ብሪቱ
Birritu

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Editors' Note

A press release by the National Bank of Ethiopia (NBE), on the revised minimum interest rate, and social and economic schemes that would be implemented during the five years growth and transformation program is stated in the news and information column. Directives issued on the Banking sector are also entertained in the same section.

A paper on the "Role of Human Capital Formation in the Ethiopian Economic Growth", that states health and education as a major indicator is presented in the research column. An informative piece on inflation and a historical point are also part of this publication in the miscellany section.

Have a pleasant reading!

የወለድ ተመን ማስተካከያን በተመለከተ የተሰጠ መግለጫ(ኢብባ)

የ5 ዓመት (2003 – 2007) የዕድገትና ትራንስፎርሜሽን ዕቅድ በቅርቡ ለህዝብ ተወካዮች ምክር ቤት ቀርቦ ሰፊ ውይይት ከተደረገበት በኋላ መጽደቁ ይታወቃል። ዕቅዱ ባለፉት ዓመታት በሀገራችን የተገኘውን ከፍተኛና አበረታች የኢኮኖሚ ዕድገት መሰረት በማድረግ በመሰረታዊ የዕድገት አማራጭ አጠቃላይ የሀገር ውስጥ ምርት አማካይ ዕድገት 11.2 በመቶ እና በከፍተኛ የዕድገት አማራጭ ደግሞ 14.9 በመቶ እንደሚደርስ ተገምቷል።

ዕቅዱን ለማሳካት የሚጠይቀው ፋይናንስ ከፍተኛ በመሆኑ ከዕቅድ ዝግጅት ጀምሮ የሀገር ውስጥ ቁጠባን ለማሳደግ የሌሎች ሀገሮችን ተሞክሮ መሰረት በማድረግ ሰፊ ጥናት የተካሄደ ሲሆን በዚህ መሰረት የተቀየሱ ስልቶች ተግባራዊ እንዲደረጉ ክቡር ጠቅላይ ሚኒስትር ለህዝብ ተወካዮች ምክር ቤት ይፋ ማድረጋቸው ይታወቃል። በዚህ መሠረት የኢትዮጵያ ብሔራዊ ባንክ የሚከተሉትን የወለድ ተመን ማስተካከያዎች ከህዳር 23 ቀን፣ 2003 ዓ.ም ጀምሮ ተግባራዊ እንዲሆን አድርጓል።

1. ዝቅተኛ የባንክ የቁጠባ ሒሳብን በተመለከተ

የሀገር ውስጥ ቁጠባን ለማጠናከር የተቀማጭ ገንዘብ የወለድ ተመንን ማስተካከልና የፋይናንስ ተደራሽነትን ማሻሻል አስፈላጊ ጉዳይ ነው።

እንደሚታወቀው ሰዎች ያላቸውን ሀብት ለቁጠባ (saving) ወይም ለፍጆታ (current consumption) ያውሉታል። በፍጥነት በማደግ ላይ ያለ ኢኮኖሚ ዕድገቱ ቀጣይነት ያለው እንዲሆን ከፍተኛና የማይቋረጥ ፋይናንስ የሚያስፈልገው በመሆኑ በየወቅቱ የወለድ ተመንን ማስተካከል የኢኮኖሚ ተዋንያንን በማበረታታት ከፍጆታ ይልቅ ወደ ቁጠባ እንዲያዘነብሉ ያደርጋል። ይህ ሊሳካ የሚችለው ደግሞ ቆጣቢዎች በሚያስቀምጡት ገንዘብ የሚያገኙት ጥቅም በዋጋ ንረት ምክንያት ገንዘቡ ከሚያጣው የመግዛት አቅም ጋር የተቀራረበ ሲሆን ነው። በሌላ አገላለጽ ባንኮቹ በተቀማጭ ገንዘብ ላይ የሚከፍሉት ወለድ በሸቀጦች ገበያ ከሚታየው የዋጋ ንረት ጋር የተቀራረበ ሊሆን ይገባዋል። በመሆኑም የኢትዮጵያ ብሔራዊ ባንክ በጊዜ ገደብና በቁጠባ ተቀማጭ ሒሳቦች ላይ ባንኮች መክፈል ያለባቸውን የወለድ ተመን ሲወስን ዓመታዊ የዋጋ ንረት ግምትን ታሳቢ በማድረግ ነው።

በዚህም መሰረት የኢትዮጵያ ብሔራዊ ባንክ ከህዳር 23 ቀን፣ 2003 ዓ.ም. ጀምሮ ዝቅተኛ የባንክ ተቀማጭ ወለድ ተመን ከ4 በመቶ ወደ 5 በመቶ ከፍ እንዲል አድርጓል።

በሌላ በኩል በወለድ ተመን ማስተካከል ረገድ የተወሰደው ማበረታቻ እንደተጠበቀ ሆኖ አሁን ያለው የፋይናንስ አገልግሎት ተደራሽነት ውሱን መሆን ቁጠባን በማሳደግ ረገድ የራሱ አሉታዊ ተጽዕኖ እንዳለው ይታወቃል። በተለይ የሀገሮች ልምድ እንደሚያሳየው በታዳጊ ሀገሮችና የካፒታል ገበያ ባልተስፋፋባቸው ሀገሮች ከ90 በመቶ በላይ የሚሆነውን የፋይናንስ ቁጠባ የሚያሰባስቡት ባንኮች በመሆናቸው በ5 ዓመቱ የዕድገትና ትራንስፎርሜሽን ዕቅድ ለፋይናንስ አገልግሎት ተደራሽነት ከፍተኛ ትኩረት ተሰጥቷል። በዚህ መሰረት፡-

ሀ) ባንኮችና አነስተኛ የፋይናንስ ተቋማት በዘመናዊ ቴክኖሎጂ እርስ በርሳቸው የሚያገናኛቸው መረብ ይዘረጋል፣

ለ) የቴክኖሎጂ መረብ በመጠቀም ተቋማት ገንዘብ በቅጽበት (Real Time) ከአንዱ የሀገሪቱ ጫፍ ወደ ሌላው ጫፍ እንዲያስተላልፉ ወይም ክፍያ እንዲፈጽሙ ይደረጋል፣

ሐ) በተጨማሪ ደግሞ ካርድን፣ ተንቀሳቃሽ ስልክን፣ ወይም ሌሎች የኤሌክትሮኒክስ መሳሪያዎችን በመጠቀም የሚሰጥ የባንክ አገልግሎት እንዲስፋፋ ምቹ ሁኔታዎች ይፈጠራል፣

መ) የፋይናንስ ተደራሽነት አሁን ከሚገመተው 20 በመቶ አካባቢ ሽፋን በዕቅድ ዘመኑ መጨረሻ ወደ 67 በመቶ አካባቢ ሽፋን ከፍ እንዲል ይደረጋል፣

ሠ) የኢትዮጵያ ንግድ ባንክ ቅርንጫፎቹን በሁሉም የሀገሪቱ ክልሎች በከፍተኛ መጠን እያስፋፋ ሲሆን ሌሎችም ባንኮችና የአነስተኛ የፋይናንስ ተቋማት (MFIs) በተመሳሳይ ቅርንጫፎቻቸውን እንዲያስፋፉ ይበረታታሉ፣ እንዲሁም

ረ) የተጠቀሱትን የፋይናንስ አገልግሎቶች ተግባራዊ ለማድረግና የክፍያ ስርዓቱ ዘመናዊ እንዲሆን የሚያግዙ ዓለማቀፍ ደረጃዎችን የጠበቁ አዋጆች፣ ደንቦችና የአሰራር መመሪያዎች በያዝነው የበጀት ዓመት ውስጥ በተግባር ላይ ይውላሉ።

2. የኢትዮጵያ መንግስት የቁጠባ ቦንድ

ምንም እንኳን ከላይ እንደተገለፀው የፋይናንስ ቁጠባን በማሰባሰብ ረገድ ባንኮች ከፍተኛ ሚና የሚጫወቱ ቢሆንም ከሌሎች ሀገሮች ልምድ እንደሚታየው ሌሎች የፋይናንስ ምርት (ለምሳሌ ንደ ቦንድ ያሉ የፋይናንስ መሳሪያዎች) ቁጠባን በማሰባሰብ ረገድ የማይናቅ ሚና ይጫወታሉ፡፡ ስለዚህ ለአምስት ዓመቱ የዕድገትና የትራንስፎርሜሽንዕቅድ የሚያስፈልገውን ፋይናንስ ከማሰባሰብ ረገድ የገጠርና ከተማ ህብረተሰብ፣ የጥቃቅንና አነስተኛ ማኅበራትን እና ሌሎች የኅብረተሰብ ክፍሎችን በየደረጃው ተሳታፊ የሚያደርግ የመንግስት የቁጠባ ቦንድ በኢትዮጵያ ልማት ባንክ በኩል ለመሸጥ የሚያስችል ዝግጅት ተጠናቋል፡፡ የኢትዮጵያ ልማት ባንክ በማይደርስባቸው ቦታዎች የኢትዮጵያ ንግድ ባንክ ና አነስተኛ የፋይናንስ ተቋማት ሽያጭ እንዲያደርጉ የሚወከሉበት ሁኔታ ተመቻችቷል፡፡

የቦንዱ ዋና ዋና ባህርያት የሚከተሉት ናቸው፡-

1ኛ/ የቦንዱ ዝቅተኛ ዋጋ ብር 500 ነው፡፡ ይህ የሆነበት ምክንያት ከገጠር እስከ ከተማ አነስተኛ ገቢ ያላቸውን የህብረተሰብ ክፍሎች በቦንድ ግዥ ላይ ተሳታፊ እንዲሆኑ ለማድረግ ነው፡፡

2ኛ/ የቁጠባ ቦንዱ ሁለት ዓይነት ሲሆን ይኸውም መካከለኛ (ከ1 - 5 ዓመት) እና የረጅም ጊዜ (ከ5 ዓመት በላይ) የክፍያ ጊዜ ያላቸው ናቸው፡፡

3ኛ/ የቦንዱ የወለድ ምጣኔ የኢትዮጵያ ብሔራዊ ባንክ በሚወስነው ዓመታዊ ሀገር-ዓቀፍ የዋጋ ንረት ግምት ላይ የሚመሰረት ይሆናል፡፡ በዚህም መሰረት የክፍያ ጊዜው ከ1 - 5 ዓመት ለሆነ የመንግስት የቁጠባ ቦንድ ሽያጭ የሚከፈለው የወለድ ምጣኔ 5.5 በመቶ ሲሆን የክፍያ ጊዜው ከ5 ዓመት በላይ ለሆነ ደግሞ 6 በመቶ እንዲሆን ተደርጓል፡፡

4ኛ/ ቦንድ ገዥው የገዛውን ቦንድ ከፈረመበት በኋላ ለሌላ ሶስተኛ ሰው በውርስና በስጦታ ማስተላለፍ ወይም ቦንዱን አስይዞ ከባንክ መበደር ይችላል፡ ፡ ገዥው የቦንዱ የክፍያ ጊዜ ከመድረሱ በፊት ገንዘቡ ቢያስፈልገው ለሌላ ሶስተኛ ሰው በሁለተኛ ገበያ (Secondary Markets) ወይንም ለነዱን ለባንክ አቅርቦ ገንዘቡን የሚያገኝበት ሁኔታ ተመቻችቷል፡፡

3. የመኖሪያ ቤት ቁጠባ ፕሮግራምን በተመለከተ፡-

በመኖርያ ቤት ቁጠባ ፕሮግራም ቁጠባንና ብድርን በማቀናጀት የፕሮግራሙ አባል በመንግስት በኩል በሚተገበር የመኖርያ ቤት ግንባታ ፕሮጀክት የመኖርያ ቤት ያገኛል፡፡ ፕሮግራሙ ለመጀመርያ ጊዜ በኢትዮጵያ ንግድ ባንክ በኩል በሙከራ እንደ አንድ የፋይናንስ ምርት (Financial Product) ሆኖ የሚተገበር ይሆናል፡፡ የሙከራው ውጤት ከታየ በኋላ ሌሎች ባንኮችም በፕሮግራሙ እንዲታቀፉ ይደረጋል፡፡ በፕሮግራሙ የመንግስት መስሪያ ቤት፣ የግል ድርጅቶች እንዲሁም የበጎ አድራጎት ድርጅቶች ውስጥ የሚሰሩ ሰራተኞች እና ሌሎች በግል ስራ ላይ የተሰማሩ ሰራተኞች ሊሳተፉ ይችላሉ፡፡

- የፕሮግራሙ አባላት ለመኖርያ ቤት መስሪያ ከተገመተው ጠቅላላ ዋጋ ውስጥ 40 በመቶ ከቆጠቡ ቀሪውን 60 በመቶ ከባንክ በብድር እንዲያገኙ ይደረጋል፡፡

- የፕሮግራሙ አባላት ገንዘቡን በቁጠባ የሚያስቀምጡት ቢያንስ ለሶስት ዓመት ሲሆን የባንክ ብድር ከፍለው የሚመልሱት በ17 ዓመት ውስጥ ነው፡፡ በአጠቃላይ የፕሮግራሙ ዕድሜ ቢያንስ 20 ዓመት ይሆናል፡፡

- በፕሮግራሙ ውስጥ የሰራተኞች አባልነት እንዲሁም የመዋጮ አሰባሰብ በየመስሪያ ቤታቸው በኩል ይሆናል፡፡ በግል ስራ ዘርፍ ተሰማርተው የሚገኙት በማንኛውም የኢትዮጵያ ንግድ ባንክ ቅርንጫፍ በስማቸው በተከፈቱ ሒሳቦች ቁጠባ በማድረግ መሳተፍ እንዲችሉ ይደረጋል፡፡

- የፕሮግራሙ አባላት በሚቆጥቡት ገንዘብ ላይ የሚከፈላቸው ወለድ የኢትዮጵያ ብሔራዊ ባንክ በሚወስነው ዓመታዊ ሀገር-ዓቀፍ የዋጋ ንረት ግምት ላይ የሚመሰረት ይሆናል፡፡ በዚህ መሰረት 5.5 በመቶ ወለድ እንዲያገኙ ይደረጋል፡፡ በብድር ከኢትዮጵያ ንግድ ባንክ ለሚወሰደው ቀሪው 60 በመቶ የሚከፈለው ወለድ በፕሮግራሙ የሚሳተፉ አባላትን ለማበረታታት ሲባል ለቁጠባ ከሚከፈለው 2.0 በመቶ ብቻ በመጨመር 7.5 በመቶ ሆኗል፡፡

