



2014 Minerals Yearbook

SOMALIA

THE MINERAL INDUSTRY OF SOMALIA

By Waseem A. Abdulameer

The Federal Republic of Somalia has a coastline longer than 3,000 kilometers (km) on the Indian Ocean and forms the Horn of Africa at the southern entrance of the Red Sea. Regional and local governing bodies, including the self-declared Republic of Somaliland in northwestern Somalia, the semiautonomous State of Puntland in northeastern Somalia, and south-central Somalia (Mogadishu), controlled parts of the country. Most of the country's mineral resources were yet to be exploited owing to the lack of updated geologic surveys and maps as well as continued civil unrest in the country. In recent years, artisanal production of metallic minerals, including niobium (columbium) and tantalum, and nonmetallic minerals, including gemstones, granite, gypsum, kaolin, salt, and sepiolite, was reported in the country. Artisanal mining of rock salt was reported from the Ba'adweyn, the Hiilabi, and the Warshuba areas in Galgaduud and in other places in central Somalia. Sea salt was produced from seawater by evaporation in Lower Juba on the Kudha shores on the southeastern coast of Somalia and in Jasiira, which is south of Mogadishu. Sepiolite occurrences were reported in the El Bur area, including the Playa-flat deposits in central Somalia that were expected to be among the largest in the world, in addition to the Indho Qabyo prospect with an estimated 19 million metric tons (Mt) of sepiolite resources. Occurrences of simpsonite (high-grade aluminum tantalite) were reported in East Berbera. The northern Somali basement complex consists of high-grade metamorphic rocks that enclose greenstone belts thought to contain evidence of volcanogenic gold-rich base-metal deposits. Previous surveys indicated copper-bearing quartzite at Bohl in Somaliland. Resources of an estimated 394 Mt of low-grade iron ore (38.7% Fe) were surveyed at the Bur Galan area and 30 Mt of iron ore grading (38.7% Fe) were reported at the Dahimir area in western Mogadishu (International Trade Center, 2014, p. 13; Fortune of Africa, 2015; Somali Development and Reconstruction Bank, 2015; Trade-invest Somalia, 2015, p. 4–8, 10; U.S. Central Intelligence Agency, 2015; U.S. Department of State, 2015; World Agroforestry Centre, 2015, p. 263–264).

Somalia's gross domestic product (GDP), which was estimated to be \$5.9 billion in 2010 based on purchasing power parity, was estimated to have increased by 5.5% in 2013 from that of 2010. Comprehensive data on the country's GDP growth rate in 2014 were unavailable. Agriculture was the basis of Somalia's economy and accounted for about 60% of its GDP and 65% of its total workforce in 2013 (the latest year for which data were available); however, scrap metal and nonmetallic mineral commodities were exported. In 2013 (the latest year for which comprehensive data were available), Somalia's major trade partners were Djibouti, Kenya, Oman, United Arab Emirates, and Yemen. The United Arab Emirates received about 47% of Somalia's total exports, followed by Yemen (20%), and Oman (13%). Djibouti was Somalia's major supplier of goods and accounted for about 22% of the country's total

imports, followed by Oman (16%), and Kenya (11%) (African Development Bank Group, 2015; Australian Government, 2015; Dualeh, 2015; U.S. Central Intelligence Agency 2015).

According to the International Trade Center, the value of Somalia's exports increased by about 130% from 2009 through 2013 owing to enhanced private sector competitiveness and global trade growth. Small-scale minerals exports were reported in Somalia from 2009 through 2013. Niobium (columbium) and tantalum ores and concentrates accounted for 93% of Somalia's total minerals exports in 2009 and were mainly shipped to Pakistan, the Philippines, and Qatar; they accounted for about 97% of Somalia's total minerals exports in 2013 and were mainly shipped to China, India, and Turkey (International Trade Center, 2014, p. 10).

