



A Strategic Framework for the Port of Berbera: Reconciling Container and Livestock Trades

Nasir M. Ali
Abdikadir A. Ismail

Executive Summary

The livestock, livestock products, and trade are the basis of Somaliland's economy, accounting for over 65% of the country's gross domestic product (GDP) and providing livelihoods for a substantial portion of the population. The livestock and its products are exported to multiple destinations in the Middle Eastern region. The Port of Berbera plays a vital role as the primary export outlet for livestock not only from Somaliland but also from neighboring Somali-inhabited regions in Somalia and Ethiopia. In 2024 for example, Somaliland exported more than 3.4 million livestock, primarily to Middle Eastern countries. This number represents a 22% increase over the previous year, underlining the sector's potential growth. However, the challenges facing the sector are multidimensional, including but not limited to disputes over livestock ownership between Somaliland and Ethiopia, as well as some operational deficiencies from the 2016 concession agreement between the Government of Somaliland and the DP World. While the DP World's modernization efforts have improved port infrastructure, concerns persist that livestock exports are being deprioritized in favor of containerized cargo, leading to delays, inadequate facilities, and dissatisfaction among livestock exporters. Additionally, limited livestock cross-border movements and insufficient quarantine facilities further complicate the sector's efficiency, risking the health and marketability of exported livestock.

Therefore, urgent strategic investments and policy reforms are needed to ensure the sustainability and growth of Somaliland's livestock sector. One of the discussions

with Berbera's Local Government underlines the need to consider relocating livestock quarantines, and also constructing a light railway to facilitate smoother livestock transport which could be an option, but broader measures and policies are required. The implementation of these policies and strategies requires firm leadership and a clear strategic vision; therefore, the Government of Somaliland with the support and collaboration of the port's stakeholders and the regional governments expect to:

- Develop a dedicated livestock port within Berbera to prioritize livestock exports and reduce congestion.
- Enhance regional cooperation with Ethiopia to formalize cross-border trade between the two countries.
- Upgrade veterinary and quarantine facilities in Berbera to meet international standards and prevent disease outbreaks. The Government of Somaliland, especially the Ministry of Livestock and Rural Development, must utilize the laboratories at IGAD's Sheikh Technical Veterinary School and Reference Centre (ISTVS). This school is a specialized institution under the auspices of IGAD.
- Engage in dialogue with DP World to ensure livestock exports remain a priority in port operations.
- Somaliland should explore partnerships with international organizations to secure funding for these initiatives, while empowering local pastoralist communities through training and access to both local and international markets.

By addressing these challenges proactively, Somaliland can solidify its position as a leading livestock exporter, driving economic growth and stability for years to come.

Introduction

The livestock and livestock products are a major contributor to Somaliland's economy and serve as the primary livelihood for over 50% of the population engaged in pastoralism and agro-pastoralism (Ali, 2015; Rius, 2022; MOIID, 2023). This sector not only provides life for herders but also drives trade, transportation, and other related sectors such as hides and skins (Muhumed, 2016). More than just an economic engine, pastoralism is deeply embedded in the nation's cultural and social fabric, representing a traditional way of life that has defined Somaliland's identity, moral values, and communal bonds for centuries. It serves as the bedrock of cultural identity, social cohesion, and collective resilience (Birch, 2008; FAO, 2021; Omer, 2024). In the arid and often unforgiving environment, pastoralists have flourished by drawing upon a sophisticated body of indigenous knowledge honed through generations (Birch, 2008; Omer, 2024). This deep-rooted resilience enables the sector to sustain livelihoods despite recurrent droughts and climate stresses. However, these persistent environmental challenges also pose significant risks, threatening livestock production and the food security of the entire nation, particularly in the rural settings where communities are most dependent on this mode of life.

On another note, the livestock trade and its export to the Gulf States constitute the largest portion of Somaliland's export earnings and the major source of the country's foreign exchange, with key markets including Saudi Arabia, Yemen, Qatar, Egypt, Kuwait, and the UAE. Demand surges during the Hajj season, when millions of Muslims perform pilgrimage and require livestock for sacrificial rites (Muhumed, 2016; Rius, 2022). For example, in the first quarter of 2025 (January–March), Somaliland exported 721,037 sheep and goats, 55,818 cattle, and 39,997 camels to the Gulf States, primarily Saudi Arabia, because of the Hajj performance (MOFED, 2025). The Port of Berbera has served as a critical export hub, facilitating the shipment of live livestock to the Middle East for centuries

(Ahmed et al. 2023). Though livestock markets in the Middle East are lucrative and livestock remains Somaliland's most valuable export, bans occasionally imposed by Saudi Arabia due to health concerns highlight the vulnerability of the livestock sector to external shocks and challenges.

