

Djibouti

The Djibouti ICT sector is one of few monopolistic telecommunication sectors in the world, and has a relatively low level of penetration for telecommunication services. Despite these challenges, the country has seen important progress in the last years with the launch of LTE services.

Mobile services: Djibouti is one of the few remaining countries in which the national telecommunication operator, Djibouti Telecom (DT), has a monopoly on all telecommunication services, including fixed lines, mobile, Internet, and broadband. The lack of competition has meant that the market has not lived up to its potential. Growth in the mobile and Internet markets is accelerating in line with DT investment in its mobile network. However, competition and foreign investment are both required for the telecommunication market to develop. In preparation for this, DT is forging international alliances, and has been a key investor in cable network systems including the DARE and AWE systems. Growth in the mobile and Internet sectors accelerated with the 3G launch in 2011 using the 2100 MHz band. Evatis, the mobile division of Djibouti Telecom, launched a HSPA mobile service, augmenting its existing GSM and EDGE platforms in 2012, offering subscribers access to high speed mobile broadband, voice, and SMS/MMS services. As a result of the launch, Djibouti Telecom users have access to broadband on a range of devices, including mobile phones, tablets and laptops. Djibouti Telecom started rolling out a full-blown LTE network in 2016 in the 1800 MHz band.

Fixed services: While domestic infrastructure remains poor, the country is one of the best connected for optical fibre international cables in the region. The Djibouti Internet Exchange is a meeting point for a number of cable systems passing between the Red Sea and Indian Ocean. Despite this connectivity, broadband services in Djibouti remain very expensive: high rates have contributed to an under-utilization of the copper network. Subscriber and line connection fees are very high, taking into account the population poverty rate, which continues to hold back the full growth potential of the sector.

Key indicators for Djibouti (2017)		Arab States	World
Fixed-telephone sub. per 100 inhab.	3.8	7.9	13.0
Mobile-cellular sub. per 100 inhab.	39.0	102.6	103.6
Active mobile-broadband sub. per 100 inhab.	11.7	53.9	61.9
3G coverage (% of population)	70.0	88.0	87.9
LTE/WiMAX coverage (% of population)	0.0	50.9	76.3
Individuals using the Internet (%)	55.7	48.7	48.6
Households with a computer (%)	36.6	47.1	47.1
Households with Internet access (%)	57.7	50.1	54.7
International bandwidth per Internet user (kbit/s)	18.8	65.3	76.6
Fixed-broadband sub. per 100 inhab.	2.5	5.6	13.6
Fixed-broadband sub. by speed tiers, % distribution			
<i>-256 kbit/s to 2 Mbit/s</i>	84.5	30.7	4.2
<i>-2 to 10 Mbit/s</i>	13.3	33.8	13.2
<i>-equal to or above 10 Mbit/s</i>	2.2	35.4	82.6

Note: Data in italics are ITU estimates. Source: ITU (as of June 2018).

Government policy: Djibouti has not yet liberalised the telecommunication market, which has affected the prices, access, and quality of mobile and fixed services. Djibouti Telecom still holds a monopoly on the national and international market, and as a result, high speed Internet access is relatively more expensive than in other countries in the region. Strengthening the ICT sector and making quality telecommunication services available at affordable prices is crucial to achieve the objectives in the Djibouti Vision 2035 and the aim to triple per capita income by 2035. Djibouti highlighted the importance of its ICT sector in its recent World Trade Policy Statement provided to the World Trade Organization in September 2014. To achieve the Djibouti Vision 2035 policy objectives, the Government set up since 2014 a specific strategy for ICT (Integrated Strategic Plan) which has for objective to develop and to generalize the access to ICT.

Conclusion: The effort made by the Government of Djibouti and Djibouti Telecom in the last ten years, with the launching of HSPA and LTE, and with many international alliances, has reflected positively on the sector. Growth in the mobile and Internet markets is accelerating in line with DT investment in its mobile network. However, competition and foreign investment are both required for the telecommunication market to show solid development in coming years.