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COUNTRY PROFILE 2016

DJIBOUTI

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Contents

Abbreviations and acronyms

AMISOM	African Union Mission in Somalia
CEN-SAD	Community of Sahel-Saharan States
COMESA	Common Market for Eastern and Southern Africa
DISED	Direction de la Statistique et des Études Démographiques
ECA	Economic Commission for Africa
FDI	Foreign direct investment
GDP	Gross domestic product
IGAD	Inter-Governmental Authority on Development
IMF	International Monetary Fund
IMO	International Maritime Organization
IPU	Inter-Parliamentary Union
SCAPE	Strategy for Accelerated Growth and Promotion of Employment
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WEF	World Economic Forum

Acknowledgements

Country Profiles is a series published annually by the Economic Commission for Africa (ECA). The aim of the series is to disseminate country- and region-specific policy analyses and recommendations for economic transformation, with an emphasis on promoting sustainable growth and social development, strengthening regional integration and facilitating development planning and economic governance. The present series is the result of the close collaboration of the subregional offices of ECA and the African Centre for Statistics. Specific contributions were provided by relevant programme areas of ECA, in particular, the Macroeconomic Policy Division, the Regional Integration and Trade Division, and the Social Development and Policy Division.

The country profile on Djibouti was prepared under the overall coordination and substantive guidance of Giovanie Biha, Deputy Executive Secretary for Knowledge Delivery of ECA and the direct leadership of Andrew Mold, Acting Director of ECA Subregional Office for East Africa. The lead author of the Djibouti country profile was Emelang Leteane, Social Affairs Officer at the subregional office. The data collection mission to Djibouti in September 2016 was undertaken jointly with Meriem Ait Ouyahia, a Statistician of the African Centre for Statistics.

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Djibouti at a glance

General information	
Region	East Africa
Official language(s)	French, Arabic
Currency	Djibouti franc
Capital city	Djibouti
Regional economic community membership(s)	COMESA, IGAD, CEN-SAD

Rankings	
Human development index (United Nations Development Programme)	168/188 (2015)
Gender inequality index (United Nations Development Programme)	n/a
Ibrahim index of African governance (Mo Ibrahim Foundation)	36/54 (2015)
Ease of doing business index (World Bank)	171/189 (2016)
Corruption perceptions index (Transparency International)	123/176 (2016)

Economic growth

Djibouti has registered an average gross domestic product (GDP) growth of around 5 per cent for the past five years, with an acceleration in 2015 (6.5 per cent). The Government projects that growth will reach 7.2 per cent in 2016, driven largely by public and private investments in its projects. The transportation and services sectors, including logistics and communications, have been the bedrock of economic activity and growth.

Fiscal policy

Government expenditure has increased, peaking in 2015. Capital expenditure accounted for about 14.5 per cent of GDP in 2015. This trend is expected to increase as the Government continues with infrastructure expansion plans. The budget was financed largely by tax revenue, which accounted for 20 per cent of GDP in 2015, compared with grants, which accounted for 6.8 per cent.

Monetary policy

Inflation hit a high of 5.1 per cent in 2011 but has continued to decline since then, reaching 2.0 per cent in 2015. The decrease was due largely to falling oil prices and government measures to control the price of kerosene.

Current account

The primary income account improved by approximately 39 per cent owing to significant increases in investment income inflow in 2014 and 2015. This was due largely to yields from external assets of the national financial system. The current account deficit worsened in 2015, owing largely to a deterioration in the trade balance.

Capital and financial accounts

The financial account balance declined by about 10 per cent in 2015, owing largely to a decline in foreign direct investment (FDI), which fell by about 19 per cent between 2014 and 2015. Remittances represented 2.3 per cent of GDP in 2015.

Demography

Djibouti had an estimated population of 939,300 in 2014, with the largest share (63.6 per cent) of the population aged 15 to 64. While population density is manageable at 38 people per square kilometre, only 10 per cent of the land is arable.

Poverty

In 2015 Djibouti had one of the highest GDP per capita in Africa, estimated at $2,006. The headcount poverty ratio was estimated to be 22.5 per cent in 2013, compared with 18.5 per cent in 2012. Levels of poverty were higher in rural areas, pointing to large disparities, which may be increasing. The Gini index increased to 44.1 in 2013, up from 40.0 in 2002.

Employment

Unemployment officially stands at 9.8 per cent, but is accompanied by extremely high levels (62 per cent) of inactivity among the working age population.

Health

Under-5 mortality and infant mortality rates (per 1,000 live births) were 100.8 and 54.2, respectively, in 2015, while the neonatal mortality rate was 33.4 . This could be attributed to the relatively high share (87.4 per cent) of births attended by skilled health personnel. Stunting, however, remains widespread, and the country has to import food to meet its nutritional needs.

Education

Gross enrolment ratios have been increasing at the primary, middle and secondary levels. The gaps in literacy rates, at 60.1 per cent and 39.5 per cent for males and females, respectively, point to structural challenges that need to be addressed. Girls also drop out at higher rates than boys.

Gender

Data show that there is gender equality between female and male, with a parity score of 10 for health indicators. In terms of survival rate and non-stunted children under the age of 5 years, the scoring shows girls outperformed boys, with a parity score of 15 and 11, respectively.

1

Overview

Djibouti continues to exploit its geostrategic location on the Indian Ocean coast, notwithstanding the challenges of adverse climatic conditions and high unemployment, among others. Djibouti is among the fast growing economies in East Africa. The country has achieved an average growth of 5 per cent for the past five years. The economy is in the main sustained and driven by the transport and services sectors. Massive investments in infrastructure resulted in increased port traffic, from 7.8 million tons of dry goods in 2014 to 9.2 million tons in 2015. The fiscal deficit (excluding grants) amounted to 8.2 per cent of GDP in 2014 and 8.5 per cent in 2015. Recurrent expenditure constituted about 65 per cent of the total expenditure in 2014 – about 22.9 per cent of GDP in that year. Economic growth is projected to reach 7.2 per cent in 2016, driven largely by public and private investments in large-scale projects, which are expected to create jobs.

Djibouti has one of the highest GDP per capita in Africa. Paradoxically, however, its headcount poverty ratio has been increasing over time, with high poverty levels registered in rural areas. Despite the unemployment rate of 9.8 per cent, the majority of the labour force remains inactive, at 62 per cent. While women appear to be have been excluded from development to a lesser extent in recent years, there are still high levels of human exclusion, especially in rural areas. The population of Djibouti has grown by more than 20 per cent since 2000 and is now estimated to be 939,300. The country spends 8.9 per cent of its GDP on health care and there have been overall improvements in health outcomes. While in principle health care is free, there are rural-urban disparities that need to be addressed. Gross enrolment has been increasing at all educational levels. Djibouti could still do better in addressing gender inequality.

If it is to accelerate its pace of structural transformation, Djibouti must institute policies and implement strategies focusing on the development of skills. The development of such skills in the areas of education and entrepreneurship will be central to the transformation of the economy. Its human capital could benefit from both further investment and addressing the existing gender gaps, which would drive the economic diversification agenda. In addition, the private sector is characterized by a series of weaknesses, and the Government should endeavour to further support business, especially in the industrial and manufacturing sectors, to facilitate sustainable economic growth.

2

National and subregional context

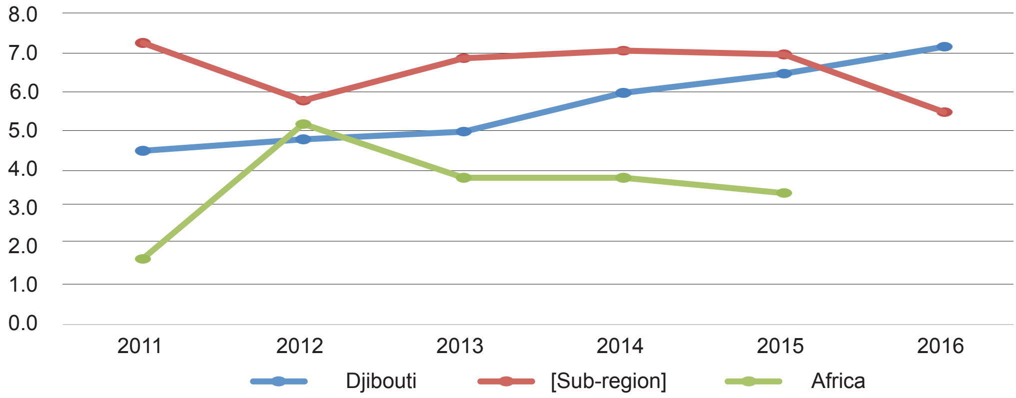
Djibouti, a country in the Horn of Africa, is home to 939,300 people (DISED, 2015). The economy is heavily reliant on and benefits from its geostrategic location in East Africa, at the entrance to the Red Sea and the Gulf of Aden on the Indian Ocean coast. This location presents opportunities and challenges for economic growth and development. The vast coastline must be secured and the maritime route protected. The regional centre for maritime training of the International Maritime Organization (IMO), with membership and participation of a number of African and other countries, is headquartered in Djibouti, as is the Inter-Governmental Authority on Development (IGAD), with a membership of eight countries of East Africa.[1] Its ports are indispensable to its existence and a key feature of its trading activities.

