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The Ministry of Planning, Investment and Economic Development



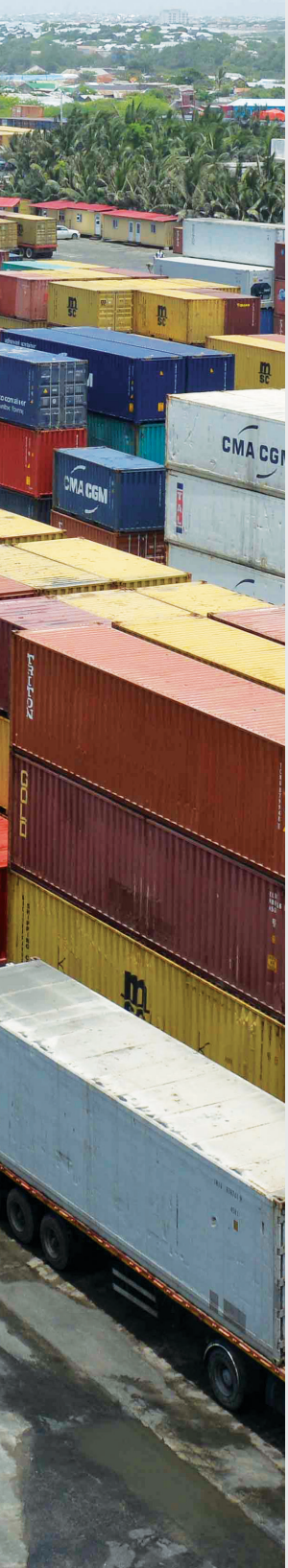
SOMALIA RESOURCE MAPPING AND INVESTOR GUIDE

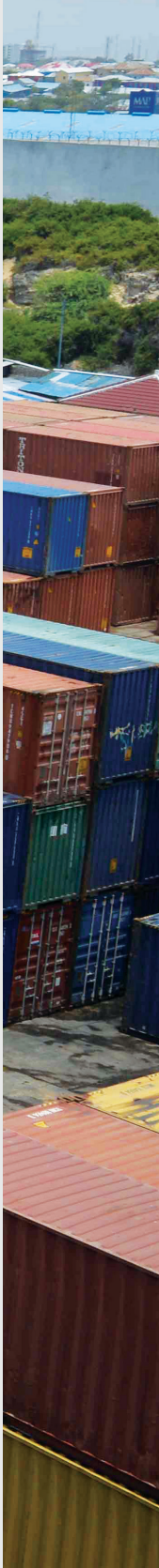
Where Investment Meets Opportunity


GOTTWALD
albayrak
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Introduction

Formal Name: The Federal Republic of Somalia
Short Form: Somalia
Capital: Mogadishu
National Language: Somali
Foreign Languages: English, Arabic, Italian





Somalia is located at easternmost part of the African continent, on the Horn of Africa and occupies an important geopolitical position between sub-Saharan Africa and the countries of Arabia and Southwestern Asia. The capital, Mogadishu, is located just north of the Equator on the Indian Ocean..

Somalia has an estimated population of around 14.3 million, and has been described as the most culturally homogeneous country in Africa. Around 85% of its residents are ethnic Somalis. The official languages of Somalia are Somali and Arabic. Most people in the country are Muslims. Somalia is a country of geographic extremes. The climate is mainly dry and hot, with landscapes of thorn bush savanna and semi-arid, and the inhabitants of Somalia have developed equally demanding economic survival strategies. Apart from a mountainous coastal zone in the north and several pronounced river valleys, most of the country is extremely flat, with few natural barriers to restrict the mobility of the nomads and their livestock.

Did you know?

1. **Strategic Location-** Somalia is situated in the most eastern tip of the African continent known as the "Horn of Africa." It has been the Gateway to Africa for business and trade for millennia, this makes Somalia a dynamic meeting place where East meets West.

2. **Size and Population-** Landmass of 637,000 Sq km and the longest coastline of Africa (over 3,300 kilometers) with approximately 15 million population. Additional 2 million Diaspora live across the globe, are a homogeneous society that shares a common ethnicity, religion, and language.

3. **Borders-** Somalia is bordered by the Gulf of Aden to the North, the Indian Ocean to the East, Kenya to the South, Ethiopia to the West, and Djibouti to the Northwest. Somalia's southern and western borders were arbitrarily determined by colonial powers and divide the lands traditionally occupied by the Somali people. As a result, Somali communities are also found in Djibouti, Ethiopia and Kenya.

4. **Soils**- The types of soil vary according to climate and parent rock. The arid regions of northeastern Somalia have mainly thin and infertile desert soils. The limestone plateaus of the interfluvial area have fertile dark gray to brown calcareous residual soils that provide good conditions for rain-fed agriculture. The most fertile soils are found on the alluvial plains of the Jubba and Shebelle rivers. These deep vertosols are covered in black soils derived from decomposed lava rocks that are commonly called "black cotton soils" (because cotton often is grown in them). These soils have a high water-retention capacity and are mainly used for irrigation agriculture.



