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وزارة تنمية الاستثمار والصناعة

# Industrial Stakeholder Meeting & Berbera Visit Summary Report January





## INDUSTRIAL STAKEHOLDER MEETING

**Event Title by:** Coordination Meeting to Strengthen the Relationship between Manufacturers and the Ministry of Investment and Industrial Development

**Organized by:** Department of Industrial Development

**Date:** 14.01.2025

**Venue:** Baraar Hotel, Hargeisa

### Introduction

The coordination meeting aimed to strengthen the relationship between manufacturers and the Ministry of Investment and Industrial Development, fostering a collaborative environment to enhance industrial growth. It provided a platform for key stakeholders to assess the current state of the industry, share insights, and outline a strategic vision for its future. This initiative underscores the Ministry's commitment to addressing challenges faced by industrialists and promoting a robust industrial sector that contributes to national development.

### Objectives

1. Facilitate open dialogue between the Ministry and industrial stakeholders to share insights on the current state and future direction of the industrial sector.
2. Discuss the formulation of comprehensive industrial policies that support sustainable growth and fair competition.
3. Identify and address key challenges faced by industrialists through collaborative efforts and dedicated committees.

### Speeches

#### Director of Industrial Development's Speech:

The Director of Industrial Development opened the meeting by emphasizing the importance of information exchange among all participants. He highlighted the need for discussions on long-term goals for Somaliland's industries and underscored the Ministry's role in effectively monitoring production levels. The Director stressed the importance of understanding the current industry landscape and setting a clear direction for its future growth.

#### Director General's Speech

The Director General highlighted Somaliland's status as an emerging nation in the early stages of industrial development. He underscored the critical role industries play in national development and called for active participation from stakeholders in the upcoming investment conference. He assured attendees that the Ministry is committed to supporting the industrial sector, particularly



by completing infrastructure projects related to industrial zones. The Director General reaffirmed the Ministry's dedication to facilitating industrial growth and overcoming challenges.

### **Minister's Speech:**

The Minister began his address by acknowledging the significant contributions of industrialists to the country's economy and development. He emphasized the Ministry's role as a facilitator, not a hindrance, to industrial progress. Stressing the importance of industries in driving national development, he assured participants that government policies are designed to harmonize investment and industrial growth. To address the challenges faced by industrialists, the Minister announced the formation of a dedicated committee. He urged all stakeholders to work collaboratively to overcome challenges and achieve collective success.

### **Chairman of the National Industry Association's Speech**

The Chairman of the National Industry Association expressed gratitude to the Ministry for organizing the meeting and highlighted manufacturers' critical role in Somaliland's economic development. He identified persistent challenges faced by the industrial sector, including high production costs and unfair competition from imported goods. He stressed the need for stronger government support in addressing issues such as tax exemptions, infrastructure, and energy costs. The Chairman called for unity among industrialists and closer collaboration with the Ministry to ensure sustainable growth.

### **Challenges and Key Discussion Points**

#### **1. Illegal Interventions by the Ministry of Finance Regarding Industrial Tax Exemptions**

- The Ministry of Finance has issued decrees banning tax exemptions for industries, despite legal provisions in the Somaliland Investment Law No. 99/2021, Article 24, Sections 1 and 2, which state:
  - **Section 1:** "Any investor issued an investment certificate shall be entitled to 100% import customs duties exemption for importing machinery and equipment directly related to the approved investment project."
  - **Section 2:** "Any investor issued an investment certificate shall be entitled to 100% import customs duties exemption for importing raw materials, supplies, and components for production purposes."
- Additional hurdles have been created for import duty exemptions on spare parts and machinery, complicating industrial operations.
- Copies of the illegal ministerial decrees from 2023 and 2025 are attached for reference.

#### **2. Competition between Imported and Locally Produced Goods**



- Imported goods compete directly with locally manufactured products, undermining local industries.
3. Tax Imbalance: A Barrier to Industrial Growth
- The current tax system favors traders with lower import taxes, making it easier and more profitable to trade than to manufacture. This imbalance discourages local manufacturing, hindering job creation and long-term industrial development. To foster sustainable growth, it's crucial to level the playing field by reconsidering tax policies to support both trade and manufacturing
4. Unfair Tariffs
- Tariff disparities between imported and locally produced goods make it difficult for local manufacturers to compete effectively.
5. High Electricity Prices and Energy Costs
- High energy costs are a significant barrier to achieving full production capacity for factories.
6. Access to Affordable Land
- Industrialists face challenges in acquiring affordable land for factory expansion and operations.
7. Finalize Industrial Development Act
- The absence of a comprehensive Industrial Development Act hinders the systematic growth of the sector.

## Conclusion and Way Forward

The meeting clearly highlighted the major challenges facing Somaliland's industrial sector and the urgent need for effective measures to address them. The challenges presented, including unlawful interference in tax exemptions, unfair competition between imported and locally produced goods, a tax system that does not support local production, high energy costs, and the difficulty in accessing affordable land, significantly undermine the growth of the industrial sector.

There is also a pressing need for a comprehensive law to guide industrial development and strengthen the collaboration between manufacturers and government institutions to create a supportive environment for industrial growth.

To ensure sustainable growth in the industrial sector:

1. It is essential to implement the legal frameworks and provisions on tax exemptions as stipulated by the Somaliland Investment Law (Law No. 99/2021) and for the Ministry of Finance to cease unlawful interventions.



2. Policies must be developed to promote fair competition between locally produced and imported goods, with priority given to supporting local production.
3. Initiatives should be implemented to reduce energy costs and facilitate access to affordable land for manufacturing.
4. Expediting the formulation and implementation of the Industrial Development Act is critical to enabling the systematic and sustainable growth of the industrial sector.

In conclusion, collaboration and unity among all stakeholders are crucial for overcoming the existing challenges and achieving Somaliland's industrial growth objectives.

## Event Agenda.

Time	Activity	Details
9:00 AM	Arrival and Registration	Participants
9:10 – 9:20 AM	Setting the scene	Yasir Osman Ahmed, Director of Industrial Development
9:20 – 9:30 AM	Welcoming Remarks	Abdikarem Muse Maal, Director General
9:30 - 9:40 AM	Roundtable Introductions	Each participant briefly introduces themselves, their role, and their Company.
9:40- 9:55 AM	Opening Remarks	Hon. Saed Mohamed Bourale, Minister of Investment and Industrial Development
9:55 – 11:00 AM	Open Dialogue Session	Participants discuss challenges, opportunities, and areas of collaboration with the ministry.
11:00 AM – 11:10	Gratitude Speech	Chairman of National Industry Association



11:10 – 11:35 AM	Closing Remarks	The Minister of Investment and Industrial Development
11:35 – 12:00 AM	Coffee & Networking	Participants engage further with the officials, and each other.

### List of Participants

	Magaca Warshadda	Nooca Wax-soo saar
1.	U-fresh	Food and beverage
2.	Kaabsan Group	Batching plant concrete
3.	Al-Alamiya Food Industry	Tomato paste
4.	Siraj Paints Factory	Paint
5.	Al-Kahyaat	Foam
6.	Hargeisa Plastic	Plastic
7.	Gamuur Plastics	Plastic
8.	National Steel	Steel
9.	Berbera Tanning	Leather
10.	Somtuna Fishing	Canned fish
11.	Sombags Factory	Bags
12.	Saxansaxo Group	Water and beverage
13.	SBI	Soft and juice drinks
14.	Tayo Plastic Factory	Plastic
15.	Turkish Star Factory	Furniture and PVC
16.	Daryeel Furniture	Furniture
17.	Suldan Factory	One time use
18.	Bafrwaqo Vimto Factory	Juice
19.	Dahabi Factory	Fabric packaging
20.	Horn Cement Factory	Cement
21.	Golis Mineral Water	Mineral water
22.	Mumtaz Food Industry	Ketchup and mayonnaise



23.	Ilo Tango Food Industry	Powder drinks
24.	Al-Wadania Factory	Flour
25.	Meecaad Furniture	Foam
26.	Xays Mineral Water	Drinking water
27.	National Edible Oil	Edible oil
28.	Fadxul Kheyr Factory	Pillow and comfort
29.	Lis Diaries	Milk and juice
30.	Agro-food Industry	Food
31.	Dasani Mineral Water	Mineral water
32.	Omar Laundry Soap	Soap
33.	Loomas Food Industry	Chips
34.	Neobotanica Factory	Frankincense
35.	Aadco Factory	A4 Paper
36.	Al-Mutawakkal Fodder Factory	Production of Animal Feed



## Berbera Industrial Visit Meeting

### Introduction

From January 21st to 22nd, 2025, the **Minister of Investment and Industrial Development**, along with a delegation of senior officials, conducted an extensive site visit to **14 factories and investment projects** in Berbera, Somaliland. These visits highlighted the nation's growing industrial base and showcased the transformative impact of the **Somaliland Investment Act**, which provides legal protections and incentives for both local and international investors.

