Djibouti
Africa’s Gateway to the East

H.E. Ismaïl Omar Guelleh
President of Djibouti

Hon. Yonis Ali Guedi
Minister of Energy and Natural Resources

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Djibouti - Africa’s Gateway To The East

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Nestled on the upper side of the Horn of Africa, just where the Red Sea bends and gradually seeps into the Arabian Sea through the Gulf of Aden, Djibouti is leaping forward at an incredible pace, jumping from 154th in 2017 to the 99th position in the 2018 World Bank Ease of Doing Business Report. “The government of Djibouti has engaged into an ambitious reform programme,” explains Hon. Ilyas Moussa Dawaleh, Djibouti’s Minister of Economics and Finance. “Our targeted interventions in the business environment aim at nurturing a new dynamic to shift the mindset from the public sector to private initiative, create employment instead of looking for one.”

Vision 2035 is the government’s strategy aimed at diversifying the economy, ensuring consistent GDP growth, tripling income per capita and creating over 200,000 jobs within the next fifteen years. “To promote the modernisation of the system in Djibouti, as well as its interconnection with the world, we are implementing modern infrastructures for the inter-payment system,” states Ahmed Osman Ali, Governor of the Central Bank of Djibouti.

From a logistics point of view, Djibouti is naturally poised to be a gateway for nearby countries like Ethiopia, Somalia and Rwanda, an ideal hub for sea and air cargo transportation: “If you want to develop your country, you must have connectivity,” explains Abdourahman Ali, Chief Executive Officer of Air Djibouti, the national flag carrier airline. The country is investing in interconnectivity to ensure all cargos entering the country by sea can be conveniently transferred to the Djibouti airport to be shipped to nearby countries in a quick and cost-efficient way.

New terminals have been progressively built from 2006 onwards, allowing the country to handle all sorts of cargos, from fuels to construction materials. The latest addition to Djibouti’s impressive port lineup is the Doraleh Multi-purpose Port: 200 metres of quay length, 16 quay cranes, 690 hectares of total area and 22,000 TEUs of handling capacity for an annual capacity of over 8 million tonnes. Further terminals are under construction in the northern region of the country.

A country so deeply committed to building a stronger and richer future for its population is obviously bound to make bold choices, especially when it comes to energy supply: the government of Djibouti aims to meet 100% of its energy demand with renewable sources, to fight pollution and decrease the country’s dependence on imported energy. Djibouti is on the verge of a green revolution: yet another ambitious goal for a country that wants to keep going forward and is never afraid to think outside of the box.
What big project is your ministry focused on right now?

**Hon. Youssouf:** We need to speed up the process of creating job opportunities. First, in education and then in job creation. That is why we are compelled to seek opportunities for young people and women. Djibouti has signed the ICSID Convention. You need a legal framework to reassure investors that their investment is protected. We hope that it will boost the volume of the investment, because more investment means more job opportunities. Vision 2035 is our development plan over the next 20 years that will help change the livelihood of people. Djibouti has also signed the African Continental Free Trade Agreement (AfCFTA). It is vital for African countries to create that common market because trade is the engine of the economy. When you have that framework, that facility to boost and step up the intra-African trade, it creates job opportunities, wealth, rapprochement between countries and community. We believe that the bigger the market is, the bigger the opportunities to create job and wealth.

**Hon. Awaleh:** The Ministry is involved in several projects focused on sustainable agriculture. Djibouti has an arid ecosystem; it is more or less a desert with black stones. The rainfall is on average 150mm per year and we have no rivers. The best three activities for Djibouti (because of saline ground) are date palms, greenhouse horticulture and livestock. One example is that we have a laboratory here for date palms. There are a lot of varieties, and the best variety is called Medjool. One kg of Medjool is about $US30. It is the highest price for a fruit. It is very difficult to get this variety: California, Israel and Morocco have it. One tree takes eight years to grow, and in all its life, a date palm will give you 10-20 shoots. The problem is that we do not have date palms here in Djibouti. So, we have done the research and we have discovered that we can produce date palms from cells. It has taken us 5-6 years, and we have chosen the best varieties. In the world, we are the fourth laboratory which produces Medjool dates in this way. We are proud to have introduced date palms specific for Djibouti.

**Hon. Guedi:** We are working toward 100% green energy. We are developing other forms of energy like wind and geothermal energy. We never had a real project in geothermal, but at the end of April/beginning of May 2019, the presence of geothermal energy in the Fiale project was confirmed. The three drillings were done at a depth of 2,600 metres. Now, we are going to move to the next step, the production. We have signed all necessary contracts as far as wind energy is concerned after one year of negotiations to finalise the production of 60 MW of wind energy with African Financial Cooperation in Ghoubet. As of now, the windmills are already being produced, using German technology. Completion of the project is 12 months, so in April/May 2020, we will start with the production of wind energy. We have also developed solar energy. The French company Engie contacted us for a first project for solar energy. We have already signed with EngieAfrique for the development of 30 MW solar station on the site of Grand Bara. This will be the first step and we hope that we will finalise all the documents for the project in two to three months. As you can see, the energy revolution in Djibouti is coming.

