

# Friday@Noon on the Horn of Africa: 2018

by Johan Burger

The NTU-SBF Centre for African Studies publishes a weekly newsletter on issues relevant to Africa. This paper is based on issues addressed in the newsletter.

The Horn of Africa has increasingly become the scene of activity, driven not only by players in the region, but also from abroad. For the purposes of this paper, Sudan will be included as part of the Horn.

#### Sudan

In 2018, and before, we have seen Russia, Britain, Turkey, Saudi Arabia, Qatar and the UAE becoming active in Sudan. The question is whether this is a short-term phenomenon or are we seeing a trend that will grow in the future? As it is, China is Sudan's biggest trade partner, importing oil from Sudan while exporting low cost items as well as armaments to Sudan. China's footprint in Sudan has grown exponentially the past 20 years. The USA's sanctions against Sudan means a zero US-footprint in the country, while it gave China the gap to increase its presence substantially.

The Sudanese Minister of Finance and Economic Planning has stressed the depth of the developed economic relations between Sudan and the UAE, pointing to the UAE's continued support to Sudan, urging support for Arab food security projects. He emphasised the provision of all facilities to the UAE investments in Sudan in all fields. The UAE ambassador in Khartoum in turn praised the Sudanese efforts, including the private sector and banks, towards the investments of the UAE in Sudan. In another development, as Sudan struggles to tackle an acute foreign exchange crisis, the UAE has offered US\$1.4 billion to Sudan's Central Bank. This aid comes just days after the Central Bank had agreed to a US\$2 billion loan from Turkish conglomerate Ozturk to help Sudan purchase petroleum products and wheat.<sup>1</sup>

Saudi Arabia and the Saudi private sector are investing in maritime transport in Sudan, benefiting from the strategic situation of Sudan, to construct new harbours and ports at the Red Sea. The development in all transport units, particularly maritime transport, and constructing new ports and harbours in Sudan, has become increasingly important. Sudan and Qatar signed a US\$4 billion agreement to jointly develop the Red Sea port of Suakin off Sudan's coast. Sudan last year also signed a separate deal with Turkey whereby Turkey would restore part of Suakin and construct a naval dock to maintain civilian and military vessels. Sudan's strengthening ties with Turkey and Qatar come as it pledges further cooperation with Egypt after a year of rocky relations with this country. Sudan's Ministry of Finance also signed a deal with the Turkish company, Summa, to build the new Khartoum international airport at an estimated cost of US\$1.15 billion.<sup>3</sup>

The signing of a US\$4 billion partnership deal with Qatar to build and manage the Red Sea port of Suakin, puts Sudan's strategic location under spot and could be considered the first serious attempt to tap this resource that has been neglected for quite a long time. The Sudanese-Qatari joint venture will invest US\$500 million in the first phase and then expand eventually to enable

<sup>&</sup>lt;sup>1</sup>http://suna-sd.net/suna/showNews/379638/en

<sup>&</sup>lt;sup>2</sup> http://www.africanews.com/2018/03/15/uae-deposits-14-billion-to-sudan-central-bank-to-ease-forex-crisis/

<sup>&</sup>lt;sup>3</sup> https://www.euronews.com/2018/03/27/sudan-qatar-to-sign-4-billion-deal-to-manage-red-sea-port-ministry



the new port to handle the expected surge in trade volume. The project stems from the fact that the main port at Port Sudan is about to reach its limit due to the expansion of the city, which pushed them to look into alternatives. One of the options was deepening the Suakin harbour by some 700 meters and enable it to handle sizeable freight. Another project is already in the pipeline to overhaul Port Sudan's main port. If that is to materialize as well, Sudan will be in a good position to operate as a regional hub to at least 4 land-locked neighbouring countries, namely Ethiopia, South Sudan, Chad and Central Africa Republic. Marketing Sudan as a regional hub for land-locked countries fits well with the newly signed Continental Free Trade Area.<sup>4</sup>

While Ethiopia had also been looking at developing links to Port Sudan further up north of Suakin, a more developed Suakin could reduce travelling time from Addis Ababa and provide additional flexibility for Ethiopia and reduce its dependence on Djibouti. As it is, Port Sudan has also become busy. For Saudi Arabia and Egypt, the location of the island is geopolitically very sensitive as long as it is under Turkish control. Suakin's development by Turkey can be seen as an expansion of Turkish influence in the region at the expense of Egypt. Qatar's presence in Suakin is equally problematic for Saudi Arabia, Egypt and the UAE as Qatar is seen to be in the same ideological camp as Turkey. Sudan has also brought in Russia by inviting it to develop military bases in Sudan and offering it as a gateway for Russia into Africa. This makes Sudan an increasingly interesting player and creates an increasingly complex situation in a strategically important part of the world.

