

WASAARADDA HORUMARINTA MAALGASHIGA IYO WARSHADAHA  
MINISTRY OF INVESTMENT AND INDUSTRIAL DEVELOPMENT وزارة تنمية الاستثمار والصناعة



# MINISTRY OF INVESTMENT & INDUSTRIAL DEVELOPMENT



PREPARED BY: IBRAHIM DHAMAC



# SOMALILAND COUNTRY PROFILE



**Somaliland is located** in the **Horn of Africa**, it has common borders with **Djibouti on the west**, **Somalia on the east**, **Ethiopia on the South**, on the **north the Gulf of Aden**, with crystal clear blue waters and soft sands beaches extending **850km coastline**.



- ★ Somaliland was the **13th independent nation** in **Africa** in **June 26th 1960** after its independence from **Britain**.
- ★ United with Republic of Somalia on July 1st 1960 and later redeclared its independence from Somalia on **May 18th, 1991**.

Somaliland has operated as an independent country since 1991 with **full functioning democratic government** institutions, political stability, and enjoys security and economic and social development.

**Population:**  
**5.7 Million**

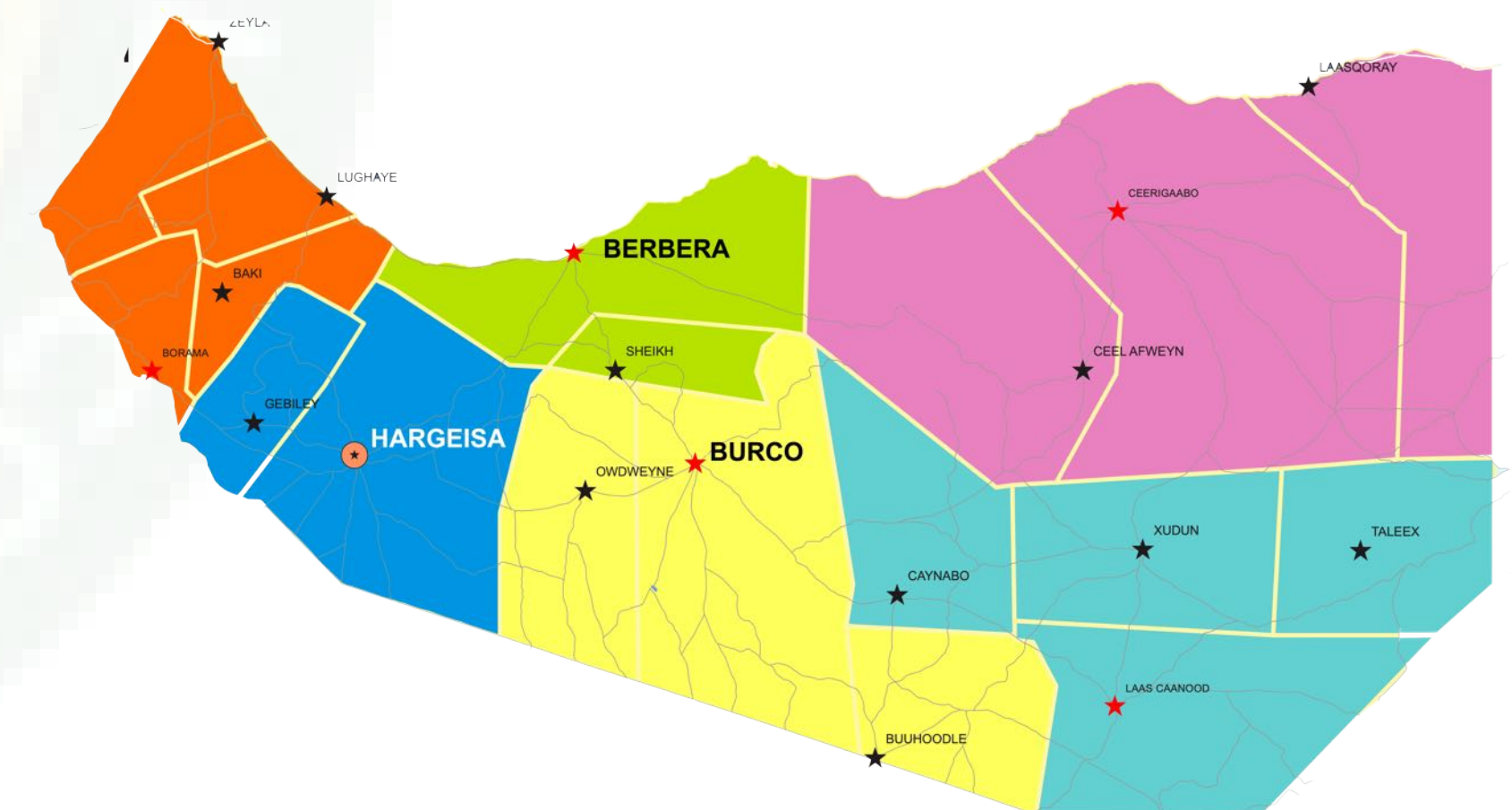
**Capital City:**  
**Hargeisa**

**Political:**  
**Democratic Systems**

**Main Port:**  
**Berbera Port**

**Area:**  
**176,120 Km<sup>2</sup>**

**GDP:**  
**\$7.2 Billion**





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MINISTRY OF INVESTMENT AND INDUSTRIAL DEVELOPMENT **وزارة تنمية الاستثمار والصناعة**

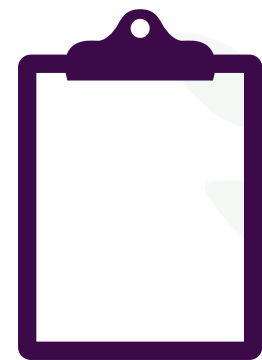


The Ministry of Investment & Industrial development is a newly Government Institution created for the first time on 14 December 2017 by the 5th president of Somaliland HE.Muse Bihi Abdi for coordinating the fragmented investment projects into a single window. And is responsible for formulating strategies, policies, goals and programs aimed at developing local and foreign investments, improving the investment image of the country, quickly creating opportunities for entrepreneurs and cooperating in socio-economic development programs with United Nations and international organizations.

