

Legislative Council
Subcommittee to Examine the Implementation
in Hong Kong of Resolutions of the United Nations
Security Council in relation to Sanctions

United Nations Sanctions (Somalia) Regulation

Supplementary information on Somalia

Purpose

At the meeting of the Subcommittee to Examine the Implementation in Hong Kong of Resolutions of the United Nations Security Council in relation to Sanctions on 27 April 2009, Members sought information on pirate activities in Somalia, trade relations between Hong Kong and Somalia and economic impact arising from sanctions against Somalia, to facilitate Members' consideration of the United Nations Sanctions (Somalia) Regulation. This paper provides the information as requested.

Country background

2. Somalia, officially known as the Somali Republic, is a country located in eastern Africa with a total area of around 637,600 km². It is bordered by the Indian Ocean to the east, Ethiopia to the west, Yemen to the north and Kenya to the south. Somalia has a population of around 8 million with 85% Somali and 15% Bantu and other non-Somali¹. In 2007, merchandise imports and exports of Somalia are USD 680 million and USD 290 million respectively². Somalia has an agriculture-oriented economy with 65% of its GDP originating from the agricultural sector, 25% from services and 10% from industry³.

United Nations sanctions on Somalia

3. United Nations sanctions against Somalia started in 1992 when Somalia descended into civil war after the fall of the three-decade regime of Mohamed SIAD Barre. Recognizing that the military activities in Somalia

¹ Source : United Nations Country Facts

² Source : World Trade Organization International Trade Statistics 2008

³ Source : United Nations Country Facts

had resulted in heavy loss of human life and material damage and posed a threat to international peace and security in the region, the United Nations Security Council (UNSC) passed the first resolution in 1992 on Somalia which imposes a general and complete embargo on all deliveries of weapons and military equipment against Somalia. Despite the peace-building efforts made by the United Nations and the international community in Somalia, the security situation there remains extremely volatile and unpredictable and there is continued flow of weapons and ammunition supplies to and through Somalia from sources outside the country. From 1992 onwards, the arms embargo against Somalia continues to be in force with a number of further resolutions passed which introduce exceptions to the arms embargo and impose financial and travel sanctions on Somalia.

4. While maintaining arms embargo against Somalia since 1992, the UNSC started expressing concerns on the upsurge of piracy when there is alarming increase in the number of pirate activities off the Somali coast in the past few years. Against the background of having a traditionally active fishing industry, the persistence of civil conflict and violence, the political instability, the strategic location of Somalia at the Northeastern part of Africa and its long coastal line along the Gulf of Aden and the Indian Ocean, pirate activities proliferated. In 2008, more than one-third of the 293 incidents of piracy or armed robbery at sea against ships occurred off the coast of Somalia⁴. This represents an annual increase of nearly 200 per cent of incidents in the critical trade corridor linking the Suez Canal and the Indian Ocean⁵.

5. Since 2005, many international organizations, including the International Maritime Organization and the World Food Programme, have expressed concern over the rise in acts of piracy near Somalia. Not only has piracy caused an increase in shipping costs (including the payment of ransom for hijacked ships and the growth of insurance premiums for ships) and upset international maritime trade and transport, it also impeded the delivery of food aid shipments to Somalia and some other African countries. Actions taken by the United Nations against piracy began in July 2007 when the International Maritime Organization requested the UNSC to take action to prevent and suppress acts of piracy off the Somali coast⁶. Since then, the

⁴ Source : Report of the UN Secretary-General pursuant to Security Council resolution 1846 (2008) (S/2009/146)

⁵ Source : Report of the UN Secretary-General pursuant to Security Council resolution 1846 (2008) (S/2009/146)

⁶ Source : International Maritime Organization

UNSC have passed a number of resolutions not only to express concern and condemn the upsurge of piracy but also to call upon Member States, regional and international organizations to take part in the fight against piracy through deploying naval vessels and military aircraft, seizure and disposition of vessels or arms used in the commission of piracy and better international cooperation.

6. In a recent report by the UNSC, it is recognized that the persistent and flagrant violation of the arms embargo on Somalia over the past 16 years has contributed to the ready access to arms and ammunition by pirates and that a long-term solution to the question of securing international navigation off the coast of Somalia relies on the understanding of the complex relationship between the growth of piracy and the non-enforcement of the Somalia arms embargo⁷. It is also noted in the same report that ‘the UNSC Resolution 1844 (2008), by which the UNSC imposed travel bans, an assets freeze and arms embargoes on individuals and entities designated by the sanctions Committee, provides a real opportunity for those that violate the arms embargo to be brought to account if Somalia’s international partners demonstrate and reinforce a norm of compliance pursuant to the various related UNSC resolutions, through adherence to these procedures’⁸. Hence, implementation of UNSC Resolution 1844 through the United Nations Sanctions (Somalia) Regulation enables Hong Kong to contribute to international efforts on combating piracy off the Somali coast.

Trade Relations between Hong Kong and Somalia

7. In 2008, Somalia ranked 193rd among Hong Kong’s trading partners in the world, with a total trade of HK\$2.06 million and HK\$1.4 million worth of goods, or 0.5% of the total trade between Somalia and the Mainland, routed through Hong Kong. There is no domestic export from Hong Kong to Somalia in 2008. The major re-exports to Somalia include telecommunication equipment (70.8%) and image/sound recorders or reproducers (15%). Reciprocally, imports from Somalia are mainly raw hides and skins (except furskins) (96%) and crude animal materials (0.9%)⁹.

8. The current arms embargo, travel ban and financial sanctions

⁷ Source : Report of the UN Secretary-General pursuant to Security Council resolution 1846 (2008) (S/2009/146)

⁸ Source : Report of the UN Secretary-General pursuant to Security Council resolution 1846 (2008) (S/2009/146)

⁹ Source: Census and Statistics Department

against Somalia imposed by the UNSC would unlikely adversely affect the trade between Hong Kong and Somalia as the major categories of commodities traded are not related to arms and related materials. In addition, given the extremely small trade volume between the two places, the UN sanctions against Somalia would not have any effect on the economy of Hong Kong.

9. Members are invited to note the above information.

**Commerce and Economic Development Bureau
May 2009**