# Ports, Recognition and the New Red Sea Perimeter

Somaliland, Somalia, External Military Support and the Maritime Risk Architecture of the Western Indian Ocean

May 2026

# Contents

# Evidence and scope note

This report treats Israel's recognition of Somaliland as a confirmed diplomatic fact as of 26 December 2025. Israel's official government notice states that it recognised the Republic of Somaliland as "an independent and sovereign state"; Reuters and other major outlets reported that Israel became the first UN member state to recognise Somaliland after it declared independence from Somalia in 1991. The African Union, European Union, Somalia and several states rejected or criticised the move, reaffirming Somalia's territorial integrity. (Government of Israel)

The report also treats Turkish and Egyptian military support to Somalia as confirmed, but not fully transparent. Turkey and Somalia signed a defence and economic cooperation agreement in February 2024, with maritime-security support and Somali naval capacity-building as stated elements. Egypt and Somalia signed defence arrangements in August 2024; Egypt delivered military aid in August and September 2024 and later reaffirmed training, armament and maritime-border support under a strategic partnership declaration in January 2025. The details of equipment, command arrangements and operational rules remain partly undisclosed. (Reuters)

This is not a legal opinion on recognition, secession or statehood. It is an operational and policy analysis of how sovereignty disputes, port infrastructure, external military support and shipping-market risk interact in the Western Indian Ocean.

## Disclaimer

This document has been prepared as an independent strategic analysis for policy, institutional and commercial discussion. It is intended to support senior-level consideration of maritime governance, sovereignty risk, port infrastructure, vessel traffic, insurance exposure and regional security in the Western Indian Ocean, Red Sea and Gulf of Aden corridor.

The analysis is based on information available as of **2 May 2026**, including public statements, official documents, multilateral reporting, maritime-security material, shipping-market data, press reporting from reputable outlets, and the author's analytical assessment. The subject matter is politically contested and fast-moving. Some developments, particularly those concerning diplomatic recognition, defence cooperation, military deployments, insurance pricing and port-access arrangements, may evolve quickly and may not be fully reflected after the date of preparation.

This report does not constitute legal advice, diplomatic advice, investment advice, insurance advice, military advice or a formal determination of statehood, sovereignty, territorial jurisdiction or treaty rights. References to Somaliland, Somalia, Israel, Turkey, Egypt, Ethiopia or any other state or authority are made for analytical clarity only and should not be interpreted as endorsement of any legal or political position.

Where the report discusses scenarios, probability ranges, commercial exposure or policy options, these are judgement-based assessments rather than predictions. They are intended to clarify plausible risks and decision pathways, not to assert certainty. Maritime traffic patterns, war-risk premiums, port utilisation, military postures and diplomatic positions may differ from the assumptions used in this analysis.

All reasonable care has been taken to avoid unsupported claims, fabricated quotations or invented statistics. Public quotations, where used, should be attributable to verifiable sources. Any error or omission remains the responsibility of the author. Readers should verify time-sensitive data before using this report for formal policy, financial, legal, operational or procurement decisions.

The document may refer to multilateral organisations, development finance institutions, governments, port authorities, insurers and maritime actors. Such references are analytical and do not imply endorsement, approval, sponsorship or institutional affiliation unless expressly stated. The recommendations are presented as possible alignment pathways for resilience, risk visibility and maritime continuity, not as instructions to any government or institution.

This report should be read as a decision-support paper. Its purpose is to make ambiguity more legible, not to remove it.

# Executive Summary

The central judgement is straightforward but uncomfortable: the Western Indian Ocean is no longer a downstream theatre of Red Sea disruption. It is becoming part of the same risk system. The recognition of Somaliland by Israel, Somali military support from Turkey and Egypt, Ethiopia's unresolved sea-access problem, the commercial rise of Berbera, and Red Sea insecurity are not separate files. They are now stacked on the same maritime shelf.

The first change is diplomatic, but its consequences are commercial. Israel's recognition of Somaliland has moved a long-frozen sovereignty question from the margins of African diplomacy into the Red Sea security perimeter. Somaliland's legal status remains contested; its practical maritime role does not. Berbera has a modernised container terminal, a 17-metre draft, a 400-metre quay in the new terminal, three ship-to-shore cranes and first-phase capacity of 500,000 TEU a year, with DP World describing second-phase ambitions of up to 2 million TEU. This does not make Berbera a substitute for Djibouti. It does make it too serious to ignore. (DP World)

The second change is military. Turkey's support to Somalia is not new in spirit: Ankara has been embedded in Somali security and state-building for more than a decade and opened a major overseas military training base in Mogadishu in 2017. The February 2024 agreement added a sharper maritime layer. Egypt's support is newer, more explicitly tied to the Ethiopia-Somalia-Somaliland dispute, and more exposed to interpretation as counter-Ethiopian signalling. Turkey builds relationships by staying. Egypt signals by arriving at moments of strategic pressure. That distinction matters. (Reuters)

The third change is pricing. The Red Sea crisis has already shown that maritime insecurity becomes inflation, working capital stress, insurance cost, port congestion and fiscal loss with impressive speed. The IMF reported that trade through the Suez Canal fell by 50 per cent year-on-year in the first two months of 2024, while Cape of Good Hope traffic rose by 74 per cent; Suez normally carries about 15 per cent of global maritime trade by volume. The World Bank later assessed that by the end of 2024 the Suez/Bab el-Mandeb route, previously carrying about 30 per cent of world container traffic, had fallen by three-fourths, with Cape volumes up more than 50 per cent. (IMF)

The fourth change is institutional lag. The African Union, European Union and Somalia continue to insist on Somalia's unity and territorial integrity. That position remains legally and diplomatically consequential. Yet ships, ports, insurers and external security actors operate in a world of usable access, not only formal doctrine. A port does not need to settle a sovereignty dispute to affect freight costs. It only needs to alter route choice, patrol density, insurance wording or political confidence.

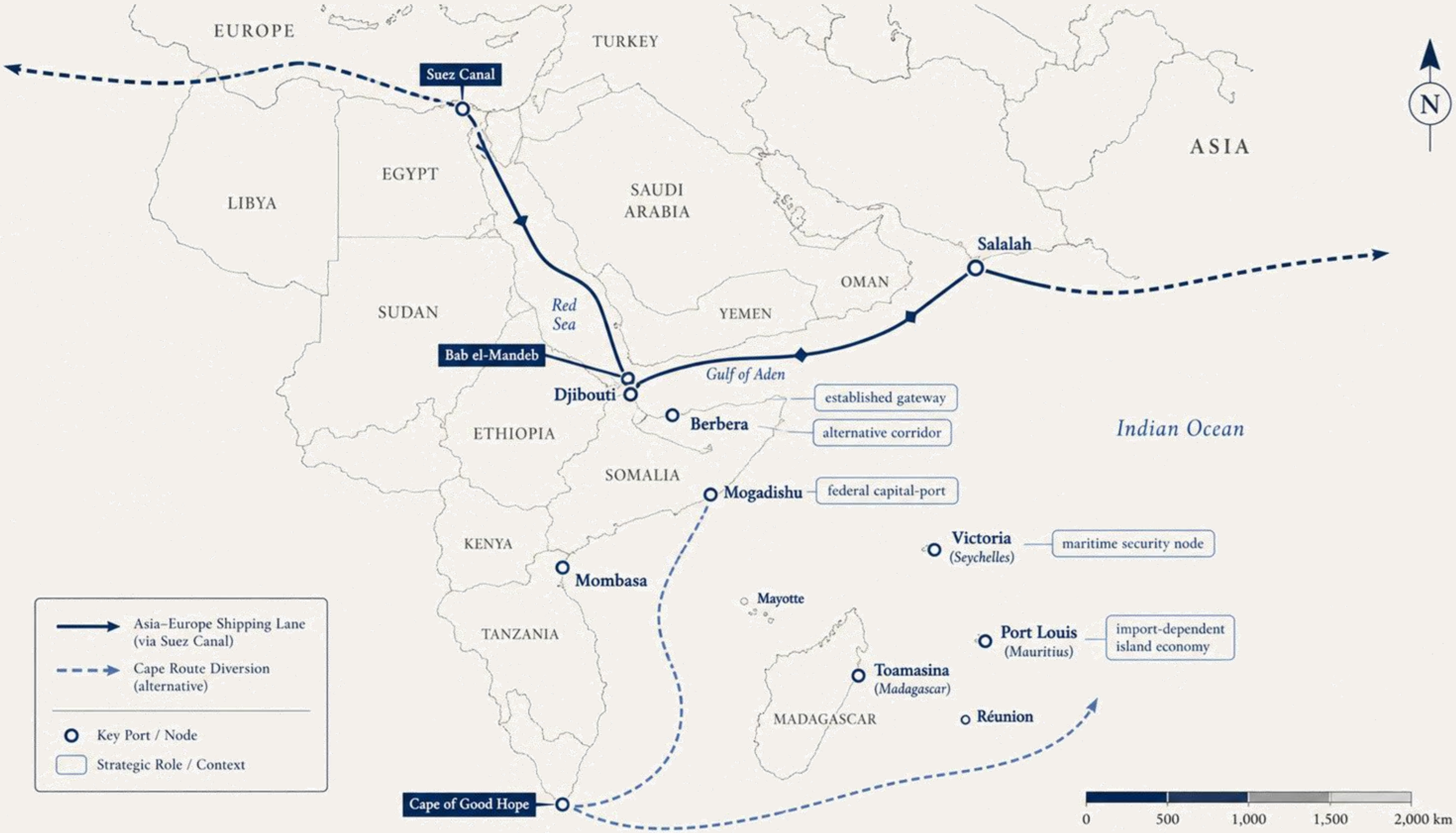
The fifth change is exposure for island states. Mauritius, Seychelles, Comoros, Madagascar and Réunion/Mayotte are often treated as pleasant blue-economy jurisdictions, not as hard-edged logistics economies. That is a mistake. Small island developing states are structurally dependent on maritime imports and have lower shipping connectivity than larger economies; UNCTAD reported that SIDS were ten times less connected than the rest of the world and had seen shipping connectivity decline by 9 per cent over the previous decade. Mauritius and Seychelles have stronger institutions and convening power; Comoros and Madagascar are more fiscally and import-price sensitive. None can afford to treat Red Sea–Horn instability as a northern problem. (UN Trade and Development (UNCTAD))

The sixth change is risk character. The most probable danger is not a clean interstate war at sea. It is competitive security layering: more advisers, more port-access arrangements, more intelligence cooperation, more naval escorts, more disputed statements, more insurance caution, more delays. It is not cinematic. It is expensive.