4.የኢንቨስትመንት መሣሪያዎች የቁጠባ ፕሮግራምን በተመለከተ

የኢንቨስትመንት መሣሪያዎች የቁጠባ ፕሮግራም ከመኖርያ ቤት የቁጠባ ፕሮግራም ጋር ተመሳሳይነት ያለው ሆኖ የዕድገትና ትራንስፎርሜሽን ዕቅድን ለማሳካት ወሳኝ ሚና የሚጫወቱትን የጥቃቅንና አነስተኛ ኢንዱስትሪዎች የሚያጋጥማቸውን የካፒታል እጥረት የሚቀርፍ እና ብድር ያለመያዣ ለማግኘት የሚያስችል ፕሮግራም ነው።

ፕሮግራሙ ሁለት ዐብይ ስልቶች ያሉት ሲሆን፦

1ኛ/ ከባንክ በሚገኝ ተጨማሪ ብድር የኢንቨስትመንት መሳሪያ በግዥ ማግኘት እና

2ኛ/ በኢትዮጵያ ንግድ ባንክ ስር በሚቋቋመው የመሣሪያ ኪራይ ኢንተርፕራይዝ (Equipment Leasing Enterprise) በኩል በሊዝ የማምረቻ መሣሪያዎችን ማግኘት ናቸው።

1ኛ. በብድር የማምረቻ መሣሪያ ግዥን ማካሄድ በተመለከተ

ፕሮግራሙ በኢትዮጵያ ንግድ ባንክ በኩል እንደ አንድ የፋይናንስ ምርት (Financial Product) ሆኖ የሚቀርብ ሲሆን በፕሮግራሙ ማንኛውም ኢትዮጵያዊ ሊሳተፍ ይችላል። የፕሮግራሙ ዋና ዋና ባህርያትም የሚከተሉት ናቸው፦

- የፕሮግራሙ አባል ለማሽነሪ ግዥ ከተገመተው ጠቅላላ ዋጋ ውስጥ 40 በመቶ በባንክ በቁጠባ በማስቀመጥ ቀሪውን 60 በመቶ ከባንክ በብድር እንዲያገኝ ይደረጋል።
- የፕሮግራሙ አባላት ገንዘቡን በቁጠባ የሚያስቀምጡት ቢያንስ ለሁለት ዓመታት ሲሆን የባንክ ብድር ከፍለው የሚጨርሱት በሶስት ዓመታት ውስጥ ነው። በጠቅላላ የፕሮግራሙ ዕድሜ ቢያንስ አምስት ዓመት ይሆናል።
- የፕሮግራሙ አባላት በሚቆጥቡት ገንዘብ ላይ የሚከፈላቸው ወለድ የኢትዮጵያ ብሔራዊ ባንክ በሚወስነው ዓመታዊ ሀገር-ዓቀፍ የዋጋ ንረት ግምት ላይ የሚመሰረት ይሆናል። በዚህ መሰረት 5.5 በመቶ ወለድ እንዲያገኙ ይደረጋል። በብድር ከኢትዮጵያ ንግድ ባንክ ለሚወሰደው ቀሪው 60 በመቶ የሚከፈለው ወለድ በፕሮግራሙ የሚሳተፉ አባላትን ለማበረታታት ሲባል ለቁጠባ ከሚከፈለው 2.0 በመቶ ብቻ በመጨመር 7.5 በመቶ ሆኗል።

2ኛ/ የመሳሪያ ሊዝ ፕሮግራምን በተመለከተ

ይህ ፕሮግራም ብድር ለማግኘት የዋስትና ችግር ያለባቸውን ጥቃቅንና አነስተኛ ተቋማት የአምስት አመቱን የዕድገትና የትራንስፎርሜሽን ዕቅድ ለማሳከት የሚጫወቱትን ሚና ለማጠናከር እንዲረዳቸው ታስቦ የተዘጋጀ ነው። የሊዝ ፋይናንሲንግ ፕሮግራም የኢትዮጵያ ንግድ ባንክ ከአነስተኛ የፋይናንስ ተቋማት ጋር በቅንጅት የሚያካሂደው ሆኖ ከከተማ እስከገጠር የሚገኙ ጥቃቅንና አነስተኛ ተቋማት የማምረቻ መሳሪያዎችን በሊዝ ሊያገኙ የሚችሉበትን ሁኔታ የሚያመቻች ነው።

5. የማህበራዊ ዋስትና ሽፋንና መጠንን ማስፋፋትና ማጠናከር

የ5 ዓመት የዕድገትና የትራንስፎርሜሽን ዕቅድ የፋይናንስ አቅምን ለማጠናከር ከላይ ከተወሰዱት እርምጃዎች በተጨማሪ የማህበራዊ ዋስትና ሽፋንና መጠንን ማስፋፋትና ማጠናከር አንዱ ነው። የማህበራዊ ዋስትና ፕሮግራም መነሻው በሰዎችና በንብረተሰብ ደረጃ ዘላቂ ዋስትና በመስጠት ችግሮችን ለመቋቋም እንዲረዳ ቢሆንም የሀገሮች ልምድ እንደሚያሳየው የተጠናከረ የማህበራዊ ዋስትና ማህበራዊ ድጋፎችን ከማድረግ አልፎ ቁጠባን በማሳደግ ረገድ የአንድን አገር ልማት በመደገፍ ጉልህ ሚና ያበረክታል። ከዚህ አኳያ መንግስት የማህበራዊ ዋስትናን ሽፋንና መጠን ለማስፋፋትና ለማጠናከር የሚከተሉትን እርምጃዎች በመውሰድ ላይ ይገኛል።

1ኛ/ የመንግስት የጡረ ታዋስትና

ለጡረታ ዋስትና የሚዋጣው ወርሃዊ መዋጮ አሁን ካለበት 4 በመቶ ከሰራተኛውና 6 በመቶ ከመንግስት በዕቅዱ መጨረሻ ወደ 8 በመቶ ከሰራተኛውና 10 በመቶ ከመንግስት ከፍ ይላል። ይህም ቁጠባን ከማበረታታት በተጨማሪ ጡረተኞች የሚያገኙት አበል ከፍ እንዲል ለማድረግና ወደፊት በጡረታ የሚገለሉ ሰዎችም የተሻለ የጡረታ አበል አግኝተው ራሳቸውንና ቤተሰቦቻቸውን እንዲረዱ ለማድረግ ነው።

- በመንግስታዊ ጡረታ ዋስትና የሚሰበሰበው ተቀማጭ ገንዘብ /Reserve/ ከስጋት/risk/ ነፃ በሆነ የፋይናንስ ምርቶች በተለይ በመካከለኛና የረጅም ጊዜ ተከፋይ በሆኑ የመንግስት ቦንድ ግዥ ላይ እንዲውል በማድረግ ወለድ እንዲያገኙ ይደረጋል።

- በጠረ ዋስትና ተቀማጭ ገንዘብ ለሚገዙ የመንግስት ቦንዶች የሚከፈለው የወለድ ምጣኔ የኢትዮጵያ ብሔራዊ ባንክ በሚወስነው ዓመታዊ ሀገር-ዓቀፍ የዋጋ ንረት ግምት ላይ የሚመሰረት ይሆናል። በዚህም መሰረት የክፍያ ጊዜው ከ1 — 5 ዓመት ለሆነ የመንግስት የቁጠባ ቦንድ ሽያጭ የሚከፈለው የወለድ ምጣኔ 5.5 በመቶ ሲሆን የክፍያ ጊዜው ከ5 ዓመት በላይ ለሆነ ደግሞ 6 በመቶ እንዲሆን ተደርጓል።

2ኛ/ የግሉ ዘርፍ የጠረታ ዋስትና

የግሉ ዘርፍ ማህበራዊ ደህንነትን በተመለከተ በግሉ ዘርፍ ያሉ ዜጎች አስተማማኝ የጡረታ ዋስትና እንዲያገኙ ለማድረግ፡-

- የግል የጡረታ ዋስትናን የሚያስተባብርና ፈንዱን የሚያስተዳድር ተቋም በአዋጅ ይቋቋማል።
- ተቋሙ ለጠቅላይ ሚኒስትሩ ተጠሪ ሆኖ ከሰራተኞች፣ ከአሰሪዎች እና ከመንግስት የተውጣጡ አባላትን በያዘ ቦርድ ይተዳደራል።
- ፕሮግራሙ የሚያስከፍለው መዋጮና የሚሰጠው ዋስትና ከመንግስት የጡረታ ፕሮግራም ጋር ከመጀመሪያው ጀምሮ ተመሳሳይ እንዲሆን ይደረጋል።
- እስከ ሰኔ 30፣ 2002 ድረስ የፕሮቪደንት ፈንድ ያቋቋሙ የግልና የበጎ አድራጎት ድርጅቶች ሰራተኞች ከፈለጉ በፕሮግራሙ በፈቃደኝነት እንዲታቀፉ የሚፈቀድ ሲሆን፤ በፕሮግራሙ እንዲታቀፉ ግን አይገደዱም።
- እስከ ሰኔ 30፣ 2003 ድረስ በፕሮቪደንት ፈንድ ያልታቀፉ የግልና የበጎ አድራጎት ሰራተኞች ሁሉ በፕሮግራሙ እንዲሳተፉ ግዴታ ይጣልባቸዋል።
- ራሳቸውን በራሳቸው የሚያስተዳድሩ እና የአነስተኛና ጥቃቅን ተቋሞች ተዋንያን በፕሮግራሙ ለመታቀፍ ከፈለጉ አስፈላጊውን ክፍያ በመክፈል ተሳታፊ ለመሆን የሚችሉበት ስርዓት ይዘረጋል።
- በግል ዘርፍ ጡረታ ዋስትና የሚሰበሰበው ተቀማጭ ገንዘብ (Reserve) ከስጋት (Risk) ነፃ በሆነ የፋይናንስ ምርቶችን በተለይ በመካከለኛና የረጅም ጊዜ ተከፋይ በሆኑ የመንግስት ቦንድ ግዥ ላይ እንዲውል በማድረግ ወለድ እንዲያገኙ ይደረጋል።
- በጠረታ ዋስትና ተቀማጭ ገንዘብ ለሚገዙ የመንግስት ቦንዶች የሚከፈለው የወለድ ምጣኔ የኢትዮጵያ ብሔራዊ ባንክ በሚወስነው ዓመታዊ ሀገር-ዓቀፍ የዋጋ ንረት ግምት ላይ የሚመሰረት ይሆናል። በዚህም መሰረት የክፍያ ጊዜው ከ1 — 5 ዓመት ለሆነ የመንግስት የቁጠባ ቦንድ ሽያጭ የሚከፈለው የወለድ ምጣኔ 5.5 በመቶ ሲሆን የክፍያ ጊዜው ከ5 ዓመት በላይ ለሆነ ደግሞ 6 በመቶ እንዲሆን ተደርጓል።

ለማጠቃለል የኢትዮጵያ ብሔራዊ ባንክ በ5 ዓመቱ የዕድገትና የትራንስፎርሜሽን ዕቅድ የተቀመጡ ግቦችን ለማሳካት የሀገር ውስጥ ቁጠባን ከመቼውም ጊዜ በበለጠ ለማሳደግ እስካሁን ከተወሰዱት እርምጃዎች በተጨማሪ የሌሎች ሀገሮችን ተሞክሮ በመቀመር በየጊዜው አስፈላጊ ሆነው የተገኙ የቁጠባ ማበረታቻ ስልቶችን በጥናት በመለየት ተግባራዊ ያደርጋል። የወለድ ተመኑንም በተመለከተ በየጊዜው ዓመታዊ የዋጋ ንረት ግምትን ታሳቢ ባደረገ ሁኔታ ያስተካክላል።

ስለሆነም ህብረተሰቡ በተወሰዱት እርምጃዎች በመበረታታት ራሱም የእርምጃው ተጠቃሚ ሆኖ ለተነደፈው ዕቅድ ተግባራዊነት የበኩሉን ጉልህ ሚና እንዲጫወት ጥሪያችንን እናቀርባለን።

የኢትዮጵያ ብሔራዊ ባንክ
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LICENSING AND SUPERVISION OF BANKING Business

TIME LIMIT FOR REDUCTION AND/OR RELINQUISHING SHAREHOLDINGS

Directive No. SBB/ 47 /2010

WHEREAS, the Proclamation prohibits: 1) any person other than the Federal Government of Ethiopia to hold more than 5% of subscribed capital in a bank, and 2) any influential shareholder of a bank to hold shares in any other bank;

WHEREAS, it is necessary to issue this directive for the implementation of the Proclamation;

NOW, THEREFORE, the National Bank of Ethiopia has issued this directive in accordance with powers vested in it by articles 11(6) and 59(2) of the Proclamation.

1. Short Title

This directive may be cited as "time limit for reduction and/or relinquishing shareholding No. SBB/47/2010."

2. Definition

In this directive, unless the context requires other wise:

1) **"bank"** means a company licensed by the National Bank of Ethiopia to undertake banking business;

2) **"influential shareholder"** means a person who holds directly or indirectly two percent or more of the total subscribed capital of a bank;

3) **"person"** means any natural or juridical person;

4) **"Proclamation"** means Banking Business Proclamation No. 592/2008; and

5) provisions of this directive set out in the masculine gender shall also apply to the feminine gender.

3. Time Limit for Reduction of Excess Shares

Within 36 months from the effective date of this

directive, a person who:

1) holds shares in a bank, either on his own or jointly with his spouse or with a person who is below the age of 18 years and related to him by consanguinity to the first degree, in excess of 5% of total subscribed capital of the bank shall reduce such holding to 5% or less;

2) is influential shareholder in a bank shall relinquish his share holdings in another bank.

4. Penalty

A person who fails to comply with the provisions of this directive shall be penalized in accordance with article 58(7) of Proclamation number 592/2008.

5. Effective Date

This Directive shall enter into force as of 16th day of August 2010.

LICENSING AND SUPERVISION OF BANKING BUSINESS

ASSET CLASSIFICATION AND PROVISIONING FOR DEVELOPMENT FINANCE INSTITUTIONS

Directives No. SBB/ 48/2010

1. Issuing Authority

These Directives are issued by the National Bank of Ethiopia pursuant to the authority vested in it by articles 21 and 22 of Banking Business Proclamation No. 592/2008.

