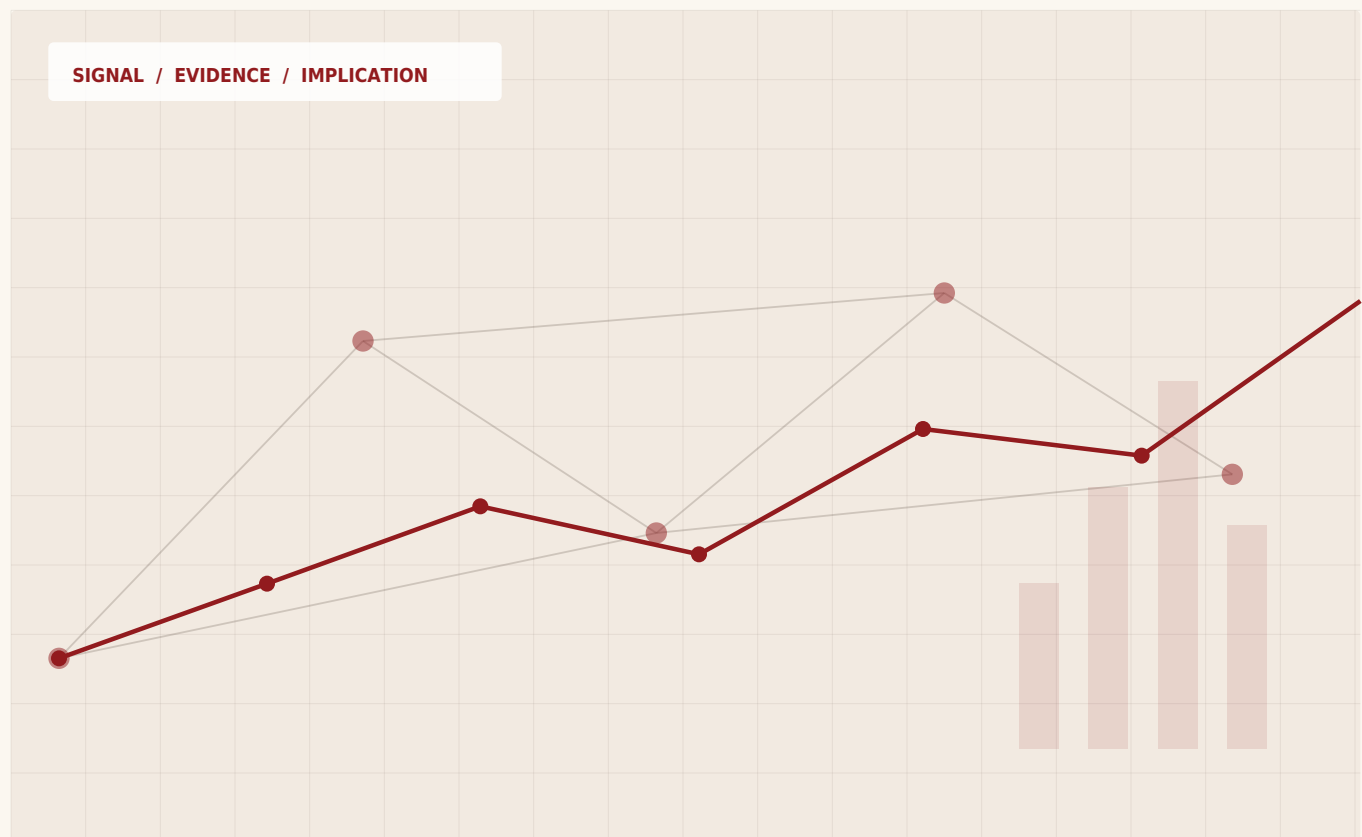




Djibouti

The Dependency: Nearly all sea cargo passes through one gate.



01

THE NUMBERS BEHIND THE SINGLE GATE

Ethiopia's trade runs through one gate, and the gate depends on Ethiopia as much as Ethiopia depends on it.

