

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

COUNTRY PROFILE

ETHIOPIA

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ETHIOPIA

HISTORY

The history of Ethiopia can be traced far back to the Aksumite Empire established perhaps half a millennium before the birth of Christ, which gave way in the early middle ages to the Ethiopian medieval state of Pester John. By the 19th Century, however, the powers of the monarch had been usurped by the nobles and the Empire had largely disintegrated into several semi-independent provinces, whose rulers often fought among themselves. Memories of a great and glorious past were nonetheless not forgotten, and cultural contacts largely through the church, were preserved. Indeed recognition of the Country's former greatness and unity provide a background for the rise of the Emperor Tewodros II, 1855-68, "the protagonist of modern Ethiopia." Having made himself master of Gondar and Amhara provinces, he proclaimed himself emperor, adopting the name of "Tewodros". He was able to unite some of the various provinces under a firm autocratic rule. However, Tewodros' death left the empire once more in a state of disunity. Menelik succeeded Tewodros and began a period of consolidation of the Ethiopian Empire. Menelik for more all practical purposes, is the founder of modern Ethiopia, he reunified the country by taking over the Southern provinces. During his reign, his greatest pre-occupation was with the expansion of the Italians who claimed a protectorate over Eritrea. Menelik rejected this claim, devoted his energies to strengthening his army and finally defeated the Italians at the Battle of Adowa. His victory was the most remarkable of an african over a European army and may justly be said to mark the beginning of modern Ethiopia history. Following the death of Menelik in December, 1913, again Ethiopia was again plunged into factional squabbles among the nobles. A rebellion soon broke out at

Shoa Province and it was decided that Menelik's daughter, Zawditu, should become Empress and Ras Makonnen's son, Tafari, should be Regent and heir to the throne. On the death of Empress Zawditu in 1930, Ras Tafari Makonnen assumed the throne and title of Haile Sellassie I. In 1931, the Emperor introduced the Country's first written constitution with a Bicameral Parliament and many innovative reforms between 1931 and 1936. By 1934, however, Mussolini began to turn his attention towards Ethiopia. On October 3rd, 1935, Italy invaded Ethiopia. The British and French Governments' reaction was indicative of that era "The French ---- wished to conclude a deal with Mussolini at Abyssinia's expense ---- constantly intriguing behind the back of the League of Nations." The British finally capitulated to the French view in the Hoare-Laval pact of December 10, 1935 which "was not only a dishonourable act, but a cowardly one". The period of the Italian occupation of Ethiopia was met by stiff resistance from the Ethiopians themselves and Ethiopia was finally liberated in 1941 by the Allied forces. The post-war period of Ethiopia has been one of steady progress and this has been due to a large extent to the Emperor. With the emergence of the independent African states in the late '50's and early '60's, Ethiopia became increasingly involved in African diplomacy. Addis Ababa being chosen as the headquarters of the United National Economic Commission for Africa in 1958 and of the Organization of African Unity in 1963.

AREA, POPULATION AND CLIMATE

Many factors in recent history have combined to produce a strong sense of nationhood in Ethiopia. This is a nation which in almost every aspect of the study of its human geography, reveals a very fascinating

variety. There are a number of languages and a variety of cultural patterns. The geographic position of Ethiopia on the crossroads between South West Asia and Africa, and between the Nile Valley and the Mediterranean region and the rest of Africa to the South, "have made the Ethiopian region a scene of a succession of human migrations and settlement". The migration of people from South-West Arabia brought significant linguistic and cultural development to Ethiopia in the shape of Semitic languages. Present day Ethiopia has a rich and complex human pattern which includes, for example, well over 100 languages.

