Country Profile

Republic of DJIBOUTI

ICDT 2022

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General Data

General info

- Capital: Djibouti
- Type of State: Republic
- Location: East Africa - Area: 23,200 km
- Time zone: GMT + 3

Demography

- Population: 1,002,197 - 2021
- Natural increase: 1.4%
-Official and business language: Arabic, French.

Currency

- Djibouti Franc – January 2022
- 1 USD = 177.98 Djibouti Franc

macro economy

- GDP: 3.37 MM USD Growth: 4.3 % - 2021
- GDP per capita: 3,363.7 USD - 2021
- Employment rate of people aged 15 and over: 23 %

International trade

- Imports – 2021: USD 5.57 MM
- Exports – 2021: 370.86 M USD

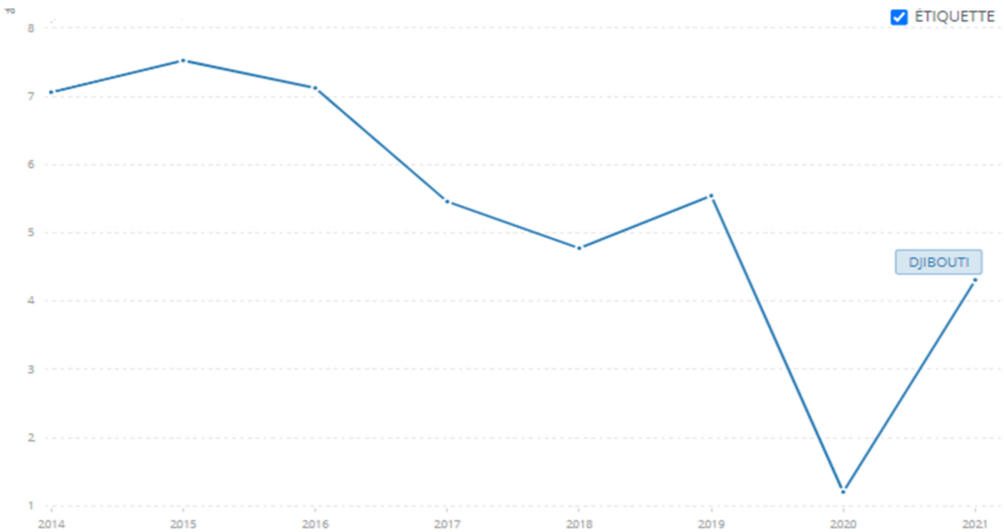
FDI

- FDI stocks in 2020: USD 1.99 MM
- Inward FDI flows in 2020: 240 M USD

Strong facts

- Geostrategic position at the entrance to the Red Sea.
- Support from the international community
- Regional commercial and logistics platform.
- Influx of large foreign direct investments
- Changing port and rail infrastructure, free zones
- The only access to the sea for Ethiopia, where 90% of its trade transits

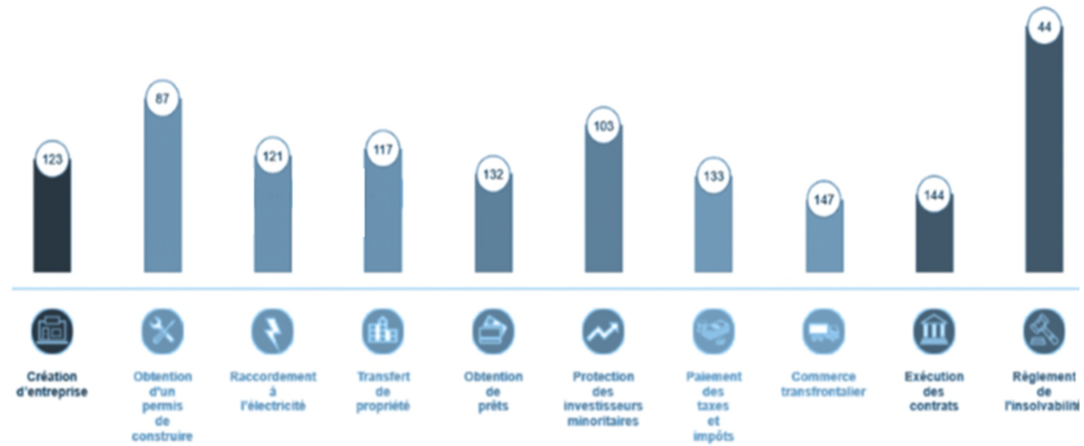
GDP growth (annual %)



Prior to 2020 economic downturn, Djibouti's economy grew dynamically by 5.5% in 2019. The IMF expects a solid recovery in economic growth in 2022 (5.5%). The AfDB projections are even more optimistic, with a GDP growth expected to reach 8.1% in 2022.

