

AFRICA RISK CONSULTING

Ethiopia Monthly Briefing August 2026

Ethiopia Summary 27 August 2026

Ethiopia's relations with Egypt deteriorate further over rumours that Ethiopia is planning additional dams on the Nile River. Egypt claims it will not permit any such projects; a claim Ethiopia forcefully dismisses. Reports reveal that the central bank has spent a substantial volume of foreign exchange to defend the national currency, the birr, from depreciation. Tigrayan authorities accuse the federal government of acts of war in the region, including carrying out numerous drone strikes and an armed offensive in western Tigray. These allegations portend a resumption of war in Tigray. Amid this rising threat of conflict, the federal government is cracking down on the independent press in the country, as indicated by a security raid on the newsroom of the Addis Standard newspaper and the arrest of its editor-in-chief.

Tensions with Egypt spike over possible new Nile River dams

Ethiopia's relations with **Egypt** are facing renewed strain amid rumours that Ethiopia may build new dams on the **Nile River**. Relations between the two countries were already tense due to the development of the **Grand Ethiopian Renaissance Dam (GERD)**, which prime minister **Abiy Ahmed** (2018-present) officially inaugurated in September 2025 (*see ARC Briefing Ethiopia Sep 2025*). Ethiopia claims GERD is essential to its economic development and but Egypt considers it an existential threat to its water security. The completion and filling of the GERD was a statement of Ethiopia's control and sovereignty over the section of the Nile River that traverses Ethiopian territory, and both Egypt and **Sudan** demanded that Ethiopia refrain from filling the dam until a trilateral agreement had been reached over management of the river's waters.

The current increase in tensions came to a head on 4 August when Egypt's irrigation minister **Hani Sewilam** [publicly stated](#) that Egypt would not allow Ethiopia to construct additional dams on the Nile. Sewilam was responding to media reports that Ethiopia is planning such dam projects even though the government has yet to unveil any such plans. Egypt's foreign minister, **Badr Abdelatty**, on 19 August, [reiterated](#) Egypt's opposition to the development of any new dams and called for a trilateral mechanism to manage the water flow through the GERD. Abdelatty was particularly forthright [stating](#) that "Egypt will not allow the construction of additional dams on the Nile" and that the country has "the legitimate right to defend its interests and water security". Ethiopia's water and energy **Habtmu Itafa** [denounced](#) Egypt's comments as "a colonial mentality" and asserted Ethiopia's rights as a sovereign nation, commenting that Ethiopia "will not ask permission from anyone to develop [its] natural resources".

The intensity of Egypt's reaction to the unconfirmed reports that Ethiopia is planning to develop additional dams underscores the extent to which it views this matter as one of national security. The rhetoric between the two countries indicates that both sides are currently in intractable positions. Ethiopia will firmly resist any pressure for it to amend its current national development plan or be constrained by any external power.

Egypt will likely seek to rally international partners to pressure Ethiopia to resume negotiations over the management of the Nile River and will almost certainly approach the **International Court of Justice (ICJ)** over the matter. Egypt has repeatedly contended that Ethiopia's actions violate international law. However, Ethiopia is unlikely to be pressured by external actors, nor will it agree to adhere to any ICJ finding. Consequently, relations between the two countries will continue to deteriorate. Egypt is already actively pursuing a foreign policy strategy that aims to alienate Ethiopia in the wider region and to build stronger ties with Sudan and **Eritrea** in a bid to form a regional anti-

Ethiopia alliance. Although it is currently unlikely that Egypt would resort to military means over the dam disputes, the possibility cannot be discounted if it believes that the new dams pose an immediate existential threat to its water security.

It should be noted that tensions around the GERD will likely worsen in the coming months due to an anticipated **El Niño** weather event. El Niño will lead to heat waves and lower rainfall in both Ethiopia and Egypt, placing greater strain on the Nile's water supply. If Ethiopia wants to ensure that the GERD remains at full capacity for power generation purposes, it could result in lower river levels downstream, thus threatening Egypt's water reserves.

Ethiopia's worsening relations with Egypt also come at a time when the country is facing numerous domestic security challenges as well as growing tensions with neighbouring Eritrea.

Central bank spends foreign reserves to defend the currency against depreciation.

International media [reported](#) on 19 August that the central bank, the **National Bank of Ethiopia (NBE)**, spent over \$2.2 billion in the first half of this year propping up the national currency, the Ethiopian birr (ETB). The currency has been under sustained pressure due to a variety of factors, including Ethiopia's own uncertain political environment and a macroeconomic environment that has been unfavourable to emerging current currency.