**Hon. Dawaleh:** The growth over the past five years has been 6-7%, which is comfortable. The balance of payment is now at a good level; in the past we had a very high debt, while now it is at 70%. All the macro-economic indicators are reasonable for Djibouti. The driving force of the economy of Djibouti is the port, the air, the airport and the infrastructure. We have six ports, we have trains. We deliver the flow of goods from COMESA countries to the world. We also intend to handle the flow of information and finance, of capital between COMESA and Djibouti because we want to be a hub for money, since our currency is pegged on the dollar. All people in the Eastern African region should put their money in Djibouti. We want to be the hub of the flow of capital and information, since we have seven telecommunication submarine cables, not only for Djibouti, Somaliland and Ethiopia, since the cable encompassing Africa runs through Djibouti. So, our focus areas are transport, flow of information and capital.
Over the past decade, Djibouti’s service-based economy has been subject to sustained growth and prosperity. A crucial factor to this has been its complete lack of restriction on foreign exchange, including the conversion and transference of funds, providing US$240 million annually in foreign direct investment (FDI) and boosting the nation’s GDP growth. With the Djibouti franc pegged to the US dollar at a fixed exchange rate of 177.71 Djibouti francs, Djibouti’s modernisation of its economy depends upon open trade, substantial tax breaks and its Free Zone. “We have the biggest Free Zone in the area,” states Ahmed Hamid Al-Dheeb, CEO of CAC International Bank. “Djibouti has a very strategic location, and the stability of the country is very well appreciated. We will be a financial, transit, trading and logistic hub.”

The government has worked hard to improve the nation’s ease of doing business, jumping from 154th to 99th in the World Bank’s ease of doing business ranking in 2018. “The President himself has put some considerable efforts in law reforms with the new Code of Civil Procedure and Code of Commerce, which today facilitates the creation of a business,” explains Comlan David Ocahoumare, Deputy General Manager of the Bank of Africa.

Djibouti’s banking sector has also experienced rapid expansion in recent years, providing the continent with the roadmap on Islamic finance as part of its core strategy in financial inclusion. “Monetary policy, like everywhere, is part of the measures we put in place for the promotion of the country,” relates Ahmed Osman Ali, Governor of Central Bank of Djibouti. “So, we have developed a lot of ideas. The first thing is the modernisation of the banking system in Djibouti, the second is to attract more banking, the third is to promote the financing of public and private economy, the fourth is to ameliorate financial inclusion, the fifth is to update the strategy every year.”

Djibouti has flung open the doors on financial expansion and opportunity. Abdulraqeb F.A Salem, General Manager of Saba African Bank agrees, “Djibouti is like a hub for other investors to come and invest here, especially due to our political stability.”
A small nation in the Horn of Africa, Djibouti's location along the Gulf of Aden, its proximity to the Mandeb Strait, the southern entrance to the Suez Canal and Yemen gives the small African nation a strategic role to play along one of the world's busiest trade routes. Ten percent of the world's oil exports and 20% of all commercial goods traverse through the Suez Canal, passing close to Djibouti. With the vision to be the trade finance bank for Africa, Djibouti plays an increasingly bigger role within the Afreximbank portfolio.

Djibouti signed onto the African Export-Import Bank Establishment Agreement in 2016 marking the commencement of the partnership. At the signing of the agreement, President Ismaïl Omar Guelleh stated that this partnership will help the country advance its trade related infrastructure and the areas of logistics and renewable energy. The bank has also helped to promote and finance Djibouti's industrial sector in the area of export manufacturing. With help in financing from Afreximbank, Djibouti has been able to further leverage its important geographic position to its advantage. It will also flourish in new areas of the economy such as tourism and investment.

During its partnership, Afreximbank has pledged to work with public and private entities in Djibouti in order to deploy the Bank’s trade finance programmes in support of the country’s economic priorities.

Due to its location and the government’s recent policy reforms, the country is attracting more business and investment than ever. Djibouti has recently implemented a policy of international free trade zones, which enables foreigners to start business in the country easily and without paying profit taxes. These policies have been effective in recent years to attract much attention to the tiny nation as it seeks to create a conducive business environment. Already, our partnership has seen positive effects with Djibouti's Ease of Doing Business ranking increasing in 2018 to 99 up from 154 in 2017.

Djibouti is one of the many cases in which partnering with Afreximbank has helped countries develop their trade sectors. In 2017 Afreximbank focused on a forward looking initiative called Impact 2021, Africa Transformed. This initiative is fixed on strengthening four main sectors: intra-Africa trade, industrialisation and export development, trade finance leadership and financial soundness and performance. Just in 2018, Afreximbank saw 24% overall growth with a US$55 million increase in income. Up from US$229.8 million total income in 2017, the total income for 2018 was US$285.4 million. Afreximbank also saw a 13% growth in its assets totalling US$13.42 billion for 2018 due to a rise in net loans and advances. The bank's operating profit saw an exceptional rise in 2018 to US$394.8 million from US$109 million in 2017.

This growth is continuing into 2019 with a 59% increase in total revenues for the first three months of the year compared to the same timeframe in 2018. Though it is a small country, Djibouti's location elevates its status in geopolitics, and it is only logical to assume that its importance will continue to grow as nations turn their attentions to Africa and the Middle East. With a positive outlook ahead and a successful year behind us, Afreximbank is well on its way of achieving its vision and assisting Djibouti in its development goals.
Insuring Djibouti’s Continuous Growth

GXA’s Yellow Card gives the green light to regional travel.

Could you share a little bit about GXA?

GXA Assurances S.A. was created in 2001 and has grown a lot since then. Djibouti has made big infrastructure improvements, many of which have been within the last 5 years. This progress has been very important for our evolution as a company. Djibouti’s success and growth has allowed us to create new products, which have given us more business. These are always good indicators for incoming investors.

Part of the Vision 2025 is to develop human capital. How does GXA contribute to this goal?

This is a very important endeavour. The more Djibouti grows and the more our company grows, the more employees we will need. We support high quality training of our staff. The insurance sector is a very important and particular sector. We are focused on comprehensive training so our employees continue to provide excellent customer service while permitting them to grow and develop professionally within the company. With this plan, everyone succeeds.

