



## Djibouti

The small, arid East African country of Djibouti is strategically located along one of the world's busiest shipping routes on the Bab el Mandeb Strait, which serves as the gateway from the Red Sea to the Gulf of Aden and the Indian Ocean (**Figure 1**). Djibouti has become a hub for foreign militaries. It is home to U.S. Africa Command's Combined Joint Task Force-Horn of Africa (CJTF-HOA), based at Camp Lemonnier, the only enduring U.S. military installation in Africa. A former French colony, Djibouti also hosts a sizable French military presence and provides facilities for multinational antipiracy operations off Somalia's coast. Japan established its first post-World War II overseas military base there in 2011. The North Atlantic Treaty Organization (NATO) opened a liaison office in Djibouti to enhance regional antipiracy efforts in 2015. China opened its first military base abroad there in 2017. Italy also maintains military facilities in the country.

With almost no arable land, few natural resources, and little industry, Djibouti's economy depends heavily on its services sector and trade through its busy international port complex. Rents and related revenue from foreign militaries are an important source of revenue (reportedly over \$125 million annually). The country is pursuing an ambitious agenda to become a commercial trade hub for the region. Landlocked Ethiopia, home to over 110 million people, relies on Djibouti for the transit of 90% of its formal trade.

China's engagement with Djibouti is multifaceted, ranging from major infrastructure investments to the expansion of its geostrategic naval base. A Chinese-built rail line connects Djibouti and Ethiopia. China holds a majority of Djibouti's external sovereign debt, and considers the country as part of its Belt and Road Initiative, which aims to connect countries to Chinese global trade routes. (See CRS In Focus IF11304, *China's Engagement in Djibouti*.)

### Humanitarian and Development Situation

Djibouti hosts more than 35,000 refugees and asylum seekers fleeing conflict in neighboring states and nearby Yemen. Many refugees transit via Djibouti to other countries, given limited access to livelihood opportunities there. Djibouti's own population of just under 1 million grapples with chronic drought, which contributes to a high prevalence of acute malnutrition. More than 90% of its food is imported. Djibouti is heavily reliant on wheat imports from Russia and Ukraine; it has been affected by the impact of Russia's invasion of Ukraine on global food prices as well as by a severe regional drought.

Djibouti is categorized as a lower-middle-income country, but it ranks near the bottom of the UN Development Program's Human Development Index (166 out of 189 countries). The official unemployment rate is nearly 40% more than 60% of the rural population lives in extreme poverty. Female genital mutilation/cutting is prevalent.

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 nearly 97% of the vote. As in previous elections, opposition parties, most of which boycotted the elections, asserted that the results were rigged. Age limits in the current constitution would make Guelleh, born in 1947, ineligible to run for reelection again.

Guelleh's governing Union for the Presidential Majority coalition (UMP after its French acronym) maintains an overwhelming majority in parliament, and power within the coalition is heavily concentrated in the president's own party. The main opposition parties boycotted the most recent parliamentary elections, in early 2018.

The State Department's latest human rights report notes that "formal structures of representative government and electoral processes had little relevance to the real distribution and exercise of power." The report underscores suppression of the opposition; arbitrary arrests of journalists, academics, demonstrators, and opposition members; and restrictions on freedom of assembly and speech. It suggests that "officials often engaged in corrupt practices with impunity." It highlights cases of refolement, including the forcible return of Tigrayans to Ethiopia.

## The Economy

The International Monetary Fund (IMF) estimates Djibouti's GDP at \$3.8 billion and \$3,775 per capita in 2022, with 3% growth. It notes that port activity remains weak as a result of the conflict in neighboring Ethiopia and trade disruptions in China, but forecasts a return to pre-pandemic growth of 5% in 2023. While the IMF assessed Djibouti's strategy of investing in infrastructure to transform itself into a logistics and commercial hub as a "great opportunity for economic growth and development," it has cautioned that the country faces a high risk of debt distress, with external public debt estimated at over \$2.5 billion. Djibouti's debt service is set to triple to almost 5% of GDP this year. A \$43 million IMF loan and \$41 million African Development Bank grant were approved in 2020 to support the country's COVID-19 response and relieve debt.