POPULATION

Estimate - Mid-1972	-	25,250,000. (IMF data)
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Main Towns

Capital: Addis Ababa	-	800,000
Asmara	-	190,000
Dire Dawa	-	52,000
Harar	-	44,000
Dessie	-	41,000
Gondar	-	30,734
Jimma	-	30,580
Adowa	-	
Derbe Markos	-	
Massawa	-	

LANGUAGE AND RELIGION

Since the conversion of the Amharas to Christianity in the First Century, Ethiopia has retained its connections with the Alexandrian Church. The clergy are very numerous and the Church holds a very considerable sway on the population and it is one of the largest land owners in the Country. Christianity is predominant all over the Country although there are Muslim minorities in certain of the provinces. The Protestant religion is also

tolerated in Ethiopia.

The official language is Amharic. English, French, Italian and Arabic are frequently used.

GOVERNMENT AND CONSTITUTION

The present constitution came into force in 1955 and under its terms, divides political power between the Emperor and a Bicameral Parliament. "The Emperor appoints ministers, determines the powers of ministries and controls officials". With the advice and consent of Parliament, he may declare war. As Commander-in-Chief, he appoints officers and determines the size of the armed forces. He may declare a state of emergency, martial law or state of seige. The Emperor directs foreign policy. He alone has the right to settle disputes with foreign powers and to ratify treaties and other international agreements. He appoints the members of the Senate but members of the Chamber of Deputies are elected.

In April, 1966 a Cabinet of Ministers selected by the Prime Minister and was approved by the Emperor. This was the first occasion on which such a procedure was adopted. The Cabinet is responsible to the Prime Minister and collectively responsible for legislative proposals to the Emperor and to Parliament.

PARLIAMENT

Parliament is composed of the Chamber of Deputies and the Senate. The Chamber has 210 members elected by universal adult suffrage every four years. The Senate is composed of 105 members appointed by the Emperor for a term of six years.

ERITREA

In 1950 a United Nations Resolution provided for the Federation of Ethiopia and Eritrea. The new constitution came into force in September, 1952. In 1962 Eritrea was incorporated as a part of the Empire of Ethiopia and the separate Legislative Assembly of Eritrea was dissolved.

HEAD OF STATE: His Imperial Majesty Haile Sellassie I.

CABINET:

Prime Minister: Tsahafi Teezaz Aklikou Abte Wold
Minister of the Imperial Court: Tafara Worg Kidane Wold
Minister of Commerce, Industry and Tourism: Ato Ketema Yifru
Minister of Agriculture: Ato Abebe Retta
Minister of Finance: Ato Mammo Taddesse
Minister of Education and Fine Arts: Ato Seifu Mahteme-Selassie
Minister of Community Development:
Minister of Posts and Communications: Lij Endalkachen Makonnen
Minister of Public Health: Ketema Abebe
Minister of Interior: Bitwoded Zewde Gabre Heywot
Minister of Justice: Ato Akale Work Habtewold
Minister of Foreign Affairs: Dr. Minassie Haile
Minister of National Defence: Lt. Gen. Kebede Gabre
Minister of Mines: Ato Amanuel Abraham
Minister of Information: Dr. Tesfaye Gabre-Egzy
Minister of Public Works: Salah Hinit
Minister of Land Reform: Belai Abai
Minister Commissions for Civil Service and Pensions:
Ato Tadese Yacob
Minister in the Office of the Prime Minister: Ato Seyoum Haregot
Minister of State, Commissioner Planning, Prime Minister's
Office: Ato Seyoum Haregot.

POLITICAL PARTIES

There are no political parties in Ethiopia. Members of Parliament are elected on a curiously feudal type of manorial elections. Since there are no political parties, there is no effective political opposition. However there are two coordinated political groups, both illegal and clandestine: (1) the Eritrean Liberation Front (ELF) and (2) the West Somalian Front which is based in the Ogaden region of Ethiopia, both have been engaged in open rebellion and acts of sabotage against the Ethiopian Government.

TRADE UNIONS

There are two trade union organizations in Ethiopia. The Confederation of Ethiopian Labour Unions and the Ethiopian Railway Workers Syndicate.