2. Short Title

These Directives may be cited as "Asset Classification and Provisioning for Development Finance Institutions Directives No. SBB/ 48/2010".

3. Purpose

The purpose of these Directives is to provide guidelines to development finance institutions to assure that:

1.1 loans are regularly reviewed and prudently classified in a manner that appropriately reflect credit risk;

1.2 loans which are not performing in accordance with contractual repayment terms are timely recognized and reported as past due ;

1.3 accrued but uncollected interest on loans is properly accounted for; and

1.4 timely and adequate provisions are made to the "Provisions for Loan Losses Account" in order to ensure that disclosed capital and earnings performance are accurately stated.

4. Definitions

1.1 "Capitalized Interest" means any accrued and uncollected interest that has been added to the principal amount of loans at a payment date or maturity; it also includes uncollected interest that is rolled-over into new loans.

1.2 "Cash Collateral" means credit balances on accounts in the books of the development finance institution over which customers have given the institution a formal letter of cession and which the institution at its discretion has transferred from the customer's account(s) to a specific or general cash collateral account(s) or blocked.

1.3 "Cash-substitutes" include:

1.3.1 a security issued by the Federal Government of Ethiopia;

1.3.2 an unconditional obligation or guaranty issued in writing by the Federal Government of Ethiopia;

1.3.3 an unconditional obligation or guaranty issued in writing by a foreign bank with an **A** or above rating by Standard and Poor's Corporation, Moody's Investor Services or any other international rating agency, approved by the National Bank of Ethiopia, in its latest rating; and

1.3.4 other liquid and readily marketable securities approved in writing by the National Bank of Ethiopia and which are held in the vaults of the development finance institution.

1.4 "Development finance institution" means an institution which is engaged mainly in medium and long term project finance business, *with* the purpose of promoting development in the industrial, agricultural, construction, services, commercial or other economic sectors;

1.5 "Loans" means any financial assets of a development finance institution arising from a direct or indirect advance of funds (i.e. unplanned over drawings, participation in loan syndication, the purchase of loans from another lender, etc.) or commitment to advance funds by a development finance institution to a person that are conditioned on the obligation of the person

to repay the funds, either on a specified date or dates or on demand, usually with interest. The term includes a contractual obligation of a development finance institution to advance funds to or on behalf of a person, claim evidenced by a lease financing transaction in which the development finance institution is the lessor, and line of credit to be funded by the development finance institutions on behalf of a person.

1.6 "Medium or long term loans" means loans with original repayment or maturity period of two years or more.

1.7 "Net Recoverable Value" means the most probable value of a loan which will be realized from the sale of collateral securing the loan in a competitive and open market. For the purposes of these Directives, the most probable value of a loan recoverable from the sale of collateral securing the loan shall be the outstanding principal balance of the loan or advance multiplied by the "average recovery rate" of a development finance institution for loans secured by the collateral, provided that such average recovery rate shall not be 15 (fifteen) percentage points greater than "industry average recovery rate". If a development finance institution has no information on aggregate net cash receipts or total net market value of acquired properties to compute its own average recovery rate, it shall use industry average recovery rate to determine the most probable value of a loan.

1.7.1 The term " average recovery rate" means aggregate net cash receipts from sale of collateral plus total net market value of acquired properties, divided by the aggregate outstanding principal balance of the loans backed by the collateral sold or otherwise acquired by a development finance institution calculated over the period of 18 consecutive months preceding the date of computing minimum provision requirement as laid down in these Directives. In case a loan or an advance is secured by more than one collateral, such loan or advance and the collateral securing it shall be excluded from computation of average recovery rate unless all properties backing the loan or advance are sold or otherwise acquired by the development finance institution.

1.7.2 "Aggregate net cash receipts" means net cash collection (after deduction of any expenses associated with the sale of the collateral which may have been necessary to place the collateral in a saleable condition), over 18 consecutive months preceding the date of calculating minimum provision requirement, of a development finance institution from the sale of collateral which have been seized or foreclosed by the institution in satisfaction of loans previously granted.

1.7.3 The term "total net market value of acquired properties" as used in these Directives means the average of ask or reserve price of acquired properties and the highest offer bid amount registered at the last auction in the market that preceded the acquisition by a development finance institution for properties which previously were offered by borrowers as collateral against loans. The highest offer bid amount for auctioned property in absence of a bidder at the last auction shall be zero.

1.7.4 "Ask or reserve price" means minimum price at which lending development finance institution is willing to sell foreclosed assets.

1.7.5 The term " industry average recovery rate" means aggregate net cash receipts plus total net market value of acquired properties, divided by the aggregate outstanding principal balance of the loans backed by the collateral at the time the collateral was seized, foreclosed, repossessed or otherwise acquired by all banks, including development finance institutions, operating in Ethiopia calculated over the period of 18 consecutive months preceding the date of determining minimum provision requirement. In case a loan is secured by more than one collateral, such loan and the collateral backing it shall be excluded from computation of industry average recovery rate unless all properties held as collateral against the loan are sold or otherwise acquired by the banks. The National Bank of Ethiopia shall compute such industry average recovery rate every calendar quarter and distribute to development finance institutions.

1.7.6 In determining the average recovery rate as set out under 4.7.1 herein above, the net market value of acquired property and/or the net cash receipt from the sale of collateral shall not exceed 100% of each outstanding non-performing loan

backed by the collateral and used in the calculation of the average recovery rate.

1.8 "Non-accrual Status" means that a loan has been placed on a cash basis for financial reporting purposes. Interest on such loans accrued on the books of the development finance institution, or for which a specific reserve (such as a suspended interest account) has been established by the development finance institution to offset the full amount of interest being accrued, shall not be taken into income unless as otherwise provided in these Directives.

1.9 "Non-performing loans " means loans whose credit quality has deteriorated such that full collection of principal and/or interest in accordance with the contractual repayment terms of the loan or advance is in question.

1.10 For purposes of these Directives,

1.10.1 short term loans are non-performing when principal and/or interest is due and uncollected for 90 (ninety) consecutive days or more beyond the scheduled payment date or maturity;

1.10.2 medium and long term loans are non-performing when principal and/or interest is due and uncollected for 180 (one hundred and eighty) consecutive days or more beyond the scheduled payment date or maturity;

1.10.3 the entire principal balance of loans outstanding exhibiting the characteristics described under articles 4.10.1 and 4.10.2 hereof shall be considered as non-performing.

1.11 "Person" means any judicial or natural person.

1.12 "Provisions for Loan Losses Account" means a balance sheet valuation account established through charges to provision expense in the income statement in respect of possible losses in the loan portfolio.

1.13 "Renegotiated Loans" means loans which have been refinanced, rescheduled, rolled-over, or otherwise modified at favorable terms and conditions for the borrower because of weaknesses in the borrower's financial condition and/or ability to repay. However, the term excludes loans held by projects under implementation.

1.14 "Short term loans" means loans with original repayment or maturity period of less than two years.

1.15 "Suspended Interest Account" means an account where previously accrued but uncollected interest on loans required to be placed on non-accrual status is reserved out of the income of the development finance institution.

1.16 "Total capital" means the paid up capital, legal reserve and any other unencumbered reserve acceptable to the National Bank of Ethiopia held by a development finance institution.

1.17 "Well-Secured" means that a loan is secured by cash collateral or cash-substitutes sufficient to repay the full debt (principal plus accrued interest); for purposes of these Directives, sufficiency shall include proper legal documentation evidencing the institution's claim on the collateral.

5. Loan Review

1.1 The board of directors of each development finance institution is responsible for establishing a loan review system which provides for the accurate and timely recognition of problem or deteriorating loans, assuring the adequacy of the Provisions for Loan Losses Account, and assuring that accrued but uncollected interest reflected in the books of the institution are in accordance with the requirements laid out in these Directives.

1.2 The board of directors of each development finance institution shall assure that a review is made of the quality of the institution's loan portfolio on a regular basis, but no less than once each calendar quarter. At the end of each calendar quarter, or more frequently if warranted, the board of directors shall require the executive officer(s) of the institution to take appropriate measures in response to the findings of the loan review function to:

1.2.1 accurately reflect earnings by assuring that all loans categorized as non-performing in accordance with the requirements laid out in these Directives are placed on non-accrual status and accrued but uncollected interest has been reversed out of the institution's income;

1.2.2 assure that the Provisions for Loan Losses Account is adequate to absorb potential losses in accordance with the requirements laid out in these

Directives; and

1.2.3 correct problems, either in individual loans, loan underwriting practices, compliance with prudent lending standards and the board-approved lending policy, or other credit administration weaknesses as may be identified by the loan review function, within a specified time frame.

1.3 The board of directors of each institution shall maintain adequate records supporting its evaluation of potential losses in the loans portfolio and the entries made to reflect earnings and the adequacy of the Provisions for Loan Losses Account; such records shall be made available to examining personnel of the National Bank of Ethiopia upon request.

1.4 The loan review function shall assure on an on-going basis, at a minimum, that:

1.4.1 lending activities are in compliance with prudent written lending standards as approved and adopted by the board of directors;

1.4.2 the board of directors is adequately informed of the risks and potential loss exposure in outstanding loans;

1.4.3 problem or deteriorating loans are properly and timely identified, classified, and placed on non-accrual status in accordance with the requirements laid out in these Directives;

1.4.4 appropriate provisions are made to the Provisions for Loan Losses Account for loans classified in accordance with the requirements laid out in these Directives; and

1.4.5 uncollectible non-performing loans are written off as appropriate.

1.5 The loan review function shall regularly and on an ongoing basis review all loans which exceed 5% (five percent) of a development finance institution's total capital to a single borrower, calculated in accordance with the Single Borrower Loan Limit Directives of the National Bank of Ethiopia, all loans required to be placed on non-accrual status in accordance with the requirements laid out in these Directives, and a sampling of the remaining loan portfolio to determine that loans reflected as performing on the books of the institution are in fact performing pursuant to the requirements and definitions laid out in these Directives.

1.6 The loan review function shall be performed by the board of directors of each development finance institution or a group of individuals to be designated by the board of directors, who are knowledgeable in credit analysis methodologies and who are not involved in the lending activities of the institution. In the latter case, the group shall on a regular basis, but not less than once each calendar quarter, report its findings directly to the board of directors in writing.

6. Placement of Loans on Non-accrual Status

1.1 All non performing loans shall be placed on non-accrual status, unless the loans are well-secured.

1.2 Accrued but uncollected interest being carried on the books for loans which are required to be placed on non-accrual status in accordance with the requirements laid out in these Directives shall be eliminated by the end of the calendar quarter in which the loans are required to be placed on non-accrual status, but in no event later than the fiscal year-end date of the institution, whichever is sooner.

1.3 A non-performing loan or advance placed on non-accrual status may be restored to accrual status only when:

1.3.1 none of the outstanding principal and/or interest is past due; and

1.3.2 for renegotiated loans , where all past due interest is paid by the borrower in cash at the time of renegotiation and the loan or advance is not classified as "Substandard" in accordance with article 7.1.6. of these Directives.

1.4 Development finance institutions shall report to the National Bank of Ethiopia on a quarterly basis loans which exceed 5% (five percent) of the institution 's capital that have been restored from non-accrual to accrual status.

1.5 If a development finance institution has multiple loans outstanding to a single borrower as calculated in accordance with the Single Borrower Loan Limit Directives of the National Bank of Ethiopia, and one

loan or advance meets the criteria for non-accrual status, then the institution shall prepare a current written evaluation of the borrower's creditworthiness evidencing that repayment prospects for the other loans are reasonably assured; should such written creditworthiness evaluation suggest that repayment prospects for the other loans are in question or otherwise uncertain, then all such loans to the borrower shall be placed on non-accrual status regardless of any requirements laid out in these Directives.

7. Classification of Loans

1.1 For the purpose of these Directives, development finance institutions shall classify all their loans, into the following five classification categories using the criteria described below:

7.1.1 Pass

Loans in this category are fully protected by the current financial and paying capacity of the borrower and are not subject to any criticism. Notwithstanding the generality of this statement, the following loans shall be classified pass:

a) short term loans past due for less than 30 (thirty) days,
b) medium and long term loans past due for less than 90 (ninety) days; and
c) any loan, or portion thereof, which is fully secured, both as to principal and interest, by cash or cash-substitutes, regardless of past due status or other adverse credit factors.–

1.1.2 Special Mention

The following loans at a minimum shall be classified special mention:

a) short term loans past due for 30 (thirty) days or more, but less than 90 (ninety) days;

b) medium and long term loans past due 90 (ninety) days or more, but less than 180 (one-hundred-eighty) days;

1.1.3 Substandard

The following non-performing loans at a minimum shall be classified substandard:

a) short term loans past due 90 (ninety) days or more, but less than 180 (one-hundred-eighty) days;
b) medium and long term loans past due 180 (one-hundred-eighty) days or more, but less than 360 (three-hundred-sixty) days;

1.1.4 Doubtful

The following non-performing loans at a minimum shall be classified doubtful:

a) short term loans past due 180 (one-hundred-eighty) days or more, but less than 360 (three-hundred-sixty) days;
b) medium and long term loans past due 360 (three-hundred-sixty) days, but less than 3 (three) years;

1.1.5 Loss

The following non-performing loans at a minimum shall be classified loss:

a) short term loans past due 360 (three-hundred-sixty) days or more;

b) medium and long term loans past due 3 (three) years or more;

1.1.6 Without prejudice to the classification criteria used for the Sub-Standard category set out under article 7.1.3 herein above, renegotiated non-performing loans shall be categorized as "Substandard" unless equivalent of all past due interest is paid by the borrower in cash at the time of renegotiation and the following payments are made by the borrower on a consistent and timely basis in accordance with the restructured terms of the loan :

a) in the case of loans with monthly or quarterly installment repayments, at least 3 (three) consecutive repayments;
b) in the case of loans with semi-annual installment repayments, at least 2 (two) consecutive

repayments;

c) in the case of loans with annual installment repayments, at least one repayment.

1.1.7 If a development finance institution has multiple loans outstanding to a single borrower as calculated in accordance with the Single Borrower Loan Limit Directives of the National bank of Ethiopia, and one loan or advance meets the criteria for non performing, then the institution shall prepare a current written evaluation of the borrower's creditworthiness evidencing that repayment prospects for the other loans are reasonably assured; should such written creditworthiness evaluation suggest that repayment prospects for the other loans are in question or otherwise uncertain, then all such loans to the borrower shall at a minimum be classified as substandard regardless of any requirements laid out in these Directives.

