



# INVEST IN DJIBOUTI

DJIBOUTI, THE PERFECT DESTINATION  
FOR YOUR INVESTMENTS



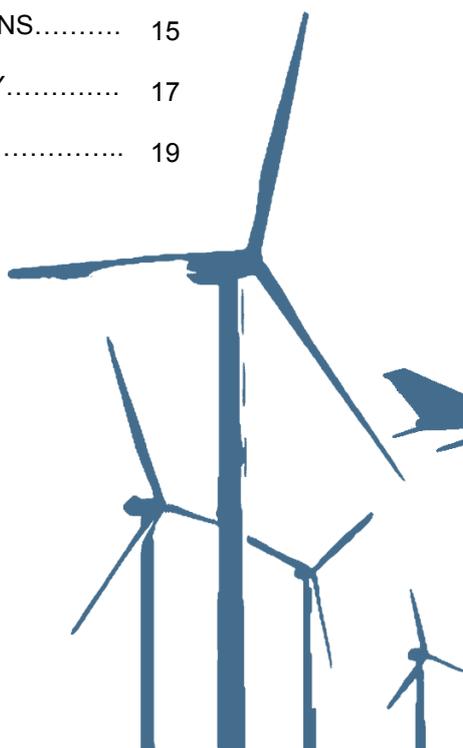
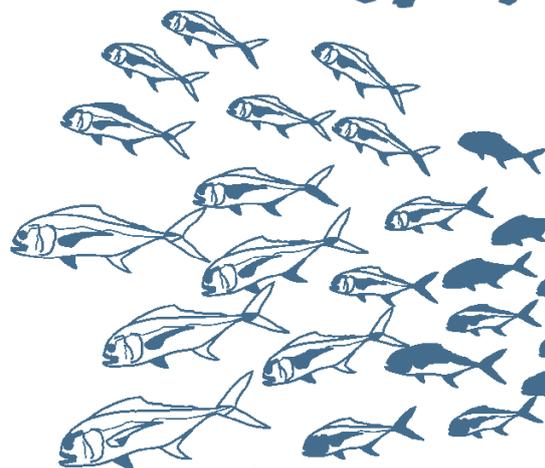
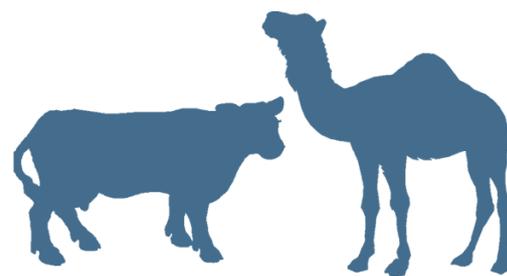
# NIPA

Building the Future

Building the Future

# INVEST IN DJIBOUTI

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# INVEST IN DJIBOUTI

The development and strengthening of the private sector is one of the highest priorities for the expansion of the national economy. Despite an international economy affected by the international financial crisis, the Djiboutian economy has registered a stable and favourable growth rate of 5% in 2009 and 4.5% in 2010. This slight slowdown is mainly due to the decrease of the foreign direct investment. In fact, the Djiboutian economy has benefited from huge investment in the transport sector namely; port investment, construction and banking sector this last four years.

Investment expenses have also significantly evolved and reaches 41% in 2009 comparing to the 23% of 2005. This growth is mainly due to the foreign direct investment and public investment. The republic of Djibouti offers various opportunities in many sectors such as the livestock ,fishing, tourism, financial sector, transport, telecommunication, renewable energy or real estate. All investment related to these different sectors are highly encouraged and can benefit from substantial incentives and support.

## Why invest ?

- 1 Because the country is strategically positioned in the region
- 2 Because it is located on the 2<sup>nd</sup> shipping line of the world
- 3 Because it has always been a land of exchange and encounters.
- 4 Because of its political stability
- 5 Because nationals and foreigners alike enjoy the same benefits
- 6 Because its currency is pegged to the US dollar and is freely convertible.
- 7 Because its financial system, free of exchange control, allows totally free currency transfer.
- 8 Because its economy is development oriented and in full swing.
- 9 Because the country is supported by renowned financial institutions
- 10 Because large scale infrastructure projects are in progress.
- 11 Because its telecom system ranks it among the best in Africa.
- 12 Because of its port infrastructure, Djibouti is the main corridor in the region.
- 13 Because Djibouti is an open gate to a market of over 400 million inhabitants.

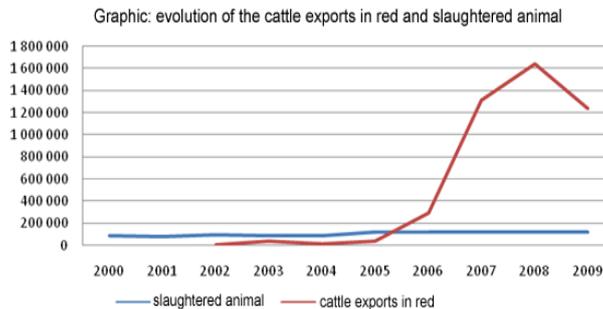
# INVEST IN DJIBOUTI

## Livestock

Livestock remains the predominant activity in the rural world. It is done in two ways: nomadic and sedentary. About 90% of breeding is nomadic, the rest is sedentary. Breeding also represents a strong element of economic integration as soon as it goes beyond the phase of mere consumption. The countries of the Horn of Africa in general possess considerable livestock. Ethiopia has the first bovine herd in the African continent and Somalia has more than 30% of dromedaries of the world. The Republic of Djibouti owns also an important livestock and thanks to its strategic position and its assets plays a major role of regional trade in cattle.

