

News

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 6th year 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 provision 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.



Photo: Tsehay Nigusie

Former Chinese Amb. says Chinese market open for Ethiopian commodities

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 Jian.

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 supplier.

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.

Advisory Group applaud scientific inquiry role on Great Lakes

BY ADDISALEM MULAT

ADDIS ABABA-The International Institute for Sustainable Development (IISD) and the African Center for Aquatic Research and Education (ACARE) program is facilitating lake advisory groups to enhance scientific inquiry in a systematic and consistent manner, foster a community of shared knowledge and practice, across sectors and geography and positively influence policymaking using science, communication, and other strategies, disclosed African Center for Aquatic Research and Education experts.

The Lake Turkana Advisory Group (LTuAG) provides a platform to enhance communication and partnership among its members to foster collaborative research for better understanding of the health of the lake and the surrounding communities.

The group consists of freshwater experts drawn from research (Kenya Marine and Fisheries Research Institute) and higher learning academic institutions (Addis Ababa University, Turkana University College), governance

experts from the riparian countries of Kenya and Ethiopia and global advisers.

According to them, the group provides a platform to enhance communication and partnership among its members to foster collaborative research for better understanding of the health of the lake and surrounding communities.

As a matter of fact, the group anticipates having around ten members to attend biannual meetings in Kenya and Ethiopia. The group anticipates having around ten members to attend biannual meetings in Kenya and Ethiopia.

As a statement of purpose, the advisory group has committed to jointly conduct long and short term research on different aspects of Lake Turkana and the Omo Delta that include, but limited to fish stock assessment, limnology, climate change impacts, food security and socio-economic studies.

LTuAG was created in November 2019 under the auspices of the African Center for Aquatic Research and Education in Entebbe, Uganda.

Local car assemblers ...

The revised law was expected to reduce the price of new cars by up to 83 percent, the government then announced.

The decision to revise the tax on new cars was made partly to encourage local car manufacturers by imposing 80 to 500 percent of tax on second hand cars .

In an exclusive interview with *The Ethiopian Herald* The amended tax is very imperative to encourage local manufacturers and assemblers. Yet he said hard currency shortage appears to pose major challenge affecting the import of new cars, said Semere Serekebirhan Ethiopian Automotive Manufacturers Association Board member.

"We have no shortage of market demand. In fact, it is growing steadily. But lack of forex is preventing us from increasing our import capacity. It would have been more helpful had the government reduced the tax rate imposed on assembled cars too.

Local manufacturers 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.

Elauto 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 industry and the transport sector.

Amazingly, about 250 buyers are registered and the number is increasing for the upcoming taxi cars that are being assembled by our company. This is also the effect of the duty-free.

There are also financial amendments that enable investors in the area to engage with full confidence having sufficient loans from the bank but with reasonable interest rates.

This is most important to improve the automotive industry in the future. Since these things were big challenges in the area.