

# Eritrea



## Introduction

**Background:** Eritrea was awarded to Ethiopia in 1952 as part of a federation. Ethiopia's annexation of Eritrea as a province 10 years later sparked a 30-year struggle for independence that ended in 1991 with Eritrean rebels defeating governmental forces; independence was overwhelmingly approved in a 1993 referendum. A two-and-a-half-year border war with Ethiopia that erupted in 1998 ended under UN auspices on 12 December 2000. Eritrea currently hosts a UN peacekeeping operation that is monitoring a 25 km-wide Temporary Security Zone on the border with Ethiopia. An international commission, organized to resolve the border dispute, posted its findings in 2002 but final demarcation is on hold due to Ethiopian objections.

## Geography

**Location:** Eastern Africa, bordering the Red Sea, between Djibouti and Sudan

**Area:** *total:* 121,320 sq km

*land:* 121,320 sq km

*water:* 0 sq km

**Coastline:** 2,234 km total; mainland on Red Sea 1,151 km, islands in Red Sea 1,083 km

**Climate:** hot, dry desert strip along Red Sea coast; cooler and wetter in the central highlands (up to 61 cm of rainfall annually); semiarid in western hills and lowlands; rainfall heaviest during June-September except in coastal desert

**Terrain:** dominated by extension of Ethiopian north-south trending highlands, descending on the east to a coastal desert plain, on the northwest to hilly terrain and on the southwest to flat-to-rolling plains

**Natural resources:** gold, potash, zinc, copper, salt, possibly oil and natural gas, fish

**Environment - current issues:** deforestation; desertification; soil erosion; overgrazing; loss of infrastructure from civil warfare

## **People**

**Population:** 4,561,599

**Population growth rate:** 2.51%

**Net migration rate:** 0 migrant(s)/1,000 population

*note:* UNHCR began repatriating about 150,000 Eritrean refugees from Sudan in 2001 following the restoration of diplomatic relations between the two countries in 2000

**Languages:** Afar, Arabic, Tigre and Kunama, Tigrinya, other Cushitic languages

## **Government**

**Country name:** *conventional long form:* State of Eritrea

**Government type:** transitional government

*note:* following a successful referendum on independence for the Autonomous Region of Eritrea on 23-25 April 1993, a National Assembly, composed entirely of the People's Front for Democracy and Justice or PFDJ, was established as a transitional legislature; a Constitutional Commission was also established to draft a constitution; ISAIAS Afworki was elected president by the transitional legislature; the constitution, ratified in May 1997, did not enter into effect, pending parliamentary and presidential elections; parliamentary elections had been scheduled in December 2001, but were postponed indefinitely; currently the sole legal party is the People's Front for Democracy and Justice (PFDJ)

**Capital:** Asmara

**Independence:** 24 May 1993 (from Ethiopia)

**Legal system:** primary basis is the Ethiopian legal code of 1957, with revisions; new civil, commercial, and penal codes have not yet been promulgated; also relies on customary and post-independence-enacted laws and, for civil cases involving Muslims, Sharia law

**Executive branch:** *chief of state:* President ISAIAS Afworki

**International organization participation:** ACP, AfDB, AU, FAO, G-77, IAEA, IBRD, ICAO, ICCT (signatory), ICFTU, IDA, IFAD, IFC, IFRC (observer), IGAD, ILO, IMF, IMO, Interpol, IOC, ISO (correspondent), ITU, MIGA, NAM, OPCW, PCA, UN, UNCTAD, UNESCO, UNIDO, UPU, WCO, WFTU, WHO, WIPO, WMO, WTO

## **Economy**

**Economy - overview:** Since independence from Ethiopia on 24 May 1993, Eritrea has faced the economic problems of a small, desperately poor country. Like the economies of many African nations, the economy is largely based on subsistence agriculture, with 80% of the population involved in farming and herding. The Ethiopian-Eritrea war in 1998-2000 severely hurt Eritrea's economy. GDP growth fell to zero in 1999 and to -12.1% in 2000. The May 2000 Ethiopian offensive into northern Eritrea caused some \$600 million in property damage and loss, including losses of \$225 million in livestock and 55,000 homes. The attack prevented planting of crops in Eritrea's most productive region, causing food production to drop by 62%. Even during the war, Eritrea developed its transportation infrastructure, asphaltting new roads, improving its ports, and repairing war damaged roads and bridges. Since the

war ended, the government has maintained a firm grip on the economy, expanding the use of the military and party-owned businesses to complete Eritrea's development agenda. Erratic rainfall and the delayed demobilization of agriculturalists from the military kept cereal production well below normal, holding down growth in 2002-04. Eritrea's economic future depends upon its ability to master social problems such as illiteracy, unemployment, and low skills, and to open its economy to private enterprise so the diaspora's money and expertise can foster economic growth.

**GDP:** purchasing power parity - \$4.154 billion

**GDP - real growth rate:** 2.5%

**GDP - per capita:** purchasing power parity - \$900

**GDP - composition by sector:** *agriculture:* 12.4%

*industry:* 25.9%

*services:* 61.7%

**Investment (gross fixed):** 26.3% of GDP

**Population below poverty line:** 50%

**Inflation rate (consumer prices):** 10%

**Budget:** *revenues:* \$235.2 million

*expenditures:* \$373.2 million, including capital expenditures of NA

**Agriculture - products:** sorghum, lentils, vegetables, corn, cotton, tobacco, coffee, sisal; livestock, goats; fish

**Industries:** food processing, beverages, clothing and textiles, salt, cement, commercial ship repair

**Oil - consumption:** 6,000 bbl/day

**Current account balance:** \$-144.9 million

**Exports:** \$64.44 million f.o.b.

**Exports - commodities:** livestock, sorghum, textiles, food, small manufactures

**Exports - partners:** Malaysia 54.7%, Italy 8.8%, France 3.7%

**Imports:** \$622 million f.o.b.

**Imports - commodities:** machinery, petroleum products, food, manufactured goods

**Imports - partners:** US 32.3%, Italy 15.5%, Turkey 5.5%, UK 4.6%, Russia 4.4%, Italy 6.4%

**Currency:** nakfa (ERN)

**Exchange rates:** nakfa (ERN) per US dollar - 13.788 (2004), 13.878 (2003), 13.958 (2002), 11.31 (2001), 9.625 (2000)

**Transportation**

**Railways:** *total:* 306 km

*narrow gauge:* 306 km 0.950-m gauge

**Highways:** *total:* 4,010 km

*paved:* 874 km

*unpaved:* 3,136 km

**Ports and harbors:** Assab (Aseb), Massawa (Mits'iwa)

**Merchant marine:** *total:* 6 ships (1,000 GRT or over) 16,069 GRT/19,549 DWT  
*by type:* cargo 3, liquefied gas 1, petroleum tanker 1, roll on/roll off 1

*registered in other countries:* 1

**Airports:** 17 (2004 est.)