Furthermore, Ethiopia is reliant on imports for a number of essential goods, including fuel and key food groups; the spike in fuel prices due to the conflict in the **Middle East** has placed significant strain on the birr's exchange rate against major currencies. Despite the NBE's efforts, the birr has weakened from ETB 155.09 to the **United States (US)** dollar (\$) on 31 December 2025 to ETB 163.24/\$1 as of 20 August.

The NBE's defensive strategy will help avoid the worst impacts of a depreciation shock and will help contain trade-related inflation. However, this is not a sustainable solution and will have a detrimental impact on the country's much-needed foreign reserves. If the central bank continues this aggressive defence of its currency, it could result in forex shortages or at least further restrictions on forex that economic operators in the country will need to contend with, including tougher rules on repatriating revenue.

Tigray accuses federal government of drone strikes and security offences

The situation between the federal government and the **Tigray People's Liberation Front (TPLF)** has worsened to a point where there is a legitimate fear that a renewed full-scale war could erupt. Recent events indicate that a low-level conflict is already underway.

The TPLF-led **Tigray Regional** government (which the federal government does not recognise) accused the **Ethiopian National Defence Force (ENDF)** of carrying out a number of drone strikes in the region. Reports on 11 August [claimed](#) that as many as 30 people were killed in a strike in **Sheraro** in northwestern Tigray; this death toll has not been independently verified. [According](#) to the TPLF, other strikes have occurred in several towns, including **Merewa** near the border with the **Amhara Region**, and even in the [regional](#) capital **Mekelle** on 20 August.

The ENDF has significantly increased its use of drones in local conflicts in recent years. However, this has been accompanied by a high rate of civilian casualties, which indicates that the ENDF both lack effective training in the use of drones and in the identification of enemy combatants, as well as an indifferent attitude to civilian casualties.

In addition to condemning the spate of drone strikes, the Tigrayan forces [claimed](#) to have repelled an ENDF offensive in western Tigray launched on 1 August. The offensive reportedly involved the use of drones and proxy armed forces (indicating the presence of federal-aligned militia groups and led to [hundreds of people](#) fleeing the area into **Sudan** in the first week of August. The TPLF has stated that it viewed this attack as an act of war. The federal government has not commented on these allegations

or those pertaining to the drone strikes. However, it is evident that the TPLF believes that the region is on track for a renewed conflict.

Newspaper editor detained following newsroom raid

Much of the uncertainty around the specifics of what is taking place in Tigray and other conflict areas in Ethiopia is due to the government's refusal to allow media access to these areas. In fact, both the federal government and the TPLF are hostile to a truly free and open media in the country. Declining press and speech freedom in Ethiopia were underscored on 1 August, when security services [raided](#) the newsroom of the **Addis Standard** and detained editor-in-chief **Yonas Kedir**. The Addis Standard is one of the largest independent newspapers in Ethiopia. US-based **Committee to Protect Journalists (CPJ)** [reported](#) that security services assaulted Kedir and destroyed equipment belonging to the paper during the raid. Then on 3 August, the newspaper's publisher, **Jakenn Publishing's** landlord issued it with an eviction notice, ordering the company to vacate its offices of 16 years within three days. The order cited pressure from the country's police as motivation to end the firm's lease.

This is the latest in a series of state actions aimed at harassing the Addis Standard. The **Ethiopian Media Authority** attempted to revoke the Addis Standard's online media registration certificate in February – a measure that is currently being challenged in Ethiopia's courts. In April, unidentified gunmen abducted another Addis Standard editor, **Million Beyene**, from the newsroom before subsequently releasing him (*see ARC Ethiopia Brief Apr 2026*).

The Addis Standard is clearly facing backlash for its continued reporting on conflicts and government failures in Ethiopia. This is compounded by the federal government's distaste for press freedom as a principle. France-based **Reporters Sans Frontières (RSF)** (reporters without borders) considers Ethiopia's media landscape to be heavily restricted, especially for journalists covering conflicts in the Amhara and Tigray regions. RSF has [joined](#) the CPJ in condemning the harassment of the Addis Standard.

The closing of the civic and media space in Ethiopia is a serious concern. It portends a steady closure of reliable sources of information in the country, especially regarding government policy and the safety of operating environments outside of **Addis Ababa**. The federal government's campaign to suppress press freedom may currently be focused on conflict-related reporting but will eventually begin to target outlets that publish factual information about the economy and business environment that reflects poorly on the state.