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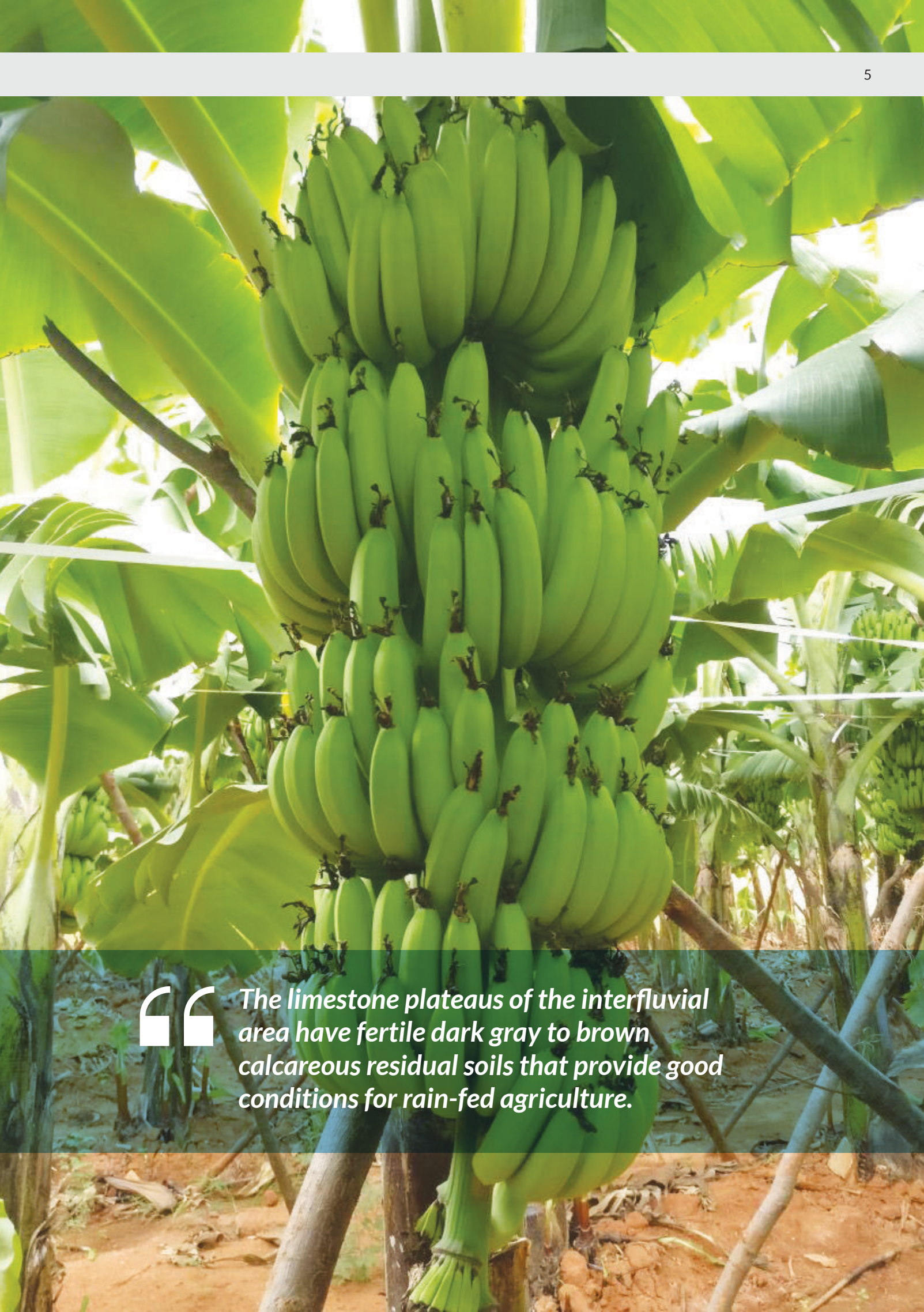
5. **Climate**- Somalia lies astride the Equator, but unlike typical climates at this latitude, conditions in Somalia range from arid in the northeastern and central regions to semiarid in the northwest and southern region. The climatic year comprises four seasons. The gu, or main rainy season, lasts from April to June; the second rainy season – the dayr, extends from October to December. Each is followed by a dry season—the main one (jilaal) from December to March and the second one (xagaa) from June to September. During the second dry season, showers fall in the coastal zone.

   Long-term mean annual rainfall is less than 4 inches (100 mm) in the northeast and about 8 to 12 inches (200 to 300 mm) in the central plateaus. The southwest and northwest receive an average of 20 to 24 inches (500 to 600 mm) a year. While the coastal areas experience hot, humid, and unpleasant weather year-round, the interior is dry and hot. Somalia has some of the highest mean annual temperatures in the world. At Berbera, on the northern coast, the afternoon high averages more than 100 °F (38 °C) from June through September. Temperature maxima are even higher inland, but along the coast of the Indian Ocean temperatures are considerably lower because of a cold offshore current. The average afternoon high at Mogadishu, for example, ranges from the low 80s F (mid- to upper 20s C) in July to the low 90s F (low 30s C) in April.

6. **Relief**- The Somali peninsula consists mainly of a tableland of young limestone and sandstone formations. In the extreme north, along the Gulf of Aden, is a narrow coastal plain called the Guban, which broadens northward toward the port of Berbera. This gives way inland to a maritime mountain range with a steep north-facing scarp. Near Ceerigaabo (Erigavo) a mountain called Surud Cad reaches the highest elevation in the country, about 7,900 feet (2,408 metres). To the south are the broad plateaus of the Galgodon (or Ogo) Highlands and the Sool and Hawd regions, which drop gradually southward toward the Indian Ocean.

   In southern Somalia the crystalline bedrock outcrops to the south of Baydhabo (Baidoa) in the shape of granite formations called inselbergs. These give way further south to alluvial plains, which are separated from the coast by a vast belt of ancient dunes stretching more than 600 miles (1,000 km) from south of Kismaayo (Chisimaio) to north of Hobyo (Obbia).

7. **Drainage**- The flatness of the Somalian plateaus is interrupted by several deep valleys. Starting in the northeast, these are the Dharoor and Nugaaleed (Nogal) valleys; both are waadis that, in season, have rivers flowing into the Indian Ocean at Xaafuun and Eyl, respectively. In the southwest are the only permanent rivers in Somalia, the Jubba and the Shabeelle (Shebeli). Originating in the Ethiopian highlands, these two streams cut deeply into the plateaus before meandering through the alluvial plains toward the coast. Whereas the Jubba flows directly from north of Kismaayo into the Indian Ocean, the Shabeelle veers southwest immediately to the north of Mogadishu and flows into a large swamp before reaching the Jubba. The Jubba carries more water than the Shabeelle, which sometimes dries up in its lower course in years of sparse rainfall in the Ethiopian highlands. During dry seasons these rivers are a major source of water for people and animals. Because over most of the country the water table is deep or the groundwater has a high mineral content, the conservation of surface runoff is of primary importance.



