

COUNTRY PROFILE: ERITREA

September 2005

Formal Name: State of Eritrea (Hagere Ertra).

Short Form: Eritrea (Ertra).

Term for Citizen(s): Eritrean(s).

Capital: Asmara (alternate spelling Asmera).

Major Cities: Asmara, Keren, Assab, Massawa, Afabet, Teseney, Mendefera, Dekemhare, Adekeieh, Barentu, and Ghinda (according to decreasing size, 2005 estimates).

Independence: Eritrea officially celebrated its independence from Ethiopia on May 24, 1993.

Public Holidays: Eritrea observes the following public holidays: New Year's Day (January 1), Independence Day (May 24), Martyrs' Day (June 20), Anniversary of the Start of Armed Struggle (September 1), and Christmas Day (December 25). The following holidays with movable dates determined by the Islamic or Orthodox calendar are celebrated as well: Eid al Fitr, Eid al Adha, Epiphany, and Easter.

Flag: Eritrea's flag is a rectangle divided into three triangles: a red isosceles triangle based on the hoist side, and a green upper and blue lower right triangle. A gold wreath encircling a gold olive branch is centered on the hoist side of the red triangle.



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HISTORICAL BACKGROUND

Colonial Era: Until the late nineteenth century, the high plateau of present-day Eritrea was a part of the Ethiopian province of Tigray. Its inhabitants, racially, culturally, and linguistically Tigrayan, were subjects of the Ethiopian crown, whereas the surrounding lowlanders were for the most part independent. The boundaries of modern Eritrea were established during the period of Italian colonization that began in the late 1800s. An Italian shipping company, Rubatinno Shipping, purchased the port of Assab from a local ruler. In turn, the Italian government took over the port in 1882, hoping to use Eritrea as a launching point for the colonization of Ethiopia. The Italian presence in the Horn of Africa was formalized in 1889 with the signing of the Treaty of Wuchale with Emperor Menelik II of Ethiopia (r. 1889–1913), although Menelik would later renounce the agreement. For the next half-century, relations between Ethiopia and Italy, despite intermittent diplomatic agreements, were strained by repeated Italian efforts to expand their colonial base into Somali territory and Ethiopia, most notably in 1896, when Ethiopia defeated the Italian army in Tigray. Italian administration of Eritrea brought improvements in the medical and agricultural sectors of Eritrean society. Furthermore, the Italians employed many Eritreans in

public service (in particular in the police and public works departments) and oversaw the provision of urban amenities in Asmara and Massawa. In a region marked by cultural, linguistic, and religious diversity, a succession of Italian governors maintained a notable degree of unity and public order.

Benito Mussolini's rise to power in Italy in 1922 brought profound changes to the colonial government in Eritrea. The Fascists imposed harsh rule that stressed the political and racial superiority of Italians. Segregation was established, and Eritreans were demoted to menial positions in the public sector. Although Rome continued to implement agricultural reforms, these took place largely on farms owned by Italian colonists. The Fascist dictatorship regarded the colony as a strategic base for future aggrandizement and ruled accordingly. True to form, Italy used Eritrea as a base from which to launch its 1935–36 campaign to colonize Ethiopia.

World War II, British Rule, and Federalization: Although Italian colonization in the late nineteenth and early twentieth centuries gave Eritrea its boundaries, Eritrean separatism as a political goal had its roots in World War II. British forces defeated the Italian army in Eritrea in 1941 at the Battle of Keren and placed the colony under British military administration until Allied forces could determine its fate. Absent agreement among the Allies about the status of Eritrea, British administration continued for the remainder of World War II and into 1950. In the immediate postwar years, the British proposed that Eritrea be divided along religious lines and parceled off to Sudan and Ethiopia. The Soviet Union, anticipating a communist victory in the Italian polls, initially supported returning Eritrea to Italy under trusteeship or as a colony. Arab states, seeing Eritrea and its large Muslim population as an extension of the Arab world, sought the establishment of an independent state.

In the absence of Allied agreement, and in the face of Eritrean demands for self-determination, a United Nations (UN) commission was dispatched to the former colony in February 1950 in the hope of finding a solution. The commission proposed the establishment of some form of association with Ethiopia, and the UN General Assembly adopted that proposal along with a provision terminating British administration of Eritrea no later than September 15, 1952. The British, faced with a deadline for leaving, held elections on March 16, 1952, for a Representative Assembly of 68 members, evenly divided between Christians and Muslims. This body in turn accepted a draft constitution put forward by the UN commissioner on July 10. On September 11, 1952, Emperor Haile Selassie of Ethiopia (r. 1930–74) ratified the constitution. The Representative Assembly subsequently became the Eritrean Assembly.

The details of Eritrea's association with Ethiopia were established by the UN General Assembly resolution of September 15, 1952. It called for Eritrea and Ethiopia to be linked through a loose federal structure under the sovereignty of the emperor. Eritrea was to have its own administrative and judicial structure, its own flag, and control over its domestic affairs, including police, local administration, and taxation. The federal government, which for all intents and purposes was the existing imperial government, was to control foreign affairs (including commerce), defense, finance, and transportation. As a result of exposure to Italian and especially British methods of governance and political life, Eritreans had developed a distinct sense of cultural identity and superiority vis-à-vis Ethiopians, and a desire for political freedoms alien to Ethiopian political tradition. From the start of the federation, however, Haile Selassie attempted to undercut

Eritrea's independent status, a policy that alienated many Eritreans. The emperor pressured Eritrea's elected chief executive to resign, made Amharic the official language in place of Arabic and Tigrinya, terminated the use of the Eritrean flag, imposed censorship, and moved many businesses out of Eritrea. Finally, in 1962 Haile Selassie pressured the Eritrean Assembly to abolish the federation and return to the imperial Ethiopian fold, much to the dismay of those in Eritrea who favored a more liberal political order.