The seventh change is opportunity. The same fragmentation that raises risk also creates demand for neutral maritime governance. Mauritius and Seychelles, working with the Indian Ocean Commission, IORA, the African Union, IMO, UN agencies, India, France, the EU and development banks, can build a Western Indian Ocean maritime risk observatory, pooled maritime-domain awareness, insurance-cost monitoring and contingency planning. These instruments will not resolve Somaliland's status. They would, however, stop the basin from sleepwalking into avoidable commercial exposure.

> *"The Union does not recognize Somaliland as an independent state."*
> — African Union Commission, April 2026. (African Union)

That line states the diplomatic orthodoxy. The shipping market hears something slightly different: status may be disputed, but access, patrols, port reliability and insurance confidence still have to be priced.


EUROPE
TURKEY
ASIA
N
Suez Canal
EGYPT
LIBYA
SAUDI ARABIA
Salalah
OMAN
SUDAN
Red Sea
YEMEN
Bab el-Mandeb
Gulf of Aden
Djibouti
established gateway
Berbera
alternative corridor
ETHIOPIA
Indian Ocean
SOMALIA
Mogadishu
federal capital-port
Victoria (Seychelles)
maritime security node
KENYA
Mombasa
Mayotte
Port Louis (Mauritius)
import-dependent island economy
TANZANIA
Toamasina (Madagascar)
MADAGASCAR
Réunion
Cape of Good Hope
Asia–Europe Shipping Lane (via Suez Canal)
Cape Route Diversion (alternative)
Key Port / Node
Strategic Role / Context
0
500
1,000
1,500
2,000 km

# I. The Horn of Africa as maritime infrastructure

The Horn of Africa is often described as a geopolitical crossroads. The phrase is true, which is why it has become a little useless. The region is better understood as a working maritime infrastructure system: ports, straits, customs regimes, naval missions, informal access arrangements, military training camps, insurance clauses, cargo corridors and diplomatic recognitions. Some of it is formal. Much of it is not. Ships do not wait for lawyers to finish arguing about sovereignty; they wait for berths, pilots, port clearance, war-risk guidance and underwriters.

At the northern end lies Bab el-Mandeb, the narrow gate between the Red Sea and the Gulf of Aden. To its west sit Djibouti and the Red Sea littoral; to its east Yemen; to the south-east the Somali coast; beyond it, the Western Indian Ocean spreads towards Oman, Kenya, Tanzania, Seychelles, Madagascar, Mauritius, Réunion and the Cape route. This is not peripheral geography. It is the connective tissue between Asian manufacturing, Gulf energy, European demand, African imports and Indian Ocean naval presence.

The Red Sea crisis has already turned this geography into a live balance-sheet issue. UNCTAD identified the Red Sea/Suez disruption as affecting Asia-Europe cargo sectors from construction and automotive to chemicals, machinery, energy and food. It also noted that Suez Canal revenue in Egypt reached $9.4 billion in the previous fiscal year, equivalent to 2.3 per cent of GDP in 2023, before the crisis reportedly triggered a sharp revenue fall. (UN Trade and Development (UNCTAD))

For East African states, the exposure is direct. UNCTAD reported that Suez-linked trade by volume represented roughly 31 per cent for Djibouti, 34 per cent for Sudan, 15 per cent for Kenya and 10 per cent for Tanzania. This is not only a Europe-Asia problem. When Red Sea risk rises, East African importers, island economies and Indian Ocean ports feel it through freight rates, port calls, fuel costs, shipping schedules and insurance behaviour. (UN Trade and Development (UNCTAD))

The Horn's maritime infrastructure is also unusually political because ports are proxies for sovereignty. Djibouti has long been Ethiopia's principal maritime outlet and a hub for international military presence. Berbera, in Somaliland, is now a credible alternative corridor under DP World management, linked to the Berbera Economic Zone and the road corridor towards Ethiopia. Mogadishu remains the capital-port of the internationally recognised Somali state. Mombasa, Salalah and Jeddah sit within overlapping trade, naval and feeder-service networks. Port Louis and Seychelles are farther south, but their exposure is not distance-based; it is supply-chain based.

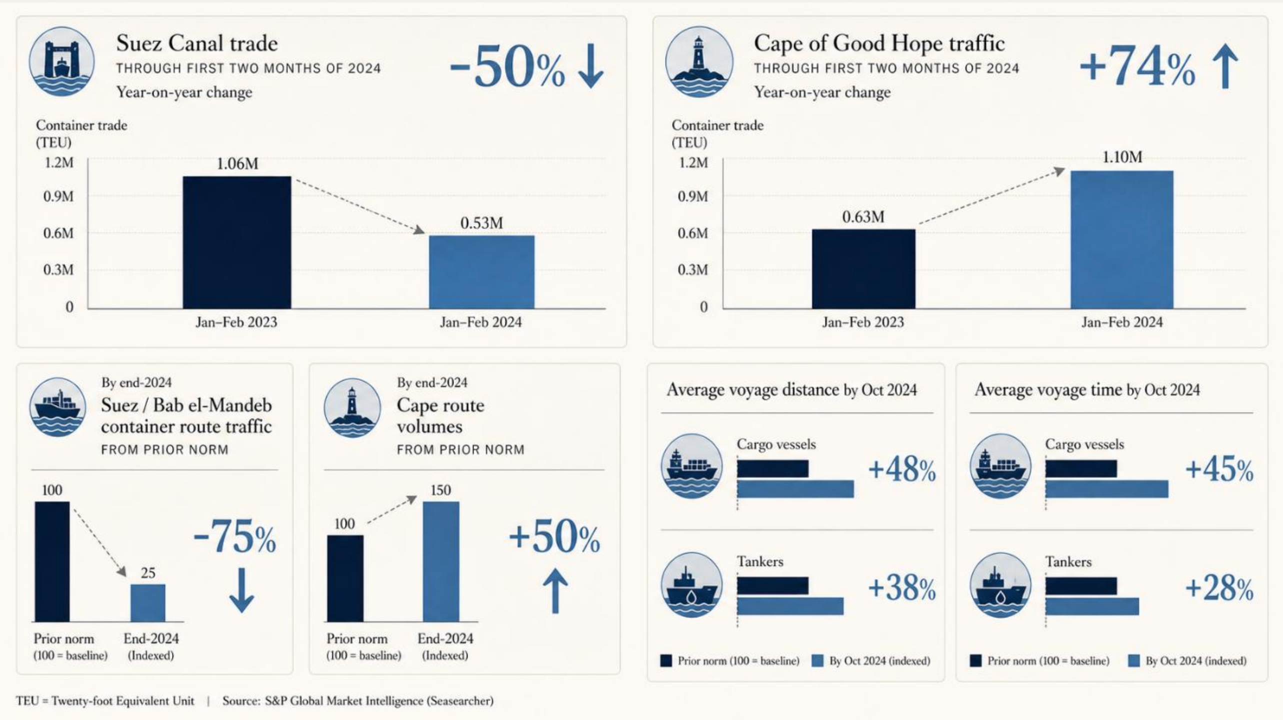
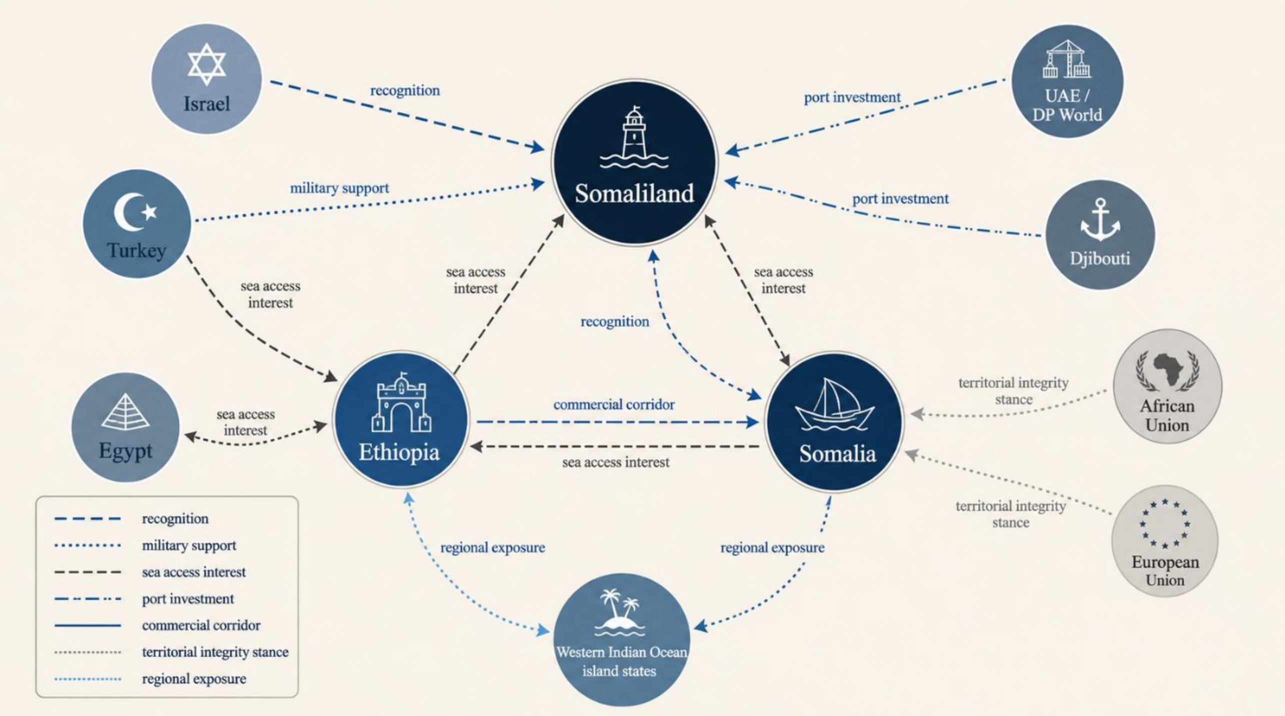