In what ways does GXA facilitate business?

We facilitate business with the Yellow Card, which is an insurance card that covers all vehicles that move in the region. If a vehicle is coming from Ethiopia to Djibouti, the Yellow Card allows them to still be insured from accidents. Before they would have to have insurance in each country, but now one card covers all the countries. However, our biggest strength to facilitate business is being able to insure and secure all types of businesses for all aspects of their activities, no matter their size, with the support of strong, well-known and first-ranked international reinsurers.

Why is now the best time to come and invest in Djibouti?

Our ports have huge capacity, there is the Ethiopian railway being developed and there is a project for a new airport as well. Now, we can open a company in Djibouti in less than three days. As for GXA, we are the biggest insurers on the market. Our clients need to be sure if there is a big claim, they have big insurers who are able to settle the claim quickly and efficiently.
Central Bank of Djibouti Governor Ahmed Osman Ali is a key player in the nation’s strategy of enabling infrastructure improvement and economy diversification to become an emerging country by 2035. Penresa sat with him to discuss the achievements of his mandate and his plans to keep supporting Djibouti’s Vision 2035.

**How is the Central Bank working to help Djibouti become a middle-income country by 2035?**

The ambition to establish Djibouti as an emerging economy by 2035 is part of the national development strategy pursued by the government’s sectoral policies. The objective is to transform Djibouti into an international logistic and financial hub. The Central Bank is thus working for a more dynamic, efficient, sustainable and inclusive financial sector. An initial comprehensive reform package began in the early 2000s: since then, the sector has grown from five to 36 financial institutions (including 11 banks, from two in 2006). Subsequently, to expand the financial sector, our priorities are focused on the following points:

- The viability of the sector with the impressive strengthening of the supervisory framework, as well as anti-money laundering and anti-terrorist financing measures. Reference texts are regularly updated according to international standards;
- The promotion of financial inclusion through initiatives such as the right to an account, with banks being legally obliged to open an account for people with a minimum income of DJF 40,000 (€200). Also worth mentioning is the development of microfinance and mobile banking. To ease access to credit for SMEs/SMIs we have established a Partial Credit Guarantee Fund and initiated the necessary reforms to launch leasing activities in Djibouti;
- The modernisation of the national financial infrastructure with the introduction of i) a modern national payment system taking into account the new paperless electronic payments [real-time gross settlement, automated clearing house...]; and ii) a fully automated credit information system.

**The African Continental Free Trade Agreement is meant to create a tariff-free continent that could boost intra-African trade. Do you feel this will contribute to Djibouti’s economic growth?**

It is a great opportunity: it will grant access to a wider market to companies operating here. To take advantage of increased regional integration (Djibouti is a founding member of COMESA), we invested heavily in port, road, rail and telecommunications. Djibouti is AGOA eligible, which is significant for our Indian and Chinese partners.

We remain very confident about the positive effects of the African Continental Free Trade Agreement in terms of activities, growth and job creation.

**You were awarded Central Banker of the Year 2018 at the Global Islamic Finance Award. What did you do to expand Islamic Finance?**

We realised that a significant portion of our population was marginalised in the financial sphere due to the lack of Shariah compliant financial products. We have made the necessary efforts to introduce and develop Islamic finance, and today the three active Islamic banks (the first of which established in 2006) represent 20% of the market. We also launched an annual Summit bringing together in Djibouti the institutions and eminent experts of International Islamic finance.

The award we received is an acknowledgement of the efforts undertaken by all stakeholders to achieve these results.

**For the readers of FORBES AFRICA and the discerning investor, why is NOW the best time to invest in Djibouti?**

We have worked hard to improve our investment environment. In terms of investors’ protection, Djibouti ranked second worldwide in the World Bank Doing Business 2019 ranking, gaining 94 places compared to 2018. Djibouti offers great potential to investors in various sectors, as well as an attractive fiscal environment.
Investing In The Future Of Djibouti
Providing quality banking services while creating employment for locals.

Incorporated in 2007, Salaam African Bank takes pride in being the first private bank to establish its headquarters in the Republic of Djibouti and has quickly risen to become one of the most prominent financial institutions in the country and in the whole East African region. With the assets of banks and other institutions offering Islamic products reaching today an approximate value of US$300 million, Sharia-compliant banking has progressively become a key focus for all banks operating in East Africa, and Salaam African Bank can be regarded as one of the leading institutions in the sector: its outstanding Islamic financial services have earned the bank the 2016 award for Best Sharia commercial bank in East Africa.

Current Chairman Ali Abdallah Hettam placed his forty years of experience in logistics, transportation and management to the service of Djibouti, aiming to create employment and increase financial inclusion in the country: “We use technology to offer the best services we can, especially in Islamic banking,” he says. “We are here to stay, because we believe in long-term relationships. We are here to contribute to create jobs in this country. Djibouti’s economy is based on services, and those services must be constantly improved. Therefore, we’re not interested in investing in the usual corporate banking: we want to invest in quality companies that work here and employ locals.”

The bank’s commitment to job creation is not limited to financial services but extends to all its sectors of activity: “We are involved in several real estate investments, such as the construction of the Salaam village,” says Ali Abdallah Hettam. “We’re relatively new to the market, but our customer-focused mentality allowed us to establish ourselves quickly among the region’s major players. Today, we’re one of the main employers in Djibouti: we give work to a great number of people in banking, real estate, logistics, etc. I think we’re very well suited to serve not only Djibouti, not only East Africa, but Africa as a whole, connecting it to the world.”
Saba African Bank
One of the leading banks in the Horn of Africa

Evolving Services For A Developing Country
S.A.B. is expanding beyond banking towards real estate and insurance.

