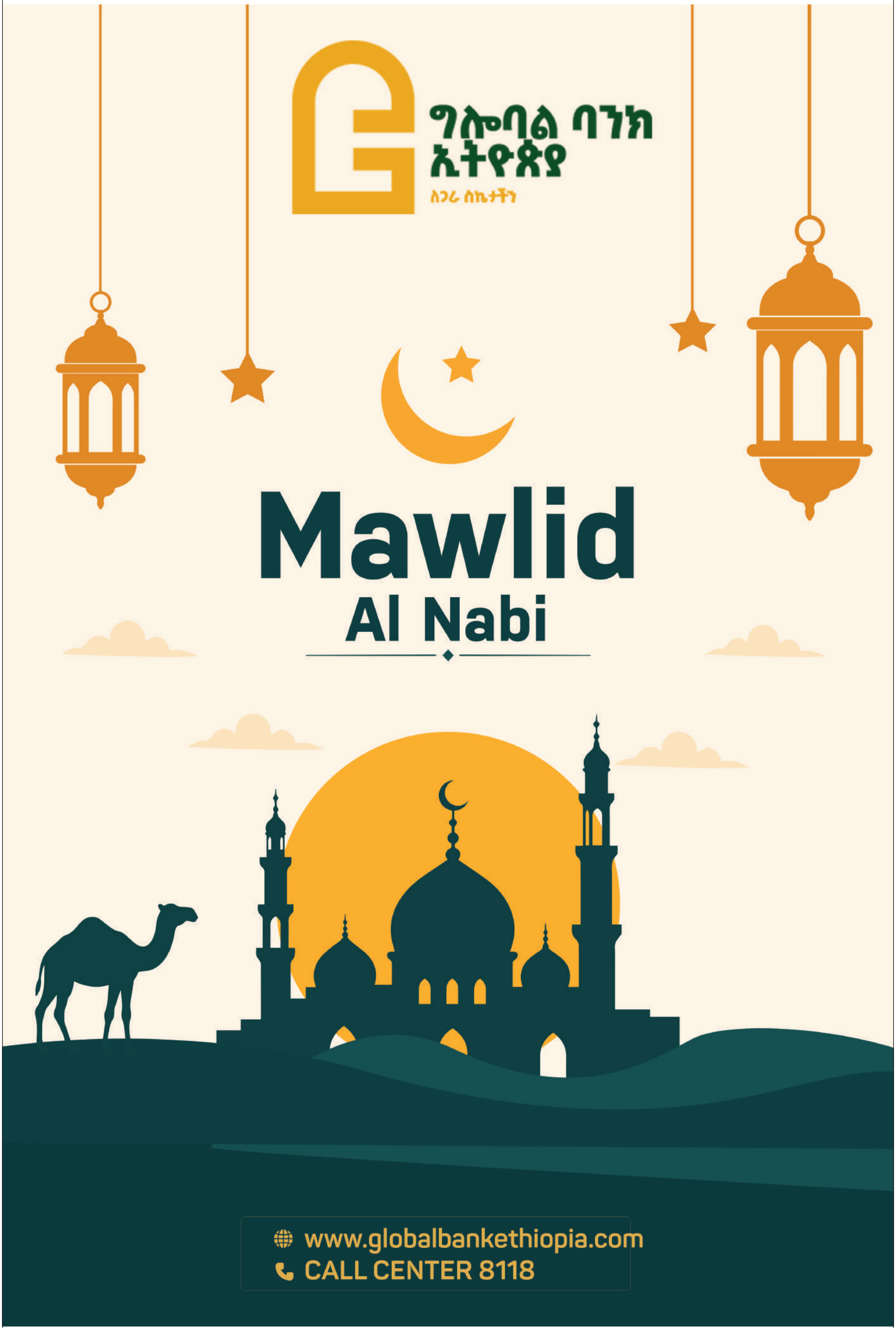
GRAND VISION AND THE JOURNEY AHEAD

Currently, Lahen is actively collecting book donations through social media, email campaigns, and digital drives (Google Drive). Her structured roadmap includes:

1. Short-Term Goal: Expanding the learning corners into 30 bank branches in rural communities and satellite towns surrounding Gondar within the current year.
2. Long-Term Vision: Establishing over 300 reading corners across all regions of Ethiopia, including rural villages and refugee settlements, culminating in the construction of a major public library in her homeland.

In her closing message, the young innovator urged the diaspora community to get involved: "People living abroad who wish to help should translate their desire into direct action. We warmly welcome anyone who can contribute book donations to support this cause."

Supported by her father, Dr. Asefa Jejaw, and her family, 17-year-old Lahen's mission to empower youth through knowledge stands as an inspiring model of diaspora engagement and impactful community service.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The silence before the storm

By Daniel Kassahun

A super El Niño is forming. Ethiopia's history says the real risk isn't the drought—it's the silence.

