

The Future of Somaliland Livestock Exports: Examining the Sustainability of Livestock Trade

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Abstract

Livestock is considered as the largest and most crucial sector of Somaliland economy, in terms of employment and income generation. Livestock production is so paramount that it employs over 70 percent of the population and contributes 60 percent of the country's Gross Domestic Product and 85 percent of the export earnings. Taking its importance into account, livestock production recently faced numerous challenges which are likely to put at risk the sustainability of livestock trade and the future of its exports. This study aims to probe the sustainability of Somaliland livestock trade and the future of its exports. It specifically examines the effect of natural environmental factors, institutional factors, competition from neighboring countries and threats originating from export destinations. Given the impact of both internal and external factors, the study finds that the sustainability of Somaliland livestock trade is in jeopardy, while the future of livestock exports is not bright.

Keywords: Livestock production, livestock trade, nomadic pastoralism, Somaliland.

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Introduction

Livestock is a significant sector and asset globally with a value of not less than \$1.4 trillion (Thornton, 2010). According to Thornton et al. (2006) (cited in Thornton, 2010: 2853), "[t]he livestock sector is increasingly organized in long market chains that employ

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at least 1.3 billion people globally and directly support the livelihoods of 600 million poor smallholder farmers in the developing world”. Majority of the developing countries mainly export primary or unmanufactured products such as agricultural, livestock and mineral products. In the developing countries, livestock contributes 33 percent share to the agricultural GDP (Thornton, 2010). A number of Sub-Saharan African countries, those in East Africa in particular, profoundly depend on the exports of livestock. Livestock is, thus, a vital economic sector in these countries and substantially contributes to the GDP as well as to the national economies as a whole. In this age of globalization, nations are highly interdependent economically due to not only the flow of goods but also the flow of services, capital, and people (Salvatore, 2013).

Livestock is considered as the largest and most crucial sector of Somaliland economy, in terms of employment and income generation. Livestock production is so paramount that it employs over 70 percent of the population and contributes 60 percent of the country’s Gross Domestic Product and 85 percent of the export earnings (Ministry of National Planning and Development, 2015). However, the livestock sector had 29.5 percent share of the total GDP – the first estimation of the country’s GDP conducted by the World Bank and the Ministry of National Planning and Development – in 2012 (World Bank & Ministry of National Planning and Development, 2014). Livestock is the principal product that Somaliland exports to the foreign markets – mainly to Gulf Countries such as Saudi Arabia and Yemen. Between 2010 and 2014, the country’s livestock exports were estimated to be around 16.3 million heads, 3.5 million heads of which were exported in 2012 alone. Livestock exports are often accompanied by its byproducts (i.e. hides and skins); in 2011, approximately 13.6 million pieces were exported (Ministry of National Planning and Development, 2015; Muhumed, 2016).

In addition to the significance of the livestock sector, Somaliland economy heavily depends on international trade (exports and imports) as the ever-increasing volume of international trade led to growing interdependence among nations. In 2012, export levies and import taxes contributed over 50 percent of the nation’s revenue. Additionally, the economy is described as a very open economy with a ratio of imports plus exports to GDP of 91.5 percent, the 7th highest in Sub-Saharan Africa and 45th highest in the world (World Bank and Ministry of National Planning and Development, 2014). However, given that country’s imports exceed its exports, the trade deficit is substantial, financed by remittances and aid contributions.

Taking its importance into account, livestock production recently faced numerous challenges which are likely to put at risk the sustainability of livestock trade and the future of its exports. These factors can be categorized into internal and external factors. Major internal factors include natural environmental factors – recurrent droughts, environmental degradation, and climate change –; urbanization and transformation of rural lifestyle; absence of formal livestock market and functioning financial system. Poor infrastructure and local price and exchange rate fluctuations also play a role. Among the external factors is growing competition from neighboring countries (Djibouti and Ethiopia), and threats originating from foreign markets and livestock export destinations (Saudi Arabia in particular).

This study aims to probe the sustainability of Somaliland livestock trade and the future of its exports. It specifically examines the determinants and/or factors that may influence the sustainability of livestock trade including the above mentioned natural environmental factors, institutional factors, competition from neighboring countries and threats originating from export destinations.