The potential of the sector of breeding is high and full of animal resources, but it necessitates modern technology and foreign investment in transformation activities like modern frigorific slaughter houses for export. As for local market, the objective for the government is to develop products capable of meeting domestic market needs. In fact, national animal production meets the country's needs only partially, and 1400 tons of milk products and about 370 tons of white meat are imported.

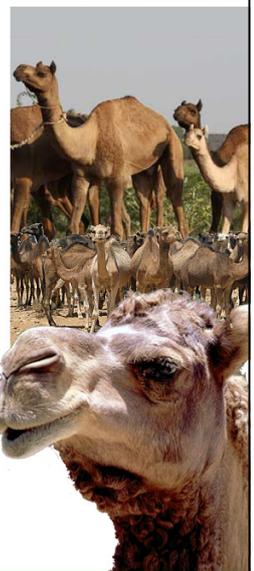
For Export, the establishment of the quarantine center of Damerjog allowed the country to comply with OIE standards to ensure health safety of livestock and related products. In addition, Djibouti plans to strengthen in future its role as a livestock transit country to the Middle East and North Africa. The following chart represents the imports, exports and local consumption of livestock.



Sources: IMF, Djibouti Central Bank

On one hand, The establishment of a regional Quarantine facility enables monitoring of animal disease as a prerequisite to perpetuate export of healthy cattle. Consumers worldwide are more demanding in terms of safety and sanitary precautions. Hence this component is of utmost interest to the government of Djibouti in fighting poverty and ensuring contribution of livestock to the national economy.

On the other hand, securing pastoral activities and improving the income of breeders are part of the objectives assigned to the sector by the government of Djibouti. To obtain immediate effect on poverty, the government favors investments in short cycle breeding, particularly small ruminants which offer the best potential for development and are consistent with the life style of rural populations.



## Fishing

Djibouti has a coastline on the Sea of 372 km of and an Exclusive Economic Zone of 7190 km<sup>2</sup> at the crossroads of the Red Sea, Gulf of Aden and the Indian Ocean. The country is surrounded by Ethiopia to the west, Eritrea to the north and Somalia to the south. Djibouti is located at a strategic side of one of the largest areas of maritime transit in the world and is near the largest oil zone in the world.

The primary sector, including agriculture, livestock and artisanal fishing contributed only about 4.8% of GDP in 2010. However, this is an area deemed with high priority by the Government in its strategy against poverty and improving food security.

Traditionally, fisheries practiced in Djibouti are a food fish. With 372 km of coastline, the area of continental shelf exploited by fisheries is about 2 276 km<sup>2</sup>. The fishing zone exploited by the artisanal fisheries are those in sandy facies, where the continental shelf widens.

According to available estimations, the potential of exploitable maritime resources of the Republic of Djibouti is around 48 000 tons per year among which 5000 tons are considered high value added resources which can be exported and generate substantial revenue to the operators of this sector.

However, the current national production amounts to only 1000 tons of fish and seafood per year, because of material insufficiency mainly (storage, processing and distribution network). The richest areas are located in the North (the site of Obock and Tadjourah) and south of Djibouti (water on the border of Somalia). The coastal zone of the southeast in the district of Arta offers also substantial potentialities.

The coastal plains of this area consist mainly of old coral reefs or madreporic edifices sit. Climates are characterized by the following parameters: a temperature ranging between 21.5 ° C in January and 41.9 ° C in July, a low and irregular rainfall. According to statistics from the Directorate of Fisheries, demersal fish accounted for 55% against 45% for pelagic. Among the most frequently fished species are distinguished primarily the Wahoo (very popular within local people), groupers, sea bream, trevally, tuna, barracuda and red snapper.

The majority of fishermen (95%) use boats of 7 to 9 m long, fibreglass, equipped with outboard engines of 25 to 40 horses. Today, the number of fish boats are estimated at 200 to 250 and in each boat the crew varies between 3 and 4 fishermen. Currently, the fishery sector provides permanent employment to 3 600 persons among which 600 are fishermen working on five fishing sites around the capital and the three districts. The main methods of catch fishing are hand line to catch demersal fish, the gillnet fishery for pelagic fish, and the fishing hawk for the shrimp. The fishermen are grouped in an association which is a little bit more than a hundred fishermen.

To support and ensure the development of this sector, the Djiboutian government has undertaken the rehabilitation and modernisation of production facilities. Moreover, in order to increase exports the government intends to improve and set up international standard for marine products. All projects related to this full of opportunities sector, are welcomed and highly supported.



