

ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES

POST 1991 ETHIOPIA AND SAUDI ARABIA ECONOMIC  
RELATIONS: CHALLENGES AND OPPORTUNITIES OF TRADE AND  
AGRICULTURAL INVESTMENT

BY

ABEBE ALEMU MELESE

ADDIS ABABA  
MAY 2011

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## Abbreviations and Acronyms

A.D	After Death
ADB	African Development Bank
A. M.	Before Noon (Latine Ante Meridiem)
BA	Bachelor of Arts
B.C	Before Christ
B.Sc.	Bachelor of Science
ECA	Economic Commission for Africa
ELF	Eritrean Liberation Front
EPLF	Eritrean People Liberation Front
EPRDF	Ethiopian People Revolutionary Democratic Front
FDRE	Federal Democratic Republic of Ethiopia
ETB	Ethiopian Birr
Feb	February
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HS	Harmonized System
LDCs	Least Developed Countries
MA	Master of Arts
MEDaC	Ministry of Economic Development and Cooperation
MNC	Multinational Corporations
MIDROC	Mohammed International Development Research and Organization Companies
OPEC	Organization of Petroleum Exporting Countries
P.M.	After Noon (Latin Post Meridiem)
Pvt	Private Limited Company
RVF	Rift Valley Fever
SABIC	Saudi Arabian Basic Industries Corporation
SNNPR.	Southern Nations, and Nationalities and Peoples' Region
UAE	United Arab Emirates
U.K	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
USD	United States Dollar
WTO	World Trade Organization

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Thirdly, I want to acknowledge Ambassador Dinberu Alemu, who shared me his long experience in political and economic relations that Ethiopia has with Middle Eastern countries in general and with Saudi Arabia in particular.

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## ***Abstract***

*Ethiopian has had long-standing bilateral relations with the Arabian Peninsula dating back to ancient Axumite kingdom. The relations were manifested in terms of religion, economic, and political aspects. In all of these contacts, the interaction has had both challenges and opportunities. For instance, starting from 1932 (after the formation of Saudi Arabia, taking much of Arabian Peninsula) until 1991, there were no active relations between Ethiopia and Saudi Arabia. However, 1991 was the turning point in the relation between the two countries. In these years, economic interactions took more importance though political and religious contacts still have significance.*

*This research thesis looks into post-1991 Ethiopia and Saudi Arabian economic relations: taking agricultural investment and trade as the main focus. It aims to understand the challenges and opportunities that these agricultural investment and trade bring to Ethiopia when the country conducts its economic relation with Saudi Arabia. The study argues that Saudi Arabia has strategic, religious and economic interest towards Ethiopia. But due to political development in Ethiopia after 1991, economical interests prevailed over other interests.*

*In view of this, the objective of this thesis is to provide empirical evidences regarding the advantages and disadvantages of agricultural investment and the types of export and import items that Ethiopia and Saudi Arabia are trading with each other. The thesis indicates that trade relations and Saudi investment in agricultural sector are increasing tremendously in recent years. To study these issues, the thesis has used qualitative research methodology. In chapter two and three, available literatures were reviewed to discuss about historical relations of the two countries. Concerning advantages and disadvantages of the agricultural investment, unstructured interview were conducted with workers of Saudi Star Agricultural Company, residents in Gambella, and pertinent officials in agricultural areas.*

*This study tries to answer research questions: Why has Saudis economic interest increased after 1991 in Ethiopia? What are different factors for trade imbalance which is usually in favor of Saudi Arabia? What are the roles of Saudi agricultural investment for the food security in Ethiopia? The findings from data analysis showed that the economic relationships between the two countries are in favor of Saudi Arabia in agricultural investment and trade. With regard to agricultural investment, Saudi investments in this sector do not solve food insecurity in Ethiopia; it is merely for export to the Saudi market. Also, available data show that Ethiopia imports more commodities from Saudi Arabia than it exports.*

# Chapter One

## Introduction

### 1.1 Background of the Study

International relations study the interaction between two or more states,<sup>1</sup> which are often complex and influenced by a variety of geopolitical, historical, social, religious, and ideological factors. These relationships among state and non-state actors have the form of cooperation and conflict which are two sides of the same coin (Spanier, 1987:10).

Usually, all states maintain some kinds of relations with one another. Rosecrans stated “this is an obvious fact; since there is no state that is self-sufficient and capable of existing independently from others in the context of increasing interdependent world” (1995:20).

This interdependence leads states to behave and follow what they perceive to be their particular national interests.<sup>2</sup> When states interact with each other, “they primarily strive to safeguard and promote their national interests”(Stein, 1990:12). This is due to “nations have their own priorities, interests as well as their own agenda, and often these interests will not coincide with and may be in conflict with those of other nations” (Purvis, 1992:13). Among these interests, priorities, and agendas-states’ ambition to increase their economic benefit at the expense of other countries is the major one.

Gilpin (1987:3) wrote “this economic interdependence between politically separate people predates written history. Beginning from its ancient time, trade has become a more important aspect of international relations.” In the words of Rourke “the expanding of trade increased interrelationships between international economic activity and domestic economic circumstances” (1989:435).

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<sup>1</sup> States are not the only actors in the international relations. Intergovernmental organizations, non-governmental organizations, cities, and the like are non-state actors (Spanier, 1987:77).

<sup>2</sup> National interest is the most crucial concept in international relations. It is the key concept in foreign policy as it provides the basis on which foreign policy is made. While formulating foreign policy, all statesmen are guided by their respective national interest. It is the purpose of foreign policy to conduct foreign relation in a way so as to achieve national interest to the maximum extent. But, it is not easy to determine exactly what a country’s national interest is, this concept is highly ambiguous and difficult to define (Malhorta, 1993: 80).

Since Ethiopia is one of the members of international community, it has had political and economic relations with the international community, especially with Middle Eastern states.

Both observed this contact as:

Ethiopia, like other countries, has had contacts with the outside world dating back to the period before the Birth of Christ (B.C). These contacts were attributable to Ethiopian's strategic and geopolitical location near the Red Sea and Indian Ocean. The foreign powers, particularly ancient Arabs and Europeans used the Red Sea and Indian Ocean for trade in gold, ivory, and slaves (2004:20).

Erlich on his part added: "while Ethiopian's concrete historical relations with sub-Saharan Africa had been indirect, and of marginal importance, its contacts with the Oriental Middle East have been organic and central from very incipience" (1994:33).

In particular, "during Axumite era, Ethiopia, established diplomatic and commercial relations with Middle Eastern countries, especially with the Arabian Peninsula (occupies today's Saudi Arabia and Yemen). Axum was above all sustained by trade-both inland and maritime" (Bahru, 1991:8).

"The relations between Ethiopia and the people of Arabian Peninsula were not only old and deep-rooted but they have also been illuminated by many facts and incidents"<sup>3</sup> (Erlich, 1994:11). This is to mean "relations between the two countries have been tied to the movement of people and goods, which have led to the settlement of large communities in both regions" (Gulf Research Center, 2009:8).

Yet, these relations between Ethiopia and these people of Arabian Peninsula passed through different historical ups and downs. For instance, "during the seventh century after Death of Christ (A.D), the rise of Islam and the subsequent disruption of the Red Sea trade facilitated the decline of Axum" (Adejumobi, 2007:13).

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<sup>3</sup> It is to be recalled that Ethiopia provided safe heaven to the prosecuted followers of the prophet Mohammed. Ethiopia was the land of refuge for the first Muslims who fled to this country to escape persecution (Ousman, 2004:85).

In particular, starting from eighth century to the beginning of twentieth century, historical evidences show that the people of Arabian Peninsula and Ethiopia passed through conflictual relationship due to strategic location (to control Red Sea trade route), religious controversy, and incompatible economic interests. “After the formation of Saudi Arabia in 1930s, the two countries established formal diplomatic relation in 1948” (Dinderu,<sup>4</sup> 22 Feb, 2011; Kinfе, 2004:82).

From 1948-1974, “Ethiopian monarch was Christian and the Islamic religion in Ethiopia was not treated equally (as Christian religion); hence, relations between the two countries were cool. Moreover, Ethiopia had close ties with Israel which was a source of concern for Saudi Arabia” (Kinfе, 2004:82).

In the *Derg* regime, “the relations between Saudi Arabia and Ethiopian government were characterized by mutual suspicion” (Kinfе, 2004:82). Hoynes (1993:123124) further stated “the military government was inclined to form close relationships with socialist countries which hampered the development of positive interaction with Saudi Arabia” (2004:83).

On the other hand, following the change of government in Ethiopia in 1991, the relations between the two countries improved not only in political dimension, but also in economic aspects. Kinfе stated “Ethiopia knows that its relationship with the Islamic and the Arab world can be impacted by its relationship with Saudi Arabia. Therefore, the country gave (and will give) great priority to its relations with Saudi Arabia” (2004:85). He further argued “trade and the flows of investment capital are two areas of economic interchange between Ethiopia and Saudi Arabia that were improved after 1991. Recently, Saudi Arabia has become Ethiopia’s strategic partner in trade and investment. So, contemporary Ethio–Saudi economic relations are mostly constructive” (Kinfе, 2004:85).

However, beyond this relation between the two countries, “Saudi uses its economic resources (oil), granting or withholding financial support, and use organizations of petroleum exporting

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<sup>4</sup> Ambassador Dinberu Alemu, director of directorate of Middle East in the Ministry of Foreign Affair, MA in public administration, interview date and time, 22 Feb, 2010 at 2:00 P.M-2:30 P.M, Addis Ababa.

countries (OPEC) to influence the increasing contacts” (Erlich, 2007:186; Russett and Starr, 1981:175).

Concerning Ethiopia and Saudi Arabia relations, Haggai Erlich wrote a book entitled “Saudi Arabia and Ethiopia: Islam, Christianity, and Politics Entwined” published in Boulder and London by Lynne Rienner, 2007, 249 pp. The central theme of the book is all about the Saudi’s subversive political and religious interference in Ethiopian domestic affairs since the 1930s. These subversive activities have three dimensions: religious, political, and economic.

The establishment and crystallization of the Saudi State in the early 1930s made Wahhabi<sup>5</sup> Islam the dominant doctrine in Arabia. So, the relation between Ethiopia and Saudi Arabia cannot be understood without understanding their religious and political interactions.

As far as political relationships were concerned, starting from its establishment (1932) Saudi Arabia followed subversive activities against Ethiopia. For instance, to weaken Christian Ethiopia, Saudi was thus, among the few countries that helped the Fascists’ campaign (during 1935 Italian invasion) to destroy Ethiopia. The country sold vitally needed camels to Mussolini’s invading army. In addition, Saudi played a significant role in the 1973/1974 events that led to the collapse of Ethiopia’s imperial regime and the abrupt end of Ethiopia’s long history as a Christian monarchy. This is because the Saudis support to the Eritrean liberation movements and its role in oil price rise in 1973 which had its effect in Ethiopian economy (Erlich, 2007:98).

In the *Derg* regime, Ethiopia joined the Soviet camp. The Saudis motivated primarily by their fear of socialist ideology, the country continued to support the Eritrean secessionist movements, there by rendering support to Mengistu’s opponents in Ethiopia.

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<sup>5</sup> The present Saudi state has its origins in politico-religious alliance entered into the 1740s, when Muhammad ibn Saud, accepted the revivalist message of the reformer-Muhammad ibn Abdl-Wahhab and made use of the latter’s unitarian principles as a means of building power base (Hoynes, 1993:88). Today, Wahhabism is associated with Islamic fundamentalism particularly in its most violent form. For the Wahhabi, it is permissible to kill a non-Muslim, and only those who practice Islam as Mohammed and the first few generations practiced it are true Muslims. So, it is permitted to use violence against all innovators and infidels (Quandt, 1981:36).

Although bilateral relation between Ethiopia and Saudi Arabia after became constructive, practically, Saudi's deeper involvement in Ethiopia became obvious. Since Saudi Arabia has been bestowed with immense financial resources as a consequence of its oil resources, it seeks to influence Ethiopia by granting or withholding of financial support in the circles where it could have most influential impact on Ethiopia (Erlich, 2007:183).

This influence is manifested in the area of religion. The emergence Wahhabism in Saudi Arabia and Ethiopian new foreign policy to the Middle East coincided with the deepening religious radicalization of the Saudi Kingdom. Saudi Arabia's regime in general and Wahhabism in particular underwent significant modification in the 1990s. It follows that the Saudi money is behind much of the current Islamic revival in Ethiopia. The construction of hundreds new mosques and quranic schools, the establishment of welfare associations, and the spread of Arabic language and the translated literature and the monthly subsidies for the newly converted to Islam can be mentioned as some influences that Saudi Arabia exert on Ethiopia( *Ibid*:5).

To sum up, Erlich's work constitutes a major and original contribution to Ethiopian studies in particular and the modern history of the Middle East in general. It also offers a new perspective on the study of the long and complex relations and interactions between Ethiopia and Saudi Arabia and the role of religion and politics in promoting and undermining those relations in the context of national, regional, and global events.

The objectives of this study are, therefore, to assess the new dimensions of economic relations between Ethiopia and Saudi Arabia (both trade and agricultural investment). In line with this, the thesis points out major factors that led for the positive economic relations between the two countries after 1991. The thesis will also try to explore the factors that affect Ethiopian balance of trade with Saudi Arabia. Finally, attempts are made to discuss the impact of Saudis agricultural investment on food security in Ethiopia.

## **1.2 Statement of the Problem**

As far as economic relations between states are concerned, problems related to economic dependency are created due to unequal interactions. In addition, nations want to increase their benefits at the cost of other states; this in turn leads to conflict among the actors. As Stein

(1990:172) argued “nations have their own priorities, interests as well as their own agenda, and often these interests may be in conflict with those of other nations. These cooperation and conflict reflect purposive and calculated behavior in an interdependent world, and both emerge from the interaction of an array of situational factors.” Ethiopia’s international relations with Saudi Arabia is not out of this reality.

Ethiopian interaction with Saudi Arabia in particular passed through both conflictual and cooperative situations. In the words of Bromley “Saudi Arabia lies at the heart of Middle East with huge reserves of petroleum. It is the only country that could determine the global oil price by itself” (2008:108). This Saudi’s huge oil reserve had its own political and economic impact on Ethiopia. For instance, Smith (2010:321) substantiates the role of Saudi Arabia to the 1974 Ethiopian revolution<sup>6</sup> as:

During the October war of 1973, Saudi Arabia with other OPEC members created a global oil crisis, which greatly added to Ethiopia’s economic plight. Stricken by drought and famine, Ethiopia’s poor economy could barely cope with an abrupt 50 per cent rise in oil prices in January 1974. This is one dimension that led to the collapse of the Haile Selassie regime.

In the economic terms, “many of the Gulf States including Saudi Arabia are rich in petroleum which obviously makes them an attractive source of investment and finance for Ethiopian economic development. In addition, these countries are becoming important markets for Ethiopian agricultural products” (Yohannes, 2010:5).

But, “the economic interaction between Saudi Arabia and Ethiopia is unequal and asymmetrical. To show this fact, bilateral trade volume between Ethiopia and Saudi Arabia had exceeded \$500 million with balance remaining to Saudi due to heavy oil import to Ethiopia” (*Ibid*:5).

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<sup>6</sup> There were also other factors for the revolution: drought in the northern Ethiopia, military mutiny, etc. For further information, refer the Ethiopian Revolution 1974-1987: A Transformation from an Aristocratic to a Totalitarian Autocracy by Andargachew Tiruneh, 1993.

Apart from trade relation, the Saudis involvement in some investment activities in Ethiopia is becoming debatable issue. Agricultural investment by the Saudi government is mentioned for this case.

The world is experiencing a grain rush. With increasing frequency, wealthy-food-importing countries and private investors are acquiring farmland overseas. These transactions are highly opaque, and few details have been made public.<sup>7</sup> The word food crisis and the broader financial crisis have evolved economically and politically driven motives for undertaking foreign direct investment (FDI) in agricultural sector. Countries that are net food importers such as Saudi Arabia and other Gulf States see this innovative long term strategy to feed their people at appropriate price since they rely on food imports (Romano *et al.*, 2009:2).

In line with this, Saudi Star Private Limited Company (Plc) received 200,000 hectares of land in Gambella regional state in September 2010 to grow and export rice to Saudi Arabia. Foreign land lease will have significant economic benefit according to Ethiopian authorities.<sup>8</sup> However, “concentration of foreign companies in Gambella regional state will have a negative impact on farmers of the area and will create a riparian controversy of Nile basin countries” (Kirubel, 2010:10).

Apart from this, experts in the field affirm that there is no such thing as idle land in Ethiopia, or anywhere in Africa and even there is widespread food insecurity. For example, “Ethiopia has one of the world’s highest hunger rates with more than 5 million people in need of food aid. In addition to this, countless studies have shown competition for grazing lands and access to water bodies are the two most important source of inter-communal conflict” (Weissleder, 2009: 20).

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<sup>7</sup> In most cases, the role of the contract between the host state and the investor is critical. The contract will set out the price, quantity, and duration for the purchase or lease of land. Yet, there is a culture of secrecy that surrounds agricultural land deals. In other words, legal contracts in relation with agricultural investment either do not exist or have not been made open to the public (Tewodros, 01 April, 2011). This lack of transparency undermines government accountability, and increases the opportunities for corruption and other inappropriate acts.

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<sup>8</sup> In Ethiopia, land is under government control and thus cannot be bought or sold; however, the Ethiopian government has determined to lease presumably “idle” lands to foreign investors (Weissleder, 2009: 20). The land lease to foreign investors is equivalent to land selling because the duration of the lease is for about 99 years.

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### **1.3 Purpose and Goal of the Study**

Babbie (1994:90-2) identifies three basic purposes or goals of social science research in general: “exploration (to explore a topic or provide a basic familiarity with topic); or description (to describe a situation, event, process); and explanation (to indicate causality between variables or events).” The focus of this study is mainly on exploration and description; hence, the overall purpose here is to explore and describe the challenges and opportunities that Ethiopia faces when it conducts its relation with Saudi Arabia.

### **1.4 Research Questions**

- Why has Ethiopia and Saudi Arabian economic relations increased after 1991?
- What are different areas of cooperation in Ethio-Saudi relations?
- What are the underlying intensions of Saudi Arabia towards Ethiopia?
- Saudi investors’ involvement in agriculture is becoming a debatable issue. Why?
- Why are the trade relations between the two countries in favor of Saudi Arabia?

### **1.5 Assumption**

- Ethiopian and Saudi Arabian relations in the economic and political aspects are improving after 1991.
- Saudi Arabia has political, economic, and religious interest in the Horn of Africa.
- Ethiopia and Saudi Arabian economic relation is in favor of Saudi Arabia.

### **1.6 Objective of the Study**

The general objective of the study is to provide a broad overview of Ethiopian relations with Saudi Arabia and to point out factors that determine these relations.

As such, the specific objectives are:

To study the nature and the dynamics of Ethiopian foreign policy towards Saudi Arabia.

To identify factors which determine Ethio- Saudi economic relations.

To explore different factors that led trade imbalance between the two countries.

To find out whether some of the economic activities by the Saudi investors have a devastating outcomes.

A last objective is to make a contribution to the expanding frontiers of knowledge on Ethio-Saudi relation.

## **1.7 Significance of the Study**

This master's thesis deals with Ethio-Saudi Economic Relation: Challenges and Opportunities; it has a significant value to anyone who is interested in Ethio-Arab relations in general and Ethio-Saudi relations in particular. This is because the issue of agricultural investment by the Saudi investors is a recent activity that no one has written on the area.

Secondly, the thesis will add some knowledge in the Ethiopian international relations towards the Middle East in general and Ethiopian relations towards Saudi Arabia.

## **1.8 Methodology**

Methodologically, the study is based on a qualitative approach. As Creswell stated (2003:182) “qualitative approach deals with analyzing data, or categorizing those data, and finally making an interpretation or drawing conclusions about their meaning.” In light with this, data that show import and export products of Ethiopia from Saudi market starting from 1991 to 2010 are critically analyzed and interpreted.

As Johnson and Reynolds wrote, “another way to think about qualitative analysis is that it relies on using suggestions, comments, or opinions of different individuals to provide evidences and supports for arguments”(2008:244). Accordingly, to study challenges and opportunities of Ethio-Saudi economic relations; the comments, views, and suggestions of different individuals are considered as the main input of the study. This is because the issue of land leasing, and sensitive religious affairs combined with Saudis role in the regional geopolitics are sensitive and subjective; so, qualitative approach can best explain these issues.

Among five<sup>9</sup> approaches to qualitative research: narrative research<sup>10</sup> and case study<sup>11</sup> research approaches are selected for this thesis. The thesis discusses theories such as neo-classical, neo-realist and neo-Marxist theories using narrative research methodology in chapter two. The historical background of the relation between the two countries also uses this approach. Case study methodology is also applied by taking agricultural investment and trade as specific cases.

To understand the Saudis involvement in the agricultural investment, the issue of trade imbalance, and riparian controversy; in-depth interview was held with officials in the Ministry of Foreign Affairs (Ambassador Dinberu Alemu), Ministry of Trade (Ato Fikru Dessalegn), Ministry of Agriculture (Ato Derege Abebe), Ethiopian Investment Agency (Ato Tewodros Tamiru), and Ato Kejjella Eba (head of Gambella regional state investment office). This kind of interview usually falls under qualitative approach.

## **1.9 Methods of Data Collection and Analysis**

There are two major approaches to gather information about a situation, person, problem, or phenomenon. These are: “primary sources which provide first-hand information and secondary sources that provide second hand-data” (Kumar, 1999:104). Thompson and Corti (2007:297) wrote “the types of data collection vary with the aims of the study and the nature of sample.” To study agricultural investment from Saudi Arabia and trade relation between Ethiopia and Saudi Arabia, the study makes use of both primary and secondary methods of data collection.

Primary methods of data collection include focus group discussion and unstructured interviews. Today, “unstructured interviewing is a more popular than ever as a means of generating new ideas and information. It is, undoubtedly, the most widely used technique for conducting social research” (Johnson and Reynolds, 2008:327).

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<sup>9</sup> The other three approaches are phenomenology, grounded theory, and ethnography (Creswell, 2007:81).

<sup>10</sup> Narrative Research is a strategy of inquiry in which the researcher studies the lives of individuals and asks one or more individual to provide stories about their lives. This information is then often retold or restored by the researcher in to a narrative chronology (Creswell, 2009:13).

<sup>11</sup> Case Studies are a strategies of inquiry in which the researcher explores in depth a program; event, activity and researchers collect detailed information using a variety of data collection procedures (Creswell, 2007:73).

As Lewin wrote “the reason why this unstructured interview is selected, open-ended questions are more suited to qualitative approaches allowing the respondent to give a free response on sensitive issues” (2005:220). Hence, to understand Saudi economic interest in Ethiopia, unstructured interview was held with officials in the Ministries of Agriculture, Ministries of Trade, and Ethiopian Investment Agency. This unstructured interview was held with officials in the Ministry of Foreign Affairs (Ambassador Dinberu Alemu), Ministry of Trade (Ato Fikru Dessalegn), Ministry of Agriculture (Ato Derege Abebe), Ethiopian Investment Agency (Ato Tewodros Tamiru), and Ato Kejjella Eba (head of Gambella regional state investment office). In addition to this, unstructured interview was held with local people in Gambella regional state. For example, Ato Yimer Eshetu and Ato John Pdoll were interviewed at Abobo town. But sometimes, when conducting such interviews, some people were willing to give their names (as Ato Yimer and Ato John) while others wanted to be remained anonymous. In that case, to prevent risks on their wellbeing, their names were either changed or kept in secret.

The second method of primary data collection applied to this research is focus group discussion with farmers and daily laborers who are benefited or affected by Saudi agricultural investment in Ethiopia<sup>12</sup>. This method of data collection is chosen because the researcher wants to explore and collect data in the field at the site (Gambella) where participants’ experience the issue or the problem under study.

Secondary sources of data collection methods applied in this research include books, journal articles, newspaper, and documents. Kumar (1999:29) believed “the material published in books is usually important and of good quality, and the findings are integrated with other research to form a coherent body of knowledge.” Due to this fact, almost much of the study of this thesis depended on referring different books. Especially, the introduction and theoretical parts as well as pre-1991 Ethio-Saudi relations used copious books written on the area.

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<sup>12</sup> Focus group discussion with five Saudi Star daily laborers and two other persons (including Ujulu Umud) 02 Feb, 2011 at Abobo town, 8:37 AM- 9:00 AM.

As far as journal articles are concerned Kumar (1999:290) wrote “these articles provide most up-to-date information even though there is often a gap between the completions of a research project and its publication in a journal article from two to three years.” Currently, many journal articles are available in the electronic media about the foreign direct investment, food security, and agricultural investment in Ethiopia from Gulf States. Hence, to discuss these issues journal articles were used intensively.

The study also used different kinds of documents such as laws like constitution, proclamation, and newspapers. Creswell stated (2003:187) “these documents represent data that are thoughtful, in that participants have given attention to compiling, as written evidence.” Thus, documents provide information about trade treaties that show agreements between the two countries and the investment incentives provided by the Ethiopian government to the foreign investors.

### **1.10 Limitations of the Study**

In conducting this study, the researcher has faced some difficulties, which contributed to the limitations of the study. In the first place, the topic ‘Post-1991 Ethiopia and Saudi Arabia Economic Relation: Challenges and Opportunities’ is a new and highly publicized issue; hence, little previous work has been done. Additionally, in the areas of agricultural investments, there are no detailed data on the extent, nature and impacts of these investments. So, a shortage of materials was one of the problems.

Second, securing permission from different agencies/organizations/ to carry out the study was another challenge. Finally, language barrier when conducting a field work was the last challenging task.

### **1.11 Structure of the Study**

This study is structured into an introduction and four main chapters. The introduction gives a background, sets the research questions and the hypotheses, and details the methods of data collection.

Chapter two is aimed at conceptualizing international relations theories by reviewing appropriate and relevant literatures. It defines and clarifies different international relations theories that are relevant to Ethiopia and Saudi Arabian economic relation. These theories include: neo-realism, neo-classical trade theory, and neo-Marxist theories.

Chapter three, which deals with pre-1991 Ethio-Saudi political and economic relations, is a continuation of theoretical discourse and presents the up and downs of their relations. It further looks at the determining factors and politics of dynamics of the two countries.