LOCAL GOVERNMENT

For Local Government purposes, Ethiopia is divided into fourteen provinces, each administered by a Governor-General and supporting administrative staff, responsible to the Emperor and the Minister of the Interior. Each province is sub-divided into 7 sub-provinces which are further divided into districts and sub-districts.

The Provinces and Main Administrative Headquarters are:

<u>Province</u>	<u>Administrative Headquarters</u>
Arussi	Asella
Bale	Goba
Begemder	Gondar
Eritrea	Asmara
Gemu-Goffa	Arba Miach
Gojjam	Debra Markos
Hararje	Harar
Illubabor	Matu
Shoa	Addis Ababa
Sidamo	Awasa
Tigre	Makale
Wollega	Lekemti
Wollo	Dessie

EDUCATION

1966-67

	<u>Schools</u>	<u>Teachers</u>	<u>Pupils</u>
Primary	1,647	9,431	409,710
Secondary	395	1,993	60,313
Special	63	559	6,674

SOURCE: Central Statistical Office, Addis Ababa.

Universities*

There are 2 universities -

Haile Sellassie I University. Students 1969-70:

Men	-	4,270
Women	-	366

Academic Staff: 46 Professors and 103 Lecturers.

The University of Asmara. Students 1969-70*:

Men	-	968
Women	-	227

Academic Staff: 4 Professors and 103 Lecturers.

Research Institutes

Desert Locust Control Organization for Eastern Africa,
P. O. Box 231 Asmara. Director: Adefris Bileku.
Supported by Ethiopia, Somalia, Sudan, Kenya, Uganda,
Tanzania and France to survey and control desert locusts.

Forestry Survey of Ethiopia, Haile Sellassie I University,
P. O. Box 1176 Addis Ababa. Director: P. Gronin.
Mainly concerned with seismic and gravity anomalies of
the Ethiopian Rift System.

Government Mapping and Geography Institute,
P. O. Box 597, Addis Ababa. Director: Taye Reta.
Surveying, mapping and geographical research.

Institute of Agricultural Research,
P. O. Box 2003, Addis Ababa. Director: Dr. Dangnatchew Yirgou.

Institute of Ethiopian Studies, Haile Sellassie I University.
P. O. Box 1176, Addis Ababa.
An advanced Study and Research Centre.

* International Universities Yearbook 1970-71 Paris 1971.

JUDICIARY

The highest court of appeal is the "Chilot" with the Emperor sitting as judge and jury. The second highest court of appeal is the Supreme Imperial Court in Addis Ababa. This Court is presided over by the President and has 8 divisions, each presided over by a Vice-President. The Supreme Court has jurisdiction only to hear appeals from the High Court. Appeals from this Court go to the Imperial Court, the "Chilot" - the Supreme Imperial Court of the Emperor. Third, the High Court. This has 12 divisions, each of three judges sitting on Appeals, Criminal, Civil, Land and Government matters. Fourth, the General-Governorate High Court. Each Court has a presiding judge and two other judges. The Governor-General of a Province may sit as the presiding judge. Fifth- Provincial Court, composed of three judges, is merely concerned with civil and criminal matters. Sixth - Regional Courts dealing mainly with civil cases and limited criminal cases. Seventh - Sub-Regional Courts; one judge sitting alone with very limited jurisdiction and mainly concerned with minor criminal offences.

DEFENCE

Army

The Army numbers 46,000 officers and men and consists of 4 divisions of 3 battalion brigades, supporting arms and services. There is a mechanized brigade in the first Army Division, 1 tank battalion and 2 APC battalions. A medium Artillery Battalion, 3 anti-aircraft batteries, 1 combat Engineer battalion, an Airborne Infantry Battalion and auxillary services.

Navy

Personnel: 210 officers and cadets, 15 Warrant officers and 1,000 men. The Navy consists of 1 Flag ship "The Ethiopia" of 1,766 tons; 3 Patrol Boats of 101 tons displacement each; 4 Harbour Defence Gun Boats and 4 Landing Craft (2 of the US LCM type and 2 of the USLCVP type).