The limestone plateaus of the interfluvial area have fertile dark gray to brown calcareous residual soils that provide good conditions for rain-fed agriculture.

Economic Overview

Macro-Economic Context

According to the World Bank Report 2019, in 2018 Somalia's economy rebounded from the 2016/17 drought. Real GDP grew by an estimated 2.8 percent, up from 1.4 percent in 2017 but lower than the forecast of 3.2 percent growth because of newly available trade and fiscal data for 2018. A rebound in agricultural production and private investment (both domestic and foreign) and sustained remittances and donor inflows contributed to the continued recovery in 2018. Indicators point to agriculture and services—especially the financial, transport, telecommunications, and other services—as the drivers of growth.

Somalia economy reflects dominance by agriculture, but with a number of emerging sectors that will likely see agriculture emerge as a declining function on growth in years to come. While farming, livestock and fisheries lead output, the growth in non-agricultural sectors such as telecoms, remittances, finance, ports, aviation and small-scale natural resource extraction have increased their contribution to GDP. Also, while a small number of large corporations dominate the business space, a growing number of Micro, Small and Medium Enterprises (MSEMs) are emerging.[1] The expected growth in these and other sectors (industries and markets) makes Somalia an attractive business destination for both regional and global firms looking for early market development opportunities.

According to the IMF Staff Monitored Program (SMP), the Federal Government continued efforts to broaden the tax base and strengthened tax administration has been reflected in increased domestic revenue, which reached $184 million in 2018 (almost 30 percent higher than in 2017) and $54 million for the first quarter of 2019. Federal budget execution rates have also been improving,

Domestic Revenue in 2018

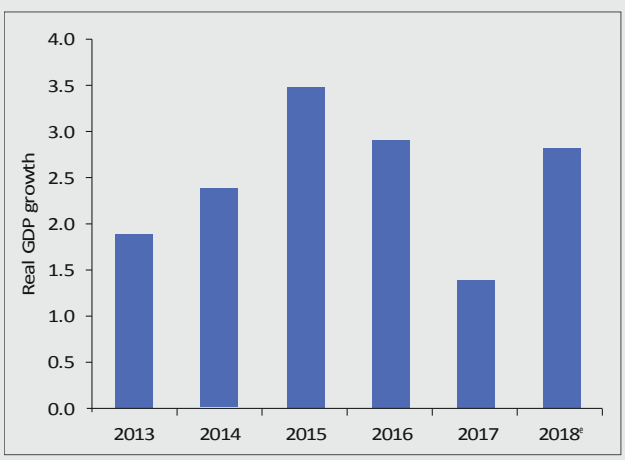
$184M

The amount of domestic revenue in 2018 by Federal Government

Economic Growth

2.8%

According to the World Bank Report 2019, In 2018 Somalia's economy rebounded from the 2016/17 drought Real GDP grew by an estimated 2.8 percent, up from 1.4 percent in 2017



Source: IMF and World Bank staff calculations.
Note: 2018 is a preliminary estimate.

Figure 1.1: Real GDP growth, 2013–18

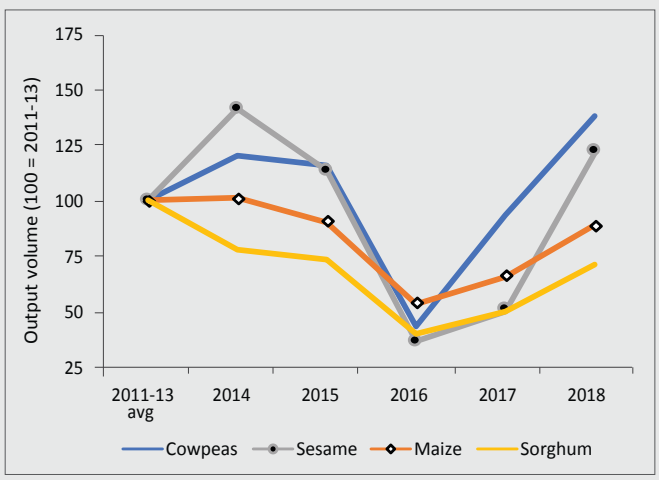


Figure 1.2: Annual crop production, 2011–18

1 A business with a headcount of fewer than 250 is classified as medium-sized; a business with a headcount of fewer than 50 is classified as small, and a business with a headcount of fewer than 10 is considered a micro-business.