Chapter four gives a broad overview about different areas of cooperation between the two countries that have increased after 1991. This chapter also looks why post-1991 Ethio-Saudi economic relation improved. The chapter further explains the trade relation between Ethiopia and Saudi Arabia and Saudis agricultural investment in Ethiopia in detail.

Chapter five takes up challenges and underlying problems in the relations of two countries. It critically looks at the debatable issues as land lease by Saudi investors; the issue of trade imbalance and factors which contribute for this trade imbalance. Finally, the conclusion provides a summary and recommendations.

The bibliography of the consulted source material is provided at the end of the thesis. The bibliography is arranged accordingly to publication status of the works and alphabetically.

## Chapter Two

### Theories that Explain Ethio-Saudi Economic Relations

In the previous chapter, the background of the study was discussed. This chapter examines theories that explain Ethiopia and Saudi Arabian economic relations.

The chapter is arranged as follows. Section 2.1 of this chapter briefly introduces the concepts of neo-classical trade theory and its relevance in Ethio-Saudi economic relations. Section 2.2 on the other hand, illustrates dependency theory. Then, Section 2.3 focuses on neo-realism and this section is aimed to show how Saudi Arabia influences Ethiopia politically and economically.

Theories dealing with relations among nations provide intellectual order to the subject matter of international relations. Burchill stated, “theories enable us to conceptualize and contextualize both past and contemporary events. They also provide us with a range of ways to interpret complex issues. Theories help to think critically, logically, and coherently” (2001:13). Stated differently, political theories are aimed “to organize, systematize, and coordinate existing knowledge in a unified explanatory framework” (Johnson and Reynolds, 2008:35).

As Walt noted (1998:1), “no single approach can capture all the complexity of contemporary world politics. Therefore, we are better off with a diverse of competing paradigms rather than single theoretical orthodoxy.” Hence, to discuss Ethiopian relation with Saudi Arabia, one can select and apply: neo-realist, neo- classical, and neo-Marxist (dependency) theories.

#### 2.1 Neo-Classical Trade Theory

Chichilinisky and Heal (1986:46) stated “neo-classical trade theory originated in the Heckscher-Ohlin<sup>13</sup> model of the 1930’s, which was developed to answer why do countries trade? The general answer: trade between countries takes place because the traders benefit

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<sup>13</sup> The Heckscher-Ohlin Model: it is a model expanded from comparative advantage by Eli Heckscher and Bertil Ohlin, during the first half of the twentieth century to deal with two factors of production, such as labor and capital. Under certain conditions, the Heckscher-Ohlin theory can be extended to include more factors of production (Radelet *et al.*, 2006:656). Each region exports commodities that utilize best its most abundant factor. Thus, the labor-rich region, exports labor-intensive products and the capital-rich region export capital-intensive products (Chichilinisky and Heal, 1986:47).

from it.”<sup>14</sup> Chichilinisky and Heal further explained “trade is better than autarky<sup>15</sup> or complete isolation. Because trade is better than no trade, all countries trade” (1986:46). Additionally, a document written by African Development Bank (ADB) (2004:119) stressed the importance of trade as “foreign trade carries the surplus part of a nation for which there is no demand among them, and brings back in return something else for which there is a shortage. It gives value to their superfluities, by exchanging them for something else, which may satisfy part of their wants and increase their enjoyments.”

Chu (1995:3) and Kibre (1994:1) also observed the benefit of international trade as: “international trade is the principal means of extending markets beyond a nation’s borders, thereby allowing greater specialization in production, enhance effectiveness in the use of scarce resources, the expansion of national income, the capacity to accumulate wealth and foster growth of the economy.” As Hyman argued “these gains from international trade stems from the decrease in opportunity cost per unit of output that is possible when nations specialize in goods whose production they enjoy a comparative advantage” (1991:531).

Myint and Deepak (1996:324) on the other hand stated: “according to neo-classical trade theory, trade relations between countries usually do not benefit these countries equally.” They continued to explain “the governments’ intervention in the economy may be required to correct various forms of market failure which lead to deviations from the ideal of a perfectly competitive economy. It is to mean each failure is an opportunity for government intervention to make things better” (1996:324). Harvey added other argument which is stated as:

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<sup>14</sup> In the classical trade theory, the two trading region are identical in all respects except for factor endowments; this feature is visible in today’s world economy in which much of the world’s trade is transacted between industrial and developing countries with striking contrasts between the economies of these two groups of countries (Chichilinisky and Heal,1986,48).The classical economists of 19-century England were inspired by Adam Smith’s concept of the invisible hand, which implies that individuals pursuing their own self- interest would unintentionally contribute to the general interest (Hyman,1991:259).

15. When the term-autarky- is used in a strictly economic sense, it shows that the intension of the state is to limit foreign imported so that domestic products get market. In that economic policy usage of the term, a state that adopts high tariffs or other barriers to imports, or that seeks to develop domestic resources for previously imported goods or products, can be said to be moving towards autarky (Carlisle, 2005:538). The trade relation between Ethiopia and Saudi Arabia is not on equal footing. Further explanation will be given later on in chapter five.

If markets do not exist in areas such as land, water, education, or in other areas of economic activities, then they must be created by the state action if necessary. But beyond these tasks the state should not venture. State intervention in market (once created) must be kept to a bare minimum because according to the neo-classical theory, the states do not have enough information to second-guess market signals (prices) and because powerful interest groups will inevitably distort and bias state interventions for their own benefit (2005:2).

Leonard *et al.*, (2009:27) stressed this fact as:

Governments have a number of vehicles beyond equity stakes for providing finance and non-financial assistance to private sector and state owned companies in their countries. Some governments have established development funds that provide financial service such as subsidies, soft loans, and insurances. Governments also provide a range of informational, technical, and bureaucratic support to the private sector investors.

For instance, governments in some food importing countries have created policy incentives for land acquisitions overseas as part of broader national food security strategies. Gulf countries have been particularly active in this respect. For example, “Saudi Arabia’s King Abdullah Initiative for Saudi Agricultural Investment Abroad supports agricultural investments by Saudi companies in countries with high agricultural potential, with a view of promoting food security” (Cotula and Vermeulen, 2010:23). In line with this, “in January 2009, King Abdullah bin Abdulaziz proclaimed a food security initiative backed by investment fund of \$800, to support investment by private sector Saudi companies in agricultural projects abroad” (Lippman, 2010:5).

## **2.2 Dependency Theory**

Henderson argued “dependency theory is the modern extension of Marxist theory,<sup>16</sup> usually attributed to Argentine economist Raul Prebisch” (1998:240). According to this theory, “the poor and the wealthy countries are part of the same global capitalist system, which shows the global nature of capitalism. Additionally, dependency theories illustrate that capitalist

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<sup>16</sup> Marxists maintain that prices for raw materials from developing countries are artificially deflated by Western market economy and that the price of finished goods produced in industrialized countries is artificially inflated. Thus, through international trade and exchange system, the West exploits the Third World economically even though political independence has been achieved (Papp, 1991:411). This Marxian doctrine declared that foreign investment is detrimental to the host country. This theory also provides several reasons which relate foreign investment to imperialism (Miller, 2008:196).

expansion is the result of not just economic growth, but specific relationships of economic development that have differential rewards” (Roberts and Hite, 2008:71).

Other essential feature of dependency theory is that it conceptualizes the world as consisting of two poles: wealthy countries are the center (core) of the global capitalist system, and poor countries are its satellite or periphery. Peripheral countries have “low wages enforced by coercive regimes that undermine independent labor unions and social movements. These nations depend on states in the core for exporting their products. For their part, the core exploits third world countries for cheap labor, raw materials, and larger markets as they need to increase their own wealth” (*Ibid*:71). Though Saudi Arabia is outside the core of the global capitalist system, dependency theory could explain its economic relationship with Ethiopia.

Unlike Marxist theory which considers capitalism as the centre of international conflict, Neo-Marxist “dependency” theory<sup>17</sup> by contrast “focus on relations between advanced capitalist powers and less developed states and argues that the former aided by unholy alliance with the ruling classes of the developing world had grown rich by exploiting the latter”(Cohn, 2008:292).

Norton *et al.*, (2006:119) emphasized the impact of dependency theory as follows:

Dependency theory considers international trade and investment as a cause rather than a remedy for poverty in low income countries, arguing that trade made the poor increasingly dependent and weak. This theory encompassed a range of arguments, generally leading to the conclusion that the governments of low income countries should protect their local economies from foreign trade and investment, pursuing self-sufficiency as a form of political and economic independence.

The dependency theory tries to explain the economic relation between developed and least developed countries (LDCs) by taking trade and investment into considerations as mentioned above by Norton *et al.*

Concerning FDI, dependency theorists emphasize:

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<sup>17</sup> Dependency theories emerged in Latin America in the early 1960s as attempts to transform Marxist thinking radically about both the obstacles facing capitalist development in the periphery (Palma, 2008:125).

Multinational corporations (MNCs)<sup>18</sup> prevent LDCs from achieving genuine autonomous development; prevent local firms from participating in the most dynamic sectors of the economy, increase income inequalities in the host country, and use capital intensive technologies that contribute to unemployment. MNCs also undermine the host country's government and society by co-opting local elites, imposing political and economic pressure, and altering consumer tastes and attitudes (Cohn, 2008:292).

Also, Goldstein (1999:529) explained the impact of MNCs as follows:

One historically important configuration of dependency is the enclave economy, in which foreign capital is invested in a third world country to extract raw materials such as minerals and plantation. Here, the cycle of capital accumulation is primed by foreign capital, is fueled by local resources, and completes itself with the sale of products on foreign markets. Such arrangement leaves the country's economy largely untouched except to give employment to a few local workers in the enclave and to provide taxes to the state. Over time, it leaves the state's natural resources depleted.

Generally, "MNCs are deleterious to the development of the third world because they are instruments for profit and pioneer units of the modern imperialism" (Yohanese, 1999:300).

As far as international trade is concerned, these adherents of dependency theory argue that "poor countries would get stuck exporting agricultural and mineral raw materials while continuing to import manufactured goods from rich countries" (Miller, 2008:196).

This indicates that the terms of trade (the ratio of prices of export products to imports) tend to turn against developing countries over time, because they produce mainly primary products (agricultural products) which fetch lower foreign currency as compared to manufactured products they import. This deterioration in the terms of trade is believed to be generated by (1) "low price and income elasticities of demand of primary products compared to manufactured products, (2) slow productivity growth in primary product production, (3) monopolistic

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<sup>18</sup> MNCs are companies based in one country with affiliated branches or subsidiaries operating in other states. MNCs are usually considered as agents of their home national governments. This view resonates with mercantilism, in which economic activity ultimately serves political authorities (Ziegler, 1977:402).

elements in the production of products imported by developing countries while primary products are produced competitively” (Simpson,1987:130-1).

Ethiopian economic relations with Saudi Arabia could be considered as one manifestation of dependency theory; because the structure of Ethiopia’s export is a direct reflection of the underdeveloped economy. As one of the least developed countries, “its exports are highly dominated by a small number of agricultural commodities. As predominantly agrarian economy, it is natural to expect the bulk of the country’s exports to come from the agricultural sector” (United Nations Conference on Trade and Development (UNCTAD), 2006: VIII).

As will be shown in chapter four in Table 1, Ethiopia exports agricultural products such as fruits, animals, and animal products, spices, cash crops (as coffee), and cereals. Ethiopia in turn imports, industrial products from Saudi Arabia.

### **2.3 Neo-Realism or Structural Realism**

The neo-realist theorists such as Waltz and others argue that “international structure acts as a constraint on state behavior. This theory shuns classical realism’s use of human nature to explain international politics. Instead, neo-realist thinkers developed a theory that prioritizes structural constraints over agents’ strategies and motivations” (Williams, 2008:18-9).

This theory holds that international structure is “defined by its ordering principle, which is anarchy, and by the distribution of capabilities, measured by the number of great powers, within the international system. The anarchic ordering principles of international structure are decentralized which is composed of formally equal sovereign states” (*Ibid*: 18-9).

These sovereign states are deemed similar in terms of needs but not in capabilities for achieving what they want from economic cooperation. The positional placements of states in terms of abilities determine the distribution of capabilities. As Williams stated “the structural distribution of capabilities then limits cooperation among states. The desire and relative abilities of each state to maximize relative power constrain each other, resulting in a balance of power, which shapes international relations” (2008:18-9).

Under structure of anarchy, states can still make rational choices about their interests within a framework of incentives and constraints imposed by the world power structure. The neo-realist theory prefers “cooperation to conflict to solve economic problems, however when cooperation occurs, according to the neo-realists, power relationships are at work within the cooperative arrangement. The more powerful the states are, the larger share they gain from any joint cooperation” (Henderson, 1998:15).

Traditionally, neo-realist theory focuses on security and political issues. But nowadays, “the difference between high politics (political and security issues) and low politics (economic issue) is blurred. This is because modernization has elevated low political issues to a higher priority as that of high political issues. Put differently, economic and political issues are difficult to differentiate one from the other” (Spanier, 1987: 98).

One manifestation of neo-realist theory in economic terms is the current land grabbing in developing countries. This land grabbing is “an integral part of the global power struggle for food security. Geopolitics for several centuries have been dominated by the issue of access to markets, but increasingly in the future this will be replaced by the overriding importance of access to supplies from food importing countries”<sup>19</sup>(Bunting, 2011:11).

Vermeulen and Cotula stated: “recent years have witnessed a renewed interest in agricultural investment in lower and middle income countries such as Ethiopia and Ukraine respectively. This trend is underpinned by several structural factors: population growth, increasing rate of urbanization, and changing diets (such as growth in consumption of meat and fast foods in some large and industrializing countries)” (2010: 13).

To explain Ethio-Saudi relation, structural realism is an appropriate theory; as Saudi Arabia dominates (influences) Ethiopia economically and in the expansion and propagation of Wahhabi Islam in Ethiopia. In the relation between the two countries; there is cooperation, but as the neo-realists emphasis “when cooperation occurs, power relationships are at work within the cooperative arrangement” (Henderson, 1998:15). As will be discussed in chapter four, this

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<sup>19</sup> Dependence on international markets for food endangers national security since international markets are volatile and unpredictable.

cooperation is in favor of Saudi Arabia. Saudi wants to influence Ethiopia in terms of religion, politics, and economics. For instance, “Saudi Arabia has supported agricultural investment in Ethiopia as part of its national food security strategies. This Saudi agricultural investment in Ethiopia gives more benefits to Saudi Arabia” (Hallam, 2009:27).

With regard to religion and politics, “it is widely acknowledged that the Saudi governments, as well as wealthy Saudi individuals, have supported the spread of the Wahhabist form of Islam in several Muslim countries including in Africa” (Shinn, 2004:39). Shinn (2004:39) and Ochsenswald (1981:275) further argued that “this proselyting has promoted terrorism and spawned Islamic militancy throughout the Horn of Africa.”

## **Chapter Three**

### **Historical Background and Problems in the Relation between Ethiopia and Saudi Arabia**

In chapter two, theories that are relevant to Ethio-Saudi economic relations were discussed in-depth. In light of this, neo-realism, neo-classical trade theory, and dependency theories could explain the relations between the two countries. This chapter addresses the historical relations between Ethiopia and the Arabian Peninsula in two separate sections. Section 3.1 of this chapter starts with a discussion about Ethiopian economic relations and political factors that determine these interactions with the Arabian Peninsula starting from Axumite kingdom until 1932. Then, in Section 3.2, the relations between the two countries beginning from 1932 to 1991 are explained.

#### **3.1 Ethiopia and the Arabian Peninsula: A Historical Relations**

As Pankhurst(1998:9) and Akinsanya (2010:3) wrote “despite its immense internal difficulties of communication, Ethiopia because of its geographical position relatively near the Red Sea and the Gulf of Aden coast enjoyed significantly religious, economic, and cultural contacts with many other parts of the world. Put differently, the geographical proximity between the two regions made such contacts inevitable.”

In view of this, “immigrants from south Arabia, who reached the Horn during the first millennium B.C, introduced their influences which created the Semitic-Cushitic cultural synthesis and probably accelerated the process of state building” (Abir, 1980: xv; Markakis, 1974:27). Adejumobi on his part wrote “these migrations were preceded by several centuries of influx of Sabaen traders and farmers from across Red Sea into northern Ethiopia” (2007:32). Abir further stated “population movement was not restricted to one direction only; tribes and conquering armies coming from the Horn established themselves in southern Arabia and took part in the cultural and political evolution of the area”<sup>20</sup> (1980: xv).

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<sup>20</sup> The number of immigrants from the Arabian Peninsula who settled in the Horn was relatively small. But their impact on the culture, language and on the political structure of the Cushitic societies which absorbed them was deep and lasting.

Ethiopian contact with these regions had its own risks, challenges, and opportunities. In the words of Erlich “Middle East is a region of enormous challenges and opportunities to Ethiopia. Ethiopia needs its Middle Eastern connection with all its risks and threats. Also, in a way, the Middle East needs Ethiopia for its own battle for diversity and pluralism. This encouraged and invited Ethiopia to participate in its contact with the Arabian Peninsula” (1994:64). Among the Middle Eastern states, the relations between Ethiopia and the Arabia Peninsula had political, religious, and economic aspects. But as Gilpin (1987:3-4) stated, “economical factors have played an important role in international relations throughout history.” So, in Ethio-Saudi long-standing relations, trade played a significant role in these contacts.

In the ancient trade between Ethiopia and the Arabian Peninsula, Horn of Africa was known for its luxury products such as gold, ivory, animal skins, incense, and slaves. As Abir (1980:70) stated “the source of those goods and commodities were the present day Ethiopia and Somalia. In addition, from very ancient times, Horn of Africa was a source of slaves to Arabia and from there to the rest of the Middle East.”

According to Pankhurst, “much of the Ethiopian export products passed to Arabia through Arab ports such as Aden and Jeddah. These ports also served for import products to Ethiopia” (1998:10). Due to these economic interchange, “Axum’s Red Sea port-Adulis (today’s Zula, south of Massawa), had begun to develop into a lively center of trade with the Arabian Peninsula starting from the third century A.D” ( Marcus, 1994:5).

However, starting from 524 A.D, those trade relations between Ethiopia and the Arabian Peninsula faced serious difficulties. For instance, “the intense Axumite involvement in Arab Peninsula affairs culminated when the Army of Emperor Kaleb, crossed the Red Sea and conquered Yemen” (Pankhurst, 1998: 22-3). As Erlich (1994:16) further elaborated, “soon after Prophet Mohammed died (632 A.D.), a competition arose over the Red Sea trade between the new Islamic state (Arabian Peninsula) and Ethiopia.”

Following this competition, Adejumobi (2007:32) observed:

In the seventh century, as Islam triumphed in Arabia and destroyed Adulis, Axum became isolated from Eastern Mediterranean trade relation that for centuries had influenced its culture and sustained its economy. The state consequently suffered a sharp reduction in revenues and no longer could afford to maintain a large army, a complex administration, and urban amenities. Accordingly, following the occupation of the Dahlak Islands in 702 A.D., Islam began strangling Axum as a maritime entity.

“Cut off from its links to the Red Sea, Axumite Ethiopia began to decline.<sup>21</sup> What followed was the gradual decline of a land locked Axum, and the inescapable movement of the realm’s center to the south, with important implications for its ethnic and cultural development” (Markakis, 1974:28).

Marcus also wrote:

Starting from 1270 (after the fall of Zague dynasty), the Solomonic dynasty assumed power, especially during the great Emperor Amda Tseyon (r.1314-1344), who consolidated the new dynasty’s authority. As imperial control grew, so did the economy, which delivered gold, ivory, and slaves from south and central Ethiopia to the coast for export to the Arabia. In this time, Zeila and Massawa became the main coastal outlets to the Ethiopian’s commodities (1994:19).

During sixteenth century, Ethiopia’s conquest by Ahmad Gragn was surely the single most important chapter in the country’s long history. This is because “Gragn’s conquest of Ethiopia was backed by the support from Mecca which was involved in sending holy men and arms” (Erlich, 1994:31). Erlich (1994:31) adds “Gragn received at least one cannon, some two hundred firearms, and a similar number of trained warriors from the Arabian Peninsula.”

Pankhurst (1998:85) described the trade relations between Ethiopia and Mecca during the sixteenth century as: “in the course of these operations Ahmed captured innumerable slaves, many of whom dispatched as gifts to the Muslim rulers of Arabia, who in turn supplied him with arms. The loot Ahmed acquired on such expeditions thus directly funded, and made

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<sup>21</sup> The actual reasons for the fall of Axum are obscure. Some scholars have sought to see them in the economic field; others in political, or military (local rebellions of the Beja tribes). Be all this as it may, there can be no denying that the rise of the new Islamic religion led to an Arab whom renaissance, which posed a major challenge to the city (Pankhurst, 1998:41).

possible, further conquests, in which he was supported by many of Arabian Peninsula slave merchants.”

The trauma of the sixteenth century left very clear legacy, it showed the idea that “local Islam could eventually reunite, and with the backing of the Islamic Middle East could again threaten and annihilate Ethiopia’s state and culture. But, the seventeenth and eighteenth centuries witnessed no such effort” (Erlich, 1994:39-40; Markakis, 1974:29). Erlich (1994:44) further stated “nineteenth century was a period in which some of the features of the sixteenth century returned to rekindle the Ethiopia-local Islamic-Middle Eastern triangular story. At the beginning of this century, a revival of Islam in Arabia was triggered by the Wahhabi- Saudi movement.”

This revival of Islam in Arabia and elsewhere after the end of the eighteenth century, coupled with the political and economic development in the Red Sea, had its own consequence on Ethiopian economic and political relations with Arabia. Abir (1968:44) stated “this movement led to the establishment of modern day Saudi Arabia and it also led the development of the Red Sea trade. Due to this fact, continuous demand for the limited quantities of the Ethiopian luxury products which reached the coast grew quickly.” He further stated “following Wahhabi-Saudi movement, Muslim trading centers flourished all over the highlands and lowlands of Ethiopia” (Abir, 1968:11). Ethiopia’s main items of exports were gold, ivory, and slaves. The most important item in the Ethiopian foreign trade was probably the exportation of slaves, the annual number of whom depended on political conditions of Ethiopia and the demand in the slave markets.

Abir (1968:44) mentioned two developments that caused for the continuous demand for slaves: first, “the increased number of pilgrims to Mecca enhanced the demand for slaves in the markets of Arabia; secondly, the conquest of the Caucasus by the Russians closed this important source of supply of concubines for the Arabians.” Consequently, “the demand for Ethiopian slaves became insatiable and the foreign trade between the highlands of Ethiopia the Arabian Peninsula reached to its highest stage” (Abir, 1968:44).<sup>22</sup>

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22 Various studies of the subject estimate that, throughout the nineteenth century, up to 5,000 Ethiopian slaves were bought and sold in Arabia annually. The great development of the slave trade in Ethiopia in the second quarter of the nineteenth century was in fact the beginning of the end of this trade. The British became actively interested to suppress this trade in

The second impact of the Saudi-Wahhabi movement was that “Wahhabism provided a novel impetus for political centralization which led for the formation of Saudi Arabia” (Al-Rasheed, 2002:18). As Rinehart (1963:201), Cleveland, and Bunton (2009:201) stated “the origins of modern day Saudi Arabia lay with eightieth century puritanical Wahhabi movement, which gained the allegiance of the powerful Al Saud family. In early eighteenth century, the religious reformer, Muhammad Ibn Abd al-Wahhab ( born sometime between 1691 and 1703) became the religious leader” (1963:396).

From the early days of Saudi-Wahhabi expansion, “the crucial element was to gain submission to the tenets of Wahhabi Islam among the population. Wahhabism impregnated the Saudi leadership with a new force, which proved to be crucial for the consolidation and expansion of Saudi Arabia” (Al-Rasheed, 2002:19).

Due to these facts, “between 1902 and 1932 king Abd al Aziz (helped after 1916 by British), defeated all putative challengers, eventually. Conquering and incorporating the provinces of al Hasa in the east (1913), Asir in the south (1922), and Hijaz in the west (1925) and created Saudi Arabia in 1932” (Abir, 1974:33; Commins, 2006:83).<sup>23</sup> In turn, as Bunton and Cleveland (2009:460) stated: “the restoration of Saudi power made it possible to consolidate Wahhabism as a ruling doctrine.”

### **3.2 Modern Ethio-Saudi Economic Relations (1932-1991)**

#### **3.2.1 Ethiopia and Saudi Arabia Relation under Haile Sellassie**

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1830s. Their interference in the slave trade of the Red Sea became more noticeable in the late 1840s as the result of a more vigorous anti-slavery policy (Abir, 1968:69). For further information refer the whole book, Abir, Mordechai, 1968, Ethiopia: The Era of the Princes, the Challenges of Islam and Re-unification of the Christian Empire 1769-1855.

<sup>23</sup> Geographically, Saudi Arabia is divided into four major regions. The first is Najd, a high country in the heart of the kingdom; secondly, Hijaz, the region along which lies the Red Sea coast. The region of Asir, in the southern Red Sea -Yemen a boarder area, constitutes the third region. Fourthly, there is Al-Hasa, the sandy and stormy eastern part of Saudi Arabia, the richest of all the regions in petroleum (Abir, 1974:44). Saudi Arabia encompasses about 4/5th of the Arabian Peninsula, a land mass consisting of a distinct of geographical entity, bordered on the west by the Red Sea, on the south by the Indian Ocean and on the east by the Arabian Gulf (Bahrain, Qatar, and the United Arab Emirates-UAE); on the south by the Oman and Yemen. The kingdom is bounded on the north by Jordan Iraq, Kuwait (Al-Farsy, 1994:1).

Starting from Saudi Arabian formal establishment in 1932, ‘its relations with Ethiopia passed through different ups and downs. Sometimes there was a good diplomatic and commercial relations but at the same time Saudi followed subversive and indifference attitudes towards Ethiopia’ (Erlich, 2007:184-5).

