



Ethiopia's Frontier Trade Relations with the Sudan along Mätäma-Gallabat Corridor, 1942 -1974

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Abstract

One of the limitations of Ethiopian historiography until recently is lack of giving emphasis to the social and economic themes. The Sudan and Ethiopia had largely cordial and sometimes hostile relations in their history for centuries. Cross-border trade along Mätäma-Gallabat route had a long history and played a leading role on Ethiopia's foreign trade from the dawn of the 16th century to 1880s. The objective of this paper is to examine a history of frontier trade (both formal and informal) between the two states along Mätäma-Gallabat corridor from 1942 to 1974. Both primary and secondary sources are used to reconstruct the history of frontier trade between Ethiopia and the Sudan. The archival documents are collected from the former North Gondar Provincial Administration Record Office (NGAZRO), National Archive and Library Agency of Ethiopia (NALAE), and the Institute of Ethiopian Studies (IES) at Addis Ababa University. Oral information is gathered from informants in the former Gondar Province. The sources are cross-checked, criticised internally and externally, and interpreted carefully. This paper shows the informal trade was the dominant one across the border because of several factors like local bandits, lack of infrastructure (road), shortage of financial policemen and customs officials, the hostile relations of the two states, the incapacity of the governments to integrate the frontier economy into the larger national economy, the sluggish process of legal importing and exporting system. Various sections of the society were actors mainly in informal trade. The items of both forms of trade were largely similar.

Keywords: Contraband, Mätäma, Gallabat, Ethiopia and Sudan

1. Introduction

Countries in the Horn of Africa where boundaries are fluid had long years of commercial relations. However, much of the trade in the region was contraband or illicit trade operated by diverse actors violating governments' rules and regulations.¹ The causes for illegal trade

have been related with institutional and individual factors. These were high tax imposed on trade items, complex customs payment systems, insufficient road network, fraud, weak local governance, insecurity, gaps in the demand and supply of items, price oscillation, and improper location of customs posts.² Among

¹ Kefale, A, "Shoats and smart phones: Cross-border trading in the ethio-Somaliland corridor" (DIIS working paper, Govsea paper series, Danish Institute for International Studies, 2019), p.5

² Bogale et al. "Cross-border contraband trade across the main route from Moyale to Hawassa: An exploration into the causes and

Ethiopia's frontier regions, the Mätäma-Gallabat corridor was the main commercial passage with the Sudan and it played multifaceted political and social roles in the relationship between two states during the imperial period (1941-1974). However, much of the research outputs or literature on this corridor are focused on the boundary conflict and hostile relations between the two countries as marked in the works of Alemayehu Erkihun (2020 and 2021), Luca Puddu (2017), Belete Belachew (2016), and Mulatu Wubneh (2016). Thus, with the exception of the work of Setegn Getaneh (2020), the commercial relation of the two states in the imperial period has received no scholarly attention so far.

2. Objectives of the study

General objective

The general objective of this research is to examine Ethiopia's frontier trade relation with the Sudan along the Mätäma-Gallabat corridor from 1941 to 1974.

Specific objectives

The specific of this research are: to

- investigate the nature of trade and its contribution to the frontier society
- analyse factors that affected the trade
- examine the actors of trade
- identify and discuss the major trade items
- analyse the role of custom duties on the frontier trade

3. Methodology

This paper is a history research and used historical research methods. The data for this research is gathered from primary and secondary sources. The primary sources are archival documents and oral information. The secondary sources are articles and books. The archival documents

consequences," *Journal of Business and Administrative Studies*, 7(2), (2015), p.17.

are gathered from the former North Gondar Administrative Zone Record Office (NGAZRO) (now the Central Gondar Administrative Zone) at Gondar, the Institute of Ethiopian Studies (IES) at Addis Ababa University, and the National Archives and Library Agency of Ethiopia (NALAE). The oral information is gathered by interviewing selected individuals (like traders, customs officials, frontier policemen, local administrators, etc.) who were involved directly in different aspects of the cross-border trade along the Mätäma-Gallabat corridor. These primary and secondary data are critically verified and analysed in for originality and credibility in the course of reconstructing the history of the frontier trade.

