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## Assab: Surviving Trying Times in Port

ASSAB, Eritrea

January 1999

By Marc Michaelson

Upon arrival in Assab, I feel like I am entering a ghost town. The streets are eerily deserted save for a few stragglers strolling listlessly along the sidewalk. Homes and shanties in the Campo Sudan neighborhood are locked up, apparently for the long term. Many businesses, restaurants and bars in the town center are closed. The once-bustling port lies empty and barren, its lonely rows of cranes staring seaward in the hope of spotting a ship to dock. The hotels are empty, and I am surprised to find someone actually breathing behind the solitude of their reception desks.

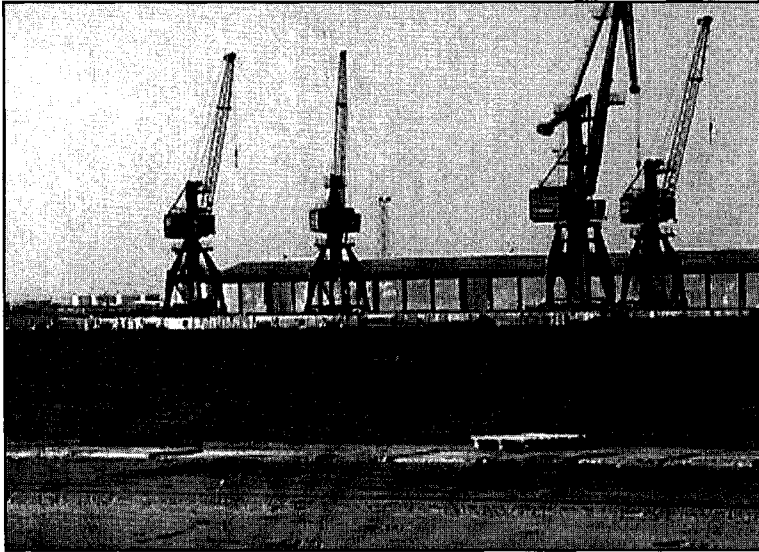
These days Assab looks much like the Hollywood movie set of a small town months after filming has ceased. A few stray stage-hands stroll through the streets, wistfully remembering the glory days. It's hard to imagine what Assab looked like in its heyday, when the cameras were rolling and the prosperity of booming trade graced the shoulders of its inhabitants. Now Assab is little more than a shadow of the boomtown it was just eight months ago.

Perched close to the southern end of Eritrea, just 55 kilometers from the Djibouti border, Assab houses (what was) one of the Horn of Africa's busiest ports. Purchased by the Rubattino Shipping Company in 1869, Assab was the site of Italy's first settlement in Eritrea. Economically, it has been the lifeline of Ethiopia's sea trade, as well as its primary source of salt and refined oil products.

Historically, Assab's connections with Addis Ababa, the Ethiopian capital, have been much stronger than its links to Eritrea's capital, Asmara. These ties continued even after Eritrea's independence in 1993. Assab has remained essentially an Ethiopian town, lying peculiarly on the Eritrean coastline. The population is predominantly Ethiopian, and Amharic is more commonly heard on the streets than Tigrinya (the main Eritrean language); the phone system is connected through Addis Ababa, not Asmara; and, despite the longer distance, travel by asphalt road to the Ethiopian capital takes just a day and a half, compared to four bumpy, back-breaking days through the harsh Denkalia desert to Asmara.

At the time of independence, the Eritrean and Ethiopian governments agreed that Ethiopia would be granted continued free and unfettered access to Assab's port facilities. Ninety-five percent of the port's business involve goods bound for or originating from Ethiopia. The Assab Oil Refinery's business and that of the Assab Salt Works were also nearly 100 percent reliant on the Ethiopian market.<sup>1</sup> The entire Assab economy was built on business from the sixty

<sup>1</sup> Apparently 20 percent of the oil refinery's products were paid by Ethiopia to Eritrea as fees for use of the facility. This arrangement was a bone of contention since it made the facility extremely expensive for Ethiopia to use.



*Idle cranes at Assab Port*

million people in the country to Eritrea's south.

All of these features made Assab a fascinating, multicultural and economically vibrant town. Truckers, traders, prostitutes, sailors, civil servants and expatriates all mingled in a lively mix of social and economic mayhem. Eritreans and Ethiopians lived together peacefully, both communities equally dependent upon the trade economy for their livelihoods.

Then, in May 1998, cordial relations between Ethiopia and Eritrea rapidly withered, and a conflict broke out at numerous points along their common border. Assab port was immediately closed, and each country blamed the other for the closure. In July, fighting opened near Bure, the border town on the road from Addis Ababa to Assab. Eritrea suspected Ethiopia would attempt to gain control of Assab, but fighting ultimately stalemated with both sides essentially stuck where they began. In early 1999, the standoff remains, with thousands of troops hunkered down in bunkers across from each other. Should full-scale war break out between the two countries, a bitter battle for control of this strategic port town is likely.<sup>2</sup>

Perhaps more than any other major town in either Ethiopia or Eritrea, Assab has been turned upside down

by the conflict. The economy has been devastated, the population has been jumbled, and the vitality and spirit of the town have faded.