Unlike its neighbours, Djibouti has enjoyed relative peace since independence in 1977. Djibouti views peace and security as an asset and an essential component for regional integration and growth. Furthermore, it recognizes the importance of subregional stability to the success of its Vision 2035 (Djibouti, 2013). Its role as a contributor of African Union Mission in Somalia (AMISOM) troops is a testimony to its commitment to regional peace and security. This however, has not been without challenges. The terrorist attacks in 2014 by two suicide bombers at a popular restaurant was a cause for concern. Al-Shabaab claimed responsibility, citing Djibouti's participation in AMISOM as the reason for its actions.

Clearly, the location of Djibouti has contributed to its economic growth. Exploitation of this natural endowment has enabled the country to embark on massive infrastructure to boost economic growth. Compared with other countries in the region, Djibouti has realized a steady growth, rising from 4.5 per cent in 2011 to 6.5 per cent in 2015 (see figure 1). This has been fuelled largely by the expansion in ports services, which have resulted in a concomitant steady revenue. Although it outperforms the continental average, the country's GDP growth rate fails to match the subregional standard for 2014 and 2015. Furthermore, the Government projected a growth of 7.2 per cent in 2016 on the basis of massive public and private investments (Djibouti, 2016).

1 With the exception of Kenya, all IGAD members are classified as least developed countries.

Figure 1: Real GDP growth



Source: Banque Centrale de Djibouti (2013 and 2015) and ECA calculations.

Djibouti aims to continue opening up its economy to international trade and to become a more active partner in regional integration blocks. It is a member of the Common Market for Eastern and Southern Africa (COMESA) and IGAD. It is also an active member of the Community of Sahel-Saharan States (CEN-SAD). The Government of Djibouti has also stated that it considers that a single market between Djibouti, Eritrea, Ethiopia, Somalia and South Sudan would be desirable (Djibouti, 2013). This would increase the market size from 99.8 million for Djibouti and Ethiopia to a market of approximately 130 million. The country's performance in the various regional economic communities is shown in box 1.

Major infrastructure developments in the country will ensure that the country continues to position itself as a regional and international trade and logistics hub. The recently inaugurated Djibouti-Ethiopia standard gauge electrified railway is expected to ease road congestion between Ethiopia and Djibouti by absorbing some of the 1,800 to 2,200 trucks that use the road on a daily basis. The 750-kilometre railway is a transborder investment benefiting both countries. It links Ethiopia to the ports and faster maritime shipping, thereby reducing transport time, providing Djibouti with access to the Ethiopian market and reasserting Djibouti ports as logistical hubs, while also contributing to continental road connectivity.[2] The China Railway Construction Corporation constructed 100 km of the Djibouti section of the railway under a $505 million contract awarded by the Government (Railway Gazette, 2015).

2 The railway is currently used for freight, but it is anticipated that passenger services will be introduced three months after the initial test period.

Box 1: Africa regional integration index - Djibouti

The Africa regional integration index is designed to measure how well each country in the continent is meeting its commitments under pan-African integration frameworks, such as Agenda 2063 and the Abuja Treaty. The index is a joint project of the African Development Bank, the African Union Commission and ECA. The index tracks the following dimensions: free movement of persons; trade integration; productive integration (development of regional value chains); regional interconnections; and infrastructure and macroeconomic policy convergence. The following section highlights selected indicators used to calculate the index.

Overall rank* :
Third in IGAD (score: 0.59)[a]
Sixteenth in COMESA (score: 0.32)
Fourteenth in CEN-SAD (score: 0.36)

Free movement of persons	Trade integration	Productive integration	Infrastructure	Financial integration and macroeconomic policy convergence
Twentieth in the CEN-SAD ranking (score: 0.3). Fifth in IGAD (score: 0.2) Twelfth in COMESA (score: 0.19) Twenty-first in CEN-SAD (score: 0.29)	Fifth in IGAD (score: 0.39)[b] Nineteenth in COMESA (score: 0.01) Twenty-second in CEN-SAD (score: 0.17)	Third in IGAD (score: 0.92)[c] Sixth in COMESA (score: 0.57) Second in CEN-SAD (score: 0.7)	First in IGAD (score: 0.93) Seventeenth in COMESA (score: 0.33) Eighteenth in CEN-SAD (score: 0.21)	First in IGAD (score: 0.5) Third in COMESA (score: 0.48) Thirteenth in CEN-SAD (score: 0.44)

Djibouti ranks moderately to poorly among members of the Inter-Governmental Authority on Development (IGAD), COMESA and the Community of Sahel-Saharan States (CEN-SAD) in the overall index, attaining third, sixteenth and fourteenth place, respectively.

Free movement of persons: Moderate to poor score (fifth in the East African Community, twelfth in COMESA, twenty-first in CEN-SAD. Djibouti has not yet ratified the relevant IGAD and COMESA instruments concerning free movement of persons, the rights of establishment and free movement of workers, while it has already ratified CEN-SAD instruments. Some 99 per cent of IGAD, 96 per cent of CEN-SAD and 95 per cent of COMESA member States may obtain visas on arrival.

Trade integration: Moderate to poor score (fifth in IGAD, tenth in ECCAS, nineteenth in COMESA). Djibouti has an average applied tariff of approximately 1.7 per cent on imports from IGAD, 17.8 per cent on imports from CEN-SAD and 12.5 per cent on imports from COMESA (based on data for 2014). During the period 2010-2013, imports from the rest of IGAD, COMESA and CEN-SAD accounted for only 1.5, 1.9 and 1.1 per cent of GDP, respectively. On the other hand, exports to IGAD, COMESA and CEN-SAD as a share of GDP averaged 1.3, 2.4 and 1.6 per cent over the same period, respectively.

* A continent-level ranking system in which the performance ratings of all African countries in terms of regional integration are compared is currently under development and will be included in future updates of this country profile.

Productive integration: Good to moderate score (second in CEN-SAD, third in IGAD, sixth in COMESA). Djibouti's trade is moderately complementary with that of its partners. Djibouti had an UNCTAD merchandise trade complementarity index of 0.34 vis-à-vis the rest of IGAD, CEN-SAD and COMESA in the period 2010-2013. This suggests that an encouraging correlation exists between the export structure of Djibouti and the import structure of IGAD, COMESA and CEN-SAD.

Infrastructure: Good-moderate-poor score (first in IGAD, seventeenth in COMESA, eighteenth in CEN-SAD). The country ranked first among IGAD members in its average performance in the African Development Bank infrastructure development index between 2010 and 2012. Approximately 58 per cent of international flights to and from Djibouti were intra-IGAD, 47 per cent of its international flights were intra-CEN-SAD and 35 per cent of itsinternational flights were intra-COMESA (the fourth-lowest such ratio among COMESA members). Intra-African mobile phone roaming is relatively costly in Djibouti (the highest roaming rate among IGAD members for which data were available).

Financial integration and macroeconomic policy: Good-moderate-poor score (first in IGAD, third in COMESA, thirteenth in CEN-SAD). Djibouti's inflation rate is relatively low, at around 2.4 per cent, which was the second-lowest inflation rate in IGAD, while it was the eighth-lowest rate among COMESA member countries.

Overall, Djibouti performs moderately to poorly, with better performance in the areas of infrastructure, financial integration and macroeconomic policy, but a moderate-to-poor score in the areas of free movement of persons, trade and productive integration. Specific policy measures that could boost its performance may include exploring other macroeconomic policies, such as ratifying the IGAD and COMESA instruments on free movement of persons and allowing visa-free entry for the nationals of a greater number of countries within the region, and considering other measures to boost intraregional trade in goods and services.

a The best performer in IGAD is Kenya (score: 0.77).
b The best performer in IGAD is Uganda (score: 0.99).
c The best performer in IGAD is Kenya (score: 0.97).

3

Economic performance

3.1 Economic growth

In its Vision 2035 document, Djibouti expresses its aspiration to become the "lighthouse of the Red Sea: a commercial and logistics hub in Africa". Concentrated developments in the ports are a reflection of that national ambition. In addition, the country developed the Strategy for Accelerated Growth and Promotion of Employment (SCAPE) 2015-2019, with a view to achieving that goal (Djibouti, 2013). SCAPE 2015-2019 is a policy implementation strategy to consolidate important sectors (transportation and logistics and telecommunications) and enhance new leading sectors, such as tourism and fishing, in terms of their comparative advantage and their strong potential for creating new employment opportunities (Djibouti, 2015).