Berbera, with its strategic location along the Gulf of Aden and its proximity to the Berbera Port, has become the focal point for industrial and economic development in Somaliland. The city's industrial growth is characterized by significant investments in construction materials, food processing, energy, fishing, and light manufacturing industries. These factories and projects represent a cornerstone of Somaliland's economic transformation, fostering job creation, reducing import dependency, and positioning the nation as a competitive hub for regional trade and export.

The two-day visit demonstrated the government's commitment to industrializing Somaliland by fostering an environment conducive to investment, ensuring infrastructure development, and engaging with investors to address challenges and opportunities for growth.

### Overview of Visits

#### *Day 1: January 21, 2025*

- 1. National Cement Factory**
  - A pivotal player in the construction industry, this factory aims to reduce Somaliland's reliance on imported cement and meet domestic demand for construction materials.
- 2. Horn Cement Factory**
  - A state-of-the-art facility designed to supply over 700,000 tonnes of cement annually, supporting local infrastructure projects and export potential.
- 3. Somtuna Factory**
  - A leading seafood processor with an automated plant producing 40 metric tons of canned tuna daily. The factory also processes fresh and frozen fish and byproducts for local and international markets.
- 4. Berbera RFS (Regional Fuel Storage) Depot Ltd**
  - A major fuel storage and distribution terminal under construction, with an initial capacity of 125,000 cubic meters. It aims to serve Somaliland's fuel needs and strengthen regional energy logistics.
- 5. National Flour Mill Company (NFMC)**



- Somaliland's first flour mill, with an annual processing capacity of 110,000 metric tons, addressing food security by reducing the need for imported flour.

### *Day 2: January 22, 2025*

#### 6. **Omaar Group (and its subsidiaries):**

- **National Steel:** Produces warehouse roof sheets and construction materials.
- **Agrofood:** A planned canned food factory to support food production.
- **National Edible:** Engaged in cooking oil processing and packaging.
- **National Concrete:** Operational concrete plant supporting infrastructure projects.
- **National Oil:** In collaboration with NOC, building an oil and LPG terminal in Berbera.

#### 7. **IFFCO**

- A UAE-based edible oil (Hayat) processor with a facility in the Berbera Economic Zone (BEZ), importing palm oil and producing bottled products for regional export, especially to Ethiopia.

#### 8. **Berbera Special Economic Zone (BEZ) DP World**

- A flagship free zone modeled after Dubai's Jebel Ali Free Zone, designed to attract foreign direct investment and serve as a logistics and trade hub for the Horn of Africa.

#### 9. **Zakia Fishing Company**

- One of Somaliland's largest fishing enterprises, producing dried fish, frozen fillets, and packaged seafood. Zakia is a leader in sustainable fishing practices and regional exports.

## **Ministerial Engagement and Observations**

During the two-day visit, the Minister and the delegation toured factories, inspected facilities, and engaged with investors and management teams. These interactions highlighted the success of Somaliland's pro-investment policies, including the **Somaliland Investment Act**, which has provided robust legal protections and incentives for businesses operating in the country.

The delegation praised the factories for their contributions to Somaliland's economic growth, including job creation, technological innovation, and infrastructure development. Furthermore, the visits underscored the importance of public-private partnerships (PPPs) in accelerating industrial growth and improving Somaliland's regional trade standing.



## Key Takeaways and Vision

The Minister's visit emphasized Somaliland's commitment to fostering a business-friendly environment that attracts both local and foreign investments. The projects visited during the tour demonstrated how industrial and economic policies are creating a foundation for long-term growth, regional integration, and global competitiveness.

Moving forward, the Ministry of Investment and Industrial Development will continue to:

1. **Support Investors:** Streamline processes and address challenges faced by businesses operating in Somaliland.
2. **Promote Export Potential:** Leverage Somaliland's strategic location and infrastructure to enhance regional trade and exports.
3. **Focus on Job Creation:** Encourage investments that create sustainable employment opportunities, particularly for youth.
4. **Develop Key Sectors:** Prioritize industries such as construction, energy, food processing, and logistics to diversify the economy.

These visits reaffirmed Somaliland's vision for industrial growth and its potential to lead as a hub for trade and manufacturing in the Horn of Africa. The Ministry remains dedicated to ensuring that investments continue to drive economic progress and development for the people of Somaliland.

## Official Site Visit Report

### Berbera Cement Factory, Berbera, Somaliland

As the Minister of Investment and Industrial Development, I recently conducted an official site visit to the **Berbera Cement Factory**, a landmark facility with immense potential to drive Somaliland's industrial and economic transformation. The visit served to highlight the historical significance of the factory, the missed opportunities over the past 35 years, and the Ministry's renewed commitment to ensuring the revitalization of government-owned industrial assets.

The visit involved an in-depth walkthrough of the facility, showcasing its infrastructure, strategic location, and untapped potential. Alongside senior officials from the Ministry and factory staff, I inspected the existing facilities and engaged in discussions to assess the steps needed to restore the factory's operations. The Berbera Cement Factory is more than just a facility; it symbolizes Somaliland's industrial ambition and its potential as a beacon of development in the Horn of Africa.







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## Facility Overview and Historical Context

### *Initial Operations*

The **Berbera Cement Factory**, originally established to meet Somaliland's growing demand for construction materials, played a pivotal role in the nation's industrial landscape. At its peak, the factory had an **annual production capacity of 200,000 tons**, which not only met local demand but also supported regional exports.

Unfortunately, due to operational challenges, the factory ceased operations decades ago. Its closure created a vacuum in the local market, leading to a reliance on imported cement, which reached **100,000 tons annually by 2012**. The site visit underscored how this missed opportunity left Somaliland dependent on costly imports, stifling the nation's industrial potential.

### *Strategic Location*

The factory's location in **Berbera**, near the Gulf of Aden, provides it with unmatched logistical advantages for trade and export. The proximity to **Berbera Port** positions the facility to supply cement not only across Somaliland but also to regional markets such as Ethiopia, Djibouti, and the broader Horn of Africa.

## On-Site Observations and Discussions

### *Facility Tour*

During the site tour, Ministry officials and factory staff walked through the existing infrastructure, including the storage facilities, cement silos, and defunct production lines. The facility, though idle, retains the foundational infrastructure necessary for revival, but modernization and significant investment are required to restore operations.

### *Staff Discussions*

Factory staff and engineers emphasized the challenges faced by the facility over the years, including insufficient maintenance, lack of investment, and technical capacity constraints. These discussions revealed the stark contrast between the factory's former glory and its current state of dormancy, highlighting a missed opportunity to capitalize on Somaliland's industrial ambitions.

### *Showcasing Missed Potential*

The visit brought to light the economic void left by the factory's closure. Over the past 35 years, Somaliland missed the opportunity to establish itself as a **regional leader in cement**



**production**, a sector critical for infrastructure and development. The reliance on imports not only strained the economy but also delayed critical construction projects, limiting Somaliland's growth potential.

## Ministry's Commitment to Revitalization

### *Taking the Lead in Reviving Government-Owned Factories*

The Ministry of Investment and Industrial Development is committed to prioritizing the revival of government-owned industrial facilities like the Berbera Cement Factory. The factory's revitalization is a key component of the Ministry's strategy to:

- **Reduce Import Dependency:** Produce high-quality cement locally to eliminate reliance on expensive imports.
- **Stimulate Economic Growth:** Support infrastructure projects, housing, and commercial development through affordable cement production.
- **Create Employment Opportunities:** Employ thousands of workers, including laborers, engineers, and skilled graduates.
- **Enhance Somaliland's Export Profile:** Leverage Berbera's port to export cement to regional markets, particularly Ethiopia and Djibouti.

## Economic and Strategic Importance

### *Economic Contributions*

- **Infrastructure Development:** The factory's revival will supply cement for critical infrastructure projects such as roads, bridges, schools, and hospitals.
- **Industrial Diversification:** Cement production will diversify Somaliland's economy, reducing its reliance on imports and creating new revenue streams.

