ISTANBUL COMMERCE UNIVERSITY

GRADUATE SCHOOL OF FOREIGN TRADE

DEPARTMENT OF INTERNATIONAL TRADE

INTERNATIONAL TRADE M.A. PROGRAM

INTERNATIONAL TRADE DEVELOPMENTS IN SOMALIA: AGRICULTURAL SECTOR

M.A. Thesis

ILYAS ALI HAJI ADAN

200021127

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Advisor: Assoc. Prof. Yunus ÖZCAN

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DECLARATION OF ORIGINALITY

I, Ilyas Ali Haji Adan, certify that,

- I am the sole author of this thesis and that I have fully acknowledged and documented in my thesis all sources of ideas and words, including digital resources, which have been produced or published by another person or institution;
- This thesis contains no material that has been submitted or accepted for a degree or diploma in any other educational institution;
- This is a true copy of the thesis approved by my advisor and thesis committee at Istanbul Commerce University, including final revisions required by them.

Ilyas Ali Haji Adan

September, 2022

ÖZET

Tarım, insanların şehirlere yerleşmesine izin veren ve gıda tedarikini sağlayan çiftlik organizmalarının oluşmasında başrol oynayarak kalıcı insan toplumunun evriminde çok önemli yer tutmaktadır. Dünya deniz ticaretinin yaklaşık yüzde 10'u, Somali'nin kıyısı bulunduğu Süveyş Kanalı üzerinden yapılmaktadır. Bu önemli konumundan dolayı Somali, küresel ticaretin her türlüsünde yer almak istemektedir. Tarım sektörü Somali ekonomisi için büyük önem arz etmektedir. Bununla birlikte hayvancılık yine ülkenin önemli üretim faaliyetlerinden olmaktadır. Ülke ekonomisin geliştirilmesi amacıyla Mohamed Siad Barre tarafından 1969'dan 1980'lerin başına kadar bir "Bilim Komünizmi" yapısı kurulmuştur. Bu sistem, devlete ait sanayilerin gelişmesi, finans kurumlarının, sigorta şirketlerinin, petrol firmalarının ve bu dönemi tanımlayan diğer büyük sanayi şirketlerinin millileştirilmesini kapsamaktadır. Ülke ekonomisinin kalkındırılmasını isteyen bu gibi girişimler soncunda olumlu sonuçlar alınmıştır. Bu çalışma, Somali'de tarım sektörünün gelişimini incelemektedir.

Anahtar Kelimeler: Uluslararası Ticaret, Somali Ekonomisi, Tarım Ekonomisi

ABSTRACT

Agriculture plays a pivotal role in the evolution of lasting human society, playing a leading role in the formation of farm organisms that allow humans to settle in cities and provide food supplies. About 10 percent of the world's maritime trade is carried out through the Suez Canal, on which Somalia is located. Due to this important position, Somalia wants to take part in all kinds of global trade. The agricultural sector is of great importance for the Somali economy. However, livestock is still one of the important production activities of the country. A "Science Communism" structure was established by Mohamed Siad Barre from 1969 to the early 1980s with the aim of improving the country's economy. This system includes the development of state-owned industries, the nationalization of financial institutions, insurance companies, oil companies, and other large industrial companies that define this period. Positive results have been obtained as a result of such initiatives that seek to develop the country's economy. This study examines the development of the agricultural sector in Somalia.

Keywords: International Trade, Economy of Somalia, Agricultural Economy

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LIST OF ABREVIATIONS

AGSE	Agriculture Sviluppo Economics
AL	Arab League
AMB	Azienda Monopolio Banane
ATA	Agricultural Transformation Agency
AU	African Union
BCCI	British Chambers of Commerce
GOE	Ethiopian Government
HDI	Human Development Index
MOA	Ministry of Agriculture
MOALR	Ministry of Agriculture and Livestock Resources
MTOS	Money transfer of Businesses
NBE	National Bank of Ethiopia
OAU	Organization of African Unity
PPP	Purchasing Power Parity
RAMB	Regia Azienda Monopolio Banane
SAP	Structural Adjustment Program
SNPC	Somalia National Plantation Company
SOPEC	Somali Producers' Conference and Exhibition
SRC	Supreme Revolutionary Council
UNDP	United Nations Development Program
GDP	Gross Domestic Product
IAIP	Integrated Agro-Industrial Parks
IMF	International Monetary Fund

1. INTRODUCTION

Somalia is a country bordering Ethiopia in the Africa's horn, Kenya, Djibouti and Yemen. Its population rate is 16 million (UN, 2017). In the Horn of Africa, Somalia is one of the most well-known countries, and it also boasts the second-longest coastline of any nation in Africa. The colonial powers Italy and Britain ceded control of Somalia in 1960, allowing the country to declare its independence. According to the World Bank, the population of Somalia is expected to rise as high as 50 million by the year 2050 (UN, 2017). With approximate l333, 000 kilometers of coastline, Somalia has the second-longest coastline in all of Africa, behind South Africa. However, because of the unique heritage that was left in Somalia by the British and Italian colonists, the country has an abundance of political, social, and economic problems that have persisted long after it became an independent nation.

The majority of academics agree that this period in Somalia's history is to blame for the country's current troubles. Even though Somalia is home to more than ten distinct cultural groups, its people all communicate using the same language and adhere to the same set of values. The literature on Somalia maintains that many Somalis are still identified largely by their ethnicity and clan rather than by their nationality. This is despite the fact that nationhood in Somalia has only lately become a constructed phenomenon. The natural order of loyalty is to show first and foremost allegiance to one's family and community, and then afterwards to one's country. It is not uncommon for countries that were formed from the outside, by imperial powers, to experience conflict, which can lead to the disintegration of the state, as it did with the former Yugoslavia. This is because the process of forming national unity is not often one that is effectively compelled against one's will. Rather, it is something that occurs naturally. Where it has happened on its own organically, over the course of history, there has been a slow but steady rise in national cohesiveness. It is widely acknowledged that nationalism is the driving force behind the development of so cial cohesiveness within a community, despite the fact that it is linked to a large number of negative impacts in contemporary times. The failure of Somali society to converge, which is caused in part by the country's postcolonial past, is a source of the deteriorating economic

and social tragedy that has been besetting Somalia throughout the course of the previous half century (David & Kwame Nkrumah, 1998).

More than 2 million goats, sheep, and camels are sent out of Somalia every single day. This makes Somalia the second biggest exporter of livestock in the world, behind only the Sudan (Dykstra et al., 1996). Sheep and goats in particular make up the majority of this exportation. This region is known as the "land of Punt" because to the plenty of both its inhabitants and its natural riches. Despite the fact that Somalia is one of the countries with what is seen as a developing economy, which is defined as an economy that is predominately based on two products (livestock and agriculture in Somalia's case), the country's abundant endowment of natural resources helped it earn the 30th In a 1978 ranking of the highest Gross Domestic Product (GDP) by nation (Krueger et al., 1988), the United States came in at number 200 out of 200.

In spite of this, Somalia is still home to some of the world's poorest people; during the years 2008 and 2016 (Pape, & Wollburg, 2019), an estimated majority of the country's population lived on less than the international threshold for poverty, which was set at $2.0 per day. When looking at the statistics on poverty at the subnational level, certain indicators were as high as 51 percent, the same as in the entire country in 2016. According to the study published by the World Bank in 2016, Somalia was ranked as the 41st poorest country in the world when measured against the wealth per capita in the year 2000 (Ahmed & Robinson, 2016). There is little doubt that the quality of life for the typical Somalian is far worse than it might be, despite the fact that the statistics show some variation depending on the measurement source and the time of the assessment.

Even after receiving billions of dollars in help from other countries over the course of the last even just two decades, Somalia is still considered a poor nation. What may possibly account for the tremendous gap that exists between the wealth of the country and that of its individuals in Somalia? Instead of being utilized for the construction and upkeep of national infrastructure, public monies that were supposed to be used have been exploited for private gain, which has been to the disadvantage of Somali society.

The Somalian human civilization has made strides forward in a variety of domains during the course of the last twenty years. For instance, our vision has improved, we are able to converse with one another in an instant, we are able to live longer, and we are able to readily treat illnesses such as malaria, meningitis, typhoid, and diarrhea that once claimed the lives of millions of Somali citizens. The government's responsibility for meeting the necessities of its citizens has increased in recent years as a result of the disputed rise of the socioeconomic state. In addition to defending the country and upholding the law, the majority of national, state, county, and municipal governments also provide fundamental medical care, low-income housing, and food assistance programs, as well as a minimum wage for workers. This is in addition to the vast array of other services provided by these levels of government at the federal, state, county, and municipal levels. On the other hand, there are certain governments that are not even coming close to addressing the most fundamental requirements of their people. These requirements include providing their citizens with education, access to clean water, medical care, and energy.

The legitimacy of a government is put at risk when it is unable to fulfill the requirements of its citizens while having the resources necessary to do so. It is possible to claim that Somalia is now experiencing a humanitarian crisis as a result because of to the inability of the country's administration to provide even the most fundamental services to the country's overwhelming population. Inexperienced persons from the West or Europe may foolishly believe that the majority of people have access to the same basic amenities that are accessible in a mature economic society. Those people are likely to be wrong. However, the economy of Somalia has actually decreased despite the hundreds of billions of dollars in humanitarian aid revenues and income of tax revenues, like Ports, Airports that the Somali Government acquires each year.

"The unabashed display of money by public officials, for which they are unable to provide an explanation as to the source, speaks to how terrible corruption has become in the community". The pervasive political corruption that exists across all levels of Somalia's administration is to blame, in large part, for the country's socioeconomic calamity. This tragedy, and the ways in which it has impeded the progress of the Somali economy, will be

the subject of the investigation that this research will undertake. One of the most important arguments is that the widespread political corruption is substantially to blame.

The Somali people (Somali: Soomaalida, Arabic) are an East Cushitic ethnic group native to the Horn of Africa (Central Intelligence Agency, 2009) who share a shared heritage, culture, and history. The word "Somali" comes from the Arabic word "soomaalida," which means "people of the sea." The Somali language belongs to the Cushitic branch of the Afroasiatic language family and is the native tongue of the Somali people, who are Sunni Muslims for the most part (Abdullahi, 2001). Ethnic Somalis share this language with one another as their mother tongue. They are one of the greatest ethnic groupings on the African continent, and they are responsible for the occupation of one of the most extensive landmasses in Africa that is occupied by a single ethnic group (El Mahdy, 2005).

The vast majority of academics agree that the ancient land of Punt and the people who lived there had a role in the origin of the Somali people (Matthews, et al., 2003), (Scheld, 2007) An old historical kingdom that is considered to be the origin of a significant percentage of their cultural traditions as well as their heritage (Fernández-Armesto, 2001). The Afar and the Saho are two of the Lowland East Cushitic peoples who the Somalis have the most in common with in terms of their history and culture, and the Somalis share many of the same historical and cultural characteristics with these two groups (Lewis & I. M., 2017).

Ethnic Somalis are most heavily concentrated in the countries of Somalia (UNFPA, S., 2014), (about 8.8 million), Somaliland (5.7 million), Ethiopia (11.7 million), Kenya (2.8 million), and Djibouti (roughly 2.8 million) (534,000). (Population Census Commission, 2008). Somali immigrants to the Americas, Europe, and the Middle East; the Great Lakes, Southern Africa, and Oceania; and other parts of Africa. May also be home to this species (Gordon Jr & R.G., 2005).

2. GENERAL INFORMATION ON SOMALIA

2.1. Etymology

It is largely agreed upon that the name "Somali" derives from Samaale, the earliest common ancestor shared by several Somali clans. Samaale is also considered to be the progenitor of the Somali language. It's also possible that the name comes from the phrases "go and milk,"(Jama, H. A., 2005) which are a combination of the two syllables soo and maal. This is an alternate explanation for the origin of the name. This interpretation varies from area to region, with northern Somalis implying it relates to go and milk (Ahmed, 1995).in reference to the camel's milk, whilst southern Somalis use the transliteration "Samaal," which refers to cow's milk. This is a reference to the widespread practice of pastoralism that is common among Somali people. (Lewis, 1999) Another possible derivation argues that the word "Somali" originates from the Arabic word for "Rich" (zwaml), again alluding to Somalia's abundance in cattle. (Lewis, 1999).

Alternately, it is thought that the ethnonym Somali was derived from the ancient Egyptian soldiers known as the Automoli (Asmach), who were most likely of Meshwesh ancestry according to Flinders Petrie. Herodotus mentioned this group of ancient Egyptian warriors. It is believed that their name in Egyptian was Asmach, and their name in Greek was Automoli, which is derived from the Hebrew word S'mali (meaning "on the left hand side"). (Suleiman, 1991).

The northern coast of Somalia is mentioned in a Chinese document from the 9th century CE. As Po-pa-li. (East, A., 1912) at the time, this area was a part of a larger territory in Northeast Africa known as Barbara, which was named for the Berber (Cushitic), (Samatar, 1987) people who lived there. However, the earliest known instance of the sobriquet Somali to appear in unambiguous written form goes back to the 15th century. During the conflict between the Solomonic Dynasty and the Sultanate of Ifat based in Zeila, the Abyssinian emperor commissioned one of his court officials to write a hymn commemorating a military victory over the Sultan of Ifat's eponymous troops. The hymn was a celebration of a military victory over the Sultan of Ifat's eponymous troops. (Cassanelli & L.V., 2016) another one of the old Harari people's aliases for the Somali people was Simur. (Singh, 2002) Because the

former is an endonym and the latter is an exonym with double suffixes, (Lewis, 2002) the majority of Somalis prefer to refer to themselves using the right demonym Somali rather than the wrong Somalian. Horner is the hypernym for Somali in the context of geopolitics, whereas Cushite (Oliver, 1977) is the hypernym for Somali in the context of ethnicity.

2.2. History of Somalia

The origin of the Somali people, which was previously believed to have been from Southern Ethiopia since 1000 BC or from the Arabian peninsula in the eleventh century, has now been disproved by more recent linguistic and archeological studies, which place the Somali people's original homeland in Somaliland. This finding means that the Somalis have been the native inhabitants of the Horn of Africa for the past 7000 years. (Michel, 2020) The Arabian Coast in the eleventh century or Southern Ethiopia about 1000 BC were once considered to be the origins of the Somali people.

There have been discoveries made in Somaliland of prehistoric rock drawings that are thought to date back 5000 years. These engravings provide a picture of life in the region when it was first settled. (Woldu, 2018) The Laas Geel complex is the one that is most well-known among these. It has a large number of intricate pastoralist illustrations of animal and human figures and is home to some of the oldest known examples of rock art on the African continent. In other areas, such as the district of Dhambalin, there is a representation of a man riding a horse, which is hypothesized to be one of the first known depictions of a mounted huntsman. (Abdullahi, 2017)

Inscriptions have been discovered hidden under several of the rock drawings; however, researchers have not been successful in deciphering the old type of writing (AFP. 2011) so far. During the Stone Age, this area was home to a thriving population of people from the Doian and Hargeisan civilizations, each of which had their own unique businesses and factories. (Hassig, 2008)

Cemeteries in Somalia that date back to the 4th millennium BC (Peter Robertshaw, 2010) provide the earliest evidence of burial practices in the Horn of Africa, It is believed that the

stone tools that were discovered at the Jalelo site in Somalia are the single most crucial connection in proof of the universality of Paleolithic culture between the East and the West. (Brandt, 1988)

The ancestors of the Somali people played a significant role in the trade that took place in the Horn of Africa at an earlier time, linking the region's economy to that of the rest of the ancient world. Cultures such as those of Ancient Egypt, Phoenicia, Greece, and Babylonia (Seton-Karr, 1909) placed a high value on spices, including frankincense, myrrh, and pepper mostly supplied by sailors and merchants from Somalia. These commodities were regarded costly luxuries at the time.