The forecasters are getting nervous. A major El Niño is brewing—the kind meteorologists call a "super" event. The models give it a 69% chance of being the strongest since 1950.

In Ethiopia, that number should be a five-alarm fire. Instead, there's barely a whisper.

Especially strange, given that the last two times this happened, an ocean current on the other side of the planet helped bring down the government—and crater the economy along with it.

By most accounts, the Ethiopian government has been unusually quiet. That silence can be read two ways.

One reading is complacency: a government that hasn't absorbed the warning, or chooses not to amplify it, gambling that the last disasters were flukes.

The other reading is more interesting. Maybe the silence isn't panic suppressed, but confidence earned—maybe someone in Ethiopia's disaster-response machine has actually cracked the El Niño problem, building the monitoring, the stockpiles, the machinery to keep this one boring. Because that is the goal of modern disaster response: to be boring. Intervene early enough, and nothing newsworthy happens. Nobody throws a parade for a famine that didn't occur.

Answering that depends on a bigger question: what actually determines whether a bad rainy season becomes a fallen government—and a broken economy?

Drought is weather. Famine—and fiscal collapse—are political choices.

As the Ethiopian scholar Mesfin Wolde Mariam argued nearly four decades ago (1984), drought does not, by itself, kill people—the absence of an effective response does. A dry season empties granaries; empty granaries drive desperate migration; desperate migration becomes a body count.

The treasury math is just as brutal. A single failed season can wipe out 10–15% of agricultural GDP, spike food-import bills by hundreds of millions of dollars, and force emergency borrowing that blows through fiscal deficit targets. Foreign exchange reserves get diverted to grain purchases. Development spending gets shelved. Inflation boils over.

Over the past five years, conflict has battered northern Ethiopia, eroding the resilience of farmers and pastoralists there—mirroring the exact conditions that helped turn drought into famine in the 1980s. It doesn't take much imagination to guess what a super El Niño would do to a region, and a budget, already this stretched.

At every step, a functioning institution could have intervened, and didn't. Or a broken one tried, and failed. History is littered with such moments—from the Indus Valley to the Khmer Empire, when the rains fail, even the mightiest civilizations wobble. Ethiopia is basically a laboratory for this lesson, run across a thousand years.

THE ECONOMICS OF SURVIVAL—AND COLLAPSE

Take the 1880s famine known as Kifu Qan—"the evil days." Drought, cattle plague, and locusts wiped out roughly one-third of the population. Unfathomable. Yet as the historian Richard Pankhurst documented (1964), Emperor Menelik's government still distributed grain from royal stores and restocked cattle afterward. Imperfect, insufficient—but real, and it kept the state standing. It also protected the crown's tax base: keeping farmers alive meant keeping them productive. That wasn't charity. That was self-preservation.

Compare that to the two episodes that should haunt today's forecast. In 1973, Haile Selassie's government chose to hide a drought-driven famine rather than fight it. The cover-up helped topple a 3,000-year-old monarchy within a year (Koehn, 1979); agricultural output collapsed, foreign aid dried up, and the regime's creditworthiness evaporated overnight.

In 1983–85, the rains failed again, this time colliding with civil war and the Derg's brutal policies. The result was the famine that gave the world Live Aid—and gave Ethiopia a reputation it has spent forty years outrunning. The fiscal hangover lasted even longer: decades of aid dependency, a paralyzed rural economy, a generation of farmers too wary to reinvest in their own land.

Same country. Same ocean current. Wildly different outcomes. The variable was never really the sky. It was the people in the room when the bad news arrived—and the price they were willing to pay to face it honestly.

THE UNGLAMOROUS PLUMBING OF ANTICIPATION

What's changed since the 1980s isn't Ethiopia's weather. It's Ethiopia's plumbing: satellite monitoring that flags a bad season months out, food-price surveillance that tracks markets like an ER tracks vital signs, and the Productive Safety Net—launched in 2005—that gets cash and food to millions on a predictable schedule rather than waiting for an emergency.

None of this is dramatic. It won't inspire a benefit concert. That's the point. A good disaster system reacts before there's anything left to react to, which is precisely why it never makes the news—and precisely why it rarely topples the government, or the budget, that built it. Aid economists increasingly agree that a dollar spent before a crisis can save several dollars spent after one. Prevention isn't just humane. It's fiscal common sense.

But here's the catch, and it's a big one. Every time Ethiopia's system catches a falling crisis, it also relieves the pressure to fix the reasons the crisis keeps happening: drought-prone farming on marginal land, dependence on rain-fed agriculture, chronic poverty, a tax base too narrow to fund real resilience.

