

# Khat and COVID-19

## *Somalia's cross-border economy in the time of coronavirus*

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The number of Coronavirus (COVID-19) infections and related deaths is rapidly increasing in Somalia. However, at present it is the secondary, primarily economic, effects of the pandemic that are being most keenly felt. The impact on the khat trade in particular is a good illustration of the economy's regional and international connections, and the effects of anti-COVID-19 measures on cross-border movement and daily life inside Somalia. Measures to contain COVID-19 have imposed restrictions on khat imports (and consumption) that have affected livelihoods including women's incomes, who make up most of the khat sellers in the country. Yet in spite of official attempts to restrict khat imports, the sector is typically finding ways round these measures by developing land-based entry routes and informal methods of distribution. Nonetheless, a reduced supply has led to price increases and hit government revenues, with the formal khat trade shifting into contraband, which may have security implications. Some Somalis have continued to chew khat despite restrictions on imports and price rises but changes in chewing practices have also been observed.



Map of the Horn of Africa

### The khat trade dilemma

Somalia's cross-border trade in khat—a mild stimulant widely consumed by Somali-speaking people, especially men—is as embedded in the country's social and economic life as the leaf itself. In the Horn of Africa region, khat is mostly grown in the Kenyan and Ethiopian highlands, before being transported to khat-consuming communities, mostly located in Somalia and Somaliland, as well as the adjacent Somali-speaking regions of Djibouti, eastern Ethiopia and north-eastern Kenya. This means that the khat trade in the region—an import that is thought to rank second only to sugar in Somalia<sup>1</sup>—involves long supply chains that cut across national borders. Khat must also be delivered fresh, within a few hours of it being picked, so any disruption to the supply chain is detrimental for the product.

The COVID-19 disruption to the general movement of goods and people in Somalia and Somaliland, and a ban by respective national and regional authorities (now ended in Somaliland), has had far-reaching effects on the khat trade and related incomes. The ban illustrates the wider disruption, caused by the pandemic, to the outward-facing Somali economy. One of the direct impacts will be the ability of Somalis living in the diaspora in COVID-19 affected areas of the Gulf, Europe and North America—many of who will have seen a reduction in income—to remit

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money to their families in Somalia. Remittances not only augment household incomes but they also provide more cash inputs that keep Somalia's businesses buoyant—including the khat trade.

As the COVID-19 impact deepens in Somalia, where death-rates are reportedly the highest in the immediate Horn of Africa region, the Federal Government of Somalia (FGS) and some of the federal member states, and the self-declared Republic of Somaliland, have closed all borders. This has led to the suspension of scheduled international flights, except for those on humanitarian missions, and a widespread ban on khat imports.<sup>2</sup> The lockdown has affected khat imports from Kenya and Ethiopia, which have both confirmed the presence of COVID-19. The rationale for the khat bans was that its entire value chain including harvesting, transporting, distributing, selling, selecting a bundle and of course, the communal and individual act of chewing, is exposed to human contact.

The khat bans also demonstrate the tough choices that Somali authorities face: A simple ban on the khat trade could help contain the spread of the virus that will rapidly overwhelm scarce medical facilities. But the trade also provides valuable government revenue. Khat plays an important role in Somali social, political and economic life. Past bans have been socially unpopular and contributed to political resistance to governments in Somali-speaking regions in the colonial and post-colonial eras. Yet a ban will save much needed hard currency for the Somali economy—not least household expenditure—which has been affected by the downturn in two principal sources of hard currency: remittances and livestock trade. Every month millions of dollars leave Somalia to purchase khat from neighbouring countries.

## Closing down the cross-border khat trade

Several mechanisms were put in place to ensure that khat import bans were implemented successfully.<sup>3</sup> On 24 March, a video emerged of FGS officials burning hundreds of kilograms of khat that had been smuggled into Mogadishu Airport from Kenya. Puntland police have been confiscating leaves from khat stands and tables in the regional capital, Garowe. On 2 May, images of the Somaliland government burning heaps of confiscated khat smuggled from Ethiopia to Somaliland also went viral.

In spite of these draconian measures, khat has still been brought into the country but entry routes and methods of distribution have changed. In Puntland, where the *miraa* (as khat is known in Kenya) was previously imported by plane from Kenya to Galkayo and Garowe, it is now being brought by road from Kenya via Ethiopia, crossing the border between Puntland and Ethiopia's Somali region via Galdogob in Mudug region. In Mudug, Ethiopian khat—locally known as *Hereeri*—also comes via the Wardheer–Bokh–Bursaalah route into Galkayo. The khat also moves from Hargeysa, Somaliland into Puntland through Baran in Sanaag region.

In Somaliland, khat from Ethiopia was mainly transported along the Berbera corridor where the government collected revenues at the Kalabaydh customs point. During the ban, the khat was smuggled using porous entry points along the extensive coastline or in the expansive Haud plains away from the main crossing points (and most populated areas) between Ethiopia and Somaliland. This had two results: an increase in price; and khat's transition into a contraband item less easily taxed by the Somaliland authorities. Though Somaliland authorities initially resisted a ban on khat, after advice from medical professionals on the high risk of khat spreading COVID-19, fearing loss of revenues and increase in contraband trade, the government agreed to temporarily ban khat consumption and trade from 23 April until 22 May, roughly coinciding with Ramadan, after consultation with major khat traders.<sup>4</sup> This timeframe was cut short by a week when the ban was ended on 17 May.

