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Original Article

## Somalia-India Economic and Trade Relations (1989-2023)

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### Keywords:

Bilateral  
Trade,  
Trade  
Imbalance,  
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Growth,  
Somalia,  
India.

**Background:** This article investigates the economic and trade relationship between India and Somalia from 1989 to 2023, focusing on primary economic indicators, bilateral trade flows, and the underlying dynamics. The study aims to uncover key trends, identify challenges, and highlight the potential of this partnership, especially given India's growing influence as a strategic trade partner. **Methodology:** A descriptive and analytical research approach was adopted, relying on secondary data obtained from credible international databases, including the World Bank's World Development Indicators (WDI), World Integrated Trade Solution (WITS), and the International Trade Centre (Trade Map). Key indicators analyzed include GDP, trade volume, import-export statistics, and product classifications, covering the period from 1989 to 2023. **Objective:** The research aims to explore Somalia's GDP growth, trade volume, and bilateral trade with India, emphasizing the country's reliance on basic commodities for imports and India's growing demand for raw materials. Special attention is given to Somalia's limited export portfolio and the implications of a persistent trade imbalance. **Findings:** The study finds that bilateral trade between Somalia and India has increased substantially, reaching a total of \$808.54 million in 2023. India emerged as Somalia's third-largest import partner, accounting for \$779.47 million in imports. In contrast, Somalia's exports to India remain modest at \$29.07 million, consisting largely of raw materials such as scrap copper, iron, aluminium, insect resins, oil seeds, and agricultural products. This imbalance reflects Somalia's dependency on imports and its underdeveloped export sector. **Recommendations:** To improve trade relations and reduce the deficit, Somalia should prioritize diversifying its export base by investing in manufacturing, agriculture, and fisheries. Enhancing domestic value addition, upgrading trade infrastructure, and establishing export promotion agencies would strengthen trade competitiveness and lead to long-term economic benefits.

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## INTRODUCTION

Trade relations play a fundamental role in fostering economic growth, strengthening bilateral partnerships, and enhancing global economic integration. They serve as critical conduits for the exchange of goods, services, and investments, contributing to the development of infrastructure, technology transfer, and employment generation. Robust trade relations also promote interdependence between nations, fostering diplomatic ties and mutual economic resilience. In an increasingly interconnected global economy, the significance of trade relations extends beyond economic benefits, influencing political stability and social development.

Somalia has undertaken significant reforms in recent years. Somalia reached the Completion Point under the Heavily Indebted Poor Countries (HIPC) Initiative in December 2023, reducing its external debt by a tremendous amount and opening up new financing (IMF, 2023a). Reforms have targeted fiscal governance, public financial management, and domestic revenue mobilization, with the support of a new Extended Credit Facility (IMF, 2023b; World Bank, 2023). For Somalia, trade relations are of paramount importance due to the nation's dependence on imports to meet essential needs, including food security, industrial inputs, and healthcare supplies. At the same time, Somalia's reliance on a limited range of exports, primarily raw materials such as scrap metals and agricultural products, highlights the critical role of external partnerships in sustaining its economic framework. India, as one of Somalia's principal trading partners, has emerged as a vital source of essential imports and a significant market for Somali exports. The bilateral trade relationship

not only addresses Somalia's immediate economic needs but also underscores the potential for enhanced collaboration to support long-term development goals.

The aim of this study is to analyze the economic and trade relations between India and Somalia during the period 1989-2023, identifying key economic indicators, trade volumes, and the dynamics of bilateral relations between them. By exploring previous trends and current patterns, the study strives to uncover opportunities and challenges that define this relationship. Besides, the study makes policy recommendations for strengthening Somalia's trade structure, improving diversification of exports, and fair and sustainable trade practices for the benefit of both nations. The study selected 1989 to 2023 as the timeframe to demonstrate how Somalia – India trade relations developed over a significant duration covering large economic and political shifts. The base year 1989, the final year before the collapse of Somalia's central government in 1991, provides a baseline for pre-conflict trade patterns. The ending year 2023, the most recent data available, shows contemporary trends, post-conflict reconstruction, and recent economic reforms.

## KEY ECONOMIC INDICATORS OF SOMALIA AND INDIA

Key economic indicators are important measures of a nation's economic performance, including GDP, GDP growth, GDP per capita, inflation, imports, and exports. This study is focused on providing a summary and comparison of the economic performance of India and Somalia, two nations with distinct economic challenges and features.

**Table 1: Basic Economic Information about Somalia (2012-2023)**

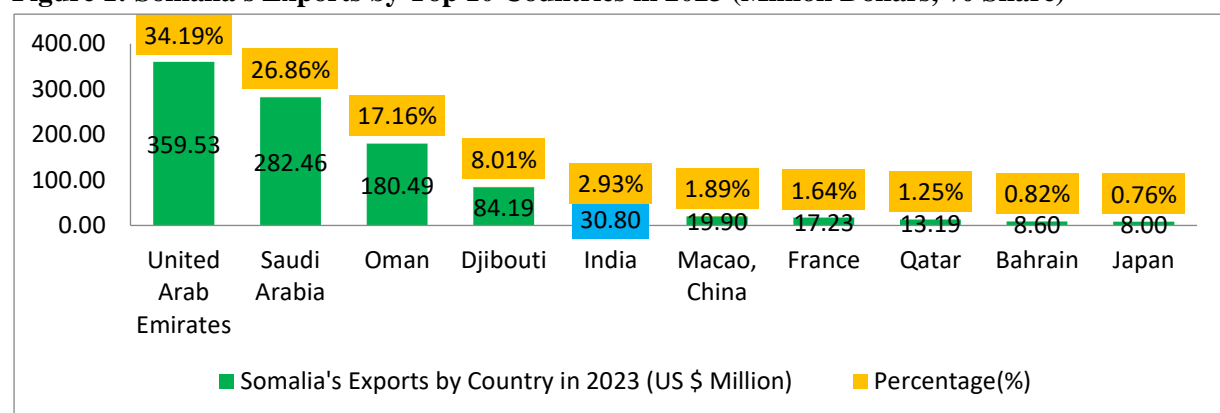
Year	GDP (Million US\$)	GDP growth (annual %)	GDP per capita (US\$)	Inflation, GDP deflator (annual %)	Imports (Million US\$)	Exports (Million US\$)
2012	4,364.67	6.69	350.26	5.77	3,012.55	853.40
2013	5,062.88	10.96	393.40	-10.47	3,276.86	942.60
2014	5,728.40	8.98	429.43	8.92	3,582.44	1,097.73
2015	6,152.15	10.46	445.58	6.95	3,667.16	1,037.96
2016	6,613.74	7.03	460.93	4.08	3,850.89	1,067.19
2017	7,621.50	14.74	510.94	0.60	4,239.78	994.34
2018	7,873.44	2.05	509.53	4.98	4,693.24	1,119.00
2019	8,655.02	2.82	539.89	11.86	4,954.40	1,131.00
2020	8,628.39	-2.75	518.18	5.37	5,352.64	1,178.00
2021	9,484.00	3.46	549.11	7.39	5,969.20	1,532.00
2022	10,202.77	2.73	573.13	7.91	7,455.98	1,804.04
2023	10,968.52	4.22	597.46	4.57	8,001.81	2,164.49

**Source:** <https://databank.worldbank.org/source/world-development-indicators#>

Basic economic data about Somalia from 2012 to 2023 is shown in this table. Somalia's GDP increased steadily from \$4.36 billion in 2012 to \$10.97 billion in 2023, depending on the data. The growth rate has, however, changed greatly over time, increasing to 14.74% in 2017 and decreasing by -2.75% in 2020. From \$350.26 in 2012 to \$597.46 in 2023, the GDP per capita has similarly been increasing, indicating a rise in people's average income. From a low of -10.47% in 2013 to a high of 11.86% in 2019, inflation has fluctuated. Although the table doesn't name them, the causes of inflation may include things like shifts in the money supply, changes in the demand for goods and services, or differences in manufacturing costs.