4. Historical Background

Ethiopia and the Sudan have age-old political and socio-economic relations for centuries. The shift of the political centre of the Christian Kingdom of Ethiopia from Šewa to the Lake Ṭana region and the establishment of a permanent capital at Gondar in the 17th century further enhanced their relations. Economically, the Mätäma-Gallabat corridor was a source of revenue for both the Gondarine Kingdom of Ethiopia and the Funji Kingdom of the Sudan in the form of taxation and slave raiding.³ The foundation of Mätäma/Gallabat as settlement was dated to the middle of the 18th century by Jaalin and Takruri merchants from Metemmeh in Berber Province of the Sudan. Initially, the area was called Gallabat and later on it was renamed "New Metemmeh" after the name of the place the Takruri merchants came

³Richard Pankhurst, "Ethiopia's Economic and Cultural Ties with the Sudan from the Middle Ages to the Mid-Nineteenth century," *Sudan Notes and Records*, Vol. LVI (1975), pp. 53-75; Richard Pankhurst, *A Social History of Ethiopia: The Northern and Central Highlands from Early Medieval Time to the Rise of Tewodros II* (London: Edinburg Press, 1990), pp.75, 87.

from.⁴ Serving as inland port for the regional trade, Mätäma and Gallabat have been twine towns separated by Amihera stream, Mätäma on the Ethiopian side and Gallabat on the Sudanese side.⁵ The two states had customs officers at these twine towns to collect and share the custom duties from various items imported and exported both legally and illegally.⁶

The Mätäma-Gallabat commercial corridor that served as Ethiopia's major inlet and outlet to foreign trade until 1880s lost its status because of bandits, the battle of Embabo (1882), the Ethio-Egyptian war of the 1870s, Ethio-Mahdist war in 1880s, the shift of the capital from Gondar to Addis Ababa with the rise to power of Emperor Menelik II in 1889, the opening of Addis Ababa-Djibouti railway, and the emergence of rival inland ports like Gambéla and Kurmuk along the Sudanese border in the south.⁷ The Great Famine (1888-1892) that damaged the agricultural productivity of the two countries and the Anglo-Mahdist war of 1898 had also hindered the trade of this commercial corridor.⁸ By cultivating friendly relations with the Sudanese governors of Gedarif, *Ras Bitwädäd* Mängäša Atikäm, governor of the western parts of Bägémder, attempted to revive the trade of this

corridor by sending a letter to governor of Gadarif in 1899 saying “ነጋዴዉን ሰድጃለሁ እዚያም ያለዉ ነጋዴ ጉልበቱ እንዳደረሰዉ መጥቶ ወደኛ ይነግድ። ምንም ክፉ ነገር የለበት።”⁹ (lit. I have sent traders to your land. Your traders can also come here and trade; there is no harm in this regards). However, the frontier trade at Mätäma-Gallabat which had about 800 people in 1902 had remained puny.¹⁰

By involving commercial penetration of adjacent Ethiopian regions and by establishing consulates at Dangela (in Gojam) and Gondar, the Italian, British and French colonial governments adjacent to Ethiopia contributed for the revival of Ethiopia's foreign trade after the battle of Adwa in 1896.¹¹ The British and Italians tried to attract the trade of the Lake Tana area to the Sudan and to Eritrea respectively.¹² In addition to the activities of Italians, bandits who infested the route to the Mätäma-Gallabat were impediment that affected the trade negatively in the pre-1935 years.¹³ Despite this, because of its considerable revenue, the the Mätäma-Gallabat custom post was the source of conflict between *Ras* Gugsä Wälē, governor of Bägémder (1900-1910 and 1918-1930), and *Ras* Täfäri Mäkonnen, the regent. Struggling against the regent, Gugsä used the Ethiopian share of the

⁴ Arthur E. Robinson, “The Tekruri Sheikhs of Gallabat (S. E. Sudan)”, *Journal of the Royal African Society*, Vol. 26, No. 101 (1926), p.47.

⁵ Richard Pankhurst, *Economic History of Ethiopia: 1800-1935* (Addis Ababa: HSIU Press, 1968), 348-353.

⁶ Samuel W. Baker, “On the Tributaries of the Nile in Abyssinia,” *Proceedings of the Royal Geographical Society of London*, Vol. X, No. 6 (1865-1866), p.292

⁷ Bahru Zewde, “An Overview and Assessment of Gambella Trade (1904-1935),” *The International Journal of African Historical Studies*, Vol. XX, No.1 (1987), pp.93-94; Richard Pankhurst, “The Trade of Northern Ethiopia in the Nineteenth and early Twentieth Centuries,” *Journal of Ethiopian Studies*, Vol. II. No.1(1964), p. 61.