The study employs both primary and secondary data. As far as the primary data is concerned, extensive interviews were conducted between January and February 2018 in Marodijeh and Togdheer regions to reach out to stakeholders. Among the targeted stakeholders are producers (nomadic pastoralists), brokers, livestock traders, and government institutions – Ministry of Livestock, Ministry of Environment and Rural Development and Chamber of Commerce.

Internal Factors

Recurrent Droughts

Being a semi-arid land with a limited rainfall annually, the country is prone to repeated droughts. Nomadic pastoralists in Somaliland have experienced droughts since time immemorial but recording their dates, names, and magnitude dates back to the colonial era as the Somaliland British Protectorate administrations documented them. Droughts are more repeated recently than 20th century when the region experienced drought in every ten years (ITV, 2017).

The overall rainfall has been declining over the last three decades in many parts of the country not to mention that it failed in various areas. This shortage of rainfall apparently led to prolonged and more destructive droughts. Since late 2015, Somaliland experienced severe droughts which lasted over two consecutive years. These droughts affected the pastoralists and their livestock considerably; they led to the death of livestock and drop of livestock populations. Rageh Omaar, an international affairs editor of ITV, who traveled across Somaliland in 2017 when droughts were worst also reported that ten of the eighteen million total livestock in Somaliland died because of the droughts (ITV, 2017).

Although the droughts affected the country entirely, they were wider and severe in eastern regions of Togdheer, Sool, and Sanag. With the absence of exact estimations regarding the cost of these droughts, our estimations derived from the interviews of nomadic pastoralists and government institutions reveal that around 60 percent of the total livestock population of Somaliland perished due to the droughts; livestock death was as high as 80 to 90 percent in the eastern regions (interviews from nomadic pastoralists, livestock traders, brokers, and government institutions by the authors between January and February 2018), not to mention that the largest number of livestock lived in these regions.

In Togdheer, droughts were severe in Odweyne, Buhodle and (eastern) Burao districts. In Odweyne for instance, families had between 200 and 300 heads of livestock before the latest droughts but that number fell sharply due to the droughts (A. Mohamed, personal

communication, January 30, 2018). Three families from the same extended family who lived together in Harada, Odweyne had around 900 heads; only 50 heads of their total livestock remained (A. Mohamed, personal communication, January 30, 2018). With 50 heads, the survival of this family is uncertain given that the estimated number of people of such an extended family could be over 15. In the same area, families who used to have 300 heads currently have less than 20 heads (J. Mohamoud, personal communication, January 30, 2018). From eastern Burao to Aynabo (of Sool region), the effect of droughts was more critical that they even led to the death of human being – six people passed away as a result of lack of water (M. Mohamed, personal communication, January 30, 2018). Pastoralist households in this district used to have around 300 to 1000 heads (mainly sheep) but only 23 to 30 heads remained per household after the droughts (M. Ali, personal communication, January 30, 2018). The following shocking story shows the scale of the droughts in this area: A family moved to a new settlement with 700 heads; after few months, the family moved from that same settlement with only 31 heads. 669 heads perished in very short period because of an absence of water and pasture. The head of the family stated, “I did not expect 31 heads would survive from 700 heads unless thunderstorm strikes them” (M. Ali, personal communication, January 30, 2018). Among these highly affected areas of Eastern Burao are Qoryaale, Ina Af Madoobe, War Idaad, Ceel Dheerayaal, Dawacaalayaal, Booraamo, and Diin-Diin. In a nutshell, droughts were more destructive in southern and eastern parts and led to the death of the majority of the livestock populations in these areas.

In Marodijeh region, droughts did not have the same magnitude as Togdheer, even though Marodijeh has less livestock population than Togdheer. Droughts severely affected southern and eastern districts of the region but less in northern and western districts. Western districts like Gebiley are mainly agro-pastoralists and do not predominantly rely on livestock but together with grain farming and crop production. People in these areas are also permanently settled and do not move in search of water and pasture. Livestock death was high in southern Marodijeh, between Balligubadle and Sabowanaag. In Meygaagta area, around 15 heads remained from 450 heads for single family due to the droughts lasted over two years (I. Omer, personal communication, January 18, 2018). Another family in the same area lost 205 of their 220 heads of sheep and goats and 30 of their 40 camels (R. Ali, personal communication, January 18, 2018). Mustafe Ahmed from Balligubadle whom we met in Hargeisa livestock market stated that 60 heads remained from his 250 heads (personal communication, January 18, 2018). He added that he brought few heads to the market to buy fodder for the remaining stock as the drought was still prevalent. Droughts were also severe in northwestern Marodijeh; a large number of the livestock population perished (A. Dhiiriye, personal communication, January 20, 2018).