### *Employment Creation*

- **Direct Jobs:** Thousands of workers will be employed in operations, engineering, and management.
- **Indirect Jobs:** Additional jobs will be created in logistics, transportation, and raw material supply chains.



### *Natural Resource Utilization*

The Berbera region is rich in raw materials such as limestone, clay, and sandstone, which are essential for cement production. Reviving the factory will add value to these natural resources, boosting Somaliland's industrial base.

## **Action Plan for Revitalization**

### *Immediate Priorities*

1. **Feasibility Study:** Conduct a comprehensive study to assess the investment required and the modernization needed to restore operations.
2. **Public-Private Partnerships:** Attract local and international investors to fund and manage the factory's revival.
3. **Workforce Development:** Establish training programs to prepare local workers for roles in cement production.

### *Long-Term Goals*

- **Sustainability:** Introduce environmentally friendly practices to align with global industrial standards.
- **Market Integration:** Collaborate with regional stakeholders to secure long-term contracts for cement exports.

## **Ministerial Reflections and Recommendations**

The Berbera Cement Factory represents a critical opportunity to transform Somaliland's industrial sector and position the country as a regional leader in cement production. The visit highlighted the factory's immense potential and the urgent need for action to revive its operations.

To capitalize on this opportunity, the Ministry of Investment and Industrial Development will:

1. **Take Ownership:** Lead efforts to secure funding and oversee the factory's rehabilitation.
2. **Promote Investment:** Engage investors and stakeholders to support the revival process.
3. **Strengthen Infrastructure:** Collaborate with Berbera Port to ensure seamless integration of production and export logistics.
4. **Enhance Policy Support:** Develop policies that incentivize local production and protect against market competition from imports.



The Berbera Cement Factory is more than a dormant facility; it is a symbol of Somaliland's industrial potential and resilience. Its revival will serve as a catalyst for economic growth, job creation, and regional trade integration. The Ministry is committed to making this vision a reality, working with stakeholders to ensure the factory reclaims its position as a cornerstone of Somaliland's industrial future.







## **Horn Cement Factory**

As the Minister of Investment and Industrial Development, I had the honor of leading a delegation, including senior officials from the Industrial Development, Research and Development, and Public Relations and Regional Coordination Departments, on an official visit to the Horn Cement Factory in Berbera. This visit reflects our unwavering commitment to fostering industrial growth and supporting transformative projects that will reshape Somaliland's economic landscape.

The Horn Cement Factory stands as a beacon of Somaliland's industrial ambition. This project, with a significant investment of USD 60 million by the MSG Group, represents a groundbreaking initiative that positions our nation at the forefront of regional industrial development. The factory is strategically located near the Berbera Port, a vital artery for trade and commerce in the Horn of Africa, ensuring not only efficient distribution across Somaliland but also creating export opportunities to neighboring countries, particularly Ethiopia, and potentially Gulf states.

During the visit, I engaged with project managers, engineers, and construction teams as we toured the facility. We began by inspecting the main production area, where state-of-the-art



machinery is being installed. This facility, when operational, will produce an initial capacity of 700,000 tonnes of cement annually, with plans to scale up to a daily output of 3,300 tonnes of cement and 3,000 tonnes of clinker. Such production capacity is set to drastically reduce Somaliland's reliance on imported cement, which has historically strained our foreign reserves, and position the country as a competitive player in the regional construction materials market.

The raw material processing units were another critical area of inspection. These units will utilize locally sourced limestone and clay, not only reducing production costs but also providing a significant boost to our local mining sector. I underscored the importance of ensuring these operations align with sustainable practices, including the adoption of renewable energy solutions, to minimize environmental impact. The clinker storage facilities, which are nearing completion, will have a capacity of 30,000 tonnes, ensuring efficient production and storage cycles.

The packaging and dispatch section, though still under construction, promises to integrate advanced automation systems to optimize efficiency and reduce operational costs. Such automation, however, must be complemented by robust training programs to equip local talent with the technical skills required to manage these systems effectively.

One of the key takeaways from this visit is the factory's profound potential to stimulate the local economy. The project is expected to directly employ over 500 people, with an additional 2,000 jobs created indirectly through associated industries such as logistics and raw material supply chains. This aligns perfectly with the government's broader goal of job creation and skill development, especially for our youth, who represent the majority of our population.

The Horn Cement Factory also represents an opportunity to position Somaliland as a key economic partner within the Horn of Africa. Its strategic proximity to Ethiopia, Africa's second-most populous country with a rapidly growing economy, ensures access to a massive market of over 120 million people. Furthermore, with enhanced trade links via Berbera Port, this factory could significantly boost Somaliland's export revenue, solidifying our role as a critical player in regional trade and economic integration.

The environmental considerations of the factory are equally commendable. Dust filtration systems and advanced emission control technologies are being implemented to ensure compliance with international environmental standards. This not only reflects our commitment to sustainable industrial practices but also sets a benchmark for future projects in Somaliland.

As I addressed the project stakeholders, I emphasized the importance of maintaining momentum to meet project timelines and ensuring the highest quality standards throughout construction and operations. The Ministry is committed to facilitating the factory's success by addressing any challenges, expediting necessary approvals, and fostering a collaborative environment for all stakeholders involved.

The Horn Cement Factory is more than just an industrial project; it is a transformative initiative that embodies Somaliland's vision for economic self-reliance, regional leadership, and

sustainable development. Its successful completion will not only fulfill our domestic needs but also position Somaliland as a trusted supplier of high-quality cement to neighboring countries and beyond. This factory is a statement of our potential, resilience, and readiness to lead in the industrial and trade sectors of the Horn of Africa.

The Ministry will continue to monitor progress closely and provide unwavering support to ensure this project's success. The Horn Cement Factory symbolizes a new era for Somaliland's industrial future, one built on vision, innovation, and the determination to prosper. Together, we are shaping a brighter tomorrow for Somaliland.



## Key Data Points for Horn Cement Factory

### *Project Overview*

- **Name:** Horn Cement Factory
- **Location:** Berbera, Somaliland (near Berbera Port)
- **Investor:** MSG Group
- **Investment Value:** USD 60 million

## Production Capacity

1. **Phase 1 (Initial Production):**
  - 700,000 tonnes of cement annually



## 2. Phase 2 (Expansion):

- 3,300 tonnes of cement per day
- 3,000 tonnes of clinker per day

## Economic Impact

- **Employment Creation:**
  - 500 direct jobs
  - 2,000 indirect jobs in supply chains, logistics, and ancillary industries
- **Contribution to GDP:**
  - Significant reduction in reliance on imported cement
  - Estimated savings in foreign reserves due to local production
- **Export Potential:**
  - Target markets include Ethiopia and Gulf nations
  - Access to a regional market of over 120 million people in Ethiopia

## Strategic Advantages

- **Proximity to Berbera Port:**
  - Ensures efficient logistics for both imports (raw materials, equipment) and exports (cement, clinker).
- **Regional Importance:**
  - Positioned to be a leading supplier of cement in the Horn of Africa.

## Factory Infrastructure

- **Main Production Facility:**
  - Advanced manufacturing equipment sourced from Italy and China.
- **Raw Material Processing:**
  - Utilizes locally sourced limestone and clay.
- **Clinker Storage Units:**
  - Capacity: 30,000 tonnes.
- **Packaging and Dispatch Area:**
  - Automated systems for high-efficiency cement packaging.
- **Administrative Facilities:**
  - Offices, conference rooms, and accommodations for staff.
- **Environmental Controls:**
  - Dust filtration and emission control systems to meet international standards.

## Timeline

- **Phase 1 Completion:** Expected in the first half of 2024 (18 months from start in July 2022).



- **Phase 2 Completion:** Targeted by 2026.

### **Raw Material Supply**

- **Local Resources:** Limestone and clay sourced within Somaliland.
- **Support for Local Mining:** Boosts ancillary industries.

### *Environmental Sustainability*

- **Technologies:** Dust filtration and emission control systems.
- **Focus:** Adherence to international environmental standards.

### **Regional and Economic Importance**

- **Economic Leadership:**
  - First large-scale cement factory in Somaliland.
  - Pivotal for economic self-sufficiency and trade growth.
- **Trade and Export:**
  - Proximity to Ethiopia facilitates large-scale exports.
  - Enhances Somaliland's trade balance through export revenues.

This structured data can help in creating promotional materials, feasibility studies, or briefing reports for stakeholders.







