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The IGAD Council of Ministers held their 58th Extra-Ordinary Session in Juba at the beginning of the week, (July 23 -24), for talks on the revitalization of the Agreement on the Resolution of Conflict in South Sudan. The meeting was chaired by the Foreign Minister of Ethiopia, Dr. Workneh Gebeyehu, the chair of the Council, and was attended by the Foreign Ministers of Djibouti, Kenya, Somalia, South Sudan, and representatives from Uganda and Sudan as well as Festus Mogae, Chairperson of the Joint Monitoring and Evaluation Commission, IGAD' s Executive Secretary and Ismail Wais, IGAD Special Envoy for South Sudan. **(See article)**

UNICEF Executive Director, Anthony Lake, WFP Executive Director, David Beasley and WHO Director-General, Dr Tedros Adhanom, after a joint visit to Yemen, said the Yemeni crisis required an unprecedented response. They said Yemen was suffering from the world' s worst cholera outbreak in the midst of the world' s largest humanitarian crisis with 400 000 cases of suspected cholera in the last three months and health, water and sanitation facilities crippled by more than two years of fighting. Yemen was on the brink of famine with nearly 2 million children are acutely malnourished. They called on the international community to redouble its support for the people of Yemen, saying “ If we fail to do so, the catastrophe we have seen unfolding before our eyes will not only continue to claim lives but will scar future generations and the country for years to come.””

Ethiopia

President Dr. Mulatu Teshome on Wednesday (July 26) appointed new ambassadors who would serve the Federal Democratic Republic of Ethiopia abroad. The newly appointed ambassadors include Kassa Tekeleberhan, Aster Mamo, Amb. Berhane Gebrekirstos, Prof Merga Bekana, Dr. Shiferaw Teklemariam, Ali Sulieman, Prof Admassu Tsegaye, Amb. Tebeje Berhe, Metasebia Tadesse, Mulugeta Zewde, Lulit Zewde and Ewnetu Bilata. IGAD Council of Ministers of IGAD paid a courtesy call on President Salva Kiir Mayardit.

President Dr. Mulatu Teshome met with the outgoing Swiss Ambassador to Ethiopia, Andrea Semadeni on Wednesday (July 26) and emphasized on the need to further boost trade and investment ties between the two countries.

Prime Minister Hailemariam Dessalegn led the Ethiopian delegation at the Cotonou Agreement Article Eight Dialogue with the Head of the European Union Delegation

to Ethiopia, Ambassador Chantal Hebercht and EU Ambassadors on Wednesday last week (July 19). The agenda for this year' s dialogue included issues covering the state of emergency and political reform; economic transformation; regional issues; migration and the humanitarian situation. **(See article)**

Foreign Minister, Dr. Workneh Gebeyehu, chaired the IGAD Council of Ministers meeting on South Sudan in Juba this week, (July 23 -24), for talks on the revitalization of the Agreement on the Resolution of Conflict in South Sudan (ARCSS). **(See article)**

IGAD Council of Ministers led by Foreign Minister Dr Workneh Gebeyehu met President Salva Kiir in Juba on Sunday (July 23). Dr. Workneh called on the president to support the revitalized peace process.

Minister for Government Communication Affairs Office, Dr Negeri Lencho on Tuesday (July 25) disclosed that 34 individuals, including senior government officials, businesspersons and middlemen have been arrested on corruption charges. The Minister described the measure as part of the pledges made by the government to root out rent seeking, adding that this would further be strengthened in the coming days.

State Minister for Foreign Affairs, Mrs. Hirut Zemene briefed the IGAD Partners Forum on Friday (July 28) on the current situation in South Sudan. The briefing focused on measures taken by the IGAD Assembly on 2nd June 2017 and the IGAD Council of Ministers' decision on July 02 as well as on July 23-24, 2017. The briefing further emphasized on the importance of ceasefire and cessation of hostilities, deployment of the Regional Protection Force and addressing the humanitarian situation in the country. The State Minister underlined IGAD' S firm stand on speaking with one voice, adding that IGAD, AU, UN and other partners work together to implement the revitalized peace process.

The Sixth Political Consultation meeting between Ethiopia and the Czech Republic was held at the Ministry of Foreign Affairs of Ethiopia on Tuesday (July 25). The delegations were led by Mrs. Hirut Zemene, State Minister of Foreign Affairs and Mr. Martin Tlapa, State Minister of Foreign Affairs of the Czech Republic. **(See article)**

State Minister for Foreign Affairs, Mrs. Hirut Zemene, received the newly appointed US Deputy Head of Mission for the US Embassy in Addis Ababa, Troy Fitrell on Wednesday (July 26). Mrs. Hirut reiterated the strong and enduring relationship between Ethiopia and the United States, which she said had been evident in multi-fold areas of partnership. The top US diplomat reaffirmed his government' s readiness to continue working more closely with Ethiopia on bilateral, regional and global issues of mutual concern.

Ethiopia and Sweden signed 2.8 billion birr cooperation agreement which is intended to address climate change, democratization and gender equality as well as better opportunities and tools to enable poor people to improve their living condition, for the period 2016-2020. The agreement was signed on Thursday (July 27) by Ethiopia' s State Minister for Finance and Economic Cooperation, Admasu Nebebe and Annika

Jayawarden, Head of Bilateral Development Cooperation at Swedish Embassy in Ethiopia.

As repatriation of citizens from Saudi Arabia continues; the Government of Saudi Arabia has extended the amnesty period for undocumented migrants by another month at the beginning of this week on Monday (July 24). More than 130,000 Ethiopians have now secured exit visas. **(See article)**

In his weekly briefings to the media on Thursday (July 27), Meles Alem, Spokesperson of the Ministry of Foreign Affairs said the government has prepared a directive to issue Ethiopian national ID cards for Jewish Ethiopian community and Rastafarians as well as foreign nationals who have done a lot for the country.