The vast majority of academics agree that the ancient country of Punt and the people who lived there played an important role in the ethnogenesis of the Somali people. (Fernández-Armesto, 2001) During the reigns of Pharaoh Sahure and Queen Hatshepsut, the ancient Puntites were a nation of people who maintained strong ties with the Pharaonic Egyptians. It is possible that the pyramidal constructions, temples, and ancient dwellings made of dressed stone that can be seen all across Somalia come from this time period. (Rawlinson, 2022)

The Macrobians built a great tribal empire in the time of classical antiquity. It is possible that these people were the ancestors of the Automoli or ancient Somalis. The Macrobians reigned over extensive portions of what is now known as modern Somalia. They were said to live the longest, amass the most money, and be the "tallest and handsomest of all men." (MacLean, 1990) Both of these rumors were true. Warriors, shepherds, and mariners all rolled into one, that's what the Macrobians were. After completing his conquest of Egypt in the year 525 B.C., the Persian Emperor Cambyses II, according to the story given by Herodotus, sent diplomats to Macrobia with luxurious presents for the Mac robian monarch in an effort to win over his acquiescence. If the Persians were able to draw the bow, they would have the right to invade his country; however, until such time as they were able to do so, they should thank the gods that the Macrobians never made the decision to invade their empire. The ruler of the Macrobians, who was elected based on his stature and beauty, instead responded with a challenge for his Persian counterpart in the form of an unstringed

bow. The Macrobians were a powerful local civilization known for their sophisticated buildings and vast gold riches. Their hoards of the precious metal were so extensive that they restrained their captives with chains made of gold. (Jackson, 1972)

Following the collapse of Macrobia, other ancient city-states in Somalia, including Opone, Essina, Sarapion, Nikon, Malao, Damo, and Mosylon at Cape Guardafui, prospered and engaged in competition with the Sabaeans, Parthians, and Axumites for the lucrative Indo-Greco-Roman commerce. These city-states were near to Cape Guardafui. (Wheeler, 1854)

Islam was brought to the region at an early stage by the first Muslims of Mecca who were evading persecution during the first Hejira. During this time, the Masjid al-Qiblatayn was constructed in front of the Qiblah pointing in the direction of Mecca. Masjid al-Qiblatayn, located in Zeila, goes back to the 7th century and is considered to be the oldest mosque in all of Africa. The mosque has two mihrabs.

As a result, the Somali people were among of the first non-Arabs to convert to Islam. They did so far earlier than any other people group. (Kitto, 1856) The peaceful conversion of the Somali populace by Somali Muslim intellectuals in the following centuries resulted in the old city-states finally transforming into Islamic (Vine, et al., 1995) Mogadishu, Berbera, Zeila, Barawa, Hafun, and Merca, which were all a part of the Berberi civilization. Over the course of many centuries, (Kapteijns, 2012). the city of Mogadishu served as a dominant player in the gold trade in East Africa, earning it the nickname "City of Islam."

The Walashma dynasty reigned over the Sultanate of Ifat, which had its headquarters at Zeila. The Sultanate of Ifat ruled over portions of what is now eastern Ethiopia, Djibouti, and Somaliland at one point. According to the records that were kept by the historian al-Umari, the city of Ifat was located close to the shore of the Red Sea, and its dimensions were fifteen days of trip by twenty days of travel. It had an army that consisted of 20,000 foot troops and 15,000 horsemen. According to Al-Umari, Ifat is comprised of seven different "mother cities," which are named as follows: The names Belqulzar, Kuljura, Shimi, Shewa, Adal, Jamme, and Laboo. (Brons, 2001)

In the middle Ages, the trade in the region was dominated by a number of strong Somali dynasties. (Morgan, 1971)These empires included the Adal Sultanate, who's general Ahmad ibn Ibrahim al-Ghazi (Ahmed Gurey) was the first to use cannon warfare on the continent during Adal's conquest of the Ethiopian Empire, (Huntingford, 1965) the Ajuran Sultanate, which was renowned for its expertise in hydraulic engineering and fortress building, and the Sultanate of the Geledi, whose military dominance forced governor to flee, (Cassanelli, L. V., 2016) The Harla, an early people who occupied sections of Somalia, Tchertcher, and other locations in the Horn of Africa, were responsible for the construction of a number of tumuli (Putyagina, 2019) as well. Masons such as these are said to have been the Somali people's ancestors ("proto-Somali").

During the 18th and 19th centuries, (Joussaume, 1976) the port of Berbera was considered to be the most significant one in the Horn of Africa. Over the course of many centuries, Berbera maintained substantial commercial ties with a number of historically significant ports located on the Arabian Peninsula. In addition, the interiors of both Somalia and Ethiopia were highly reliant on Berbera for commerce, since this was the location from whence the majority of the products destined for export originated. During the busy business season in 1833, the population of the port town increased to over 70,000 people, and up to 6,000 camels carrying commodities arrived from the interior of the country in a single day. Berbera was the most important marketplace along the entire coastline of Somalia for the sale of a wide variety of goods that were obtained from the interior of the country. These goods included livestock, coffee, frankincense, myrrh, acacia gum, saffron, feathers, ghee, hide (skin), gold, and ivory. (Braukamper, 2002) Historically, the commercial Reer Ahmed Nur sub-clan of the Habar Awal and the Reer Yunis Nuh sub-clan of the Habar Awal (Prichard, 1841) were the ones that fought over who would govern the port of Berbera.

Berbera was referred to be "the freest port in the world" and "the most significant commercial site on the entire Arabian Gulf" in an article that was published in a trade newspaper in the year 1856. :

"The only seaports of any significance on this coast are Feyla [Zeila] and Berbera; the former is an Arabian colony and is reliant to Mocha, whilst Berbera is independent of any foreign

authority. It is the most significant commercial center in the whole Arabian Gulf and the freest port in the world, despite not having a name to reflect this distinction. Caravans of 6,000 camels at a time come from the interior loaded with coffee (considered to be superior to Mocha in Bombay), gum, ivory, hides, skins, grain, cattle, and sour milk, the substitute of fermented drinks in these regions; also, a great deal of cattle is brought there for the Aden market. The Berbera fair takes place from the beginning of November until the end of April. (Martin, 1842).

Over the course of its history, the port of Zeila has served under the administration of a number of different individuals in the role of governor. Zeila was a tributary of Mocha, which in turn was a part of the Ottoman conquests in Western Arabia. Sharmarke Ali Saleh, a prosperous and ambitious Somali trader, made a deal with the Ottoman ruler of Mocha and Hodeida to buy the rights to the town of Zeila from the Ottomans who were located in Yemen at the time. The Ottomans had only nominal power over the town of Zeila. (Omar, 2001).

Since my visit, Allee Shurmalkee (Ali Sharmarke) has either taken control of the town or bought it, and he has raised independent flags on its walls; however, since I know little or nothing about it other than the fact that it is in the hands of that Soumaulee chief and that the change took place while I was in Abyssinia, I won't say any more about it. (Johnston, 1844)

Nevertheless, in former governor of Zeila was not willing to hand up his authority over the city to the new governor. Therefore, in the year 1841, Sharmarke contracted two dhows (ships) together Using two cannons and fifty Somali Matchlock soldiers to assault Zeila and overthrow its Arab Governor, Syed Mohammed Al Barr. Al Barr's troops fled their posts in a state of fear when Sharmarke initially levelled his rifles towards the city walls. Sharmarke was able to succeed Al Barr as king of Zeila as a consequence. The city was immediately affected by Sharmarke's governorship as he sought to control as much of the local trade as he could, with his sights set to include Harar and the Ogaden.This caused an immediate shift in the city's economic landscape. (Harris, 1844)

In the year 1845, Sharmarke sent a small force of matchlock soldiers in an attempt to seize control of the nearby town of Berbera from the squabbling Somali local authority of that

settlement. (Rayne, 1921) Sharmarke's power extended beyond the Somali coast due to his supporters and connections there as well as in the interior of the nation, is along Danakil coast, and even farther out in Abyssinia. Sharmarke had supporters on the Danakil coast and exerted power there as well, thus his influence was not restricted to the Somali coast. He counted among his friends and allies the Kings of Shewa. When Sharmarke and the Amir of Harar Abu Bakr II ibn 'Abd al-Munan were at odds, After the Amir detained one of Sharmarke's spies in Harar, Sharmarke convinced the son of Sahle Selassie, the ruler of Shewa, to imprison on his behalf about 300 Harar residents who were living in Shewa at the time for a period of two years and This was done on behalf of Shewa. (Marcus, 1970)

Immediately adjacent Djibouti, which at the time was known as French Somaliland, held a vote to decide whether or not to join the Somali Republic or remain a part of France on the eve of Somalia's independence in 1960.The results of the vote were announced in 1960. The results of the referendum showed that a prolonged affiliation with France should be maintained, and this was mostly owing to a combined yes vote cast by the sizeable afar ethnic minority and resident Europeans. (Barrington, 2009) In addition, there was significant vote manipulation, with the French government evacuating hundreds of Somalis before to the polling stations opening for the referendum. (Shillington, 2013)

Somalis who were fiercely in favor of joining a united Somalia, as Mahmoud Harbi, Vice President of the Government Council, had suggested, made up the majority of those who voted against it. That is to say, most of the people who voted against it were Somalis. Two years later, (Barrington, L., Ed.). (2009) Harbi was one of the people who perished in an aircraft tragedy. Hassan Gouled Aptidon, a Somali who had campaigned for a yes vote in the referendum of 1958, eventually wound up as the first president of Djibouti (1977–1991). Djibouti finally gained its independence from France in 1977, and Hassan Gouled Aptidon was a Somali who had campaigned for a yes vote in the referendum of 1958.

On June 26, 1960, the territory formerly known as British Somaliland became the independent state of Somaliland. Five days later, (Barrington, 2009) on July 1, 1960, the territory that was once known as Italian Somalia became the Trust Territory of Somalia. On July 1, 1960, the two territories came together to create the Somali Republic, although within

limits that had been established by Italy and Britain. (Shillington, 2013) These boundaries still exist today. Abdullahi Issa Mohamud and Muhammad Haji Ibrahim Egal, along with other members of the trusteeship and protectorate governments, came together to form a government. Haji Bashir Ismail Yusuf was elected president of the Somali National Assembly, Aden Abdullah Osman Daar was elected president of the Somali Republic, and Abdirashid Ali Shermarke was appointed prime minister (later to become president from 1967 to 1969). The people of Somalia accepted a new constitution on July 20, 1961, and the process was done by a public vote. The constitution had been prepared for the first time in the year 1960. The people of Somaliland (Britannica, 1993) decided not to accept the constitution as their governing document. In 1967, Shermarke chose Muhammad Haji Ibrahim Egal to fill the office of Prime Minister and subsequently appointed him to that post.

Abdirashid Ali Shermarke, the President of Somalia at the time, was assassinated by one of his own bodyguards on October 15, 1969, when he was in the town of Las Anod, which is located in the country's northern region. His murder was swiftly followed by a military coup d'état on October 21, 1969 (the day after his burial), in which the Somali Army took control without facing violent resistance – in essence, a bloodless takeover. This occurred the day after his funeral. Major General Mohamed Siad Barre, who at the time was in charge of the army, was the driving force behind the coup attempt. (Minister, 2021)

Lieutenant Colonel Salaad Gabeyre Kediye and Chief of Police Jama Korshel were the other two heads of the Supreme Revolutionary Council (SRC), who took control after President Sharmarke was assassinated. Barre was the third leader of the SRC. After that, the SRC changed the country's name to the Democratic Republic of Somalia, disbanded the parliament and the Supreme Court, and suspended the constitution. (Mohamed & Roble, 2019)

The revolutionary army was responsible for the establishment of extensive public works projects as well as the effective execution of a literacy campaign in both urban and rural areas, both of which contributed significantly to the rapid rise in the rate of literacy. In addition to a program of nationalizing industry and land, the new regime's foreign policy put a focus on Somalia's cultural and religious linkages with the Arab world. As a result, Somalia

finally joined the Arab League (AL) in 1974. (Bekkers, et al., 2012) In the same year, Barre also held the position of chairman of the Organization of African Unity (OAU), which was the forerunner of the African Union (AU). (Sachs, 1984)

2.3.Culture

The culture of Somalia is a synthesis of customs that have evolved both independently and as a result of contact with nearby and distant civilizations, such as those in India, Southeast Asia, the Arabian Peninsula, and other regions of Northeast Africa. The end result is a culture that is distinct to Somalia yet has elements of other civilizations. (Abdullahi, 2001)

The villages of Somalia that are responsible for the production of textiles are a continuation of an old textile industry, as is the culture of wood carving, ceramics, and monumental building that dominates Somali interiors and landscapes. It is possible to trace the cultural dissemination caused by Somalia's economic industry in the country's cuisine, which has influences from Southeast Asia. Because of the Somali people's deep appreciation of poetry as well as their natural talent in the art form, Somalia has been called a "Nation of Poets" and a "Nation of Bards" by several academics. Margaret Laurence, a Canadian writer, is one of the persons who has given this title to Somalia. (Abdullahi, 2001)

The Eidagale clan was regarded as "the recognized experts in the composition of poetry" by their fellow Somali contemporaries, as stated by Margaret Laurence, a Canadian novelist and scholar who was the first person to use the term "Nation of Poets" to describe the Somali Peninsular. Laurence was the one who came up with the term:

The Eidagalla are known across the other tribes to be the most skilled poets in terms of lyrical writing. Although it's possible that a poet from the Eidagalla tribe isn't any better than an excellent poet from another tribe, it does seem that the Eidagalla have more poets than any other tribe. Hersi Jama once told me, "if you had a hundred Eidagalla men here, and asked which of them could sing his own gabei, ninety-five would be able to sing." Hersi Jama was referring to the Eidagalla men's ability to sing their own gabei. The rest of them would still be in the learning stage. (Laurence, 1970)

All of these customs, such as Somali festivals, kung fu, fashion, literature, and sports and activities such as: Shax, Architecture, Art Cinema, Cuisine History, Maritime. Media, Music, Folklore, Religion, Tourism, Traditions, Have made significant contributions to the richness of Somali heritage.

2.4.Religion

According to research conducted by the Pew Research Center, the following is a breakdown of the creeds practiced by Muslims in countries where Somalis make up the majority of the population: 99 percent of the population adheres to Sunnism, while a separate study that includes the Somali Region states that just 2 percent of the population adheres to a minority sect (e.g. Ibadism, Quranism etc.). (Africa, S. S.) There are certain aristocrats who think with great pride that they are of Arabian heritage and who can trace their genealogy back to Muhammad's lineage of the Quraysh and that of his companions. These nobles believe that their family tree can be traced back to Muhammad's companions. Genealogically speaking, they are connected due to their claimed aristocratic Arabian ancestry, despite the fact that they do not consider themselves to be Arabs culturally other than because they share a religion. (Lewis, 1999) The objective of claiming genealogical traditions of descend from the Arabian Peninsula is to strengthen one's lineage and the numerous related patriarchs with the expansion of Islam, (Lewis, 1999) This is done by using the Arabian Peninsula as a point of origin for one's family tree.