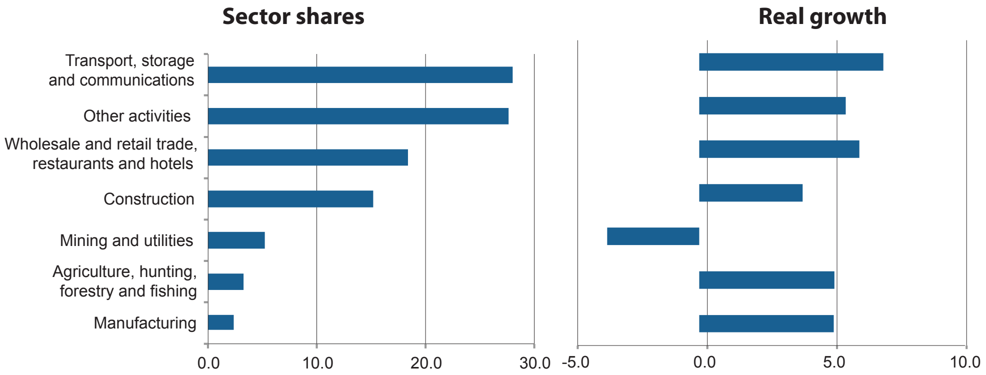
The economy of Djibouti is in the main sustained and driven by the transport and services sectors, which account for almost 74 per cent of the GDP value added in 2014. These were also the fastest growing sectors in 2014: the transport, storage and communications sector grew by 7.1 per cent, while the hotel industry grew by 6.2 per cent. Growth in the transport, storage and communications sector accelerated rapidly from 0.9 per cent in 2012 to 7.1 per cent in 2014 (United Nations, 2016). The growth can be attributed largely to the Government's focus on the expansion of the ports over the past few years. Total container and non-container activity at the ports doubled between 2010 and 2015.[3]

The economy of Djibouti is largely dependent on its neighbours, in particular Ethiopia. The country's historical and strong economic ties with Ethiopia have been beneficial. The economic transformation of Ethiopia has contributed to an increase in port activity, from about 8.58 million tons to 9.98 million tons between 2014 and 2015 (Djibouti, 2016). Its contribution to total traffic flow at the ports represented 81 per cent of the total flow in 2014 and rose to 83 per cent in 2015 (Banque Centrale de Djibouti, 2015). In addition, Air Djibouti has started cargo operations, as the country wants to ensure that it captures the share of the market for regional transportation of goods beyond the ports. The airline also resumed international passenger services to neighbouring countries.[4]

3 The Djibouti Ports and Free Zones Authority asserts that more than 50 per cent increase in port activity was recorded between 2010 and 2015.

4 Air Djibouti, a public-private partnership venture, has already been launched with flights to Hargeisa, Berbera, Dire Dawa and Addis Ababa.

Figure 2: Sector shares and growth, 2014, Percentage



Source: ECA calculations, based on United Nations data (United Nations, 2016).

In 2014, services sector-related activities overshadowed the industrial and agricultural sectors, accounting for 74 per cent of GDP, compared with 22.8 per cent and 3.2 per cent of GDP, respectively.[5] Reflecting the large-scale infrastructure projects currently being undertaken, construction accounted for 15.2 per cent of GDP. The country's manufacturing has grown from zero-base level to reach 2.4 per cent in 2015. But that still represents only an estimated manufacturing value added of $33 million (measured in constant 2010 United States dollars) (UNIDO, 2016). Clearly, the manufacturing sector is extremely limited in scope.

Growth in the agricultural sector has been hampered by hostile weather conditions and the fact that only some 10 per cent of the arable land is currently available for cultivation (Banque Centrale de Djibouti, 2015). The contribution of agriculture to GDP has been approximately 2 per cent during the period 2011-2014, which is below the target of 3.7 per cent by 2012, 4.1 per cent by 2022 and 5 per cent by 2035, as stipulated in Vision 2035. Drastic short- and long-term measures need to be implemented to spur the country to achieve those targets. According to the Government, Djibouti agricultural production in 2015 registered a growth of 6.9 per cent compared with the same period in 2014 (Djibouti, 2016). The Government is currently developing the agricultural sector in a bid to ensure food self-sufficiency for the economy by creating programmes to address some of the bottlenecks (such as scarcity of easily mobilized water resources, irrigation, weak producer organizations and the lack of storage infrastructure) experienced in the sector (Banque Centrale de Djibouti, 2015).[6]

5 The industrial sector comprises mining and utilities, manufacturing and construction. United Nations statistics were used for comparability.

6 One of the goals outlined by the Djibouti Ministry of Agriculture, Livestock and Marine Affairs in the Plan Directeur du Développement du Secteur Primaire is better exploitation of the country's water resources.

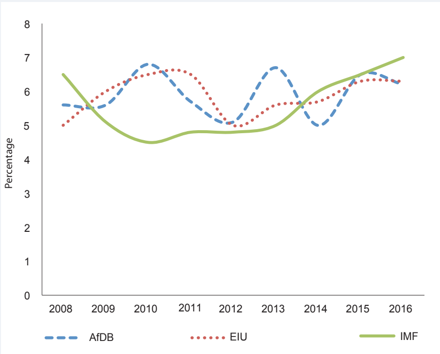
Despite the positive outlook, growth and macroeconomic stability remain subject to significant risks. The main downside risks include delays in the construction, lack of efficiency in the management of the new infrastructures and potential adverse economic events in Ethiopia, whose transshipment and trade transit account for more than 80 per cent of port activities in Djibouti. Moreover, security developments in neighbouring countries and domestic, social and political instability could also jeopardize growth (World Bank, 2016). Box 2 highlights growth forecasts by different agencies.

Box 2: Comparing economic forecasts for Djibouti

A number of organizations currently produce forecasts on economic growth for Djibouti. These include the African Development Bank, the Economist Intelligence Unit and the International Monetary Fund (IMF). The forecasts produced by those organizations diverged from each other by as much as 2.3 per cent for the period 2008-2016 (see figure A). Both the African Development Bank and the Economist Intelligence Unit provided the most optimistic forecasts of growth, averaging 5.9 per cent for the period 2008-2016. Looking forward, the most optimistic growth rate estimates for 2016 are from IMF (7 per cent), followed by the Economist Intelligence Unit (6.3 per cent) and the African Development Bank (6.2 per cent).

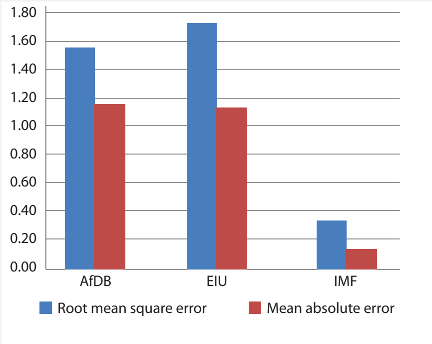
The degree of accuracy of those forecasts is an important issue, and ECA has therefore carried out an analysis to assess which forecasts tend to be more reliable by calculating the root mean square error and the mean absolute error, which are the most common measures used to evaluate forecasts[a]. Generally, the higher the value of the errors, the less accurate the forecasts.a ECA analysis of forecasts during the period 2008-2014 indicates that IMF forecasts are relatively more accurate, followed by those from the Economist Intelligence Unit, while the forecasts of the African Development Bank had relatively high forecast errors (see figure B).

Figure A: Forecasted GDP real growth rates, by institution



Source: Elaborated by ECA.

Figure B: Forecast error, 2008-2014



Source: ECA calculations.

a For more information on these terms and the ECA approach to evaluating the accuracy of forecasts, see "Approaches to evaluating forecast performance" (ECA, 2015).

3.2 Fiscal policy

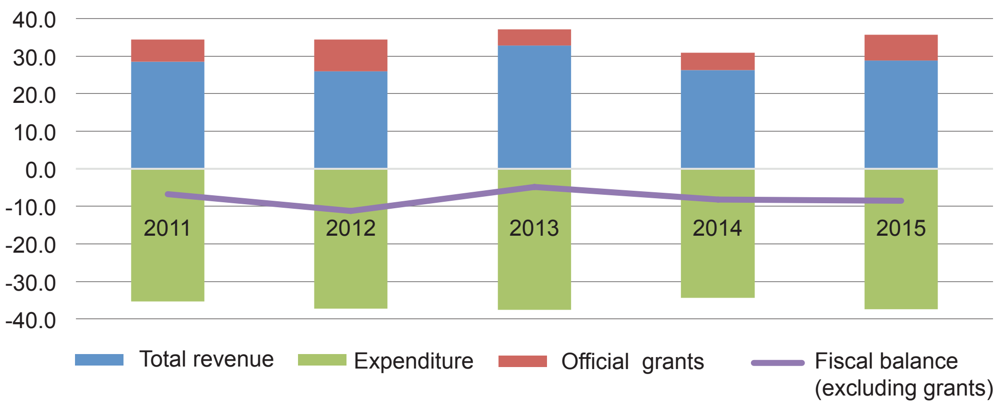
Fiscal deficit as a percentage of GDP increased from -8.2 per cent to -8.5 per cent in the period 2014-2015, driven by increased government expenditure (see figure 3). Government expenditure has been increasing in recent years, peaking at 115,239 million Djibouti francs in 2015 (Djibouti, 2016). Recurrent expenditure in 2014 was 22.9 per cent of GDP and remained unchanged for 2015. This was driven mainly by the payment of salaries and acquisition of materials.