These trials notwithstanding, Assab has shown remarkable durability. Despite turmoil, economic stress and the lingering clouds of an uncertain future, significant remnants of normal daily life continue unabated. Ethiopians and Eritreans who have remained in Assab continue to work, live and socialize. The town's inhabitants have displayed resilience and poise in the face of political stresses that have affected them deeply, but which lie beyond the purviews of their control. Assab has been wounded, but it has not fallen apart; it has not imploded, despite a struggling economic base, nor has it tumbled into a downward spiral of ethnic violence; its residents have resisted the temptations of hatred and

divisiveness, retribution and revenge. Confronted with considerable adversity, Assab has persisted — and thus far survived — these trying times.

## CONFLICT AND POPULATION MOVEMENTS

Following the outbreak of conflict on the border, Assab's port-dominated economy effectively shut down. Accusations were bandied back and forth by the Ethiopian and Eritrean authorities, each claiming the other side bore responsibility for closing the port. The point was moot — even if the port remained open, no goods could traverse the border, which had quickly closed. Thousands of Assab residents lost their livelihood in the span of a few days, and their situation rapidly deteriorated. Casual port laborers and their dependents, who had eked out a meager subsistence on day wages, had no savings nor other social-welfare network upon which to fall back. They could no longer buy food, much less pay rent. Assab was hungry, and reports of some people starving began to surface.<sup>3</sup>

The situation worsened in June when fighting erupted on the Bure-Assab front along the road to Addis Ababa. Not only was Assab struggling to survive, but now it was also trapped. The border was uncrossable. Then the politics of population movements caused new complications. In

<sup>2</sup> Many Ethiopian nationalists were enraged when Assab was included in the territory of independent Eritrea in 1993. It is rumored that a battlefield agreement between Eritrean President Isaias Afewerki and Ethiopian Prime Minister Meles Zenawi — for Ethiopia to retain Assab as its sovereign port — was betrayed at the moment of independence. A considerable segment of the Ethiopian population perceives the current conflict as an opportunity to right that historic wrong. The *Addis Tribune* summed up Ethiopian sentiment in a commentary on 16 January 1998 (about five months before the border conflict flared up): "...the fundamental question with respect to Assab is, why would 58 million Ethiopians be deprived of their own access to the sea while 3.5 million Eritreans control a 1000-km. coastline along which several ports and harbours could easily be developed?"

<sup>3</sup> The Ethiopian government used the deteriorating conditions in Assab for propaganda purposes. In official reports, they blamed the Eritrean government for food shortages, asserting that 30 people per day were starving to death. International observers and journalists who visited the area during that time period say that such reports were grossly exaggerated. Still, the situation was serious, many people were hungry, and a few likely did die of hunger.

July, when Ethiopia began deporting Eritrean nationals, the Eritrean government bent over backwards so as not to be accused of the same. Eritrea wanted the world to know that Ethiopians were still welcome to live and work in Eritrea. However, in its bid not to be perceived as deporting Ethiopians, the Eritrean government overreacted, and effectively prohibited Ethiopians from leaving the country. As a result, many Ethiopians in Assab were stuck. They had no work, and yet they couldn't leave — they were trapped.

Apart from economics, there were other reasons Ethiopians wanted to leave Assab. The border war was escalating, and rumors spread that Ethiopia was preparing a massive assault on the port town. Tigrayans within Assab's Ethiopian community urged their fellow countrymen from Shewa and Welo (the two Amharic-speaking regions from where most Ethiopian residents of Assab originate) to leave as soon as possible. The Ethiopian army, they said, was ready to attack, and was holding back to allow Ethiopians to escape first. This imminent assault never materialized, but in anticipation of it, many Ethiopians fled.

Another reason Ethiopians left Assab was fear of retribution by Eritrean authorities or vigilantes. The war was escalating, and it was impossible to predict what would happen next. Assab's Ethiopian community felt itself in a vulnerable position. Not wishing to risk being caught as helpless pawns living on enemy turf, many Ethiopians chose to leave.

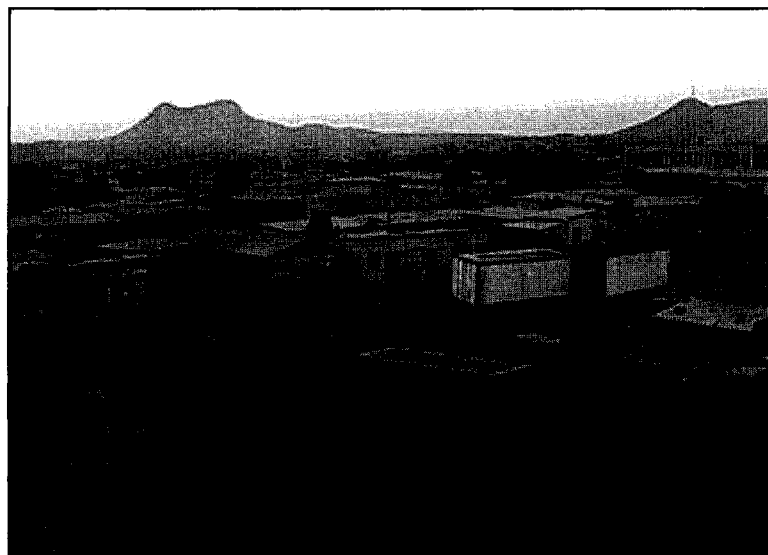
Prior to the conflict, more than 30,000 Ethiopians



