

Capital NEWS IN BRIEF

Safaricom's Ethiopia struggle deters potential telecoms investors

Foreign investor interest in Ethiopia's telecoms sector is cooling, sector experts and those with knowledge of the licensing process say, pointing to a bumpy first two years operating in the country for Safaricom, the only company so far granted a licence to compete with state-owned Ethio Telecom.

Telecoms were once seen as the big prize of a drive to liberalise the economy of Ethiopia, Africa's second most populous country with around 120 million people, launched after Prime Minister Abiy Ahmed took power in 2018.

But legislative changes, recurring security problems and concern about the government's commitment to opening up a tightly-controlled economy to true competition are deterring possible investors.

When Ethiopia solicited bids in 2020 for the country's first private telecoms licences it touted duty-free capital goods imports and temporary income tax exemptions as incentives for new telecoms investors, according to portions of the Request for Proposals seen by Reuters.

Two years later - and one year after Kenya's Safaricom won the first licence - investment regulations enacted by the government did not include telecoms on the list of investment areas entitled to these fiscal incentives.

(Reuters)

Government Housing Agency evicts arrested Minister's family

In a turn of events, on December 10, Ethiopia's State Minister for Peace, Taye Dendea, made remarks criticizing the Ethiopian government for banning anti-war demonstrations, stating that it would tarnish the government's image concerning promises made to the public upon taking power and on constitutional grounds. On December 11, Ethiopian Prime Minister Abiy Ahmed terminated Taye as State Minister for Peace in a two-line letter, thanking him for his contributions. On December 13, the government announced Taye's arrest for alleged collaboration with what the government calls "radical forces" and "terrorists" plotting to topple the government.

However, the situation did not end there. On December 14, Taye Dendea's wife and his entire family were evicted from government housing. Security forces appeared at Taye's house, where he had lived for four years with his family, including his mother, and issued a three-day eviction notice.

Sintayehu Alemayehu, Taye Dendea's wife, confirmed the story to VOA Amharic service. She stated that personnel from the government housing agency and police officers arrived on Tuesday this week and gave her a three-day eviction notice. If the house was not vacated within three days, she was informed that all furniture and belongings would be moved to a storage facility at her expense. On Wednesday, she was already evicted.

(VOA)

Zimbabwe signs agreement to host 2024 ECA Conference of Ministers

The Economic Commission for Africa, Executive Secretary, Claver Gatele, and

Zimbabwe's Finance Minister, Mthuli Ncube today in Harare signed the 2024 Conference of Ministers (COM) Host Country Agreement. Zimbabwe is set to host the 56th Session of the ECA Conference of African Ministers of Finance, Planning and Economic Development from 28 February to 5 March, in Victoria Falls.

"To drive industrialization that is sustainable and creates jobs, eradicates poverty and contributes to sustained economic growth, Africa must build climate resilience, be able to access finance for its development and reap benefits from its natural resources" said Mr. Gatele at the signing ceremony for the 2024 Conference of Ministers (COM) Host Country Agreement in Harare, Zimbabwe.

(Press Release)

Africa gets shot in the arm as African Pharmaceutical Technology Foundation gets underway

Africa's efforts to build a resilient and self-reliant pharmaceutical industry for the continent advanced significantly today as the African Pharmaceutical Technology Foundation and the Rwandan Government signed the host country agreement paying the way for the Foundation's operationalisation.

The Foundation also signed a memorandum of understanding with the European Investment

Bank to further strengthen cooperation.

The African Development Bank Group Board of Directors approved the setting of the African Pharmaceutical Technology Foundation as an independent body in 2022. The Foundation's work—which is significant technical and financial support globally and within Africa—will be centred on Africa's pharmaceutical sector. It is the kind of foster collaboration between public and private sectors in Africa, America, Europe and the rest of the developed world.

(Press Release)

Term of the Day

Definition

Junk bonds are bonds that carry a high risk of default than most bonds issued by corporations and governments. A bondholder or promise to pay investors into payments along with the return of investment principal in exchange for buying the bonds. Junk bonds represent bonds issued by companies that are financially struggling and have a high risk of defaulting or paying their interest payments or repaying the principal to investors. Junk bonds also called high-yield bonds since higher yield is needed to help offset risk of default.