

ANPI: the first stop for investors

By **MAHDI DARAR OBSEIH**

GENERAL MANAGER, ANPI



MAHDI DARAR OBSEIH is a graduate in languages and international trade from the University of Bordeaux, France. He held a variety of positions in the Ministry of Finance before being chosen to head ANPI in 2008.

The road to Addis Ababa and onwards

Created in 2001, the Agence Nationale pour la Promotion des Investissements (ANPI) - in English, the National Investment Promotion Agency (NIPA) - promotes investment, facilitates investment operations and works to modernise the country's regulatory framework. ANPI has been mandated the task of encouraging and facilitating foreign investment by assisting with all administrative procedures. Its ultimate goal is to serve as a one-stop centre for investors who currently have to deal with several ministries located at various sites. ANPI has identified tourism and manufacturing as priority sectors for investment.

Djibouti is a member of the Multilateral Investment Guarantee Agency (MIGA), which protects investors against non-commercial risks. Djibouti is also eligible for Overseas Private Investment Corporation (OPIC) programmes which offer up to \$400 million in combined financial and political risk insurance to eligible investors. In addition, the Djibouti Investment Code (Code des Investissements) stipulates that: "no partial or total, temporary or permanent expropriation will take place without equitable compensation for the damages suffered".

Djibouti offers significant incentives to private sector individuals and corporate investors. Investments

greater than US \$280,000 that create a number of permanent jobs are entitled to exemption from license and registration fees, property taxes, taxes on industrial and commercial profits, and taxes on the profits of corporate entities. Imported raw materials used in manufacturing are exempted from the internal consumption tax. These exemptions apply for up to a maximum of ten years after production commences. The Investment Code also guarantees investors the right to freely import all goods, equipment, products, or material necessary for their investments.

Performance requirements are not a pre-condition for establishing, maintaining, or expanding foreign direct investments. Incentives do, however, increase with the size of the investment and the number of jobs which are being created.

Nationals of EU and most other countries going to Djibouti require a passport valid for at least six months beyond date of departure and a visa (except for transit passengers not disembarking and continuing their journey by the same aircraft or ship). There are four types of visa (valid from one day to three months): Entry (visa de séjour); Tourist (visa de tourisme); Business (visa d'affaires); Transit (visa de transit). An extension may be granted in Djibouti on request to the Headquarters of the Police Nationale.

ANPI is able to facilitate the acquisition of residential and work visas for approved foreign investors.

Djibouti, as a signatory to the agreement between African, Caribbean and Pacific nations (ACP) and the European Union, known as the Cotonou Agreement, has access to the facilities of the European Investment Bank (EIB).

As a member of the World Bank, the facilities of the International Finance Corporation (IFC) would also be available for projects in Djibouti. Other potential development finance sources include the include the Abu Dhabi Fund for Arab Economic Development, the African Development Bank (AfDB), the Kuwait Fund for Arab Economic Development and the New Partnership for Africa's Development (NEPAD).

Transfer of capital and profits can be done on declaration. Djibouti has no foreign-exchange restrictions. There are no limitations on converting or transferring funds, or on the inflow and outflow of cash. The Djibouti franc, which has been pegged to the US dollar since 1973, is stable.