With the World Bank identifying Ethiopia as the fastest-growing economy in the world in 2017 and the IMF calling Ethiopia the new economic giant of the East Africa region, Ethiopia' s Fiscal Year 2016-2017 which ended on July 7 has been remarkably successful, despite drought and other problems. **(See article)**

The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) has allocated 44.7 million U.S. dollars to combat drought. The money will be utilized under the Ethiopia Humanitarian Fund for critical needs of drought-affected people. OCHA said on Wednesday (July 26) this will mainly be used to enhance technical capacity of government monitors and health staff to deal especially with diarrhoea outbreaks in drought-affected areas of Oromia, Somali and Southern Regional States. It will also be used for agricultural works, education, and emergency shelter and water-trucking services to drought affected sites.

Somalia

Deputy Prime Minister Mahdi Mohamed Guled and the AU Special Representative Ambassador Madeira opened a high-level forum on Somalia security in Mogadishu on Monday (July 24). The four-day meeting aimed to lay groundwork for the transitioning of Somalia' s security from AMISOM to Somalia' s National Armed Forces. Ambassador Madeira emphasized the importance of equipping and facilitating the SNFA, to strengthen it and ensure a smooth transition. Among those present were Federal Minister of Defense, Mr. Abdirashid Abdullahi Mohamed, AMISOM Force Commander, Lt. General Osman Noor Soubagleh as well as senior AMISOM and SNAF commanders, and representatives of partners.

Finance Minister Abdurahman Dualeh Beileh called for debt relief and continued support for the country' s national institutions to help with state-building efforts on Tuesday (July 25) after meeting a World Bank Group delegation. The delegation, which also met Information Minister Abdirahman Yarisow, signed an agreement to release \$1 million fund to assist drought-affected people.

The New French Ambassador to Somalia, Antoine Sivan, presented his credentials to President Mohamed Abdullahi on Tuesday (July 25). Ambassador Antoine Sivan conveyed a message from French President Emmanuel Macron to President Mohamed Abdullahi.

The new Permanent Representative to the United Nations, Abukar Dahir Osman, previously Chief of Staff in the Office of the President, presented his credentials to UN Secretary-General António Guterres on Wednesday (July 26).

The UN World Health Organization and UNICEF said Wednesday (July 26) they would launch a measles campaign in November, targeting 4.2 million children aged from six months to 10 years. WHO said about 14,000 suspected cases of measles have been reported this year, and earlier this year they vaccinated over half a million children in selected areas. Measles cases are on the rise due to mass displacement and overcrowding in temporary settlements as a result of drought and conflict.

UNOCHA said the food and nutrition security situation in Somalia is not likely to improve before the end of the year or January 2018. OCHA called for further donor commitments. OCHA said that while famine had been averted so far, thanks to critical investments early in the year, drought conditions were expected to continue to deepen till the start of next rainy season in October. It said an improvement in the food security and nutrition situation is not likely before December/January. OCHA said new donor commitments per month had declined from about US\$258 million in March to US\$26 million at the end of June. It estimates that at least 100 million dollars is required per month to sustain current levels of response.

South Sudan

UNICEF's Country Representative in South Sudan, speaking by telephone from Juba, told a meeting of the UN Economic and Social Council this week that food insecurity had reached unprecedented levels with 1.7 million people, the highest number ever, on the brink of famine. More than 7.5 million people, over half the population, had required aid since early in the year. Over 3.9 million people had been displaced, more than 2 million internally displaced and 1.9 million who had fled to neighbouring countries.

Sudan

Foreign Minister Ibrahim Ghanodur met the UN Secretary-General's Special Envoy for Sudan and South Sudan, Nicholas Haysom, on Sunday (July 23). Mr. Ghandour briefed the UN envoy on the US decision to delay the permanent lifting of economic sanctions for another three months. They also discussed ways to achieve peace, security and stability in South Sudan.

Mr. Ghandour met the United Nations Under-Secretary-General for Peacekeeping Operations, Jean-Pierre Lacroix, to discuss ongoing arrangements for downsizing the hybrid UN/AU peacekeeping mission in Darfur (UNAMID). At the end of June, the UN Security Council extended UNAMID's mandate of the Mission until 30 June 2018 while reducing troop and police numbers. They discussed coordination between Sudan and the UN in order to empower the UN Interim Security Force for Abyei (UNISFA) to complete the Joint Monitoring and Verification Committees.

Foreign Minister Ibrahim Ghandour on Wednesday (July 26) started an official visit to Bulgaria. Bulgaria reopened its embassy in Khartoum in 2005, twenty-five years

after its closure. The Foreign Ministry said Mr. Ghandour's visit came within the framework of the Euro-Sudanese dialogue. He will hold talks with Bulgarian Foreign Minister, Ekaterina Zaharieva, on areas of cooperation in political, cultural and economic areas as well as meet Bulgarian businessmen interested to invest in the Sudan.