*One of the many closed import-export offices*

lived in Assab, comprising about 60 percent of the town's population. With the border closed, and the issuance of exit visas temporarily halted, hundreds of Ethiopians left for the Djibouti border. Then, exit restrictions were relaxed and Eritrean authorities reached agreement with the International Committee of the Red Cross (ICRC) — to verify that Ethiopians were leaving of their own free will, and to accompany them to the border. Thousands of Ethiopians boarded buses for home. All told, authorities estimate more than 15,000 people voluntarily departed — at least half of Assab's Ethiopian population.

In one of the strange twists so typical of this conflict, Assab has now become the primary way station for Eritreans deported by Ethiopia. While Assab's Ethiopians headed south, Eritrean residents of Ethiopia were transported north, on the same road, and were dumped on the Bure border. Whereas Ethiopia deported Eritreans initially to various points along the border (see MM-3), by December they were sending them only through Bure. A total of 50,000 Eritreans have now been forcibly expelled from Ethiopia, and thousands are still arriving in Assab every week.



*Campo Sudan neighborhood*

When deportees arrive in Assab, the slumbering town comes temporarily to life. On December 18th, I watched as the latest group of 1,190 deportees entered the town. Police cars, sirens whining, escorted the convoy of buses. Bystanders quickly gathered along the sidewalks, cheering as the buses passed en route to different hotels.<sup>4</sup> At the Nino Hotel, the deportees unloaded their belongings and were rapidly shuttled off to their

<sup>4</sup> The Eritrean government houses and feeds the new arrivals in Assab's otherwise empty hotels until they can be sent by boat to Massawa and then on to Asmara.

rooms. The authorities have honed this process to perfection, efficiently assisting their new fellow citizens to minimize the trauma of the experience and shield them from curious gawking of onlookers.

One young man, an Eritrean born and raised in Assab, approached me and introduced himself as we watched the deportees disembarking. He shook his head and had a pained expression of disgust on his face. He told me he's seen group after group come through here, and it still pains him. His voice was simultaneously sympathetic and dismayed: "I can't understand how the Ethiopian authorities can do this to their own brothers and sisters. Look at all the kids and the elderly."



*Deportees arriving at Nino Hotel*

The following day, I sat on the verandah of the Assab Hotel, watching the deportees walk by, exploring their new homeland. It is difficult to distinguish them from Assab natives, with two exceptions. The deportees are usually half-families — one parent with children. Rarely are entire families deported together. The other difference is the way the deportees look around, not exactly bewildered, but certainly not yet fully comfortable in their new surroundings. I wonder what goes through their minds as they walk these streets. Some of them have lived for decades in Ethiopia; others, especially young children, have never even visited Eritrea. For these new arrivals, Assab will forever be etched in their memories. Assab is their point of entry, an Ellis Island with no Statue of Liberty; a place where they have arrived involuntarily,

*en route* to starting a new life in a foreign land.

## ETHIOPIAN-ERITREAN RELATIONS

What I found most impressive about Assab was the relative degree of harmony and continuing good relations between Ethiopians and Eritreans living there. Assab could have been a tinderbox; it could have exploded into interpersonal violence between nationals of the two countries. It could have become a microcosm of the conflict itself, with frustrations building and economic decline triggering a mini ethnic war. In many ways, Assab has been most profoundly effected by the conflict, and yet its residents have managed to stay largely above the fray.



*The Zeray Deres Hotel was empty...until a new batch of deportees arrived on December 18th*

Increased tension between the Ethiopian and Eritrean communities flows beneath the surface. As you look over the town, this is not so readily apparent, but is certainly to be expected. Assab's Mayor, Osman Biluh, put it this way: "The relations between Ethiopians and Eritreans in Assab are not as good as they were [before the conflict], and not as bad as they could be. The excellent relations of the past seven years have lessened, but there hasn't been violence, either. All Eritreans know how they are expected to treat Ethiopians, and we have been working hard not to let political problems affect the people. We want people to live together as before."