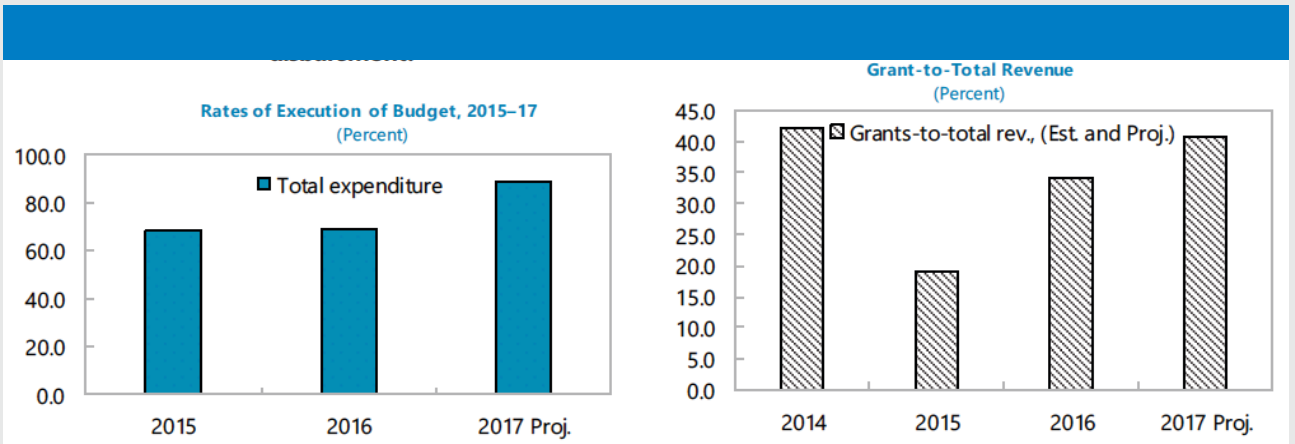
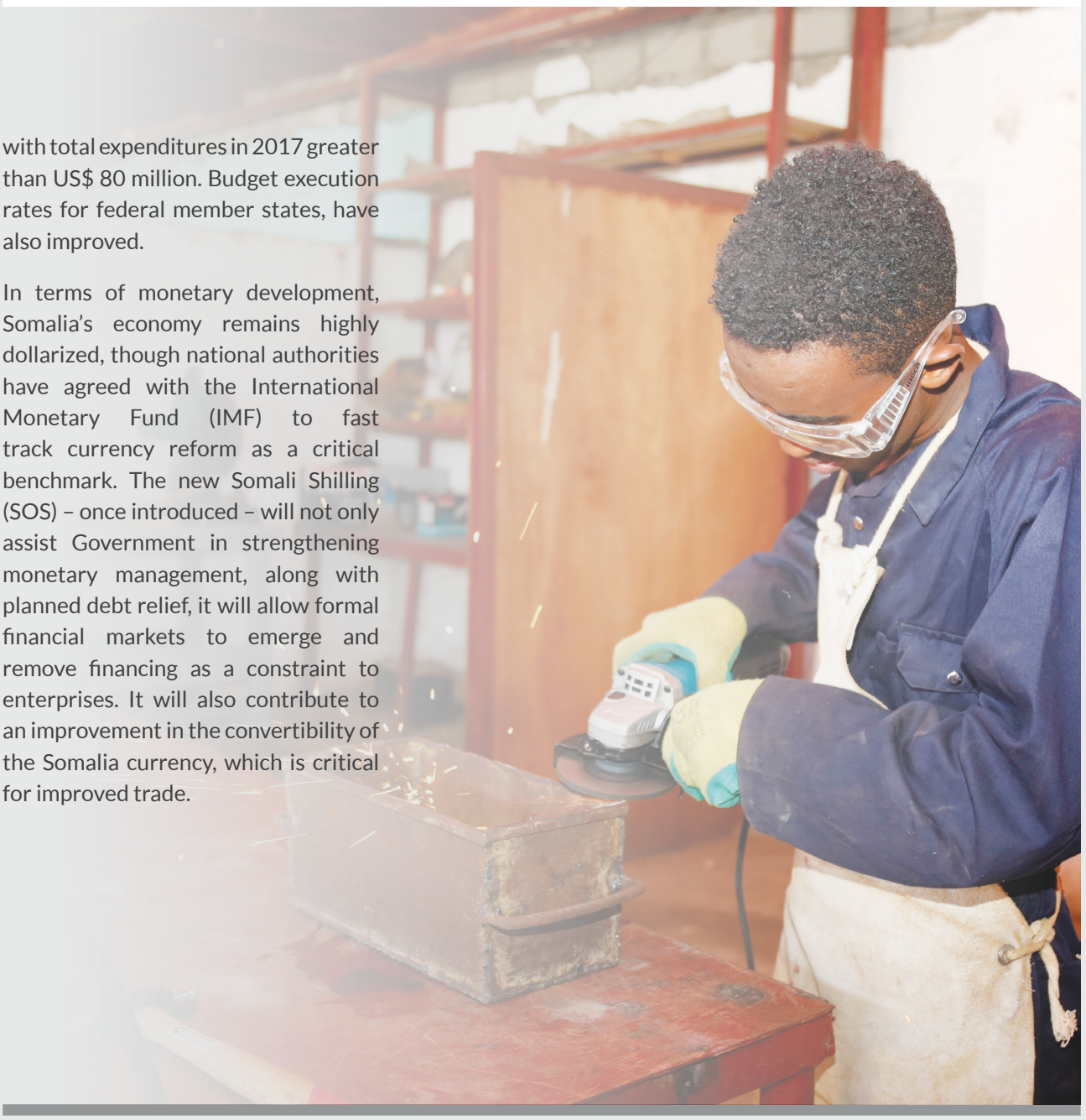


Figure 2 Budget Execution Rate and Grants-to-Total Revenues

with total expenditures in 2017 greater than US$ 80 million. Budget execution rates for federal member states, have also improved.

In terms of monetary development, Somalia's economy remains highly dollarized, though national authorities have agreed with the International Monetary Fund (IMF) to fast track currency reform as a critical benchmark. The new Somali Shilling (SOS) – once introduced – will not only assist Government in strengthening monetary management, along with planned debt relief, it will allow formal financial markets to emerge and remove financing as a constraint to enterprises. It will also contribute to an improvement in the convertibility of the Somalia currency, which is critical for improved trade.



Why Invest in Somalia?



Somalia's food imports

Raw Sugar
14%

Rice
5.8%

Wheat
3.9%

Pasta
3%

Somalia's economy is growing and is built on a strong trading relationship with the world as well as favorable liberal investment policies which welcome all investors contributing to our dynamic private sector.

Somalia is committed to sound fiscal policy, economic freedom and has a steady and dramatic growth rate which is resulting to improve the economic and investment environments so as to ease the process of investing in Somalia and facilitating further trade and prosperity.

Somalia has a substantial potential in natural resources: agriculture, livestock, fishing, telecommunications, energy, manufacturing, ICT, Construction and Tourism and Hospitality and hydrocarbons. This wealth in all the diverse sectors could attract many investors. Moreover, Somalia has a young population, a diaspora willing to invest in the country and, with the longest coastline in Africa, is strategically located to become a potential regional economic hub.

Somalia offers opportunities to invest in its farming sector as it is currently heavily import-dependent on food, including raw sugar (14%), rice (5.8%), wheat (3.9%), pasta (3%) and other food related products. Export promotion and increased investment in domestic supply chain development would be attractive for investors.