Sudan has also invited Russian companies to take part in the development of its oil industry by offering them several oil sites, including both producing and untapped ones, and fields that are currently being developed by other foreign companies, whom the Russian players would help to increase production. Sudan has been eager to build an oil industry after the split with South Sudan when it seceded in 2011. After the secession, South Sudan owned 75% of the oil reserves, while Sudan owns the only current transport route to get oil to international markets. In 2012, South Sudan and Sudan reached an agreement that allowed South Sudan to resume its oil exports via Sudan. Sudan is currently mostly a pipeline provider for its neighbour—and possibly Uganda and Kenya in the future—rather than an oil producer. Yet the country is hopeful about its oil reserves. Sudan eyes initial production of 10,000 bpd from the field, with the reserves in the field recently upgraded to 165 million barrels from 19 million barrels. For this production to begin, however, investments of around US\$200 million are necessary.<sup>5</sup>

It seems that Sudan will soon have its own oil reserves to pump, instead of just being part of the supply chain for its southern neighbour. With a GDP of US\$96 billion (according to Trading Economics), the 6th highest in Africa, this will set up some nice growth opportunities for this country after being the target of sanctions and embargoes for a decade or 2.

What is equally interesting, is the increasingly prominent role Russia is starting to play in Africa. Russia is apparently attempting to expand its influence in Africa and restore is prominence on the continent to its glory days in the pre-glasnost and perestroika days of the former Soviet Union. The Russian Minister of Foreign Affairs, Sergey Lavrov, visited a number of countries in Africa in March 2018, i.e. Zimbabwe, Namibia, Angola, Mozambique and Ethiopia. It seems both resources and manufacturing (arms included) were on the agenda. In addition to expanding its influence in Africa in general, Russia also has some strong visibility in Egypt's Suez Canal expansion, and it is also reportedly looking at building a military base in Somaliland as a back-entry into Ethiopia. With a growing presence in Sudan, and with an invitation to not only pump oil, but also to train Sudan's military and use Sudan as a gateway into Africa, Russia is setting itself up nicely. Africa seems to be becoming the playing ground of the big boys in global politics. Should it not be able to dictate and enforce the rules of the games, it is not sure if it is in Africa's best interest.

<sup>&</sup>lt;sup>4</sup> https://allafrica.com/stories/201804020205.html

<sup>&</sup>lt;sup>5</sup> https://oilprice.com/Latest-Energy-News/World-News/Sudan-Extends-Invitation-To-Russian-Oil-Explorers.html



There is therefore a clear trend of foreign governments and companies investing in Sudan. While there are undoubtedly many challenges to investing in Sudan, an increasing number of countries have identified Sudan as an investment destination. Some, like Qatar and Turkey, in addition to the obvious role of China in Sudan, are increasing their footprint in this country. The reasoning behind these moves are not just economic, but also geo-strategic, given the location of Sudan along the Red Sea and the busy sea lanes to and from the Suez Canal. As it is, Djibouti, a bit further south, has become very busy, and one can even say a bit crowded. Developing other options in Sudan generates more strategic flexibility for the various stakeholders. To state the obvious, it is also good for Sudan to receive these investments given the long period of sanctions against it, driven by the USA. While Ethiopia had also been looking at developing links to Port Sudan further up north of Suakin, a more developed Suakin could reduce travelling time from Addis Ababa and provide additional flexibility for Ethiopia and reduce its dependence on Djibouti. As it is, Ethiopia is also looking at participating in the development of the Port of Berbera in Somaliland for similar reasons.

## **Ethiopia**

Ethiopia has also been the scene of exciting developments during 2018. Ethiopia's ruling coalition picked Dr. Abiy Ahmed as its new chairman, paving the way for him to become Ethiopia's next prime minister, replacing Hailemariam Desalegn who had resigned early 2018. Ahmed faced the challenges of not only strengthening the party, but also introducing widespread reforms that many people have died fighting for in his own Oromia state. By fronting Ahmed, the EPRDF hopes its historic move of electing the first Oromo to lead the coalition will save it from disintegrating and act as a salve for protesters. Analysts say Ahmed has a close relationship with both the Oromo youth and Ethiopia's political and security agencies. Some say his mixed religious background (a Christian mother and a Muslim father), his education, and his fluency in Amharic, Oromo, and Tigrinya as qualifying him for the job.

