

A necessary port aggiornamento

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A necessary clarification, that's how we read the passage from Foreign Affairs Minister Mahmoud Ali Youssouf's interview with a pool of journalists on the issue of the port of Tadjourah, broadcast on RTD on Monday September 9.

His comments on the BBC on Friday August 30 concerning the port of Tadjourah, in order to ease tensions between Somalia and Ethiopia, had caused a stir on social networks. Hence his need to take to the national airwaves to set out his guideline for supporting the strengthening of the port sector, while reassuring his fellow citizens that this planned port association trade agreement with Ethiopia would not call into question the ownership of the Tadjourah infrastructure.

“The port of Tadjourah, like that of Goubet, is part of our national heritage. They will not be ceded to anyone. This must be made very clear to everyone [...]. Now, what is our national strategy? What is our vision for keeping these infrastructures running? When we invested in these numerous ports, it wasn't to watch them rot in the sun. It was to make them work, to make them function, wasn't it? Today, the port of Tadjourah only receives one ship every two months. We invested over 60 million to build this port. We invested over 140 million dollars for the corridor to Balho. [Yet] the salaries of Tadjourah port employees are paid by the *Doraleh Mutipurpose Port* (DMP). Do you think this is normal?

We have a government that thinks things through, a president who gives instructions and directions. This port must be profitable. The people of the northern regions must be able to find jobs, do business and set up companies. How do you stimulate this environment? The impetus comes from port activities.

What we proposed to our Ethiopian partners was not to sell them the Tadjourah infrastructure. There was never any question of ceding, conceding or selling the port. And the living example of what we could achieve is the railroad. It's a binational company! We propose joint management!

What's in it for Djibouti? We want to keep the traffic. We want to keep the traffic, because tomorrow Assab will open and part of the traffic will go there. We have to tell each other the truth. We want to keep the traffic. Perhaps another part of the traffic will go to Somaliland. We want to keep the Ethiopian traffic. How can we keep Ethiopian traffic? To do so, we need to create new forms of collaboration, innovate by being ingenious, by creating partnerships that enable us to satisfy Ethiopian demand, in terms of lead times and transport costs.

Because Ethiopia is made up of 11 regions, transport is expensive, and the product purchased on the Ethiopian market includes the cost of transport. Three regions of Ethiopia are closer to Tadjourah than any other of its borders. These are Tigray, Amhara and Afar. The remaining eight regions will be served by the other ports.

And not only that, there is a national authority for ports and free zones, which plans these activities, what each port should do, how activities should be planned and carried out. The port of Tadjourah is already working for Ethiopia, even if the quantities are not significant, as cement, concrete iron, liquefied gas and coal are unloaded at the port of Tadjourah and then exported via the Balho corridor. There's a desire to get our ports working, and to ensure that there's a kind of harmony in commercial, logistics and transport activities, so that all the infrastructures that are Djibouti's national heritage can work. Because if these ports don't pay for themselves, who's going to pay: our children, our grandchildren, or our great-

grandchildren? These ports need to work so that they can pay for themselves, and create jobs and wealth for our populations in the North and South. That's the first answer.

What does Ethiopia gain by co-managing a port with us in the North?

As I said earlier, Ethiopia reduces the cost of transporting these products. Ethiopia makes its exports and imports more fluid, instead of experiencing congestion in certain ports. There will be a strategic choice of routes: seeds and fertilizers go through Djibouti, while other products could go through the North. When I say Djibouti-city, there are two corridors, or rather three corridors in the near future, i.e. the Galileh corridor, the Galafi corridor, and the train also passing through Dire Dawa.

There's also the idea of exporting refined oil by rail, and we're in the process of developing the port of Damerjog, precisely to provide an alternative for the Ethiopians, who are somewhat short of storage space at Horizon. Ethiopians are looking for alternative storage space, so we're developing the port of Damerjog, which will include a rail section to transport kerosene by railcar. It's a strategy we've put in place for the long term. Our country must be able to keep the lead we have over other ports in the region.

It's a competitive environment, and if we don't adapt to it, we're going to lose a lot of traffic tomorrow. We have to tell the truth. The service we're offering Ethiopia is a service we're doing ourselves. That's how we have to understand it. To remain competitive, to offer alternatives, to stay ahead of other ports in the region, to be able to create wealth, jobs and business opportunities for our young people and our populations, and above all to ensure that we keep this vision of Djibouti as a regional logistics hub, a digital hub, a financial hub, and this is the ambition of the President of the Republic and his government is working on this. All the misinformation about Djibouti selling off and selling out is *fake news*. What we're saying to public opinion, and through me, is that we're working so that Djibouti's economy and the Djiboutian people can be the main beneficiaries. We don't work for others, we work for ourselves. That's what Djiboutians need to understand.

For Mahmoud Ali Youssouf, it's all about building a stronger economic interpenetration with this traditional and important partner of our country. He asks that the service offer to Ethiopia be examined solely through the prism of future regional competition, which is why he strongly advocates greater cooperation with our main trading partner, thus promoting better connectivity, a huge potential for sustainable capture of freight traffic, and *ultimately* benefits in terms of investment, economies of scale and logistical innovation, which this new approach is bound to produce.

Mahmoud Ali Youssouf - stepping out of his traditional box - identifies problems of insufficient service to enable northern ports to reach the critical size for profitability, and persistent imbalances in the harmonious distribution of freight between national ports, leading him to suggest harmonization of these, which would at the same time facilitate the fluidity of port services offered by our country. He advocates a commercial agreement for the port of Tadjourah based on the successful model of the bi-national railway company. Without this, he insists, it will be difficult to reduce debt and make the investments made in the north of the country profitable.

At the heart of Mahmoud Ali Youssouf's plea is the vital need to expand the logistics hub and improve the distribution of services to better meet Ethiopia's logistical needs. "A win-win situation," our Minister of the Sky, Earth and Seas would probably have wanted to punctuate.

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