The Armed Struggle for Independence: Militant opposition to the incorporation of Eritrea into Ethiopia had begun in 1958 with the founding of the Eritrean Liberation Movement (ELM), an organization made up mainly of students, intellectuals, and urban wage laborers. The ELM engaged in clandestine political activities intended to cultivate resistance to the centralizing policies of the imperial state. By 1962, however, the ELM had been discovered and destroyed by imperial authorities.

Even as the ELM was being neutralized, a new organization of Eritrean nationalists was forming. In 1960 Eritrean exiles in Cairo founded the Eritrean Liberation Front (ELF). In contrast to the ELM, from the outset the ELF was bent on waging armed struggle on behalf of Eritrean independence. The ELF was composed mainly of Eritrean Muslims from the rural lowlands on the western edge of the territory. In 1961 the ELF's political character was vague, but radical Arab states such as Syria and Iraq sympathized with Eritrea as a predominantly Muslim region struggling to escape oppression and imperial domination. These two countries therefore supplied military and financial assistance to the ELF.

The ELF initiated military operations in 1961 and intensified its activities in response to the dissolution of the federation in 1962. By 1967 the ELF had gained considerable support among peasants, particularly in Eritrea's north and west, and around the port city of Massawa. Haile Selassie attempted to calm the growing unrest by visiting Eritrea and assuring its inhabitants that they would be treated as equals under the new arrangements. Although he doled out offices, money, and titles in early 1967 in the hope of co-opting would-be Eritrean opponents, the resistance persisted.

By 1971 ELF activity had become enough of a threat that the emperor had declared martial law in Eritrea and had deployed roughly half his army to contain the struggle. Internal disputes over strategy and tactics, however, eventually led to the ELF's fragmentation and the founding in 1972 of another group, the Eritrean People's Liberation Front (EPLF). The leadership of this multiethnic movement came to be dominated by leftist, Christian dissidents who spoke Tigrinya, Eritrea's predominant language. Sporadic armed conflict ensued between the two groups from 1972 to 1974, even as they fought Ethiopian forces.

In September 1974, a group of Ethiopian military officers deposed the emperor and established a military government in Addis Ababa known as the Derg, which allied itself with the Soviet Union. The Derg immediately turned its attention to the Eritrean question. Some in its ranks pressed for a decisive military solution, while others favored a negotiated settlement. Influential Derg nationalists, like the imperial regime, endorsed the ideal of "Greater Ethiopia," that is, a unitary, multiethnic state, and eventually decided to continue to use force in dealing with Eritrean secessionists. In response, the ELF and EPLF maintained their struggle for Eritrean

independence. Armed conflict between the Derg and (mostly) the EPLF continued throughout the 1970s and 1980s, with neither side able to score a decisive victory. In particular, the EPLF stronghold of Nakfa in northern Eritrea withstood repeated assaults by the Ethiopian army. Beginning in March 1988, however, a series of offensives against demoralized Ethiopian forces eventually led to EPLF control of all Eritrea by late May 1991. At the same time that the EPLF was defeating the Ethiopian army in Eritrea, Tigrayan and allied rebel forces took over northern Ethiopia and drove the Derg from power.

Independence: After a referendum showing that nearly 100 percent of Eritreans favored separation, Eritrea gained independence from Ethiopia on May 24, 1993, a development many Ethiopians opposed. Isaias Afwerki, the leader of the EPLF, became the first president of Eritrea. In 1994 the EPLF became a political party, the People's Front for Democracy and Justice. It remains the only legal political party in Eritrea. President Isaias and his counterpart in Addis Ababa, Meles Zenawi, a fellow Tigrayan, established a cordial relationship, and a variety of agreements were signed between the two nations in the years following independence. Five years after independence, however, tensions over economic policies and border disputes led to war between the two impoverished nations. Before a cease-fire was reached in June 2000, an estimated 100,000 soldiers had lost their lives, and a quarter of the population of Eritrea had been displaced by fighting. In addition, Eritrea suffered extensive damage to its already weak infrastructure and economy, from which it has yet to recover. On December 12, 2000, Eritrea and Ethiopia signed a final peace agreement, but they continue to quarrel over the precise demarcation of their common border.

As of mid-2005, Eritrea's relations with Ethiopia remain extremely tense. Some 3,300 UN peacekeepers patrol a demilitarized zone inside Eritrea to monitor the cease-fire, and the possibility of renewed warfare cannot be ruled out. Eritrea's relations with Sudan and the West are problematic, and the nation has become increasingly isolated. Although a constitution has been adopted that calls for elections and political reforms, these have yet to take place. The government of Isaias Afwerki has become intolerant and authoritarian; it has imposed press censorship and has imprisoned many of its political opponents. Discontent is widespread and growing but is harshly suppressed. Today, Eritrea is free from Ethiopian domination, but it is far from a democratic state.

GEOGRAPHY

Location: Eritrea is located along the Red Sea, north of the Horn of Africa, between Djibouti and Sudan. Eritrea's longest border is shared with Ethiopia to the south.

Size: The total area of Eritrea, including the Dahlak archipelago off Massawa, is 124,320 square kilometers.

Land Boundaries: Eritrea shares a 1,626-kilometer border with three nations: Sudan to the north and west (605 kilometers), Ethiopia to the south (912 kilometers), and Djibouti to the southeast (109 kilometers).