With imports rising from \$3.01 billion in 2012 to \$8.00 billion in 2023 and exports rising from \$853.40 million in 2012 to \$2.16 billion in 2023, the table also demonstrates Somalia's ongoing import-export imbalance. This implies that Somalia is a net importer, which may be the result of a dependence on imported commodities or a lack of indigenous production capacity. Even while both imports and exports have increased, the country still relies on imports to meet its needs, as seen by the ongoing trade deficit.

### SOMALIA'S TRADE BY COUNTRY IN 2023: EXPORTS AND IMPORTS

**Figure 1: Somalia's Exports by Top 10 Countries in 2023 (Million Dollars, % Share)**

Created by the author using extracted data from <https://www.trademap.org>.

In 2023, Somalia's top export destination is the United Arab Emirates (UAE), which will get 34.19% of all exports, or around \$359.53 million. At \$282.46 million, or 26.86% of total exports,

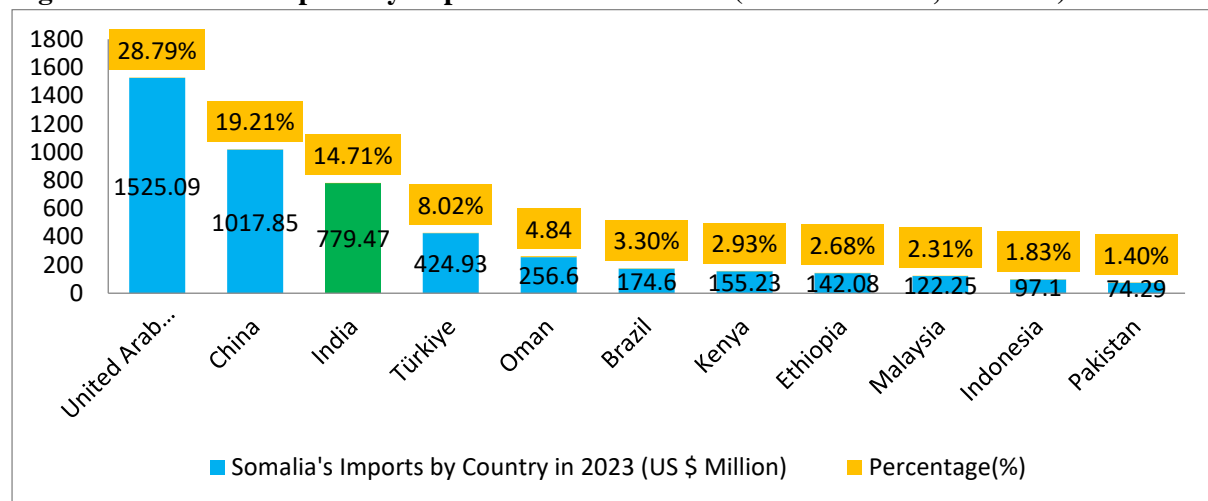
Saudi Arabia is the second-largest destination. Together, these two nations account for more than 60% of Somalia's trade and control the country's export market.

Djibouti contributes 8.01%, or \$84.19 million, to exports, while Oman comes in third with 17.16%, or \$180.49 million. Other noteworthy markets are Macao, China (1.89%, \$19.90 million) and India (2.93%, \$30.80 million). Even if their proportions are less, nations like Bahrain (0.82%, \$8.60

million), France (1.64%, \$17.23 million), Qatar (1.25%, \$13.19 million), and Japan (0.76%, \$8.00 million) contribute to Somalia's export portfolio diversification.

India is a major trading partner of Somalia, accounting for 2.93% of its total exports in 2023, which were worth about \$30.80 million. Despite having a lower percentage than the Gulf nations, this economic relationship shows how important India is becoming.

**Figure 2: Somalia's Imports by Top 10 Countries in 2023 (Million Dollars, % Share)**



Created by the author using extracted data from <https://www.trademap.org>.

The United Arab Emirates (UAE) became Somalia's biggest import partner in 2023, making up 28.79% of all imports, which were worth over \$1.53 billion. China, a significant provider of goods to Somalia, came in second with 19.21% valued at \$1.02 billion.

India ranked third with a share of 14.71%, or over \$779.47 million, in Somalia's imports, making it a major player. With India probably exporting textiles, machinery, medicines, and other necessities to Somalia, this significant trade flow suggests a solid business partnership.

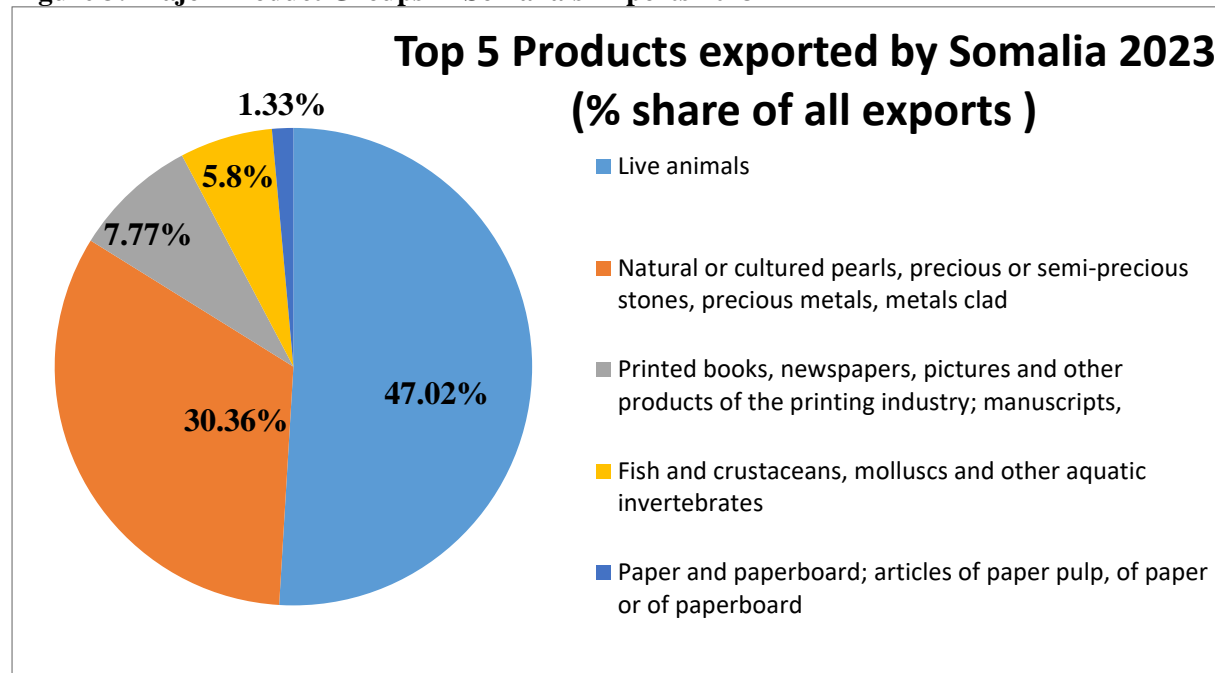
Oman (4.84%, \$256.60 million) and Turkey (8.02%, \$424.93 million) were two other

important import partners. Smaller but significant contributions from nations like Brazil, Kenya, and Ethiopia ranged from 2% to 3% of total imports.

