MARITIME BRIEF 01

Selling Access, Not Value

Why Somalia's fish leaves the country unprocessed

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EXECUTIVE SUMMARY

What is happening. Somalia's ocean economy is being monetised at its lowest-value point. Revenue is collected mainly by selling fishing access to distant-water fleets and by exporting whole, chilled or dried fish through third-country intermediaries. Processing, grading, certification and branding — where most of the margin sits — happen elsewhere.

Why it matters. The consequence is not only lost export earnings. It is a fleet that cannot invest, landing sites without ice, fishers who take the first price offered, and no sanitary authority recognised by premium markets — so Somali product is structurally locked out of the buyers that pay the most. Every additional access licence issued into that structure deepens it.

What to do. Three decisions, in sequence: (1) stand up a national Competent Authority for seafood sanitary certification; (2) finance cold chain at a small number of designated landing sites rather than dispersing funds across the coast; (3) re-price and re-condition foreign access so that licences require landing, transhipment control and observer coverage. Options are compared in Section 5.

1. The problem in one page

Somalia does not have a resource problem. It has a value-capture problem. The country holds one of the richest and least industrially exploited fishing grounds in the western Indian Ocean, and it sits beside the shipping lanes that carry that region's seafood to market. Yet the sector contributes only a marginal share of GDP, and the fish that leaves the country is worth a fraction of what the same fish is worth two links further down the chain.

This is a policy outcome, not an accident of geography. Four mechanisms hold it in place, and they reinforce one another:

1. **No recognised sanitary authority.** Somali firms hold private HACCP certification, but private certification is not a substitute for a state Competent Authority issuing health certificates that importing markets accept. Without one, even a well-run Somali plant cannot enter the EU and comparable high-price markets — so output is sold into regional markets or routed through neighbouring states and re-exported under their certification.
2. **Cold chain exists in pockets, not as a network.** Where it has been built — largely by private firms in Puntland — it works. Elsewhere, where there is no ice within an hour of landing, quality is lost before the first sale. Loss-of-quality is a price discount applied to every kilogram, every day, permanently.
3. **Access sold rather than value taxed.** Licence fees are a one-off payment for extraction rights. They generate no jobs on shore, no processing capability and no data, and they compete directly with the domestic fleet for the same stocks.
4. **No verified catch data.** Without observer coverage, vessel monitoring and landing declarations, the state cannot price access correctly, cannot detect under-reporting, and cannot meet the traceability requirements that premium buyers now demand as a condition of purchase.

> **The core claim of this brief.** Somalia's fisheries problem is not scarcity, insecurity or lack of interest from buyers. It is that the country has no legal or physical infrastructure for proving quality. Certification and cold chain are not "soft" support activities — they are the market access itself.

2. Context: a coast built for trade, used for transit

End of the fishing day. An open boat hauled onto the sand — no ice, no chilled store and no buyer beyond the beach. Where the first sale happens at the waterline, the quality premium is lost before the catch reaches a market. *[Location and photographer to be confirmed.]*

Somalia's coastline — about 3,333 km, the longest of any mainland African state — fronts a maritime territory the Ministry of Fisheries and Blue Economy puts at roughly 1,000,000 km^2 out to the 200-nautical-mile limit, spanning the Gulf of Aden and the Indian Ocean. The Somali upwelling, one of the strongest seasonal upwelling systems in the world, drives high productivity along this coast and supports migratory tuna alongside demersal, reef and small pelagic stocks.

The scale of the gap is the finding. The ministry puts sustainable potential at over 200,000 tonnes a year; reported 2022 catch was roughly 6,000 tonnes from the Somali artisanal fleet plus an estimated 13,000 tonnes from licensed foreign industrial vessels — under 10% of potential combined, and independent researchers note the foreign figure is likely understated. The legal foundation exists: the 2014 Somali Fisheries Law established the EEZ and a federal–state licensing agreement, and Somalia has since joined the Indian Ocean Tuna Commission. What has not followed is the monitoring capacity to make that law enforceable — which is why a 2019 licensing round issued 31 licences to a single foreign fleet operator with limited independent verification of what was actually landed.

200,000+ t
Ministry estimate of sustainable annual yield, against ~19,000 t reported landed in 2022.

~1,000,000 km^2
Maritime territory to the 200 nm limit — among the largest in Africa, least monitored.

6,000 t
Artisanal catch reported in 2022, against an estimated 13,000 t taken by licensed foreign vessels.

