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A Geo-Strategic Importance of Djibouti: Presence of Foreign Military Bases

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Abstract

Djibouti, a small country in the Horn of Africa, has acquired substantial geopolitical importance owing to its strategic position near the Bab el-Mandeb Strait, a vital maritime chokepoint linking the Red Sea with the Gulf of Aden. Due to its location at the intersection of significant international trade and energy pathways, Djibouti has drawn the attention of world powers such as the United States, China, France, and Japan. These powers have set up military bases within the country, providing a significant contribution to Djibouti's economy via lease payments. Foreign military installations, starting with France and later joined by the US, Japan, China, and others, have turned Djibouti into a rentier state that heavily depends on foreign military rents and port services. The method of data collection used is the documentary method, and collected data is analyzed by a qualitative descriptive method that includes a description of secondary sources of data. Djibouti's approach of multilateralism to host foreign military bases has been in its favor so far, as the premium on these bases is the basic source of national income, which has contributed to flourishing its economy.

Keywords: Djibouti, Bab el-Mandeb Strait, Foreign Military Bases, Rentier State, Horn of Africa, Multilateralism.



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Introduction

Djibouti became a French colony in the late nineteenth century before obtaining independence in 1977. However, France's influence did not fade after independence. Djibouti lacks the autonomy to develop an independent foreign policy due to defense agreements struck with France and the country's reliance on French economic aid. Djibouti's international connections became more diverse and multilateral when Ismaïl Omar Guelleh became president in 1999. This diplomatic change was motivated by changing conditions in France—economic hardships, migratory flows following the collapse of the Soviet Union, internal turmoil generated by reform agendas, and greater European integration challenges.

Global interest in Djibouti grew dramatically as the twenty-first century began, and major nations like the US, China, and Russia became more actively involved. These nations competed strategically to build military installations and finance infrastructural initiatives that were essential to Djibouti's growth. France has attempted to adjust its foreign policy rhetoric toward Djibouti in the interim. The government of Djibouti has responded by attempting to use these outside interactions to the nation's benefit. Djibouti hopes to fortify its economic base through foreign investments and military base agreements by preserving positive ties with major countries such as the United States, China, and France. It also hopes to match its strategic vision for the future with these alliances (Aliyev & Çaliskan, 2023).

Major world powers have been concentrating more on fortifying their relations with countries in the Horn of Africa in recent years. Djibouti stands out among these because of its relative political stability in an area that is frequently characterized by conflict and instability. With its advantageous location near the Bab al-Mandeb Strait, Djibouti is extremely valuable from a geopolitical standpoint. Through the Suez Canal, one of the most important maritime commerce routes in the world, this slender waterway links the Mediterranean Sea to the Indian Ocean and connects the Red Sea to the Gulf of Aden. This strait is a crucial location in the global energy trade landscape since a sizable portion of all oil shipments pass through it. . Apart from its nautical significance, Djibouti's advanced port infrastructure gives landlocked nations in the area access to global markets for exports and imports. Situated at the easternmost point of the Horn of Africa, Djibouti serves as both a vital bridge to the Arabian Peninsula and a gateway to the African continent (Leboeuf, 2019).

The countries like China, Japan, and Russia have been able to keep a naval presence in the Gulf of Aden because to the 2007–2008 pirate situation. It is the only nation with both US and Chinese military bases, and because of its strategic location, it is home to four foreign military posts, the rent of which serves as the main source of national income. The establishment of the Chinese military base in 2007 marked the culmination of a ten-year security engagement in the Horn of Africa, and the first Belt and Road Initiative (BRI) summit that year demonstrated China's vision to link Asia with Europe and Africa through land and maritime trade routes, which increased Djibouti's significance. India's influence in the region is also increasing spanning from Djibouti to Japan, given its growth in economic and military capabilities. Therefore, Djibouti has emerged as a lens from which the international politics of the region can be observed (Gurjar, 2021).