⁸ Abdussamad H.Ahmad, “Gojjam: Trade, Early Merchant Capital and the World Economy, 1901-1935” (PhD Diss, University of Illinois, 1986), pp. 115-116.

⁹ IES, Ms.no. 1917“KäRas Bitwaded Mängäša Yätäṣafu Däbedabéwäč.”

¹⁰ Hayes, p.89.

¹¹ Bahru Zewde, *A History of Modern Ethiopia, 1855-1991*. 2nd eds. (Addis Ababa: AAUP, 2002), pp. 96 - 97.

¹² Abdussamad H. Ahmad, “Trade Relations of Northern Ethiopia with Italian Eritrea, 1903-1935,” *Africa* (Rome) Anno 52, No. 3 (1997), pp. 416-424.

¹³ Setegn Getaneh, “State and Society on Ethiopia's Northwestern Borderlands: Chilga *Awraja*, 1935-1991” (PhD Diss., AAU, 2020), pp.47-50; Powell-Cotton, *A Sporting Trip through Abyssinia* (London: Rowland Ward Ltd, 1902), p.302; James E.Baum, *Savage Abyssinia* (Great Britain: np,1928), p.265; Robert. Cheesman, *Lake Tana and the Blue Nile: An Abyssinian Quest* (London: Macmillan and Co. Ltd, 1936), pp.130-131

revenue of the Mätäma until his death in 1930, although *Ras Täfäri* wanted to take the Ethiopian share to the central government and asked British officials to do that.¹⁴ The emperor appointed *Ras Kasa Haylu* as governor of Bägémder after Gugsä's death and centralised the revenue of Mätäma custom post. However, the trade with the Sudan along the Mätäma-Gallabat corridor was pathetic in the 1930s due to *Ras Kassa's* feeble administration that did not secure caravans from bandits. Still worse, the outbreak of the Italian war of invasion disrupted the frontier trade.¹⁵

5. Result and Discussion

5.1 The Frontier Trade

The frontier trade between Ethiopia and the Sudan the Mätäma-Gallabat corridor was stimulated in the post-1941 years. By promulgating successive decrees, the imperial government tried on one hand to encourage legal trade and on the other hand to control smuggling (contraband). The 1943 proclamation defined contraband as "any importation, exportation or carriage coastwise, of goods with intent to defraud the revenue or to evade any prohibition of, restriction on, or regulation as to the importation, exportation, or carriage coastwise of any goods." Contraband was an illegal activity and those involved in it were to be fined, their properties confiscated, and imprisoned for their violation of rules and regulations.¹⁶

However, the government's attempt to centralize the frontier trading activity did not alleviate the various problems of Ethiopia's frontier trade with the Sudan after 1941. Since the province of Bägémder and Semén was war torn and

most farmers were busy in the liberation of Gondar from the Fascist Italians, there was less agricultural activity and grain and cereal harvest in 1942/3.¹⁷ The absence of all-weather roads for merchants was one of the obstacles for the cross-border legal trade along the Mätäma-Gallabat corridor. The Mätäma-Gondar dry season road which was constructed by the Italians during the period of occupation was destroyed in the liberation campaign and never repaired until the early 1960s.¹⁸ Hence, trade with the Sudan along this corridor was dominantly using pack animals. The Gondar-Asmara road via Shire was good for car transport and attracted most legal merchants of Gondar to conduct trading with Asmara using car.¹⁹ Bandits continued to rob caravans several times and sometimes killed officials like *Nägadräs Bäläṭä Sahelä Micha'el*, the head of Mätäma customs officer in 1947. As a result, the revenue of the custom post was low.²⁰ Although provincial officials set up security posts to tackle bandits and smugglers along the road from Gondar to Mätäma, security posts could not save the caravans from brigands. Several times caravans petitioned to government officials stating lack of security given to them and compensations.²¹ Officials on security posts also forced caravans to load and unload their goods for probing whether they were smugglers or not. All these consumed the merchants' time, money, and energy, and discouraged the legal

¹⁴ Abdussamad H. Ahmad, "Trade and Islam in the Towns of Bägémder," *Journal of Ethiopian Studies*, Vol. XXIX, No.2 (1996), pp.5-10.

