

# THE PIRATES *of* SOMALIA:

## Ending the Threat, Rebuilding a Nation

### Piracy in Somalia

- Since the first known hijacking in April 2005, reportedly **149 ships** have been ransomed, for an estimated total of **\$US315 – \$US385 million**.
- Somali pirates operate over some **4 million square kilometers** extending far beyond Somali national waters.
- As many as **3,741 crewmembers of 125 different nationalities** have been captured by Somali pirates with detention periods of up to **3 years**.
- A reported **82 to 97 casualties** have occurred as a result of these attacks.
- Compared to pairs of countries that trade through other sea routes, shipping routes that go through the Arabian Sea saw a drop of **7.4% yearly trade**—the same effect as would result from imposing an additional **1.1% personal/property tax** on all shipments through the zone where Somali pirates operate.
- Somali piracy is imposing a heavy hidden tax on world trade—an estimated **\$US18 billion** yearly loss to the world economy—an amount that dwarfs the estimated **\$US53 million** average annual ransom payment since 2005.
- Somali pirates have the ability to win support from, among many others, government officials, businessmen, clan elders and members, militia and religious leaders, and members of local communities.
- Suppliers of food and khat, militiamen, and providers who can move and launder ransom proceeds can charge pirates significant markups on their goods and services.
- Commanders and instigators in the Somali piracy business split an estimated **70% to 86%** of piracy proceeds with enablers, without the support of whom anchorage of hijacked boats would not be feasible.
- The area that is affected by Somali piracy is one of the poorest in the world, and therefore Somali piracy disproportionately affects low-income countries.
- Both imports and exports of low-income countries are most affected by piracy, with **about 25%** of trade classified as affected.
- Somali piracy is singular for its scale, geographic scope, and violence which has created considerable public anxiety.