Saba African Bank was inaugurated in 2018 as an independent branch of the Saba Islamic Bank and aims to become one of the leading banks in Djibouti as well as in other Horn of Africa countries. Saba African Bank is riding the wave of the rapid expansion experienced in recent years by the Djibouti banking sector, coupled with an increase in FDI for infrastructure projects. "We plan to have good relationships with other banks in Djibouti and neighbouring countries," explains Abdulraqeb FA Salem, General Manager of Saba African Bank. "We want to establish a stringent anti-money laundering and anti-terrorism platform and offer great financial services."

With Islamic banking growing exponentially in recent years, S.A.B. has tailored its services to the needs and values of Islamic investors. "We have different kinds of investment and financing programmes that we provide for customers here," says Abdulraqeb FA Salem. "Furthermore, we are planning to expand beyond banking services, into real estate investments and Islamic insurance. In our vision, the insurance company will begin operation in approximately three months."

Recently, the President of Djibouti, His Excellency Ismaïl Omar Guelleh has emphasised the need to attract more foreign investors into the country as a way to drive development and further Djibouti’s vision to become a middle-income economy by 2035, and Abdulraqeb FA Salem strongly believes that the small but mighty nation is ripe with untapped potential: "Djibouti is one of Africa’s developing countries, and its political stability greatly contributes to make it a hub for potential foreign investors: new people are coming here to invest in a number of sectors, from banking to retail and many others. Besides that, Djibouti benefits from a strategic geographic location, which makes the Djibouti port one of the biggest in Africa, a veritable entrance to many surrounding countries. These are all factors that help to attract the infrastructure investments this country needs to advance further: hotels, hospitals, universities. This is why it is a good moment to invest in Djibouti. There’s so much good in the heart of this country."
Bringing The International Digital Banking Experience To Djibouti

With the vision to be recognised globally as a dynamic financial services provider, CAC International Bank has curated an identity that helps it stand out in the region. CAC International Bank, as a leading financial institution in Djibouti, is transforming banking via digital banking products in the ever-evolving and vigorous world of finance.

With precision services, better customer care and quality banking solutions crafted for a growing and expanding economy, CAC International Bank has risen to become one of the most influential players in Djibouti.

The Beginnings
CAC International Bank started its banking operations in 2009, opening its first branch in the Quartier Commercial in the heart of Djibouti and has managed to become one of the leading banks in the region and a recognised leader in technology, digital banking and financial innovation. Being a bank that solely operates in Djibouti, CAC International Bank has rapidly extended its capacities to facilitate all its clients with global banking experience. Its amazing success lies in consistent efficacy, proficiency and providing prudent solutions that challenge the cash economy, transforming it into a digital economy of the future.

Awards, Recognition & Accolades
From the Golden Europe Award for quality to the Honours in Excellence and Compliance with International Banking Rules and Regulations, as well as being recognised as the Best Bank multiple times in the Republic of Djibouti, CAC International Bank has surpassed every other financial institution in the region. CAC International Bank has been awarded the Excellence in Compliance award by the Union of Arab Banks for two consecutive years, results achieved in its first ten years of activity. CAC International Bank does not rest on its laurels and continuously strives to improve its financial services in the region. Furthermore, CAC International Bank is in the process of having its Islamic banking license upgraded by the Central Bank.

International Banking Experience & Innovation
CAC International Bank has always been the frontrunner in the region when it comes to bringing the international banking experience infused with digital banking solutions to the local market. The bank has tremendous achievements in the development of electronic banking products and solutions. With the electronic payments becoming the norm globally, CAC International Bank is striving to challenge the current cash-based economy and is assisting the region in transmuting into a digital economy.

The Expanding Djibouti
The small, yet fierce, country of Djibouti has recently leaped from 154th position to the 99th position in the World Bank Business Report Index, and the government aims to get into the top fifty. CAC International Bank, as an international banking trendsetter in Djibouti, considers the country an ideal place for prospective investors. According to Ahmed Hamid Al-Dheeb, the CEO of CAC International Bank, foreign investments are already playing a pivotal part in the country. With a picture-perfect strategic and geographical location, the country of Djibouti is sure to become an investor's paradise.

“Operating in Djibouti, CAC International Bank works to facilitate international banking experience for their customers.”

Mehdhar Abdullah Al-Sakkaf, Chairman of CAC International Bank in 2018 and 2019, as well as the Best Bank Award in the Republic of Djibouti in 2019 by Global Finance.

Present Scenario
CAC International Bank is doubling up its efforts to reduce physical transactions and encourage all its clients to shift towards online, mobile and digital banking solutions. At CAC International Bank, it’s all about complete digitalisation of banking and precision online banking solutions that replace traditional banking schemes or systems. A huge amount of customers use mobile and online banking services in the Djibouti region. Despite the impressive
Energy

Djibouti’s ambitious goal to 100% renewable energy

Green Economy 2035

Focusing on energy independence and renewables, Djibouti is banking on geothermal energy.

As Djibouti strives to become more independent by relying less on imported energy sources and providing cheaper and more reliable power to its citizens, it has channelled its focus on diversifying the country’s existing energy sources and by investing in renewable energy such as wind, solar and geothermal energy.

In the oil and gas sector, UCIG Oil and Gas has developed a large network in the oil industry that distributes to over 20 countries. With its wide array of gasoline and diesel services, UCIG provides a diverse selection of fuel for multiple sectors including fuel for petrol and diesel-driven vehicles, aviation fuels for commercial airlines and military-grade aircraft, kerosene for light and heating in homes and bitumen to the construction sector. With this kind of strength in the energy sector, Djibouti has proven to be a door for expansion into other markets.