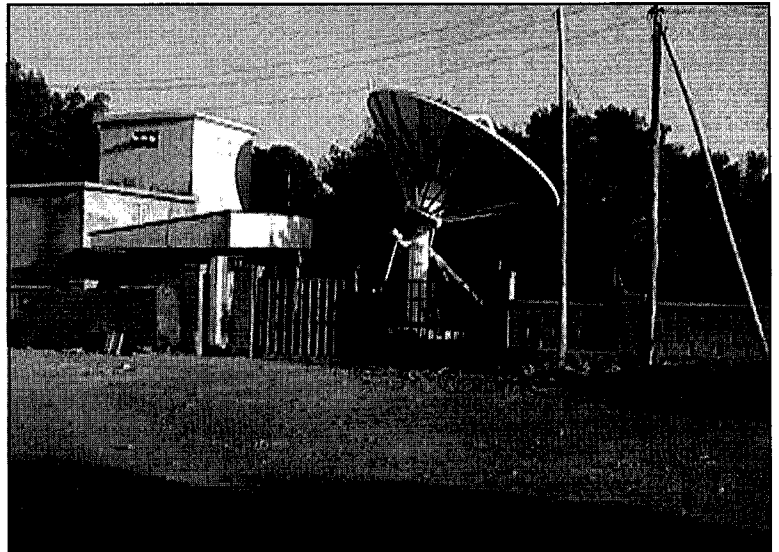
It would be inaccurate to say that there have been no violent incidents or confrontations in Assab. When the war first started, a number of Ethiopians were thrown in jail.

Some may have been beaten, some were expelled from the country. Since that time there have likely been occasional isolated incidents, but no major abuses and certainly no systematic mistreatment of Ethiopians at the hands of Eritrean authorities. An ICRC staffer told me he has been impressed by the restraint of the Eritreans. Despite watching their fellow countrymen being deported from Ethiopia, they have sought no retribution. He said the ICRC always receives word of serious abuses, even in the most repressive countries — they come covertly, whispered or scribbled on little scraps of paper. But in Assab, they have received no such reports.

The increased tensions between the two communities have thus far been kept at bay, below the surface. People in Assab prefer not to talk about the conflict, nor their own experiences with it. People don't appear to be hiding secret gripes from "outsiders" like myself so much as avoiding facing them themselves. They would rather not think about it, and get on with the business of daily survival. Whatever their coping mechanisms, for the time being at least they seem to be working.

## THE INDEPENDENT REPUBLIC OF ASSAB

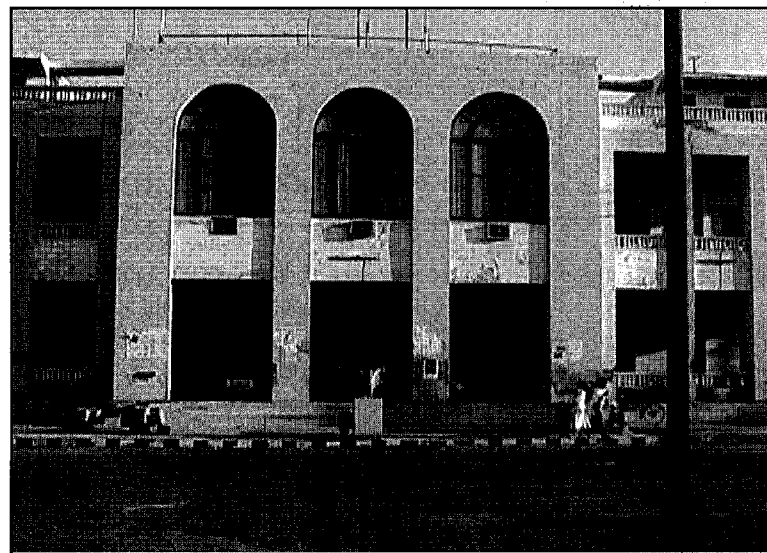
Assab is an island — not literally, of course. But shifting political plate tectonics have in some ways separated Assab from the mainland. Its close ties with Addis Ababa have been severed due to the conflict. Plans to connect Assab more directly with Asmara are in the pipeline, but still incomplete. There are no telephone connections between Assab and Asmara. The dirt road is horrible, and journey by ship takes 36 hours. A new startup company, Red Sea Airline, has launched flight service to Assab, but



*New satellite dish that will soon provide telecommunications links between Assab and Asmara*

planes run only twice a week. As a result, Assab is fundamentally isolated from both countries. It is a modern-day city-state, essentially self-ruling and nominally self-sufficient. Of course this is an exaggeration, but only a slight one. Assab is technically part of Eritrea, yet its administrators sometimes act as if they were unaccountable to anyone but themselves, the sovereign rulers of their mini-fiefdom.

During my one-week stay in Assab, I continually came across bureaucratic stumbling blocks and obstacles. I was armed with a letter from Eritrea's Ministry of Information in Asmara, permitting me to travel anywhere in the country and meet with government officials to conduct my research. No matter. Permission from authorities way, way, far away in the capital was irrelevant to many of them. Since there is no telephone connection between Asmara and Assab, I was unable to make a few calls and clear up any misunderstandings....and they knew that. I was at their mercy. I had no recourse. They could meet me or turn me away at their whim.



