

KEY FACTS

Official name: Hagere Ertra (State of Eritrea)

Head of State: President Issaias Afewerki (since 1991; elected president 1993)

Head of government: President Issaias Afewerki

Ruling party: dem

Area: 125,000 square km

Population: 5.66 million (2012)*

Capital: Asmara

Official language: There is no official language but the working languages are Tigrinya, Arabic and English.

Currency: Nakfa (Nk) = 100 cents

Exchange rate: Nk15.00 per US\$ fixed (pegged from 1 Jan 2005)

GDP per capita: US\$546 (2012)*

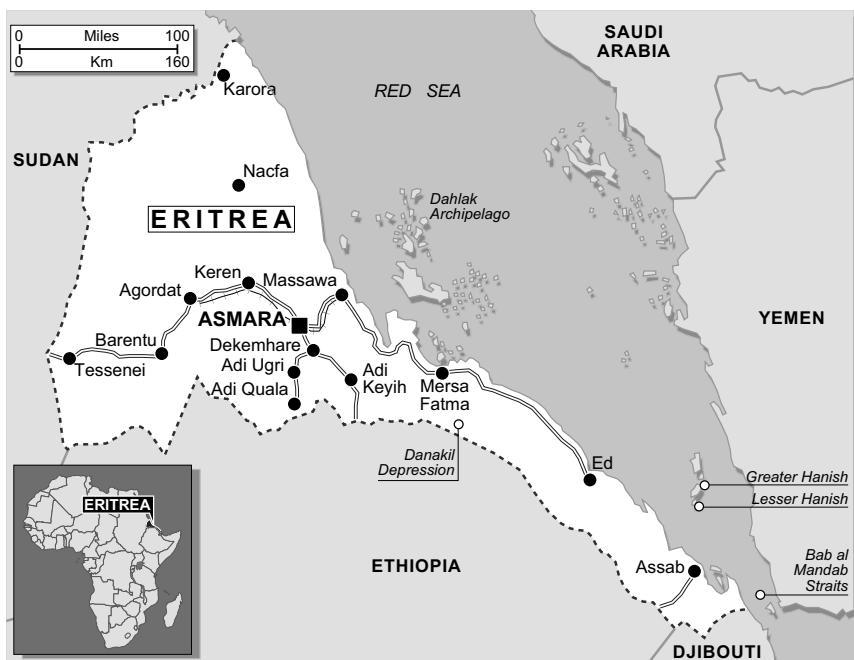
GDP real growth: 7.02% (2012)*

GDP: US\$3.09 billion (2012)*

Inflation: 12.26% (2012)*

* estimated figure

Eritrea



Once part of Ethiopia, Eritrea has been an independent nation since 1993. But the days when the world watched with sympathy as ‘plucky’ little Eritrea and the ‘bare foot’ medics battled the superior forces of Ethiopia and the harshness of their land has been replaced by a repressive regime and not much improvement in their standard of living.

The economy

Infrastructural bottlenecks, weak foreign investment (especially in the non-mining sector) and dwindling aid inflows have constrained Eritrea’s economic performance since independence. Nevertheless, the economy grew by 8.7 per cent in 2011 thanks to the start of full operations in the gold and silver Bisha mine and to the production of cement from the cement factory in Massawa. Growth in gross domestic product (GDP) is estimated to have fallen sharply to 5.5 per cent in 2012, due largely to an unanticipated drop in production at the Bisha mine combined with a drop in the price of gold over 2011–12, and a fall in remittances from Eritreans in the Diaspora. Growth is

expected to improve to 7 per cent in 2013 and then decrease slightly to 6.5 per cent in 2014, driven by gold production in the Koka and Zara mines and by copper production in the Bisha mine.

In February 2013, the government liberalised the purchase of foreign currency in order to ease the foreign exchange shortage. This allows institutions and individuals to open foreign-currency deposits and to use foreign exchange for international transactions without limitations.

The *African Economic Outlook 2013* (AEO), published jointly by the African Development Bank and the Organisation for Economic Co-operation and Development reports that public investment and private consumption are estimated to have been the key drivers of real GDP in 2011 and 2012. The situation is projected to remain the same in 2013 and 2014. Public investments include construction work in housing (construction of foam-core apartment and commercial buildings), sports (new stadium and renovation of existing stadia), education (construction of new schools), transport (road construction),

and health (ambulances and hospital equipment).

The service sector dominated Eritrea's economy in 2011 with a share of 58.9 per cent of GDP. Growth in the sector was largely contributed to by public administration and defence, as well as by wholesale and retail trade, restaurants and hotels. The industrial sector is gradually taking a greater share of Eritrea's economy. It contributed a 24.1 per cent share of GDP in 2011. This was driven by the mining sector as well as by on-going construction work.