Literature Review

“Strategic Significance of Djibouti: A Geopolitical Playground for Global Powers” is written by Eman Zahid Jokhio in which she describes that Djibouti serves as a perfect spot for foreign militaries to accommodate their ships watching the area to protect the huge amount of trade passing from Red Sea to Gulf of Aden. After becoming French colony in 1883, Djibouti played a critical role for France in preventing British Empire from having monopoly of power across Red Sea.

France also maintained its military base during cold war even after independence of Djibouti and deployed huge number of troops in the region. Following the declaration of war on terror, Djibouti sensed an opportunity and asked US to build its base and America has military base in Djibouti ever since. The country has established close ties with variety of states rather than depending on one state through approach of constructive diplomacy. And its significance has immensely increased for China after the launch of Belt and Road Initiative (Jokhio, 2024).

“Djibouti: A strategic chokepoint in the Bab el-Mandeb region” by Adhithyan KP, discussed that Djibouti is located at Bab el-Mandeb strait a critical chokepoint that connects Red Sea to the Gulf of Aden, emphasizes its geopolitical importance. A significant amount of world's oil and commercial shipments pass through this 18 miles' narrow strait. The country has welcomed four foreign military bases of United States, France, Japan and China to secure their interests in the region. And its current geopolitical landscape is influenced by its relationships with these powers. China's installation of its first overseas military base has amplified its strategic significance on global level by indicating a shift in balance of power. These bases serve crucial purpose of protecting maritime routes, countering piracy, managing conflicts in the region and also a potential source for struggle of power between global powers. Djibouti could leverage this opportunity for the development of its economy and democratic institutions. The junction of military, economic and geopolitical interests testifies its rise in strategic importance (Adhithyan, 2024).

“Foreign Military Bases (FMBs) and Economic Security in Africa: Overview of FMBs in Djibouti” is written by Kelechukwu Dennis Ezech & Dr. Gerald Ezirim in which they elaborate that how foreign military bases are impacting Djibouti's economic security. The country in Horn of Africa region hosts five military bases due to its geostrategic importance. These foreign military bases contribute in the country's economy by paying rent and premium. However, these payments have not added any notable increase in economic development of Djibouti. The proximity of Djibouti to Bab-al-mandab through which more than twenty percent of world's trade is passed has made it more important to global powers (Ezech & Ezirim, 2023).

“How does the geopolitical position of Djibouti influence its relations with great power?” is written by Pelin Aliyev and Göktug Caliskan in which they focus on that the geopolitical location of Djibouti is the driving factor in determining relations with global powers like US and China as it located on the gateway of one of the busiest maritime trade routes. Since Ismail Omar Guelleh has become president, Djibouti has adopted principle of multilateralism while forming diplomatic ties. US and China are strengthening their political, economic and military presence in the country as well as in the region through developmental projects especially after the launch of Belt and Road Initiative (Aliyev & Çaliskan, 2023).

“Djibouti: The Locus of Great Power Competition in the Indo-Pacific” by Abhishek Mishra which discusses that with 30% of the world's shipping and 6.2 million barrels of oil transiting through the Bab el-Mandeb strait every day, Djibouti is a major worldwide commerce hub due to its advantageous location at the convergence of the Red Sea and the Gulf of Aden. Its deep-water port provides services to landlocked African countries, especially Ethiopia, and generates an estimated \$300 million in government revenue each year from transit fees and foreign military base leases. As the location of military installations for the US, China, France, and Japan, Djibouti is essential to maintaining regional peace, commerce routes, and anti-piracy efforts. However, the security environment has become more complex due to foreign military competition, resulting in regional response systems that overlap. Furthermore, the rising rivalry between the US and China could destabilize the Horn of Africa and use Djibouti as a front in a global power struggle. Djibouti continues to be the leading port service in spite of obstacles. The Djiboutian government has

successfully improved its strategic position by housing foreign military bases, enabling it to maneuver and balance the interests of rival superpowers to its benefit (Mishra, 2021).