3. Evidence: where the value goes

The table below follows a single notional tonne of yellowfin tuna from a Somali skiff to a retail counter. The figures are illustrative of typical margin structure in Indian Ocean tuna chains rather than audited Somali transaction data; the pattern, not the precise number, is the finding.

Stage	Who performs it today	Where the margin lands
Catch	Somali artisanal fishers; licensed foreign vessels	Somalia (small, and price-taking)
First sale / icing	Beach traders; often no ice available	Trader — quality discount absorbed by fisher
Grading / processing	A small number of domestic plants (Bosaso, Hafun, Bargal, Eyl); third-country plants for the balance	Partly Somalia — but on a fraction of volume
Sanitary certification	Private HACCP systems; no state authority recognised by EU-type markets	**Outside Somalia**
Export & branding	Re-exported under another origin	**Outside Somalia**

Reading of the table: The gap is not that Somalia cannot process fish — a handful of firms already do, to HACCP standard. It is that this capacity is small relative to the resource, concentrated in a few Puntland sites, and directed at regional markets because the one link only the state can supply — official sanitary certification recognised by high-price importers — does not exist. Private capital has moved ahead of public regulation, and is now capped by it.

WHAT ALREADY EXISTS

Somalia is not starting from nothing. Hafun Fishing Company has operated from Bosaso since 1992 and recommissioned its Hafun plant in 2020, running blast freezing, filleting and drying to HACCP standard. Yustan Seafood, founded in 2015, processes and exports from Bosaso with cold chain at Hafun, Bargal and Eyl, supplying Ethiopia, Djibouti, Yemen and Gulf markets. Oceanic Fishery, established in 2019, is likewise HACCP-certified. **The policy question is therefore not how to create an industry, but why an industry that already meets international hygiene standards is still selling into regional rather than premium markets.** The answer is state-side: no recognised competent authority, and no cold chain beyond the sites these firms built themselves.

What the state loses

- Export duty on a low declared value instead of a high one
- Corporate and payroll revenue from processing that occurs abroad
- Bargaining power in access negotiations, because catch is unverified

What the fisher loses

- The quality premium, forfeited at the moment of landing
- Any alternative buyer, and therefore any negotiating position
- Creditworthiness — no verified sales record, no gear finance

4. What is being got wrong

Common assumption	What the evidence suggests
"Security is the main barrier."	Vessels already fish these waters commercially. The barrier that stops *Somali* product reaching premium buyers is certification, not risk.
"More boats and gear will raise incomes."	Boats without ice and buyers increase landings into a market that cannot absorb them, pushing prices down and spoilage up.
"Licence revenue is the quick win."	Access fees are typically a small fraction of landed value. Unconditioned licences trade a durable asset for a one-year receipt.
"Cold chain everywhere along the coast."	Dispersed facilities fail on power, volume and maintenance. Concentration at designated sites is what makes them viable.
"Somalia has no processing industry."	It has one — small, HACCP-certified and concentrated in Puntland. It is constrained by the absent state certification link, not by a lack of private capability.
"This requires large capital first."	The binding first step — a Competent Authority with legal mandate and laboratory access — is institutional and comparatively inexpensive.

5. Policy options

Four courses of action are realistically available. They are not mutually exclusive, but they compete for the same scarce resources — ministerial attention, donor financing and negotiating capital — so sequence is the real decision.

OPTION A

Continue as is — expand access licensing

Gain: immediate, predictable treasury receipts; no institutional reform needed.

Cost: stock pressure rises, domestic chain stays absent, and the negotiating position weakens each cycle.

Verdict: not recommended.

OPTION B

Asset-first — build ports and vessels

Gain: visible, politically attractive, employment during construction.

Cost: highest capital requirement and longest lead time; without certification the new capacity still cannot reach premium buyers.

Verdict: necessary later, not first.

OPTION C · RECOMMENDED

Compliance-first — certification, then cold chain, then access reform

Gain: unlocks market access at the lowest cost, raises the value of every subsequent investment, and strengthens the state's hand in licence negotiations.

Cost: requires legal drafting, inter-ministerial coordination and 18–36 months before export volumes move.

Verdict: highest return per dollar and per month.

OPTION D

Moratorium on foreign access

Gain: relieves stock pressure; strong signal of sovereignty over the EEZ.

Cost: forfeits current revenue, is difficult to enforce without surveillance capability, and risks unlicensed fishing replacing licensed fishing.

Verdict: only credible after monitoring exists.

Why C before B and D: Option C is the only option that makes the others work. Certification converts existing landings into higher-priced landings without a single new vessel; monitoring, once built for certification, is also what makes a moratorium or a re-priced licence enforceable.