*The Regional Administration building — power center of Assab's fiefdom*  
Institute of Current World Affairs

Eritreans are suspicious of foreigners; I have seen this everywhere in the country. But in Assab such suspicions were magnified. Assab is a sensitive spot in the current conflict, and many authorities there seemed uncomfortable at my presence. They did not see me as an opportunity to reverse the misperceptions promulgated in Ethiopian propaganda, but rather saw me as a potential threat. They seemed worried that I might cause more harm or embarrassment, and for that reason kept me on a short leash.

To say I was wholly spurned would be inaccurate. My local contacts, government



journalists from the Ministry of Information, were for the most part quite helpful. They helped me arrange some meetings (at the port, oil refinery, salt works, mayor's office) and provided me with a guide/translator. But, they also subtly controlled my access. On my first day in Assab I asked them to help organize meetings with the Regional Administrator (or his designate), the ERREC (Eritrean Relief and Refugee Commission), and the Ministry of Defense (I wanted to visit the front lines if possible). Despite repeated requests, none of these were arranged. There was always some excuse or another. Then, when I tried to arrange them on my own (especially with the Regional Administrator and ERREC staff), I was rebuffed. Desperate, I tried my permission letter from the Ministry of Information, but to no avail. I could almost see these officials smiling smugly at the other end of the phone, as if to say, "sorry, friend, you're in Assab now — that's the independent Republic of Assab to YOU."

### AN ECONOMIC TOUR OF ASSAB – PAST PROSPERITY, FUTURE UNCERTAINTY

Assab's entire economy has been based on three major industries: the port, an oil refinery, and a salt works. These three operations, all government-owned and -operated, have sustained the vast majority of Assab's residents. If you live in Assab, you either work at one of those three facilities, or you work in a service sector directly or indirectly connected to them — import-export agents, trucking, hotels, livestock production,<sup>5</sup> restaurants, bars.

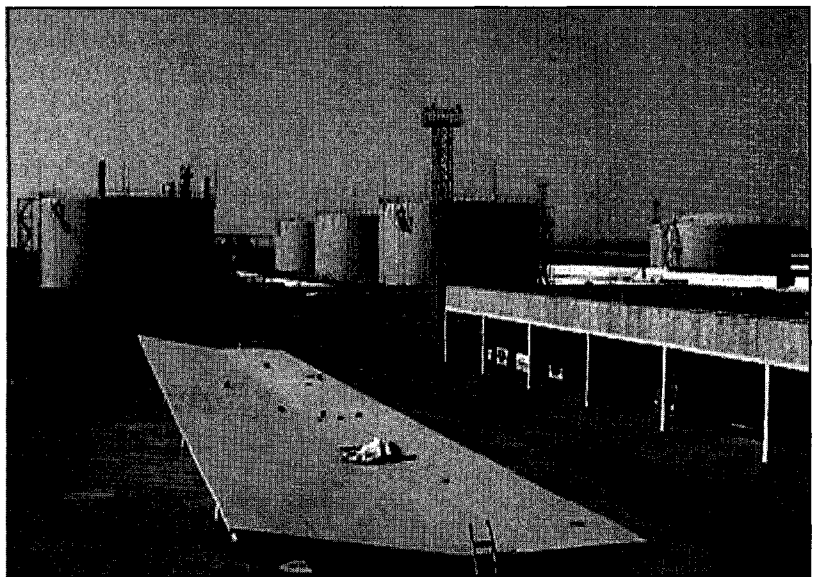
The recent fate of Assab's three big enterprises tells of much more than just the fluctuating state of the local economy. Long before the border conflict exploded in May, signs of deteriorating economic relations between the two countries began to surface in Assab. The conflict itself has likewise greatly impacted the local economy, and borne significant implications for both countries. Analysis of the recent histories of the port, oil refinery and salt factory both prophesy the conflict and express some of the rumbling after-effects.

**Assab Oil Refinery** Like Assab's other two major industries, the oil refinery changed from Ethiopian to Eritrean ownership at the end of the civil war in 1991. However, agreements between the two governments (some of which are rumored to have been secretly forged in the bush during the liberation struggle) maintained considerable Ethiopian control of Assab's economic in-

frastructure. After all, these industries supported Ethiopia, and were only marginally connected with Eritrea.

Ethiopia continued to purchase the vast majority of the oil refinery's products. The refinery's Plant Manager, Afeworki Tesfazion, says Ethiopia eventually decided it could get cheaper petroleum products from other sources. This point was corroborated by Yigzaw Mekonnen, General Manager of the Ethiopian Petroleum Enterprise, who reported in mid-1997 that petrol refined in Assab cost Ethiopia \$268 a ton, compared to \$224 a ton for direct imports.<sup>6</sup> The refinery was also 30 years old, its equipment antiquated and badly in need of maintenance and upgrading. Ethiopia claims the Eritrean government was insisting that it bear the hefty financial burden of rehabilitating the facility. Due to this combination of reasons, in late 1996 Ethiopia stopped ordering products from the refinery, and in August 1997 its final purchases were delivered. The oil refinery conducted some basic maintenance and tests in the following few months and shut down the operation in December 1997. It has been closed ever since.