IGAD Ministers meet in Juba to discuss revitalization of the peace agreement

IGAD Council of Ministers held their 58th Extra-Ordinary Session in Juba at the beginning of the week, (July 23 -24), on the revitalization of the Agreement on the Resolution of Conflict in South Sudan (ARCSS). The meeting was chaired by the Foreign Minister of Ethiopia, Dr. Workneh Gebeyehu, the chair of the Council, and those in attendance included: Mahamoud Ali Youssouf, Minister of Foreign Affairs of Djibouti; Ms. Amina Mohamed, Cabinet Secretary for Foreign Affairs of Kenya; Yusuf Garad Omar, Minister of Foreign Affairs of Somalia; Deng Alor Kuol, Minister for Foreign Affairs of South Sudan; Henry Oryem Okello, Minister of State for Foreign Affairs of Uganda, Hamza El-Amin Ahmed, Ambassador of the Republic of the Sudan to Djibouti, Festus Mogae, Chairperson of the Joint Monitoring and Evaluation Commission; Ambassador Mahaboub Maalim, IGAD Executive Secretary; and Ismail Wais, IGAD Special Envoy for South Sudan who is tasked with the coordination of the revitalization process.

Before the Council of Ministers met, Dr. Workneh and the Executive Secretary of IGAD, Ambassador Maalim, met with members of South Sudanese civil society including representatives from Faith, Youth, Women and Business groups as well as the Diplomatic community. The Foreign Ministers of Djibouti and Somalia, Mrs. Hirut Zemene, Foreign Affairs State Minister of Ethiopia, and representatives of other IGAD Member States also attended. Dr Workneh emphasized that the Council was meeting in Juba following the decisions of the last IGAD Summit, to show the solidarity of IGAD and its member states with the Government and the people of the Republic of South Sudan. He said they were there to begin the process of revitalizing and reenergizing the peace agreement. IGAD, he noted was focused on implementation of the peace agreement, which he described as inclusive and comprehensive. Dr Workneh said that in moving forward in the overall process of bringing peace to South Sudan, political engagement was an important tool to address grassroots' voices. He highlighted the determination of the people and government of South Sudan to bring about peace and stability in the country and stressed that the role of IGAD's and of the international community's role was one of support. Dr Workneh expressed his thanks and appreciation to the international community and stakeholders present at the forum for the support they were showing to the revitalization process. The Troika countries (USA, UK and Norway) and the European Union have expressed concern over the slow implementation of the peace agreement and called for a prompt and inclusive revitalization process. They would also like to see the JMEC and other ARCSS institutions strengthened.

The Executive Secretary of IGAD, Ambassador Maalim, said the revitalization forum was the first of its kind to be held in Juba. He added that he believed that convening

the forum in Juba would help accelerate the revitalization process by bringing all relevant stakeholders on board.

The first session of the Council of Ministers considered implementation and strict observation of the peace accord, the ceasefire and cessation of hostilities, humanitarian access, and the importance of free movement for the Ceasefire and Transitional Security Arrangements Monitoring Mechanism, as well as prompt deployment of regional protection force and accountability for the actions of all parties. Dr. Workneh noted that the meeting would encourage implementation of the transitional justice, truth and reconciliation process. He said: “ Everyone that has committed atrocities and human rights abuses must be held accountable, this is not going to be a business as usual; we regional leaders must prioritize accountability so that it can achieve lasting peace and avoid another cycle of destabilizing violence.” Last year, the UN urged the African Union to establish a hybrid court for South Sudan to investigate and prosecute those bearing criminal responsibility for atrocities. The Hybrid Court is provided for in the peace agreement. The IGAD special envoy to South Sudan, Ismail Wais at the recent meeting said establishing a hybrid court was the best option for ending South Sudan’ s conflict.

The Council subsequently paid a courtesy call on President Salva Kiir. On behalf of the Council, Dr. Workneh Gebeyehu gave details of the IGAD revitalization forum and called on the President to assist and support the revitalization process. President Kiir expressed his support for the new revitalization of the peace process, and briefed the IGAD Ministers on the recent meeting in Kampala on SPLM reunification process. The leaders reaffirmed their commitment to a more inclusive political engagement with the aim of bringing a peaceful solution to South Sudan.

In the second session of the Council, Dr. Workneh noted that the revitalization process did not mean fresh negotiations to implement the ARCSS. Rather, the process was designed to offer a window of opportunity for all South Sudanese stakeholders to be involved in the implementation of the August 2015 Peace Accord. This, he said, would heal the wounds of South Sudan and herald a new chapter of peace, healing, reconciliation, unity, democracy and prosperity to the people. The Chairperson noted that with the preparation and endorsement of the Terms of Reference, the Implementation Matrix and the assignment of an IGAD Special Envoy to South Sudan, the High-Level Revitalization Forum had already started to take effect. Dr. Workneh thanked the Transitional Government of National Unity and the UN for facilitating the establishment of the headquarters for the Regional Protection Force and underlined the urgency for its deployment. In his concluding remarks, Dr. Workneh called upon the Transitional Government, the other parties and non-parties to the Agreement on the Resolution of Conflict in South Sudan (ARCSS) to lay down their arms and join the revitalization of the peace process.

South Sudan’ s Cabinet Affairs Minister, Martin Elia Lomuro, on his part said after the meeting that the physical presence of the estranged parties was not necessary, but they could contribute their ideas and send them to the IGAD secretariat for evaluation by the forum members.

The IGAD Council of Ministers meeting ended with the issue of a joint communiqué, underlining the importance of implementing the Agreement on the Resolution of

Conflict in South Sudan, the importance of the inclusivity of the national dialogue, of the further participation of Civil Societies, and of a ceasefire and cessation of hostilities. The Council urged all armed opposition groups to respect the ceasefire and denounce violence. It welcomed the efforts being organized by President Museveni of Uganda to reunite different factions of the SPLM. The communiqué stressed the importance of the unity of purpose among the various actors and called on the Transitional Government of National Unity and all regional and international partners of IGAD to facilitate the urgent deployment of the Rapid Protection Force (RPF). The same day, on Monday (July 24), the chiefs of Defense Forces of the troop-contributing countries met in Addis Ababa and decided immediate deployment of RPF.