Table 1 Strategic geography of the corridor

| Node | Strategic function | Exposure | Relevance to vessel traffic | Governance and insurance implication |
|---|---|---|---|---|
| Bab el-Mandeb | Chokepoint between Red Sea and Gulf of Aden | Houthi attacks, war-risk classification, naval congestion | Core transit point for Asia-Europe and Gulf-Europe flows | Risk here moves global rates quickly; small states feel the pass-through without controlling the cause. |
| Gulf of Aden / Somali coast | Entry basin for Red Sea traffic; piracy and interdiction risk zone | Piracy resurgence, spillover from Yemen, naval-militia ambiguity | Tankers, container vessels, bulkers, feeder services and humanitarian cargo | Insurance pricing reacts not only to attacks but to uncertainty around response capability. |
| Berbera | Somaliland-controlled port, alternative Ethiopian corridor, DP World hub | Contested sovereignty, possible strategic partnerships, Ethiopia-Somalia tensions | Modern terminal with 17m draft and 500,000 TEU first-phase capacity; feeder connections to Jeddah, Salalah, Djibouti and Gulf ports | Commercially useful control may outrun diplomatic consensus; bankability depends on political-risk structure. (DP World) |
| Djibouti | Established Ethiopian gateway and military-hosting state | Red Sea disruption, dependence on Ethiopian trade, congestion risk | Critical for Ethiopian imports/exports and Red Sea-linked flows | Strong infrastructure position, but corridor concentration creates systemic exposure. |
| Mogadishu | Federal capital-port of recognised Somalia | Security risk, state-building pressures, external military support | Key for Somali trade and political legitimacy | International recognition gives legal weight; operational reliability still depends on security and customs capacity. |
| Salalah | Omani transshipment and diversion node | Regional disruption, feeder recalibration | Serves Arabian Sea, Gulf of Aden and East Africa feeder networks | Can benefit from rerouting, but network volatility complicates schedule reliability. |
| Mombasa | Kenya's principal seaport and East African gateway | Congestion, Suez exposure, regional trade shocks | Important for container and bulk flows into East Africa | Needs Red Sea contingency planning and insurance visibility. |
| Port Louis | Island economy port, bunkering/logistics and convening potential | Import inflation, route diversion, fuel-security pressure | Not a chokepoint, but exposed to freight and fuel-price pass-through | Mauritius can act as a neutral governance platform if it invests in maritime-risk intelligence. |
| Seychelles | Ocean-governance, fisheries and maritime-security node | IUU fishing, piracy spillover, cable and tourism exposure | Small cargo volumes but large ocean-security footprint | Strong candidate for pooled maritime-domain awareness and fisheries/cable protection. |
| Cape of Good Hope route | Strategic fallback for Suez avoidance | Longer voyages, fuel, crew, emissions, congestion | Cape rerouting adds time and operating cost; IMF noted average delivery increases of more than ten days during early 2024 disruptions | What looks like a diversion on a map becomes working-capital strain in ministries of finance. (IMF) |

The corridor's politics are therefore not reducible to recognition alone. Recognition changes the diplomatic map. Military support changes the coercive map. Port investment changes the commercial map. Vessel operators, insurers and finance ministries are left to reconcile all three.

# II. Recognition, sovereignty and the practical politics of access




Somaliland's claim is familiar: it declared independence in 1991 after the collapse of the Somali state, built its own institutions, held elections and maintained a degree of internal order unusual in the wider Somali context. Somalia's position is equally clear: Somaliland remains part of the Federal Republic of Somalia. Until December 2025, no UN member state had formally recognised Somaliland as sovereign. Israel's decision changed that diplomatic record, but not the broader international consensus.

The move was not quiet. Israel framed recognition as strategic and cooperative; Reuters reported that the Israeli and Somaliland leaders signed a mutual declaration and that Israel intended cooperation across agriculture, health, technology and the economy. The Guardian reported that Israeli officials discussed full diplomatic relations, embassies and ambassadorial appointments. Somalia condemned the step; the African Union rejected it; the European Union reaffirmed Somalia's unity, sovereignty and territorial integrity; a cross-regional statement circulated by Somalia's foreign ministry rejected the recognition and warned of consequences for the Horn of Africa and Red Sea. (Reuters)

Recognition here is not merely symbolic. It may create pathways for diplomatic exchange, intelligence cooperation, technology partnerships, port-related commercial interest and security coordination close to Bab el-Mandeb. But it also creates friction with Somalia and with states that see recognition as precedent-setting. The African Union has historically been cautious about secession because African borders are brittle in many places. The EU's response also matters because it supports Somalia's territorial integrity while continuing to encourage dialogue. (African Union)

The central policy problem is that legal sovereignty, effective governance and commercial usefulness are no longer aligned. Somalia holds international recognition. Somaliland holds de facto control over Berbera and much of its territory. DP World holds operational capability and infrastructure investment in Berbera. Ethiopia has a structural need for port access. Israel now offers formal recognition. Turkey and Egypt are supporting Somalia militarily. The result is not a neat diplomatic dispute; it is a layered governance problem.

A sober reading should resist two temptations. The first is to treat Israeli recognition as automatically stabilising. It may raise Somaliland's diplomatic confidence and attract investment interest, but it may also harden Somali opposition, provoke counter-moves by Somalia's supporters, and complicate African Union diplomacy. The second temptation is to dismiss the recognition as purely theatrical. That is also wrong. When a port sits near one of the world's most sensitive maritime corridors, even a contested recognition can alter intelligence relationships, risk models and strategic expectations.

**Analytical observation:** in maritime politics, a harbour used reliably is sometimes worth more than a treaty admired ceremonially.

That observation should not be mistaken for a claim that law no longer matters. Law matters greatly, especially for financing, sanctions, sovereign guarantees, insurance disputes and the mandates of multilateral institutions. But vessels experience sovereignty through practical instruments: port clearance, customs documentation, security assurances, coastal surveillance, naval deconfliction and claims enforceability. Somaliland has some of those instruments. Somalia has others. The market prices the gap.

# III. Somalia's external military support: Turkey, Egypt and the return of patronage politics

Somalia's military partnerships are best read as attempts to rebuild sovereign capacity under pressure. The problem is that capacity-building in the Horn rarely remains purely technical. Training, arms, advisers and naval support become diplomatic signals.

Turkey's relationship with Somalia is the deeper and more institutionalised of the two. Reuters reported in February 2024 that Turkey and Somalia signed a defence and economic cooperation agreement in Ankara, with Turkey having trained Somali military and police for more than ten years. A Turkish official said Ankara would provide maritime-security support at Somalia's request and help Somalia build capacity to combat illegal and irregular activity in its territorial waters. Turkey's military base in Mogadishu, opened in 2017, anchors that relationship. (Reuters)

> *"Upon request from Somalia, we will provide support in the field of maritime security."*
> — Turkish defence ministry official, Reuters, February 2024. (Reuters)

The Turkish model is embedded influence: training, institutional presence, commercial links, infrastructure diplomacy and now oil, gas and maritime-security cooperation. AP reported that under the February 2024 defence deal, Turkey would provide training and equipment to the Somali navy to safeguard Somali waters against terrorism, piracy and foreign interference. That phrase matters because "foreign interference" is not a narrow security term in the Somali context; it is inseparable from the Ethiopia-Somaliland dispute. (AP News)

Egypt's support is more recent and more pointed. In August 2024, Reuters reported Egypt's first military aid delivery to Somalia in more than four decades, following a security pact and amid tension over Ethiopia's sea-access arrangement with Somaliland. In September 2024, Reuters reported that an Egyptian warship delivered a second major cache, including anti-aircraft guns and artillery, while Egypt's foreign ministry said the shipment was intended to support and build Somali army capabilities. (Reuters)

The January 2025 Egypt-Somalia Joint Political Declaration elevated relations to a strategic partnership and referred explicitly to common threats in the Horn of Africa and Red Sea. It stated that Egypt would continue military support under the protocol signed on 14 August 2024, including training, armament, military industries and support for Somalia's land and sea borders. (Presidency of Egypt)

Egypt's motives cannot be separated from Ethiopia. Cairo's strategic concern over Ethiopia is long-standing, shaped heavily by the Nile and the Grand Ethiopian Renaissance Dam. Ethiopia's January 2024 memorandum of understanding with Somaliland over sea access and a possible naval facility added a Red Sea dimension. Egypt's support for Somalia therefore serves several purposes: affirming Somalia's sovereignty, signalling to Ethiopia, extending Cairo's Red Sea posture, and positioning Egypt within the post-ATMIS/AUSSOM security architecture.

The danger is not that Turkey and Egypt will necessarily collide in Somalia. They may both support the Somali state while managing their own rivalry through diplomacy. The danger is subtler: Somali state-building becomes the meeting point for several external agendas. That can strengthen Mogadishu in the short term while complicating command coherence, procurement discipline and regional trust.

Table 2 External actors and their strategic interests

| Actor | Core interest | Maritime lever | Risk appetite | Likely behaviour | Impact on Western Indian Ocean states |
|---|---|---|---|---|---|
| Israel | Red Sea security, counter-Houthi posture, strategic partnership with Somaliland, possible intelligence reach | Recognition, diplomatic relations, possible security and technology cooperation | Medium; recognition was a high-signal move | Build formal ties with Somaliland while defending move internationally | Raises diplomatic temperature around Red Sea governance; may alter intelligence and port-risk perceptions. (Reuters) |
| Somalia | Territorial integrity, federal authority, control of maritime claims, opposition to Somaliland recognition | Legal sovereignty, Mogadishu port, military partnerships, UN/AU support | Medium-high rhetorically; constrained operationally | Seek diplomatic condemnation of recognition and deepen defence partnerships | Strong Somali reaction can affect regional diplomatic alignments and port-risk pricing. (MFA) |
| Somaliland | International recognition, investment, Berbera corridor, security partnerships | Berbera port, de facto governance, external diplomatic ties | Medium; may push legitimacy gains but must manage internal and clan politics | Use recognition to attract further partners and investment | Creates a practical access node that WIO states must monitor even if legal consensus remains against recognition. |
| Turkey | Long-term influence in Somalia, maritime security, training, energy and commercial position | Military base, naval training, defence agreement, oil/gas cooperation | Medium; embedded but usually disciplined | Strengthen Somali maritime capability and institutional dependence | Could improve anti-piracy and maritime order, but also raise external-actor density. (Reuters) |
| Egypt | Counter-Ethiopia leverage, Red Sea security, Somalia partnership | Arms deliveries, training, possible AUSSOM role | Medium-high signalling appetite | Support Somalia's defence posture and sovereignty claims | May turn Horn maritime issues into a wider Egypt-Ethiopia rivalry channel. (Reuters) |
| Ethiopia | Predictable sea access, reduced reliance on Djibouti, possible naval presence | Berbera corridor, MoUs, commercial diplomacy | High strategic need; constrained by regional reaction | Seek assured access while avoiding full rupture after Ankara Declaration | Ethiopia's logistics problem is structural; any politicisation of access affects trade corridors. (AP News) |
| Djibouti | Preserve gateway role, military-hosting value, Red Sea relevance | Ports, bases, Ethiopian trade dependence | Medium; commercially defensive | Protect corridor primacy and international partner relationships | Remains a crucial node; any Berbera diversification affects Djibouti's leverage. |
| UAE / DP World | Port investment, logistics corridors, Red Sea/Horn commercial footprint | Berbera concession, economic zone, logistics networks | Medium; commercial but geopolitically aware | Continue Berbera development while managing recognition risk | Berbera's commercial maturation creates both competition and redundancy in regional logistics. (DP World) |
| Saudi Arabia | Red Sea security, anti-escalation, regional influence | Diplomacy, shipping and energy interests | Cautious | Resist destabilising recognition precedents while managing Red Sea risks | Important for Red Sea stability and insurance confidence. |