Mr. Afeworki says that most skilled staff have been kept on the payroll, to enable future reopening of the refinery. However, there are currently no plans to resume



*Assab Oil Refinery*

operations. The Eritrean government is exploring proposals for joint ventures on upgrading the facility, but its ultimate fate remains indeterminate. The oil refinery was entirely dependent on the Ethiopian market, and perched across the Red Sea from Arab oil-producing countries, it is poorly placed to exploit alternative markets. Unless Ethiopia decides to start reusing the refinery, it appears

<sup>5</sup> The region's pastoralist Afar population are also dependent on Assab's economy; they provide the livestock that keeps the town fed.

<sup>6</sup> "Ethiopia to Bread Oil Ties with Eritrea," IOL (Indian Ocean Letters, June 19, 1997)



*Damaged bags of U.S. food aid line the front of this open warehouse*

Assab for only two months, and therefore said he could not answer any questions related to events occurring at the time of the conflict. I responded that surely his predecessor must have left records, or there must be someone else there who knows what happened. Unfortunately not. The previous assistant port manager is now on a training course in Egypt. Conveniently, there was absolutely no one there who could help me. I was referred instead to the Director General of the Marine Department of the Ministry of Transportation and Communication in Asmara. To find out what has happened in Assab, it is better to go to inquire in Asmara, he said. This I did.

I met Mr. Ibrahim Said, Director-General of the Marine Department on December 28th. Mr. Ibrahim is an intelligent,

unlikely that the facility will reopen.

Ethiopia stopped using the Assab refinery some nine months prior to the outbreak of the border conflict in May 1998. Could the Ethiopian government have anticipated the coming dispute, wanting perhaps to secure alternative fuel supplies before the conflict? Or was Assab even one of the precipitating events, part of the intensifying economic tension (that included introduction of Eritrea's new currency, the *nakfa*, in November 1997), which many believe drove the two friendly nations to the brink of war? It is difficult to say with certainty. However, disagreements over the refinery form part of the background of worsening relations, ripening the atmosphere for conflict.

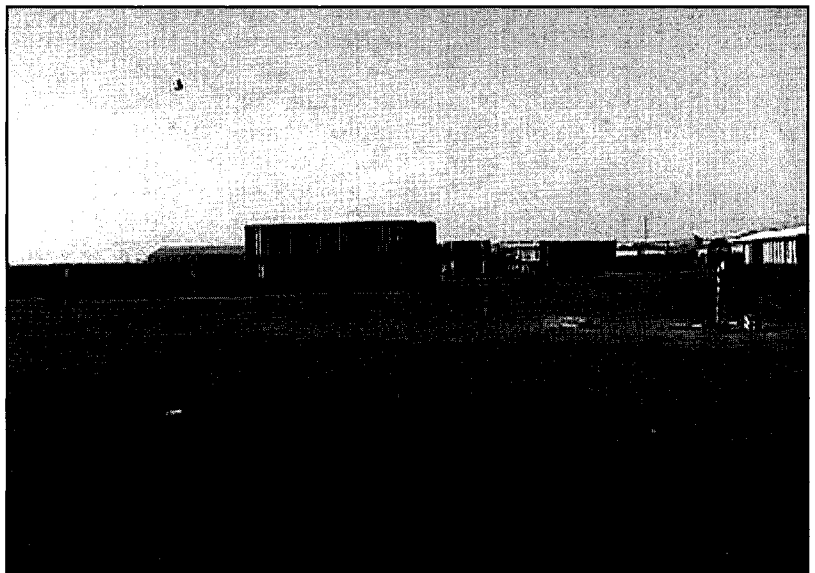
**Assab Port:** Business at the port continued as usual until the outbreak of war in May. Many Ethiopian and international agencies' goods had been recently discharged and were awaiting transport to Ethiopia when fighting began. This would seem to counter the previous assertion that Ethiopia, seeing conflict imminent, had for that reason stopped using Assab facilities like the refinery. When the port closed, massive amounts of food aid, imported by United States Agency for International Development (USAID) were impounded. The fate of all items stuck in the port, perishable and non-perishable, is still unknown.

An "investigative" visit to the port on December 16th turned out to be inconclusive, but quite suspicious. I met with Acting Port Manager Dawit Mengisteab, and asked him a series of questions about the effect of the conflict on port business, and the fate of goods there. He had been in Institute of Current World Affairs

articulate and convincing character. I was prepared for a similar dance of sidestepping and deflection but instead was greeted with confidence, openness and professionalism. Mr. Ibrahim said the port has maintained scrupulous records, and that goods impounded in Assab at the time of the port's closure are in safe hands; they will be released when the government gives the OK sign.

Some of my international contacts in Asmara seemed equally convinced that Eritrea would never steal these goods: "They would rather let the food aid rot on the docks than eat it. When this war is over, they will thumb their noses at the Ethiopian government — 'here is your food, come and get it.'"