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Disputed Territory: In December 1995, Eritrea entered into a dispute with Yemen over claims to the Hanish Islands and fishing rights in the Red Sea. This dispute was resolved in 1999 when the islands were awarded to Yemen through international arbitration, and the Eritreans complied with the verdict. A territorial dispute along Eritrea's border with Ethiopia erupted into conflict in 1998. Despite a cease-fire followed by a peace agreement in 2000 and the rendering of an arbitration decision by the Ethiopia-Eritrea Boundary Commission in 2002 as part of the peace arrangements, the dispute has yet to reach a peaceful resolution. Ethiopia has rejected parts of the arbitration decision and has called for dialogue, whereas Eritrea has called for implementation of the decision as a condition for dialogue. As of mid-2005, the United Nations Mission in Ethiopia and Eritrea maintains approximately 3,300 troops in a 25-kilometer wide Temporary Security Zone on the Eritrean side of the disputed border in an effort to monitor the 2000 cease-fire.

Length of Coastline: Eritrea's coastline is 2,234 kilometers long, with 1,151 kilometers along the Red Sea and 1,083 kilometers of island coastline in the Red Sea.

Maritime Claims: Eritrea's maritime claim in the Red Sea extends 12 nautical miles.

Topography: Eritrea's topography can be divided into three broad categories: the arid, narrow lowland strip along the Red Sea; the north-central region, which is an extension of the Ethiopian Plateau and is dissected by river valleys; and the western plain along the Sudanese border. The highest point is Emba Soira, southeast of Asmara, at 3,010 meters; the lowest is in the Denakil Depression along the Red Sea, which at places is 130 meters below sea level.

Principal Rivers: The Setit River is Eritrea's only perennial waterway, albeit a non-navigable one. It flows from Ethiopia (where it is called the Tekezé) along the western border and into Sudan (where it is known as the Atbara). The other rivers in Eritrea, all of which are seasonal during the rainy season, are the Anseba, the Barka, and the Mareb, which is known as the Gash in its lower course in western Eritrea and which forms a part of the border between Eritrea and the Ethiopian province of Tigray.

Climate: Eritrea's highlands are located on the highest landmass on the African continent and, therefore, have much cooler, damper weather than the semi-arid coast along the Red Sea and in the western hills and lowlands. The average temperature in Asmara is 16° C, whereas in Massawa (on the coast) it is 30° C and can reach 50° C. Average rainfall in Asmara is 508 millimeters per year; in Massawa it is only 205 millimeters per year. The Denakil Depression is one of the hottest places on earth.

Natural Resources: Resources in Eritrea include barite, copper, feldspar, fish, gold, kaolin, potash, salt, and zinc. Reserves of oil and natural gas also may exist.

Land Use: Less than 5 percent of the land in Eritrea is arable, and permanent crops occupy a mere 0.03 percent of total land area. Most land is suitable only for pastorage, but some areas, such as the Red Sea coast and the far north, are too arid even for this purpose.

Environmental Factors: Eritrea faces continued deforestation, desertification, soil erosion, overgrazing, and significant land loss as a result of the presence of hundreds of thousands of land mines.

Time Zone: Eritrea is three hours ahead of Greenwich Mean Time.

SOCIETY

Population: According to the United Nations, in 2004 Eritrea's population reached 4.3 million, with an annual growth rate of 2.6 percent. Twenty percent of Eritreans lived in urban areas, which experienced an average annual growth rate of 5.8 percent between 2000 and 2005. Population density was 36.7 persons per square kilometer, with the greatest concentration in the highlands and the lowest along the Red Sea littoral. At the end of 2004, nearly 120,000 Eritreans were refugees abroad, mostly in Sudan.

Demography: In 2004, 44.8 percent of the population (male 998,404; female 993,349) was less than 15 years of age, 51.9 percent (male 1,140,892; female 1,166,481) was 15–64, and those aged 65 and older accounted for 3.3 percent of the population (male 72,776; female 75,405). In the overall population, there were 0.99 males for every female. The number of births per 1,000 population was 39; the number of deaths, 13.4. The infant mortality rate per 1,000 live births was 75.6. The total fertility rate was 5.7 children born per woman. Life expectancy at birth was estimated at 52.7 years (51.3 years for men, 54.1 years for women).

Ethnic Groups: The Eritrean government recognizes nine major ethnic groups in Eritrea, although the ethnic and linguistic context is complex. The Tigray and Tigre-speakers (such as the Mensa, the Marya, and others) constitute 80 percent of the population. The other seven groups are the Afar (Denakil), Bilen, Beni Amir (Beja), Kunama, Nera (Nara, Barya), Rasha'ida, and Saho.

The Tigray live on the central and southern plateau and are agriculturalists. The Tigre-speaking groups inhabit the northern hills and lowlands and are mostly pastoralists. The Afar, nomadic herdsmen, live along the Red Sea coast. The Bilen are agriculturalists in the Keren area. The Beni Amir are pastoralists who live in the western lowlands and along the border with Sudan. The Kunama occupy the region between the Gash and Setit rivers. The Nera reside north of the Gash around Barentu. The Rasha'ida, Arabic-speaking bedouin from Saudi Arabia, live along the Sudan border. The Saho, farmers or herdsmen depending on elevation, live on the escarpment and coastal plain southeast of Asmara.

Languages: Arabic, English, and Tigrinya are the three official languages in Eritrea. Arabic and Tigrinya are the most widely used languages and, along with Italian, are used in commercial and public business. English is also widely spoken and is the medium of instruction in middle and secondary schools and in higher education. Other languages spoken in Eritrea are Afar (Denkali), Amharic, Beja (Hadareb), Bilen, Kunama, Nera, Saho, and Tigre. Languages in Eritrea belong to one of three linguistic families: Semitic (Amharic, Arabic, Tigre, Tigrinya); Cushitic (Afar, Beja,

Bilen, Saho); and Nilotic (Kunama and Nera). Linguistic categories do not always coincide with ethnic identities; for example, the Beni Amir include both Beja- and Tigre-speakers.