There are joint venture opportunities for foreign investors seeking local counterparts, Sugar and Cotton processing factories have been earmarked by local Companies. Somalia's competitive advantage as an investment location for agriculture is supported by various investor friendly factors that include:

- Proximity to the International Transshipment lines
- Efficient Telecommunications System.
- An up to standard Foreign Investment Law
- Supportive and Dedicated Investment Promotion Office committed to Investor protection, retention and provision of aftercare services.
- Availability of a well-established export market for agricultural products
- Highly underinvested sector
- Availability of affordable labor and agricultural land.
- Stable, Democratically elected government
- Sophisticated and Innovative Financial and Telecommunications Sector
- Moderate Inflation Rate
- Relatively Stable Exchange Rate
- Rich Diversity of Flora and Fauna

Additionally, investments in banana, grapefruit, mango, orange, lemon, lime, guava, papaya, water melon, tomatoes, lettuce, onions, peppers, cabbage, pulses, maize, rice, sesame and date palm as potentially high rate of return farming activities.

Key areas for potential investment in the farming sector include the following:

- Agricultural equipment leasing services in partnership with Somali commercial banks;
- Establishment of agro-processing industries and expansion of existing ones, particularly investments in the sesame value chain (hulling, hosting, tahini etc.)
- Establishment of agricultural processing zones and industrial parks to add value to farm produce;
- Establishment of phytosanitary and health regularity control facilities to ensure that agricultural commodities are up to standard before exports;
- Expansion of rural credit and microfinance services for agriculture;
- Investment in the skills of farmers to utilize state of the Agri-tools and equipment; and,
- Sugar factory investment (JSP and Jowhar Factories)
- Irrigation infrastructure development and management at Shabelle and Juba valleys
- Extension and Research Services in Somalia
- Dried and fresh lemon/ lime value chain sector investment
- Investment to expand Banana & Tomato Production and Processing, (ITOP Factory)
- Maize, Sorghum and Rice production and processing investment.
- Date palm and cowpea value chain sectors investment.
- Beekeeping/honey production
- Frankincense value chain and export investment.
- Cotton production and value chain investment (Textile Industry at Baal'ad).
- Manufacture of sprayers and pesticides controls services,
- Cold storage/refrigerated transport for perishable products.
- Value chain sector and export investment
- Large scale irrigation schemes and services to enhance agricultural productivity

Investing in Somalia's long coast line for tourism, fishing, and prime real estate, as well as building modern ports and exploiting the country's ready atmosphere for renewable energy, can also change the Horn of African country into a summer resort, a successful investment venture, and a gateway for GCC business to Africa's growing consumer market.

Openness to Foreign Investment

The Federal Government of Somalia actively seeks foreign investment as a way to develop the economy, generate employment and boost foreign exchange earnings. Somalia's Foreign Investment Law of 2015 guarantees foreign investors treatment equal to that given to domestic investors fair compensation in the event of expropriation, international arbitration of disputes between the investors and the Government, the right to remit profits and access to foreign exchange. Investment incentives and special tax incentives to encourage FDI are in place. The country's ease of doing business has been improving on upward basis.

In seeking foreign investment, Somalia recently granted 31 fishing licenses to the China Overseas Fisheries Association. These licenses allow tuna fishing, and this shows that Somalia issues licenses through the legal process.

Policy, Legal and Institutional Framework for Investments

The Federal Government of Somalia, through the National Assembly, enacted and passed the Foreign Investment Law (FIL) in 2015. The FIL established the Foreign Investment Board (FIB) as the highest investment policy making body in the country. Article 6 of the FIL (2015) also established the Somalia Investment Promotion Office (SOMINVEST), at the Ministry of Planning, Investment and Economic Development, as a statutory body to promote foreign investment, provide support and aftercare services, advocate continuously for a better investment climate as well as rebrand Somalia positively.

Other laws related to investment and business include: Land Laws (December 1980), Somalia Communications Act (2012), Fisheries Law (November 1985), Labour Code (1972), Procurement Legislation (November 2015), Cooperatives Law (October 1973) Civil Code (June 1973), Civil Procedure Code (July 1974) and Provisional Constitution (August 2012).

Currency Conversion and Transfer Policies

The Foreign Investment Law of 2015 offers investors, who meet certain eligibility criteria, the opportunity to obtain a "Certificate of Foreign Investment Registered" (CFIR) in accordance with the terms and conditions contained in the "Certificate of Foreign Investment in an Approved Enterprise".

In general, the Somali Banking system is modern and efficient, and local commercial banks are fully capable of handling international transactions and trade financing.

Expropriation and Compensation

The Foreign Investment Act protects the investor from expropriation. It also guarantees settlement of any disputes by international arbitration. The local court system provides an effective means to enforce property and contractual rights.

Performance Requirements and Incentives

Somalia imposes no performance requirements on foreign investors as the Foreign Investment Law 2015 provides all foreign investors with eligibility for incentives and facilities, incentives shall include the ability to have long term leases for up to 99 years for substantial investment in accordance with the applicable legislation governing such incentives and facilities.

Private Ownership Rights

There are no restrictions on the establishment of private businesses, size of investment, sources of funds, marketing products, source of technology, or method of training in Somalia.

Protection of Property Rights

The Foreign Investment Law 2015 and the country's legal system protects and facilities acquisition and disposition of property. The Somali Constitution proscribes expropriation without just compensation.

Transparency of Regulatory System

The regulatory system is transparent. Labor regulations are equally applicable to all employers, local and foreign, except as noted for companies with export processing zone (EPZ) status.



Political Stability

Somalia enjoys a relatively stable political system under a Multiparty Federal Democratic Constitution. The most significant change in Somalia's context in the last five years has been the decentralization and formation of four Federal Member States (FMS) – Jubbaland (2013), Southwest (2014), Galmudug (2015) and Hirshabeelle (2016) – an advancement in the completion of the Federal Structure of the country that follows a pattern set by Puntland State in 1998. Somaliland region enjoys even a more stable environment as it has hosted several successful elections.