Last week, the UN Assistant Secretary-General for Peacekeeping, El Ghassim Wane, underlined the importance of the IGAD-led revitalization process in a briefing to the UN Security Council. He stressed that the security environment remained extremely volatile and South Sudan was in urgent need of an effective and credible ceasefire. He welcomed the Government's public commitment to create an environment conducive for the conduct of the National Dialogue, and said: "Every effort should be made to ensure that [the Dialogue] is inclusive, transparent, takes place in a free and secure environment, has clear outcomes that complement the Agreement for the Resolution of the Conflict in South Sudan and is supported by a sufficiently broad political consensus from all political forces in the country. Mr. Wane encouraged the Council to express full support for the IGAD-led process and to urge all stakeholders in South Sudan to embrace it. He also underlined the importance of unity of purpose within the region, adding that the international community must send a strong message to South Sudanese leaders on all sides that the status quo was unacceptable and unsustainable."

In the subsequent discussion, Ethiopia's Permanent Representative, Ambassador Tekeda Alemu also underlined the importance of unity of purpose among IGAD, the African Union and the United Nations in the search for lasting peace, security and stability in South Sudan. This, he said, might be the silver bullet. One voice one action," adding, there is no viable alternative to the efforts being made by IGAD in coordination with the AU and the UN. Ambassador Tekeda noted that the worsening security situation in South Sudan was deeply worrying for the region. Despite the government's declaration of an end of hostilities, fighting had continued unabated in several areas with a recent escalation in Upper Nile State and a declaration of a state of emergency in four states. He said termination of all hostilities and violence was a matter of urgent priority to create conducive environment to deal with the humanitarian situation. He called upon all the parties to take urgent measures to facilitate unhindered access to the affected population, and on the international community to step up efforts to provide assistance.

Ambassador Dr. Tekeda said it was difficult to talk about genuine and inclusive political dialogue while there was on-going fighting throughout the country. All parties must immediately give up violence and take urgent and genuine steps to cease hostilities. The full implementation of the 2015 Peace Agreement, as IGAD had underlined, remained the only viable way forward to restore peace and stability in the country. Lack of meaningful progress was why the IGAD Summit had decided to convene a High-level Revitalization Forum of the parties to the Agreement, including

estranged groups, to discuss concrete measures, restore a permanent ceasefire, fully implement the Peace Agreement and develop a revised and realistic timeline and implementation schedule towards a democratic election at the end of the transition period. Ambassador Tekeda said the Council should give its wholehearted support to these regional efforts and send a strong and cohesive message to all the parties in South Sudan to engage seriously and constructively. He stressed that the IGAD region remained fully committed to assist in bringing lasting peace in South Sudan. This was reflected in its recent decisions and in those of the AU. In the resort, however, addressing the massive challenges facing South Sudan depended upon readiness of all parties to work towards the restoration of peace through real and transparent dialogue and understanding.

Article 8 Dialogue between Ethiopia and the European Union

Prime Minister Hailemariam Dessalegn held a Cotonou Agreement Article Eight Dialogue with European Union Ambassadors on Wednesday last week (July 19). Article Eight of the Cotonou Agreement provides for regular dialogue on democratic and economic governance, and this has become an important platform to create mutual understanding and maintain mutual trust on the greater growth of Ethiopia-EU ties. The agenda for this year' s dialogue included issues covering the state of emergency and political reform; economic transformation; regional issues; migration and the humanitarian situation.

In terms of the political situation, the Prime Minister emphasized that the political dialogue, which involved all political parties in the country, was moving in the right direction. The aim was to empower people and the leadership of the ruling party and the government were fully behind a platform to create a broadened political space to expand democratic aspirations. He noted that he had met with civil society leaders and heard their concerns and suggested amendments for the Charities and Societies Law. He had asked them to develop their ideas and suggestions for discussion. The Prime Minister detailed the government' s commitments for creation of a wider political space, a results-oriented bureaucracy, and electoral reform for the next election as well as other plans for change in administration and management of the government. He emphasized the necessity of a political dialogue on reforms that would allow the democratic process to move forward.

On the future of the State of Emergency, the government' s sense of the public mood, accountability of those implicated of violence in the report of the Human Rights Commission and political reform to tackle the underlying causes of the unrest, the Prime Minister said the State of Emergency has been successful in restoring peace and stability in the country. He noted that both the ruling party and government were in the process of an extensive process of structural, cultural and conceptual renewal and reform. He had appointed a new and technocratic cabinet and this, he believed, was performing better than the previous one.

He emphasized that individuals at any levels of authority who had committed crimes or abused power, as well as those who had been responsible for organizing destruction and death during the demonstrations and protests would be held

accountable through the judicial system. In connection, he noted that the Human Rights Commission was now undergoing a capacity-building program. The government, he added, was committed to making both the Human Rights Commission and the Ombudsman's Office as effective and efficient as possible. He pointed out the government was taking a series of legal measures against office holders who had embezzled funds on the basis of the Auditor General's investigations. The Auditor General's office was also now involved in a capacity building reform program to improve its performance. In addition, the Prime Minister said the government was now testing a management method known as Deliverology. This allows institutions to set up delivery units and is designed to augment effectiveness in service delivery and ensure transparency and accountability. This would be part of the process to continue to strengthen Ethiopia's democratic and supervisory bodies.