| Actor | Core interest | Maritime lever | Risk appetite | Likely behaviour | Impact on Western Indian Ocean states |
|---|---|---|---|---|---|
| United States | Counterterrorism, Red Sea security, Somalia stability, avoidance of precedent | Naval presence, diplomacy, security assistance | Cautious on recognition | Maintain support for Somalia territorial integrity unless policy shifts | A decisive US shift would move markets; absent that, ambiguity persists. (The Washington Post) |
| China | Anti-secession principle, Djibouti presence, trade security | Djibouti base, diplomatic weight, port finance | Cautious but firm on recognition | Oppose recognition precedent and preserve access/security interests | China's position adds weight to non-recognition consensus. |
| EU / France | Somalia stability, Red Sea security, maritime security, Indian Ocean interests via French territories | Naval missions, development finance, Réunion/Mayotte, diplomacy | Cautious | Reaffirm Somalia's territorial integrity and support dialogue | EU/French role can anchor WIO maritime-security coordination. (European External Action Service) |
| India | Indian Ocean security, island-state partnerships, trade routes | Naval presence, development assistance, MDA support | Medium, pragmatic | Deepen maritime partnerships, especially with island states | Useful partner for WIO resilience without direct entanglement in recognition politics. |

The actors are not all pulling in opposite directions. Many want safer shipping, less piracy and better port performance. The difficulty is that they disagree on whose sovereignty, whose access and whose strategic presence should carry the system.

# IV. Ethiopia's sea-access problem and the Berbera variable

Ethiopia's maritime problem is not theoretical. It is a large, landlocked economy with a population above 120 million, dependent on external ports after Eritrea's independence removed direct Ethiopian access to the sea. AP reported that the January 2024 Ethiopia-Somaliland memorandum contemplated Somaliland leasing 20 kilometres of coastline to Ethiopia for a marine-force base, with Ethiopia expected by Somaliland to recognise it in return. Somalia rejected the arrangement as a sovereignty violation. (AP News)

The January 2024 memorandum did two things. It elevated Somaliland from a de facto administration seeking recognition into a possible gatekeeper of Ethiopian maritime strategy. It also turned Ethiopia's logistics diversification into a sovereignty contest. A purely commercial port-access deal might have been politically difficult but manageable. A deal implying naval access and recognition moved the matter into a different category.

The Turkish-mediated Ankara Declaration of December 2024 attempted to pull the issue back from escalation. Somalia and Ethiopia reaffirmed sovereignty, unity, independence and territorial integrity, agreed to forgo contentious issues and acknowledged the benefits of Ethiopia's assured access to and from the sea while respecting Somalia's territorial integrity. This wording is deliberately careful: it recognises Ethiopia's need without endorsing Somaliland's sovereignty or the January memorandum as originally understood. (Ministry of Foreign Affairs)

That leaves Berbera in a delicate position. Commercially, it is attractive. DP World reported that the first phase expansion increased capacity from 150,000 TEU to 500,000 TEU, with a second phase intended to increase capacity to 2 million TEU. The Berbera Economic Zone is designed to serve trade across Somaliland and the wider Horn, and DP World says port expansion is expected to facilitate trade equivalent to roughly 27 per cent of Somaliland's GDP and 75 per cent of regional trade by 2035. (DP World)

But the more commercially credible Berbera becomes, the more politically sensitive it becomes. That is the Berbera paradox. A weak port is diplomatically inconvenient but strategically contained. A good port changes bargaining power.

For Ethiopia, Berbera offers redundancy and leverage. For Somaliland, it offers legitimacy by usage. For Somalia, it risks normalising a breakaway administration's control over an international logistics node. For Djibouti, it threatens corridor primacy. For the UAE, it is a long-term logistics investment. For Israel, it may offer access and partnership near the Red Sea security perimeter. For Egypt, it may look like part of Ethiopia's strategic reach. Every actor can produce a rational explanation. Together, the explanations make the coastline crowded.

The policy implication is not that Berbera should be frozen. That would be commercially wasteful and unrealistic. The policy implication is that Berbera's development needs a maritime-risk architecture that separates port safety, customs integrity, navigation data and humanitarian access from the unresolved sovereignty question. That is not easy. But it is easier than forcing insurers, carriers and naval planners to improvise amid diplomatic crisis.

# V. Vessel traffic and commercial exposure in the Western Indian Ocean basin

The shipping system has already rehearsed the consequences of Red Sea disruption. The rehearsal was costly.

The IMF reported in March 2024 that trade through the Suez Canal fell by 50 per cent year-on-year in the first two months of 2024, while traffic around the Cape of Good Hope rose by 74 per cent. It noted that the Suez Canal normally carries about 15 per cent of global maritime trade volume and that rerouting around the Cape had increased average delivery times by more than ten days. (IMF)

The World Bank's later assessment is starker. By end-2024, the Suez/Bab el-Mandeb route, previously carrying about 30 per cent of global container traffic, had fallen by three-fourths; Cape route volumes rose by more than 50 per cent. The World Bank also recorded more than 300 conflict events in the Red Sea theatre between October 2023 and December 2024, including 201 Houthi attacks on commercial vessels and 12 fatalities. (World Bank)

The same report estimated that, by October 2024, distances for cargo vessels and tankers formerly using the Red Sea had risen by 48 per cent and 38 per cent respectively, while voyage times had increased by 45 per cent for cargo vessels and 28 per cent for tankers. These are not rounding errors. They change vessel availability, charter markets, fuel burn, crew scheduling, emissions exposure, inventory buffers and contract performance. (World Bank)

The impact of Somaliland recognition and Somalia's military support is unlikely to be a direct traffic shock on the scale of the Houthi campaign. That is the wrong comparison. The more likely effect is additive risk: recognition disputes, military support, port access politics and anti-piracy pressure interact with an already stressed corridor. If a vessel operator is choosing between Red Sea transit, Gulf of Aden feeder links, Berbera calls, Djibouti concentration or Cape diversion, the question is not whether Somaliland is legally recognised by one state or twenty. The question is whether the route is predictable, insured, protected and politically manageable.

Table 3 Vessel categories and risk transmission

| Vessel category | Exposure to rerouting | Insurance sensitivity | Port dependency | Security concern | Relevance to island economies |
|---|---|---|---|---|---|
| Container vessels | Very high on Asia-Europe lanes; high schedule sensitivity | High, especially war-risk and delay clauses | Strong dependence on transshipment hubs, feeder reliability and berth windows | Attacks, port disruption, naval advisories | Direct pass-through into consumer goods, machinery, medical supplies and retail inflation. |
| Tankers | High, though routing depends on cargo, charter terms and risk appetite | Very high; war-risk and crew-risk premiums matter | Bunkering, safe anchorages, terminal security | Missile/drone risk, seizure, mines, piracy | Fuel import costs are politically sensitive in Mauritius, Seychelles, Comoros and Madagascar. |
| LNG carriers | High for certain Europe-Asia flows; cargo-specific | Very high due to cargo value and safety profile | Requires specialised terminals and tight scheduling | Attack risk, detour cost, canal access | Indirect but material through energy pricing and power-sector costs. |
| Bulk carriers | Medium to high; more flexible but margin-sensitive | Medium; varies by cargo and route | Grain, fertiliser, coal and construction-material terminals | Piracy, delay, crew security | Food and fertiliser costs matter sharply for import-dependent states. |
| Naval and auxiliary vessels | Operational rather than commercial exposure | Not conventional insurance-driven | Need replenishment, repair, port access and diplomatic clearance | Deconfliction, escalation management | Naval presence can improve safety but also raise theatre militarisation. |
| Fishing fleets | Localised, but security-sensitive | Lower formal insurance sophistication | Landing sites, cold chain, monitoring | IUU fishing, piracy spillover, detention | Crucial for Seychelles, Mauritius and Madagascar blue-economy governance. |
| Humanitarian cargo | High when Red Sea/Somali routes are insecure | Sensitive to donor costs and access permissions | Needs predictable corridors and customs treatment | Diversion, seizure, port insecurity | Delays affect food security and disaster response across vulnerable coastal states. |
| Cable repair vessels | Low-frequency, high-consequence exposure | Specialist insurance and security planning | Requires rapid access and sea-room | Cable cuts, access delays, conflict-zone navigation | The World Bank noted a February 2024 Red Sea cable incident that rerouted roughly one-quarter of internet traffic across Asia-Europe-Middle East links. (World Bank) |

The Western Indian Ocean basin is exposed through four transmission channels.

The first is freight cost. Rerouting via the Cape increases voyage length, fuel consumption and vessel absorption. In container shipping, that reduces effective capacity even when the fleet size is unchanged. A ministry of finance eventually sees this in import prices; a supermarket sees it in landed cost; a port operator sees it in schedule bunching.

The second is insurance. War-risk classification is not a diplomatic essay. It is a price signal. Premiums can change faster than policy communiqués, and smaller economies often have little visibility over the pricing logic applied to routes serving them. This is a serious governance gap.

The third is port substitution. When operators avoid one corridor, ports outside the immediate conflict zone may receive more calls, fewer calls, or more irregular calls. Salalah, Mombasa, Durban, Port Louis and Seychelles may each be affected differently depending on vessel class, carrier alliances, feeder schedules and bunker economics. There is no single "winner" from disruption. There are temporary arbitrage opportunities, but also congestion, service unreliability and inventory uncertainty.

The fourth is security externality. Naval patrols, counter-piracy missions, private security arrangements and maritime advisories may improve safety. They also thicken the operating environment. The more actors operate in a confined maritime space, the more important deconfliction becomes.