This policy briefing analyses the challenges and opportunities of the Somaliland livestock sector. On one hand, it examines the challenges facing the sector; and on the other hand, it looks at the opportunities associated with this sector. In addition to that, the briefing underlines the importance of starting negotiations with DP World regarding a development of port dedicated to livestock within Berbera to prioritize livestock exports and reduce congestion. The briefing seeks to bring a dialogue and discussion on this particular issue, which is very important for the country's economy, and this could be a flashpoint for further debates that may take place between the people in academia, the practitioners and those in the policy and the decision-making circles.

The Port of Berbera: An Outlet for Livestock Export and Persisting Challenges

The Port of Berbera is strategically located in the opening of the Bab el-Mandeb Strait, which vitally links trade between the western and eastern regions of the world (Asia and Europe). This port has long served as a critical trade gateway for the Horn of Africa. Its strategic coastal position and moderate climate—characterized by cooler temperatures compared to other coastal port cities—have made it an ideal hub for livestock exports for centuries (Humza & Irrum, 2025). Somali pastoralists, who rely heavily on the trade of camels, goats, sheep, and cattle, have traditionally favored Berbera due to its accessibility and well-established trade networks and livestock markets, such as the Burao livestock market. This market is the largest livestock market in the Somali regions in the Horn of Africa and is in close proximity to the Port of Berbera.

The Port of Berbera is a harbor protected from winds and waves by the natural indentation of the shoreline, which provides a haven for ships without the need for breakwaters (Rageh, 1987). The port's deep-water harbor allows for efficient loading of livestock onto ships destined for markets in

the Arabian Gulf States. This historical role has cemented Berbera's status as one of the most important livestock export ports in the region and beyond.

The livestock exported through Berbera primarily comes from three key regions: Somaliland, Somalia, and Ethiopia's Somali Regional State. The livestock trade is a vital economic lifeline, supporting millions of Somali pastoralists, agro-pastoralists, and traders across the Horn of Africa (Mercy Corps. 2020). In Somaliland, export earnings, especially from the livestock sector, underscore the port's importance to the local economy and providing employment opportunities for the local people, and contributing significantly to the coffers of the state treasury (FAO, 2021). However, from Ethiopia's point of view, it argues that it has the largest livestock population in Africa (Asnake, 2019) and consistently claims that a significant portion of the livestock shipped through Berbera originates from its territory, where pastoralist communities also depend on access to international markets.

Nevertheless, Somaliland has resisted Ethiopia's demands and declarations, asserting that the majority of exported livestock through the Port of Berbera are domestically reared and that any Ethiopian-sourced livestock are brought in through informal channels (Ibid). Somaliland views Ethiopia's claims as an overreach that could undermine Somaliland's sovereignty and control over its most valuable economic asset. From a Somaliland standpoint, the ordinary pastoralists normally cross the border between the two countries in search of pasture and water. The movement of pastoralists and their livestock from one place to another is a centuries-long practice and a type of coping mechanism during droughts and dry seasons in Somali society, which is predominantly pastoralists. This issue remains unresolved, complicating efforts to formalize trade relations between the two countries. However, the disagreement over livestock ownership highlights the broader economic and political complexities surrounding cross-border trade in the region.

Although there is an inextricable intertwining between politics and economics in the Horn of Africa region, which has always been geopolitically contested. However, contest

over access to sea outlet, ports, and trade routes is a new dimension of the Horn's political and security dynamics. This kind of contestation mirrors the disagreement over Berbera's livestock trade. While Ethiopia continues to push for greater transit rights, Somaliland remains determined to protect its economic interests, even as it seeks international recognition as an independent state. However, without a formal agreement between Somaliland and Ethiopia, tensions over livestock exports are likely to persist. The outcome of this competition will have major implications for regional trade dynamics, pastoralist livelihoods, and the future of Ethio-Somaliland trade relations. As demand for livestock in Middle Eastern markets grows, Berbera's role as a key export hub will remain central to the Horn of Africa's economy.