Turning to the general business climate, the Prime Minister explained the country's economic structural transformation agenda, which is focused on agriculture and manufacturing. Highlighting the economic transformation at macro-level, he detailed the government's efforts in the development of textile and apparel manufacturing Industrial Parks. He noted that the Hawassa Industrial Park was already a success story and was a model for the way utilities, waste management with zero liquid discharge, financial transactions, visas and other details could be handled at a one-stop-shop service. There were already a variety of companies operating there including some from Belgium and France. With regard to the general business climate, the Prime Minister said the country was moving well in improving the business climate, but he reiterated the need to keep up levels of reform and change to unblock new bottlenecks as they appeared. He underlined the point that the government was keen to make light manufacturing the lead driver of development. The Prime Minister noted that despite the State of Emergency, the FDI flow to Ethiopia has increased by 46% according to UNCTAD. He stressed the government was committed to supporting investors in every way. Overall, economy was continuing to grow well and he expected 11-12% GDP growth this year. There was a foreign currency shortage, but this was a transitional problem. To alleviate it, the government had already reorganized the coffee sector. Exports had increased by 20%. He also expected higher Forex earnings from textile and garment exports as well as mining.

The Prime Minister noted that successful development was now the main approach to tackle the challenges of the 21st century, including migration, and he emphasized the need for more collaborative engagement on development.

At the end of the Dialogue, the Head of the European Union Delegation to Ethiopia, Ambassador Chantal Hebberecht, told journalists that the EU welcomed the discussions and the ongoing political dialogue with civic society and political parties.

The 6th Ethio-Czech Political Consultation meeting

The Sixth Political Consultation meeting between the Federal Democratic Republic of Ethiopia and the Czech Republic was held at the Ministry of Foreign Affairs of Ethiopia on Tuesday (July 25). Ethiopia and the Czech Republic agreed in 2011 to

hold political consultations on a yearly basis at state ministerial level. The annual consultation, which has been held regularly, has provided a most useful forum for continued political understanding between the two countries.

This year the delegations were led by Mrs. Hirut Zemene, State Minister of Foreign Affairs of the Federal Democratic Republic of Ethiopia and Mr. Martin Tlapa State Minister of Foreign Affairs of the Czech Republic. Discussions covered bilateral, regional and global issues.

Mrs. Hirut Zemene highlighted the historical relationship between Ethiopia and the former Czechoslovakia, underlining that this had pioneered agricultural and industrial development in Ethiopia in many ways. Ethiopia, she said, now attached great importance to its relations with Czech Republic both bilaterally and within the framework of its relations with the European Union. Mrs. Hirut encouraged the Czech Republic to continue its support both bilaterally and multilaterally. She suggested Czech businesses could engage in the agro processing, leather, pharmaceuticals, glass making and energy sectors in Ethiopia as well as partnership on education.

The State Minister stressed that Ethiopia and the Czech Republic were heading on the right track in strengthening their relationship. She hoped the political consultation would provide impetus for the leaders of the two nations to design a road map for further development of their relationship. In this regard, the two ministers agreed on the importance of exchanging high-level visits for further engagement.

Mr. Tlapa noted that the consultation would give an opportunity to enhance the relationship between the two countries. Taking into account the longstanding and historic relations between the two countries, he requested the Ethiopian government to consider opening an Embassy in Prague. The State Minister noted that the Government of Czech Republic was keen to enhance the trade and investment partnership with Ethiopia. He said Ethiopia was a potential market for Czech-manufactured machinery, adding that as a case in point was the Czech company BGM that had the concession for providing and installing machinery for the Raya Brewery. He stressed it was in the best interests of the Czech Republic to enhance and expedite the economic relations between the two countries to higher level as soon as possible.

State Minister, Mrs. Hirut Zemene also briefed Mr. Tlapa on regional peace and security issues and the role Ethiopia is playing towards the promotion of international peace and security in general and in the region in particular. In conclusion, the two State Ministers deliberated on the status of the various agreements that have been signed between the two countries at various times and agreed to expedite their implementation for the benefit of the peoples of the two countries.

During their visit to Ethiopia, Mr. Tlapa and the Czech delegation also met and held discussions with President Dr. Mulatu Teshome. They attended the Ethio-Czech Business Forum held on Monday (July 24) at the Intercontinental Hotel and had meetings with officials from the Ministry of Defense, the Ministry of Livestock and Fisheries and the Metals and Engineering Corporation (METEC).

Repatriation of Ethiopian citizens from Saudi Arabia intensifying

The Government of Saudi Arabia has extended the amnesty period for undocumented migrants by another month at the beginning of this week on Monday (July 24). This was the second extension since the Kingdom of Saudi Arabia issued the original 90-day notice on March 29 for all undocumented workers to leave the country. The Kingdom extended the original deadline at the end of June to July 24 and as of July 18 more than 130,000 Ethiopians had secured exit visas and between 65,000 and 75,000 had returned home.

The Chairperson of the National Task Force for Saudi Returnees, State Minister for Foreign Affairs Dr. Aklilu Hailemichael, has emphasized that the government and other stakeholders have been actively engaged in working for the speedy return of undocumented citizens from Saudi Arabia. Dr. Aklilu pointed out that Saudi Arabian Airlines had joined in efforts with Ethiopian Airlines to speed up the repatriation process. Dr. Aklilu reiterated his call last week for all undocumented Ethiopian citizens in Saudi Arabia to leave the country during the extended grace period. This, he emphasized, would enable them to be exempt from fines and any consequences that would follow from being documented and fingerprinted, preventing any opportunity to return to Saudi Arabia legally. Once the deadline finally expires, under Saudi law, the authorities would resort to forcible deportation and fining and imprisonment of persons who failed to take advantage of the amnesty and return home.

At the end of May, reaffirming the government's commitment to repatriate its citizens, Foreign Minister Dr. Workneh visited Saudi Arabia for talks with the Saudi Foreign Minister to discuss the repatriation process. The Minister, accompanied by members of the National Task-force for the Repatriation of Ethiopians from Saudi Arabia, visited registration posts and held discussions with Ethiopians in Saudi Arabia.