Religion: No reliable figures on religious affiliation are available, but approximately half of the Eritrean population is Sunni Muslim, and some 40 percent, Orthodox Christian. The remainder includes Eastern Rite and Roman Catholics, Protestants, smaller numbers of Seventh Day Adventists and Jehovah's Witnesses, and a few Baha'is. Approximately 2 percent of the population practices traditional indigenous religions. Muslims are the majority in the eastern and western lowlands, whereas Orthodox Christians predominate in the highlands. The government recognizes five religious groups—Orthodox Christians, Muslims, Catholics, Seventh Day Adventists, and the Evangelical Church of Eritrea (affiliated with the Lutheran World Federation), and since May 2002 has attempted to proscribe all other forms of religious practice.

Education and Literacy: Education in Eritrea is officially compulsory between seven and 13 years of age. However, the education infrastructure is inadequate to meet current needs. Statistics vary at the elementary level, suggesting that between 39 and 57 percent of school-aged children attend primary school; only 21 percent attend secondary school. Student-teacher ratios are high: 45 to 1 at the elementary level and 54 to 1 at the secondary level. There are an average 63 students per classroom at the elementary level and 97 per classroom at the secondary level. Learning hours at school are often less than four hours per day. Skill shortages are present at all levels of the education system, and funding for and access to education vary significantly by gender (with dropout rates much higher for girls) and location. Illiteracy estimates for Eritrea range from around 40 percent to as high as 70 percent.

Health and Welfare: Eritrea remains one of the poorest countries in the world. About one-third of the population lives in extreme poverty, and more than half survives on less than US\$1 per day. Health care and welfare resources generally are believed to be poor, although reliable information about conditions is often difficult to obtain. In 2001, the most recent year for which figures are available, the Eritrean government spent 5.7 percent of gross domestic product on national health accounts. The World Health Organization (WHO) estimated that in 2004 there were only three physicians per 100,000 people in Eritrea. The two-year war with Ethiopia, coming on the heels of a 30-year struggle for independence, negatively affected the health sector and the general welfare. The rate of prevalence of human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS), although low by sub-Saharan African standards, was high enough at 2.7 percent in 2003 to be considered a generalized epidemic. In the decade since 1995, however, impressive results have been achieved in lowering maternal and child mortality rates and in immunizing children against childhood diseases. In 2003 average life expectancy was slightly less than 53 years, according to the WHO.

ECONOMY

Overview: In the early 1950s, when Eritrea was awarded to Ethiopia, it possessed a far more sophisticated urban and industrial infrastructure than Ethiopia. Industrialization in the years since then focused on Ethiopia, however, at the expense of further development in Eritrea. By the time of its independence from Ethiopia in 1993, Eritrea's economy had been destroyed by war and

was dependent on income from ports and its small agricultural base. The onset of conflict with Ethiopia in 1998 halted all bilateral trade, severely reducing port activity and income in Eritrea. According to World Bank estimates, Eritrea lost US\$225 million worth of livestock and 55,000 homes during the war. Damage to public buildings is estimated at US\$24 million. The end of hostilities with Ethiopia was followed by consecutive years of drought, which together have crippled the agricultural base. The impact of these problems is softened only by remittances from abroad, which are estimated to account for 32 percent of gross domestic product (GDP). As of 2005, Eritrea is one of the poorest countries in the world. More than half of the population lives on less than US\$1 per day, and about one-third lives in extreme poverty (defined as subsisting on less than 2,000 calories per day). Although the Eritrean government has stated its commitment to adoption of market-based economic policies in the long run, authorities are increasingly reliant on centrally planned economic management. In general, the government produces few consistent and reliable statistics on economic activity.

Gross Domestic Product (GDP): In 2003 GDP was estimated to have grown by 2 percent, a slight improvement over 2002, the last year for which firm figures are available, when GDP expanded by 1.8 percent in real terms to about US\$600 million. Despite the growth, GDP per capita declined in 2003 by 10 percent in real terms, according to the International Monetary Fund (IMF). Although in 2001 GDP grew by 10.2 percent, this increase came on the heels of 2000, when, as a consequence of war with Ethiopia, GDP contracted by a staggering 13.2 percent. Growth in 1999 was flat at 0.3 percent growth. Between 1994 and 1997, when relations with Ethiopia and the rest of the world were stable, GDP growth averaged 7 percent. In 2004, according to IMF estimates, GDP per capita in Eritrea was only US\$130. Breakdowns of the Eritrean economy by sector are not readily available; however, according to some estimates, in 2003 services accounted for 62.4 percent of GDP, industry for 25.3 percent, and agriculture for the remaining 12.4 percent.

Government Budget: Eritrea does not publish a budget, making its fiscal condition difficult to assess. According to the International Monetary Fund, the overall fiscal deficit in 2003 was 17 percent of gross domestic product (GDP). Government expenditures for that year were estimated to be US\$375 million, with revenues of only US\$235.7 million. In 2002 the fiscal deficit was 32 percent of GDP. Current expenditures continue to exceed budgeted spending, particularly in defense and other discretionary expenditures. Monetary policy remains subservient to the financing demands of the government, and debt is unsustainably high. This situation is not likely to change until demobilization of the military occurs.