Planner

Nov 2026 **Addis Ababa (Ethiopia)** African Political Parties Summit

Feb 2027 **Addis Ababa (Ethiopia)** Assembly of the **African Union (AU)** Heads of State and Government;

Chronology

25 Aug 2026 **Addis Ababa (Ethiopia)** *Times Live*. **United Nations (UN)** confirms that an ambush in **South Sudan's Jonglei** state killed two UN peacekeepers from Ethiopia;

25 Aug 2026 **Addis Ababa (Ethiopia)** *Africanews*. **Ethiopian Football Federation** submits a bid to host the **Africa Cup of Nations (AFCON)** in 2028; Ethiopia last hosted the tournament in 1976;

21 Aug 2026 **Addis Ababa (Ethiopia)** *Borkena*. Ethiopia and the **United States (US)** sign a comprehensive defence and security partnership framework aimed at rebuilding bilateral trust, expanding military collaboration and ensuring regional stability across the **Horn of Africa** and the **Red Sea**;

20 Aug 2026 **Addis Ababa (Ethiopia)** *Borkena*. Two drone strikes hit residential areas in **Mekelle (Tigray Region)**, reportedly injuring 13 people and damaging homes, with the

Tigray regional administration blaming federal forces while the government has neither confirmed nor denied involvement;

19 Aug 2026 **Boston (United States)** *CNBC Africa*. A **United States (US)** court rules in favour of a US government effort to end legal protections allowing around 5,000 Ethiopians to live and work in the US, portending the deportation of those individuals back to **Ethiopia**;

18 Aug 2026 **Addis Ababa (Ethiopia)** *Borkena*. Officials in **Amhara Region** reveal that the ongoing drought in the region's **North Gondar Zone** has killed at least 16 people and displaced hundreds of others;

18 Aug 2026 **Addis Ababa (Ethiopia)** *The Reporter*. **United States (US)** government's **National Aeronautics and Space Administration (NASA)** releases a new report that indicates that Ethiopia's cities are facing a rising air pollution problem;

17 Aug 2026 **Addis Ababa (Ethiopia)** *Addis Standard*. The **United Nations (UN) International Organisation for Migration (IOM)** releases a report revealing that over 50,600 people left Ethiopia via migration routes in the first quarter of 2026, mostly fleeing economic hardship and conflict;

17 Aug 2026 **Addis Ababa (Ethiopia)** *FanaMC*. **United States (US)** military instructors begin providing training to Ethiopian troops at the **Ethiopian National Defence Force Peacekeeping Centre**;

15 Aug 2026 **Addis Ababa (Ethiopia)** *Addis Standard*. The opposition **Coalition for Ethiopian Unity** accuses government security forces of three extrajudicial killings in the **Abeshige** area of **Central Ethiopia Regional State** on 30 July;

14 Aug 2026 **Addis Ababa (Ethiopia)** *ENA*. The government signs a memorandum of understanding (MoU) with **Malawi** to strengthen bilateral cooperation to combat human trafficking;

14 Aug 2026 **Addis Ababa (Ethiopia)** *Addis Standard*. The **European Union (EU)** releases its **Annual Report on Human Rights and Democracy in the World** for 2025, in which it claims that Ethiopia's efforts to centralise authority strained the country's democratic institutions and human rights;

12 Aug 2026 **Khartoum (Sudan)** *Addis Standard*. The Sudanese army claims that the paramilitary **Rapid Support Forces (RSF)** is launching attacks on towns in **Sudan's Blue Nile State** from **Ethiopian** territory;

11 Aug 2026 **Addis Ababa (Ethiopia)** *Borkena*. Armed militants kill at least ten people in an attack in **Gilgel Beles (Benishangul-Gumuz Region)**;

11 Aug 2026 **Addis Ababa (Ethiopia)** *Addis Standard*. The **United Nations (UN) Food and Agricultural Organisation (FAO)** confirms that it needs at least \$50m in funding to provide urgent food assistance to at least 4.66 million Ethiopians amid an anticipated deterioration in food security due to the impending **El Niño** weather event;

6 Aug 2026 **Addis Ababa (Ethiopia)** *AfDB*. The **African Development Bank (AfDB)** releases its **Ethiopia Country Focus Report 2026** in which it projects that the country's economy will grow by 8.7% of GDP in the 2026/27 financial year;

3 Aug 2026 **Addis Ababa (Ethiopia)** *Borkena*. A landslide kills at least 14 people in the **Amhara Region's North Shewa Zone**;

1 Aug 2026 **Mekelle (Ethiopia)** *The Reporter*. The **Tigray Disaster Risk Management Commission (TDRMC)** issues a warning that the Tigray Region lacks the necessary funding to prepare for and adapt to the impacts of the anticipated drought caused by the impending **El Niño** weather phenomenon;

30 Jul 2026 **Addis Ababa (Ethiopia) EUD**. The **European Union (EU) Delegation to Ethiopia** releases its latest economic and trade update in which it reported that the decision to float the national currency, the birr, caused a \$50 billion drop in Ethiopia's nominal GDP;

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