In addition, the Government's focus on improving infrastructure in the country has led to an increase in government expenditure, which stood at 37.3 per cent of GDP in 2015, up from 35.3 per cent in 2011 (see figure 4). In 2011, capital expenditure was 11.1 per cent of GDP and increased to 14.4 per cent of GDP in 2015. Total revenue as a percentage of GDP has remained almost constant (28.5 per cent in 2011, compared with 28.8 per cent in 2015).

The fiscal deficit, excluding grants, amounted to 8.2 per cent of GDP in 2014 and 8.5 per cent in 2015. The World Bank anticipates that the fiscal deficit will narrow to an average of 5.2 per cent of GDP in the period 2016-2018 (World Bank, 2016). It posits that this will result from a combined expectation that: (a) current investments will translate into higher revenues through new production and export capacity creation to offset the debt repayment burden; and (b) the Government engages in a series of reforms to improve revenue mobilization. In addition, as major infrastructure projects near their completion, government spending will also soften.

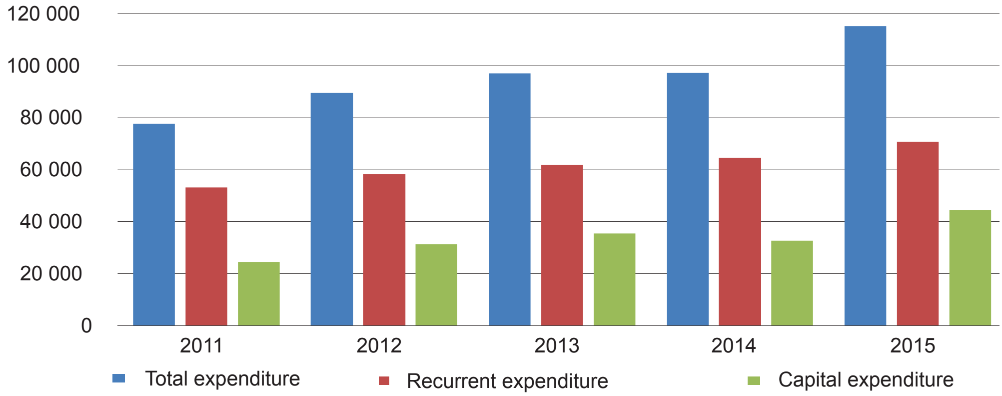
Fiscal reform is nonetheless necessary in order to generate the revenues needed to service the country's rising external debt and create buffers against risks (IMF, 2016b). The external debt-to-GDP ratio is projected to rise from 48 per cent in 2013 to 80 per cent in

Figure 3: Government revenue, expenditure and deficit, Percentage of GDP



Source: Djibouti (2016).

Figure 4: Expenditure trend, Millions of Djibouti francs



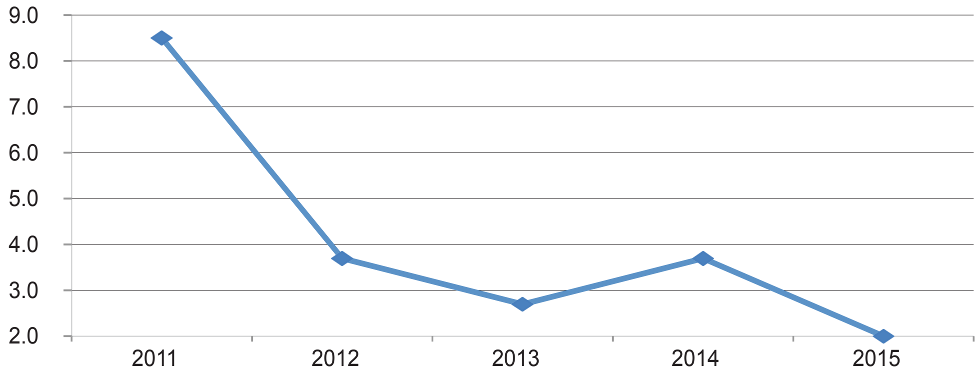
Source: Djibouti (2016).

2017, and about a fifth of the tax revenues will be required to service the debts. The 2014 Debt Sustainability Analysis notes that debt risks have increased following the 2013 non-concessional loans by the Government (IMF, 2015b). A reduction in the tax exemptions granted by the free zone is one of the fiscal reforms put forward by IMF (IMF, 2016b). In addition, the economy does not seem to be diversifying sufficiently rapidly away from its dependence on the ports.

3.3 Monetary policy

The Djibouti Vision 2035 acknowledges that external shocks related to exchange rates and fluctuations in prices of raw materials and consumer staples (food) affect inflation. The inflation rate hit a high of 8.5 per cent in 2011, a development that was ascribed to a rise in the international price of petroleum and food products. However, it has declined in recent years, owing mainly to the stabilization of imported food prices and the price of energy. The rate of inflation in 2015 was 2.0 per cent, slightly lower than the rate of 3.7 per cent the previous year (see figure 5). The decrease in inflation was a result of the fall in oil prices and measures put in place by the Government relating to the price of kerosene — an important item in the basket of goods used to compute the consumer price index (Banque Centrale de Djibouti, 2015). The pegging of the Djibouti franc to the United States dollar at 1:177.72 has helped to contain inflation at 2.0 per cent.

Figure 5: Consumer price index inflation rate, Annual percentage



Source: Djibouti (2016).

3.4 Current account

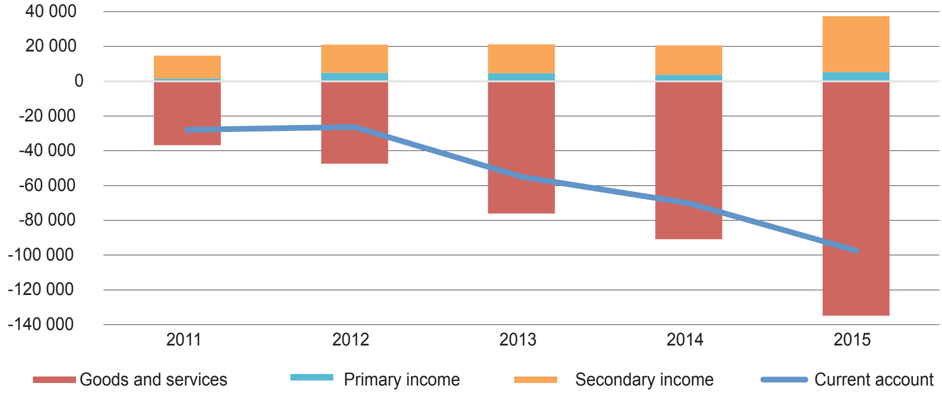
The current account deficit of Djibouti worsened in 2015, principally as a result of the deterioration in the trade balance. The trade balance worsened by about 40 per cent in 2015. The trade deficit has exhibited an increasing trend over the past five years (see figure 6), as there has been a significant increase in the importation of products for the ongoing infrastructure projects in the country (see figure 7) (Banque Centrale de Djibouti, 2015). In contrast, trade in services increased from 29 million Djibouti francs in 2014 to approximately 33 million Djibouti francs in 2015.

The current account deficit is expected to decrease to 14.5 per cent of GDP by 2018 (from 31 per cent in 2015) (World Bank, 2016). This is because capital imports related to the infrastructure projects are expected to decrease while exports gradually increase.

The primary income account increased from 1.3 per cent of GDP in 2014 to 1.7 per cent of GDP in 2015. The improvement was due mainly to various yields generated by the external assets of the national financial system. There was also an improvement in the remuneration of employees, owing to the payment of wages to residents by international organizations and diplomatic representations. The secondary account also registered an increase from 6.0 per cent of GDP to 10.1 per cent of GDP in the period 2014-2015 (Banque Centrale de Djibouti, 2015).