None of that disappears because a cash transfer kept people fed through a bad year. Think of it like a good painkiller for a chronic illness—it stops suffering, saves lives, and nobody should feel guilty for taking it. But it also quietly removes the urgency to treat the disease underneath. Ethiopia may be getting better at surviving droughts without getting meaningfully better at not having them. "No famine" and "no vulnerability" are not the same headline—and for the Ministry of Finance, they carry very different price tags.

A PROBLEM BIGGER THAN ONE COUNTRY

Droughts in the American Southwest. Floods in Pakistan. Heat waves that used to be once-a-century events. As climate stress intensifies everywhere, the question isn't whether disaster will strike—it's whether governments act in time, or find out from the funerals.

The Ethiopian case suggests the line between environmental catastrophe and political catastrophe isn't fixed by nature. It's built—badly or well—by institutions: early warnings, honest information flows, the political will to act on bad news before it becomes undeniable, and the fiscal discipline to fund resilience before the emergency hits. Build them well, and a country can absorb repeated shocks without breaking the bank. Build them badly, or lie about what they show, and a bad harvest becomes a revolution.

Which brings us back to that unsettling silence around the current El Niño.

The generous reading: Ethiopia's disaster machinery has genuinely decoded this threat—the forecast is a spreadsheet problem being quietly managed in a ministry office, not a front-page emergency. The silence is a system working as intended.

The less comfortable reading: today's silence is avoidance dressed up as calm. Every institution built since 1991 has been tested against drought—but rarely against a drought landing on top of the conflict, displacement, and economic strain Ethiopia already carries today.

The 1983–85 catastrophe wasn't a monitoring failure—the warning signs were visible even with far cruder tools than exist now. It was a failure of honesty and political will: the regime refused to pause its war, choosing instead to lavishly celebrate the tenth anniversary of the revolution while the crisis unfolded. The fiscal priorities were, to put it mildly, inverted. If we're repeating that playbook, history says exactly how the story ends.

So the fair answer isn't "the government is fine" or "the government is doomed." It's narrower, and more useful than that. Has this government built—and is it using—the detection, the stockpiles, the fiscal buffers, and above all the honesty to keep a bad rainy season from becoming a political and economic reckoning?

Ethiopia has proven, more than once, that it's capable of exactly that. It has also proven, more than once, what happens when it isn't.

The forecast doesn't tell us which Ethiopia we're about to see. The next few months of silence—or noise—will.

Daniel Kassahun is a PhD, Associate Professor of Geospatial Technology based in Texas. He can be reached via daniel.kassahun@gmail.com

Before Decent Work, Ethiopia's Youth Need Work

By Solomon Zena

On International Youth Day, there is a temptation to celebrate young people as the promise of tomorrow. But for millions of young people, particularly in countries where employment opportunities remain limited, tomorrow is not the main concern. The immediate question is much more basic: where is the work?

This is where the International Labour Organization's Global Employment Trends for Youth 2026 becomes particularly relevant to Ethiopia. Its message is neither simply optimistic nor pessimistic. Youth labour markets have recovered in important respects in recent years, but that recovery has not translated into an easy transition from education to secure and productive employment for everyone. Progress has stalled in important areas, while the pathway into working life remains difficult for many young people.

For Ethiopia, the significance of this global picture is greater than simply comparing one country with another. It forces us to confront a difficult reality: when employment opportunities are insufficient, decent work can begin to sound like a luxury.

A young graduate who has sent dozens of applications without receiving a response may not initially ask whether a prospective employer provides adequate social protection, career development or a safe working environment. A young person supporting a family through irregular income may first ask whether there is an income at all. And someone entering the labour market for the first time may accept almost any opportunity because unemployment offers no alternative.

But this is exactly where the debate about decent work becomes important.

The scarcity of jobs should not become an excuse for the scarcity of rights.

Ethiopia cannot afford to create a false choice between employment and decent employment. The country needs more jobs, but it also needs to ensure that the jobs being created do not trap young people in a cycle of poverty, insecurity and vulnerability.

This distinction matters because having work and having decent work are not the same thing.

A young person working long hours for an income that cannot cover basic living costs may technically be employed. A graduate working without a written contract may be counted as employed. A young worker in an unsafe workplace may also be counted among those with jobs. Yet employment statistics alone cannot tell us whether that young person has actually achieved economic security or dignity.

This is one of the central questions Ethiopia must confront as its young population continues to enter the labour market.

The challenge is not merely to reduce unemployment figures. It is to build an economy capable of generating productive, sustainable and protected employment at the scale required by the country's youth population.

And that is where the Ethiopian debate needs to move beyond the familiar language of "creating opportunities."

Young people do not need opportunities only in speeches. They need pathways into the labour market.

For many, the transition begins with education and ends in a frustrating period of waiting. A university degree does not automatically translate into employment. Technical and vocational training does not guarantee a job. Even those with skills may struggle when the economy does not generate enough positions in which those skills can be used.