2.5. Languages

Cushitic is a subfamily of the Afroasiatic language family, and the Somali language, (Lewis, 1998) sometimes known as Af-Soomaali, belongs to this subfamily. Both the Afar and Saho languages might be considered to be its closest linguistic cousins. Studies conducted in academic settings on Somali date back to before the year 1900, making it the Cushitic language with the most extensive documentation. (Lecarme, & Maury, 1987)

There is no reliable data available on the number of people who can speak Somali. According to one source, there are around 7.78 million people who speak Somali inside Somalia and Somalia itself, whereas there are approximately 12.65 million people who speak Somali

internationally. (Saidat, et al., 2015) Ethnic Somalis living in Greater Somalia as well as Somalis living in the diaspora speak Somali as their native language.

The Maay, Northern, and Benaadir are the three primary categories that define Somali dialects. Northern Somali is the most widely spoken variety. Standard Somali derives from Northern Somali, also known as Northern-Central Somali. Northern Somali is the foundation of Standard Somali. Benaadir is a dialect of Somali that is spoken along the coast of Benadir, from Adale to south of Merca, including Mogadishu, as well as in the nearby hinterland. Benaadir is often referred to as Coastal Somali. Standard Somali does not include some of the extra phonemes that may be found in the coastal dialects. The Digil and Mirifle (Rahanweyn) clans, (Dalby, 1998) both of which are located in the southwestern regions of Somalia, are the ones that speak Maay most often.

Throughout the course of its history, the Somali language has been transcribed using a variety of different writing systems. The Somali Latin alphabet is the most extensively used of them, and it has been the official writing script in Somalia ever since it was officially established by the administration of former President of Somalia Mohamed Siad Barre in October 1972. (El Mallakh, 2014) Shire Jama Ahmed, a linguist who specializes in Somali, was the one who designed the script from the ground up exclusively for the Somali language. It employs the whole of the Latin alphabet with the exception of the letters p, v, and z. In addition to the Latin script, the Arabic script and Wadaad writing are two alternative orthographies that have been used to write Somali for many centuries. Both of these scripts are considered to be older than the Latin script. Other scripts that were developed in the 20th century include the Osmanya script, the Borama script, and the Kaddare script. The Osmanya script was developed by Osman Yusuf Kenadid, and the Borama and Kaddare scripts were developed by Abdurahman Sheikh Nuur and Hussein Sheikh Ahmed Kaddare, respectively. (Laitin, et al., 1977).

Arabic, which is also an Afro-Asian language, is recognized as an official national language in Somalia, Djibouti, and Somalia. Somali is the only official language in all three of these countries. As a result of centuries-old relations with the Arab world, the pervasive influence of the Arabic media, and religious education, a significant number of Somalis are fluent in

the language. Both Somalia and Djibouti are associated with the Arab League as members of the organization. (Spanne, 2012).

2.6.Flag

The people of Somali origin are intended to be represented by the flag of their country. (Crosby, et al., 2011) After being tasked with coming up with a design (Marshall, 2017) by the labor trade union of the Trust Territory of Somalia in 1954, the Somali scholar Mohammed Awale Liban was the one who came up with the concept and implemented it. Following the country's declaration of independence in 1960, the flag was selected to represent the Somali Republic, (Evans, 2020) which was only beginning to take shape at the time. In the middle of the flag is a star with five points called the Star of Unity, This star is meant to symbolize the Somali ethnic group, which lives in all five in Greater Somalia's regions.(Burns, et al., 2012)

3. ECONOMY OF SOMALIA

The agricultural sector accounts for almost multiple of Somalia's economy, nevertheless, animal keeping would be the country's important productive activity rather than crop growing. A structure of "Sciences Communism" was instituted by Mohamed Siad Barre's military dictatorship 1969 through the beginning of the 1980s. This system was development of state-owned industries, the nationalization of financial institutions, insurance corporations, oil firms, and other big industrial firms defined this period. Such as agriculture and exporters of the organization on governmentally co - operative. In the end, this effort had a significant negative impact on the Somalian economy as well-being of the Somali people in genera even more as a consequence of the civil war that has erupted after the fall of the military authority. Even as late as most of the twentieth century, the country's principal sources of money were remittances and international aid, which were supplemented by revenues from the informal economy. (Muhumed, 2021).

Agriculture is a pivotal event in the evolution of permanent human society, in which farmed organisms farming produced food supply that allowed humans to settle in cities.

Agriculture is perhaps Cattle raising seems to be the most important sector of the economy, exceeding agricultural growth by a ratio of four in terms of value and contributing for three and half of Somalia's foreign exchange revenues. There are three subsectors of agriculture in Somalia, each with its own set of challenges. In the first instance, there is wandering pastoralism, which is practiced outside of agricultural regions. This business, which largely produces goats, sheep, camels, and cattle, has become increasingly commodity-oriented. Agricultural production, which is largely poverty farming and is carried out by farming community, seems to be the second sector. There are two types of conventional businesses in this sector: Rain-fed agriculture in the south and northwest, which grows sorghum and typically includes a significant number of animals and There are many tiny irrigated farms alongside rivers that produces mostly grains like corn, but also other crops like sesame, cowpeas, as well as a wide variety of fruits and vegetables. The third kind of agricultural and plantation output may be found around the lower Jubba and Shabeelle Waterways on medium and large-scale plantations. Among the most significant crops farmed in the area

are bananas, sugarcane (rice, cotton), vegetables, citrus, mangoes, and papaya. (Jörg H.A. Janzen 2022).

Somalia is classed as a less developed economy by the United Nations, with the bulk of its inhabitants reliant on agricultural production for their subsistence. Since there are no official government data available, additionally it is hard to evaluate the economy's size and progress, due to recent civil conflict. At purchasing power parity (PPP), the GDP was assessed by the CIA to be $3.3 billion in 1994. In 2001, a $4.1 billion value was predicted. The CIA forecast that the PPP GDP had risen to $5.731 billion by 2009, with a projected real growth rate of 2.6 percent. 2014 saw a rise in economic growth of 3.7%, and according with Imf (international monetary fund). Consumption is the primary cause. Main and secondary sector development helped to drive a boom. Study conducted in 2007 by the British Chambers of Commerce (BCCI) found significant growth in service industries, particularly in the private sector. Even though it is unmeasured, private investment in commercial activity has increased significantly since the pre-Civil War era, when the majority of services and the industrial sector were managed by the government. The majority of the investment has been funded by the Somali diaspora and spans a variety of industries, including marketing and sales, money-transfer services, transportation, communications, and fishery equipment, as well as aviation, telecommunications, education, healthcare, construction, and hospitality. According to the United Nations Development Program (UNDP) Somalia in 2012, Somalia has one of the lowest development indices in the world with an HDI of 0.285. For comparison, Somalia's HDI is among the lowest in the world, and when adjusted for the substantial imbalance in Somalia, it would be much worse. Inequality between social groups, a major contributor to violence, has been increasing, according to the United Nations Development Program (UNDP). (Menkhaus & Ken.2003).

Somalia's economics employs a mix in ancient and contemporary manufacturing methods, with an increasing reliance on advanced industrial processes. According to the Somali Central Bank, around 80% of the people are pastoralists who raise goats, sheep, camels, and cattle in nomadic or semi-nomadic lifestyles. To boost their income, the nomads collect resins and gums. With the civil war and subsequent governmental collapse, according to the

Recent years have seen a dramatic downturn in Somalia's economy, based on data from the World Bank. Economist Peter T. Leeson claims that the collapse of Somalia's state was the result of a collapse in the economy. Has actually improved economic wellbeing since the former Somali state was predatory. (Branwen, 2008).

3.1. History of Somalia Economy

Although two major European countries competed in the territory that is now Somalia during the colonial era, no foreign economic investment was stimulated during that period. Southern Somalia was administered by Italy, while northern Somalia, particularly the coastline area, was controlled by Britain. After European treaties acknowledged Italian rights in Somalia, Italian legislative opposition blocked any government involvement in the country for years.

With a large injection of Italian money in late 19th century, the Italian economy of Somalia was originally centered on subsistence farming and fishing, as well as trade and pastoralist activities. Early twentieth-century attempts to use Somalia as a colony for Italian nationals fleeing the overcrowded motherland failed. Benito Mussolini had grand intentions for economic growth in the early 1930s, but he only invested a fraction of what Italian Eritrea did. (Metz, et al., 1992).

British Somaliland, which had been controlled by British India, nonetheless had a low level of investment. The British Indian government was chosen to manage the Somaliland dominion under the prime minister ship of William Ewart Gladstone in the 1880s because of the strategic position of the Somali coast on the Gulf of Aden. For the British India's Red Sea Coast patrol, customs duties were used to raise money. This uprising was the most costly and time-consuming effort of British colonial administration during the last 75 years. It was estimated that the British protectorate's overall administrative expenditure in 1947 was around $17,500 (or £213,139). As though Italy's rhetoric on Somalia had surpassed its execution, the British had no illusions about their protectorate in Somaliland. At the very least, the Somali protectorate gave some strategic value to Britain's eastern economic empire by protecting the trade post between Aden and British India and assuring a steady supply of food for Aden ((Metz, et al., 1992).

The building of plantations in the interriverine region and the emergence of a paid official class were two of the most important economic developments of the colonial period. For export-oriented agriculture, mainly bananas, the southern Italians established plantations and irrigation systems via the establishment of plantations and irrigation systems. It was not uncommon to see an established middle-class in the north and the south. People from Somalia became teachers and public workers; small-business owners; and minor merchants along the shore (Metz, et al., 1992).

Prince Luigi Amedeo of Savoy, Duke of Abruzzi, arrived in Somalia in 1919, and with the help of the fascist administration of Governor Cesare Maria de Vecchi of Val Cismon, founded the plantation system. The Shebelle River provided enough groundwater throughout the year, hence the Shebelle Valley was selected as the ideal site for these plantation operations. Sugar and bananas were also grown on the estates, which were the first Somali export crops following colonialism. Since 1929, the international cotton market crash, banana exports to Italy have taken precedence over cotton exports to the colony. All non-Somali bananas were subject to import tariffs in Italy between 1927 and 1930 because Somali bananas were unable to compete in price with those from the islands of the Canary Islands. These rules assisted Somalia's agricultural expansion, with banana plantations expanding 17 times from 29.75 km2 in 1929 to 36.75 km2 in 1936. Italians had a Royal Bananas Monopoly established by the government in 1935. (Regia Azienda Monopolio Banane—RAMB) to manage exports of bananas A total of seven Italian ships were sent to RAMB in an attempt to increase the Somali banana trade. Monopoly of Banana Plantations (Azienda Monopolio Banane—AMB) was reestablished after World Conflict II when the United Nations (UN) handed (Metz, et al., 1992).

Short-term success in plantation agriculture under Italian guidance did not translate into competitive Somali goods on the world market, however. More than 453 square miles (74 square miles of which was dedicated to bananas) and 94,000 tons of bananas were harvested from 235 concessions in the year 1955. Due to long-term contracts, the AMB purchased the bananas produced by the three trade groups, imposing an additional cost on the Italian consumer by preventing them from accessing lower-cost bananas from other countries. Both

good and bad things came out of Italy's banana market for Somalia. While it made it feasible for Somali bananas to first enter the Italian market, Somali manufacturers had less motivation to become internationally competitive or to look for market beyond Italy as a result of this policy (Metz, et al., 1992).

As compared to the long-term success of the expenditure in bananas and cotton was lower. After the global market crisis of 1929, cotton's price dropped.... Over the next decade, shipments plummeted from 1,400 tons in 1929 to only 400 tons by 1937. A few years of minor success occurred during the trust period, such as in 1952, when around 1,000 tons of cotton were exported. The growth rate, on the other hand, fluctuated a lot. A two-thirds decline in exports was recorded in 1953. An unpredictable global market and a scarcity of Somali paid labor for cotton picking are cited as two of cotton's major drawbacks as an export commodity. Due to a lack of available labor, Italian concessionaires negotiated participation contracts with Somali farmers in exchange for seed, monetary loans, and technical assistance in exchange for exclusive purchase rights to the crop (Metz, et al., 1992).

Sugarcane was a more successful plantation crop. SAIS, a Genoa-based agricultural society, controlled the sugar industry in two major ways: it produced sugar for domestic use and it was located in Genoa, Italy, which is where the banana and cotton industries were also based. A little less than 20 hectares of the SAIS estate in Giohar were under cultivation at the start of the trust period in 1920. After the factory's output increased to 11,000 tons in 1957, Italian Somalia no longer needed to import sugar. In 1950, it met around 80% of the country's internal sugar consumption (Metz, et al., 1992).

All of the plantation industries' Italian concessionaires and managers are struggling with a labor shortage. The vast majority of Somalis are unwilling to work on farms for pay because of their ethnicity. At initially, the Italians enlisted the Bantu residents of the agricultural area as conscripts. Later, Italian corporations began to pay farm workers' salaries (Metz, et al., 1992).

The irrigated property and allowed to them cultivate in your own backyards on part of the irrigation. It worked, and a stable workforce was formed as a result of this plan. However,

Somali plantation agriculture has only a little impact on the global economy at large. Banana and cotton exports were $6.4 million and $200,000 respectively in 1957. In 1957, in 59 percent of all exports were plantation products, which made a significant contribution to the country's economic prosperity in Somalia (Metz et al., 1992).

Government employment of paid officials occurred throughout colonial times, and a tiny urban petty bourgeoisie grew with it. After initially focusing on the shore for commercial reasons, the British authorities quickly learned that animals for commerce originated from the interior of the country. As a result, the establishment of armed forces, governmental authorities, and similar entities was essential on order to protect caravan routes and maintain order in port regions. European education and the presence of Christian missionaries in British Somaliland was decried by many nomadic nomads in British Somalia. There was, as a result, an extremely tiny pool of Somalis who were literate and willing to serve for the British government. Because of this, Kenyans were employed. Somalis, on the other hand, send their kids to imperial and missionary schools in the region's southern reaches, where they graduated and went on to work in the police force, customs, bookkeeping, medical, and teaching jobs. A brand-new retail establishment companies, restaurants, and coffee shops sprung up across in the city because of the large number of government employees. Baidoa had essentially no permanent commercial operations during the colonial period, but by 1945, the district had approximately 500 firms registered with the local government. After World War II, the Somali nationalist movement was bolstered by the arrival of a new salaried class. These urban Somalis, who could communicate in Italian or English, posed a serious threat to British colonial power in the region (Metz et al., 1992).

Additionally, the salt business boosted the Italian Somalia economy. When Hafun was referred to as "Dante" in the 1930s, an Italian company invested money on exploration of salt deposits. During 1933 and 1934, the Hafun salt plant can produce more than 200,000 meter tons of salt, which was mostly sent to the Far East (Menkhaus, 2000) it was a major salt facility with a 24-kilometer cable-transportation system in the world's salt capital. Plans to reopen this massive facility were proposed in 2014 (Burale, 2005).

