

Djibouti national day

A decade of challenges and achievements

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AMBASSADOR OF DJIBOUTI TO JAPAN

I'm delighted to have been given this opportunity by The Japan Times to address its esteemed readers on the 32nd anniversary of the Republic of Djibouti's independence. It is my distinct pleasure to extend on behalf of the President of the Republic of Djibouti Ismail Omar Guelleh, and the Djibouti government and people, my best wishes of happiness, peace and prosperity to Their Imperial Majesties Emperor Akihito and Empress Michiko, the Imperial family, and the friendly government and people of Japan.



This celebration is a constant tribute to the sons and daughters of this young nation who have paid a heavy sacrifice for the freedom and independence that current generations enjoy. This event will be celebrated with a festive mood, but with a very high respect to the memory of those who made possible the real existence of this country.

This year's celebration has also a particular flavor with the marking of the 10-year accession of President Guelleh to the highest post in the country. I seize this opportunity to

express my heartfelt congratulations to the president, government and to all Djiboutians, whether in Djibouti, Japan or elsewhere, for this 32nd year of independence, and wish them joyful celebrations, peace and prosperity.

After winning two presidential elections in a row, in 1999 and 2005, the president unveiled each time ambitious projects for the economic and social development of the country. The president also took the opportunity to hold a forum scrutinizing government actions during the middle of his second term of office. It has been hailed by many Djiboutians and outsiders as an exemplary model of transparency and good governance in the sense of subjecting the government to public scrutiny. This has demonstrated the maturity of the Djibouti democracy through which the government tries to promote economic and social development while fully respecting the human rights of its citizens, and understanding their maintenance as not contradictory to the interests of the state, but as part and parcel of the raison d'être of the state.

As President Guelleh said: "I am convinced that human rights will be an abstract if we don't apply them to the most palpable and tangible aspects in daily life." Therefore hu-

man rights in the Djiboutian perspective must include the right of access to basic amenities such as education, health, housing and employment, as well as security alongside those guaranteeing the political rights of free movement and speech.

Security is one of the pillars of human rights as well as the foundation for the existence of a country, so the president and his new government wisely achieved peace and stability in the country by signing a peace agreement with the armed opposition in 2000. The return of stability was the starting point of an ambitious plan to make Djibouti a commercial and transportation hub capitalizing on its strategic position. After several years and the emergence of a modern port at Dorale, around which a number of industrial and commercial firms are developing, Djibouti's landscape is undergoing a positive change in terms of new buildings and roads, and in terms of new opportunities. The changes are also visible outside the main cities in other regions and villages. Today asphalt roads are linking all the major towns of the region to the capital city and they will be extended to other villages thus encompassing remote areas.

The decentralization process under way in the five re-

gions that compose the country is another political reform that aims at reinforcing the decision-making process at political and economic levels. The political aspect of the decentralization has been progressing since the first regional and municipal elections in March 2006. It was quickly followed by the start of work on tackling some major development issues facing regional populations.

As the interior regions are in need of economic autonomy, the government under President Guelleh's leadership has devised a strategy of fostering economic poles in the different regions based on each's specificities. Projects have been initiated in each region, whether it is a project exploiting their mineral resources or enhancing ecotourism. The Lake Assal Project, which combines these two development paths, has been under way since last year. It aims at exporting the abundant salt produced naturally after processing and packaging at local plants, and shipping from a port currently under construction.

The regions are also acquiring more autonomy in power and water services, with the promotion of small-scale projects exploiting renewable energies like wind, geothermal and solar power.

The government has launched a number of political and economic reforms. The main objective was to clean up the finances of the country and maintain a good course without engaging in a heavy deficit. For the last three years, the country has enjoyed positive economic growth of between 4 percent and 5 percent. Last year, the economy grew at a pace of 5.8 percent, in spite of the financial and economic crisis looming in the global economy. The healthy economic situation has attracted a lot of investors, who are seizing opportunities in terms of a liberal business climate and the cross-border facility that allows one company to operate in the Greater Horn of Africa and the rest of the continent. The banking system has been expanding. Six banks, commercial banking as well as Islamic banking, are catering for the needs of the population and local businesses. Djibouti aspires to become a financial center.