Post-DP World Agreement

In 2016, DP World secured a 30 year concession with an automatic ten year extension for the management and development of a multipurpose port project at Berbera, a critical trade gateway for the Horn of Africa. The deal is aimed to transform the port into a regional maritime hub, boosting economic growth and trade connectivity (Rashid, 2020; Bakonyi & Darwich, 2025). However, the partnership faces challenges, particularly concerning the handling of livestock, a key export commodity for Somaliland. While DP World prioritized containerized cargo and infrastructure upgrades, tensions emerged over the port's role in livestock exports, which remain vital to Somaliland's economy. These hurdles highlight the difficulties and necessity of balancing modernization with the needs of traditional trade sectors.

One of the major points of contention has been DP World's alleged deprioritization of livestock exports in favor of containerized cargo. Livestock, primarily sheep, goats, cattle, and camels, account for a substantial portion of Somaliland's exports. Veterinary officials and local traders have alleged that DP World is failing to establish efficient livestock handling procedures, leading to delays, overcrowding, and increased pressure, which sometimes may cause livestock loss. The lack of dedicated facilities and unclear operational mandates has exacerbated these

issues, frustrating herders and exporters who rely on the port for their livelihoods. DP World, however, maintains that livestock remains a second priority after passengers. One of DP World's officers in Berbera emphasized, "when it comes to berthing priority, passenger vessels come first, followed by livestock carriers. Thereafter, we accommodate container ships, humanitarian vessels, commercial general cargo ships, dhows, and small boats."

The clash underlines a broader challenge in port modernization: reconciling global logistics standards with local economic realities. DP World's strategy for Berbera has focused on attracting large-scale container traffic, leveraging its expertise in managing high-volume commercial ports. However, this approach has clashed with Somaliland's reliance on livestock exports, which require specialized handling and infrastructure. Veterinary service providers argue that DP World should have incorporated livestock-friendly designs into its expansion plans, such as dedicated loading zones, quarantine areas, and improved sanitation systems. Instead, the emphasis on container terminals has left livestock exporters struggling with ad hoc arrangements, raising concerns about the long-term sustainability of the sector under the current agreement.

Despite these challenges, the Port of Berbera has witnessed notable development since DP World has come to Berbera. The DP World has invested in new cranes, expanded the port capacity, and enhanced security measures, positioning the port as a competitive alternative to Djibouti and other regional ports such as Mombasa and Dar es Salaam ports in Kenya and Tanzania, respectively. However, resolving the livestock issue remains critical to ensuring inclusive economic benefits for Somaliland. Port clients including livestock exporters have called for renegotiations to better align DP World's operational priorities with Somaliland's export needs. Without a clear resolution, the tensions risk undermining the port's potential to serve as a true engine of growth for both traditional and modern trade sectors in the region.

Fixing the Gaps for Sustainable Livestock Export Industry

Despite their contribution to the coffers of

the state treasury, foreign exchange, and food security, the pastoralists and agro-pastoralists are marginalized in the development frameworks. This deprioritization not only undermines their livelihoods but also diminishes the sector's cross-production and creates a structural imbalance, where the very producers of Somaliland's economic capital are excluded from the development equation and left behind in the broader trajectory of national growth (World Bank, 2016; Smith, 2014). Therefore, the absence of participatory mechanisms that center pastoralists and agro-pastoralists in policy development remains a critical challenge in the sector. To institutionalize the sector's importance, governance must be radically restructured, shifting from superficial inclusion toward a framework that recognizes pastoralist and agro-pastoralists as essential co-designers of resilience.

The livestock exporters complain about the lack of dedicated facilities and unclear operational mandates to livestock exporting in Berbera. Therefore, one key solution is the development of a dedicated livestock port. A specialized facility would streamline export operations by centralizing loading, health inspections, and customs clearance, reducing delays and improving livestock welfare. Such a port could also incorporate modern slaughterhouses and cold storage facilities, ensuring compliance with international standards and increasing the sector's competitiveness. By separating livestock exports from general cargo, the Port of Berbera could minimize congestion and enhance efficiency, positioning Somaliland as a regional leader in livestock trade.

Equally important, infrastructure developments are crucial for sustainable growth. Relocating livestock quarantines outside Berbera city would reduce urban congestion, lower public health risks, and free up space for urban development. Additionally, constructing a light railway to transport livestock directly from inland quarantines to the port would significantly cut transportation expenses, lead to a hub for livestock exports, and reduce road traffic. The livestock transportation used in Somaliland is largely not livestock-friendly, and its poor conditions often lead to the death or severe suffering of livestock during transport.