1.1.8 A development finance institution shall not reschedule, restructure or renegotiate a short term loan to a borrower for more than three iterations.

1.1.9 Before rescheduling, restructuring or renegotiating a short term loan, a development finance institution shall collect in cash full amount of interest in arrears thereof and the following principal amounts:

a) a minimum of 25% of outstanding principal balance in case of rescheduling, restructuring or renegotiating for the second time.

b) a minimum of 50% of outstanding principal balance in case of rescheduling, restructuring or renegotiating for the third time.

7.2 Notwithstanding the classification criteria laid out under article 7.1 herein above, a loan may be subject to more severe classification by examiners of the National Bank of Ethiopia if the actual condition of the loan warrants such classification. Conditions that warrant more severe classification may include, but are not limited to: (i) significant departure from the primary source of repayment; (ii) repayment terms which are too liberal or inconsistent with the purpose and nature of the loan or advance and/or collateral held; (iii) delinquencies which have been technically cured by modifying the repayment terms, refinancing or renewing the loan, or advancing additional funds for the purpose of meeting repayment requirements on an existing loan or advance.

8. Provisioning Requirements for Loans

1.1 Development finance institutions shall maintain a "Provisions for Loan Losses Account" which shall be created by charges to provision expense in the income statement and shall be maintained at a level adequate to absorb potential losses in the loans portfolio. In determining the adequacy of the Provisions for Loan Losses Account, provisions may be attributed to individual or groups of loans.

1.2 The Provisions for Loan Losses Account shall always have a credit balance. Additions to or reductions from this account shall be made only through charges to provisions in the income statement at least every calendar quarter.

1.3 Development finance institutions shall maintain the following minimum provision percentages against the outstanding principal amount of each loan or advance classified in accordance with the criteria for the classification of loans as laid out under article 7 herein above:

Article	Classification Category	Minimum Provision for Short, medium and long term loans
8.3.1	Pass	1%
8.3.2	Special Mention	3%
8.3.3	Substandard	20%
8.3.4	Doubtful	65%
8.3.5	Loss	100%

1.4 Where reliable information, such as (i) historical loan loss experience, (ii) current economic conditions, (iii) delinquency trends, (iv) ineffectiveness of lending policies and/or collection procedures, or (v) lack of timeliness and accuracy in the loan review function, suggests that losses are likely to be more than the above minimum provision percentages, development finance institutions may be required to maintain larger provisions.

1.5 The minimum provision requirements for each classification category here in above shall be applied against the total outstanding principal balance, not against the amount of past due payments, for each loan or advance, or portion thereof, classified regardless of whether the loan or advance is analyzed and provided for individually or as part of a group.

1.6 Before applying the minimum provision percentages laid out under articles 8.3.3, 8.3.4 and 8.3.5 herein above, development finance institutions may deduct from the outstanding non-performing loans :

1.6.1 any accrued but uncollected interest held in a suspended interest account (by debiting this account); and

1.6.2 in the case of loans secured by physical collateral net recoverable value, provided that such net recoverable value to be deducted shall not exceed 97% (ninety seven percent)) of the outstanding non performing loan, or estimated collateral value backing the non performing loan; whichever is lower.

9. Prohibition and Review of Financial Statements of Borrowers

1.1 Development finance institutions are prohibited from extending overdraft loans to their borrowers. For the purpose of these Directives "Overdraft loan" means a deposit account on the books of the development finance institution with a debit balance.

1.2 Development finance institutions shall review financial statements for the latest financial year of a borrower, who has been in business for a year or above, audited by external auditors before granting loans of Birr 5 million or above.

10. Loan repayment schedule

Development finance institutions shall base periodic loan collections from their borrowers on cash generating capacity of the business financed by the loan. Without limiting the generality of the statement hereof, they shall collect medium and long term loans at least:

1.1 Monthly from business that regularly generates cash daily;

1.2 Quarterly from business that regularly generate cash in two to 30 days;

1.3 semi annually from business that regularly generate cash in 31 to 180 days;

1.4 annually from business that generate cash in 181 to 360 days; and,

1.5 as shall be determined by board of directors of each institution in all other cases.

11. Examiner Review

11.1. Each development finance institution shall maintain adequate records in support of its evaluation of potential loss exposure in the loans portfolio and of the entries made to ensure an adequate Provisions for Loan Losses Account which shall be made available to examining personnel of the National Bank of Ethiopia upon request to assess the reasonableness of the institution's loss estimation procedures, the reliability of the information on which estimates are based, and the adequacy of the Provisions for Loan Losses Account.

11.2. Should examining personnel in applying the requirements of these Directives and after discussions with the executive officer(s) of the institution find the Provisions for Loan Losses Account to be inadequate by more than 10% (ten percent) when compared to the findings of an on-site examination, the board of directors shall within 30 (thirty) days of such notice by the National Bank of Ethiopia of any deficiency in the Provisions for Loan Losses Account require the executive officer(s) to record the appropriate entries to increase the balance of the Provisions for Loan Losses Account to a level which is within 10% (ten percent) of the estimated amount of the Provisions for Loan Losses Account determined by examining personnel of the National Bank of Ethiopia.

11.3. In the event of material disagreements between examining personnel of the National Bank of Ethiopia and the executive officer(s) of the institution regarding the appropriateness of additional provisions needed to the Provisions for Loan Losses Account, the board of directors may appeal to the National Bank of Ethiopia. Notwithstanding this appeal, it is incumbent on the executive officer(s) of the institution to attend all loan discussions and meetings during on-site inspections in order to be fully apprised of examiner concerns with respect to all classified loans.

12. Other Provisioning Requirements

12.1. Provision for depreciation of fixed assets shall be made out of the annual income of a development finance institution in accordance with the law.

12.2. Operating and accumulated losses shall be provided for from the annual net profit until such losses are fully covered.

12.3. The value of any assets lodged or pledged to secure a liability, as indicated under Article 21(1)(b) of Proclamation No. 592/2008, shall be fully provided for upon the lodging or pledging of any asset.

12.4. Preliminary expenses representing expenses relating to organization or extension or the purchase of business or good will and including share underwriting commission shall be fully provided for within a maximum of 5 (five) years.

12.5. Any uncollectible claims, other than loans, shall be classified and provided for in the same manner and method laid down in these Directives for loans with monthly repayment program or otherwise written off as other operating expense of the institution as they are identified.

13. Interpretation of the Directives

All loans held by a development finance institution must be accounted for and categorized in accordance with the requirements laid out in these Directives. No interpretation of these Directives shall be permitted unless confirmed in writing by the National Bank of Ethiopia. In recording a loan or advance not covered in principle by the requirements laid out in these Directives, a development finance institution shall make a written request to the National Bank of Ethiopia to confirm the proper application of the requirements laid out in these Directives.

14. Reporting

Development finance institutions shall submit to the Banking Supervision Directorate of the National Bank of Ethiopia a quarterly report on loan classification and provisioning in accordance with the table attached with these Directives which shall be part thereof.

15. Effective Date

These Directives shall enter into force as of the **5th day of August 2010.**

LICENSING AND SUPERVISION OF BANKING BUSINESS

Limits on Board Remuneration and Number of Employees Who Sit on a Bank Board

Directives No. SBB/49/2011

WHEREAS, a sound corporate governance is vital for the health of individual banks and the banking sector as a whole;

WHEREAS, excessive remunerations recently being paid by banks to directors have become a threat to the health of the banking system;

WHEREAS, there is a need to separate board and executive functions, so as to ensure proper checks and balances, in banks;

NOW, THEREFORE, in accordance with paragraphs "e" and "f" of sub-article 4 of article 14 of Banking Business Proclamation No 592/2008, the National Bank of Ethiopia hereby issues these directives.

1. Short Title

These Directives shall be cited as "Limits on Board Remuneration and Number of Employees Who Sit on Bank Board Directives No. SBB/49/2011".

2. Definitions

For the purpose of these directives, unless the context provides otherwise:

1.1 "bank" means a company licensed by the National Bank of Ethiopia to undertake banking business or a bank owned by the Government;

1.2 "Board allowance" refers to an amount of money that is paid in kind or in cash from any account of the bank to directors to cover incidental costs related to their board membership;

1.3 **"Board compensation"** refers to any money other than board allowance that is paid, in cash or otherwise, to a director from the bank's net profit or from any other sources;

1.4 "Director" means any member of the board of directors of a bank, by whatever title he may be referred to;

1.5 "Employee" means a chief executive officer, a senior executive officer or any other person who is appointed or hired by a bank to carry out its day-to-day operational activities;

1.6 **"Remuneration"** includes board compensation and allowance paid to each director;

3. Scope of the Directives

These directives shall apply to all banks operating in Ethiopia.

4. Remuneration of Directors

4.1 Annual board compensation to a director shall not exceed birr 50,000 (fifty thousand birr).

4.2 Monthly allowance paid to a director shall not exceed birr 2,000 (two thousand birr).

4.3 No bank shall pay any financial or otherwise remuneration or benefits other than those stated under sub-articles “4.1” and “4.2” of this article in whatsoever form to its directors any time.

5. Number of Employees Who Sit on Bank Board

No employee of a bank, be it permanent or contractual, shall sit on the board of any bank.

6. Effective Date

These Directives shall enter into force as of 15th day of January 2011.

The Role of Human Capital Formation in the Ethiopian Economic Growth

By

Fikadu Digafie (NBE)

ABSTRACT

Human resource is one of the key factors in production, equally in the determination of any realistic growth of any nation. Therefore, to maximize any investments opportunities, countries should give due consideration to human development. This paper perused on human capital formation and government attitude to human capital usually, with a view to finding out the relationship between human capital investment and national growth using government spending on education and health in terms of recurrent expenditure and capital expenditure, by the use of regression analysis incorporating human capital into the growth process. A positive and statistically significant relationship was discovered between human capital investment (recurrent expenditure on education and health) and the real GDP growth rate. The case of capital expenditure is consistent with prior hypothesis but statistically insignificant. It is therefore recommended that the Ethiopian government should increase recurrent expenditure on education and health so as to optimize national growth.

I. Introduction

Human resource is one of the key determinants of national economic growth like other factors such as physical capital and natural resources. However, in the traditional neoclassical growth models developed by Robert Solow and Trevor Swan in 1956 (as indicated in Akintoye and Felix. Adidu, 2008), inputs like capital and labour (both physical inputs) were considered as the mere determinants of output. In this model, non-economic variables such as human capital and human health factors were not considered. To address this issue, new hypothesis commonly known as "*endogenous growth model*" was developed by Paul Romer in 1986. By broadening the concept of capital to include human capital, Rober squabbles that the law of diminishing return to scale phenomenon might not hold true. This means that if the firm that invests in capital also recruits skilled and healthy labour, that is not only productive but also able to use physical capital and technology more efficiently without facing diminishing return to scale phenomenon.

Modern education was introduced in Ethiopia nearly a century ago. However, the education and training offered during these long years had limited positive impact on the lives of the people and national development as a whole. The education offered has not enabled to solve the problems of farmers, pastoralist, and change the lives of the overwhelming majority of the people. In Ethiopia, the importance of human capital development in socio-economic development of the country has got noteworthy attention principally following the change of government in 1991. Therefore, the main objective of this study is to evaluate how this effort of enhancing human capital development helps in the effort to achieve sustainable economic growth and poverty reduction process in the country.

The scope of the study is reviewing related literature on growth theories and empirical finding, descriptive evaluation of the post-Derg period investment in human development by the government and providing empirical finding by modelling Ethiopian economic growth that incorporates human development as explanatory variable. This study is very relevant taking into account the effort of the government in developing human capital during the past two decades assuming its positive role in the country's economic growth and development.

The policy implication of this study could be very vital as it gives a clue for the government to either review its human capital investment strategy or go ahead with the existing policy as the main objective to invest on human capital is to achieve sustainable economic growth supported by skilled and healthy human resource as a main component factors in output production. Hence, the significance of this study is to highlight whether the effort by the government in enhancing human capital development is translated into the main objective of the country i.e. poverty reduction and realizing sustainable economic growth or not.

The data used in this study are all secondary and collected from Ministry of Finance and Economic Development (MoFED) and National Bank of Ethiopia's various publications & databases covering the year 1979/80 – 2008/09 Ethiopian fiscal year. Both descriptive analysis and appropriate econometric time series analysis methodologies will be employed in this study. Real GDP growth is the dependent variable regressed on human capital investment proxied by government capital and recurrent expenditure on education and health[1]. Other controlling variables such as export plus import to GDP ratio (proxy for openness to international markets), physical capital formation (real domestic gross investment to GDP ratio), financial development captured by private sector credit to GDP ratio and other explanatory variables of growth in the Ethiopian context would be included with some dummies.

The remaining part of the paper is organized as follow: Section two deals with review of related literature on the role of human capital formation in economic growth in general and empirical evidence obtained so far on how skilled labour is related to economic growth in Ethiopia. Section three deals with analysis of the main study i.e. the role of investment on human development in economic growth of Ethiopia while section four concludes and provides result driven recommendations.

II. Review of Literature

Past literature is full of assumptions that physical capital is the mere productive asset of a country's productive force while natural and human capital were entirely omitted. In latest times, nevertheless, the consciousness that healthy and well-educated people make an economy more productive has now shifted the focus to investment in human capital. Thus, human capital is now considered as the principal determinant of a country's standard of living because its development determines how well a country succeeds

1 Capital spending and recurrent spending on education and health are entered the model separately i.e. capital expenditure on education and health as one variable and recurrent expenditure on education and health as another variable in order to ascertain which of them contributed more to the growth process.

in developing and utilizing the skills, knowledge, health and habits of its population. With this development, coupled with the emerging empirical evidence, one might expect that disregarding human capital in the growth process would lead to erroneous conclusions. Kendrick (1976) as indicated in Ishola Rufus Akintoye and Felix. Adidu (2008) estimated that over half of the total U.S. capital stock in 1969 was human capital. World Bank's (1995) assessment for 192 countries on the other hand indicated that human capital, on the average, accounts for 64 percent of the total wealth while physical and natural capital account only for 16 and 20 percent, respectively. The study further argued that the dominance of human capital is predominantly prevailing in high-income countries whereas in sub-Saharan Africa, human resources are poorly developed. These renewed descriptions have led to the reformulation of Robert Solow's (1956) paradigm neoclassical production function. Lucas (1998), cited in Adamu (2000); Mankiw, et al (1992), cited in A.A. Awe and S.O. Ajayi, (2010); and Grammy and Assane (1996) all stress the role of human capital in the development process and their findings point to the fact that a highly literate labour endorses faster economic growth.