Inflation: Inflation continues to be a problem in Eritrea, particularly as years of drought push grain prices higher and defense expenditures remain high. The International Monetary Fund estimates that in 2003 (the most recent year for which figures are available) average inflation reached 23 percent.

Agriculture, Forestry, and Fishing: In 2003 agriculture employed nearly 80 percent of the population but accounted for only 12.4 percent of gross domestic product (GDP) in Eritrea. The agricultural sector is hampered by the absence of modern farming equipment and techniques, erratic rainfall, exhausted soils, and lack of financial services and investment. Major agricultural products are barley, beans and lintels, dairy products, meat, millet, skins, sorghum, teff, and

wheat. The displacement of 1 million Eritreans as a result of the war with Ethiopia, multi-year drought, and the widespread presence of land mines all have played a role in the declining productivity of the agricultural sector. Currently, almost a quarter of the country's most productive land remains unoccupied because of the lingering effects of the 1998–2000 war with Ethiopia. In 2005 domestic food production is expected to provide for less than 20 percent of domestic demand and will leave between 1.7 and 2.2 million people dependent on humanitarian assistance to meet basic food needs.

Forestry is not a significant economic activity in Eritrea, and reliable figures on the extent and value of the fishing industry in Eritrea are difficult to obtain. However, Eritrea's long coastline clearly offers the opportunity for significant expansion of the fishing industry from its current, largely artisanal, stage. Eritrea exports fish and sea cucumbers from the Red Sea to markets in Europe and Asia, and there is hope that the construction of a new, jet-capable airport in Massawa, as well as rehabilitation of the port there, may support increased exports of high-value seafood. In 2002 exports were about 14,000 tons, but the maximum stable yield is thought to be nearly 80,000 tons. Italian and Dutch investors built a fish processing plant in 1998 that now exports 150 tons of frozen fish every month to markets in Britain, Germany, and the Netherlands. Tensions with Yemen over fishing rights in the Red Sea flared up in 1995 and again in 2002, and Eritrea's difficult relations with other nations could hamper further development of the industry.

Mining and Minerals: Eritrea's substantial mineral deposits are largely unexplored as a consequence of the war with Ethiopia. According to the Eritrean government, artisanal mining in 1998 collected 573.4 kilograms of gold. Eritrea is estimated to have some 14,000 kilograms of total gold reserves. Western observers also have noted Eritrea's excellent potential for quarrying ornamental marble and granite. As of 2001, some 10 mining companies (including Canadian and South African firms) had obtained licenses to prospect for different minerals in Eritrea. The government of Eritrea reportedly is in the process of conducting a geological survey for use by potential investors in the mining sector. The presence of hundreds of thousands of land mines in Eritrea, particularly along the border with Ethiopia, presents a serious impediment to future development of the mining sector.

Industry and Manufacturing: During the period of federation, industrial capacity largely shifted to Ethiopia, leaving the Eritrean industrial sector with outmoded capital equipment. In 2003 industry accounted for 25.3 percent of gross domestic product. Major products include processed food and dairy products, alcoholic beverages, glass, leather goods, marble, textiles, and salt.

Energy: Households consume more than 80 percent of total energy production. Electricity production in 2001 was estimated at 220.5 million kilowatt-hours. Consumption for that year was estimated at 205.1-kilowatt hours. An 88-megawatt electricity plant funded by Saudi Arabia, Kuwait, and Abu Dhabi was completed just south of Massawa in 2003, its completion delayed nearly three years by the war with Ethiopia. Annual consumption of petroleum in 2001 was estimated at 370,000 tons. Eritrea has no domestic petroleum production; the Eritrean Petroleum Corporation conducts purchases through international competitive tender. According to the U.S. Department of Commerce, opportunities exist for both on- and offshore oil and natural gas exploration; however, these prospects have yet to come to fruition. The Eritrean government has

expressed interest in developing alternative energy sources, including geothermal, solar, and wind power.

Services: In 2003 services accounted for 62.4 percent of gross domestic product. Financial services, the bulk of the services sector, are principally rendered by the National Bank of Eritrea (the nation's central bank), the Commercial Bank of Eritrea, the Housing and Commerce Bank of Eritrea, the Agricultural and Industrial Bank of Eritrea, the Eritrean Investment and Development Bank, and the National Insurance Corporation of Eritrea, all majority owned by the government and ruling party.

Banking and Finance: According to the International Monetary Fund, commercial banks in Eritrea—all government owned and operated—appear to be in compliance with prudent regulations. Although the commercial banking sector is largely profitable, mostly owing to income from foreign exchange transactions, the sector is burdened by a high proportion of non-performing loans. Core lending activities do not generate sufficient income to cover operating costs at most commercial banks.

Tourism: Eritrea's poverty, the presence of large numbers of land mines, and the continued tensions that flare up between Eritrea and its neighbors have deterred the development of a tourist industry in Eritrea. According to the World Tourism Organization, international tourism receipts in 2002 were only US\$73 million (compared with US\$730 million for Tanzania).

Labor: Agriculture employs about 80 percent of the population in Eritrea, and the remaining 20 percent are employed in industry and services. Although information is scarce, unemployment is reported to be high.

Foreign Economic Relations: China, South Korea, Italy, South Africa, and Germany are aggressively pursuing market opportunities in Eritrea. There is growing interest in U.S. products and services in Eritrea, although U.S. investment in Eritrea is still small.

Imports: In 2002 (the most recent figures available) Eritrea imported goods worth US\$533 million, including food, military matériel, fuel, manufactured goods, machinery, and transportation equipment. Eritrea's main suppliers were the United Arab Emirates, Saudi Arabia, Italy, Germany, and Belgium. In January 2005, all imports by private businesses and individuals were temporarily suspended because of the country's shortfall in foreign currency.