Generally speaking, as Dinberu (22 Feb, 2011) commented “Ethio-Saudi official and formal relations with its problems and complexities date back to 1948. These relations of the two countries are the most critical as Saudi Arabia became Ethiopia’s strategic trade and investment partner.”<sup>24</sup>

Following formal diplomatic relations between the two countries, exchange of visits by high-ranking Saudi and Ethiopian officials became part of the countries diplomatic relations. For instance, “in early 1957 king Sa’ud paid a friendly visit to Addis Ababa during which he expressed his warm approval of the status of Islam in Ethiopia. In January 1960, Haile Selassie also paid of three day visit to Riyadh, which yielded a joint statement about pursuing regional stability and the promotion of economic ties”(Erlich,2007:99). Due to these exchanges of visits, Ethiopia continued to export agricultural products and import petroleum and related products from Saudi Arabia.

But as Yoseph (1994:23) wrote “starting from the 1950s, the trade relation between the two countries was in favor of Saudi Arabia due to the prices of oil and other industrial commodities drastically increased while prices of primary products, the major source of foreign exchange of Ethiopia, significantly decreased.”

In addition to the decrease of the price of these agricultural products, “there were also the issues of informal trade (contraband trade) in the eastern part of Ethiopia which might gave a comparative advantage to the country”(Adejumobi, 2007:99). Halderman (2004:26) explained “the official trading systems supported by the imperial government have performed poorly due to excessive regulations, taxes, and other transaction costs; there has long been a thriving, unofficial cross border trade of live animals that were exported to Somalia and Djibouti and

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<sup>24</sup> Though Ethiopia and Saudi Arabia started official relations in 1948, the people of the two countries share many things in common: religion, language, culture, and so forth. It is to be recalled that Ethiopia provided safe haven to the persecuted followers of the prophet Mohammed. This fact is seen by Saudi Arabia as an honorable undertaking (Dinderu, 22 Feb, 2011).

then re-exported to Saudi Arabia.”<sup>25</sup> Apart from animal and animal products, “coffee and other export items were being smuggled to neighboring countries in large quantities, there by denying the country vital hard currency” (Taddesse, 1995:176). The economic relation between Ethiopia and Saudi Arabia in the time of Haile Sellassie was influenced by the following political developments in Ethiopia and the Horn.

In the first place, the Italo-Ethiopian conflict of 1935 is worth mentioning. As Erlich (1994:97) wrote “this war had its own impact on Saudi Arabian foreign policy towards Ethiopia.” Erlich (2007:97) further described this impact as “Italian occupation (1935-1942) initiated the classical colonial “divide and rule” policy, and seeking political and economic support from the Saudis, Italians made an effort to portray themselves as supporters of Muslims in Ethiopia.”<sup>26</sup>

Materially, the importance of camels to Italian war effort in Ethiopia was clearly understandable. Therefore, as Erlich (2007:55) argued “a complete deal for about 12,000 camels was made between the Saudis and Italian government. On 20 November, 1935, 1,000 camels, already loaded on Italian ships, sailed from Yanbu to Massawa” (Erlich, 2007:55).

Secondly, the economic relation between Ethiopia and Saudi Arabia was also impacted by the Ethiopia-Israel Relations. Israel and Ethiopia have had cordial relations for a very long time. In the 1960s, and especially after 1967, the traditional “Zionist” aspects of Ethiopian Christianity which was blended with reliance on Israel in facing pan-Arabism to constitute a significant dimension of the regime’s security (*Ibid*: 104).

Saudi Arabia used different methods to minimize the influence of Israel on Ethiopia. As an example, “to reduce the influence of Israel, King Faysal’s promised to reward Ethiopia with

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<sup>25</sup> This unofficial cross border trade in live animal is very large and valuable. A numbers of political, economic, and institutional factors are involved, including security and related concerns (Halderman, 2004:43). He further elaborated “the informal cross border trading system is very old, part of it pre-dating the incorporation of the eastern and southern part of the country into the modern Ethiopian state”(2004:26).

<sup>26</sup> In an attempt to create a bulwark against the church which provided both the inspiration and a unifying umbrella, the Italians displayed favoritism towards the Muslim community. The Italians sponsored Islam as the alternative ideological underpinning and as a means of creating new fissures in the Ethiopian body politic. There are many books on Ethio- Italian war of 1935-1941. See, for example, The History of Ethiopia written by Saheed.A. Adejumobi, 2007.

Arab aid if it broke off relations with Israel. King Fayasal pledged to give a total of \$35 million”<sup>27</sup> (Erlich, 1994:174).

A third point is that, as Erlich (2007:119) and Smith (2010:320-1) stated “following the October War,<sup>28</sup> the Saudi created a global oil crisis, which greatly added to Ethiopia’s economic plight. Stricken by drought and famine, aggravated by the mishandling of a decaying, corrupt regime, Ethiopia’s poor economy could barely cope with an abrupt 50 per cent rise in oil prices.” This was one dimension of a general deterioration that soon led to the 1974 Ethiopian revolution. Taye concluded: “due to the immediate effects of the 1973 oil crisis; and the dramatic rise of oil prices following the October 1973 War, in February 1974 Haile Selassie’s regime collapsed” (1994:35).

### **3.2.2 Ethio-Saudi Economic Relations under the *Derg* Regime**

Berhanu (1999:262-263) described Ethiopian economic relations with Saudi Arabia “major trading partners of Ethiopia during the *Derg* time, for destination of exports and the origins of imports into the country remained Europe, Americans, and Asia. He further stated “the Asian market, which stood third next to the American in terms of export and import, concentrated in Japan and Saudi Arabia which together account for no less than 90% of Asia’s share of exports and more than 60% of imports.”

In addition, Alemayeu argued “Saudi Arabia became important destination for exports from Ethiopia” (1999:280). Henze (1989:80) supported Berhanu’s idea as “imports of crude oil and petroleum products from Saudi Arabia alone had taken up most of the export earnings of Ethiopia.”

In addition, Alemayehu (1999: 277) summarized Ethiopian foreign trade with Saudi Arabia as follows:

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<sup>27</sup> According to Erlich (1994:174), no aid came from beyond Red Sea to help Ethiopia.

<sup>28</sup> Unprecedented Arab solidarity and the emergence of oil as an Arab political weapon marked the fourth Arab –Israel War, which began Oct. 6, 1973. The war broke out on Yom Kippur, the holiest day of the Jewish calendar, when Egyptian and Syrian troops in surprise move broke through Israel’s weakly defended forward fortifications and advanced in to the Sinai Peninsula and the Golan Heights (O’Connor, 1979:67).Saudi Arabia held the key to the successes of a boy cott. Developing countries like Ethiopia not blessed with oil staggered under the new cost of fuels.

Ethiopian external trade with Saudi Arabia was characterized by exports of primary commodities (coffee, oilseeds, meat, live animal, natural honey, and fruits and vegetables) and imports of manufactured goods (fertilizers, metal products, soap, and chemicals), petroleum and petroleum products. The export sector in particular was characterized by huge fluctuation and extreme dependency on few primary commodities.

As far as FDI was concerned, “due to Dergue’s protectionist policy, investment from Saudi Arabia and other countries was discouraged and thus played an insignificant role. Clearly, this regulatory framework discriminated against such investment from Saudi Arabia and other countries and the macroeconomic environment tended to be unfavorable” (Girma, 1994:163).

Ethiopian economic relation with Saudi Arabia during the Dergue time was also influenced and impacted by the following two political developments.

For one thing, as Oded wrote “after *Derg* assumed power in 1974, the Arabs continued their involvement in Eritrea” (1987:118). In this regard, “Saudi Arabia intensified its support to Eritrean secessionists and Somalia both in material, finance, and moral to weaken the Ethiopian revolution” (Abdulkerim, 1988:28). Oded further explained “some of the supports given by Saudi Arabia to the Eritrean insurgent movements include: military supplies and training, financial aid, supplies of medicaments and foodstuffs, and establishment of offices for the rebel leaders” (1987:116).

Secondly, Ethiopia’s relation with Soviet Union was not welcomed by the Arab world. Hoynes (1993:123-4) described this political development as follows:

The Arab world viewed the presence of the Soviet influence in Ethiopia as a threat to the stability of the Red Sea region, particularly a threat to their absolute monarchies that oppress the poor working class in the Middle East. Most countries maintained good relations with United States during the Cold War. Besides, most of these regimes were monarchies that would not find the heart to allow any revolutionary challenges that might put the working class in power in the region.

On the realization of this objective, “Saudi Arabia coordinated countries like Egypt, Sudan, Somalia, and also the secessionist groups in Eritrea to turn the entire Red Sea into an anti-communist front” (Abir, 1974:141). Accordingly, “Saudi Arabia became successful in persuading Somalia to break away from the Soviet Union. For this purpose Saudi Arabia provided a “credit of \$300-\$400 million on condition that Somalia joined the movement to eliminate Russian influence in the Red Sea” (Sorey, 1987:34).

On the whole, Ethiopia’s bilateral relations with Saudi Arabia go as far back as the ancient Axumite era. It was based on mutual respect and friendly people-people relations. Nevertheless, the cordial bilateral relations of the two countries faced difficulties at different times. Slave trade and Saudis subversive activities in the name of religion against Ethiopia were some of the activities that hindered positive economic relations of the two countries. Recently, during the Haile Sellassie and Dergue regime, the relationship between the two countries was soured when Saudi Arabia began to support Eritrean secessionist movements and Somalia.

However, the year 1991 was the landmark in the relations between the two countries. The Transitional Government of Ethiopia (TGE) was keen to establish good relations with all Middle Eastern countries that share common interests with Ethiopia. As a result, upgrading economic relationship between Ethiopia and Saudi Arabia was accorded high priority. This was done by strengthening new dimensions of the relation: agricultural investment and commercial relations. The following chapter focuses on these issues.

## **Chapter Four**

### **Post-1991 Ethio-Saudi Economic Relations**

In the previous chapter, the background of the relations and problems that hindered the development of positive interactions between Ethiopia and Saudi Arabia were discussed in brief. In this chapter, post-1991 Ethio-Saudi economic relations are explained in detail by taking agricultural investment and trade as a framework of analysis.

The chapter proceeds as follows. The first Section of this chapter starts a discussion about fertile grounds that led the beginning of smooth relations between the two countries. Section 4.2 discusses about export products of Ethiopia to the Saudi market and Saudis export products to Ethiopia. This section provides a broad picture of data that Ethiopia imports from Saudi Arabia and Ethiopian export products to this Saudi market.

Then, Section 4.3 discusses about Saudi Arabian investment in Ethiopia, giving more emphasis on agricultural investment. This section tries to answer the research question: “why Saudi Arabian investment increased after 1991?” The section also tries to answer “among these economic relations, which economic activities and sectors got more importance?”

Section 4.4 deals with the general benefits of Saudi Arabian agricultural investment to the Ethiopian economic development. This section argues that Saudi’s investment has created job opportunity for many Ethiopians and serves as a significant source of revenue.

#### **4.1 Fertile Grounds for the Smooth Relations**

##### **4.1.1 Political and Economic Reforms in Ethiopia**

Hansson (1995:24) pointed out that “following the overthrow of the imperial government, drastic economic measures were introduced in Ethiopia in the early 1970s. The major means of production, distribution, and service were nationalized.” This indicates that Ethiopia had been following interventionist and heavy protectionist economic policy during the reign of the socialist *Derg*’s regime.

Hamouda *et al.*, (2006:5) elaborated the *Derg's* protectionist economic policy as:

The major motives for such policies were to maximize government revenue through tax, so as to maintain the balance of payments at sustainable level and also to control and extinct the private sectors. Moreover, the *Derg's* regime strengthened protectionist policy through exchange rate pegging to the US dollar for a long period of time, curtailed imports through imposing quotas, high tariff rates (230%) and lengthy import licensing procedures. Exporters were also forced to surrender 100% of their foreign exchange earnings.

This economic policy of the Dergue regime hampered the economic development of the country for two decades.” Kinfe (2001:28) further stated, “in the late 1980s and early 1990s, due to the pressure of donor countries, the Mengistu regime made cosmetic changes and declared that the country would follow mixed economic policy.”<sup>29</sup> However, the changes introduced were very slow in taking effect.

After the seizure of power by the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) in 1991, Ethiopian relations with Middle Eastern countries in general and with Saudi Arabia in particular faced some difficulties. For instance, in the early 1990s Saudi Arabia was uneasy about the emergence of the EPRDF which it saw as movement of leftist orientation. Saudi Arabia was seen as sympathetic towards the Afar Liberation Front and the Islamic Front for the Liberation of Oromia which operated in eastern part of Ethiopia” (Erlich, 2007, 208-211).

Besides, “Al-Ittihad Al-Islamia was financed and sustained by a mysterious network of private and public organizations that administer a pool of charity funds specifically earmarked for the sponsorship of Islamist movements. Financing of terrorism in East Africa and the Horn came from a variety of sources, but high on the list are the charities sponsored by Saudi Arabia” (Shinn, 2004:2; Kinfe, 2006:97). In the case of Saudi Arabia, the charities are closely linked to efforts to promote the fundamentalist Sunni Islamic creed known as Wahhabism.<sup>30</sup>

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<sup>29</sup> In line with this mixed economic policy, a number of constraints for private sector development were reconsidered; for instance, the restriction of capital ceiling was relaxed. However, several of these encouraging measures were not materialized as the civil war reached its climax and diverted government resources towards resolving security problems (Berhanu, 1999: 236).

<sup>30</sup> For comprehensive understanding refer the whole book “The Wahhabi Mission and Saudi Arabia” David Commins (2006).

However, much has changed in the Saudi attitude towards Ethiopia after diplomatic efforts has been made by Ethiopian government. Following this, Saudi Arabia distanced itself from supporting terrorist movements. The Saudis also seem to have radically changed their views about the EPRDF and the situation in Ethiopia.<sup>31</sup> This is because; EPRDF has a positive view of Ethiopia's external environment. As Dinberu (22 Feb, 2011) stated "this stands in sharp contrast with the attitudes of the previous regimes which were governed by a 'siege mentality.'<sup>32</sup> Apart from this, the TGE was keen to establish good relations with all countries that share common interests with Ethiopia. Especially, due attention was paid to the relations with neighboring and Middle Eastern countries.

As far as economic relations were concerned, "new economic policy of Ethiopia was adopted by the TGE where government systematically pursued a market oriented economy by rationalizing its role and enhancing greater participation of the private sector"(Ministry of Economic Development and Cooperation (MEDaC), 1999:36).

Economic diplomacy is usually mentioned as one manifestation of a step forward in the economic history of Ethiopia. Shrestha (2005:6) put: "the EPRDF government followed economic diplomacy,<sup>33</sup> which is extension of domestic policies and priorities. Appropriate government policies related to trade, foreign investment, and other economic policies became essential priorities of the new government." This indicates primary attention was given to attract foreign direct investment and to follow export oriented economic policy.

Additionally, the establishment of Saudi East Africa Forum is mentioned as a positive step forward. The purpose of the forum is to "promote partnership and cooperation between the business community of Saudi Arabia and East African countries, including Ethiopia. The forum

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<sup>31</sup> Saudi Arabia has taken significant administrative reforms in its efforts to curtail financing terrorism (Prados and Blanchard, 2004:23) In the mid-2004 Saudi Arabia and the U.S. designated the al-Haramaian branch in Ethiopia as a financier of terrorism. At the same time, due to wider pressure from the U.S., Saudi Arabia outlined plans to dismantle its networks and assets under a new Saudi National Commission for Relief and Charity (Shinn, 2004:40).

<sup>32</sup> This is to mean Haile Sellassie's and Mengstu's perception was that the country was surrounded by hostile neighbors and religious as well as ideological adversaries.

<sup>33</sup> See a document prepared by Ministry of Foreign Affairs of the FDRE (2007) "Foreign Trade Promotion Manual for Ethiopian Diplomatic Missions: Economic and Business Affairs General Directorate, Addis Ababa."

aims to ensure the benefits of successful relations that currently exist between the government of Saudi Arabia and Ethiopia. It offers a unique opportunity for businessmen to engage, promote and exhibit their products and services”(<http://www.saudieastafricaforum.org/index.php>). Moreover, “there is a Joint Ministerial Commission that is meant to meet annually to review the progress in all areas of cooperation. The commission has also the task of suggesting new areas of cooperation and working towards their implementation” (FDRE Embassy in Riyadh, 2011).

Following this, the relations between Ethiopia and Saudi Arabia have steadily progressed. There have been a number of exchanges of visits over the years by high level government officials between the two countries, and a number of agreements have been signed to enhance their relations. For instance, in 1994, a Saudi Arabian trade and investment delegation visited Ethiopia. The members of the delegation met their Ethiopian counterparts.

#### **4.1.2 Economic Cooperation between Ethiopia and Saudi Arabia**

The improved relationship between Saudi Arabia and Ethiopia was further strengthened after the establishment of the Federal Democratic Republic of Ethiopia (FDRE). An effort was made to attract a large number of investors from Saudi Arabia and to improve the trade imbalance (as the trade exchange has been in favor of Saudi Arabia). Apart from investment and trade, “other economic relations between the two countries were manifested in terms of financial aid, technical cooperation, tourism, social, and cultural fields” (Dinberu, 22 Feb, 2011). With regard to technical cooperation, Fikru,<sup>34</sup>(11 Feb, 2011) stated briefly:

The FDRE and the kingdom of Saudi Arabia signed an agreement on reciprocal exemption of taxes and customs duties on November 13, 2009 on the activities of Air Transport Enterprise of the two countries. According to the agreement, the two governments agreed to exempt the profits of air transport enterprises of respective countries obtained from the operation of aircraft in international traffic. They have also agreed to extend exemption on equipments listed in the agreement when imported to or exported from contracting state from customs duties and taxes.

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<sup>34</sup> Fikru Tadesse, Bilateral Trade Relation and Negotiation Division Head in the Ministry of Trade, MA Degree in Foreign Trade and Economics, Interview Date and place 11 Feb 2011, from 9:15 AM-9:34 AM, Addis Ababa.

In the case of financial aid, “the kingdom of Saudi Arabia played an increasing important role in the past several years in the area of supporting economic and social development plans and programs in third world countries including Ethiopia” (Al-Farsy,1994:284). Moreover, Saudi Arabia ranks high among donor countries in providing aid to poor developing countries. Although Saudi bilateral aid is biased in favor of Muslim countries, Ethiopia still benefited from Saudi bilateral aid because half of Ethiopian people are Muslims (Kinfе, 2004:89).

In fact, Saudi Arabia’s contribution in infrastructural development in Ethiopia is certainly appreciated.<sup>35</sup> For example, “starting from 2004 Saudi money was behind the construction of the following roads: Azezo to Metema (\$18.8 million), Asosa to Kumuruk (\$ 6.5), Jijiga to Degehabour (\$10million), and Arba Minch to Gedeo (\$10)” (Dinberu, 22 Feb, 2011; Embassy of Ethiopia in Riyadh, 2011).

Besides technical cooperation and financial aid, attempts were made to attract a greater number of tourists from Saudi Arabia to Ethiopia. “The Saudis spend much money on recreation and tourism. If Ethiopia provides the recreational facilities, Saudi tourists will favor it because of Ethiopian geographical proximity and cultural similarity with Saudi Arabia” (Dinberu, 22 Feb, 2011).

Additionally, Ethio-Saudi economic relations were manifested in the areas of social and cultural fields. “Due to high job opportunities and the geographical proximity of Saudi Arabia to Ethiopia, over 100,000 Ethiopians live there. They are engaged in various jobs. These people, working in Saudi Arabia, send some amount of their money to their family as a remittance (Kinfе, 2004:90). Many Ethiopian Muslims also travel to Saudi Arabia for the hajji<sup>36</sup> every year. This will of course, continue for the foreseeable future. In addition to those economic activities mentioned above, more weight was given to trade and agricultural investment.

## **4.2 Ethio-Saudi Post-1992 Trade Relations**

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<sup>35</sup> Saudi Arabia has also been of assistance in getting development support from various multi-lateral organizations including Kuwait Fund and OPEC.

<sup>36</sup> Before the advent of large oil reserves, the Saudis depended upon the pilgrimage as the major source of income (Ochsenwald, 1981:275).

Ethiopia is located very close to the oil-producing and high income countries of the Middle East like Saudi Arabia; which are high importers of Ethiopian agricultural products. As can be seen from Table 1 below, Ethiopia's major export products are agricultural commodities (coffee, oils seeds, live animals, fruits, and vegetables). These three facts—"geographical location, high agricultural potentiality of Ethiopia, and the Saudis great purchasing power, therefore, give Ethiopia a better competitive edge over other East African countries"( Ministry of Foreign Affair, 2007:36).

To exploit this market potential, the Ethiopian government has taken measures to promote the market competition in foreign trade. Among these measures, some of them are: "the reduction of import tariff and sales tax, introduction of the foreign exchange auction and retention scheme to exporters, adoption of export oriented economy, diversification of exports, minimize illicit trade, and ensure private sector participation" (Kinfu, 2001:99-100; Hansson, 1995:128-9). Following these measures, Saudi Arabia became Ethiopia's most strategic trade partner; put differently, the export product of Ethiopia to Saudi Arabia have increased significantly.

#### **4.2.1 Ethiopian Export Products to the Saudi Market**

As can be seen from Table 1 below and from annexed data, starting from 1991 until 2010, almost all Ethiopia's export earning derives from primary agricultural products. From these primary products, above 90 % of the export quantity is covered by four items. The major export item of Ethiopia is coffee followed by animal and animal products, sesame seeds, and different kinds of spices. Coffee's domination as the export product of Ethiopia continued until present time (See the annexed data). After coffee, live sheep and other animal products take the lion's share of Ethiopian export products to the Saudi market. The major factor for this is that "the Saudis are meat-eaters; they have to import millions of sheep and goats each year from Ethiopia and other Horn countries" (Holleman, 2002:11).

Though the export sector is still dominated by a few primary products and coffee is still the biggest foreign exchange earner for the country, the contribution of new value added products such as flowers, leather and clothes, and beverage became important foreign exchange earners for the country (See the annexed data). In this regard, the flower sector has recently become an important agricultural product has high export potential for Ethiopia. It is relatively new but at

the same time very dynamic sector; from 2001 up to 2010 the export value of flower has shown dramatic growth (See annexed data).

Additionally, the value of manufactured exports has been growing with a positive rate. These value added export products include: wooden furniture, synthetic fiber, food, beverages (wine, Ambo mineral water, and aerated water), textile products, leather and shoes. The year 2010 witnessed tremendous increase in export products of Ethiopia to the Saudi market. But this export of manufactured goods from Ethiopia has some limitations. As is the case in the agricultural exportable items, the manufactured items are also dominated by few products. Generally speaking, “the contribution to foreign exchange earnings of manufactured export has been limited to not more than ten per cent so far. Manufactured exports concentrated on few consumer goods i.e., food, leather, and shoe products" (MEDaC, 1999:221, See also the annex).

Table1.Ethiopian Top Ten Export Items to Saudi Arabia (2010)

HS_Code	HS_Description	Value ( USD) in million
09011100	Coffee, not roasted or decaffeinated	94.24
12074000	Sesame seeds	10.6
02045000	Fresh, chilled or frozen goat meat	6.05
02089000	Fresh, chilled or frozen meat and edible offal,	5.8
02041000	Fresh or chilled lamb carcasses and half carcasses	5
01041000	Live sheep	1.9
06031100	Roses/flower/	1.85
07133300	Dried kidney beans (white pea beans, shelled)	0.66
09093000	Seeds of cumin	0.52
07132000	Dried chickpeas, shelled	0.5

Source: Ministry of Trade

## 4.2.2 Saudi Arabian Export Products to Ethiopia

Table 2 below shows the top ten imports of Ethiopia from Saudi Arabia. Ethiopia imports petroleum oils and oils obtained from bituminous mineral, polyethylene, benzene (regular or super), and other many manufactured products. To be more precise, Ethiopia's imports from Saudi Arabia are characterized by imports of fuel, and raw material as well as semi-processed products.

The commodity composition of Ethiopia's import dominated by fuel which takes 17% of total imports. With respect to the origin of Ethiopia's imports, China is-for fifth year-the largest source of Ethiopia's imports (18% of total imports), followed by Saudi Arabia (13% mainly reflecting fuel imports) (<http://www.accesscapitalsc.com/downlords/ethiopias-Imports.pdf>).

Table 2 below shows this fact.

Table 2. Top Ten Import Items from Saudi Arabia (2010)

HS_Code	Description	Value ( USD) in million
271019	Other petroleum oils and oils obtained from bituminous mineral	545.94
271019	Other petroleum oils and oils obtained from bituminous min (excluding 271019)	277.71
271019	Benzene regular or super	21.45
390120	Polyethylene having a specific gravity $\geq 0.94$ , in primary forms	11.164
390210	Polypropylene, in primary forms	7.87
170111	Raw cane sugar, in solid form	7.06
390190	Other polymers of ethylene, in primary forms,	5.61
390110	Polyethylene having a specific gravity $< 0.94$ , primary forms	2.6
340120	Soap and other detergents	1.5
940600	Prefabricated buildings	1.31

Source: Ministry of Trade

### 4.2.3 Saudi's Share in Ethiopian Import and Export Trade

Table.3 Saudi Arabia Share in Ethiopian International Trade (2004-2010 ) in Million

Year	Overall Export ( value in USD)	Growt h (%)	Ethio's Export to Saudi/A (value in USD)	Saudi Arabia's Share in Ethiopia Overall Export (Share %)	Ethiopia's Overall import (value in USD)	Growt h (%)	Ethiopia's import from Saudi Arabia (value in USD)	Saudi/A's Share in Ethiopia Overall Import Share (%)	Total Trade Turnover with Saudi Arabia	Growth (%)
2004	615	---	42.4	6.89	3,039.9	---	42.4	-	84.8	
2005	905.2	47.17	59.2	6.54	8,450.6	177.9 8	59.2	-	118.32	39.61
2006	1,009.1	11.48	70.8	7.01	4,596.44	-45.61	70.8	-	141.54	19.62
2007	1,193.5	18.27	86.34	7.23	5,427.9	18.09	86.34	-	172.68	22.00
2008	1,556.9	30.45	121.83	7.83	8,283.4	52.61	121.83	-	243.66	41.10
2009	1,507.1	-3.20	81.8	5.43	7,621.6	-7.99	81.81	-	163.62	-32.85
2010	2,017.9	33.90	129	6.40	7,613.5	-0.11	129.05	-	258.13	57.76
Aver..	1,257.8	23.01	84.5	6.76	6,433.3	32.50	84.5	13	169	24.54

Source: Ministry of Trade

A look at Table 3 above shows that not only exports but also imports of Ethiopia have shown a significant increase in recent years. In fact, import products from Saudi Arabia have increased in value much more than exports. As the Ministry of Foreign Affairs (2007:15) explained: “this is a reflection of the effects of liberalization of external trade sector and the rising demand for imports in the country as the result of the economic growth and investment activity; and possibly, the rising international prices of petroleum and petroleum related import products.”