The notion of investment in human capital is of latest origin predominantly followed the emergence of '*endogenous growth model'* that emphasises the role of human development in growth. Health and education are two strongly related human capital components that work together to make the individual more productive. Giving attention to one component as more important than the other is idealistic as a more educated individual, who is not healthy, is as unproductive as an uneducated one. Both components are thus related together because of their close relationship. Appleton and Teal (1998) as cited in Lawanson Olukemi (2009)**,** illustrate health and education as components of human capital that are contributors to human wellbeing. They describe these components as different from other types of goods produced in societies. While high incomes may be favourable to health it cannot be directly purchased like material goods and services. Health and education are frequently subsidized by the state and in some countries, education is obligatory for certain minimum length of time.

As to Adamu (2000), the perception of human capital refers to the abilities and skill of human resources of a country while human capital formation refers to the process of acquiring and increasing the number of persons who have the skills, education and experience that are crucial for the economic growth and political development of a country. On the other hand, Okojie (1995) associated human capital formation with investing in man and his development as a creative and productive process. Economists on the other hand define human capital as education, health and other human capacities that can raise productivity when increased).

A.A. Awe and S.O. Ajayi, (2010) on their part explained that the contribution of education to economic growth is supposed on its capability to enhance the efficiency of an existing labour force. According to them education contributes to economic growth in the following ways. First, education incorporates skills such as engineering, medicines, law, accounting, computer science and teaching, which are helpful in the production process. Secondly, education conveys knowledge of economics, political science arts, geography, philosophy, history, mathematics and logical reasoning which can add to the most significant characteristics of economic growth such as innovation, adaptation and entrepreneurship. Thirdly, education provides job ethics and attitudes conducive to production of goods and services. Finally, education serves as screening device for selecting or identifying talents in the most efficient manner. Therefore, education is capable of enhancing the efficient production of goods and services by ensuring through screening that the best people are made available for the world of research.

Schultz (1961), one of the early contributors to the study of the importance of human capital, identifies five ways by which human capital can be developed. These include 1) Health facilities and services, broadly conceived to include all expenditures that affect the life expectancy, stamina, strength, vigour and vitality of people. 2) On-the-job- training, including old type apprenticeships organized by firms. 3) Formally organized education at the elementary, secondary, and

higher levels. 4) Study programs for adults that are not organized by firms, including extension programs notably in agriculture. 5) Migration of individuals and families to adjust to changing job opportunities.

Lawanson Olukemi (2009) studied the case of Nigeria by regressing Gross Domestic Product on Government's expenditure on health, government's expenditure on education, primary school enrolment rate, secondary school enrolment rate and tertiary institutions enrolment rate to evaluate the role of human capital development on Nigerian economic growth. He did not include any controlling variables other than human development related variables in his model and hypothesized that all explanatory variables positively affect economic growth in Nigeria. His empirical finding revealed that government expenditure on education has positive and significant impact on economic growth. The coefficient of government expenditure on health and primary enrolment rate are inconsistent with a priori expectation implying a negative relationship between government expenditure on health and economic growth but insignificant statistically. He found that both secondary school and tertiary school enrolment are consistent with a priori expectation and significant to affect economic growth of Nigeria.

Another study on Nigeria by Ishola Rufus Akintoye and Felix a. Adidu (2008) with different approach to the above researchers found that government capital expenditure on education contributes to economic growth while government recurrent expenditure is inconsistent with prior hypothesis and statistically insignificant.

The study released by Asian Development Bank on Asian countries revealed that those countries which have higher human capital development index achieved more economic growth than those with lower human capital index. Hence, the study summarized that investment in human capital is vital for economic growth.

Hiro Izushi, Robert Huggins (2004) as cited in Ishola Rufus Akintoye and Felix a. Adidu study for the European regions indicated that human capital development is more important than physical capital in the economic growth of the region in relative term.

A.A. Awe and S.O. Ajayi, (2010) in their study on Nigeria titled "The *Nexus Between Human Capital Investment and Economic Growth in Nigeria"* observed that when Gross Domestic Product (GDP) was regressed on its four lag values of Human Capital Investment the coefficient was significant at 5% level and concluded that more than 60 percent of the variation in economic growth is explained by past values of human capital investment in Nigeria.

With regard to empirical literature on determinants of economic growth in Ethiopia, researchers such as Abera Senbeta (2001) and Seid Nuru (2000) tended to scrutinize determinants of economic growth in Ethiopia by incorporating human development as explanatory variable. Abera, in his paper, "Investment-Growth Link in Ethiopia" regressed output growth on real investment as a share of lagged real GDP, the ratio of real government investment to lagged real GDP, labour force growth rate (estimated by the population growth rate) and export. His finding reveals that, only export and human development are statistically significant to explain long-run growth in Ethiopia. However, his study took the total population growth rate and did not show how investment in human development is vital in economic growth. Similarly, Seid (2000) incorporated labour, physical capital (represented by gross fixed capital formation), human capital (proxeid by gross enrolment ratio), export and rainfall in his model to explain real per capita GDP growth in Ethiopia and came across with results where real per capita GDP growth is explained by labour, human capital, export and agricultural demand (as proxied by rainfall) in the long-run. Unlike Abera's model, Seid used enrolment ratio which is better than taking population growth rate to capture investment in human capital and found positive relationship. The other researcher Fikadu (2006) incorporated human development captured by student index (grade seven and above) as a proxy for human development in his study " Financial Deepening-Growth Link in Ethiopia" and found that human development is not significant enough to affect real growth rate in Ethiopia.

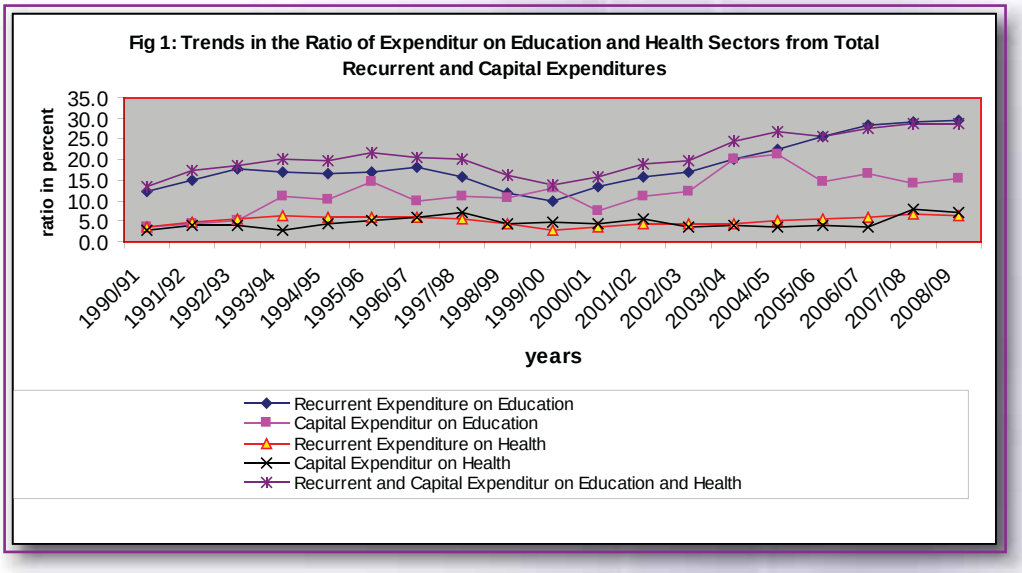
III. The Role of Human Development in Ethiopian Economic Growth

3.1 Trends in Investment in Education and Health Sectors[2]

In 1990/91, government's recurrent expenditure (RE) on education (E) and health (H) was Birr 575.5 million which accounted for 15.8 percent of total recurrent expenditure. The same year, capital expenditure allocated for health and education was about Birr 74.7 million accounting for 6.3 percent of total capital expenditure. Overall, only 13.5 percent of recurrent and capital expenditure (CE) was allocated for education and health sector in 1991. Registering remarkable improvements following the change of the government in May 1991, government recurrent expenditure on education and health sectors reached Birr 9.7 billion or 35.9 percent in 2009. In the same way, capital expenditure on education and health stood at Birr 6.9 billion or 22.5 percent in 2009. Therefore, the total recurrent and capital expenditure allocated for education and health sector reached Birr 16.6 billion or 28.8 percent in 2009 from only 13.5 percent during change of the government from command economic advocator to mixed[3] economy advocator in May 1991.

3.2 Model Specification

Modifying prior attempt in modelling the Ethiopian economic growth by various researchers such as Abera (2001), Seid (2000) and Fikadu (2006) who captured the role of human development in economic growth by labour force estimated from population growth rate, enrolment rate and student index, respectively, the writer employed different proxy for investment in human development (recurrent and capital expenditure on education and health) as investment in education and health are better to capture human development to see its role in growth. GDP growth is regressed on government recurrent expenditure on education and health (REEH), government capital expenditure on education and health (KEEH) with controlling variables such as import plus export to GDP ratio (TOT) to measure openness to international markets, gross investment to GDP ratio (K) (proxy for capital accumulation), private credit to GDP ratio (PC) to capture the role of financial development in economic growth, dummy for change of the government (DC) to capture the role of policy change on growth and dummy for drought (DD) to see the impact of rain on growth. All variables entered the model in real terms and natural logarithms form. The following question explains the functional form:



2 Referees to the government's recurrent and capital allocation excluding the noticeable roles of the private sectors, NGOs and other sectors due to lack of organized time series data.

3 A government with key role in the economy holding on key areas to avoid market failure but allows the private sector to play major roles in the economy

GDP = f (REEH, KEEH, TOT, K, PC, DC and DD, DW)……..……..1

All variables entered this model are expected to affect GDP growth positively including dummy for change of the government except dummy drought which is expected to have negative sign as lack of rain is obviously a series damage to agriculture dominant economy of Ethiopia by affecting total production, export and employment opportunities inversely. The following question can be derived from function 1:

log (GDP) = log(REEH)+log(KEEH)+log(TOT)+log(K)+ log(PC)+DC-DD-DW……2

Unit Root Test

In time series study, stationarity test is the first step as missing on testing this will result in false/spurious relationship between the dependent and explanatory variables (Gujarati, 1995, Eview 6 user manual). Therefore, the researcher tested whether the variables are stationary at level or should be differenced using the commonly known Augmented Dickey-Fuller Statistics (ADF) stationarity test methodology. At conventional level of significance (5 percent critical value), all the variables have unit root at level but have become stationary after first difference. Therefore, variables at first difference are used for regression as all are order one I (1) (see Appendix B).

3.4 Co-integration Test

After testing for stationarity, co-integration test is not needed if both the exogenous and endogenous variables are stationary at level i.e. I (0). However, if the variables are stationary at first difference i.e. I (1), integrated of order one, co-integration test have to be done so as to see if there is long-run relationship or equilibrium between I (1) variables. To see the presence of co-integration, it is just testing for the residual's (ε) stationary. In this case to say that there is co-integration between the variables, the residual should be stationary at level or I (0) with negative sign. Therefore, even if the variables are non-stationary at level individually, they are co-integrated if their difference is stationary at level (Eview 6 user manual).

By using Augmented Dickey-Filler (ADF) co-integration test methodology, the residual term is tested and found to be stationary at level I (0) i.e. ADF Test Statistics is ***–4.91*** against 1% Critical value of -***3.679***, 5% Critical value of ***-2.968*** and 10% Critical value of -***2.623***. Therefore, there is a long-run relationship or equilibrium between the intergraded of order one, I (1) variables.

Long Run Equation Result with t-statistic in [ ]

L (GDP) =5.705+0.455*L (REEH) +0.087*L (KEEH)-0.068*L (K)-+0.142*L (PC)-0.019*L (TOT)
[11.52] [4.22] [1.24] [-0.51] [-0.97] [-0.23]

-0.196*(DD) +0.006*(DC)……3
[-3.17] [0.095]

R^2 = 97 Adjusted R^2 = 96
F-statistics = 89.3 (0.00000) DW= 1.5

3.5 Short Run ECM Result with t-statistics in [ ]

DL (GDP) = 0.037 +0.501*DL (GDP (-1)) – 0.151*DL (KEEH (-3)) - 0.271*DL (REEH (-1))
[2.08] [2.90] [-3.64] [-2.21]
+0.207*DL (REEH (-2)) +0.207*DL (TOT (-2))-0.32* ECM (-1)……..4
[1.88] [2.83] [-1.52]

R^2 = 59 Adjusted R^2 = 46
F-statistics = 4.51 (0.005290) DW= 1.4

The result obtained from the long run equation revealed that only recurrent expenditure on education and health affects real GDP growth where capital expenditure on education and health is not statistically significant to affect real growth despite its sign is consistent with the prior hypothesis. Other controlling variables such as openness measurement (TOT), gross capital accumulation/gross investment ratio (K) and financial development proxy (PC) are inconsistent and insignificant to affect real growth in Ethiopia. The dummy drought is consistent and statistically significant to affect real growth negatively which is expected in such an agrarian economy as Ethiopia. Another dummy variable change of government (DC) is consistent but statistically insignificant (which might indicate the existence of bottlenecks in implementation of government policies).

Regarding the main purpose of this study, examining the role of investing in human capital in the form of recurrent and capital expenditure on education and health, the finding is inline with the prior hypothesis especially in case of recurrent expenditure.

In the short run dynamic error correction equation, real GDP growth is significantly explained by last year real GPD growth, three periods lag real capital expenditure on education and health, one and two periods lag real recurrent expenditure on education and health and two period lag degree of openness of the Ethiopian economy to the international markets.

The adjustment coefficient indicates 32 percent of deviation from the long run relationship is adjusted in the next period. Finally, the adjusted R-square of 96 percent reveals that the employed explanatory variables explain the dependent variable very well with very good overall fitness, F-statistics.