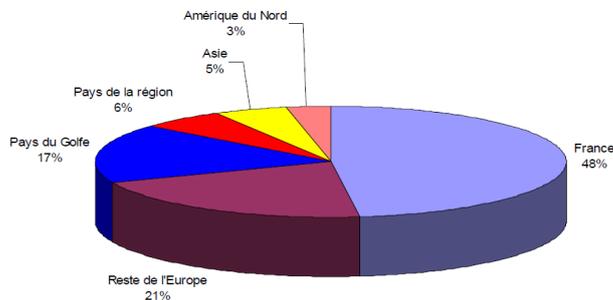
# Tourism

## INVEST IN DJIBOUTI

"Portion of the moon on the earth's crust" "apocalyptic Landscape " "Geological paradise splendor of underwater sites", all the adjectives have been used to describe this part of earth always changing.

Far from being inhospitable, unique geological sites in the world have always attracted scientists and adventurers in search of unusual and exotic world.

From October to April, the climate is more pleasant, like a Mediterranean state, while the hot season from May to September experienced an average temperature of 35 ° C. The Republic of Djibouti has a great potential in tourism, with unique sites, the seabed and beaches of all beauties.

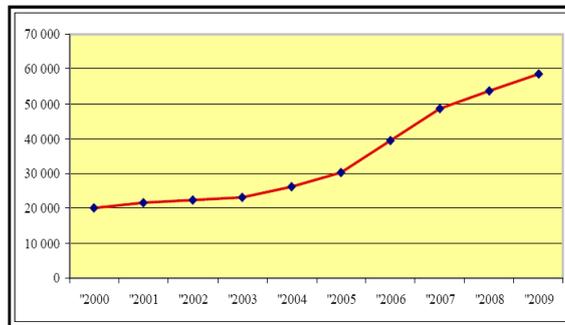


The average stay of a tourist is about ten days, and the main tourist activities are deep-sea diving, sport fishing, trekking, walking, exploration of the nomadic world, ornithological observation, and of course, beach and sun.

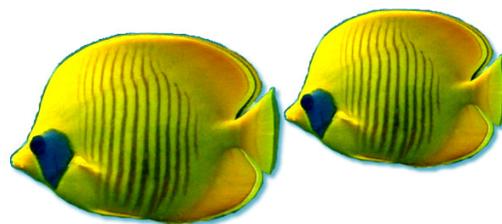
Only 5% of tourists come from Asia, mainly Japan. Tourists from countries of the region account for 60%.

North America is a source of new customers for our country. Canadian and American tourists account for 3%.

The increase in air traffic with five companies serving regularly the country and the recent inauguration of the 6th company is an additional advantage and contribute to the growth of the tourism sector. This following chart shows the evolution of the number of tourists coming in Djibouti since 2000.



Indeed, diversity of attractions satisfied all visitors. The landscapes include, among others, a coastline of 370 km, the Strait of Ras Siyan, considered "wonder of the world of diving, the multitude of fine sand beaches, such as Doraleh, Kor Ambado and Arta, sand White ... attract many visitors from all over, the Forest Day, the mountains ideal for hiking as well the hellish landscape unique in the world such as deserts among which are the driest (Grand and Petit Barra), Lake Assal with its incomparable salt deposit ...



## Forest Day

The National Park Day Forest is located at 1500 meters altitude on the slopes of Mont Goda. Living remnant of what was to be the vegetation of the Sahara and Arabia a few thousands of years, the forest is home to giant acacias, junipers, wild olives, the jujube ...

The fauna is also very diverse. Many birds nest here, finding refuge in this ecosystem so special. This unique forest, which covers an area of 60 km<sup>2</sup>, contains more than 60% of the biological resources of Djibouti, and is home to unique species in the world in terms of fauna and flora, is now threatened.

This unique biological heritage which plays the role of water tower (by facilitating the infiltration of rainwater into the groundwater) is used to supply water to people and cattle around and settled on the Goda Massif, as well as survival about 10 000 people.

## Future Vision

The future of tourism is promising in Djibouti. The successful marketing strategy and promotion initiated by the ONTD (National Office of Tourism) and government initiatives to facilitate and encourage investment would help strengthen the reputation of the destination. Furthermore, the establishment by the National Tourism Office of a program of training for jobs in tourism will improve the competence of Djiboutian actors and ensure the quality of products offered by local operators.

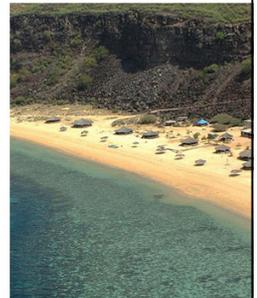
That is why a strategic development plan has been implemented by the government, and aims to make this a priority sector for economic development.

The location of Djibouti, which is a natural regional hub for tourism, is the basis for this strategy to emphasize its strengths: rich underwater unique scenery of exceptional beauty. The actions of this plan include the improvement of infrastructure in order to achieve the establishment of a real capacity to meet international standard. They are part of a package comprising a training component for jobs in tourism and education and another related to the protection and preservation of the marine environment. The country's tourism potential is a godsend and interesting coastline almost untapped highlights the riches of the seabed.