The Société Internationale des Hydrocarbures (SIHD) is also working to improve the oil and gas sector by organising exports of the resource to nearby countries, aiding in the goal to rely less on importing energy. SIHD is focused on expanding and improving the oil terminal in Djibouti so that they may supply larger regions. Dabar Adaweh Ladieh, General Director of SIHD, explains: “The demand of oil products is growing very fast, at a rate of 15% per year. We want to serve the whole region, because [the terminal] has an important stocking capacity. Once we have this new stocking site, the capacity of it will be 150,000 cubic metres to be reached in three phases of development.”

Aside from the oil industry, Djibouti has aligned its attention to renewable energy. The Ministry of Energy in charge of Natural Resources has devoted itself to the development of renewable energy sources to diversify the economy and ensure that Djibouti does not rely solely on only oil like so many economies have in the past. According to the vision of President Ismaïl Omar Guelleh, Djibouti’s future will operate on 100% renewable energy and is now developing solar, geothermal and wind energy. Companies such as SIHD are investing more in renewable energy than in fossil fuel energy. Hon. Yonis Ali Guedi, Minister of Energy, states, “All these projects are to develop Djibouti, making sure that energy is abundant and cheap, to attract investors, jobs can be created and the prosperity of our citizens can be increased. Development always needs energy, so the country needs to provide itself with green and clean energy.”

Focusing on energy independence and renewables, Djibouti is banking on geothermal energy.
Increasing stocking capacity to foster regional growth

Supplying Djibouti And Neighbouring Countries With Quality Oil Products

SIHD is working hard to ensure the country takes full advantage of its role as a natural maritime hub.

SIHD (Société Internationale des Hydrocarbures de Djibouti) was created in 2000 and is tasked with the import of oil products for the Djiboutian population. Driven by a modern and international vision, SIHD also contributes to the supply of oil products in neighbouring countries, such as Somalia and South Sudan. “SIHD, in partnership with other companies, is building a new stocking site in the Damerjog economic zone where there are also other projects to be realised, like the port and the stocking site of natural gas,” says Dabar Adaweh Ladieh, General Manager of the company. “So, we are proceeding with this global vision in mind.”

Recently, the demand of oil products in Djibouti and surrounding countries has skyrocketed, marking a yearly growth rate of 15%, and the oil terminal in Djibouti, which handles most of the oil products directed to Djibouti and Ethiopia, is out of capacity. Therefore, plans for the construction of a new stocking site have been greenlit to increase the available storage, relieve the pressure on the existing terminal and avoid costly service disruptions: “We are in the final phase of the planning,” explains Ladieh. “Construction will start at the end of the year and will last two years. We want to serve the whole region. It is an opportunity that we do not have now because of the current capacity of the existing terminal.” Once complete, the new stocking site will have a capacity of 160,000 to 250,000 cubic metres in the first phase which will enable Djibouti to supply all the countries in the surrounding region, in accordance with SIHD’s goal of fostering generalised growth in the East African market: “We aim at developing the whole region in terms of petroleum products not only Djibouti,” states Ladieh. “These are our plans for the future. Our vision is paving the way to good stocking capacity, good transportation and logistics of the products.” At the same time, SIHD is committed to participating to further research of oil in Djibouti: “There is oil here,” adds Ladieh. “We need to deepen the search and develop the oil products first. We will also eventually have our own tanker in order to export petroleum products to regional countries, making Djibouti a hub of inter-exchange of import and export of petroleum products.”

SIHD intends to develop its business by diversifying its imports including the “heavy fuel” but is unfortunately limited in the diversification of its products due to the lack of storage within the terminal. This is precisely why SIHD is prioritising the construction of a new multi-product terminal that will become a logistics tool for all East Africa.

Due to its strategic geographical position with one of the busiest maritime routes worldwide, as well as its ever-growing infrastructures, Djibouti is naturally poised to act as a crucial international maritime hub. Its enticing environment and its financial and monetary stability have made it an extraordinarily attractive destination for many investors, especially in the infrastructure and tourism sector. The wave of foreign investment is allowing this resourceful country to constantly update its infrastructural landscape and improve the quality and quantity of its aerial, maritime and terrestrial transports. “That is why Djiboutian ports, for instance, are destined to serve the whole region,” explains Ladieh. “Goods from Europe, the Middle East and Asia will arrive here. We will have an exchange centre thanks to our strategic plan and the President’s vision to develop infrastructure.” The best for East Africa’s gateway, he adds, is yet to come.

“Our vision is paving the way to good stocking capacity, good transportation and logistics of the products.”

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SIHD is working hard to ensure the country takes full advantage of its role as a natural maritime hub.
Djibouti holds a strategic place in Africa due to its connection with the Middle East, Europe and Asia, serving as a gateway to the world and vice-versa. Over the years, Djibouti has been a country that has maintained admirable stable relations in all respects. Hon. Mahmoud Ali Youssouf, Minister of Foreign Affairs, says, “Djibouti is very well located, being on the Strait of Bab al-Mandab and the Gulf of Aden, which are very important for international trade. As a small country, we have shown from the very beginning that we wanted to cooperate with our neighbours.”

When neighbouring countries are united in peace, the doors of opportunity are opened across all sectors, especially in transportation. The flag carrier of Djibouti has witnessed an increased movement of cargo in the region. Abdourahman Ali, CEO of Air Djibouti, explains that when an airline is created in a country, it opens partnership opportunities with airlines in other countries. “This is why we set up an interline with Qatar Airways for landlocked Rwanda. Our vision is sea and air, so when cargo comes by sea, we can take it to the airport to be taken by air.” Air Djibouti also operates within the free zone, working with ports and other means of transportation.