96.7% Share of Ethiopia's sea-gate cargo routed through Djibouti in FY2025/26; Berbera took 2.7% <i>Ministry of Transport and Logistics, Aug 2026; IMF, 2025: over 95%</i>	95% Share of Djibouti's port activity fuelled by Ethiopian trade: the dependency runs both ways <i>IMF Djibouti Article IV staff report, 2024</i>	18.9% Rail's share of Ethiopia's cargo in FY2025/26, up from 14% in FY2024/25; road still carries 80% <i>Ministry of Transport and Logistics, Aug 2026; The Reporter, Jul 2025</i>	7.5x Spread between published estimates of annual port-related payments: \$0.4B to over \$3B <i>DPFZA, Dec 2025; Addis Standard, Feb 2026; AAU study via AMECO</i>
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DATA INTEGRITY NOTE: Sources differ and the differences are shown. The ministry's FY2025/26 report puts Djibouti at 96.71% of sea-gate cargo, but its Djibouti tonnage (15.34 Mt) is 87% of the 17.57 Mt total and its route shares sum to 101.24%; the base is unstated, so 96.7% is used as reported, with the IMF's "over 95%" as corroboration. A report of 9.5 Mt through Djibouti in 2025 (Addis Standard) is not used. Payment estimates are \$0.4B (DPFZA, all ports and cargo types), \$1.5B to \$2B (Addis Standard) and over \$3B (Addis Ababa University study via AMECO, undated); they measure different things and none is audited. Dwell times are single-source (The Reporter) and the measure is undefined. The Tadjoura offer is Djibouti's account, with no Ethiopian response; Berbera's 30% utilisation is DP World's own statement; the \$6B fuel scenario is single-source (Capital). Rail design capacity ranges from 6.2 to 24.9 Mt a year across sources and is not used. Uganda figures use different years (KPA, 2024 inferred; Daily Monitor, 2025). Half-year and full-year shares are compared as shares.

02

TWO FINDINGS THAT REFRAME THE CASE

THE DEPENDENCY RUNS BOTH WAYS

Ethiopia sent 96.7% of its sea-gate cargo through Djibouti in FY2025/26, and about 95% of Djibouti's port activity is fuelled by Ethiopian trade (IMF, 2024). That makes the corridor a bilateral monopoly: neither side can leave cheaply, so price and service are negotiated, not competed. Djibouti's public and publicly guaranteed debt is projected at 67.2% of GDP in 2025, and the IMF lists new competition from nearby ports as a risk (September 2025).

A NEW SUPPLIER IS NOT A NEW GATE

After the Gulf conflict that began on 28 February 2026, the trade ministry said about 180,000 t of petroleum bound for Ethiopia was halted; Ethiopia mainly buys its fuel from Kuwait under a special settlement arrangement, and the 2025/26 fuel subsidy had reached 272B birr by late March against a 100B plan. In June 2026 the state shipping line brought in 120,000 t of jet fuel and diesel from Nigeria, its first fuel import in four decades. It landed at the Horizon terminal in Djibouti. The supplier changed; the gate did not.

03

THREE MORE FACTS ON THE RECORD

- **The price of passage is contested:** Djibouti's port authority puts its revenue from all ports and cargo types at about \$400M and calls the widely cited \$1.4B inaccurate, attributing about \$1.2B of that to inland trucking, mostly Ethiopian-run; Addis Standard estimates \$1.5B to \$2B and a university study over \$3B. (Capital, Dec 2025; Addis Standard, Feb 2026; AMECO)

- **Trade is nine-tenths inbound:** Imports were 15.93 Mt of the 17.57 Mt moved in FY2025/26, about 9.7 tonnes in for every tonne out; fuel was 4.23 Mt and coffee, the largest export by volume, 0.44 Mt. Fuel imports were an estimated \$3.7B in FY2024/25 and the central bank sees them possibly reaching \$6B in FY2026/27, about 45% of the \$13.4B export target. (Ministry of Transport and Logistics; Capital, Jun and Aug 2026)
- **The corridor is getting better:** Rail carried 3.32 Mt, 18.9% of cargo, against 14% a year earlier, and a ministry report gave 6.93 days for containers under multimodal transport against 27.07 under unimodal (FY2024/25; the measure is undefined). (Borkena, Aug 2026; The Reporter, Jul 2025)

04

ANALYSIS: WHO SETS THE PRICE OF THE GATE

A Bilateral Monopoly, Priced by Contract

Neither side has a short-run exit. Berbera took 2.7% of Ethiopia's sea cargo and Tadjoura, also in Djibouti, 1.2%, while the IMF reads about 95% of Djibouti's port activity as Ethiopian. In such a market the price is a negotiated outcome, and the public record shows how little of it is visible. Djibouti says its port revenue is about \$400M, its accounts are audited by EY and KPMG, and the widely quoted \$1.4B is wrong (Capital, December 2025). The larger estimates likely bundle shipping and inland legs, though no source reconciles them (InfoPlate inference). For an investor the lesson is practical: landed-cost models belong on freight-forwarder invoices, not headlines.

A New Supplier Is Not a New Gate

The gate is where a shock lands. Ethiopia spends at least a quarter of its goods-import budget on oil (Capital, June 2026), and Djibouti was where the Gulf shock arrived: its port authority said it would prioritise Ethiopian cargo, fertiliser first (Capital, April 2026). That priority is leverage in Ethiopia's favour, but it is also a reminder that diversifying suppliers, as the June Nigerian cargoes did, leaves the single point of failure untouched. The central bank's scenario of up to \$6B in fuel imports in FY2026/27 is a regional-conflict price case, not a forecast of volumes, and rests on one report.