IV Conclusion and Recommendation

4.1 Conclusion

The researcher was initiated to carry out this study to see the role of investment in human capital in the process of facilitating economic growth and then development on sustainable basis to see-off poverty in Ethiopia. Government expenditure on educational and health sectors in the form of recurrent and capital expenditure is utilized as a proxy for human development index. Macroeconomic data (1980-2009) obtained from Ministry of Finance and Economic Development and National Bank of Ethiopia's various publications are used. Logarithms of Real GDP are regressed on human development proxy and other relevant controlling variables.

Stationary test has been carried out before proceeding to estimation and found that all variables entered the model have unit root at level but stationary after first difference. Co-integration test is another important test prior estimation and the residual's is stationary at level with expected negative sign.

Review of post-'Derg' period government investment in education and health as recurrent and capital expenditures was undertaken before estimating the model. The effort of the government was remarkable as only 13.5 percent of total recurrent and capital expenditure was allocated for education and health in 1991 vis-à-vis 28.8 percent of more than Birr 16.6 Billion in 2009. The estimations result revealed on the other hand that real GDP growth is explained by recurrent expenditure on education and health and dummy for drought season statistically with prior expected sign in the long run where capital expenditure has expected sign but statistically insignificant. The other explanatory variables are inconsistent and insignificant to affect real growth in this study.

The most important variable in the short run dynamic question is the sign and elasticity of the coefficient of the first lag residual term (ECM (-1)) which measures the adjustment capability of deviation from the equilibrium in the long run. In this regard, the finding revealed that the adjustment coefficient is weak with about 32 percent convergence of the short-run shock existing last year towards its long-run path in the current year i.e. its power to adjust deviation from equilibrium per annum is just 32 percent .

4.2 Recommendation

Based on the findings, the follow recommendations are forwarded:

- Recurrent expenditure on education and health is found to be the most significant determinate of real economic growth in Ethiopia. Therefore, it is consistent with prior hypothesis that government investment in human development in the form of education and health affects economic growth positively. From this truth, the writer comments the government's effort to expand education and health sector for meeting its ultimate objective of poverty mitigation in the long run and hence should be encouraged at a higher scale.
- The consistent but statistically insignificant capital expenditure on education and health on the other hand reveals that government's investment in the long run education and health sector facilities is not sufficient. Therefore, it is recommendable if the government due gives attention to more capital expenditure in education and health side by side with recurrent expenditure.
- The other consistent and statistically significant determinant of the Ethiopian economic growth is found to be dummy drought in this study. This finding is expected due to the fact that the Ethiopian economy is agrarian as about 80 percent employment is created by this sector, more than 90 percent of total export is earned from agriculture and GDP predominantly comes from agriculture. From this fundamental truth, dependency on favourable climate should be minimized if the country needs to achieve economic growth on sustainable basis that can resist any natural and external shocks. For this to be happen, the government should give more focus for large scale modern irrigation schemes to boost agricultural production even in drought seasons on one hand, and try to increase the role of industry in GDP growth on the other hand, by encouraging domestic private investors and attracting foreign investment in addition to enhancing human capital development.
- The consistent but statistically insignificant dummy change of the government (a proxy for change of policy from command economic system to partially market led economic system) can reveal that efforts taken by the government to facilitate economic growth should be inclusive and revised timely based on study as time factor could be make policies obsolete and ineffectual. Further more, government should fight corruption; revise land leasing system and uphold good governance to maximize the positive role that human development plays in economic growth.
- Finally, the researcher believes that the positive and significant role of human capital development in GDP growth revealed in this study facilitates the implementation of the next five years Growth and Transformation Plan (GAP). As industrialization and high level infrastructure developments have been given more attention in the next five years plan, skilled labour is vital factor in the process of transforming the economy from subsistence agriculture to modern agriculture or industry based economy given the effort in human capital formation continues at higher scale over the coming years.
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Appendices

Appendix A: Summary of Government Recurrent and Capital Expenditure on Education and Health (in Million Birr)

Fiscal Year	RE	E	H	E&H	Ratio	CE	E	H	E&H	Ratio	Total	Ratio
1990/91	3,640.3	447.1	128.4	575.5	15.8	1,189.5	42.6	32.1	74.7	6.3	650.2	13.5
1991/92	3,253.6	490.3	151.5	641.8	19.7	919.2	38.2	37.4	75.6	8.2	717.4	17.2
1992/93	3,434.5	604.0	189.2	793.2	23.1	1,715.8	88.4	66.6	155.0	9.0	948.2	18.4
1993/94	4,399.7	741.0	280.7	1,021.7	23.2	2,366.6	256.0	68.5	324.5	13.7	1,346.3	19.9
1994/95	5,215.5	863.5	310.2	1,173.7	22.5	2,669.2	269.2	120.0	389.2	14.6	1,562.9	19.8
1995/96	5,582.2	941.0	328.1	1,269.1	22.7	2,998.8	441.9	153.9	595.7	19.9	1,864.8	21.7
1996/97	5,750.4	1,032.4	340.9	1,373.3	23.9	4,252.1	420.1	243.3	663.4	15.6	2,036.7	20.4
1997/98	7,190.5	1,120.1	390.2	1,510.4	21.0	3,537.4	395.4	251.6	647.0	18.3	2,157.4	20.1
1998/99	10,533.1	1,260.8	459.1	1,719.9	16.3	4,135.4	442.0	179.3	621.2	15.0	2,341.1	16.0
1999/00	13,678.4	1,338.0	401.7	1,739.7	12.7	4,019.3	519.0	185.0	704.00	17.5	2,443.7	13.8
2000/01	11,824.6	1,576.5	432.1	2,008.6	17.0	3,835.6	287.8	167.2	454.97	11.9	2,463.5	15.7
2001/02	12,125.7	1,907.5	542.5	2,450.0	20.2	5,585.5	605.5	297.1	902.57	16.2	3,352.6	18.9
2002/03	14,219.4	2,395.4	624.0	3,019.4	21.2	6,591.8	793.3	244.9	1,038.19	15.7	4,057.6	19.5
2003/04	13,008.0	2,623.2	545.0	3,168.1	24.4	6,893.9	1,380.8	267.8	1,648.53	23.9	4,816.7	24.2
2004/05	13,236.0	2,981.0	696.0	3,677.0	27.8	8,539.9	1,825.8	292.8	2,118.62	24.8	5,795.6	26.6
2005/06	15,234.0	3,906.4	822.4	4,728.8	31.0	12,856.2	1,895.6	505.4	2,401.00	18.7	7,129.8	25.4
2006/07	17,323.9	4,896.3	1,009.4	5,905.8	34.1	14,955.3	2,479.0	519.2	2,998.15	20.0	8,903.9	27.6
2007/08	22,794.0	6,621.0	1,484.0	8,105.0	35.6	24,121.0	3,390.8	1,920.6	5,311.40	22.0	13,416.4	28.6
2008/09	27,177.0	8,009.0	1,734.0	9,743.0	35.9	30,598.7	4,752.2	2,136.3	6,888.50	22.5	16,631.5	28.8

Source: MOFED

Appendix B: The Augmented Dickey- Fuller (ADF) Unit Root Test Results

Variable	ADF without Trend	5 percent CV	ADF with Trend	5 percent CV
GDP	-2.968	5.103	-3.574	1.915
REEH	-2.976	5.031	-3.588	3.157
KEEH	-2.968	5.206	-3.633	2.136
TOT	-2.972	-0.903	-3.581	-1.882
K	-2.968	-2.465	-3.588	-3.070
PC	-2.968	-1.273	-3.581	-2.888
dGDP	-2.972	-2.540	-3.581*	-3.921
dREEH	-2.972	-2.604	-3.581*	-4.278
dKEEH	-2.998	3.821	-3.581*	-3.623
dTOT	-2.972*	-4.565	-3.581*	-4.456
dK	-2.972*	-8.425	-3.581*	-8.266
dPC	-2.972*	-4.464	-3.581*	-4.377

Notes: variables GDP, REEH, KEEH, TOT, K and PC are the natural logarithm of respected variables as defined under model specification section above. d denotes first difference and CV represents critical values at 5% significance level.

* Rejection of null hypothesis that there I unit root

BACK TO BASICS

What Is Inflation?

Ceyda Oner

IT may be one of the most familiar words in economics. Inflation has plunged countries into long periods of instability. Central bankers often aspire to be known as "inflation hawks." Politicians have won elections with promises to combat inflation, only to lose power after failing to do so. Inflation was even declared Public Enemy No. 1 in the United States—by President Gerald Ford in 1974. What, then, is inflation, and why is it so important?

Inflation is the rate of increase in prices over a given period of time. Inflation is typically a broad measure, such as the overall increase in prices or the increase in the cost of living in a country. But it can also be more narrowly calculated—for certain goods, such as food, or for services, such as a haircut, for example. Whatever the context, inflation represents how much more expensive the relevant set of goods and/or services has become over a certain period, most commonly a year.

Measuring inflation

Consumers' cost of living depends on the prices of many goods and services and the share of each in the household budget. To measure the average consumer's cost of living, government agencies conduct household surveys to identify a basket of commonly purchased items and track over time the cost of purchasing this basket. (Housing expenses, including rent and mortgages, constitute the largest component of the consumer basket in the United States.) The cost of this basket at a given time expressed relative to a base year is the *consumer price index* (CPI), and the percentage change in the CPI over a certain period is *consumer price inflation*, the most widely used measure of inflation. (For example, if the base year CPI is 100 and the current CPI is 110, inflation is 10 percent over the period.)

Core consumer inflation focuses on the underlying and persistent trends in inflation by excluding prices set by the government and the more volatile prices of products, such as food and energy, most affected by seasonal factors or temporary supply conditions. Core inflation is also watched closely by policymakers. Calculation of an overall inflation rate—for a country, say, and not just for consumers—requires an index with broader coverage, such as the *gross domestic product (GDP) deflator*.

The CPI basket is mostly kept constant over time for consistency, but is tweaked occasionally to reflect changing consumption patterns—for example, to include new hi-tech goods and to replace items no longer widely purchased. Because it shows how, on average, prices change over time for everything produced in an economy, the contents of the GDP deflator vary each year and are more current than the mostly fixed CPI basket. On the other hand, the deflator includes non-consumer items (such as military spending) and is therefore not a good measure of the cost of living.

The good and the bad

To the extent that households' *nominal* income, which they receive in current money, does not increase as much as prices, they are worse off, because they can afford to purchase less. In other words, their *purchasing power* or *real*—inflation-adjusted—income falls. Real income is a proxy for the standard of living. When real incomes are rising, so is the standard of living, and vice versa.

In reality, prices change at different paces. Some, such as the prices of traded commodities, change every day; others, such as wages established by contracts, take longer to adjust (or are "sticky," in economic parlance). In an inflationary environment, unevenly rising prices inevitably reduce the purchasing power of some consumers, and this erosion of real income is the single biggest cost of inflation.

Inflation can also distort purchasing power over time for recipients and payers of fixed interest rates. Take pensioners who receive a fixed 5 percent yearly increase to their pension. If inflation is higher than 5 percent, a pensioner's purchasing power falls. On the other hand, a borrower who pays a fixed-rate mortgage of 5 percent would benefit from 5 percent inflation, because the *real interest rate* (the nominal rate minus the inflation rate) would be zero; servicing this debt would be even easier if inflation were higher, as long as the borrower's income keeps up with inflation. The lender's real income, of course, suffers. To the extent that inflation is not factored into *nominal interest rates*, some gain and some lose purchasing power.

Indeed, many countries have grappled with high inflation—and in some cases *hyperinflation*, 1,000 percent or more a year. In 2008, Zimbabwe experienced one of the worst cases of hyperinflation ever, with estimated annual inflation at one point of 500 billion percent. Such high levels of inflation have been disastrous, and countries have had to take difficult and painful policy measures to bring inflation back to reasonable levels, sometimes by giving up their national currency, as Zimbabwe has.

Although high inflation hurts an economy, *deflation*, or falling prices, is not desirable either. When prices are falling, consumers delay making purchases if they can, anticipating lower prices in the future. For the economy this means less economic activity, less income generated by producers, and lower economic growth. Japan is one country with a long period of nearly no economic growth, largely because of deflation. Preventing deflation during the global financial crisis that began in 2007 is one of the reasons the U.S. Federal Reserve and other central banks around the world have kept interest rates low for a prolonged period and have instituted other monetary policies to ensure financial systems have plenty of liquidity. Today global inflation is at one of its lowest levels since the early 1960s, partly because of the financial crisis.

Policymakers must find the right balance between boosting demand and growth when needed without overstimulating the economy and causing inflation.

Most economists now believe that low, stable, and—most important—predictable inflation is good for an economy. If inflation is low and predictable, it is easier to capture it in price-adjustment contracts and interest rates, reducing its distortionary impact. Moreover, knowing that prices will be slightly higher in the future gives consumers an incentive to make purchases sooner, which boosts economic activity. Many central bankers have made their primary policy objective maintaining low and stable inflation, a policy called *inflation targeting* (see "Inflation Targeting Turns 20," in this issue).

What creates inflation?

Long-lasting episodes of high inflation are often the result of lax monetary policy. If the money supply grows too big relative to the size of an economy, the unit value of the currency diminishes; in other words, its purchasing power falls and prices rise. This relationship between the money supply and the size of the economy is called the *quantity theory of money*, and is one of the oldest hypotheses in economics.

Pressures on the supply or demand side of the economy can also be inflationary. *Supply shocks* that disrupt production, such as natural disasters, or raise production costs, such as high oil prices, can reduce overall supply and lead to "cost-push" inflation, in which the impetus for price increases comes from a disruption to supply. The food and fuel inflation of 2008 was such a case for the global economy—sharply rising food and fuel prices were transmitted from country to country by trade. Conversely, *demand shocks*, such as a stock market rally, or *expansionary policies*, such as when a central bank lowers interest rates or a government raises spending, can temporarily boost overall demand and economic growth. If, however, this increase in demand exceeds an economy's production capacity, the resulting strain on resources is reflected in "demand-pull" inflation. Policymakers must find the right balance between boosting demand and growth when needed without overstimulating the economy and causing inflation.

Expectations also play a key role in determining inflation. If people or firms anticipate higher prices, they build these expectations into wage negotiations and contractual price adjustments (such as automatic rent increases). This behavior partly determines the next period's inflation; once the contracts are exercised and wages or prices rise as agreed, expectations have become self-fulfilling. And to the extent that people base their expectations on the recent past, inflation will follow similar patterns over time, resulting in inflation *inertia*.