This potential could enable development of thematic quality (eco-tourism, scuba diving, cultural tourism etc...). Despite the vast opportunities for discovery many sector stay still unexploited. Investment opportunities exist:

- Development opportunities in Sea Safari: Situated at the intersection of the red Sea and the Indian Ocean, the country presents one of the fascinating place in the world for scuba diving with its variety of Fauna and Flora.
- Building Hotels/Bungalow/ and Touristic Villas in the key touristic areas (Maskali island, Moucha Island, Day, Lac Abhe, Goubet, Lac Assal, Randa)
- Creating parks, Marinas, and entertainment centres for tourists and local population

Projects concerning the development of this sector are highly supported and can benefit from substantial incentives.



# Banking sector: Unequaled freedom

## Legal framework

The Reference texts of the sector are: **Law n° 91/AN/05** related to the Central Bank of Djibouti and **Law n°92/AN/05** governing the opening, activities, and functioning of credit institutions.

In order to establish and engage in an activity, the commercial banks must obtain prior required agreement, among which, possessing up to 30% shares of a credit institution or benefit of a stand by refinancing in currencies from an international bank while observing the national standards and norms established by the Central Bank.

The minimum capital amount of the financial and banking institutions, or minimum endowment in capital for the branches and agencies establishments which are headquartered abroad, is fixed at 300 hundred million francs.

Furthermore, all economic actor whether residing or not residing are entitled to open an account without delay.

A great freedom of transfer everywhere in the world thanks to an adequate regulation constitutes one of the advantages of Djibouti.

## Market potentialities

With around 10% of the GDP, the Djibouti's banking sector plays a vital role in the national economy.

Thanks to an exchange policy maintaining fixed parity with the dollar, Djibouti's banking sector has opted for financial liberalism, which enables it to promote a stable, dynamic, and reassuring financial environment for regional investor.

Owing to a strict application of international regulatory provisions and prudential standards, Djibouti's financial sector has become a reliable and sound banking system, backed by major

banking groups, and benefiting from free capital flows.

The importance of the banking sector can also be attributed to the absence of exchange restrictions and to the stability of the Djiboutian Franc, the national currency. In fact, financial liberalism, reflected by the domestic commercial role played by Djiboutian banks, has attracted substantial foreign deposits in Djibouti.

Besides the Central Bank of Djibouti, the country's financial sector includes today 10 deposit and credit institutions.

- Bank for Trade and Industry- Red Sea (BRED Groupe Banque Populaire 51%, Rep. of Djibouti 33%, Yemen Bank 16%)
- Bank of Africa – Red Sea (.....)
- International Commercial Bank –Djibouti SA (Malaysia)
- SABA Islamic Bank (Yemen, Dubai Islamic Bank)
- BDCD Bank (Banque de Dépôt et de Crédit-Switzerland)
- CAC Bank Cooperative and Agricultural Credit Bank [Yemen]
- Dahabshil (Regional investors)
- Salaam African Bank( Somalia, Djibouti)
- Exim bank (Tanzanian)
- Shoura Bank (Egypt)
- Warka Bank (

In addition, an Economic Development Fund (FDED) has been set up to cater for the financial needs of Djiboutian players.



## Banking sector: Unequaled freedom

The banking services and products proposed in Djibouti, while still in need of development, are considered to be adapted to the needs of local and regional eligible customers.

It is also worth pointing out that interest rates in Djibouti, for both creditors and debtors, are fixed by commercial banks. Therefore, the gross interest margin of credit institutions appears to be relatively high in Djibouti.

The activity of credit institutions has been improved in 2009, benefiting from an economic performance registered by the country as well as the increase of the number of credit institutions which has encouraged greater competition between them.

At the end of 2009, the aggregated balance sheet of the banking sector has closed with an increase of 21% and reached 183,915 million FDJ. This performance can be explained by the good performance of inter-bank operations, State claims and customers' credit. On the liabilities side, customer deposits have strongly contributed to improve the situation of integrated banks.

The credits given by commercial banks to their customers increased by 32.1% during this period and represented 53,254 million DJF, against 40,234 million registered one year earlier. Similarly, assets were increased by 20.8% over the same period, standing at 1.949 million DJF, against 1,614 million DJF a year earlier.

Bank loans on the balance sheet of commercial banks were 53,254 million DJF in 2008 and have experienced an exponential accumulation of nearly 13 billion DJF.

This substantial improvement was registered at the level of long-term loans (+70.7%), followed by overdrafts (+33.2%), short-term credits (+22.5%) and medium term credit (+23.7%). These figures reflect perfectly the rapid development of the Djibouti banking sector.

In 2009 loans given to businesses and individual entrepreneurs represented 54,813 millions FDJ, nearly 73% of total lending and commitments made by credit institutions, registering an annual increase of 36.1% comparing to one year earlier. Meanwhile loans to individuals, have also been improve by over 11% and reached 12,900 million FDJ by the end of December 2009.

Customer deposits have also greatly been increased by 19,4% and contributed to improve the situation of commercial banks. Besides by the end of 2009, the jobs created by the banking sector has increased by 17.4%.

The private sector is highly encouraged and supported into the investment in this full of potentialities sector. New financial products can be proposed and the existing ones can be improved for example:

- Establishment of Investment Banks that provide funds to sectors that are placed priority by the government namely, the agricultural and fishing sector, industrial sector or tourism for ex.
- Private and local partnership to develop the micro credit and microfinance sector
- Mutual Fund Agencies, Portfolio Management Agencies...