Recurrent and persistent droughts reduced the livestock population which in turn negatively affected the livestock trade. Burao livestock market, the largest in the Horn of Africa, has been inactive since the 2017 Hajj (September). Due to the droughts and Saudi Arabia’s ban on Somali livestock imports, the market’s trade activities dropped, apart from a small number bought for slaughtering or husbandry (Observations and interviews from Burao livestock market by the authors on 30 January 2018). Being one of the most striking facts to come across, sheep and goats slaughtered in Burao are bought from

Hargeisa livestock market in this period (A. Abdi, personal communication, January 18, 2018). In general, recurrent droughts lead to less number of livestock which in turn lead to lower exports.

Although droughts primarily caused the death of livestock, diseases had a slight contribution. Owing to the absence of pasture resulted from the droughts, the animal immune system becomes weak and the animal body turns out to be vulnerable to diseases. According to the Somaliland livestock ministry, there are around 30 to 40 mobile teams mandated to vaccinate and treat livestock across the country (F. A.Yusuf, personal communication, February 10, 2018). Similarly, there are health posts in all districts and sub-districts of the country, whereby some of the health posts have permanent employee while others have community animal health workers (A. Muse, personal communication, January 30, 2018). In Togdheer, for example, there are over 50 vets available for work excluding those who teach universities who themselves participate the treatment and vaccination campaigns (A. Muse, personal communication, January 30, 2018). The ministry plays both prevention and treatment roles of livestock diseases. Given the role of the ministry, the majority of our interviewees in both Togdheer and Marodijeh complained about lack of support and animal healthcare from the ministry except infrequent vaccinations (Interviews from nomadic pastoralists conducted by the authors between January and February 2018 in Hargeisa and Burao).

Environmental Degradation and Climate Change

In spite of the global climate change occurring with rising temperatures as a result of greenhouse gases emitted by human activities, environmental degradation is alarming in Somaliland. Both natural and man-made factors caused this environmental degradation. Shortage of rainfall, repeated (and more frequent) droughts and wind erosion are among the natural (environmental) factors (Academy for Peace and Development, 2002). Man-made factors include “increase in the number of water points and settlements (two related phenomena, the increase in off-road vehicle traffic, charcoal production, the expansion of enclosures and excessive livestock numbers” (Academy for Peace and Development, 2002: 6), resource competition and overgrazing, and land misuse (F. A.Yusuf, personal communication, February 10, 2018; A. A. Omer, personal communication, February 18, 2018). All interviewed pastoralists agreed that the grazing land degraded severely though they stated that water was available.

In Somaliland, the government is weak to overtake all rangelands, and thus, individual citizens have their own rangelands and enclosures with no agricultural production or other productive activities. As a result, pastoralists could not find a grazing land for their livestock, which in turn leads to (deadly) conflicts and clashes every year (A. A. Omer, personal communication, February 18, 2018). Legally, the government should run the land including the rangelands; enclose them in the rainy season so it can be grazed in the dry season, and if necessary hand over them to individuals for productive purposes, but there is an absence of law enforcement (A. A. Omer, personal communication, February 18, 2018).

The effect of invasive plant species such as *Prosopis Juliflora* (*Garanwaa*) is also considerable, eliminated various plants and grasses livestock used for pasture, and made the land difficult for grazing and thus uninhabitable for livestock. This plant highly spread into the Western and North Western parts of the country, particularly near valleys. However, it did not spread to the eastern parts (eastern Togdheer) of the country (S. Saleban, personal communication, January 30, 2018). The ministry of environment is even hopeless to exterminate this plant and argues that it should be exploited (A. A. Omer, personal communication, February 18, 2018), an argument that many pastoralists disagree.

