

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. 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. In 2015, the North Atlantic Treaty Organization (NATO) opened a liaison office in Djibouti to enhance regional antipiracy efforts. Japan established its first post-World War II overseas military base there in 2011. 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 broader region. Neighboring Ethiopia, a landlocked country of over 100 million people, relies on Djibouti for the transit of 90% of its formal trade, recently facilitated by a new Chinese-built rail line between the two countries.

China's growing engagement with Djibouti is multifaceted, ranging from major investments in infrastructure to China's establishment of a geostrategic naval base there. China, which holds a majority of Djibouti's external sovereign debt, considers the country as part of its Belt and Road Initiative, which aims to connect countries to Chinese global trade routes. (For more detail, see CRS In Focus IF11304, *China's Engagement in Djibouti*.)

Humanitarian and Development Situation

Situated along Somalia's northwest border and across the Mandeb strait from Yemen (Figure 1), Djibouti is host to more than 30,000 refugees and asylum seekers fleeing conflict in neighboring states. Many refugees transit via Djibouti to other countries, given limited access to livelihood opportunities there. Djibouti's own population of just under 1 million people grapples with chronic drought, which contributes to a high prevalence of acute malnutrition. More than 90% of its food is imported. Djibouti is categorized as a lower-middle-income country, but it ranks near the bottom of the U.N. Development Program's Human Development Index (166 out of 189 countries). The official unemployment rate is nearly 40%, and more than 40% of the 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 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 2020 human rights report notes that "electoral processes had little relevance to the real distribution and exercise of power." The report highlights arbitrary arrests of opposition members, journalists, academics, and demonstrators; suppression of the opposition; and restrictions on freedom of speech and assembly. The report also suggests that "officials engaged in corrupt practices with impunity."

The Economy

The International Monetary Fund (IMF) estimates Djibouti's GDP at \$3.4 billion in 2020, or \$3,074 per capita. The IMF has assessed that Djibouti's strategy of investing in infrastructure to transform itself into a logistics and commercial hub "offers great opportunity for economic growth and development." The IMF cautions, however, that the country faces a high risk of debt distress, with public debt estimated at over \$2.4 billion. After economic shocks due to the Coronavirus Disease 2019 (COVID-19) pandemic, the IMF expects GDP growth of 5% in 2021. A \$43.4 million IMF loan and a \$41.2 million African Development Bank grant were approved in 2020 to support the country's pandemic 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 various domestic challenges, look abroad for investment, development financing, and diplomatic support. Djibouti's relationship with the United Arab Emirates (UAE)—an increasingly important player in the Horn—is strained over a dispute with UAE state-owned port operator DP World. DP World is in a legal battle with Djibouti over its 2018 termination of DP World's 30-year contract to operate the Doraleh Container Terminal, which per a new World Bank and HIS Markit index is Africa's most efficient port.

Djibouti has generally enjoyed good relations with East African governments, with the exception of neighboring 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 Strait. After various negotiations and prisoner of war exchanges, Eritrea and Djibouti declared an end to their dispute and an intent to normalize relations in September 2018, but there has been little sign of progress since then.

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 in Djibouti serve as an important base for U.S. operations in the region, elevating the tiny 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 neighboring Somalia and Al Qaeda in the Arabian Peninsula (AQAP) in nearby Yemen continue to pose a significant transnational threat. The presence of elements of the Islamic State (IS/ISIS) in the region has also been raised as a concern.

More than 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 are deployed to support CJTF-HOA, which serves as an operational headquarters for countering violent extremist groups in East Africa, conducting security cooperation, crisis response, and personnel recovery/casualty evacuation missions.

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. In 2014, the Obama Administration negotiated terms with the Guelleh government to renew the U.S. lease for these facilities, which provide jobs to more than 1,000 local workers and third-country nationals. Under the terms of a previous lease agreement, the United States paid Djibouti more than \$30 million annually. Under the follow-on 20-year deal, the United States reportedly pays over \$60 million annually. At the time of the lease negotiations, there were rumors that both China and Russia were considering the establishment of military facilities in Djibouti, spurring speculation that these prospects may have factored into the increased cost. To reinforce the strategic partnership with Djibouti 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 responsibilities.

USAID's Food for Peace program maintains a warehouse in Djibouti for pre-positioned food assistance commodities; it serves as a hub for rapid response to humanitarian emergencies in the broader region.

U.S. Assistance and Security Cooperation

U.S. bilateral aid administered by the State Department and USAID totaled over \$17 million in FY2020 with some additional funding allocated from regionally and centrally managed programs, including for food aid. The State Department has requested almost \$16 million for the country for FY2022, with almost \$7 million for military aid and \$9 million in development aid.

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 has significantly outweighed development aid to Djibouti.

In 2011, Djibouti deployed military forces to join the AU Mission in Somalia (AMISOM). Its forces have received U.S. training and assistance in support of that deployment, including through State Department Peacekeeping Operations (PKO) funds. The State Department has also provided some security assistance through a regional initiative, the Partnership for Regional East Africa Counter-Terrorism (PRACT). State Department antiterrorism funds for civilian security forces have supported efforts to improve port and airport security and refurbish border posts. DOD has notified Congress of roughly \$145 million in "global train-and-equip" counterterrorism assistance to Djibouti since FY2006.

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