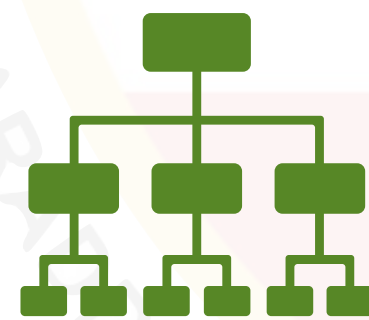
The Ministry of Investment & Industrial development is mandated to formulate investment and development policies, strategies and programs and monitoring their implementation, development of specialized economic zones and coordination of regional integration. And promote private sector development and to boost domestic and foreign investment by creating a conducive investment climate, as part of its effort to establish a market oriented economic system in Somaliland and responsible for drafting, negotiating and approving bilateral Investment Promotion and Protection Agreements and serves as a focal department for all Somaliland investment related affairs.



**INFORMATION &  
STATISTICS  
SERVICE**



**INVESTMENT &  
INDUSTRIAL  
REGISTRATION  
SERVICE**



**INVESTMENT  
AND  
INDUSTRIAL  
GUIDE SERVICE**



**INVESTMENT &  
INDUSTRIAL  
FACILITATION  
SERVICES**



**ENVIRONMENTAL  
ASSESSMENT**



**INVESTOR AFTER  
CARE SERVICE**



**COMPLAINCE AND  
CONSTROL**



# WHY INVEST IN SOMALILAND ?



## SECURITY AND TRANSPARENCY

Somaliland has witnessed a great deal of progress over the last 30 years of self-governance. Peace and stability has been restored through the efforts of the people of Somaliland. Democratic systems have been established and have continued to evolve after five successful elections at the presidential, parliamentary and local government levels.



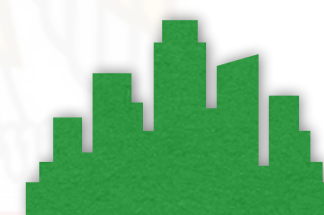
## RICH RAW MATERIALS BASE

Somaliland is rich in mineral resources deposits of many kinds of gemstones like Emerald, Sapphire, Ruby, Aquamarine, Opal and any kind of Garnet. There are also plenty of other minerals in Somaliland such as industrial minerals like iron ore, Titanium, Aluminium, Tungsten, Tin, Galena and other rare earth metals like Columbite Tantalite, Molybdenum and many other rare minerals which are only found few places in the world.



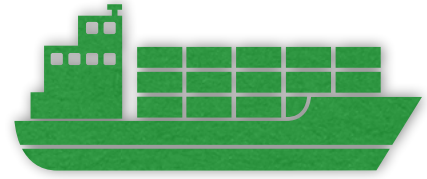
## STRATEGIC LOCATION

Somaliland is Strategic positioned in the center of the Horn of Africa and along the Gulf of Aden near the entrance to the Bab al-Mandeb and route through Red Sea and Suez Canal, a major sea-lane through with one-third of the world's shipping passes.



## OPEN MARKET

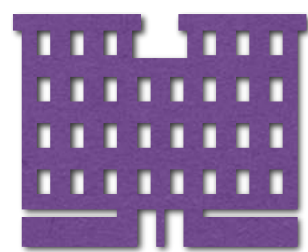
The Economic System of Somaliland is a free market system based on supply and demand with little or no Government control, Somaliland Enjoys open Market policies that are designed to eliminate discrimination against foreign investors, business projects, Investments and Financial transactions. To promote new opportunities and Innovation.



# WHY INVEST IN SOMALILAND ?

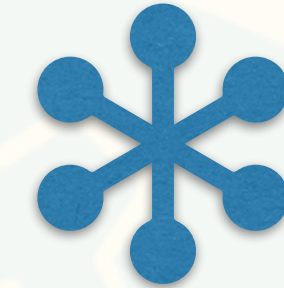
## PROFIT & IMPORT TAX EXEMPTION

Investors will enjoy a 100% three to five years tax holiday on profits and 100% custom exemption on Imported raw materials, machinery, equipment, installation and any other outfits, supplies and components imported for production purposes are exempted from import custom duties.



## LAND OWNERSHIP AND PROPERTY LEASING

Both foreigners and Somalilanders are freely able to purchase and sell property as they wish. Land ownership rights are strongly upheld within Somaliland.



## PUBLIC PRIVATE PARTNERSHIP (PPP)

Somaliland Government stands for establishing viable Public Private Partnerships (PPPs) to address large scale infrastructure development that are beyond the financing capacities of the Government



## GUARANTEES AGAINST EXPROPRIATION

Investments that have been properly registered with and approved by the Board may not be expropriated unless there is no other method by which the government can safeguard the “public interest.





# FOREIGN DIRECT INVESTMENT [FDI]



Somaliland offers great incentives and opportunities to foreign direct investments in manufacturing, agricultural, mining, fishery and infrastructure development. And to sectors that the Ministry of investment and industrial development will facilitate progressive internal Investment and development policy reforms to promote FDI into the country.

## Benefits for FDI in Somaliland

- Somaliland's market is open for all FDI into all sectors of the economy.
- Somaliland business offer greater african markets penetration in finance and trade.
- Somaliland's demand of new infrastructure and development will boost FDI benefits
- Somaliland's cheap labour , east Africa market and geographic location is one of the best location for Investment.