Urbanization and Transformation of Rural Lifestyle

Droughts, degrading environment and decline of the quantity and quality of the livestock led to the moving of many pastoralists to the urban areas. Not only that, but even rural areas turned into semi-urban areas. The number of towns and villages increased without effective national land use policy. Elders recalled that during the colonial era, there was a specific distance (perhaps 60 km) between every two towns and other towns were not allowed between them while now two villages are distant not more than 10 km (S. Ali, personal communication, January 30, 2018). Given that the main production system was pastoralism, these policies were supposed to protect urbanization from the grazing areas. When the number of towns rises together with water points, human being's dependence on trees, water and soil for survival increases, which in turn leads to environmental degradation (F. A. Yusuf, personal communication, February 10, 2018). Mustafe Mohamed captured the effect of growing urbanization like this: "numerous towns led to land degradation; trees were cut for building a teashop (*maqaaxi*) or covering a water pool (*berkad*); the water which would remain the land and produce pasture for livestock run-off and fell into a *berkad*" (personal communication, January 30, 2018).

On the contrary, rural lifestyle transformed into such a way that it is no longer compatible with the nomadic pastoralist way of life. Previously, herding and taking care of livestock was regarded as a prestigious and every member of the family had a particular role. Moreover, "[a] characteristic of nomadic pastoralists [was] their dedication to their animals, since the livestock both [satisfied] their material needs and [had] a cultural significance" (Academy for Peace and Development, 2002: 16). Although this way of life is not abandoned completely, it transformed notably. Saed Abdi, an elder (retired) pastoralist, whom we met in Burao explained this transformation as follows:

When we were nomadic pastoralists, we did not know about or traveled to cities. We lived with meat and milk. We lived with and cared about our livestock and did not have other tasks to do. The number of people was small. Currently, the number of livestock and people increased; today's generations do not care about or invest in their livestock; the world has changed; people have civilized, and we abandoned our way of life. Today's nomadic pastoralists do not move their livestock hundreds of kilometers in search of water and pasture as we did; they remain the same settlement (personal communication, January 30, 2018).

In addition to Saed's informative and rich statement, today's male pastoralists are victims of chewing khat. Chewing khat destroys individuals and households financially, deteriorates health, wastes more time and turns them into unproductive. Above all, chewing khat caused negligence and caring less about livestock. It even led to environmental degradation; men normally sell their livestock for khat but when their livestock decreases or in the case of poorer households, they cut and burn trees and make money from selling charcoal (A. Abdillahi, personal communication, January 20, 2018).

Absence of Formal Livestock Market, Functioning Financial System, and Adequate Infrastructure

Livestock marketing was more traditional until the British arrived in the late nineteenth century. In an attempt to provide fresh meat for their army in Aden, the British colony with "increased demand for livestock exports set the stage for the transformation of livestock marketing within Somaliland" (Samatar, Salisbury and Bascom, 1988: 84). Due to the civil wars of the late 1980's, local livestock trade system is more like informal. There is no formal livestock market and actors (producers, brokers, traders, etc.) follow informal, unsafe, costly, and time-consuming trade procedures. For instance, those traders who collect livestock from remote areas put them together on one vehicle prior to carrying out any animal health tests. If one animal is infected, it is likely that the disease is transmitted to the rest of the livestock. When livestock is brought to the quarantines and classified as infected, they cannot be exported and thus, those traders are in loss. Furthermore, producers often lose due to commodity price and exchange rate fluctuations; small-scale traders lose because of exchange rate instabilities, multiple taxation etc.

The absence of effective financial system highly contributes to the informality of the livestock trade system. Given that few commercial banks (mainly Islamic) were established in Somaliland recently, they are still weak to issue Letters of Credit (L/C) for the livestock traders and exporters. The absence of Letters of Credit "contributed to the losses incurred in livestock exports to Saudi Arabia" (Academy for Peace and Development, 2002: 47).