The Doraleh Multi-purpose Port is a state of the art terminal that plays a direct role in the free zone and connectivity of the country. This port is also a source for job creation that ensures the economic stability of its human capital. Wahib Daher Aden, CEO of Doraleh Multi-purpose Port, says, “The biggest investment that the government has done is job creation. A training institute has been created in partnership with the European Union. We have bought simulators and equipment for the training. Before we were sending our people to Europe or to China, which was very costly. Now we have one person at the University of Djibouti, who is the head of the training institute. Every year they train hundreds of workers to work at the ports.”

“We want Africa to open,” explains Ali. “Africa is trading more with external countries than amongst themselves. We want to be the entry of east Africa and beyond. For us, we want to be open, we want the roads and rails to connect Kenya, Uganda, South Sudan, Ethiopia, Djibouti and beyond that, to Rwanda to Burundi. If all these countries are interconnected, it will be a huge opportunity.”
In the past two years, the company invested in workforce and facilities to reinforce its key role in the region.

We sat with Wahib Daher Aden, General Manager of Doraleh Multi-purpose Port, to hear his thoughts about the current state of the Doraleh terminal and discuss further developments planned to keep increasing the prominence of Djibouti port.

1,200 metres of quay length, 16 quay cranes, 690 hectares of total area, 400,000 TEUs of handling capacity for containers and an annual capacity of over eight million tonnes for general cargo. These are examples of the impressive figures of the facilities hosted by the Doraleh Multi-purpose Port, operated by the homonymous company.

You have been General Manager of the company since it began its operations with the inauguration of the Multi-purpose Port in May 2017. Can you tell us a bit about its history and some of its milestones?

As you said, the port is quite new. It is a state-of-the-art terminal, and it was a necessary step in the evolution of the Djibouti port. The old port is located at the heart of the city, so over the years the government has been working to move logistics out of the city itself. The process officially began in 2006 with the construction of the Horizon Terminal, which hosts the oil and petroleum port. The manufacture of the Container Terminal followed in late 2008. Then, along came the Doraleh Multi-purpose Port, the construction of which started at the end of 2014. Further, there are two additional ports in the north because Djibouti is going a long way to specialise its ports so that it may provide better services for its clients.

Your company is strongly committed to the development of Djibouti. How do you think the Belt and Road Initiative launched by your Chinese partners is going to improve your sector?

Chinese companies are investing a great deal in Africa, and since they have several projects and factories in the neighbouring countries, they need the connectivity and the ability to use Djibouti ports, which are the logistic hubs of East Africa. I think taking part in the Belt and Road Initiative was a wise choice; it is very beneficial because it allows us to invest in the creation of railways, roads, ports and other projects. The Belt and Road Initiative will help us expand and grow. As a result, we become an attractive opportunity for future investors because we offer security, logistics and adequate financial platforms.

How do you see the role of your terminals in the upcoming years?

First and foremost, we are investing heavily to develop our human capital, and we opened a training institute in partnership with the transport and logistics association. The centre is still in its initial stages, but we have great ambitions for it, we have been buying new equipment and training simulators. In this way, we will be able to utilise this modern technology to train our workers in-house instead of sending them to Europe or China, which was quite costly. We are currently training hundreds of workers at all levels of expertise. In the future, it is vital for us to keep investing; there are a lot of landlocked countries on this side of Africa, and only a few mega ports. With our advantageous position, we aim to penetrate new markets in the continent because we have the capacity to handle a lot of cargo. If inland transport infrastructures will allow it, we would like to continue to expand and create relationships with countries that are not using our terminals yet. We are ready to approach these new markets and showcase our ability to handle cargo and transit efficiently, providing logistic solutions required by a new environment. We have the tools to succeed and we are eager to see Africa open its doors.

“...African countries need to encourage business amongst one another. Djibouti wants to be the entry of East Africa and beyond.”

Wahib Daher Aden
General Manager of Doraleh Multi-purpose Port

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Chief Executive Officer Of Air Djibouti

Djibouti’s Phoenix
Rising From the Ashes

Abdourahman Ali has been CEO of Air Djibouti since 2017: committed to ensuring the national fleet’s lift off, he is concerned with providing economic stability and gain for Djibouti through the advancement of air connectivity.

From cargo airline to passenger services, with a visionary leader, and highly trained management team of men and women, Air Djibouti’s future is bright.

What are your current plans and projects for the company?

A revolutionary achievement and a must for the development of the country is the re-emergence of Air Djibouti in the sky. Created in 1963, Air Djibouti is not new in the aviation industry. It has its own success story. Considered to be one of the regions’ oldest airlines, it used to fly to three continents [Africa, Europe and the Middle-East in Asia]. Djibouti’s geographic and strategic location provides it with a vantage point of exploring this potential as a multi-modal global logistics hub. Opening the sea port as an initial avenue to feed the East African Region ensured that vital infrastructures soon came into place by land through railway and concrete roads and now, through Air Djibouti. We need to take the opportunities available to us today to develop our airlines while thinking out of the box to push the President’s vision.

What is your future vision for Air Djibouti and its relation to building up Djibouti’s economy?

We currently fly to seven countries. Out of more than 50 candidates, nine males and five females were shortlisted and are now studying in the Ninety Nines Flying School in Nairobi, Kenya. For the past few months, they underwent rigid training in both theoretical and practical schooling to gain knowledge in basic air navigation. To date, after more than a year, these young candidates have made it to their first solo flight phase pilot- ing single engine aircraft. From Air Djibouti’s inception, it has been aligned with His Excellency, Ismail Omar Guelleh, President of the Republic of Djibouti’s Vision 2035. One of its pillars is “Investment in Human Capital”. The government acknowledges that in order for the economy to grow it needs to provide competitive employment to the next generation. With Air Djibouti, the opportunity of employment for the youth currently requires experienced foreign support to be passed on. With the go-get attitude of the youth currently employed, this is not far from happening.