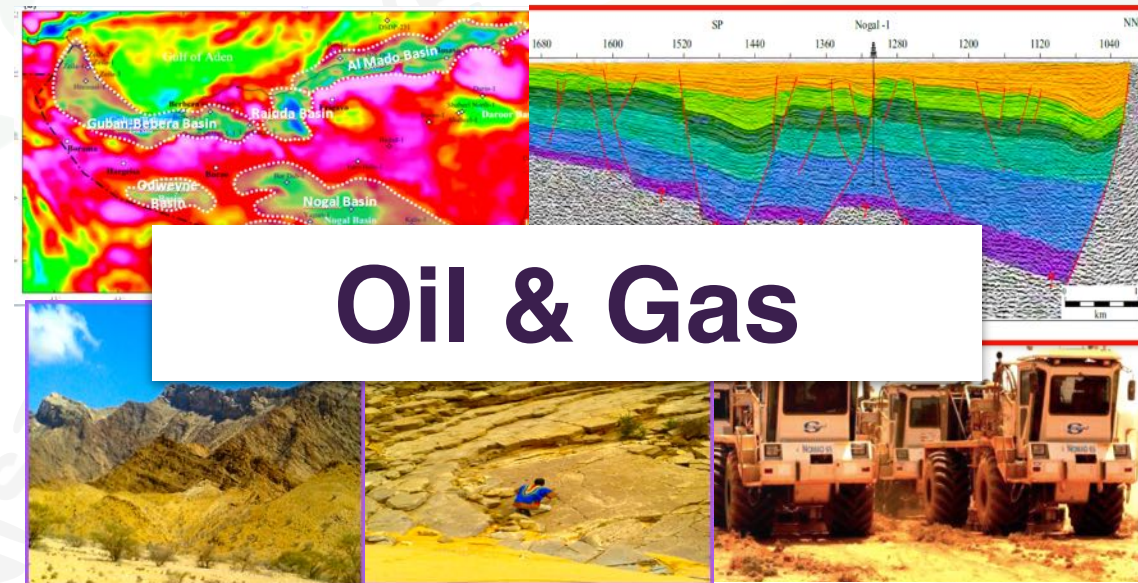
صندوق أبوظبي للتنمية  
ABU DHABI FUND FOR DEVELOPMENT



# TOP INVESTMENT OPPORTUNITIES



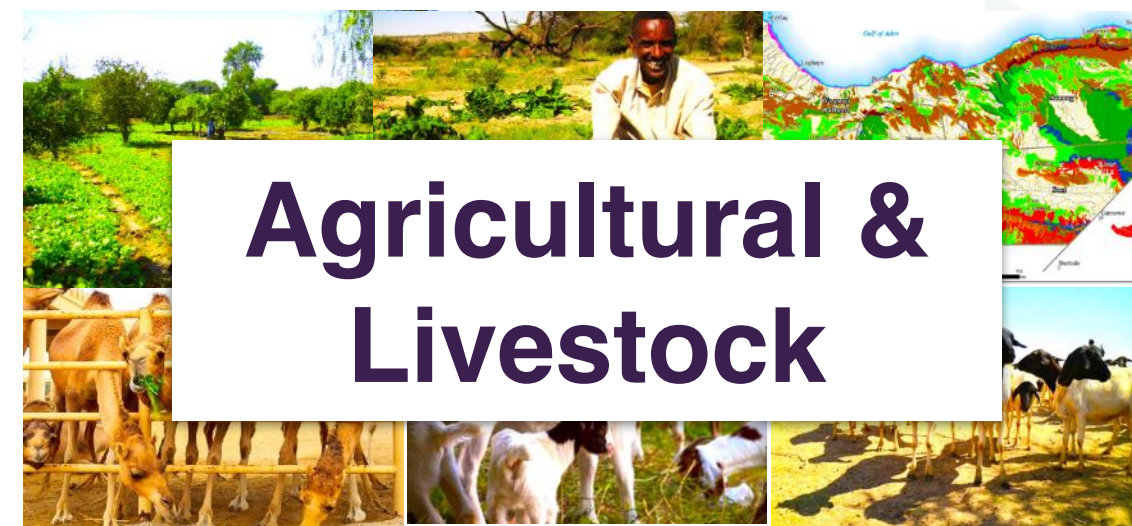
**Mineral Resources**



**Oil & Gas**



**Energy & Renewables**



**Agricultural & Livestock**



**Marine Resources**



**Manufacturing Industry**



**Tourism & Hospitality**



**Education & Technical Institutions**



**Banking & ICT**



# INVEST IN MINERAL RESOURCES

All natural stones including **granite, gabbro, limestone, marble, travertine**, and **ignimbrite**, etc.; which can be cut to sizes, polished and used for **construction purposes** are referred to as **dimensional stones**. Each of these stones represents a family of similar stones, with various combinations of different materials. The major distinction is made on the basis of their mineral constituents, which are represented by calcium carbonate (limestone and marble), **plagioclase** for **gabbro, quartz** and **feldspar** for granite, etc.