# The insurance : Sector in expansion

## Legal Framework

Since 2004 with the **Law No. 71/AN/04/5ème**, the insurance sector in Djibouti has been upgraded to other insurance markets in the world both the organization and functioning at the regulatory level. There is a control state with the power to investigate the broadest powers to verify compliance of the accounts of insurance companies and assess their creditworthiness.

The Regulations provide at least 50% of capital for domestic investors prohibits the relocation of risks and introduces the domiciliation of insurance on imports.

In macro-economic terms, this new regulation and in particular the rule of location of the assets representing technical provisions require insurers to actually play their role as institutional investors in respect of prudential rules of their profession.

A prospect of increasing integration has allowed the Republic of Djibouti implementation in 2003 of the regime of COMESA yellow card. This Card is a regional map of automobile liability insurance that provides all the guarantees required by the regulations in force in the host country to resolve the problem of compensating victims of road accidents caused by vehicles in transit.

## Market potential

The insurance industry is an essential component of the economic system to which it contributes on many levels such as securing persons and their properties as well as the financing of the economy. In 2008, the Djibouti's insurance market displayed satisfactory results by substantially benefiting from the growth of national economic activities.

The gross insurance premiums increased compared to one year later production. The insurance market depends on the economic

situation although the impacts are different across countries.

In emerging economies, economic development generally comes with an increase of coverage demand or warranties related to non-life insurance operations (damage of properties and civil responsibility), but in developed countries, such demand is related to personal insurance (retirement, health, provident scheme). In Djibouti, compulsory car insurance holds a dominating position on the market, while life insurance remains marginal and is limited to loan insurance that banks require before granting credits.

The insurance market is operated by two insurance companies, namely AMERGA and GXA. This market should more and more develop the personal insurance such as life insurance or health insurance that would overcome the insufficiencies of public provision and produce a long-term savings, which can help finance of economic development. On the macroeconomic level, insurance companies, institutional investors, will contribute more to the financing of socio-economic development through investments of their important technical provisions.

Djibouti Market insurance system works without intermediaries. This has the advantage of avoiding the costs of acquisition and the problems related to the relationship between insurer and intermediary including the management of premiums and the liability to the insured. Management costs are therefore reduced to operating costs, acquisition costs are slight.



# Transport

## International Port

Djibouti is the natural gateway of COMESA, a market of 400 million inhabitants and a telecommunications hub (SEA ME WE 3 submarine cable linking Europe to Asia, EIG link ...). In addition, seven countries in the Horn of Africa have developed a regional ring corridor. The project will go through different phases of implementation. Djibouti is the main hub of the region thanks to its assets such as its port, which would be connected to the other ports in the region.

## The Doraleh Container Terminal (DCT)

Located at the southern entry of the Red Sea and at the crossroads of busiest shipping line the world, the Republic of Djibouti aspires to become a genuine hub for goods and services between, on one hand, Africa, the Middle East and Asia and, secondly, Europe and the Atlantic Ocean through the Mediterranean and the Suez Canal. With a distance of 18 meters draught and a container terminal designed for container carriers of the sixth generation, the port of Djibouti is one of the largest ports in Africa, like Tangier's.

The container terminal is the second element of the port project Doraleh, with 2,000 linear feet, offering container latest generation, a draught of 18 to 20 m, as well as container storage area 700 000 m<sup>2</sup>. The construction cost of this terminal is estimated at around U.S. \$ 300 million. It has a first dock of 1,050 m, equipped with eight gantry cranes to unload two super post-Panamax "at a time, representing an annual capacity of 1.5 million units (EVP). A single gantry crane may lift four containers at a time (100 tons), and planning is managed

using a system called U.S. NAVIS adopted by most major container terminals in the world. Objective: to reach a pace of 60 containers per hour per gantry crane. It is now the most competitive port in the region and the only one to be certified ISO 28000 for containers. With a total capacity of 10 million tonnes per year, it has 18 pools, an open area of 17 ha and handling equipment fast and powerful.

## The Doraleh Oil Terminal

The program Doraleh was entrusted in 2003 to "Horizon Djibouti Terminals Limited (HDTL) under a concession of BOT (Build, Operate and Transfer) over 20 years. HDTL is a joint venture owned by Horizon Terminals Limited (HTL) (40%), a branch of ENOC (Emirates National Oil Company), Djibouti (40%) (30% private and 10% state) and the Kuwaiti company named Independent Petroleum Group (IPG) (20%).

Besides the oil terminal (operational since 2005) and the containers terminal that has just been inaugurated, Djibouti is contemplating the development of a free industrial and commercial area of 300 to 500 ha. Doraleh port, with its deep waters (18-20 m draft) and the huge base hinterland base, is favourable to the development of "tankering" (offshore resupply) and processing industries (oil refineries, desalination of seawater). The Doraleh oil terminal has a capacity of 370,000 m<sup>3</sup> of hydrocarbons and chemicals products. Two hundred trucks of 45,000 liters may be unloaded daily. At the port of Djibouti loading a truck is in 4 hours instead of 24 hours. Highly secure, this complex is the first oil reservoir independent of the Horn of Africa.