With the inauguration of a series of flights, notably to Jeddah [Saudi Arabia] the commissioning of a VIP lounge, Air Djibouti once again is in the spotlight. The new routes strengthen Air Djibouti’s field of action which is advancing every day in its legitimate ambition to leave its mark in the aviation industry in this part of the world.

Through these new achievements, Air Djibouti is developing another fundamental aspect of its management: that of extending an integrated policy of acquisition of provisions in all sectors linked to its activities. Since its rebirth Air Djibouti has been participating in the economic growth of the country, its national airlines not only offer the pride of access to complete national autonomy in the field of aviation. It also helps to influence the notion of job creation in the country, the main issue on Djibouti’s agenda. Recruiting is likely to contribute significantly to the reduction of unemployment. Better still, it is more likely to participate in the positive transformation of the economic and financial provisions of households and families.

Air Djibouti’s cargo has become a trusted and efficient freight operator in the region. A 1,500 square metre Cargo Warehouse Facility has been built inside the Ambouli International Airport. This has the capacity to cater to products requiring 2°-8°C and 15°-25°C storage. In preparing Djibouti to becoming a logistical hub in the region, Air Djibouti, in partnership with EFS-EBREX will design, build and manage a world-class cargo warehouse facility to further increase its capacity. A freighter with a minimum capacity of 16T is also on the table.

In partnership with the Djibouti Tourism Authority, Air Djibouti is promoting its unexplored natural beauty.
EXPANDING OUR REACH AS A PIONEER FOR PROGRESS

As Djibouti continues to expand their economy with improvements in infrastructure, Air Djibouti has been rejuvenated with an unstoppable willingness to grow and expand. Being a key hub in the east African region, Air Djibouti’s passenger services and domestic flights connect travellers and cargo to seven countries, and it is the only national carrier with the ability to connect to Yemen.

For foreign investors, Air Djibouti is key for economic connections and stability. Abdourahman Ali, CEO of Air Djibouti, says: “If you want to develop your country, you must have connectivity.” This key connectivity also aids the airline to handle corporate cargo, making them an important player in the economic expansion and FDI of the country.
Supporting The Construction Sector
With Safe And Quality Infrastructures

Central Laboratory provides high expertise to companies operating in Djibouti to ensure that buildings and national infrastructures comply with the highest regulatory standards.

Founded in 1986 to better respond to the economic evolution of Djibouti, the Central Laboratory (LCBE) has seen its missions and attributions renewed in 2005, in a bid to adapt its tasks to the new challenges that stem from Djibouti’s economic growth and ensure continued development of basic infrastructure across the country.

In its long-standing, tireless commitment to supporting the construction industry of Djibouti, the Central Laboratory enforces all the necessary procedures to ensure the durability of infrastructures, carrying on thorough investigations on building materials employed in the industry, evaluating their strengths and qualities to locate any possible feeble points and make sure that all buildings are ergonomic and bioclimatic.

Furthermore, the Laboratory conducts extensive research to improve the quality of local materials and encourage their usage in the construction industry, with the overall aim of enabling the building of more efficient structures that can adapt more adequately to Djibouti’s specific climate and thus improve the quality of life of all Djiboutian residents.

The Laboratory is tasked with supervising the construction of major national infrastructures, in strict cooperation with the various governmental institutions involved, carrying out regular and extensive checks on the quality and conformity of all building materials and making sure all national standards are complied with and working with non-compliant companies to support them in the choice of new and better materials. “We are proud to say that companies are appreciating our technical advice for the improvement of their construction products,” says Rahima Ahmed Moussa, General Manager of LCBE.

Carrying out such a wide range of crucial tasks requires a highly skilled staff, and the Central Laboratory has launched a series of initiatives to ensure its team members are constantly updated on the latest standards and equipment available in the sector. “We are continuously training our teams,” says Moussa. “We are in the process of establishing collaboration agreements with other laboratories in Africa to increase our skills and know-how and share our experiences.” The Laboratory’s commitment is perfectly in line with the human capital enrichment goals stated by the Djiboutian government in its Vision 2035 plan.

LCBE’s commitment to quality training, however, is not limited to its own staff: the Laboratory is in the process of launching a national workshop that will bring together all the major players in the construction sector with the aim of showcasing the many technical resources and support solutions offered by the Laboratory, as well as providing all stakeholders with a chance to make their needs and concerns heard.

Djibouti, says Moussa, is a young, dynamic country in full development: from an investment point of view, it offers all the stability and security perspective investors may need, as well as a fully accessible free market, all the essential technology and fast broadband connections. “In the latest Doing Business report of the World Bank,” she explains, “The country ranked amongst the best 10 destinations for investment and the ease of creating business with a dynamic one-stop shop.”

A building is like a human being, it might get sick. You have to understand where the problem comes from and then cure it.”

Rahima Ahmed Moussa, General Manager of LCBE
From Moon-Like Landscapes To The Depths Of The Ocean

National Tourism Office of Djibouti is taking initiatives to ensure the sector fosters economic growth and employment, as outlined in the government’s Vision 2035.

National Tourism Office of Djibouti (ONTD) is the body tasked with the organisation, animation and control of the tourism sector in the country, as well as the development of sustainable tourism. Djibouti has an enormous potential in terms of tourism development, especially due to its wide variety of natural landscapes: among the many wonders of the country it is worth remembering Lake Assal, the lowest point in Africa and the fourth lowest point in the world. Situated about 120km west of Djibouti City, Lake Assal lies more than 150m below sea level. Another gem is Lake Abbe, with its naturally formed, 50m tall limestone chimneys that give the area a unique lunar-like feeling. Djibouti is also renowned for its high marine biodiversity and the various types of seabeds that can be found in its waters.