On another note, regional cooperation is essential to address cross-border challenges in livestock trade. Somaliland, Ethiopia, and Somalia share pastoralist communities whose movements often transcend political boundaries, leading to disputes over livestock ownership and trade regulations. Establishing transnational agreements to regulate cross-border pastoralist movements would reduce conflicts and improve traceability.

In addition, DP World's expansion plans for the Port of Berbera present a long-term opportunity to modernize livestock exports. The second phase of the port's development may include livestock-specific upgrades, such as dedicated berths, improved holding yards, and better waste management systems. These enhancements would align with global livestock welfare standards, making Somaliland's exports more attractive to international buyers. If implemented strategically, these upgrades will make the Port of Berbera the leading hub for livestock exports and position it as the premier livestock export hub not only in the Horn of Africa, but also beyond, driving economic growth and sustainability for decades to come.

Conclusion

The Somaliland livestock sector remains crucial and leading in its economy, by contributing significantly to employment and export revenues. However, the ongoing modernization of the Port of Berbera, led by DP World, has introduced both opportunities and challenges. While the port's expansion promises long-term economic growth through increased trade efficiency and foreign investment, the immediate impact on livestock exports cannot be overlooked. The Government of Somaliland must act swiftly to ensure that modernization efforts do not marginalize livestock traders, who rely on efficient port operations for their livelihoods. This requires a delicate balance between embracing global trade advancements and preserving the traditional economic pillars that sustain Somaliland's pastoralist communities.

To safeguard the livestock sector, the Government of Somaliland must prioritize negotiations with DP World to establish clear terms that guarantee livestock exports remain a top priority in port operations. Currently, delays in loading and insufficient

holding facilities at Berbera have led to increased livestock congestion and financial losses for exporters. A formal agreement should mandate dedicated berthing spaces for livestock vessels, streamlined customs procedures, and improved livestock welfare standards. Additionally, investing in specialized infrastructure such as quarantine zones, modern abattoirs, and climate-controlled holding areas would enhance the sector's efficiency and competitiveness. Beyond the port, upgrading road networks and transportation systems is essential to reduce pre-export stress on livestock and minimize losses during transit. These measures would not only protect existing trade but also position Somaliland as a regional leader in high-quality livestock exports.

Finally, strengthening regional partnerships is crucial for addressing cross-border challenges that affect Somaliland's livestock trade. Pastoralism is a transboundary livelihood, with herds frequently moving between Somaliland, Ethiopia, and Somalia in search of grazing land and water. Disputes over livestock export, livestock diseases, and trade restrictions often arise, undermining the sector's stability. By fostering collaboration with neighboring governments, Somaliland can establish standardized health certifications, harmonize trade policies, and develop joint disease control programs.

Moreover, diplomatic engagement with Gulf Arab states importers—particularly Saudi Arabia, the UAE, and Oman—can help secure long-term export contracts and stabilize market demand. By adopting a multi-faceted approach that combines infrastructure development, policy reform, and regional cooperation, Somaliland can safeguard its livestock sector, ensuring it remains a driver of economic growth and resilience in an evolving trade landscape.