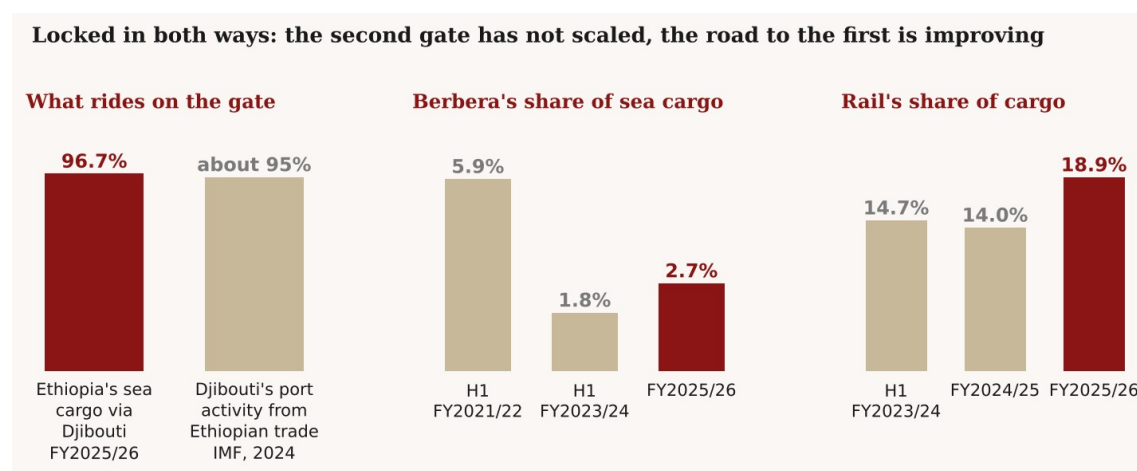


Figure 1: Share of sea-gate cargo via Djibouti (as reported) and of Djibouti's port activity from Ethiopian trade; Berbera's share of sea cargo; rail's share of cargo. H1 = first half of the fiscal year; half-year and full-year periods compared as shares. Source: Ministry of Transport and Logistics via Capital (Jan 2022), The Reporter (Jan 2024; Jul 2025), Borkena and Birr Metrics (Aug 2026); IMF 2024.

The Second Gate Has Not Scaled

Berbera's share was 5.9% in the first half of FY2021/22, 1.8% in the first half of FY2023/24 and 2.7% in FY2025/26. Somaliland's port authority targeted over 30% of Ethiopian container cargo in 2019 (a different

base, containers rather than all tonnage), and DP World said in September 2026 that Berbera uses about 30% of its expanded capacity, a statement not checked against Ethiopian customs records. Djibouti reportedly offered a 60% stake in Tadjoura that Ethiopian officials declined while seeking a corridor on top of equity (Capital, April 2026; Djibouti's account only). The constraint on a second gate is less the berth than contracted volume, a corridor road or rail, and a counterparty both sides trust.

The Counter-Argument and the Uganda Benchmark

Staying single-gate has a case. Djibouti is the nearest deepwater option, fixing the corridor is cheaper than replacing the port, and mutual dependence limits how far Djibouti can push. Djibouti is also widening its client base, with a 30-year concession to Saudi Arabia's Red Sea Gateway Terminal in October 2025 (Capital, April 2026). The risk is that improvement stalls at the margin: rail is 18.9% of cargo and road 80%.

Uganda is the comparator: Ugandan cargo was 65.7% of Mombasa's transit tonnage, 8.81 Mt (KPA via The Standard, 2024), against about 47,600 t through Tanzanian ports in 2025 (Daily Monitor, October 2026; years differ). Tanzania's answer was a concession: DP World's 30-year Dar es Salaam terminal, which officials say cut average vessel turnaround from about 30 days to six. Competition arrived through a concession and a corridor build, not a policy statement.

05

EDITOR'S OUTLOOK

Grade the Djibouti dependency a managed monopoly that is not yet a managed risk. The corridor is improving and Djibouti has promised Ethiopian cargo priority, but the price is unpublished, the second gate carries 2.7% and a new fuel supplier still lands in the same port. For capital, the actionable exposures are contractual: dry-port and rail-linked logistics that cut dwell time, inland fuel and fertiliser storage, and any second-gate arrangement that brings a corridor and a volume commitment, not an equity stake alone.

InfoPlate's Eritrea business cost edition (Week 22) examined what the Eritrean border costs Ethiopian business; this edition asks what the Djibouti gate costs. Watch the ministry's half-year FY2026/27 report, usually published in January or February, for Djibouti's share and rail's; whether the port fee structure is published; Berbera's share against 2.7%; fuel imports against the \$6B scenario; and the Tadjoura talks. Week 34 turns to the Property Corridor.

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