Air Force

Comprises a training school and workshop in Debre Zeit near Addis Ababa. 1 bomber, 1 ground attack, fighter/ground attack and 1 fighter/reconnaissance squadrons equipped with 4 Canberra jets, F-5's*, F-86's and T-28D's, C-119K's, C-54, C-47 and Doves. Training aircraft include T-33 advanced jet trainers and piston-engined T-28's and Saab-91's. A few Agusta-Bell 204 and Alouette II and III helicopters are in service. Personnel - 330 officers and 1,800 men.

Health

There are about 1,200 hospitals, dispensaries and health centres. There were (1970) 430 doctors and health officers and about 5,000 nurses and auxiliary personnel. In 1967, \$23.3 million (Ethiopian) was spent on Health Services. In 1970 a new leper hospital with 1,000 beds and a mobile unit which could care for more than 20,000 patients annually became operational.

GROSS NATIONAL PRODUCT: \$ 60 US Dollars per Capital.

*Means "Freedom Fighter Bomber"

INFORMATION

Radio

There are two radio stations in Ethiopia, (1) Radio Ethiopia, broadcasts in Amharic, English, French and Arabic, (2) "Radio Voice of the Gospel" which is owned and operated by the Lutheran World Federation broadcasts in 12 languages to Asia, the Middle East, Africa and Madagascar. There were about 127,000 Radio Sets in 1970.

Television

Ethiopian television service was inaugurated in 1964 and is owned and operated by the Government. There is also a closed circuit television for the American Armed Forces in Asmara. There were 8,000 television sets in 1970.

Press

Dailies:

Addis Zemeu (Amharic)
Ethiopian Herald (English)
L'Ethiopie Aujourd'hui (French)
Hebret (Tigrigua and Arabic)
Quotidiano del l'Eritrea (Italian)
Samdek Anamachin (Amharic)
Voice of Ethiopia (Amharic and English)

Weeklies:

Andet (Amharic and Arabic)
Elete Sambet (Amharic Official Journal)
Mattino del Luluedi (Italian)
Ethiopia Zartu (Amharic)
Lunedì del Medio Oriente (Italian)
Negarit Gazeta (Official Gazette Amharic and English)
Wotaderna Alamouus (Military Journal in Amharic)
Wotaderna Guiziou (Military Journal Amharic)

Others:

Addis Reporter (English)
Bolletino (English, Amharic, Italian and Tigrigna)
Menen (Amharic and English)
Ethiopian Trade Journal (English)
Monthly Bulletin published by Addis Ababa Chamber of
Commerce (English)

AGRICULTURE

Agriculture is the mainstay of the Ethiopian economy which is basically subsistence farming and livestock grazing. It supports about 90 per cent of the population and constituted about 50% of GDP in 1969.

The main cereals are teff, maize, wheat barley, sorghum and millet. Coffee is the most valuable cash crop. Ethiopia is a member of the International Coffee Organization, and subject to the quota system. In 1970/71 her quota was fixed at 1.43 million bags.

Tobacco, potatoes, sesame, sugar cane, cotton and dates are also grown. Hides and skins is another important foreign exchange earner.

MINING

Ethiopia produces small quantities of gold, 1223 kg, and platinum, 11 kg in 1968/69. At present there are extensive explorations for other minerals especially petroleum and natural gas. There are extensive reserves of Potash in the Danakil area and salt in some areas of the Omo Valley, but due to lack of transport facilities, their market potential has not as yet been exploited.

Mobil-Esso of Ethiopia have found natural gas off Massawa but it is not known whether it is commercial viable for export. A Japanese Mining Company is prospecting for Copper in the Southern Provinces.

POWER

Electricity capacity in 1967/68 was 138,600 Kw of which 92,000 Kw were hydro-electric. Ethiopia is engaged in a forward looking pro-

gramme on hydro electric power on the Awash River which when fully operational will produce 75 million Kw annually.

