

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

FDI in brief*: Djibouti

Open-door policy helping with FDI inflows to Djibouti

*Complete tables are presented in the Country Profile: Djibouti, *World Investment Directory online, Africa*

Djibouti is fairly open to foreign investors. In the past decade it has attracted some FDI mainly in the infrastructure sector, such as ports, and trade services to the neighbouring countries, particularly Ethiopia. FDI inflows to the country grew from \$1.4 million in 1993 to \$4.2 million in 1999, dipped to \$3.2 million in 2000 and then recovered to \$3.5 million in 2002 (figure 1).

FDI inward stock increased from \$6 million in 1990 to \$40 million in 2002 (figure 2).

As a percentage of gross fixed capital formation (GFCF), FDI inflows declined from 8 per cent in 1995 to 4 per cent in 1998, made a recovery to 9 per cent in 1999 and then declined to 5 per cent (figure 3).

FDI inward stock as a percentage of gross domestic product has risen steadily from 1.5 per cent in 1990 to a comfortable level of 7 per cent in 2002 (figure 4).

Two of the three largest affiliates of foreign TNCs in Djibouti in 2002 were from Switzerland and the third was from the Netherlands, engaged in trading business (table 1).

Figure 1. FDI inflows, 1992-2002

(Millions of dollars)

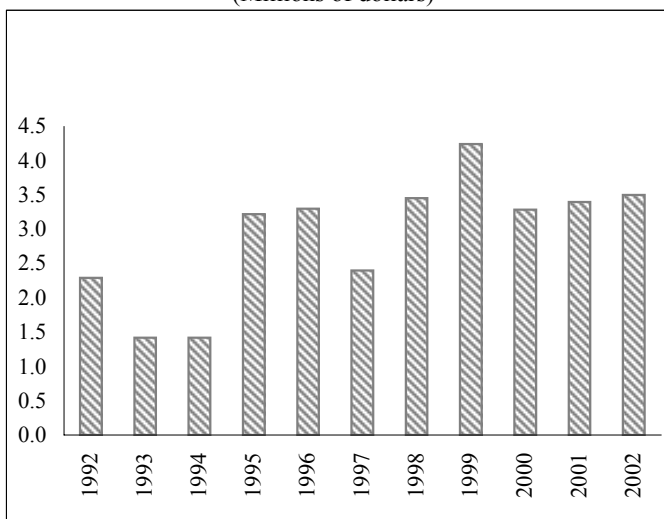


Figure 2. FDI inward stock, 1990, 1995 and 2002

(Millions of dollars)

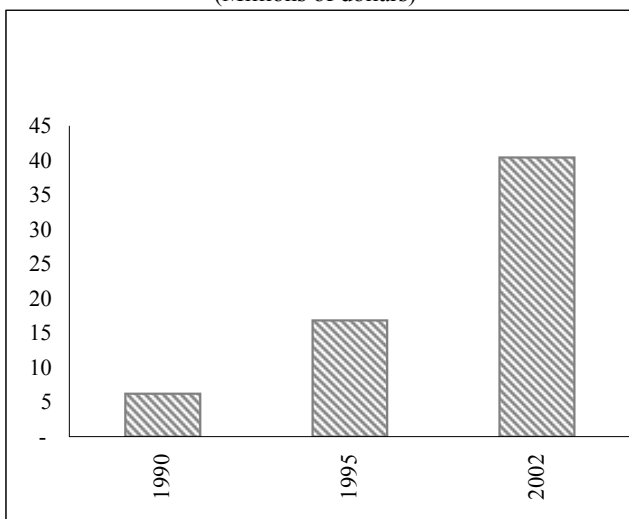


Figure 3. FDI inflows as a percentage of gross fixed capital formation, 1992-2002

(Per cent)

