House refers Ethio-Russia nuclear agreement draft proclamation for further scrutiny

BY ABDUREZAK MOHAMMED

ADDIS ABABA - The House of Peoples’ Representatives yesterday referred a draft proclamation to ratify a nuclear cooperation agreement between the governments of Ethiopia and Russian Federation to the Peace and Foreign Relations Affairs Standing Committee for further scrutiny. The House, in its 65th 1st regular session, referred the draft proclamation on the use of nuclear energy for peaceful purposes.

The proclamation is said to the way for Ethiopia to receive technical support from Russia in the development of the much-needed nuclear energy in accordance with the rules and guidance of the International Atomic Energy Agency (IAEA).

Nuclear technology has the potential to support the country’s development policies and strategies, as well as goals and key areas of focus in various sub-sectors of the economy, outlined the proclamation.

According to the agreement, the cooperation areas include the establishment of joint working groups to implement specific projects and scientific research, exchange of experts provision of training to scientific and technical personnel, exchange of scientific and technical information; and development of equipment, materials and other components.

It was also revealed that the agreement was signed at Sochi on the 23rd day of October 2019. Meanwhile, the House also referred Draft Commercial Code, Criminal law Procedure and Evidence Code, and a draft proclamation to amend the excise tax proclamation to the House’s Trade and Industry, Legal Justice and Democracy, and Revenue Budget and Finance Affairs Standing Committees respectively for further scrutiny.

Local car assemblers ...

BY YESUF ENDRIS

ADDIS ABABA- Chinese market is open for Ethiopian commodities while Ethiopian exporters should be active to build their capacity and deepen their toe and make use of one of enormous business opportunities in the world, said former Chinese Amb. Tan Juan.

Chinese market is one of the biggest and competitive market opportunities which bring together suppliers and producers, he told recently to The Ethiopian Herald. “In this regard, I believe that lots of Ethiopian commodities have a potential to penetrate Chinese market with competitive price.”

To him, products like coffee and Ethiopian food products could very much cater to Chinese market demands as Ethiopia has more competitive advantage than the rest of suppliers.

Furthermore, he added that Ethiopia has the best Airline in Africa; thus Ethiopian exporters have a potential of supplying their products with competitive price too.

“We have had agreements with Ethiopian government to balance trade between Ethiopia and China”, he noted.

Local car assemblers can be more competitive in regional and continental markets too.

There is interest in Egypt but logistical and tax burden is making export hard, Semere added.

Local capacity is strengthening time to time but the industry requires more incentives and investment. Despite many challenges, the industry is attracting investors, creating job opportunity and decreasing the spent for importation.

Over 50 companies are engaged in vehicle assembly and vehicle body parts production. Local manufacturers have their profit margin increased with growing local demand after the excise tax was amended in 2020. Not only does the local demand is increasing toward locally assembled and manufactured cars, there is also growing interest in east Africa and other regions to buy Ethiopian automotive products. Recently 80,000 worth USD locally assembled and other automotive products, Metal Industry Development Institute Corporate Communication Director Fite Bekele.

“The government’s priority is to discourage second hand and used cars preventing the country from being the dumping ground of old and secondhand cars. The levy on imported secondhand vehicles went as high as 500 percent on vehicles according to the amended tax.”

Though it is early to witness the impact but there seems to be stimulated following the reduction of excise tax on new imported tax, he added.

Assemblers are heavily reliant on imported accessories and equipment which cost them huge foreign currency and this and other overhead costs have impacted local capacity and the price of cars have remained high.

Elasto Assembly PLC Managing Director Bekele Abebe believed that the amendment of excise tax helped the private owner engaged in the automotive industry to produce and sell more in improving the cost of importation.

This helped to reduce car price, importation of many cars, car exchanges in the country, and others. It also encourages local assemblers to provide cars for sale up to 30 percent prepayment and increases the number of car purchasers.

The government also permitted duty-free on the price of taxi vehicles assembled here since this August which encourages the automotive industry in the future. Since these things were big challenges in the area.