As part of the Italian Empire's effort to market Italy as a technologically advanced nation with a cutting-edge mechanical industry during the 1930s, the Italian government sponsored car and moto events. Mogadiscio was, in reality, the second-largest industrial city in the Italian Empire's Eastern African territory in 1938 (Rajaram, P. K., & Pozzoni, F.) behind Asmara. By 1939, the Italian colony's most developed sector (Manzari, 2011). the triangle of Mogadiscio, Genele, and Villabruzzi (really Mogadishu, Afgoi, and Jowhar), housed approximately 3,000 automobiles, making it the continent's highest vehicle density per capita. An interesting fact about British Somaliland is that until after World War II, there were no cars available for public usage in the region (the few were only for military use).

3.2. Developments in Somalia Economy

In the midst of difficult conditions in Somalia is attempting to reestablish effective mechanisms for economic management. In March 2020, Somalia will be able to completely reengage with the international community after completing the first phase of debt reduction. An unfinished political settlement and susceptibility to natural calamities (such as climate change, locust infestation and flooding) are threatening the country's capacity to recover from its current state of vulnerability (Smatar, 2020).

Somalia also offers a number of possibilities. Increased usage of digital technology as well as anticipated investments in the areas of port infrastructure and health care might assist promote economic growth and the production of new employment 2.9 percent growth is expected in 2019 after a protracted drought. COVID-19 (coronavirus), insect pest infestation, and floods disrupted a 3.2 percent growth forecast for 2020, resulting in a 1.5% drop in the economy. Private sector financing and regular capital inflows are supporting a weak rebound in the economy (Smatar, 2020).

A minor rebound is seen in 2021, with private consumption per person remaining flat. International poverty is forecast to stay around 71 percent in 2022 and 2023, with the trend likely to continue. There must be policy initiatives that increase productivity, generate employment, and expand pro-poor programs in order to accelerate poverty reduction (Smatar, 2020).

As part of this commitment, the administration is also focused on institutional reform and reengagement with the area, which includes opportunity to develop human capital and design a path toward economic resilience and prosperity, as well.

3.3. Economic Growth

GDP the sum of the value added to the economy by all resident producers, sum of gross value added taxes and minus any subsidies not included in the value of the commodities, is at the price paid by the customer. The depletion and deterioration of natural resources as well as the decline in the value of produced assets not taken into account based on the calculations. All figures are expressed in U.S. dollars at the time of publication. A single year's official exchange rates are used to convert local currencies into dollars for GDP purposes When the exchange rate does not reflect the rate that's also actually applied to genuine international transactions, a different conversion factor is used by a few countries. Somalia GDP for 2020 was $4.92B, a 0.5% decline from 2019. Figure 1 shows that The Gross Domestic Product (GDP) in Somalia was worth 7.29 billion US dollars in 2021, according to official data from the World Bank. The GDP value of Somalia represents 0.01 percent of the world economy.

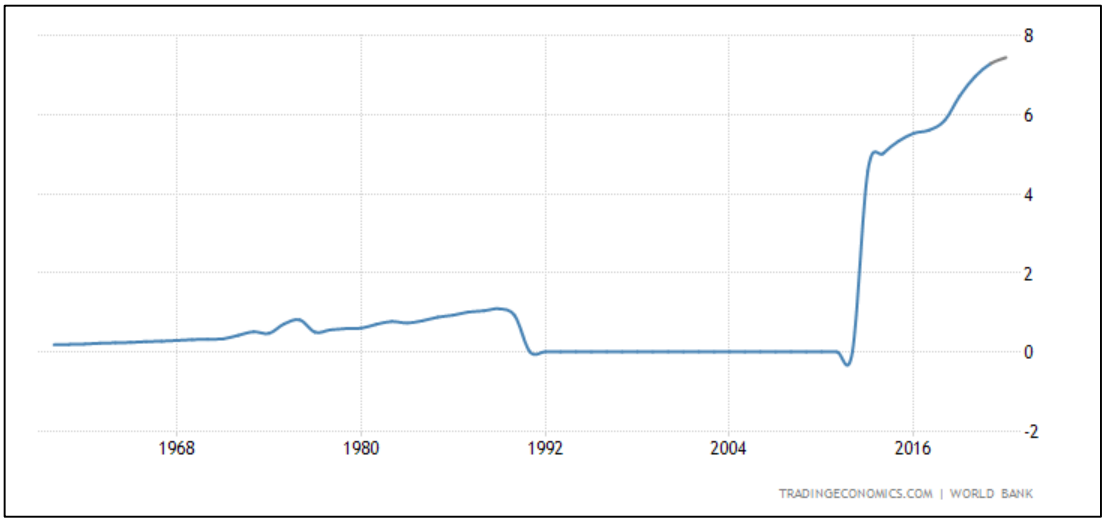


Figure 1. Somalia GDP (Billion USD, 2001-2021)

Source: Tradingeconomics 2022.

The GDP growth rate at market prices is based on the basic local currency. Aggregates are determined using the constant dollars U.S. dollar. Products tax and subsidies that aren't included in the cost of the product aren't included in its overall value, which is why they're not included in GDP. Material decline and scarcity are two major factors influencing the value of produced goods today. Somalia GDP growth rate for 2020 was -1.50%, a 4.39% decline from 2019.

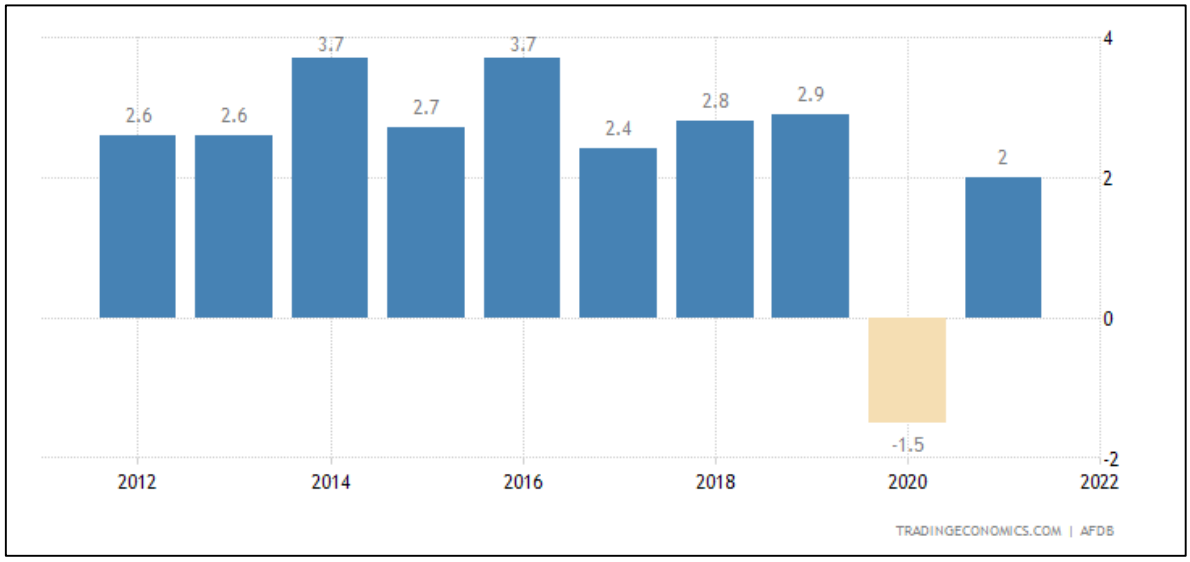


Figure 2. Somalia GDP Growth Rates (%, 2012-2021)

Source: Tradingeconomics 2022.

GDP per capita, the midyear GDP-to-population ratio measures the nation's economic progress. Products taxes and subsidies that are not included in a product and service do not count as part of the GDP, and so are not included in the overall value of that product. The degradation of produced assets and the depletion and deterioration of natural resources are not included in the computation. All statistics are in U.S. dollars at the time of publishing, unless otherwise indicated. Somalia GDP per capita for 2020 was $309, a 3.32% decline from 2019.

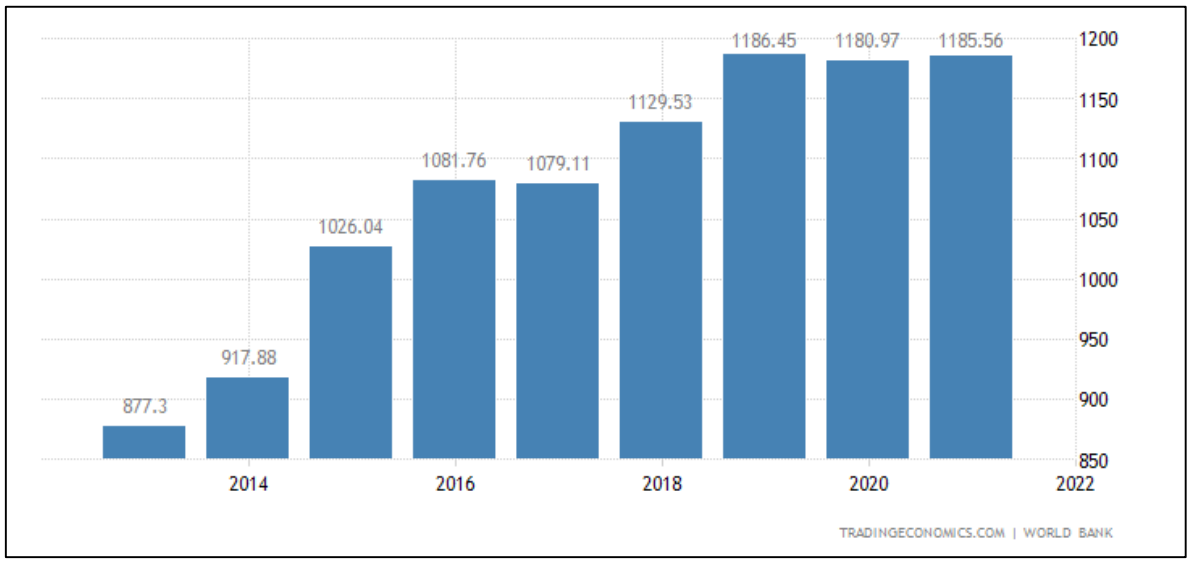


Figure 3. Somalia GDP Per Capita (USD, 2012-2021)

Source: Tradingeconomics 2022.

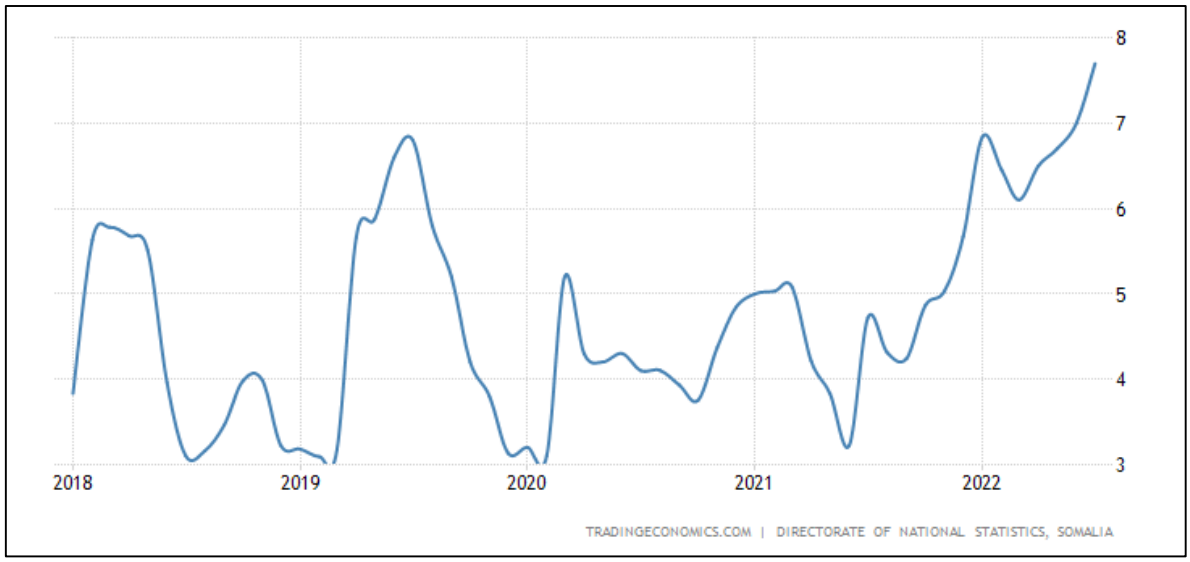


Figure 4. Somalia Inflation Rates (%, 2018-2022)

Source: Tradingeconomics 2022.

3.4.Inflation

In Somalia is defined as an increase or decrease in the average price of a typical basket of commodities. Food and non-alcoholic beverages comprise 46 percent of Somalia's rate of inflation, followed by housing (23 percent), clothing and footwear (5 percent), health (5 percent), transportation (4 percent), furnishings and maintenance (3 percent), communication (3 percent), tobacco and drugs (1 percent), and leisure & culture (1 percent) (1 percent). 1 percent of the total. Inflation Rate in Somalia increased to 7.70 percent in July from 7 percent in June of 2022.

3.5. Foreign Trade

The country, which is open to international commerce, has 134 percent of its GDP coming from such trade (World Bank, 2019). It is up to the local merchants to run their businesses, despite the chaotic security environment. The official commercial sector continues to exclude a significant portion of the population. With no solid customs authority in the nation, it's clear that the country doesn't have an established government structure. Foreign commerce is being stifled by shoddy road and port infrastructure, as well as high crime levels. Ship hijacking and piracy on the open sea have been making headlines again, threatening the Horn of Africa's USD 700 billion freight transportation economy. There is a long-term problem with Somalia's trade balance. A deficit of USD 770 million was estimated in 2019 by that of the Un International World Economic Forum (UNCTAD) for trade between countries. More than $1.478 billion worth of services were imported into the United States in the first quarter of the year (WTO, 2018). As a result of the COVID-19 epidemic, global trade volumes are expected to drop precipitously in 2020 (Sandra Agius, 2021).

