

AFRICA RISK CONSULTING

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Ethiopia Summary 27 August 2025

Forces affiliated with the Tigray People's Liberation Front (TPLF) enter the town of Raya Alamata in the southern Tigray region to assert the group's control in the disputed area, the latest indication of the TPLF's growing confidence. Actions such as this elevate concerns that a new conflict in the region is imminent. Among the factors complicating Tigray's security situation is that it is located alongside the Amhara Region, where nationalist militias continue to fight federal security forces. Financial authorities crack down on foreign exchange trading as part of the government's ongoing efforts to improve its monetary sector oversight and regulation. African Development Bank (AfDB) announces that it will provide \$500m in credit financing towards the planned development of a new international airport outside Addis Ababa.

Security force movements in Tigray region raise concerns of future conflict

Rising tensions and the growing complexity of the security environment in Ethiopia's Tigray Region have continued to fuel concerns that a new conflict in the region could be imminent. On 23 July, forces belonging to the Tigray People's Liberation Front (TPLF) [entered areas](#) along the Tigray border with the Amhara Region, including the town of Raya Alamata. These forces asserted the Tigray Interim Administration's authority over the area and dismissed local administrators. Several [protests](#) were called in response to this armed action, but these largely concluded without major incident.

Then on 20 August, TPLF forces [used live ammunition](#) to disperse demonstrators in Mohoni, also in southern Tigray. The forces had entered the town in order to reinstate the interim administration's authority – and by extension the TPLF's - in the area.

Territory along Tigray's border with Amhara has remained a point of dispute ever since the end of the 2020-2022 Tigray War. During the conflict, Amhara militia forces aligned with Ethiopia's government occupied large swathes of Tigrayan territory, claiming that it historically belonged to Amhara. Over the past three years, these militias have refused to cede much of this territory back to the Tigray Interim Administration despite the relevant provisions in the Pretoria Peace Accords, which ended the Tigray War.

The Pretoria Peace Accords also called for Tigrayan forces to be disarmed, and the TPLF's latest actions indicate that it is not complying with this condition or fully participating in the disarmament, demobilisation and reintegration (DDR) programme. This was underscored by Tigray interim president Tadesse Worede's [recent comments](#) that the TPLF would not cease military training. Tadesse claimed that if the TPLF has forces, it will maintain its training programmes, but they were not preparing for war. The interim president further reiterated the TPLF's demand that control over the entirety of Tigray be reinstated and that all displaced persons return to the region.

The TPLF's growing assertiveness and willingness to mobilise its forces to reestablish its authority over contested territory could potentially be viewed as aggression by the federal government. Tensions have been escalating between the TPLF (which essentially controls the interim administration) and the federal government for the past year, ever since Debretsion Gebremichael was re-elected as TPLF party chairperson at a contentious conference in August 2024 (see ARC Briefing Ethiopia Aug 2024). Debretsion (who is backed by Tadesse) has since successfully sidelined the former TPLF vice chairperson, Getachew Reda, who was ousted as the Tigray interim president

in April (*see ARC Briefing Ethiopia Apr 2025*). Reda was considered more friendly and compliant with the federal government, which views Debretsion with deep distrust.

Relations deteriorated further when the **National Election Board of Ethiopia (NEBE)** announced on 14 May that it had stripped the party of its official federal recognition as a political party (*see ARC Briefing Ethiopia May 2025*). This followed a long dispute between the NEBE and the TPLF related to the latter's refusal to reregister as a political party and the contention around its elective conference.

Ethiopia's federal government also believes that the Debretsion-led TPLF is cooperating with **Eritrea**. Foreign minister **Gedion Timothewos** has [alleged](#) that Eritrea is providing training to Tigrayan forces to potentially stage offensive actions. Ethiopia's belief that Eritrea and the TPLF are cooperating indicates a stark realignment among the regional forces. Notably, Eritrea sided with the federal government during the Tigray War in what was viewed as a clear indicator of the rapprochement between Eritrea and Ethiopia. Eritrea was also thought to have seen the war as an opportunity to act against its old enemies in the TPLF, which had led Ethiopia's governing alliance until 2018.

However, since then, relations between Ethiopia and Eritrea have markedly declined; in part, due to Ethiopian prime minister **Abiy Ahmed's** (2018-present) [repeated](#) desire to secure access to the Red Sea. Eritrea views this ambition as a veiled threat to its territory, given that historically Eritrea was Ethiopia's coastal province. The credible reports that relations between Eritrea and the TPLF have improved indicate that the two sides have been willing to set aside their past differences on the principle that 'the enemy of my enemy is my friend'.