While taking their livestock to the markets for sale, pastoralists face challenges because of poor infrastructure. Those living in remote areas have to walk a number of kilometers with their livestock to reach the nearest town they can find a vehicle to transport their livestock to the major markets in cities. Given all the costs, taking livestock to the cities is not always profitable and thus, some sacrifice the higher prices in major markets and sell their livestock in the nearest village. Nonetheless, given the growing population and urbanization, there is more and easier transportation available to nomadic pastoralists today than 15 or 20 years ago. The problem of poor infrastructure might be more pressing beyond Somaliland borders. It is widely known that a large portion of the livestock exported through Berbera port originates beyond the borders (from Ethiopia and Somalia), not to mention that around 50 percent of the livestock exports through Berbera, goats and sheep, in particular, come from the Somali inhabited region of Ethiopia (Majid, 2010). There are livestock traders, mainly women, who go to the remote areas of this region to buy and collect livestock from pastoralists and then take them to the major

markets of Somaliland. These traders experience a number of challenges including lack of vehicles and poor infrastructure and thus, spend a long time in the remote areas.

Notwithstanding with poor roads and inadequate or absence of bridges, Berbera Port's role in livestock trade and exports seems to be adequate and fulfilling. It has the capacity to provide exporting and shipping services to millions of heads during the hajj, with the absence of trade ban. However, the future of Berbera port is bright given the DP World's 30-year deal to manage and develop the port. In this deal signed by DP World (of United Arab Emirates) and the Government of Somaliland in 2016, DP World is required to invest around \$442 million in Berbera port (DP World, 2016).

Other internal factors of significant effect on livestock trade include local price fluctuations, exchange rate fluctuations, and substandard national livestock policies such as animal health policies, livestock trade policies, and land use policies.

External Factors

Threats Originating from Foreign Markets

Saudi Arabia was always, and still is the main buyer of Somali livestock including that of Somaliland; "more than 90 percent of Somalia's livestock exports went to Saudi Arabia after the mid-1950s" (Samatar, Salisbury and Bascom, 1988: 86). Thus, the economy is more vulnerable and sensitive to the changes in the Saudi livestock market. This vulnerability became evident when Saudi Arabia (with Yemen in the second ban) imposed two consecutive bans on Somali livestock imports in 1998 and 2000 as a result of Rift Valley Fever outbreak in Somalia (Academy for Peace and Development, 2002). According to Holleman (2002), these bans led to millions of heads lost in exports, several millions of dollars lost in revenue, depreciation of Somaliland Shillings, higher urbanization, increase in unemployment, and more environmental degradation as trees were cut and burned for a living.

The current ban on Somali livestock by Saudi Arabia dates back to late 2016 when a disease was spotted in livestock exported from Mogadishu. A livestock health quarantine in Mogadishu loaded the livestock before they finished their vaccination period (F. A. Yusuf, personal communication, February 10, 2018). This led to the total ban of Somali livestock imports (including that of Somaliland) by Saudi Arabia. However, the ban was temporarily lifted in the Hajj season of 2017 and Saudi Arabia bought Somali livestock but with very small number compared to the previous years (interviews). The number was divided into three areas: Somaliland, Puntland and Southern Somalia; Somaliland's share amounted to 1.4 million heads (F. A. Yusuf, personal communication, February 10, 2018). As soon as the hajj finished, the ban was reinstated and remains active ever since. Currently, there are irregular livestock exports, with very small numbers, to Yemen and Oman (A. Awiye, personal communication, January 30, 2018), not to mention that Yemen, the second largest market of Somali livestock, was devastated by war.

Gulf crisis and instabilities also played a role in the latest ban. Apart from the war in Yemen (which was one of the buyers of Somali livestock), tensions between Qatar and

several Gulf states including Saudi Arabia and the United Arab Emirates exacerbated the situation. Somali Federal Government, with the influence of Turkey, lined with Qatar and thus, alienated Saudi Arabia and its allies. This allegedly played a role in the longevity of Saudi Arabia's ban on Somali livestock imports.

Growing Competition from Neighboring Countries

In pre-war Somalia, Berbera port was the main channel of livestock to the Gulf; it regained this status in post-war Somaliland. Although Bossaso and Djibouti ports were in operation, Berbera port remained the first choice of livestock traders. Majority of the livestock exported through Berbera port originate beyond Somaliland borders thanks to Berbera Port's strategic location and satisfactory services; Somaliland economy heavily relies on the revenues from the port. However, in spite of existing as the supreme port of Somali livestock exports for a long time, the port is currently facing a strong potential competition from Djibouti ports.