Somalia mainly imported minerals as mineral fuel (petroleum) for local consumption. In 2013, Somalia consumed about 2 million barrels of petroleum products, including crude oil and other petroleum oils, which came mainly from Oman, Tanzania, and Turkey (Chernyshev, 2014; International Trade Center, 2014, p. 13).

Government Policies and Programs

Article (43) of the Provisional Constitution of the Federal Republic of Somalia, which was adopted in August 2012, stated the Federal Government is responsible for land development and policies in Somalia. Federal member-states may formulate land policies at the State level. Articles (44) and (45) of the Somali Provisional Constitution state that the Federal Government of Somalia is responsible for allocating the country's natural resources in conjunction with federal member-states, and the Federal Government should set priorities for environmental and natural resource development and protection in the country (Federal Republic of Somalia, 2012, p. 11–12).

In 2013, the Federal Government of Somalia developed a 2-year Economic Recovery Plan (ERP) for 2014–2015. The ERP established a framework to rebuild the economy and increase the level of Government services and programs. However, continued political tension and escalating violence slowed implementation significantly (Dualeh, 2015).

By yearend 2014, alleged illegal mining activities that were carried out by ARC Inc. of China in the Borama District, which is located in the Awdal region in Somaliland, increased political tension between Somalia's Federal Government and the government of Somaliland. The Ministry of Petroleum and Mineral Resources of Somalia claimed that such mining activities caused clan tensions locally and were expected to cause negative environmental effects in the area (World Bulletin News, 2015).

Production

Mineral production data have continued to be unavailable owing to the lack of a fully functioning central Government

since 1991 and the armed conflict that pervaded most of the country.

Structure of the Mineral Industry

Berbera Marble & Granite Factory produced granite, marble, and sandstone. Gemstone-mining and salt-mining operations in Somaliland appeared to be artisanal or small scale in nature.

Commodity Review

Industrial Minerals

Cement.—In September 2014, Raysut Cement Co. of Oman announced a \$7.5 million agreement with Barwaaquo Cement Co. of Somaliland to construct a cement terminal at the port city of Berbera on the Gulf of Aden. The terminal was expected to have a cement distribution, packing, and storage facility, including three silos that could hold 12,000 metric tons of cement. The project was expected to be completed by yearend 2015 (Fahy, 2014; Global Cement, 2014).

Mineral Fuels

Natural Gas and Petroleum.—Soma Oil and Gas Exploration Ltd., which was a wholly owned subsidiary of Soma Oil and Gas Holdings Ltd. of the United Kingdom, completed a two-dimensional seismic survey of offshore Somalia in mid-2014. The seismic survey, which was carried out by SeaBird Exploration plc of Cyprus, covered about 20,500 km of offshore Somalia on the Indian Ocean. Recovered data were expected to be processed by yearend 2014. The seismic survey, which was based on an agreement between Soma Oil and Gas Exploration Ltd. and Somalia's Ministry of Natural Resources in August 2013, was completed in 100 days (Offshore Technology, 2014; Soma Oil and Gas Holdings Ltd., 2014).

In August 2012, Genel Energy plc, which was a 50–50 joint venture between Vallares plc of the United Kingdom and Genel Energy Int. of Turkey, was awarded exploration licenses in five petroleum blocks, SL–6, SL–7, SL–10A, SL–10B, and SL–13, over an estimated area of 40,300 square kilometers (km²) in Somaliland. The company targeted resources estimated at about 1 billion barrels (Gbb) in Blocks SL–10B and SL–13 in addition to another estimated 1 Gbb at the Odewayne Block. The company halted its activities in September 2013 owing to security concerns. By yearend 2014, the company was planning to resume its activities (Abiikar, 2014; Genel Energy plc, 2014; Williamson, 2014).

In 2014, exploration continued at the Dharoor Valley and Nuggal Valley sites in the semiautonomous State of Puntland in northern Somalia. Exploration activities were managed through a production sharing agreement by Horn Petroleum Corp. of Canada (60%), Range Resources Ltd. of Australia (20%), and Red Emperor Resources NL of Australia (20%) (Africa Oil Corp., 2015; Range Resources Ltd., 2015; Red Emperor Resources NL, 2015).