The country has also witnessed great achievements in the education and health sectors, which are paramount in realizing the Millennium Development Goals. For the last 10 years, enrollment and attendance at primary schools, secondary schools and universities have doubled or even multiplied threefold. This increasing percentage of school enrollment positions Djibouti on a good path to achieve the education goal. One strategic policy that gave impetus to the education sector was the opening of Djibouti University in 2000. From roughly 400 students, the university is welcoming this academic year more than 5,000 students majoring in a variety of disciplines. The university has helped maintain Djibouti's pool of researchers and highly qualified teachers, and has succeeded in attracting Djiboutians looking for similar opportunities back to their homeland.

In the health sector all the parameters in child and maternal health, in fighting infectious diseases and other fields of general medicine are improving. The number of health units and hospitals has been growing throughout the country with the establishment of referral units in the regions that will provide treatment, including surgery, to patients without resorting every time to evacuation to the hospitals in the capital. The opening of the first Faculty of Medicine in 2007 will be crucial in providing the health sector with locally trained doctors in sufficient numbers to cover its needs while at the same time relying on overseas training in case of patent medicine.

The reforms of the last decade took place in different sectors, including judicial, energy, the advancement of women, youth and social affairs, and all have had positive impacts on public affairs and daily life. One initiative, "The National Initiative for Social Development," tries to embody the government's willingness to fight encroaching poverty due to hikes in food prices. The initiative has



Joining forces: Djibouti President Ismail Omar Guelleh welcomes former Defense Minister Gen Nakatani for talks Feb. 11 on antipiracy measures off Somalia. DJIBOUTI EMBASSY

brought the population living in the suburban and rural areas closer to water, health and education facilities so as to alleviate the burden on their meager budget. Another aspect of the initiative involves expanding agricultural production by allocating parcels of land and equipment to seminomad families who are cattle breeders. There is also the ambitious cultivation of the largest areas of land in friendly countries, and bringing the harvest to Djibouti for marketing and distribution to the needy.

Relations between Japan and Djibouti have always been excellent, and they continue to be so. They are built on mutual respect and friendship that have lasted for more than three decades. They have been confirmed by significant cooperation in the fields of economy, international affairs and trade.

The most recent example of these excellent relations lies in the fruitful cooperation against the phenomenon of piracy off the Somali coast. The Djibouti government welcomed the decision at the be-

ginning of this year by the Japanese government to send Maritime Self-Defense Force vessels to the Gulf of Aden and Indian Ocean to prevent pirates from hijacking merchant vessels. The Djibouti authorities offered to make available the use of all facilities for the deployment of the MSDF and other personnel participating in the fight against piracy as a clear sign of support to Japan, which has been at our side for the last three decades.

This has been possible through the swift cooperation and dialogue initiated at all levels of the political and administrative authorities of both countries, which culminated in the signing of a bilateral agreement for the presence of Japanese Self-Defense Forces by the foreign ministers of the two countries in April 2009. During his stay, Foreign Minister Mahmoud Ali Youssouf had fruitful discussions with his Japanese counterpart Hirofumi Nakasone, Defense Minister Yasukazu Hamada and other high officials. There was a convergence of views on the need to

curb piracy in the Indian Ocean as well as the reinforcement of capacity building of coastal countries to allow them to be active proponents in this fight.

On Jan. 29 to 30, Djibouti hosted a regional meeting under the auspices of the International Maritime Organization, which led to the adoption of a code of conduct, and the setting up of a regional training center for the coast guards of the region and information centers to cooperate in this important field.