¹⁵ Solomon Addis, *A History of the City of Gondar* (Asmara: Africa World Press, Inc., 2006), pp.101-102.

¹⁶ Negarit Gazeta, No.39 of 1943, "A Proclamation to Regulate the Imposition of Duties on Goods Exported from and Imported into Our Empire"

¹⁷ NALAE code 17.1.13.24.07, YäGondar Awraja Yäheg Mämeriya Meker Bét Amakariwäč, "YäBägémder ena Semén Gezat Yagär Akuahuan", a report to the Ministry of Interior, Addis Ababa, 13 August 1935 E.C

¹⁸ Solomon, *A History...*, pp.101-102; Informants: Alemneh, and Sisay

¹⁹ NGAZRO, a letter from Mätäma Custom Post Office to Šifärāw Wäldäšadeq, governor of Mätäma district, 6 March 1944 E.C.

²⁰ NALAE code 17.1.13.24.07, a letter from Belata Šähay Dästa, Bägémder and Semén Treasury Office to *Ras Emeru Haylä Selasé*, Governor-General of Bägémder Awraja, 18 September 1938 E.C.

²¹ NGAZRO, petitions of caravans to Mätäma Customs Office, 10 April 1945 E.C.

trade with the Sudan along the Mätäma-Gallabat corridor.²²

Until 1949, the age-old Mätäma customs post was the only frontier customs post that carried the burden of managing formal trade with the Sudan in the province of Bägémder and Semén that shared about 500 kilometres border. In 1950, the expansion of informal cross-border trade pushed the government to set up additional frontier customs posts at Humära, Godäbé (Abdärafi) in Lower Armacheho, Dubaba and Maṭäbiya in Quara.²³ Despite the establishment of these additional customs posts, there was small number of customs officials and finance policemen in the region to control contrabands and manage formal trade. The imperial government had institutional problems to tackle informal trade on the frontier areas of north-western Ethiopia. Let alone in the 1940s and 1950s, in 1969, there were 44 customs policemen in the provinces of Gojjam and Bägémder and Semén and they had no transport facilities to execute their duties.²⁴ As the 1970 report of the provincial customs director showed, there were two customs officials at Humära customs post and one at Abdärafi customs post.²⁵ On the contrary, smugglers (mainly cattle) were superior in arms and numbers than customs officials and customs policemen. At times confrontations occurred and caused the loss of lives on both sides.²⁶

Thus, informal trade was more dominant than the formal trade with the Sudan along

the Mätäma-Gallabat corridor in the post-1941 period. Informal trade was a complementary activity to legal trade in frontier society along the border. In addition to bandits, there were other contributory factors to this. First, the government was unable to integrate the frontier economy of Mätäma and its surroundings into the national economy. The power of the central market to draw the resources of the borderlands that have been rich in cattle and cash crops was deteriorating. Second, there was a lethargic process of legal exporting and importing system in the country for various factors. Third, the boundary with the Sudan was very long and inaccessible due to lack of road networks and this made smuggling inevitable since the frontier people could not get sufficient amount of goods coming from the centre. Fourth, some local officials were occasionally actors of informal trade. Since customs posts located far away from provincial customs directors at Gondar, directors did not visit them for years and this gave room to frontier custom officials to accommodate themselves with smugglers. Moreover, since frontier customs posts were located in the most unfriendly and unhealthy hot lowlands; they were closed at several times when the officials became sick.²⁷

Besides since there was lack of storehouses on the custom posts, captured contraband goods were stored improperly led to damage and sold by auction at relatively lower prices. For instance, in 1965, one *ṭaqa* (about 33 meters) *abujadid* (a cotton cloth) was sold by auction with 5 Ethiopian *Birr*. However, it could have been sold for 18 Ethiopia *Birr* under normal conditions.²⁸ Such condition mostly discouraged customs policemen from capturing contraband goods. Again since some of the agricultural products of

²²NGAZRO, a petition of caravan merchants to Bägémder and Semén Customs Office Director, 11 October 1954 E.C; a letter from Alazebeh Damṭāw, Maṭäbiya customs post officer, to Bägémder and Semén Customs Office Director, 1 January 1955 E.C.