DNO Somaliland, which was a subsidiary of DNO ASA of Norway, entered into a petroleum exploration and extraction agreement with the self-declared Republic of Somaliland in

April 2013. The company was expected to start its exploration at Block SL–18 by yearend 2014. The exploration license was expected to cover about 12,000 km² within the company's onshore operations area (Abiikar, 2014; Hasan, 2014).

Ophir Energy plc of the United Kingdom, which held a 25% nonoperating interest in a petroleum exploration contract in Berbera for Blocks SL–9 and SL–12 with the Republic of Somaliland, agreed to give a 50% stake to RAK Gas LLC of the United Arab Emirates by yearend 2013. RAK Gas agreed to carry out the seismic survey on behalf of Ophir Energy by yearend 2014 (Ophir Energy plc, 2014, p. 11; Somaliland Sun, 2014).

By yearend 2014, Horn Petroleum Corp. informed the leadership of the semiautonomous State of Puntland that the company was planning a significant reduction in its presence at Bosaso. The company decided to halt its activities in the area and planned to withdraw from the area owing to the political tension between the governing body of Puntland and the Federal Government of Somalia regarding the legitimacy of petroleum exploration concessions at the Dharoor and Nuggal Blocks in the self-governed area of the country (Horn Petroleum Corp., 2014).

References Cited

- Abiikar, Abdulkadir, 2014, The status of oil and gas exploration in Somalia: Somali Current, April. (Accessed June 3, 2015, at <http://www.somalicurrent.com/wp-content/uploads/2014/04/The-status-of-oil-and-gas-exploration-in-Somalia.docx>.)
- African Development Bank Group, 2015, Somalia economic outlook: African Development Bank Group. (Accessed June 5, 2015, at <http://www.afdb.org/en/countries/east-africa/somalia/somalia-economic-outlook/>.)
- Africa Oil Corp., 2015, Africa Oil Corp. block interests as of January 2014—Somalia (Puntland): Africa Oil Corp., January. (Accessed June 15, 2015, at <http://www.africaoilcorp.com/s/Somalia.asp>.)
- Australian Government, 2015, General information—Somalia: Australian Government. (Accessed June 7, 2015, at <http://dfat.gov.au/trade/resources/documents/soml.pdf>.)
- Chernyshev, Denis, 2014, Somalia total petroleum consumption 1980–2013: Open data for Africa. (Accessed June 10, 2015, at <http://somalia.opendataforafrica.org/pqkervd/somalia-total-petroleum-consumption-1980-2013>.)
- Dualeh, Ahmed, 2015, Somalia: African Economic Outlook. (Accessed June 6, 2015, at http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2014/PDF/CN_Long_EN/Somalia_EN.pdf.)
- Fahy, Michael, 2014, Oman's RCC and Barwaaquo Co. strike cement storage partnership deal—Somaliland: Somaliland Sun, September 14. (Accessed June 12, 2015, at <http://somalilandsun.com/index.php/economic/6433-somaliland-omans-rcc-and-barwaaquo-co-strike-cement-storage-partnership-deal->.)
- Federal Republic of Somalia, 2012, Provisional constitution: Federal Republic of Somalia, August 1, 56 p. (Accessed June 3, 2015, at <http://unpos.unmissions.org/LinkClick.aspx?fileticket=RkJTOSpoMME=&>.)
- Fortune of Africa, 2015, Mining industry—Somalia: Fortune of Africa. (Accessed June 3, 2015, at <http://fortuneofafrica.com/somalia/mining-industry/>.)
- Genel Energy plc, 2014, Our operations in Somaliland: Genel Energy plc. (Accessed May 15, 2015, at <http://www.genelenergy.com/operations/somaliland.aspx>.)
- Global Cement, 2014, Raysut Cement Co. and Barwaaquo to build a cement terminal in Somaliland: Global Cement, September 17. (Accessed May 16, 2015, at <http://www.globalcement.com/news/item/2884-raysut-cement-and-barwaaquo-to-build-a-cement-terminal-in-somaliland>.)
- Hasan, Yusuf, 2014, DNO International launches oil and mineral exploration—Somaliland: Somaliland Sun, January 7. (Accessed May 22, 2015, at <http://somalilandsun.com/index.php/economic/4683-somaliland-dno-international-launches-oil-and-mineral-exploration>.)
- Horn Petroleum Corp., 2014, Dharoor and Nuggal blocks: Horn Petroleum Corp. (Accessed June 8, 2015, at http://www.africaenergycorp.com/s/Dharoor_Nugaal_Block.asp.)

