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Ports, Gold and Proxy Power: The UAE's Expanding Footprint in Ethiopia and Sudan

by Asnake A. Chanie

On 10 August 2026, China's Zijin Gold International completed a USD 302 million investment in Allied Gold, acquiring about 9.2 percent of the Canadian miner. Allied says part of the proceeds will support completion and ramp-up of its Kurmuk mine in Ethiopia's Benishangul-Gumuz region, beside Sudan's Blue Nile State. Despite the fact that this deal is not directly linked to the engagement of the United Arab Emirates (UAE) in Ethiopia, the Emirati connection remains indirect: the Abu Dhabi Investment Authority (ADIA) held about 0.53 percent of Zijin Mining in the first quarter of 2026. This transaction thus illustrates how Emirati capital increasingly intersects with wider Chinese, Western and African investment networks in strategically important sectors. A new investment in Ethiopia's gold sector therefore offers a revealing entry point into the latest phase of the UAE's' expanding political-economic footprint in the Horn of Africa.

Why does it matter?

The UAE's more assertive engagement in Ethiopia came into much sharper view in 2018, shortly after Prime Minister Abiy Ahmed took office, when Abu Dhabi announced a USD 3 billion support package. Of this, USD 1 billion was deposited in the National Bank of Ethiopia to ease a severe foreign-currency shortage, while a further USD 2 billion was earmarked to stimulate investment in the Ethiopian economy. The UAE Ministry of Foreign Affairs later characterized Abu Dhabi's ruler and today's UAE President Sheikh Mohamed bin Zayed Al Nahyan's June 2018 visit to Ethiopia as a "major qualitative shift" in bilateral relations. The depth of this relationship was again visible after the US-Israeli war with Iran began in February 2026: Abiy became the first international leader reported to visit the UAE while it was under Iranian attack, meeting Mohamed bin Zayed and publicly expressing Ethiopia's solidarity with the Emirates amid the regional crisis. During the meeting, Abiy condemned the "blatant Iranian attacks" on the UAE, reaffirming "Ethiopia's solidarity with the UAE in all measures". Seen against this background, the current gold sector connection is better understood as a continuation and diversification of Emirati influence rather than a new pathway in UAE-Ethiopian relations.

What makes Kurmuk particularly significant, however, is that an economic story is unfolding beside an active battlefield. Across the border, Sudan's town of Kurmuk has repeatedly changed hands during 2026. The Rapid Support Forces (RSF), together with fighters allied to the Sudan People's Liberation Movement-North (SPLM-N) led by Abdelaziz al-Hilu, seized the town on 24 March. The Sudanese Armed Forces (SAF) recaptured it on 8 July, only for the RSF to announce that it had taken Kurmuk again on 13 August. This sequence of events beginning with RSF control, followed by SAF recovery, and renewed RSF control demonstrates that the Ethiopia-Sudan frontier is no longer peripheral to Sudan's war. It has become one of the conflict's strategic theaters.

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In this complex context, Kurmuk matters because geography connects resources, logistics and war. The Sudanese town is a major border crossing and supply route roughly 136 km from Ed Damazin, the capital of Sudan's Blue Nile federal state. Its repeated capture therefore concerns more than symbolic territorial control: Holding Kurmuk can facilitate movement of fighters, weapons and supplies across an increasingly militarized frontier. Sudan Tribune reported that the August assault involved long-range drone strikes that Sudanese military and local sources alleged originated from Ethiopian territory. Ethiopia has rejected broader Sudanese accusations of involvement in the conflict. The competing claims are difficult to verify independently, but the intensity of fighting around the border shows how deeply Sudan's civil war is becoming regionalized.

That regionalization is reinforced by reporting about the RSF's external support networks. In February 2026, it was reported that Ethiopia was hosting a training camp in Benishangul-Gumuz for thousands of RSF fighters and that the UAE financed the camp by providing trainers and logistical support, while satellite imagery showed extensive construction and new drone-related infrastructure near Asosa airport. So far, Emirati financing could not be independently verified, and the UAE denied being involved in Sudan's hostilities. These allegations nevertheless build on earlier concerns raised by a UN Panel of Experts regarding UAE-linked arms transfers to the RSF through Chad, while Amnesty International and Human Rights Watch have documented weapons or equipment associated with the UAE appearing in RSF hands. Similar concerns were also raised in a U.S. House Foreign Affairs Subcommittee hearing on 22 May 2025.