Mining

Eritrea's potential lies in its mineral resources, yet the government has failed to take full advantage of these. Mineral deposits in Eritrea include gold, silver, copper, zinc and potash as well as nickel and chromite. In 2011, activities in the mining sector picked up with the onset of commercial mining and exports of gold and silver at the Bisha mine operated by Canada's Nevsun Resources Ltd. According to Capitaleritrea news records, the Bisha mine is expected to produce 30.05 million grams of gold, 266.48 million grams of silver, 332.93 million kilogrammes of copper, and more than 450 billion grams of zinc over its 10-year mine life.

Until recently, under the Mining Law, the government's stake in any mining project has been 10 per cent with an option to buy a further 30 per cent of shares. However, recent negotiations by the government-owned Eritrean National Mining Corporation for a 50–50 profit share on the Colluli Potash Project with the Australia-based South Boulder Mines may deter future investors. The project is expected to commence production of potash in 2016. The government's desire for a 50–50 profit share at Colluli may be connected to the high profit potential and the low capital cost of the project. This unprecedented move implies that contracts with investors can now be negotiated on a project-by-project basis.

Without foreign investment (there have been United Nations sanctions in place since 2009) Eritrea has struggled to add value to its minerals. But in 2012 a Memorandum of Understanding was signed with Sudan whereby Eritrean gold and silver from the Bisha mine will be refined in Sudan's newly opened (2012) gold refinery. The deal will bring down the cost of refining for Eritrea and give Sudan, struggling after the split with South Sudan deprived them of their oil revenue, some much needed foreign earnings.

Agriculture

The contribution of agriculture to the economy is minimal (17 per cent of the GDP in 2011), though the sector engages about 80 per cent of the workforce. The AEO notes that the main obstacles are infrastructure constraints, the absence of modern techniques and equipment for farming and inadequate rainfall and resources for expansion and investment. With modern production techniques and the development of irrigated agriculture, high investment returns could be obtained. There are investment opportunities in dairy and meat products, live-animal exports, hides, skin and leather exports, horticulture and cash crops such as coffee, cotton and flowers. Presently, crops grown in Eritrea include wheat, sorghum, lentils, beans, millet, barley and teff.

Eritrea's food-security situation deteriorated in 2011 due to poor rainfall in the main rainy season (March–May), resulting in increased food imports, with the associated strain on the country's balance of payments position. Furthermore, the UN Food and Agriculture Organisation's Global Information and Early Warning System reported the deteriorating food-security position in the northern coastal areas of the country during the short *bahri* rainy season (November–February).

Neither democratic or just

Eritrea has never held an election for the legislature or the presidency in spite of the political pluralism enshrined in the country's 1997 constitution. The country's sole political party, the People's Front for Democracy and Justice (PFDJ), and the President, Isaias Afewerki, remain firmly in control of the country's political and

economic machinery. There is no evidence of a regime plan towards democratisation.

According to the UN Human Rights Council, between 5,000 and 10,000 political prisoners were being held in 2012, many for long periods and without trial. In addition, Eritrea records on a daily basis an increasing number of political-asylum seekers fleeing the country. High-profile asylum seekers in 2012 included four Eritrean athletes who were competing at the 2012 London Olympics. The flight of the Olympians was followed by the escape of 17 members of the Eritrean national team in Kampala, Uganda, during the football tournament organised in late 2012 by the Council for East and Central Africa Football Associations.

However, it appears that threats to the president and the PFDJ may be growing, with an attempted military coup in January 2013 when some 100 members of the Eritrean military were reported to have surrounded the information ministry and a few other government buildings. The rebellious soldiers forced Eritrea's state-owned media to broadcast a call for the release of political prisoners and implementation of the constitution. The move was quickly put down.

Political analysts have speculated that the dominance of the current regime will remain until at least 2015. Recent events circulated in the media, however, such as the defection in October 2012 of two pilots to Saudi Arabia with the presidential jet, the defection of Ali Abdu, information minister and former presidential acolyte, suggest that the current regime's firm hold on power is being openly threatened with associated great risk. Transparency International ranked Eritrea 150 out of 176 countries in the corruption perception index for 2012.

KEY INDICATORS						Eritrea
	Unit	2008	2009	2010	2011	2012
Population	m	*5.01	*5.16	5.32	*5.49	*5.66
Gross domestic product (GDP)	US\$bn	1.38	1.87	2.12	2.61	*3.09
GDP per capita	US\$	276	363	398	475	*546
GDP real growth	%	-9.8	3.9	2.2	8.7	*7.0
Inflation	%	19.9	33.0	12.7	13.3	*12.3
Current account	US\$m	-75.0	-94.0	-122.0	14.0	*72.0
Total reserves minus gold	US\$m	57.9	90.0	114.1	114.3	–
Foreign exchange	US\$m	57.9	84.3	108.6	108.6	–
Exchange rate	per US\$	15.00	15.00	15.38	15.38	15.38
* estimated figure						

Risk assessment

Politics	Poor
Economy	Poor
Regional stability	Poor

COUNTRY PROFILE

Historical profile

1889–1941 Under Italian rule, Eritrea first emerged as a political entity following the Italian occupation of the Red Sea port of Massawa and other coastal enclaves in the 1880s. In 1889, Italy signed the Treaty of Ucciali with the Ethiopian Emperor, Menelik, and in 1890, named the country Eritrea.