References

- Ahmed, W. M., Qalonbi, O., Stepputat, F., Wallisch, S., & Wasuge, M. (2023). The revival and re-embedding of Somali ports. In *Trade makes states: Governing the greater Somali economy*. C Hurst & Co Publishers Ltd.
- Ali, N. M. (2015). The viability of pastoral society in post-conflict settings: Evidence from Somaliland. In *The intricate road to development: Government development strategies in the pastoral areas of the Horn of Africa*. Institute for Peace and Security Studies.
- Asnake, K. (2019). *Shoats and smart phones: Cross-border trading in the Ethio-Somaliland corridor*. Danish Institute for International Studies.
- Bakonyi, J., & Darwich, M. (2025). Port infrastructures and the making of historical time in the Horn of Africa: Narratives of urban modernity in Djibouti and Somaliland. *Cities*, 159, 1–10. <https://doi.org/10.1016/j.cities.2025.105781>.
- Birch, I. (2008). *Securing pastoralism in East and West Africa: Protecting and promoting livestock mobility*. International Institute for Environment and Development.
- Food and Agriculture Organization of the United Nations – FAO. (2021). *Food and nutrition security resilience programme: Building food system resilience in protracted crises*.
- Humza, A., & Irrum, S. (2025). The Berbera Port Deal: A geopolitical development and its implications in the Horn of Africa. *Journal of Social Sciences Review*, 5(1), 588–599.
- Mercy Corps. (2020). COVID-19 and livestock market systems: The impact of COVID-19 on livestock-based economies in the Horn of Africa.
- Ministry of Finance and Economic Development – MoFED. (2025). Trade statistics bulletin, Jan-March 2025.
- Ministry of Investment & Industrial Development – MoIID. (2023). *Invest in livestock*.
- Muhumed, M. M. (2016). Somaliland trade, exports and imports: An overview. *Developing Country Studies*, 6(8), 138–143.
- Omer, M. A. (2024). Climate variability and livelihood in Somaliland: A review of the impacts, gaps, and ways forward. *Cogent Social Sciences*, 10(1), 1-14. <https://doi.org/10.1080/23311886.2023.2299108>.
- Rageh, S. H. (1987). *Port development in Somalia*. World Maritime University.
- Rashid, A. (2020). Effects of Berbera Corridor on trade and security in the Horn of Africa: The case of Somaliland and Ethiopia. *Somaliland Peace and Development Journal*, 4, 1–10.
- Rius, A. (2022). *The AfCFTA and the Berbera Corridor: Opportunities for and potential impact on Somaliland's economy*. ODI.
- Smith, G. (2014). *Designing social protection frameworks for Somaliland (Final report)*. Development Pathways.
- World Bank. (2016). *Somaliland's private sector at a crossroads: Political economy and policy choices for prosperity and job creation*.

About the Paper

The Port of Berbera serves as the primary export hub for livestock, including livestock from the neighboring Somali Regional State in Ethiopia and Somalia, with over 3.4 million exported in 2024—a 22% increase from the previous year. However, challenges such as arguments with Ethiopia over livestock ownership, deficiencies under DP World's 2016 port concession agreement, and inadequate quarantine facilities hinder the sector's potential. Although DP World's modernization efforts have enhanced infrastructure, they often prioritize containerized cargo over livestock exports, leading to delays and discontent among traders. To address these issues, key recommendations include developing a dedicated livestock port, enhancing regional cooperation over trade issues, upgrading veterinary facilities, renegotiating with DP World to prioritize livestock trade, and investing in cold storage and transport infrastructure are needed. Additionally, relocating quarantines, constructing a light railway for livestock transport, and fostering international partnerships could further streamline operations. The sector's resilience is evident in its dominance of Somaliland's exports, particularly to Middle Eastern markets, but climate risks, cross-border conflicts, and export bans expose its vulnerabilities. By balancing modernization with traditional trade needs, improving infrastructure, and strengthening regional collaboration, Somaliland can secure its position as a leading livestock exporter, ensuring sustainable economic growth and stability for its pastoralist and agro-pastoralist communities.

About the Institute

The Laas Geel Academy of International Relations is a premier institute in Somaliland dedicated to world-class teaching, training, and research in international relations, diplomacy, and security. Through innovative research, the Institute produces strategic research papers, briefings, and in-depth analyses on key political, economic, and security issues to offer actionable insights to Somaliland's policymakers. By fostering international collaboration through dialogues, workshops, and seminars with global partners, the Academy fosters cross-cultural exchange and elevates Somaliland's voice in global discourse. Committed to excellence, integrity, and inclusiveness, its mission is to cultivate skilled professionals and deliver multidisciplinary research on critical areas such as climate change, migration, geopolitics, infrastructure, and regional security, thereby serving as a beacon of knowledge, innovation, and development for Somaliland and the wider Horn of Africa.

About the Authors

Nasir M. Ali is a researcher at Laas Geel Academy of International Relations in Somaliland. His research focuses on state fragility, state capacity, security, migration, and climate change.

Abdiqadir A. Ismail is a Senior Qualitative Researcher at the Laas Geel Academy of International Relations, with over fifteen years of expertise in development, program management, training, assessments, monitoring, and evaluation.

Acknowledgment

The Laas Geel Academy is grateful to the authors of this briefing. We are also deeply indebted to the reviewers and editors of this publication for their intellectual contribution and expertise to raise the paper's standards.

This Briefing is produced as part of the 2025 Laas Geel Academy Policy Briefs.

The opinions expressed in this paper do not necessarily reflect those of the Laas Geel Academy of International Relations. Authors contribute to Laas Geel Academy in their personal capacity.

Laas Geel Briefing, No. 2, 2025

ISSN: 3079-4978 (Print), 3079-4986 (Online)

Copyright © 2025 Laas Geel Academy of International Relations