The proximity of Ethiopia's Kurmuk gold project adds another layer to this security landscape. Its importance has also been underscored at Ethiopia's highest political level: During an August 2025 visit to Benishangul-Gumuz, Abiy Ahmed highlighted the Kurmuk gold facility as a flagship project and presented the region's mining potential as important to Ethiopia's broader development strategy. Allied Gold reports 2.7 million ounces of proven and probable reserves at Kurmuk and expects production of 240,000-

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270,000 ounces in 2027 and about 300,000 ounces in 2028. At gold prices prevailing in August 2026, Kurmuk's 2.7 million ounces of proven and probable reserves would have a gross in-ground metal value exceeding USD 12 billion, while projected annual production could exceed USD 1 billion in gross value. Those estimations underline the growing economic significance of this contested borderland.

Across the border, gold is already deeply embedded in Sudan's war economy: A Sudanese government official alleged that the RSF moved more than USD 850 million worth of gold from Darfur and Kordofan during 2024 and early 2025 toward the UAE, an accusation rejected by an RSF-allied official. More broadly, the UAE reported importing USD 1.97 billion in Sudanese gold in 2024, while independent research identifies the country as the principal destination for both official and illicit Sudanese gold flows. As of today, no evidence exists linking Allied Gold's Ethiopian mine to RSF financing. Nevertheless, the juxtaposition underscores Kurmuk's strategic significance as a frontier where major mineral wealth sits beside an established conflict economy built partly around control of gold, trade routes and cross-border networks.

What is the big picture?

Seen from a wider perspective, Kurmuk fits a longer pattern of Emirati engagement in the Horn of Africa built around strategic infrastructure, investment and political relationships. In Somaliland, Dubai-owned maritime logistical champion DP World has transformed Berbera into a substantially larger port and logistics hub, committing up to USD 442 million to its development. The first expansion increased container capacity from 150,000 to 500,000 TEUs annually, while the Berbera Economic Zone and corridor are designed to connect the port with Ethiopia. This infrastructure investment may extend further inland: Reporting in 2025 said the UAE planned to finance a roughly 250 km railway linking Berbera with Tog Wajaale on the Ethiopian border, a project valued at about USD 3 billion.

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If implemented, the railway would strengthen Berbera's position as an alternative trade corridor for landlocked Ethiopia and further deepen the UAE's role in the region's transport architecture. DP World has also established a direct maritime service linking Berbera with Jebel Ali, further embedding Somaliland in Gulf-East African trade networks.

These investments can produce genuine regional benefits: Berbera offers landlocked Ethiopia an alternative commercial gateway, while port, road and mining investments can generate employment, infrastructure and foreign exchange. Yet the same assets also create political leverage such as ports influence access to the Red Sea while corridors shape trade dependence, mineral projects anchor long-term relationships with governments, and security partnerships can affect balances of power inside neighboring conflicts. Since February 2026, a growing Saudi-UAE rivalry is increasingly shaping alignments across the Horn. Thus, the UAE's influence is best understood not as a collection of isolated projects but as a network in which commercial connectivity and geopolitical access increasingly overlap.

Kurmuk brings these dynamics into unusually sharp focus. The struggle for the Sudanese border town illustrates how a domestic war can expand through frontier zones and external patronage. At the same time, the nearby Ethiopian mine demonstrates how the same borderland can acquire new value through industrial resource extraction. This does not prove that investment causes conflict. Rather, it means that security and political risk increasingly surround assets whose economic importance is growing. The wider implication is that the Horn's ports, mines, border crossings and logistical corridors are becoming interconnected strategic nodes. Finally, competition over them can simultaneously promote economic integration and intensify geopolitical fragmentation.

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What comes next?

The UAE's role in the Horn is therefore unlikely to diminish, but its consequences will depend partly on how regional governments manage external partnerships. Ethiopia has strong incentives to attract capital into mining and logistics, while Somaliland has benefited materially from Berbera's development. Nevertheless, the Sudan conflict demonstrates the dangers of opaque security relationships and cross-border military networks. If Kurmuk and Benishangul-Gumuz remain part of an active Sudanese military theater, investors and governments will face growing pressure to demonstrate transparent ownership, conflict-sensitive due diligence, and credible safeguards preventing commercial infrastructure from becoming entangled with armed actors.

For the region, the central challenge is therefore not simply whether Emirati influence is "positive" or "negative." It is whether UAE capital and strategic engagement can be governed in ways that strengthen African economic agency rather than deepen external dependency and proxy competition. Berbera shows the connectivity that Emirati investment can create. Ethiopia demonstrates its capacity to support investment and state financing while Sudan exposes the risks when external patronage intersects with armed rivalry. Kurmuk now sits at the intersection of all three different layers of engagement. Its future may therefore reveal something larger about the Horn itself: Whether strategic infrastructure and resource wealth become foundations for regional integration, or additional terrain on which increasingly internationalized conflicts are fought.

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