





Press Release

European Union collaborates with the Republic of Djibouti for regional and continental economic integration in Africa

Djibouti, September 25th, 2023: The European Union (EU) is partnering with the Republic of Djibouti and the African Alliance for e-commerce to organise the ongoing 9th edition of the International Single Window Conference taking place in Djibouti from September 25 to 26, 2023. This conference highlights some of the investment opportunities and ongoing developments throughout the African continent that will enhance the efficiency of trade globally. The EU is supporting efforts in the region that will boost regional economic integration and facilitate regional trade aligned with the objectives of the African Continental Free Trade Area (AfCFTA).

A key action under this partnership is the EU support to the Horn of Africa Initiative's strategy, collaborating with the governments of the Republic of Djibouti and the Federal Democratic Republic of Ethiopia. The EU has committed €32 million to a programme dedicated to *"Promoting regional economic integration in the Horn of Africa through the development of the Djibouti corridor"* implemented by Agence Française de Développement (AFD) and the aid-for-trade organisation TradeMark Africa (TMA).

The programme is aiming at improving the effectiveness and efficiency of one of the most active economic corridors in Africa while promoting inclusive trade. This is achieved through trade processes digitalisation in government agencies to shorten the time required to get trade documents and accelerate the transit of goods along the corridor – from the Port of Djibouti to Addis Ababa, Ethiopia's capital. Electronic Single Windows and cargo tracking systems are examples of such digital interventions.

To marshal strategic partnerships that will deliver success, TMA, the implementing partner through this EU programme, has signed partnerships with Djibouti's Ministry of Trade and Tourism to eliminate non-tariff barriers (NTBs), along the Djibouti Corridor and align the Djibouti National Trade Policy to the World Trade Organisation's Trade Facilitation Agreement and the AfCFTA. This is expected to deepen trade integration with Ethiopia through harmonisation of trade regimes and domestication of common rules and regulation on trade and customs.

The aim is to contribute to a 10% decrease in the cost of trade, 15% reduction in the time to trade, and 30% decrease in time to clear goods at selected border crossings. The EU supported programme will also increase by 15% the exports in targeted sub-sectors and allow a 15% growth in income of targeted vulnerable group especially women in trade.

Djibouti Port handles today around 90% of Ethiopia's international trade. However, the corridor is constrained by difficulties, such as high clearance charges for traders. This, in turn, increases trade costs and commodity prices, therefore making EU's intervention timely.

Noting the progress made and acknowledging the long but rewarding journey ahead, Sylvie Tabesse, Ambassador of the European Union to Djibouti and IGAD remarked: "I am hopeful the work we are doing here will contribute to the reductions in the time and costs of trade. Further, I am looking forward to seeing the full value of our interventions in improving the attractiveness of the region to investors and more importantly that the people of Ethiopia and Djibouti will access goods on time and at competitive prices. This conference is the most relevant in today's context and the variety and quality of stakeholders here makes me confident in the future of our common ambitions."



TradeMark Africa Djibouti Country Representative, Achaa Abdillahi Ahmed, said: "This global forum is an opportune moment for us to foster discussions and knowledge exchange around digital trade initiatives such as the single window system concept, which we as TradeMark Africa have successfully implemented in East Africa. We hope to create more awareness of such efforts, as we build collaborations that will address trade barriers and catalyse increased trade in the horn of Africa region and particularly, the Djibouti-Addis Corridor. So far, we have done the initial groundwork of the corridor mapping, stakeholder consultations and identified the systems to be implemented. Several other critical elements including automation of certificates of origin, implementation of electronic cargo tracking, implementing a fleet management system and the sanitary and phyto-sanitary e-phyto system, are in progress."

Press contacts:

- European Union Delegation: Simane Omar Ibrahim, Communication Officer: <u>Simane.OMAR-IBRAHIM@eeas.europa.eu</u>
- TradeMark Africa: Joshua Masinde, Communications Officer: Joshua.Masinde@trademarkafrica.com
- AFD: Charlotte Le Layo, Regional Communication Officer: lelayoc@afd.fr