The result is a dangerous mismatch: young people are told to acquire skills, while the economy is not always generating sufficient demand for those skills.

This means Ethiopia's youth employment strategy cannot place the entire responsibility on young people. Entrepreneurship, skills development and employability are important, but they cannot substitute for broader economic transformation.

Telling every unemployed young person to become an entrepreneur is not an employment strategy by itself.

Some young people will build successful businesses. Many others, however, need wage employment, apprenticeships, industrial jobs, agricultural opportunities, services-sector employment and other forms of productive work. A functioning labour market must provide multiple pathways rather than presenting entrepreneurship as the only acceptable alternative to unemployment.

There is also a deeper social dimension. For a young person, prolonged unemployment is not simply the absence of a monthly salary. It can mean delayed independence, postponed family formation, dependence on parents, loss of confidence and exclusion from economic life. For households, one unemployed young person can represent another financial burden. At national level, prolonged youth unemployment means a generation of productive potential that is not being fully utilized.

That is why Ethiopia's youth employment challenge should not be treated only as a labour-market issue. It is an economic, social and developmental question.

The ILO's global assessment provides an important reminder that recovering youth employment numbers do not automatically mean that young people are entering secure and fulfilling working lives. For Ethiopia, the lesson should be even sharper: we need to pursue quantity and quality simultaneously.

First, there must be enough jobs.

Second, those jobs must increasingly become better jobs.

These are not competing objectives. They are connected.

A young worker cannot enjoy decent work if there is no work. But creating employment by normalizing extremely low wages, unsafe conditions, excessive working hours or insecure arrangements is not a sustainable solution either. It may reduce unemployment temporarily while reproducing working poverty.

The real policy challenge, therefore, is to make job creation itself a route toward decent work.

That requires stronger links between education and industry, practical school-to-work transition programmes, apprenticeships and first-job opportunities, support for labour-intensive sectors, and an environment in which enterprises can create sustainable employment. It also requires protecting young workers once they enter the workplace.

Because the first job matters.

A young person's first experience of work can determine whether they build skills, confidence and a career—or whether they become trapped in precarious employment. The first workplace should therefore be viewed not simply as somewhere young people earn their first income, but as the beginning of their participation in the economy.

This is particularly important for young women, who can face additional barriers in accessing employment and progressing within the workplace. A youth employment strategy that does not seriously address gender disparities will leave a significant part of the country's productive potential unused.

International Youth Day therefore offers Ethiopia an opportunity to ask a more uncomfortable question than "How many young people are employed?"

We should also ask:

What kind of work are they doing? How much do they earn? Are they safe? Do they have contracts? Can they develop their skills? Do they have a voice at work? Can employment provide a pathway out of poverty rather than simply a temporary escape from unemployment?

These questions may sound ambitious in an economy where jobs themselves are scarce.

But perhaps that is precisely why they must be asked.

Decent work should not be presented to unemployed young people as a luxury they can demand after the economy becomes prosperous. It should be treated as the direction in which employment creation must move from the beginning.

Ethiopia needs to create millions of productive opportunities, but the ambition should not stop at putting young people on payrolls. The ultimate objective should be to build a labour market in which employment contributes to dignity, economic independence and a better future.

On this International Youth Day, therefore, the message should go beyond celebrating the energy and potential of Ethiopia's young population.

Young people do not need to be told repeatedly that they are the future.

They need an economy that gives them a meaningful place in the present.

And before we can ask whether every young Ethiopian has decent work, we must confront the harder question first: Where is the work?

Then comes the question that cannot be postponed:

How do we make that work decent?

Time to abandon the deceptive myth of "printing money" as driver of Ethiopia's inflation

By Matias Assefa

One claim that has been made time and again in Ethiopian economic discourse over the past five years or so is that "printing money" on the National Bank of Ethiopia's (NBE) part has caused high inflation. And people making this assertion seem to have been vindicated by recent events: the federal government has refrained from taking direct advances from the NBE for two consecutive years and, meanwhile, official numbers have begun to show easing in the inflation rate (up until the war in Iran). But is that claim defensible on factual ground? Is it even reflective of systematic economic thinking? I think the answer to both questions is no.

Making spurious and overblown assertions about inflation in Ethiopia is certainly not new. During the Ethiopian People's Revolutionary Democratic Front (EPRDF) era, when the economy was officially growing by double digits, some people, including public officials, contended that observed inflation was the result of an "overheated economy," either failing to appreciate how this would make little sense in an economy characterized by considerable slack or just trying to dupe the public. There have also been times when we heard the bizarre argument that inflation caused by "man-made" factors is unacceptable, as if price increases ought to be a natural phenomenon. So the alleged inflation driver at hand, i.e. printing money, is only one among many delusions.