1941 The UK defeated Italy during the Second World War and Eritrea became a British protectorate.

1952 UN-sanctioned federation with Ethiopia.

1962 Eritrea was annexed to Ethiopia as a province under Emperor Haile Selassie.

1991 The Eritrean People's Liberation Front (EPLF) overthrew Ethiopian Colonel Mengistu's forces and liberated the territory; Issaias Afewerki assumed power.

1993 A vote resulted in a virtually 100 per cent acceptance of independence.

1994 Eritrea achieved nationhood and Afewerki was elected president by the National Assembly. In February the EPLF was renamed the People's Front for Democracy and Justice (PFDJ).

1998 Eritrea and Ethiopia resumed border warfare. The Permanent Court of Arbitration in the Hague ruled that Yemen should have the Red Sea island of Greater Hanish, fought over in 1995 by Eritrea and Yemen, and it was announced that Eritrea would return it to Yemen. The nakfa was introduced as Eritrea's national currency, to be used alongside the Ethiopian birr.

2000 UN peacekeepers opened a 1,000km cease-fire land corridor between Ethiopia and Eritrea and the two countries signed a peace deal in Algiers, ending the two-year war.

2001 The UN established a buffer zone along the border between Ethiopia and Eritrea.

2002 Eritrea and Ethiopia accepted a ruling on the border dispute, made by the Boundary Commission at the Permanent Court of Arbitration of The Hague. A new 1,000km boundary was established between the two countries.

2003 The UN Mission in Ethiopia and Eritrea (UNMEE) mandate was extended.

2004 Eritrea suffered a harsh drought, resulting in severe drinking-water problems both for humans and animals. Implementation of the peace process that was to resolve the border conflict between Ethiopia and Eritrea remained stalled.

2005 New Bank of Eritrea regulations required all transactions to be conducted in the national currency, the nakfa. The new currency was pegged against the US dollar at Nkr15 per US\$. Eritrea restricted the movement of UNMEE peacekeepers along the Eritrea/Ethiopia border, leading to fears that the war would flare up again. The independent commission at the Permanent Court of Arbitration in The Hague, set up as part of the peace deal signed in Algiers in 2000 between Eritrea and Ethiopia, ruled that Eritrea had launched unlawful attacks against Ethiopia in 1998, thereby triggering the border war between the two countries.

2006 Tensions continued in the border dispute with Ethiopia. Eritrea rebuffed international attempts to mediate. Eritrea was accused of arming Islamist opponents of the Somali transitional government, which was supported by Ethiopia.

2007 Talks, set by the Ethiopia-Eritrea Border Commission, to confirm the demarcation between Ethiopia and Eritrea, failed to reach an agreement on time. The Commission considered the border it drew in 2006 to be binding in the face of the impasse. While Ethiopia and Eritrea accepted the ruling neither attempted to implement its recommendations and 1,700 UN peace-keeping troops remained in the area in a notionally demilitarised zone.

2008 United Nation's troops along the disputed border began what was described as a 'temporary relocation' out of Eritrea, after the government cut off fuel supplies. Border clashes in the Mount Gabla area – also known as Ras Doumeira – that killed nine Djibouti troops and injured many more was blamed by the US on 'military aggression' by Eritrea. The US and France called for a cease-fire, troop withdrawals on both sides and for negotiations to begin. The Security Council terminated the UNMEE.

2009 The Eritrean national football team refused to return to Eritrea after playing in the Senior Challenge Cup in Nairobi and applied for, and eventually found, asylum in Australia. Eritrea denied it had troops in Djibouti, contrary to UN Security Council announcement that it had failed to withdraw. The UN imposed arms and travel sanctions and froze assets on top politicians and military personnel from Eritrea due to their support of insurgents in Somalia.

2010 President Afewerki invited foreign and domestic journalists to visit military installations in an attempt to influence the UN to lift sanctions against Eritrea. Qatar mediated an agreement between Eritrea and Djibouti over their border dispute. However despite Eritrea's step towards 'constructive engagement' with Djibouti,

the UN refused to lift sanctions, saying that President Afewerki's regime still supported armed opposition groups destabilising the region as well as non-compliance with the agreement to withdraw troops from Djibouti.