Tourists and travellers coming to Djibouti from all over the world are welcomed with the country’s signature openness, warmth and tolerance: “We welcome many French people,” says Osman Abdi Mohamed, CEO of ONTD. “France is a very important market for us, but visitors from other nationalities are increasing: Chinese, Americans, as well as people from Gulf countries and our neighbour countries.” To increase its appeal in broader markets, the organisation is working to provide tailored offers for US and Chinese visitors as well as reinforcing its presence in the European market. On the other hand, Mohamed adds, ONTD is not going to neglect Djibouti’s closest neighbours: “We have a regional tourism programme,” he explains. “We have opened our first flight from Addis Ababa in order to attract more tourists from Ethiopia.” Moreover, the organisation has taken several initiatives to facilitate the release of visas, launching e-visas and decisively cutting fees and charges: the price of a three-month stay visa has decreased from US$80 to US$10.

These efforts, coupled with the construction and inauguration of new international quality hotels in cooperation with global groups such as Sheraton, Kempinski, ONOMO and many others, have earned Djibouti a spot in Lonely Planet’s Best 10 Destinations list, which in turn has contributed to boost arrivals: “The Lonely Planet award had its first effects last year, when arrivals increased by 40%,” says Mohamed.

It is universally acknowledged that tourism is a key growth driver for any country, and the government of Djibouti is committed to ensuring the sector contributes to the economic development goals outlined in its Vision 2035. According to the plan, the tourism and travel sector should create more than 200,000 jobs by 2035, and ONTD is sparing no efforts to achieve that quota: “We are supporting investors as much as possible for them to be able to benefit from qualified workforce,” explains Mohamed. “We are creating some quality reinforcement programmes for people employed in our hotels. This is aimed at creating a qualified workforce that can suit the needs of the industry. We are working with the Ministry of Education to create a training centre for workers in the tourism sector. This will play a key role in creating qualified workforce for the sector.”

Djibouti, Mohamed says, is an extremely favourable environment for people looking to invest in the tourism sector, to whom he pledges ONTD’s complete support and assistance. Besides, he adds, this is the best time to invest in the country, no matter the sector of choice: “We have a stable growth rate at 7%. Plus, Djibouti has facilitated the procedures to be undertaken to create a business, and a one-stop shop has been opened. Today, we have an encouraging legislative and fiscal framework which has improved and is more attractive.” Djibouti’s potential, he says, is there, ready to be tapped into.

“There is a lot of potential: this is the best moment to exploit this opportunity, and we are happy to help.”

Osman Abdi Mohamed, Chief Executive Officer of National Tourism Office of Djibouti
the opening of the Djibouti International Free Trade Zone (DIFTZ) in July 2018, with the inaugurations of the first four industrial clusters, marked a turning point in the history of Djibouti and the East African market as a whole. Upon completion, the zone will span an area of 4,800 hectares that will undoubtedly boost inter-regional and international trade and foster employment for the locals. The Free Zone, a key step in the “Belt and Road” initiative, is just one of the many signs of Djibouti’s superb and amazingly fast transformation, a hallmark of the uncountable efforts the Djiboutian government is taking to differentiate the economy and position the country as a true trade, logistic and financial hub for the continent.

In accordance with the strategy mapped out in Djibouti’s Vision 2035, the government has spearheaded an impressive series of projects aimed at updating Djibouti’s infrastructural landscape: in that regard, a crucial step has been the construction and completion in less than five years of the new state-of-the-art Doraleh terminal: “We aim to penetrate new markets in the continent because we have the capacity to handle a lot of cargo,” says Wahib Daher Aden, General Manager of the Doraleh Multi-purpose Port. “We would like to create relationships with countries that are not using our terminals yet.” Comlan David Ocahoumare, Deputy Manager of Bank of Africa continues, “Investors must come today to gain from the Djibouti economy and capitalise on all infrastructures created by the government.” Bank of Africa remains one of Djibouti’s leading institutions and a major player in the country’s economy. “We have a strategic position for the Sub-Saharan region with very good security; we have all it takes,” adds Ocahoumare. “Djibouti is at an important moment of its development,” says Hon. Yonis Ali Guedi, Minister of Energy. “The government of Djibouti is working on a vision. All our projects, which are developed simultaneously, respect this vision.”

The marvels of Djibouti, however, do not halt with its impressive infrastructures and mighty ports: here’s a country lying over three tectonic plates, gifted with landscapes unlike any others. From the natural fumaroles of moonlike Lake Assal, to the azure depths of the ocean where humans have the rare privilege of swimming with huge and gentle whale sharks, Djibouti fully deserves its spot among Lonely Planet’s Top Ten Destinations in the world. “Djibouti has an enormous potential in terms of tourism,” says Osman Abdi Mohamed, CEO of the National Tourism Office of Djibouti (ONTD) “We are also a very tolerant, stable and safe country. Visitors will be very happy to come here.” It is a country intent on reinventing itself without losing sight of its roots, retaining the flavour of days past through the streets of multicultural Djibouti City, where travellers can wander among the markets and immerse themselves in the beauty of a country that is eager to show its gems to the world.
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Offering security, logistics and adequate financial platforms, Doraleh Multi-Purpose Port is a state-of-the-art terminal and the future of the Djibouti port. We aim to penetrate new markets and showcase our ability to handle cargo and transit while providing logistic solutions. As Africa opens its doors, we have the tools to become the first logistics port in the continent.