

Introduction

Djibouti is a country in Eastern Africa that borders the Red Sea and the Gulf of Aden. Neighboring countries include Ethiopia, Eritrea, and Somalia. Djibouti has a strategic location near the world's busiest shipping lanes and close to Arabian oilfields. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Djibouti has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Djibouti is a member of the League of Arab States (Arab League) and the Common Market for Eastern and Southern Africa (COMESA).



Location: Eastern Africa

Capital City: Djibouti (+3 GMT)

Chief of State: President Ismail Omar Guelleh

Head of Govt.: Prime Minister Abdoukader Kamil Mohamed

Currency: Djiboutian Franc (DJF)

Major Languages: <p>French (official), Arabic (official), Somali, Afar</p>

Primary Religions: <p>Muslim 94%, Christian 6%</p>

Calling Code: 253

Voltage: 220

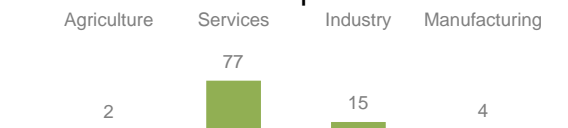
Key Websites

Main Government Page: presidence.dj

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$6.61 billion (2022)
GDP growth (annual %):	3.00% (2022)
GDP per capita, PPP (current international \$):	\$5,893.18 (2022)
External debt stocks, total (DOD, current US\$):	\$3,191,138,250.90 (2021)
Manufacturing, value added (% of GDP):	4.43% (2020)
Current account balance (BoP, current US\$):	-\$0.23 billion (2021)
Inflation, consumer prices (annual %):	5.18% (2022)
Labor force, total:	244,880 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	27.93% (2022)
Imports of goods and services (current US\$):	\$3.41 billion (2020)
Exports of goods and services (current US\$):	\$3.68 billion (2020)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	126 / 178
Index of Economic Freedom	112 / 176
International Logistics Performance Index (LPI)	90 / 160
KOF Index of Globalization	118 / 185

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Geostrategic location at the entrance to the Red Sea and support from the international community
- Emergence of the country as a regional commercial, logistic and military hub
- Influx of foreign direct investment
- Process to modernize port and railway infrastructures, free zones
- At the heart of China's Silk Road project
- Ethiopia's only access to the sea, through which more than 90% of its trade passes

Weaknesses

- High risk of debt distress
- Dependence on Ethiopia and China
- Large informal economy: endemic high poverty and unemployment
- Arid climate
- Difficult business environment

U.S. Embassy

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