The distinction between individual addiction and khat's role in intercommunal life is blurred. Some Somalis continued to chew in spite of the obstacles, but with behavioural changes. In Somaliland and Puntland, consumers are still chewing khat in public places. To avoid the possibility of transmission from unwashed leaves, some consumers now boil the khat before chewing or they wash it in hot water to remove any trace of the virus. In Puntland, groups of men chew khat at their homes or in rented houses. Some khat users claim COVID-19 does not affect them, saying 'we are in *tawakul*', stating they have put full trust and reliance in Allah.



A Somali man walks at an abandoned khat stimulant market closed amid concerns about the spread of coronavirus disease (COVID-19), in Mogadishu  
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## From government revenue to contraband

Somalia's economy, businesses and revenues are highly dependent on imports. The khat trade and consumption play a significant role in the economy of all the regions in Somalia and Somaliland, providing employment and financial revenue. Taxes on khat imports are an important part of government revenue. Government tax authorities previously generated revenues from two sources: the khat itself, and the landing tax (applied to all flights). In Puntland, khat was taxed at USD 153 per sack containing 100 *far* (100 kgs) of khat. Market khat traders are taxed 300,000 Somali Shillings (between USD 15 and USD 20 per month). Local municipalities collect and benefit from the market taxes while the Ministry of Finance collects the tax from the imported khat at port of entry. In Somaliland before the ban, custom officials imposed taxes of 116 Somaliland shillings (USD 95) for 100 kgs, and further municipal taxes are collected from the khat tables in the markets.

According to the FGS Revenue Report 2015–2019 (data current to November 2019), khat imports generated about USD 60,000 in one day at Mogadishu Airport. Unofficial estimates suggest that in early 2020, the Puntland state government brought in revenues of USD 40,000 per day from the khat flights during the same period.<sup>5</sup> In Puntland, it is estimated the ban will cost USD 8.5 million in lost revenue, which is around 60 per cent of the total value of (normal) khat imports.<sup>6</sup> This has led to an increase in informal taxes to make up for total loss of formal government khat revenues.

According to the Somaliland Annual Statistical Report 2018, khat ordinarily accounts for 30 per cent of domestic revenues, or USD 36,449,435. Between USD 120,000 and USD 150,000 was collected daily from tax on khat imports in Kalabaydh customs station.<sup>7</sup> Previously, retailers would buy Ethiopian khat at USD 25 per kg and sell to consumers for between USD 35–38 per kg. During the khat ban, traders bought contraband Ethiopian khat at USD 40 per kg and selling at USD 55 per kg in the informal market. In Somaliland, the

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import tax paid on a 10 kg bag of khat increased from before the ban from USD 16–18 to around USD 40. With the start of the ban, khat fetched USD 55 for 1 kg in the black market and USD 70 for 1 kg in Garowe.

The khat ban has also raised concerns over the reliability of security forces in Puntland and Somaliland who are habitual khat users and poorly paid but who are charged with implementing the restrictions. Anecdotal evidence claims that khat smugglers have made arrangements with security providers to facilitate the supply, in return for free bundles of leaves. This risks the growth of an illicit network of khat traders and security providers, which may be difficult to shut down after the ban is lifted. Rumours also indicate an increase in bribes and unofficial payments to ensure khat reaches its destination, in the same way that sugar, charcoal (and khat itself) have historically supported a parallel and securitized political economy in southern Somalia.

## What next?

Somalia is currently experiencing the secondary, mostly economic effects of a global health crisis that remains most intense in Europe and the United States. What is clear is that any measures taken to slow, or stop, its spread across the Horn of Africa's borders will be extremely difficult to enforce—as evidenced by the khat ban. The economic and social trade-offs involved will also have second order effects, in terms of loss of revenues and incomes both for state authorities and at the family level. In fragile and conflict-affected states like Somalia and Somaliland, where authority is more negotiable, the (temporary) transformation of khat into contraband risks the loss of control of revenues and security into parallel structures.

## Notes

- 1 Notwithstanding the difficulty of calculating the size of khat imports in Somalia, this statement draws on research conducted in 2015. Somalia Economic Update 2015, World Bank: New York, September 2015, 13.
- 2 'Somaliland Republic Lifts Ban on Khat Imports', *SomTribune*, 16 May 2020, <https://www.somtribune.com/2020/05/16/somaliland-republic-lifts-ban-on-khat-import/>.
- 3 In Somaliland it is a complete khat ban from 23 April to 23 May (which coincides with Ramadan), in Puntland and Federal government of Somalia areas it is a ban on khat imports.
- 4 Government of Somaliland Khat Ban News Bulletin Release, <https://twitter.com/SldiasporaGN/status/1253288566651785216?s=20>
- 5 Interview with Abukar Awale, Qaad Diid Anti Khat Campaigner, April 2020.
- 6 Puntland Ministry of Planning, Economic Development and International Cooperation (MOPEDIC), COVID-19 Economic Impact Assessment Report, April 2020.
- 7 Interview with Mohamed Abdi, Customs Officer, Kalabaydh Customs Station, 5 May 2020.



## Credits

This briefing was written by Sahra Ahmed Koshin with inputs from Ahmed M. Musa. It is available for free download from [www.riftvalley.net](http://www.riftvalley.net).

This briefing is a product of the X-Border Local Research Network, a component of DFID's Cross-Border Conflict—Evidence, Policy and Trends (XCEPT) programme, funded by UKaid from the UK government. The programme carries out research work to better understand the causes and impacts of conflict in border areas and their international dimensions. It supports more effective policymaking and development programming and builds the skills of local partners. The views expressed do not necessarily reflect the UK government's official policies.



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