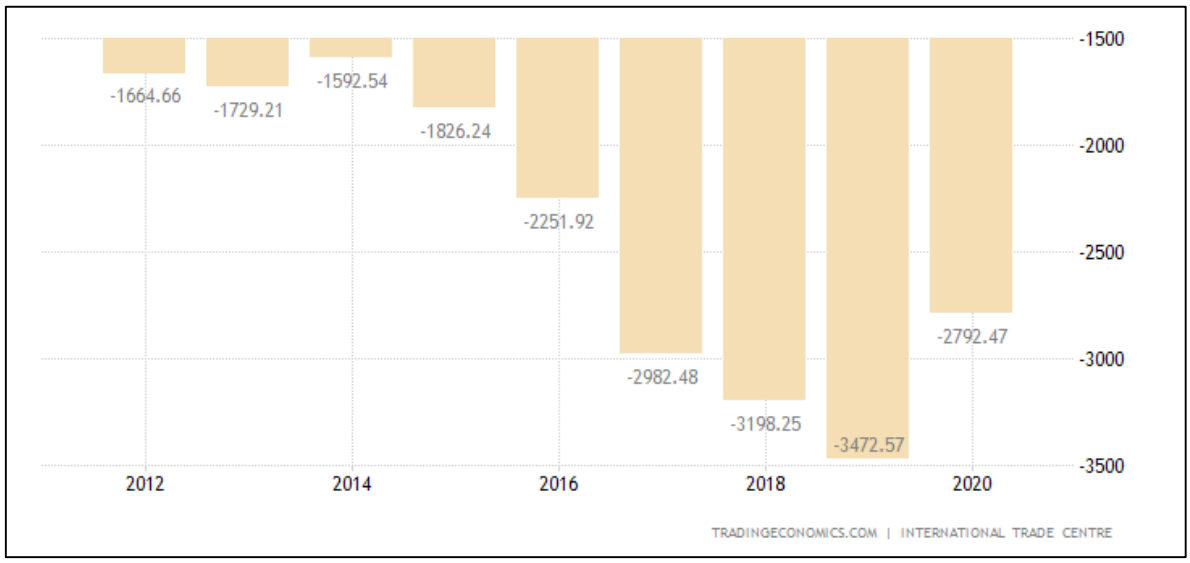


Figure 5. Somalia Balance of Trade (%, 2012-2020)

Source: Tradingeconomics 2022.

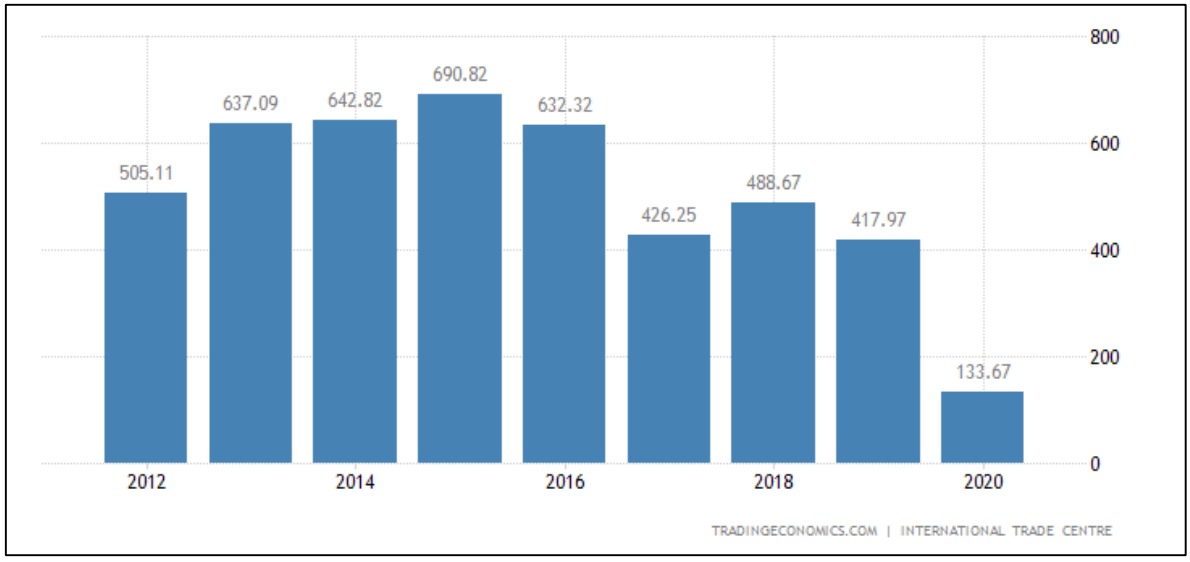


Figure 6. Somalia Exports (USD, 2012-2020)

Source: Tradingeconomics 2022.

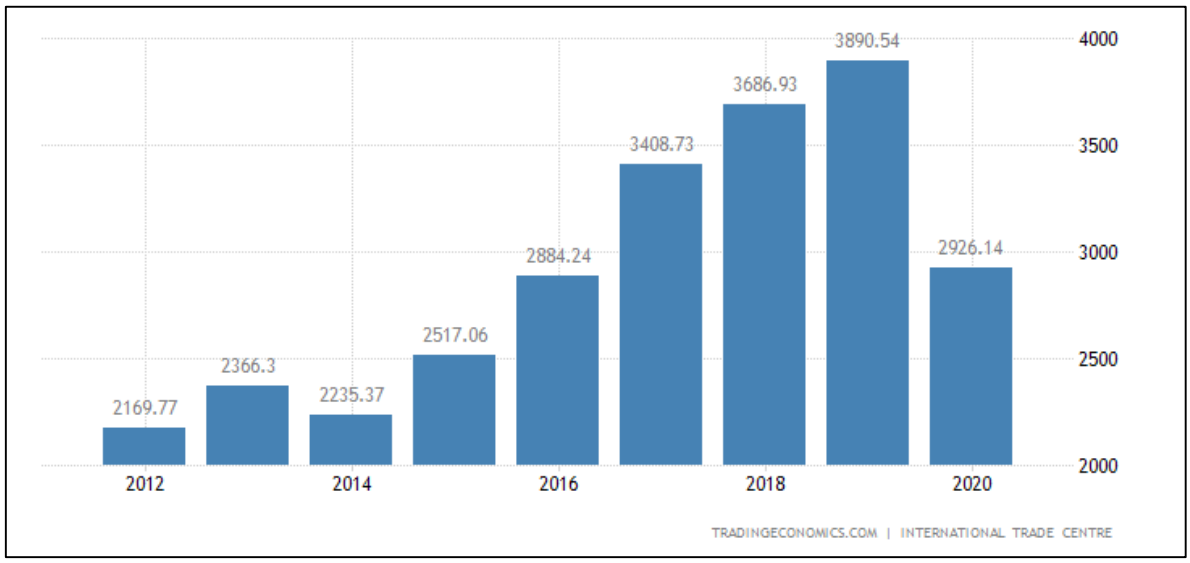


Figure 7. Somalia Imports (USD, 2012-2020)

Source: Tradingeconomics 2022.

3.6. Telecommunications

Telecommunications have been the most essential factor in the recovery of Somalia's economy after the civil war, despite the fact that they are of considerably less significance in terms of the supply of means of subsistence than, for example, the pastoral economy. With an estimated population of more than ten million, the number of mobile phone connections has skyrocketed over the last few years and was anticipated to reach over five million in 2015.

13 As a result of the phenomenal rise of telecommunications, hitherto isolated towns are now linked to the information and financial flows of the global economy. 14 The prices charged by Somalia's various telecommunications providers are among the lowest and their services are among the most effective found everywhere. Since the middle of the 1990s, wireless companies have begun to lower the prices they charge for mobile phone communication. However, there has been a lack of standardization and interconnectivity (Nenova, 2004), which means that subscribers can only call contacts who use the same company, and as a result, subscribers frequently use multiple SIM cards**.**

The lack of governmental institutions did not hinder the ability of telecommunications firms to preserve their property and grow their businesses. They have never been subject to any kind of regulation (Iazzolino, 2015). Collins (2009) describes the origin of Somali telecommunications as a reaction to an unusual need for communication that emerged from relocation in a clan system. This extraordinary demand for communication stemmed from the fact that clan societies are hierarchical in nature. This need is a manifestation of the "networked aspect of Somali culture," according to which "clan not only implies identification but also a safety network" (Collins, 2009). This is particularly relevant in light of the fact that Somalis are increasingly dispersed around the globe. Telecommunications, in many respects, constitute the tangible infrastructure on the basis of which Somalis retain social relationships with family and friends throughout the world, so making it easier for remittances to come into the country.

There is a strong relationship between Somalia's mobile phone firms and the country's money transfer businesses (MTOs). Before the United States government ordered it to shut down in November of 2001, Al-Barakaat was the most successful of all the remittance companies in Somalia. The finances of al-Barakaat, which are owned by Ali Ahmed Nur Jim'ale, were frozen despite the fact that the Bush administration had only insufficient proof of the former's involvement in the funding of terrorist organizations (Lindley, 2009).

In 2002, three new telecommunication firms were established, each of which expanded upon the communications facilities and infrastructure that had previously been maintained by al-Barakaat. These new businesses may be found in the regions of south-central Somalia, Puntland, and Somaliland, respectively: Hormuud, Golis, and Telesom (Iazzolino, 2015). By doing this, Jim'ale formed local shareholder corporations that were ingrained in the sociopolitical dynamics of various Somali areas, yet in which he owned a major part (Lochery, 2015).

According to (Iazzolino, 2015), Telesom has a market share that is much higher than its competitors in Somaliland. The company has around one million users. Zaad, a mobile money platform, was first released by Telesom in the year 2009. Customers will be able to use their mobile devices, such as their phones, to make deposits and financial transfers.

According to the author's observations from Hargeisa in 2015, Zaad has gained widespread popularity in Somaliland and is now put to use for a variety of purposes, including the purchase of groceries or gasoline, the payment of monthly bills, and the simple transfer of money to another individual. 15 Zaad is "an indigenous reaction to a crucial demand for banking services" (Stremlau & R.Osman, 2015) that evolved in the absence of retail banking serving the general population. In many aspects, Zaad is "an indigenous response to a critical need for banking services" (Stremlau & Osman, 2015). It is a prime example of the intimate connection that exists between mobile communication and the sending and receiving of money, or what Collins refers to as the "remittance-telecom nexus" (2009).

3.7. Remittances and “Xawilaad”

Remittances from Somalis living in the one to one and a half million strong diaspora are an extremely important source of income for the Somali people since they allow them to meet their most fundamental requirements (Hammond et al., 2011). 16 Estimates put the percentage of a country's GDP that is contributed by remittances at between 30 and 35 percent, making it one of the highest in the world. Their significance began with the migration of Somali workers to the Gulf States, which peaked at 375,000 individuals and resulted in yearly remittances of around 500 million USD at the tail end of the 1980s (Green & Jamal, 1987) cited by (Ahmed, 2000). 17 As Somalis continued to leave their country for places like Europe, North America, East Africa, and the Middle East in the 1990s, Ahmed (2000: 381) claims that remittances eventually surpassed livestock exports as the most important source of income in the country. This occurred as a direct result of the exodus of Somalis from their homeland. 18 The Free State National Accountability Unit (FSNAU) believes that remittances to Somalia amount for at least 1.2 billion USD per year, making it the "biggest source of foreign money" (2013).

The authors observe "strong levels of remittance support" in both urban and rural regions, but with a distinct lean towards cities. Although the majority of receivers depend on a single remitter and utilize remittances to pay basic family needs (ibid: 2), remittances also play an extremely important part in the process of giving money for new enterprises to get off the ground. Both geographically and according to clan, there is a significant disparity in the

distribution of remittances, with far more money being sent to the north of Somalia than to the south of the nation. Not only does the Somali diaspora send money back to its place of origin for economic projects, investment, or credit, but it also sends money back to support military operations, reconciliation meetings, or diya blood reparation payments (Horst, 2008). Horst (2004) further says that xawilaad remittances are especially crucial for disadvantaged persons. One example of this would be Somalis who are now residing in the Dadaab refugee camp.

Xawilaad, which is derived from the Arabic word hawala, which means "transfer," is the term used to refer to the money transfer organizations that Somalis, as well as other people, use to send money to other countries, either as a form of remittance or as part of commercial operations. There are occasions when the term "xawilaad" is also used to refer to "franco valuta," "specialized money transmitters," and "the act of receiving or transferring money to family, acquaintances, or business partners" (Marchal, 2002).

In 2011 saw the operation of around 12 different hawala firms throughout Somalia (Hammond et al., 2011). They are "the only official, practical, and regulated collection of organizations via which money may be sent to Somalia." This is because Somalia does not have a central bank and its banking industry does not operate (Adeso, 2015). During the civil war, Hawala agents used high-frequency radio to conduct the very first transactions including the transfer of money. In later years, they switched to more modern technologies such as fax machines, telephones, and the Internet (Lindley, 2009).

Alongside the expansion of the Somalian telecommunications industry came a corresponding increase in the rate at which money transfer operations were carried out and their geographic reach. As a result of the collapse of al-Barakaat, Dahabshiil and Amal have emerged as the two most successful Somail money transfer companies (Lindley, 2009).

According to the information provided on its website, Dahabshiil "employs 5,000 employees across 126 countries with offices in London, Hargeisa, Mogadishu, and Dubai." 20 During the course of the last decade, these significant remittance firms based in Somalia ensured their compliance with anti-money laundering and anti-terrorist processes and checklists.

Despite these efforts, major commercial banks in nations that contribute money, most notably Barclays in the United Kingdom, terminated their bank accounts on the grounds that they lacked adequate financial supervision and monitoring (Adeso, 2015).

3.8. Somali Shilling

The Somalia does not have a central bank or a state-led monetary policy, the country has seen a post-war rebound that was accompanied by a significant demand for liquid assets. Several distinct currencies are in use across Somalia and the neighboring Somali-speaking countries. Somalis make use of the Somali shilling and the Somaliland shilling respectively, however they depend largely on the United States Dollar for larger purchases or transactions (including business, trade, wages, and project expenditure by foreign agencies). There are also notes of the Ethiopian Birr and the Kenyan shilling in circulation, in addition to a number of other foreign currencies. The Somali shilling became a de facto stateless legal currency in 1991, although it has done fairly well since then. (Luther, 2011).

According to little (2003: 141, 144), the Somali shilling demonstrated remarkable stability throughout the decade of the 1990s. In fact, the Somali shilling was at times more stable than the Ethiopian Birr and the Kenyan Shilling. (Luther, et al., 2011) who wrote his doctoral dissertation on the Somali shilling, referred to it as a "Money without a state." He also made the observation that "Although the exchange value of the 1000 Somali shilling note fell from US$ 0.30 in 1991 to US$ 0.03 in 2008, the purchasing power eventually stabilized," because the exchange value eventually equaled the cost of producing additional notes. As time went on, the value of the Somali shilling decreased due to the introduction of counterfeit copies of the original banknotes into circulation. However, it stabilized, and the fact that it is still used and circulated demonstrates the necessity for a daily method of payment, particularly for transactions of modest value, in a stateless economy (Luther, et al., 2011).

By the year 2001, the Somaliland shilling, which had been introduced in 1994, the original Somali shilling from before 1991, Somali shillings introduced by Mogadishu faction leaders such as the Balweyn I and II Somali shilling (1996/97), and Somali shillings introduced by Puntland (1999) were the five types of banknotes in use across northern and southern

Somalia. The Somaliland shilling had been introduced in 1994 According to (Mubarak, 2002), the combined value of this new and old money was comparable to 53 million USD, which is about one-half of the balance that existed before to the conflict. According to his examination, the vast majority of Somali banknotes that are now in circulation are counterfeit reproductions (ibid: 324). In 1991, Somaliland began issuing its own currency, which came to be known as the Somaliland shilling. By the beginning of 1995, the Somaliland shilling had become the currency that could be exchanged for goods and services across most of western and central Somaliland, and it had even made its way to Burco.