Literature Gap

The reviewed literature provides a comprehensive understanding of importance of Djibouti's location on one of the critical chokepoints and also mentions China's investments to grow its influence in the region mainly after the launch of Belt and Road Initiative (BRI) but these studies fail to explain the geopolitical implications for U.S. and its allies and a potential challenge for western military influence. And also, the reviewed articles do not mention the strategies of U.S. including diplomatic initiatives in response to China's influence in the region.

Researched Questions

Q1: How has Djibouti's strategic location influenced its relations with major powers?

Q2: How has presence of foreign military bases in the country affected Djibouti's economy?

Research Methodology

The methodology adopted for this research is qualitative and data is collected through documentary method, primarily involving secondary sources of data. The researcher has got thorough understanding from the relevant documented sources including books, articles, and government publications.

Geo-Strategic Location of Djibouti

Djibouti, a little nation on the Horn of Africa around the size of Belgium, has a number of challenges. It is perfectly located near the Bab el-Mandeb strait, a crucial gateway to the Suez Canal at the mouth of the Red Sea, on the southern beaches of the Gulf of Tadjoura, adjacent to the Gulf of Aden. However, output is significantly reduced by the country's extreme temperatures, scarcity of arable land, inadequate water supply, and limited natural resources. With 900,000 residents, Djibouti is the most urbanized country in sub-Saharan Africa, with 82% of the population living in or around the capital and the remaining population working as nomadic farmers.

Djibouti is heavily reliant on imports and foreign aid, with 90% of its food supply coming from outside markets, rendering it vulnerable to fluctuations in global prices. Despite this dependence, the country's economy has grown consistently over the past ten years, with a GDP growth rate of 5% on average during the last five years, and this trend is expected to continue. The more than \$125 million that foreign military collect in rent each year is substantial source of revenue. Ethiopia, a neighbor with a population of over 120 million, relies on Djibouti to transit over 90% of its trade, bringing in an estimated \$400 million in port fees for Djibouti each year. Ethiopia provides over 80 percent of the cargo that enters Djibouti's ports. Nonetheless, the government has profited greatly from this money, strengthening its hold on the nation (Blanchard, 2025).

In terms of politics, Djibouti made the switch to multiparty elections in 1999 after Hassan Gouled Aptidon's authoritarian tenure. But President Ismaïl Omar Guelleh quickly undid these democratic advances after taking office by enacting policies that essentially wiped off political opposition, turning the nation back into a one-party authoritarian state. The neopatrimonial system of governance used by Guelleh, who succeeded his uncle and has held onto power since 1999, blurs the boundaries between public and private interests by allowing the leader to control and distribute state resources as he sees fit (Aliyev & Çaliskan, 2023).

A large amount of Djibouti's national income comes from leasing its geostrategic assets rather than from domestic economic activity, making it a rentier state as well. A rentier state is one that makes a sizable profit by renting out its natural resources to foreign customers. In these states, the majority

of government funding comes from outside sources rather than taxes, which frequently results in an economic structure where the ordinary populace benefits little from the prosperity of the country. When the US looked for a military facility in the area to aid in counterterrorism efforts in 2001, this rentier-state arrangement was cemented. Guelleh's administration accepted the financial offer, turning Djibouti into a vital strategic location in return for hefty rental profits.

The International Port of Djibouti

Djibouti is an important maritime hub along shipping channels that connect the Mediterranean and Indian Oceans because of its strategic location at the entrance to the Red Sea. As a vital trade route connecting the East and the West, this river has been used for exploration and commerce by civilizations such as the Egyptians, Phoenicians, and Byzantines since 3500 BCE. Historical figures like Cyrus the Great and the Queen of Sheba also used the Red Sea for transportation and trade.

The port of Djibouti was founded in 1888 by Leonce Lagarde, the first French governor of Somaliland. Ethiopia needed a maritime outlet, so construction started in 1897. After Ethiopia finished its railway line in 1917, the port expanded quickly, and by the 1960s, it was a major hub in international maritime trade. The port's activity increased, and containerization, an invention that made shipping easier by using standardized containers, further increased its efficiency. In 1985, Djibouti's first modern container terminal opened for business, greatly increasing its handling capacity. With 80–90% of its economic activity linked to the port, Djibouti's economy is highly dependent on international trade due to its limited agricultural and industrial sectors. Goods going to and from Ethiopia account for about 70% of port traffic. Due to an 18% increase in demand for goods headed for Ethiopia between 1998 and 2007, the port reached its maximum capacity of 400,000 Twenty-foot Equivalent Units (TEUs) (Mahar, 2022).