Djibouti's economy is mainly based on transport and logistics services (85% of GDP) and benefits from the trade activities of neighboring Ethiopia.

Rankings of Doing Business 2020 by Domain



The country ranks 112th in the Doing Business 2020 ranking , an increase of 42 places since 2018 thanks to numerous reforms:

Start a business	Djibouti	MENA
Procedures (number)	6	6.5
Time (days)	14	19.7

- the creation of a single window for business start-ups
- streamlining property transfers through tighter deadlines for property registration and digitization of the land register
- strengthening access to credit
- improving the protection of minority investors

Main sectors of activity

1.30 %	Share of agriculture in GDP It employs 24.5% of the population
16.2 %	Share of industry in GDP It employs 13.4% of the population
70.2 %	Share of services in GDP They employ 62% of the population

Sector Strategies

Djibouti 2035 aspires to a significant increase in the average standard of living based on a GDP per capita growth rate of 10% per year. The pursuit of strong, stable and sustainable growth is an essential pillar of the period. This necessitates the construction of an economic model based on strengthening liberalism, developing the capacities of the sectors that create national wealth, increasing the role of the private sector, and diversifying the sources of income and employment.

This long term strategic vision will be achievable thanks to three major pillars. First, an increase in port services given the country's strategic position on the major trade routes between East Africa and Asia. Second, the supply of an important African hinterland through the development of transport, trade and industrial activities. Third, the dissemination of new information and communication technologies. It will also be possible thanks to the exploitation of mineral resources that have not been exploited, and to the new dynamic that will be given to the development of the economic potential of the regions, of Agriculture, Fishing, Livestock and Tourism, with strong knock-on effects on the entire Economy and on Employment.

Infrastructure

Maritime

The port of Djibouti provides the main economic activity of the country. The entire port complex also makes a substantial contribution to the national economy, generating nearly 20 percent of GDP and creating about 15,000 direct and indirect jobs. It was expanded in 2002 with the construction of the oil and container port of Doraleh.The port of Djibouti is the main maritime outlet for Ethiopia, which has been landlocked since independence from Eritrea in 1993. 90% of traffic is transported by road.

Airport

The only airport with regular service in Djibouti is Djibouti-Ambouli Airport.It has 12 airlines serving 12 destinations.

Railway

The total length of the Djibouti railway network is 106 km. It is a portion of the Djibouti -Ethiopian Railway (CDE), for a total line length of 784 km.

Energy

Djibouti Telecom benefits from modern telecommunications infrastructure with access to eight submarine cables. The company leverages its strategic position to connect Africa and the rest of the world.

Promising Sectors

01 **Livestock** : high potential in animal resources but the sector needs the contribution of technologies and capital in processing cold meat or cold-storage slaughterhouse .

02 **Salt:** Lake Assal is a world famous salt reserve estimated at more than one billion tons and the deposit is continuously being replenished

03 **Banking:** stable financial sector with a market that crosses borders. Need for specialized banking service providers to meet growing demand.

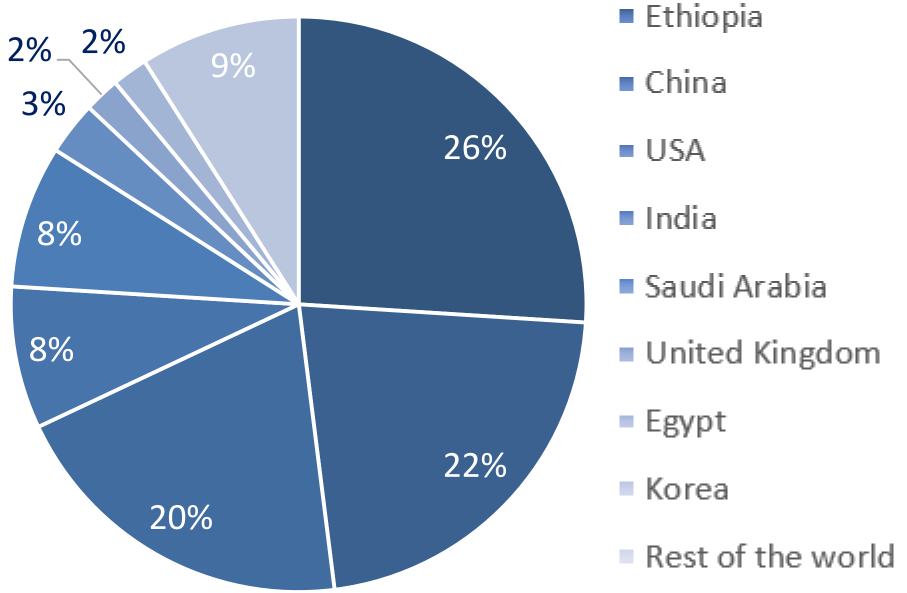
04 **Tourism:** important potential in the field of tourism, with exceptional sites, seabeds and magnificent beaches.