## Regional Relations

Djibouti's relations with its neighbors in the Horn of Africa are evolving amid shifting alignments in the broader region around the Red Sea. The Arab Gulf countries, Turkey, and China are playing a growing role in the region, as countries in the Horn, each facing domestic challenges, look abroad for investment, development financing, and diplomatic support. Djibouti's relationship with the United Arab Emirates, an important player in the Horn, is strained over its dispute with UAE state-owned port operator DP World. DP World has fought a legal battle with Djibouti over its 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 its deepwater port at Berbera.

Djibouti has generally enjoyed good relations with East African governments, with the exception of Eritrea. Djibouti and Eritrea fought a brief border conflict in 2008 over the remote but strategically important peninsula of Ras Doumeira, near the Bab al Mandeb. After various talks and prisoner of war exchanges, the countries declared an end to their dispute and an intent to normalize relations in 2018, but there has been little sign of progress since.

## U.S. Relations

The State Department characterizes Djibouti as a "key U.S. partner on security, regional stability, and humanitarian efforts across the region." U.S. military facilities there serve as an important base for U.S. operations in the region, elevating the country's importance for U.S. officials. The Horn of Africa is a hub for U.S. counterterrorism efforts: U.S. officials estimate that regional Al Qaeda affiliates such as Al Shabaab in Somalia and Al Qaeda in the Arabian Peninsula (AQAP) continue to pose a transnational threat. U.S. and Djiboutian officials meet annually under a U.S.-Djibouti Bi-National Forum.

Over 4,000 U.S. military and civilian personnel are deployed at Camp Lemonnier, an enduring forward operating site maintained by the U.S. Navy. Some of these forces support CJTF-HOA, which serves as an operational headquarters for countering violent extremist groups in East Africa, conducting security cooperation, crisis response, and casualty evacuation missions. The site also serves as a platform for counterterrorism missions in the Middle East.

The U.S. military has expanded its infrastructure in Djibouti since it originally deployed forces in 2002, and in 2015, the Navy opened the first permanent U.S. military barracks in Africa there. The Obama Administration negotiated terms to renew the lease for the facilities, which provide jobs to over 1,000 local workers and third-country nationals, in 2014. Under the terms of the previous lease, the United States paid Djibouti more than \$30 million annually. Under the new 20-year lease, the United States reportedly doubled previous payments to over \$60 million annually, amid rumors of possible Chinese and Russian military facilities. To reinforce the strategic partnership with Djibouti and maintain basing access, Congress also 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.

The close proximity of the U.S. and Chinese bases in Djibouti has prompted concerns, although AFRICOM says the forces are "coexisting." In 2018, the United States accused the Chinese of pointing lasers at U.S. military aircraft from their base, reportedly causing minor eye injuries for at least two pilots. China denied the allegations.

USAID's Food for Peace warehouse in Djibouti stores pre-positioned food assistance commodities and serves as a hub for rapid response to regional humanitarian emergencies.

## U.S. Assistance and Security Cooperation

U.S. bilateral aid administered by the State Department and USAID totaled over \$14 million in FY2021 with additional funding allocated from regionally and centrally managed programs, including for food aid. The State Department's FY2023 request of almost \$16 million for the country includes \$9 million in development aid and \$6 million for military aid. In 2022, USAID launched a \$10 million civil society project that aims to promote good governance.

Djibouti receives security assistance from the United States through a variety of programs administered by the State Department and DOD, most of which are not reflected in the State Department's annual bilateral request. These programs have included border and coastal security and related regional stabilization and counterterrorism initiatives, which aim to protect both the host country and U.S. forces stationed there and to promote military professionalization. U.S. security assistance funding significantly outweighs development aid to Djibouti.

Djibouti deployed forces to join the AU Mission in Somalia (AMISOM) in 2011. Its forces have received U.S. training and assistance, including through State Department Peacekeeping Operations (PKO) funds. The State Department also provides some security assistance through its Partnership for Regional East Africa Counter-Terrorism (PRACT) initiative, and has supported efforts to improve port and airport security and refurbish border posts with antiterrorism funds for civilian security forces. DOD has notified Congress of over \$150 million in "global train-and-equip" counterterrorism assistance to Djibouti since FY2006 (over half of it has been notified since 2018).

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