Ethiopia's political scene has for the past couple of years been marred by protests against the dominance of the government by the Tigraway tribe, who constitute about 6.1% of the population. The Oromo constitute ~34.5% of the population, with the Amhara at ~26.9%. With the Ethiopian economy making great progress the past number of years, the political protests have always been a source of concern.

However, 2018 was a busy and mostly successful year for Prime Minister Ahmed. He visited Djibouti, Sudan and Kenya, indicating Ethiopia's thirst for access to ports. These visits were aimed at creating a meaningful economic union, with joint investments and ownership of projects. Ethiopia struck a deal to take a stake in the Port of Djibouti, which currently handles up to 95% of inbound trade for landlocked Ethiopia. In return, Djibouti obtained the option to take shares in state-owned Ethiopian firms, including the profitable Ethiopian Airlines. Ethiopia also agreed to acquire a 19% stake in the Port of Berbera in Somaliland. In Sudan, Abiy struck a deal with president al-Bashir for Ethiopia to obtain a stake in Port Sudan. They also agreed to develop the border town of Assosa, including building a new railway line to facilitate the movement of goods and people between the two countries. Sudan would also back Ethiopia's US\$4 billion dam on the Nile. In Kenya, Abiy revived a deal to set up a logistics facility at the Port of Lamu. Ethiopia and Kenya will work on joint projects, e.g. railways and roads, and including developing the border town of Moyale into a joint city and economic zone.<sup>6</sup>

Ethiopia is doing its best to ensure it reduces its dependence on Djibouti as a single entrepôt for its imports and exports. Developing access to Port Sudan in Sudan, Djibouti, Port of Berbera in

<sup>6</sup> http://www.africanews.com/2018/05/12/ethiopia-seeks-economic-union-with-neighbours/



Somalia, and Lamu Port in Kenya, will reduce its vulnerability significantly. It is clear that President Ahmed is not just creating new port access, but is also growing Ethiopia's influence amongst its neighbours, thereby positioning itself as a regional power. It has succeeded in gaining Sudanese support for its dam in the Nile, something which has disturbed its relationship with Egypt. Codeveloping towns, roads and railways are long-term projects and have the potential to deepen relationships between the countries involved. In this way, Ethiopia can reduce the negative factor of being landlocked. President Ahmed, being a member of the Oromo tribe, has the potential to settle the internal political instability that has been plaguing Ethiopia for quite a few years. Should he be able to do this, and boost the country's economic growth to an even greater extent due to improved ties with its neighbours and better transport systems, he would have done his country a massive favour!

Ethiopia has also recently seen the introduction of franchise business Pizza Hut. A few more international franchise brands such as KFC and McDonald's are on their way to Ethiopia. Economic experts see the coming of those franchise businesses as an indication of a greater liberalization of the economy ahead. A few more international franchise brands such as KFC and McDonald's are on their way to Ethiopia. In Ethiopia, while the conditions gave hope regarding the liberalization of the economy, the government still maintained a tight lid on its liberalization process, manifested by its commitment to not open up the financial sector, and the retail and wholesale businesses to foreign investment. On the one hand, the government has managed to transfer a considerable level of its control in many SOEs. Ethiopia's foreign currency reserves have significantly declined, as has FDI. Economists suggest opening up some of the economic sectors might serve to attract more FDI.<sup>7</sup>

The tight government control over the economy of Ethiopia has frequently been a topic of discussion. It was especially true for the financial services sector and the telecommunications sector. Allowing the global franchise businesses into the country can indeed be seen as part of a gradual liberalisation of the country. Ethiopia and Djibouti agreed to swop stakes in strategic public enterprises as they pursued deeper economic integration. The sectors involved included airlines, ports and telecommunications companies – the very successful Ethiopian Airlines was mentioned directly by Bloomberg as being part of the share-swopping initiative. A few years ago this would have been unthinkable.