India is the third-largest provider, demonstrating how important it is to Somalia's economy. The trade relationship highlights India's significance in supplying a variety of goods that are essential to Somalia's development and economic expansion, with imports totalling close to \$780 million. Opportunities for improved bilateral collaboration and mutual advantages may arise from further strengthening this connection.

## FOREIGN TRADE BY MAJOR PRODUCTS OF SOMALIA

**Figure 3: Major Product Groups in Somalia's Exports 2023**



Created by the author using extracted data from <https://www.trademap.org>.

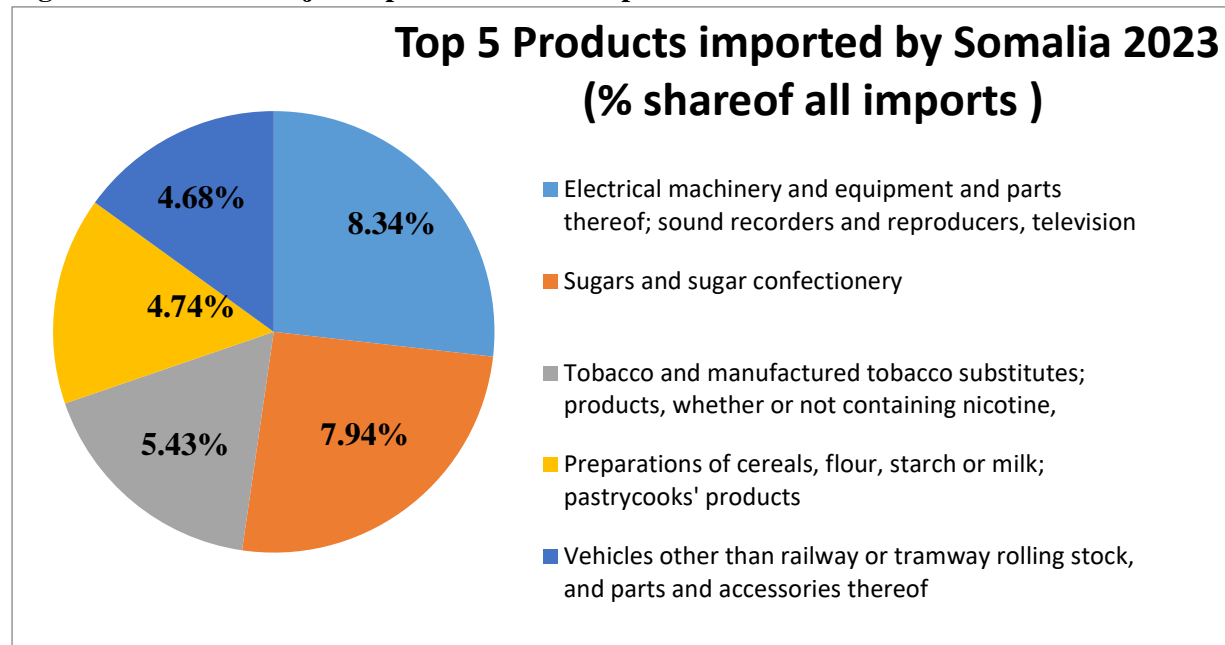
Live animals, which account for 47.02% of all exports in 2023, are the mainstay of Somalia's export sector, highlighting the nation's reliance on the livestock trade and its significance to the world market. This leading category emphasizes Somalia's contribution to supplying the livestock demand in the area and beyond. With natural or cultured pearls, rare or semi-precious stones, and metals making up 30.36% of total exports, or around \$319.29 million, the second-largest export category reflects Somalia's role in the international trade of important natural resources.

Other important categories are fish and crustaceans, which account for 5.80% of exports, and printed books, newspapers, and allied products, which make up 7.77%. These industries show how Somalia may diversify its exports, with

fisheries being a key component in making the most of its marine resources. Somalia's involvement in niche markets is demonstrated by smaller categories such as paper and paperboard products (1.33%) and vegetable saps and resins (1.33%).

While retaining a rising presence in manufactured items like printed materials, Somalia's economy places a strong emphasis on natural resources, such as live animals, gems, and fish, as the graph shows. However, depending too much on a small number of key categories—especially live animals—may be risky because of shifting market conditions or legislative changes. Further export diversification may improve Somalia's trade resilience and economic stability.

**Figure 4: Somalia's Major Import Product Groups in 2023**



Created by the author using extracted data from <https://www.trademap.org>.

The greatest category of imports into Somalia is electrical machinery and equipment, which makes up 8.34% of all imports and reflects the nation's rising need for modern infrastructure and technology. Sugar and sugar confections come in second with 7.94%, suggesting a sizable home market for sweeteners and goods containing sugar.

With tobacco and manufactured tobacco replacements accounting for 5.43% of imports, Somalia has a sizable market for tobacco-related products. Similarly, 4.74% comes from the processing of cereals, flour, starch, or milk, demonstrating the significance of processed foods in meeting household demands.

The fact that vehicles and their components account for 4.68% of all imports highlights how important transportation-related goods are to

Somalia's economy. Cereals, which account for 4.38% of total imports, are nevertheless essential for maintaining food security, especially considering Somalia's reliance on foreign markets for essentials.

The information emphasizes how Somalia depends on foreign markets for both food-related goods and technical developments. The dependence on commodities such as sugar, cereals, and processed foods underscores susceptibilities to worldwide price swings and supply chain interruptions. These risks could be reduced and economic resilience increased by increasing local manufacturing capabilities or diversifying import sources.