²³NGAZRO, a letter from Mätäma Custom Post Office to Šifärāw Wäldäšadeq, ... 6 March 1944 E.C

²⁴NGAZRO, letters from Hagos Mäšäša to Tamrat Yegäzu, 27 March 1961 E.C

²⁵NGAZRO, a letter from Hagos Mäšäša to Tamrat Yigäzu, 27 January 1963 E.C

²⁶NGAZRO, letters from Hagos Mäšäša to Tamrat Yegäzu, 27 March 1961 E.C

²⁷NGAZRO, letters from Hagos Mäšäša to Tamrat Yegäzu, 27 March 1961 E.C and 27 January 1963 E.C

²⁸NGAZRO, a letter from Hagos Mäšäša to Tamrat Yegäzu, 8 September 1958 E.C.

Ethio-Sudan border around Mätäma were similar, it was difficult to customs officials to differentiate them whether they were locally harvested or smuggled from or to the Sudan.²⁹ In addition to the above reasons, relatively the higher amount of tax imposed on exported and imported items discouraged legal traders and it indirectly encouraged smugglers to bring them across the border illicitly. For instance, following the establishment of textile factories in Ethiopia in the 1960s, a higher tax rate was imposed on imported textile products like *abujadid*.³⁰ This led to the decline of revenue of the frontier customs posts. As a result, to increase the revenue *Däjjazmač* Ameha Abära, the governor-general of the province of Bägémder and Semén, requested the Ministry of Finance in 1961 to lower the tax rate on imported *abujadid* from the Sudan. The Ministry, however, was not willing to do so because such action could open door for other goods exported from and imported to the country and the country's economy could not permit to do so.³¹

5.2 Items of Trade

Many of the formal items in the Ethiopia's frontier trade with the Sudan along the Mätäma-Gallabat route were not different from the informal trade items. The imperial government continuously changed the items to be imported and exported legally and the tax rates of customs offices. Some items that had been totally prohibited to export or import at one time were allowed at another time and those items allowed to be exported or imported were banned totally at another time. Like legal traders, informal traders exported agricultural products like coffee,

various spices, grains, cattle, hides and skins, honey and wax to the Sudan. Coffee and cattle were the dominant items in both forms of trade. Cattle smuggling into the Sudan steadily increased after 1941 and reached its height in the 1960s and early 1970s. Spices like *aboseda* (sacred basil), *zenjebel* (ginger), *abesh* (fenugreek), and *azemud* (black cumin seeds and Ajowan) and red pepper which were harvested mainly in the district of Taqusa on the western shore of Lake Tana were the other items sent to the Sudan along the Mätäma and its environs during the imperial period.³²

In return, processed goods like *naphtha*, *abujadid*, *khaki*, yarn, soap, food oil, house utensils, watch, and electronics materials were imported from the Sudan formally and informally. *Abujadid*, yarn, and *khaki* (cotton cloth) were the dominant items until the early 1960s when the establishment of textile factories in Ethiopia and subsequent imposition of a higher tax on imported textile products caused them to decline.³³ Firearms and ammunitions like bullets were also informally imported items from the Sudan. The insecurity on Mätäma and its surroundings the 1960s and early 1970s because of the Ethio-Sudan boundary disagreement and banditry, smuggling of firearms and ammunitions increased substantially.³⁴ Bandits were the main actors in this business because rifles and firearms needed a higher capital and attention than other goods.³⁵ Although the Ethiopian and Sudanese officials agreed to control informal trade by establishing a Joint Frontier Committee while they were discussing their common boundary in

²⁹ NGAZRO, a petition of caravans to *Däjjazmač* Ameha Abära, 9 May 1953 E.C.

³⁰ NGAZRO, a letter from Hagos to Tamrat ... 4 May 1959 E.C.

³¹ NALAE code 17.1.13.17.17, a letter from Täcklu Delnäsahu, assistant Minister of Finance, to Bägémder and Semén Governorate Office, 27 August 1953 E.C.

³² NGAZRO, a letter from Hagos Mäšäša to Tamrat Yegäzu, 4 May 1959 E.C.

³³ NGAZRO, a letter from Mätäma Custom post office to Šifäraw Wäldä Šadeq, 6 March 1944 E.C.; a letter from Hagos to Tamrat ... 4 May 1959 E.C.

³⁴ NGAZRO, a letter from Ašagrē Gétahun, director of Gondar and Gojjam Customs, to Customs and Excise Tax Administration of the Ministry of Finance, dated 8 October 1970 E.C.