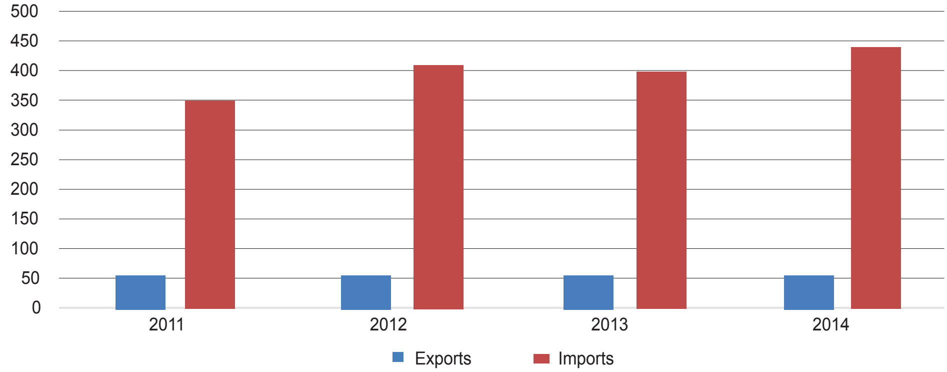
The main export partner of Djibouti in 2014 was Yemen (see figure 8), whereas its main import partner in 2014 was the United Arab Emirates (see figure 9). Its export profile comprised mainly agricultural raw materials, fuels and manufactured goods (UNCTAD, 2016a).

Figure 6: Current account balance 2011-2015, Millions of Djibouti francs



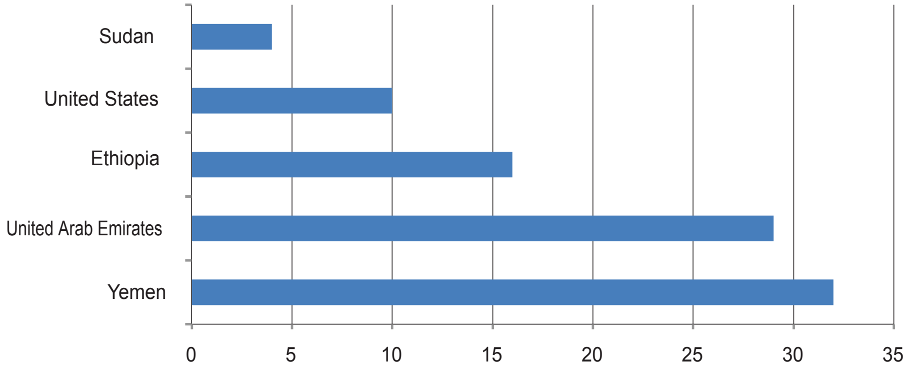
Source: Banque Centrale de Djibouti (2016).

Figure 7: Imports and exports, Millions of Djibouti francs



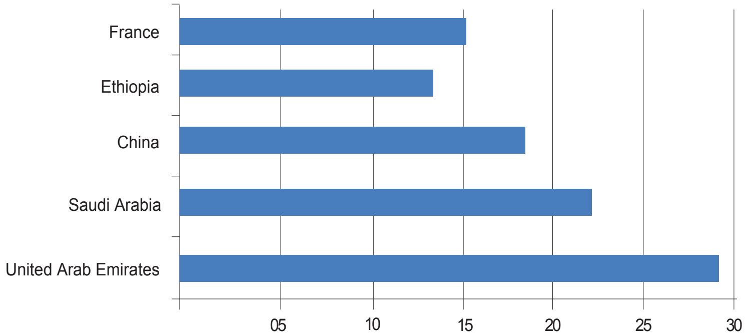
Source: Banque Centrale de Djibouti (2012, 2013 and 2015).

Figure 8: The top five export partners of Djibouti in 2014, millions of United States dollars



Source: UNCTAD (2016a).

Figure 9: The top five import partners of Djibouti in 2014, billions of Djibouti francs



Source: DISED (2015a).

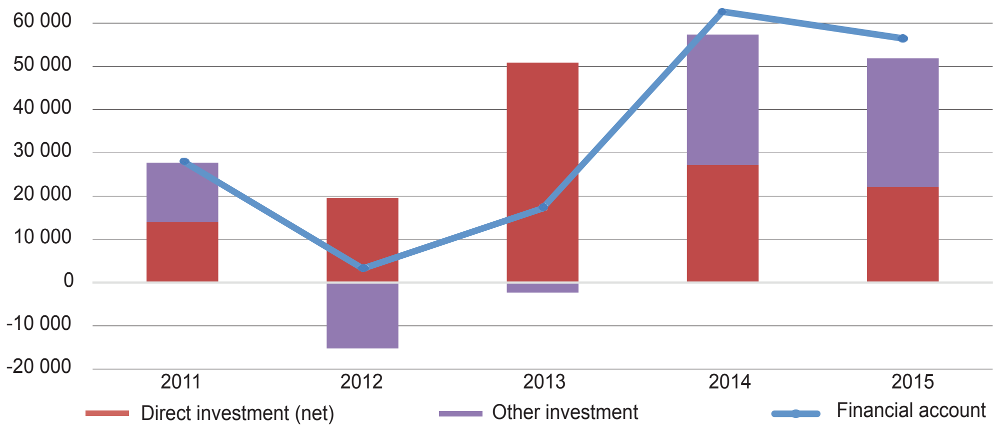
3.5 Capital and financial accounts

Over recent years, Djibouti seems to have increased its appetite for borrowing, mainly to finance its infrastructure development. The shift occurred in the period 2012-2013, when more funding was directed to public facilities (see figure 10). In addition, the Economist Intelligence Unit postulates that Djibouti plans to tap the Islamic finance sector by introducing the *sukuk*[7] to fund public infrastructure projects (Economist Intelligence Unit, 2016).

The main contributor to the financial account balance is FDI. The financial account balance declined by about 10 per cent in 2015, falling from 62,620 million Djibouti francs in 2014 to 56,462 million Djibouti francs in 2015. This was ascribed mainly to a decline in FDI, which fell by about 19 per cent within the same period. The Government has been instrumental in establishing policies and partnerships that are critical in attracting and

7 Sharia-compliant bonds. It generates returns to investors without undermining Islamic law.

Figure 10: Capital and financial account, Millions of Djibouti francs



Source: Banque Centrale de Djibouti (2013 and 2015).

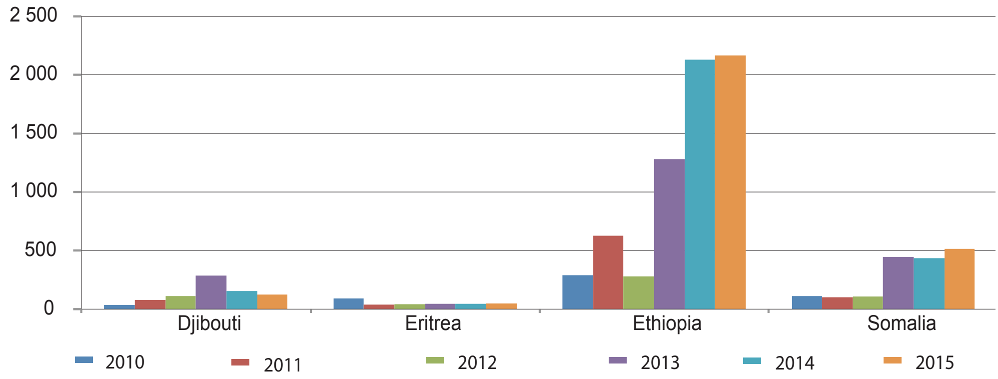
promoting greater foreign investment. Global Risk Insights notes that FDI inflows have been targeted largely towards infrastructure, resulting in widening gaps in education and employment investment (Global Risk Insights, 2016). Remittances, on the other hand, have remained unchanged at $36 million for both 2014 and 2015, representing 2.3 per cent of GDP in 2015.

A free trade zone has been established to attract investments and stimulate economic activities in the manufacturing and services sectors (UNCTAD, 2016b). The amount of FDI to the country has been increasing over the years. The highest amount was received in 2013, with most of it going to infrastructural development projects. The main investors in the country are the Gulf countries, Ethiopia, Yemen, the United States of America, China and France.

However, the country still lags behind in attracting substantial FDI inflows relative to the other IGAD countries, despite its strategic geographical location (see figure 11). It also has yet to achieve its target of ensuring that FDI inflows to the country contribute to about 20 per cent of its GDP.[8] Current FDI inflows represent about 7 per cent of GDP. This suggests that, despite the efforts of the Government to make the country competitive, there are still challenges to doing business in Djibouti.

8 The National Initiative for Social Development was adopted in a bid to boost FDI flows to the country to 20 per cent of GDP during the period 2011-2015.

Figure 11: Foreign direct investment flows into Djibouti and neighbouring countries, 2010-2015, Millions of United States dollars



Source: UNCTAD (2016b).

The country also faces the challenge of increased capital outflows. IMF reports that banks prefer to accumulate assets abroad or transfer them to the parent companies because of the limited investment opportunities and underdeveloped financial system within the country (IMF, 2016a). This drains capital from Djibouti. Furthermore, illicit financial flows also contribute to capital outflows.[9]

9 Dev Kar and Joseph Spanjers indicate that illicit financial flows from Djibouti increased from $223 million in 2004 to $413 million in 2013 (Kar and Spanjers, 2015).