Why should we care? Mainly, it's because inappropriate diagnosis of an economic problem, especially one made by elite opinion-makers or institutions which hold sway over government policy, can lead to inappropriate treatment, which not only leaves root causes unaddressed, but may even be counterproductive.

Now what do we mean by printing money? Strictly speaking, it refers to the actual issuance of new currency by a government. In practice, however, direct central bank financing of government deficits, i.e. monetizing the debt, is also commonly, if less accurately, referred to as printing money. But never mind. Whichever notion people have in mind when they talk about printing money, the theoretical effect of the two cases is essentially the same, which is to increase the monetary base (i.e. create high-powered money) and, thereby, the money supply.

So let's be clear: Printing money does not necessarily cause inflation. Yes, there is a general economic principle stating that high inflation, especially hyperinflation, arises when the government prints too much money, or when there is excessive money supply growth. But there are so many ifs and buts here. For example, how much is "too much"? How large and for how long is government spending covered by printing money? And how close is the economy running to its productive capacity? To propose a monetary explanation for inflation even as a hypothesis requires answering these questions. By contrast, there is a pervasive inclination among Ethiopian economic observers to assume any monetary injection as inflationary, as if the economy is in equilibrium at full employment – which it isn't, not even remotely.

More important, the money-printing-turned-inflation story does not fit the available data at all. First of all, it's not like the government has financed deficits in or shocks to its budget solely with money creation; at least part of government spending has been covered by domestic and external debt. Also, neither the money supply nor inflation has risen in an extreme fashion. By the NBE's own reckoning, the M2 money supply increased at an average rate of 26% a year between 2009/10 and 2023/24 – hardly extreme growth! And, for what it's worth, Ethiopia's M2/GDP ratio remains among the lowest in the world. Inflation, too, averaged 17% per annum, which is clearly excess, and hurtful, but by no means hyperinflation. Then, if you plotted the money supply (its growth rate) and the consumer price level (its inflation rate) over the same 15-year period, you would not observe tightly linked co-movements. And this should be no surprise given our dysfunctional interest rate and credit channels of monetary transmission.

But here is an even more informative analysis: The NBE's control is confined to the monetary base – currency plus total reserves in the banking system – or to what we call reserve money – currency plus bank deposits at the central bank. And there were striking discrepancies in the growth trajectories of reserve money and the M2 money supply over 2009/10-2023/24. On some occasions, when the growth of reserve money plunged, money supply recorded double-digit growth – the two giving conflicting signals about the course of monetary policy. On others, when the expansion of reserve money became more rapid, that of money supply got slower. How, then, can you blame the NBE's money-printing for inflation when even reserve money's causal influence on the money supply has been dubious? Viewing the NBE as a sole source of money supply growth – which is also affected by what banks, depositors and borrowers do – or telling it to simply reduce the amount of money in the economy is indeed foolish. And in part, at least, the money growth probably reflects the fact that, as our economy has expanded, so has the money people need to hold for business transactions.

Note also that I haven't even raised the issue of whether or not the NBE could actually justify an expansionary monetary policy stance – which it could in an economy suffering from high unemployment of both workers and resources.

At this point you might be wondering why the NBE's revised establishment proclamation has then tightened the constraint on direct monetary financing of budget deficits (no more than 15% of average annual government revenues of the previous three years and only in the form of temporary overdrafts), notwithstanding the workarounds the federal government could still find. The compelling reason is that it helps to limit fiscal dominance of monetary policy and discourage fiscal irresponsibility. Similarly, the two-year-old termination of direct advances to the government is better understood as a precautionary measure than as a remedial action warranted by hard evidence of past inflation driven by excessive money supply.

But then, what would a more plausible account of our inflation look like? Surely it includes multiple factors, both from the demand and the supply sides, and not all domestic. Even the IMF – the ultimate producer of monetary narratives of inflation – identified drought-induced agricultural output shocks, currency devaluation, administered-price increases, political disorder that disrupted supply chains, and world food and commodity price surges as factors explaining Ethiopia's excess inflation between 2009/10 and 2023/24. We also had a two-year-long war initiated in Tigray, as well as imported inflation due to the Covid-19 pandemic and especially the Russia-Ukraine war. Add to this the high likelihood that a rise in inflation expectations has played a role in pushing up actual prices lately, and characterization of our inflation as an offspring of money-printing ends up being a figment of the imagination.

One has to wonder, though, why some economic commentators have made a causal conjecture contrary to sound analytical reasoning and available evidence. It is safe to say that most of them have not thought the matter through. From a general knowledge of the government's money-printing to pay some of its bills, they have made a very large leap to blame that for visible inflation, overlooking the economic circumstances under which this may be true or not bothering to check if their position holds in the data. Beyond this, some economic pundits probably cannot resist the urge to tell a monetary story about inflation because doing so sounds advanced. Whatever the real motivation, some soul searching is in order.

