



**GBS**AFRICA

Djibouti – Horn of Africa's base for regional trade &  
Global security

# Outline of the Presentation

1. An introduction
2. Djibouti as a regional logistics hub
3. Observations on the country's Investment regimes
4. Key Messages



# Introduction



- Uniquely positioned
- Landlord in Chief for global super powers
- Home to IGAD and key broker for regional peace initiatives
- Key to China's BRI route (infrastructure development).



# Observation of Djibouti's investment regime

- To attract investments, Djibouti has undergone six reforms in the past two years. The highlights of the reforms are as follows:
  - a) Business environment reforms
  - b) Transfer of ownership
  - c) Protection of minority investors
  - d) Access to credit
  - e) Enforcing contracts & resolving insolvency.





# Djibouti's role in regional development.

- Headquarters of IGAD making it a regional power house.
- Strategically located at the most important crossroads/trade route.
- The country is key player in regional peace initiatives brokering peace in the Middle East (Saudi Arabia and Yemeni)
- As a member of of the Common Market for East and Southern Africa (COMESA) and a signatory of the AfCFTA, makes Djibouti a gateway to the rest of the continent



# Competitive Advantage

- a) Historic relations with its neighbour Ethiopia is key to the country's economic vision.
- b) Djibouti maintains an active strategic and economic diplomacy (Haven in the unstable horn of Africa).
- c) Ties with China, USA, France, Japan and Saudi Arabia means the country is at the heart of global policy
- d) China's belt road initiative has Djibouti as key to China's Africa strategy. Investment in Djibouti's infrastructure will benefit the region



# Notable Infrastructure projects

To improve the country's competitiveness, a number infrastructure projects in energy, water, road and rail.

## Solar Power:

Contract awarded to Engie (French Solar company) to design, build and manage the solar photovoltaic power plant project in the Great Bara Desert.

## Wind

Spain's Siemens Gamesa has been selected to build the Ghoubet wind farm.

## Water

Seawater desalination plant being carried out by the Eiffage Group in association with Tedagua, a Spanish company.



# Notable Infrastructure Projects

## Geothermal

KenGen's \$6.45 mln contract to drill three geothermal wells in Djibouti (boasting energy infrastructure).

## Logistics

- Ethiopia – Djibouti Railway (\$4 Billion) Cargo/passengers (2018)

- An agreement between Air Djibouti, Ethiopian Airlines and the port of Djibouti (2021) to offer air –sea Freight hub from Djibouti linking to the continent. (\$3.8 billion).





# Key Messages

Djibouti's infrastructure development will be key to AfCFTA's success, could be Africa's logistics hub.

Governance

Political stability is key to economic development.

Debt Management



# Thank you

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