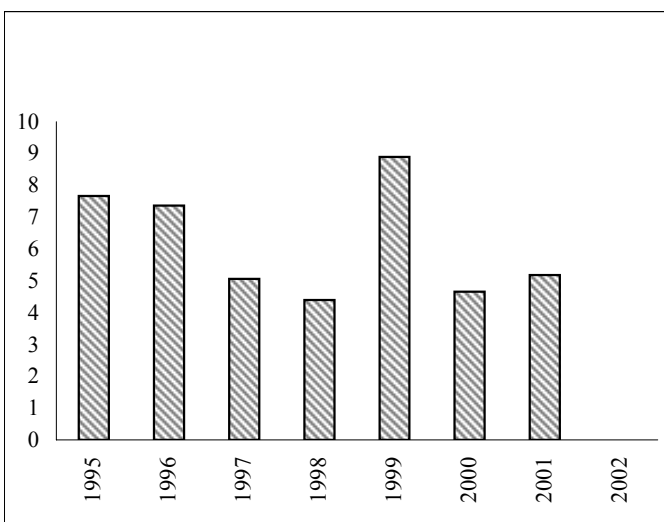
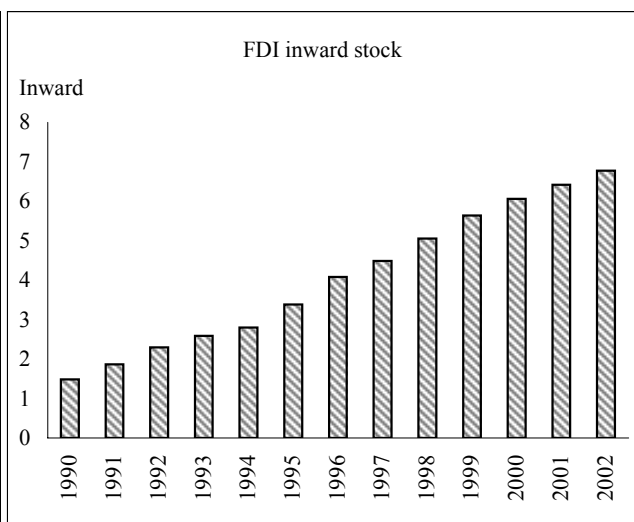


Figure 4. FDI inward stock as a percentage of gross domestic product, 1990-2002

(Per cent)



FDI in brief: Djibouti *(concluded)*

Table 1. Largest three home-based TNCs, largest three foreign affiliates of home-based TNCs, and largest three affiliates of foreign TNCs

Company	Host economy	Industry	Sales	Employees
A. Industrial				
a) Largest home-based TNCs, 2002 (Millions of dollars and number)				
..
b) Largest affiliates of home-based TNCs, 2002 (Millions of dollars and number)				
..
c) Largest affiliates of foreign TNCs in the host economy, 2002 (Millions of dollars and number)				
..
B. Tertiary				
a) Largest home-based TNCs, 2002 (Millions of dollars and number)				
..
b) Largest affiliates of home-based TNCs, 2002 (Millions of dollars and number)				
..
c) Largest affiliates of foreign TNCs in the host economy, 2002 (Millions of dollars and number)				
Anciens Comptoirs Ries	Switzerland	Trade	3	33
Shell Djibouti	Netherlands	Trade	..	87
Societe Transit Commerce	Switzerland	Trade	..	20
C. Finance and Insurance			Assets	Employees
a) Largest home-based TNCs, 2002 (Millions of dollars and number)				
..
b) Largest affiliates of home-based TNCs, 2002 (Millions of dollars and number)				
..
c) Largest affiliates of foreign TNCs in the host economy, 2002 (Millions of dollars and number)				
Banque pour le Commerce et l'Industrie	France	Finance	210.7	200 ^a
Banque Indosuez Mer Rouge	France	Finance	123.2	131 ^b
Bank Albaraka	Saudi Arabia	Finance	..	49

^a Data refer to December 2000. ^b Data refer to December 2001