2011 In June the Nabro volcano erupted (for the first time in recorded history), and forced airline flights in East Africa to be curtailed. In July, 13 top Eritrean football players refused to return to Eritrea after playing in an East African tournament and applied for asylum in Tanzania. In December, the UN Security Council imposed tougher sanctions against Eritrea, accusing it of giving sanctuary to militant Islamist groups (particularly Al Shabab) that have attacked neighbouring countries. Foreign mining companies are required to maintain more control over their funding of the industry, including foreign investment; remittances were also affected by the sanctions.

2012 On 17 January, five European tourists were killed, two seriously injured and four kidnapped in Ethiopia's Afar region (close to the border with Eritrea). Ethiopia held Eritrea responsible for the attack as the kidnap victims were taken into Eritrea. On 15 March Ethiopia attacked three military bases in Eritrea where they believed militants were being trained. On 17 March, minister of information, Ali Abdu, announced that Eritrea would not retaliate for the cross-border incursion. On 2 May, Eritrea was listed as the most censored country in the world (followed by North Korea, Syria and Iran), according to the US-based, Committee to Protect Journalists (CPJ), for barring international media and for dictatorial controls on domestic media.

2013 There was a failed coup attempt on 21 January when soldiers stormed the ministry of information and took over the state-run television service.

Political structure

Constitution

A new constitution was adopted in May 1997.

A 150-member National Transitional Council was set up, with 75 seats allocated to the People's Front for Democracy and Justice (PFDJ), 60 to the Constitutional Assembly and 15 to overseas Eritreans.

The president governs with the help of his 24-member Consultative Council. The Consultative Council is composed of ministers and regional governors.

There are six administrative regions, each with regional, sub-regional (55) and village administrations (651). The regions enjoy a degree of autonomy.

Independence date

24 May 1993

National legislature

The unicameral Hagerawi Baito (National Assembly) has 150 members, of which 75 were appointed by the ruling PFDJ and 75 were elected. Eritrea is effectively a one-party state as no opposition parties are legally recognised.

The original intention, in 1991, was for 399 elected members to represent regional constituencies but in 2001 it was decided that no elections would take place until all of the territory claimed by Eritrea was under its control. Regional and local assemblies are in operation with attendant elections.

Last elections

24 May 1993 (presidential)

Results: Presidential: Issaias Afwerki was elected by the National Assembly with 95 per cent of the vote.

Next elections

No information available

Political parties

Ruling party

People's Front for Democracy and Justice (PFDJ) (formerly the Eritrean People's Liberation Front (EPLF))

Main opposition party

Opposition parties are not allowed.

Population

5.66 million (2012)*

Approximately 44 per cent of the total population is under 15 years; 53 per cent 15–64; 3 per cent over 65.

Last census: May 1984: 2,748,304

Population density: 32 inhabitants per square km. Urban population 22 per cent (2010 Unicef).

Annual growth rate: 2.5 per cent, 1990–2010 (Unicef).

Internally Displaced Persons (IDP)
59,000 (UNHCR 2004)

Ethnic make-up

There are nine ethno-linguistic groups.

Religions

Tigrinya-speaking Christians (mainly Orthodox), are the traditional inhabitants of the highlands, with some Protestant and Roman Catholic communities (49 per cent); Muslim communities of the western lowlands, northern highlands and east coast are 49 per cent. A small number of the population adhere to traditional beliefs.

Education

There are approximately 260 primary schools and over 50 secondary schools. It has been estimated by Oxfam that 93 per cent of children age 6–11 will enrol for school in 2015.

Literacy rate: 67 per cent men, 36 per cent woman; adult rates (World Bank 2002).

Enrolment rate: 53 per cent gross enrolment, of relevant age group, in primary education (World Bank 2001).

Pupils per teacher: 44 in primary schools.

Health

Access to an improved water source is available to 46 per cent of the population.

HIV/Aids

A survey published in 2001 revealed that 4.6 per cent of soldiers were HIV-positive and 22.8 per cent of female bar workers were affected as well. By 2002, more than 13,000 people had been registered as infected with HIV/Aids. The main incidences are in Asmara, the capital, and Assab, the sea port, where prostitution is rife. Up to 30 per cent of prostitutes are HIV positive.

HIV prevalence: 2.7 per cent aged 15–49 in 2003 (World Bank)

Life expectancy: 60 years, 2004 (WHO 2006)

Fertility rate/Maternal mortality rate

4.5 births per woman, 2010 (Unicef); maternal mortality 10 per 1,000 per live births (World Bank).

Child (under 5 years) mortality rate (per 1,000): 52 per 1,000 live births (WHO 2012); 44 per cent of children aged under five were malnourished (World Bank).

Head of population per physician: 0.05 physicians per 1,000 people, 2004 (WHO 2006)

Welfare

A post-war rehabilitation project, implemented by the UN Development Programme (UNDP), has put metal roofs, doors and windows back on houses that were deserted and ransacked during the border war with Ethiopia. An estimated 60,000 children were left crippled by the war, and another 45,000 orphaned. A large proportion of the population is dependent on food aid. UNICEF appeals in 2002 for refugee welfare raised a total of US\$10.3 million, a large part of which was spent on establishing and rehabilitating water supplies in settlement areas, as well as setting up basic health and sanitation facilities.