[Unconfirmed reports](#) claim that Ethiopia's concerns over the TPLF's growing confidence and the potential alliance with Eritrea are increasing. In response, the government has ordered the additional deployment of federal forces to the region. The combination of a more assertive TPLF and increased numbers of federal troops has increased the risk of a conflict breaking out in the region.

This situation is further complicated by the complex dynamics of Tigray's security environment. At present, the Debretsion faction of the TPLF is dominant. The recent actions in southern Tigray were likely partly motivated by this faction's desire to sideline its rivals. However, Reda's faction retains some loyalty within the region. In addition, the insecurity following the Tigray War and the internal fighting within the TPLF has resulted in the proliferation of armed groups in the region. These groups range from those that support the TPLF to pro-government militias to local self-defence forces.

Indicative of the complexity of the situation, the last month witnessed the emergence of another armed group in the region; this time, one opposed to Debretsion. The so-called **Army-15** is [believed](#) to be a TPLF breakaway group led by a former Tigrayan security forces general, **Gu'ush Gebre**. It is unclear how large this force is, but it is believed to be based along the Ethio-Eritrean border. As such, it could play a pivotal role in any future conflict. On 15 August, Army-15 released a statement condemning the TPLF's growing ties with Eritrea, indicating that this was likely an instigating factor in the group's split from the TPLF.

The fluid security situation in Tigray, combined with the enmity between the TPLF and the federal government, means that there is a possibility of renewed hostilities in the region. If this were to occur, it would be a multifaceted conflict which would be more chaotic and devastating than the initial Tigray War.

Ethiopia's federal forces will also struggle to prosecute a new conflict in Tigray, given the fact that it is already embroiled in conflicts in the Amhara and **Oromia** regions. A conflict in Tigray would be particularly concerning, given that the region borders Amhara, which is currently the government's leading security concern.

... as Amhara conflict continues

Indicative of the scale of the ongoing conflict between federal forces and Amhara nationalist (Fano) militia groups, a [Fano attack](#) on the town of **Gelegu** in the **Quara** district of Amhara's **West Gondar**

Zone injured at least 20 people were injured in on 21 August. Local officials reported that the militants destroyed numerous government buildings and vehicles.

Over the past month, clashes have been reported across much of Amhara, but the worst of the conflict occurred in the **Gojjam** and **Gondar** areas. In what was potentially the largest attack in August (albeit not independently verified), Fano forces [claimed](#) on 14 August to have killed 103 Ethiopian soldiers in an ambush attack. The soldiers were travelling between the Gojjam villages of **Soroka** and **Abrahagira** at the time of the attack. This came shortly after the militants [claimed](#) to have killed 66 soldiers in **Semada** in **South Gondar**.

Regardless of the accuracy of the Fano militants' claims, it is evident that the conflict in the Amhara region is deteriorating and that Ethiopia's federal forces are failing to defeat the Fano groups. As such, any new conflict in Tigray risks exacerbating and complicating this conflict as well.

Government cracks down on money traders

The **Financial Intelligence Service (FIS)** [announced](#) on 8 August that it had frozen the bank accounts of 138 individuals suspected of illicit foreign currency trading, claiming that these individuals conducted foreign exchange trading outside of the formal financial system, bypassing legal banking channels in violation of Ethiopian law.

This action comes amid a crackdown on foreign exchange trading in Ethiopia, especially unregulated money transfers. On 1 August, the central bank, the **National Bank of Ethiopia (NBE)**, accused four **United States (US)**-based money transfer service providers of operating in Ethiopia illegally. NBE said that these platforms were engaged in money laundering and other illegal activities. In the same statement, the central bank published a list of 88 authorised money transfer platforms.

Ethiopia is dependent on remittances from the country's diaspora for foreign exchange and tax revenue and [receives around \\$6 billion](#) in remittances each year, making this a major source of income in the country. As such, any remittance flows that fall outside of the government's purview represent lost tax revenue and weakness in Ethiopia's **Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)** regulations.

Ethiopia's recent [foreign exchange market liberalisation](#) has coincided with the NBE increasing its efforts to extend and protect its regulatory oversight. A well-regulated and functional foreign exchange market is central to modernising the country's economy. The fact that the birr is now a floating currency also means that the NBE needs to ensure it has improved control over the flow of foreign exchange in the country to ensure it has sufficient reserves to support the currency's value.

Development bank commits funding for airport development

In a positive development, the **African Development Bank (AfDB)** [announced](#) on 11 August that it will commit \$500m in financing to the development of Ethiopia's planned new international airport. The four-runway airport is set to be built outside the town of **Bishoftu**, located around 45km east of **Addis Ababa**. Officials estimate that the project will cost at least \$10 billion, 20% of which will come from the state-owned **Ethiopian Airlines** and 80% will come from creditors such as the AfDB. The development bank's funding commitment is an important development as it indicates that the AfDB believes that the project is viable, which should help mobilise other creditors.