And not just among the commentator group. Just last month, an academic paper presented at the 23rd International Conference on the Ethiopian Economy singled out, once again, monetary expansion for driving domestic inflation. And based on this spurious inference, the study made audacious medium-term projections for inflation, before recommending that the NBE cap the growth of money supply in order to achieve single-digit inflation. Hah. If only matters were that simple and our inflation was that predictable.

That's not the end of the story, though, since the claim that money-printing has caused inflation sometimes gets transmuted into declaration that tight monetary policy has enabled inflation to fall. The latter assertion all too often suffers from idle speculation, in three respects. First, it apparently commits the false cause fallacy: thinking that, because disinflation comes together with or right after the NBE's monetary tightening, there must be a causal connection, without properly establishing the latter. Second, it does not tell us under which empirically founded transmission mechanism tight money causes disinflation in Ethiopia – presumably because there isn't one. Finally, this assertion betrays the misguided belief that tight money directly brings inflation down, just like a tree cutter, whereas it first requires weakening economic activity or growth, and thereby possibly employment – the evidence of which is usually lacking.

But doesn't the NBE's Monetary Policy Committee (MPC) meet regularly and make proposals to manipulate liquidity in the banking system, especially commercial banks' credit supply, with a view to achieving price stability? Well, policy must be made and the committee must rationalize whatever stance it adopts. My point is that at least in the foreseeable future its decisions can at most affect particular sectors of the economy, falling short of substantively influencing inflation due to lack of credible transmission channels on the ground. Thus it is logical for bank-dependent borrowers, be it individuals or businesses, to wonder if the MPC's decisions impact their desired cash and working capital. But well-informed, policy-oriented macroeconomists are unlikely to hold their breath.

In short, thinking of our inflation as a monetary phenomenon is far too simplistic. The claims purporting to have found a strong link between money printing/supply and inflation do not stand up to closer scrutiny. And you really don't want to judge these claims by their sources, i.e. by how elite the latter are or appear to be. Only thinking things through and paying enough attention to factual conformity reveal that monetary factors have been of minor importance to aggregate economic activity and inflation in Ethiopia. And that is the bottom line.

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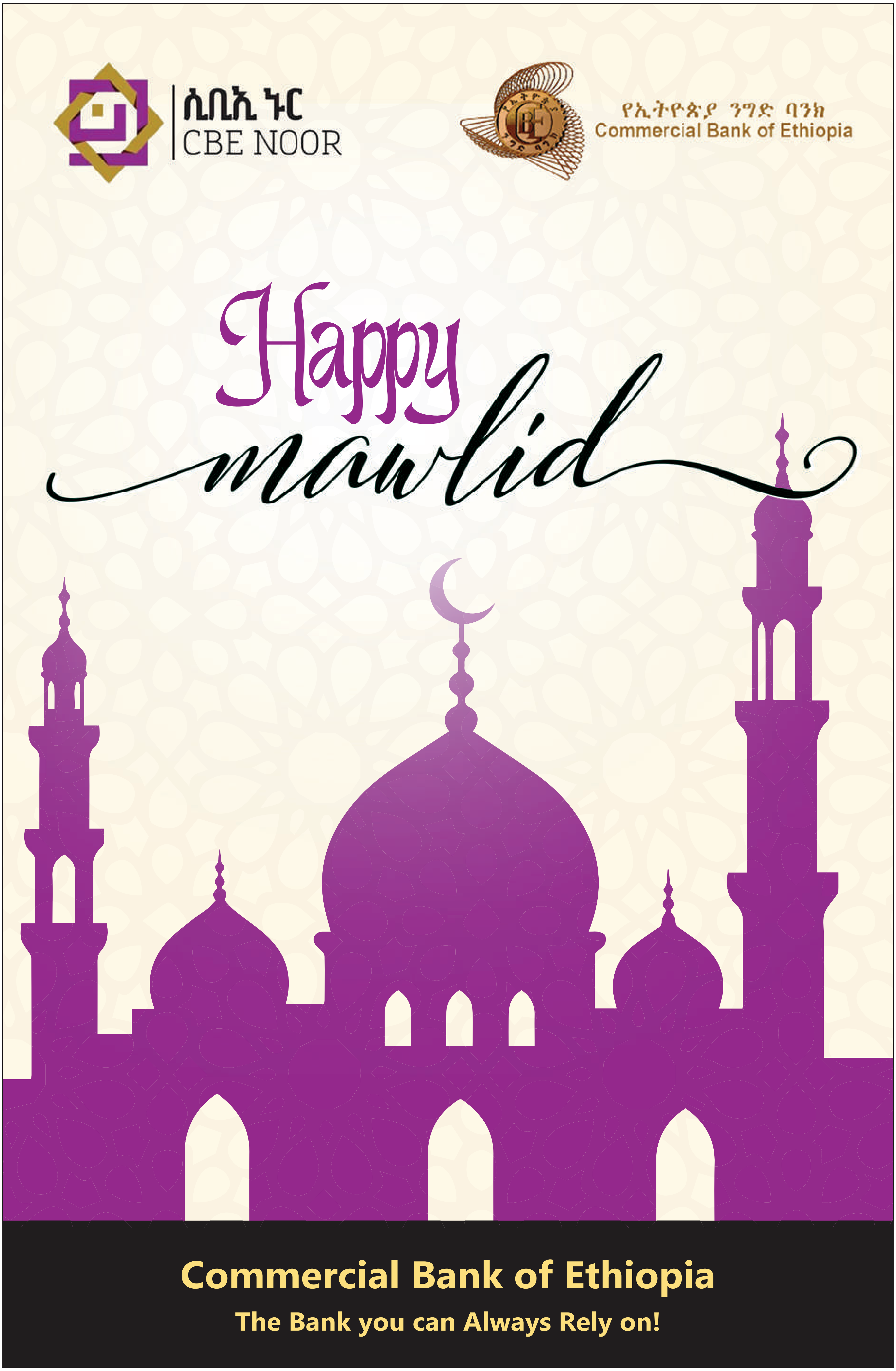
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Capital SPORT