### Tourism

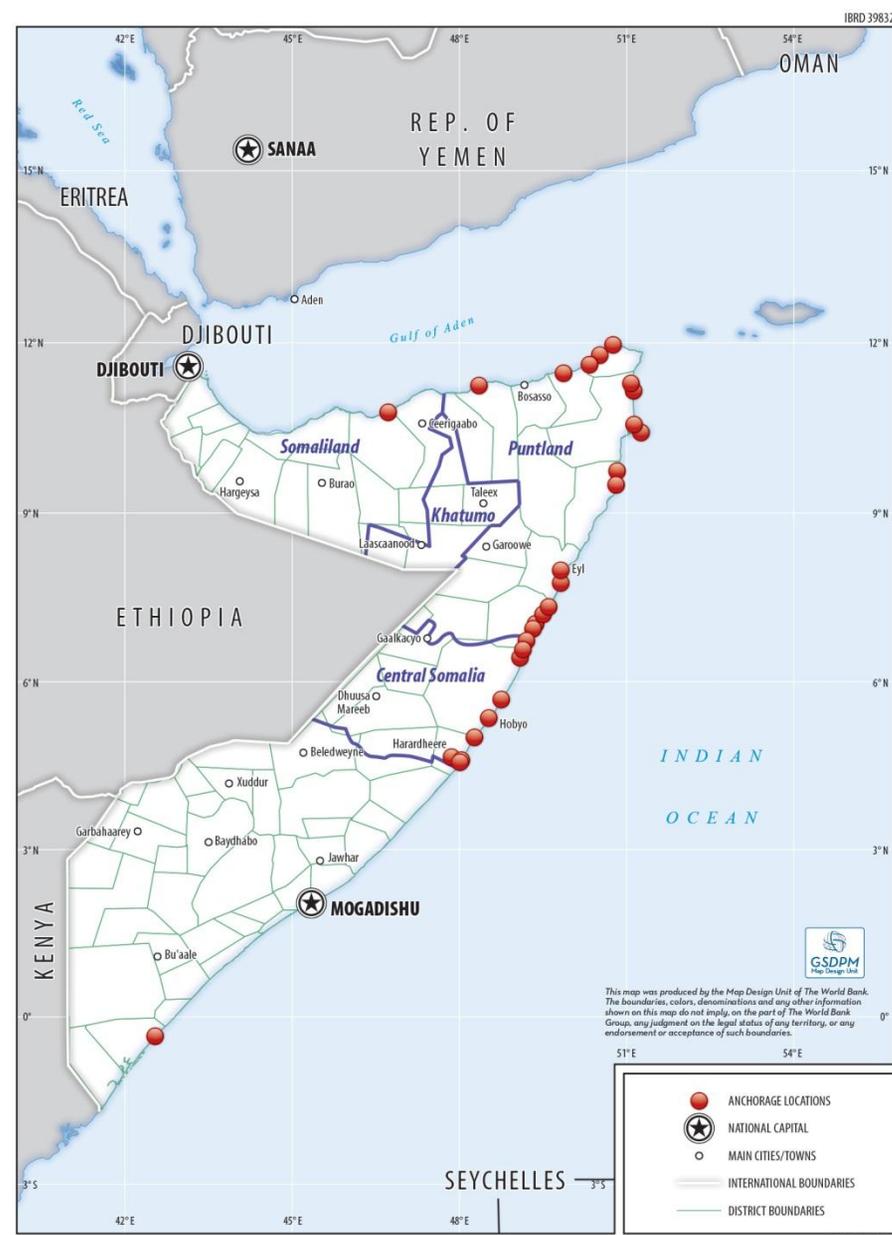
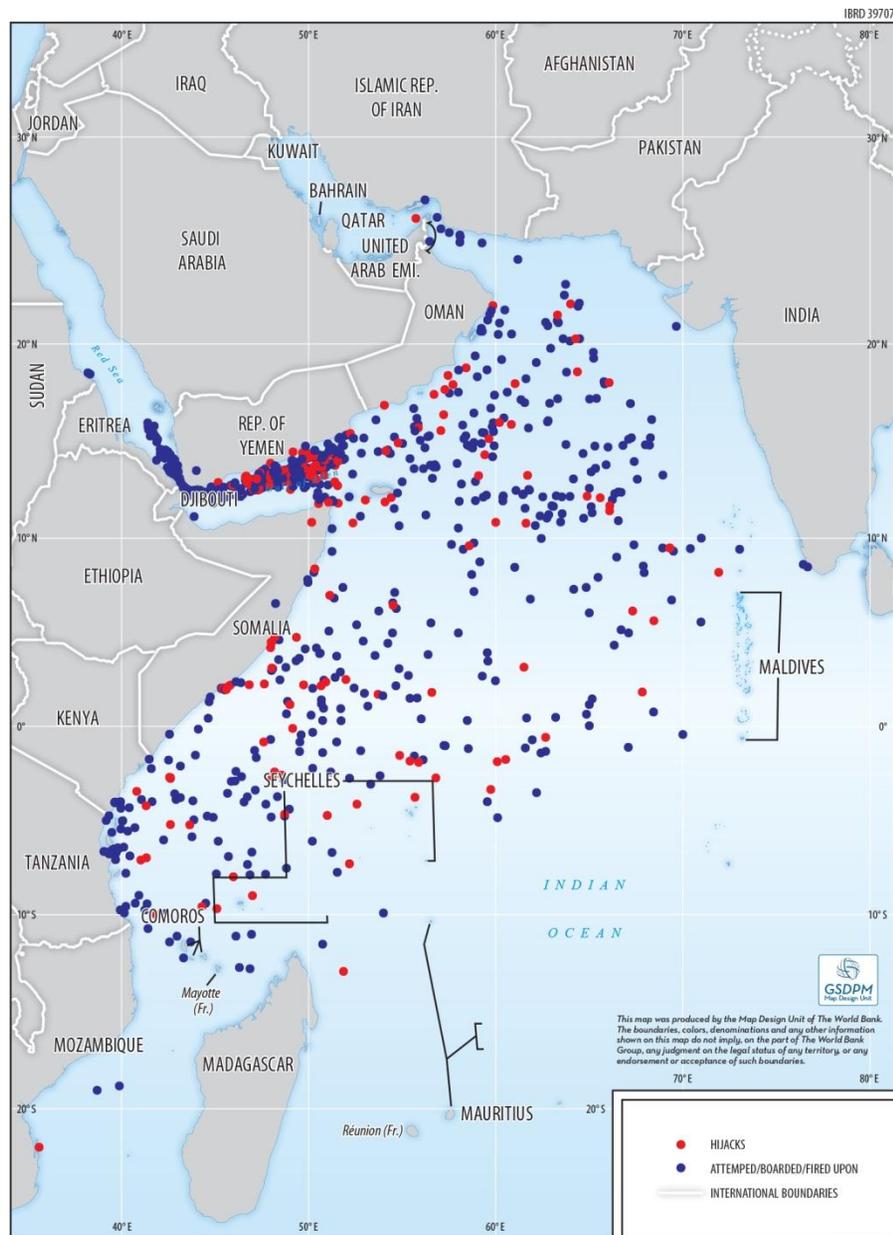
- Visits to affected East African coastal countries have dropped by almost **6.5%** relative to visits to other countries.
- In the booming tourism sector, spending in East Africa since the surge in pirate activities has grown **25%** more slowly than in other sub-Saharan African countries.

