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In a major victory for the Ethiopian government, federal forces and allied militia take a major step toward regaining control of the northern Tigray Region after capturing its capital, Mekelle, on 4 October. Kenya officially reclaims its position as East Africa's largest economy after five years, overtaking Ethiopia as the depreciation of the Ethiopian birr reduced the United States (US) dollar value of its economy. Speaking in parliament after being sworn in for another five-year term, prime minister Abiy Ahmed (2018-present) on 5 October renews calls for Ethiopia's access to the Red Sea, further straining tensions with neighbouring Eritrea and other countries in the Horn of Africa.

Government forces recapture Tigray and establish an interim government

In a major victory for the Ethiopian government, federal forces and allied militia took a major step toward regaining control of the northern **Tigray Region** after capturing its capital, **Mekelle**, in early October. Prime minister **Abiy Ahmed** (2018-present) has since appointed an interim administration to restore stability and prepare the region for elections within six months.

The **Ethiopian National Defense Force (ENDF)** and the **Tigray Peace Forces (TPF)**, a pro-government militia in the region, entered central Mekelle on 3 October and the ENDF announced the following day that it had regained control of the strategic city. The capture was a major setback for the **Tigray People's Liberation Front (TPLF),** which led an opposition alliance of seven groups that launched an offensive against Abiy's government on 23 September *(see ARC Briefing Ethiopia Sep 2026)*. The TPLF's armed wing, the **Tigrayan Defence Forces,** launched an offensive against the federal government on 23 September and seized at least three airports in Tigray, including Mekelle's **Alula Aba Nega International Airport**. Tigrayan forces also embarked on offensive operations in the neighbouring **Afar** and **Amhara** regions in coordination with local nationalist militia forces in those regions. However, after losing control of Mekelle, the TPLF withdrew its forces and said in a statement on 3 October that it would operate elsewhere temporarily.

The advance of federal forces into the city marked an important shift in control of the region; Abiy announced on 16 October that he had appointed a caretaker administration to govern Tigray for six months. Its main task is to set up conditions for free and transparent elections. The caretaker administration also plans to repair conflict-damaged infrastructure and help displaced people return home. These measures aim to restore public services and establish a functioning administration. The **United States (US)** embassy in **Addis Ababa** also said in its 15 October security alert that recent fighting has subsided in the Tigray, **Amhara**, and **Afar** Regions, but discouraged US citizens from travelling to those regions for any reason and to reconsider travel to Ethiopia.

Restoring stability and peace to Tigray will be difficult. The region is still recovering from the devastating effects of the **Tigray War**, which lasted from 2020 to 2022. During the Tigray War up to 600,000 people were killed, over 2.5 million displaced, and an estimated $44 billion in economic damage inflicted. The war was also marked by numerous war crimes and allegations

of ethnic cleansing. A second Tigray War threatened to be just as destructive. The region is also reeling from drought linked to **El Niño**, adding to the pressure on communities already affected by the conflict.

There are also questions about whether the latest military gains by federal forces will bring lasting peace to the region. After federal forces captured Mekelle in 2020, the TPLF regrouped and later returned to the city, indicating that the group's withdrawal this month does not necessarily mean that its ability to continue has ended. The TPLF also has access to drones, which could enable it to target government forces while minimising the exposure and deployment of its own troops. The success of the interim administration in Tigray will depend on whether it can provide security, address local needs and create the necessary conditions for credible elections.

There were also major concerns that the conflict risked increasing tensions across the **Horn of Africa**. Ethiopia has accused Eritrea, **Sudan** and **Egypt** of supporting the rebel alliance, although the three countries have denied the allegations. Relations between Ethiopia and Eritrea have deteriorated significantly, raising major fears that the fighting could escalate into a wider regional conflict (see below).

Capturing Mekelle has given the Abiy government an opportunity to reassert its authority in Tigray and northern Ethiopia. However, military action alone does not guarantee long-term peace and stability. The interim government must address the region's humanitarian crisis, support the return of displaced people, and establish a political process, importantly including the TPLF, to prevent further conflict.

Kenya overtakes Ethiopia as East Africa's largest economy

Kenya has officially reclaimed its position as **East Africa**'s largest economy after five years, overtaking Ethiopia as the depreciation of the Ethiopian birr reduced the US dollar value of its economy. The **International Monetary Fund (IMF)**'s October **2026 World Economic Outlook** indicates Kenya's GDP was valued at $135.92 billion in 2025, compared with Ethiopia's $126.35 billion. The global lender also forecast that the gap is expected to widen to $24 billion in 2026.

The change largely reflects currency movements rather than stronger economic growth in Kenya. Ethiopia's currency reforms in July 2024 allowed the birr to depreciate against the US dollar, reducing the dollar value of its economic output. Despite this, Ethiopia's economy recorded real economic growth of 9.2% in 2025, compared with Kenya's 4.6%. Ethiopia also retains a larger economy when measured by purchasing power parity (PPP), which accounts for differences in local prices.