4

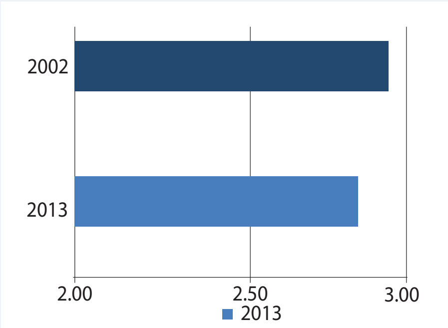
Social developments

The African social development index (see box 3) was developed by ECA in response to a call from African member States for an African-specific indicator of exclusion. The Index is built on the premise that economic growth should result in the improvement of human conditions of all. Adopting a life-cycle approach, the index focuses on six key dimensions of well-being: survival, health, education, employment, means of subsistence and decent life. Using available national data, the tool will assist in mapping and assessing the effectiveness of social policies in reducing human exclusion at the national and subnational levels. The Index will also support countries in improving their data collection and strengthening their capacities to monitor progress on poverty and exclusion. As a policy tool, it will complement member States' efforts to devise more inclusive social policies and facilitate the implementation of the 2030 Agenda for Sustainable Development and the African Union Agenda 2063, which place a high premium on inclusiveness as a driver of sustainable and equitable development.

Box 3: African Social Development Index - Djibouti

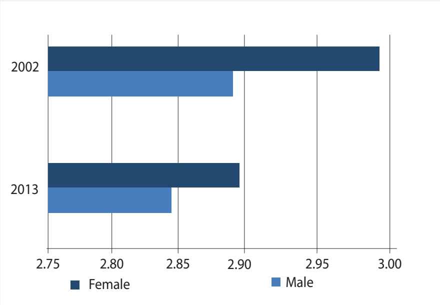
Despite a strong economic performance, Djibouti has managed to reduce its human exclusion value only slightly, from 2.92 in 2002 to a moderate value of 2.85 in 2013 (figure A). Women appeared to be less excluded in 2013, compared with 2002, possibly as a result of effective gender policies (figure B). The value of each indicator ranges between 0 and 1 and the aggregate value of the African social development index lies between 0 and 6. The higher the value, the higher the extent of human exclusion.

Figure A: African social development index in Djibouti



Source: ECA computations based on national data.

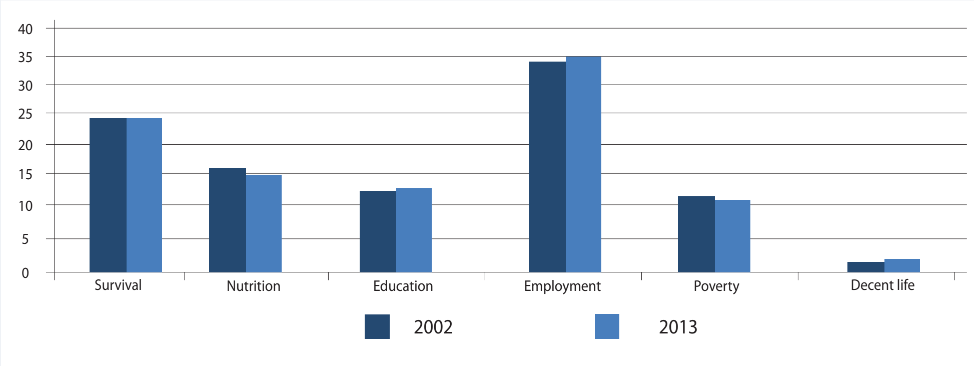
Figure B: Human exclusion by gender



Source: ECA computations based on national data.

Youth unemployment is by far the major factor of human exclusion in Djibouti, with a contribution of more than 40 per cent both in 2002 and 2013, followed by survival and malnutrition (figure C). Similar trends are observed when exclusion is disaggregated by gender.

Figure C: Drivers of human exclusion (Percentage)



Source: ECA computations based on national data.

In terms of policy actions, social development in Djibouti has improved slightly in recent years, following a massive expansion of FDI and trade activities, though this applies only to the capital, Djibouti city, not to rural areas.

Within-country inequalities therefore need urgent attention, in order to reduce the risk of social tensions in an already unstable region. Efforts should be made to make economic growth more inclusive and equitable, in line with the priorities stated in the National Initiative for Social Development — including better resource allocation and the expansion of social protection and services to vulnerable populations.

With a view to addressing these challenges, the authorities have made poverty eradication a key priority of their National Strategic Plan 2011-2015 and long-term Vision 2035. The Government is also pointing to key economic sectors in order to generate employment, in particular for women and youth. To ensure the benefits of growth are equally shared in the country, employment opportunities should also be created outside the capital city.

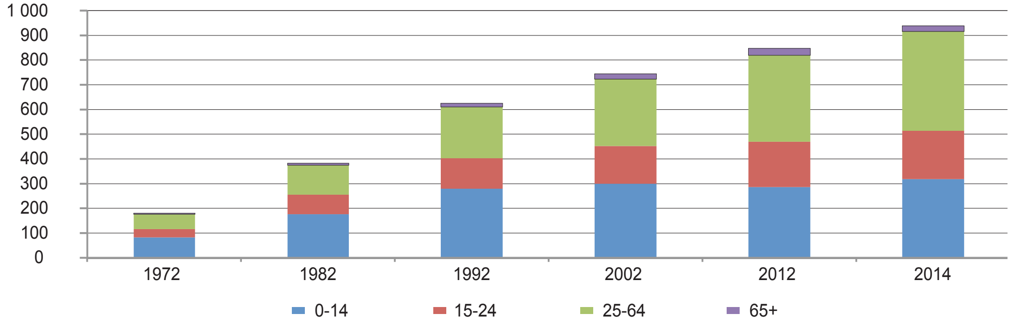
Source: ECA, African Social Development Index: Measuring Human Exclusion for Structural Transformation — Eastern Africa Report (2016).

4.1 Demography

Since the turn of the century, the population of Djibouti has grown by more than 20 per cent and is now estimated to be 939,300 (DISED, 2015). As in many African countries, where young people form the largest segment of the population, 15-24 year-olds comprise more than one fifth of the population (see figure 12). Generating gainful employment opportunities for them is clearly a government priority.

During the elaboration of Vision 2035 and its first five-year plan, SCAPE 2015-2019, Djibouti recognized the need to pay particular attention to those aged under 15, who comprise 35 per cent of the population, and to seek to prepare them for the future

Figure 12: Population by age, thousands



Source: African Development Bank, African Union and ECA (2016) and DISED (2015).

(Djibouti, 2013). The population grew rapidly in the late 1980s, but the country's demographic dynamics have changed. With an annual population growth of 1.6 per cent, the country is now growing at a rate lower than those of its neighbours (Eritrea, Ethiopia and Somalia registered population growth of 2.7 per cent, 2.5 per cent and 3.2 per cent, respectively, in 2015) (African Union and ECA, 2015).

4.2 Poverty and employment

Djibouti has one of the highest per capita GDP in Africa. Its per capita GDP for 2015 stands at $2,006, higher than both Kenya ($1,423) and neighbouring Ethiopia ($635) (African Development Bank, African Union and ECA, 2016). However, poverty levels, especially in rural areas, point to high disparities. The headcount poverty ratio was estimated to be 22.5 per cent in 2013, compared with 18.5 per cent in 2012 and 20.6 per cent in 2002 (World Bank, 2014). According to UNDP, extreme poverty affects 42 per cent of the population (UNDP, 2015). In addition, the Gini Index reveals a relatively high degree of income inequality. The Gini index was 40.0 in 2002 and increased to 44.1 in 2013. By comparison, Ethiopia had a Gini index of 29.8 in 2004 and 33.2 in 2010.

Although there has been concerted capital investment in the ports and transportation sector, it is important to diversify the economy away from the ports. More than 6,000 jobs were created in 2015 (Djibouti, 2016). Unemployment however, remains a challenge, with 62 per cent of the working age population being classified as "inactive". According to IMF, many of the jobs created have been taken by expatriates because of a low domestic skills base (IMF, 2015a). This challenge, however, is not unique to Djibouti. As the World Economic Forum (WEF) Global Agenda Council on Employment has noted, skills are not necessarily in line with market demands across Africa (WEF, 2014). Old-age-pension recipients constitute about 12 per cent of the population. While that figure is low, it is higher than in Ethiopia, Kenya and Uganda, where it stands at 9 per cent, 7.9 per cent and 6 per cent, respectively.[10]

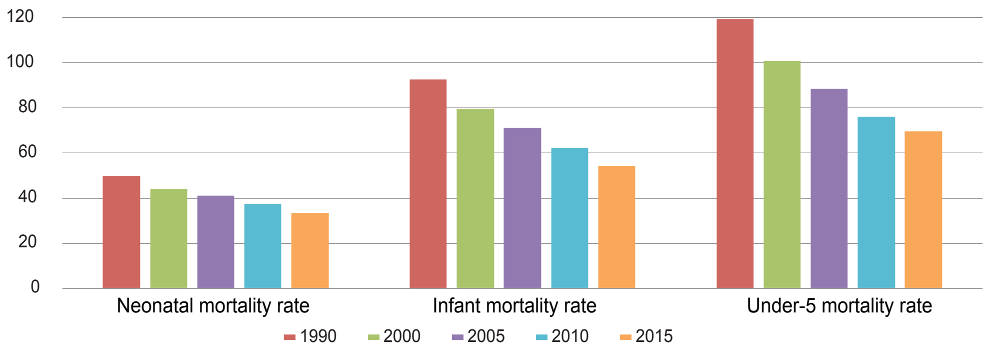
10 It is important to note that statutory pension age differs by country.