COMMUNICATIONS

Roads

Ethiopia has (1970) 8,000 kilometres of roads, one-third of which are asphalt - the Imperial Ethiopian Highway Authority established in 1961 has carried out a number of road construction which have had a profound effect on transport costs. In the current plan, the Authority is scheduled to construct 5,000 kilometres of new roads. Work is in progress on the new Addis Ababa-Nairobi road which is to be completed by the end of this year.

Railways

There are two narrow gauge line from Djibouti to Addis Ababa (486 miles) and the Agordat-Asmara-Massawa line (191 miles).

AIRPORTS

There are two international airports, Addis Ababa and Asmara, and 4 Second Class airports and fourteen other airstrips.

WEIGHT AND MEASURES

The metric system of weights and measures is officially in use. Ethiopian weights and measures vary considerably in the various provinces. The main ones are the "frasila" (= 17 kilograms) and the "Gasha" a unit of land measure varying from 80 acres of good land to 300 acres of poor land.

CURRENCY

The unit of currency is the Ethiopian dollar. 2.303
Ethiopian Dollars equals 1 US Dollar. The Ethiopian dollar is divided into 100 cents - coins of 1, 5, 10 and 25 cents and notes of 1, 5, 10, 20, 50, 100 and 500 denominations.

BANKS

The National Bank of Ethiopia is the Reserve Bank of the Country controlling all financial transactions with international banks and institutions and responsible for the issuing of bank notes and coins. Other banks - Addis Ababa Bank; Banco de Roma Ethiopia (S.C.); Commercial Bank of Ethiopia which is a State owned bank; the Development Bank of Ethiopia - lends money for industry and agriculture; Ethiopian Investment Corporation - which is an investment and development bank. Other financial institutions are the Agricultural and Industrial Bank of Ethiopia, the Imperial Savings and Home Ownership Public Association and the Savings and Mortgage Corporation.

On the National Accounts Table 1, the expenditure generating the Gross National Product - have been increasing since 1965 and by the end of 1969 averaged \$3,669.6 Million Ethiopian Dollars. Private Consumption on the other hand have accelerated since 1965 and Government Consumption have remained on average around \$377.6 Million Ethiopian Dollars whilst stocks have remained constant at \$ 11 Million Ethiopian Dollars.

TABLE 1
NATIONAL ACCOUNTS
(Millions of Ethiopian Dollars)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Exports	390	397	376	427	442
General Government Consumption	325	365	384	403	411
Gross Fixed Capital Formation	400	447	511	554	500
Increase in Stocks	11	11	11	11	11
Private Consumption	2,723	2,883	2,620	2,788	3,145
Less: Imports	-456	-496	-454	-512	-473
Less: Net Factor Payments Abroad	-9	-14	-17	-22	-20
Gross National Expenditure - GNP	3,386	3,596	3,699	3,649	4,018
Gross Domestic Product	3,258	3,392	3,448	3,672	4,038

SOURCE: IMF International Financial Statistics VOL XXVI, No. 1, January, 1973

TABLE II
BANKING - NATIONAL BANK
(Millions of Ethiopian Dollars)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Foreign Assets	193.0	196.5	161.7	166.0	179.6	178.0	157.4
Claims on Government	111.3	117.9	136.9	142.5	149.4	147.3	158.4
Claims on Commercial Banks	5.1	6.2	4.5	13.5	53.5	72.5	73.6
Counterpart of Coin	51.3	56.7	50.9	48.9	52.5	55.0	49.9
Reserve Money of Which: Currency	283.0	289.4	286.4	315.6	371.2	375.1	353.6
Outside Banks	253.9	267.5	250.7	273.8	319.1	323.2	303.8
Foreign Liabilities	.1	.4	1.3	1.0	5.1	4.9	7.5
Government Deposits	48.5	64.9	45.2	34.3	33.4	44.0	49.7
Capital Accounts	21.8	24.7	27.3	30.6	34.3	38.2	37.1
Other Items (Net)	7.2	-2.1	-6.1	-10.5	-9.1	-9.3	-8.6

