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Date: Wednesday, May 29, 2024 at 10:02 AM

To: Adam Sharon <adam.sharon@fgsglobal.com>

Subject: Financial Times: Somaliland leader says access deal with Ethiopia can deter Houthi attacks

Hello –

I hope you enjoyed a restful and meaningful Memorial Day holiday weekend.

Since we have been in contract regarding recent developments in Somaliland and the broader Horn of Africa region, I wanted to share an [article](#) published over the weekend in the Financial Times.

The full article appears below.

Here are a few key excerpts from the piece:

- A deal that Somaliland has struck with Ethiopia to lease land near the southern entrance to the Red Sea will help “secure freedom of navigation” for shipping that has faced attack along the busy waterway...
- Somaliland President Muse Bihi Abdi told the Financial Times that the Ethiopia accord would “allow Somaliland to support international efforts to secure freedom of navigation in the Gulf of Aden and the Red Sea”, where vessels have come under repeated assaults from Houthi rebels backed by Iran.
- Hargeisa said international recognition could unlock further investments into its \$3.4bn economy based on sea trade, remittances and camel livestock. Recognition would be an “economic game-changer”...

Please let me know if you have any questions about the topics discussed in the interview. I’d be happy to find a time to connect on these and other developments in Somaliland at your earliest convenience.

Thank you,

Adam

[Somaliland leader says access deal with Ethiopia can deter Houthi attacks](#)

Muse Bihi Abdi promises ‘freedom of navigation’ in the Red Sea where Yemeni rebels have repeatedly attacked shipping

Andres Schipani in Hargeisa

May 26th, 2024

Financial Times

A deal that Somaliland has struck with Ethiopia to lease land near the southern entrance to the Red Sea will help “secure freedom of navigation” for shipping that has faced attack along the busy waterway, according to the breakaway country’s president.

Somaliland, which declared independence from Somalia in 1991 but has failed in its quest for global acceptance, signed the accord in January that swapped access territory on the Gulf of Aden in return for formal recognition from landlocked Ethiopia.

But Somalia has vehemently opposed the deal, with its president declaring that “not an inch” of its territory would be signed away by anyone.

Somaliland President Muse Bihi Abdi told the Financial Times that the Ethiopia accord would “allow Somaliland to support international efforts to secure freedom of navigation in the Gulf of Aden and the Red Sea”, where vessels have come under repeated assaults from Houthi rebels backed by Iran.

Ethiopia’s blueprint for the land around Berbera included a port and fleet that would help fend off maritime threats, he suggested. “Ethiopia will build a naval military base and have commercial ships and in exchange Ethiopia will give us recognition — that’s the basics,” said Bihi Abdi.

Bihi Abdi also said the deal was an important step to realising his self-declared nation’s dream of full independence. “The historic memorandum of understanding between Somaliland and Ethiopia will provide us with a clear pathway towards international recognition,” he said from Hargeisa, capital of the breakaway nation.

Ethiopia has sought access to the coast ever since the 1993 split with Eritrea left it landlocked. It views the Somaliland deal as a way to alleviate its dependence on Djibouti for sea access, although the US, EU, Arab League and Egypt — which has a dispute with Ethiopia over a dam on the Blue Nile — have warned the plan could escalate conflict in a region already battered by terrorism and war.

A senior Ethiopian official involved in the Somaliland talks said he was “optimistic” that a final agreement would materialise, adding: “It’s just a matter of realpolitik and necessity.” Omar Mahmood, senior analyst for Eastern Africa with Crisis Group, said that, while the deal had created significant “blowback”, Ethiopia did not want to “completely give it up”.

China, Russia, Turkey and the United Arab Emirates have also sought access to the Horn of Africa, a poor but strategic region that includes Somalia and Djibouti. Somaliland has attracted \$300mn in investment from Dubai-based DP World into Berbera and its wider economic zone, which represents about 75 per cent of Somaliland’s government revenue. The aim is to transform the location into a regional trade hub. The UAE controls the airport in Berbera and has been setting up a naval base.

Hargeisa said international recognition could unlock further investments into its \$3.4bn economy based on sea trade, remittances and camel livestock. Recognition would be an “economic game-changer”, Bihi Abdi said.

A framed copy of the agreement Somaliland signed with Britain when the protectorate secured independence in 1960 hangs by the president’s office. It then united with the former Italian colony of Somalia, only to break away in 1991 after a decade-long independence war and the fall of the Somali dictator Siad Barre.

Somaliland has struggled to contain violence in its east, where some clan leaders want to sever ties with Hargeisa and rejoin Somalia. But the breakaway country has delivered relative stability to its 5.7mn people compared with Somalia, which collapsed into conflict and warlord feuds after the fall of Barre and has been battling Islamists linked to al-Qaeda.

Somaliland has its own army and elected parliament, prints its own currency and issues passports. The UK, UAE, Turkey, Ethiopia and Taiwan have a presence there. Despite such autonomy, Mogadishu considers it fully part of Somalia and Somaliland has not been formally recognised by any country.

Bihi Abdi, a former Somali military pilot turned rebel fighter who stands for re-election in November, said Somalilanders “support” a deal with Ethiopia that is not legally binding, although the details have been kept under wraps.

But it has met some domestic opposition, including from Bihi Abdi’s own defence minister who resigned in protest.

Some countries fear its potential to cause a new rift in an unstable region. Somalia is already fighting an insurgency by the al-Shabaab jihadi group and Ethiopia is reeling from a brutal civil war in Tigray region.

Washington, an ally of Mogadishu, said it was “concerned” about the agreement which “threatens to disrupt the fight” against Islamist militancy. Bihi Abdi dismissed this as “baseless”.

He sought to play down tensions with Somalia, saying war was “impossible”.

He added that the deal could “prevent” potential conflict between Ethiopia and Eritrea by satisfying Addis Ababa’s need for sea access.

“We’ve been working towards international recognition of our independent status for over 33 years,” Bihi Abdi said. “We’re ready.”

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This material is distributed by FGS Global on behalf of the Republic of Somaliland. Additional information is available at the Department of Justice, Washington, DC.

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