The port was converted into a transshipment center by Djibouti's authorities to handle growing trade volumes. This hub allows large container ships to discharge goods onto smaller vessels for distribution along the east coast of Africa. However, the government chose to build a new terminal at Doraleh, which is roughly 8 km from the previous port, because the older port was full and its quay was too small for several large ships. It made sense to increase port infrastructure given the prevalence of containerized shipping worldwide and the forecast that Djibouti's demand would reach 1.8 million TEUs by 2015.

The private sector provided funding for the about \$396 million Doraleh port project. The project was overseen by DP World Djibouti, a division of DP World, and was funded in part by \$65 million from the Islamic Development Bank. December 2006 marked the start of construction, which was finished in November 2009. Djibouti's transshipment capacity was greatly expanded by the new terminal, which handled over 743,000 TEUs in 2012, which was twice as much as the old port handled in 2008. This development reinforced Djibouti's position in regional commerce and integration (Doraleh Container Terminal, Djibouti, n.d.).

Even with these advancements, the Djibouti port continues to encounter competition, particularly from Somaliland's Berbera port. Ethiopia, which pays Djibouti approximately \$300 million annually in port fees, has been exploring alternative options due to rising costs. DP World invested \$442 million to expand the port of Berbera and received a 30-year management contract for the port. Somaliland is viewed as a desirable alternative by Ethiopia and other regional traders, owing to its stable governance and emerging economy. Due to the lack of foreign military bases in Somaliland, unlike Djibouti, geopolitical tensions are reduced. Considering that port money is crucial for Djibouti's economy, the country could face economic challenges if traders move to Berbera (Dubai's DP World Agrees to Manage Port in Somaliland for 30 Years, 2016).

The international port in Djibouti is a prime example of how advantageous location propels economic growth. The nation has expanded maritime traffic and revenue by modernizing and expanding port facilities. Djibouti continues to play a vital role in international trade due to its strategic location on one of the busiest shipping lanes in the world. To preserve its economic advantage, the nation must adjust to competition from up-and-coming ports like Berbera.

Foreign Military Bases

One of Djibouti's most important sources of income is money from foreign military installations. The country has attracted several foreign military sites due to its strategically important location, resulting in much-needed financial stability. This approach to economic management was first put into practice under President Ismail Omar Guelleh, who took office in 1999 and faced the challenge of revitalizing a struggling economy. His solution emerged when the United States sought a base for military operations in the region after the September 11, 2001, terrorist attacks.

Before the establishment of the U.S. presence, France served as Djibouti's primary military tenant, a role it had occupied since the country's independence in 1977. The French had planned to leave initially, but due to regional instability related to Somalia and Eritrea, they opted to remain. France pays Djibouti about USD 34 million a year in base rent, USD 10 million for local military costs, and USD 25 million in economic aid, which is a small amount, compared to global military spending but has been significant for the tiny economy of the country. Guelleh looked for more tenants after realizing the lucrative possibilities of housing foreign militaries. After 9/11, he negotiated a major deal with the United States, despite his initial failure to win over Libya, Italy, and Iraq (Ezeh & Ezirim, 2023).

In order to deploy soldiers and carry out counterterrorism operations against Somalia and Yemen, the U.S. military needed a strategic site. Agreements were reached and the first American military officers reached Djibouti within weeks after the strikes. The fear of piracy near the Horn of Africa led to the establishment of military bases by various nations over time, including Germany, Italy, and Spain. Japan opened its first overseas military installation since World War II when it joined in 2011. The American-run Camp Lemonnier is one of the most important military outposts in Djibouti. It has grown into a significant military installation that now houses more than 5,000 American military troops and civilians (Blanchard, 2025). It is home to the Combined Joint Task Force, a regional training site, and a command headquarters for counterterrorism operations. The East Africa Response Force, which is responsible for safeguarding diplomatic people overseas, and the Voice of America transmitter are also housed at Camp Lemonnier. In 2003, USAID, the U.S. Agency for International Development, established a presence next to the base.

