



The information contained in this sheet has been compiled by [Jaume Portell](#), a journalist specialized in economics and international relations, in an activity 85% co-financed by ERDF funds in the framework of the [AfricanTech](#) project (1/MAC/1/1.3/0088) within the INTERREG VI D MAC 2021-2027 initiative.

DJIBOUTI

Macroeconomic Overview:

Djibouti's economy has accelerated its growth since 2022, thanks to its integration into global transport chains and its strategic location on the Red Sea. Between 2023 and 2025, growth ranged between 6.6% and 7.3%, in an economy primarily oriented toward trade and transport, both centered around port activity. In 2023, up to 85% of GDP was linked to services, with industry (14%) and agriculture (1%) completing the picture, according to the *African Economic Outlook 2024*.

However, the main challenges for the economy are integrating young people into the labor market (youth unemployment stood at 73% in 2021) and reducing poverty (39% in 2022). Mobilizing resources—both domestic and external—to diversify the economy is Djibouti's greatest challenge, also heavily affected by geopolitical volatility in North Africa and the Middle East.

Djibouti's GDP in 2023 was 4.1 billion USD.

Debt and Currency:

Djibouti had an external debt stock of 3.429 billion USD in 2023. In 2012, annual debt service payments totaled 40 million USD. In 2025, they have risen to 271 million USD.

Most of Djibouti's debt is held by bilateral creditors (67%), with China clearly dominating (51%), followed by Kuwait (6%) and Saudi Arabia (3%). The remaining third is held by multilateral creditors, led by the World Bank (10%).

The Djiboutian franc, the national currency, is pegged to the US dollar at a fixed exchange rate of 177 francs per dollar.

Imports and Exports:

As a commercial hub in East Africa, Djibouti imports goods that it later re-exports to neighboring countries. For this reason, many products appear on both sides of the trade balance (exports and imports). Djibouti exported oils (14%), sugar (9.47%), rice (6.15%), cars (7.2%), trucks (5%), and gasoline (2.77%), among other products. The main export destinations were primarily Ethiopia (76.5%), a

landlocked neighboring country. Other destinations included the United Arab Emirates (5%) and China (3%).

Imports totaled 10.3 billion USD, with energy-related imports such as gasoline (9.6%) being particularly significant. Palm oil (7%), fertilizer (5.3%), cars (4%), sugar (3.66%), and rice (2.7%) were also among the main imports. Most goods came from Asia, led by China (32%), followed by India (12%), the UAE (9.6%), Turkey (5.7%), Indonesia (5%), and Saudi Arabia (4.92%).

Electricity:

Electricity generation in Djibouti declined between 2010 and 2023, in a system heavily dependent on fossil fuels and increasingly reliant on electricity imports. In 2010, Djibouti generated 0.38 TWh of electricity. According to the think tank Ember, 100% of the mix came from “other fossil fuels.” By 2023, generation had dropped to 0.2 TWh. The mix still relied on other fossil fuels (65%), now accompanied by wind power (35%). However, electricity demand had risen to 0.71 TWh, meaning the country had to import the rest. In that year, Djibouti depended on electricity imports to meet 72% of domestic demand.

Defense:

Djibouti has become a key geostrategic country. Its geographic location has led countries such as China, the United States, France, Italy, and Japan to establish military bases on its territory. According to SIPRI, a Swedish institute specializing in arms trade, China has been Djibouti’s main defense supplier since 2000. In 2022 and 2023, in two of its most recent purchases, Djibouti acquired armored vehicles and unmanned combat aerial vehicles from Turkey.

Demographics:

Djibouti’s population has grown and remained highly urbanized. In 1990, the country had 579,538 inhabitants, with 76% living in urban areas. By 2023, the population had increased to 1.2 million, with 78.6% residing in urban areas. Life expectancy rose from 55 years in 1990 to 63 years in 2022. Half of the population is under 26 years old.

Technological Innovation:

Djibouti has experienced a surge in connectivity, with internet access rising from 6.5% of the population in 2010 to 65% in 2022. According to the *ICT Development Index 2023*, 74% of citizens have a mobile phone.