#### **BASIC ECONOMIC INFORMATION ABOUT INDIA (2012-2023)**



**Table 2: Basic Economic Information about India (2012-2023)**

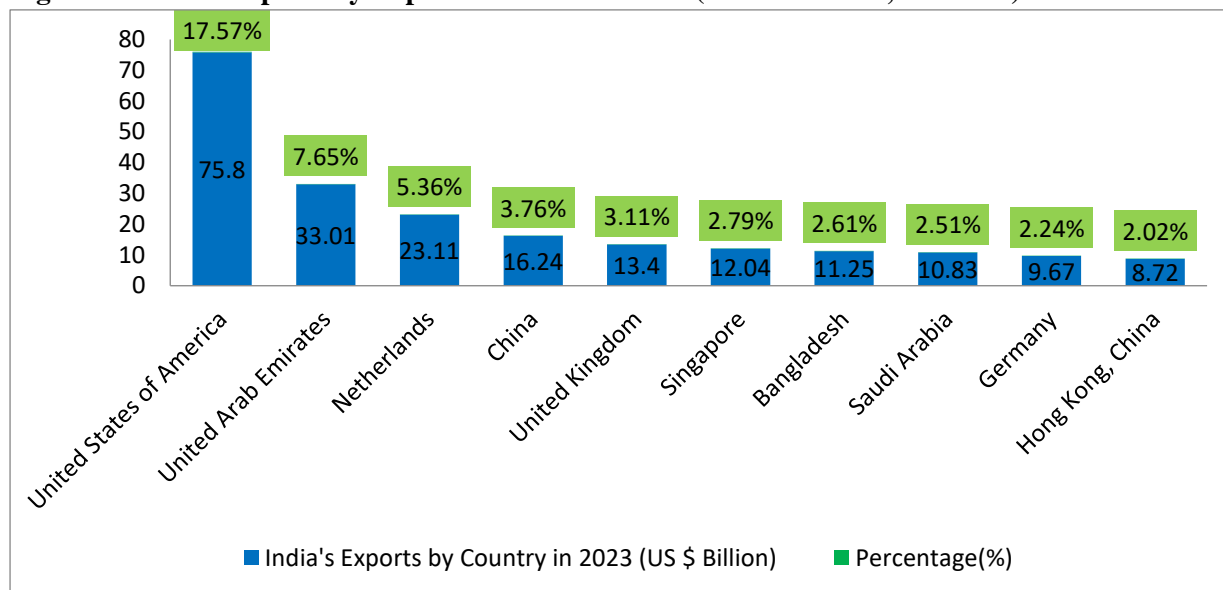
Year	GDP (Million US\$)	GDP growth (annual %)	GDP per capita (US\$)	Inflation, GDP deflator (annual %)	Imports (Million US\$)	Exports (Million US\$)
2012	1,827,637.59	5.46	1429.32	7.93	571,306.55	448,400.48
2013	1,856,721.51	6.39	1432.84	6.19	527,555.31	472,180.27
2014	2,039,126.48	7.41	1553.88	3.33	529,239.43	468,345.82
2015	2,103,588.36	8.00	1584.00	2.28	465,097.60	416,787.94
2016	2,294,796.89	8.26	1707.51	3.24	480,169.06	439,642.58
2017	2,651,474.26	6.80	1950.10	3.97	582,018.01	498,258.81
2018	2,702,929.64	6.45	1966.25	3.88	640,300.81	538,635.19
2019	2,835,606.26	3.87	2041.43	2.41	602,315.06	529,245.06
2020	2,674,851.58	-5.78	1907.04	4.81	510,244.75	499,728.53
2021	3,167,270.62	9.69	2239.61	8.35	760,902.89	677,769.26
2022	3,353,470.50	6.99	2352.61	6.75	897,550.75	778,021.51
2023	3,567,551.67	8.15	2480.79	1.33	858,839.50	779,446.24

**Source:** <https://databank.worldbank.org/source/world-development-indicators#>

India's economic performance from 2012 to 2023 is shown in detail in the table. First, India's GDP grew steadily over the period, rising from \$1.83 trillion in 2012 to \$3.57 trillion in 2023. Due to the worldwide effects of the COVID-19 pandemic, GDP saw a significant decline in 2020, falling to \$2.67 trillion. However, it recovered well in the years that followed, particularly in 2021 and 2023, when growth rates were 9.69% and 8.15%, respectively. Second, despite a notable slowdown in 2020 (a contraction of -5.78%), the yearly GDP growth rate demonstrated steady positive development, with a robust recovery in 2021. Thirdly, although the economy experienced a brief drop in 2020, the GDP per capita improved over time, rising from \$1.43 billion in 2012 to \$2.48 billion in 2023. Fourth, there were fluctuations in price levels and

economic conditions throughout time, as seen by the GDP deflator's measurement of inflation, which peaked at 8.35% in 2021 and fell to a low of 1.33% in 2023. In addition to this, there were notable shifts in India's imports and exports as well. They increased from \$448.4 billion in 2012 to \$779.45 billion in 2023, while imports increased from \$571.31 billion in 2012 to \$858.84 billion in 2023, indicating a rise in both trade and economic integration with the global market. India's economic endurance is generally demonstrated by the data, which shows a robust rebound from the COVID-19-induced depression and consistent GDP and trade growth in spite of inflationary swings.

#### **INDIA'S TRADE BY COUNTRY IN 2023: EXPORTS AND IMPORTS**

**Figure 5: India's Exports by Top 10 Countries in 2023 (Billion Dollars, % Share)"**

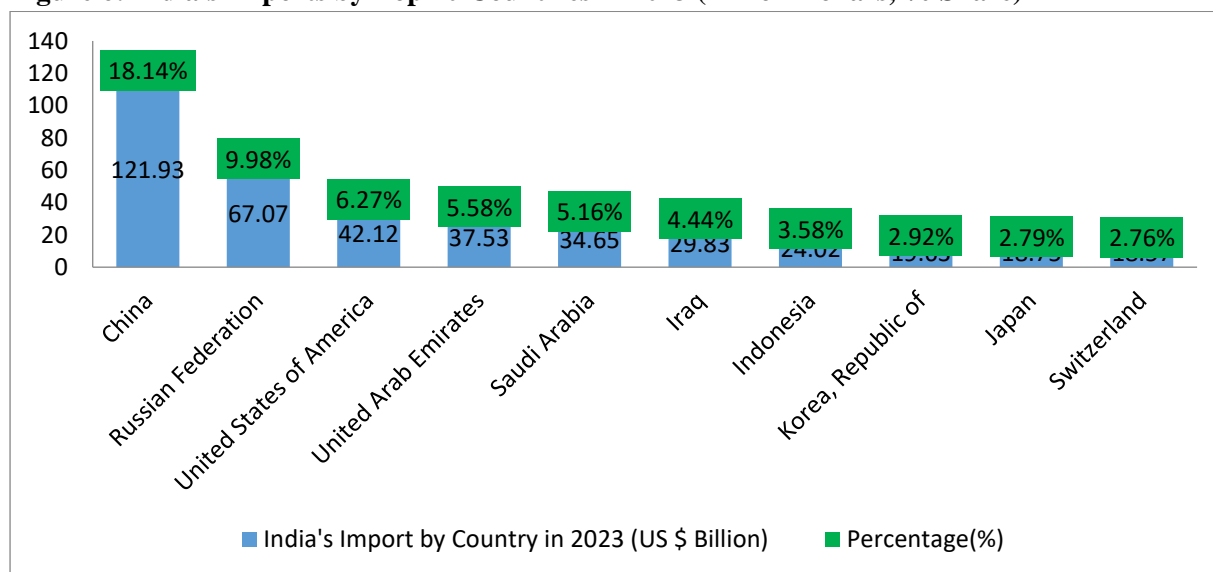
Created by the author using extracted data from <https://www.trademap.org>.