Cameroon claim first Wafcon title with victory over Malawi

Cameroon cruised to a 3-0 victory over tournament debutants Malawi to claim their first ever Women's Africa Cup of Nations (Wafcon) title.

Marie Ngah Manga's close-range header put the Indomitable Lionesses ahead in the 20th minute and Naomi Eto doubled the lead with a stunning volley on the half hour mark in the Moroccan capital Rabat.

The Central Africans made it 3-0 in the third minute of first-half added time as Eto rounded Malawi goalkeeper Mercy Sikelo and put the ball on a plate for striker Ngah Manga to score her fifth goal at the finals.

Malawi, the lowest-ranked side at Wafcon 2026 at 153rd in the world, reached the final on the back of the attacking prowess of the Chawinga sisters Tabitha and Temwa.

However, the two Scorchers stars were well marshalled by the Cameroon defence, who ensured the Southern Africans were unable to secure a fairytale ending to their unexpected run at the tournament.

Ngah Manga missed a glorious chance to complete her hat-trick - and secure the golden boot outright - three minutes into the second half when she went past Sikelo but fired wide from six yards with the goal gaping.

The Scorchers had their best opening just after the hour mark as Cameroon keeper Michaely Bihina saved a low effort from Tabitha Chawinga before her younger sibling turned and fired the rebound wide.

Cameroon's triumph is all the more remarkable given the Indomitable Lionesses missed the 2024 edition of Wafcon and failed to qualify for these finals, losing 3-1 on aggregate to Algeria in their second-round tie.

However, the Central Africans advanced to the tournament on the strength of their world ranking after the Confederation of African Football (Caf) expanded the finals from 12 to 16 teams.

Fifa president Gianni Infantino was on hand to present the trophy alongside Caf counterpart Patrice Motsepe, and Cameroon - who previously lost three Wafcon finals - also pick up $2m (£1.48m) in prize money as they become just the fourth side to win the title after Nigeria, Equatorial Guinea and South Africa.

Both sides will feature at the 2027 Women's Fifa World Cup in Brazil alongside fellow Wafcon semi-finalists Algeria and Morocco.

"We are very happy," Ngah Manga said on E4.

"We have been working so hard over all these years to get here. To finally be champions we are very proud."

Indomitable Lionesses capitalise on errors

Both sides looked nervy in the opening stages, with the Southern Africans repeatedly trying to play in Temwa Chawinga with early balls forward - a tactic that worked well in their semi-final victory over Algeria.

The opener came after Sikelo misjudged an Eto cross from the right and Grace Mendoua's header back across goal was tipped on to the bar by the Malawi keeper.

Ngah Manga was on hand to pounce on the rebound from two yards out and Cameroon, ranked 82 places above their opponents, never looked back.

The Indomitable Lionesses doubled their lead when Malawi failed to clear a corner and Eto pivoted before sending her first-time effort into the bottom right-hand corner.

Sikelo was arguably at fault for the third as she decided to come off her line in an attempt to cut out Genevieve Ngo Mbeleck's through ball but Eto beat her there, got to the byline and crossed for Ngah Manga to head into an empty net from two yards.

Valentine Nguele only took charge as Cameroon coach in June but has built a well-drilled side which upset Nigeria 1-0 in the quarter-finals and then beat host nation Morocco on penalties in the last four.