Although Djibouti has been building world-class seaports, one particular port concerns the livestock trade in general and Somaliland in particular. The construction of Damerjog Livestock Port, which lies near the Djibouti-Somaliland border, was officially commenced in 2014. With a 70 million US Dollar investment, the port aims to host ten million heads of livestock annually and ultimately emerge as the leading port in the region's livestock trade (Port De Djibouti, 2018; Djibouti Ports and Free Zones Authority, 2018). Unless Berbera port remains competitive and DP World's investment succeeds miraculously, Damerjog project threatens Berbera port's position in the livestock trade of the region. Ethiopia has strong trade relations with Djibouti and mainly relies on Djibouti's ports for imports and exports. It is therefore likely that Ethiopian livestock as well as the livestock in northwestern Somaliland – near the Djibouti border – might be diverted to Damerjog livestock port. Nevertheless, one may argue that clan borders will make these changes impossible – a large population of Ethiopia's Somali region have similar clan affiliation with those in Somaliland and thus, may keep taking their livestock to Somaliland to sell and later be exported through Berbera port.

The competition between Somaliland and Djibouti to become the livestock trade hub of the region officially started in the early 2000s as Eid (2014) elaborates. In the wake of Saudi Arabia's ban on Somali livestock, Djibouti attempted to cease the opportunity to overtake the livestock exports from the Horn of Africa to the Gulf countries entirely. A livestock quarantine facility financed by Saudi company (Abu Yasser) was constructed in 2004; livestock exports to Saudi Arabia through Djibouti alone officially commenced in 2006. This caused political and diplomatic tensions between the governments of Somaliland and Djibouti leading to Djibouti's expulsion of Somaliland's diplomats from its country. Explaining Somaliland's response to those developments in Djibouti, Eid (2014) writes:

Unhappy with the behavior of the Djibouti government, the Somaliland government started its own efforts to re-establish direct trade with Saudi Arabia. They started implementing the same strategies that the Djibouti government had used, approaching potential Saudi investors. In the end the Somaliland government was able to secure a

contract with a well known Saudi investor, Al-Jabiri [sic]...The investor started constructing the facility in 2007 and it was finalized in 2009. However, a few months later Saudi Arabia lifted the ban (p. 11)

Additionally, Ethiopia, a land-locked but possessing a large share of livestock in the region, recently started a direct competition in the region's livestock trade. To secure direct livestock trade deals with the Gulf countries (export destinations), Ethiopia started building at least five livestock quarantines "located in Mille, Afar regional state, QebriAhmed, Somali regional state, Metema, Amhara regional state, Humera, Tigray regional state and Al-mehal in the Benishangul Gumuz regional state" (Gebregziabher, 2017).

Ethiopia formulated the Growth and Transformation Plan (GTP), a five-year development plan with an aspiring objective of "increasing export earnings from live animal and meat export combined from the US\$125m achieved in 2009/10 to US\$1bn in 2014/15 (Eid, 2014;7). One way to achieve this target is the government's plan to formalize most of the cross-border livestock trade, which remains largely informal.

Given DP World's recent Berbera port investment deal, the construction of Damerjog livestock port in Djibouti, and Ethiopia's livestock quarantines and deals with livestock importers, livestock trade competition in the Horn of Africa becomes strong. This competition from Djibouti and Ethiopia affects Somaliland's livestock exports and trade sustainability despite that national livestock trade policies in Somaliland are ineffective.

Livestock Trade in Somaliland: Past and Present

Livestock has been traded in Somaliland for a long time; before the arrival of the British colony, livestock has been traded in coastal cities with an exchange of food, clothes and other goods. Livestock trade boosted with the arrival of the British colony in the late nineteenth century as they increased the demand by supplying fresh meat to their army in Aden through Berbera port (Samatar, Salisbury and Bascom, 1988). In post-independence Somalia, pastoral livestock production emerged as the nation's main economic system with 70 percent of country's foreign exchange earnings; 91 percent (in 1981) of hard currency inflow and being a source of employment for over 30 percent of the population (Samatar, Salisbury and Bascom, 1988). Even in Socialist Somalia (1970-80) where the majority of economic sectors and activities were nationalized, livestock trade – being the most significant sector of the economy – remained in private hands (Laitin and Samatar, 1984; Samatar, Salisbury and Bascom, 1988; Mubarak, 1996).