## Somtuna Fishing Company

As the Minister of Investment and Industrial Development, I had the honor of visiting **Somtuna Fishing Company**, a beacon of innovation and growth in Somaliland's industrial landscape. Established in 2020, Somtuna has swiftly become the leading manufacturer and supplier of high-quality, affordable canned tuna in the Horn of Africa. The company's dedication to leveraging cutting-edge technology and operational excellence has positioned it as a key player in the regional and global seafood markets.

Located in Berbera, with access to Somaliland's extensive coastline, Somtuna Fishing Company reflects the vast potential of our marine resources. Its automated production plant, with a capacity of 40 metric tons per day and storage facilities capable of holding 2,000 metric tons, underscores its commitment to efficiency and scalability. By focusing on quality, sustainability, and economic empowerment, Somtuna contributes significantly to Somaliland's industrial development and food security.

### Facility Overview

Somtuna Fishing Company boasts a state-of-the-art facility equipped with the highest technology machinery for seafood processing. The plant's automation ensures precision and consistency across its operations, from processing raw materials to packaging finished products. The facility caters to a wide range of seafood products, including:

- **Canned Tuna Varieties:** Skipjack, Yellowfin, and Albacore
- **Fresh and Frozen Fish:** High-quality seafood for local and export markets
- **Fish Meal and Fish Oil:** Byproducts that enhance value creation and support livestock and industrial sectors

### Detailed Inspection of Operations

#### *1. Raw Material Intake and Sorting*

The visit began with an inspection of the intake section, where freshly caught tuna is delivered, sorted, and stored. Advanced sorting machinery ensures only the finest fish are selected for



processing. The storage facilities, with a capacity of 2,000 metric tons, are designed to maintain product freshness and integrity, setting a high standard for quality from the outset.

## *2. Processing and Production*

The heart of Somtuna's operations lies in its automated production plant. With a daily production capacity of 40 metric tons, the facility efficiently processes tuna into a variety of canned products. The production line integrates cutting-edge machinery that performs cleaning, cutting, cooking, and canning with minimal human intervention. This automation ensures consistent product quality, safety, and scalability to meet growing demand.

## *3. Byproduct Utilization*

Sustainability is a cornerstone of Somtuna's operations. Fish parts not used in canned products are processed into fish meal and fish oil, creating valuable byproducts for agricultural and industrial use. This approach not only minimizes waste but also diversifies the company's product range and revenue streams.

## *4. Packaging and Quality Control*

The packaging section is equipped with advanced systems to ensure products are securely sealed and labeled. Each batch undergoes rigorous quality control testing to meet domestic and international safety standards. Somtuna's adherence to these protocols reinforces its reputation as a reliable supplier in regional and global markets.

## *5. Export and Distribution*

The final stage of operations focuses on distribution. Somtuna leverages its strategic location near Berbera Port to efficiently ship products to regional and international markets. This logistical advantage has enabled the company to expand its reach to countries such as Ethiopia and Gulf nations.

## **Economic and Regional Impact**

Somtuna Fishing Company has established itself as a transformative force in Somaliland's economy. Its operations create employment opportunities for hundreds of local workers, with a particular focus on youth empowerment. By providing training in advanced production techniques, the company fosters the development of a skilled workforce.

The factory plays a crucial role in reducing Somaliland's reliance on imported seafood products, enhancing food security while saving foreign exchange. Its position as a leading supplier in the Horn of Africa also strengthens Somaliland's trade relationships and generates foreign revenue through exports.



## Recognition and Commitment to Quality

Somtuna's dedication to excellence was recognized in June 2023 when the company received the **National Quality Label** from the Quality Control Authority. This accolade underscores its adherence to the highest operational standards and positions the factory as a benchmark for industrial innovation in Somaliland.

Somtuna Fishing Company represents the future of Somaliland's industrial sector. Its commitment to quality, sustainability, and economic empowerment is a source of pride for our nation. As the Horn of Africa's leading manufacturer and supplier of canned tuna, Somtuna demonstrates the transformative potential of leveraging Somaliland's natural resources to drive economic growth.









## **Berbera RFS Depot Ltd**

As the Minister of Investment and Industrial Development, I had the honor of visiting the **Berbera RFS Depot Ltd**, a state-of-the-art fuel storage and distribution facility under construction in Berbera, Somaliland. This visit was a testament to Somaliland's growing role as a strategic regional hub for trade and logistics in the Horn of Africa. The depot represents a transformational investment that will contribute significantly to Somaliland's economic growth, trade diversification, and energy security.

The Berbera RFS Depot Ltd has been meticulously designed to meet the highest international standards for fuel storage, handling, and distribution. This facility will play a critical role in ensuring reliable fuel supply for Somaliland and its neighboring countries, particularly Ethiopia, while fostering job creation and advancing Somaliland's trade competitiveness. During my visit, I had the opportunity to review the facility's operational blueprint, construction progress, and its potential to reshape regional energy logistics.

### **Facility Overview**

The **Berbera RFS Depot Ltd** is a specialized fuel terminal that will store and distribute multiple petroleum products, including Gasoil (AGO), Gasoline (MGR), Jet Fuel (Jet A-1), and Liquefied Petroleum Gas (LPG). Strategically situated near Berbera Port, the facility has been developed with a focus on efficiency, scalability, and sustainability, ensuring its ability to meet the fuel needs of the Horn of Africa.

#### *Key Features of the Initial Phase*

##### **1. Storage Capacity:**

- Total storage capacity: **125,000 m<sup>3</sup>** across 7 tanks.
- Breakdown:
  - **Gasoil (AGO):** 75,000 m<sup>3</sup> (3 tanks of 25,000 m<sup>3</sup> each).
  - **Gasoline (MGR):** 25,000 m<sup>3</sup> (2 tanks of 12,500 m<sup>3</sup> each).
  - **Jet Fuel (Jet A-1):** 25,000 m<sup>3</sup> (2 tanks of 12,500 m<sup>3</sup> each).

##### **2. Infrastructure and Layout:**

- The facility spans **40 hectares**, with the first phase utilizing **10 hectares**.
- **Tank Farm:** Houses storage tanks and 8 loading pumps with capacities of 180 m<sup>3</sup>/hr and 150 m<sup>3</sup>/hr.
- **Loading Gantry:** Equipped with 5 bays capable of servicing **250 trucks per day**.
- **Truck Parking:** Can accommodate **150 trucks** simultaneously to ensure seamless loading operations.
- **Support Facilities:** Includes a dispatch building with driver amenities, offices for oil companies and customs, and weighbridge provisions.

##### **3. Operational Philosophy:**



- **Product Receipt:** Fuel is received through a third-party CBM (Conventional Buoy Mooring) facility with seven offshore lines transferring products from vessels to onshore booster stations. Dedicated pipelines equipped with pig launchers ensure precise product transfer to storage tanks.
- **Product Loading:** Features fully automated top and bottom loading systems with integrated metering and custody transfer capabilities for accurate stock management.
- **Safety and Environmental Controls:** Robust systems include fire suppression infrastructure (13,000 m<sup>3</sup> FFT capacity), surveillance cameras, and API interceptors to manage spills and ensure environmental compliance.

## Highlights of the Visit

### *1. Site Tour and Infrastructure Review*

The visit commenced with a comprehensive tour of the depot's construction site. The advanced infrastructure and meticulous planning were evident in the progress of storage tank installations, loading gantries, and support facilities. The depot's operational layout has been designed to optimize fuel storage, minimize downtime, and ensure efficient logistics for regional distribution.

### *2. Strategic Role in Regional Trade*

One of the key highlights of the visit was the depot's strategic positioning to support **Somaliland-Ethiopia trade relations**. Ethiopia, as a landlocked nation with over 120 million people, relies heavily on external fuel imports. The Berbera RFS Depot, in conjunction with Berbera Port, provides a cost-effective and efficient alternative for Ethiopia's fuel supply chain.

The depot's integration into Somaliland's broader trade network, supported by **transit and transport agreements**, will position Berbera as the primary fuel logistics hub for Ethiopia and other neighboring nations. This potential underscores the importance of expediting these agreements to facilitate seamless fuel distribution.

### *3. Safety, Security, and Sustainability*

I was particularly impressed by the depot's robust HSSE (Health, Safety, Security, and Environment) provisions. The facility has been designed with advanced firefighting systems, comprehensive surveillance, and leakage prevention mechanisms. These measures not only safeguard operations but also demonstrate the depot's commitment to environmental responsibility.