Bihina was the star in both of those matches, pulling off nine saves against the Super Falcons and then keeping out an extra-time penalty and three more spot-kicks in the shootout against the North Africans.

The 22-year-old Benfica goalkeeper was rarely called upon in the final as Malawi's challenge faded.

Cameroon came close to adding a fourth late on but an Eto strike from a narrow angle was well saved by Sikele before Mendoua headed a corner across goal and wide.

In injury time Indomitable Lionesses substitute Gabrielle Onguene tapped in but the 37-year-old was to be denied by the offside flag and booked for taking off her shirt in celebration.

Cameroon football federation president Samuel Eto'o celebrated each goal wildly in the stands at the Moulay Hassan Stadium and the Cameroon bench and officials ran on to the pitch on the final whistle to mark their first Wafcon crown after final defeats in 2004, 2014 and 2016 - which all came at the hands of Nigeria.

Decision to expand finals vindicated

This tournament was described to me before the final as 'the Women's Africa Cup of Nations of our lifetime', and rightly so.

Aside from host nation Morocco, no-one would have predicted such a last four line-up or the two sides who would ultimately contest the final.

Caf's decision to expand the tournament to 16 nations has proved to be the right one, allowing teams away from the likes of Nigeria and South Africa to demonstrate their qualities and bridge the gap to the continent's elite.

In the end, this young generation of Cameroon players had too much for Malawi - with Monique Ngock sparkling in midfield once again to prevent passes up to the Chawinga sisters that had been so effective in their run to the final.

Michaely Bihina's shot-stopping has also been a tournament highlight, as the fairytale for the team ranked 153rd in the world came to an abrupt end with some nervy defending.

But both sides have next year's Women's World Cup to prepare for alongside Morocco and Algeria, who will be making their debut alongside Malawi.

Farid Benstiti's Fennecs have arguably made the most marked improvement since the last edition of Wafcon 13 months ago, and there is so much to look forward to from the four guaranteed African teams in Brazil next year.

Team Amani dominate Tour of Burundi

Team Amani capped off a dominant week of racing at the Tour Cycliste International Féminin du Burundi (UCI 2.2) on Thursday, sealing the overall General Classification title alongside another stage win - the team's second in as many days.

The all-African outfit finished the race with a commanding 1st, 3rd and 4th on the final GC standings, underlining the strength and depth of the squad across the five-stage race.

Back-To-Back Stage Wins For Eyeru

Eyeru Haftu Reda claimed her second-consecutive stage victory after committing to a solo move that held firm to the finish. It was the perfect platform for her teammate Meresiet Ashebir Gebrehiwet to confirm the overall title.

"The team tactics worked out perfectly for us today," Haftu Reda said. "When I was away solo, I thought I was going to be caught, but with 10km to go I had a good gap. I started thinking about the win and feeling inspired."

The stage win also marked a personal turnaround for the rider. "Last year in Namibia I didn't have the best performance, even though the team was winning. I am so happy to see my own improvement from last year."

With Team Amani locking out three of the top four places overall, Haftu Reda had a message for the next generation of African talent. "I want to say to other African riders if you have the interest and the dream to win, you can achieve it. It's only about working hard and being strong mentally."

Meresiet Completes The Comeback

For overall winner Gebrehiwet, the victory represents a return to form after a difficult stretch that included a crash and missed races earlier in the European season.

"I can't express my feelings, it's too much. This means so much," she said. "Racing in Europe earlier this year was good, but after I crashed, I was forced to miss some races. Now I am coming back, and winning this race feels so good."

Defending the leader's jersey over the race's closing stages was far from straightforward. "One second was hard to defend it was so stressful. The three stages defending it were so hard. We had to wait for them to announce the results at the finish every day, and that wait and anticipation was stressful."

With the race won, she reflected on the weight of expectation that came with leading a strong Team Amani roster. "I felt the pressure because we have the strongest riders here, and it was the team's objective to win the race, so we had that pressure. Now I feel the opposite, no more pressure, only happiness."

Looking ahead, she was quick to credit those supporting the team's journey. "We will still progress a lot and become better in time. Thanks to everyone supporting us, and I want to encourage people to follow our journey we will improve from race to race towards our goals."

Africa Key

Beyond the results, the week served as a reminder of why races like the Tour du Burundi are so important to Team Amani's mission. Visa barriers remain a persistent obstacle preventing talented African riders from accessing European racing.

Rider Claudette Nyirarukundo had her visa application for Europe denied earlier this year but in Burundi, she had the opportunity to race, and finished on the podium.

"It's why it's so important to create racing opportunities at home too," said Gebremariam.

Team AMANI's performance in Burundi a dominant week of racing capped by a 1-3-4 GC finish stands as a testament to what's possible when African riders and staff are given the platform to compete and grow on their own continent.

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Working hours:
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