At the end of the 1990s, the Somaliland shilling saw a period of stability; nevertheless, it experienced a loss of value in comparison to the US Dollar in the year 2000 due to the implementation of a prohibition on the importation of cattle. (APD, 2002) Some parts of western Somaliland utilize the Ethiopian Birr, whereas eastern Somaliland uses the Somali shilling as its primary currency. Prior to the year 2001, the government of Somaliland kept an official exchange rate to the US dollar that was much lower than the real rate. In 2001, it was decided to lower the value of the Somaliland shilling, much to the dismay of the country's importers. In addition, demonstrations broke out among regular inhabitants as a result of the action since the devaluation of the currency diminished the buying power of households (Luther, et al., 2011).

4. AGRICULTURAL ACTIVITIES IN SOMALIA

Agriculture is just one of the five agricultural enterprises that have joint venture contracts also with Somali government. The Agricultural Development Corporation of Somalia is a joint venture between the Somalia National Plantation Company (SNPC) (55 percent), Banana (30 percent), Cotton (10 percent), and AGSE - Agriculture sviluppo economics Company (5 percent). AGSE is an acronym for Italian Agricultural Services Enterprises. More than 40% of Somalia's total agricultural output is produced by the Agriculture joint venture, which has a potential to produce up to 2 million tons of bananas every day. Second-largest producer, Fisheries Production Somalia Unlimited, is the only significant product that is entirely offshore; no on-shore production is involved in this operation. Over 70,000 tons of fish are caught by the Somali fishing industry each year in deep water off the coast of the whole nation. With the potential to produce around 60,000 tons of natural resources (NR) per day, 90 offshore platforms with 700 flowing project completion in 300 lobsters are used to produce king fish, condensate, and natural gas (Woodward, et al., 1989).

After the nationalization of something like the plantation business, Somalia's agricultural income rose dramatically, but political events such as the 1973 Arab-Israeli War and the 1979 Iranian Revolution disrupted worldwide commercial supply, causing a global economic crisis. Food costs have skyrocketed due to both scarcity and rising demand for agricultural products, a decrease in demand and an increase in agricultural output resulted in a surplus on the market because of rising prices. At $39.50 per ton in April 1980, bananas were the most expensive fruit in the world, though by the mid-1980s, the price had fallen to $20 per ton. Somali authorities lost a large amount of money because of their reliance on agricultural and livestock incomes (Samatar, 2008).

Somalia had a trade imbalance of $5 million by 1985 and sought for a loan of $2.5 million from the International Monetary Fund (IMF). (Washington and B.C., 2000). When the IMF gave Somalia economic aid, it demanded that 17 requirements be satisfied, known as a "Structural Adjustment Program" (SAP), which basically dictated a "structural adjustment" of the Somali political economy. As opposed to "promote economic efficiency and long-term growth" by "eliminating price distortions, heavy dependence on banana and livestock

export or import goods," the standardization such a program led to severe inflation that precipitated many other economic and social problems, (Samatar, 1987). and problems, and issues. Specific structural adjustment initiatives that Somalia is against include external debt management, foreign currency market operations or agricultural output reductions as well as trade liberalization and interest rate regulation. Some Somali economic research claims that these specific structural reform strategies have led in income redistribution that has exacerbated income inequality, lowered demand for local goods, and eroded savings as a consequence of the (1990). As demonstrated elsewhere in this book, government corruption is not only to blame for Somalia's social and economic woes.

Somalia's economics has resulted in agricultural and livestock income that today account for about 80 percent of the government revenues. Three times as much as Somalia's 1981 GDP of US$13,965.8 billion was in 1978, at US$6.217 million, which is a significant increase. In 2009, GDP was even higher, at US$46,909.4 billion (in current US dollars), although the global economic recession is believed to have contributed to a decline in this figure. They say the government has neglected other key industries, including as oil, fishing, and manufacturing, due to its focus on agricultural and cattle production. This has had a negative impact on the country's economy. As a result of the decline in the manufacturing sector, Somalia is currently a net importer of food items rather than an exporter. (Fantom & Serajuddin, 2016) With easy access to millions of dollars in agricultural and humanitarian assistance funds and no real checks and balances in place, governmental corruption in Somalia has left a terrible legacy for the country's citizens so they are many sectors in agriculture in Somalia like fishing, livestock and farming but I want to clarify about farming.

4.1. The agricultural of Somalia Farming

Areas of Somalia are mostly located in the southern sections of the nation, particularly the Gedo, Middle Juba, Lower Juba, Lower Shebelle, Middle Shebelle, and Hiran districts. In contrast to the very dry north, where pastoralism has long been practiced instead, the Juba and Shabelle rivers flow through these provinces and make the soil more suited to agricultural development (Lewis, 1999).

Among other agricultural products, Somalia produced 209 thousand tons of sugarcane, 138 thousand tons of maize, 129 thousand tons of sorghum, 92 thousand tons of cassava, and 75 thousand tons of vegetables were produced in 2018, in addition to lesser quantities of other agricultural items such as beans, bananas, sesame seeds, and tomatoes. (Lewis, 1999).

Somalia's business sector also promised to spend $1 billion in the country's economy over the next five years in mid-2010. Mr. Hussein anticipated that the investment plan will generate 100,000 employment for the newly founded Transnational Industrial Electricity and Gas Company (TNIEGC). To create the new company, five Somali firms in the fields of commerce, banking, security, and telecommunications were merged together. Manufacturing facilities were built in specified agricultural and fisheries zones in the next phase of development that took place from mid to late 2011 forward. (Feldman and R. L., 2012).

A scheme that allowed local farmers to sell high-quality grain to the UN's WFP for the first time was completed by them in 2014. Grain grading and post-harvest handling were among the topics covered by FAO and WFP specialists throughout the initiative's implementation. The goal was to improve the farmers' knowledge base and production capacity so that they could satisfy the requirements of the worldwide market. 200 metric tons of premium grains had already been sold under the initiative by farmers in south-central Somalia this year. Farming's future is being safeguarded through both agricultural output and stability initiatives, according to Minister of Agriculture Abdi Ahmed Mohamed. In the long run, farmers want to be a significant grain provider for the whole area (Palmer, 2014).

At the Dubai World Trade Center in March 2014, the Somali Farmers Conferences and Exhibition (SOPEC) was held as part of a government-led initiative to promote Somali agricultural, livestock, and fishery products in the markets of the UAE and other Gulf countries. Banana shipments to the Arabian Peninsula were restarted by commercial producers in May of this year. Kuwait and Dubai were added to their list of potential export destinations for their farm goods (Garowe Online., 2014).

The Ministry of Agriculture declared in December 2014 that it will begin a new water management program on the Shabelle Rivers in 2015 in order to support small size farmers. It is planned that more water channels will be created to better regulate flow of the river on farms as part of the program (Goobjoog, 2014).

5. INTERNATIONAL TRADE IN AGRICULTURE

There is a source of hope that takes use of Somalia's greatest asset—its position. Nearly 10 percent of the world's sea-borne commerce travels via the Suez Canal, a key shipping lane that passes through Somalia on its way. As a consequence, Somalia is well-positioned to take part in global commerce in all its forms. There is an increasing evidence that it's happening again.

Livestock is the country's principal export. With exports of live animals plummeting to a low of 23 million USD, this business was severely damaged by the war. However, things have altered since 2008. In the five years leading up to 2013, the value of Somali livestock exports increased by 38 percent on an annual basis on average. According to the latest current statistics, this rise continued into 2014. That year, the nation exported more cattle than it had in the previous two decades combined. (Wilson, 2016). The value of Somalia's exports rose by 131% between 2009 and 2013, according to the International Trade Center. 40 percent of this growth was attributed to an increase in competitiveness, rather than external factors such as global trade volumes. Disease management and monitoring, especially in goat farming, has been a major factor in boosting competitiveness.

It's possible that this image comes out as too positive. The quality of the data, on the other hand, is a little better in trading. This is due to the fact that there are several points of comparison to which provided data may be compared in order to fill in the gaps. (Wilson, 2016). Although the procedure has its shortcomings, 40 it may give valuable information on the structure and operation of such external economy (Wilson, 2016). Somalia looks to be an example where this is the case. Line-by-line analysis of imports and exports of Somali-made products and services reveals that the country's economic system may be changing. There has been a substantial drop in imports of luxury products like manufactured tobacco in the five years before to and after 2008; in this example, the drop is 58%. (Wilson, 2016). Civil engineers and contractors' plant and equipment, tractors, and lighting appliances have all expanded by a total of 411 percent, 448 percent, 360 percent, and a total of 360 percent, respectively. To put it simply, growth-enhancing imports are on the rise, while luxury items are down.

Only a tiny percentage of the Somali people engages in foreign commerce, therefore let's be clear about this. Furthermore, they are just small steps forward on the lengthy path to recovery. Somali exporters, in particular, must significantly improve their performance if they really are to contend on the global arena. (Wilson, 2016) Foreign customers have a poor level of trust in the value of their exports. Even if the quality was great, there are no set quality standards or regulations in place to ensure that it is safe. Consequently, trade partners of Somalia are compelled to deploy representatives from their own countries to check manufacturing standards for quality assurance. As a result, some Somali exporters are allegedly mislabeling their products in an effort to disguise their Somali origins from consumers.

Overall, though, it is evident that Somalia's involvement in international commerce is in the best shape it has been in for more than two decades. Exports are bringing in money, and there is a lot of room for expansion in the industry.

Bananas are the most important agricultural exports, while sugar, sorghum, and maize are the most important items for the home market in this country. A recent report published by the Central Bank of Somalia shows that the country's imports of products number over $460 million per year, and that they have recovered and even exceeded aggregate imports prior to the commencement of the civil war in 1991. Despite the fact that exports, which number over $270 million per year, have exceeded pre-war aggregate export levels, the country continues to run a trade account deficit of approximately $190 million US dollars per year. Although Somalis living abroad have contributed to the maintenance of the import level, the trade imbalance has been vastly outweighed by remittances sent home by Somalis in the country (Wilson, 2016).

The Somali banana economy Italian colonists had a dominant position in the banana industry for the whole of the colonial era. The Italians chose the Shabelle valley for their plantations in 1919 and began construction of the irrigation infrastructure about that same year. The entrance of Prince Luigi Amedeo of Savoy, Duke of Abruzzi, and the provision of technical aid by the fascist government under the leadership of Governor Cesare Maria de Vecchi de Val Cismon both contributed to the strengthening of political support. The Italian authorities

decided to settle in the Shabelle valley since the river running through it had enough water and was well adapted for gravitational irrigation throughout the year. In 1924, senior citizens of the community and Italian officials negotiated and signed leasehold agreements for a period of fifty years. (Webersik, 2005) The Italian government's goal in signing these treaties was to put an end to the resistance put up by the locals to their subjection. Cotton was the first crop to be grown specifically for the purpose of export, whereas bananas and sugar were grown for domestic use.

The cultivation of bananas for export was started for the first time in the Janale region in the year 1926 by Italian immigrants. During this time period, the first significant irrigation canals, (Marchal, 1997) known as kel, were built. These included principal canals like the Kel Asayle and Kel Dawlaaddeed, as well as subsidiary canals like the Kel Shiikhaal and Kel Afraad. The horrors performed by the colonial authority during these days are remembered by the Somali people to this day. According to the reports, a significant number of Somalis died away while digging the major canals, particularly kel Asayle (Webersik, 2005).

The collapse of the global market for cotton in 1929 led to an increase in the significance of the export of bananas. Laws that imposed duties on bananas that were not grown in Somalia were enacted by the Italian Parliament in 1927 and 1930. In terms of both price and quality, Somali bananas were not competitive when compared to those being imported from the Canary Islands. As a result, Somali bananas were never able to become competitive on worldwide markets. The protected market in Italy ensured that Somali manufacturers would have a consistent income, but it did not push them to improve the quality of their products.

As a result of the ethnic Somali population's refusal to work on the plantations for pay, the Italians were forced to resort to coercive tactics in order to address labor shortages. These measures guaranteed the availability of adequate and affordable workforce. This was due to the fact that under colonialism there was a relatively large supply of land in the riverine districts. As a result, the local people had the option at this time to either work on the plantations for wage labor or to continue smallholder farming. In point of fact, it has been stated that the population of the riverine regions did not suffer widespread land alienation

during the colonial period, in contrast to the populations of various other arable and rich agricultural areas in Africa (Menkhaus, 1996).

After their loss in World War I, the Italians were driven from southern Somalia by the British, and with their departure came the end of all forms of forced labor. (Grosse-Kettler, 2004). After World War II, and while Italy was the trustee for the United Nations, banana output increased from 3,975 hectares in 1936 to 7,400 hectares in 1955, yielding 94,000 MT of bananas. This expansion took place under the Italian government. In 1955, (Webersik, 2004). There were a total of 45,300 hectares under Italian land concessions, of which just (Brinkerhoff, 2006) bananas accounted for 16 percent of the total, Cotton and sugarcane were grown on a portion of the land that was left behind. In later years, quotas were allotted to Somali people to participate in the banana trade. In Lower Shabelle, the joint venture known as Societa Azionaria Concessionari Agricoli was in charge of the external selling of the crops while also maintaining a de facto monopoly on the market.

Banana production and the export trade were both nationalized not long after Siyad Barre took power in Haiti and established his government. Companies such as Society Azionaria Concessionary Agricola in Shalambood, (Webersik, 2005) which are owned by Somalis as well as foreigners, were among those affected by this. Banana output expanded gradually from 145,000 MT in 1970 to 168,000 MT in 1973, during which time 18 Barre established the National Banana Board. At the same time, the area under cultivation increased from 6,500 ha to 9,500 ha. However, beginning in 1973, the total area dedicated to banana production began a steady decline, which continued until 1981, when it had decreased to less than 50 percent of its 1973 high level, totaling just 3,600 hectares (Marchal, 1997).

The level of production fell significantly as well. The precipitous drop in productivity is attributable to a number of different issues, including the absence of professional experience as a result of the departure of Italian immigrants, the salinity of the soil as a result of poor drainage systems, and the minimal application of fertilizer.

In 1981, in response to structural adjustment efforts, the National Banana Agency in Somalia was replaced by a joint venture known as Soma fruit, which was a merger of the defunct

National Banana Agency and the Somali parastatal, which was owned by the Italian De Nadai firm.

The agriculture sector, particularly the banana economy, benefited from the liberalization of the economy, which had a good influence overall. However, this led to corrupt practices since public assets were moved into private hands, as Mahmood Abdi Noor, a Senior Agricultural Specialist with the World Bank, said. Despite this, improvements were made to services, such as the supply of gasoline at rates that were more affordable, which resulted in an increase in both the means of transportation and the level of production (Webersik, 2006).

In addition, Somali fruit provided loan programs for growers, making it possible for them to purchase the essential inputs at a price they could afford. By way of assignment, Somali fruit apportioned a certain amount of bananas to each individual producer. The percentage of ownership that belonged to the government in Somali fruit was cut in half, from a total of forty percent in 1983 to twenty percent in 1989. Plantation owners may become partners owning a combined total of 29 percent stake of the company's stock. It has been alleged that the 20 percent portion is kept by President Barre personally, even after the state-collapse in 1991 (Webersik, 2005). Plantation owners could also become shareholders.

De Nadai controlled the remaining 51% of the company at the time. Since the military government was coming under growing pressure to liberalize its markets, this was something that was able to happen, the production of bananas benefited from the structural adjustment strategies that were implemented. Although production dropped significantly during the middle of the 1970s while the National Banana Board was in place, export figures for bananas increased again, going from 34,256 MT per year in 1981 to 75, 631 MT per year in 1990, according to numbers provided by the government that were compiled before the conflict.