The piracy dimension deserves particular attention because it is prone to both complacency and exaggeration. The ICC International Maritime Bureau reported 137 piracy and armed robbery incidents globally in 2025, compared with 116 in 2024 and 120 in 2023, while noting that Somali piracy remained contained by naval presence. Yet in April 2026, EUNAVFOR Atalanta confirmed two piracy incidents off northern Somalia and investigated a hijacked dhow potentially linked to those incidents. The correct conclusion is not that Somali piracy has "returned" in the old 2011 form. It is that suppressed risks can reappear when naval attention, economic distress and conflict spillovers align. (ICC - International Chamber of Commerce)

A maritime system under stress does not usually fail all at once. It frays.

# VI. From diplomacy to pricing

Diplomats often speak as if recognition disputes are solved, or not solved, in conference rooms. Markets are less polite. They turn ambiguity into cost.

The pathway is practical. A recognition dispute raises the chance of conflicting official instructions. Conflicting instructions raise legal uncertainty for shippers, insurers and port operators. Legal uncertainty changes contract drafting, force majeure wording, cargo acceptance, sanctions screening, documentation checks and insurance review. Insurance review changes voyage cost. Higher voyage cost changes import prices and working capital. Working capital changes inflation, public procurement and sometimes politics.

The chain can be short. A port authority may not need to make a grand political statement. It may simply require extra documentation for cargo routed through a contested jurisdiction. A P&I club may request additional information. A charterer may insist on a deviation clause. A lender may ask whether port revenues are enforceable under recognised law. A carrier may reduce exposure until the paperwork feels dull again. Dull paperwork is one of civilisation's underrated achievements.

There are five specific pricing effects to watch.

First, **war-risk and breach premiums** may widen if the Gulf of Aden and Red Sea are treated as a connected theatre of Houthi risk, Somali piracy risk and sovereignty-patronage risk. This does not mean every vessel pays dramatically more. It means pricing becomes more granular and less predictable.

Second, **detention and documentation risk** may rise for cargo linked to contested ports, especially where bills of lading, customs documents or sanctions checks involve authorities not universally recognised. This is not glamorous, but it can stop cargo just as effectively as a missile.

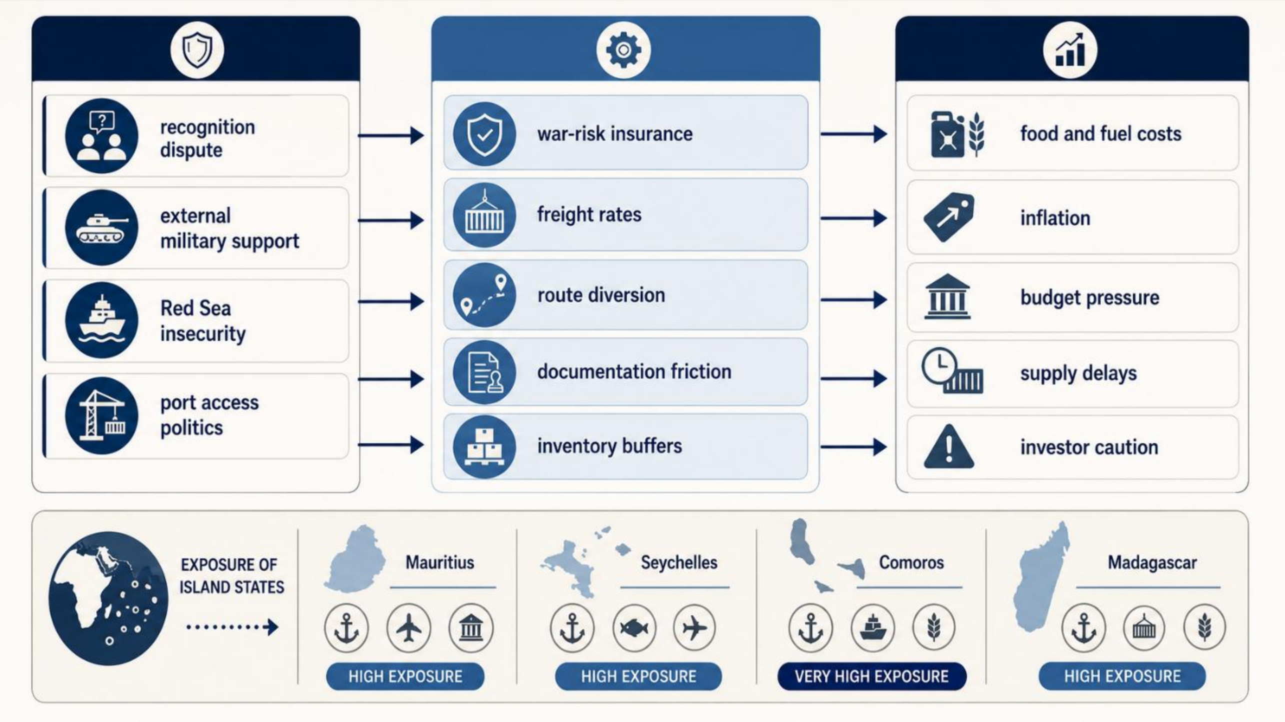
Third, **port-investment risk** may shift. Berbera's infrastructure is real and useful. Yet investors and lenders will price the legal status of land, concession rights, sovereign guarantees, dispute settlement and possible Somali objections. DP World's commitment gives Berbera credibility; recognition controversy gives counterparties questions. Both are true. (DP World)

Fourth, **inventory buffers** may increase. Importers that cannot trust sailing schedules carry more stock. For large economies, that is a working-capital nuisance. For island states, it can be fiscal, physical and political: storage space is limited, cold chain is expensive, and public tolerance for food and fuel price jumps is not infinite.

Fifth, **development-finance conditionality** may become more complex. The World Bank, AfDB and other DFIs can finance ports, roads, customs systems, energy resilience and maritime surveillance. But they must avoid appearing to take a position on contested recognition unless mandated to do so. The practical solution is to fund neutral systems: safety, transparency, domain awareness, customs integrity, anti-IUU fishing, cable protection and contingency planning. These are not glamorous. They are bankable.

The harsh point is this: a sovereignty dispute that adds five days to shipping, raises insurance premiums, delays spare parts or complicates trade finance is no longer only a diplomatic dispute. It is a cost-of-trade problem.

# VII. Western Indian Ocean island states: exposure, agency and the small-state premium




Mauritius, Seychelles, Comoros, Madagascar and Réunion/Mayotte do not control the Bab el-Mandeb. They do not decide whether Israel recognises Somaliland. They do not determine Egypt's posture towards Ethiopia or Turkey's role in Mogadishu. Yet they will pay for disorder through imports, energy costs, insurance, tourism confidence, fisheries pressure, cable vulnerability and naval traffic.

UNCTAD's wider assessment of small island developing states is relevant: SIDS are overwhelmingly dependent on maritime imports and much less connected than larger economies, with shipping connectivity declining by 9 per cent over the previous decade. A small island state rarely gets to choose the price of freight. It can, however, choose whether it is informed early, organised collectively and credible enough to convene others. (UN Trade and Development (UNCTAD))

Mauritius is the most plausible neutral convening jurisdiction in the basin. It has a finance-sector profile, a legal and arbitration tradition, regional diplomatic credibility and a port economy exposed to freight, fuel and consumer imports. The World Bank projected Mauritius growth at 3.2 per cent in 2025, with inflation at 3.7 per cent and a current-account deficit of 6.7 per cent. Those numbers are manageable, but they leave little reason to ignore shipping-cost shocks. (World Bank)

Seychelles has a different profile: small population, high GDP per capita by African standards, deep dependence on tourism and fisheries, and a large ocean-security footprint. The World Bank described Seychelles as Africa's highest GDP-per-capita economy in 2024, while noting its dependence on tourism and fisheries. Seychelles is therefore less a freight-volume giant than a maritime governance specialist. Its comparative advantage lies in fisheries surveillance, blue-economy diplomacy, maritime-domain awareness and counter-piracy experience. (World Bank)

Comoros is more fragile. The World Bank projected 3.8 per cent growth in 2025 and lower inflation than recent peaks, but Comoros remains highly exposed to import-price movements, aid flows and food-energy vulnerability. For Comoros, Red Sea and Gulf of Aden disruption is not an abstract shipping-sector issue; it can quickly become household price pressure. (World Bank)

Madagascar is larger and more complex. The World Bank reported inflation of 8 per cent year-on-year in 2025, driven by high food and import prices, with a wider current-account deficit due to a larger trade deficit. Madagascar's exposure therefore sits at the intersection of port reliability, food imports, fuel, poverty and fiscal space. (World Bank)

Réunion and Mayotte, as French-administered island territories, sit within the European maritime-security and customs architecture while sharing the same oceanic risk field. Their value is not only operational. They give the EU and France a hard geographic stake in Western Indian Ocean resilience. That should be used more deliberately, not as a colonial afterthought but as a practical anchor for surveillance, search and rescue, cable protection and port contingency.

The Indian Ocean Rim Association's maritime safety and security agenda already recognises the relevant threat mix: piracy, armed robbery, terrorism, trafficking, IUU fishing, pollution, unlawful resource exploitation and the need for uninterrupted movement of goods, people, resources and energy. The problem is not lack of vocabulary. It is lack of operational integration across island states, littoral states, insurers, port authorities and naval actors. (IORA)

For island governments, the immediate policy question is not whether to take sides on Somaliland. That would be strategically clumsy and mostly unnecessary. The question is how to prevent a Horn sovereignty dispute from becoming a hidden import tax.

# VIII. Security architecture: militarisation without melodrama

The phrase "militarisation of the Red Sea" is overused, but the underlying trend is real. Naval forces, drones, coastal radar, intelligence partnerships, training missions, private security, anti-piracy patrols and port-access arrangements are becoming more important to commerce. The Western Indian Ocean is entering a period where the boundary between maritime security and geopolitical competition is thin.

Somalia's transition from ATMIS to AUSSOM adds another institutional layer. The African Union Support and Stabilisation Mission in Somalia became effective on 1 January 2025 under AU Peace and Security Council mandate and UN Security Council Resolution 2767. Its military component envisaged phased troop numbers, while the AU Peace and Security Council later renewed AUSSOM's mandate for 12 months from 1 January 2026 and requested UN Security Council endorsement. (AUSSOM)

Military support to Somalia can improve maritime order if it creates a functioning coast guard, better navy, stronger customs enforcement and credible anti-piracy response. It can also worsen regional suspicion if neighbouring states read it as preparation for coercion around Somaliland or Ethiopia's access claims. This is the trade-off. Weak states invite disorder; rapidly armed weak states invite anxiety.