05 **Renewable Energy:** The country has a considerable potential for wind energy, especially on the sites of Ghoubbet, Assal, Gali Maab Wein and Bada estimated at 4000 to 5000 H./year of wind energy (return to 2000 H./year)
The geothermal potential is one of the largest in the world. The first geothermal development plan of the salt lake has been launched with a potential of more than 1000 MW.

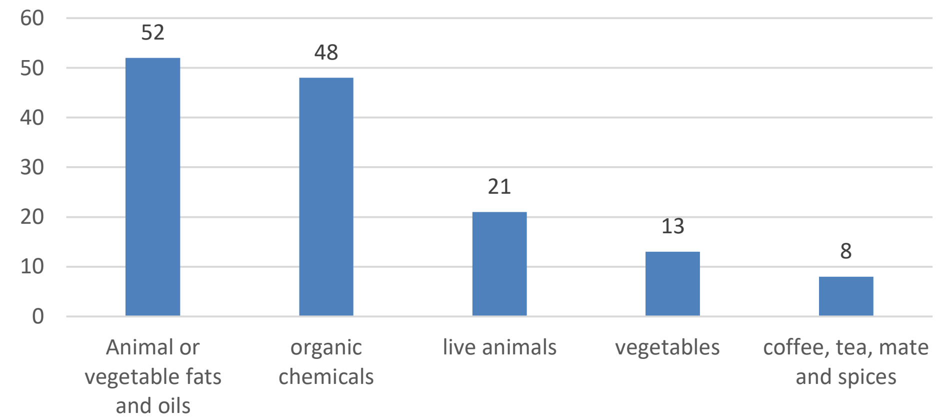
06 **Housing:** housing needs are estimated at more than 5,000 new homes per year. The government has initiated a new "zero slums" project linked to the renovation of the Djiboutian suburbs

International Trade

Main customers of Djibouti in 2020



Main products exported by Djibouti in 2020 - MUSD



Intra-OIC Trade

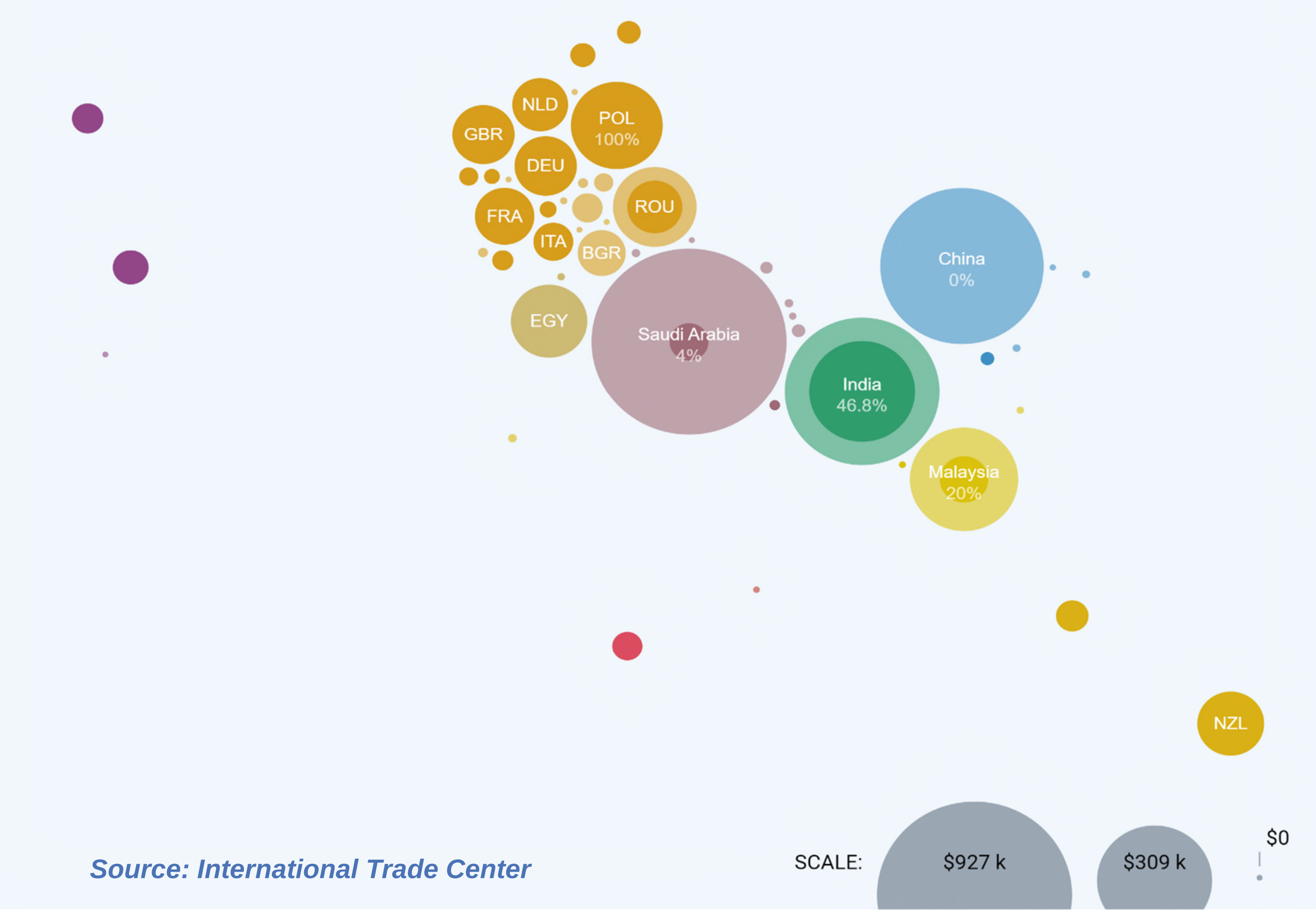
Top 10 customers, members of the OCI in 2009