In 1990, when production was at its highest, banana exports of 25.6 million US dollars amounted for 30 percent of total export revenues, and it was thought that De Nadai's turnover was much higher. Not only did the banana business bring in foreign revenue for the nation, but it also ensured a stable income for a large number of the population. It is believed that

around 10,000 people were working in various aspects of the banana industry and associated activities (Marchal, 1997). A significant rise in the export of bananas was necessary to compensate for the precipitous fall in the export of animals from 1983 to 1984.

In the 1980s, severe competition from Australia and other nations for the market in the Gulf States, primarily Saudi Arabia, resulted in a reduction in the amount of overall livestock exports from Somalia. This trend continued throughout the years. In addition, Saudi Arabia implemented a ban on Somali cattle imports in 1983 as a reaction to unjustified worries of the presence of rinderpest in southern Somalia (Little, 1996).

6. AGRICULTURAL ACTIVITIES IN NEIGHBORING COUNTRIES: ETHIOPIA

Ethiopia is well endowed with an abundance of agricultural resources and has a wide variety of ecological zones. Agriculture is the industry that sustains the majority of jobs in the country. The Ethiopian government (GOE) has determined the primary priority intervention areas that need to be addressed in order to boost the productivity of smallholder farms and establish large-scale commercial farms. Specifically, the new government in charge of the General Oversight Entity (GOE) has placed a fresh focus on the need to grow the agricultural sector and guarantee that there will always be food available (Dufera, et al., 2018).

The GOE has identified a number of top priorities, some of which include the following: the development of small and large-scale irrigations, the financing of agricultural inputs, the increase in productivity of crops and livestock, the improvement of agricultural production methods through the use of mechanization, the reduction in post-harvest loss, the development of a research-based food security system, and the management of natural resources. In addition, as part of the second Development and Transformation Plan (GTP II), the government is turning to the agro-processing industry as one of the engines that will boost future economic growth. With the goal of boosting overall productivity, the Government of Equatorial Guinea and its foreign partners have carried out a number of initiatives that lend a hand to the expansion of the agricultural sector in the country. These operations have been a contributing factor in greater agricultural yields as well as an increase in the output of animals. At the same time, in an effort to quicken the pace of the country's agricultural development, the government established the Agricultural Transformation Agency (ATA) to address systemic bottlenecks in the agriculture sector. This was accomplished by providing support and enhancing the capability of the Ministry of Agriculture and Livestock Resources (MoALR) as well as other public, private, and non-governmental implementing partners. In addition, the government established the Agricultural Transformation Agency (ATA) in an effort to quicken the pace of the countries (Dufera, et al., 2018).

The Ministry of Agriculture, Livestock, and Rural Development (MoALR) established the Ethiopian Agricultural Land and Investment Administration Agency (Ethiopian Agricultural Land and Investment Administration Agency) with the intention of encouraging farming on a commercial scale. This agency is responsible for monitoring the completion of any new large-scale commercial farm The mission of the directorate is to boost productivity, employment, technology transfer, and foreign currency reserves by luring investors with advantageous land leasing terms and financial incentives. Some of the area that is earmarked for commercial development is seen as being on the periphery, is prone to violence, and/or has restricted access to water, In addition, the ownership of land is an issue that makes things more complicated. As a result, a significant amount of research and preparation is required prior to making an investment in commercial farming. The Ministry of Agriculture, Livestock, and Rural Reconstruction (MoALR) is providing assistance to the expansion of the livestock industry in this nation, which is already one of the most important in all of Africa (Dufera, et al., 2018).

Under the GTP II, the future economic growth of Ethiopia is dependent, in part, on the development of the textile/apparel and leather industries, as well as the agro-processing sector (which includes processed food, beverages, and livestock products such as meat, milk, and eggs), among other industries. Some of these commodities, particularly the textiles, clothing, leather goods, and finished meat products, are aimed towards export markets in order to bring in foreign currency. This is particularly true for the textiles, apparel, and leather goods. Agro-processed items, which are relatively new to the local market and include things like chicken, cheese, butter, eggs, biscuits, bread, juice, and so on, will go to assist fulfill local demand, In the case of the textile and clothing industry, a lack of locally grown cotton means that there is a need for cotton imports, notably cotton from the United States. In addition, the Government of Equatorial Guinea (GOE) is continuing its substantial investments in the expansion of the sugar industry, which is scheduled to be privatized in the near future. This is being done with the objective of making Equatorial Guinea one of the top ten sugar producers in the world over the course of the following decade (Dufera, et al., 2018).

In addition, several of Ethiopia's cash crops have the potential for expansion and provide prospects for future investments in sectors such as coffee, oilseeds, pulses, fruits and vegetables, honey, cut flowers, tea, and spices. These are only some of the cash crops that are grown in Ethiopia. The vast majority of these agricultural products are sold on international markets in order to accrue financial gain. In the not too distant future, the government aims to collaborate with the private sector in order to expand the ability to process some of these commodities, such as fruits and vegetables, in order to add value and take advantage of better export prices (Dufera, et al., 2018).

The Government of Ethiopia (GOE) is in the midst of constructing Integrated Agro-Industrial Parks (IAIP) in four pilot areas: the regional states of Amhara, Oromia, SNNP, and Tigray. This is being done so that it may accomplish its goals for agro-processing. The pilot locations that will be used for the development of the Agro-Industrial Parks were chosen primarily on the basis of the potential of the existing agricultural resources and allied industries, as well as the infrastructure and amenities. It is predicted that the initial investment expenses for the IAIPs will come to a total of US$266 million, with the total needed investment costs for the IAIPs standing at US$870 million. It is anticipated that the project will be carried out in a total of three stages, with the first phase getting underway in February of 2016 (Dufera, et al., 2018).

The expectation is that the level of consumer demand for certain categories of foods will rise as a direct result of both the expansion of the economy and the expansion of the population. It is anticipated that demand for a variety of foods and drinks, including alcoholic and non-alcoholic beverages, wheat-based goods like pasta and bread, cooking oil, sugar, meat, eggs, and dairy products, as well as other foods and beverages, would increase. It is predicted that additional output, which will come from both present and future investments in the local agro-processing industry, in addition to imports, would assist to supply this expanding need (Dufera, et al., 2018).

The anticipated expansion of these agriculture-related industries presents a wealth of opportunities for the sale of agricultural inputs, including tractors and harvesters, farm trucks, fertilizer, irrigation equipment, grain handling systems, food and livestock processing

equipment, and cold storage facilities, amongst other things. There are also increasing chances for grocery sales to retail and wholesale shops that are beginning to sprout up all throughout Addis Ababa. These opportunities are growing, with the certain regions of Ethiopia go into their fourth year of drought, the Government of Ethiopia (GOE) is reiterating its commitment to the development of the country's irrigation infrastructure and water-harvesting technologies. When one takes into consideration the fact that around 95 percent of Ethiopia's agricultural output is dependent on rain, one realizes that there is a significant opportunity for investment. It is anticipated that there would be an increase in demand for drilling equipment, water supply and drainage systems, pumps, and other related products (Dufera, et al., 2018).

Agriculture is one of the most promising industries with regard to future expansion in Ethiopia. Recently, the Government of Ethiopia (GOE) has begun implementing a ten-year plan for the economic growth of the country (2021-2030), and agriculture is at the very top of the list of priority sectors. Over the next 10 years, it is anticipated that the agricultural industry will expand at a rate of 6.2 percent annually. Enhancing Agricultural Output and Productivity is One of the Key Strategic Pillars of Ethiopia's Development Plan The Ethiopian development plan has outlined increasing agricultural production and productivity as one of the major strategic pillars. In addition, the growth strategy for the next 10 years intends to increase agricultural export profits while simultaneously lowering production costs in order to reduce reliance on imported goods, In order to accomplish this goal, the GOE intends to capitalize on the development of vast tracts of arable land that are now underutilized, as well as to modernize production methods and increase the adoption rate of technology. In addition to this, the ten-year plan has as one of its goals the construction of a green economy that is resistant to the effects of climate change. In this regard, Ethiopia strives to expand development efforts to fight land degradation and to reduce pollution; reduce emissions of greenhouse gases (GHG); keep increasing forest protection and development; expand supply of energy from renewables for domestic use and for export; and focus on modern and energy saving technologies (privacy shield, Ethiopia-Agricultural-Sector, 2018).

Ethiopia is blessed with an abundance of agricultural resources and has a broad array of agro-ecological zones. Agriculture is the industry that sustains the majority of jobs in the country. The Ethiopian government (GOE) has determined the primary priority intervention areas that need to be addressed in order to boost the productivity of smallholder farms and establish large-scale commercial farms. Under the leadership of the present government, the Government of Equatorial Guinea (GOE) has placed a redoubled focus on the need to strengthen the agricultural sector and guarantee adequate food supplies. The GOE has identified a number of top priorities, some of which include the following: the development of small and large-scale irrigation systems, the financing of agricultural inputs, an increase in the overall productivity of crops and livestock, an improvement in agricultural production methods through the use of mechanization, and a reduction in post-harvest loss, establishing a method of food security that is founded on research, in addition to the management of natural resources. In addition, as part of the Home-Grown Economic Reform initiative, the Government of Equatorial Guinea (GOE) is looking toward the agro-processing industry as a potential driver for future economic expansion. The agro-processing industry is also described further down this page as a sector with the best prospects. In order to boost overall productivity, the Government of Equatorial Guinea, in collaboration with its foreign partners, has carried out a number of initiatives that are geared at assisting the expansion of the agricultural industry. These initiatives have been a contributing factor in greater yields and increased output of crops and cattle respectively. At the same time, the government formed the Agricultural Development Board in an attempt to hasten the growth of agricultural production across the nation, the purpose of the Transformation Agency (ATA) is to resolve structural constraints in the agricultural sector. This will be accomplished through supporting and increasing the capabilities of the Ministry of Agriculture (MOA) as well as other public, commercial, and non-governmental implementing partners (Ethipia Trade, 2016).

The Ethiopian Agricultural Land and Investment Administration Agency was established by the Ministry of Agriculture (MOA) with the purpose of supervising any new large-scale commercial farm agreements. This was done in an effort to encourage commercial farming on a larger scale. The mission of the directorate is to promote productivity, employment, the

transfer of technology, and foreign currency reserves by enticing investors with financial incentives and advantageous land leasing conditions. Some of the land that is slated for commercial development is seen as being unsuitable for development because it is deemed marginal, is prone to conflict, or has inadequate access to water. In addition, the ownership of land is an issue that makes things more complicated. As a result, a significant amount of research and preparation is required prior to making an investment in commercial farming. The MOA is helping to foster growth in the country's cattle industry, which is already one of the most important and extensive in all of Africa (Ethipia Trade, 2016).

An ambitious Homegrown Economic Reform Plan has been established by the Ethiopian government with the assistance of the International Monetary Fund (IMF) in order to drive the country's development toward its economic goals. The Homegrown Economic Reform Plan highlighted a number of structural and institutional constraints that are harming the country of Ethiopia's agriculture industry. Insufficient yields as a result of inefficient provision of inputs and services, unclear land lease rights, limited investment on research and development and irrigation, marketing and logistics related problems, and a lack of agriculture-specific financial services are the primary factors contributing to the sector's lack of competitiveness. In order to address the issues that are now being faced by the agriculture sector, the following comprehensive actions have been prescribed by the economic plan (Ethipia Trade, 2016):

Provide small-scale farmers and pastoralists with modern supplies and services, with the goal of increasing their overall output, Create a legislative structure that will enable farmers to take out land leases and become shareholders in big commercial farms, Veterinary infrastructure, research and innovation, and developing ties with other sectors all need to be modernized in order to bring livestock production into the 21st century (Dufera, et al., 2018).

Create productive connections between agricultural producers and commodity markets, as well as the various stages of the value chain in the commercial sector, Encourage investments from the business sector in agricultural research and development and investigate the possibility of public-private partnerships to enhance medium- and large-scale irrigation infrastructure, And create a legal structure that can accommodate agriculture-specific

financial services such as micro-lending, crop insurance, and forward contracts (Dufera, et al., 2018).

In general, the plan for economic transformation lays out essential strategic interventions to boost agricultural production and modernization of agriculture over the course of the next ten years, The success of the reform in supporting Ethiopia's economic growth is dependent, in part, on the development of the textile/apparel and leather industries, as well as the agro-processing sector (which includes processed food, beverages, and livestock products like meat, milk, and eggs), among other industries. Some of these commodities, particularly the textiles, clothing, leather goods, and finished meat products, are aimed towards export markets in order to bring in foreign currency. This is particularly true of the textiles, apparel, and leather goods. Products that originate from agriculture, such as chicken, cheese, butter, eggs, biscuits, bread, juice, and so on, will be included in this category, serve the needs of the home market When it comes to the textile and garment industry, a lack of domestically grown cotton means that there is a need for cotton imports, especially those from the United States. In addition, the Government of Equatorial Guinea (GOE) is continuing to make substantial investments in the development of the sugar industry, which is scheduled to be privatized in the not-too-distant future. This is being done with the intention of making Equatorial Guinea one of the top ten sugar producers in the world over the course of the following ten years (Lee, 2011).

In addition, several of Ethiopia's cash crops have the potential for expansion and provide prospects for future investments in sectors such as coffee, oilseeds, pulses, fruits and vegetables, honey, cut flowers, tea, and spices. These are only some of the cash crops that are grown in Ethiopia. The vast majority of these agricultural products are sold on international markets in order to accrue financial gain. In the not too distant future, the government aims to collaborate with the private sector in order to expand the ability to process some of these commodities, such as fruits and vegetables, in order to add value to take advantage of better export prices (Lee, 2011).

The Government of Ethiopia (GOE) is in the midst of constructing Integrated Agro-Industrial Parks (IAIP) in four pilot areas: the regional states of Amhara, Oromia, SNNP,

and Tigray. This is being done so that it may accomplish its goals for agro-processing. The pilot locations that will be used for the development of the Agro-Industrial Parks were chosen primarily on the basis of the potential of the existing agricultural resources and allied industries, as well as the infrastructure and amenities. The total needed investment costs for the IAIPs are now anticipated to be $870 million U.S. dollars, while the initial investment costs are expected to be $266 million U.S. dollars. The pilot agro-industrial parks have started up their activities throughout the country, with the exception of the Tigray area (Ethiopia Trade, 2016).

The expectation is that the level of consumer demand for certain categories of foods will rise as a direct result of both the expansion of the economy and the expansion of the population. It is anticipated that demand would increase for a variety of foods and drinks, including alcoholic and non-alcoholic beverages, wheat-based items like pasta and bread, cooking oil, sugar, meat, eggs, and dairy products; wheat-based products like pasta and bread; and alcoholic beverages. It is predicted that additional output, which will come from both present and future investments in the local agro-processing industry, in addition to imports, would assist to supply this expanding need (Ethiopia Trade, 2016).