However, renewed fighting in Tigray and rising tensions with Eritrea threaten Ethiopia's economic recovery and could discourage foreign investment. Meanwhile, Kenya may benefit from investors seeking more stable regional business opportunities, although the country continues to face challenges from high public debt and pressure on government finances.

Ethiopia's Red Sea ambitions deepen tensions with Eritrea

Abiy on 5 October renewed calls for Ethiopia's access to the **Red Sea**, further straining tensions with neighbouring Eritrea and other countries in the Horn of Africa. Speaking in parliament after being sworn in for another five-year term, Abiy said Ethiopia would work to secure an outlet to the ocean, which he described as critical to Ethiopia's *"civilisation"*, stating:

> *"Based on the principle of give and take, we will work diligently to ensure that Ethiopia has an outlet to the sea".*

Ethiopia lost direct access to the Red Sea in 1993, when Eritrea became an independent country. Ethiopia became dependent on access to ports in neighbouring states for international trade, particularly **Djibouti**. Abiy has repeatedly argued that securing a port is a national priority and also previously said access to the sea is existential for Ethiopia and that it would take it by force if necessary, although negotiations would be the preferred strategy. However, his statements have once again raised concerns among neighbouring countries, particularly Eritrea, which fears Ethiopia may seek access through its territory.

Relations between the two countries have deteriorated sharply in recent months. Ethiopia on 1 October announced the closure of its embassy in Eritrea and ordered 10 Eritrean diplomats to leave the country. Eritrea subsequently severed diplomatic ties with Ethiopia on the same day. The dispute has been worsened by renewed fighting in Tigray, where Ethiopian federal forces and allied militia have advanced against the TPLF. Ethiopia has accused Eritrea of supporting the rebel alliance, an allegation the country denies. However, independent conflict-tracking organisation **Armed Conflict Location & Event Data (ACLED)** published a report on 7 October stating that its data proves otherwise and that, as a strategy to block Ethiopia's access to the **Port of Assab** (Eritrea), Eritrea

> *"seeks to create a buffer between Ethiopia and Eritrea by making Tigray hostile to Ethiopia. Hence, Eritrean forces entered the war in Tigray to halt the Ethiopian government and allied forces from reaching the border and potentially fighting within Eritrea's territory".*

There were also major fears that the dispute risked drawing in other regional powers. Ethiopia has accused Egypt and Sudan of supporting armed groups fighting its government, although both countries have rejected the claims. Relations with Egypt and Sudan are also already strained by disagreements over Ethiopia's **Grand Ethiopian Renaissance Dam (GERD)** on the **Nile River**, which Egypt and Sudan fear could threaten their water supplies.

Egypt, Eritrea, Sudan and Somalia met on 4 October in **New Alamein** (Egypt) and stressed that the responsibility for governing the Red Sea belongs to countries with coastlines along it. However, Ethiopia's foreign ministry responded on 5 October that discussions over the sea must take into account the country's *"legitimate interests and enduring connection".*

Ethiopia's search for a Red Sea outlet reflects its economic and strategic ambitions, but it is also becoming a source of regional tension. Without negotiations and agreement with neighbouring countries, Abiy's efforts could further weaken relations and increase the risk of wider instability in the Horn of Africa. However, a wider regional conflict is unlikely in the near term, given the high economic and political costs it would impose on the countries involved. A regional analyst told ARC Briefing that even if Abiy presently wants to capture the port of Assab in Eritrea, he can't do it with Tigray and the country:

> *"If he invades Eritrea now, it's possible that the TPLF and other rebel groups in other regions can attack Ethiopian troops from the back."*

Planner

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

Chronology

23 Oct 2026 **Addis Ababa (Ethiopia)** *TimesLive*. The **Kenya Red Cross** says it is sending humanitarian supplies to families who fled into Kenya after fighting erupted in the **Ethiopian** border town of **Moyale** this week, and that its response will initially reach 1,000 households;

20 Oct 2026 **Addis Ababa (Ethiopia)** *Africa Report*. The **United States (US)** is reportedly seeking to prevent a military confrontation between Ethiopia and **Eritrea**, pursuing de-escalation efforts without taking sides in the dispute;

17 Oct 2026 **Addis Ababa (Ethiopia)** *Business Insider Africa.* **Kenya** reclaims its position as **East Africa**'s largest economy after five years, surpassing Ethiopia, with Kenya's GDP standing at $135.92 billion in 2025 against Ethiopia's $126.35 billion;

15 Oct 2026 **Gambella (Ethiopia)** *Borkena.* Gambella regional government confirms armed groups carried out another attack in Gambella city, reporting that they had to involve federal forces to contain the security situation, while also announcing a curfew between 6pm and 6am;

14 Oct 2026 **Addis Ababa (Ethiopia)** *Africanews.* Pro-government militia **Tigray Peace Force**'s spokesperson, **Solomon Hailemariam**, says **Eritrean** soldiers have suffered heavy losses in Ethiopia and are retreating, claims that cannot be independently verified;