India's main export destination in 2023 was the United States, which accounted for 17.57% of the country's overall export value, or roughly \$75.80 billion. With exports totalling \$33.01 billion, or 7.65% of India's total exports, the United Arab Emirates (UAE) came in second. Despite being a significant commercial partner, China only accounted for 3.76% of the total with exports worth \$16.24 billion, while the Netherlands came in third with 5.36% and \$23.11 billion in exports.

Together, the United Kingdom, Singapore, and Bangladesh accounted for 3.11%, 2.79%, and

2.61% of India's exports, respectively. India's export destinations were further diversified by other important markets including Hong Kong, China (2.02%), Germany (2.24%), and Saudi Arabia (2.51%).

This variety of international markets demonstrates India's wide range of exports, with the US and the UAE being its top priorities while also fostering beneficial trade ties with Europe, Southeast Asia, and its neighbours.

**Figure 6: India's Imports by Top 10 Countries in 2023 (Billion Dollars, % Share)"**

Created by the author using extracted data from <https://www.trademap.org>.



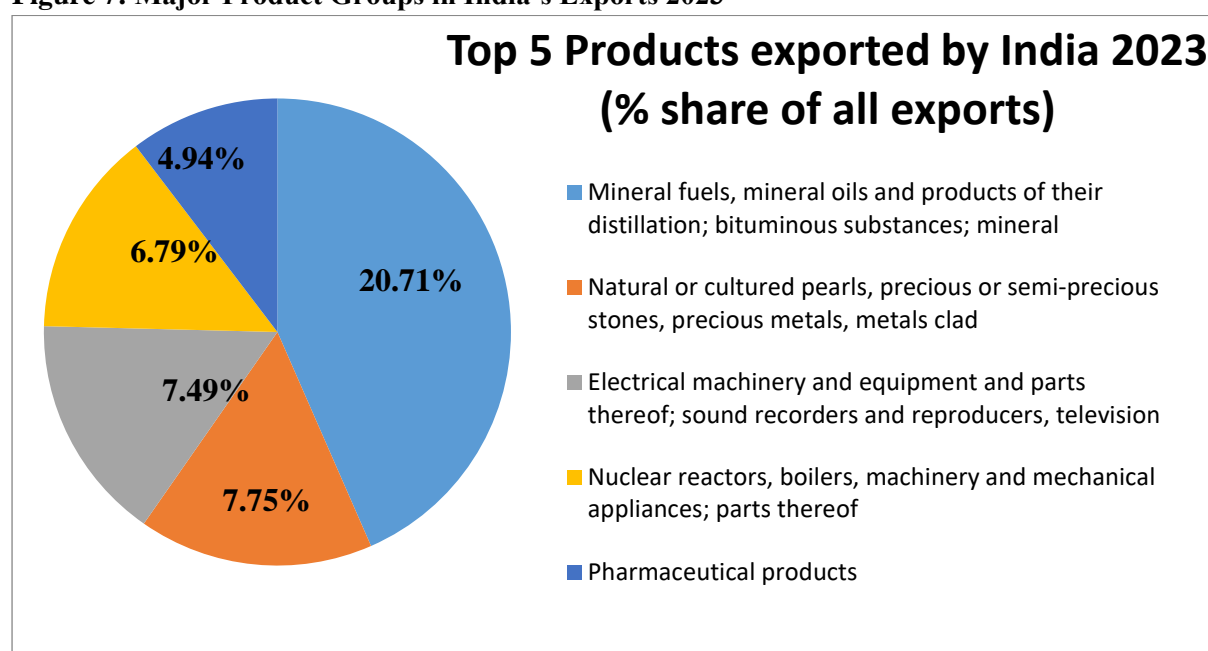
A few major nations controlled the majority of India's imports in 2023, with China coming in first with a whopping \$121.93 billion, or 18.14% of total imports. As a result, China is now a vital supplier of goods to India, especially chemicals, electronics, and machinery. Second place went to the Russian Federation, which supplied \$67.07 billion (9.98%) of India's imports, mostly in the form of defense-related goods, gas, and oil. The United States of America came in third place with \$42.12 billion (6.27%), underscoring the close economic links between the two nations, which include imports of machinery, technology, and pharmaceuticals. The United Arab Emirates, which is crucial to the supply of electronics, gold, and crude oil came in second with \$37.53 billion (5.58%).

Saudi Arabia and Iraq were also important partners for energy imports, with respective contributions of 5.16% and 4.44%. The top 10 was completed by other nations like South Korea (2.92%), Japan (2.79%), Indonesia (3.58%), and Switzerland (2.76%), all of which contributed to India's supply of luxury items, machinery, and technology.

With China, Russia, and the United States as key contributors to its import structure, India's trade links in 2023 demonstrate its wide-ranging economic alliances. The variety of suppliers from various industries reflects India's developing international trade network, which underpins both its industrial development and its consumer demands.

#### FOREIGN TRADE BY MAJOR PRODUCTS OF INDIA

**Figure 7: Major Product Groups in India's Exports 2023**



Created by the author using extracted data from <https://www.trademap.org>.

The main drivers of India's export economy in 2023 were mineral fuels, oils, and associated products, which made up a sizeable 20.71% of all exports, or around \$89.33 billion. India's dependence on energy exports, such as crude oil and petroleum products, which are essential to the world's energy supply, is highlighted by this category.

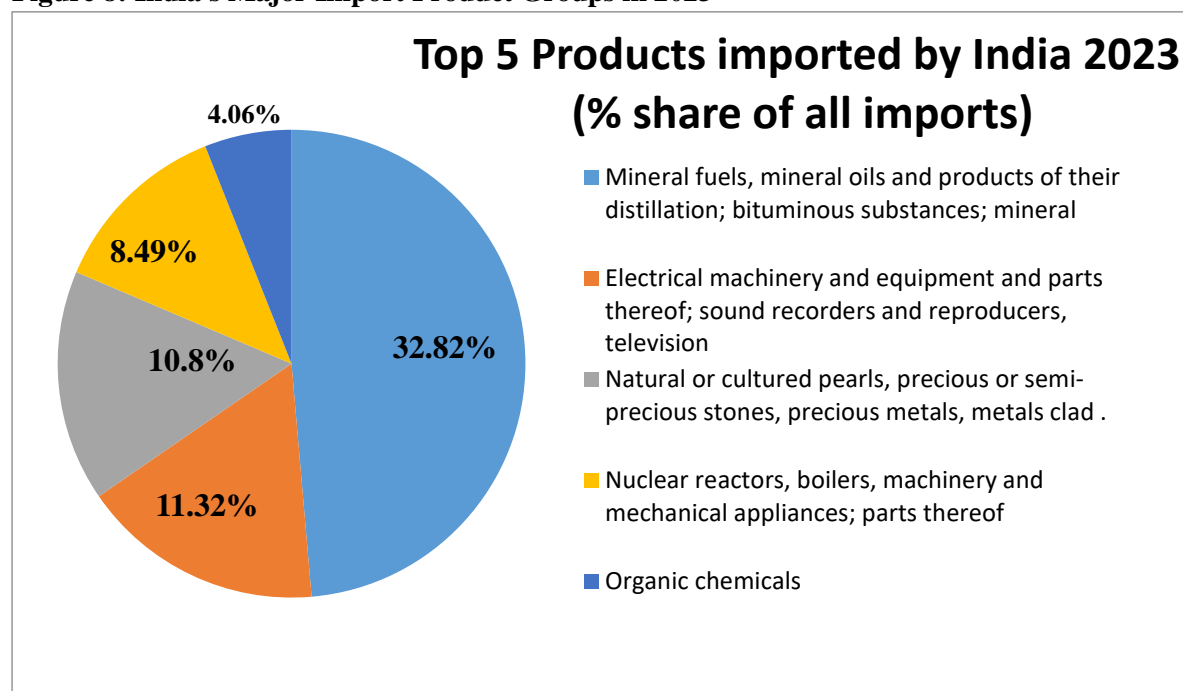
Metals, rare or semi-precious stones, and natural or cultured pearls made up the second-largest export sector, accounting for 7.75% of overall exports, which were worth \$33.42 billion. This demonstrates India's significance in the international commerce of precious metals and gemstones, especially diamonds, which are a major component of India's export profile.