1. Somalia
2. Qatar
3. Pakistan
4. Yemen
5. United Arab Emirates
6. Saudi Arabia
7. Sudan
8. Lebanon
9. Türkiye
10. Iraq

The top 10 suppliers, members of the OCI in 2009

1. United Arab Emirates
2. Saudi Arabia
3. Yemen
4. Pakistan
5. Egypt
6. Türkiye
7. Oman
8. Somalia
9. Malaysia
10. Kuwait

Export potential of Djibouti by country of destination



Markets with potential for Djibouti's exports of Coffee, not roasted, not decaffeinated

Legend

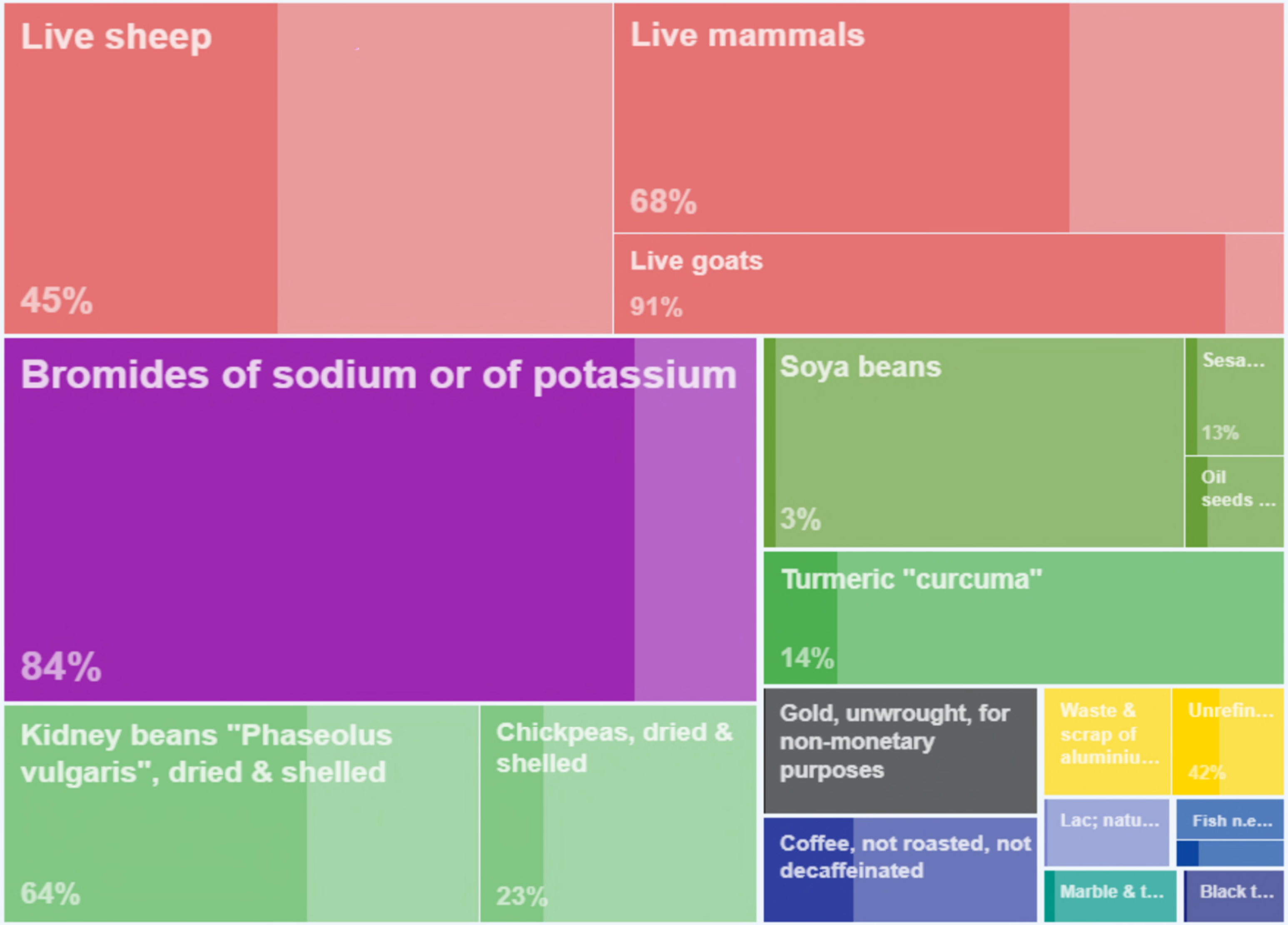
- Export potential
- Realized potential

- Middle East
- EU & West Europe
- East Asia
- South Asia
- Southeast Asia
- Northern Africa
- Pacific
- North America
- Southern Africa
- Western Africa
- Eastern Africa
- East Europe & Central Asia

Source: International Trade Center

Within the OIC region, the markets with the highest export potential are located in the Middle East and North Africa

Export potential of Djibouti by product



Source: International Trade Center

Djibouti's products with potential

Legend

- Export potential
- Realized potential

- Live animals (except poultry)
- Chemicals
- Pulses
- Oil seeds
- Spices
- Precious metals
- Coffee
- Metals (except ferrous & precious)
- Food products n.e.s. (processed or preserved)
- Fish & shellfish
- Mineral resources
- Tea & mate

The products with the greatest export potential are live animals, legumes, coffee and spices, and metals except ferrous and precious.

Market Access

Investing in Djibouti

Customs Duties and Taxes

Average rate: 41.3%
Average rate of agricultural products: 49.6%
Average rate of non-agricultural products: 39.9%

Trade agreements