Landlocked Ethiopia, which lost its access to the Red Sea nearly three decades ago, plans to build a navy as part of military reforms. Ethiopia disbanded its navy in 1991 after its then-province Eritrea seceded following a three-decade war for independence. It does, however, have a maritime institute that trains seafarers. Prime Minister Ahmed was quoted as saying "we should build our naval force capacity in the future." Ahmed's remarks were made at a time when wealthy Gulf states are stepping up investments in seaports along the Red Sea and East Africa's coast as they vie for influence in a strategic corridor that is vital for shipping lanes and oil routes. In May 2018, Ethiopia and Sudan agreed on a deal allowing Addis Ababa to take a stake in Sudan's largest sea gateway port of Port Sudan to diversify outlets and reduce port fees. Ethiopia reached a similar arrangement over the Port of Djibouti, Djibouti's main gateway for trade. It only makes sense to not be beholden to a single country to serve as entrepôt. In this way, Ethiopia is reducing its vulnerability.

Ethiopia has been busy with negotiations with the respective governments for access to Port of Sudan (Sudan), Port of Berbera (Somaliland – negotiating for 19% shareholding) and the Port of Lamu (Kenya). With access to these ports, especially to Djibouti, providing a base for its navy

<sup>&</sup>lt;sup>7</sup> https://www.thereporterethiopia.com/article/food-franchises-tasting-business

 $<sup>{\</sup>tt 8https://www.reuters.com/article/us-ethiopia-military/landlocked-ethiopia-plans-new-navy-as-part-of-military-reforms-idUSKCN1IZOML}$ 



should not be problematic. From a naval perspective, in the case of a threat in the area, Ethiopia has neither the naval presence in the area nor any military asset to defend its strategic interests. Experience in the past has shown that any threat in the area automatically has serious repercussions, both economically and militarily, for Ethiopia. In addition, Ethiopia has several merchant ships to transport its exports and imports. In the event of an international maritime crisis, these ships upon the approaches at the Gulf of Aden need to be escorted. Being landlocked and only a few miles away from the seacoast, Ethiopia has to forecast its future threat to avoid unnecessary last minutes rushes to find a solution for a very serious national problem.

The Ethiopian government decided in 2018 that private investors would be able to buy complete or partial shares of public enterprises aimed at promoting efficiency and productivity, enhancing sustained growth and ensuring management accountability. Academics believe that the partial sale of shares of public enterprises such as the lucrative telecommunications market, or the well-established Ethiopian Airlines, must be welcomed and encouraged if their shares can be sold to both domestic and foreign investors. Investors need to be effective service providers, highly competitive and make huge profits. The electricity sector is also seen as a privatisation candidate due to its low efficiencies. It is believed that privatization would not affect the affordability of the service due to the effect of competition amongst service providers.<sup>9</sup>

Going the privatisation route is not new to Africa. Various countries have in the past sold off entities that should have been run by the private sector in the first place. We think of the privatisation of various state-owned breweries a few decades ago, such as in Tanzania. Governments are not supposed to run businesses. They seldom (if ever) have the competencies to do so. Privatising state-owned assets provide governments with the opportunity to generate much needed capital for development purposes and bring in the required competencies to upgrade the productivity and profitability of the entity privatised. We also find that labour unions tend to oppose privatisation attempts as private sectors investors frequently reduce the headcount numbers (which tend to be bloated) as part of efficiency drives. Having the government as a partner (in the case of partial privatisation) also helps with the requisite policy framework. In the case of Ethiopia, who is currently experiencing quite a severe liquidity squeeze, selling off state assets could help the country in the precarious position it finds itself in. Ethiopian Airlines is the only profitable airline in Africa and is growing strongly. There should be various investors eager to tap into this opportunity. The adoption of the Single African Air Transport Market, to which Ethiopia is a signatory, will increase the attractiveness of investments in this airline. With a population of 100 million people, an investment in the telecoms sector has the potential to be very rewarding. African telecoms companies such as Vodacom, MTN and Safaricom are quite profitable, to put it mildly. These assets should therefore provide the Ethiopian government with a tidy sum!