The new airport will further position Ethiopia as a major regional and international air travel hub. It will have at least double the capacity of the existing **Addis Ababa Bole International Airport**, which has two runways and is already a major aviation hub.

However, the construction of the airport is expected to take several years to complete, especially given that it will involve an extensive [resettlement programme](#), which is expected to cost at least \$350m. Such programmes often face community resistance, including protests and litigation. Yet, the \$10 billion project will be a major source of economic activity and one of Ethiopia's leading infrastructure projects.

Planner

2026 **(Ethiopia)** general election;

Chronology

23 Aug 2025 **Addis Ababa (Ethiopia)** *The Reporter*. The **Amhara Regional State Peace Council** reveals that kidnappers executed one of its senior members on 12 August;

23 Aug 2025 **Addis Ababa (Ethiopia)** *The Reporter*. The **Ethiopian Civil Society Organisations Council (ECSOC)** announces plans to organise a national peace conference to advocate for a peace dialogue in Ethiopia;

23 Aug 2025 **Addis Ababa (Ethiopia)** *The Reporter*. Global human rights group **Amnesty International** warns that the proposed amendments to Ethiopia's law governing civil society organisations include repressive clauses that could restrict Ethiopia's civic space;

22 Aug 2025 **Addis Ababa (Ethiopia)** *Borkena*. Trade minister **Kassahun Gofe** reveals that Ethiopia earned \$8.3 billion from exports in the last fiscal year;

20 Aug 2025 **London (United Kingdom)** *Borkena*. Hundreds of people demonstrate outside of the British broadcaster, the **BBC**, protesting what they allege is a genocide being perpetrated against the **Amhara** people in **Ethiopia**;

19 Aug 2025 **Addis Ababa (Ethiopia)** *CNBC Africa*. The **Investment Commission** reports that foreign direct investment to Ethiopia increased by 2.2% in the year ending July 2025 to approximately \$4 billion;

16 Aug 2025 **Addis Ababa (Ethiopia)** *The Reporter*. Finance officials reveal that Ethiopia's tax-to-GDP ratio fell sharply from 12.4% in 2014 to 7.5% in 2024;

16 Aug 2025 **Addis Ababa (Ethiopia)** *The Reporter*. Ethiopia submits a request to the **United Nations (UN)** to extend the December 2025 deadline to clear all landmines left in the country from past wars;

16 Aug 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Bank robbers kill 14 people, including 11 security force members, in an attack on a bank in **North Shewa zone (Oromia Region)**;

12 Aug 2025 **Addis Ababa (Ethiopia)** *The Reporter*. **Egypt's** President **Abdel Fattah El-Sisi** issues a veiled warning to Ethiopia over the **Grand Ethiopia Renaissance Dam (GERD)**, stating that Egypt will not tolerate any threats to its share of the **Nile River**;

11 Aug 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Ethiopia's sovereign wealth fund, **Ethiopian Investment Holdings (EIH)**, makes its first-ever international investment, acquiring a 7.4% stake in the **Oslo**-headquartered Ethiopian gold producer **Akobo Minerals**;

6 Aug 2025 **Addis Ababa (Ethiopia)** *Al Jazeera*. **Médecins Sans Frontières (MSF)** (doctors without borders) warns that its operations in Ethiopia are at risk of becoming overwhelmed due to steep cuts in global aid financing;

6 Aug 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. The state-owned **Ethiopian Airlines** reports \$7.6 billion in revenue from the 2024/25 financial year;

6 Aug 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Officials reveal that at least 22 people have died as a consequence of the ongoing drought in the **Tigray Region**;

5 Aug 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Flooding in **Southwest Shewa Zone (Oromia Region)** displaces at least 5,000 people;

1 Aug 2025 **Addis Ababa (Ethiopia)** *Borkena*. The pro-government militia, **Kore Negegna**, kidnaps 20 people in **Wolenchiti (Oromia Region)**;

1 Aug 2025 **Addis Ababa (Ethiopia)** *Borkena*. Prime minister **Abiy Ahmed** appoints **Addisu Arega** as Ethiopia's agriculture minister, replacing **Girma Amente**;

31 Jul 2025 **Addis Ababa (Ethiopia)** *AA*. Officials announce that 700 million tree seedlings were planted in a single day under the country's **Green Legacy Initiative** reforestation campaign;

30 Jul 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. The **Afar** nationalist group, the **Eritrean Afar National Congress (EANC)**, announces that it has resolved to prepare for an armed struggle against Eritrea from Ethiopia;

29 Jul 2025 **Washington, D.C. (United States)** *World Bank*. The **World Bank** approves \$400m in financing to support a project that aims to expand electricity access to six million people in Ethiopia.

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