To prevent Mr. Ibrahim from hiding behind generalizations, I asked specifically about the case of my friend



*A few scattered, empty containers remain on the port grounds.*

Leslie Mitchell, who runs PACT, an international non-governmental organization (NGO) in Addis Ababa. Her personal effects (clothes, car, television, etc...) made an untimely arrival in Assab — how could she get them back? Completely composed, he said such cases must be conveyed by the U.S. Embassy to the Ministry of Foreign Affairs, after which time the goods could easily be transferred to another port. He showed me one such transfer order — for a P&O Shipping Line container — resting on his desk. He implied such processes could be easily expedited, and that the goods are secure, there is no need to worry.

Contradicting Mr. Ibrahim's self-assured presentation are officials on the Ethiopian side who claim to have definitive evidence that Assab was looted by the Eritrean authorities. The food aid has been sold in local markets and in Sudan, and some has been used to feed deportees and troops on the border, they contend. All of the vehicles and other containers that were in the port have mysteriously disappeared. Ethiopia has protested to COMESA (Economic Community of East and Southern African States) for compensation. The actual fate of the goods in Assab are, in typical Eritrean form, shrouded in mystery. Throughout this conflict, the Eritrean attitude has at times been standoffish. With regard to the border issues and quandaries such as 'the mystery of the missing port items', Eritrean authorities reveal precious little information, repeating their mantra — 'in time, the truth will be known.'

If Eritrea has "taken" the goods from Assab port, this must have been an agonizing decision for them. Eritreans pride themselves on their intolerance of corruption and theft. However, there are mitigating circumstances that may have led Eritrean authorities to dispense with their usually stalwart ethics. First, Assab is a war zone, and there were real fears (especially in July) that Ethiopian troops would attempt to take control of the town. Anticipating this offensive, Eritrea might have decided to take what they could get before the Ethiopian attack. Secondly, Ethiopia has been deporting Eritreans since June, placing great additional burden on the Eritrean government to feed, shelter and assist these new arrivals. What better way to feed the deportees and displaced than with the Ethiopian food aid that would otherwise merely waste away in Assab? The third possibility is that some of the grain was placed on the market to reduce the economic stress of the conflict. Eritrea has always been heavily reliant on food imports from Ethiopia. When those imports stopped, Eritrea was forced to begin importing from other sources. As a stopgap measure, the food aid may have been used. Finally, the Eritrean government may have taken the goods in Assab port as reparations for the old

Ethiopian currency it is holding. When Eritrea introduced its new currency, the *nakfa*, in late 1997, Ethiopia simultaneously issued new *birr* notes. The Eritrean government possessed millions of dollars worth of the old *birr* notes, but the Ethiopian government refused to convert them. This represented a massive loss to the Eritrean government; seizing Ethiopian possessions at the port might be justified by Eritrea as forcible recuperation of some of these currency losses.

Whatever the reasons, if it should be confirmed that Eritrea has stolen goods from Assab port, future repercussions are certain. The Eritrean government has been protesting the confiscation of deported Eritrean national's properties and businesses in Addis Ababa and throughout Ethiopia. Ethiopia has protested their property losses in Assab port. In effect, the two countries have traded accusations of financial wrongdoing. A final peace settlement will likely include provisions for reparations. Both countries will need to be held accountable for such actions, particularly if they hope to restore the confidence of international investors.

The impact of the port closure on the local economy has been profound. The port is completely still these days. Assab's port business was geared almost entirely to Ethiopia.<sup>7</sup> Since the outbreak of hostilities, Ethiopia has shifted its port business to Djibouti. And Ethiopia has continued to explore other port possibilities, namely Berbera in Somaliland and Mombasa in Kenya. However, these are both much farther from the Ethiopian heartland than Assab, and road infrastructures are not as well developed. Once the conflict is resolved, it is hard to predict whether Ethiopia will revert to using Assab or not.

In the meantime, Mr. Dawit says Eritrea is maintaining and upgrading Assab's port facilities, soliciting assistance from investors and the World Bank for new container cranes and other equipment. He believes Assab's proximity to international shipping lanes and its efficient, inexpensive service will attract transshipment business and make Assab a major port hub. Not being an expert on maritime affairs, I can not say whether this is feasible or not. However, barring the return of Ethiopia's business, it appears unlikely that Assab will move the volume of goods it has in the past.

**Assab Salt Works:** Assab's salt-production facility has been temporarily affected by the conflict, but may in the medium term emerge unscathed. Like the town's other major industries, the salt works was almost entirely dependent on Ethiopian business. However, unlike the port and oil refinery, its product is more

<sup>7</sup> Eritrea uses Massawa port, which is more centrally located and accessible to the Eritrean heartland, for most of its own trade activities. According to Mr. Ibrahim Said, approximately 5-10 percent of Massawa's port business was Ethiopian—mostly goods destined for or originating in Tigray. This may represent the "official" figures Ethiopian trade through Massawa. However, other sources say large amounts of contraband goods were imported through Massawa and crossed the border (duty free) en route to the Amhara Region and other areas of Ethiopia.



readily adaptable to other markets in the region.