# Transport

## Dry Port and Free Zone

Moreover, the Dry Port managed by "Jafza International, a branch of Dubai World, like DP World and Nakheel following a contract signed in 2003. The zones of Djibouti drew within five years some 110 companies covering 70% of port capacity.

Located close to the port, one in Djibouti (14 ha) and one under construction near Doraleh (300 to 500 hectares to house 6,000 businesses), the free zones have an autonomous "one-stop shop window to promote FDI through the creation of a multimodal (sea, air, soil).

According to IMF estimates, exports in the Djibouti Free Zone (DJFZ) are expected U.S. \$ 265 million in 2011, against U.S. \$ 38 million in 2008.

Besides, its modern infrastructure the Djibouti Free Zone offer many incentives such as:

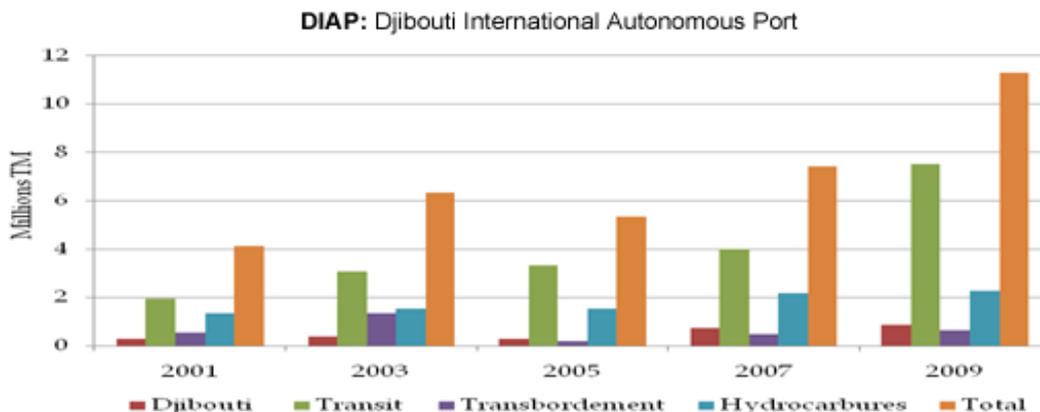
- 100 % Foreign ownership
- 100 % repatriation of capital and profits
- Tax Completely

- No Corporate Tax
- No Income
- Duty Free Environment
- Possibility to sell on local market
- Possibility to employ foreign
- No currency restrictions

## Port activities

The port activities, which mainly include the transit to Somalia and Ethiopia, have evolved favourably. In 2009, the traffic of Djibouti Port has maintained its growth with a progress of 20, 9% in 2009 (9.330.489 tons in 2008 to 11.281.191 in 2009) comparing to 2008.

The following chart indicates inflows tonnage at Djibouti Autonomous Port and we can see that transit, transshipment as well as hydrocarbons inflows have significantly increase these last ten years.



Source : Djibouti Autonomous Port



# Transport

## Road Transport

Djibouti has a high potential for development of infrastructure companies specialized in the export of transportation services to Ethiopia and other countries in the region.

This public entity, endowed with administrative and financial autonomy, now employs more than thirty people.

Source : FER B.T.E Ethiopian Transit Office

	Year 2005	Year 2006	Year 2007	Year 2008	Variation 06/07	Variation 07/08
B.T.E*	89 002	55 440	67 644	45 400	22%	-33%
Total	13 020	6 234	-	-	-	-
Mobil	9 299	4 659	-	-	-	-
PK 51	36 205	24 806	33 994	21 666	+37%	-36%
Transit Somali land	0	27 310	53 740	1 284	+96,7%	-97,6%
PK 20	0	13 559	0	12 604	0%	100%
BELL	1 261	0	907	90 491	100%	9 877%
<b>Total Offices</b>	<b>148 787</b>	<b>132 008</b>	<b>156 285</b>	<b>171 445</b>	<b>+18,3%</b>	<b>+9,7%</b>



The share of land transport in GDP has increased 10% to 30% in two decades. Ethiopian carriers dominate the industry and monopolize 98% market share.

Djibouti and Ethiopia have put in place an enabling policy to address the common uses administrative, fiscal, trade and bottlenecks affecting passengers.

## Road Maintenance Fund (FER)

The Djibouti government was to channel the traffic density on the international corridor. This objective is the rationale for the Road Maintenance Fund. Created by Presidential Decree 14 August 1999, the institution is placed under the authority of the Ministry of Equipment and Transport. Resulting from the withdrawal of the state sector, the FER has since been in charge of mobilizing and leveraging financial resources to cover costs related to road maintenance and rehabilitation work, and cover expenses.

The table following shows the development of road transport:



# Telecommunications Services

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## Infrastructure

The telecommunications sector represents a wide range of products and services tailored around which three areas: fixed telephony, mobile phones and the Internet. The country's geographical position and its policy of regional integration, make the area seem a transit line telecommunications by the presence of underwater cables, interconnection between Europe and Asia, and thus entail a network development international making Djibouti a telecommunications hub.