Founding member of the WTO
Member of the Common Market for Eastern and Southern Africa (COMESA)
Free Trade Area Agreement (COMESA-EAC-SADC);
Member of the African Growth and Opportunity Act).
Abolition of customs duties on products to be exchanged with the EU.
The Community of Sahel-Saharan States (CEN-SAD)
The Intergovernmental Authority on Development (IGAD)

Why Djibouti

2nd maritime route in the world (60% of world traffic); strategically positioned (hub for landlocked countries); currency pegged to the US dollar & freely convertible.

Special Economic Zones

SEZ are connected to Djibouti's main ports and designed to diversify the country's economy, create jobs and attract investment, by allowing foreign companies to be exempt from taxes and benefit from quality logistical support.
Construction of the 240-hectare zone is scheduled to last 10 years and is expected to cover 4,800 hectares, making it the largest free zone in Africa.

Implemented Measures

Exemption of the patent for a period of 5 to 10 years; the exemption of the tax on the profits (natural or legal persons); the exemption of the Internal Tax of Consumption (TIC) on the materials necessary to the implementation of their investment programs and on the raw materials during 5 years.

Public markets

Djibouti's Tenders are published on the website: https://marchespublics.gouv.dj/

Contacts

Chambre de Commerce de Djibouti

http://ccd.dj/

Ministère de l'Économie et des Finances

https://economie.gouv.dj/

Direction Générale des Douanes et Droits Indirects

http://www.douanes.dj/

Portail du Guichet Unique pour les Investissement

www.guichet-unique.