At \$32.32 billion, electrical gear and equipment, such as television equipment, sound recorders, and reproducers, accounted for 7.49% of exports. India is a major player in international supply chains for electrical goods, and this industry reflects the nation's expanding importance in technology and electronics manufacturing. India's engineering and industrial manufacturing capabilities are demonstrated by its nuclear reactors, boilers, machinery, and mechanical appliances, which make up 6.79% of its total exports, valued at \$29.30 billion. These products' exports demonstrate India's leadership in infrastructure development and heavy industries.

A vital component of India's export industry, pharmaceutical products accounted for \$21.30

billion, or 4.94%, of all exports. As a result of its robust pharmaceutical sector, India is a significant provider of reasonably priced medications and health-related goods to international markets. With a strong focus on gemstones, natural resources (mineral fuels), and manufactured items like electronics and medications, these categories highlight India's diverse export portfolio. However, India's export economy is susceptible to changes in the market and in demand around the world due to its reliance on a small number of vital industries, most notably energy and precious stones. India's export resilience and long-term economic stability may be strengthened by encouraging growth in other industries.

**Figure 8: India's Major Import Product Groups in 2023**



Created by the author using extracted data from <https://www.trademap.org>.

Mineral fuels, oils, and associated items made up a significant 32.82% of all imports in 2023, totalling over \$220.57 billion, and dominated India's import economy. With crude oil and petroleum products making up a significant portion of its import basket, this illustrates India's reliance on imported energy supplies to meet its expanding industrial and home demand.

At \$76.04 billion, or 11.32% of total imports, electrical machinery and equipment—which includes sound recorders, reproducers, and television equipment—was the second-largest import sector. This demonstrates how India's electronics sector and technical breakthroughs are supported by sophisticated components and technology.

Metals, precious or semi-precious stones, and natural or cultivated pearls made up 10.80% of imports, which were worth \$72.58 billion. This category emphasizes how India imports raw materials to refine and re-export, serving as a global centre for the processing of jewellery and gemstones. At \$57.05 billion, nuclear reactors, boilers, machinery, and mechanical appliances accounted for 8.49% of imports. This demonstrates India's substantial investments in technical advancement, economic expansion, and infrastructure.

At \$27.26 billion, organic chemicals accounted for 4.06% of all imports. The chemical and

pharmaceutical sectors in India, which depend on imported raw materials for manufacturing, are supported by this category. India's growing economy and manufacturing sector are reflected in the country's import profile for 2023, which shows a heavy emphasis on energy resources, technology, and industrial raw materials. To improve economic resilience, policies encouraging domestic manufacturing and energy diversification are necessary, as evidenced by the significant reliance on imported energy and high-value items.

## SOMALIA AND INDIA TRADE RELATIONS

**Table 3: Somalia's Foreign Trade with India (Between 1989-2023 - US\$ Thousand)**

Year	Somalia's exports to India	Somalia's imports from India	Trade Volume	Trade Balance
1989	318.12	1,246.28	1,564.40	-928.16
1990	1,038.93	1,110.19	2,149.12	-71.26
1991	585.54	547.59	1,133.13	37.95
1992	1,487.15	637.88	2,125.03	849.27
1993	478.85	4,910.22	5,389.07	-4,431.37
1994	821.93	524.20	1,346.13	297.73
1995	740.04	6,049.85	6,789.89	-5,309.81
1996	12,168.85	35,793.84	47,962.69	-23,624.99
1997	1,408.45	20,880.37	22,288.82	-19,471.92
1998	820.86	35,432.35	36,253.21	-34,611.49
1999	807.10	8,670.74	9,477.84	-7,863.64
2000	2,076.18	5,754.40	7,830.58	-3,678.22
2001	4,873.72	10,513.37	15,387.09	-5,639.65
2002	24,764.25	16,976.13	41,740.38	7,788.12
2003	9,432.45	43,853.85	53,286.30	-34,421.40
2004	6,819	45,188	52,007.00	-38,369.00
2005	12,877	36,243	49,120.00	-23,366.00
2006	17,200	57,892	75,092.00	-40,692.00
2007	5,077	108,598	113,675.00	-103,521.00
2008	9,019	99,296	108,315.00	-90,277.00
2009	3,761	18,613	22,374.00	-14,852.00
2010	9,171	70,999	80,170.00	-61,828.00
2011	3,114	122,083	125,197.00	-118,969.00
2012	8,002	199,082	207,084.00	-191,080.00
2013	39,769	188,019	227,788.00	-148,250.00
2014	49,229	335,438	384,667.00	-286,209.00
2015	16,309	418,169	434,478.00	-401,860.00
2016	17,413	501,682	519,095.00	-484,269.00

Year	Somalia's exports to India	Somalia's imports from India	Trade Volume	Trade Balance
2017	3,857	467,690	471,547.00	-463,833.00
2018	11,860	441,288	453,148.00	-429,428.00
2019	21,786	614,663	636,449.00	-592,877.00
2020	5,115	543,965	549,080.00	-538,850.00
2021	16,856	698,686	715,542.00	-681,830.00
2022	15,635	913,324	928,959.00	-897,689.00
2023	29,070	779,468	808,538.00	-750,398.00