Additionally, Table 3 also reveals that Ethiopian trade relation with Saudi Arabia fluctuates from year to year. It is argued that fluctuations in export earnings may have strong negative impact on economic growth and this can be seen in various ways. For example, “fluctuations in export earnings may reduce the capability of the economy to import required goods” (Abay and Zewdu, 1999:246).

On the whole, Table 3 above indicates that Saudi Arabia is the sixth destination for Ethiopian agricultural products and the second source of oil and other manufactured commodities that are imported to Ethiopia.<sup>37</sup> This indicates that the trade relation between the two countries is increasing starting from 1992 due to the economic policy followed by EPRDF government.

#### **4.2.4 Summery of Trade Balance between Ethiopia and Saudi Arabia**

Trade relations between Ethiopia and Saudi Arabia are on the rise significantly in both quantity and quality. This is because Ethiopian and Saudi Arabian production is compatible rather than competitive (FDRE Embassy in Riyadh, 2011). Table 4 below shows this reality.

Table 4 Summary of Trade Balance of Ethiopia and Saudi Arabia (1991-2010).

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<sup>37</sup> In the year 2009/10 Ethiopia’s export destination shows Switzerland (11.2), China (10.8), Germany (9.8), Somalia (8.6), and Holland (8.) Saudi Arabia (6.1).For more comprehensive information visit <http://www.newsbusinessethiopia.com/index.php>.Note.Somalia is a failed state, but it is important importer of Ethiopian products.

Year	Total import (ETB) in million	Total export ( ETB) in million	Trade balance(ETB) in million
1991	96.8	29.17	+ 67.64
1992	342.2	101.11	+ 241.14
1993	726.1	99.49	+ 626.63
1994	848.2	110.22	+ 738.03
1995	1,022.2	279.22	+ 809.32
1996	844.3	34.99	+ 809.32
1997	699.2	358.24	+ 340.93
1998	2,540.8	391.33	+ 2,149.47
1999	427.8	408.37	+ 19.45
2000	170.1	317.35	+ 147.25
2001	1,695.5	323.33	+1,372.13
2002	912.4	250.33	+ 661.71
2003	1,128.9	307.75	+ 821.14
2004	3,501.95	366.12	+3,135.83
2005	5,152.87	512.92	+ 4,639.96
2006	8,105.33	615.68	+ 7,489.65
2007	5,934.8	774.46	+ 5,160.34
2008	11,822.44	1,169.55	+ 10,652.89
2009	10,950.16	1,059.28	+ 9,890.88
2010	12, 947.57	1,835.3	+ 11,112.

Source: Ministry of Trade

As can be seen from Table 4 above, the value of Ethiopian exports has shown a consistent and a remarkable growth in recent years. It was also noted that the imports of the country have shown even more pronounced increase during the same period. Hence, bilateral trade volume between Ethiopia and Saudi Arabia had exceeded \$500 million with balance remaining to Saudi Arabia due to heavy oil import into Ethiopia.

In this trade relation between the two countries, chronic trade deficit has remained the dominant feature of Ethiopia's external trade in the past two decades with Saudi Arabia. The figure above summarizes the trade balance for the period 1991 to 2010. With relatively small, but fairly expanding exports and sizable imports, the trade deficit has generally been widening throughout these periods.

As a result, the deficit in trade balance went from ETB 241,134,000.00 in 1992 to ETB 11,112,273,355.88 in 2010 (Table 4, with some mathematical calculations). This shows that the current account deficit has worsened from year to year.

In particular, during 2004-2010, Ethiopia had incurred largest trade deficit with Saudi Arabia followed in descending order by China, USA, UAE, and UK. In the case of Saudi Arabia, the increase is attributable to the petroleum price rises witnessed in the period under consideration as the country is the major source of Ethiopian's petroleum and related products.

To compensate this chronic trade deficit with Saudi Arabia, the Ethiopian government was busy to find different solutions that might narrow down the gap: among these expected solutions attracting FDI in agriculture from Saudi Arabia is the major one.

### **4.3 Saudi Arabian Agricultural Investment in Ethiopia**

In line with attracting Saudi investment to Ethiopia, "Investment Proclamation No.15/1992 which is based on market-oriented economic policy of Ethiopia adopted by the government provides a significant liberalization with respect to private investment- both local and foreign investors" (Investment Office of Ethiopia, 1992:17). This document states: "while limiting the role of the state in the economy; it has created an enabling environment for the active participation of both domestic and foreign private capital in various investment activities without any limitation on capital ceilings (Investment Office of Ethiopia, 1992:17).

United Nations Conference on Trade and Investment explained: "the Ethiopian government understood that investment is the key to unlock the development potential of the country, playing a critical role in converting comparative advantages to competitiveness. Recognizing this reality, government offered an array of incentives to attract inward investment, with the expectations of attracting such spin-off benefits as advanced skills, know-how and technology"<sup>38</sup> (2002: ix).

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<sup>38</sup> It is true that international investment, in particular FDI, is perceived as important for the growth of developing countries in view of its wide ranging impact. In Ethiopia, particularly in the past two regimes, state investment in all sectors of the economy dominated and the private sector was deliberately marginalized (Solomon, 1994: 21).

As described by Ethiopian Investment Commission, “in line with market oriented economic policy, a liberal investment law has been enacted and the Ethiopian Investment Commission was established in 1992. The commission has been making relentless efforts to create enabling investment environment which increased the role of private sector in the economic development of the country”<sup>39</sup> (2004:9).

Due to these economic policy measures taken by the TGE, investment from the Middle East region have generated one-third of FDI projects and have contributed two-thirds of the new capital associated with these projects. Among the Middle Eastern countries, Saudi investment in Ethiopia increased significantly. Capital Weekly Newspaper explained this reality “Saudi Arabia is by far the largest source of investment in Ethiopia with ETB 50 billion of the overall FDI approved over the last five years (2000-2010) followed by India, whose investment amounts to 39.5 billion Birr”<sup>40</sup> (2010:26).

The major progress in the investment sector from Saudi Arabia is, in particular, due to the investment of the MIDROC (Mohammed International Development Research and Organization Companies), a company owned by Sheikh Mohammed Hussein Al-Amoudi, a Saudi Arabian tycoon with maternal roots in Ethiopia. The company has invested in industrial development, services, and agro-processing, making Al-Amoudi the largest individual employer in the country, providing direct employment to nearly 15,000 people and many more beneficiaries of indirect employment<sup>41</sup>(Adejumobi, 2007:177).<sup>42</sup>

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<sup>39</sup> The major objective of the commission now is to act as a ‘one-stop-shop’ for investors including providing information, registering, issuing investment and work permits, and rendering a whole range of pre-and post-approval services. The organization has been pursuing a highly effective focused advocacy strategy that has witnessed a rapid expansion in the export sector (Investment Office of Ethiopia, 1992:4).

<sup>40</sup> Chinese, Sudanese, and Turkish investors are third, fourth and fifth top investors in Ethiopia, and constitute 17.8 billion, 17.7 billion and 12.4 billion Birr respectively (Capital Weekly Newspaper, 2010:26). This indicates that South-South economic cooperation in investment is on the rise. The scale of South-South FDI is driven by food security concerns by largest investing countries from the South including, China, Saudi Arabia, and India. These governments are interested to control over crop production and export the output back to the home economy (UNCTAD, 2009:121).

<sup>41</sup> MIDROC’s presence in Ethiopia goes back to the early 1990s and at present, consists of over 15,000 employees. The total amount investment in Ethiopia is about \$1 billion (United Nations Conference on Trade and Investment; 2002:36).

<sup>42</sup> The second most important source of FDI to Ethiopia over the period 1992/93 to 1997/98 has been the European Union, which generated nearly 30% of the projects but only 15% of the new capital approved (United Nations: An Investment Guide to Ethiopia, 2004:25).

Recently, this company is interested in agricultural investment. “Saudi Star Agricultural Company (established by Mohammad Hussein Al-Amoudi) has secured in acquiring additional 200,000 hectares of arable land in the Gambella regional state on September 22, 2010 though the company requested some 500,000 hectares in the region. Previously, Saudi Star received 10,000 hectares of land in this region” (The Reporter, 16 April, 2011).

The Reporter (16 April,2011) also adds: “Saudi Star Agricultural Development, a company that cultivates commercial rice in Gambella, harvested its first produce in early 2009 on a pilot plot, and the owner of the company, personally delivered this harvest to the leader of the sole benefactor-cum-dependent nation on the project, King Abdullah of Saudi Arabia.”<sup>43</sup>

There are several reasons for this Saudi agricultural investment in Ethiopia after 1991. The following are some of the factors that explain heavy Saudi investment in Ethiopia.

### **4.3.1 Strategic Location of Ethiopia**

UNCTAD (2000:7) explained Ethiopian potential for investment:

Ethiopia is located in Eastern Africa with easy access to the lucrative markets of the Middle East, Europe, and Asia. Hence, Ethiopia has competitive advantages in different areas and with tremendous business opportunities; the country should be seen as an attractive investment location for nationals, Diaspora, and foreign investors.

The Ethiopian Investment Agency (2009:2) added:

Investing in Ethiopia is also profitable in that it enables investors to have access to 23 African countries through the Common Market of Eastern and Southern Africa. That means there is high market potential with 340 million people in East Africa, and more than 80 million people live in Ethiopia which gives a comparative advantage to the Saudi investors and other investors from the Middle East.

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<sup>43</sup> For further information, refer The Reporter Weekly Private Newspaper (Amharic Version), Sunday Publication, Vol. 16, No 30/1144, April 2003 Ethiopian Calendar.

Getinet and Hirut (2005:15) concluded this opportunity as: “when investing for the long-term in another country, states and multinational companies have in mind the human resources in the host country.” They also added “large, efficient, educated population are a requirement for an attractive investment” (2005:15). This is one factor for Ethiopian’s comparative advantage which lies primarily in its abundant, low cost, and trainable labor force. Geographical location of Ethiopia with high population number is the first main reason for the Saudi agricultural investment.

### **4.3.2 The Support of Saudi Government to the Private Saudi Companies**

Second reason for the huge Saudi investment in Ethiopia is that Saudi Arabia supports private Saudi companies. The private sector is usually defined as “the collection of enterprises that are owned by individuals or groups not representing the state, whereas the public sector comprises government agencies and state owned company”(Niblock and Malik, 2007:26). They further elaborated this idea as, “in practice, however, the dividing line between the public and the private sector is always blurred; though ownership and control of the state may vary in degree and overtime. This blurred nature of the dividing line between state and private company is particularly apparent in the case of Saudi Arabia”<sup>44</sup> (2007:26).

Kugelman and Levenstein concluded this argument as “while private sectors has traditionally interested under the motivation of maximizing profit, often focusing on cash crops rather than on basic staple crops, food security concerns are an important factor that led Saudi government to support and subsidize those private companies so that they will invest on basic staple foods”(2010:70).

Smaller and Mann (2009:25-6) elaborated the relation between public and private sector “Saudi Arabia, for example, established the King Abdullah Initiative for Saudi investors in agriculture abroad.” Al-Farsy (1994:203) concluded: “this King Abdullah Initiative made

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<sup>44</sup> The most notable example of this is SABIC, the second-largest company in the country. Almost 25 per cent of the total net income accruing to companies listed on the Saudi stock market in 2006 was contributed by SABIC. Yet the company is 70 per cent owned by the state, most of its activities are closely linked into governmental strategies and plans. For comprehensive understanding refer the book: The Political Economy of Saudi Arabia by Tim Niblock and Monica Malik (2007).

greater effort in achieving agricultural development abroad by encouraging the private sector to build up and establish agricultural company. These agricultural companies may be public corporations or large private limited companies.”

Lippman (2010:9) stated:

For this reason, in January 2009, king Abdullah bin Abdulaziz proclaimed a food security initiative backed by an investment fund of \$800, to support private Saudi companies in agricultural products abroad. As to the government, the king Abdulla initiative for Saudi agricultural investment abroad aims at contributing to realize national food security, by building integrative partnerships with countries that have high agricultural potential to develop staple crops at sufficient quantities and at lower prices.

Accordingly, due to the support of the Saudi government, the Saudi Star Agricultural Development Company is committed to invest in the cultivation of rice and other crops in Ethiopia.

#### **4.3.3 Availability of Agricultural Resource / Domestic Raw Material**

##### **Base/**

A third point for Saudi Arabia agricultural investment in Ethiopia is related to availability of natural resources. “Agriculture is highly dependent on the natural resource endowments such as the availability of arable land, fertile soil, and climatic conditions. These endowments differ significantly across the world, with implications for the patterns of global agricultural production, investment, and trade” (UNCTAD, 2009:99).

For example, Ethiopia is endowed with abundant agricultural resources; on the contrary Saudi Arabia has no agricultural resources. According to Ethiopian Chamber of Commerce (1974:36), “Ethiopia’s topographical situation, favorable climate, potentially fertile soil, abundant water resources, and vast areas of arable land make it favorable and conducive to both extensive and intensive agricultural production.”

This argument is further elaborated by MEDaC as “Ethiopia is characterized by diverse physical features that allow the country to be divided into 18 major agro-ecological zones and

62 sub-zones, each with its own physical and biological potential. Given this diversity, there is high potential for agricultural investment of cash crops, staple crops, and horticultural production”<sup>45</sup>(1999:145).

On the other hand, Lippman (2010:2) argued “Saudi Arabia has no arable lands; only about two per cent of the country’s enormous land mass is arable, even with intensive irrigation and modern farming technology; and the country in modern times has always depended on imported food.” Apart from lack of arable land, MaHale explained (1980:631) “Saudi Arabia has hardly any fresh water resources: with scant rainfall, and it has no rivers or lakes, and severely limited usable groundwater.” As a consequence, “Saudi Arabia which for many years encouraged wheat production at home, has decided to phase out its own wheat production by 2016 because it has significantly depleted the fresh water resources in the country. In 2008, Saudi Arabia established a new agricultural fund whose prime concern includes preserving water resources by investing agricultural production overseas” (Smaller and Mann, 2009:5).

#### **4.3.4 Price Increase of Staple Foods**

The fourth reason to the Saudi Arabian agricultural investment in Ethiopia is related to “the world food price crisis that led the grabbing of natural resources to secure the food demand in the investor’s country”<sup>46</sup> (Weisleder, 2009:10).

Montemayor (2009:97) explained “the growing interest in agricultural land as an investment target has been influenced by the dramatic increases in prices of basic food like rice, wheat, and maize in 2007 and 2008 during the global food crisis.”<sup>47</sup> Montemayor (2009:97) adds

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<sup>45</sup> Ethiopia has big-and medium-sized river basins. The total annual run -off through these river basins is about 105 billion cubic meters, out of which 96 percent flows to neighboring countries. The potentially irrigable land of the country is estimated to be around 3.5 million hectares though only about 3% of this is cultivated through irrigation).The extensive pastoral area has estimated substantial livestock population. Livestock population in Ethiopia is more than 130 million. Ethiopia’s livestock population included 49 million cattle; 25 million sheep; 22 million goats; 35 million chickens; and 2 million camels (Investment Office of Ethiopia, 1992: 5).

<sup>46</sup> The Gulf States-whose scarce water and soil resources on which to grow food but vast oil and cash reserves are conducive to food import dependency-have, seen their food supply become increasingly uncertain and even more expensive. Their total food import bill ballooned from \$8billion to \$20 billion from 2002 to 2007). These states have moved quickly to extend control over food producing lands abroad. For further information refer “The Great Land Grab: Rush for World’s Farmland Threatens Food Security for the Poor” by Shepard Daniel and Anuradha Mittal (2009).

“countries that are net importers food such as Saudi Arabia, China, and India see this as an innovative long term strategy to feed their people at an appropriate price”<sup>48</sup> (2009:97).

According to the International Food Policy Research Institute, “the prices of maize and wheat almost doubled from 2003 to 2008, while the price of rice tripled in just a few months in early 2008. This dramatic development draws attention to the vulnerability of the global food supply. Among those countries which are running to lease land in Ethiopia and somewhere else is Saudi Arabia” (UNCTAD, 2009:128).

#### **4.3.5 Attractive Investment Incentive Packages and Tax Structure**

The last reason why Saudi investment has increased in Ethiopia is the incentives given to investors by the Ethiopian government. “Ethiopia has become the target of foreign investors as it has large areas of fertile land and has developed investor friendly environment” (Graham *et al.*, 2010:42). The Ethiopian government “requires no minimum capital and has exempted foreign agricultural activities from paying custom duties and taxes on imports of capital goods” (Weissleder, 2009:1).

Weissleder further asserted that “investors in all sectors of the Ethiopian economy including foreign investors who will be engaged in agricultural activity are exempted from the payment of customs duties and other taxes levied on imports of all capital goods (machinery, equipment and accessories) and construction material necessary for the establishment of new projects or expansion and upgrading of the existing one”<sup>49</sup>(2009:23). Investment Office of Ethiopia (1992:2) also adds other incentives:

Foreign investors are provided for together with assured remittances in freely convertible currency of earnings in the form of profits and dividends, fees and royalties, income from sale and transfer of shares, etc. A comprehensive package of promotional incentives are also provided, extending from tax holidays and exemptions from customs duties to administrative incentives in the form of one- stop- service to potential investors.

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<sup>48</sup> Saudi Arabia is one of world’s biggest food importers. It was importing all its cereals from India and other Asian countries, but the Indians withheld their rice in 2008. So, the Saudis want an option. It has laid its eyes in Ethiopia not only because it’s easily accessible geographically but also because the region offers rich fertile agricultural land, cheap labor, and favorable agricultural climate (Elhadj, 2006:84).

<sup>49</sup> In general it can be stated that the higher the proportion of produced goods for export, the longer the period of income tax exemption (Weissleder, 2009:24).

In the same way, according to Leonard *et al.* (2009:57-59) “in many parts of Africa including in Ethiopia, land is still very cheap. In fact, Ethiopia has leased out huge tracts of land to foreign investors under highly favorable conditions, and at the amount to throw-away prices.”

<sup>50</sup> Dereje also shares the above view by stating that “Ethiopia has leased fertile lands to Saudi Arabia in different parts of the Ethiopia on concessionary bases. The lease price is very cheap even when we compare with other African countries. It ranges from 110 Birr to 159 per hectare per year. Lease price of rural land varies according to location, type of investment, class of land, and whether investors use irrigated land or rain fed agriculture”<sup>51</sup> (22 December, 2010).

Furthermore, The Constitution of the FDRE (1995:98) states that “without prejudice to the rights of Ethiopian people to the ownership of land, the government shall ensure the right of private investors to the use of land on the basis of payment arrangements established by law.” This document also stressed “investors that participate in the expansion and development of large-scale modern farming should be recognized. In order to encourage these firms without any capital limitation, the state will create enabling conditions” (1995:98).

Due to these attractive and competitive investment environment, food-importing countries with land and water constraints but rich in capital, such as the Gulf States (Saudi Arabia and others), are at the forefront to invest in farmland in Ethiopia.<sup>52</sup> These agricultural investments have their own benefits to the economic development of Ethiopia.

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<sup>50</sup> The lease price that Ethiopia gets from Saudi Arabia and India is lowest as compared to other African countries.

<sup>51</sup> The Saudis are allowed to use the Alwero water dam in Gambella region.

<sup>52</sup> Foreign investment in acquisition of land in other countries is not a new phenomenon. During the first part of the 20<sup>th</sup> century, foreign- owned fruit companies had such a strong influence in central America that termed “banana republics.” Great Britain attempted to set up large farms in its colonies, as exemplified by the Tanganyika ground nut scheme in the 1940s, when Britain attempted to turn large tract of land in what is now southern Tanzania in to peanut plantation. In the early,1990s, after the collapse of the Soviet Union foreign investors rushed into the Soviet former state republics to acquire former state farms (Kugelman and Levenstein,2009:70 ).

#### **4.4 Benefits of Saudi Agricultural Investment for Ethiopia’s Economic Development**

Because of those factors mentioned in Section 4.3, after 1991 Saudi agricultural investment in Ethiopia is expanding. The advantages of these investments to the economic development of the country are of paramount importance. Some of the benefits are discussed as follows:

Firstly, as it is shown in Table 6 below, the Saudi investment in Ethiopia created 71,284 permanent and 128,536 temporary job opportunities for many Ethiopians. It is believed that Ethiopia has abundant, low cost, and trainable labor force; most of them live in rural areas. It is claimed that many Ethiopians will be benefited from these investments, specifically from agricultural investment.<sup>53</sup>

Secondly, as Dereje stated “investors who bring capital to Ethiopia while investing in a new factory or company increase the capital accumulation of the country which in turn help it to reach at the middle-income level”(22 December, 2010). His point can be verified from the data in Table 5 below; the Saudi government registered more than fifty billion Birr in different economic activities. The capital accumulation is high especially in agricultural and manufacturing sectors.

Thirdly, Taylor and Von Arnim (2008:192) wrote “FDI is often considered as a potential source of technologically upgraded physical capital and managerial know-how.” Due to this fact, the government of Ethiopia recognizes the role that Saudi investment can play in the Ethiopian economic development process, especially by bringing technology, know-how, and new ideas into the country which strengthens linkages and promotes regional economic developments.

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<sup>53</sup> But contrary to this fact, Weissleder (2009:22) stated “foreign investors are allowed to hire qualified foreign nationals necessary for the implementation of their projects. They can hire foreign nationals on top managerial positions without any restriction upon obtaining the prior consent of the Ethiopian Investment Agency.”

Radelet *et al.*, (2006:421) stated:

Since scientific research in modern technology in Ethiopia is at its infant stage-until the country is able to adapt these technologies by itself-technologically rich companies of Saudi Arabia have their contribution in the introduction of new technologies that save expense, improved agricultural practice and other benefits. Indeed, the investment activity of Saudi Arabia brought new technologies that have positive repercussion to the economic development of Ethiopia. Investors bring modern technology, in the form of new seed varieties, irrigating systems, and chemical inputs to increases their yield.<sup>54</sup>

Fourthly, Alemayehu argued “developing countries such as Ethiopia are characterized by a shortage of foreign exchange required to realize most development projects” (1999:277). As can be discerned from Table 4 above, the trade relation between Ethiopia and Saudi Arabia is in favor of Saudi Arabia; this means Ethiopia imports more Saudi products using international currency (US Dollar). This fact leads the government of Ethiopian to be in a position of having shortage of foreign currency.

To compensate for this trade imbalance, Saudi investors could improve the foreign exchange reserve in four different ways: first, “as the Saudis have engaged in the manufacturing sector, the factory products of their investment (which may have more quality) is assumed to be more competitive, it is argued, generate exports and thus increase the foreign exchange earnings of Ethiopia. Secondly, the manufacture for local market of products which otherwise have been imported also saves foreign exchange” (Dereje, 22 Dec, 2010).

A third point is that “the Saudis are now engaging in agricultural investment in Gambella regional state. They will export most of their products to the Saudi market. Assume a quintal of rice costs \$100 at Jeddah; Ethiopia will receive this \$100 hard currency and give to the Saudi investors its equivalent exchange in ETB which is almost 1,700 Birr,” said a senior manager at the Commercial Bank of Ethiopia, speaking on condition of anonymity.

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<sup>54</sup> Foreign investors are welcome to invest in most production sectors such as agriculture. These investors are especially encouraged to invest in areas and sectors that facilitate the transfer of technology and know-how; in promoting exports; in resource –based import substituting industries such as the production of industrial crops, agro-processing, and a combination of the above (Investment Office of Ethiopia, 1992:17).

Lastly, the multi-sectoral investment of Saudi Arabia contributes to increase the government revenue in different ways. In most cases, these companies pay annual lease price amounting from 110 Birr to 159 Birr per hectare per year.<sup>55</sup> Besides, from almost 200,000 employed workers, the governments of Ethiopia discharges income tax per month. More importantly, these investments have their own direct repercussion by promoting the general economic development.

The following three tables give information about Saudi Arabian investment in Ethiopia. The first table shows that the Saudis investment in Ethiopia is increasing year after year from 1992 to 2010. Table 6 gives regional distribution of Saudi Arabian investment in Ethiopia. Table seven also lists different sectors in which Saudi Arabian investment is concentrated. This Table shows that the Saudis are interested in agricultural investment.

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<sup>55</sup> Assume Ethiopia charges 130 Birr per hectare per year; and the total amount of land given to the Saudi is about 200,000 hectares. So,  $130 \times 200\,000 = 26,000,000$  Birr is earned annually. But the fact is Saudi Arabia could produce agricultural products two times a year. Even the price of a quintal of rice increases every year; but the lease price remains constant.