How policymakers deal with inflation

The right set of *anti-inflation policies*, those aimed at reducing inflation, depends on the causes of inflation. If the economy has overheated, central banks—if they are committed to ensuring price stability—can implement *contractionary* policies that rein in aggregate demand, usually by raising interest rates. Some central bankers have chosen, with varying degrees of success, to impose monetary discipline by *fixing the exchange rate*—tying its currency to another currency and, therefore, its monetary policy to that of the country to which it is linked. However, when inflation is driven by global rather than domestic developments, such policies may not help. In 2008, when inflation rose across the globe on the back of high food and fuel prices, many countries allowed the high global prices to pass through to the domestic economy. In some cases the government may directly set prices (as some did in 2008 to prevent high food and fuel prices from passing through). Such *administrative price-setting* measures usually result in the government's accrual of large subsidy bills to compensate producers for lost income.

Central bankers are increasingly relying on their ability to influence *inflation expectations* as an inflation-reduction tool. Policymakers announce their intention to keep economic activity low temporarily to bring down inflation, hoping to influence expectations and contracts' built-in inflation component. The more credibility central banks have, the greater the influence of their pronouncements on inflation expectations. ■

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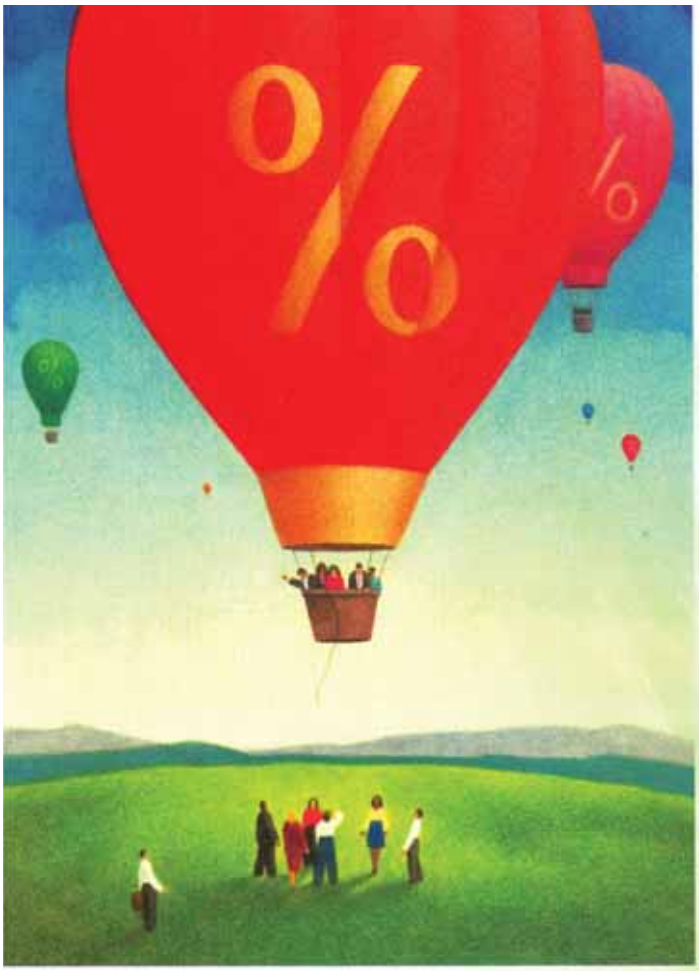


Inflation Targeting Turns 20

Scott Roger

TWO decades ago, New Zealand adopted a new approach to monetary policy, based on achieving a specific target for inflation. What made this approach new was the explicit public commitment to controlling inflation as the primary policy objective and the emphasis on policy transparency and accountability.

Today 26 countries use inflation targeting, about half of them emerging market or low-income economies (see table). Moreover, a number of central banks in more advanced economies—including the European Central Bank, the U.S. Federal Reserve, the Bank of Japan, and the Swiss National Bank—have adopted many of the main elements of inflation targeting, and several others are in the process of moving toward it.

A growing number of countries are making a specific inflation rate the primary goal of monetary policy, with success

This article examines how inflation targeters have performed over the past 20 years—including during the commodity price shocks of 2006–08 and the global financial crisis that began in 2007. The article also highlights some especially important issues inflation targeters are likely to face in the next few years.

The inflation-targeting framework

From the outset, inflation-targeting frameworks have included four main elements (Mishkin, 2004; and Heenan, Peter, and Roger, 2006):

- an explicit central bank mandate to pursue price stability as the primary objective of monetary policy and a high degree of operational autonomy;
- explicit quantitative targets for inflation;
- central bank accountability for performance in achieving the inflation objective, mainly through high-transparency requirements for policy strategy and implementation; and
- a policy approach based on a forward-looking assessment of inflation pressures, taking into account a wide array of information.

These elements reflect both theory and experience that suggest central banks cannot consistently pursue and achieve multiple goals, such as low inflation and low unemployment, with only one basic instrument—the policy interest rate (for example, the federal funds rate in the United States or the bank rate in the United Kingdom). These elements also recognize that over the long term monetary policy can influence nominal but not real (inflation-adjusted) variables; high inflation harms growth and the equitable distribution of income; and expectations and credibility significantly influence the effectiveness of monetary policy.

With experience, and as the inflation-targeting framework has been adopted by emerging market economies, it has tended to evolve in two particularly important respects. First, there has been *a progressive increase in policy transparency and communication* as the key means of providing public

accountability, which underpins the operational independence of central banks and helps anchor inflation expectations. The main ways central banks communicate their targets include inflation or monetary policy reports two to four times a year, public statements following policy meetings, and, sometimes, publication of the minutes of policymaking meetings. Senior central bank officials also testify before legislatures. In general, central banks have become increasingly active in a much broader range of public communication activities than in the past.

Second, *central banks have generally pursued a flexible form of inflation targeting*. Rather than focusing on achieving the inflation target at all times, the approach has emphasized achieving the target over the medium term—typically over a two- to three-year horizon. This allows policy to address other objectives—notably, smoothing output—over the short term. The central bank's ability to be flexible, however, depends on keeping medium-term inflation expectations well anchored. And this depends, at least in part, on its track record in keeping inflation under control.

What about the alternatives?

A natural question is whether macroeconomic performance under inflation targeting has been as good as or better than under alternative policy approaches, such as targeting money growth, exchange rate pegs, or "eclectic" frameworks with multiple objectives. Because it is not possible to compare directly one country's performance under two different policy regimes over the same period, comparisons have to be made between similar countries with different approaches.

Charts 1 and 2 compare inflation and output performance in inflation-targeting countries before and after they adopted inflation targeting with non-inflation-targeting countries over the same period. For inflation-targeting countries, the median inflation targeting adoption date was the beginning of 2001, so the comparison periods for non-inflation-targeting countries are set at 1991–2000 and 2001–09.

Inflation targeters

There are 26 countries that use inflation targeting, fixing the consumer price index as their monetary policy goal. Three other countries—Finland, the Slovak Republic, and Spain—adopted inflation targeting, but abandoned it when they began to use the euro as their currency.

Country	Inflation targeting adoption date	Inflation rate at adoption date	2009 average inflation rate	Target inflation rate
New Zealand	1990	3.3	0.8	1 - 3
Canada	1991	6.9	0.3	2 +/- 1
United Kingdom	1992	4.0	2.2	2 +/- 1
Sweden	1993	1.8	-0.3	2 +/- 1
Australia	1993	2.0	1.9	2 - 3
Czech Republic	1997	6.8	1.0	3 +/- 1
Israel	1997	8.1	3.3	2 +/- 1
Poland	1998	10.6	3.8	2.5 +/- 1
Brazil	1999	3.3	4.9	4.5 +/- 2
Chile	1999	3.2	1.5	3 +/- 1
Colombia	1999	9.3	4.2	2 - 4
South Africa	2000	2.6	7.1	3 - 6
Thailand	2000	0.8	-0.9	0.5 - 3
Korea	2001	2.9	2.8	3 +/- 1
Mexico	2001	9.0	5.3	3 +/- 1
Iceland	2001	4.1	12.0	2.5 +/- 1.5
Norway	2001	3.6	2.2	2.5 +/- 1
Hungary	2001	10.8	4.2	3 +/- 1
Peru	2002	-0.1	2.9	2 +/- 1
Philippines	2002	4.5	1.6	4.5 +/- 1
Guatemala	2005	9.2	1.8	5 +/- 1
Indonesia	2005	7.4	4.6	4 - 6
Romania	2005	9.3	5.6	3.5 +/- 1
Turkey	2006	7.7	6.3	6.5 +/- 1
Serbia	2006	10.8	7.8	4 - 8
Ghana	2007	10.5	19.3	14.5 +/- 1

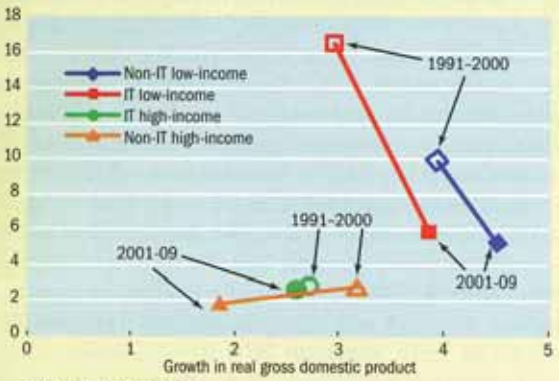
Source: Author's compilation.

Chart 1

Inflation and growth performance

Although inflation and growth rates improved in most countries between the periods 1991–2000 and 2001–09, inflation-targeting (IT) countries improved more.

(consumer price inflation, percent)



Source: Author's calculations.

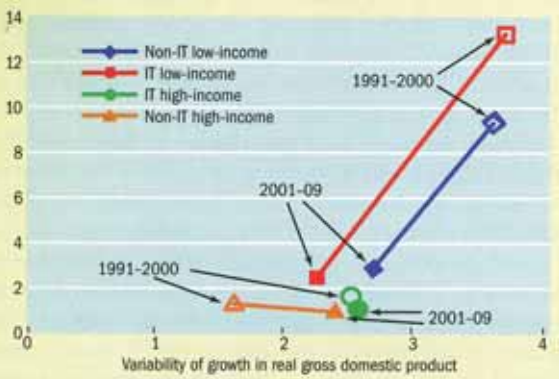
Note: Hollow symbols represent period 1991-2000; filled-in symbols represent period 2001-09. The straight lines represent direction of movement between the periods for the four groups of countries.

Chart 2

Output and inflation smooth

Swings in both inflation and growth were less volatile in the period 2001–09 than in 1991–2000, but the decline was greater in inflation-targeting (IT) countries.

(inflation variability, percent)



Source: Author's calculations.

Note: Hollow symbols represent period 1991-2000; filled-in symbols represent period 2001-09. The straight lines represent direction of movement of variability between the periods for the four groups of countries.

The evidence shows the following:

- Both inflation-targeting and non-inflation-targeting low-income economies experienced major reductions in inflation rates and improvements in average growth rates. Although the non-inflation-targeting countries continued to have lower inflation and higher growth than the inflation-targeting countries, those that adopted inflation targeting saw larger improvements in performance.
- Both inflation-targeting and non-inflation-targeting low-income economies also experienced large reductions in the volatility of inflation and output, with the countries that adopted inflation targeting registering bigger declines, especially in inflation volatility.
- Among high-income economies, inflation-targeting countries showed little change in performance, on average, between the two periods, whereas the non-inflation-targeting countries typically experienced a decline in growth. Similarly, inflation-targeting countries saw little change in output or inflation volatility between the two periods, but the non-inflation-targeting countries experienced greater output volatility.

Of course, adoption of inflation targeting may not fully explain the improvement in relative performance, since many countries adopting inflation targeting did so as part of broader structural and policy reforms. Nonetheless, more detailed studies also generally suggest that when otherwise similar emerging market economies are compared over the same time periods, key economic macroeconomic variables such as inflation and output performed better in countries that adopted inflation targeting compared with those that did not. For example, a study in the IMF's September 2005 *World Economic Outlook* found adoption of inflation targeting to be associated with a 4.8 percentage point reduction in average inflation relative to other monetary policy regimes between 1990 and 2004. Inflation targeting was also associated with a 3.6 percentage point reduction in the variability of inflation relative to other strategies.

The resilience of inflation targeting

Of particular relevance, in the wake of the global commodity price spikes and financial shocks of the past three years, is whether inflation targeting is more resilient to shocks than are other policy frameworks. Throughout most of the period since inflation targeting was widely adopted, global macroeconomic conditions were benign compared with earlier periods. As a result, there was limited evidence that the inflation-targeting approach could absorb major shocks.

Inflation-targeting countries appear to have done better than others in minimizing the inflationary impact of the 2007 surge in commodity prices (Habermeier and others, 2009). That price shock led to a rise in inflation and declines in growth in most countries between 2006 and 2008. Among low-income economies, however, non-inflation-targeting countries experienced bigger increases in inflation than inflation-targeting countries, although their gross domestic product growth rates fell by similar amounts. Among high-income economies, inflation-targeting countries had a smaller growth decline than non-inflation-targeting countries and slightly less of an increase in inflation.

These results are consistent with the notion that inflation expectations are better anchored in countries that adopt inflation targeting and that authorities in those countries place a greater emphasis on keeping inflation from surging. But more detailed analysis will be needed to disentangle these effects from other influences on growth and inflation before any solid conclusions can be reached.

The global financial crisis that began in mid-2007 is still unfolding, so it is premature to judge whether inflation targeters have coped better than others with the worst global economic and financial downturn since the Great Depression. To be sure, several inflation-targeting countries have been among the hardest hit by the crisis, and some have entered into IMF-supported programs—including Hungary, Iceland, Romania, and Serbia. However, it is not clear that inflation targeting made these countries more susceptible to crises or that their downturns are more severe than in comparable countries with other policy approaches.