The Ministry of Foreign Affairs also dispatched a large team of diplomats to Saudi Arabia to assist in the processing of visas and documentation and help arrange transport. The team included representatives from different regions of the country to ensure there would be no difficulty in communicating with people. The Embassy, consular offices and other organizations established for the purpose of safely repatriating Ethiopians in Saudi Arabia have been working 24 hours a day. The Ethiopian Ambassador to Saudi Arabia, Amin Abdulkadir, said the embassy has achieved encouraging results during the past four months. However, he noted, as the final deadline approached many of the undocumented Ethiopians who had exit visas were prepared to remain in the country, speculating that the decree will be revoked.

Meles Alem, Spokesperson of the Ministry of Foreign Affairs emphasized that the Government of Ethiopia cannot force returnees. Its role is encouraging, supporting and facilitating conditions. The issue of deciding to come back home is the issue of returnees themselves. The Spokesperson also pointed out: “ the Government of Saudi Arabia has the right to draft rules and regulations like any other sovereign country. But as the two countries have been cooperating on several fronts, Saudi Arabia and Ethiopia have been striving to resolve the situation in a diplomatic manner and those efforts will continue. One aspect of this has been the agreement signed recently

between the respective Labor and Social Affairs ministries. This allows Ethiopians to work in Saudi Arabia after concluding the necessary requirements with licensed employment agencies. This will help protect the rights of Ethiopian domestic workers.

Assessing Ethiopia' s economic development for FY 2016-2017

The World Bank's 2017 edition of the Global Economic Report named Ethiopia as the fastest-growing economy in the world in 2017. It said Ethiopia' s economy was forecast to expand by a further 8.3% during fiscal year (FY) 2016-17. A little earlier, the International Monetary Fund (IMF) had called Ethiopia the new economic giant of the East Africa region, after it had overtaken neighbouring Kenya. The IMF said Ethiopia' s annual economic output for 2017 was expected to hit \$78 billion up from the \$72 billion recorded last year. The IMF pointed out that public-led spending on infrastructure and strong local demand was driving Ethiopia' s economic growth, adding that it had also recently become the destination of choice for Foreign Direct investment. The IMF estimated that Ethiopia' s economy grew 8.7% last year and agreed on a GDP forecast of 8.3% for 2017/2018.

The latest UNCTAD World Investment Report put Ethiopia as one of the top performing African countries in Foreign Direct Investment (FDI) flows, in 2016, registering a 46% increase to US\$3 billion. The report identified Ethiopia as one of the top performers in efforts to diversify its economy and its FDI pool. It emphasized the diversification of inflow was expanding.

The 16th edition of the African Economic Outlook report, Entrepreneurship and Industrialization for Africa' s Transformation, produced by the African Development Bank (AfDB), the OED Development Centre and the United Nations Development Program (UNDP) released in May said Ethiopia was set to be the biggest recipient of private equity in eastern Africa, outpacing Kenya with its friendly business environment and favourable industrial policy, with private equity inflows into Ethiopia in 2016-17 at \$4.4 billion compared to Kenya' s \$1.3 billion. The report said Ethiopia' s development of industrial parks, focusing on textiles, leather, agro-processing and pharmaceuticals, part of its Vision 2025 to make Ethiopia a light-manufacturing hub, had made it a magnet for manufacturing and service industries. The report identified the structural reforms being carried out to improve export competitiveness and diversification as well as the massive investments in transport, energy and water infrastructure in the industrial zones to reduce the costs of doing business, promote export-led industrialization and boost structural transformation and economic growth. It underlined the way public expenditure was being used to improve infrastructure to increase productivity, encourage private sector development and export-led industrial development and contribute to structural transformation. Business regulations, it said, had been simplified and institutions that support businesses strengthened. Government policies and strategies have emphasized the expansion of basic services and poverty reduction.

Others agreed on the essential strength of the economy and its positive direction. The Global Green Economy Index 2016 issued in September 2016 described Ethiopia as one of the top performers among developing countries and underlined its significant

progress in performance and ranking over the previous two years. Ethiopia was ranked one in the world-wide category of Leadership in the area of climate change, identified as near the top ten in terms of overall Global Green Economic Index performance. The report emphasized Ethiopia's success in integrating climate change in all cross-sectoral and cross-cutting issues of its national, regional and global security and prosperity agendas.

Dr. Pham, Director of the Africa Center at the Atlantic Council, in an analysis in January of Africa's economic prospects for 2017 noted that Ethiopia had received \$500 million in new foreign direct investment entering in the last three months of 2016 and an additional \$3.5 billion was being processed. He emphasized that Ethiopia's large internal market and low labor costs made it an attractive location to manufacture fast-moving consumer goods. In addition, Dr. Pham emphasized Ethiopia's investment in hydropower.

In June Fitch Ratings affirmed Ethiopia's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'B' with a Stable Outlook. It also gave a B to Ethiopia's senior unsecured foreign-currency bonds, the Country Ceiling and the Short-Term Foreign- and Local-Currency IDRs. Fitch noted that GDP growth had been little impacted by two severe drought episodes in 2016-2017, reflecting an improvement in macroeconomic stability. This is attributable to a more efficient crisis management framework, higher agricultural productivity and lower dependence on agriculture due to the solid expansion in construction and to a lesser extent, services. It also noted that exports could be expected to pick up as the country started to reap the benefits of past investments in export-oriented light industries and infrastructure, and that Ethiopia had managed to attract a steady stream of FDI averaging 3% of GDP during the last five years.

