



## Djibouti

Djibouti, a small, arid country in the Horn of Africa, is strategically located on one of the world's busiest shipping routes at the Bab el Mandeb Strait—the gateway from the Red Sea to the Gulf of Aden and the Indian Ocean (**Figure 1**). Its geographic position has become its greatest national asset, and the government is capitalizing on it. A former French colony, Djibouti hosts a sizable French military presence and is home to U.S. Africa Command's primary base of operations in the Horn of Africa, Camp Lemonnier, the only enduring U.S. military installation in Africa. Djibouti has provided facilities for multinational antipiracy operations off Somalia's coast, and, in that context, Japan established its first post-World War II overseas military base there in 2011. Italy followed in 2013. German, Spanish, and British military personnel operate from the French and U.S. facilities. The People's Republic of China (PRC; China) opened its first overseas base there in 2017.

With almost no arable land, few natural resources, and little industry, Djibouti's economy depends heavily on its service sector and trade through its port complex. Rents from foreign militaries, totaling over \$125 million/year, are another key revenue stream. Neighboring Ethiopia, with over 120 million people, relies on Djibouti for the transit of over 90% of its trade, which reportedly brings Djibouti \$400 million/year in port fees. Ethiopia accounts for roughly 80% of the goods that transit Djibouti's ports.

Djibouti's ambitious agenda to become a global trade hub has been financed largely by China, which holds a majority of the country's external sovereign debt. The PRC views Djibouti as part of its Belt and Road Initiative, which aims to develop China-centered and -controlled infrastructure, transportation, trade, and production networks on a global scale. Among major PRC-financed projects is a \$4 billion railway between Djibouti and Ethiopia. (For more, see CRS In Focus IF11304, *China's Engagement in Djibouti*.)

### Humanitarian and Development Situation

Djibouti hosts over 30,000 refugees and asylum seekers who have fled neighboring states and nearby Yemen. Many refugees and migrants transit via Djibouti to other countries, given limited access to livelihood opportunities there. The State Department ranked Djibouti among the worst (Tier 3) in its 2024 Trafficking in Persons Report.

Chronic drought contributes to a high prevalence of acute malnutrition in Djibouti's own population of roughly 1 million people. The country imports 90% of its food. It is categorized as a lower-middle-income country, with an estimated GDP per capita of \$4155 in 2024, but Djibouti ranks toward the bottom of the UN Development Program's Human Development Index (171 out of 193 countries). The youth unemployment rate is over 75%, and the country struggles with a shortage of skilled labor. Over 60% of the rural population lives in extreme poverty. Female genital mutilation/cutting is prevalent, despite a law prohibiting it.

**Figure 1. Djibouti**



Source: CRS, using ESRI and U.S. State Department data.

### Political Situation

President Ismaël Omar Guelleh has led Djibouti since 1999, when he was elected after the retirement of the country's first president, Hassan Gouled Aptidon (Guelleh's uncle). Critics argue that Guelleh's government is authoritarian and corrupt. His political opponents contend that opening the country to foreign bases has shielded the president from greater Western criticism of abuses, allowing Guelleh to tighten his hold on power, despite public discontent.

In 2010, near the end of Guelleh's second term in office, the parliament amended the constitution to abolish term limits. He has since won reelection three more times, in 2011, 2016 and 2021 (despite having vowed that his 2011 reelection would be his "third and final time"); he carried the 2021 election with 97% of the vote. As in previous elections, opposition parties, most of which boycotted the poll, asserted that the process was rigged. Age limits in the current constitution would make Guelleh, born in 1947, ineligible to run for reelection again in 2026. He says he will not change the constitution and that his party will choose a new candidate to run in the next election.

Power within Guelleh's Union for the Presidential Majority coalition (UMP), which maintains an overwhelming majority in parliament, is heavily concentrated in his own party. Most opposition parties boycotted the 2023 parliamentary elections.

The State Department's human rights report on Djibouti for 2023 (the most recent) notes that "formal structures of representative government and electoral processes had little relevance to the real distribution and exercise of power." The report highlights suppression of the opposition; arbitrary arrests of journalists, academics, demonstrators, and opposition members; and restrictions on freedom of assembly and speech. It suggests that some officials "engaged in corrupt practices with impunity," and describes impunity as a problem in the security sector.

## The Economy

Djibouti's economy has been resilient amid recent regional conflicts and the Red Sea crisis, with GDP growing an estimated 6.5% in 2024 as demand for its trans-shipment services rose. Per the International Monetary Fund (IMF), the country's strategy of investing in infrastructure to transform itself into a logistics and commercial hub has driven economic growth, but has not led to significant job creation. Djibouti has financed its growth by borrowing, and the IMF views its debt burden as unsustainable. Over half of Djibouti's \$2.7 billion external debt is held by China. Djibouti suspended debt servicing to China's Export-Import Bank in 2023 and secured a four-year debt moratorium; the country is also in debt restructuring talks with India, its second largest creditor, and the Paris Club.