**Source:** <https://wits.worldbank.org/Default.aspx?lang=en>

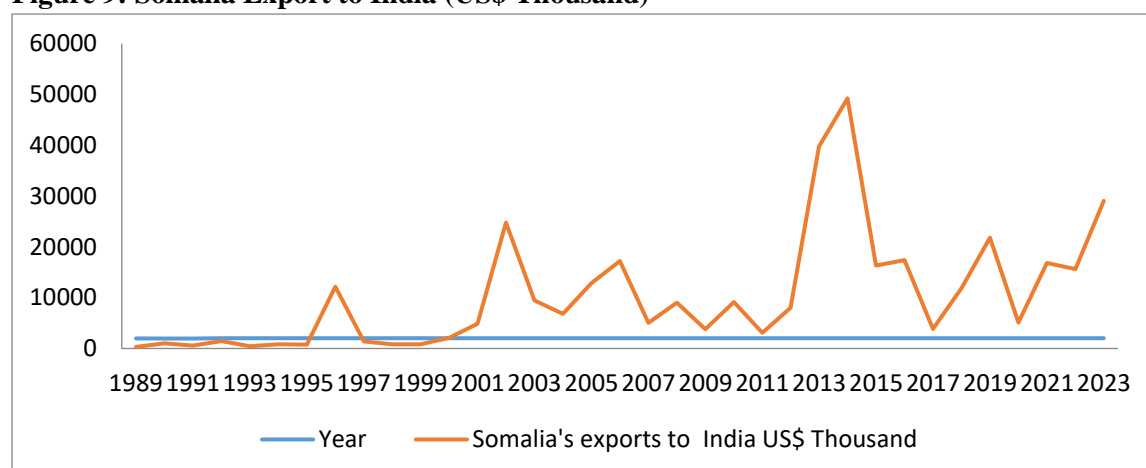
Over the duration of the period, Somalia has continuously had a trade deficit with India. Over time, the deficits have increased significantly, particularly since the 2000s when India's imports have far outpaced its exports. A significant growth in trade volume has occurred, especially during the early 2000s. Compared to just \$1.56 million in 1989, the trade volume increased to \$808.54 million by 2023. Growing economic relations between the two countries are reflected in this growth.

Exports from Somalia to India have varied over time, reaching significant highs in 1996 (\$12.17 million) and 2013 (\$39.77 million). Exports are still far less than imports, though, which restricts the nation's trading profits with India. India's imports have increased throughout time, reaching

\$900 million in 2022. These include commodities that are essential to Somalia's economy but have made the trade deficit worse. The trade deficit decreased little in 2023 compared to 2022, although it is still quite high at -\$750.40 million. This suggests continued reliance on imports from India and a lack of export potential. In terms of thousands of US dollars, the table gives a thorough summary of Somalia's trade relations with India between 1989 and 2023. Trade volume (the total of imports and exports), trade balance (exports less imports), and Somalia's imports and exports to India are important parts of the data.

### GRAPHICAL REPRESENTATION OF TRADE BETWEEN SOMALIA AND INDIA

**Figure 9: Somalia Export to India (US\$ Thousand)**



Created by Author based on <https://wits.worldbank.org/Default.aspx?lang=en>

This figure displays Somalia's export patterns to India in US dollars between 1989 and 2022. With few fluctuations, exports stayed relatively modest

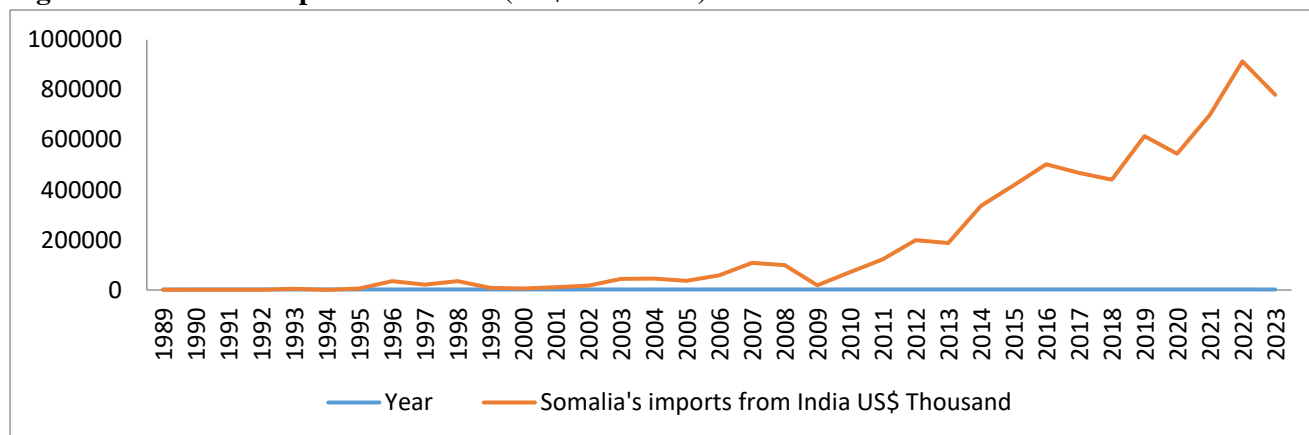
and steady. It grew significantly during this time, showing swings in trade activity with some notable spikes followed by declines. The graph

indicates that exports peaked in 2014 at a value of around 60,000 US dollars.

Exports fell precipitously after 2014, but they started to rise again in 2019 and continued to do so until 2022 when they reached about 30,000 US

dollars. This pattern illustrates how Somalia's trade connections with India are dynamic and impacted by a variety of factors, including geopolitical events, economic policy, and market demand.

**Figure 10: Somalia Import from India (US\$ Thousand)**

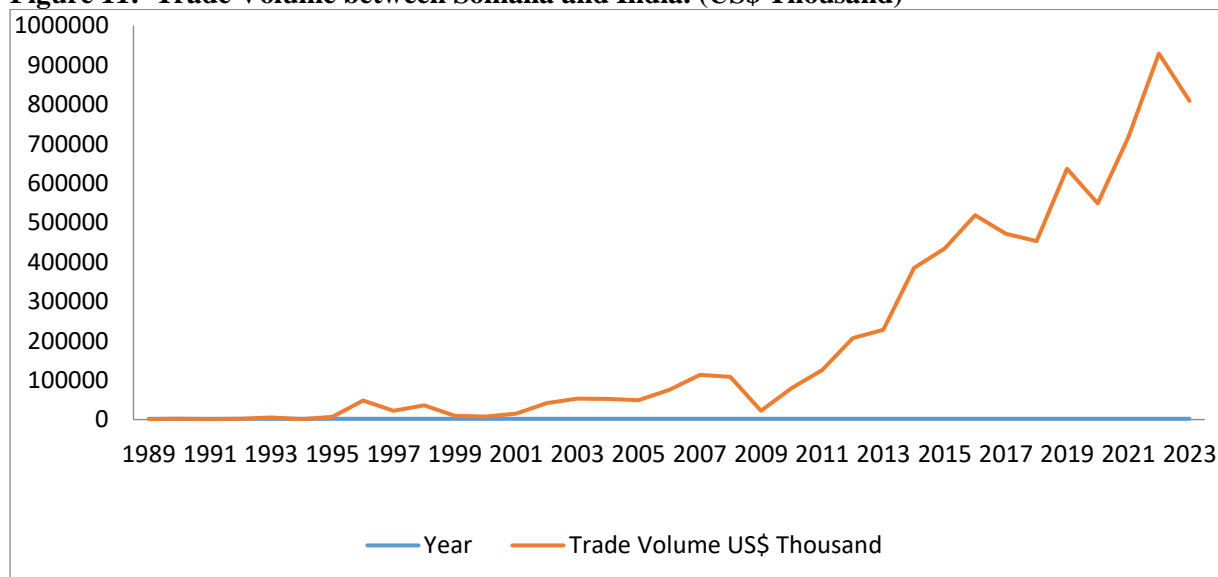


Created by Author based on <https://wits.worldbank.org/Default.aspx?lang=en>

This figure shows the pattern of Somalia's imports from India in US dollars between 1989 and 2023. With only small changes, imports remained comparatively low and steady until the early 2000s. A slow growth began around 2007, and after 2017, there was a significant surge.