13 Oct 2026 **Addis Ababa (Ethiopia)** *Reuters*. Ethiopian government troops have advanced to the town of **Zalambessa** on the border with **Eritrea,** previously controlled by **Tigrayan** rebels;

12 Oct 2026 **Addis Ababa (Ethiopia)** *Reuters*. Ethiopia launches its first gold refinery, a $50m joint venture with **Dubai**-based **Sam Precious Metals** aimed at turning the country into a regional processing hub for precious metals;

9 Oct 2026 **Addis Ababa (Ethiopia)** *Reuters*. Ethiopia says in a letter addressed to the **United Nations (UN)** that an *"all-out invasion"* by **Eritrean** forces left it with no option but to defend itself;

8 Oct 2026 **Addis Ababa (Ethiopia)** *Polity*. Prime minister **Abiy Ahmed** appoints **Fitsum Assefa Adela** as finance minister in his new cabinet, replacing **Ahmed Shide,** who has become speaker of the lower house of parliament;

7 Oct 2026 **Addis Ababa (Ethiopia)** *Bloomberg*. Ethiopia accuses **Eritrea** of sending troops into its territory and demands their immediate withdrawal as tensions escalate between the two countries amid renewed conflict in the region;

7 Oct 2026 **Addis Ababa (Ethiopia)** *Business Insider Africa*. The **United States (US)** issues a security alert warning its citizens in Ethiopia to *"reconsider"* travel to the country amid reports of possible long-range attacks targeting military installations, as tensions with neighbouring **Eritrea** escalate;

5 Oct 2026 **Addis Ababa (Ethiopia)** *Al Jazeera.* Prime minister **Abiy Ahmed** is sworn in for a second five-year term, using the occasion to once again demand access to the **Red Sea**;

4 Oct 2026 **Mekelle (Ethiopia)** *Bloomberg*. Ethiopian forces seize control of the airport and other parts of Mekelle, the capital of **Tigray Region**, as leaders of the **Tigray People's Liberation Front (TPLF)** retreat from the city, marking a major turning point in the renewed conflict;

2 Oct 2026 **Addis Ababa (Ethiopia)** *Daily Nation*. **Eritrea** severs diplomatic ties with Ethiopia, accusing it of *"deplorable acts of hostility",* hours after Ethiopia closed its Eritrean embassy over alleged *"acts of hostility and belligerence"*;

2 Oct 2026 **Addis Ababa (Ethiopia)** *Reuters*. The **African Union (AU) Commission** has called on Ethiopia, **Eritrea** and **Egypt** to exercise maximum restraint and refrain from actions or statements that could worsen tensions and undermine regional peace and stability;

1 Oct 2026 **Addis Ababa (Ethiopia)** *Bloomberg*. Diplomatic sources say two explosions were heard in the Ethiopian capital **Addis Ababa**, overnight amid growing unrest in the northern **Tigray Region**;

30 Sep 2026 **Addis Ababa (Ethiopia)** *Somalia Today*. Ethiopia plans to withdraw thousands of troops from neighbouring **Somalia** as fighting at home escalates, forcing prime minister **Abiy Ahmed**'s government to redirect military resources towards a widening conflict with rebel groups;

30 Sep 2026 **Addis Ababa (Ethiopia)** *eNCA*. Nigerian billionaire **Aliko Dangote** and President **William Ruto** break ground on a $16 billion oil refinery in Lamu to meet growing demand for petroleum products across **East Africa**, with Ethiopia Prime Minister **Abiy Ahmed** attending the ceremony;

29 Sep 2026 **Addis Ababa (Ethiopia)** *Africanews*. Pro-government forces in Ethiopia say they have taken control of the town of **Alamata** in southern **Tigray** after days of clashes with rebel forces across multiple fronts;

25 Sep 2026 **Addis Ababa (Ethiopia)** *Bloomberg*. Flights are suspended and internet services disrupted across parts of northern Ethiopia as fighting spreads, with government reporting it has killed 272 rebels, raising fears of a return to the brutal civil war that ended in 2022;

24 Sep 2026 **Addis Ababa (Ethiopia)** *Borkena*. Fighting escalates between federal forces and **Tigray People's Liberation Front (TPLF)** forces along the **Tigray–Afar** border, with TPLF forces reportedly taking control of **Mekelle**'s **Alula Aba Nega International Airport** and abducting federal police personnel;

21 Sep 2026 **Addis Ababa (Ethiopia)** *Reuters.* Seven Ethiopian armed groups, including the **Tigray People's Liberation Front (TPLF)** and the **Amhara Fano National Movement**, announce they have formed an alliance, the **Ethiopian Peoples' Forces Alliance for Survival**, aimed at overthrowing prime minister **Abiy Ahmed**;

21 Sep 2026 **Nairobi (Kenya)** *Borkena*. **Kenya Power** renews its electricity supply agreement with **Ethiopian Electric Utility**, doubling contracted electricity imports from Ethiopia from 200MW to 400MW, with the additional supply expected to reach Kenya's grid in December;

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