**Shows coarse grained amphibole in feldspar-quartz**



**Pure quartz vein**



**Gypsum**



**Fossiliferous Multicolored**



**Shows hematite mineralization after magnetite throughout the mineralized zone**





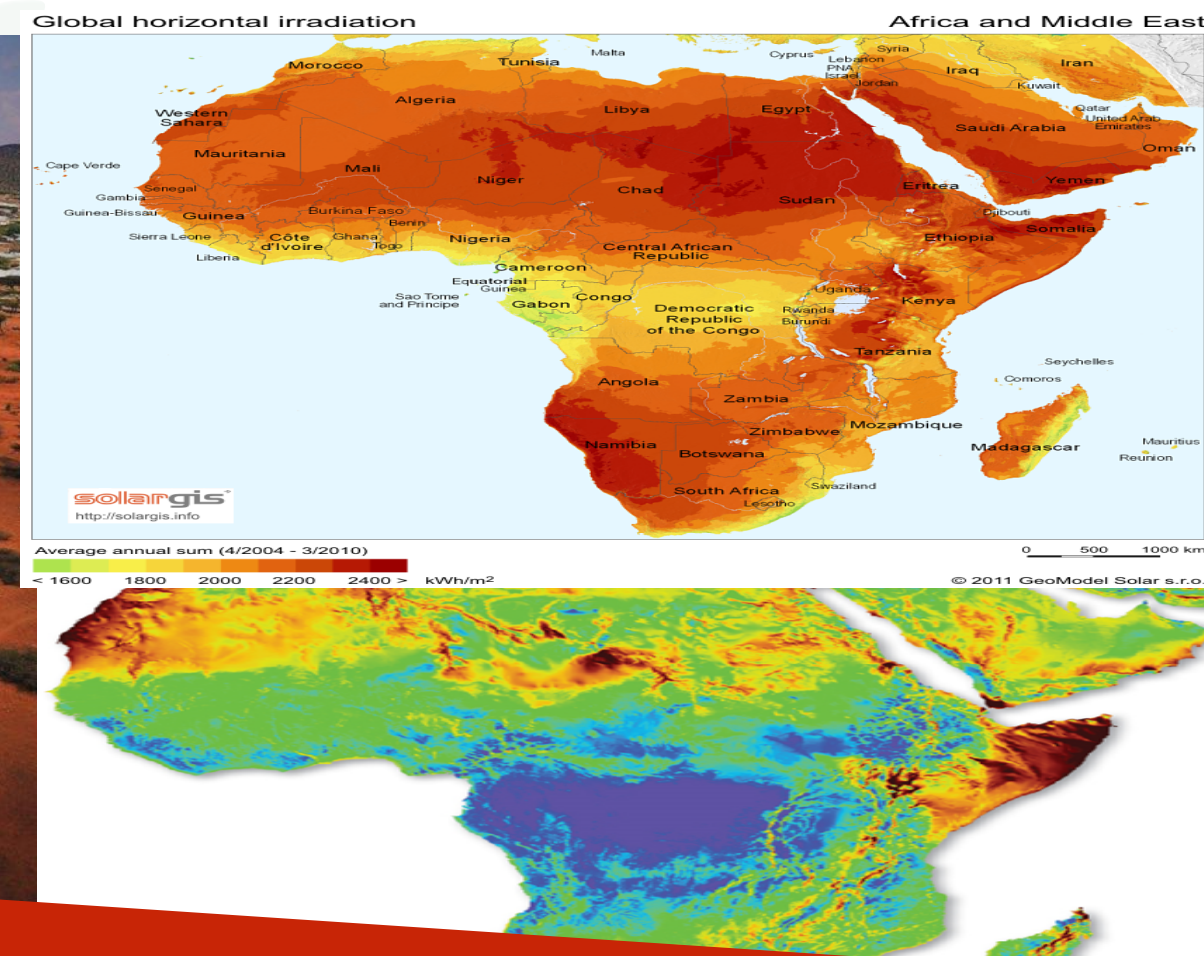
# Invest in Energy & Renewables

**Solar Power**, The sun exposure as a solar energy resource in Somaliland is almost uniform with only minor seasonal variations. Somaliland has approximately **3,000 hours** of reliably clear and consistently **sunshine annually**, with a minimum of **8 to 8.5 hours** of sunshine per day, with specific solar irradiance at ground level of **1 kW per meter square**.

Electricity generated from **renewable** sources is significantly underexploited in Somaliland, providing for Less than **2% of current national electricity generation**

**Wind Energy**, Somaliland has excellent wind resources. Along its **850km coastline**, wind speeds regularly exceed **7-9meters per second**.

**Wave and Tidal Power**, Somaliland's long coastline with regular tidal and wave patterns is another significant natural resource that has the potential to contribute greatly towards this country's energy needs.