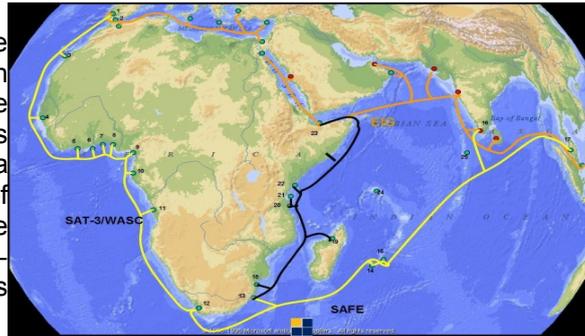
At continental level, Djibouti Telecom is part of the thirty operators System submarine cable in eastern Africa (EASSy), a project of submarine cable capacity in linking the town of Mtunzini in South Africa to Port Sudan with straps to Mozambique, Madagascar, Tanzania, Kenya, Somalia and Djibouti. Valued at USD 235 Million, this project will connect more than 250 million customers. On land, the fiber optic cable linking Djibouti to Ethiopia is being installed. It will allow the interconnection of Ethiopia to the systems of submarine cables.

These cable systems are compatible with existing ground stations, to ensure reasonable safety of certain traffic flows to Europe and Asia. The platform of international satellite transmission also enables operators to interconnect countries in the sub-region. Both HUB are themselves powerfully and directly connected to the network, respectively, North American and South East Asia.

We can therefore consider that the system could allow the flow of traffic Djibouti with almost all of its corresponding traditional.

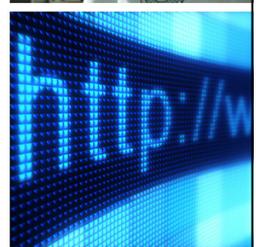
Through this connection Djibouti Telecom will:

- Enable capacity without restriction up POPs in London, Mumbai and Marseille
- Sell capacity without restriction operators in the Region



*SEA-ME-WE2 / SEA-ME-WE3 / Câble Aden – Djibouti / Câble Addis-Abeba /Djibouti (10 Gb/s) / EIG-Europe India Gateway (12802 Gb) / Eassy (320 Gb) / Project d'un câble de 20km reliant Djibouti à la Somalie (Loyada)*

- Receive free capacity at future extension of the cable
- Assign his right to participate at any time to other international operations
- Benefit terminations traffic from foreign operators towards the countries of the region;
- Collect traffic out of the region to move towards international operators;
- Organize the group to Djibouti in data traffic generated by the operators of the region to deliver on key "POP" international;
- Organize reunion in Djibouti using equipment dedicated voice traffic departing the countries of the region to deliver it supports IP.

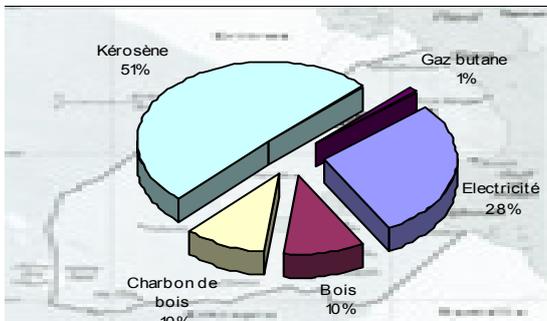


# Renewable Energy Generation

INVEST IN DJIBOUTI

The Energy sector is one of the strategic areas of the country. Recent efforts to economic growth provided by Djibouti on one hand, and geographic expansion resulting from rapid urbanization of the capital and other regions, have literally exploded the demand for energy.

Energy consumption of households (%) by energy sources



A major study on the potential of reducing electricity costs and the politics of energy access has been achieved. This study makes several recommendations, including the need to reform the sector and establishing the Department of Management Cell rural electricity.

The evolution of the main indicators of energy is presented below:

Source : EDD (MWH): Mega Watt Heure

Statut	Year					Variation 07/08
	2004	2005	2006	2007	2008	
Energy produced (MWH)	271 026	302 979	306 047	321 160	325 873	1,5%
Energy consumed (MWH)	223 903	219 735	226 887	254 718	269 792	5,9%
Rate of Return	82,6 %	72,5%	74%	79%	83%	5,06%
Number of subscribers	33 209	34 594	36 186	37 766	39 246	3,9%
Average price per kWh in FDJ	41,50	50,66	51	53,5	52,25	-2,3%

## The wind energy potential: future project

The country has a considerable wind potential, especially on sites Ghoubbet / Assal, Gali Maab Wein and Bada, as has been confirmed by a study funded by the Presidency of the Republic of Djibouti in May 2002. It is estimated to be 4 to 5000 H / year of wind power knowing that, in general, if we can wait 2000H/an, the project is profitable.

## The solar potential: a sunny future for a country full of promise

In the past, with support from the Center for Studies and Research of Djibouti, several studies and pilot projects were launched, especially in the field of solar photovoltaics. The Djiboutian Agency for the Social Development (ADDs) is the only body that has recently begun to equip schools, drilling wells and homes with solar photovoltaic panels.