Year	Implementation				Operation				Pre-Implementation				Total			
	No of Procej.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.
1992					1	144,900	480	0					1	144,900	480	0
1993					2	87,658	1,099	0					2	87,658	1,099	0
1994					2	289,199	2,115	0					2	289,199	2,115	0
1995	1	93,749	217	0	2	53,714	100	300					3	147,463	317	300
1996	1	39,643	500	0	4	158,967	282	34					5	198,609	782	34
1997	4	1,725,485	494	30	7	278,003	662	220					11	2,003,488	1,156	250
1998	1	23,281	100	0	6	230,691	969	3,002	1	3,626	28	0	8	257,598	1,097	3,002
1999					4	105,229	600	2					4	105,229	600	2
2000	3	339,336	452	0	3	423,080	3,155	1,309	1	3,896	23	30	7	766,313	3,630	1,339
2001	1	10,000	13	0	6	1,598,243	2,682	1,611	1	100,541	194	0	8	1,708,784	2,889	1,611
2002					2	95,691	270	0	1	843,238	712	0	3	938,929	982	0
2003	1	7,073	66	0	5	102,769	1,042	4,745	4	87,239	260	60	10	197,081	1,368	4,805
2004	1	30,000	100	200	6	456,349	711	4,233	11	269,080	292	442	18	755,429	1,103	4,875
2005	1	4,000	8	12	7	247,629	1,744	839	22	5,030,661	12,476	28,620	30	5,282,290	14,228	29,471
2006	4	2,474,000	932	1,205	3	56,006	126	91	32	1,378,241	1,547	4,424	39	3,908,247	2,605	5,720
2007	5	290,785	219	130	3	67,589	263	3,030	47	5,493,612	10,473	19,117	55	5,851,986	10,955	22,277
2008	4	563,300	5,076	10,384	6	366,200	1,475	1,086	40	1,418,986	3,957	3,121	50	2,348,486	10,508	14,591
2009	2	19,185	25	25	1	2,091	12	1	60	17,410,311	6,874	15,203	63	17,431,587	6,911	15,229
2010	3	465,000	385	500	1	388,700	25		93	6,755,239	8,049	24,530	97	7,608,939	8,459	25,030
Grand Total	32	6,084,836	8,587	12,486	71	5,152,706	17,81	20,503	313	38,794,669	44,885	95,547	416	50,032,211	71,284	128,536

Table 5. Summary of Licensed Saudi Arabia Investment Project  
By Year Status Since 1992 - November 15, 2010 G.C  
Source: The Ethiopian Investment Commission, 2010

Table 5 above shows that Saudi investment in different phases: implementation, operation, and pre-implementation starting from 1992 until 2010. The years 1997 and 2000 are significant years where four and three investment projects started operation in Ethiopia. Starting from 2001 to 2005, one project on the average has gone operational in the consecutive years. But starting from 2006 till 2010, almost constant increase in the number of projects was observed where the pick was in 2007 in which five projects registered in Ethiopia.

The Table also depicts that the total number of projects reached thirty-two and as the number of projects increases, the capital of these projects has shown substantial increase. But, the year 1997 was important in which Saudi Arabia invested a total of 1,725,485,000.00 Birr in Ethiopia. Generally, a total of 6,084,836,000.00 Birr was invested from thirty-two projects.

When one observes in the phase of operation, it is possible to note the following points. Starting from 1992 until 2010, there is a general tendency of the increase in the capital of these projects that have gone operational. But, the year 2001 was unique in that Saudi invested a total of 1,598,243,000.00 in one project. In total, 5,152,706,000.00 Birr was invested.

In terms of job creation these projects created 17,812 permanent and 20,503 temporary job opportunities. When one considers the case of pre-implementation (that the company has already acquired all the necessary requisites to start), significant Saudi investment is becoming visible in Ethiopia. As one observes starting from 1998 to 2010, the number of projects increased from year to year. These projects in the pre-implementation stage reached 313. The capital they registered was about 38,794,669,000.00 Birr. The total number of permanent and temporarily job that they created during the period indicated above were respectively 44, 880 and 95,547. The table also summarizes the total number of project at 416 and the capital they need is about 50,032,211,000.00.

Table 6. Summary of Licensed Saudi Arabia Investment Projects  
By Region Status  
Since 1992 - November 15, 2010 G.C

Region	Implementation				Operation				Pre-Implementation <sup>56</sup>				Total			
	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.
Addis Ababa	14	563,267	1,336	354	37	3,080,505	8,922	5,399	90	8,321,525	9,118	11,054	141	11,965,296	19,376	16,807
Afar					2	92,941	165	300	3	30,050	135	175	5	122,991	300	475
Amhara	1	25,980	250	600	3	378,954	1,188	5,144	8	3,666,730	11,010	16,850	12	4,071,664	12,448	22,594
B.Gumze									14	1,144,390	387	1,650	14	1,144,390	387	1,650
Dire Dawa	1	7,073	66	0	1	20,000	30	10	6	17,019,449	3,956	12,830	8	17,046,522	4,052	12,840
Gambella					1	24,900	120	0					1	24,900	120	0
Multiregional	3	2,080,583	5,091	10,050	5	479,925	2,103	534	70	2,955,965	9,457	21,509	78	5,516,473	16,651	32,093
Oromia	11	3,312,435	1,622	1,467	14	388,360	1,500	2,616	117	5,279,180	9,770	24,379	142	8,979,975	12,892	28,462
SNNPR	2	95,499	222	15	4	238,318	1,027	6,000	3	151,352	644	2,020	9	485,169	1,893	8,035
Tigray					4	448,803	2,757	500	2	226,028	408	5,080	6	674,831	3,165	5,580
Grand Total	32	6,084,836	8,587	12,486	71	5,152,706	17,812	20,503	313	38,794,669	44,885	95,547	416	50,032,211	71,284	128,536

Source: The Ethiopian Investment Commission, 2010.

<sup>56</sup> Note, *Pre-Implementation* investment means that the company has already acquired all the necessary requisites to start operation but has not started yet. Acquiring land is included in the pre-implementation stage. Implementation phase indicates that production plant is already being built; and operation phase to mean the production plant is already in use.

Table 6 above shows Saudi Arabian investment by regions. As can be seen from the above data, in Addis Ababa there are 14 projects in the implementation phase registering 563,267,000.00 Birr and creating 1,336 permanent and 354 temporary job opportunities. In this region, in the operation phase, 37 projects have gone operational registering a total capital of 3,080,505,000.00 creating 8,922 permanent and 5,399 temporarily job opportunity. In the phase of pre-implementation, significant improvement has taken place. A total of 90 projects are on the way registering 8,321,525,000.00 and creating 9,118 permanent and 11,054 temporarily employment opportunity.

The next region with largest number of projects is Oromia, having 11 projects with a total capital 3,312,435,000.00 and creating 1,622 and 1,467 permanent and temporarily employment opportunity respectively in the case of implementation phase. In the case of operation phase, we see that a total of 14 projects have gone operational with a total capital of 388,360,000.00 Birr to create 15,000 permanent and 2,616 temporarily job opportunity respectively. But significant increase is shown in the pre- implementation phase, around 117 projects having a total capital of 5279,180 Birr and with potential to create around 10,000 permanent and more than 24,000 non-permanent jobs.

In total, Oromia region leads all states having a total of 142 projects with 8,979,975,000.00 Birr (slightly less than Addis Ababa which is more than 11 billion Birr). But this region is the first from all regions in terms of job creation, total of 28,462 Ethiopians will be employed in these projects.

However, in Gambella, Tigray, and Afar regions, the Saudis have already started doing business though the number of projects, the capital they invested, and the job opportunity they created is smaller when we compare with other regions. Interestingly, there is no Saudi project in the Gamella region that are under pre-implementation phase. In Amhara, SNNPR, and Dire Dawa, one can observe an important point. When projects move from implementation to operation and then pre-implementation phases, their capital and the job they create also increases.

**Table 7. Summary of Licensed Saudi Arabia Investment Projects**  
**By Sector Status**  
**Since 1992 - November 15, 2010 G.C**

Sector	Implementation				Operation				Pre-Implementation				Total			
	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.	No of Proj.	Capital in '000' Birr	Perm Empl.	Temp Empl.
Agriculture, hunting and forestry	9	649,143	5,473	10,692	16	750,063	3,427	13,112	142	7,920,751	25,754	69,856	167	9,319,957	34,654	93,660
Construction					7	527,837	5,559	1,214	10	984,635	852	5,380	17	1,512,472	6,411	6,594
Education	1	17,435	20	10	2	210,444	647	2	5	94,000	121	72	8	321,879	788	84
Health and social work	3	53,689	590	0	1	2,298	14	0	9	2,321,783	3,292	856	13	2,377,770	3,896	856
Hotels and restaurants	1	1,000	6	4	2	148,900	540	50	13	3,366,650	1,134	471	16	3,516,550	1,680	525
Manufacturing	13	3,215,946	1,919	1,510	34	3,304,170	6,856	2,072	70	20,002,773	9,716	13,115	117	26,522,888	18,491	16,697
Mining and quarrying	1	250,000	180	240	2	50,718	135	0	1	50,000	34	600	4	350,718	349	840
Real estate, renting and business activities	4	1,897,623	399	30	5	9,491	101	53	46	3,842,700	3,581	5,038	55	5,749,814	4,081	5,121
Transport, storage and communication									12	49,700	180	129	12	49,700	180	129
Wholesale, retail trade & repair service					2	148,787	533	4,000	5	161,678	221	30	7	310,464	754	4,030
<b>Grand Total</b>	<b>32</b>	<b>6,084,836</b>	<b>8,587</b>	<b>12,486</b>	<b>71</b>	<b>5,152,706</b>	<b>17,812</b>	<b>20,503</b>	<b>313</b>	<b>38,794,669</b>	<b>44,885</b>	<b>95,547</b>	<b>416</b>	<b>50,032,211</b>	<b>71,284</b>	<b>128,536</b>

Source: The Ethiopian Investment Commission, 2010.

Table 7 depicts Saudi Arabian investment by sector starting from 1992 until 2010. The Table shows some of the interesting facts. Here one can see that Saudis are very much obsessed with (greatly interested) agriculture and manufacturing sector. In implementation and operational phases in terms of capital as well as number of projects, manufacturing sector takes the lead having 13 and 34 projects registering 3,215,946,000.00 and 33,0417,000.00, respectively. The Table also depicts that in some sectors in the phase of implementation, whole sale retail trade and repair service and also transport storage and communication as well as construction is almost nil.

But, agricultural sector leads in terms of job creation in both implementation and operational phase. When it comes to the pre-implementation phase, it is possible to observe that there are more projects in agricultural sector than any sectors including manufacturing which takes 70 projects but here the agricultural sector takes 142 projects.

## **Chapter Five**

### **Challenges in Ethio-Saudi Economic Relations**

In chapter four, it is discussed that Saudi Arabia is one of the most strategic trade and investment partners of Ethiopia. In line with this, Saudi businessmen constitute the largest group of foreign investors in Ethiopia. The Saudi market is also one of major destinations for Ethiopian agricultural products. This positive development in the relation between the two countries could be referred in the above Tables from one to seven and from the annexed data.

However, beyond this practical development, “the Saudis deeper involvement in Ethiopia and activities such as indifference, subversive, and some economic activities are contrary to the people at the grass root level” (Erlich, 2007:186). In addition, as Kinfu noted (2004:86-87) “though there has been a long-standing trade relations between Ethiopia and Saudi Arabia, it cannot be said that Ethiopia utilized the opportunity of the Saudi market to the fullest extent. Only a few trade protocols were signed between the two countries.”

This last chapter discusses about the challenges of the relations between the two countries. The chapter proceeds as follows. Section 5.1 addresses: “to which country trade relation is in favor of? Why?” Section 5.2 also tries to answer the research question, “why is Saudi investors’ involvement in agriculture becoming a debatable issue?”

#### **5.1 Factors of Trade Imbalance between Ethiopia and Saudi Arabia**

Melesse (2003:145) explained “agriculture in Ethiopia generates more than 90 % of the export earnings.” This means the importance of this sector is proportionally greater than other economic activities in Ethiopia’s international trade, specifically its trade relation with Saudi Arabia. In addition, Melesse (*Ibid*:146) stressed the trade relation between Ethiopia and Saudi Arabia as follows:

The Saudi Arabian market, particularly during the hajji, is a key market for Ethiopian agricultural products. As it can be read in the above data in chapter four, the trade relation between Ethiopia and Saudi Arabia is characterized by an increasing deficient of exportable agricultural products of Ethiopia. Although, some improvements have been registered in export sector since 1992, the growth in the export trade has been unable to catch up with the growth in imports. This economic dynamic is expected to put pressure on the country’s balance of payment.

Though there are several reasons, one can mention five major factors for this trade imbalance between Ethiopia and Saudi Arabia. These factors are discussed as follows:

### **5.1.1 Informal Economic Activity**

Different data show that Ethiopia losses a significant amount of revenue through informal trade every year with its immediate neighbors and with its strategic trade partner, notably Saudi Arabia. “While the official trade in live animals over the last ten years has been negligible, there always been a thriving informal export of live animals to Somalia, and then to the Gulf countries” (enhancedif.org/documents/DTIS%20documents/english/EthiopiaDTISFinal-volume2.pdf).

Though there is no information regarding the amount of unofficial livestock flow from Ethiopia to its neighbors then to Saudi market, “estimates show that 260,000 cattle and 1.2 million sheep and goats reach the Saudi market. The livestock marketing authority recently estimated that almost \$105 million value of this trade go illegally to neighboring countries annually and then re-exported to the Saudi market per year” (Tegege and Alemayehu, 2001:175).

Halderman<sup>57</sup> (2004: 41) estimated “the value of this unofficial cross-border trade in live animals is far greater than the value of the official exports of live animals and meat. This unofficial cross border trade is more than 100 times greater than the average annual value of official exports of live animals.” As Majid (2010:5) elaborated “Ethiopia losses huge sum of money in this trade as approximately 50 percent of the sheep and goats exported through Berera and Bosasso are known to originate in Ethiopia.”

Officials in the Ministry of Trade affirm this fact. Fikru (11 Feb, 2011) concluded the impact of informal trade on Ethiopian economy:

Contraband trade has an adverse effect on the legal marketing of Ethiopian export to Saudi market. The majority of this trade

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<sup>57</sup> Holderman further stated “if the value of unofficial cross-border livestock trade is combined with that of the official trade in livestock products, the total value of the exports of livestock and livestock products rivals that of coffee-Ethiopia’s most important export commodity for decades” (2004:57).

involves the movement of animals across clan and national boundaries.<sup>58</sup> Animals such as camels, sheep, and goats come from Gode, Liban and Afder. Throughout these catchment areas, these animals are both trekked and trucked to their final destinations-Saudi Arabia. This indicates that it has greatest threat to the smooth flow of supply to the Saudi market, with huge negative consequences to the Ethiopian foreign trade with Saudi Arabia.

### **5.1.2 Import of Manufactured Goods and Export of Primary Agricultural Products**

Foreign trade became increasingly important to Ethiopian economy, but as it can be seen the Table one, Ethiopian foreign trade with Saudi Arabia depends on few agricultural products. Ethiopia exports coffee, sesame seeds, animal products (meat and live animals),<sup>59</sup> cereals, spices, fruits and vegetables; and imports petroleum oils and oils obtained from bituminous minerals, benzene (regular and super), polyethylene products, soap products, and other manufactured goods.

As Shiferaw (1995:46) argue “the structure of Ethiopia’s export is direct reflection of the underdeveloped economy. As one of the least developed countries, its exports are highly dominated by a small number of agricultural commodities.” He further stated “economies dependent upon exports of agricultural and mineral raw minerals are subject to forces that maintained low wage rates, low but variable prices for raw materials” he adds. In other words, lower prices for the country’s exports and higher prices for imported industrial manufactures, intermediate inputs and oil greatly affects Ethiopian balance of trade.

Tesfay *et al.*, explained:

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<sup>58</sup> Despite the Ethiopian government’s attempt to ban this unofficial trade, there are several factors that facilitate this trade: clan-based social relations play a critical role in mediating the high levels of risk and uncertainty found in many pastoral settings in the Horn of Africa; the reluctance of neighboring countries to control contraband trade (due to the benefits they obtain, in terms of domestic consumption and re- export). This region is also prone to resource based conflict. There are also armed struggles in the Somali region of Ethiopia and stateless Somalia (Tesfaye *et al.*, 2008).

<sup>59</sup> While livestock are exported all year round, the most important seasonal factor is centered on the annual hajji in Saudi Arabia, the largest pilgrimage in the world; the hajji involves about three million pilgrims, for approximately one month every year.

The majority of Ethiopian commodities are exported in their raw forms, since the status of the agro-processing and manufacturing industry in the country is in its infant stage. Health and sanitary conditions in the country are poorly developed; and feedlot and animal transport facilities operate at the lowest possible standards. It would therefore, be imprudent to expect the export market to be competitive under such conditions (2008:82).

This fact is especially observed in meat and related products. Tesfaye *et al.*, (2008:81) stated “Ethiopia has the largest cattle population in Africa and the tenth largest in the world. It has a proven export potential for live animals and livestock products. This comparative advantage has not yet been converted to a competitive advantage, because the country’s export market for these commodities, by and large, dominated by raw and semi-processed products that fetch lower prices as compared with manufactured goods.”<sup>60</sup>

Moreover, as can be seen from the annexed data and Table 2, Saudi’s export products to Ethiopia are primarily manufactured goods in addition to petroleum and petroleum products. Most of these items that Ethiopia imports from Saudi Arabia are manufactured agricultural products. To illustrate this fact, “Ethiopia exports large quantities of fresh fruits and vegetables in their raw form, but the country imports as tomato ketchup and other tomato sauces, and juice of citrus fruits” (Ministry of Information, 2005:29). In addition, as it can be shown from the annexed data and in Table 1, Ethiopia exports sesame seeds and natural gums; but on the other hand, the country imports oils and oil products, as well as prepared glues and other adhesive glue.

With regard to moving towards manufactured commodities Berhanu and Befakadu (2000:225) stated:

Though Ethiopia recently started exporting manufactured commodities, this sector faces some problems. Manufactured

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<sup>60</sup> Other factors that erode this comparative advantage is that most domestic animals in Ethiopia are still raised by small-scale farmers or pastoralists, who are not modern commercial operations but rather small holder farmers which produced in traditional systems.

export items are limited to few commodities which are vulnerable to the vagaries of the international market. In addition, not only is the quality of the manufactured export items are too poor but also their small share in terms of volume has made manufactured goods exporters simply price takers in the international market and victims of price fluctuations.

All in all, with respect to the Ethiopia's objective of moving into higher value-added exports, "this clearly remains in its very infant stage and the limited progress so far indicates that manufacturing sector exports (leather products processed meat, or clothes) are facing greater domestic obstacles" (<http://www.newsbusinessethiopia.com/index.php>).

However, it is instructive to note the remarkable success of flower exports in recent years in Ethiopia; this is because, although technically an agricultural product, the progress of exporting flowers actually entails a very challenging high-tech, modernized, and highly capital intensive operation (involving green houses, cold rooms for packing, refrigerated trucks, just-in time air freight systems) that is just as demanding as any manufacturing export operation (enhancedif.org/documents/DTIS%20documents/english/EthiopiaDTISFinal-volume2.pdf).

### **5.1.3 The Price Increase of Petroleum Products**

Over the last two decades (1991-2011) "the trend in the international market indicates that the demand for fuel has increased substantially. Crude oil prices have been rising since the beginning of 2002 despite weak world oil demand and ample supplies" (Economic Commission for Africa (ECA), 2003:28). In July 2008, "the price of oil hit a record high of over \$147 a barrel; the increase in the price of oil has its own effect on Ethiopian balance of trade with Saudi Arabia" (Kinfekirubel, 2011:10).

As Dinberu (22 Feb, 2011) stated "for oil importing countries like Ethiopia, the rise in fuel prices had depleted the country's foreign reserves; in many cases widening the current account deficit.<sup>61</sup>Rising import values especially fuel imports have even eroded the benefits derived from higher export revenue." Abbink (2006:321) shared Dinberu's idea as: "a minor change in oil prices will definitely lead Ethiopian export-import economy into unprecedented impact. Ethiopia

again had to pay more for its oil imports; an estimated \$800 million annually. A significant amount of this money goes to Saudi Arabia.”

#### **5.1.4 Bureaucracy and Other Related Administrative Problems in Ethiopia and Saudi Arabia**

These problems are related to Saudi business law, problems of Ethiopian exporters, and other related problems. Saudi business laws still favor Saudi citizens. In other words, the Saudi kingdom still has different sets of trade barriers, mainly regulation and bureaucratic practices, which restrict the trade relation between Ethiopia and Saudi Arabia (<http://www.globaltrade.net/internationaltrade-import-exports>). Some of them are:

The Saudi market for livestock is a central feature of the economy of the Horn of Africa. Yet, “its introductions of live stock ban related to animal health regulations<sup>62</sup> create its own problem in the trade relations between the two countries. And the involvement of large-scale unofficial trade create additional layers of economic unpredictability” (Tesfaye *et al.*, 2008:78). In this connection, Majid (2010:11) stated:

One unusual aspect of this importation ban is its inconsistency related to the health of animals and illegal trade. The Saudis usually do this importation ban without scientific evidence, but they use animals that are imported by alternative routes (illegal trade) to the same-banned, Saudi Arabian market. This raises some questions about the influence of different interest groups and the control of access to such markets driven by factors other than health risks. Particularly, with regard to the important Saudi Arabian market, some have suggested this control is more related to protectionist policies in response to episodes where large numbers of animals have been brought across the sea illegally, depressing market prices.

Halderman (2004:40) in this regard stated additional information as follows:

Ethiopia’s main export markets for live stock have been Saudi Arabia and countries in the Gulf area. Out breaks of Rift Valley Fever (RVF) in 1998 and 2000 in Kenya and Somalia (but not in

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<sup>62</sup> Currently, Ethiopia is exerting maximum efforts to join WTO, a multilateral organization that encourages non-discrimination treatment in international trade and provides level playing field for all members –regardless of economic development .Being a member of WTO may help to avoid this arbitrary import bans.

Ethiopia) led to import bans by several of these countries on live animals and meat from Ethiopia and from other countries in the Horn of Africa. As there has been no officially recognized case of RVF in Ethiopia, the importing countries exercised a version of the ‘precautionary principle’. In addition, the import bans have not been consistently applied to all African countries in the region. Within Ethiopia, the bans most seriously affected pastoralists and traders in Afar and Somali regions.

Another major administrative problem of animal export from Ethiopian side is that “Ethiopian exporters have little knowledge about the market structure, rules and regulations as well as consumer tastes and preferences in importing countries like Saudi Arabia”<sup>63</sup> (Dinberu, 22 Feb, 2011).

For instance, “the recent outbreak of foot-and-mouth disease in Europe hampered Europe’s exports of processed meat to the Middle East countries. So, this increasingly stringent health and quality control regulations by Saudi and other Gulf states restricted the meat import to the Saudi market. But, adequate understandings of these changing market conditions are not available among the export market stakeholders in Ethiopia” (Ayele, 2003:15). Alternative suppliers who were better prepared and able to meet the market demand and conditions entered the market gradually replacing Ethiopia as a supplier.

Additionally, “health and sanitary conditions in Ethiopia are poorly developed; and feedlot and animal transport facilities operate at the lowest possible standards. It would therefore, be imprudent to expect the export market to be competitive under such conditions” (Tesfaye *et al.*, 2008:82).

Due to these facts, animal products sent from Ethiopia fetch lower prices on Saudi market than those sent from Sudan, Somalia, and other countries. The Saudi Arabian market pays “\$2,300, \$2,500, \$2,700 and \$2,800 per tons of muttons from Ethiopia, Somalia, Pakistan and Sudan, respectively” (Tesfaye *et al.*, 2008:105).

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<sup>63</sup> Ayele (2003:17) and Alemayehu (1999:282) stated supply conditions in Ethiopia remained virtually unchanged to meet the rapidly changing market conditions in the importing countries. This means Ethiopia’s external trade has a major structural problem on the supply side. It is extremely dependent on few primary commodities.

### 5.1.5 Costs Related to Transportation

Foreign trade between Ethiopia and Saudi Arabia crosses Djibouti border, pass through the Red Sea, and different other barriers. Chu (1995:3) pointed out “the sale of agricultural products and the import of finished products will depend on an efficient set of integrated transport systems.”

In line with this, ADB (2004:172) commented:

Sub-Saharan states including Ethiopia have the highest transport costs of any region. Such costs are a barrier to trade: they are equivalent to a tax on exports, making these countries less competitive, and they increase the prices of imports (there by conferring some natural protection on domestic products).

Ciuriak (2011:10) added “Ethiopia is a land locked country (and suffers additional costs of slow customs procedures at Djibouti port) and this coupled with poor infrastructure and long distance from the sea is clearly damaging its trade relation with Saudi Arabia; these situations bring additional costs and such costs are a particular burden on Ethiopia.”<sup>64</sup>

As Table 1 shows, Ethiopia’s relative endowments of land and natural resources resulted in the export of primary commodities. On the one hand, “this subjects exports to the vagaries of a volatile world market. On the other hand, it means that exports are likely to be relatively bulky with high volume-to-price ratios; hence relatively high unit transport costs”<sup>65</sup> (ADB, 2004:172; UNCTAD, 2006:213).

Taking imports from Saudi Arabia “high transport costs for imports inflate the prices of imported goods, including capital goods, intermediate inputs and fuel, and this increases the cost of production. This has particularly negative consequences for the competitiveness of manufactured exports which use imported inputs” (UNCTAD, 2006:213). Ciuriak (2011:10) concluded the problems related to transportation:

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<sup>64</sup> Transport costs are one of the more obvious non-policy barriers to trade. It is a particular problem in Ethiopia. Currently, it is estimated about 70% of Ethiopian’s rural areas are not served with modern transportation systems (Tsfay *et al.*, 2008).

<sup>65</sup> All in all, the primary commodities that Ethiopia produce have to be transported long distances over land to reach ports; road and rail systems tend to be inefficient throughout Ethiopia and sea shipping costs are relatively high (Fikru ,11 Feb, 2011).

The problems in Ethiopia's bilateral trade with Saudi Arabia lie in the poor state of transit systems /in particular of trade corridor infrastructure development and maintenance/ as well as vulnerability of transportation services to rent-seeking activities (e.g., transit procedures that exploit monopoly advantages to extract payment of additional fees or to make movement of goods subject to excessive control in the transit country).

## **5.2 Agricultural Investment and its Challenges**

Agriculture in Ethiopia is central to the provision of food, the eradication of poverty, and hunger.

Henze emphasized its role in the national economy as:

In the economy of Ethiopia, agriculture is the chief origin (source) of resources for raising the living standard of the population and for boosting accumulations. The solution of the nutrition problem, the export potentialities, and the employment of millions population are also determined by this sector of the economy. All this illustrates the exceptional role of agriculture and its predominance over the other sectors (Henze, 1989:16).

MEDaC (1999:145) argued, "though Ethiopia is endowed with abundant natural resources for agriculture and possesses one of the largest and most diverse genetic resources in the world, the country is cited as having the most backward agricultural performance." Berhanu concluded "one of the consequences of the poor performance of Ethiopian agriculture is widespread food insecurity<sup>66</sup>. An estimated 50 to 60 per cent of the country's population are food insecure" (1994:176).