#### Somalia

Somalia has seemingly become the playing field for various foreign entities. In response, President Kenyatta of Kenya recently addressed the political and economic crisis in Somalia and urged foreign powers to stop undermining the current government as this created regional instability. According to him, the Gulf powers' approach to Somalia is highly irresponsible, short-sighted and selfish. According to him, Saudi Arabia, the UAE and Bahrain have been undermining Qatar for quite a while. The problem is that the Saudi-UAE bloc has exported this rivalry by demanding the support of countries in a "you-are-either-with-us-or-against-us" approach to diplomacy. The effect in the Horn has been devastating. The Saudi bloc is waging a war in Yemen, which has ruined that country and created conditions that will feed instability for years to come.

<sup>&</sup>lt;sup>9</sup> https://allafrica.com/stories/201806180550.html



In Somalia, the Gulf powers, led by the UAE, are trying to undermine the government. They have sealed deals for port management and security training with the semi-autonomous regions of Somaliland and Puntland, while the Somali government has complained that millions of dollars are being spent to buy the support of rival political players. Somalia needs all the help it can get, while stability will mean better lives for its people and the wider region.<sup>10</sup>

Russia is apparently looking at developing a military base in Somaliland at the city of Zeila. If realised, this would be Russia's first base in Africa since the Cold War and be a major step forward for Putin's programme to revive Russia's once proud navy. Zeila is also on the border with Diibouti - nearby the location of China's base. As the US and China both have military facilities in Djibouti, it should not be a surprise that Russia would want facilities there too. Russia is proposing that it will recognise the breakaway republic of Somaliland in return for being allowed to establish the base. It also reported that Russia will ensure security in Somaliland by training its military. Russia's presence must be seen in addition to the actions of the UAE, Qatar and Ethiopia in Somaliland. Ethiopia's joint development of a port in Berbera with the UAE, as well as Russia's increasing relations with both of these countries, point to tacit economic-strategic motivations behind its possible decision to build a base in nearby Zeila because it could achieve several objectives by strengthening Russia's ties with all three parties. Then we have Somalia rejecting UAE support, with Qatar stepping in to replace the UAE's initiatives. It is becoming a very complex situation. Foreign governments should indeed work to improve institutions and boost security in Somalia, instead of fomenting instability and using the country as the playing field in which they advance their foreign policy objectives.

Within Somalia, the autonomous region of Somaliland's government, after forming a tripartite port development agreement with the UAE and Ethiopia, has made arrangements to commence the construction of new port facilities at the Port of Berbera. The port project is expected to be finalized by 2020. The capacity of the port facility will be expanded at a cost of US\$442 million. The expansion project also represents an additional milestone in Somaliland's struggle for recognition as an independent nation. Somalia opposed the project claiming it has violated its sovereignty, while Djibouti didn't like Berbera Port becoming a potential contender as it takes a considerable share of volume from what it currently enjoys.<sup>11</sup>

There are quite a number of issues involved above that are important. Firstly, the UAE and Somalia have had a fall-out with the former ending its military training programme in Somalia, as well as its involvement in running a hospital in Mogadishu, the capital of Somalia. It has been rumoured that Qatar was the disruptor there. Secondly, Djibouti ended the management contract of DP World (from the UAE) to run its Doraleh Container Terminal. DP World will figure very prominently in the development and management of the Port of Berbera. Thirdly, nobody mentions the interest Russia has shown in developing a naval base at Zeila in Somaliland, which will provide it with the ability to project power into the Mediterranean Sea, the Middle East and the Indian Ocean. Lastly, Ethiopia has also been "shopping" around for additional access to the oceans. Until recently, the Port of Djibouti has been Ethiopia's primary access to the sea. It has now approached Sudan (Port of Sudan), Kenya (Mombasa and Lamu), and the Port of Berbera.

### **Eritrea**

Eritrea has come in from the cold. Ethiopia and Eritrea ended a conflict which lasted for close to 3 decades after Prime Minister Ahmed came to power in April 2018. Russia and Eritrean leaders

https://www.nation.co.ke/oped/editorial/Somalia-needs-help-not-divisive-foreign-meddling/440804-4547138-2v7e6qz/index.html

<sup>11</sup> https://www.thereporterethiopia.com/article/berbera-port-expansion-project-commence-september



have discussed expanding trade and joint projects as the UN Security Council prepares to review sanctions imposed on Eritrea. The two countries are discussing a port logistics centre and projects in mining and infrastructure. However, Eritrea signed a peace accord in July with Ethiopia, ending a two-decade stalemate after one of Africa's worst conflicts that claimed as many as 100,000 lives between 1998 and 2000. Eritrea also has restored relations with Djibouti and Somalia towards the end of 2018.<sup>12</sup>