6. Recommendations

1

Establish a national Competent Authority for seafood safety within 12 months.
Give it statutory mandate, an inspection cadre, an accredited laboratory arrangement (domestic or contracted regionally), and a published register of approved establishments and vessels. *Lead: Ministry of Fisheries with Ministry of Health and Bureau of Standards. Indicator: first health certificate accepted by a target market.*

2

Designate export landing sites — starting where plants already operate — and finance the cold chain there.
Build on the existing footprint in Bosaso, Hafun, Bargal and Eyl rather than starting new sites from zero, then extend to the south. Ice plant, chilled holding, potable water, hygienic landing slab and reliable power — specified as one package, not separate procurements. *Lead: federal member states with the federal ministry, in consultation with operating firms. Indicator: tonnes landed under continuous chill.*

3

Re-condition foreign access: no licence without landing, monitoring and observers.
Require a minimum landing or transhipment share at a designated Somali site, operational vessel monitoring, observer coverage, a ban on at-sea transhipment outside declared points, and Somali crew quotas. Publish all licences and fees. *Indicator: share of licensed catch verifiably landed or transhipped in Somalia.*

4

Create one national catch and traceability register — and make it the basis of policy.
Landing declarations, licence data and first-sale records in a single federal–state system, building on FAO-supported work on a national fisherfolk identification and registration database. This is simultaneously the traceability evidence buyers require and the negotiating evidence the state lacks in the foreign-access renegotiations under Recommendation 3. *Indicator: percentage of landings and registered fishers with a traceable record.*

5

Move finance to working capital, not only equipment grants.
First-buyer working capital and cooperative aggregation do more for price than additional gear. Pair with a partial guarantee facility so banks can lend against verified sales records from Recommendation 4. *Lead: Central Bank, development partners, private aggregators.*

THE DECISION IN ONE LINE

Somalia can keep selling access to its ocean, or it can start selling what its ocean produces. The first requires no reform and yields a receipt. The second requires certification, cold chain and verified data — and yields an industry.

7. Sequencing and risks

Horizon	Action	Test of progress
0–12 months	Competent Authority established; landing sites designated; licence register published	Legal instrument in force; register online
12–24 months	Cold chain commissioned at designated sites; first approved establishments listed	Tonnes landed under chill; first certificates issued
24–36 months	Access agreements renegotiated on new conditions; traceability register operating	Landed share of licensed catch; export unit value
36+ months	Processing investment and port upgrades (Option B) on a now-bankable basis	Private capital committed without guarantees

Principal risks

- Federal-state disagreement over licensing authority stalls both certification and enforcement
- Cold chain built without power or maintenance budget fails within two seasons
- Higher prices draw effort onto stocks with no assessment in place

Mitigations

- Agree a written federal-state revenue-and-mandate split *before* the authority is created
- Fund operations and maintenance for five years inside the capital package
- Commission a baseline stock assessment in parallel with Recommendation 1

The fleet at anchor, Mogadishu. Every skiff here lands into a market with buyers, capital and demand. What is missing is the hundred metres of cold chain between the boat and the first sale. *[Photographer to be credited.]*

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16. **Photographs.** Images are used for illustration. Locations, dates and photographer credits must be confirmed and licences secured before publication; captions marked *[to be confirmed]* should not be published as they stand.

Quantities cited are indicative estimates compiled from published secondary sources and should be verified against the latest national statistics and IOTC data before use in formal decision-making. The value-chain table in Section 3 illustrates margin structure and is not audited transaction data.

ABOUT OPONE

OPONE is a Somalia-based fisheries and blue economy enterprise inspired by the legacy of the ancient Port of Opone, one of the Horn of Africa's most important maritime trading centres. We work to strengthen fisheries value chains, improve market access, support coastal communities and unlock sustainable blue economy opportunities across Somalia. By connecting producers, markets, investors, knowledge institutions and development partners, OPONE contributes to a more resilient and prosperous ocean economy.

ABOUT THIS SERIES

The OPONE Maritime Brief series sets out short, evidence-based positions on the decisions shaping Somalia's fisheries and ocean economy.

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AUTHOR

Mohamed Osman Abdulkadir is Chairman of OPONE and an agribusiness and blue economy entrepreneur working on fisheries value chains and market access in Somalia.

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Findings and recommendations are those of the author and do not necessarily reflect the views of any institution or partner. Mogadishu, Somalia · info@opone.so · www.opone.so