

Supporting the private sector

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PRESIDENT, CHAMBER OF COMMERCE OF DJIBOUTI (CCD)

The CCD is ready to partner with all companies from the region and beyond who wish to take advantage of Djibouti's location and the opportunities this presents for commerce

Founded in 1907 on the initiative of a group of local businesses, the Chamber of Commerce of Djibouti (CCD) has since evolved into a key player on the business scene in Djibouti, thanks to the recent reforms included in its 2002 Constitution. All economic sectors are represented in the decision-making body, the General Assembly, which has 44 elected members.

A president, who represents the institution legally and officially in all administrative acts, heads the Chamber of Commerce. A Committee composed of eight members elected by the General Assembly assists him in this task. All elected members carry out their duties on a volunteer basis and receive no remuneration or compensation for their work.

The services and institutions managed by the CCD benefit from the experience of men and women with long experience in the world of business, and who are motivated by concern for the public interest.

The administration and services of the organisation are under the authority of the Secretary General, who is responsible for a share of direct services and who is tasked with monitoring the proper implementation of the budget and also to advise its elected bodies.

The CCD's mission is to express and defend the point of view of the country's main economic operators and is responsible for issuing opinions and proposals to increase economic prosperity, promote the development of the Republic of Djibouti, fight against poverty, and contribute to human progress.

Moreover, it is an organisation of trade facilitation and helps raise awareness of the national market, and takes part in studies and data collection as well as in raising awareness about the many opportunities available to investors.

To meet its responsibilities, the Chamber of Commerce has three operational departments that provide specific services to meet the needs of business.

These services take different forms, and include consulting, technical assistance, training, and many others.

Over the coming years, based on a consultative process with associate members and the General Assembly, the CCD will press ahead with strategies aimed at strengthening the business sector here. These will include measures to improve cooperation between the public and private sectors and working with the

Government on finding ways to make this country more attractive to foreign investors.

Djibouti's economy continued to grow last year by around 4.5 per cent with foreign investment providing an important stimulus to growth. Essentially, this investment was focussed on Djibouti's most valuable asset – its location at the southern entrance of the Red Sea and the business and trade that it serves with deep-water ports.

Its ambition to serve as the Horn of Africa's gateway to, and for, sub-Saharan Africa has, in many respects, already been achieved. There is a sentiment that suggests that Djibouti should become for the Horn and East Africa what Dubai has become for the Gulf – an entrepôt that can serve as a modern and highly efficient trading hub for the region.

Driving this vision forward, the government has given the green light to place the port and the airport under private management contracts, and is building the second stage of a new container terminal at Doraleh, with an adjoining oil terminal and transshipment complex.

By improving container facilities in Djibouti, the idea is to stimulate an increase in port traffic and open up new opportunities for investment and growth, including attracting other African countries to use the port as a trade gateway.

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Djibouti has also established a Free Zone to bring in manufacturing companies. A new US\$300m airport upgrade is under way. A US\$400m ship maintenance yard, and a US\$100m desalination plant (for the Doraleh project) are also currently being built.

Meanwhile, the country's capital flows have more than doubled to a very respectable 21 per cent of GDP, consequently creating a balance of payments deficit of just 1.1 per cent of GDP.

But, as the World Bank points out, the balance of payments account is likely to widen as the launch of Djibouti's numerous projects will involve the importation of a considerable amount of capital goods. However, the Bank adds that the deficits will not present a problem, as FDI, and external borrowing can comfortably finance them.


The CCD supports the government as it works to tackle the country's main issues. Meanwhile, government has acknowledged the need to identify the sectors that can drive growth while creating jobs and plans to market Djibouti's many attractions as an investment destination. Specifically, the country is positioning itself as a regional centre for the importation, warehousing, value-addition and re-export of goods originating in neighbouring countries. Again, the CCD is playing a key role in backing such initiatives.

Djibouti's geological characteristics, lying on the Great Rift Valley, make it especially suitable for geothermal energy generation – a capital-intensive clean energy source that involves pumping water deep underground to be heated, creating steam that is brought to the surface to drive steam turbines generating electricity.

It has also identified the financial sector as a prime area for growth. The government has already passed

several new pieces of legislation, notably regulating capital requirements, and relating to both financial co-operatives and Islamic banking institutions.

Another sector deemed to hold considerable promise is tourism. Djibouti offers ready access to some of the best scuba diving sites in the world, and the wealth of ocean life in the Red Sea is truly astounding. From the highly endangered horn-billed turtle to the shark-whale, and the multitude of brightly coloured tropical fish that, along with the wonderful coral, call these waters home, this is Djibouti's top tourism attraction.

The main areas that the CCD has been responsible for assisting and promoting are the tourism, transport and logistics, fishing, energy as well as telecommunications and finance sectors. Eighty per cent of Djibouti's GDP is based on services and the above-mentioned sectors are highly promising. Most of those sectors are still unexploited and our country welcomes all kinds of investments. 

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