These assessments were particularly significant as the economy had faced challenges during FY 2015-16 and FY2016-17). The Fiscal year runs from July to July. It is a tribute to the underlying and growing strength of the economy that it was able to ride out these problems and indeed continued to develop. The El Niño climate phenomenon, the strongest ever recorded, for example, caused a serious drought in 2015-16. This required massive and significant government intervention of over US\$800 million, as well as external assistance, to help control its impact in 2015 and 2016. After the number of people needing food assistance and water support fell to 5.8 million by the end of 2016, almost immediately the whole region was hit by the effect of the La Nina phenomenon and a poor Indian Ocean dipole, causing continuing drought in 2016-17. The number of people needing assistance rose to over 7 million early in 2017. Indeed, the unrest that occurred in some parts of the country was also another challenge.

Despite the El Nino/La Nina phenomena, the agriculture sector was still able to register overall 3% growth, with industry and service sectors showing 7%, and overall growth reaching 8.5% by the end of FY 2015-16. In FY 2016/17, GDP growth is estimated at 8.3% and despite the impact of drought, coffee exports earned a record US\$866 million from the export of 220,000 tonnes of coffee to the global market. This was well over 90% of the original planned target and the figures showed an

11.5% increase in quantity and a 20% improvement in income as coffee prices also began to recover.

Other sources of resilience include the government's pro-poor policy and the country's green economy, the development of sustainable energy, the opening of industrial parks and a continuing, and indeed expanding flow of Foreign Direct Investment with overall consideration of the impact on climate change and sustainability. A key factor remained the priority of poverty reduction, with the 2016-17 budget earmarking nearly two thirds for poverty reduction, covering expenditure on agriculture, education, health, water, infrastructure and rural electrification. A total of 105.7 billion birr was allotted for capital expenditure, while regular expenditure and subsidies to regional states were given 68.8 and 87.87 billion birr, respectively. Activities linked to Sustainable Development Goals were allocated 12 billion birr. The budget assumed 11% growth and 8% inflation rates for FY 2016-17. The government also made a significant effort to increase job opportunity with the Ethiopian Urban Job Creation and Food Security Council, implementing a platform to register job-seekers across the country. The Council registered and found employment for 1.7 million people during FY 2016-17.

During the year, construction continued on the Grand Ethiopian Renaissance Dam, the largest dam in Africa, which will have an installed power of 6,450 MW. Another dam, the Gilgel Gibe III Dam started to generate power this year, adding another 1,870 MW to the country's renewable energy supply, and bringing installed capacity to 4,260MW. Ethiopia is now the 5th major investor in renewable energy in Africa with over half a million solar lighting systems and over four million installed clean cooking stoves. It signed an agreement for 500 MW of geothermal power from the Corbetti geothermal source and negotiated with Reykjavik Geothermal to develop an additional 500 MW. Together these make up the largest independent geothermal power production investments in Africa. Overall, with 97% of energy supplies generated from renewable sources, it has been able to implement energy trading with neighboring countries. It is supplying power to Djibouti and Sudan and the project to link with Kenya is under construction. Tanzania has agreed to purchase 400 MW of Ethiopia's electricity; Ethiopia has also signed Memoranda of Understanding with Burundi and Rwanda among others.

Prime Minister Hailemariam underlined that: Agricultural Development Led Industrialization is the fundamental building block of industrial development, with industrialization based on natural and human resources. Equally, accelerated and sustained industrial development is fundamental for bringing about the overall transformation and the long-term development of the country. This is central to the five-year Growth and Transformation Plan II. The focus at regional level is on small and medium industries, with the government promoting large-scale industries at federal level, and providing all-rounded support to manufacturing industry as part of the effort to expand the job market. The most important element of this is the construction of industrial parks being implemented by the Industrial Park Development Corporation. These are designed to attract foreign direct investment with provision of all necessary infrastructure services, industrial sheds, power, telecommunications, roads and rail links, together with one-stop services to cover visas, customs and logistics. Already operational are the Hawassa Integrated Industrial Park and the Addis Ababa Bole Lemmi Industrial Park with a number of

major global companies from China, US, Germany and Sri Lanka already investing in apparel and textiles development. The Hawassa Eco-friendly Industrial Park, costing US\$250 million has the capacity to create 60, 000 jobs. Feasibility studies have been completed and resource mobilization is underway for other Integrated Agro-Industrial Parks in the Oromia, Amhara, Southern Nations, Nationalities Peoples and Tigray Regional States.

In February, Prime Minister Hailemariam Dessalegn officially launched the Humera Integrated Agro-Industrial Park in Tigray Regional State in February. When fully operational, Humera is expected to produce 700,000 tons of processed products, from livestock, fruits, vegetables, cereal and oilseeds, earning 18 billion birr in annual revenue. The third Integrated Agro-Industrial Park being developed is at Yirgalem in the Southern Nations, Nationalities and Peoples' Regional State; focusing on agro-industries to drive rural industrialization it is expected to provide over 130,000 jobs. The process has already continued into FY 2017-18, which began on July 7. The Prime Minister inaugurated industrial parks at Kombolcha, in Amhara Regional State, and at Mekelle, the capital of Tigray Regional State, on July 8 and 9. Both of these will benefit from the development of the Awash-Woldia-Mekelle railway, linking up with the new Addis Ababa-Djibouti railway, and ease export of products to global markets. Three other agreements have also been signed for industrial parks to be built this current FY, at Kilinto on the outskirts of Addis Ababa, Bole Lemi Phase-II and at Jimma in the Oromia Regional State. Agreement was reached this year with the UK and other EU states to provide £80 million to create 100,000 new jobs in industrial parks, up to a third of which will be available to refugees. This is part of the EU's efforts to limit migration to Europe. Ethiopia currently hosts nearly 800,000 refugees, with the numbers from South Sudan and Eritrea continuing to rise.