4.3 Health

Life expectancy in the country was 52.9 years in 2014 (DISED, 2015). The country spends 8.9 per cent of its GDP in the health sector. While this falls short of the target set in the Abuja Declaration of 2001, which calls for 15 per cent of GDP to be allocated to the health sector, no other COMESA countries had attained this level by 2014.[11] The Improving Health Sector Performance project received a $7-million grant in 2015 from the World Bank. While, in principle, health care is free, there are rural/urban disparities due to poor infrastructure outside the capital and main district towns.

Stunting is still high, at 33.5 per cent (DISED, 2015), likely due to the fact that the country is food insecure and does not grow most of its food.[12] About 87.4 per cent of births occur under the supervision of skilled attendants. Neonatal mortality rates have fallen from 49 per cent per 1,000 live births in 1990 to 33.4 per 1,000 live births in 2015 (see figure 13). Infant mortality rates and under-5 mortality rates have also declined, owing largely to interventions in the health sector. HIV/AIDS is estimated at 1.6 per cent of the 15-64 age group.

Figure 13: **Mortality rates, Per 1,000 live births**



Source: World Bank (2015).

4.4 Education

Given its low ranking in the Human Development Index, at 168 (UNDP, 2015), Djibouti needs to do more to improve social indicators. For instance, literacy rates for males and females are just 60.1 per cent and 39.5 per cent, respectively. The proportion of pupils who start school and reach the fifth grade is 95 per cent. However, girls are still dropping out at higher rates than boys, even though fewer girls than boys are enrolled, with gross enrolment at 79.9 per cent in 2015. Enrolment at tertiary level has also registered a steady

11 For more information, visit http://comstat.comesa.int/ofnftuf/comesa-health-expenditure.
12 Stunting results in infectious diseases leading to wasting, cognitive deficits, risk of non-communicable diseases and mortality.

increase (Ministère de l'Éducation Nationale et de la Formation Professionnelle, 2015). Gross enrolment ratios have also been increasing at the primary, middle and secondary levels. In terms of facilities, 57 schools were constructed in the period between academic years 2003/04 and 2014/15.

4.5 Gender

The status of gender equality and female empowerment is measured in several sectors, shown in box 4. These are key sectors in determining the improvement of women's living conditions as well as their contribution to the shared sustainable growth of Africa.

In order to evaluate the scale of gender inequality and to measure the level of parity and empowerment of women in Africa, the Economic Commission for Africa developed a monitoring tool, the African gender and development index. The Index helps political decision makers to evaluate their own performance in implementing policies and programmes designed to put an end to the marginalization of women.

Calculation of scores is based on the gender status index, one of the components of the African gender and development index. For each key indicator, the score calculated is an unweighted arithmetical average: the male/female ratio of the indicator values is multiplied by 10 and the result is rounded to the nearest number. A score of zero represents the highest level of inequality, a score of five represents an average level of parity and a score of 10 represents full parity. Parity levels higher than 10 represent situations where women have outstripped men, regardless of the level of development of the sector concerned.

Most of the data used to calculate the scores are drawn from the latest nationally available data sources. However, in the case of a few indicators for which national disaggregated data are not available, international data sources are used, including DISED (2012 and 2013) and World Bank (2015).

Box 4: Gender development index

Data for Djibouti indicate that there is gender equality between female and male (with a parity score of 10) for health-related indicators, including life expectancy at birth and share of population without HIV (15-24 years old). Women live slightly longer than men (61 years, compared with 59 years) (DISED, 2012). In relation to child health, in terms of survival rate and non-stunted under-5 children, the scores show that girls outperformed boys, with parity score of 15 and 11, respectively.

In terms of education, a survey undertaken by DISED in 2011 revealed that women were close to parity in terms of the net secondary school enrolment rate, with a score of 9. Some 80 per cent of young men are literate, compared with 66.1 per cent of young women, resulting in a parity score of 8. In the economic sector, the percentage share of women participating in the labour force (34 per cent) is lower than that of men (47 per cent), giving a parity score of 7 (DISED, 2012).

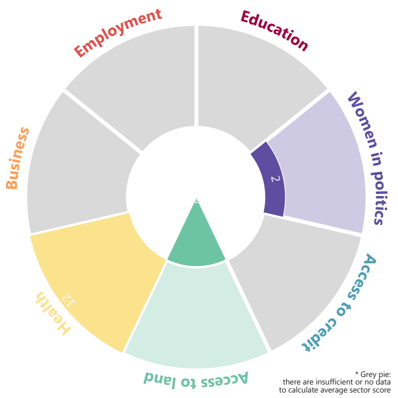
Despite the progress made in some sectors, there are areas of concern. Gender inequality is observed in the political sector. Of a total 65 members of parliament, only 7 are women. Similarly, only 3 women held ministerial positions, compared with 18 men.

The performance of Djibouti on gender is mixed. For instance, child marriages (that is, marriages involving children below the age of 16), although still high, account for less than 10 per cent of all marriages. National statistics indicate that age at first marriage is 29.9 for men and 30.7 for women (DISED, 2015a). However, women's representation in parliament is still very low, at 13 per cent (IPU, 2016), below the Beijing Platform for Action proposal of 30 per cent. Less than 15 per cent of firms employ women as top managers, and the country still ranks high in terms of female genital mutilation. According to a report by UNDP, women aged 45-49 and girls aged 15-19 account for more than 90 per cent of women who have undergone female genital mutilation (UNDP, 2015).

Employment :	
Employment in nonagricultural sector	No data
Labour force participation rate	7

Business :	
Top management in firms	No data
Ownership in firms	No data

Health : 12	
Under-five survival rate	15
Children under age five who are not stunted	11
Life expectancy at birth	10
Share of population without HIV	10



Education :	
Youth literacy rate	8
Enrolment ratio in secondary education	9
Enrolment ratio in tertiary education	No data

Women in politics : 2	
Representation in parliament	1
Ministerial positions-cabinet	2

Access to credit :	
Account at a financial institution	No data
Borrowed from a financial institution	No data

Access to land : NaN	
Access to land	NA

Stand-alone indicators					
Access to drinking water source within 15 minutes (urban)	No data	Improved sanitation (urban)	No data	Maternal mortality ratio	383
Access to drinking water source within 15 minutes (rural)	No data	Improved sanitation (rural)	No data		

Source : African Union Commission and ECA, 2015.

5

Thematic analysis: Human capacity development for structural transformation

The economy of Djibouti makes an interesting case study. It contrasts sharply with most other African economies in that agriculture comprises a very low share of its GDP, it is a middle-income country and highly urbanized, and yet its size, market share and low human development hamper the pace of structural transformation. The country needs to institute policies and implement strategies focusing on the development of its human capital. The African Development Bank has called for the emphasis in the development strategies of African countries to be placed on tertiary education. It recognizes that "higher technical and vocational skills enhance the competitiveness of economies and contribute to social inclusion, decent employment and poverty reduction. They can open doors to economically and socially rewarding jobs and support the development of informal businesses" (African Development Bank, 2011).

Countries in the region with income per capita lower than that of Djibouti, such as Kenya and the United Republic of Tanzania, continue to fare better than Djibouti on the human development index score, owing to better educational outcomes. In order to sustain growth rates and compete regionally and globally, Djibouti needs to respond to the skills needs in its transport and services sector. A targeted approach would be beneficial for those sectors. Soni and others recognize that good quality education complemented by relevant vocational training and the development of skills prepare generations for productive lives (Soni and others, 2014).

Djibouti is highly urbanized, with 72 per cent of its population residing in urban areas[13] — higher than ECA estimates of the African urban population, at 40 per cent. This makes Djibouti the most urbanized country in East Africa. At least 60 per cent of its population is located in the capital city, which is a port and where there is a large concentration of labour, coupled with employment opportunities. The high urbanization rate works to the country's advantage in terms of agglomeration benefits. Conversely, it puts a strain on infrastructure, including water and sanitation.

13 The Djibouti Direction de la Statistique et des études démographiques (2015) puts the figure at 72 per cent. Several international sources have much higher estimates — close to 80 per cent.