As the World Bank Development Report (2008:94) shows "this food insecurity problem in Ethiopia could be solved only through investment in agriculture and expansion of modern farming methods which could exploit the maximum yield on existing cultivated land." This is

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<sup>66</sup> As Simon Maxwell (2001:36) rightly stated, "agriculture is at the heart of food security. Agriculture as: food, livelihood, a market, raw materials, foreign exchange, and surplus." Food security is defined as the availability, accessibility, and utilization of food which ensures adequate nutrition. Food security is fundamentally about achieving reliable access to adequate, affordable, and nutritious food supplies sufficient to avoid chronic hunger, crisis, hunger, and stunted development. Food security exists when all people, at all times have affordable access to sufficient, safe, and nutritious food to meet their dietary needs.

the reason why the Ethiopian government is ready to lease land to both local and foreign investors, specifically to Saudi Arabia.<sup>67</sup>

Tefera cited in the Daily Monitor (2011:1) stated:

The government has stated that it wants to provide three million hectares of farm land in the country to local and foreign investors and around one million hectares have apparently already been signed. Much of the land that these investors have acquired is in the west and south-west part of the country. These areas are sparsely populated by smaller minority ethnic groups.

Nevertheless, the impact of foreign inflows in agricultural investment has been and is still debatable issue. While agricultural investment plays a crucial role in the economic development, it involves risks and challenges to the host country-Ethiopia.

Graham *et al.*, (2010: 7) elaborate these challenges and risks as:

Since foreign land acquisition is profit oriented and largely for exports, agricultural investment will foster the introduction and deepening of an industrial agricultural mode of production in the host countries. The corporations involved in agricultural investment are also accused of introducing inappropriate types of technology that hinder indigenous technological developments and of employing capital-intensive productive techniques that thereby cause unemployment and prevent the emergence of domestic technologies. In addition, this mode of production is ecologically destructive and not sustainable.

They continued to explain this idea in other words:

MNCs retain control of the most advanced technology and do not transfer it to the least developed countries at reasonable prices. They displace local producers who often have the knowledge of producing sustainable, and would be in a position to do with even higher yields if they were provided with an enabling agricultural policy environment and with proper learning and communication network (Graham *et al.*, 2010: 7).

Saudi Arabian agricultural investment in Ethiopia is one manifestation for this reality. Many people who work in this company claimed that this investment has a number of impacts. An engineer, who requested anonymity concluded “expected benefits are often in the form of jobs

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<sup>67</sup> Investment in agriculture is important to minimize the problem of food insecurity: rising productivity increases rural incomes and lowers food prices by making food more accessible to the poor. It also helps to improve irrigation and to produce drought-tolerant crops (World Bank Report, 2000:4).

and infrastructure development, but the Saudis appear to say little about the social and environmental standards needed to protect local people and the environment or about the mechanism to protect local food security.”<sup>68</sup>

In line with this, the following two immediate and interconnected<sup>69</sup> risks and challenges of Saudi’s agricultural investment in Ethiopia could be inferred, which are:

### **5.2.1 Displacement of Local People**

With 85 % of the Ethiopian population living in rural areas and being dependent on farming for their livelihood,<sup>70</sup> losing access to arable land, their most crucial asset, will seriously undermine thousands of household’s ability to earn a living produce and purchase sufficient food. Being stripped of the land will spell the end to many smallholder farming communities throughout the country, plunging many Ethiopian families deepen into rural poverty as landless laborers, creating new vulnerabilities and putting their food security at even greater risk<sup>71</sup> (Montemayor, 2009:100). Montemayor further stressed that:

This is true even when public lands such as forests are leased to agribusiness ventures, since these areas are invariably populated by settlers and indigenous tribes who have lived for many years in the area. Even when leased public land is largely unoccupied, farmers and land owners on adjacent private plots are invariably targeted and lured into leasing their land as the agribusiness firms expand their operations and looked for areas that are already cleaned and arable (2009:101).

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<sup>68</sup> An engineer (BSC degree) who works in Saudi Star Agricultural Company, 03 Feb, 2011, from 12 AM-12:20 AM at Abobo town.

<sup>69</sup> Though it is beyond the scope of this study, long-term land lease has other impacts: investors bring chemical inputs to achieve their projected yield increases. The input to those intensive farming, as especially the use of fossil fuel based fertilizers and pesticides will lead to environmental destruction in many rural areas and losses in agro-biodiversity.

<sup>70</sup> The EPRDF’s constitution (1995:98) of Article 40 asserts that: “the right to ownership of rural and urban land is exclusively vested in the state and in the peoples of Ethiopia. Land is common a property of the nations, nationalities and peoples of Ethiopia and shall not be subject to sale or other means of exchange. The Ethiopian peasants have rights to obtain land without payment and the protection against eviction from their possession. The Ethiopian pastoralists have the right to free land for grazing and cultivation as well as the right not to be displaced from their own lands.”

<sup>71</sup> Land is more than an input for growing crops, it is also an asset. As the amount of land owned by poor farmers increase, so does their economic security, social prestige and political power. Farmers who own land have greater incentive to invest in sustainable agricultural practices like terracing, using organic fertilizers, rotating crops or intercropping, and planting trees (for more information refer Market Led Agrarian Reform: Critical Perspectives on Neo liberal Land Policies and the Rural Poor written by Gavster, Susana and Isakson, Ryan S.ed. Saturnino M. Borrás Jr, Cristobal Kay and Edward Lahiff written in 2008).

Leonard *et al.*, (2009:62) share the above view by stating that:

Concepts such as available, idle, or waste land used to justify land allocations to investors, therefore, need critical analysis. In Ethiopia, for example, all land allocations, recorded at the national investment promotion agency are classified as involving “waste lands” without pre-existing users.<sup>72</sup> But this formal classification is open to question, in a country with a population of about 80 million, the vast majority of whom live in rural areas.

In line with this, Metho (2010:5) wrote “much of the land is being seized from some of the most marginalized and oppressed people living in the low land regions of the country.”<sup>73</sup> John<sup>74</sup> also stated “in Gambella, the fertile south western region of Ethiopia, most land is forcibly taken from the indigenous subsistence farmers, not for the development of needed infrastructure, but for lease to private foreign companies-mostly for India and Saudi Arabia-like Karuturi and Saudi Star Agricultural Development Company, where neither the profits nor the majority of the product will be shared with communities” (01 Feb, 2011).

The argument provided by Metho and John is also echoed by Dejene in different way who concluded “to give fertile lands to the Saudi and other foreign investors, the government of Ethiopia is planning a resettlement program in the low land communities such as Gambella, Afar, and Somali regional states. For instance, the resettlement program in Gambella regional state embraces 26,000 households in this budget year”<sup>75</sup> (2010:1-2).

## **5.2.2 Exacerbates Food Insecurity**

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<sup>72</sup> Researches indicate that about 60 per cent of the Ethiopian land area is semi- arid low land dominated by the livestock economy which enabled the country to be the largest livestock population owner (The Ethiopian Herald, 2011).

<sup>73</sup> Many governments including Saudi Arabia justify their investment in sub-Saharan Africa because the land for sale or lease is “idle” or “underutilized.”<sup>73</sup> Since the land is presumably “underutilized,” they claim access to land for locals will not be jeopardized and the country will in fact benefit from FDI by the production of what was previously “unproductive” land. However, in many cases, land that is described as “idle” is actually farmed and inhabited by locals who lack titled ownership of the land <sup>73</sup>(Kugelman and Levenstein, 2009:19).

<sup>74</sup> John Pdoll, 2nd Year University Student at Alemaya University Specializing in Agricultural and Rural Development, interviewed at Abobo town, 31 Jan 2011, 4:45P.M-5:30P.M.

<sup>75</sup> Officials in the Government of Ethiopia claims that the resettlement program being undertaken in some pastoral areas ensures residents benefits from ongoing socio-economic developments in the country. This resettlement programs in villages guarantee the pastoral community to get maximum benefits from social services, infrastructure development and market link .Besides, it enables them to protect and defend their rights through their organizations.

Regarding agricultural investment, the government of Ethiopia views foreign investors' involvement as the key to the country's move from subsistence to commercial farming. On the other hand, Merga argued "international and local critics cite concerns over exporting food from a country that relies so heavily on imported food aid-and the perceived low wages that foreign investors pay for their employees" (2011:29).

World Bank Report (2008:95) commented:

Most developing countries where large tracts of agricultural land are being sold or leased are found in Africa. They are for the most part the poorest LDCs with the lowest income that are still struggling to overcome serious food deficits and rural poverty. Almost all these agriculture-based countries are net importers of food staples, because, agricultural production levels in these countries are very low. Ethiopia is not an exception. It imports 8 % of its total food consumption and spends 16 % of its foreign exchange earnings on food imports. Under these circumstances, as one of the LDCs, Ethiopia is busy to attract FDI in agriculture abroad, especially from Saudi Arabia.

This indicates that increased agricultural products do not mean that local communities will have better access to food- even if more food is produced.

In fact, as Graham, *et al.*, pointed out:

The expansion of cash crop monoculture has a severe impact on local availability of food as it diverts food producing resources and labor to cash crop production affecting particularly women. As a result, communities are forced to depend on the market and on commercialization net works from outside of the region for their basic provisions, putting them at the mercy of volatile food prices (2010:8).

Especially, based on concrete evidences from field research and information obtained from informants, Saudi's huge agricultural investment in Ethiopia exacerbated local food insecurity in many ways. Some of them are discussed as follows:

First, the Saudis are investing in Ethiopia to satisfy their domestic market. As Kejjella<sup>76</sup> stated, "the Saudis are investing here to export what they produce to their own country"<sup>77</sup> (01 Feb,

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<sup>76</sup> Kejjella, Eba, Investment and Communication Expert of Gambella Regional State, BA Degree in Management, 01 February 2011, from 8 A.M-8:15 A.M in his Office at Gambella Town.

2010). Also one informant who wanted to be remained anonymous argued “the Saudis are here to invest in agriculture and have the intension to export what they produce back to their country. Assume the Saudis sell their rice to the local people; the question is who is able to buy this expensive and high quality rice?<sup>78</sup> Clearly, no one could buy their product.”

The informant’s idea is supported by Bunting who wrote “in 2009 Saudi Arabia received its first shipment of rice produced on land it had acquired in Ethiopia while at the same time the world food programme was feeding food insecure people in this country” (2011:11).

In this respect The Daily Monitor added:

Between 2006 and 2009, Saudi investors reportedly paid the Ethiopian government \$100 million per year to lease land for wheat, barley and rice to export back home, tax free. Mean while, the world food program spent over US\$ 300 million, in 2009 alone, delivering 460,000 metric tons of food relief to 5.7 million Ethiopians in need of assistance (2010:1-2).

Second, this investment by the Saudis leads to food insecurity as their payment to the daily laborers does not compensate for the loss of land by the Saudi investors. Governments and private investors argue that land commercialization can create a new employment opportunities in rural areas. They believe increased access to the job market can compensate for the loss of land in terms of securing people’s livelihood. Many observers however pointed out that “a large share of those jobs are of poor quality and on temporary conditions, which pay low wages and target mainly less skilled seasonal agricultural workers” (Graham *et al.*, 2010:28).

Moreover, due to increasing mechanization in agricultural production “there is a risk that the number of agricultural jobs would decrease over time which finally leads to loss of job and consequently food insecurity” (Ujulu *et,al.*, 02 Feb, 2011). To support Graham’s idea, many of the workers in this agricultural company bitterly complained:

The amount of daily wage paid for us does not compensate losing our land in the name of investment. We get 25 Birr per day which is too small to cover our daily expense. We produce

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<sup>77</sup> The Saudi Star Agricultural Development Plc owner, Sheikh Mohammed Hussein Al-Amoudi believed that most of the product of the rice farm is for export. He further dismissed rumour likening the ongoing development with land grabbing which impede the development the country (Ethiopian News Agency, 10 Feb, 2011).

<sup>78</sup> One of the characteristics of high quality rice is that it needs constant supply of water. The rice farm of the Saudis uses water from Alwero Dam constantly.

grain but the payment we get is not enough. We are forced to seek employment regardless of the level of remuneration and under the most inhuman conditions merely to ensure our sheer physical survival.<sup>79</sup> In addition, most of the indigenous people are not willing to work as the daily laborer since the payment is not enough. Workers who came from Wollaita and other parts of Ethiopia are only working in the farm area (Ujulu *et al.*, 03 Feb, 2011).

Thirdly, the majority of land leased by Saudi investors is located in areas with the potential for irrigation. In Gambella, the fertile land is suitable for rice and sugar production, two extremely water-intensive crops. By purchasing the land for a long-term lease, “the Saudi investors have also acquired the rights to extract and use the water. Since Saudi Arabia has no enough water resources; many experts assume that the Saudis investment in Ethiopia is not only lands grab<sup>80</sup> but also water grabs. In essence, what are often described now as land grabs are really water grabs” (Mann and Smaller, 2009:4-5). UNCTAD added “large scale agricultural investment can deplete water resources (thus increasing water scarcity), which damages the prospects of future food production for a growing population” (2009:100).

As this researcher observed around Alwero Dam in Gambella, the Saudi Star Agricultural Company intensively uses the water from this dam. The newly leased land will also need an unprecedented amount of water, ultimately leading to more fierce competition over these already scarce resources. In addition, for 200,000 hectares (300,000 hectares in the near future) of land, the Saudis have a plan to construct another dam which is two times as wide as that of Alwero Dam. This water dam construction has its own implication. Some of these implications include: displacing local people in the areas of dam construction, deforestation, and water competition with local users.<sup>81</sup>

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<sup>79</sup> According to the dependency theory, “MNCs come to the poor countries like Ethiopia to get maximum profit. Poor countries have low wages, labor unions are weak and these countries are the sources of cheap raw materials and a larger market for the manufactured commodities. This gives a high comparative advantage to the foreign investors.” For further information refer “The Globalization and Development: Perspectives on Development and Global Change” (2008), edited by J. Timmons Roberts and Amy Bellone Hite.

<sup>80</sup> The most common definition of the global land grab refers to large scale land acquisition (usually more than 10,000 hectare)- be it purchase or-lease for agricultural production by foreign investors. In other words, Land grabbing means taking possession of land or controlling a scale of land which is disproportionate in size in comparison to the average landholding in the region (Graham, *et al.*, 2010:17).

<sup>81</sup> Even this water competition may create riparian controversies among the Nile basin countries, since Alwero River is one of tributaries of the White Nile River.

Fourthly, another characteristic of this agricultural investment is its close association with the environment. UNCTAD (2009:100) argued “agricultural farming is a major contributor to environmental degradation through deforestation.” John added “the Saudi agricultural investment caused huge deforestation in Gambella National Park” (John, 01 Feb, 2011).

Yimer<sup>82</sup> (03 Feb, 2010) explained and concluded the impact of deforestation on food security:

This deforestation has its own impact on the food security of the local people in different ways. First, these people have developed a tradition of hunting different wild animals to satisfy their food security; but following deforestation these animals are disappearing to Kenya; second, the natural forest is a convenient home for bees which make honey that serves for the preparation of traditional food and drink, with the destruction of forests bees are disappearing so local people are affected; third, these indigenous people sometimes use this forest as grazing land for their cattle, but with the clearing of the forest, these pastoralist are in a serious problem; fourth, in times of drought and food shortage, consumption of wild plants seems more common and widespread.<sup>83</sup>To make way for the farm land, these trees are cut down, thereby, affecting the food security of local people.

In broad terms, the renewed interest by Saudi investors to purchase or lease agricultural land in Ethiopia has its own undesired consequences. On a national scale, the land grabs strike a further blow at the already fragile Ethiopian food security situation as Saudi investors believed that their agricultural activity is aimed to grow cereals, destined for direct consumption in Saudi Arabia. Especially, for many Ethiopian farmers, these land grabs are devastating; because these investments affect immediately their food security directly or indirectly.

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<sup>82</sup> Yimer Eshetu, elementary education, farmer, around Abobo town at his home 02 Feb, interview date and time, Feb 2011, 7:00 P.M- 7:55 P.M.

<sup>83</sup> In semi-arid areas like Gambella, deforestation contributes to loss of organic matter in the soil, increase wind and water erosion, and speeds the rate of desertification. As forests are burned to clear land; CO<sub>2</sub> and CO are emitted into the atmosphere, contributing to climate change. Deforestation also threatened the region’s biological diversity (UNCTAD, 2009:100).

## Conclusions

States usually depend on other states to fulfill what they have not; as natural resources are not distributed equally in the international system. This economic interdependence between politically separated people predates written history. Ethiopia, like other states, has had economic contacts with outside world dating back to the period before the Birth of Christ. Due to Ethiopia's strategic and geographical location near the Red Sea coupled with religious contacts, the country has had commercial relations with many foreign countries especially Middle Eastern states.

Among these countries, Ethiopia has had a long-standing bilateral trade relation with the Arabian Peninsula (named Saudi Arabia after 1932). In these historical commercial relationships, Ethiopia was known for its luxury products such as gold, ivory, animal skins, incense, and more importantly slaves. In turn, Ethiopia imported cloth, beads, metals, and metal products from Arabian Peninsula. Though there has been a strong tie between Ethiopia and Arabian Peninsula and then after 1932 with Saudi Arabia, official commercial and diplomatic relations between the two countries started in 1948.

From 1948 to 1974, the relations between Ethiopia and Saudi Arabia were cool for a number of political reasons; Haile Sellassie's regime was Christian and the Islamic religion in Ethiopia was not treated equally; plus Ethiopia had close ties with Israel which were a source of concern for Saudi Arabia. In the same way, between 1974 and 1991, the military government was inclined to form close relationships with socialist countries, and the Saudis material support to both Eritrean liberation movements and Somalia hampered the development of positive relations with Saudi Arabia.

The year 1991 was pivotal in the relation between Ethiopia and Saudi Arabia; because a number of factors facilitated the development of positive relations with Saudi Arabia. The major one is the economic policy of EPRDF regime which was based on opening of a free market economy. Due to this economic policy, Ethiopia and Saudi Arabian economic relations were enhanced. Especially, starting from 1996 Saudi Arabia became one of strategic trade and investment partners of Ethiopia.

With regard to trade relations, the values of Ethiopian exports have shown a consistent and a remarkable growth in recent years. It was also noted that the imports of the country have shown even more pronounced increase during the same period. Due to these facts, trade balance of the country has been showing a growing deficit. To be more precise, during 1991-2010 Ethiopia had incurred largest trade deficit with Saudi Arabia, followed in descending order by China, USA, UAE, Italy, and UK.

The major reason for this trade imbalance is that Ethiopia continued to export agricultural products which fetch lower price as compared to capital goods (machineries and other factory raw materials) and petroleum that Ethiopia imports from Saudi Arabia. This means the structure of the export sector of Ethiopia is characterized by high commodity concentration as is the case with least developed countries. Put differently, the sector is dominated by few primary products that account for a lion's share of the country's export earnings. In addition, informal trade in the eastern part of Ethiopia, costs related to transportation, increase in oil price, and some administrative problems related to trade barriers have contributed for this trade imbalance.

To reduce this trade imbalance, Ethiopia has tried different strategies, including a strategy of import replacement, a heavily state managed trading system, and more recently a market-oriented liberalized approach which may help promoting investment from Saudi Arabia. Since Ethiopia is endowed with a great deal of resources and the country provided a favorable investment environment, the country became potentially an ideal destination for investment and by implication for export.

For this reason, Saudi businessmen constitute the largest group of foreign investors in Ethiopia. These investors are engaged in every spheres of economic activity; particularly, in agricultural sector. Several factors seem to underpin Saudi Arabia to invest in agriculture. The most important one is food security concerns. Food supply problems and uncertainties are created by the constraints in agricultural production due to limited availability of water and arable land in Saudi Arabia.

Saudi Arabia's agricultural investment created opportunities, challenges, and risks to the host country-Ethiopia. Agriculture investment brought GDP growth, increased government revenues,

and created opportunities for raising local living standards. This agricultural investment also created permanent and temporary job opportunity for about 20,000 Ethiopians.

On the other hand, large scale land acquisition by Saudi investors in Gambella regional state caused people to lose access to resources on which they depend for their food security and livelihoods. The long-term nature of lease up to 50 years mean that local communities will be separated from their land for generations. This is because the Saudis are granted long-term land lease at very low annual lease prices; in return, requiring little from their agricultural investment in different forms of benefits to local people and safeguards to protect the environment. Apart from this, Saudi investors have priority rights over water, which can have adverse impact on other water users in time of shortage.

In addition to the above impacts, the Saudi's agricultural investment is aimed to export a substantial part of the product to their own country; on the contrary, 40-50 % Ethiopians are food insecure 5 million of whom are living under chronic hunger. So, it is possible to conclude agricultural investment by Saudi investors is heavily biased in favor of Saudi Arabia.

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## Interview

Dereje, Abebe, communication expert (Ministry of Agriculture), B.A degree in agricultural extension, interview date and time, 22 December, 2010 at 4:20 P.M-4:45 P.M, Addis Ababa.

Dinberu, Alemu, director directorate of the Middle East (Ministry of Foreign Affair), M.A in public administration, interview date and time 22 Feb, 2011, 2:00 P.M-2:25 P.M, Addis Ababa.

Fikru, Tadesse, bilateral trade relation and negotiation division head (Ministry of Trade), M.A degree in foreign trade and economics, interview date and time, 11 Feb 2011, from 9:15 A.M-9:34 A.M, in his office, Addis Ababa.

John, Pdoll, second, year university student at Alemaya University, specializing in agriculture and rural development, interview date and place 31 Jan 2011, 4:45 P.M-5:30P.M, at Gambella town.

Kejjella, Eba, investment and communication expert of Gambella regional state, BA degree in management, interview date and time, 01, February 2011, from 8 A.M-8:15 A.M in his office at Gambella town.

Tewedros, Tamiru, director, legal directorate of the Ethiopian Investment Agency, A degree in law, interview date and time, 01 April, 2011, Addis Ababa.

Yimer, Eshetu, elementary education, farmer 02 Feb, 2011 interview date and time, Feb 2011, 7:00 P.M-7:55 P.M. around Abobo town.

## Focus Group Discussion

Ujulu, Umud *et al.*, five indigenous daily laborers of the Saudi Star Agricultural Company (including, Ujulu ) and two local people, discussion date and time date and place, 02 Feb, 2011, from 8:37A.M-9:00 A.M at Abobo town.

## F. Thesis

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## G. News Released

Ethiopian News Agency, "There is No Land Grab in Ethiopia", 10 Feb, 2011.

## **Annex**

### **I Research Questions**

#### **A. Research Questions to Ato Dereje Abebe**

1. Why does Ethiopia need to lease these huge agricultural lands to the foreign investors especially to the Saudi investors?
2. What is the role of this agricultural investment for the food security in Ethiopia?
3. What are different investment incentives that Ethiopia gives to these investors so that they could contribute for the socio- economic development of Ethiopia?
4. Some experts and politicians claim that this agricultural investment brought unintended consequences in Ethiopia in general and to the local people in particular. What are the expected challenges in the agricultural investment of these investors?
5. There are claims that this agricultural investment is responsible for the deforestation in Gambella National Park and those wild animals are running away from this park. How much the claim is true? if it is true, what are measures to be taken to reduce the impact of these investments on the forest?
6. How much is the value of the land per hectare? In relation to this, do these investors pay additional money for the water they use intensively?
7. Your ministry has allowed the Saudi Star Agricultural company to use the Alwero Dam and the river itself. As Alwero River is one of tributaries to the Nile River, don't you think that it may create riparian controversy?

#### **B. Research Questions to Ato Fikru Tadesse**

1. The data issued by your office shows that the trade relation between Ethiopia and Saudi Arabia is in favor of the latter. What are different reasons for this trade imbalance? In relation to this, what are different measures that your ministry takes to improve this trade imbalance?
2. Usually, the Saudis involve in contraband trade by importing Ethiopian live animal which are illegally cross the Red Sea to the Saudi market. What different measures that Ethiopian government takes to minimize this illegal animal trade that has huge impact on Ethiopian economy?

3. What are different commodities that Ethiopia exports to the Saudi market and it imports from this country?
4. What are different factors that help for the improvement of trade exchange between the two countries?
5. Currently, Ethiopia is making greater effort to be members of WTO. Do you think that this membership helps Ethiopia to narrow down the trade imbalance that Ethiopia has with Saudi Arabia?

#### C. Research Questions to Ato Kejjella Eba

1. What is the role of the Saudis investment in the socio-economic development in the Gambella region?
2. What are different activities that your office takes so that Saudis agricultural investment reduces its impact on the forest of the region?
3. In relation with this, there is a claim that the company does not pay enough wages to its workers. What measures that your office takes to ameliorate this unfair payment by Saudi agricultural investment?
4. What is the value of land per hectare for the Saudis and other investors (both local and foreigner)?
5. What are different incentives that your office gives to the Saudi investors?

#### D. Research Questions to the Local People in Gambella and the Saudi Star Agricultural Company

1. What is your opinion with regard to the Saudi agricultural investment in Gambella regional state?
2. What are different potential advantages and disadvantages that this agricultural investment brings to the socio-economic development to this region?
3. What are the traditional way of getting foods of the local people and how these huge agricultural investments affect these traditional methods of getting foods?
4. As the employees of Saudi Star Agricultural Company, how much money do you earn per day?

5. What is the extent of impact of this agricultural investment on the environment, in the case of deforestation and its impact on the wild life?
6. Do think that this investment would solve the food insecurity problem of the local people or would it exacerbate this problem?

#### E. Research Questions to Ambassador Dinberu Alemu

1. Could you tell me the Ethio-Saudi historical relations in brief?
2. How do you evaluate the relation of the two countries in the three regimes of Ethiopia, i.e., in Haile Sellassie, Dergue, and in the incumbent regime?
3. What are different reasons for the improved economic activity of the Saudi Arabia in Ethiopia after 1991?
4. Compare and contrast the Ethiopian international relations with Saudi Arabia taking into consideration the Dergue's time and the current EPRDF regime?
5. Though your ministry is making a greater effort to improve the trade balance which is in favor of Saudi Arabia, still much remains to do. What different activities is the ministry of foreign affair taking to improve this trade imbalance?
6. What sort of measures does your ministry take (will take) to increase Ethiopian export products so that country will exploit huge Saudi market?
7. The Saudis are at this time the largest investors in Ethiopia registering more than 50 billion Birr. But their activities in some sectors are debatable among scholars. For instance, take the issue of agricultural investment. In view of this, what is your opinion?

