

Press Release

## Official launch of the Digital Fleet Management System for Trucks on the Djibouti-Addis Ababa Corridor

*The Government of Djibouti and the Delegation of the European Union in Djibouti and IGAD launches fleet management system to improve the efficiency of the transport of goods between Djibouti and Ethiopia.*

**Djibouti, 13 June 2024:** The government of Djibouti, through the Ministry of Infrastructure and Equipment, the Djibouti Ports Corridor Road (DPCR), and the Delegation of the European Union in Djibouti and IGAD has today launched a digital vehicle fleet management system expected to transform the movement of goods between Djibouti and Ethiopia. This system will directly impact the efficiency of goods transported along the corridor routes.

This is the first practical step of a strategic partnership between the EU and the Republic of Djibouti: the EU's support for the Horn of Africa initiative strategy, in collaboration 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 the "Promotion of Regional Economic Integration in the Horn of Africa through the Development of the Djibouti Corridor," implemented by the French Development Agency (AFD) and TradeMark Africa (TMA).

The programme aims to improve the efficiency and effectiveness of one of Africa's busiest economic corridors while promoting inclusive trade. The objective is to contribute to a 10% reduction in trade costs, a 15% decrease in exchange time, and a 30% reduction in customs clearance times at certain border crossing points. The EU-supported programme will also increase exports in targeted sub-sectors by 15% and enable a 15% growth in income for targeted vulnerable groups, especially women, in trade.

The initiative with the Djibouti Port Corridor Road (DPCR) Fleet Management System – a digital vehicle fleet management system, is the first to be launched in Djibouti under this programme. The aim of this digital system is to extend the network of vehicle transmission terminals operating on the corridor using RFID (radio frequency identification) technology. It will secure revenues by extending the network to strategic intersections, including border points, and beyond PK51. It will enable comprehensive control of vehicle routes and transit times.

At the ceremony, Djibouti's Minister of Infrastructure and Equipment, Mr. Hassan Houmed, highlighted the anticipated benefits in terms of reduced truck turnaround times and the optimisation that the system offers to the logistics and transport sector. *"This fleet management system aligns perfectly with the Djibouti government's Vision 2035, which aspires to bring the logistics and transport sector into the digital age. By integrating advanced RFID technology, we will be able to track goods*

trucks in real-time on the Djibouti-Ethiopia corridor, thereby optimising logistics operations and reducing port wait times," he commented.

Djibouti Minister of Trade and Tourism, H.E. Mohamed Warsama Dirieh said, *"Driving forward the agenda of regional economic integration in the Horn of Africa through the strategic development of the Djibouti Corridor is paramount. By aligning Djibouti's trade policies with key WTO agreements like the Trade Facilitation Agreement and the African Continental Free Trade Area (AfCFTA), we are creating a seamless trade environment between Djibouti and Ethiopia. This initiative, supported by the EU, AFD, and TMA, not only focuses on harmonising trade and transport regulations but also aims to overcome non-tariff barriers along the Djibouti Corridor through robust institutional strengthening and the implementation of effective tools for barrier identification and resolution. This collaborative effort marks a significant step towards a more integrated and prosperous regional economy."*

The President of the Ports & Free Zones Authority, Mr. Aboubaker Omar Hadi, stated: *"This project is of utmost importance for our ports and free zones, as it represents a significant advancement in our port community interconnection strategy. By integrating RFID technology, we will enhance the competitiveness of our trade corridor and improve the efficiency of goods transport. This modern system will allow us to better plan, manage, and the efficient flow of goods, contributing to our vision of making Djibouti a leading logistics and economic hub in Africa."*

The General Director of Djibouti Ports Corridor Road SA, Mr. Abdi Ibrahim Farah, said: *"This project is crucial for our institution, DPCR, as it allows us to significantly improve fleet truck tracking management and enhance our operational efficiency. The users, who are the ultimate beneficiaries of this project, will see a noticeable reduction in wait times and improved logistics planning. With RFID and IoT technologies, we will be able to track truck movements in real-time, ensuring optimal management and better revenue collection at control points. This project aligns perfectly with our strategic vision to develop robust and efficient logistics infrastructure, essential for the economic growth of our region."*

Ambassador of the European Union to Djibouti and IGAD Ms. Sylvie Tabesse remarked: *"The digital vehicle management system along the Djibouti-Ethiopia corridor is the first initiative realised under this broader project on Djiboutian territory. The ultimate goal is regional integration and strengthening the economies of the region, paving the way for many other initiatives, I hope, so that Djibouti can fully benefit from this ambitious programme."*

TradeMark Africa Chief of Programmes and Deputy CEO, Allen Asiimwe, commented, *"This fleet management system is a game-changer in promoting digital trade and sustainable trade practices along the Djibouti-Ethiopia corridor. By leveraging technologies, we are not only enhancing operational efficiency but also setting a new benchmark for sustainable trade infrastructure in the region. Our commitment is to ensure that trade is not only seamless but also inclusive and sustainable, driving economic growth and development across the Horn of Africa and beyond."*

TradeMark Africa's Country Director for Djibouti, Dr. Achaa Abdillahi Ahmed, provided insights into the system's development, emphasising that initial feasibility studies had highlighted the urgency of



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such technology. *"Our initial feasibility studies not only identified an urgent need for the integration of advanced technologies but also aligned with our strategic objectives to enhance sustainable and inclusive digital trade practices for all. This project is more than an upgrade; it demonstrates our commitment to building a robust trade infrastructure that supports economic growth and ongoing inclusion in the region. We aim to set a standard for digital trade systems that can meet the changing demands of global trade," she explained.*

With 80% of Djibouti's port traffic destined for Ethiopia and 95% of Ethiopian traffic passing through this corridor, the importance of this EU-funded programme for the regional economy cannot be overstated.

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