The FGS is solidly committed to the system of federalism as the guiding principle to shape the future of Somalia. A three-tier federal structure has been envisioned and adopted – federal, state and district levels. Although over the past few years, the establishment of the new FMS has almost been completed, significant work remains to be done at the district level and importantly on the precise distribution of roles and responsibilities between the different levels of government.

With all the efforts and progress achieved in rebuilding Somalia, it is likely that political and economic progress will continue as the State's judiciary systems is more active and well regarded, and the Government is guided or enforces the judicial process and also respects the court decisions against it.

Corruption and Crime

The Federal Parliament of Somalia passed the Anti-Corruption Law (September 2019) which was immediately signed by the President. The law facilitates the establishment of the Independent Anti-corruption Commission to fight corruption and economic crimes. This is a crucial law as it will limit corruption in the government's procurement process of contracts as well as its bureaucracy that is at times a challenge to ease of doing business.

Labor

Federal Government successfully reviewed the Labor Code of Somalia which will help guide and guard the country's industrial relations practices, as well as ensure a positive image and good investment projection for the national economy.

The Somali Constitution allows for the formation of independent trade unions to protect workers' rights and to promote sound labor relations and fair employment practices. Businesses operating within the EPZ are required to adhere to the Labor Act. In terms of EPZ legislation, however, strikes and lockouts are prohibited within the zone.

While there is a large pool of qualified workers in varying professions in Somalia, a shortage does exist in the highly skilled labor force.

The Government offers special tax deductions of up to 25 percent to manufacturing companies that provide technical training to employees.

Government will also reimburse companies for costs directly related to employee training under approved conditions.

International Investment Agreements

Somalia has Bilateral Investment Treaties with Turkey, Germany, and Egypt. Negotiations of similar treaties are in the advanced stages with other countries.

Export Processing Zone (EPZ) Incentives

Enterprises which undertake services, manufacturing, assembly, re-packaging and break-bulk operation and gear all or almost all of their production for export, earn foreign exchange and employ Somalis, will be eligible for EPZ status, which confers an attractive range of both tax and non-tax benefits.

Resource Mapping by Federal States



Somalia's strength in livestock, agriculture and fisheries can help to overcome the food security worries of the many parts of the world. Our unique wind and solar capabilities can pioneer a new age of affordable and clean energy to spur further economic growth across the region.

Somaliland

Somaliland is situated in the Northwest of the country. Its Administrative capital is Hargeisa, and major population centers include the port town of Berbera and the livestock center of Burao. While still a characteristically pastoral society, Somaliland has experienced an accelerated process of urbanization with the percentage of the population living in cities now exceeding 50 percent. Nomadic communities constitute about 34 percent of the total population.

In this region, around half of the population are classified as agropastoralists who either engage in crop production and/or livestock rearing. Somaliland exported on average 3 million livestock to the Middle East market. Crop agriculture is primarily subsistence in nature, and the principle crops are sorghum and maize. Horticultural crops grown for the local market include tomatoes, lettuce, onions, peppers, cabbages, oranges, lemons, and papaya with a good potential for expansion to target foreign markets such as the Gulf region and South East Asia. Somaliland presents superb opportunities in the value-chain developments of livestock. Investments in the energy sector and financial services also have great potential.

Puntland

Puntland, situated in the Northeast of Somalia with its capital at Garowe, is considered one of the more stable states in Somalia in terms of socio-economic conditions and poverty reduction. A major seaport in its commercial city, Bosaso, is situated in the Gulf of Aden next to one of the world's largest trade routes. In 2019, the region embarked on constructing the Gar'ad Port and Corridor Project in a Public-Private Partnership. This, along with its potential to serve the greater Horn of Africa region with a customer base of more than 100 million people, points to the potential for the development of Puntland as a trade and logistics hub. **Puntland is ideal for the Special Economic Zones and logistic corridor development to connect regional markets.** With its long coastline, this region has a large and a developing fisheries sector with the capacity to increase the quantity and quality of its marine resource exports. The region also offers unique tourism sites and potential hospitality investment growth.

Jubbaland

Jubaland State is comprised of Gedo, Middle and Lower Juba regions. Its largest city is Kismayo, situated on the coast near the Juba River. The Kismayo port provides the state with the opportunity to be a logistics gateway for East Africa. The Juba River provides Jubbaland with the

potential for irrigated agriculture ranging from crops such as **bananas, sugar cane, simsim seeds and cotton to staple foods such as rice, sorghum and millet.**

Jubbaland also offers one of the best tourism facilities and landscape. The region is potential for hospitality and tourism investments as well as fishing as the region got a lengthy of coastline.

South West State

South West state is comprised of the Bay, Bakool, and Lower Shabelle regions. The official capital is the coastal city of Barawe in Lower Shabelle. South West state of Somalia is an agriculturally rich area with both the Juba and Shebelle Rivers providing a strong point for the development and expansion of irrigated and rain-fed agriculture. **The Juba and Shebelle Rivers are prime locations for the development of dual-use dams dedicated to the production of electricity and irrigation programs for sustained year-round crop production.** Fisheries are also a major economic driver due the presence of the nation's largest artisanal fishing communities, based in Lower Shebelle. Additionally, previous petroleum and mineral prospects and surveys indicate that South West state has large, untapped deposits of oil and gas, iron, diamond and uranium.

Galmudug

The State of Galmudug comprises the Galgaduud and Mudug regions, with the regional capital located in Dhusamareb. Galmudug is located in the center of Somalia and has the potential to expand and develop a strong livestock exportation industry with focus on sustainable range management, exploitation of subsurface water resources and development of standardized market facilities. Additionally, Galmudug has untapped mineral deposits, such as meerschaum, fluorspar, and uranium deposits, that are expected to be second in richness only to those found in Australia. Livestock is the main source of income and food in the state. Investment in this sectors value-chain developments could be very profitable. Galmudug region has a natural advantage in potentially being a source of renewable energy and investments in the infrastructure developments have great prospects.