Imports increased most significantly between 2018 and 2021, peaking at around \$1 billion in 2021. After 2021, imports did, however, somewhat reduce, and by 2023, they had decreased even further. Given the recent sharp increase in trade volume, this trend suggests that Somalia and India are becoming closer economically.

**Figure 11: Trade Volume between Somalia and India. (US\$ Thousand)**



Created by Author based on <https://wits.worldbank.org/Default.aspx?lang=en>

The figure displays, in US dollars, the volume of commerce between Somalia and India between 1989 and 2023. By 2023, the commerce volume had grown to about 808.54 billion, up from about 1.56 billion in 1989. Indicating a developing economic relationship, this shows a steady increase in the total value of goods traded between the two nations over time.

Trade liberalization, India's economic growth, the growing demand for goods from other nations, and perhaps advancements in trade infrastructure and logistics are some of the factors contributing to the dramatic increase in trade volume over time. The expansion of bilateral trade between Somalia and India is demonstrated by the steady increase in the overall trade volume, disregarding trade variations.

**Table 4: Somalia's Major Export Products to India (2018 – 2022) (US \$ Thousand)**

<b>PRODUCTS (top 10)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Scrap Iron	213	20.8	373	8,460.0	7,790.0
Scrap Copper	8.89	75.1	113	619	2,510.0
Scrap Aluminum	19.4	173	60.1	246	1,050.0
Industrial Fatty Acids, Oils and Alcohols	1,490.0	804	908	2,580.0	1,810.0
Insect Resins	647	219	200	1,750.0	862
Other Oil Seeds	8,770.0	20,000	3,380.0	2,850.0	282
Bitumen and Asphalt	134	19	49.6	0	87.1
Potatoes	12.9	0	0	0	0
Carbonates	21.6	22.5	0	0	0
Refined Copper	254	0	0	0	0
<b>Total Exports</b>	<b>11,570.79</b>	<b>21,333.4</b>	<b>5,083.7</b>	<b>16,505</b>	<b>14,391.1</b>

Source: <https://oec.world/en/profile/bilateral/country/som/partner/ind?dynamicBilateralTradeSelector=year2021>

Table 4 shows Somalia's main exports to India from 2018 to 2022. The values are in thousands of dollars. The largest export was scrap iron, which began at 213,000 dollars in 2018 and rose to 8.46 million dollars in 2021 before slightly declining to 7.79 million dollars in 2022. From 8,890 dollars in 2018 to 2.51 million dollars in 2022, scrap copper likewise increased in value over time. In 2022, the value of scrap aluminium increased from 19,400 dollars in 2018 to 1.05 million dollars.

After peaking at 2.58 million dollars in 2021, industrial fatty acids, oils, and alcohols continued

to rise, reaching 1.81 million dollars in 2022. In 2021, insect resins saw a significant increase to \$1.75 million, which was significantly more than in prior years. By 2022, the value of other oil seeds had drastically decreased from 8.77 million dollars in 2018 to barely 282,000 dollars. Exports of bitumen and asphalt increased to 87,100 dollars in 2022 after declining from 134,000 dollars in 2018 to zero in 2021. In the following years, neither carbonates nor potatoes were exported. In general, Somalia's exports to India increased for certain goods, such as scrap copper and iron, but decreased for others.



**Table 5: Somalia's Major Import Products from India (2018 – 2022) (US \$ Million)**

<b>PRODUCTS (top 10)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Raw Sugar	87.4	234	185	284	378
Rice	126	132	149	143	182
Refined Petroleum	0.0548	0.171	0.175	0.569	1.83
Cars	16.6	17.4	29.4	47.1	45.7
Wheat Flour	0.162	-	0.611	13.6	47.8
Rubber Footwear	63.9	78	38.7	25.4	35.3
Packaged Medicaments	13.7	16.1	19.4	26.7	31.9
Unglazed Ceramics	7.7	8.34	11.2	15	16.3
Confectionery Sugar	3.66	4.26	5.79	5.76	9.41
Rubber Tires	8.85	6.27	3.73	7.7	9.15
<b>Total Imports</b>	<b>328.0268</b>	<b>496.541</b>	<b>443.006</b>	<b>568.829</b>	<b>757.39</b>

<https://oec.world/en/profile/bilateral/country/som/partner/ind?dynamicBilateralTradeSelector=year2021>

Table 5 shows Somalia's major import products from India between 2018 and 2022, with the values expressed in millions of U.S. dollars. The largest import category was raw sugar, which increased steadily from 87.4 million dollars in 2018 to 378 million dollars in 2022. Rice also saw consistent growth, rising from 126 million dollars in 2018 to 182 million dollars in 2022. Refined petroleum had considerable growth, starting at 0.0548 million dollars in 2018 and reaching 1.83 million dollars in 2022, suggesting a rise in demand for this product.

Car imports increased from 16.6 million dollars in 2018 to 45.7 million dollars in 2022, with a notable peak of 47.1 million dollars in 2021. Wheat flour increased sharply, especially in 2021, from 0.162 million dollars in 2018 to 47.8 million dollars in 2022. Rubber footwear fluctuated, peaking at 78 million dollars in 2019 before falling to 35.3 million dollars in 2022.

Unglazed ceramics and confectionery sugar both saw moderate increases, going from 7.7 million dollars in 2018 to 16.3 million dollars in 2022 and from 3.66 million dollars in 2018 to 9.41 million dollars in 2022, respectively. Rubber tyres, despite some fluctuation, reached 9.15 million dollars in 2022, up from 8.85 million dollars in 2018, reflecting growing trade activity. Packaged medications also saw steady growth, going from 13.7 million dollars in 2018 to 31.9 million dollars in 2022 as well.

## CONCLUSION

The trade relationship between Somalia and India has expanded significantly, with bilateral trade increasing from just \$1.56 million in 1989 to \$808.54 million in 2023. Despite this growth, Somalia has maintained a persistent trade deficit, which stood at \$750.40 million in 2023 due to its reliance on Indian imports and limited export diversification. Key Somali exports to India, such as scrap iron, copper, and agricultural products, have fluctuated, while major imports from India, including raw sugar (\$378 million), rice (\$182 million), and refined petroleum (\$1.83 million), continue to dominate the trade landscape.

To address these challenges, Somalia must focus on diversifying its exports by investing in agriculture, fisheries, and light manufacturing, enhancing value-added processing, and strengthening trade agreements with India. Improved trade infrastructure and logistics, coupled with policies that encourage local production, could reduce the heavy reliance on imports and foster a more sustainable economic partnership. By implementing these strategic measures, Somalia can move toward a more balanced trade relationship and long-term economic stability.

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