Main cities

Asmara (capital, estimated population 697,013 in 2012), Asseb (101,284), Keren (82,198), Massawa (Mitsiwa) (53,090), Addi Ugri (25,332), Barentu (18,778), Addi K'eyih (16,758).

Languages spoken

The principal language group in Eritrea is Afro-Asiatic; Arabic, Afar, Bilen, Hedareb, Kunama, Nara, Saho, Tigray and Tigrinya are spoken. English is rapidly becoming the language of business and is the

medium of instruction at secondary schools and at university.

Official language/s

There is no official language but the working languages are Tigrinya, Arabic and English.

Media

On 2 May 2012, Eritrea was listed as the most censored country in the world (followed by North Korea, Syria and Iran), according to the US-based, Committee to Protect Journalists (CPJ), for barring international media and for dictatorial controls on domestic media.

Press

There are no daily newspapers, all publications are government-owned, including in Tigrinya and Arabic *Hadas Eritrea* (New Eritrea), *Tirigta* (owned by the PFDJ political party) and *Geled* for a youth readership and in English *Eritrea Profile*.

Broadcasting

Radio: Two radio stations exist, Radio Zara and Dimtsi Hafash Radio (Voice of the Broad Masses of Eritrea) operates two networks that broadcast in Arabic and local languages. Services can also be received via Arabsat satellite.

Television: The government-owned ERI-TV broadcasts in Arabic, and local languages although transmissions are limited to Asmara and surrounding areas.

Other news agencies: Erina (Eritrean News Agency): www.dehai.org/erina

Economy

Subsistence farming is the mainstay of the economy, sustaining around 80 per cent of the population, despite only 10 per cent of arable land being cultivated. Agricultural products include grains and potatoes, cotton and flax, fruit and vegetables, dairy products and meat. Agriculture constitutes over 14 per cent of GDP, characterised as subsistence farming; the service sector represents over 63 per cent of GDP and industry over 22 per cent, of which manufacturing constitutes around 6 per cent. Agriculture directly employs over 17 per cent of the workforce (although far more are active in production for household needs), the service sectors employs around 60 per cent and industry over 20 per cent. Industrial production is centred on mining – of gold, copper, iron ore, potash and petroleum. Manufacturing production includes food processing (using local produce), drinks (including alcoholic beverages), leather goods and textiles, construction materials, chemicals and salt, paper and matches. The service sector provides resources for most of agriculture and industry. Eritrea's command economy means that government services provide most paid employment in Eritrea. With this old-style, Communist, centrally planned economy, Eritrea has to deal with

problems inherent to the system (lack of investment, suppressed entrepreneurial enterprise, limited diversity, lack of swift change due to changing circumstances). In addition, there is an inadequate and still war-ravaged infrastructure, a lack of hard currency to pay for imports, a weak tax collection system and unproductive subsistence agriculture, which is subject to harsh climate changes. A severe drought in 2008 resulted in a 25 per cent loss in agricultural productivity for that year, forcing the government to import food, just at a time when world food prices had risen sharply. The drought was only one reason for low productivity – manpower shortages and unexploded ordnance (UXO) (land-mines) continue to be problems. The global recession meant Eritrea was hit by a reduction in remittances from overseas workers. Private transfers from abroad and remittances typically account for over 30 per cent of GDP.

GDP growth was 1.4 per cent in 2007, falling to -9.8 per cent in 2008 as Eritrea experienced a severe drought, which cut the harvest by 75 per cent (on 2007 harvest production) during a year of international high prices of fuel and foodstuffs, both of which had to be imported. Plus the global economic crisis impacted on remittances of the Eritrean diaspora.

There was a recovery in GDP growth in 2009 of 3.9 per cent and a weakening to 2.2 per cent in 2010. Inflation fell to 9.3 per cent in 2007 but rose sharply to 19.9 per cent in 2008 as commodities became scarce, before peaking at 33 per cent in 2009, as food shortages and import prices impacted most on the population; inflation eased back to 12.7 per cent in 2010.

The country's economic future depends on the government adopting an open market economy, which it has claimed it is committed to introduce, and its ability to eradicate the widespread illiteracy and unemployment. In 2011, Eritrea was included in the UN Human Development Index (HDI) for the first time and was ranked 177 (out of 187) for national development in health, education and income. The border between Ethiopia and Eritrea, implemented after a UN Boundary Commission ruling in 2002, ought to have encouraged stability and allowed Eritrea to focus on these problems, but relations between the two countries remain fractious and continuing tensions are likely to deter investment until a lasting accord is reached.

In the long term, Eritrea may benefit from the development of offshore oil as well as fishing and a growing tourism industry.