#### *4. Future Expansion Plans*

The depot's vision extends beyond its initial phase. The **second phase** will expand the storage capacity by an additional **84,000 m<sup>3</sup>**, bringing the total to **209,000 m<sup>3</sup>**. This expansion will further enhance Somaliland's ability to meet regional fuel demands and cement Berbera's status as a premier trade hub.

### **Economic and Strategic Importance**

#### *1. Economic Impact*

- **Job Creation:** Hundreds of local jobs have been created during the construction phase, with additional employment opportunities expected once the facility becomes operational.
- **Revenue Generation:** The depot will contribute significantly to Somaliland's economy through transit fees, customs duties, and value-added services.

#### *2. Regional Integration*

- **Trade Facilitation:** The depot enhances Somaliland's ability to serve as a regional fuel logistics hub, benefiting Ethiopia, Djibouti, Somalia, and beyond.
- **Strategic Partnerships:** Strengthening transit agreements with Ethiopia will ensure consistent trade flows, fostering mutual economic growth.

#### *3. Energy Security*

- **Fuel Supply Stability:** The depot ensures a reliable and consistent supply of petroleum products for Somaliland and regional markets.
- **Reduced Transit Times:** Its proximity to Berbera Port reduces lead times for imports and exports, improving overall efficiency.







## Conclusion

The Berbera RFS Depot Ltd is a flagship project that showcases Somaliland's potential as a regional leader in energy logistics and trade. Its state-of-the-art infrastructure, strategic integration with Berbera Port, and future expansion plans underscore its transformative role in the Horn of Africa's economic landscape.

The Ministry of Investment and Industrial Development reaffirms its commitment to supporting this critical initiative, working collaboratively with stakeholders to ensure its success. Together, we are building a resilient, prosperous Somaliland that leads in regional trade and economic integration.



## National Flour Mill Company (NFMC)

As the Minister of Investment and Industrial Development, I had the privilege of visiting the **National Flour Mill Company (NFMC)**, a groundbreaking enterprise that has redefined Somaliland's food production capabilities. Established in 2017 and operational since 2020, NFMC is the nation's first flour milling facility, a pioneering step in reducing Somaliland's reliance on imported flour and bolstering its food security.

Located in the Berbera Port region, NFMC is strategically positioned to support both domestic and export markets. The facility's advanced technological setup and substantial production capacity have established it as a cornerstone of Somaliland's industrial development. During the visit, we engaged with the management team, toured the production facilities, and examined the plant's operations from wheat intake to flour packaging.

### Facility Overview

NFMC has revolutionized Somaliland's wheat processing industry with state-of-the-art technology and an impressive production capacity of 110,000 metric tons annually. The mill processes hard and semi-hard wheat varieties to produce premium bakery flour, primarily catering to domestic needs while also penetrating international markets.

Key features of the facility include:

- **Technology:**  
Constructed by Alapala, a global leader in milling equipment, the plant includes a 300-tonne-per-day capacity flour mill and four steel silos, each with a storage capacity of 7,500 tonnes. The integration of SCADA software enables centralized monitoring and remote diagnostics, ensuring efficiency and traceability across operations.
- **Product Range:**
  - **Al-Wataniya® Wheat Flour:** A high-quality, whole wheat flour ideal for traditional bread baking.
  - **Baladi® Bran:** A nutritious byproduct used in culinary and livestock feed applications.

### Detailed Inspection of Production Processes

#### *1. Wheat Intake and Storage*

The tour began with the intake section, where imported hard and semi-hard wheat is received, sorted, and stored. The facility's silos, with a total capacity of 30,000 tonnes, ensure an uninterrupted supply of raw materials, mitigating risks related to supply chain disruptions. The



automated system handles the intake with precision, minimizing losses and maintaining the quality of the wheat.

## *2. Milling Operations*

In the milling section, we observed the state-of-the-art equipment supplied by Alapala. The 300-tonne-per-day capacity mill operates with unparalleled efficiency, turning raw wheat into fine flour and bran. The SCADA system monitors every aspect of the milling process, from grinding to sifting, allowing real-time diagnostics and immediate interventions when necessary.

## *3. Flour Packaging and Distribution*

The packaging area features automated lines that ensure consistent product quality and efficient operations. Flour is packed into various sizes to meet the diverse needs of consumers and businesses. These products are then distributed across Somaliland and exported to international markets, including Yemen, Egypt, and Oman.

## *4. Quality Assurance*

The facility's quality control laboratory plays a vital role in maintaining NFMC's reputation for excellence. Rigorous testing ensures that both Al-Wataniya® Wheat Flour and Baladi® Bran meet the highest standards of safety and performance, whether for bread baking or livestock feed.















## **Economic and Social Impact**

NFMC's establishment is a significant milestone in Somaliland's journey toward self-reliance in food production. With an annual production capacity of 110,000 metric tons, the mill has drastically reduced the country's dependence on imported flour, saving valuable foreign exchange and enhancing food security.

The facility directly employs a skilled workforce, providing jobs to locals and fostering expertise in advanced milling technologies. Additionally, its operations stimulate economic activity across related industries, including transportation, packaging, and retail.

In 2024, NFMC exported 12,200 metric tons of flour to Yemen, Egypt, and Oman, marking a significant achievement in Somaliland's industrial and trade sectors. These exports underscore the mill's capacity to compete in international markets and its role in boosting the nation's export revenue.

## **Conclusion**

The National Flour Mill Company represents the future of Somaliland's food production industry. Its ability to reduce reliance on imports, enhance food security, and contribute to the nation's economic growth demonstrates the transformative power of strategic investments.



NFMC is not just a flour mill; it is a symbol of Somaliland's progress and potential in the industrial sector.

The Ministry of Investment and Industrial Development remains committed to supporting NFMC and similar initiatives as we build a self-reliant and prosperous Somaliland.

## Key Data Points: National Flour Mill Company (NFMC)

### *General Information*

- **Established:** June 29, 2017
- **Operational Since:** April 2020
- **Location:** Berbera, Somaliland (near Berbera Port)
- **Industry:** Wheat milling and flour production

### *Production Capacity*

- **Annual Wheat Processing:** 110,000 metric tons
- **Daily Milling Capacity:** 300 metric tons

### *Facility Features*

- **Technology Provider:** Alapala, a leading global supplier of flour milling equipment.
- **Storage Capacity:** Four steel silos, each with a capacity of 7,500 metric tons (30,000 metric tons total).
- **Automation:**
  - Integrated with SCADA software for centralized monitoring and control.
  - Remote diagnostics and real-time interventions for optimized operations.

### *Products*

1. **Al-Wataniya® Wheat Flour:**
  - Premium whole wheat flour ideal for traditional bread baking.
  - Known for consistency and high-rising properties.
2. **Baladi® Bran:**
  - Nutritious byproduct for culinary and livestock feed applications.

### *Export Achievements*

- **2024 Export Volume:** 12,200 metric tons
- **Export Destinations:** Yemen, Egypt, and Oman



### *Economic and Regional Impact*

- **Import Substitution:**
  - Significant reduction in Somaliland's reliance on imported flour.
  - Enhanced food security and foreign exchange savings.
- **Job Creation:**
  - Provides direct employment opportunities for local workers.
  - Indirectly supports industries such as transportation, packaging, and retail.
- **Export Revenue:**
  - Contribution to Somaliland's international trade profile through regional exports.

### *Quality Assurance*

- **Standards:** Rigorous testing at every production stage ensures compliance with international safety and quality benchmarks.
- **Certifications:** NFMC maintains high operational standards to meet domestic and export requirements.

### *Strategic Advantages*

- **Location:**
  - Proximity to Berbera Port ensures efficient logistics for both raw material imports and product exports.
- **Market Reach:**
  - Serves domestic markets and strategically expands to regional and international markets.

### *Future Opportunities*

- **Capacity Expansion:** Scale up production to meet growing demand.
- **Domestic Wheat Supply:** Partner with local farmers to reduce reliance on imported wheat.
- **Market Diversification:** Expand export destinations to additional countries.



## Omaar Group

**National steel**

**Agrofood**

**National Edible**

**National Concrete**

**National Oil**

As the Minister of Investment and Industrial Development, I had the privilege of visiting **Omaar Group**, a visionary enterprise that has evolved into one of Somaliland's most dynamic and diversified industrial conglomerates. Omaar Group's remarkable journey, from an importer of goods to a leader in local manufacturing and real estate development, highlights its pivotal role in driving Somaliland's industrial transformation and self-reliance.