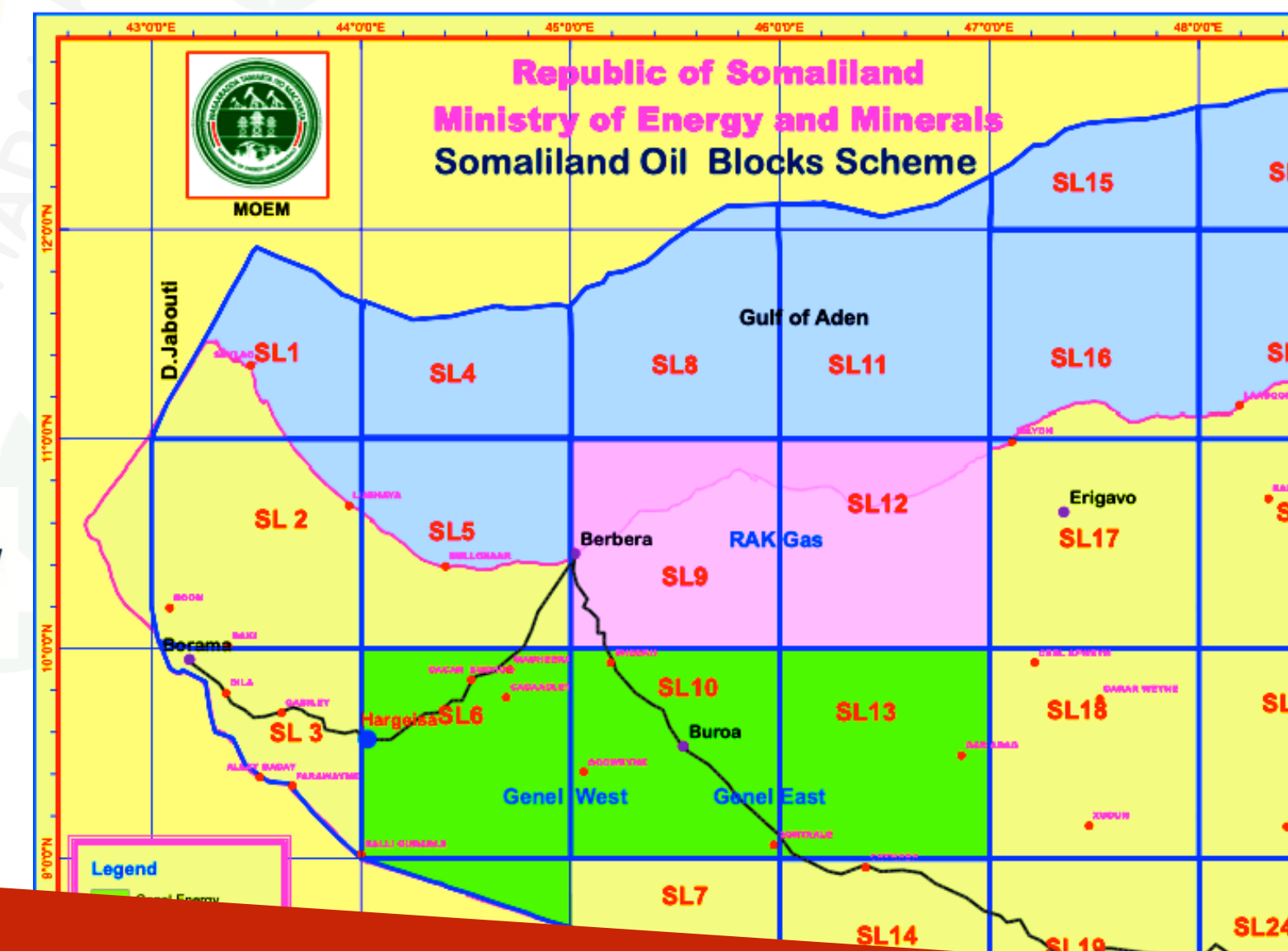
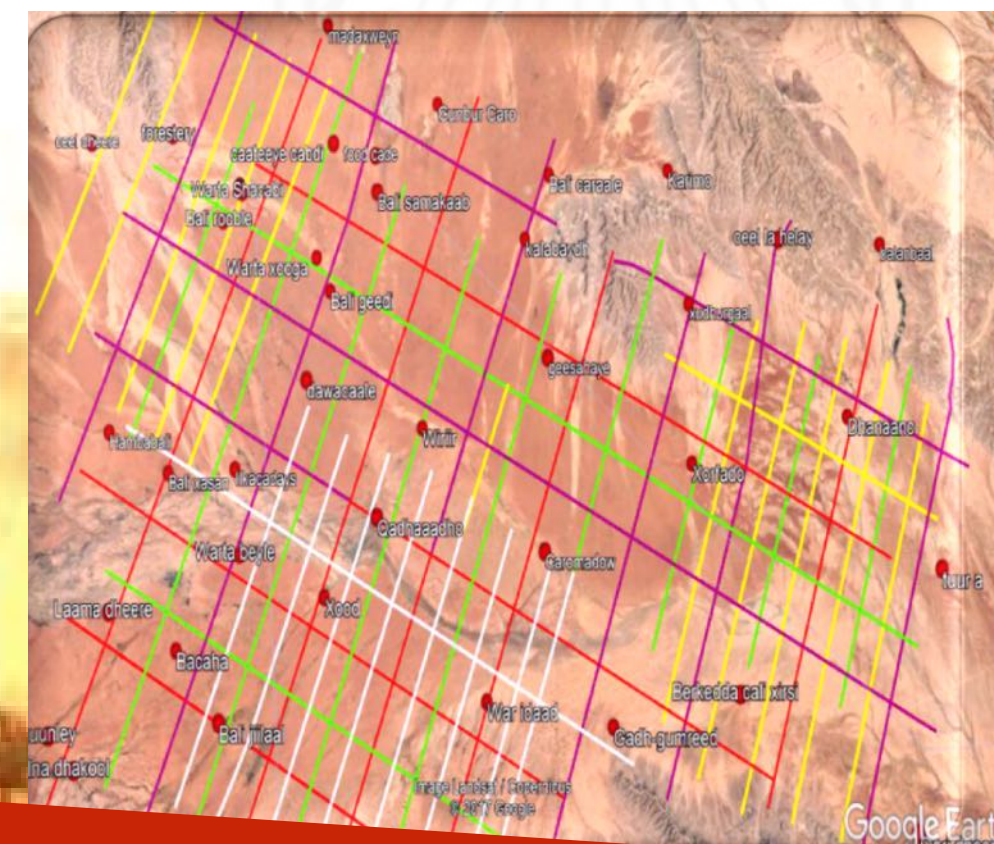




# INVEST IN OIL & GAS

The current scheme of Somaliland oil and gas blocks consist of **24 blocks** of both onshore and offshore. Only a quarter of that is presently held by **IOC's** that have production sharing agreement with the government. The **block** system is one degree one block and therefore are **huge** in **size** (each about **12,000km<sup>2</sup>**). Many of these blocks have great **deal** of **potentiality** and open for **investors** that have the technical and financial capacity as well as good track record in the industry.