We welcome also the recent enactment by the Diet of the antipiracy law to reinforce the activities of the MSDF in the Indian Ocean.

In conclusion, I would like to reiterate to the government and people of Japan my sincere gratitude for the support provided to the Republic of Djibouti in its search for sustainable development. One significant illustration of this exemplary cooperation lies in the construction of a ferry that will link the northern regions of the country to the capital city. The ferry will be delivered in October this year.



Trade hub: Djibouti President Ismail Omar Guelleh (second right) accompanies Minister of Transport Ali Hassan Bahdon (left) and authorities of Dubai on an inspection tour of Djibouti port infrastructure.

Sights of living Earth await tourists in Djibouti

What Djibouti's breathtaking landscapes may lack in expanse they certainly make up for in variety. Japanese tourists can enjoy the multiple pleasures of the sea, from a simple dip in waters with temperatures oscillating between 20 and 25 degrees Celsius throughout the year to snorkeling and diving in a beautiful underwater panorama rich in corals and colorful fish.

The Red Sea along the Djibouti coast is famous for its

fauna and flora, and divers from all over the world, although still small in number, are taking full advantage of the large and unspoiled areas.

There are also opportunities for hiking in the surrounding mountains and hills, which offer tourists more clement weather as well as wildlife, and a mixed landscape of desert plants and scattered forest, especially atop the 1,700-meter Day Plateau.

The country welcomes tour-

ists who are amazed by geological wonders, from the Rift Valley fissure to the lunar appearance of Lake Abeh and the glistening banks of the salt lake called Assal.

These many spots and others are evidence of the living Earth in which we live, whose perpetual changes are sometimes visible to the eye but sometimes unfold over thousands of years.

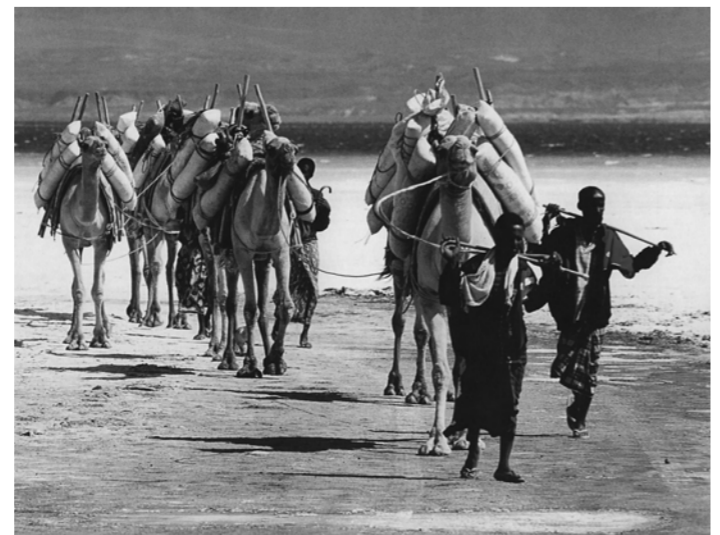
For instance, the fault line of the northern part of the Rift is widening by 2 cm a year, and is observable in the open air and underwater, and displays a thriving ecosystem. Geologists forecast that this widening fissure will eventually become an ocean separating a vast part of Africa and the Middle East from the Dead Sea to Southern Africa.

Not far from this crack, is Lake Assal, an inland lake supplied with seawater through underwater fractures from near the Bay of Goubet because it is 153 meters below

sea level, the lowest point in Africa. A few thousand years ago, it was a freshwater lake 400 meters above sea level, but the process of ground collapses caused by the Rift formation condemned it over time to its current depth.

This astounding land reveals its mysteries to the fortunate tourists who come to its shores. Tourist facilities are expanding with camps and accommodations appearing all across the country to welcome the growing numbers.

They are also catering to the needs of local tourists who are eager to discover their country while escaping the heat of the cities. High-standard hotels are on the rise to specifically address the needs of all categories of travelers with state-of-the-art comfort. More importantly, the people of Djibouti are hospitable and open-minded, and are contributing to making the stay of every tourist an enjoyable one.