The American military's presence in Djibouti was first regarded as temporary. But Washington strengthened its commitment as its geopolitical importance became clear. The lease of Camp Lemonnier was extended for an additional 20 years in 2014 by the Obama administration. With an annual value of USD 63 million, this arrangement is substantially more expensive than the leasing rates paid by other countries. Additionally, the base's area has grown from 88 acres to nearly 500 acres thanks to investments of nearly USD 1 billion made by the U.S. Department of Defense. These expenditures demonstrate the United States' sustained involvement in the area (In Djibouti for Good, 2014).

Djibouti also receives income from military installations run by Italy and Japan in addition to the United States and France. The military presence of each nation has a specific function: Japan fights piracy to protect shipping lanes that account for 10% of Japanese trade, the U.S. concentrates on counterterrorism, and France preserves historical relationships.

China has also made inroads, setting up its first military installation abroad in Djibouti in 2017, only eight kilometers from Japanese and American outposts. Japan and other regional actors are concerned about this development. Japan responded by building its own military base and leasing more land, which was anticipated to cost USD 1 million annually.

In January 2017, Saudi Arabia finalized a deal to establish a military base in Djibouti. The station will support Riyadh's strategic objectives, which include fighting the Houthi rebels in Yemen and thwarting Iranian influence in the area. Being a member of the Arab League fortifies Djibouti's ties to Saudi Arabia and solidifies its participation in the Saudi-led "Islamic coalition" against organizations supported by Iran. Furthermore, the UAE has already maintained a military presence in Eritrea, strengthening the position of Gulf countries in the area.

Djibouti has transformed its geographic advantage into a sustainable economic resource by leasing territory to foreign troops. Currently, military base leases alone bring in at least USD 117 million for the nation each year, mostly from the United States (USD 63 million), China (USD 20 million), and France (USD 34 million). This income highlights Djibouti's geopolitical significance and makes up a considerable portion of the country's GDP.

Djibouti gives foreign forces a key location close to the Middle East and important international economic lines because of its closeness to important sea lanes. Djibouti receives ongoing economic support, guaranteeing financial stability and reaffirming its position as a major actor in global security dynamics, while foreign military profit from protecting their interests in the area (Oladipo, 2015).

Conclusion

Djibouti, positioned at the intersection of the Red Sea and the Gulf of Aden, has emerged as a geopolitical focal point in global affairs, largely because of its closeness to the Bab el-Mandeb Strait—a vital maritime chokepoint for international trade and energy transport. Djibouti has leveraged its geographic advantage to host multiple foreign military bases, including those of the United States, France, China, Japan, and Italy, despite its small size and limited natural resources. These bases generate considerable income and have established Djibouti as a rentier state, which depends significantly on premium and rent comes from these bases. Djibouti's ports, particularly the Doraleh Container Terminal, have been developed to underscore the country's importance as a crucial trade hub in the region. Djibouti's port infrastructure is crucial for economic activity and bolsters its regional influence, given that over 90% of Ethiopia's trade relies on Djibouti. Nonetheless, the burgeoning rivalry from Berbera port in neighboring Somaliland poses a challenge to this supremacy.

Djibouti's global relevance is guaranteed by the presence of foreign militaries, but this also entails risks, such as the potential for the country to become a proxy battleground in great power rivalries—especially those between the U.S. and China. Djibouti has demonstrated its ability to skillfully manage these intricate dynamics by employing a multilateral diplomatic strategy. Going forward, Djibouti's challenge will be to reconcile foreign influence with national sovereignty and to ensure that strategic rents contribute to broader economic development and enhanced livelihoods for its people.

Conflict of Interest

The authors showed no conflict of interest.

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