Russia has been looking for ports to use in the entrance to the Red Sea. Interestingly, while Djibouti was willing to provide its port for the Russian Navy to fight piracy, Russia was barred from building a base in the country as Djibouti did not want to "become the terrain for a proxy war." As recent as the end of 2017, Djibouti felt that having a Russian presence in Djibouti was not appropriate because of what was going on in Syria, the Ukraine and elsewhere. Gaining a foothold in Eritrea could therefore help Russia to position its navy. This is in addition to the discussions that Russia is reportedly involved in with Somaliland to develop a port near the city of Zeila. This would help it to project power into the Middle East and the Indian Ocean region.

UN sanctions against Eritrea were lifted on 14 November 2018. The country is now working to regain its place in Africa and the international community. The end of the punitive measures may kick-start a new age of prosperity for the Horn of Africa. A decade of isolation has left a huge mark on the country's economy and infrastructure. Foreign investment is non-existent, imports are severely reduced, and the cost of commercial loans, insurance and shipping rates artificially elevated. The fragile peace could be threatened if Eritrea's growing economic interests encroach on its neighbours, particularly Djibouti. Djibouti processes 95% of Ethiopian imports, accounting for ~70% of the port's overall traffic. Should Eritrea impact negatively on this, the peace between the 2 countries could be threatened. The sanctions deprived Eritrea of financial stability and valuable resources, and much of its investment took place in the security sector rather than in the productive economy. Eritrea could turn out to be a case study on how to claw itself back to prosperity, or how not to do it.<sup>13</sup>

It is interesting to see UN sanctions against Eritrea being lifted, with the approval of the USA. At the same time, the USA does not want to take Sudan off the list of countries supporting terrorism, which is part of the reason why Sudan is experiencing serious cash shortages. Getting back to Eritrea, it has the potential to provide Ethiopia and South Sudan with port facilities, going into competition with Djibouti. In addition to this, it also has the option to provide military bases to outside powers, just as Djibouti has been doing. We have already seen Saudi Arabia and the UAE setting up a base there, from where they have been launching attacks against their opponents in Yemen. We have also seen Russia recently announcing plans to establish a logistics centre at a port in Eritrea. The aim hereof is to boost bilateral trade and infrastructural investment between the two countries. It also shows Russia's efforts to renew its ties with African states and boost its influence. In addition, it places Russia in a position of influence in a region of geostrategic importance.

### Horn of Africa

Ethiopia and Djibouti during 2018 further consolidated their existing bilateral relationship to economic integration. Reinforcing cross-border infrastructures, increasing the volume of trade, and consolidating the people-to-people relationships are some of the issues they identified. The people of the two countries share a common geography, history, languages, culture and social

 $<sup>^{12}\</sup>underline{\text{https://www.bloomberg.com/news/articles/2018-10-20/russian-envoy-visits-eritrea-seeking-tighter-post-sanctions-ties}$ 

<sup>&</sup>lt;sup>13</sup> https://africatimes.com/2018/11/21/the-long-road-to-recovering-from-sanctions/



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values. The two countries also enjoy economic, political and social cooperation. Ethiopia was eager to expedite its relations with Djibouti, a country with which it has long standing ties of friendship, understanding, and cooperation. In April 2018, the Ethiopian prime minister had met and discussed with the president of Djibouti the enhancement of economic integration by addressing the obstacles. Djibouti apparently attaches great importance to the excellent political relationship it enjoys with Ethiopia, and they are committed to pursue this partnership in all areas.<sup>14</sup>

Djibouti's links with Ethiopia are crucial for its revenue generation. It currently acts as an entrepôt for Ethiopia. Ethiopia, on the other hand, is beholden to Djibouti for about 95% of its imports and exports. This is not healthy for Ethiopia, and it has been scouting around in the neighbourhood, looking at diversifying its access to the sea via Sudan, Somalia and Kenya. Quite recently the two countries have discussed the exchange of shareholding in Djibouti's harbour and Ethiopia's airline, amongst others, to further cement this relationship. As it is, these two countries have been the solid foundation in the Horn of Africa. Their political and economic health is therefore not just of interest to the two of them, but for the region as whole.

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http://www.2merkato.com/news/alerts/5391-economic-integration-between-ethiopia-and-djibouti-to-be-accelerated