A long-term development plan

By ILYAS MOUSSA DAWALEH

MINISTER OF ECONOMY, FINANCE, AND INDUSTRY



ILYAS MOUSSA **DAWAI.EH** holds a Bachelors degree in Economics and Social Administration. specialising in Business Management from the University François Rabelais in Tours. France and a Masters (DEA) in Marketing and Strategic Management. He began his career in the Direction of Planning attached to the Presidency and was one of the drafters of the Guidance Act of 1992, one of the first five year development plans. He subsequently worked at the Diibouti International Port where he rose to the position COO before entering the private sector as an entrepreneur.

jibouti is a small country of roughly 23,000 square miles with few natural resources and a population of less than one million. This context creates challenges for Djibouti in terms of developing an independent and sustainable economy. Taking advantage of beneficial global trends is fundamental for such small states. Given that the global trends are primarily shaped by the Anglo-Saxon world, Djibouti wants to open itself more to this particular influence in order to become more globally oriented.

Although it is a small country, Djibouti plays an important role in international security and stability operations, especially in the region. With its record of political and economic stability, it is an exception in the region. This has been achieved mainly thanks to the international community whose presence, especially that of the French army, was a stabilising factor. In the area of security, it was a priority of the president to push the Somali issue up on the international agenda and to support peace and reconstruction in Somalia as a whole. Djibouti believes that its own stability and peace depends on stability in Somalia, and that is why it is pushing international actors to support efforts of Somaliland. For this reason Diibouti hosts international armies and forces in order to contribute against piracy and terrorism. American, Japanese, French, and the European Union's Atalanta operation, all have their bases in Djibouti.

In economic terms, we also serve as a port to the region; and as of today we extend our services to South Sudan. We service the overall region and have become the sub-continental hub for logistics in humanitarian operations in Eastern Africa.

The republic of Djibouti has rapidly evolved over the last 10 years. The country has undertaken a major infrastructure modernisation programme and experienced a significant growth of its services in banking, transport and logistics, as well as tourism.

Djibouti Vision 2035 clearly sets out the aspirations of the President and his government. This project encourages Djiboutians to take ownership of this vision themselves, as they have a key role to play.

We used to formulate short-term national policies, sometimes on an annual basis, have since realised that there were a lot of challenges ahead and risks on the way. For this reason we need to plan over a longer period. We accept that we will probably not be able to achieve all our objectives during the current administration, but Vision 2035 clearly sets out the aspirations of the President and his government. We also want to encourage Djiboutian citizens to take ownership of this vision themselves, as they have a key role to play. We believe that with this initiative we are encouraging Djiboutians to achieve their own success in what is now a fast-paced and very competitive new world. The Vision 2035 is also based on the key pillars of encouraging economic integration, good governance and human development. This all means increased communication with the people to inform them of the wider opportunities that are available to them.

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Djibouti may have limited resources and a relatively small population, as said, but it is strategically located. As one of IMF representative recently noted: "the geostrategic position of Djibouti means the same thing as oil to Saudi Arabia." Of course, our privileged location means that the country must sustain the momentum regionally to facilitate greater trade, and to integrate our economies, making sure our neighbours are able to take advantage of our logistics and related services.

For example, Ethiopia has, over the last years, experienced a high rate of growth, and needless to say, the more Ethiopia grows the more the Djibouti economy follows suit. Djibouti's GDP is linked specially to its port and other logistical services, which in tandem is connected to the growth of the Ethiopian economy. This is why Djibouti works with Ethiopia on a long-term vision to ensure stability, competitiveness, and access to international markets. This will ensure that relations between the two countries will continue to flourish as Ethiopia embarks on its industrialisation drive. One of the key points of the country's industrial development is that the whole process must be integrated, meaning competitive logistics must be in place, and this is where Djibouti will play a key role. Djibouti is also planning a cross-border industrialisation program to add value to our exports. There is a need to create a cross-border duty free sone to integrate Djibouti's economy with Ethiopia's and provide a gateway to other economies in the region of commercial interest, such as South Sudan.

The rehabilitation of the Djibouti-Ethiopian railway and construction of a new rail corridor in the north, as well as the construction of a new port in Tadjourah are indications of the two countries' commitment to this common vision.

Energy and water are two major concerns regarding Djibouti's economic development. Since 2009, and the first Djibouti-Ethiopia power interconnection, strategies to address them have been adopted. A geothermal electricity generation program is also the number one priority for Djibouti's government, and the potential of this renewable source is acknowledged as one of the largest in the world.

We also have plans to couple this potential with other renewable energy projects such as solar and wind energy. By tapping into these assets with the assistance of our development partners being led by the World Bank, Djibouti is confident of resolving its energy problems in the next three years. The country may even be in a position to export energy in the long term. Already the first salt lake geothermal development plan has been started.

Moreover, the country is undertaking solutions to solve its water supply constraints through the desalination. Water is brought from Ethiopia for some areas of the south of Djibouti, and at the same time we are conducting our own research and development with highly skilled engineers. We anticipate that the challenge of water will, like our energy sector, be tackled successfully in less than three years.

Djibouti certainly has the potential to become another Singapore, Hong Kong or Dubai. There are a myriad of investment opportunities here thanks to our unique geostrategic location. Equally important are the many untapped business sectors such as tourism. We have the possibility of becoming one of the top marine tourism attractions in the world, provided the requisite infrastructure and facilities are put in place. International investors are welcome to come here to take advantage of these opportunities. We are already working hard with our partners and neighbouring countries to create critical infrastructure such as roads, airports and ports to serve as a gateway not just to the rest of Africa but also to the Gulf region as a whole. Another area of investment potential is telecommunications. Our telecommunications ministry is inviting major international players to Djibouti to make use of the most advanced sub-sea fiber-optic cable facilities in Africa. This is just a snapshot of some of the opportunities available in Djibouti today; there are many more.

Djibouti is constantly improving its business environment by adopting a certain numbers of regulations and improving the efficiency of its administrations.

Thus, a fully integrated one-stop shop allowing all private sectors to access harmonised services has been

set up. The one-stop shop with all state representatives is now operational within the National Investment Promotion Agency. A higher council of public-private dialogue under the supervision of the President of the Republic has been launched to improve relations between the private and public sectors. The country has also made considerable progress in terms of business environment as confirmed by the last Doing Business ranking by the World Bank. Djibouti is also rated well by the Mo Ibrahim Index.

There are a number of challenges we face in Djibouti and we believe in our vision of connecting Asia to Africa. We believe in extending our highly strategic position and transforming it into economic benefits for Djibouti and the region. Discussions are well advanced on negotiations between Djibouti, South Sudan and Ethiopia to create a pipeline that will connect these countries to the sea; a strategically important project with great prospects.

A number of new infrastructure projects in Djibouti extend to other parts of the region. Regional cooperation is a fundamental element of Djibouti's strategic development plan. This contributes to the stability of the region as a whole. Djibouti's integration into the wider region is a way of strengthening its stability and that of the region in the future. This is to a large extent a choice dictated by reality. Today Djibouti is sourcing 70 per cent of its energy from Ethiopia, although by 2020 it wants to cover 100 per cent of its needs from internal, geothermal sources.

For these ambitious projects to succeed Djibouti wants to use its strategic position and the advantage of stability as leverage in negotiations with larger partners. This is the basis of the idea of 'Djibouti plus one'. Currently it benefits from a strong relationship with France, but it wants to be 'plus one' for many actors coming to Africa, especially those from emerging Asian markets.

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Singapore,
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On one of the world's busiest shipping lanes