The group has strategically shifted from merely importing finished goods to importing raw materials and semi-finished products to assemble locally. With the goal of meeting Somaliland's market needs and becoming an export powerhouse, Omaar Group exemplifies innovation, commitment, and the pursuit of economic growth. Its ventures span across sectors such as energy, construction materials, light industries, and food production, creating jobs and enhancing Somaliland's industrial capabilities.

### **Omaar Group Overview**

#### *From Importer to Manufacturer*

Omaar Group's transition from importing goods to producing them domestically has reduced Somaliland's reliance on imports and positioned the group as a key contributor to the local economy. By assembling and manufacturing products within the country, Omaar Group is fostering industrial development, creating jobs, and ensuring more affordable and accessible products for Somalilanders.

Their ambition is clear: to replace imported goods with locally produced alternatives and export surplus products to neighboring markets, thereby enhancing Somaliland's trade potential and global economic integration.











## Major Projects and Initiatives



### *1. Oil and LPG Terminal (In Partnership with National Oil Company)*

One of Omaar Group's flagship projects is a multi-million-dollar **oil and liquefied petroleum gas (LPG) terminal**, developed in collaboration with the National Oil Company (NOC). Launched in **July 2022**, this project underscores Omaar's commitment to addressing Somaliland's energy needs and fostering economic resilience.

- **Details of the Project:**
  - **Phase 1:**
    - Construction of storage tanks with a capacity of **100,000 cubic meters** for oil and LPG.
  - **Future Expansion:**
    - The terminal is designed to expand to a total capacity of **230,000 cubic meters**, positioning it as one of the largest fuel storage facilities in the region.
- **Significance:**
  - **Fuel Security:** Provides stable and sufficient storage capacity to meet Somaliland's growing fuel demand.
  - **Economic Growth:** Supports fuel logistics, reduces dependency on fuel imports, and strengthens Somaliland's strategic trade position in the Horn of Africa.
  - **Employment:** Generates hundreds of jobs during construction and operational phases, offering opportunities for local citizens.
- **Strategic Location:**
  - Situated in **Berbera**, close to the port, the terminal will serve as a critical energy hub for Somaliland and neighboring countries like Ethiopia.





## *2. Flour Milling Factory (Under Construction)*

Omaar Group is developing a state-of-the-art **flour milling factory**, which will play a crucial role in Somaliland's food security efforts.

- **Details of the Project:**
  - Designed to process large quantities of wheat to meet domestic demand.
  - Aims to provide high-quality flour for bread and other staple foods.
- **Significance:**
  - **Food Security:** Reduces Somaliland's reliance on imported flour, ensuring a consistent and affordable supply for local markets.
  - **Economic Benefits:** Lowers costs for consumers, strengthens local agriculture supply chains, and generates jobs.

## **Specialized Light Industries in Berbera**

In addition to large-scale projects, Omaar Group has focused on developing light industries to diversify its portfolio and boost local production.

### *Operational Factories*

#### **1. Nail Factory:**



- Fully operational and meeting the growing demand for nails in the construction sector.
- Significantly reduces the need to import construction materials.
- 2. **Foil and Coffee Cup Factory:**
  - Produces disposable foil containers and coffee cups for local consumption.
  - Supports small and medium-sized businesses in the hospitality and food sectors.
- 3. **Steel Sheets Factory:**
  - Produces high-quality **warehouse roof steel sheets**, catering to the construction and industrial sectors.
  - Offers durable and affordable solutions for local builders and industries.
- 4. **Concrete and Cement Plant (Phase Operational):**
  - Omaar Group has invested in a **concrete plant** and is progressing toward the establishment of a **cement factory**.
  - The facility currently supports the construction industry by producing essential materials for infrastructure projects.

#### *Planned Projects*

1. **Canned Food Factory:**
  - Aiming to produce high-quality canned food items to meet domestic demand and support export markets.
  - This project aligns with the group's vision of reducing reliance on imports and promoting food manufacturing.







## Economic and Regional Impact

### *1. Job Creation*

Omaar Group's projects collectively create thousands of jobs, providing opportunities for Somalilanders across sectors such as manufacturing, construction, and logistics.

### *2. Economic Diversification*

Through its investments in energy, food production, construction materials, and light industries, Omaar Group contributes to a diversified economy, reducing reliance on imports and fostering resilience.

### *3. Export Potential*

By meeting domestic needs and focusing on surplus production for export, Omaar Group is helping to position Somaliland as a regional trade hub.

### *4. Regional Trade Development*

The **Oil and LPG Terminal** and other manufacturing projects in Berbera bolster Somaliland's trade ties with neighboring Ethiopia and other Horn of Africa countries, reinforcing Berbera's position as a critical regional logistics and industrial center.



## Conclusion

Omaar Group exemplifies the potential of Somaliland's private sector to drive industrialization, create jobs, and support economic self-reliance. Through its diverse projects, the group is not only meeting the immediate needs of Somalilanders but also positioning the country as a regional manufacturing and trade hub.

The Ministry of Investment and Industrial Development is committed to supporting Omaar Group's vision and ensuring that its transformative projects succeed. Together, we are building a prosperous, industrialized Somaliland.











## **Berbera Special Economic Zone (BEZ)**

As the Minister of Investment and Industrial Development, I recently visited the **Berbera Economic Zone (BEZ)** at the invitation of its manager, Mr. Joseph. This visit showcased the immense potential of BEZ as a transformative hub for trade and investment, strategically positioned to drive economic growth in Somaliland and the wider Horn of Africa region.

The BEZ, designed to complement the operations of Berbera Port, provides a streamlined ecosystem for businesses, ensuring seamless operations and robust infrastructure. As we toured the facilities, Mr. Joseph emphasized the zone's potential to enhance trade ties with Ethiopia, leveraging transit and transport agreements to position BEZ as the central hub for commerce between Somaliland and Ethiopia.

### **Facility Overview**

The Berbera Economic Zone is a modern trading and industrial hub modeled after the globally renowned Jebel Ali Free Zone in Dubai. Its integration with Berbera Port ensures efficient logistics, enabling businesses to thrive in a competitive environment.

Key Features of BEZ:

- **One-Stop Shop Center:** Centralized services for business registration, licensing, and operational setup, designed to attract and retain both local and foreign investors.
- **Current Operations:** Home to **50 registered companies**, including traders and light assembly factories, with plans to expand further.
- **Infrastructure:** Warehousing, utilities, and IT systems support businesses with operational efficiency.

### **Highlights of the Visit**

#### *1. One-Stop Shop Center*

The visit began with a tour of the **One-Stop Shop Center**, which has become the gateway for businesses entering BEZ. The center's streamlined processes have facilitated the registration of 50 companies, spanning trading firms, light assembly industries, and logistics providers. This efficiency has reduced bureaucratic hurdles and made BEZ a preferred destination for businesses seeking operational ease.

#### *2. Strategic Trade Role with Ethiopia*

A critical focus of the discussion was the **importance of transit and transport agreements with Ethiopia**. Ethiopia, as a landlocked nation with a population of over 120 million, depends



heavily on external trade routes. Berbera Port, coupled with BEZ, offers Ethiopia a shorter, cost-effective alternative to traditional routes.

The full implementation of a **transit agreement and transport framework** between Somaliland and Ethiopia is crucial for unlocking BEZ's potential as a hub for Ethiopian imports and exports. This agreement would facilitate the smooth flow of goods, reduce logistical delays, and bolster trade volumes between the two nations.

### *3. Hub for Regional Trade*

Mr. Joseph highlighted how BEZ's strategic location positions it as a hub for trade across the Horn of Africa. By aligning the zone's infrastructure with Berbera Port's capacity, BEZ can serve as the nucleus for trade routes connecting Ethiopia, Somaliland, Djibouti, and Somalia. The transit agreement would further enhance this connectivity, solidifying BEZ's role as a regional economic powerhouse.

## **Importance of Transit and Transport Agreements**

The success of BEZ relies heavily on the expedited finalization and implementation of the **transit and transport agreements** with Ethiopia. These agreements would:

- 1. Facilitate Trade Growth:**
  - Enable Ethiopia to utilize Berbera Port and BEZ for a significant portion of its imports and exports.
  - Strengthen Somaliland's trade ties with Ethiopia, boosting revenue and fostering regional cooperation.
- 2. Enhance Regional Connectivity:**
  - Position BEZ as the central hub for logistics and trade in the Horn of Africa.
  - Reduce transit times and logistical costs for Ethiopian goods.
- 3. Encourage Investment:**
  - Provide businesses in BEZ with access to a large and growing Ethiopian market, attracting both local and foreign investors.
  - Increase investor confidence by demonstrating Somaliland's commitment to regional integration.
- 4. Boost Economic Impact:**
  - Generate additional revenue streams for Somaliland through transit fees, storage, and value-added services.
  - Create job opportunities across trade, logistics, and related industries.