In the late 1980s, political and economic instabilities caused by the armed conflict between the military regime of Somalia and the Somali National Movement (SNM) in northern regions of the country (today's Somaliland) led to the interruption of livestock trade and exports through Berbera port. However, exports restarted in 1991 soon after the civil war came to an end; in two years, the export number equaled the number before the war (Academy for Peace and Development, 2002). As Table 1 reveals, livestock exports resumed with a small number of almost half a million heads in 1991 but peaked in 1997 with approximately three million heads. Nevertheless, livestock import ban on Somali

livestock by Saudi Arabia resulted in a huge decline of exports from the preceding year in 1998. On top of that, two embargos in 1998 and 2000 by Saudi Arabia and Yemen impaired the livestock trade and adversely affected the Somaliland economy as a whole (Holleman, 2002).

Table 1: Livestock Exports through Berbera Port (1991-2000)

Year	Sheep/Goat	Cattle	Camels	Total
1991	482,508	11,756	102	494,366
1992	631,192	36,662	389	668,243
1993	1,014,921	80,861	14,824	1,110,606
1994	1,685,265	55,729	38,025	1,779,019
1995	2,713,597	75,128	21,993	2,810,718
1996	2,417,656	64,596	42,828	2,525,080
1997	2,814,495	66,939	50,587	2,932,021
1998	957,623	92,213	11,663	1,061,499
1999	2,000,335	88,939	34,840	2,124,114
2000	1,233,851	46,289	10,100	1,290,240

Source: Academy for Peace and Development (2002)

Prolonged bans on Somaliland livestock by Saudi Arabia damaged the livestock trade, exports and the entire economy of the country. To terminate these bans, resume exports and get access to Saudi Arabia's livestock markets, establishing livestock quarantine facilities in Somaliland became inevitable. Eventually, a Saudi tycoon named Sulaiman Al Jabiri was granted an exclusive right to export Somaliland livestock to Saudi Arabia through Berbera port (UNPO, 2009; Majid, 2010). Al Jabiri constructed a livestock quarantine facility in Berbera in 2009 with a cost of \$5 million (UNPO, 2009) and another one in 2011 with a cost of \$2 million (Halal Focus, 2011). Finally, Saudi Arabia lifted the ten-year-old ban on Somaliland livestock in October 2009 (UNPO, 2009; Halal Focus, 2011; Eid, 2014). Since the Riyale administration granted Al Jabiri a monopoly of exporting Somaliland livestock to Saudi Arabia through Berbera, other traders, as well as opposition parties, pressured the government to revise their deal with Al Jabiri, a pressure which it resisted. However, during the 2010 presidential elections campaign, Kulmiye party and their candidate – Ahmed Mohamed Momahoud “Silanyo” – promised to terminate the monopoly and let other traders export livestock if they win (Eid, 2014). As a result, the second livestock quarantine facility which was a joint venture between the Indhadeero Group of Companies and the Saudi Abu Yasser Company was launched in late 2010, shortly after the victory of Kulmiye party (Somalia Online, 2010).

With these livestock quarantines and other arrangements, Somaliland livestock exports to Saudi Arabia revived and later reached record numbers. As Table 2 demonstrates, livestock exports hit the highest with a record number of over 3.5 million heads in 2012. On top of that, a total number of 16.8 heads of livestock was exported through Berbera port between 2011 and 2015.

Table 2: Total Livestock Exports through Berbera Port (2011-2015)

Year	Sheep/goat	Cattle	Camel	Total
2011	3,104,684	150,934	107,281	3,362,899
2012	3,219,584	190,354	102,664	3,512,602
2013	2,888,955	201,876	75,728	3,166,559
2014	3,089,592	252,397	64,578	3,406,567
2015	3,270,386	160,395	61,475	3,392,256

Source: Ministry of National Planning and Development (2016)

While everything was going smoothly, a new livestock trade ban by Saudi Arabia hit the Somali livestock in late 2016 when a disease was spotted in a livestock exported from Mogadishu (F. A. Yusuf, personal communication, February 10, 2018; I. Ismail, personal communication, February 11, 2018). The ban remains active to this day except for a temporary lift during the 2017 Hajj. Moreover, there was a small number of goats and sheep exported to Yemen and Oman several times during the ban (A. Awiye, personal communication, January 30, 2018). It is widely believed in the Somali inhabited region that Yemeni war and Gulf crisis have something to do with this persistent embargo.