Turkey's role is more likely to improve Somali maritime capability if it remains disciplined, institutional and transparent. Egypt's role can support Somalia's sovereignty claims, but it will be read through the Ethiopia lens whether Cairo wishes it or not. Ethiopia, for its part, cannot simply be told to stop caring about sea access. A landlocked economy of its scale will seek redundancy. The question is whether that redundancy is negotiated through recognised channels or pursued through contested bargains.

The Red Sea crisis adds another complication. Israel's recognition of Somaliland was defended in part as strategic partnership in a region threatened by Yemen's Houthis, while critics at the UN raised concerns about motives and destabilisation. The UN Security Council debate itself showed the issue had moved beyond bilateral diplomacy into collective-security territory. (Reuters)

The most likely security pattern over the next 24 months is not direct confrontation. It is competitive security layering:

- Somalia deepens Turkish and Egyptian support.
- Somaliland seeks more external validation and possibly security cooperation.
- Ethiopia seeks assured access while limiting diplomatic damage.
- Djibouti protects its established gateway position.
- Gulf actors preserve port and security stakes.
- Israel looks for Red Sea depth.
- Western and Indian Ocean navies intensify surveillance and deconfliction.
- Insurers price the mixture, often faster than governments explain it.

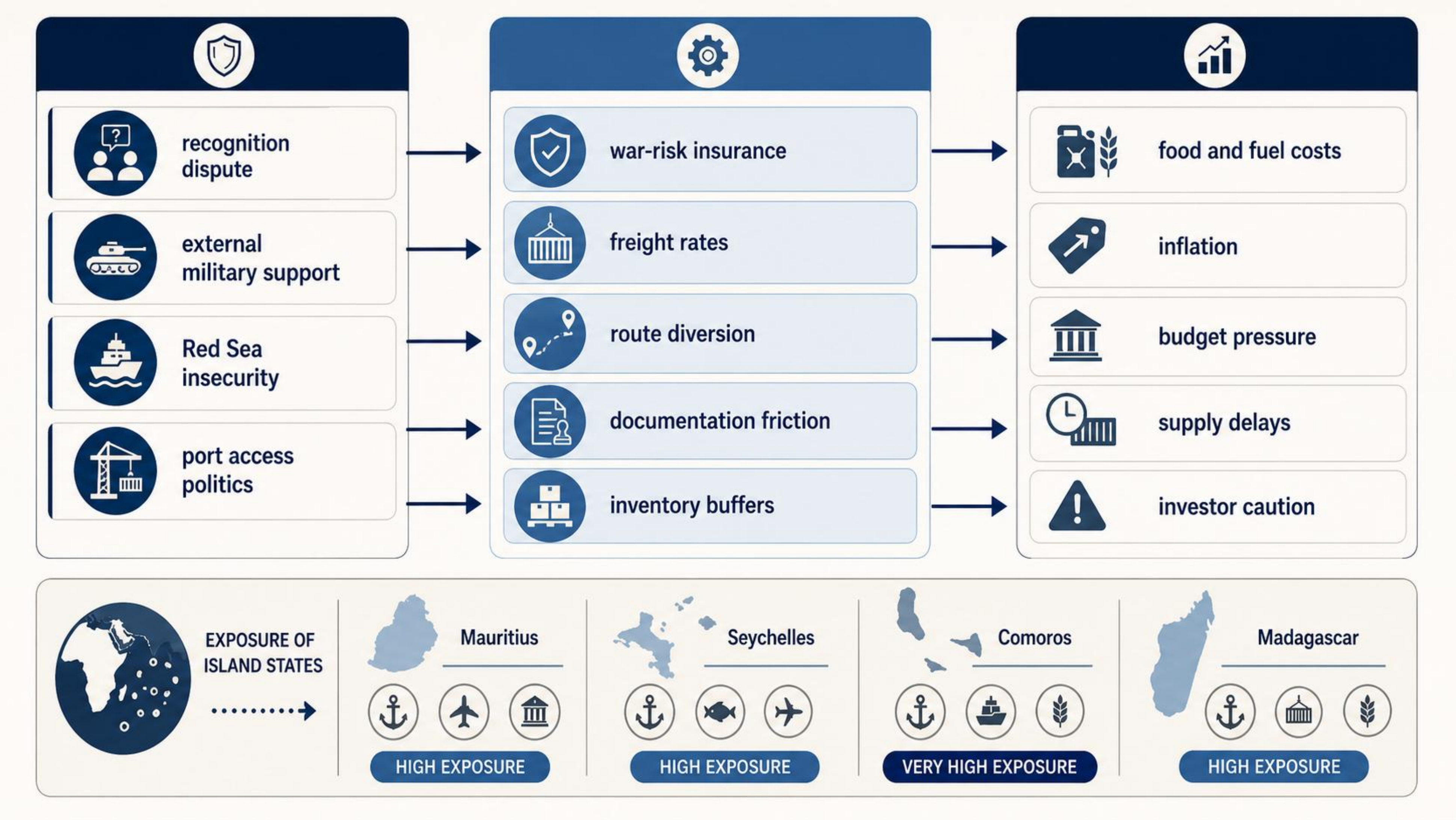
This environment requires technical coordination even among actors that disagree politically. Navigation warnings, AIS behaviour, coast-guard communication, port-state control, anti-piracy reporting and cable-repair access should not be held hostage to recognition disputes. That is the sort of boring work that prevents expensive surprises.

# IX. Scenarios: three plausible futures, not predictions

The following scenarios are judgement-based. They are not forecasts in the statistical sense. They are designed to help governments, port authorities, insurers and development institutions test decisions against plausible conditions.

Table 4 Scenario matrix

| Scenario | Probability range | Key triggers | Commercial impact | Security impact | Early warning indicators | Recommended response |
|---|---|---|---|---|---|---|
| 1. Managed Ambiguity | 45–55% | Israel-Somaliland ties proceed; Somalia protests diplomatically; Turkey and Egypt support Somalia but avoid escalation; Ethiopia-Somalia talks continue under Ankara-style language | Limited direct shock; Berbera grows gradually; insurers monitor but do not materially reprice Somaliland-linked trade alone | Piracy and Red Sea risks remain the main operational drivers; military support improves Somali capability slowly | Technical Somalia-Ethiopia talks continue; no new recognitions; no naval incidents around Berbera; port calls remain stable | Build neutral WIO risk observatory; support MDA pooling; keep recognition question separate from port-safety coordination. |
| 2. Competitive Security Layering | 30–40% | Somalia receives more equipment; Egypt's role expands; Somaliland seeks additional recognition; Ethiopia pursues access guarantees; Israel formalises deeper security cooperation | Higher documentation, insurance and due-diligence costs; cautious lenders; possible premium on Berbera-linked transactions; Djibouti and Berbera competition sharpens | More patrols, advisers and intelligence activity; piracy risk remains contained but opportunistic incidents rise | New military deliveries; embassy/security agreements; rhetoric linking ports to national defence; insurers ask more route-specific questions | Create deconfliction channels; launch insurance-cost monitoring; require transparent port-security protocols; develop contingency plans for island imports. |
| 3. Fragmented Maritime Escalation | 10–20% | Recognition dispute hardens; Somalia-Somaliland incidents; Ethiopia access talks fail; Red Sea attacks intensify; piracy incidents increase; external patrons react competitively | Material rise in war-risk premiums; rerouting extends; cargo delays; port congestion; import-price stress in island economies | Naval posturing, close calls, coastal incidents, possible attacks or detentions; humanitarian cargo affected | Suspension of talks; mobilisation near disputed areas; shipping advisories widen; insurers restrict cover; cable or tanker incident | Activate WIO crisis cell; use IMO/UN/AU technical track; pre-position fuel/food buffers; coordinate naval and coast-guard reporting; fast-track DFI liquidity support. |


recognition dispute
external military support
Red Sea insecurity
port access politics
war-risk insurance
freight rates
route diversion
documentation friction
inventory buffers
food and fuel costs
inflation
budget pressure
supply delays
investor caution
EXPOSURE OF ISLAND STATES
Mauritius
HIGH EXPOSURE
Seychelles
HIGH EXPOSURE
Comoros
VERY HIGH EXPOSURE
Madagascar
HIGH EXPOSURE

## Scenario 1: Managed Ambiguity

This is the base case. Israel and Somaliland establish diplomatic machinery. Somalia rejects the move and continues to mobilise international support. The AU and EU maintain the territorial-integrity line. Turkey continues structured support to Somalia; Egypt maintains a visible but bounded role. Ethiopia keeps pursuing sea access, but under language that respects Somali territorial integrity. Berbera continues developing as a commercial port, but without becoming the centre of a military crisis.

In this scenario, vessel traffic is affected more by Red Sea/Houthi dynamics and piracy watchlists than by recognition itself. The commercial importance of Somaliland grows gradually. Insurers do not ignore the dispute, but they do not treat Berbera as a systemic risk. Development institutions remain cautious but can finance neutral infrastructure and regional maritime systems.

This is the least dramatic scenario and the most policy-dependent. It requires restraint by actors who have incentives to posture.

## Scenario 2: Competitive Security Layering

This scenario is less comfortable and quite plausible. Somalia receives more equipment and training; Egypt's role becomes more visible; Turkey expands maritime support; Somaliland seeks further recognition or security cooperation; Israel deepens diplomatic and possibly intelligence links; Ethiopia demands more concrete access guarantees. No actor chooses war, but each actor adds one more layer of security to manage the previous layer.

For shipping, the effect is not closure. It is friction. Documents are checked more carefully. Insurers ask more questions. Port calls are reviewed by risk committees. Naval advisories become more granular. Lenders discount political-risk assumptions. Smaller importers carry more inventory when they can afford it and suffer when they cannot.

This is the scenario where Western Indian Ocean states need the most discipline. They should avoid symbolic alignment and invest instead in risk intelligence, port resilience, cable protection and shared maritime-domain awareness. The dull answer is the correct one.

## Scenario 3: Fragmented Maritime Escalation

This is not the most likely scenario, but it is severe enough to plan for. It would require several bad things to happen together: Somalia-Somaliland confrontation, Ethiopia access talks breaking down, further recognition moves, Egyptian and Turkish support being read as competitive rather than complementary, intensified Red Sea attacks and a visible piracy resurgence.