³⁵ Informants: Sisay, Sinor, and Wädaj.

1967,³⁶ they were not fruitful since their relation was deteriorated due to boundary and related cases.

5.3 Revenues of Customs Posts

The expansion of informal trade was the basic factor for the waning of formal trade and revenues of frontier custom posts of north-western Ethiopia. The revenue of the Mätäma customs post was very low in the 1940s due to various problems, mainly bandits who discouraged legal merchants to trade with the Sudan. Some legal merchants were forced to cooperate with bandits. For instance, from the beginning of September 1944 to the end of July 1945, its revenue was 57, 289.32 Ethiopian *birr*.³⁷ The revenue of the customs posts was partly related to the efforts and hardworking of customs directors of the province of Bägémder and Semén.

³⁶IES, Ms.no.1873. Mesfin Wolde Mariam *et als*. “Yä-Itteyopeya Ena Yä-Sudan Wäsän Tarik.”, Vol II, 1975

³⁷ NALAE code 17.1.13.24.07, a letter from *belata* Şähay Dästa (Bägémder and Semen Treasury office) to *Ras* Emeru Hayle Selasé (governor-general of Bägémder and Semén), 18 September 1938 E.C NGAZRO, a letter from Mulugéta Mälké (governor of Mätäma district) to colonel Seyum Gäsäsä (commander of Bägémder and Semén police), 28 May 1957 E.C

Table 1. Customs and Excise Tax Directors of Bägémder and Semén Province from 1949 to 1974

No	Name of the Customs Director	Period in G.C
1	<i>Ato Täsfayä Täsäma</i>	? - 1951
2	<i>Ato Kasāñ Alāmayāhu</i>	1952- 1953
3	<i>Fitawrari Beṭul Täsäma</i>	1954-1959
4	<i>Ato Säyfu Wäldāmariyam</i>	1960-1961
5	<i>Ato Bälätä Gäbré</i>	1962-1964
6	<i>Ato Hagos Mäšāša</i>	1965-1971
7	<i>Ato Mäzmur Akaläwäld</i>	1972-1974

Source: Different Archival documents in NGAZRO

As far as archival documents show, Hagos Mäšāša was relatively active and diligent of all customs directors of the province mentioned on the above table. He visited and supervised the frontier custom posts and took measures on inefficient customs officials. As lit. Colonel Tamrat Yigezu, *enderasie* of the province, stated one of the pieces of evidences of Hagos's strength was that unlike the earlier years the revenue that was collected from the province increased after his appointment.³⁸ It is difficult to get organized records for the 1940s and 1950s. For instance, Humära custom post had low revenue in 1962/3 that could not afford the salaries of its officials, and its revenue from 1 July 1965 to 30 January 1966 was 3,878.40 Ethiopian *birr*.³⁹ Maṭäbiya customs post revenue was shared by the Mahbärä Selasé Monastery and the government since it was located in Mahbärä Selasé Monastery territorial jurisdiction. The imperial government allowed the clergy to use one-third (1/3) of its revenue starting from 1952/3. However, local administrative

officials blamed the clergy for working against the custom regulations and its revenue was insignificant.⁴⁰ Confiscating of contraband items and sold them by auction was one of the revenues of customs posts. The following table shows a summary of the amount of revenue obtained from the region through confiscation of smuggled goods and through formal trade for some years respectively.

³⁸ NGAZRO, a letter from Tamrat Yigäzu to Solomon Käder, 13 August 1961 E.C

³⁹NGAZRO, a letter from Hagos Mäšāša to Solomon Käder, 24 February 1958 E.C.

⁴⁰NGAZRO, a letter from Hagos Mäšāša to Tamrat Yegäzu, 5 May 1960 E.C

Table 2. Revenue obtained from expropriation of smuggled goods and sold them by auction in Bägémder and Semén Governorate from 1962/3 to 1967/8.

No.	Year	Amount of revenue in <i>berr</i>
1	1962/3	76,021.11
2	1963/64	15,506.85
3	1964/65	19,870.77
4	1965/66	18,367.20
5	1966/67	36,521.85
6	1967/68	27,062.18
Total		193,349.96

Source: NGAZRO: A letter from Hagos Mäsäša to Bägémder and Semén Governorate-general office, 2 March 1960 E.C.