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SOURCE: International Financial Statistics VOL XXVI, No. 1, January 1973 IMF

TABLE III
BANKING - COMMERCIAL BANKS
(Millions of Ethiopian Dollars)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Reserves	28.9	22.1	36.7	42.2	52.8	55.7	52.0
Foreign Assets	36.6	29.6	19.4	38.2	35.2	30.3	31.3
Claims on Government	.9	.5	-	.4	15.6	18.6	13.4
Claims on Private Sector	192.9	229.2	241.6	287.4	324.7	414.4	448.4
Annual Deposits	96.2	96.2	105.3	110.0	112.6	104.8	104.8
Taxes and Savings							
Deposits	71.4	85.7	100.3	125.1	150.1	186.5	214.6
Foreign Liabilities	15.1	19.1	17.0	32.6	28.7	64.1	63.7
Government Deposits	16.6	12.8	13.6	12.1	12.2	12.5	13.4
Credit from National Bank	5.1	6.2	4.5	13.5	53.5	72.5	73.6
Capital Accounts	35.9	37.2	42.2	50.6	52.6	55.6	57.4
Other Items (Net)	18.8	24.2	14.7	24.3	18.7	23.0	17.6

SOURCE: International Financial Statistics VOL. XXVI, No. 1, January 1973, IMF.

THE ECONOMY

When Emperor Haile Sellassie first came to the throne, he carried out widespread reforms but the Country is held back by tradition and lagged behind other developing countries. It is one of the poorest countries in Africa and at the most, only 40% of Ethiopian production can be expressed in money terms and illiteracy may be as high as 90%. In relative terms, post-war advancement has been slow, production has been slow and per capita income is amongst the lowest on the continent. However there has been a measurable degree of development even though Ethiopia remains the country of potential rather than realized wealth. The most striking feature of Ethiopia's predominately agricultural economy is the fact that more than half its total production cannot be expressed in money terms. The task the government has set itself is to "monetize" the economy by improving the infrastructure and encouraging the farmers to produce a surplus for export. The question of agrarian reform is fundamental to the Ethiopian economy and the government is about to re-introduce in the Chamber of Deputies, "the Tenant Landlord Relationship Bill" to reform land tenure system which at present acts as a stranglehold on economic development. About 20% of the Country's farmers own their land. The rest are share-croppers and pay their landlords between one-third and 75 per cent of their crops and have no security of tenure. The first reform legislation was introduced in the Ethiopian Parliament in 1969 and was overwhelmingly defeated. The reason the government is still trying to get the bill through is because Sweden (Ethiopia's major-aid donor) has said that unless something is done about agrarian reform she will stop all aid to Ethiopia which is currently at about \$18 Million Ethiopian a year. Up to four years ago, Ethiopia received 19% of all Swedish external aid. To-day the total has

fallen to 9%. In an agreement signed in 1967 for the development of the Chilalo Agricultural Development unit, the Ethiopian government undertook to carry out land reform measures. Sweden has now made it clear that she would consider terminating the CADU project on which she has spent so far \$16 Million Ethiopian and all other agricultural and education programmes.

Probably as much as 87% of the employed population is engaged in agriculture and it has been estimated that about 60% of GNP originates from the agricultural sector. In 1967 of an estimated GNP of \$3,488 Million Ethiopian at factor cost, \$2,017 Million Ethiopian came from agriculture. Although there are a number of agricultural schemes, such as CADU and the government sponsored agricultural land re-settlement scheme at Setit Humera, subsistence agriculture is the normal pattern over most of the country.

Over the past few years, the Ethiopian economy has grown between 4% and 5% a year. The manufacturing sector is growing at over 15% a year but its contribution to GNP is still small. The Construction Industry has been growing at around 10% a year and agriculture accounts for only 2% a year which accounts for Ethiopia's mediocre overall growth rate. The pattern of Ethiopia's economic development as laid down in the current Third Five-Year Plan forecasts an annual growth rate of 6%. But the plan's original completion date 1973 has had to be postponed until 1974.

