

# Trade Balances

☰ Status	Done
↶ Parent Task	Economic Indicators
☰ Multi-select	Economy Report Trends

## Trade Balances: Somalia

### Overview

Somalia's trade balance is characterized by a persistent and significant deficit, with imports substantially exceeding exports. This structural trade imbalance reflects the country's limited domestic production capacity, reliance on imported goods for basic needs, and concentration of exports in a few primary sectors, particularly livestock and agricultural products.

### Current Trade Balance

According to Trading Economics data:

- Somalia recorded a trade deficit of 4,245.63 USD Million in December 2023
- Exports: 1,051.67 USD Million (December 2023)
- Imports: 5,297.30 USD Million (December 2023)
- This represents a trade deficit of approximately 3,222 USD Million for 2023

### Historical Trends

Somalia's trade balance has shown a consistent deficit pattern:

- The trade deficit has averaged -1,594.32 USD Million from 1998 until 2023
- The deficit reached an all-time high of -98.83 USD Million in 2003
- A record low of -5,071.09 USD Million was recorded in 2022

- The deficit has generally worsened over time, particularly in the last decade

## Export Profile

According to the Observatory of Economic Complexity (OEC):

- Total exports in 2023: \$1.03 billion (up from \$490 million in 2018)
- Per capita exports: \$56.1
- Somalia ranks 161st out of 226 countries in terms of total exports

The top exports of Somalia are:

1. Sheep and Goats (\$377 million)
2. Gold (\$315 million)
3. Documents of title and unused stamps (\$81.8 million)
4. Other Animals
5. Bovine

Main export destinations:

1. United Arab Emirates (\$366 million)
2. Saudi Arabia (\$283 million)
3. Oman (\$180 million)
4. Djibouti (\$84.7 million)
5. India

## Import Profile

- Total imports in 2023: \$5.22 billion
- Per capita imports: \$284
- Somalia ranks 145th out of 226 countries in terms of total imports

The top imports of Somalia are:

1. Raw Sugar (\$394 million)

2. Rolled Tobacco (\$280 million)
3. Broadcasting Equipment
4. Rice (\$226 million)
5. Palm Oil (\$202 million)

Main import sources:

1. United Arab Emirates (primarily)
2. China (\$1.01 billion)
3. India (\$780 million)
4. Turkey (\$444 million)
5. Oman (\$257 million)

## **Factors Affecting Trade Balance**

Several structural factors contribute to Somalia's persistent trade deficit:

### **Export Limitations**

- Narrow export base concentrated in livestock and agricultural products
- Limited value addition to exported products
- Vulnerability of primary exports to climate conditions and regional conflicts
- Underdeveloped manufacturing sector

### **Import Dependencies**

- Heavy reliance on imported food products
- Dependence on imported fuel and energy products
- Need for imported manufactured goods and technology
- Limited import substitution capacity

### **Trade Infrastructure Challenges**

- Inadequate port facilities and transportation networks

- Limited cold chain infrastructure for perishable exports
- High logistics costs
- Security concerns affecting trade routes

## Regional Trade Context

Somalia's geographic position provides both opportunities and challenges:

- Border trade with Ethiopia, Kenya, and Djibouti
- Maritime trade routes through the Gulf of Aden
- Regional integration efforts through potential East African Community membership
- Competition from more established regional trade hubs

## Future Outlook

The trajectory of Somalia's trade balance will likely be influenced by:

- Development of domestic production capacity
- Diversification of export products and markets
- Infrastructure improvements, particularly in transportation and logistics
- Regional integration and trade agreements
- Security and political stability improvements
- Climate resilience of agricultural and livestock sectors

While the trade deficit is likely to persist in the near term, targeted investments in export-oriented sectors and value addition could gradually improve the trade balance over the medium to long term.

## References

1. Trading Economics. (2025). Somalia Balance of Trade. Retrieved from <https://tradingeconomics.com/somalia/balance-of-trade>

2. Observatory of Economic Complexity. (2025). Somalia (SOM) Exports, Imports, and Trade Partners. Retrieved from <https://oec.world/en/profile/country/som>