The potential, however, is immense because, according to some experts, "each year, each km<sup>2</sup> is exposed to solar energy is the equivalent of 1.5 million barrels of oil." Djibouti has one of the exhibitions of sunshine (2 300 kW / h per m<sup>2</sup> per year) and solar radiation as high (3 500 hours per year) in the world.

In reference to the "Promotion of Solar Energy" project sponsored by UNDP, a diagnosis made recently demonstrated ignorance of the technology by potential users and decision makers,



# Renewable Energy Generation

because of the absence of substantial and systematic communication and dissemination of technology.

In this sense, the proposed plan seeks to amend the scope and extent of the use of solar energy to Djibouti by launching a promotion of this sector both at technical and economic.

The main objectives of Shock 10 years (period 2008-2017), is as follows:

- The equipment of all boreholes in rural areas by solar pumps, more than 70 wells;
- The equipment of all wells in good condition in solar pumps, a hundred wells;
- The equipment of a hundred schools in rural solar energy;
- The equipment of all health centers in rural areas by solar energy;  
The increased access to electricity service in rural areas is now almost zero to over 30%
- In 10 years, the electrification of more than 5,000 households by 2017.

## The Geothermal Energy: An Opportunity for Djibouti

The Republic of Djibouti as part of large areas of Rift Africa is endowed with large deposits geothermal.

The characteristics of this energy are numerous, it was such that it is the only energy independent of climate,

that geothermal plants do not emit any pollutants into the atmosphere or surface, or that the actual time of their production exceeds 98%. Today the global energy context is rather favourable to geothermal energy because of the availability of oil resources increasingly threatened by geological factors, economic or strategic.

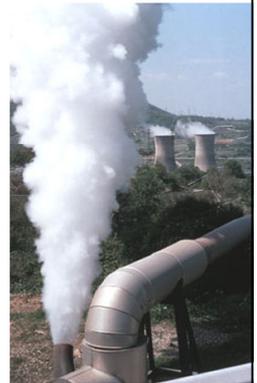
In his preface to the book by Andre Laudouze, Djibouti, published by Editions Karthala, Tazieff was already campaigning for the promotion of this inexhaustible energy.

"Water hundred, two hundred or three hundred degrees of temperature, is five hundred thousand or two thousand feet underground, means that when he rises to the surface and released to atmospheric pressure, it plans to high energy steam to be converted by a turbo-alternator to power.

Low cost of electricity can be valued up because of the proximity of a seaport. A port is actually on the reduction of commodity prices at the lowest possible, turning them into finished products - whether mineral, metal, or oil into chemicals, synthetic fibers, or fertilizers - and their expedition through the seaport to world markets.

Icelandic society REI-Reykjavik Energy Invest is working on finalizing the financing plan for a geothermal unit at Lake Assal.

Drilling identification of potential resources is underway. Various Indian and Chinese traders also took positions for the operation of other geothermal resources.



# Housing

Recognizing the importance of housing sector in developing countries and in improving the living conditions of the population, the Government of the Republic of Djibouti has prepared a plan of action to boost this sector which is instructed the Ministry of Housing, Planning, Environment and Spatial Planning and the Trust Company Realty Djibouti 'SID'.

Incentives for investment in this area and particularly the field of social housing were adopted as the tax exemption of imported building materials, and other incentives.

Thus achievements have emerged thanks to the assistance of partners concerned with the development of the country, including international and pan-Arab Fund for Development, which has enabled the Government through the real estate company in Djibouti 'SID', achieve 1st phase a new city of 842 dwellings and 2nd phase development of 642 housing starts.

However, demand for housing continues to rise due to objective factors such as revitalizing the economy and its openness and population growth.

In the Republic of Djibouti where over 85% of the population lives in cities whose economy is based primarily on service activity concentrated in metropolitan Djibouti, the urban importance as it has often been advanced the concept of city state.

Of an estimated population of 800 000 inhabitants over 500 000 mainly reside in the capital and suburbs Riparian BALBALA. With an average annual growth of around 4.5% resulting from both the combined effects of population growth and internal migration importantly, the housing needs are estimated at more than 2,000 new units per year.

Substantial efforts in recent years by the government and its development partners have reduced poverty and extreme urban poverty but major efforts must be undertaken to eradicate poverty and extreme poverty and its social consequences hampering development.

So to overcome this situation, the Government has set targets consistent:



## Housing

- To manage urbanization and to promote balanced urban development through the creation of common whose role also coaching people, but also an urban organization and planning of the development of cities.
- To improve the lives of people in poor neighbourhoods and foster their access to basic services by carrying out a program of social housing on the steps planned in collaboration with financial partners concerned with the economic and social developments of the republic of Djibouti.
- Programming for completion in phases with the assistance of institutions concerned with development of social housing in the capital and profits to inland districts of families with low income.

The Kuwaiti investor, National Real Estate Company (NREC), programs an important port city project. It should include two mid-range hotels, clinics, shopping malls ...

The Republic of Djibouti, encourages qualified companies with local and foreign experiences in the field of realization of housing estates, servicing and construction to participate in the performance of work.

The equipment, materials and equipment imported to Djibouti will be exempt from customs duties.

Because of the amount invested and in progress by the Djibouti Real Estate, the government has agreed in principle to grant the company the approval of investors receiving full benefits of the Code of investments.



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