The commercial consequences would be broader than the Horn. War-risk premiums could widen. Cape diversion could remain elevated. Feeder networks could become more erratic. Humanitarian cargo and fuel shipments could face delay. Island economies could see import-price stress and schedule unreliability. Port Louis, Seychelles, Mombasa, Salalah and Durban would not necessarily benefit; some would be busier, but busier is not the same as better if calls are irregular and infrastructure is stretched.

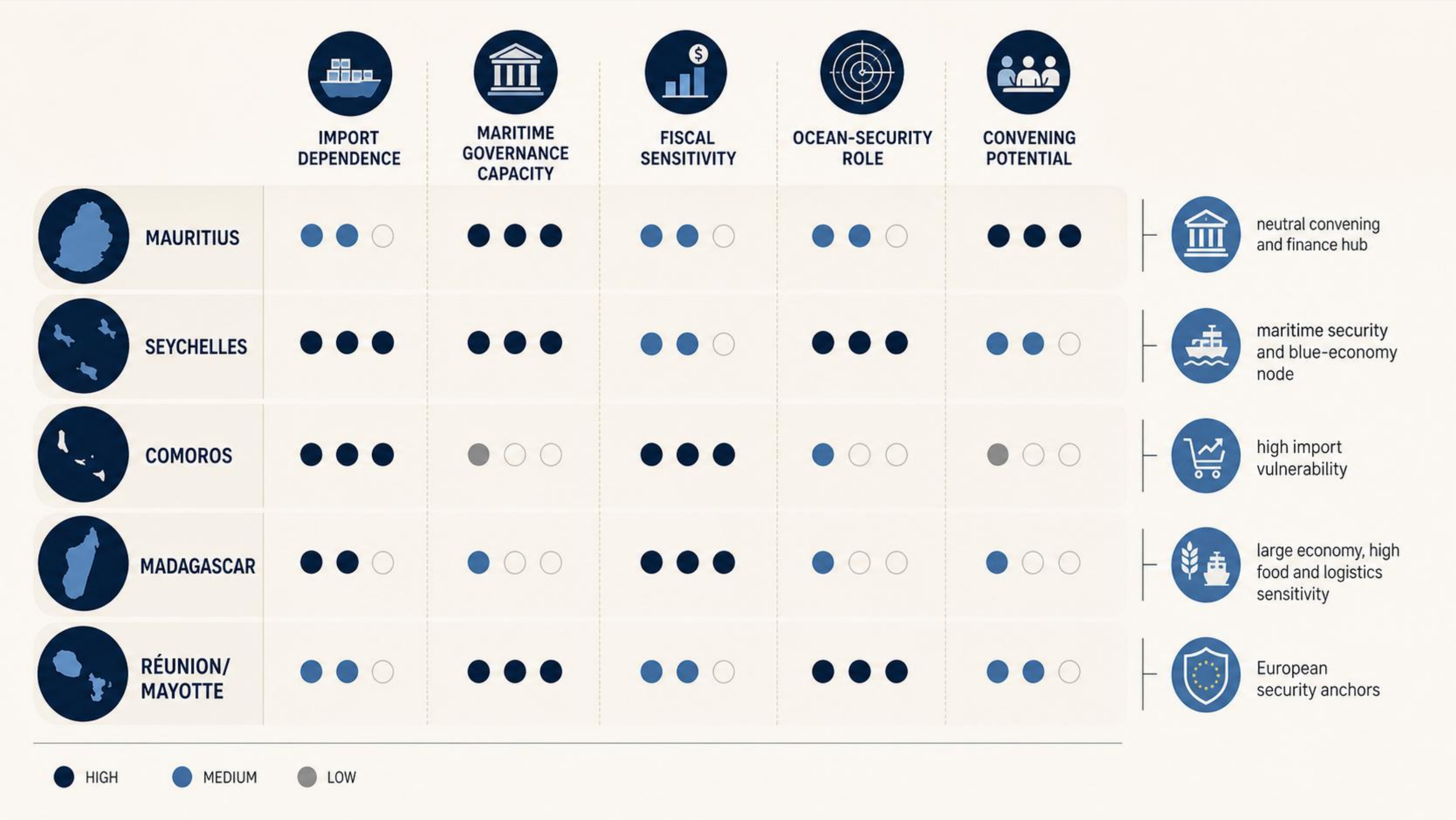
This is the scenario that justifies pre-emptive planning now. Waiting for escalation before building maritime-risk coordination would be a very expensive form of optimism.

# X. Policy options for Western Indian Ocean states

Western Indian Ocean states should resist the temptation to produce another broad statement on maritime cooperation. There are already enough statements. The region needs a small number of practical instruments that are politically neutral, commercially useful and financeable.

Table 5 Policy response menu

| Policy option | Institutional owner | Time to implement | Cost | Political feasibility | Expected benefit | Risk of inaction |
|---|---|---|---|---|---|---|
| Western Indian Ocean Maritime Risk Observatory | Mauritius or Seychelles with IOC/IORA, supported by World Bank/AfDB/IMO | 6–12 months | Medium | High if framed as technical | Tracks shipping costs, war-risk pricing, route disruption, port congestion and piracy alerts | Governments learn about freight shocks after prices have already moved. |
| Shared maritime-domain awareness pool | IOC, IORA, coast guards, EU/French/Indian partners | 12–24 months | Medium-high | Medium | Improves AIS monitoring, illegal fishing detection, piracy awareness, SAR coordination | Fragmented surveillance leaves small states dependent on external briefings. |
| Insurance and freight-cost dashboard | Ministries of finance/trade, central banks, insurers, port authorities | 6 months | Low-medium | High | Converts maritime risk into fiscal and inflation intelligence | Import-price shocks remain poorly attributed and politically mishandled. |
| Port contingency planning for Red Sea disruption | Port Louis, Seychelles Ports Authority, Madagascar/Comoros port agencies, Réunion/Mayotte authorities | 6–18 months | Medium | High | Plans for fuel, food, medical supplies, spare parts, crew changes and bunkering | Irregular calls create congestion and stock shortages. |
| Neutral Somalia-Somaliland maritime technical track | IMO, AU, IGAD, UN, with neutral WIO facilitation | 12 months | Low-medium | Medium-low but valuable | Separates navigation safety, port data and humanitarian access from recognition dispute | Technical disputes become diplomatic crises. |
| Cable protection and repair-access protocol | Island states, telecom operators, navies, IMO/ITU support | 12–24 months | Medium | High | Reduces downtime from cable incidents and conflict-zone access delays | Digital disruption becomes an economic shock multiplier. |
| Strategic import buffer review | Finance, trade and energy ministries | 3–9 months | Medium | High | Identifies minimum viable fuel, food and pharmaceutical stocks | Governments discover storage limits during crisis. |
| Port-state control and customs integrity upgrades | National port authorities, customs, DFIs | 18–36 months | Medium-high | High | Reduces documentation risk and improves bankability | Contested-route cargo faces delays and higher compliance cost. |
| Small-island maritime-security compact | IOC, IORA, AU, EU, India, France, UNODC | 12–24 months | Medium | Medium | Joint training on piracy, IUU fishing, trafficking, SAR and port security | Each island negotiates alone with larger naval powers. |
| Scenario planning for ministries and central banks | Cabinets, central banks, port authorities | 3–6 months | Low | High | Links maritime shocks to inflation, reserves, fiscal support and procurement | Maritime risk remains outside macroeconomic planning. |


IMPORT DEPENDENCE
MARITIME GOVERNANCE CAPACITY
FISCAL SENSITIVITY
OCEAN-SECURITY ROLE
CONVENING POTENTIAL
MAURITIUS
neutral convening and finance hub
SEYCHELLES
maritime security and blue-economy node
COMOROS
high import vulnerability
MADAGASCAR
large economy, high food and logistics sensitivity
RÉUNION/ MAYOTTE
European security anchors
HIGH
MEDIUM
LOW

Mauritius should take the lead on the observatory and the finance-policy interface. Its comparative advantage is not patrol boats; it is credibility with finance, law, insurance and diplomacy. A Mauritius-hosted WIO Maritime Risk Observatory could publish a monthly risk note covering freight rates, war-risk developments, Suez/Cape flows, piracy incidents, port congestion and supply-chain effects on food, fuel and medicine. It should be technical, not political. Its value would lie in telling ministers unpleasant things early.

Seychelles should lead on maritime-domain awareness, fisheries and blue-economy security. It has the ocean-governance profile and practical exposure. The Seychelles role should include illegal fishing, vessel identity analytics, piracy watch, cable routes and search-and-rescue coordination. It should work closely with EU/French assets, India, regional coast guards and the Indian Ocean Commission.

Comoros needs import-resilience support rather than a sophisticated strategy paper. The priority is a basic but serious review of fuel, food, medical supplies, port handling, customs clearance and emergency shipping arrangements. Development banks can help here. The political economy is simple: a small import shock can become a domestic crisis faster than officials in larger capitals expect.

Madagascar needs port and logistics resilience tied to inflation management. High food and import-price sensitivity means maritime disruption can feed into poverty and fiscal pressure. Madagascar should integrate maritime scenarios into central-bank, customs and port planning, with particular attention to grain, fuel, fertiliser and construction materials.

Réunion and Mayotte should be used more deliberately as European maritime anchors. France and the EU should support shared surveillance, SAR, cable protection and port-contingency exercises with neighbouring island states. This should not be presented as European tutelage. It should be presented as practical risk-sharing in a basin where the EU has territory, citizens and trade exposure.

None of these measures requires a Western Indian Ocean government to recognise Somaliland or oppose it beyond existing diplomatic positions. That is precisely the point. The region needs instruments that remain useful regardless of how the recognition dispute evolves.

# XI. Institutional alignment and financing pathways

The response to this risk environment does not require a new grand compact, still less another communique of worthy intentions. The more useful route is quieter: align existing mandates, financing instruments and technical platforms around a small number of practical maritime-risk functions. The Western Indian Ocean does not lack institutions. It lacks, at moments, a common operating picture that links shipping disruption, port resilience, insurance cost, food and fuel security, maritime surveillance and diplomacy.

The multilateral role is therefore not to adjudicate Somaliland's status through the back door. Nor is it to prescribe strategy to sovereign governments already managing difficult political constraints. It is to help reduce the cost of ambiguity. That means financing neutral public goods, improving the visibility of commercial risk, and giving smaller states the data and contingency capacity usually available only to larger economies, naval powers and global carriers.