## Regional Relations

Djibouti's relations with its neighbors are evolving amid shifting alignments and rivalries in the broader Red Sea arena. The Arab Gulf countries and Turkey are playing a growing role in East Africa as countries there look abroad for investment, development financing, and diplomatic support. Djibouti's relationship with the United Arab Emirates, an increasingly important player in Africa, is strained over its dispute with UAE state-owned port operator DP World. Djibouti has refused to pay a \$200 million fine ordered by a U.S. court in 2024 pursuant to DP World's legal battle over Djibouti's 2018 termination of the firm's 30-year contract to operate the Doraleh Container Terminal. Djibouti may increasingly view the neighboring autonomous territory of Somaliland as a competitor, given DP World's development of the deepwater port at Berbera. Efforts by landlocked Ethiopia to obtain its own sea access via Somaliland, which could lessen its reliance on Djibouti, stirred regional tensions in 2024.

Djibouti hosts the headquarters of the Intergovernmental Authority on Development (IGAD), an East African regional body, and Guelleh currently serves as its chair. Djibouti generally enjoys good relations with East African governments, except Eritrea. The two countries fought a brief border conflict in 2008. They declared the dispute over in 2018, but there has been little sign of progress since.

Djibouti, a member of the Arab League, has refused to establish diplomatic ties with Israel. In late 2023, it joined four other countries in making a "further referral the Situation in the State of Palestine" to the International Criminal Court (for which an investigation began in 2021).

## U.S. Relations

Successive U.S. administrations have described Djibouti as a "key U.S. partner on security, regional stability, and humanitarian efforts across the region." U.S. defense officials under the Biden Administration described Djibouti as "a critical location" and a "critical partnership" that "has only grown closer in recent years." U.S. military facilities there serve as an important base for U.S. operations in the region. The Horn has been a hub for counterterrorism (CT) efforts for over two decades: Djibouti sits in close proximity to Al Qaeda affiliates in Somalia and Yemen and an Islamic State (IS) cell in Somalia that reportedly plays a key role in the IS global network. U.S. and Djiboutian officials meet routinely in a U.S.-Djibouti Bi-National Forum, launched in 2014 under the Obama Administration.

Over 5,000 U.S. military and civilian personnel are deployed at Camp Lemonnier. Some support U.S. Africa Command's Djibouti-based Combined Joint Task Force-Horn of Africa (CJTF-HOA). The base also serves as a platform for counterterrorism missions in Somalia and the Middle East and for crisis response operations, such as the 2023 evacuation of the U.S. Embassy in Sudan.

The U.S. military has expanded its infrastructure in Djibouti since it originally deployed forces in 2002, building a new airfield at Chabelley, outside the capital, in 2013, and opening the first permanent U.S. military barracks in Africa at Camp Lemonnier in 2015. The Obama Administration negotiated a new 20-year lease for the U.S. facilities, which provide jobs to over 1,000 local workers and third-country nationals, in 2014. Guelleh sought higher fees and other U.S. contributions to support Djibouti's economic growth. In the 2014 lease, the United States doubled the annual payment to \$63 million, amid rumors of Chinese and Russian efforts to establish facilities. To reinforce the strategic partnership and maintain basing access, Congress provided enhanced authority in P.L. 113-291 for the Department of Defense (DOD) to acquire goods and services from Djibouti for activities in AFRICOM's area of responsibility. Congress broadened that authority to also cover other strategic African partners in 2016.

The close proximity of the U.S. and Chinese bases in Djibouti's capital city has prompted U.S. concerns. DOD reports that Chinese personnel have sought to restrict Djiboutian sovereign airspace over their base and interfered with U.S. flights by lasing pilots and flying drones.

A U.S. Agency for International Development (USAID) warehouse in Djibouti stores prepositioned U.S. food aid, serving as a hub for rapid response to regional humanitarian emergencies. Djibouti also hosts a U.S.-funded regional center for preventing and countering violent extremism.

## U.S. Assistance and Security Cooperation

U.S. bilateral aid obligations for Djibouti totaled over \$10 million in both FY2023 and FY2024. The State Department's FY2025 request for Djibouti (under the Biden Administration) of almost \$16 million included \$3 million for civil society, \$6 million for education, and \$7 million in military aid. U.S. security assistance has significantly outpaced development aid in Djibouti, which has been the only sub-Saharan African country for which the State Department requested Foreign Military Financing (FMF) since 2019. Djibouti has also received security assistance through programs administered by DOD and the State Department that are not part of the latter's annual bilateral request, including border and coastal security, regional stabilization, and CT initiatives. Djiboutian forces have received U.S. training and assistance to support their deployment in the AU stabilization mission in Somalia. U.S. foreign assistance to Djibouti is subject to the Trump Administration's foreign aid "pause" unless exempted under a waiver approved by the Secretary of State. DOD "global train-and-equip" assistance, of which Djibouti has been a regular recipient, has not been reported as paused.

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