- The fishing industry is an economic pillar for many East African countries. It has accounted for over **90%** of Seychelles total exports of goods for the past two decades and is responsible for about **20%** of Madagascar's.
- Since 2005 more than **100 hijackings** have occurred in places where the fishing industry traditionally operates. At least **44 fishing vessels** have been hijacked, and some are still captive.
- Fishing vessels are of particular interest to pirates because they can be used as mother-ships, floating bases from which to launch further attacks.
- The tuna catch alone has dropped by **26.8%** annually in areas affected by pirates.
- At least **234 fishermen** were on fishing vessels that were either sunk or taken captive as of May 2012.

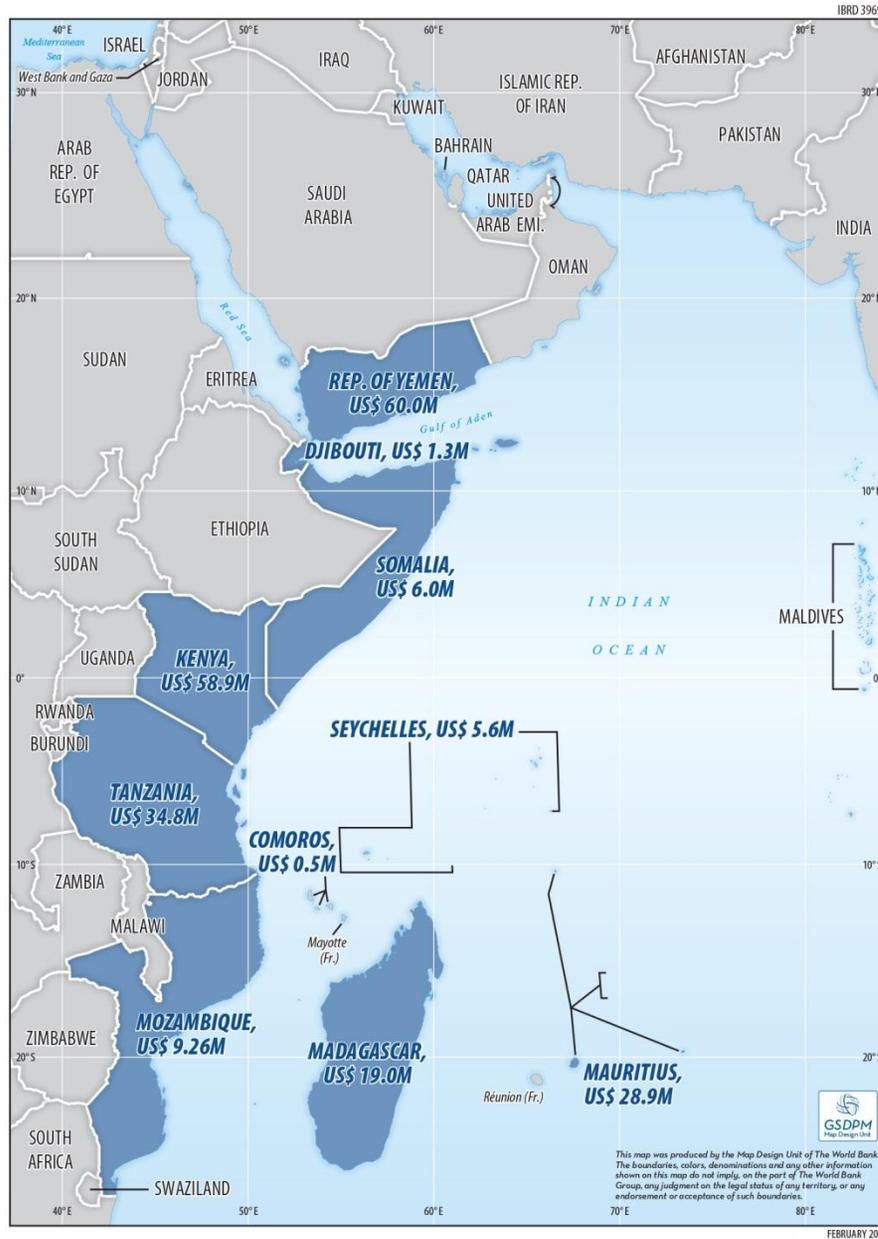
### Reshaping Policy Dialogue

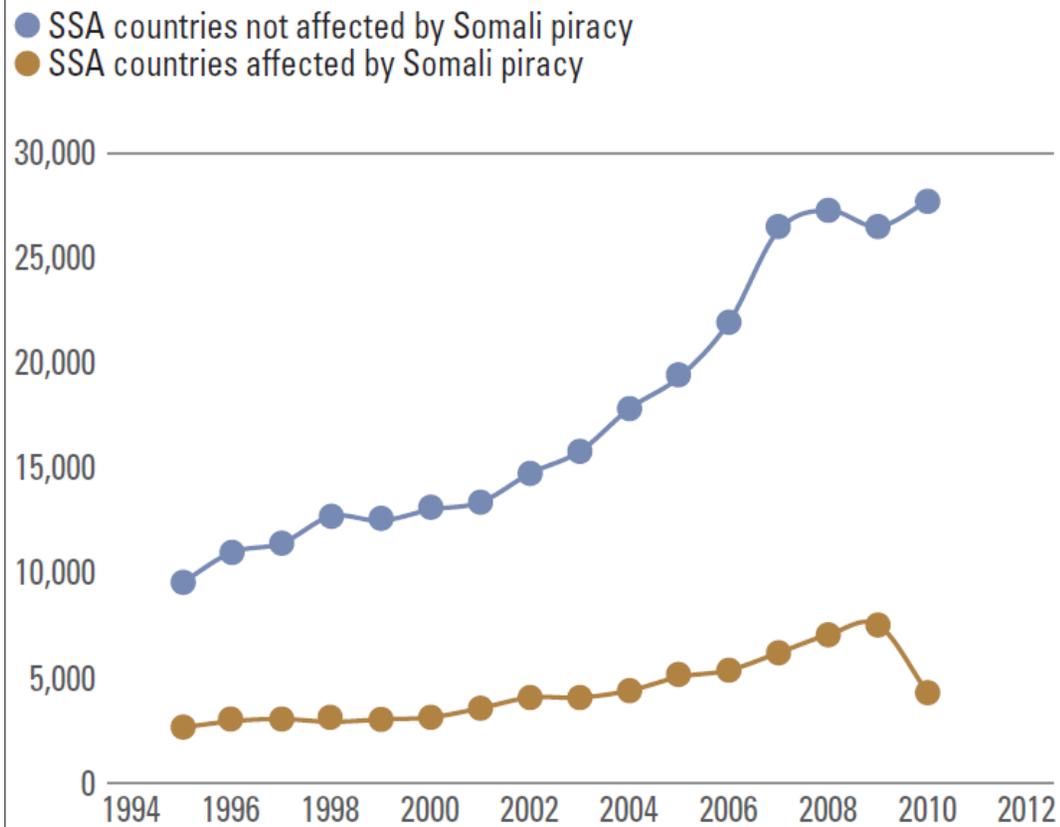
*The dramatic discrepancy between the revenues pirates enjoy and piracy's global cost offers a powerful rationale for the international community to support the administration of the Federal Republic of Somalia.*

- International military operations in 2011 are estimated to have cost at least **US\$1.27 billion**.
- The use of armed guards has increased significantly in recent years. Currently, an estimated **40% to 50%** of the **40,000 vessels** crossing the area have them.
- Large-scale naval law enforcement interventions are believed to have been successful in curbing the number of attacks, they are only effective as long as they are deployed—a costly and perhaps unsustainable proposition in the long run.
- The solution to Somali piracy is first and foremost political.
- Effective and sustainable interventions over the long term will require shifting focus from the perpetrators to the enablers of piracy.
- The long term solution to piracy off the Horn of Africa cannot be dissociated from construction of a Somali state that is viable at both central and local levels.
- The report calls for a negotiated political contract between local stakeholders and the central government. Requires that the enablers have political representation so that (i) their interests can be properly defended, and (ii) they can be held accountable for progress toward eradicating piracy.
- Ensuring security is a mandate of the central government, but it could involve local communities.
- The distribution of resources is a critical dimension of Somalia's state-building.
- Guiding Somalia onto a path of economic development free from piracy requires investment in infrastructure and jobs and support for promising sectors.
- Good governance and public sector capacity-building are the foundation of a Somali strategy to eradicate piracy.
- International support to the government of the Federal Republic of Somalia could be implemented through three instruments: partnership, knowledge, and finance.
- Law enforcement interventions and development projects should be designed and implemented around the greater local political community.



**Figure 3:  
Estimated Annual Cost of  
Piracy (US\$)**



**FIGURE 3.2: ANNUAL VISITORS TO SSA**

Source: UNWTO 2012.