External trade

Eritrea is a member of the Common Market of Eastern and Southern Africa (Comesa), however due to its command economy and tightly controlled import/export policies it does not have plans to join the customs union and free trade area as agreed by other member states.

Imports

Principal non-petroleum imports include machinery, food and manufactured goods.

Main sources: Germany (typically over 20 per cent of total), Italy (20 per cent), France (15 per cent).

Exports

Principal exports include livestock, sorghum, textiles, food and small manufactures.

Main destinations: Italy (typically over 35 per cent of total), US (15 per cent), Belarus (5 per cent).

Agriculture

Total agricultural land is 10.1 million hectares of which 68.3 per cent is pasture and 6.8 per cent arable and employs 74 per cent of the population in subsistence farming, typically in cattle husbandry. Land has been nationalised but leases to use the land are available.

Serious environmental degradation has been caused directly and indirectly by the war. Careful water management and conservation are essential. Eritrea's main crops are millet, sesame, maize, beans, wheat, sorghum, barley, vegetables, pulses, cotton, fruit, some coffee.

Fishing for sardines, anchovies, tuna, shark and mackerel is practised in the Red Sea on a very small scale. There are over 1,000 different species of fish off Eritrea's shores, with the stocks virtually untouched since the 1950s. The government believes there is potential for exporting 80,000 tonnes of fish annually. The sector has been badly affected by the closure of its market in Yemen as a result of a territorial dispute.

The majority of timber harvested is used for domestic purposes.

Industry and manufacturing

The industrial sector contributes around 27 per cent of GDP and employs 10 per cent of the workforce.

The industrial base is traditionally centred on the production of glass, cement, footwear and canned goods, but most industrial enterprises have been badly damaged by war. All state-owned distribution and import/export enterprises established by the former government have been dissolved.

Major problems include outdated machinery and techniques, supply of energy, and the need for imports throughout the sector. With a lack of foreign currency and

investment, industry is suffering from outdated machinery and intermediary goods which need to be imported.

Tourism

The government designated the entire coastline as an environmentally protected zone in 2006. Among other attractions, include active volcanoes and the Afar Triangle or Danakil Depression where three tectonic plates, the Arabian and two African plates, are pulling away from each other. The resulting split can be seen in the East African Rift Zone. There are also traditional dwellings and a few remaining native wildlife areas.

Eritrea has been experiencing prolonged military action with neighbouring Ethiopia and tourists are advised to find alternative destinations.

Environment

In June 2010 the African Union backed a proposal to build the 'Great Green Wall' project, of a 15km wide, 7,775km long, continuous belt of trees from Senegal in the west to Djibouti in the east (traversing 11 countries) in an effort to halt the advance of the Sahara Desert. The trees to be used would be drought-adapted, preferably native to the area from a list of 37 possible species, and should help to slow soil erosion and filter rain water.

Mining

Fighting along the border regions disrupted mining activities, although exploration continued elsewhere in Eritrea. The Phelps Dodge Exploration Corporation conducted exploration on the Debarwa copper-zinc deposits and identified up to four million tonnes of reserves, including at least two million tonnes of mineable high-grade copper and a large amount of gold.

Gold-bearing seams exist in highland areas. There are over 15 gold mines and a large number of prospects close to Asmara. The potential for new discoveries in the area is good. Substantial gold reserves have also been identified at Adi Nefas by LaSource Development SAS. Artisanal mining production is estimated to produce around 550kg per year. Despite Eritrea's mining potential, salt and marble remain the country's main exported minerals.

Hydrocarbons

Following several oil exploration projects it was determined that there are no exploitable oil and gas reserves in Eritrea; it is dependent on imports at around 5,000 barrels per day (bpd) of oil to supply its requirements.

In December 2008 Iran deployed military personnel in Eritrea in return for refurbishing the defunct refinery at the Red Sea port of Assab, which had a crude oil

capacity of 18,000bpd before it was closed down in 1997.

Energy

Total installed electricity generating capacity is 154MW, powered mainly by diesel-fired generators. However until an upgrade in the dated power grid, to be completed in 2009, becomes operational the electricity supply will remain available only in mainly large urban areas, leaving the majority of the population without access.

Some villages provide themselves with electricity from community diesel generators for water pumps, while photovoltaic electricity generation of around 2KW are used to a limited extent in health centres and schools to power operating theatres, refrigerators and lighting.

Banking and insurance

Central bank

Bank of Eritrea

Time

GMT plus three hours

Geography

Eritrea extends inland from the Red Sea coast of eastern Africa. To the south, the country has a long frontier with Ethiopia, and a short frontier with Djibouti. Sudan lies to the north and west.

The coastal area is a desert plain, around 50km wide in the south, and one of the driest places in the world. Inland, the terrain becomes hillier, rising to 2,000m, in the north-west, while further south it turns to rolling plains. The highlands are cool and receive up to 60cm of rainfall annually; fertile valleys support agricultural activity.