- International Trade Center, 2014, ITC by country report—Somalia: International Trade Center, December 5, 26 p. (Accessed May 15, 2015, at <http://www.intracen.org/layouts/downloadcountryreport.aspx?id=579>.)
- Offshore Technology, 2014, Somalia offshore seismic acquisition program: Offshore Technology, June 9. (Accessed June 3, 2015, at <http://www.offshore-technology.com/news/newssoma-oil-gas-completes-somalia-offshore-seismic-acquisition-programme-4288159>.)
- Ophir Energy plc, 2014, Preliminary results for the year ended 31 December 2013: Ophir Energy plc, March 20, 29 p. (Accessed June 11, 2015, at <http://www.ophir-energy.com/media/66268/2014-03-20-fy2013-results-final-v2.pdf>.)
- Range Resources Ltd., 2015, Company profile: Range Resources Ltd. (Accessed May 12, 2015, at <http://www.rangeresources.co.uk/about.asp>.)
- Red Emperor Resources NL, 2015, Company profile: Red Emperor Resources NL. (Accessed May 16, 2015, at <http://redemperresources.com/company-profile/>.)
- Soma Oil and Gas Holdings Ltd., 2014, Audited annual report and financial statements for period ended 31 December: Soma Oil and Gas Holdings Ltd., September 24. (Accessed June 3, 2015, at <http://www.somaoilandgas.com/news/12>.)
- Somali Development and Reconstruction Bank, 2015, Mining and energy: Somali Development and Reconstruction Bank. (Accessed May 12, 2015, at <http://www.sodevbank.so/mining-and-energy/>.)
- Somaliland Sun, 2014, RAK GAS LLC embarks on oil exploration and extraction—Somaliland: Somaliland Sun, January 12. (Accessed June 4, 2015, at <http://somalilandsun.com/index.php/economic/4735-somaliland-rak-gas-llc-embarks-on-oil-exploration-and-extraction->.)
- Trade-invest Somalia, 2015, Minerals of Somalia—Fact sheet: London, United Kingdom, Trade-invest Somalia, 11 p.
- U.S. Central Intelligence Agency, 2015, Somalia, in *The world factbook*: U.S. Central Intelligence Agency, July 15. (Accessed March 19, 2011, at <https://www.cia.gov/library/publications/the-world-factbook/geos/so.html>.)
- U.S. Department of State, 2015, U.S. relations with Somalia: U.S. Department of State fact sheet, June 15. (Accessed July 29, 2015, at <http://www.state.gov/r/pa/ei/bgn/2863.htm#>.)
- Williamson, Rachel, 2014, Somaliland, oil and security—Briefing: IRIN News, August 7. (Accessed June 3, 2015, at <http://www.irinnews.org/report/100460/briefing-somaliland-oil-and-security>.)
- World Agroforestry Centre, 2015, Rocks for crops—Agrominerals of Sub-Saharan Africa: World Agroforestry Centre, 348 p. (Accessed June 4, 2015, at http://worldagroforestry.org/Units/Library/Books/PDFs/11_Rocks_for_crops.pdf.)
- World Bulletin News, 2015, Somalia expels Chinese firm for “illegal mining”: World Bulletin News, January 7. (Accessed June 3, 2015, at <http://www.worldbulletin.net/news/152452/somalia-expels-chinese-firm-for-illegal-mining>.)