



## Berbera set to challenge for regional port status

**Development at the port of Berbera has been ongoing for several years with it being slated as an alternative to Djibouti for East African trade. So far, Djibouti has maintained its status as the gateway to the region, but the tide could soon be turning, with Berbera attracting international interest.**

**G**lobal port operator DP World, which formerly operated Djibouti port, threw its weight behind Berbera back in 2017, signing a deal with the government of Somaliland. Since then, investment has been funnelled into a container terminal and an economic zone that the developers believe can transform the area into a major trade hub in the Horn of Africa.

### Strategic location

The strategic location of Berbera places it in a strong position to serve landlocked countries in East Africa, in particular Ethiopia, which has been dependent on Djibouti for its trade links. The economic zone, for instance, is located just 15 km from the port along the Berbera to Wajaale road (Berbera Corridor) that connects to Addis Ababa.

This new road is almost complete and offers a superior alternative compared with

the transport links from Djibouti, according to Dale Calkeld, managing director of ALS Worldwide Group, which has recently opened an office in Berbera.

Previously operating out of Djibouti, he explained: “The road between Djibouti and Galafi [the official border crossing from Djibouti into Ethiopia] is complete desert. It is horrendous... totally unsafe and Djibouti has never really tried to improve it.”

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Making the switch to Berbera, ALS Worldwide Group now has its business and transport licence in Somaliland and is championing the region as a new gateway into East Africa. “DP World and Somaliland have been pursuing the corridor to Ethiopia heavily,” he explained. The road is garnering great interest from shipping lines and logistics companies alike – all eyes will be on who makes the first move.

### Customs issues

So far, Berbera port’s activity has been focused on Somaliland and Somalia; its operations have not yet reached into Ethiopia because of Customs issues and agreements, which have now been rectified. And, after initially backing away from a deal to take a 19 percent stake in the port to investigate alternative options, notably in Eritrea, Ethiopia has come back on board, believing Berbera to be its best option for connectivity.

Everything now seems to be in place and once Berbera can showcase its ability to handle cross-trade shipments, Calkeld is confident that shippers will gradually redirect via Somaliland. “It is the classic chicken or egg scenario. People want to move the cargo via Berbera and we want to take the cargo, but no one wants to be the first.

“We aim to deliver port handling, fast Customs clearance and a smooth delivery, and if we stick to those things, which I know we will with the world watching, we can show how fast it was unloaded and how it was delivered, and that it will be a smooth transition to Berbera.”

### Expected progress

Naturally, he expects that the first cargoes moved this way will be simpler shipments like containers. Then the heavy lift units should follow. “The port and the road are suitable for everything. At the moment, for the really big pieces, there is a section of road that is not yet finished. There is a bypass that can be used but we will be more convinced on the very heavy pieces – like cargoes measuring 7 m in diameter – when that section has been completed.”

Based on his experience in the region for the past seven years, Calkeld added: “We have been across that desert [from Berbera to Ethiopia] hundreds of times and not had one bit of damage... Somaliland wants to develop and support the region. It wants the corridor and good relationship with Ethiopia. And putting those things together spells a good future.”

**HLPFI**