

PIPELINE TECHNOLOGY JOURNAL · NIGERIA · SUBSEA

Dangote and Ethiopia Partner on \$660 Million Djibouti Fuel Pipeline

Saga deep read · 28 September 2026 · Score 63

Nigerian billionaire Aliko Dangote has joined forces with the Ethiopian government to finance and develop a \$660 million fuel pipeline connecting Djibouti's coast to inland Ethiopia. The project, marked by a formal groundbreaking ceremony attended by Ethiopian Prime Minister Abiy Ahmed, represents one of the most significant cross-border energy infrastructure investments in the Horn of Africa in recent years.

The pipeline will span 120 kilometres, linking the Damerjog port facility in Djibouti to a major storage and distribution terminal at Dewele in eastern Ethiopia. The terminal is designed to hold up to 400 million litres of fuel and will initially handle refined petroleum products — diesel, petrol, and jet fuel. Construction is scheduled for completion within 18 months. Prime Minister Abiy Ahmed underscored the project's practical impact at the ceremony, noting that fuel delivery times from Djibouti's port to Addis Ababa will be cut from five days to one. For a landlocked country that depends on Djibouti's coastal infrastructure for the vast majority of its petroleum imports, this reduction in transit time carries substantial economic weight.

The downstream benefits extend well beyond Ethiopia's capital. Eased logistics costs are expected to flow through to aviation, agriculture, construction, and transport sectors — all of which are heavily exposed to fuel price volatility and supply delays caused by road congestion. Djibouti stands to gain as well, with the project projected to increase port throughput, generate local employment, and boost government revenues from expanded transit activity.

The deal reflects Dangote's continued push to expand his energy and industrial footprint across Africa. His Nigerian refinery — currently processing 700,000 barrels of crude per day — has plans to double capacity to 1.4 million barrels per day. The refinery recently listed 4.1 billion ordinary shares on the Nigerian exchange to raise \$1.63 billion in fresh capital. Combined with cement operations processing roughly 55 million metric tons annually, Dangote is positioning himself as a continent-wide energy and infrastructure force. The Ethiopia-Djibouti pipeline fits squarely into that strategy, extending his reach into East Africa and establishing a cross-border energy corridor with long-term regional significance.

For the broader energy services sector, this project signals growing appetite for large-scale, privately co-financed pipeline infrastructure in Sub-Saharan Africa — territory that has historically been dominated by state-led development. The 18-month construction timeline and the scale of the terminal facility suggest active procurement of engineering, construction, and equipment supply services in the near term.

Why this matters to partners and clients of Saga

Norwegian pipeline and terminal engineering companies should monitor procurement activity closely given the 18-month construction timeline and the scale of the Dewele storage facility. Service firms with experience in refined product pipeline systems and large-volume fuel terminal design have a credible basis to engage with the project's EPC contractors. This project also signals Dangote's growing role as a private infrastructure developer in Africa, making him a relevant relationship target for Norwegian companies seeking to diversify their client base beyond national oil companies.



YOUR SAGA CONTACT

Bjørn Kahrs

Partner, Oil & Gas & Industry

PARTNER ANGLES

- **Pipeline:** Norwegian pipeline engineering and integrity firms should assess subcontracting opportunities under the EPC structure for the 120-kilometre refined products line between Damerjog and Dewele.
- **Service:** Metering, flow assurance, and instrumentation specialists can target the terminal fit-out at Dewele, which will handle multiple refined product streams at 400-million-litre capacity.
- **LNG:** While the initial phase covers liquid fuels, the corridor's infrastructure logic creates a potential future pathway for gas distribution in Ethiopia — worth monitoring as the project matures.
- **Subsea/FPSO:** No direct subsea angle here, but Norwegian firms supplying Dangote's Nigerian refinery expansion to 1.4 million barrels per day should use the Ethiopia deal as a relationship entry point for broader East Africa engagement.

[Original source: Pipeline Technology Journal →](#)

Saga Advisory

Partner contact: bjorn@saga-advisory.com · General: info@saga-advisory.com · saga-advisory.com

STAVANGER · CAPE TOWN