## **Ministerial Observations and Recommendations**

The Berbera Economic Zone represents a critical component of Somaliland's vision for economic transformation. My visit underscored the importance of leveraging BEZ's full



potential by strengthening its integration with regional trade networks, particularly through transit and transport agreements with Ethiopia.

To accelerate BEZ's role as a trade hub, I recommend:

1. **Expedite Agreements with Ethiopia:** The government must prioritize the finalization and implementation of transit and transport agreements to enable BEZ's seamless operation as a regional logistics hub.
2. **Promote BEZ's Advantages:** Work with BEZ management to highlight its strategic location and business-friendly environment to attract additional foreign direct investment (FDI).
3. **Expand Infrastructure:** Invest in warehousing, road networks, and utilities to support the anticipated growth in trade and industrial activity within BEZ.
4. **Develop Incentives for Local Investors:** Encourage Somaliland entrepreneurs to establish businesses within BEZ, diversifying its economic base and ensuring local ownership in its success.

## Conclusion

The Berbera Economic Zone is more than just an industrial park—it is a symbol of Somaliland's aspirations for economic leadership in the Horn of Africa. With its strategic location, robust infrastructure, and alignment with Berbera Port, BEZ has the potential to transform regional trade dynamics.

The Ministry of Investment and Industrial Development is committed to working closely with BEZ management to attract investment, finalize agreements with Ethiopia, and establish BEZ as the preeminent hub for trade and commerce in the Horn of Africa. Together, we are shaping a future of opportunity and growth for Somaliland and the region.



## **IFFCO Edible Oil Packing Facility, (BEZ)**

As the Minister of Investment and Industrial Development, I am pleased to present this report on my recent visit to the **IFFCO Edible Oil Packing Facility** located within the Berbera Economic Zone (BEZ). This UAE-based international food group's strategic investment in Somaliland highlights the transformative potential of industrial collaboration in enhancing trade, creating jobs, and fostering regional development.

IFFCO's establishment of a state-of-the-art edible oil packing facility marks a significant milestone in Somaliland's industrial journey. By importing raw palm oil from Malaysia and Indonesia, processing and packaging it into bottles ranging from 5 to 20 liters, and exporting the final products to Ethiopia and other Horn of Africa nations, this initiative positions Somaliland as a critical link in the regional food supply chain.

### **Facility Overview**

IFFCO has invested in a 300,000-square-foot facility under a 25-year lease agreement with DP World, the operator of the BEZ. The factory's primary function is to process and package palm oil products efficiently for export. With plans for an additional 300,000 square feet in future phases, the facility is poised to significantly expand its operational scope and regional impact.

Key Features of the Facility:

- **Processing Operations:** Imports raw palm oil from Malaysia and Indonesia, processes it, and packages it in various bottle sizes (5 to 20 liters).
- **Strategic Export Hub:** Targets Ethiopia, Somaliland, Djibouti, and Somalia as primary markets, utilizing the BEZ's proximity to Berbera Port for seamless logistics.
- **Job Creation:** Hundreds of local Somalilanders are employed during the construction and operational phases, contributing to local skill development and economic empowerment.

### **Detailed Inspection of Operations**

#### *1. Raw Material Handling and Processing*

The visit began with a tour of the raw material storage and processing areas. Imported palm oil from Malaysia and Indonesia is received in bulk and stored in advanced tanks designed to maintain product quality. The facility's processing line efficiently molds bottles and fills them with palm oil, ensuring precision and minimal wastage. The automation of the molding and filling processes enhances production speed and consistency, meeting high-volume demands.



## *2. Packaging and Storage*

The packaging section of the facility houses equipment capable of producing bottles in sizes ranging from 5 liters to 20 liters. This flexibility allows IFFCO to cater to diverse market preferences. Once packaged, the products are stored in a dedicated warehouse that facilitates quick dispatch to export destinations, particularly Ethiopia, the factory's primary market.

## *3. Export and Distribution*

IFFCO leverages the integrated logistics capabilities of the Berbera Port and BEZ. The proximity to Ethiopia ensures reduced lead times for shipments, enhancing trade efficiency. This seamless supply chain underscores the strategic importance of BEZ in connecting Somaliland to the broader Horn of Africa market, which serves over 140 million consumers.

## **Economic and Regional Impact**

IFFCO's investment in Somaliland brings multifaceted benefits to the nation and the region:

1. **Job Creation:** The facility has generated hundreds of jobs, providing valuable opportunities for Somalilanders and contributing to the local economy.
2. **Trade Growth:** By positioning Somaliland as a hub for food product exports, IFFCO strengthens trade ties with Ethiopia, Djibouti, Somalia, and other regional markets.
3. **Industrial Development:** The factory exemplifies modern industrial practices, introducing advanced processing and packaging technology to Somaliland.
4. **BEZ's Role in Economic Growth:** The Berbera Economic Zone's integration with Berbera Port establishes a world-class trading ecosystem, modeled after Dubai's Jebel Ali Free Zone.

## **Strategic Importance of IFFCO's Investment**

The IFFCO facility's location within BEZ provides significant logistical advantages. The zone's infrastructure, supported by DP World, facilitates streamlined operations and quick access to shipping routes. This strategic positioning enhances Somaliland's ability to attract further foreign investment and integrate into global supply chains.

Additionally, the project directly contributes to food supply chain efficiency across the Horn of Africa, a region with rising consumer demand. By reducing shipment lead times and ensuring consistent product availability, IFFCO strengthens its role as a trusted supplier of edible oils.

## **Ministerial Reflections and Recommendations**



This visit reaffirmed the critical role that strategic investments like IFFCO's play in Somaliland's economic development. The factory represents a model for future industrial projects in the country. To maximize the impact of this initiative, I recommend the following:

1. **Expand Production Capacity:** Future phases should include scaling operations to meet growing demand across regional and international markets.
2. **Facilitate Regional Trade Agreements:** Strengthen bilateral trade relationships with Ethiopia and other neighboring countries to ensure seamless export processes.
3. **Promote Local Workforce Development:** Enhance training programs to equip Somalilanders with the skills needed to operate advanced processing and packaging machinery.
4. **Invest in Renewable Energy:** Explore renewable energy solutions to reduce operational costs and promote sustainable practices.

IFFCO's edible oil packing facility is a testament to the potential of strategic industrial investments in Somaliland. By integrating advanced technology, creating jobs, and establishing Somaliland as a regional trade hub, IFFCO sets a benchmark for innovation and growth in the food processing industry.

The Ministry of Investment and Industrial Development remains committed to supporting initiatives like IFFCO's. Together, we are building a stronger, self-reliant Somaliland that plays a pivotal role in the Horn of Africa's economic and industrial development.



## Zakia Fishing Company

As the Minister of Investment and Industrial Development, I recently had the privilege of visiting **Zakia Fishing Company**, a pioneering enterprise that has significantly contributed to Somaliland's fishing sector. Established in 2012, Zakia Fishing Company has grown from serving local markets to becoming a key player in regional exports and a leader in sustainable fishing practices. This visit provided valuable insights into the company's operations, achievements, and its role in driving economic development in Somaliland's coastal regions.

### Facility Overview

Zakia Fishing Company operates one of the largest fishing facilities in Somaliland, located in Berbera. The company has a diverse fleet of small, medium, and large boats, including vessels equipped with **purse seine nets** that allow for efficient and large-scale fishing operations. Its operations span Somaliland's 850 km coastline, with plans to expand to additional towns and villages to create employment opportunities and promote regional development.

Key Features of Zakia Fishing Company:

- **Modern Fish Processing Facility:** A 40,000 square meter plant supporting the production of dried fish, frozen fish fillets, and frozen packaged fish for domestic and international markets.
- **Fleet Expansion:** With the support of **Shuraako**, Zakia expanded its fleet by 50%, acquiring an ice-making machine, generator, and refrigerated truck to enhance operational efficiency and reduce post-harvest losses.
- **Sustainability and Community Focus:** The company is committed to sustainable fishing practices and provides training for employees in modern techniques and equipment usage.