Ancient trade: A Salt caravan at Lake Assal

Free zones promote foreign direct investment

Djibouti's free zone development policy is undoubtedly the consecration of the vision of President Ismail Omar Guelleh to make the republic the business hub of the region and the investment gateway to Africa.

Indeed, as normal partners to the harbor domain, the free zones aim to not only sustain the business opportunities that are born out of the existing infrastructure (harbors, airport, roads) but also in particular to establish a favorable environment for investment and trade.

The modernization of the country's infrastructure was one of the priorities of President Guelleh, who since his accession to power in 1999, has worked relentlessly to implement this ambitious project of growth and development. In 2009, at the time of a 10-year report, the ports and free zones are undeniably the pillars of an economic governance reassessed. Besides the innovative strategies of development inherent to these sectors, the new dynamic introduced by the president lies in resorting to the system of public/private partnership to promote the construction of the country's infrastructure.

The first stone of the free zone concept was laid in 1980 with the creation of the Port Free Zone, a storage zone for goods in transit toward Ethiopia or in suspension of customs duties before their import to the local market. President Guelleh began with a total recast of the free zone concept; indeed, from a simple storage space exempt from taxes to a free zone that has henceforth the objective to become:

- * Distribution and Marketing Platform
- Availability of a vast range of products
- Positioning the FZs as a "Purchase Platform" for the region
- * Minor Transformation



Investment gateway: Djibouti Free Zones open the door to Africa's massive markets.

Platform and light assembly

Import of spare parts and assembly in the FZs

Import of bulk and bottling, packaging, labeling in the FZs

* Platform for Import, transformation of the region's products

Sea products

Coffee, tea from the region

Endowed with a fully fledged legal setting (free zone law of 2004), containing fiscal and nonfiscal incentives to attract foreign investors, the Djibouti Free Zones (DFZs) are designed to act as a commercial linkage between Africa (specifically the COMESA market), countries of the Middle East-East Asia and preferred import countries of the East Africa region.

Besides that, the structures of the free zones position themselves thanks to the COMESA Rules of Origin, and to the European norms in the valorization of the "Made in Djibouti" products for their entry into the European and world markets.

Thus an encouraging business environment with exempt taxes and customs duties supports the foreign direct investment policy. The establishment of a "one-stop shop," a single center for all administrative formalities attached to

the creation and the monitoring of free zone commercial companies, represents an asset in the facilitation of business in the free zones.

Considering the importance of marketing strategies for gaining international reputation, the government recruited the expertise of the Dubai Authorities for the management of the DFZs. The pilot free zone in 2004, a symbol of the public/private partnership with Jebel Ali Free Zone (JAFZA) International, allowed international standardized infrastructure to be placed at the disposal of the free zone investor.

The availability of a state-of-the-art operational setting is a prerequisite to the foundation of a favorable business environment in Djibouti.

At this time when government action is being assessed and considering the five years of the functioning of the free zone legal framework, the free zones stand out at the forefront of the economic dynamism and the business effectiveness that is a clear characteristic of the term in office of President Guelleh.

DFZs shelter the logistics platform of the humanitarian aid of USAID. Beyond its role as

a natural port to Ethiopia, Djibouti with its free zones finds again its historic place as a land of exchanges and encounters; Djibouti has positioned itself as the gateway for investors in the COMESA region.

In April 2009, a statistical report showed that 138 free zone commercial companies are operational. The main founders of free zone companies originate mainly from Ethiopia, the United Arab Emirates and Asia.

The government action of President Guelleh is a good omen for new investment projects such as the establishment of an airport free zone spurred by the influx of companies starting industrial projects or commercial ones in existing free zones.



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Congratulations to the People of the Republic of Djibouti on the 32nd Anniversary of Their Independence



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