Hirshabeelle

Hirshabeelle State is comprised of Hiiraan and Middle Shabelle regions. The capital of the state is Jowhar. Historically, the Hiiraan and Middle Shabelle areas served as the breadbasket for Somalia. Hirshabeelle benefits from three elements: the Shabelle River running the length of the state, geographical access to the large markets of Mogadishu and Ethiopia, and a long coastline with well-established artisanal fishing communities. Hirshabeelle has the capacity for the development of large irrigated agricultural projects and the rehabilitation and re-establishment of factories such as the Jowhar sugar factory and the Balcad clothes factory that produced tertiary products from the local production of sugar and cotton.

Due to the Shabelle River, the land across Hirshabeelle is typically fertile in non-drought conditions and can be used to produce a range of agricultural produce including fruits, wheat, barley, rice, sugarcane and cotton. The livestock industry benefits from a variety of livestock as well as fodder and water.

Banadir Region

The Banadir Regional Administration (BRA) contains Somalia's capital city of Mogadishu. Banadir is centrally located and has the largest port and airport in Somalia. It has the potential to be a logistical hub for the entire region as it is home to a number of financial institutions and is the first port of call for international shipping. Banadir has the potential to establish strong trading bodies for the import and export of goods, as well as continued refurbishment and expansion of logistical networks to develop the region's potential as a trade and services center, increasing the share of these services as part of the region 's economic activity. Banadir is the main financial resource for the Federal Government of Somalia through tax collection from the port and the airport, as well as levies collected from homeowners and businesses.

National Investment Priority Sectors

The untapped market expansion potential of Somalia is huge. Not a single sector currently operates even at the regional frontier level and so early market entrants can not only shape the market, they can rapidly expand, creating viable businesses in the long run.

SOMINVEST identified a number of investment priority sectors (high-growth sectors ready for investments), largely reflective of their contributions to Somalia's Gross Domestic Product (GDP). To a large extent the sectors were identified by the Federal Government and Federal Member States as well as the private sector representatives during the National Investment Promotion Strategy consultation process and in most cases, these align with target sectors identified by the National Development Plan (NDP9).

1. Livestock Sector
2. Farming Sector
3. Fisheries Sector
4. Energy Sector
5. Banking & Financial Sector
6. Information Communication Technology [ICT]/ Digital Economy for Somalia (ICT4S)
7. Manufacturing Sector
8. Transport and Infrastructure
9. Human Capital Sector
10. Service Sector
    - Education
    - Health
    - Sports
    - Real Estate and Construction
    - Media and Information
    - Hospitality and Information



Livestock Investment Opportunities;

- Milk Processing
- Poultry Farms- Hatcheries for the production of chicken for both domestic consumptions is under-exploited.
- Dairy Farming
- Compound Animal Feed Processing Plant for poultry, beef and dairy
- Meat processing plants
- Technical consulting and support services for livestock.
- Investments in Diagnoses, Vaccinates, Treats livestock
- Investments in advisory services to livestock owners about animal feeding, behavior and breeding.
- Investments in Leather processing and Manufacturing of leather products



Farming Sector Investment Opportunities;

- Agricultural equipment leasing services in partnership with Somali commercial banks;
- Establishment of Agro-processing industries and expansion of existing ones, particularly investments in the sesame value chain (hulling, hosting, tahini etc)
- Establishment of agricultural processing zones and industrial parks to add value to farm produce;
- Establishment of phytosanitary and health regularity control facilities to ensure that agricultural commodities are up to standard before exports;
- Expansion of rural credit and microfinance services for agriculture;
- Investment in the skills of farmers to utilize state of the Agro-tools and equipment; and,
- Sugar factory investment (JSP and Jowhar Factories)

- Irrigation infrastructure development and management at Shabelle and Juba valleys
- Somalia Agriculture Research Institute
- Extension and Research Services in Somalia
- Dried and fresh lemon/ lime value chain sector investment
- Investment to expand Banana & Tomato Production and Processing, (ITOP Factory)
- Maize, Sorghum, Cassava and Rice production and processing investment.
- Date palm and cowpea value chain sectors investment.
- Honey production
- Frankincense value chain and export investment.
- Cotton production and value chain investment (Textile Industry at Baalad).
- Manufacture of sprayers and pesticides controls services,
- Cold storage/refrigerated transport for perishable products.
- Value chain sector and export investment
- Large scale irrigation schemes and services to enhance agricultural productivity
- Invest new bridges across both the Juba and Shabelle rivers to enhance farm and market access
- Investments in Green houses

Fisheries Sector Investment Opportunities;



- Value chain development
- Marine products cold storage
- Marine resource processing
- Marine product packaging
- Boat building and repairs
- Marine skill development centers
- Marine equipment and supplies



Energy Sector Investment Opportunities;

- Cable Manufacturing Investment
- Energy training institute to upscale energy labor
- Biomass/Household Energy; Since urban consumers, especially the poorest, will continue to depend on biomass energy for decades to come despite incipient efforts at substitution, there is an investment opportunity to address both the supply and demand situations in the country.
- Independent Power Production
- Power Distribution
- Renewables Energy investments in;
    - Wind power
    - Solar and
    - Geothermal.

Banking and Financial Sector Investment Opportunities;

- Online payments processing
- Majority of SMEs lack access to medium- and long-term finance
- Most of the financial institutions provide maximum 3-year payment plans which lowers the real estate growth in Somalia.



- Audit firms required to provide banks with auditing and financial control services
- Independent ATM operators

ICT/ Digital Economy for Somalia Sector Investment Opportunities;



- Software and hardware development
- Market for mobile money services
- High-speed internet for which the market is still unexploited
- The ability to develop ICT in enterprises and schools for better competitiveness
- Data Storages
- Metro development for the fiber optic to major towns and cities
- Broadband services
- ICT consultancy services
- Investments in diversification of Fiber Optic cables

Manufacturing Sector Investment Opportunities;



- Special Economic Zones
- Industrial parks
- Fish Processing Zones
- Investments in Paper Mills
- Packaging Manufacturing
- Logistics, Parcel Delivery and Courier Services
- Business System Support- Manufacturing Process
- Warehousing facilities
- Industrial labor Training and Management
- Industrial Engineering and Maintenance

Transport & Infrastructure Sector Investment Opportunities;

- **Southern Corridor-** Kismayo, Lamu and Mogadishu Corridor: Ethiopia (Negele – Filtu – Suftu) to Somalia (Mogadishu - Baidoa – Dolo) and (Kismayo – El-Wak – Mandera) to Kenya (Lamu – Isiolo – Wajir – Mandera).