## World Bank and African Development Bank: translating maritime risk into economic resilience

For the World Bank and the African Development Bank, the most relevant entry point is not the recognition dispute itself, but the way maritime disruption moves through economies. The line from Bab el-Mandeb to household prices is shorter than it looks. A longer route, a higher premium, a delayed spare part or an unreliable feeder service can become inflation, budget pressure and a weaker current account before the diplomatic file has moved an inch.

The World Bank's analytical work on Red Sea disruption already frames maritime insecurity as a trade, logistics and macroeconomic issue. That provides a useful foundation for country-level diagnostics in the Western Indian Ocean, especially for Mauritius, Seychelles, Comoros, Madagascar, Kenya, Tanzania and Somalia. The practical value would lie in connecting route disruption, freight rates, fuel imports, strategic stock levels, port capacity and fiscal exposure in one place, rather than scattering them across transport, trade, energy and macroeconomic chapters.

The AfDB's comparative advantage is complementary. It can help translate resilience into bankable infrastructure and project preparation. Port contingency capacity, fuel storage, cold-chain resilience, customs digitalisation, scanner systems, cyber-secure port management, feeder-service reliability and maritime-domain awareness all sit within the normal logic of development finance. None requires a political position on Somaliland. All would reduce the vulnerability of the basin to maritime shocks.

A sensible division of labour would see the World Bank deepen the analytical and fiscal-risk side, while the AfDB leads on investment pipelines and regional infrastructure resilience. Both institutions could support a Western Indian Ocean maritime-risk facility, provided it is designed as a technical public good rather than a diplomatic instrument.

## United Nations and IMO: keeping navigation safety separate from recognition politics

The United Nations system and the International Maritime Organization are best placed where neutrality matters most: navigation safety, reporting standards, port security, search and rescue, pollution response, humanitarian cargo and technical deconfliction. These are areas where practical cooperation is possible even when political recognition is contested.

A technical maritime track related to Somalia, Somaliland and adjacent shipping lanes would not need to address sovereignty. In fact, it should avoid doing so. Its purpose would be narrower and more useful: to reduce the risk that disputed authority over ports, waters or security responsibilities produces confusion for vessels, insurers, humanitarian operators or cable-repair ships.

The IMO could support common reporting formats for suspicious approaches, attempted boardings, port-security incidents and navigation advisories. UN agencies could help ensure that humanitarian cargo, food imports and emergency response logistics are insulated, as far as possible, from diplomatic friction. The guiding principle is simple: political disagreement should not force ships to guess.

## African Union and IGAD: preserving diplomatic doctrine while managing commercial reality

The African Union and IGAD remain central because the sovereignty question is African before it is global. The AU's position on Somalia's territorial integrity is clear. IGAD's role is equally important because Ethiopia's sea-access requirement, Somalia's sovereignty claim and Somaliland's de facto control over Berbera cannot be managed by external actors alone.

The useful adjustment is not a change of doctrine, but a widening of the operational lens. Territorial integrity can be defended while still recognising that ports, shipping corridors and insurance markets require practical management. The commercial system does not wait for constitutional settlement. Berbera, Djibouti, Mogadishu and the Gulf of Aden will continue to function, compete and carry risk while diplomacy proceeds.

IGAD is particularly well placed to keep Ethiopia's sea-access issue within a negotiated channel. Ethiopia's need for predictable maritime access is structural; Somalia's objection to unilateral arrangements is politically and legally serious; Somaliland's control over Berbera is operationally real. Treating one of these facts as if it cancels the others is unlikely to produce stability. A more durable approach would separate assured commercial access from disputed recognition and military basing questions.

## Indian Ocean Commission and IORA: giving island states a stronger operating voice

The Indian Ocean Commission and the Indian Ocean Rim Association offer the most natural platforms for bringing island-state exposure into the wider Red Sea–Horn conversation. Mauritius, Seychelles, Comoros and Madagascar are not peripheral to this issue simply because they are not located at the chokepoint. Their exposure is carried through freight rates, food imports, fuel security, fisheries, cables, tourism confidence and maritime insurance.

The Indian Ocean Commission could host a more operational island-state mechanism focused on maritime disruption, port readiness and import resilience. IORA's maritime safety and security agenda already covers piracy, armed robbery, trafficking, IUU fishing, pollution and freedom of navigation. The missing link is a routine mechanism that converts those themes into usable risk intelligence for finance ministries, port authorities and central banks.

Mauritius and Seychelles have particular value here. Mauritius brings financial, legal and convening credibility. Seychelles brings maritime-security and ocean-governance experience. Together, they could help anchor a neutral Western Indian Ocean risk platform that is useful precisely because it is not trying to settle the Horn's political disputes.

## Marine insurers, P&I clubs and shipping-market actors: improving visibility without disclosing the crown jewels

Insurers and P&I clubs sit close to the point where geopolitics becomes cost. Their role is often underestimated by governments until premiums move, cover tightens or charter clauses become more restrictive. Smaller economies are especially disadvantaged because they rarely see the assumptions behind route pricing, even when those assumptions affect food, fuel and medicine costs.

The objective is not to force insurers to disclose proprietary models. That would be unrealistic. A more practical arrangement would be a periodic closed-door briefing between insurers, port authorities and finance ministries in the Western Indian Ocean. The value would be early warning: whether risk perception is changing, whether route-specific documentation is becoming more difficult, whether war-risk assumptions are widening, and whether certain vessel classes are becoming harder to cover.

P&I clubs could also help standardise contractual language for cargo linked to contested maritime spaces. That would reduce friction around deviation, force majeure, crew safety, port calls, sanctions screening and documentation. The aim is not to eliminate ambiguity. It is to stop ambiguity becoming expensive by accident.

## Port authorities: planning for irregularity, not just volume

Port authorities in the basin have a direct operational interest in this issue. Red Sea disruption does not only change how many vessels call. It changes when they call, what they require, how long they stay, what cargo is delayed, whether bunkering demand shifts, and whether emergency diversions occur.

Port Louis, Seychelles, Mombasa, Salalah, Durban, Réunion, Mayotte and Madagascar's principal ports would benefit from a shared disruption-planning exercise. The scenario should not assume a neat increase or decrease in traffic. It should test irregularity: bunching of arrivals, delayed feeder services, emergency calls, fuel shortages, refrigerated cargo stress, customs backlogs, hazardous cargo handling, crew-change pressure and spare-parts delays.

One question deserves to sit at the centre of such exercises: what happens if the port is not the preferred destination, but the emergency destination? That is where resilience is usually tested, and where thin planning becomes visible very quickly.

## A financeable package, not a diplomatic manifesto

The most practical institutional package would be modest but useful. It would include a Western Indian Ocean maritime-risk observatory, a shared freight and insurance dashboard, port-disruption tabletop exercises, strategic import-buffer reviews, improved AIS and maritime-domain awareness, cable-protection protocols, and technical support for customs and port-security systems.

This is financeable. It is also politically cleaner than many alternatives because it does not require governments or institutions to take new positions on recognition. It focuses on safety, continuity, transparency and cost reduction. In a region where diplomacy is likely to remain contested, those are not second-order matters. They are the machinery that keeps ambiguity from becoming a tax on trade.

# XII. What should be watched

A small watchlist would be more useful than a large one. The following indicators should be monitored monthly by WIO governments and port authorities.

First, diplomatic recognition behaviour: any additional state recognising Somaliland, any formal embassy opening, and any retaliatory measures by Somalia or its partners. Recognition does not need to spread widely to matter. One additional strategically relevant state would change the market's interpretation.

Second, military deliveries and basing language: Egyptian shipments, Turkish naval-support details, Somali procurement, Somaliland security partnerships, Ethiopian access negotiations and any reference to naval facilities.

Third, Berbera traffic and financing: feeder-service frequency, cargo volumes, Ethiopian corridor usage, insurance treatment, lender appetite and concession disputes. The issue is not whether Berbera "wins"; it is whether Berbera becomes normal enough to be priced as infrastructure rather than exception.

Fourth, piracy and armed robbery incidents off northern Somalia and in the Gulf of Aden. Two or three incidents do not recreate the old piracy economy, but they do change vigilance and insurance mood, especially when they coincide with Red Sea attacks. (EUNAVFOR)

Fifth, Suez/Cape routing data. If Cape diversion remains structurally elevated, WIO ports and island states face a new normal. If Red Sea transit returns, the basin still needs resilience because the market has learnt how quickly the route can close. (IMF)

Sixth, cable incidents and repair access. The World Bank noted a February 2024 Red Sea cable accident that damaged links and rerouted roughly a quarter of Asia-Europe-Middle East internet traffic. Cable security is too often treated as a telecoms issue. It is maritime security with a data-centre accent. (World Bank)

# XIII. Strategic choices

The region faces three choices.

The first is whether to let the Horn's sovereignty dispute determine the tempo of Western Indian Ocean preparedness. That would be poor strategy. Somaliland's status may remain contested for years. Freight, piracy, insurance and port-readiness decisions cannot be paused for years.

The second is whether to treat port investment as politically neutral. It is not. Berbera's modernisation is commercially rational and regionally useful, but its political meaning has changed. Every future infrastructure decision in the corridor — road, quay, storage, scanner, radar, naval pier, customs platform — will be read as part of a sovereignty architecture, whether intended or not.

The third is whether small island states accept their usual role as price-takers. They cannot command the Red Sea, but they can create intelligence, convening power and resilience. Mauritius and Seychelles in particular should stop underestimating the value of being boring, trusted and organised. In a region full of flags and frigates, a credible spreadsheet can be strategic.

## Strategic closing

The recognition of Somaliland by Israel did not create the Western Indian Ocean's maritime vulnerabilities. It exposed them. Turkish and Egyptian support to Somalia did not militarise the basin on their own. They thickened a security environment already under strain.

The practical task is now to govern ambiguity before it is priced too harshly. In this corridor, sovereignty, ports and insurance have become part of the same conversation. The states that understand that early will not control every shock, but they will pay less for surprise.

Should you need further information, please contact us.

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**About Bramston & Associates**

Bramston is a strategic advisory and policy intelligence platform focused on the intersection of geopolitics, economic resilience, institutional trust and national competitiveness. Through evidence-led analysis, scenario planning and practical policy design, Bramston helps decision-makers interpret complex risks, anticipate strategic shifts and convert uncertainty into actionable choices. Its work brings together regional insight, global perspective and a disciplined understanding of state capacity, markets and diplomacy, with particular attention to how small and platform states can protect stability, strengthen credibility and create long-term strategic value in a more contested world.