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NEWS RELEASE

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--For Immediate Release--

“Somali Money Transfer Services Disruption”

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Recently, some global financial institutions have announced that they will withdraw their support from Somalia’s money transfer (SMT) businesses, citing insufficient checks in place to prevent criminal activities including money laundering and terrorist financing. Shuraako and our partner global investors are deeply concerned by this development, and the consequences they will have for foreign investment and job creation in Somalia.

SMTs are a lifeline for the Somali economy; they support household consumption and lay the groundwork for Somalia’s development and reconstruction. Each year \$1-1.5 billion in remittances are sent by the Somali diaspora through SMTs.ⁱ These funds exceed international humanitarian assistance, which were approximately \$612 million in 2012.ⁱⁱ Most remittances pay for basic household expenses. In a recent survey by the UN Food and Agriculture Organization, a third of Somalis interviewed reported that a disruption of SMTs would prohibit them from accessing food, medicine, and education.ⁱⁱⁱ SMTs also serve organizations working in the region such as the United Nations and other large, international nongovernmental organizations like Oxfam and Save the Children among others.^{iv}

Somalia’s stability has increased in recent months, and the country appointed a central government in September 2012. The continued regional stability depends crucially on economic development and reconstruction. It is imperative to protect the livelihoods of those Somalis who are dependent on remittances.

Shuraako’s own efforts to connect promising business opportunities with investors are impacted by the news that money transfers to Somalia will be interrupted. We will continue to closely follow these developments and report on them on our website.

In addition, Shuraako hosts a collection of reports on Somali remittances at <http://shuraako.org/remittances-industry-analyses-and-news>. For more information please contact Shuraako’s social and digital media specialist, Jean-Pierre Larroque at jplarroque@shuraako.org.



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Shuraako is a self-funded, non-profit initiative working to promote investment into promising business models and social enterprises in Somalia. Shuraako believes that job creation fosters stability and peace, and is key to rebuilding Somalia. We believe that developing the business sector generates financial and social revenues. Shuraako also aims to help facilitate and coordinate ongoing efforts that support trade, investment and other economic development efforts in Somalia.



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- ⁱ Cockayne, J., & Shetret, L. (2012). *Capitalizing on trust harnessing somali remittances for counterterrorism, human rights and state building*. Ministry of Foreign Affairs of Denmark.
- ⁱⁱ United Nations Office for the Coordination of Humanitarian Affairs, (2013). *Consolidated appeal: Somalia 2012 table d* (Table ref: 32Sum). Retrieved from Financial Tracking Service website: <http://fts.unocha.org>
- ⁱⁱⁱ Food and Agriculture Organization of the United Nations, Food Security and Nutrition Analysis Unit-Somalia. (2013). *Family ties: remittances and livelihoods support in puntland and somaliland*. Nairobi: United Nations Somalia, Ngecha Campus.
- ^{iv} Dahabshiil. (2013). *Dahabshiil story*. Retrieved from <http://www.dahabshiil.com/about-us/dahabshiil-story.html>