The anticipated expansion of these agriculture-related industries presents a wealth of opportunities for the sale of agricultural inputs, including tractors and harvesters, agricultural trucks, fertilizer, irrigation, grain handling equipment, food and livestock processing equipment, and cold storage facilities, amongst other things. There are also increasing chances for grocery sales to retail and wholesale shops that are beginning to sprout up all throughout Addis Ababa. These opportunities are growing (Ethiopia Trade, 2016).

The Government of Egypt is reiterating its commitment to improving the irrigation infrastructure and water-harvesting practices of the nation in order to combat the prolonged drought that has been plaguing the country. When one takes into consideration the fact that around 95 percent of Ethiopia's agricultural output is dependent on rain, one realizes that there is a significant opportunity for investment. It is anticipated that there would be an increase in demand for drilling equipment, water supply and drainage systems, pumps, and other related products (Rohne Till, 2021).

Agriculture Focus Areas

1) Agriculture should no longer be dependent on rain.

2) Agricultural mechanization services.

3) Consolidation of land, use of the cluster model, and contract farming.

4) Horticulture (irrigation and urban farming) (irrigation and urban farming).

Objective

1) Increased productivity and competitiveness may help agricultural and pastoral communities enhance their incomes and the number of alternatives available to them for their livelihoods.

2) Agricultural practices need to be brought up to date in order to guarantee national food and nutrition security.

3) Increase the amount of agricultural products that are exported and find alternatives to imported goods.

4) Add value to agricultural products so that farming may become a sustainable and lucrative business.

5) Create regional employment opportunities.

Wheat and Soybeans

The economy of the nation is heavily dependent on agriculture, and the production of grain is the second most significant industry after cattle. It accounts for close to 80 percent of the land that is used for agricultural purposes and employs 60 percent of the rural labor, the majority of which works on less than one hectare of land. The country's mountainous geography, small-scale landholdings, erratic rainfall, little automation, and inadequate

supplies of fertilizer and better seed all contribute to grain yields that are on the lower end of the spectrum. The government and members of the international community are collaborating in order to find solutions to the majority of these problems (Ethiopia Trade, 2016).

The Ethiopian diet cannot be considered complete without the inclusion of grain. Wheat, sorghum, and maize together provide for more than half of the daily calorie intake of the typical family. Cereals account for an average of forty percent of the entire food expenditure that households spend each year. As people's earnings improve and more people migrate into urban areas, grain consumption particularly that of wheat and items made from wheat such as biscuits, bread, and pasta continues to rise. The GOE has a lofty goal of achieving wheat self-sufficiency by the year 2023, and it plans to do so by capitalizing on the enormous production potential that the country has available (Ethiopia Trade, 2016).

The GOE's export prohibition on cereal grain, prices in the domestic market are often much higher than those found in the global market. There is probably some unrecorded commerce going on in the producing regions that are situated near the boundaries. Wheat is the only grain that can be imported into virtually any significant quantity, and almost all of it is purchased from the international market by the state-trading arm of the GOE, which then sells it in the domestic market at a price that is subsidized by the government. As a result of the GOE's plans to partly liberalize the wheat import market, local millers are starting to investigate the possibility of importing wheat directly. In order for this to take place, the government will need to provide assurances that enough amounts of foreign currency would be allocated, In an effort to close the supply-and-demand imbalance in the nation and bring down the rate of growing inflation, the government of Equatorial Guinea has, as of late, been allowing imports of essential food goods via the use of a plan using the franco-valuta exchange rate. It is legal for private businesses to import food products including wheat, rice, sugar, powdered milk, and cooking oils into the country. The government said that the value of such imports should be more than two hundred fifty thousand dollars, and that the National Bank of Ethiopia (NBE) is responsible for authorizing them after conducting an investigation on the origin of the funds (Ethiopia Trade, 2016).

In addition to wheat, oilseeds like soybeans and Niger seed are projected to be in higher demand as Ethiopia's need for cooking oil and feed for livestock continues to rise. This growth in demand is expected to take place concurrently with the increase in demand for wheat. In point of fact, the industries of soybean crushing and soybean oil refining are gradually becoming more prominent. The predicted rise in these subsectors is likely to offer up new specialized prospects for sales of U.S. grain and oilseed commodities in the future, in addition to sales of power and memory equipment, such as feed mills and soybean extruders (Ethiopia Trade, 2016).

Opportunities

Wheat and soybean output in Ethiopia are now at levels that are not high enough to meet the country's internal demand. Because of this, it is anticipated that the government would have to purchase wheat and soybeans via imports in the years to come. There is a possibility that there may be possibilities in the future, however this will be contingent on the circumstances of the global market as well as the variables affecting demand in the local area. Wheat and soybeans are being sold to Ethiopia. There is a possibility that in the future there will be chances for the production of machinery and systems that are able to process these commodities.

Cotton

In accordance with the Homegrown Economic Reform Plan, the Government of Egypt plans to make the textile and clothing sector one of the economic engines that will be responsible for driving future development. In point of fact, the Ethiopia Investment Commission views the textile and garment industry as being in the category of a "strategic sector." To this end, the governments have made investments in cotton production in order to support manufacturing, including the recent establishment of industrial zones, and has done everything possible to provide measures to motivate foreign manufacturers to set up operations overseas. In addition, the government has made significant investments in order to support manufacturing in the country (Ethiopia Trade, 2016).

This government-led outreach, along with cheap prices of labor and power, has already borne rewards, as seen by the recent founding of enterprises in Ethiopia by a number of international companies, including Turkish, Indian, Chinese, and Indonesian companies, among others. The market has also seen the participation of a few investors from the United States. The cotton producing industry and the textile and garment industry are both anticipated to provide more chances for investment. Because of a wide range of complex concerns, such as landownership rights and the possibility of conflict, investments in the production of cotton, as well as any other agricultural commodity, call for a significant amount of careful research and analysis (Ethiopia Trade, 2016).

Cotton production is an area in which Ethiopia has a significant amount of untapped potential. However, productivity is limited in part because ginneries are becoming more obsolete, and there is a restricted supply of high-quality inputs like as seed, fertilizer, and chemical pesticides. For instance, when it comes to seeds, the types that are now available have been around for more than 20 years and have significantly declined in quality. Cotton production in the nation is hampered by the country's inability to rapidly grow due, in part, to the land tenure rights that exist there and also to natural calamities, such as floods (Ethiopia Trade, 2016).

Cotton that has been genetically modified via a process known as genetic engineering (GE) is one strategy the government is pursuing in the hope of increasing cotton production. The specific genetically engineered kind of cotton that is of interest is a product that is resistant to cotton bollworm, which is a pest that many farmers have difficulty controlling. The General Oversight Committee (GOE) has given its approval to two distinct Bt cottonseed kinds for use in commercial agriculture.

It is anticipated that demand for cotton would continue to exceed domestic availability for the foreseeable future, which will necessitate the need for cotton imports. The majority of Ethiopia's cotton comes from India, while it also comes from other foreign suppliers. It is expected that there will be an increase in the number of chances for the sale of cotton produced in the United States as the textile and clothing sector continues to expand (Ofcansky, et al., 1993).

The amount of cotton that is produced in Ethiopia is not adequate to satisfy the expanding demand from the textile and garment industry. To address this deficit, both more domestic production and increased imports will need to be undertaken. Cotton was once obtained by Ethiopia via the importation of it from a variety of overseas vendors. As demand rises, it is anticipated that there will be an increase in the amount of cotton exported from Ethiopia. There are also opportunities for the agricultural inputs and processing systems that are used in the cultivation and manufacturing of cotton-based textiles and clothing.

Coffee

The production of coffee was Ethiopia's most significant cash crop for many years. In the 1970s, coffee exports amounted for between 50 and 60 percent of the total value of all exports; however, coffee's proportion of overall exports decreased to 25 percent as a consequence of the economic disruption that followed the revolution in 1974. By 1976, coffee exports had made a full recovery, and in the five years that ended in 1988–89, almost 63 percent of the value of coffee exports was accounted for by the exportation of 44 percent of the coffee that was produced. On the home front, coffee was responsible for around 20 percent of the total money that the government collected. It is estimated that over 25 percent of Ethiopia's people relied on coffee, either directly or indirectly, for their livelihood (Ethiopia Trade, 2016).

Arabica is the predominant kind grown in Ethiopia's coffee farms, which are located at elevations ranging from 1,000 to 2,000 meters. Arabica coffee is known for its superior flavor and aroma. Coffee may be found growing wild in many regions of the nation; however, the majority of Ethiopia's coffee is grown in the Oromia Region (63.7 percent) and in the SNNPR (34.4 percent), with smaller quantities produced in the Gambela Region and in the area surrounding the city of Dire Dawa. The Ethiopian Coffee and Tea Authority (ECTA) examined a total of 230,247 tons of coffee for the fiscal year 2007–2008. This is a decline of about 3 percent from the total quantity of 236,714 tons of coffee that was inspected during the previous fiscal year (Ethiopia Trade, 2016).

It is estimated that peasants working on smallholdings of less than one hectare were responsible for the production of around 98 percent of the coffee, while state farms were responsible for the production of the remaining 2 percent. According to a number of different estimates, the yields on peasant farms were far greater than those on state farms. In the 1980s, as part of an attempt to boost production and to enhance coffee growing and harvesting, the government established the Ministry of Coffee and Tea Development, which is today known as the ECTA. This ministry was given the responsibility of producing and selling coffee. According to the ten-year plan, the size of state farms that produced coffee was supposed to expand from 14,000 to 15,000 hectares to 50,000 hectares by the end of the decade. However, starting in 1987, a fall in the prices of coffee sold throughout the globe led to a reduction in Ethiopia's profits in terms of foreign currency. For instance, the price of one kilogram of coffee was US$0.58 at the beginning of 1989, but by June of the same year, it had fallen to US$0.32. At the WPE party congress in 1989, Mengistu stated that the country's foreign exchange earnings from coffee would have decreased by 240 million Birr by the end of 1989 if the price per kilogram was kept at US$0.32; additionally, the country's government revenue would have decreased by 140 million Birr (Ethiopia Trade, 2016).

Oilseeds

Prior to the Ethiopian Revolution, coffee was the most important commodity exported from the nation, although pulses and oilseeds were also a significant part of the country's economy. In the fiscal year 1974–1975, pulses and oilseeds accounted for 34 percent of export revenues (about 163 million Birr). However, by the next fiscal year (1988–1989), this proportion had decreased to almost 3 percent (approximately 30 million Birr). There are three contributors to the fall in the relative significance of pulses and oilseeds in the food industry. First, the reoccurring droughts had wreaked havoc on the country's primary agricultural regions, which were responsible for the production of pulses and oilseeds. Second, since there was a lack of food available, the peasants focused their attention on cereal staples as the primary source of nutrition for their families. Finally, despite the fact that the costs of producing pulses and oilseeds continued to climb, the government's policy of price control maintained

nearly the same official procurement price for these commodities, which led to a significant reduction in net revenue from these products (Ethiopia Trade, 2016).

In the previous fiscal year, the CSA reported that 15,786,215.3 quintals of pulses were produced on 1,379,045.77 hectares. However, in the current fiscal year, the CSA stated that 17,827,387.94 quintals of pulses were produced on 1,517,661.93 hectares. This is an increase. A total of 6,169,279.99 quintals of oilseeds were harvested from a total of 707,059.29 hectares during the same fiscal year. This is an increase over the previous year's production of 4,970,839.57 quintals harvested from a total of 741,790.98 hectares. The most recent year for which data is available (2006–2007), the revenue generated from the export of oilseeds accounted for 15.78 percent of total export profits (or million 187.4 Birr), while the revenue generated from the sale of pulses accounted for 5.92 percent (or 70.3 million Birr). (Andrews, et al., 2006).

Flowers

The exportation of flowers from Ethiopia has recently emerged as a significant new source of cash for the country. In 2004, the government made a concerted effort to attract international investors by having a presence at important international floricultural events. This was the year that marked the beginning of the business. Since that time, revenues from exports in this industry have increased to around $65 million in 2006–07, and it is anticipated that these earnings will quadruple over the course of the following several years. Ethiopia is in a good position because The government has greatly aided the entry of new businesses into this sector in recent years, the highland temperatures make it ideal for horticulture, the price of state land is about US$13 per hectare, the average wage rate is US$20 per month (compared to US$60 per month in India), and the average wage rate is US$20 per month. As a consequence of this, a lot of businesspeople from India are moving to Ethiopia in order to contribute to the expansion of that country's flourishing flower industry, which has resulted in Ethiopia's market share increasing at the cost of its neighboring nations (Andrews, et al., 2006).

Khat

Chat is a stimulant similar to amphetamine that is taken both in Ethiopia and in neighboring nations. It is regarded as a substance of abuse with the potential to cause mild to severe psychological dependency. Chat manufacturing is another new source of export money. Chat exports made up 25% of export revenues (or 8 million Birr) in 2006–2007, the most recent year for which data is available (Andrews, et al., 2006).

7. CONCLUSION

Somalia is a country bordering Ethiopia in the Africa's horn, Kenya, Djibouti and Yemen. Its population rate is 16 million. In the Horn of Africa, Somalia is one of the most well-known countries, and it also boasts the second-longest coastline of any nation in Africa. The colonial powers Italy and Britain ceded control of Somalia in 1960, allowing the country to declare its independence. According to the World Bank, the population of Somalia is expected to rise as high as 50 million by the year 2050.

The history of Somalia for The origin in the Somali people, which was previously believed to have been from Southern Ethiopia since 1000 BC or from the Arabian peninsula in the eleventh century, has now been disproved by more recent linguistic and archeological studies, which place the Somali people's original homeland in Somaliland. This finding means that the Somalis have been the native inhabitants of the Horn of Africa for the past 7000 years. The Arabian Coast in the eleventh century or Southern Ethiopia about 1000 BC were once considered to be the origins of the Somali people.

Agriculture Activities Is just one of the five agricultural enterprises that have joint venture contracts also with Somali government. The Agricultural Development Corporation of Somalia is a joint venture between the Somalia National Plantation Company (SNPC) (55 percent), Banana (30 percent), Cotton (10 percent), and AGSE - Agriculture sviluppo economics Company (5 percent). AGSE is an acronym for Italian Agricultural Services Enterprises. More than 40% of Somalia's total agricultural output is produced by the Agriculture joint venture, which has a potential to produce up to 2 million tons of bananas every day.

International Trade in The Somali banana economy Italian colonists had a dominant position in the banana industry for the whole of the colonial era. The Italians chose the Shabelle valley for their plantations in 1919 and began construction of the irrigation infrastructure about that same year. The entrance of Prince Luigi Amedeo of Savoy, Duke of Abruzzi, and the provision of technical aid by the fascist government under the leadership of Governor Cesare Maria de Vecchi de Val Cismon both contributed to the strengthening of political

support. The Italian authorities decided to settle in the Shabelle valley since the river running through it had enough water and was well adapted for gravitational irrigation throughout the year.

Ethiopia is well endowed with an abundance of agricultural resources and has a wide variety of ecological zones. Agriculture is the industry that sustains the majority of jobs in the country. The Ethiopian government (GOE) has determined the primary priority intervention areas that need to be addressed in order to boost the productivity of smallholder farms and establish large-scale commercial farms. Specifically, the new government in charge of the General Oversight Entity (GOE) has placed a fresh focus on the need to grow the agricultural sector and guarantee that there will always be food available.

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