

INAUGURATION OF DJIBOUTI INTERNATIONAL FREE TRADE ZONE



Djibouti, on Thursday 5th of July, has launched the first phase of Africa's biggest free-trade zone, seeking to capitalize on its strategic position on one of the world's busiest trade routes.

At a ceremony in the capital city of Djibouti, President Ismael Omar Guelleh hailed the scheme as the culmination of infrastructure projects "boosting Djibouti's place in international trade and commerce".



The newly completed industrial area is Djibouti's pilot free trade zone will provide comprehensive solutions to companies operating in the services, trade and manufacturing industries and is set to attract businesses from across the African continent and the world.

Djibouti International Free Trade Zone which will span over a total 48 square meters after expansion, is one of the largest free trade zones in Africa and will welcome other industries such as the automotive industry and home electrical industries.

The zone, which is connected to Djibouti's main ports, aims at diversifying the economy, creating new jobs and luring foreign investment through tax-free incentives and full logistical support.

The opening, which coincided with Djibouti's hosting of the Africa-China Economic Forum, was attended by regional leaders including Ethiopian Prime Minister Abiy Ahmed and Rwandan President Paul Kagame.



The pilot phase launched Thursday comprises a 240-hectare (593-acre) site.

On its scheduled completion 10 years from now, the \$3.5-billion initiative will span 4,800 hectares — the largest free-trade zone on the continent.

The project hopes to see foreign companies setting up manufacturing plants within the zone, adding value to products instead of merely importing and exporting raw materials.

HE Ismail Omar Guelleh said that in its pilot phase, the free trade zone is expected to boost GDP by 11 percent. An initial group of 21 companies moving into the zone were named Thursday.

The zone will be managed by Djibouti as a majority shareholder with three Chinese companies: The China Merchants Group, Dalian Port Authority and big data company IZP.