- **Central Corridor**- Mogadishu, and Bossasso Corridor: Ethiopia (Ginir – Gode) to Somalia (Mogadishu – Baladweyn – Ferfeer) and (Tuurdibi – Galdogob – Galkacyo - Bossasso) to Ethiopia (Kebridhar – Warder – Turdibi) and (Ferfer – Warder – Aware – Hargessa) to Djibouti (Djibouti Port - Holl Holl – Dewele).
- **Northern Corridor**- Assab and Djibouti Corridor:Ethiopia (Adama – Awash) and (Manda – Bure) to Eritrea (Bure – Assab) to Djibouti (Galafi – Dikhil – Djibouti Port) and (Balho – Tajoura Port)
- **Berbera and Djibouti Corridor:** Ethiopia (Harar – Jigjiga) and (Diredawa – Meiso) to Somalia (Togochale – Berbera) to Djibouti (Loyada – Borema - Hargessa)

Human Capital Investment Opportunities;

- Investments in establishing one Technical Industrial Vocational and Entrepreneurship Training [TIVET] in every federal member state and Benadir Region with the capacity to produce 1,000 per annum
- Vocational training centers established in 6 Federal Member States and Banadir
- Upgrading skills through the support and coordination of the Public-Private Partnership (PPP) model
- Vocationalisation of education through specific training programs

- Innovation – Support to early-stage social entrepreneurs working on innovative business models to address gaps in the skilling ecosystem, including programs for persons with disability.
- Investments in National Skill Development Management System (NSDMS)

Service Sector Investment Opportunities

Education Investment Opportunities;



- Kindergarten schools
- Primary Schools
- Day and Boarding Secondary Schools
- Centres of Excellence for each Federal Member State & Banadir Region
- Specialized professional and language training colleges
- Training consultancy services
- Curriculum and books printing services
- Educational material supplies

Health Investment Opportunities;



- Establishment of a Mother and Child hospital in each Federal Member State and Banadir
- Establishment of Referral Hospital in each Federal Member State
- Pharmaceutical manufacturing
- Pathology and Diagnostic Imaging Centers
- Drug/Medicine Supplies with proper storage capacities
- Somalia Medical Research Institute

Sporting Investment Opportunities;

The following are examples of areas where investors might consider giving attention to in order to boost the development of the sports industry in Somalia:

- Construction and management of level one stadium for each Federal Member State to provide standard football pitches, running tracks, swimming pools, rugby, cricket and boxing and other amenities.
- Sports Education: continuing education for coaches and trainers is equally vital for sports development in Somalia,
- Sports equipment supplies,
- Gym and Fitness centers,



Real Estate and Construction Investment Opportunities;

- Real estate developers
- Interior Decor
- Realtors services
- Surveyors services
- Architectural services
- Urban planning consulting services
- Property management
- Long term Real Estate financing/mortgage
- Paint manufacturing
- Glass manufacturing
- Block manufacturing
- Door and Window manufacturing
- Cement Plants



Media and Information Investment Opportunities;

- Multimedia/Media Training Institute
- Investments in Printing press



- Investment in Multimedia Content Production
- Investments in Daily Newspapers
- Investments in technology, live streaming
- Investments in Public Relations Services
- Investments in Strategic Communication Services
- Investment in Media Agency platforms
- Investments in Out-of-Home Advertisement



Hospitality & Tourism Investment Opportunities;

- Investments in Aviation sector
- Investment in Tour services
- Investments in Cruise and Cultural tourism
- Investments in Conference and Convention Centers
- Investments in Business Hotels
- Investments in Airport Hotels
- Investments in Suite Hotels
- Investments in Extended Stay Hotels
- Investments in Serviced Apartments

ABOUT SOMINVEST

The Investment Promotion Office (SOMINVEST) at the Ministry of Planning, Investment and Economic Development is a statutory body established under Article 6 (sections 1-8) of the Foreign Investment Law of 2015 to: promote foreign investment; rebrand Somalia; facilitate investment entry and retain; and continuously advocate for improved investment policies.

SOMINVEST focuses on sector-specific investor targeting and development of new partnerships to enable sustainable investments in Somalia.

Vision

"To Promote and Sustain Direct Foreign Investment flow to Somalia."

Mission

"SOMINVEST will endeavor, through the use of cutting-edge technology and strategies, to promote Investment inflow to Somalia; re-brand Somalia; facilitate and support investor entry and retention; and continuously advocate for an investor friendly eco-system."

Main Objectives

- Promote Foreign Direct Investment inflow to Somalia.
- Develop and maintain scientific investment related data that can aid investors make smart choices to invest in Somalia.
- Establish investor outreach platforms and missions to facilitate investor entry.
- Execute a robust communication strategy to position Somalia as a favorable investment destination.
- Provide Aftercare support and dispute avoidance/resolution mechanism to improve investor experience.
- Offer policy advocacy and support across the investment cycle.

Key Investment Related Institutions

- Ministry of Planning, Investment & Economic Development
- Somalia Investment Promotion Office-SOMINVEST
- Ministry of Foreign Affairs and International Cooperation
- Ministry of Finance
- Central Bank of Somalia (CBS)
- Ministry of Commerce and Industry
- Somali Chamber of Commerce & Industry (SCCI)
- Ministry of Posts, Telecommunications & Technology
- Ministry of Agriculture and Irrigation
- Ministry of Livestock, Forestry and Range
- Ministry of Fisheries and Marine Resources
- Ministry of Labour and Social Affairs
- Immigration & Naturalization Directorate (IND)
- Office of the Chief Justice
- Office of the Attorney General
- Office of the State Attorney General



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