Box 5 Confronting water shortages

Djibouti suffers from acute water shortage. In 2012, demand for water in the capital city, where 72 per cent of the population live, was estimated at 80,000 m3, but only 36,000 m3 per day was supplied (European Commission, 2012). In addition, demand for water is expected to double in the next 20 years, which will lead to additional pressure on the existing water supply network. The Project for Producing Safe Drinking Water with Renewable Energy is one of the initiatives being undertaken to address the water shortage. It will involve the construction of a renewable energy-powered water desalination plant in the capital city aimed at providing water to about 200,000 inhabitants in some of the country's poorest areas (in particular in Balbala, a suburb to the south of the city). The National Office for Water and Sanitation of Djibouti estimates that the project will cost about 46 million euros, and the European Union is to provide the bulk of the financing (the European Development Fund pledged 40.5 million in grants late in 2012). The water plant is expected to have a capacity of 22,500 m3 per day, which may be extendable to 45,000 m3 per day and is to be powered by renewable energy; a wind farm is planned as part of the second stage of the project.

Unlike most countries in the region, Djibouti cannot rely on agriculture, as it does not have enough land. It is estimated that only 10 per cent of its land is arable. The choice of massive infrastructure development seems to point in the right direction and is in line with national, IGAD and Agenda 2063 aspirations towards modernized infrastructure and structural transformation, resulting in shared growth, decent jobs and economic opportunities for all (African Union, 2015). The realization of these aspirations, however, will require skills that are not currently plentiful in the country.

Another paradox is that although the country borders the Indian Ocean, it is facing serious fresh water challenges and has to import water from neighbouring Ethiopia (see box 5).

There are also serious energy sector challenges, manifested in frequent power outages in the face of rapidly increasing energy demand. Currently, Djibouti relies on domestic thermal power generation and imported hydropower capacity to supply domestic needs (Ministère de l'Énergie Chargé des Ressources Naturelles, 2016). Electricity is also in short supply in the country, with an electrification rate estimated at 20 per cent for rural areas and about 60 per cent for urban areas. Currently, 65 per cent of electricity is being imported from Ethiopia. This picture mirrors the situation on the continent in general, where the bulk of the electricity grid is concentrated in urban areas while the vast majority of the population live without electricity (Africa Progress Panel, 2015). There are, however, some signs of progress. According to the Central Bank of Djibouti, production increased by 10.3 per cent, while consumption rose by just 7.2 per cent, between 2014 and 2015 (Banque Centrale de Djibouti, 2015).

SCAPE, developed to achieve Vision 2035, places emphasis on the promotion of employment while modernizing the basis of the economy, strengthening the role of the private sector and reducing social and regional disparities. Principally, it targets the structural transformation of the economy, which would triple the wage per inhabitant and create more than 200,000 jobs while reducing the unemployment rate to approximately

10 per cent by 2035. The strategy further aims to reduce absolute poverty by one third and provide universal access to energy, water and basic sanitary services (Djibouti, 2015).

Djibouti continues to experience low capacity development, which has limited its economic growth. Development in economic sectors that demand human capital, for example manufacturing, has been slow, and this has led to a low rate of industry-driven economic transformation. If it is to achieve sustained structural transformation, Djibouti needs to keep monitoring its strategies for skill development. As Soni and others note, "as countries in Africa readjust their growth models to consolidate their positions in a globalized economy, availability of a highly skilled and technically qualified human resource base will be a crucial determinant of success" (Soni and others, 2014 (p. 2)).

Despite the expansion of port infrastructure, there is still a lack of specialized skills in Djibouti, and only 2.5 per cent of the labour force have received tertiary education. With a view to filling the gap, the University of Djibouti introduced degree programmes in engineering, personnel and related courses.[14] It will also be necessary to develop programmes that focus on those skills for which there is a high demand, for example skills in the areas of logistics and insurance. More technical, vocational education and training programmes would also help bridge the human capital gap. One such initiative is the Technical and Vocational Education and Training Centre in the free zone, which is managed by the Ports Authority. The country has also decided to integrate English into the school curriculum to help bridge the language barrier, particularly in view of the surge of foreign visitors, including the occupants of military bases of the United States and China.

Despite the fact that, unlike its neighbours, Djibouti is not endowed with natural resources, it has great potential as a logistics hub and entry way into East Africa. The country has good relations with China, Ethiopia, France, Qatar, the United Arab Emirates, and the United States. As international transit points, Djibouti ports, especially Doraleh, play an important role on the East Africa route.[15] Moreover, its recent history of hosting military bases is important to the country. Currently, France, Japan and the United States operate military bases in Djibouti, and a Chinese base is under construction. According to the British Broadcastng Corporation (BBC), the country receives $63 million and $100 million from the United States and China, respectively, for the military bases[16] (Oladipo, 2015).

14 The faculty of engineering at the University opened in 2013 with the aim of educating engineers in the country.

15 It is estimated that 20,000 ships and 20 per cent of global exports pass through East Africa each year. In addition, an estimated 10 per cent of the world's oil exports pass through the Bab-el Mandab.

16 The figure of $63 million tallies with the one cited by the Financial Times (Manson, 2016). The point of divergence relates to China: the Financial Times indicates that, as of 2014, China would pay $20 million and not $100 million, as cited by BBC (Oladipo, 2016).

Greater private sector development is also an imperative for the economy. Over the years, the country has integrated well into the regional and global economies through various partnerships. Its close relations with Ethiopia and the hosting of IGAD are a testament to its commitment to regional integration. The country is also rendering service to the World Food Programme by hosting its regional warehouse. Recently, the country has sought regional and international arrangements for the well-being of its population. For example, cooperation with Ethiopia on electricity and water arrangements have resulted in cost reductions and will increase access to clean water for the country once the pipeline has been completed.

The country cannot afford to become lax in its approach, however, as there is increasing competition from neighbouring ports for the same market.[17] As a country that would like to be the logistics hub of the region, Djibouti must improve its logistics performance by comparison with the rest of the world. According to the World Bank logistics performance index, the country was ranked 145 of 150 in 2007 and 134 of 160 in 2016 (Kenya was ranked 76 and 42 for the same years). All of the indicators of logistics performance (customs, international shipment, infrastructure, logistics competence, tracking and tracing, and timeliness) must improve.

Further measures to strengthen structural transformation could include the development of the private sector through policy intervention in small, medium- and micro-sized enterprises in support of the current infrastructure development. Critically, investment in entrepreneurship knowledge is needed. This would reduce economic inequality and offer employment opportunities to women and young people. The country would also benefit from policy formulation that allowed for government and private civil society institutions to increase their engagement, work together and rally around the agenda for human capacity development.

17 UNDP paints a clear picture of the subject matter (UNDP, 2015a).

6. National data quality evaluation

Methodological note: The quality of national data sources for key indicators in the country profiles was evaluated. The results are presented in colour codes, with green indicating that the data source is "good"; yellow, "satisfactory"; and red, "needs improvement".

The evaluation focused on the transparency and accessibility of the national data sources, while taking into account the periodicity of the published data based on the timeliness and frequency of the data updates in accordance with international standards. It measured the comparability of the data series based on length, definition and standard units of measurement. Also reviewed were the accessibility of the data to the general public, the format of the data and the ease with which the data can be downloaded and shared. In addition, data citations, together with references to primary or secondary sources, were assessed. Lastly, the completeness of metadata for data release and the clarity of documentation and notes were evaluated.

Demography	Value	Evaluation
Population (thousands)	939.3 (2014)	1
Population growth rate (%)	1.5 (2014)	1
Urban population (%)	72 (2014)	1
Child (0-15 years, %)	33.9 (2014)	1
Adult (15-65 years, %)	63.6 (2014)	1
Aged (65+ years, %)	2.5 (2014)	1

Key macroeconomic and sectoral performance	Value	Evaluation
GDP current prices (millions of Djibouti francs)	308 278 (2015)	1
Real GDP growth rate (%)	6.5 (2015)	1
Inflation rate (%)	2.0 (2015)	1
Current account balance (millions of Djibouti francs)	-97.35 (2015)	2

Economic trends and performance indicators	Value	Evaluation
Total exports (millions of Djibouti francs)	23.7 (2015)	2
Total imports (millions of Djibouti francs)	192 (2015)	2
Net direct investment (millions of Djibouti francs)	22,037 (2015)	2

Education and employment	Value	Evaluation
Gross enrolment ratio in primary education	79.9 (2015)	1
Literacy rate of 15-24 year olds	60.1 (2015)	1
Unemployment rate (%)	60 (2014)	1

Health	Value	Evaluation
Under-5 mortality rate (per 1000 live births)	100.8 (2015)	1
Infant mortality rate (per 1000 live births)	54.2 (2015)	1
Neonatal mortality rate (per 1000 live births)	33.4 (2015)	1
Proportion of births attended by skilled health personnel (%)	87.4 (2015)	1

Data source:

1. Direction de la Statistique et des études démographiques (DISED).
2. Central Bank of Djibouti.

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