FOREIGN TRADE

Ethiopia's foreign trade is based on agricultural exports, of which coffee is by far the largest, most of it going to the United

States and earning about 180 Million Ethiopian a year. Total exports in 1970 were just over \$ 300 Million US. Consumer and capital goods form the largest import items, most of which comes from the Common Market Countries and Japan. The 1970 Trade Deficit was about \$ 120 Million US, and despite the seriousness in her trade deficit, Ethiopia usually manages to turn in a payments surplus due to capital imports and services which include a growing tourism sector. The possibility of curbs on imports of non-essential goods is likely unless Ethiopia's economic situation improves. However, the absence of local raw materials and the population's low purchasing power are important reasons why investment in industry has been low. The gross annual value of industrial production, most of it accounted for by textiles and food, is about \$ 288 Million Ethiopian. At any rate, industrial development, much of it local, has been expanding since 1965. But in spite of inducements given to industry by the government, the role of this sector remains small contributing 2.5% to GDP and 5% to exports and employing less than 1% of the total working population. A recent survey showed that there are 248 manufacturing plants in Ethiopia; 227 of which were concentrated in the three major cities of Addis Ababa, Asmara and Dire Dawa. The closure of the Suez Canal, has led to massive increases in freight rates and the downward spiral in coffee prices over the past few years has sharply affected the economy already under strain as a result of perennial trade deficits. This in turn has affected the amount of money available from domestic sources which were scheduled to supply 60% or \$408 Million Ethiopian of the total capital outlay in this sector. However, it is believed that a large amount of the recently negotiated \$201 Million Ethiopian Dollar loan from China will be used on rural development.

TABLE IV
GOVERNMENT FINANCE
(Millions of Ethiopian Dollars)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Deficit (-) or Surplus	-6.4	-38.4	-24.1	---	---	---	---
Revenue	295.8	327.1	357.1	---	---	---	---
Foreign Grants Received	87.9	104.7	91.9	---	---	---	---
Expenditure	390.1	470.2	479.6	---	---	---	---
Net Lending	---	---	-6.5	---	---	---	---
Financing							
Net Borrowing:							
Ethiopian Dollars	1.8	.3	7.6	---	---	---	---
Foreign Currency	---	34.0	9.6	---	---	---	---
Monetary Operations	---	---	---	---	---	---	---
Use of Cash Balances	4.6	4.1	6.9	---	---	---	---

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SOURCE: International Financial Statistics VOL. XXVI, No. 1, January, 1973. IMF.

TABLE V
BALANCE OF PAYMENTS
(Millions of US Dollars)
Surplus (+) Deficit (-)

	1965	1966	1967	1968	1969	1970	1971
Goods and Services	-30.2	-44.5	-37.6	-42.9	-20.2	-39.6	-49.4
Trade Balance fob	-15.7	-30.0	-23.0	-35.2	-10.2	-21.4	-32.7
Transportation and							
Merchandise Insurance	-11.8	-12.1	-6.4	-12.1	-9.1	-11.6	-12.8
Investment Income	-3.8	-5.0	-6.9	-9.0	-8.1	-7.7	-11.7
Other	1.1	2.6	-1.3	13.4	7.2	1.1	7.8
Transfers: Private	.6	.1	-4.0	-2.4	-3.0	-2.6	-1.8
Central							
Government	12.6	11.8	10.4	14.2	14.2	10.6	10.8
Capital n.i.e.:							
Private	25.5	21.4	6.4	25.0	3.6	15.0	18.0
Central							
Government	3.9	8.2	8.9	5.1	9.2	2.0	13.0
Deposit Money Banks:							
Assets	.2	2.9	4.1	-7.5	1.2	1.9	-.1
Liabilities	2.5	1.6	-.8	6.2	-1.5	14.1	---
Allocation of SDR's	---	---	---	---	---	---	---
Monetary Authorities	-16.3	-1.3	14.2	-1.8	-4.2	.8	6.8
Monetary Gold	-.6	-.6	-.7	-3.6	-1.3	1.5	-.4
SDR Holdings	---	---	---	---	---	---	---
IMF General Account	---	-1.0	---	---	---	-2.0	---
Foreign Exchange	-15.6	.2	14.6	1.9	-4.1	1.1	6.0
Other Liabilities	-.1	.1	.3	-.1	1.2	.2	1.2
Net Errors and Omissions	1.2	-.2	-1.6	4.1	.7	-2.2	2.7