### Detailed Inspection of Operations

#### *1. Fishing Fleet and Operations*

The visit began with a review of Zakia's diverse fleet of fishing vessels, which include small boats for coastal fishing and larger vessels equipped for extended operations. The addition of purse seine nets has enabled the company to significantly increase its catch volume while maintaining sustainable practices.

#### *2. Processing Facility*

The tour included an inspection of the company's state-of-the-art fish processing plant. The facility, spanning 40,000 square meters, includes sections for drying, freezing, and packaging



fish products. The processing line ensures that all products meet stringent quality standards, catering to both local markets and international export requirements.

### *3. Cold Chain Infrastructure*

Zakia has invested in essential equipment such as an **ice-making machine, generator, and refrigerated truck** to preserve the freshness and quality of its catch during transportation. These advancements have minimized post-harvest losses, ensuring that products reach markets in optimal condition.

### *4. Sustainability and Training*

The company's commitment to sustainability was evident in its efforts to train employees in modern fishing techniques and responsible resource management. Zakia actively collaborates with local communities to promote sustainable practices and supports employment opportunities along the coastline.

## **Economic and Regional Impact**

Zakia Fishing Company's contributions to Somaliland's economy and fishing industry are substantial:

- 1. Job Creation:**
  - The company directly employs a significant number of workers in fishing, processing, and logistics.
  - Plans to expand operations to other coastal towns will create additional job opportunities for local communities.
- 2. Export Growth:**
  - Zakia's products, including frozen fish fillets and dried fish, serve both domestic and regional markets, enhancing Somaliland's export profile.
- 3. Sustainability Leadership:**
  - The company's focus on sustainable practices ensures the long-term viability of Somaliland's marine resources.
  - Training initiatives contribute to the professional development of its workforce and the adoption of modern techniques in the fishing industry.
- 4. Reduction in Post-Harvest Losses:**
  - Investments in cold chain infrastructure, such as refrigerated trucks and ice-making machines, have improved the quality of products reaching local and international markets.

## **Ministerial Observations and Recommendations**



Zakia Fishing Company exemplifies the potential of Somaliland's fishing sector to drive economic growth, create jobs, and support regional trade. The company's strategic investments, commitment to quality, and focus on sustainability set a benchmark for the industry.

To further enhance Zakia's impact and support the fishing sector, I recommend the following:

1. **Expand Fleet Capacity:** Encourage further fleet expansion to increase catch volumes sustainably and enhance export potential.
2. **Support Export Market Development:** Collaborate with Zakia to access new export markets and strengthen existing trade ties, particularly in the Gulf and East Africa regions.
3. **Promote Regional Development:** Facilitate the company's plans to expand operations to additional towns and villages, creating jobs and fostering economic growth in coastal communities.
4. **Government-Private Sector Collaboration:** Enhance partnerships with private sector leaders like Zakia to develop policies that promote sustainable fishing and reduce environmental impact.

## Conclusion

Zakia Fishing Company represents the best of Somaliland's fishing industry: innovation, sustainability, and a commitment to community development. Its investments in modern facilities and equipment, coupled with its focus on training and sustainability, have elevated Somaliland's fishing sector to new heights.

The Ministry of Investment and Industrial Development remains committed to supporting Zakia and similar enterprises as we work together to unlock the full potential of Somaliland's coastal resources. With strategic investments and collaborative efforts, we are building a resilient and thriving economy for Somaliland.



## Comprehensive Conclusion and Key Takeaways

The two-day site visit from January 21st to 22nd, 2025, to **14 factories and investment projects** in Berbera provided an in-depth understanding of the progress, challenges, and potential of Somaliland's burgeoning industrial and economic landscape. This strategic visit, led by the Minister of Investment and Industrial Development, showcased the transformative impact of the **Somaliland Investment Act** in fostering an investor-friendly environment and driving the nation's industrial development.

Berbera, with its proximity to the Gulf of Aden and the Berbera Port, is undeniably the epicenter of Somaliland's economic transformation. The visited projects—spanning diverse industries such as cement production, fuel storage, seafood processing, flour milling, steel manufacturing, and logistics—reflect the growing diversity and ambition of Somaliland's industrial sector. Together, these investments underscore the government's commitment to building a self-reliant economy that creates jobs, reduces import dependency, and positions Somaliland as a key regional hub for trade and manufacturing.

### Key Takeaways from the Trip

#### *1. Industrial Growth Fueled by Strategic Investments*

The factories and projects visited during the trip represent a cross-section of industries that are fundamental to Somaliland's economic development. Investments in infrastructure, food production, fuel storage, and light manufacturing are accelerating Somaliland's journey toward industrial self-sufficiency and export readiness. The willingness of investors to capitalize on opportunities within Somaliland is a testament to the success of the **Somaliland Investment Act** and the government's proactive policies.

#### *2. Job Creation and Skills Development*

Each factory and project visited demonstrated its contribution to tackling one of Somaliland's critical challenges—youth unemployment. From manufacturing and logistics to energy and food processing, these industries are creating thousands of direct and indirect jobs, providing opportunities for skilled graduates, laborers, and local communities. The government recognizes that continued investment in workforce training and development will be essential to sustaining and expanding these employment opportunities.

#### *3. Advancing Somaliland's Regional Role*

With projects such as the Berbera Economic Zone (BEZ), the Regional Fuel Storage (RFS) Depot, and the Horn Cement Factory, Somaliland is positioning itself as a key logistics and manufacturing hub in the Horn of Africa. The strategic location of Berbera and its world-class port infrastructure provide unparalleled access to regional markets such as Ethiopia, Djibouti,



and the Gulf states. The integration of trade and manufacturing facilities within Berbera underscores Somaliland's potential to play a leading role in the regional economy.

#### *4. Promoting Export-Oriented Industries*

Several visited factories, including **Somtuna Fishing Company**, **Zakia Fishing Company**, and **IFFCO**, are focused on producing high-quality products for both domestic consumption and export. These industries not only reduce import dependency but also enhance Somaliland's trade balance by generating foreign exchange revenues. Somaliland's ability to leverage its resources and strategic location for exports is a critical element of its economic strategy.

#### *5. Opportunities for Public-Private Partnerships (PPPs)*

The visit highlighted the untapped potential of public-private partnerships in addressing challenges such as capital investment, technological upgrades, and skilled labor shortages. Facilities like the **Berbera Cement Factory** demonstrated the importance of government-led initiatives to revitalize dormant assets through partnerships with private sector stakeholders. The government is committed to fostering such collaborations to maximize the impact of investments.

#### *6. Addressing Challenges and Enabling Growth*

While the trip showcased impressive progress, it also revealed several areas that require focused attention:

- **Infrastructure Development:** Continued investment in road networks, utilities, and port logistics is needed to support growing industries.
- **Financing and Capital:** Some projects, particularly the revitalization of older facilities like the Berbera Cement Factory, require substantial financial investment and modernization.
- **Policy Support:** Streamlining bureaucratic processes and addressing regulatory hurdles will be key to attracting further foreign direct investment (FDI).

### **Vision for the Future**

The trip underscored the significant strides Somaliland has made in industrial development and regional integration. However, the journey is far from complete. The Ministry of Investment and Industrial Development is committed to the following key actions to build upon the momentum:

1. **Accelerate Industrialization:** Prioritize industries that drive job creation, economic diversification, and infrastructure development.
2. **Enhance Investment Promotion:** Leverage platforms such as the Berbera Economic Zone (BEZ) to attract global investors and promote Somaliland as a destination for FDI.



3. **Strengthen Regional Trade Links:** Finalize critical transit and trade agreements with Ethiopia and other neighbors to enhance Somaliland's role as a regional logistics hub.
4. **Revitalize Dormant Assets:** Lead the revitalization of government-owned facilities, such as the Berbera Cement Factory, to unlock their potential and drive industrial growth.
5. **Foster Sustainability:** Ensure all investments align with global sustainability standards, minimizing environmental impact while maximizing economic benefits.

## Conclusion

The visits to the factories and investment projects in Berbera revealed the immense potential Somaliland holds as a regional leader in trade, logistics, and manufacturing. The commitment of investors, combined with the government's proactive support through policies like the Somaliland Investment Act, is laying the foundation for a resilient and self-reliant economy.

The Ministry of Investment and Industrial Development will continue to support these transformative projects, ensuring that Somaliland's industrial ambitions are realized. Together, we are building an economy that creates jobs, reduces poverty, and positions Somaliland as a beacon of progress in the Horn of Africa.