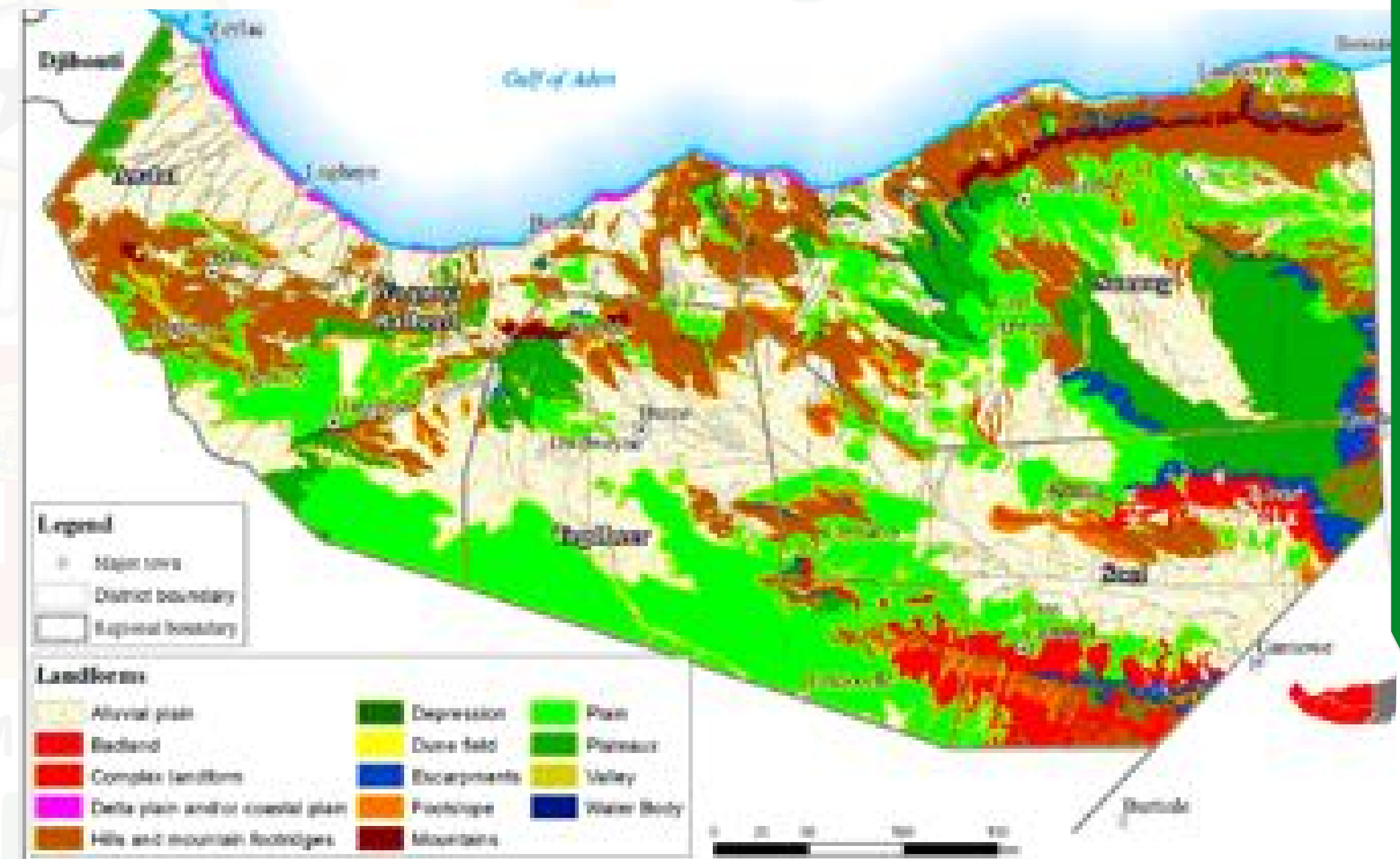
In March 2009, **TGS-NOPEC Geophysical Company** (TGS) completed processing and interpretation of speculative survey in Somaliland, acquired in partnership with the Somaliland Ministry of Water and Mineral Resources (currently named as The ministry of Energy and Minerals). The programs included **5,300km** of marine **2D seismic** and approximately **34,000km** of high resolution aeromagnetic data covering onshore areas



# INVEST IN AGRICULTURE

The sector is predominantly subsistence through rain-fed production of cereals mainly Sorghum, Maize and Cowpeas. The irrigated agriculture has a commercial component through production and selling off vegetables such as Tomatoes, Cabbage, Watermelon, Muskmelon, Hot paper (Chili) and fruits such as oranges and mangoes. Guava, Lemon Rain-fed farming accounts for **90%** and irrigation **10%** of all agricultural activities.

Smallholder farmers dominate the agriculture sector with relatively small farm sizes ranging from **2 – 30 ha** with an average of 4 ha. Total agricultural production is still low hence cannot meet the domestic cereal and grain requirements.



# INVEST IN LIVESTOCK

The main livestock exporter port in the Horn of Africa is Berbera port. Livestock is currently the leading economic sector in Somaliland. Livestock production accounts for 60-65% of the gross domestic product (GDP). Exporting over 3 million livestock Annually, and with no animal farms available in Somaliland, with Capacity to export over **20 million Annually**. Prices range for sheep and goat from 50\$ to 80\$ per head, for Camel from 500\$ to 1,000\$ per head.



# INVEST IN INFRASTRUCTURE



Infrastructure with its importance to development. Investing in the national infrastructure network is a huge opportunity for raising agricultural productivity, industrial production, natural resources development, capital investment, private sector growth, human resources development, and poverty reduction.