Hemisphere

Northern

Climate

Coastal and lowland regions very hot and dry throughout the year. On the plateau, which includes Asmara, the dry season runs from October–May with temperatures ranging from as low as 6 degrees Celsius (C) in December to 26 degrees C in March (light rain from February–April). Temperatures can fall sharply at night during the dry season.

The rainy season runs from June–September with average temperature 21 degrees C. Rainfall is less than 500mm per year in lowland areas, increasing to 1,000mm in the highlands. The temperature gradient is similarly steep: average annual temperatures range from 17 degrees C in the highlands to 30 degrees C in Massawa. The Danakil depression in the south-east, which is more than 130 metres below sea-level in places, experiences some of the highest temperatures recorded, frequently exceeding 50 degrees C.

Entry requirements

Passports

Required by all, valid for three months beyond intended length of stay.

Visa

Required by all except nationals of Kenya and Uganda. Business visas are valid for one month, but can be extended on application to the Eritrean Foreign Ministry. A business letter giving proof of sufficient funds for length of stay, a full itinerary and copy of return/onward ticket, should accompany application.

Currency advice/regulations

There are no restrictions on import or export of local and foreign currency. From January 2005, all transactions have been conducted in the national currency, the nakfa.

Health (for visitors)

Mandatory precautions

A yellow fever vaccination certificate is required if travelling from or via an infected area.

Advisable precautions

Inoculations and booster should be current for diphtheria, polio, tetanus, hepatitis A, and typhoid. There may be a need for vaccinations for, tuberculosis, hepatitis B and meningitis. Use malaria prophylaxis if travelling in areas below 2000 metres. Malaria and hepatitis B are caused by mosquitoes, precautions including mosquito repellents, nets and clothing covering the body after dark should be used. There is a risk of rabies in rural areas.

There is a shortage of routine medications and visitors should take all necessary medicines with them. A first aid kit that includes disposable syringes, is a reasonable precaution. Use only bottled or boiled water for drinks, washing teeth and making ice. Eat only well cooked meals, preferably served hot; vegetables should be cooked and fruit peeled. Dairy products are unpasteurised and should be avoided, unless cooked.

Healthcare is not to Western standards and medical insurance, including emergency evacuation, is necessary.

Hotels

Both Asmara and Massawa suffer from a severe shortage of hotel space; booking is advisable. Standards are low but are being improved. Service charge of 10 per cent and a small tip is usual in addition to service charge. Visitors are expected to pay bills at government-run hotels in US dollars or denominated traveller's cheques.

Credit cards

Credit cards are only accepted at a few outlets in Asmara.

Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 8 Mar (Women's Day), 24 May (Independence Day), 20 Jun (Martyrs' Day), 1 Sep (Start of the Armed Struggle), 25 Dec (Christmas Day).

Variable dates

Eid al-Fitr, Eid al-Adha, Prophet's Anniversary, Easter.

Islamic year 1435 (5 Nov 2013–24 Oct 2014):

The Islamic year contains 354 or 355 days, with the result that Muslim feasts advance by 10–12 days against the Gregorian calendar. Dates of feasts vary according to the sighting of the new moon, so cannot be forecast exactly.

Working hours

Banking

(Mon–Fri) 0800–1200, 1400–1700; (Sat) 0800–1200.

Business

Mon–Thu: 0700–1200, 1400–1800; Fri: 0700–1130, 1400–1800.

Shops

Mon–Fri: 0830–1300, 1430–2030.

Electricity supply

220V AC, 50 cycles.

Weights and measures

The metric system is in force.

Security

Street crime such as theft and robbery is rare in most cities. However, it is advisable not to walk around alone late at night in any town, particularly Asmara and Massawa. Valuables, especially cameras and including passports, should be kept out of sight.

Getting there

Air

National airline: Eritrean Airlines

International airport/s: Asmara (ASM), 6km from city, restaurant, currency exchange, post office, duty-free.

Airport tax: International departures: US\$20; domestic departures Nk15.

Surface

Road: There are no roads considered safe to enter the country. The 300km road from Kassala in Sudan, to Tessenai, is largely unsurfaced.

Main port/s: Massawa and Assab.

Assab's cargo levels are very low. The port had previously relied on Ethiopia for 90 per cent of its trade.

Getting about

National transport

Road: The extensive road network is undergoing major rehabilitation with US\$27m allocated by the government to road reconstruction.

There are 622km of asphalt roads. The Massawa-Asmara main route (107km) is open. Other main routes (largely unsurfaced) are Asmara-Keren to Afabet-Nacfa

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in the north, and Asmara-Tessenai to the west.