Exports: In 2002 (the most recent figures available) exports from Eritrea were valued at US\$52 million, and the bulk were skins, meat, live sheep and cattle, and gum arabic. The major markets for Eritrean goods were Sudan, followed by Italy, Djibouti, and Germany. More recently, fish, flowers, salt, and textiles have joined the list of exports, and Sudan is no longer a major trading partner.

Trade Balance: In 2002 imports worth US\$533 million far exceeded exports at US\$52 million.

Balance of Payments: Asmara's poor relations with neighboring countries have had a profoundly negative impact on the economy, one reason for the dire balance of payments

situation. Exports declined significantly during the border conflict with Ethiopia, a decline exacerbated by a subsequent break in trade relations with Sudan. At the same time, imports—mostly of food aid, manufactures, and transportation equipment—continue to rise, and foreign reserves have declined to precarious levels. According to the International Monetary Fund, in 2003 foreign reserves were just US\$17.2 million, sufficient to cover only two weeks of imports. The balance of payments in 2000 was negative US\$44.7 million; by 2003 it had improved to negative US\$16.4 million. Remittances from Eritreans abroad and foreign aid form a significant portion of Eritrea's income. Of the two, remittances far exceed foreign aid and are estimated to have reached US\$400 million per year in 1999, the last year for which figures are available. In January 2005, the government halted all imports by businesses and the private sector because of the country's shortfall in foreign currency.

External Debt: In 1997 external debt totaled US\$75.5 million. By 2001 (the most recent available information), that figure had grown to US\$409.6 million.

Foreign Investment: Foreign investment, although ostensibly favored by the Eritrean government, is nonetheless hindered by government regulations that seek to protect domestic industries from foreign competition and by a generally unfavorable investment climate. Major foreign investors in Eritrea include China, South Korea, Italy, South Africa, and Germany, as well as the World Bank.

Foreign Aid: In 1998 net official development assistance was US\$135.8 million; in 2002 it reached US\$217.6 million. The government prefers private-sector investment to official aid programs, and its relations with aid-dispensing nations and international institutions have often been difficult.

Currency and Exchange Rate: The official currency is the Eritrean nakfa (ERN), introduced in November 1997. In early 2005, likely in an effort to increase foreign capital reserves, the Eritrean government decreed that all transactions in Eritrea must be conducted in nakfa. In April it became illegal for individuals to hold and exchange foreign currency. As of January 1, 2005, the government set the foreign exchange rate at US\$1=ERN15.

Fiscal Year: The fiscal year follows the calendar year, January 1–December 31.

TRANSPORTATION AND TELECOMMUNICATIONS

Overview: Eritrea's transportation network, severely damaged and largely dismantled during Eritrea's war for independence and border conflict with Ethiopia, is rudimentary at best. Plans for significant redevelopment are underway, but the capital resources necessary to fund road and rail projects are not readily available.

Roads: The only fully paved road in Eritrea (and the busiest) is the 107-kilometer stretch connecting Massawa and Asmara. Asphaltting of the 120-kilometer stretch of road between Barentu and Teseney is proceeding intermittently; the paving of the 580-kilometer coastal road connecting Massawa and Assab is also underway. In all, Eritrea has some 4,000 kilometers of

roadways, of which the vast majority are unpaved. All roads into Ethiopia have been closed since the outbreak of the border dispute between the two nations in 1998.

Railroads: Eritrea's sole railroad, the 306-kilometer line linking Akordat with Asmara and the port of Massawa, was built by Italian colonialists. It was shut down in 1976 because of the threat from Eritrean guerrilla forces and was largely destroyed in later fighting. Efforts to rebuild the Asmara-Massawa segment began in 1999 and were completed in early 2003. Plans call for extending the line to Bisha, 150 kilometers west of Asmara, where gold and copper mining is expected to begin. A project to link Eritrea's rail lines to the Sudanese network at Kassala has been delayed by increased tensions with Khartoum.

Ports: A joint agreement between Eritrea and Ethiopia signed in 1993 called for the two nations to share facilities at the ports of Assab and Massawa. Prior to the 1998–2000 hostilities between the neighbors, tariffs and fees associated with port traffic were a significant source of income for Eritrea. During the border dispute, trade between the nations came to an abrupt halt, and Ethiopia launched air raids targeting the port of Massawa. Despite the 2000 cease-fire, trade activity with Ethiopia has not resumed. As of 2005, reconstruction of Massawa has taken place, and it remains the primary port in Eritrea. It is located some 107 kilometers to the northeast of Asmara. Facilities at Massawa include five five-ton cranes and five mobile cranes, eight forklifts, a covered storage area measuring 7,020 square meters, and open storage measuring 27,311 square meters. Although the port of Assab is the largest in Eritrea (with berths for six ocean-going vessels), activity there fell dramatically with the onset of hostilities with Ethiopia and has not recovered. The isolation of Assab (located some 580 kilometers southwest of Asmara) leaves it ill-suited to play a significant role in the Eritrean economy despite its size and on-site facilities, which include a cold storage warehouse, a grain storage warehouse, and a nearby oil refinery (unused since 1997). Eritrea, along with Yemen and Djibouti, controls the Bab el Mandeb seaway between the Red Sea and Gulf of Aden, a point of immense strategic importance for the flow of trade, particularly of oil, between Asia and Europe.

Inland Waterways: Eritrea has no navigable waterways.