In the past, annual sales amounted to 60-70 million birr (nearly \$10 million). When the conflict erupted salt sales ground to a halt. The company was unprepared for this eventuality; there was no international marketing strategy in place. Ethiopia's 60 million people had always consumed as much salt as Assab could produce. Since May 1998, the Salt Works' management has gradually made adjustments, and begun to concentrate on developing other potential markets. The first order for 85,000 quintals (1 quintal = 100 kilograms) has been shipped to Mombasa, Kenya. Other invoices are being processed, and additional orders appear likely to come relatively soon.

At the Assab Salt Works, I met with Wereda Andemichael, the Finance Manager. He is a recent arrival as well, having been deported from Ethiopia in early July. Interestingly, Mr. Wereda explained, one of the ef-

fects of the conflict on Assab has been a labor shortage. When thousands of Ethiopians left Assab for their homeland, workforce numbers plummeted. Some construction contractors and hotels have complained that they are now short of labor. The same applies to the Salt Works, which lost approximately 150 Ethiopian daily laborers in the outmigration. This labor shortage has, in some cases, triggered increases in pay. For example, prior to the conflict, piece-rate workers were paid 30 cents for loading/unloading a quintal of salt; now that rate has risen to 50 cents per quintal. The ethnic composition of the labor force is also changing. The Salt Works has recently begun training Afars (an ethnic group predominant in the Assab area) to replace some of the Ethiopian employees who have left.

Initially, the conflict profoundly effected the Salt Works. Sales are now slowly recovering, but it will take some time before substitute markets reach levels equivalent to previous exports to Ethiopia. Still, of the three major enterprises in Assab, this one seems the only one likely to emerge strong and fully operational in the near future.

## CONCLUSIONS

Whither Assab? At the moment, it is hard to say. Much depends on whether a full-scale war erupts, and the nature of the peace eventually attained. It is anybody's guess whether the Ethiopian population will some day return, and whether they would be welcome. It is also difficult to predict whether enough trust will be restored for Ethiopia to return its business to Assab port.

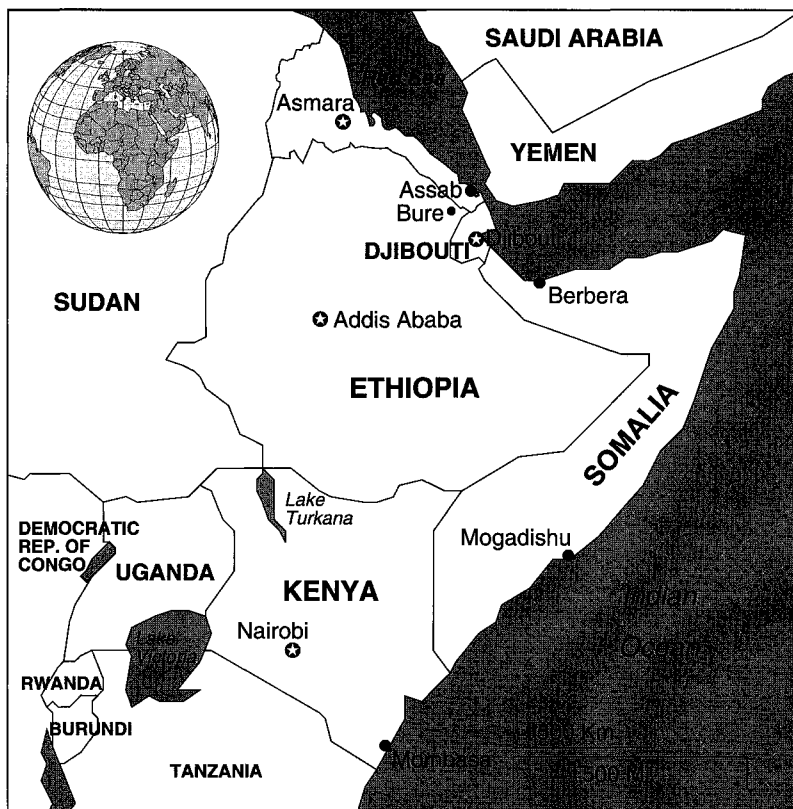
At the moment, the border at Bure is the most quiet along the entire warfront. In other areas, both sides have commenced periodic shelling, and minor skirmishes have steadily increased over the past two months. In Bure, authorities fear that the current tense non-engagement is merely the quiet before a massive storm. If the war begins, Assab may become the most bitter battleground of all.

In some ways, Assab is a microcosm of the relations between Eritrea and Ethiopia. In spite of the current political squabbles that threaten the two nations, their people remain indelibly interconnected and interdependent. Their fates are intertwined — in Assab and elsewhere. Should a self-destructive war break out, Assab is likely to perish along with it. If by some lucky twist of fate war is averted, Assab may eventually return to a future as prosperous and lively as its past. Great harm has already been done; it will take time for those "uprooted" in Assab and elsewhere to rebuild their lives and restore their economic livelihoods. Let's hope their political leaders have the courage to give them that chance. □



*Assab's salt flats (above) and salt sacks awaiting shipment to Mombasa (below)*





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