SOURCE: International Financial Statistics VOL XXVI, No. 1, January 1973, IMP.

TABLE VI
INTERNATIONAL TRANSACTIONS
(Millions of Ethiopian Dollars)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Exports	289.8	277.5	252.7	266.0	298.1	305.8	314.1
Coffee	188.3	156.0	139.5	153.3	174.0	181.3	175.2
Hides and Skins	23.5	35.6	29.8	24.9	29.2	24.5	25.7
Cereals	15.3	21.5	21.0	22.1	24.1	17.5	23.1
Oilseeds	24.9	21.7	22.4	21.4	23.2	28.4	32.1
Imports, cif	375.7	404.3	357.8	432.5	388.3	429.1	469.5

SOURCE: International Financial Statistics, VOL. XXVI, No. 1, January, 1973. IMF.

TABLE VII
INTERNATIONAL LIQUIDITY
(Millions of US Dollars)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
National Bank Reserves	77.2	78.7	64.7	66.4	71.8	71.2	68.3
Gold	3.2	3.9	4.6	8.1	9.4	7.9	9.0
Reserve Position in the Fund	3.8	4.8	4.8	4.8	4.8	6.8	7.4
Foreign Exchange	70.2	70.0	55.3	53.5	57.6	56.5	51.9
Fund Position							
Credit Tranche Position	15.0	19.0	19.0	19.0	19.0	27.0	29.3
Quota	15.0	19.0	19.0	19.0	19.0	27.0	29.3
Commercial Banks Assets	14.6	11.8	7.7	15.3	14.1	12.1	12.1

SOURCE: International Financial Statistics VOL XXVI, No. 1, January 1973. IMF.

LOANS

- IDA - \$ 6.3 Million US for Agriculture to help finance a \$ 10 Million US coffee processing improvement project, access roads and technical assistance.
- IDA - \$ 11 Million US to assist in the financial operations of the Agricultural and Industrial Development Bank.
- IDA - \$ 17 Million US for Transport to finance part of a \$22 Million US project to develop the rural areas, expand the agricultural sector and the construction of six feeder roads.
- IMF - \$10.8 Million US to finance the construction of water supply lines, reservoir pumping stations, sewer and sewage treatment plants.
- IDA - \$ 4.4 Million US to finance part of a \$ 6.5 Million US dairy farming, milk collecting and processing project.

SOURCE: World Bank/IDA Annual Report, 1972.

CIDA - BILATERAL DISBURSEMENT 1968-69 to 1970-71
(\$ Millions)

<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>
.07	.03	.06

SOURCE: Canada and The Developing World - CIDA Annual Review 1970-71, Ottawa, Canada.

IDRC FINANCE RESEARCH PROJECTS

<u>Description of Project</u>	<u>Institution</u>	<u>Contacts</u>	<u>Amount</u>
Triticale Outreach (AFNS)	Institute of Agricultural Research, Imperial Government of Ethiopia, P. O. Box 2003, Addis Ababa, Ethiopia.	Dr. Dagnatchew Yirgou, General Manager, Institute of Agricultural Research, Addis Ababa, Ethiopia.	\$ 82,290.
Sorghum Improvement research aimed at improving high-altitude low temperature sorghum.	Haile Sellassie I University, Addis Ababa, Ethiopia.		\$195,300.

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