Infrastructure facilitates the production of goods and services and the distribution of finished products to markets. It is the basic physical and organizational structure needed for the operation of a society, its enterprises and social services. The sector has five critical components:

**Transportation,**  
(Roads, Railways, Sea ports, Airports)

**Water Supply**  
(Water works and distribution systems)

**Communication Systems**  
(Telephone network, Mobile network, Postal service, Internet, Media)

**Energy production**  
(Electricity generation and grid, Fuel distribution system, Sanitation and waste disposal)





# INVEST IN FISHERY

The total fish production in Somaliland reached its highest level this year, but is still below **13,000 metric tons**. The maximum potential catch that could be harvested from Somaliland's marine resources is estimated to be between **90-120,000 MT a year**, but currently less than **5%** of that quantity is harvested.





# INVEST IN MANUFACTURING

- Somaliland is a trading country with much **demand for Small and medium factories** to reduce the **dependence on the import** products from China, Turkey, India, Brazil, UAE and Ethiopia.
- Somaliland is creating many **industrial Zones** to support the industrial development in the country and the region and welcome **investments in manufacturing sector**.
- Somaliland has **abundant natural resource** for use of Manufacturing which is ripe for extraction to use.
- The Ministry of Investment and Industrial Development is highly encouraging and providing **protection and incentives** for any **investors** who **invests in manufacturing sector**.





# INVESTOR REGISTRATION PROCESS



# Completed Project



# TRADE INFRASTRUCTURE PROJECTS



**International Deep sea  
Port**



**Cross Border Corridors**



**Oil & Gas Terminals**



**Economic Zones**



**International Airport**



**Local & Regional  
Economy**



# BERBERA ECONOMIC ZONE DEVELOPMENT



- \* **Berbera SEZ** is planned to be **modeled** on **DP World's Jebel Ali Free Zone in Dubai, UAE**. The economic zone is linked to the Berbera port and strategically located along the Berbera to Wajaale road on the Berbera Corridor.
- \* The development of the Berbera special economic zone (BSEZ) is located near the port of Berbera and positioned as the new **integrated maritime, logistics and industrial hub in the horn of Africa**. The **competitive environment** in BEZ will be created through a range of fiscal and non-fiscal incentives, including **exemption** from **corporate tax, duty free storage of goods**, 100% foreign ownership as well as the ability to operate through branches of **foreign companies**.
- \* The economic zone will serve as a center of trade with the aim to attract investment and create jobs, and will target a range of industries, including warehousing, logistics, traders, manufacturers, E-Commerce and other sectors, allowing producers, suppliers, and customers to operate in a conducive and competitive environment for investment and trade.



**DP WORLD**  
Berbera

- Maritime development
- Industrial & logistics hub
- Mixed use development

**BERBERA  
SPECIAL  
ECONOMIC  
ZONE (BSEZ)**

Total of 1,225 Ha of  
Special Free-zone

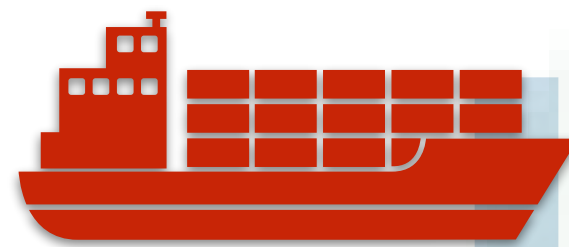
FREEZONE



# BSEZ LICENSES & ACTIVITIES

## BSEZ licenses

### Trading



**Trading License:** Allows the holder to import, export and distribute products.

### Industry



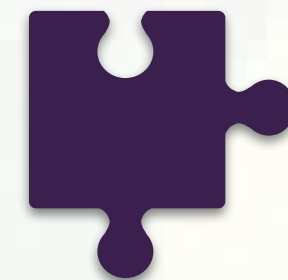
**Manufacturing products, import raw materials and export.**

### Logistics



**logistics services, storage, transportation, distribution, sorting, forwarding, clearing activities and inventory management etc.)**

### Service



**Service licensing to BEZ entities including Banking, Insurance, Inspection, Audit and Retail.**

### E-commerce



**To carry out buying and selling of goods and services over electronic networks via any electronic means.**

## BSEZ Services

### Serviced Land Plots

**Infrastructure ready to use for purpose-built facilities to construct your own facility.**

### Customized Development

**Build facilities in the zone to meet the exact requirements on a turn key basis which can then be leased on a long term basis or sold to the investor.**

### Offices space

**Office space in BEZ has been designed to be as forward thinking as the companies it houses, state-of-the-art spaces that can be tailored to suit your needs.**

### Built Warehouses

**BEZ offers pre-built warehouses for high quality storage and light manufacturing.**

### Business Centers

**The BEZ Business Centre provides ready-to-use, fully furnished offices. and are counted as part of the BEZ community.**

### Retail outlets

**BEZ offers a choice of retail outlet space in its office building.**

# SEZ FISCAL & NON-FISCAL INCENTIVES



**Access to  
foreign labour**



**Corporate Tax  
incentives**



**100% foreign  
owned companies**



**Access to local  
market**



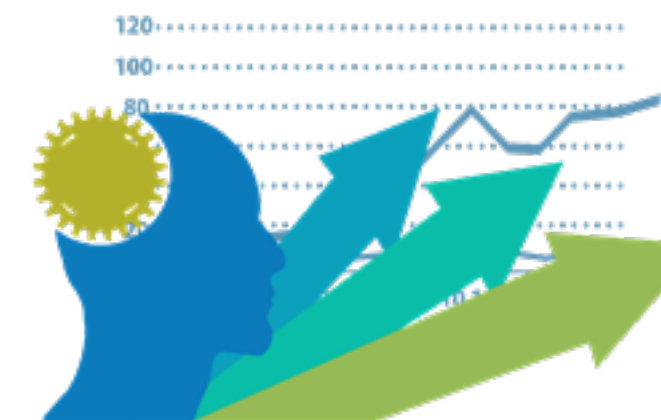
**Import / export  
license not required**



