

Bilateral brief India-Djibouti

1. Historical links, cultural affinities and people-to-people contacts between India and Djibouti has existed long before India's independence in 1947 and Djibouti's independence in 1977. The port of Adulis was the hub of maritime trade where Indian seafarers have flocked trading in spices and silk for gold and ivory. The Honorary Consul of India has been functioning on Djibouti since 1969 till date. Djibouti opened its Embassy in New Delhi in 2004.

2. Due to these long standing historical links and India's contribution in the field of education and training, especially for the Somali speaking population many of whom have been taught by Indian teachers, Djibouti is keen to improve its bilateral relations with India especially in the area of capacity building. Djibouti extended extraordinary support during Operation Rahat in April 2015 in the evacuation of Indians and other nationals from war-torn Yemen. Djibouti is also hosting our Embassy of India to Yemen in Djibouti till normalcy returns in Yemen.

3. Bilateral visits

President Ismail Omar Guelleh accompanied by his Foreign Minister and a business delegation of 30 member visited India in May 2003. President Guelleh also led a 30 member delegation for the IAFS III in October 2015 in New Delhi and had a bilateral meeting with Prime Minister.

4. A delegation led by Mr. Rifki Aboukader Bamakhrama, Minister of Trade and Industry also attended the CII-Exim Bank Meeting at New Delhi on 19-21 March 2008. A delegation led by Dr. B. Balabhaskar, Joint Secretary (WANA) visited Djibouti 18-20 December, 2016 to discuss various aspects of bilateral relations between the two countries. In July, 2015, MoS for External Affairs Gen V.K. Singh visited Djibouti as special envoy of PM Narendra Modi to invite the President of Republic of Djibouti for the IAFS -III Summit held in New Delhi in October 2015.

5. Indian ships make regular calls at the Port of Djibouti on transit and for joint exercise with US and French navies. Djibouti remains very hospitable to the visits of Indian ships. To combat the menace of piracy in the Gulf of Aden and in the Red Sea, India has sent naval ships since November 2008 for Operational Turn Around followed by anti-piracy patrol. Further, a number of Indian Naval Ships have been visiting Djibouti for OTRs for antipiracy operations in the gulf.

6. Indian Naval Ships

To combat the menace of piracy in the Gulf of Aden and due to its strategic location in the Red Sea Indian naval ships make regular call on the port of Djibouti since November 2008 for Operational Turn Around. Indian Naval Ships also have been regular call at Djibouti for Overseas Deployment.

7. **International Organizations**

Djibouti headquarters Inter Governmental Authority on Development (IGAD), the regional Economic Communities in East Africa. IGAD member states are Uganda, Kenya, Ethiopia, Djibouti, Eritrea, Somalia, Sudan and South Sudan.

8. **Bilateral Treaties and Agreements:**

- a. Bilateral investment Promotion and Protection Agreement (BIPPA) signed at New Delhi on 19th May 2003.
- b. Civil Aviation Agreement signed at New Delhi on 19th may 2003.
- c. Cultural Cooperation Agreement signed between India and Djibouti on 31st January 1989 and Executive Programme of Cultural, Education and Scientific Cooperation for the year 2003-2005 signed at New Delhi on 19th May 2003.
- d. Pan-African e-Network Agreement signed Between TCIL and Djibouti on 21st June 2006

9. **International Solar Alliance:** Djibouti has supported the International Solar Alliance initiated by India and France in Paris on 30 November, 2015 on the sidelines of the CoP-21 Summit. Djibouti is one of the first signatories of the International Solar Alliance Framework Agreement.

10. **Economic and Commercial Relations and Capacity Building**

Bilateral Trade: The bilateral trade stood at US\$284.54 million in 2016-17, out of which India's exports to Djibouti were US\$281.71 million and imports were US\$2.82 million. Exports from India consist mainly of cereals, iron & steel products, plastic products, sugar, mineral fuel and footwear etc. During 2016-17, major imports by India from Djibouti were hides and skins, metal scraps and leather. Bilateral trade is in India's favor. Most of the trade with Djibouti actually serves the growing market in Ethiopia. The main items which have shown increase in Indian exports are: iron & steel products, paper and plastic products.

11. **Economic Relation with India:** Djibouti Government generally encourages and promotes Indian investment and business. Given the small size and population of Djibouti, so far there has been no direct Indian investment in Djibouti by Indian companies, but in the last 5 years Indian-owned Dubai based companies have invested in Djibouti's logistics and financial sector. Djibouti is

keen to develop economic and development partnership with India especially in the areas of education, health, information technology, agriculture, small scale industries, portable electricity generation, fisheries and water resource development. In the area of rural electrification, IRCON had conducted feasibility study for rehabilitation works of rural electrification in Djibouti. M/s Kirloskar had supplied generator sets for power production. The Minister of Economy, Finance & Industry of Djibouti attended the India-Africa Trade Ministers' Meeting in New Delhi in October 2015 on the margins of the 3rd India-Africa Forum Summit.

12. **Cooperation in Capacity Building**

Under the ITEC programme, for the year 2016-17, 20 slots have been granted to Djibouti and 5 are utilized. So far Embassy of India, Addis Ababa has sent about 45 students from Djibouti under this programme.

The Indian Council of Cultural Relations (ICCR) offers scholarships to students from African countries every year for University studies in India. These scholarships are much appreciated by the Djiboutians and have contributed to capacity building. So far the Embassy has sent about 51 Djiboutian students.