The effect of the current ban on Somaliland economy is significant. Due to the absence of hard currency from export earnings, Somaliland shillings depreciated severely and reached a historic low value (the exchange rate of 1 USD reached over 10,000 SLSH). Furthermore, unemployment skyrocketed, government revenue declined, and numerous livestock traders had to move to other business sectors. Many nomadic pastoralists migrated to cities because of either absence of livelihoods resulted from the nonexistence of trade or the loss of livestock due to droughts and other natural environmental factors. In a nutshell, the impact of the ban is widespread to all sectors and actors of the economy.

The government's policies and actions to find a remedy for this problem are ineffective and to some extent, absent. While the Ministry of Livestock claimed that there were some efforts including an exchange of delegations between Somaliland and Saudi Arabia (F. A. Yusuf, personal communication, February 10, 2018), the Chamber of Commerce was clear that there were no notable efforts by the government but they were hopeful that the new government (led by Muse Bihi Abdi) will take steps (I. Ismail, personal communication, February 11, 2018). Even the Chamber whose functions include seeking markets for the country's products did not do much to find potential markets. It was surprising when they highlighted that they do not have direct ties with the chambers of Somaliland's trade partners.

Taking all these factors and developments into account, the future of the livestock trade of Somaliland is not bright unless necessary measures are taken.

Conclusion and Policy Recommendations

Although it is the most import sector, livestock production and trade is facing plenty of challenges and threats that may lead to losing its significance, and thus, threatening the

entire economy. Repeated droughts, specifically those occurred in the last three years, led to the drop of the total livestock population by 60 percent. The impact of environmental degradation resulted from both man-made and natural factors is considerable and threatens the livestock production as well. Due to the loss of livestock by the above-mentioned factors, among others, a large number of nomadic pastoralists migrated to urban areas; others settled in rural areas and turned them into semi-urban areas. Other difficulties experienced by the livestock trade include the absence of functioning financial system, effective national livestock policies, and adequate infrastructure; a significant share of the livestock trade still remains informal. In spite of the internal factors, livestock trade is also challenged by external factors. External shocks originating from foreign livestock markets, particularly Saudi Arabia, and growing competition from neighboring countries, mainly Djibouti and Ethiopia, are the two supreme external factors threatening livestock trade of Somaliland.

Taking the effects of all these factors into consideration, the study concludes that the sustainability of Somaliland livestock trade is in jeopardy, while the future of livestock exports is not bright. The study argues that necessary steps and measures should be carried out in order to save the most vital sector of the economy. The study recommends:

1. A comprehensive, long-term national strategy to safeguard the livestock sector is mandatory. The strategy should cover land use policies, animal health policies, livestock production, livestock trade, and other areas of similar importance.
2. The prevailing livestock production system – nomadic pastoralism – must be abandoned and land use system must be changed. Because of reduced livestock population and severely degraded land, pastoralists need to permanently remain in specific area or turn into agro-pastoralism. This will improve the quality of the livestock as well as the people themselves. Children will get the opportunity to go to school. Majority of the nomadic pastoralists welcomed this idea but some of them argue that it requires capital to settle down and prepare for the new lifestyle. The weather and the nature of landscape of some areas, however, make this system difficult and to some extent impossible.
3. Other sectors such as fishing industry and agriculture (like grain farming and crop production) need to be considered for investment and exports.
4. The nature of livestock trade should be changed. Instead of exporting live animal, byproducts must be exported. Byproducts include hides, skins, wool, bones, horns etc. Moreover, meat should be exported. The first meat factory is constructed in Burao by two companies (one from Malaysia and the other from Somaliland). Consequently, the value of the export products will increase, which leads to rise of export earnings.
5. New markets other than those in the Gulf are necessary for livestock exports, byproducts and meat.

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