



2006 Minerals Yearbook

SOMALIA

THE MINERAL INDUSTRY OF SOMALIA

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Somalia is an East African country located on the Gulf of Aden and the Indian Ocean that produced small quantities of gemstones and salt. The country also had deposits of feldspar, gypsum, iron ore, kaolin, limestone, natural gas, quartz, silica sand, tantalum, tin, and uranium. The mineral industry made a small contribution to Somalia's exports and economy in general.

Civil war continued in Somalia in 2006. In June, the Union of Islamic Courts (UIC) took control of Mogadishu and most of southern Somalia from regional warlords. In late December, the Transitional Federal Government (TFG) and Ethiopian military forces drove the UIC from most of the territory that it controlled (United Nations Integrated Regional Information Networks, 2006).

The collapse of the central Government in 1991 led to ambiguity over mineral rights. The governing authority of Somaliland (a region in northern Somalia) granted East African Mining Corp. Ltd. exclusive rights to explore all mineral deposits in Somaliland. The company planned to start producing gemstones and marble in the Berbera area in mid-2006. Somaliland's declaration of independence in 1991 has not been internationally recognized.

In June 2006, Range Resources Ltd. of Australia announced that its agreement with the governing authority of Puntland (which is located to the east of Somaliland) that gave the company a majority interest in the rights to all mineral and mineral fuel exploration in Puntland was supported by the TFG. The agreement was previously declared to be invalid on the grounds that only the national Government had the authority to negotiate mineral rights. Range planned to farm out or form

joint-venture agreements for some properties (Range Resources Ltd., 2006).

Production

Mineral production and trade 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 cement plant and oil refinery. The Indian Ocean tsunami of December 26, 2004, disrupted salt production in Hurdiye in late 2004 and early 2005; it is unclear to what extent output has recovered (United Nations World Food Programme, 2005).

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 prior to their closure.

References Cited

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