

**Security Council**

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**Letter dated 4 November 2003 from the Chairman of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia addressed to the President of the Security Council**

On behalf of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia, and in accordance with paragraph 7 of Security Council resolution 1474 (2003), I have the honour to transmit herewith the report of the Panel of Experts.

In this connection, the Committee would appreciate it if the present letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

*(Signed)* Stefan **Tafrov**  
Chairman

Security Council Committee established pursuant to  
resolution 751 (1992) concerning Somalia

identifiable markings on an aircraft makes it easier for aircraft to remain undetected.<sup>6</sup>

114. Between the last week of September and early October 2003, the Panel also learned of a Boeing 727 aircraft that made several landings at Balidogle airfield, near Mogadishu; the Panel suspects that aircraft of fraud, using the registration number of a Kenyan aircraft that is currently grounded for maintenance in Nairobi. From 9 to 11 October 2003, the Panel also received reports of two or possibly three flights of military aircraft to an airstrip at Jowhar. These cases were still under investigation at the time of writing of this report but added to the Panel's belief that an escalation of the differences between the different factions at the negotiating table in Nairobi may lead to renewed flows of weapons into Somalia.

#### **Air Bas and the Bout connection to Somalia**

Air Bas is a commercial charter company whose Somali clients currently include Gallad Air and Juba Airlines. Air Bas came to the attention of the Panel because of the company's alleged connections with arms merchant Viktor Bout. Viktor and his brother Serguei have a long history of involvement in the arms trade throughout Africa, including Somalia.

The Bouts are no longer visibly present in the United Arab Emirates but Air Bas was believed to be one of the front companies they were using to maintain a presence at this important hub for the entire subregion. Air Bas staff, in several interviews with the Panel and in a written reply to the Panel said that they were "not associated by any means" with Bout, despite the fact that they are based in the same offices that were held by Bout's company AirCess and that they operate aircraft that were part of the fleet of Viktor and Serguei Bout. The Air Bas management also refused to give the Panel basic documentation showing the shareholders and registered address of the company.

The Panel however had access to documents showing that Air Bas was established in Texas in May 2002. The records of incorporation were filed on 26 June 2002 (filing number 800098068). Richard A. Chichakli, a known associate of Viktor Bout, is the President.<sup>a</sup> In the United Arab Emirates the company is represented by Viktor Lebedev, the acting manager of Air Bas Transportation. Payments to Air Bas are to be made to the account of the company Irbis in Kazakhstan. Irbis has been a front for the leasing operations of Viktor Bout's aircraft for years.

A document obtained by the Panel shows that on 12 May 2002 the manager of Air Bas Transportation in Sharjah signed a document giving "power of attorney for all transactions related to the company" to Viktor Bout's brother Serguei Bout. The document is countersigned by Serguei Bout and a copy of his passport is attached to it. Therefore, in effect, the company can accurately be described as a front operation for one of the

<sup>6</sup> In both cases the Panel interviewed the owners of the aircraft and the different operators and freight forwarders who had chartered the aircraft. The cargo manifests showed they were carrying passengers and "general cargo".

Bout brothers, despite the denials of Air Bas staff.

<sup>a</sup> Richard A. Chichakli was the chief financial officer for Viktor Bout's companies AirCess Holdings Ltd., Air Pas and San Air General Trading FZE (Sharjah) and the registering agent and principal officer for San Air General Trading LLC (Texas, United States of America).

115. Some of the airports used by air operators to and from Somalia are not very effective at monitoring air cargo or flight operations. A review of some manifests made available to the Panel reveals serious weaknesses in the system. Most cargo is listed as "general cargo", but inspection procedures are generally insufficient to determine whether this is indeed the case. For example, customs officials at transit points for Somalia-bound aircraft often place excessive confidence in documentation and inspection procedures at the point of origin (mainly Sharjah and Dubai). Djibouti is a major transit hub for both passengers and cargo to Somalia, but the airport lacks a scanner to inspect air cargo and appears to be weak in terms of effectively controlling and monitoring cargo traffic. Ryan airport in Yemen does not provide any inspection for air cargo in transit. Most Somalia-bound operators justify their visits to Ryan as technical stops for refuelling, but it is unclear why they should choose to do so, given that there is no appreciable difference in the price of aviation fuel between Yemen and the United Arab Emirates.

116. Non-compliance with requirements for foreign operators based in the United Arab Emirates has led the authorities there to ground several aircraft operated by the companies mentioned above, but not all Governments concerned have taken a similar level of interest or been so proactive. Their full commitment to the embargo effort would greatly enhance the prospects for its success. Likewise, better coordination between States and technical assistance in the areas of inspection would do much to improve the enforcement capabilities of airports in the front-line States. Within Somalia, additional support to the Caretaker Authority, ensuring that all aircraft entering Somali airspace can be positively identified and tracked, would be central to the embargo's effective implementation.

## Sea

117. The Somali coastline is the second largest in Africa and international maritime trade is a crucial pillar of the Somali economy. Exports include livestock, hides, frankincense and agricultural products, while imports consist mainly of basic foodstuffs, consumer goods and relief cargo. An estimated 80 per cent of the economic activity of the country is related to international trade, more than half of which involves third countries such as Ethiopia and Kenya. A substantial amount of coastal trade also occurs between Djibouti, Mombassa, Dar es Salaam and the Somali ports.

118. Maritime trade plays a central role not only in Somalia's economic welfare but also in its political dynamics. In some areas, port revenues represent a main source of revenue for regional administrations that have brought stability and security to parts of the country. In Mogadishu, however, coalitions of factional and commercial interests have conspired to keep the main port closed, while the profits from ancillary ports have been diverted for personal and political gain. Revenues from the port of Kismaayo — including income from the environmentally disastrous export