



# 2007 Minerals Yearbook

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## SOMALIA

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# THE MINERAL INDUSTRY OF SOMALIA

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Somalia, which is an East African country located on the Gulf of Aden and the Indian Ocean, produced small quantities of gemstones and salt. The mineral industry made a small contribution to Somalia's exports and economy in general.

Civil war continued in Somalia in 2007. Ethiopian military forces and the Transitional Federal Government engaged in combat with various antigovernment elements in Mogadishu. In northern Somalia, the semiautonomous region of Puntland and the self-declared Republic of Somaliland (which maintains a separate regional governing authority) engaged in armed conflict over an unresolved border dispute. Maakhir, which was part of the territory disputed by Puntland and Somaliland, declared autonomy from Puntland, Somalia, and Somaliland. Somaliland's declaration of independence in 1991 and Puntland and Maakhir's declarations of autonomy in 1998 and 2007, respectively, have not been internationally recognized (Hassan, 2007; Human Rights Watch, 2007).

## Production

Mineral production data continued to be unavailable because of the lack of a functioning central Government since 1991 and the conflict that pervaded most of the country. The war forced the closure of Somalia's oil refinery and cement plant in 1991 and 1996, respectively.

## Structure of the Mineral Industry

Gemstone and salt producers appear to be artisanal and small-scale in nature. The cement plant and refinery were operated by parastatal companies before their closure. The collapse of the central Government in 1991 led to ambiguity over mineral rights.

## Commodity Review

### *Industrial Minerals*

**Cement and Gypsum.**—In 2006, the governing authorities of Somaliland signed an agreement with Sougueta Engineering AG of Germany to build a cement plant and open a gypsum mine. The cost of the cement plant, the mine, and a new coal-fired powerplant was estimated to be between \$200 million and \$300 million (Indian Ocean Newsletter, 2006).

### *Mineral Fuels*

**Petroleum.**—In January 2007, Africa Oil Ltd. of Canada and Range Resources Ltd. of Australia signed a production-sharing agreement with the governing authorities of Puntland. The companies planned to start a drilling program in the Nogal Block in early 2008 (Range Resources Ltd., 2007, p. 6-7).

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