Table 3. Comparison of the 1967/68 and 1968/69 revenue of customs posts from formal trade

No.	Customs post	Total Revenue for the year 1967/68 in Ethiopian <i>berr</i>	Total Revenue for the year 1968/69 in <i>berr</i>
1	Customs director main office at Gondar	13,839.34	11,760.94
2	Humära	65,438.47	57,690.88
3	Mätäma	4,317.64	11,412.03
4	Maṭäbiya	1,201.01	2,217.67
5	Dubaba	712.27	1,425.75
6	Abdärafī	1326.20	1,955.52
Total		67,535.73	86,446.59

Source: NGAZRO, a letter from Hagos Mäsäša to Ethiopian Customs Head Office, Ref.no. 1557/61, date 8 Nāhasé 1961 E.C

Government records indicated that the revenue of the custom posts of the province from formal trade in 1970/71 was low as compared to the 1969/70 year due to expansion of informal trade.⁴¹ The 1973/4 and 1974/75 the revenue of the province of Bägémder (and Semén) from formal trade was 1,420,000.00 Ethiopian *berr* and 144,276.91 Ethiopian *berr* respectively. This was because the Sudan prohibited exporting gum to Ethiopia in 1974/75, the instability in Eritrea reduced the traffic of goods from Asmara to the Sudan via Humära and the existence of were few customs posts officials.⁴²

⁴¹NGAZRO, a letter from Mäzmur Akaläwäld, Bägémder and Gojam Customs Director, to Tamrat Yigäzu, 3 February 1964 E.C

⁴²NGAZRO, a letter from Täsfayä Gäbrä'egziabher, Bägémder and Gojam customs Director, to Bägémder and Semén governorate office, 21 October 1968 E.C

Map. 2. Major Trade Routes and Custom Posts on the Ethiopian side Sudan

Source: GIS

5.5. Impacts of Illicit Trade

Informal trade had positive and negative impacts on the frontier people and national economy respectively. First, the governments of Ethiopia and the Sudan lost revenue that could collect from tax. The price of goods imported legally lacked buyers and it brought bankruptcy on the part of legal traders. Second, smuggling made local factory goods in Ethiopia less competitive to the smuggled goods and it had a negative impact on the development of local industries.⁴⁶ Unlike its impact on national economy, smuggling was viewed positively among frontier people in Mätäma and its environs. Since the people lacked various basic goods distributed from the centre for various reasons, it was through the informal one that they could satisfy their needs. There was no life without informal trade on the borderlands.⁴⁷ Although it encouraged the people to keep cattle, cattle smuggling to the Sudan exacerbated cattle stealing and banditry across the border. In turn, banditry encouraged informal trade.⁴⁸ Third, although firearms were important tools for the security of the frontier Ethiopian people, it partly exacerbated the local instability and insecurity.⁴⁹

5. Conclusion

Economic interdependence through trade has been a common feature among neighbouring countries in the world. Hence, the Ethio-Sudan cross-border trade along the Mätäma-Gallabat corridor has long history. The two countries have been among the leading producers of certain cash crops like Sesame and endowed with huge livestock resources. Different items were exported and imported formally and informally between the two states based on their economic resources and development level. Since the British colonial government set up factories in the Sudan, mostly raw materials and agricultural products were exported to the Sudan from Ethiopia and in return factory goods were brought to Ethiopia. Although they tried to control informal trade by various mechanisms, it remained the dominant transaction across the border. The nature of their political and social relation determined the economic relations of these neighbouring countries. The fighting between Därg and its opponents under Ethiopian Democratic Union (EDU) and Ethiopian People Revolutionary Party (EPRP) had affected the trade of Ethiopia and the Sudan along the Mätäma-Gallabat corridor. Since Mengistu Hailemayam and Jaafar El Numeiri had hostile relation in the late 1970s, their formal cross border trade was declining. The two states have to invest more on formal trade for the benefit of their own people. Their economic integrations and cooperation is important to foster their multifaceted relations further.

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⁴⁶ NGAZRO, a letter from Tadäsä Mandäfro to Gondar Province Administration Office, 3 December 1971 E.C

⁴⁷ Informants: Sisay, Abuhay, Wädaj, and Qoyä

⁴⁸ NGAZRO, a letter from Därebé Mamo... 18 July 1975 E.C

⁴⁹ NGAZRO, a letter from Tadäsä Mandäfro to ..., 3 December 1971 E.C.

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