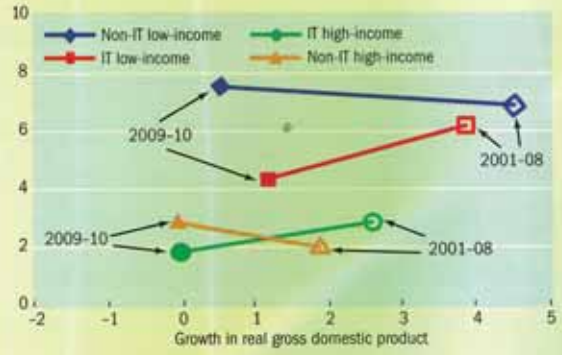
Macroeconomic forecasts suggest that inflation-targeting economies may be less adversely affected by the financial crisis (see Chart 3). According to *Consensus Forecasts* (Consensus Economics) in January 2010, average growth for all countries during 2009–10 is expected to fall well below the typical growth experienced during 2001–08. Among emerging market economies, however, non-inflation-targeting countries are generally expected to experience a larger decline than inflation-targeting countries in growth relative to precrisis averages. Among the high-income economies, the opposite is expected, with a bigger decline in growth among inflation-targeting than non-inflation-targeting countries. All inflation-targeting countries are expected to experience a decline in inflation. By contrast, inflation is expected to rise above precrisis levels in non-inflation-targeting countries.

Chart 3

Buffering the financial crisis

Macroeconomic forecasts suggest that inflation-targeting economies are less adversely affected by the global economic crisis than other countries.

(consumer price inflation, percent)



Source: Consensus Economics, *Consensus Forecasts*, January 2010.

Note: Hollow symbols represent actual performance in the period 2001–08. Filled-in symbols represent forecasts for period 2009–10. The straight lines represent direction of the change between actual performance and forecasts for the four groups of countries.

The future of inflation targeting

The evidence indicates that inflation targeting has worked well in a broad range of countries and circumstances. In this context, the concerns expressed by several major central banks about a recent proposal by IMF chief economist Olivier Blanchard to raise inflation targets, as a way to give central banks more room to lower interest rates in severe downturns, suggest that key features of inflation targeting will remain intact. But the framework is bound to evolve as lessons are drawn from experience with inflation targeting, particularly as it is adapted to the needs of developing countries. Two issues stand out in particular.

- For many open economies that have adopted or are considering adopting inflation targeting, there is debate over the appropriate role of the exchange rate in an inflation-targeting framework.
- For all central banks, including inflation targeters, there is the question of how to reconcile their monetary policy responsibilities and objectives with their responsibility to promote and maintain the stability of the financial system.

The conventional wisdom has been that inflation-targeting central banks should react to exchange rate movements only insofar as they affect the outlook for inflation and output—depreciation of the currency may, for example, make exports cheaper, stimulating output, but at the same time exacerbate inflation—rather than systematically dampening exchange rate changes. More recent analysis, however, suggests that systematic leaning against exchange rate movements may be warranted in some circumstances. For example, in economies with high foreign currency debt, exchange rate movements will have strong effects on debtors' financial balance sheet positions. So dampening exchange rate changes may help stabilize output and inflation (Morón and Winkelried, 2005; and Roger, Restrepo, and Garcia, 2009). The challenge for policymakers is to ensure that the exchange rate remains subordinate to the inflation objective and that dampening exchange rate movements does not undermine the credibility of the inflation-targeting framework.

The global financial crisis is also forcing a reassessment of the relationship between monetary policy and policies aimed at financial stability. In particular, a question arises analogous to that of the role of the exchange rate: should monetary policy respond directly to potential risks to financial stability—such as rapid increases in credit, property prices, or stock market values—or only insofar as these affect the outlook for inflation and growth?

At a minimum, the crisis has highlighted the need to pay greater attention to the interaction between the real economy of goods and services and the financial economy. The workhorse macroeconomic models central banks use in monetary policy analysis and forecasting lack substantial representation of the financial sector, the determination of key asset prices such as equity and property prices, and the interaction between the financial sector and household and corporate sector behavior. Nor do the models take account of interactions within the financial sector. Fixing such weaknesses will not be easy, but will be important if financial developments are to be better integrated into policy analysis and forecasting.

A key issue is whether central banks should use monetary policy, in addition to prudential policies, to react directly and systematically to financial stability indicators such as house prices. As with their response to exchange rate movements, this might be beneficial in some circumstances but not others and, by adding to the central bank's objectives, could undermine the credibility of their commitment to the inflation target. Research is needed in this area, including determining the appropriate financial indicators to take into account and how the central bank should respond to them.

Another possibility is to extend the inflation-targeting horizon to take into account the longer-term inflation risks associated with asset price cycles (Borio and Lowe, 2002). An advantage of this approach is that it would be less mechanical than responding directly to asset prices or other financial stability indicators. Still, there are practical challenges. In particular, a lengthening of the forecast horizon would also require improving central banks' medium- to long-term forecasting capabilities. In addition, there would be issues to sort out in terms of the appropriate timing of actions to counter development of asset price bubbles (Bean, 2004). Stronger policy communication would also be needed to ensure continued credibility of the central bank's long-term commitment to low and stable inflation. ■

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ከታሪክ ማስታወሻ

አብዛኛዎቹ የሞኖፖል ውሎች የተፈራረሙትን ወረቀት ዋጋ እንኳ ሳያስመልሱ ሲቀሩ ሁለቱ ግን በኢትዮጵያ ውስጥ የጎላ ስፍራ ለመያዝ በቁ። እነሱም በ 1886 የተፈረመው የባቡር መስመር ውልና በ1897 የተፈረመው የባንክ ውል ናቸው። በኢትዮጵያ በኩል የሁለቱም ውል ሰጭ ምኒልክ ሲሆን ተቀባዮቹ ደግሞ አፍሪቃን የተቃረጡት ሁለቱ ኃያላን ፈረንሳይና እንግሊዝ ነበሩ፤ ፈረንሳይ ባቡሩን እንግሊዝ ባንኩን አገኙ ። የባቡር ውል እንደተፈረመ የዐድዋ ጦርነት በመከሰቱ ከጅቡቲ እስከ ነጭ አባይ ይዘልቃል ተብሎ የታቀደው የባቡር መስመር ሥራው የተጀመረው ውሉ በተፈረመ በሶስት ዓመቱ በ 1890 ነው።

በ1895 መጀመሪያ የታለመለትን የሐረር ከተማ በከፍታው ምክንያት ወደ ጐን በመተው አዲሱ ጣቢያ ደረሰ። እንደማካካስ ይመስላል ይህ ጣቢያ መጀመሪያ አዲስ ሐረር ተብሎ ነበር፣ ኃላ ግን ድሬደዋ በሚል ስያሜ ታወቀ። የባቡሩ መስመር ድሬዳዋ ከደረሰ በኋላ የመሥመሩን ይዞታ በተመለከተ በተፈጠረው ውዝግብ ምክንያት ሥራው ለስድስት ዓመት ተቋረጠ። የውዝግቡ መነሾ የእንግሊዝ ካፒታል ወደ ባቡር ኩባንያ ሠርጎ በመግባቱ ምክንያት የፈረንሳይ መንግስት ተደናግጦ የወሠደው እርምጃ ነው። የፈረንሳይ መንግሥት ጠቀም ያለ የገንዘብ እርዳታ ለኩባንያው በመስጠት በዚያውም ለግል ኩባንያ ሰጥቶ የነበረውን መብት መንግሥታዊ መልክ ስላስያዘው ምኒልክም እርምጃው መጀመሪያ የተሰጠውን ውል ይፃረራል ብሎ ተቃወመ፡ ፡ ከዚያ በኋላ ባንድ ወገን በሶስቱ ቅኝ ገዢዎች / ማለትም እንግሊዝ፣ ፈረንሳይና ኢጣልያ/ መካከል፣ በሌላ ወገን ደግሞ በፈረንሳይና በምኒልክ መካከል፣ ድርድሩ ቀጥሎ ነገሩ እልባት ለማግኘት ቻለ። የባቡሩ መስመር ዓለም አቀፋዊ ተቋምነት በ1899 የሶስቱ ኃያላን ስምምነት ሲደነግግ በ1900 ደግሞ ምኒልክ ከፈረንሳይ ጋር በኢትዮጵያ ከፊተኛው የተሻለ መብት የሚሰጥ አዲስ ውል ተፈራረመ። የባቡር ሀዲድ ሥራውም ቀጥሎ በ1909 አዲስ አበባ ለመድረስ ቻለ፡ ፡ ወደ ነጭ ዓባይ የመዝለቁ ጉዳይ እንዲሁ ሱዳንን የሚቆጣጠሩት እንግሊዞች ባነሱት ተቃውሞ ምክንያት ወደ ጎን ቀርቷል።

የባቡር መሥመር ሥራ መጠናቀቅ በኢትዮጵያ ኢኮኖሚያዊና ማህበራዊ ሕይወት ላይ ከፍተኛ አንደምታ ነበረው። ባንድ ወገን የአዲስ አበባ ማዕከላዊነት ሲረጋገጥ በሌላ በኩል ደግሞ ድሬደዋ፣ ናዝሬትና ሞጆን የመሳሰሉ አዲስ ከተሞች መሥመሩን ተከትለው ለመመስረት በቁ። ኢትዮጵያ ከዓለም ኢኮኖሚ ጋር ያስተሳሰራት ዋነኛው መንገድ ይኸው የባቡር መሥመር ነው። ምንም እንኳ ዋጋው አለቅጥ ከፍ እያለ ቢያስቸግርም መንገደኛም ሆነ ሸቀጥ ከኢትዮጵያ የሚሄደው ወይ ወደ ኢትዮጵያ የሚመጣበት

ዋና መንገድ ይኸው ባቡሩ ሆነ፡፡ የአዳዲስ ሐሳቦችና ፋሽኖች መስረጊያውም እሱው ነበር፣፣ በፖለቲካ የኃይል ሚዛን ረገድም ራስ ተፈሪ በሥልጣን ልቀ ለመውጣት የቻለበት አንዱ ምክንያት ዋና ከተማይቱን ከሥልጣን መቀናጠጫው ከሐረር ጋር በሚያገናኘው የባቡር መሥመር አማካይነት ወታደር በፍጥነት ለማጓጓዝ መቻሉ ነው፡፡ የባንኩ ውል የተሰጠው በመጋቢት 1897 በእንግሊዞች ቁጥጥር ሥር በነበረው በግብፅ ባንክ/ ባንክ ኦፍ ኢጂብት/ ነው፡፡ በውሉም መሠረት ባንኩ በኢትዮጵያ ብቸኛ ባንክ ሆኖ ሲታወቅ የብር ኖቶችንና ሳንቲሞችን ማተምና ማውጣት የሚችለውም እሱው ብቻ ነበር፡፡ በኢትዮጵያ የተቋቋመው የግብፅ ቅርንጫፍ ባንክ ኦፍ አቢሲኒያ /የሀበሻ ባንክ/ ተብሎ ሲታወቅ መነሻ ካፒታሉም 100,000 ፓውንድ ነበር፡፡ በባቡሩ መስመር የተነሳውን ውዝግብ ለማስወገድ ተብሎም የባንኩን ይዘት ዓለም አቀፋዊ መልክ ለማስያዝ የተለየ ጥረት ተደርጉ ነበር፡፡ የመሥራች ኮሚቴው አባላት ሶስቱ እንግሊዝ ሶስቱ ኢጣሊያዊና አንዱ ደግሞ ጀርመን ሲሆኑ ፣ አክሲዮኖቹም አዲስ አበባ፣ ካይሮ፣ ኒውዮርክ እና በተለያዩ የአውሮፓ ከተሞች ለሽያጭ እንዲቀርቡ ተደረገ፡፡ በእንግሊዞች እጅ የነበረው የአክሲዮን ብዛትም ፈረንሳዮችና ጣልያኖች በጣምራ ከያዙት እንዳይበልጥ ሆኖ ተመጥኖ ነበር፡፡ ይህ ሁሉ ሆኖ ግን ቁልፍ የአስተዳደር ሥፍራዎች የያዙት እንግሊዞች በመሆናቸው ባንኩ በመሠረቱ እንግሊዛዊ መሆኑ ብዙም አያጠራጥርም ነበር፡፡

የባንኩ ቅርንጫፎች በተለያዩ የሀገሪቱ ከተሞች ቢከፈቱም ባንኩ በኢትዮጵያ ኢኮኖሚ ውስጥ የነበረው ሚና እምብዛም የጎላ አልነበረም፡፡ ለብድር የሚጠየቀው የ15 በመቶ ወለድ ብዙም የሚያደፋፍር አልነበረም፡፡ ለአስር ዓመት ያህል ባንኩ ያለትርፍ ነበር የሚንገታገተው፡፡ በመሠረቱ የባንኩ ችግር የማንኛውም በፊውዳል ጎብረተሰብ ላይ የተለጠፈ የካፒታሊስት ድርጅት ችግር ነው፡፡ ቀደም ብሎ ሥር የሰደደውን የግል አበዳሪዎች መዋቅር መቋቋምም ቀላል አልነበረም፡፡ ገንዘብ ያላቸው ብዙ ሰዎችም ገንዘባቸውን ለባዕድ አካል ሰጥተው ከመሥጋት ትራሳቸው ስር ወይ ማሰሮ ውስጥ ማድረጉን ይመርጡ ነበር፡፡ በሌላ በኩል ደግሞ ባንኩ የተሰጠው የሞኖፖል ውል ተቃውሞ ማስነሳቱ አልቀረም ውሉን አጥብቀው ከሚቃወሙት አንዱ የዘመኑ ቁንጮ ምሁር የሆነው ገብረህይወት ባይከዳኝ ነበር፡፡ እቴጌ ጣይቱም በ1901 የእርሻና የንግድ ማስፋፊያ ማህበር የሚባል አበዳሪ ድርጅት በማቋቋም የባንኩን ሞኖፖል ለመቃወም ሞክራለች፡፡ በመጨረሻም በ1923 ባንኩን የኢትዮጵያ መንግስት ገዝቶ ብሔራዊ ሀብት አድርጎታል፡፡ ከዚያን ጊዜ ጀምሮ የኢትዮጵያ ባንክ /ባንክ ኦፍ ኢትዮጵያ/ በመባል ታወቀ፡፡ ይህም ከነፃነት ወደህ የተቋቋመው የኢትዮጵያ መንግስት ባንክ /እስቴት ባንክ ኦፍ ኢትዮጵያ/ አባትና በ1955 የተቋቋመው የኢትዮጵያ ንግድ ባንክ /ኮሜርሻል ባንክ ኦፍ ኢትዮጵያ/ አያት መሆኑ ነው፡፡

(ከገጽ በ108-110)

የኢትዮጵያ ታሪክ
ከ1848 እስከ 1966
ባህሩ ዘውዴ

አዲስ አበባ ዩኒቨርሲቲ ፕሬስ
አዲስ አበባ
1989