Civil Aviation and Airports: Eritrea has two airports with permanently surfaced runways—Asmara International and Assab. Asmara International, portions of which are designed for use by the military, has a 3,000-meter runway; Assab airport has a 3,500-meter runway. Unpaved runways are located in Massawa and Tessawa, both some 1,900 meters long. Many smaller landing strips exist throughout Eritrea as well. Eritrean Airlines, non-operational during the 1998–2000 conflict, is flying once again. Destinations include Nairobi, Amsterdam, Frankfurt, and Rome; its fleet is a single leased Boeing 767–300ER. Foreign flag carriers serving Asmara International include British Airways, Egyptair, Lufthansa, Saudi Arabian Airlines, Sudan Airways, and Yemen Airways. No U.S. flag carrier flew into Eritrea as of mid-2005.

Pipelines: None known.

Telecommunications: Telecommunications infrastructure in Eritrea is poorly developed and controlled by the government. Statistics are not widely available on all sectors, but it was estimated that in 2003–4 there were 38,100 main telephones lines, around 1,050 Internet hosts,

and 9,500 Internet users. A 2000 estimate noted two AM and shortwave broadcast stations and no FM broadcast stations. Statistics on the number of televisions, radios, and computers in use in Eritrea are not available, but it is widely thought that rates of ownership of these items are very low. There are no reliable estimates available on the number of mobile cellular phones in use.

GOVERNMENT AND POLITICS

Overview: Eritrea is a one-party state. Elections have been postponed repeatedly, and reforms called for in the constitution, ratified in 1997, have yet to take place.

Constitution: In March 1994, the Provisional Government of Eritrea established a Constitutional Commission. The resulting constitution was introduced in 1997, one year later than planned. Although the constitution has been ratified, it has yet to be fully implemented, and general elections have not been held, despite the ratification of an election law in 2002.

Branches of Government: The Eritrean constitution calls for legislative, executive, and judicial branches. According to the constitution, a 150-seat unicameral legislature, the National Assembly, decides internal and external policy, approves the budget, and elects the president of the country. However, the National Assembly has not met since 2002, and many of its members are either in prison or have fled the country. Legislative as well as executive functions are now exercised by President Isaias Afwerki. The president's cabinet, the executive branch of the government, has 17 ministers, all appointed by the president. Civilian and military zonal administrators also are appointed by the president. The judiciary consists of three court systems: civilian, military, and special courts. Civilian courts include community courts, sub-regional courts, regional courts, and the High Court, which also serves as an appellate court.

Administrative Divisions: Eritrea has six administrative regions (*zobatat*; sing., *zoba*): Anseba, Debub, Debubawi K'eyih Bahri, Gash-Barka, Ma'akel, and Semenawi Keyih Bahri.

Provincial and Local Government: Each of the six administrative regions has its own regional, sub-regional, and village administrations.

Judicial and Legal System: Although the judiciary is nominally independent of the executive and legislative branches, in practice there reportedly is significant interference in the judicial process. In one case in 2001, the president of the High Court was detained after criticizing the government for interfering in the judiciary. The legal system incorporates pre-independence laws of the Eritrean People's Liberation Front, revised Ethiopian laws, customary laws, and laws enacted after independence. Sharia law is used in civil cases involving Muslims.

Electoral System: National Assembly elections were scheduled for 2001, but the elections were delayed indefinitely by the government and have yet to take place. Although elections have not been held, the president ostensibly serves a five-year term and is limited to serving no more than two terms.

Politics and Political Parties: The People’s Front for Democracy and Justice (PFDJ) is the ruling party in Eritrea. Opposition political parties are not legal and do not have a political presence in the Eritrean government. Opposition groups in Eritrea include the Democratic Movement for the Liberation of Eritrea, the Eritrean Islamic Salvation Movement (Eritrean Islamic Jihad), the Eritrean Liberation Front, the Eritrean National Alliance, the Eritrean People’s Liberation Front-Democratic Party, and the Red Sea Afar Democratic Organization.

Mass Media: There is no independent press in Eritrea. In 2001, in an effort to quell burgeoning dissent about the future of the People’s Front for Democracy and Justice, the government closed down eight independent newspapers and arrested an undisclosed number of journalists. The only published newspaper is the state-owned daily *Hadas Eritrea*. Daily radio (the Voice of the Broad Masses of Eritrea) and television (ERI-TV) broadcasts made in local languages also are controlled by the government.

Foreign Relations: When Eritrea gained independence in 1993, it enjoyed good relations with its regional neighbors and the goodwill of the international community. A little more than a decade later, Eritrea is increasingly isolated from its neighbors and the international community. Eritrea’s relations with Ethiopia are strained by territorial disputes and relations with Sudan, by political problems. Relations with Yemen warmed considerably in 2004, when President Isaias visited Sana, and the two countries concluded agreements in areas such as cultural exchanges, security, and trade. Although relations with European nations, including Italy, Germany, Norway, and the Netherlands, have been close in the past, they have chilled in the wake of the Eritrean government’s crackdown on internal dissent in 2001 and the closure of the independent press. At present, relations with the United States focus on resolving the border dispute with Ethiopia and cooperation on counterterrorism. Relations with Ethiopia, once close and mutually beneficial, are extremely tense, as the border dispute between the two nations has yet to come to a full and peaceful resolution.

Membership in International Organizations: Eritrea is a member of a number of international organizations, among them the African, Caribbean, and Pacific Group of States, African Development Bank, African Union, International Bank for Reconstruction and Development (World Bank), International Criminal Court, International Finance Corporation, Inter-Governmental Authority on Development, International Criminal Police Organization, International Monetary Fund, International Maritime Organization, United Nations, and World Health Organization.