#### F. Research Questions to Ato Tewedros Tamiru

1. Can you tell me the procedure how this investment licensing activities goes on?
2. Is there any written contract between the investor country (Saudi Arabia) and the host country (in our case Ethiopia)?
3. The land lease investment in Ethiopia by Saudi Arabia is a debatable investment activity as it brings food insecurity in this country. What is your opinion?
4. What are the expected benefits that these agricultural investments bring to Ethiopia?

Year	Month	HS_Description	FOB_Value(ETB)
2010	01	Fresh or chilled lamb carcasses and half carcasses	74,074.60
2010	01	Fresh or chilled lamb carcasses and half carcasses	135,689.69
2010	01	Fresh or chilled lamb carcasses and half carcasses	4,034,929.02
2010	01	Fresh or chilled lamb carcasses and half carcasses	513,021.91
2010	01	Fresh, chilled or frozen goat meat	531,594.91
2010	01	Fresh, chilled or frozen goat meat	273,333.77
2010	01	Fresh, chilled or frozen goat meat	1,205,601.46
2010	01	Fresh, chilled or frozen goat meat	810,344.68
2010	01	Fresh, chilled or frozen goat meat	138,659.42
2010	01	Fresh, chilled or frozen goat meat	131,290.69
2010	01	Fresh or chilled edible offal of sheep, goats, horses...	2,249.52
2010	01	Fresh, chilled or frozen meat and edible offal, nes	406,130.19
2010	01	Fresh, chilled or frozen meat and edible offal, nes	984,674.96
2010	01	Fresh, chilled or frozen meat and edible offal, nes	516,176.83
2010	01	Fresh, chilled or frozen meat and edible offal, nes	66,656.78
2010	01	Fresh, chilled or frozen meat and edible offal, nes	2,212,736.66
2010	01	Fresh, chilled or frozen meat and edible offal, nes	443,289.37
2010	01	Fresh, chilled or frozen meat and edible offal, nes	848,972.52
2010	01	Fresh, chilled or frozen meat and edible offal, nes	932,356.09
2010	01	Fresh, chilled or frozen meat and edible offal, nes	233,030.19
2010	01	Fresh, chilled or frozen meat and edible offal, nes	130,329.15
2010	01	Fresh, chilled or frozen meat and edible offal, nes	180,730.44
2010	01	Natural honey	2,559.74
2010	01	Natural honey	63,689.71
2010	01	--Roses	589,874.65
2010	01	--Roses	784,584.17
2010	01	--Roses	42,099.27
2010	01	--Roses	17,107.85
2010	01	--Roses	18,937.61
2010	01	--Roses	10,607.36
2010	01	--Roses	39,654.16

2010	01	---Other vegetables	3,809.24
2010	01	---Other vegetables	25,699.56
2010	01	---Other vegetables	5,385.18
2010	01	---Other vegetables	32,886.96
2010	01	---Other vegetables	49,271.92
2010	01	---Other vegetables	12,655.19
2010	01	---Other vegetables	36,252.15
2010	01	---Other vegetables	2,110.20
2010	01	---Other vegetables	33,038.82
2010	01	---Other vegetables	2,910.80
2010	01	---Other vegetables	3,293.16
2010	01	---Other vegetables	45,759.65
2010	01	Strawberries, fresh	15,986.37
2010	01	Strawberries, fresh	797.08
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	2,741,727.25
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	2,410,233.78
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	1,690,979.22
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	1,981,238.76
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	6,038,415.03
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	1,562,338.08
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	977,195.70
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	1,839,427.20
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	804,749.40
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	1,703,508.12
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	1,725,489.00
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	677,779.02
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	3,385,032.66
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	3,329,043.44
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	10,625,880.55
2010	01	COFFEE, NOT ROASTED OR DECAFFEINATED	1,405,553.23
2010	01	Pepper, crushed or ground	1,919.80
2010	01	Ginger	765,714.90

2010	01	Ginger	291,023.76
2010	01	Ginger	1,092,519.22
2010	01	Ginger	81,180.31
2010	01	Turmeric (curcuma)	353,568.34
2010	01	Other cereal flour, nes	1,209.47
2010	01	Sesamum seeds	607,881.90
2010	01	Sesamum seeds	2,185,619.40
2010	01	Sesamum seeds	3,693,492.08
2010	01	Sesamum seeds	1,457,079.60
2010	01	Artificial honey, caramel and other sugars (incl. invert sugar), nes	99,967.93
2010	01	MINERAL WATERS AND AERATED WATERS, UNSWEETENED	99,369.29
2010	01	Granules, chippings and powder of stones (excl. marble)	7,689.44
2010	01	FOOTWEAR WITH LEATHER SOLES AND UPPERS, NOT COVERING THE ANKLE	6,437.48
2010	01	---Other ceramic tableware and kithchenware(excluding hand made)	353.24
2010	01	---Other table ,kitchen or other household articles	999.45
2010	01	---Other worked vegetables or mineral carving (excluding hand made)	86,326.42
2010	02	Fresh or chilled lamb carcasses and half carcasses	1,999,035.45
2010	02	Fresh or chilled lamb carcasses and half carcasses	329,713.65
2010	02	Fresh or chilled lamb carcasses and half carcasses	1,822,666.23
2010	02	Fresh or chilled lamb carcasses and half carcasses	1,397,106.31
2010	02	Fresh, chilled or frozen goat meat	315,838.67
2010	02	Fresh, chilled or frozen goat meat	89,590.90
2010	02	Fresh, chilled or frozen goat meat	489,120.43
2010	02	Fresh, chilled or frozen goat meat	117,754.87
2010	02	Fresh, chilled or frozen goat meat	1,873,411.54
2010	02	Fresh, chilled or frozen goat meat	88,963.38
2010	02	Fresh, chilled or frozen goat meat	151,305.14
2010	02	Fresh, chilled or frozen meat and edible offal, nes	97,635.61
2010	02	Fresh, chilled or frozen meat and edible offal, nes	466,295.03
2010	02	Fresh, chilled or frozen meat and edible offal, nes	273,578.61
2010	02	Fresh, chilled or frozen meat and edible offal, nes	208,109.87
2010	02	Fresh, chilled or frozen meat and edible offal, nes	1,140,035.79

2010	02	Fresh, chilled or frozen meat and edible offal, nes	526,507.66
2010	02	Fresh, chilled or frozen meat and edible offal, nes	1,062,291.53
2010	02	Fresh, chilled or frozen meat and edible offal, nes	829,492.41
2010	02	Fresh, chilled or frozen meat and edible offal, nes	541,331.84
2010	02	Fresh, chilled or frozen meat and edible offal, nes	1,483,783.32
2010	02	Fresh, chilled or frozen meat and edible offal, nes	1,271,806.75
2010	02	Fresh, chilled or frozen meat and edible offal, nes	128,652.53
2010	02	Natural honey	53,874.40
2010	02	UNROOTED CUTTINGS AND SLIPS	8,600.55
2010	02	--Roses	9,020.18
2010	02	--Roses	853,289.67
2010	02	--Roses	1,047,949.25
2010	02	--Roses	14,959.12
2010	02	--Roses	62,870.59
2010	02	--Roses	24,485.08
2010	02	--Roses	38,213.40
2010	02	--Roses	31,878.60
2010	02	--Roses	14,119.24
2010	02	---Other vegetables	41,972.18
2010	02	---Other vegetables	3,616.99
2010	02	---Other vegetables	7,370.77
2010	02	---Other vegetables	39,991.61
2010	02	---Other vegetables	263,037.12
2010	02	---Other vegetables	4,443.93
2010	02	Dried chickpeas, shelled	1,080,894.10
2010	02	Dried kidney beans, incl. white pea beans, shelled	260,550.43
2010	02	Dried kidney beans, incl. white pea beans, shelled	807,217.40
2010	02	Dried kidney beans, incl. white pea beans, shelled	1,614,434.80
2010	02	Dried lentils, shelled	129,735.69
2010	02	Dried lentils, shelled	1,247,797.94
2010	02	Dried broad beans and horse beans, shelled	377,982.27
2010	02	Strawberries, fresh	2,751.72

2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	2,668,901.40
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	775,791.36
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	2,540,716.70
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	1,732,005.99
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	1,745,530.56
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	7,195,785.22
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	19,112,326.27
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	3,206,333.52
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	1,674,129.06
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	6,296,578.20
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	10,454,932.79
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	11,892,986.94
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	358,938.19
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	18,699,800.97
2010	02	COFFEE, NOT ROASTED OR DECAFFEINATED	19,108,052.63
2010	02	Pepper, crushed or ground	40,965.23
2010	02	Seeds of cumin	484,869.60
2010	02	Seeds of cumin	771,879.84
2010	02	Linseed	128,996.90
2010	02	Sesamum seeds	2,011,400.72
2010	02	Sesamum seeds	3,214,952.08
2010	02	Sesamum seeds	10,696,894.49
2010	02	Sesamum seeds	10,394,054.59
2010	02	HANDBAGS, NES	828.31
2010	02	Other blankets and travelling rugs, nes	48,732.22
2010	02	FOOTWEAR, NES, NOT COVERING THE ANKLE, OF RUBBER OR PLASTICS	282.84
2010	02	---Other worked vegetables or mineral carving (excluding hand made)	60,559.65
2010	02	---Other worked vegetables or mineral carving (excluding hand made)	90,913.05
2010	03	LIVE SHEEP	823,520.25
2010	03	LIVE GOATS	108,180.00
2010	03	Fresh or chilled lamb carcasses and half carcasses	257,746.22
2010	03	Fresh or chilled lamb carcasses and half carcasses	203,301.45

2010	03	Fresh or chilled lamb carcasses and half carcasses	3,360,901.24
2010	03	Fresh or chilled lamb carcasses and half carcasses	1,759,414.91
2010	03	Fresh, chilled or frozen goat meat	3,239,312.65
2010	03	Fresh, chilled or frozen goat meat	95,252.49
2010	03	Fresh, chilled or frozen goat meat	205,644.64
2010	03	Fresh, chilled or frozen goat meat	51,832.70
2010	03	Fresh, chilled or frozen meat and edible offal, nes	181,954.38
2010	03	Fresh, chilled or frozen meat and edible offal, nes	2,071,465.02
2010	03	Fresh, chilled or frozen meat and edible offal, nes	373,721.57
2010	03	Fresh, chilled or frozen meat and edible offal, nes	2,195,058.50
2010	03	Fresh, chilled or frozen meat and edible offal, nes	257,251.52
2010	03	Fresh, chilled or frozen meat and edible offal, nes	567,310.02
2010	03	Fresh, chilled or frozen meat and edible offal, nes	395,262.66
2010	03	Fresh, chilled or frozen meat and edible offal, nes	2,743,804.97
2010	03	Fresh, chilled or frozen meat and edible offal, nes	117,597.92
2010	03	Fresh, chilled or frozen meat and edible offal, nes	42,346.04
2010	03	Natural honey	49,156.47
2010	03	UNROOTED CUTTINGS AND SLIPS	10,028.59
2010	03	UNROOTED CUTTINGS AND SLIPS	159,750.01
2010	03	--Roses	788,338.01
2010	03	--Roses	1,028,300.50
2010	03	--Roses	17,316.02
2010	03	--Roses	50,292.75
2010	03	--Roses	42,479.43
2010	03	--Roses	15,219.78
2010	03	--Roses	18,595.71
2010	03	--Roses	14,531.83
2010	03	---Other vegetables	67,827.33
2010	03	---Other vegetables	23,107.92
2010	03	---Other vegetables	315,088.66
2010	03	---Other vegetables	285,375.88
2010	03	---Mixture of vegetables	3,151.80

2010	03	---Other vegetables	6,466.53
2010	03	Dried chickpeas, shelled	372,927.57
2010	03	Dried chickpeas, shelled	247,467.29
2010	03	Dried kidney beans, incl. white pea beans, shelled	890,952.61
2010	03	Dried kidney beans, incl. white pea beans, shelled	2,145,545.16
2010	03	Dried lentils, shelled	609,163.85
2010	03	Strawberries, fresh	130,013.69
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	1,313,210.88
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	2,573,128.80
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	11,514,149.25
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	1,749,353.76
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	9,637,966.62
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	2,524,579.20
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	1,262,289.60
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	820,756.80
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	2,020,261.50
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	13,621,344.30
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	776,793.60
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	7,235,797.63
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	922,442.40
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	9,608,629.68
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	18,745,515.47
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	3,087,060.48
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	1,849,878.00
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	3,501,895.68
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	33,282,487.36
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	1,332,665.85
2010	03	COFFEE, NOT ROASTED OR DECAFFEINATED	20,184,838.30
2010	03	Cardamoms	242,748.00
2010	03	Seeds of cumin	908,712.00
2010	03	Ginger	399,184.20
2010	03	Ginger	162,124.80

2010	03	Ginger	422,200.00
2010	03	Ginger	486,374.40
2010	03	Sesamum seeds	2,402,280.84
2010	03	Sesamum seeds	1,582,007.62
2010	03	Sesamum seeds	4,804,561.69
2010	03	DRESSES OF OTHER TEXTILE MATERIAL, NES, KNITTED OR CROCHETED	40,053.42
2010	03	Collages and similar decorative plaques, executed entirely by hand	43,417.98
2010	04	LIVE SHEEP	227,382.92
2010	04	LIVE SHEEP	710,571.75
2010	04	Fresh or chilled lamb carcasses and half carcasses	4,823,440.07
2010	04	Fresh, chilled or frozen goat meat	284,312.68
2010	04	Fresh, chilled or frozen goat meat	254,165.62
2010	04	Fresh, chilled or frozen goat meat	4,504,259.83
2010	04	Fresh, chilled or frozen goat meat	852,321.16
2010	04	Fresh, chilled or frozen goat meat	71,226.75
2010	04	Fresh, chilled or frozen goat meat	94,888.50
2010	04	Fresh, chilled or frozen meat and edible offal, nes	1,336,975.81
2010	04	Fresh, chilled or frozen meat and edible offal, nes	1,060,506.26
2010	04	Fresh, chilled or frozen meat and edible offal, nes	2,377,743.38
2010	04	Fresh, chilled or frozen meat and edible offal, nes	97,411.06
2010	04	Fresh, chilled or frozen meat and edible offal, nes	834,842.23
2010	04	Fresh, chilled or frozen meat and edible offal, nes	486,516.21
2010	04	Fresh, chilled or frozen meat and edible offal, nes	463,282.57
2010	04	Fresh, chilled or frozen meat and edible offal, nes	1,982,437.94
2010	04	Natural honey	433.40
2010	04	--Roses	853,639.44
2010	04	--Roses	1,213,854.61
2010	04	--Roses	40,130.59
2010	04	--Roses	42,877.93
2010	04	--Roses	66,060.66
2010	04	--Roses	143,517.19
2010	04	--Roses	627.85

2010	04	---Other vegetables	70,858.17
2010	04	---Other vegetables	38,134.39
2010	04	---Other vegetables	26,074.60
2010	04	---Other vegetables	10,014.14
2010	04	---Other vegetables	248,081.00
2010	04	---Other vegetables	284,907.21
2010	04	Leguminous vegetables, shelled or unshelled, frozen, nes	210,067.44
2010	04	Mixtures of vegetables, frozen	9,443.83
2010	04	Dried chickpeas, shelled	885,569.18
2010	04	Dried kidney beans, incl. white pea beans, shelled	240,949.01
2010	04	Dried kidney beans, incl. white pea beans, shelled	2,133,857.20
2010	04	Strawberries, fresh	62,855.14
2010	04	Strawberries, fresh	6,994.63
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,220,677.25
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	10,361,011.95
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,182,391.20
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,218,123.00
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,781,192.70
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,036,995.75
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	28,914,340.86
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,514,077.20
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	3,099,656.70
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	23,178,976.38
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,043,095.72
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	14,003,803.80
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,707,993.00
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	3,689,929.43
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	24,678,189.56
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	19,370,633.67
2010	04	COFFEE, NOT ROASTED OR DECAFFEINATED	1,184,399.10
2010	04	Pepper, crushed or ground	2,437.92
2010	04	Pepper, crushed or ground	36,069.97

2010	04	Pepper, crushed or ground	9,208.25
2010	04	Pepper, crushed or ground	38,429.84
2010	04	Pepper, crushed or ground	68,974.62
2010	04	Cardamoms	185,032.57
2010	04	Barley	406.32
2010	04	Other worked grains of oats, nes	406.32
2010	04	Flour, meal and powder of the dried leguminous vegetables of 0713	48,088.13
2010	04	Sesamum seeds	593,267.95
2010	04	Sesamum seeds	3,107,781.27
2010	04	Sesamum seeds	2,376,428.26
2010	04	Sesamum seeds	3,509,559.61
2010	04	Sesamum seeds	3,084,635.35
2010	04	Sesamum seeds	2,281,893.12
2010	04	Sesamum seeds	3,023,147.61
2010	04	Sesamum seeds	2,736,158.88
2010	04	Other oil seeds and oleaginous fruits, nes	467,150.17
2010	04	Natural gum Arabic	203.16
2010	04	Preparations for use on the hair, nes	2,437.92
2010	04	Mixtures and articles of heat/sound-insulating materials	270,880.00
2010	04	Household and toilet articles, nes, of porcelain or china	7,151.23
2010	04	Household and toilet articles, nes, of porcelain or china	541.76
2010	04	--- OTHER WOODEN FURNITURE OF A KIND USED IN THE BED ROOM	406.32
2010	05	Fresh or chilled lamb carcasses and half carcasses	5,960,688.20
2010	05	Fresh or chilled lamb carcasses and half carcasses	876,508.36
2010	05	Fresh, chilled or frozen goat meat	325,330.01
2010	05	Fresh, chilled or frozen goat meat	4,124,361.40
2010	05	Fresh, chilled or frozen goat meat	54,039.43
2010	05	Fresh, chilled or frozen goat meat	282,466.83
2010	05	Fresh, chilled or frozen goat meat	1,030,491.74
2010	05	Fresh, chilled or frozen goat meat	48,095.25
2010	05	Fresh, chilled or frozen goat meat	72,093.00
2010	05	Fresh, chilled or frozen meat and edible offal, nes	302,792.36

2010	05	Fresh, chilled or frozen meat and edible offal, nes	401,661.00
2010	05	Fresh, chilled or frozen meat and edible offal, nes	333,001.00
2010	05	Fresh, chilled or frozen meat and edible offal, nes	1,192,808.97
2010	05	Fresh, chilled or frozen meat and edible offal, nes	1,282,693.32
2010	05	Fresh, chilled or frozen meat and edible offal, nes	725,388.50
2010	05	Fresh, chilled or frozen meat and edible offal, nes	371,365.18
2010	05	Fresh, chilled or frozen meat and edible offal, nes	1,273,270.21
2010	05	Fresh, chilled or frozen meat and edible offal, nes	218,545.74
2010	05	Fresh, chilled or frozen meat and edible offal, nes	2,201,225.81
2010	05	Fresh, chilled or frozen meat and edible offal, nes	951,429.86
2010	05	Fresh, chilled or frozen meat and edible offal, nes	99,123.05
2010	05	Fresh, chilled or frozen meat and edible offal, nes	107,534.38
2010	05	--Roses	21,854.57
2010	05	--Roses	13,878.91
2010	05	--Roses	744,084.75
2010	05	--Roses	1,031,160.38
2010	05	--Roses	8,081.92
2010	05	--Roses	32,588.40
2010	05	--Roses	12,379.31
2010	05	--Roses	69,642.00
2010	05	--Roses	116,913.06
2010	05	---Other vegetables	28,288.25
2010	05	---Other vegetables	12,574.89
2010	05	---Other vegetables	16,481.55
2010	05	---Other vegetables	5,548.41
2010	05	---Other vegetables	11,231.34
2010	05	---Other vegetables	18,156.45
2010	05	---Other vegetables	13,181.34
2010	05	---Other vegetables	12,592.38
2010	05	---Other vegetables	17,249.50
2010	05	---Other vegetables	27,702.86
2010	05	Dried chickpeas, shelled	395,259.84

2010	05	Dried lentils, shelled	1,730,318.57
2010	05	Guavas, mangoes and mangosteens, fresh or dried	4,744.16
2010	05	Guavas, mangoes and mangosteens, fresh or dried	11,797.15
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	3,594,394.17
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,161,727.20
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	7,005,485.34
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	581,265.45
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	572,170.42
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	2,346,364.80
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	4,066,045.20
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	2,997,009.00
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	599,816.47
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	4,733,236.58
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	618,367.50
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	2,374,531.20
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	16,386,645.93
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,211,162.40
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,212,000.30
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,212,000.30
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,212,000.30
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,212,000.30
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	2,321,923.50
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	2,371,559.04
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	2,099,817.90
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	13,634,092.62
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	4,190,028.79
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	20,398,497.07
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	839,927.16
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,930,862.70
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	22,207,393.21
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,539,801.90
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	5,240,131.20

2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	7,243,667.82
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	27,081,147.75
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	10,370,379.15
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,202,106.42
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	1,046,254.53
2010	05	COFFEE, NOT ROASTED OR DECAFFEINATED	2,092,508.93
2010	05	Pepper, crushed or ground	83,276.94
2010	05	Ginger	280,132.80
2010	05	Turmeric (curcuma)	434,205.84
2010	05	Sesamum seeds	604,097.28
2010	05	Sesamum seeds	1,761,129.00
2010	05	Sesamum seeds	3,602,814.40
2010	05	Sesamum seeds	3,556,789.58
2010	05	Sesamum seeds	4,912,586.25
2010	05	Sesamum seeds	2,394,181.54
2010	05	Sesamum seeds	3,618,382.00
2010	05	Sesamum seeds	4,912,586.25
2010	05	Sesamum seeds	1,557,159.07
2010	05	Sesamum seeds	3,728,343.78
2010	05	Sesamum seeds	1,825,408.47
2010	05	Preparations for use on the hair, nes	28,745.76
2010	05	DRESSES OF OTHER TEXTILE MATERIAL, NES, KNITTED OR CROCHETED	40,784.04
2010	05	Garments of cotton, knitted or crocheted, nes	33,343.22
2010	05	---Hand made Ceramic tableware , kitchenware	15,642.75
2010	06	LIVE SHEEP	80,965.24
2010	06	LIVE GOATS	60,586.24
2010	06	Fresh or chilled lamb carcasses and half carcasses	386,291.43
2010	06	Fresh or chilled lamb carcasses and half carcasses	2,953,421.99
2010	06	Fresh or chilled lamb carcasses and half carcasses	1,468,985.43
2010	06	Fresh or chilled sheep carcasses and half carcasses (excl. lamb)	142,629.21
2010	06	Frozen boned meat of sheep	142,515.36
2010	06	Fresh, chilled or frozen goat meat	24,096.80

2010	06	Fresh, chilled or frozen goat meat	3,148,014.16
2010	06	Fresh, chilled or frozen goat meat	1,671,035.84
2010	06	Fresh, chilled or frozen goat meat	71,202.30
2010	06	Fresh, chilled or frozen meat and edible offal, nes	3,776,230.99
2010	06	Fresh, chilled or frozen meat and edible offal, nes	1,133,977.02
2010	06	Fresh, chilled or frozen meat and edible offal, nes	297,123.44
2010	06	Fresh, chilled or frozen meat and edible offal, nes	365,298.79
2010	06	Fresh, chilled or frozen meat and edible offal, nes	1,930,018.65
2010	06	Fresh, chilled or frozen meat and edible offal, nes	1,592,975.46
2010	06	Fresh, chilled or frozen meat and edible offal, nes	338,530.84
2010	06	Fresh, chilled or frozen meat and edible offal, nes	378,319.76
2010	06	Natural honey	108,159.48
2010	06	Natural honey	107,783.03
2010	06	--Roses	16,708.80
2010	06	--Roses	1,139,372.19
2010	06	--Roses	1,352,105.27
2010	06	--Roses	23,926.18
2010	06	--Roses	192,408.02
2010	06	--Roses	73,436.74
2010	06	--Roses	21,893.66
2010	06	--Roses	70,679.93
2010	06	---Other vegetables	19,099.91
2010	06	---Other vegetables	7,357.43
2010	06	---Other vegetables	25,460.67
2010	06	---Other vegetables	54,762.92
2010	06	---Other vegetables	9,218.27
2010	06	---Other vegetables	22,319.68
2010	06	---Other vegetables	45,340.34
2010	06	---Other vegetables	4,616.67
2010	06	Dried chickpeas, shelled	393,307.20
2010	06	Dried leguminous vegetables, shelled, nes	60,014.51
2010	06	Guavas, mangoes and mangosteens, fresh or dried	3,797.45

2010	06	Strawberries, fresh	23,132.92
2010	06	Strawberries, fresh	5,641.14
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	1,213,534.98
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	2,943,252.00
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	1,189,693.44
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	595,321.92
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	9,012,122.12
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	3,492,008.82
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	17,680,297.65
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	4,719,395.25
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	1,167,630.75
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	780,129.63
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	11,852,906.75
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	1,535,493.24
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	1,794,464.10
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	9,373,016.48
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	2,303,239.86
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	1,843,627.50
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	4,239,397.56
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	17,435,441.34
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	1,524,065.40
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	3,432,827.97
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	17,100,854.39
2010	06	COFFEE, NOT ROASTED OR DECAFFEINATED	18,751,689.18
2010	06	Green tea,whether or not flavoured, nes	27,009.97
2010	06	Dried pepper (excl. crushed or ground)	162,059.85
2010	06	Pepper, crushed or ground	288,965.40
2010	06	Pepper, crushed or ground	413,418.00
2010	06	Pepper, crushed or ground	46,390.32
2010	06	Pepper, crushed or ground	64,028.64
2010	06	Cardamoms	292,837.75
2010	06	Cardamoms	273,130.00

