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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. Its geographic position is its greatest national asset, and the government is capitalizing on it. Djibouti, a former French colony, hosts a French military presence and is home to the primary base of operations in the Horn of Africa for U.S. Africa Command (AFRICOM): Camp Lemonnier, the only enduring U.S. military installation in Africa. Djibouti provides facilities for multinational antipiracy operations off Somalia's coast. 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. bases. The People's Republic of China (PRC; China) opened its first overseas base there in 2017, drawing congressional concerns and increased scrutiny of China's role in Djibouti.

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 \$4,343 in 2025, but Djibouti ranks toward the bottom of the UN Development Program's Human Development Index (175 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 again in 2026, and while after his last election he rejected the prospect of further constitutional changes, he has more recently not ruled out another run.

Power within Guelleh's Union for the Presidential Majority coalition (UMP), which dominates 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) noted that "formal structures of representative government and electoral processes had little relevance to the real distribution and exercise of power." The report highlighted suppression of the opposition; arbitrary arrests of journalists, academics, demonstrators, and opposition members; and restrictions on freedom of assembly and speech. It suggested that some officials "engaged in corrupt practices with impunity," and described

impunity as a problem in the security sector. Djibouti ranks Not Free in Freedom House's Freedom in the World index.

The Economy

Djibouti's economy has been resilient amid recent regional conflicts and the Red Sea crisis: its GDP grew an estimated 6.5% in 2024 as demand for its transshipment services rose. Per the International Monetary Fund (IMF), the country's strategy of investing in infrastructure to become 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 \$2.6 billion external debt is held by China. Djibouti suspended debt servicing to China's Export-Import Bank and secured a four-year debt moratorium in 2023; it is also in debt restructuring talks with India, its second largest creditor, and the Paris Club.

Regional Relations

Mahmoud Ali Youssouf, Djibouti's foreign minister, was elected to lead the African Union (AU) Commission (its secretariat) in early 2025, elevating the country's influence on the continent. Djibouti already 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 governments in the region, except Eritrea, with whom it fought a brief border conflict in 2008. They declared the dispute over in 2018, but the relationship remains strained.

Shifting alignments and rivalries in the Red Sea arena have implications for Djibouti. The Arab Gulf countries and Turkey are playing growing roles in East Africa, providing investment, development financing, arms, and political support. Djibouti's relations with the United Arab Emirates (UAE), an increasingly important player in Africa, are poor due to a dispute with UAE state-owned port operator DP World. Djibouti terminated the firm's 30-year contract to operate the Doraleh Container Terminal, the country's largest revenue source, in 2018. A legal fight has ensued, and Djibouti has refused to pay a \$200 million fine ordered by a U.S. court for the port seizure. Guelleh has called the UAE's approach in the region "deeply destabilizing."

Djibouti may view neighboring Somaliland as a rising competitor; the breakaway republic, which seeks formal independence from Somalia, has turned to DP World to develop its Berbera port. Ethiopia stirred regional tensions in 2024 with a plan to gain its own sea access through Somaliland and end its reliance on Djibouti's ports. Turkey mediated a potential alternative, and Somaliland's new president has sought to mend ties with Djibouti. Some analysts argue a U.S. military presence in Somaliland could serve as a hedge against China's influence in Djibouti.

Djibouti, an Arab League member, has refused to establish ties with Israel until Palestine is recognized as a state. It joined four countries in a 2023 referral to the International Criminal Court on the "Situation in the State of Palestine."

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." In the first Trump Administration, officials highlighted concern that Djibouti's debt to China could lead "the balance of power in the Horn

of Africa" to shift in favor of China. Biden Administration officials described the bilateral relationship as a "critical partnership" that had "only grown closer in recent years."

U.S. military facilities in Djibouti serve as a base for U.S. operations in the wider region. The Horn has been a hub for counterterrorism efforts for over two decades, and Djibouti sits in close proximity to Al Qaeda affiliates in Somalia and Yemen and a Somalia-based Islamic State (IS) presence. Over 5,000 U.S. military and civilian personnel are deployed at Camp Lemonnier, which hosts AFRICOM's Combined Joint Task Force-Horn of Africa (CJTF-HOA). The base is a platform not only for counterterrorism missions, but also crisis response operations, such as the 2023 evacuation of U.S. embassy personnel from Sudan.

The U.S. military has expanded its infrastructure in Djibouti since it first deployed forces in 2002, building an airfield outside the capital at Chabelley in 2013 and opening its first permanent military barracks in Africa at Camp Lemonnier in 2015. The Obama Administration negotiated a new 20-year lease in 2014 for the facilities, which provide jobs to over 1,000 local workers and third-country nationals. In the lease talks, Guelleh sought higher fees and contributions to support Djibouti's economic growth; the United States doubled the annual payment to \$63 million amid rumors of Russian efforts to establish facilities. To maintain access and reinforce the partnership, 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 and later broadened that authority to cover other African partners.

The close proximity of the U.S. and PRC bases has fueled concerns. DOD reports that PRC personnel have sought to restrict Djiboutian airspace over their base and interfered with U.S. flights by lasing pilots and flying drones.

U.S. Assistance and Security Cooperation

In comparison with most African countries, U.S. bilateral aid for Djibouti has been limited, with roughly \$10 million obligated in FY2023 and FY2024, a majority of it military aid, with some funding for education and civil society. Humanitarian aid, allocated separately, approached \$17 million in FY2023. Since 2019, Djibouti has been the only country in sub-Saharan Africa for which the State Department requested Foreign Military Financing (FMF). Beyond bilateral aid, Djibouti has routinely received security assistance through DOD's global train-and-equip program and State Department border and coastal security, peacekeeping, and counterterrorism initiatives. Such assistance has supported Djibouti's deployment in the AU stabilization mission in Somalia, for which President Guelleh says the United States has pulled its funding.

The status of U.S. assistance for Djibouti is unclear in light of the Trump Administration's foreign aid review and cuts, which have drawn substantial congressional debate. As the Administration closes the U.S. Agency for International Development (USAID), it has not indicated its plans for a USAID warehouse in Djibouti that has stored U.S. food aid and served as a hub for responding to humanitarian crises in the region. Meanwhile, the U.S. embassy in Djibouti is working to increase economic ties and grow U.S. exports. Congress may review these and other issues as they weigh the U.S. role and presence in Djibouti.

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