In many parts of the country, roads are difficult or impassable during the rainy season. There are extensive mine fields in Eritrea, especially near the border with Ethiopia. Travelling on main roads outside of the border areas is generally safe, but it is advisable not to drive off-road or travel after dark in rural areas.

Buses: Some bus services available, including one service to Addis Ababa.

Taxis: Taxis are available for trips outside the city, but the fares are higher.

Rail: The link from Asmara to the coast is functioning.

City transport

Taxis: The journey time by taxi from the Asmara International Airport to the city is 15 minutes. Taxi drivers do not expect a tip.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international dialling code (IDD) for Eritrea is +291 followed by 1 and subscriber's number.

Chambers of Commerce

Eritrean National Chamber of Commerce, 46 Aboit Avenue, PO Box 856, Asmara (tel: 121-589; fax: 120-138; e-mail: encc@eol.com.er).

Banking

Commercial Bank of Eritrea; PO Box 291, 212 Liberty Avenue, Asmara (tel: 116-005, 121-844/48; fax: 124-8871, 121-849).

Eritrean Development & Investment Bank; PO Box 1266, 29 Atse Yohannes Street, Asmara (tel: 123-787, 114-520, 126-777).

Housing & Commerce Bank of Eritrea; PO Box 235, Bahti Meskerem Square, Asmara (tel: 120-350; fax: 120-401).

Central bank

National Bank of Eritrea, Zeraai Derres Square, PO Box 849, Asmara (tel: 123-033; fax: 122-091; e-mail: tekib@eol.com.er).

Travel information

Ministry of tourism

Ministry of Tourism, PO Box 1010, Asmara (tel: 126-997).

Ministries

Ministry of Agriculture, PO Box 124, Asmara (tel: 181-499; fax: 181-415).

Ministry of Defence, PO Box 629, Asmara (tel: 113-349; fax: 114-920).

Ministry of Education, PO Box 5610, Asmara (tel: 113-044; fax: 113-866).

Ministry of Energy and Mines, PO Box 5285, Asmara (tel: 116-872; fax: 127-652); Department of Energy (fax: 112-339); Department of Mines (fax: 112-994).

Ministry of Finance and Development, PO Box 896, Asmara (tel: 113-633; fax: 117-947).

Ministry of Fisheries, PO Box 923, Asmara (tel: 114-271; fax: 112-185).

Ministry of Foreign Affairs, PO Box 190, Asmara (tel: 113-811; fax: 123-788).

Ministry of Health, PO Box 212, Asmara (tel: 112-877; fax: 112-899).

Ministry of Information, PO Box 242, Asmara (tel: 115-171; fax: 119-847).

Ministry of Justice, PO Box 241, Asmara (tel: 111-822).

Ministry of Local Government, PO Box 225, Asmara (tel: 113-006).

Ministry of Public Works, PO Box 841, Asmara (tel: 119-077).

Ministry of Trade and Industry, PO Box 1844, Asmara (tel: 118-386, 113-910; fax: 120-586).

Ministry of Transport and Communications, PO Box 204, Asmara (tel: 110-444; fax: 127-048).

Other useful addresses

African Minerals Inc (AMI), PO Box 3508, Asmara (tel: 120-280, 120-030; fax: 120-332).

British Consulate, 27 Lorenzo Tazaz Street, PO Box 997, Asmara (tel: 123-415; fax: 127-230).

Communications and Postal Authority, PO Box 234, Asmara (tel: 112-900; fax: 110-938).

Eritrean Association in London, UK (tel: (0)181-748-0547).

Eritrean Business Licence Office, PO Box 3045, Asmara (tel: 114-809, 114-752; fax: 126-694).

Eritrean Shipping Lines, PO Box 1110, Asmara (tel: 120-308/359/257; fax: 120-331).

Grain Board of Eritrea, PO Box 1234, Asmara (tel: 115-624; fax: 120-586).

Investment Promotion Centre, Asmara (tel: 118-822, 118-124; fax: 124-293).

Prima Eritrea Oil Company, Asmara (tel: 120-050; fax: 120-099).

Red Sea Trading Corporation (import/export services operated by the PFDJ), 29/31 Ras Alula Street, PO Box 332, Asmara (tel: 127-846; fax: 124-353).

US Embassy, PO Box 211, Asmara (tel: 120-004, 120-009; fax: 127-584).

Voice of the Broad Masses of Eritrea (Dimtsi Hafash), Ministry of Information, Radio Division, PO Box 872, Asmara.

Other news agencies: Erina (Eritrean News Agency): www.dehai.org/erina

Internet sites

Eritrean news: <http://www.messelna.com>

Africa Business Network: <http://www.ifc.org/abn>

AllAfrica.com: <http://www.allafrica.com>

African Development Bank: <http://www.afdb.org>

Africa Online: <http://www.africaonline.com>

Mbendi AfroPaedia (information on companies, countries, industries and stock exchanges in Africa): <http://mbendi.co.za>