2010	06	Ginger	742,695.09
2010	06	Ginger	204,847.50
2010	06	Turmeric (curcuma)	187,416.16
2010	06	Other spices, nes	51,090.19
2010	06	RAPE OR COLZA SEEDS, (EXCL LOW ERUCIC ACID RAPE OR COLZA );NES	23,898.87
2010	06	Sesamum seeds	618,328.63
2010	06	Sesamum seeds	2,234,349.04
2010	06	Sesamum seeds	2,980,544.14
2010	06	Sesamum seeds	684,918.04
2010	06	MINERAL WATERS AND AERATED WATERS, UNSWEETENED	125,779.67
2010	06	Preparations for use on the hair, nes	222,852.97
2010	06	Preparations for deodorizing rooms, nes	5,374.43
2010	06	SHAWLS, SCARVES, MUFFLERS, MANTILLAS, VEILS, ETC, OF OTHER TEXTILES, NES	20,705.39
2010	06	Refractory bricks, blocks, tiles, etc, nes	13,684.90
2010	06	Precious (excl. diamonds) or semi-precious stones, unworked	4,219.85
2010	07	Fresh or chilled lamb carcasses and half carcasses	3,016,701.62
2010	07	Fresh or chilled lamb carcasses and half carcasses	2,850,903.03
2010	07	Fresh or chilled sheep carcasses and half carcasses (excl. lamb)	94,456.86
2010	07	Fresh, chilled or frozen goat meat	71,984.85
2010	07	Fresh, chilled or frozen goat meat	94,380.96
2010	07	Fresh, chilled or frozen goat meat	221,545.13
2010	07	Fresh, chilled or frozen goat meat	1,803,510.66
2010	07	Fresh, chilled or frozen goat meat	70,899.05
2010	07	Fresh, chilled or frozen goat meat	87,302.38
2010	07	Fresh, chilled or frozen goat meat	70,899.05
2010	07	Fresh, chilled or frozen meat and edible offal, nes	300,885.76
2010	07	Fresh, chilled or frozen meat and edible offal, nes	71,811.60
2010	07	Fresh, chilled or frozen meat and edible offal, nes	3,386,587.75
2010	07	Fresh, chilled or frozen meat and edible offal, nes	1,704,580.53
2010	07	Fresh, chilled or frozen meat and edible offal, nes	307,669.26
2010	07	Fresh, chilled or frozen meat and edible offal, nes	1,556,137.42
2010	07	Fresh, chilled or frozen meat and edible offal, nes	207,108.90

2010	07	Fresh, chilled or frozen meat and edible offal, nes	120,834.98
2010	07	Fresh, chilled or frozen meat and edible offal, nes	2,808,824.67
2010	07	Fresh, chilled or frozen meat and edible offal, nes	118,219.69
2010	07	Natural honey	119,556.94
2010	07	Natural honey	54,713.60
2010	07	Natural honey	54,669.60
2010	07	--Roses	30,612.25
2010	07	--Roses	31,532.61
2010	07	--Roses	1,076,615.80
2010	07	--Roses	1,830,828.99
2010	07	--Roses	27,602.38
2010	07	--Roses	30,217.98
2010	07	--Roses	194,769.57
2010	07	--Roses	8,200.44
2010	07	--Roses	16,440.36
2010	07	--Roses	266,424.48
2010	07	--Roses	23,674.11
2010	07	Tomatoes fresh or chilled	77,432.35
2010	07	---Other vegetables	52,132.31
2010	07	---Other vegetables	6,779.59
2010	07	---Other vegetables	64,396.58
2010	07	---Other vegetables	6,145.02
2010	07	---Other vegetables	8,305.80
2010	07	Dried kidney beans, incl. white pea beans, shelled	451,016.00
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	2,712,659.40
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	10,488,319.56
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	5,277,790.00
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,175,727.60
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,193,164.02
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	3,619,304.64
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	5,583,581.46
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	2,119,119.12

2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	3,452,475.60
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	6,130,762.38
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	40,144,219.45
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,604,233.80
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	4,245,049.44
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,674,236.16
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,897,350.84
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,326,737.05
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	2,710,501.20
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,356,329.70
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,182,764.16
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,182,764.16
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,182,764.16
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	1,588,138.77
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	5,394,933.17
2010	07	COFFEE, NOT ROASTED OR DECAFFEINATED	5,330,739.78
2010	07	Other spices, nes	186,104.87
2010	07	Sesamum seeds	614,236.53
2010	07	Sesamum seeds	3,349,879.74
2010	07	Sesamum seeds	2,219,490.08
2010	07	Sesamum seeds	3,902,584.30
2010	07	Sesamum seeds	2,344,915.81
2010	07	Sesamum seeds	9,096,136.00
2010	07	Sesamum seeds	3,349,879.74
2010	07	Sesamum seeds	2,961,137.88
2010	07	Sesamum seeds	4,811,924.33
2010	07	Sesamum seeds	9,500,997.79
2010	07	Other oil seeds and oleaginous fruits, nes	629,712.40
2010	07	OTHER LEATHER FURTHER PREPARED WHOLE HIDES AND SKINS :NES	142,598.56
2010	07	DRESSES OF OTHER TEXTILE MATERIAL, NES, KNITTED OR CROCHETED	41,036.50
2010	08	LIVE SHEEP	147,462.17
2010	08	LIVE SHEEP	123,052.16

2010	08	Fresh or chilled lamb carcasses and half carcasses	10,376,153.32
2010	08	Fresh, chilled or frozen goat meat	152,319.74
2010	08	Fresh, chilled or frozen goat meat	466,865.49
2010	08	Fresh, chilled or frozen goat meat	343,961.11
2010	08	Fresh, chilled or frozen goat meat	815,677.87
2010	08	Fresh, chilled or frozen goat meat	1,362,714.90
2010	08	Fresh, chilled or frozen goat meat	3,642,284.84
2010	08	Fresh, chilled or frozen goat meat	330,826.99
2010	08	Fresh, chilled or frozen goat meat	70,956.49
2010	08	Fresh, chilled or frozen meat and edible offal, nes	578,192.79
2010	08	Fresh, chilled or frozen meat and edible offal, nes	2,752,464.80
2010	08	Fresh, chilled or frozen meat and edible offal, nes	684,676.08
2010	08	Fresh, chilled or frozen meat and edible offal, nes	1,916,121.56
2010	08	Fresh, chilled or frozen meat and edible offal, nes	4,228,702.59
2010	08	Fresh, chilled or frozen meat and edible offal, nes	330,139.20
2010	08	Fresh, chilled or frozen meat and edible offal, nes	320,311.50
2010	08	Fresh, chilled or frozen meat and edible offal, nes	665,574.38
2010	08	--Roses	485,159.12
2010	08	--Roses	408,954.39
2010	08	--Roses	12,037.37
2010	08	--Roses	59,570.47
2010	08	Tomatoes fresh or chilled	68,516.93
2010	08	Tomatoes fresh or chilled	15,474.63
2010	08	Tomatoes fresh or chilled	14,596.84
2010	08	Tomatoes fresh or chilled	17,825.53
2010	08	---Other vegetables	74,869.39
2010	08	---Other vegetables	43,810.55
2010	08	---Other vegetables	49,082.08
2010	08	Dried kidney beans, incl. white pea beans, shelled	452,834.26
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	3,559,749.12
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	3,639,784.68
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	6,415,170.66

2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,433,787.84
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	4,072,285.80
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	2,259,637.75
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,194,124.32
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	2,241,716.82
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	4,483,433.64
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,852,537.50
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	9,240,038.85
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,559,907.72
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	4,057,435.44
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,049,771.25
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	7,545,109.61
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	2,177,160.48
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	4,304,840.04
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,049,771.25
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	9,738,470.52
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	2,147,205.24
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,880,274.96
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	977,248.17
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	2,111,892.75
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	1,851,039.00
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	4,709,251.44
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	2,719,252.80
2010	08	COFFEE, NOT ROASTED OR DECAFFEINATED	6,175,967.11
2010	08	Pepper, crushed or ground	61,536.76
2010	08	Pepper, crushed or ground	48,106.45
2010	08	Seeds of cumin	731,314.20
2010	08	Sesamum seeds	1,385,948.31
2010	08	Sesamum seeds	325,733.52
2010	08	Sesamum seeds	331,048.42
2010	08	---Fresh Injera	38,749.35
2010	08	Granules, chippings and powder of stones (excl. marble)	42,134.37

2010	08	Preparations for use on the hair, nes	241,032.55
2010	08	DRESSES OF SYNTHETIC FIBRES	55,016.32
2010	08	Precious (excl. diamonds) or semi-precious stones, unworked	43,983.04
2010	09	Fresh or chilled lamb carcasses and half carcasses	140,116.66
2010	09	Fresh or chilled lamb carcasses and half carcasses	111,456.44
2010	09	Fresh or chilled lamb carcasses and half carcasses	531,299.25
2010	09	Fresh or chilled lamb carcasses and half carcasses	6,486,646.65
2010	09	Fresh, chilled or frozen goat meat	397,851.93
2010	09	Fresh, chilled or frozen goat meat	1,743,751.71
2010	09	Fresh, chilled or frozen goat meat	2,530,782.51
2010	09	Fresh, chilled or frozen goat meat	4,096,949.64
2010	09	Fresh, chilled or frozen goat meat	1,101,728.89
2010	09	Fresh or chilled edible bovine offal	200,480.95
2010	09	Fresh or chilled edible bovine offal	20,500.46
2010	09	Frozen edible offal of sheep, goats, horses...	1,654.27
2010	09	Fresh, chilled or frozen meat and edible offal, nes	398,834.83
2010	09	Fresh, chilled or frozen meat and edible offal, nes	403,565.64
2010	09	Fresh, chilled or frozen meat and edible offal, nes	858,878.96
2010	09	Fresh, chilled or frozen meat and edible offal, nes	796,018.18
2010	09	Fresh, chilled or frozen meat and edible offal, nes	598,945.00
2010	09	Fresh, chilled or frozen meat and edible offal, nes	668,713.06
2010	09	Fresh, chilled or frozen meat and edible offal, nes	761,752.52
2010	09	Fresh, chilled or frozen meat and edible offal, nes	2,628,392.50
2010	09	Fresh, chilled or frozen meat and edible offal, nes	685,039.72
2010	09	Fresh, chilled or frozen meat and edible offal, nes	356,466.88
2010	09	--Roses	728,556.84
2010	09	--Roses	33,680.93
2010	09	--Roses	17,727.15
2010	09	--Roses	1,732,462.87
2010	09	--Roses	14,071.40
2010	09	--Roses	43,563.60
2010	09	--Roses	17,676.87

2010	09	--Roses	36,119.63
2010	09	--Roses	93,780.38
2010	09	--Roses	28,846.42
2010	09	--Roses	16,765.92
2010	09	--Roses	196,877.02
2010	09	--Roses	13,167.98
2010	09	--Roses	34,924.94
2010	09	--Roses	60,277.63
2010	09	--Roses	66,136.59
2010	09	--Roses	15,650.34
2010	09	--Roses	32,849.82
2010	09	--Roses	14,590.66
2010	09	Peas, fresh or chilled	1,698,924.96
2010	09	Peas, fresh or chilled	84,308.56
2010	09	---Other vegetables	10,342.00
2010	09	---Other vegetables	40,880.13
2010	09	---Other vegetables	132,947.04
2010	09	---Other vegetables	22,655.96
2010	09	Dried peas, shelled	58,132.44
2010	09	Dried chickpeas, shelled	561,506.59
2010	09	Bananas, including plantains, fresh or dried	14,863.41
2010	09	Avocados, fresh or dried	33,049.80
2010	09	Strawberries, fresh	3,225.82
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	909,946.17
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	5,876,651.43
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	7,854,685.92
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,292,818.22
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,558,054.52
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,558,054.52
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,293,927.02
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,241,716.82
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	4,404,337.92

2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	4,526,082.72
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	14,486,271.39
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,042,190.10
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	4,060,167.93
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,230,861.50
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,259,238.32
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	8,982,847.44
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	11,159,935.02
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	4,048,405.56
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,249,783.42
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,261,687.04
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,725,199.56
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,726,024.32
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,726,024.32
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,843,062.84
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,845,060.48
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	2,004,800.86
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	4,009,601.73
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	817,094.52
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,961,970.12
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	1,964,096.64
2010	09	COFFEE, NOT ROASTED OR DECAFFEINATED	12,096,771.39
2010	09	Pepper, crushed or ground	44,590.23
2010	09	Pepper, crushed or ground	523,109.45
2010	09	Pepper, crushed or ground	74,442.15
2010	09	Cardamoms	3,715.85
2010	09	Seeds of cumin	855,163.57
2010	09	Seeds of cumin	1,587,148.80
2010	09	Other spices, nes	11,927.88
2010	09	Rolled or flaked grains of other cereals, nes	5,161.40
2010	09	Other worked grains of oats, nes	7,431.70
2010	09	Linseed	3,302.98

2010	09	Linseed	7,927.15
2010	09	RAPE OR COLZA SEEDS,...LOW ERUCIC ACID RAPE OR COLZA SEEDS	193.22
2010	09	Sesamum seeds	1,271,924.85
2010	09	Mustard seeds	3,798.42
2010	09	FOOTWEAR WITH LEATHER SOLES AND UPPERS, COVERING THE ANKLE	21,766.63
2010	09	FOOTWEAR, NES	16,349.75
2010	10	LIVE SHEEP	1,314,157.68
2010	10	LIVE SHEEP	2,774,332.88
2010	10	Frozen bovine carcasses and half carcasses	23,199.26
2010	10	Fresh or chilled lamb carcasses and half carcasses	165,191.98
2010	10	Fresh or chilled lamb carcasses and half carcasses	1,484,802.51
2010	10	Fresh or chilled lamb carcasses and half carcasses	744,621.33
2010	10	Fresh or chilled lamb carcasses and half carcasses	19,139.39
2010	10	Fresh or chilled lamb carcasses and half carcasses	144,643.18
2010	10	Fresh or chilled lamb carcasses and half carcasses	25,534.74
2010	10	Fresh or chilled lamb carcasses and half carcasses	57,494.39
2010	10	Fresh or chilled lamb carcasses and half carcasses	80,655.29
2010	10	Fresh or chilled lamb carcasses and half carcasses	1,407,272.51
2010	10	Fresh or chilled lamb carcasses and half carcasses	59,857.41
2010	10	Fresh or chilled lamb carcasses and half carcasses	1,573,506.98
2010	10	Fresh or chilled lamb carcasses and half carcasses	147,481.01
2010	10	Fresh or chilled sheep carcasses and half carcasses (excl. lamb)	110,362.19
2010	10	Fresh or chilled sheep carcasses and half carcasses (excl. lamb)	71,053.79
2010	10	Fresh or chilled sheep carcasses and half carcasses (excl. lamb)	151,898.79
2010	10	Fresh or chilled sheep carcasses and half carcasses (excl. lamb)	95,580.29
2010	10	Fresh or chilled sheep carcasses and half carcasses (excl. lamb)	86,601.53
2010	10	Fresh, chilled or frozen goat meat	5,966,491.55
2010	10	Fresh, chilled or frozen goat meat	7,077,647.26
2010	10	Fresh, chilled or frozen goat meat	787,808.75
2010	10	Fresh, chilled or frozen goat meat	5,137,526.39
2010	10	Fresh, chilled or frozen goat meat	66,158.19
2010	10	Fresh or chilled edible bovine offal	2,699.37

2010	10	Fresh or chilled edible bovine offal	40,998.63
2010	10	Fresh or chilled edible offal of sheep, goats, horses...	32,648.30
2010	10	Fresh or chilled edible offal of sheep, goats, horses...	2,319.92
2010	10	Frozen edible offal of sheep, goats, horses...	7,121.05
2010	10	Frozen edible offal of sheep, goats, horses...	563,647.55
2010	10	Frozen edible offal of sheep, goats, horses...	3,314.16
2010	10	OTHER MEAT INCLUDING EDIBLE FLOURS AND MEALS OF MEAT ...NES	121,540.62
2010	10	Butter	3,655.42
2010	10	Natural honey	11,109.18
2010	10	--Roses	19,712.73
2010	10	--Roses	30,810.17
2010	10	--Roses	46,247.02
2010	10	--Roses	32,580.77
2010	10	--Roses	95,650.83
2010	10	--Roses	34,083.02
2010	10	--Roses	27,144.49
2010	10	--Roses	990,046.70
2010	10	--Roses	1,211,564.80
2010	10	--Roses	14,127.01
2010	10	--Roses	20,973.04
2010	10	--Roses	82,407.23
2010	10	--Roses	39,811.59
2010	10	--Roses	31,557.87
2010	10	--Roses	26,283.15
2010	10	--Roses	151,264.12
2010	10	--Roses	21,118.69
2010	10	--Other cut flowers	13,798.65
2010	10	--Other cut flowers	2,633.13
2010	10	Tomatoes fresh or chilled	5,725.41
2010	10	Tomatoes fresh or chilled	4,832.51
2010	10	Tomatoes fresh or chilled	662.05
2010	10	Tomatoes fresh or chilled	20,011.03

2010	10	Tomatoes fresh or chilled	14,736.74
2010	10	White and red cabbages, kohlrabi, kale...etc, fresh or chilled	836.28
2010	10	Cabbage lettuce, fresh or chilled	18,302.09
2010	10	Cabbage lettuce, fresh or chilled	30,392.18
2010	10	Lettuce, fresh or chilled, (excl. cabbage lettuce)	2,785.60
2010	10	Lettuce, fresh or chilled, (excl. cabbage lettuce)	22,881.78
2010	10	---Other carrots ,turnips	4,341.36
2010	10	Beans, fresh or chilled	970.68
2010	10	---Other vegetables	3,018.24
2010	10	---Other vegetables	970.68
2010	10	---Other vegetables	5,066.31
2010	10	---Other vegetables	2,003.26
2010	10	---Other vegetables	5,098.65
2010	10	---Other vegetables	28,182.59
2010	10	---Other vegetables	164,472.40
2010	10	Dried chickpeas, shelled	563,060.39
2010	10	Dried chickpeas, shelled	1,657,558.12
2010	10	Strawberries, fresh	29,809.08
2010	10	Strawberries, fresh	116,359.48
2010	10	Strawberries, fresh	54,374.60
2010	10	Strawberries, fresh	65,629.99
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,258,605.60
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	4,769,452.80
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,505,358.54
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,265,490.08
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,064,534.31
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,966,223.16
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,966,223.16
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,966,223.16
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,667,504.16
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,356,381.98
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,148,897.60

2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,640,519.10
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,563,580.88
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	6,331,997.07
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	6,447,133.17
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,086,635.60
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,712,626.28
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	15,759,543.06
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	864,463.32
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	5,431,935.60
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	3,979,512.18
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	20,065,737.96
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	5,017,692.96
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,968,622.92
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,326,554.36
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,298,292.30
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,268,280.80
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	4,569,684.66
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,732,192.86
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,732,192.86
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,732,192.86
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,024,445.64
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	3,355,607.25
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	3,355,607.25
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,908,967.68
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,951,915.32
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	5,258,321.71
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	3,700,879.20
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,884,621.58
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,884,621.58
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,884,621.58
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,015,485.48
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,015,485.48

2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,015,485.48
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	1,015,485.48
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	2,027,017.44
2010	10	COFFEE, NOT ROASTED OR DECAFFEINATED	3,879,954.00
2010	10	Pepper, crushed or ground	26,537.86
2010	10	Pepper, crushed or ground	210,910.32
2010	10	Pepper, crushed or ground	42,281.55
2010	10	Cardamoms	298,458.00
2010	10	Seeds of cumin	400,187.23
2010	10	Seeds of cumin	801,119.02
2010	10	Ginger	333,075.09
2010	10	Ginger	152,611.52
2010	10	Other cereal flour, nes	17,410.05
2010	10	Other worked grains of oats, nes	1,204.45
2010	10	Flour, meal and powder of the dried leguminous vegetables of 0713	86,453.33
2010	10	Flour, meal and powder of the dried leguminous vegetables of 0713	9,136.48
2010	10	Sesamum seeds	390,204.92
2010	10	Sesamum seeds	393,094.05
2010	10	Other oil seeds and oleaginous fruits, nes	2,411.72
2010	10	Other plants or parts, of a kind used in perfumery, pharmacy...etc, nes	49.77
2010	10	Preparations for use on the hair, nes	15,037.85
2010	10	DRESSES OF OTHER TEXTILE MATERIAL, NES, KNITTED OR CROCHETED	38,329.59
2010	10	WOMEN'S OR GIRLS' SUITS OF COTTON	58,863.31
2010	10	SHAWLS, SCARVES, MUFLERS, MANTILLAS, VEILS, ETC, OF OTHER TEXTILES, NES	21,902.62
2010	10	SHAWLS, SCARVES, MUFLERS, MANTILLAS, VEILS, ETC, OF OTHER TEXTILES, NES	7,466.80
2010	10	Precious (excl. diamonds) or semi-precious stones, unworked	76,327.34
2010	10	Electric ovens, nes; cookers, cooking plates, boiling rings, grillers...	3,314.18
2010	11	LIVE SHEEP	12,075,296.20
2010	11	LIVE SHEEP	369,237.00
2010	11	LIVE SHEEP	2,191,952.40
2010	11	LIVE SHEEP	3,397,385.51
2010	11	LIVE SHEEP	2,416,921.33

2010	11	---Camels	440,566.87
2010	11	---Camels	223,220.55
2010	11	---Camels	769,523.47
2010	11	Fresh or chilled bovine carcasses and half carcasses	5,037.60
2010	11	Fresh or chilled lamb carcasses and half carcasses	80,844.84
2010	11	Fresh or chilled lamb carcasses and half carcasses	103,386.36
2010	11	Fresh or chilled lamb carcasses and half carcasses	2,678,503.36
2010	11	Fresh or chilled lamb carcasses and half carcasses	525,216.74
2010	11	Fresh or chilled lamb carcasses and half carcasses	95,665.95
2010	11	Fresh or chilled lamb carcasses and half carcasses	112,402.09
2010	11	Fresh or chilled lamb carcasses and half carcasses	593,120.63
2010	11	Fresh or chilled lamb carcasses and half carcasses	74,792.07
2010	11	Fresh or chilled lamb carcasses and half carcasses	74,734.42
2010	11	Fresh or chilled lamb carcasses and half carcasses	113,355.75
2010	11	Fresh or chilled lamb carcasses and half carcasses	2,264,652.27
2010	11	Fresh or chilled lamb carcasses and half carcasses	1,440,423.80
2010	11	Fresh, chilled or frozen goat meat	5,487,954.21
2010	11	Fresh, chilled or frozen goat meat	5,775,371.58
2010	11	Fresh, chilled or frozen goat meat	1,452,802.67
2010	11	Fresh, chilled or frozen goat meat	8,049,748.75
2010	11	Fresh or chilled edible offal of sheep, goats, horses...	11,355.60
2010	11	Fresh or chilled edible offal of sheep, goats, horses...	98,378.35
2010	11	Frozen edible offal of sheep, goats, horses...	2,729.33
2010	11	Frozen edible offal of sheep, goats, horses...	398,976.86
2010	11	Frozen edible offal of sheep, goats, horses...	48,814.25
2010	11	OTHER MEAT INCLUDING EDIBLE FLOURS AND MEALS OF MEAT ...NES	41,532.38
2010	11	Natural honey	30,305.40
2010	11	--Roses	26,534.71
2010	11	--Roses	17,804.18
2010	11	--Roses	144,007.92
2010	11	--Roses	25,603.28
2010	11	--Roses	18,757.62

2010	11	--Roses	89,918.59
2010	11	--Roses	81,597.05
2010	11	--Roses	14,314.32
2010	11	--Roses	9,744.65
2010	11	--Roses	781,434.90
2010	11	--Roses	1,415,527.66
2010	11	--Roses	36,063.32
2010	11	--Roses	12,454.27
2010	11	--Roses	120,470.81
2010	11	Tomatoes fresh or chilled	142,394.20
2010	11	White and red cabbages, kohlrabi, kale...etc, fresh or chilled	1,779.52
2010	11	White and red cabbages, kohlrabi, kale...etc, fresh or chilled	1,485.32
2010	11	Cabbage lettuce, fresh or chilled	50,139.17
2010	11	Cabbage lettuce, fresh or chilled	42,543.99
2010	11	Beans, fresh or chilled	8,608.38
2010	11	Beans, fresh or chilled	1,913.31
2010	11	---Other vegetables	3,724.91
2010	11	---Other vegetables	5,734.93
2010	11	---Other vegetables	1,879.08
2010	11	---Other vegetables	6,422.15
2010	11	---Other vegetables	14,848.36
2010	11	---Other vegetables	23,408.78
2010	11	---Other vegetables	27,340.30
2010	11	---Other vegetables	1,288.92
2010	11	---Other vegetables	4,133.15
2010	11	---Other vegetables	4,170.72
2010	11	Dried chickpeas, shelled	584,065.79
2010	11	Dried beans, shelled	416,244.51
2010	11	Dried kidney beans, incl. white pea beans, shelled	416,470.95
2010	11	Avocados, fresh or dried	49,817.10
2010	11	Avocados, fresh or dried	731.68
2010	11	Papaws (papayas), fresh	731.68

2010	11	Strawberries, fresh	13,284.56
2010	11	Strawberries, fresh	19,428.66
2010	11	Strawberries, fresh	104,146.56
2010	11	Strawberries, fresh	22,134.25
2010	11	Strawberries, fresh	13,284.56
2010	11	Strawberries, fresh	648.53
2010	11	Strawberries, fresh	27,936.88
2010	11	Strawberries, fresh	17,693.36
2010	11	Strawberries, fresh	8,846.68
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	956,488.32
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,182,329.01
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	5,734,506.24
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,912,976.64
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	956,488.32
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,941,369.30
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,941,369.30
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,947,149.10
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,001,323.71
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,001,323.71
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,001,323.71
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,932,171.03
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	3,864,342.06
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,912,976.64
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	2,301,550.02
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	2,268,504.67
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	6,468,815.52
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	4,372,555.77
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,941,369.30
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	6,693,667.20
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	2,096,929.80
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	2,120,572.62
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	2,144,931.30

2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	8,563,430.38
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	5,046,511.68
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	3,885,733.80
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,797,368.40
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	2,555,617.23
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	11,318,610.96
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	4,453,648.74
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	4,032,074.70
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	4,380,493.50
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,911,502.08
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,966,779.10
2010	11	COFFEE, NOT ROASTED OR DECAFFEINATED	1,733,635.08
2010	11	Seeds of cumin	866,028.60
2010	11	Sesamum seeds	853,634.06
2010	11	Sesamum seeds	822,670.49
2010	11	Other plants or parts, of a kind used in perfumery, pharmacy...etc, nes	1,155.67

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university and that all sources of material used for the thesis have been duly acknowledged.

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Abebe Alemu Melese

May 2011

This thesis is submitted for examination with my approval as an advisor of the candidate.

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Asnake Kefale

May 2011