**No forex  
controls**



**No customs duty on  
imports into the zone**



**Free repatriation  
of profits**

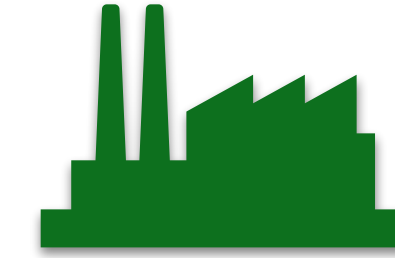


# PUBLIC PRIVATE PARTNERSHIP

## COOPERATION OPPORTUNITIES IN SOMALILAND



**Oil & Gas**



**Manufacturing Industry**

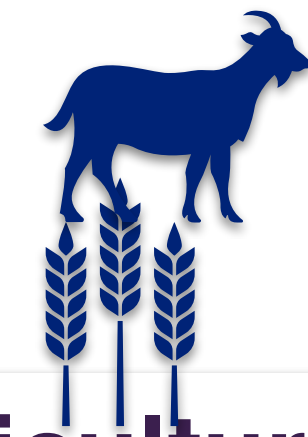


**Education & Technical Institutions**

**BILATERAL TRADE AGREEMENTS**

**JOINT ECONOMIC ZONES**

**PUBLIC PRIVATE PARTNERSHIPS**

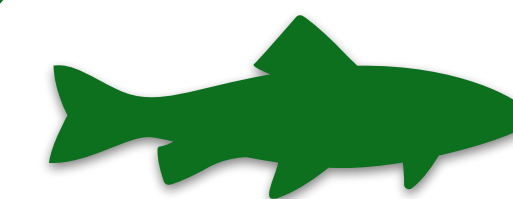


**Agricultural & Livestock**



**Mineral Resources**

**BUSINESS DEVELOPME**



**Marine Resources**



# BSEZ IMPACT ON SL ECONOMY

Somaliland will attract investor using SEZs **in international trade and foreign direct investment (FDI) to improve economic development.** Reassuring investors and business to reduce and eliminate investor risks in the Somaliland market, The Domestic market will also benefit;

- \* **Employment Generation**
- \* **Export Growth**
- \* **Foreign Direct Investment**
- \* **Domestic Skills Upgrading**
- \* **Technology Transfer**
- \* **Adoption of Modern Management Practice**
- \* **Export Diversification**
- \* **Enhancing Trade Efficiency of Domestic Firm**
- \* **Cluster Facilitation**
- \* **Urban Development Growth**





# THE SOMALILAND NATIONAL INVESTMENT ACT & NATIONAL INVESTMENT POLICY



# SPECIAL ECONOMIC ZONE LAW & SEZ CO REGISTRATION LAW



# PUBLIC PRIVATE PARTNERSHIP POLICY & ACT

# INDUSTRIAL DEVELOPMENT POLICY & ACT



The Republic of Somaliland

**Somaliland Public Private Partnership Act [PPP]**  
Draft

Produced by:  
MINISTRY OF INVESTMENT PROMOTION

August, 2020

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The Republic of Somaliland

**Somaliland Industrial Act**  
Draft

Produced by:  
MINISTRY OF INVESTMENT & INDUSTRIAL DEVELOPMENT

Jan, 2022

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The Republic of Somaliland

**Somaliland Industrial Development Act [ID]**  
Draft

Produced by:  
MINISTRY OF INVESTMENT & INDUSTRIAL DEVELOPMENT

JAN, 2022

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# GUIDING PRINCIPLES OF SOMALILAND NATIONAL INVESTMENT POLICY



Competition for investment and changing global circumstances necessitate a dynamic investment policy framework. To ensure responsiveness to the ongoing changes in the global and domestic economy, a phased reform of the investment policy framework is developed and implemented.

## 1. Rule of Law

Somaliland has legal processes, institutions and substantive norms that are consistent with the human rights

## 2. Protection of Human Rights

The Somaliland Government is committed to protecting and promoting basic and fundamental rights and freedoms. This includes freedom of speech, opinion, religion, association, movement and as well as trade.

## 3. Free Market

The Economic System of Somaliland is a free market system based on supply and demand with little or no Government control. It is comprised of voluntary exchanges that take place in a given economic environment. Somaliland's free markets are characterized by spontaneous and decentralized order of arrangements through which individuals make economic decisions.

## 4. Equity and Fairness

All citizens of Somaliland shall enjoy equal rights and obligations before the law, and shall not be accorded precedence on grounds of colour, clan, birth, language, gender, property, status, opinion etc

## 5. Shariah Compliance

The citizens of Somaliland 100% believe in Islam as their religion. Article 5 of the Somaliland constitution vividly states that Islam is the religion of the state



# INVESTMENT FACILITATION OF THE NATIONAL INVESTMENT POLICY



Despite of the domestic investors; all sectors and business activities are open to foreign investors as well, unless the investor is particularly restricted or prohibited from doing business in the territory of Somaliland for security reasons or for public interest. For the encouragement of foreign investment; the Government of Somaliland provides the following facilitation and services to the prospective investor.

## **Visa Facilitation**

Foreign investors are eligible for visa on arrival if they intend to travel directly to Somaliland where Somaliland does not have a Representative Office in his/her country, otherwise the investor can apply visa prior traveling to Somaliland.

## **Government Guarantees and Incentives**

In implementation of the investment activities in the Country; the Government of Somaliland has allocated guarantees to provide for investors, whether domestic or foreign, to enable them fulfil their investments accordingly.

## **Contract Enforcement and Dispute Settlement**

Somaliland concluded contracts with many investors, both domestic and foreign investors, and to make sure the protection of the investor's rights; it is the duty of the Government of Somaliland to facilitate the formalities for the enforceability of a contract with an investor



WELCOME TO SOMALILAND



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