Major International Treaties: Eritrea is a party to the Chemical Weapons Convention, Convention for the Pacific Settlement of International Disputes, Convention on Biological Diversity, Convention on the International Trade in Endangered Species of Wild Flora and Fauna, International Convention on the Elimination of All Forms of Racial Discrimination, Treaty on the Non-Proliferation of Nuclear Weapons, United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, United Nations Convention on Desertification, and United Nations Framework Convention on Climate Change. Eritrea is not a party to the Conventions on Biological Weapons or Conventional Weapons.

NATIONAL SECURITY

Armed Forces Overview: Following its independence from Ethiopia in 1993, the Eritrean government planned an armed forces strength of around 30,000. By the late 1990s, the armed forces had grown to 50,000 troops, and with the start of hostilities with Ethiopia, the army expanded dramatically, to nearly 300,000. A demobilization of about 50,000 soldiers took place in 2003, although aggressive efforts to round up men aged 18 to 40 who were avoiding national service continued as lingering tensions with Ethiopia failed to reach a peaceful resolution. Eritrea still has the second largest army in Africa. According to the International Federation of Red Cross and Red Crescent Societies, an estimated 1 million antipersonnel mines remain in Eritrea, approximately 400,000 of which were laid by Eritrean and Ethiopian forces during the 1998–2000 conflict.

Foreign Military Relations: Eritrea's government generally is not favorably disposed to multilateral institutions, and relations with neighboring Ethiopia and Sudan are poor. Eritrea has had a close security relationship with China since independence. In early 2005, security cooperation with Yemen began with the signing of a joint security agreement and the creation of a joint ministerial committee. U.S. military cooperation with Eritrea, suspended during the war with Ethiopia, has resumed on a modest basis.

External Threat: The continuing border dispute with Ethiopia represents the most immediate and clear external threat to Eritrean security and stability. Relations with Sudan also remain tense, as for the past decade Khartoum has accused Asmara of supporting rebel groups in southern, eastern, and western Sudan. In turn, Asmara accuses Khartoum of backing the Eritrean Islamic Salvation Movement (Eritrean Islamic Jihad) in attacks on local and Western targets in Eritrea.

Defense Budget: In 1997 Eritrea's defense budget was US\$88 million, or 13.6 percent of gross domestic product (GDP). Defense spending skyrocketed during the war with Ethiopia, peaking in 1999 at US\$271 million, a staggering 38.5 percent of GDP. Since the 2000 cease-fire, defense spending has declined, but it remained a heavy burden in 2002 (the last year for which figures are available) at US\$150 million, or 25.7 percent of GDP.

Major Military Units: The Eritrean army has four corps with 20 infantry brigades, one commando division, and one mechanized brigade.

Major Military Equipment: The Eritrean army has an estimated 150 main battle tanks, 40 reconnaissance vehicles, 40 armored infantry fighting and personnel vehicles, 100 pieces of towed artillery, 25 pieces of self-propelled artillery, 35 multiple rocket launchers, 100+ mortars, 200 antitank guided weapons, and 70 air-defense guns. The navy has one missile craft, seven inshore patrol boats, and three amphibious vehicles of unknown serviceability. The air force has 18 combat aircraft of unknown serviceability, including MiG-21s, MiG-23s, and MiG-29s. The air force is thought to have approximately 15 training, transport, and armed helicopters.

Military Service: National Service is compulsory for a term of 16 months, including four months of military training. Since 1998, however, military service has often been extended

indefinitely for men aged 18 to 40 and childless women aged 18 to 27. In 2005 men aged 40 to 60 in the major towns were recalled for several weeks of compulsory civil defense training.

Paramilitary Forces: None.

Foreign Military Forces: The United Nations Mission in Ethiopia and Eritrea has some 3,300 troops inside a 25 kilometer-wide zone along the border with Ethiopia.

Police: Reliable estimates on the size of the Eritrean police force are not available.

Insurgent Forces: The Eritrean National Alliance (ENA) is a 3,000-strong organization of 10 opposition groups. It was established in Khartoum in 1999, in part as an attempt by Sudan to retaliate against Eritrean support for the National Democratic Alliance, a Sudanese opposition group. The following groups belong to the ENA: the Eritrean Liberation Front, the Eritrean People's Conference, the Eritrean Islamic Salvation Movement, the Eritrean Liberation Front-Revolutionary Council, the Eritrean Liberation Front-National Council, the Eritrean People's Democratic Liberation Front, the Eritrean Revolutionary Democratic Front, the Democratic Movement for the Liberation of Kunama/Eritrea, the Eritrean Democratic Resistance Movement Gash-Setit, and the Eritrean Initiative Group. These groups are a mix of liberation organizations marginalized during the struggle for independence, ethnically based groups, and the Sudan-sponsored Eritrean Islamic Salvation Movement (Eritrean Islamic Jihad). All are based in Sudan, from where some stage occasional and mostly ineffectual raids into western Eritrea. The strength of another group operating in Eritrea, the Red Sea Afar Democratic Organization, currently is unknown.

Human Rights: According the U.S. State Department, Eritrea is a one-party state in which presidential and legislative elections have been repeatedly postponed, the judiciary is weak, and constitutional provisions for democratic freedoms have yet to be implemented. Western observers characterize the Eritrean government's human rights record as poor, and note that it continues to commit serious abuses. Security forces are responsible for unlawful killings, and there are persistent reports of torture and physical abuse of prisoners. Arbitrary arrests and detentions continue, and an unknown number of persons have been detained without charge for their political views. In general, freedom of speech and the press are severely constrained, and freedom of assembly, association, movement, and religion also are restricted. Discrimination and violence against women remain social problems, and the practice of female genital mutilation is widespread. Social discrimination against members of the Kunama group continues, as do government restrictions of workers' rights.