13. **Culture:** The Embassy has been promoting Indian culture in Djibouti. The Mission has been celebrating the International Day of Yoga and the 3rd *International Day of Yoga* was celebrated on 17 June 2017 in Djibouti with the participation of around 50 people, including local and foreign Yoga enthusiasts/experts, children, women, and senior government officials, etc. Performance of an ICCR-sponsored 10-member Rajasthani folk dance group was organized in Djibouti in December 2015.

14. **Potential areas of cooperation**

Due to its strategic location as an important entre port and transshipment point for the region's landlocked countries, Indian Companies could engage in infrastructure projects like road construction, port development, power transmission and transport. Though a small economy, Indian professionals could find placements in the health sector, IT and banking sectors of Djibouti. Djibouti is keen to develop economic partnership with India and would like to learn and receive assistance from India especially in education, IT, agriculture, SMEs, fisheries, water resources etc. Djibouti is likely to embark on industrial zones which could be a fit for Indian businessmen wanting to set up units and make it a more attractive destination given its access to port and ease of doing business.

15. African Development Bank in its 2016 report states, Djibouti's structural transformation manifests itself mostly through the development of the services sector, which contributes to 89% of GDP – including the construction sector. The industrial and agriculture sectors are little developed and respectively contribute only 8% and 3% to GDP. Efforts for structural transformation in Djibouti are

limited by the low levels of human capital, with only 2% of the population having had access to tertiary education.

16. On the defence side, India may consider accelerating bilateral maritime cooperation especially with the Djiboutian navy given Djibouti has become an important port for many countries and, nations have set up bases with China being the latest as part of its OBOR policy.

17. **Projects in Djibouti**

Project	Present Status	Pending Action	Remarks
<p>Ali Sabieh Cement Project, Djibouti - LoC funded project. [LoCs for USD 10.00, 10.00, 14.00 and 15.13 million, totaling to USD 49.13 million was approved for this project]</p>	<p>Commissioning of Phase-II was started in November 2016 but but due to damage of fan motor, it was not completed as per the schedule. Fan motor is being replaced and commissioning is now expected to be completed by March 2017. Under Phase-III, the work was expected to be completed by May 2017 but due to delay in opening LC and clearing containers from Djibouti Port, it is expected by September 2017. Phase-III with installation of the mining equipments to start lime stone production and installation of coal mill and & power substation will make the cost of production economical. Saboo Engineers Pvt. Ltd. in consortium with Safetech India Pvt. Ltd. are working on</p>	<p>MEA-DPA vide emails dated 31.08.2015 and 10.09.2015 approved rescheduling of repayments for a period of 10 years starting from July 2016. LC already opened by EXIM Bank for the last LoC of USD 15.13 million.</p>	<p>Ambassador and FS (Com) visited the Plant on 4 April 2017 and met the General Manager, Consultant and the Indian company representatives. M/s Safetech India Pvt. Ltd. was requested to send details of the equipment to be procured from India for Phase-III which is still awaited.</p>

	the project.		
SME Incubation Centre in Djibouti - LoC funded project.	Ministry sanctioned vide it's Order No.M-208/01/2015 dated 15 September 2016 US\$ 5 million as grant for Djibouti Government for SME Incubation Centre. The Djibouti Government's initial request was for a grant of US\$ 5 million and LoC of US\$ 35 million to encourage and develop SME sector in Djibouti. This request for grant and LoC are both linked to same purpose of development of SME sector in Djibouti. However, only the grant of US\$ 5 million has been sanctioned so far and the request for LoC of US\$ 35 million is still under process.	Grant of US\$ 5 million has been disbursed in January 2017. The request for LoC of US\$ 35 million is under process. The clarifications sought by the Ministry with regard to cost break-up of equipments, machineries with their specifications, etc. have been forwarded to the Ministry on 13-2-2017. Reminder sent to the Ministry on 28-04-2017.	
Proposal to establish a Solar Charging Station in Djibouti (Under the framework of IAFS-II)	The Djibouti side had indicated their willingness to host the Solar Charging Station. They have also nominated the ADDS (Agence Djiboutien de Development Social) as their implementing agency for this project. This Mission had recommended a visit by our implementing agency to Djibouti.	The visit from our implementing agency is pending to proceed further in this matter.	To remind Ministry recommending visit by our implementing agency to Djibouti. Reminder sent to Ministry on 27.04.2017.
Establishment of Centre for English Language Training	EFL University, Hyderabad and the Djibouti authorities	A team from EFLU, Hyderabad	EFL University, Hyderabad and the Djibouti authorities

(CELT) at Djibouti	are open to the proposal.	submitted feasibility study of setting up of CELT in Djibouti and submitted their reports to the Ministry.	are open to the proposal. Djiboutian authorities have completed the logistical requirements for their Centre and looking for assistance by providing teachers/lecturers, course curriculum, equipments etc. to run the programmes. Requirements of Djiboutian side has been conveyed to EFLU on 12.01.2017 and their response is awaited.
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18. **Indian Community**

There are around 400-500 Indians either settled or employed in Djibouti. The oldest Indian community consists of Gujarati traders and entrepreneurs from Rajkot and Jamnagar. Less than half a dozen such families are remaining in Djibouti. The new Indian arrivals to Djibouti include corporate employees, professionals, including bankers, accountants, IT professionals and skilled workers in the hotel and port expansion projects. The companies involved in the Doraleh Port Project have also engaged a number of Indian experts and technicians. A number of Indians are also working in the Djibouti Port and refinery project. Indian workers are also shifted from UAE to work on their projects in Djibouti. These workers however return back to UAE after execution of the project. Indian Hony Consul General Nalin Kothari was awarded the PravasiBharathiyaSamman in 2017.

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