Other major developments in FY 2016-2017 included the new Djibouti to Addis Ababa railway. The Ethiopian section of the line was inaugurated in October 2016, and the Djibouti section in January 2017. It will start commercial operations in October this year. The 752 kilometres of this environmentally friendly, electrified, standard gauge, Chinese-built rail line will be able to transport up to 5,600 people a day and carry up to 3,500 tons of goods at a time. It will shorten what was a three-day journey to just 10 hours, and provide a major boost to de-carbonizing the transport sector, shifting freight transport from road to rail as a central element in implementation of Ethiopia's Climate Resilient and Green Economy (CRGE) Strategy. The new railway is the first of a planned network of 5,000 kilometres of railway by 2020 to cover the whole country and the region, with links with Kenya, Sudan and South Sudan.

Progress has been made in other areas: following the drilling of the 6th oil and natural gas well at the Hilal-7 gas field in the Somali Regional State in January, there are plans to extract natural gas after three years. With the newly constructed Omo Kuraz I and II factories, as well as the Beles I sugar factory, commencing production, there will be an end to the import of sugar next FY. Ethiopian Airlines continued its expansion adding another seven destinations in the second half of the fiscal year bringing the number of its international destinations around the world to 98. It also added two new cargo destinations in Italy and Spain. It hosted the second ICAO Global Air Cargo Development Forum on the theme of “ Action for the Sustainable Development of Air Cargo in Africa” at the UNECA in June 2017 and won a number

of awards including the African Aviation's "African Airline of the Year" Award for 2017, for the second year running, and the "Cargo Airline Award for Network Development at the Brussels Airport Aviation Awards in March.

The Prime Minister attended the World Economic Forum in Davos in January this year and also went to the Belt and Road Forum for International Cooperation, in Beijing in May, held under the theme Strengthening international cooperation and co-building the Belt and Road for win-win development. He then led the Ethiopian delegation to visit Shandong, and Fujian, Hunan and Sichuan/Cheng / provinces. The delegation made sectoral presentations at fora in each province covering textiles, leather, agro processing, pharmaceutical, tourism, infrastructure and mining. Earlier, an Ethiopia-Shandong Investment and Trade Cooperation Forum, was held in Shandong Province; and an Ethio-China Investment Cooperation Forum was held in April in Addis Ababa, with a delegation from China's Hunan State signing four economic cooperation agreements, one for the construction of the Ethiopia-Hunan Industrial Park at Adama to specialize in the production of machinery, construction and agricultural equipment. An Ethio-China (Guangdong) Economic and Trade Cooperation Conference was held in Addis Ababa in September when new projects worth US\$337 million were signed. The Commissioner of the Ethiopian Investment Agency, Fitsum Arega, announced in February that ten giant anchor companies from China had recently decided to invest in Ethiopia, half of them involved in textile and garment manufacturing.

A significant number of business fora were held during the year opening further prospects for closer co-operation with investors and extended trade with Algeria Brazil, Cuba, Canada, Germany, India, Japan, Morocco, the Netherlands, Turkey, UAE and other countries. During the year, Ethiopia signed an agreement with the Office Cherifien des Phosphates, the major Moroccan phosphate company, to develop a joint \$2.5 billion project for a fertilizer plant in Shinile zone in the Somali Regional Stat to produce 1.1 million tons of urea and 1.5 million tons of fertilizer a year and provide for 80% of Ethiopia's fertilizer needs by 2022. The 4th Ethio- Algeria Joint Ministerial Commission Meeting in April witnessed the conclusion of series of cooperation agreements on media, trade, investment, forestry and fisheries and water. The 7th Ethio-Turkey Joint Economic Commission and Business Forum was held in December. Turkish investment in Ethiopia has reached some two billion dollars, with 115 Turkish companies now involved in Ethiopia. Turkey is building the Awash - Kombolcha - Hara Gebeya railway project.

A number of other business delegations visited Ethiopia during the year, from Turkey, Japan, China, Germany, the Gulf and other countries. JETRO, the Japan External Trade Organization, set up an office in Addis Ababa in July 2016. Ethiopia's request to join the China-backed Asian Infrastructure Investment Bank was approved in March. Ethiopia attended the 6th Tokyo International Conference on African Development in Nairobi in August last year and chaired the IGAD ministerial meeting in September on the IGAD Regional Investment Plan (IGAD-RIP) 2016-2020 to advance the Comprehensive Africa Agriculture Development Program (CAADP) process as well as rationalize the progress made towards addressing food security and nutritional challenges and align agricultural development programs to the 2014 Malabo commitment in Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods' .

Among international conferences were the 15th African Fine Coffee Conference and Exhibition, held in Addis Ababa in February under the theme: Reshaping the African Coffee Industry for Productivity and Investment, with more than 2000 coffee roasters, traders, producers, professionals and connoisseurs from across the world attending. The 6th International Conference on Pulses, Oil Seeds and Spices in November last year, to encourage the opportunities to access foreign markets for export, and expand export earnings and the interest in expanding the relevant value chains to tap the full potential of the sector in FY 2015-2016, export of pulses, oilseeds and spices earned US\$722.4 million, despite the impact of the drought and the volatility of the international price for agricultural commodities. More than 150 exhibitors from 22 countries attended the First Ethiopia International Trade Exhibition, providing a platform for over 3500 trade visitors to interact with companies from China, Germany, UAE, France, Turkey, Saudi Arabia, India, Malaysia, Pakistan Italy and Egypt.