

SOMALI BUSINESS REVIEW

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THE FOUNTAIN OF KNOWLEDGE AND WISDOM

FACULTIES AT SIMAD UNIVERSITY

www.simad.edu.so

info@simad.edu.so

0699-924646 (Toll-free)

Warshadaha Street,
Wardhiigley,
Mogadishu - Somalia



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Editorial Board

Abdirahman Mohamed Anas

Bashir Abdisamad Hareed

Amino Omar Mohamud

Cameraman &

Data Collector

Mohamed Hassan (Lafole)

Design & Production

Graphic Lineups Limited

P.O. Box. 49912-00100

Nairobi-Kenya.

Tel: 020 2244284

Email: info@graphic.co.ke

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Editorial

It has been more than a year that the last edition of SBR was issued. After an unexpected absence of one year, SBR is here again to share with you very interesting articles enlightening technology, business and development.

Our respected readers, we apologize the time that our connection in this beautiful knowledge-sharing endeavor has stopped.

A new commitment starts now and we connect each other again. We are sure that the upcoming issues of SBR will be more exciting and entertaining.

Since the last time we have published the last edition, many

things in business has changed including both ups and downs. The new opportunities to be grabbed or the arising challenges to be eliminated/managed and the way we do business are a lot better than ever.

To see/understand what it looks like, your experiences, insights and invaluable contributions are extremely important for both academicians and business practitioners. Let's utilize the venue that SBR provides to all of us by sending your articles through an e-mail or hand delivery to Research and Publications Office at the main camps.

Finally, comments and constructive criticism are most welcome and

SBR team will take into consideration immediately.

The team's philosophy is that "The believer is a mirror for his brother believer". Continues improvement is our target which we believe is possible with a collective ideas and vision.

“

THE BELIEVER IS
A MIRROR FOR
HIS BROTHER
BELIEVER

”

Infrastructure Development and State Building Using the Public Private Partnership

By Abdirahman Mohamed Anas

APPROACH: Somali Post-Conflict Economic Recovery

Introduction

After its independence day (the year 1960 - 1969), Somalia had experienced nine years of democratic government regime with free market system. In this period foreign companies dominated the country's economy in general and public services in particular. However, military regime changed the country's systems and politics in the period 1969 - 1990, which resulted that all main businesses and sectors to be nationalized and governed by the government administrators. This paper is not looking at the perspective of whether this economic system was effective or vice versa. The issue is that whether the citizens had the feeling that they belong their public services e.g. banks, facilities and other government bases and offices. As resulted, after the collapse of the government in 1990s the country had experienced collapse of all government services and facilities

including electricity, water, infrastructure, health and education.

However, all services and facilities owned by private institutions were not destroyed and collapsed and mostly not looted unlike the public services. This might be implied that private sector and community participation in public service was very important for the sustainability and feeling belongingness of the government facilities and services. This waked up civil and private businesses to fill the gap to some extent of public services. Although, currently the country elected new government (which is not transitional) it is time to rebuild and re-store all services and facilities using public private partnership approach. The purpose of this paper is to explain the role of Public Private Partnership (PPP) in infrastructure development and state building of Somali post-conflict economic recovery using literature review. Thus, next sections

discuss these issues.

Emerging History and Definition of Public Private Partnership

Historically, Public Private Partnerships have been used over three decades in the developed countries. Governments introduced this PPP approach for financing purposes such as social and infrastructure projects (e.g., hospitals, schools, roads, prisons, water and electricity) (Wilson et al., 2010). It is widely considered as a key tool of public policy development in the last three decades (Hurst, et al., 2004). Public entities tend to realize the greater role of private involvement in public services (Argiolas et al., 2009).

PPP can be defined as a long term contract between public and private institutions where the private takes the risk of providing output services in a agreed standards (Wilson et al., 2010). Stages of PPP contracts involve design, procurement, operation of a facility, and/or maintenance. To

be more objective, PPP has the following special characteristics: long term service provision – 20 to 30 years; transfer of risk to the private sector; contracts drawn up between legal entities and public authorities (Rouboutsos and Chiara, 2010). The literature presents different approaches of PPPs. Aziz (2007) discussed two widely used kinds of PPPs such as a financed-based approach that aims to use private financing to satisfy infrastructure needs, and a service-based approach that to optimize the time and cost efficiency in service delivery. Both these two approaches could be considered complementing each other to provide service quality services for the society.

For the case of Somalia, currently there is one project which could be considered as a form of PPP. The project is a mixed financed-based and service-based PPP approach which is run by an international organization (SKA). This organization invests and manages Mogadishu International Airport. Opponents of this project argue that local and Diasporas businesses were not given that opportunity.

Benefits of PPPs

Promoters of PPPs argue that active community

involvement in development projects and public services and facilities is of prime importance at the perspective of sustainability issues (Argiolas, et al., 2009). Jamali (2007) as cited in Miller (2000) and Saves (2000) lists some benefits of PPP. The first one is that there is a desire to improve the performance of the public sector while avoiding fully fledged privatization. The second one is that PPPs help reducing and stabilizing costs of providing services. Finally PPPs may increase service quality levels. The private sector expects to have investment opportunities through

For the case of Somalia, currently there is one project which could be considered as a form of PPP

PPP which may result significant profitability and increased business interests (Jamali, 2007; Hurst and Reeves, 2004; Wilson et al., 2010; Rouboutsos and Chiara, 2010). Furthermore, PPPs' benefits include that Private sector's involvement could result delivering innovative, efficient and quality service to the community at the perspective of value for money outcomes.

Conditions before Implementing PPPs

Wilson et al. (2010) assert that PPP projects should take into account issues such as social, environmental and sustainability purposes which are directed by government policies, regulations and contractual provisions. These three objectives together build strong foundation for other main conditions for PPPs such as commitment between public and private parties, transparency and responsibility, and accountability. The result could be enhanced service quality, value for money, satisfied publics, less corruption cases, good governance etc.

Wettenhall (2007) argues that any PPP project should have the following requirements to be a genuine partnership: active collaboration, horizontal non-hierarchical relationships between the parties, consensual decision making, no single "superior" capable of invoking closure, an organizational structure such as a partnership board or forum, an ability to achieve synergies between involved persons and organizations, and use of respect and trust as major forms of social capital.

The Role of PPP in Infrastructure Development and State Building

Principally, it is widely agreed that post-conflict countries need active, equitable, and profitable private sector involvement if they are to recover and restore from collapse or conflict and from post-conflict aid-dependency (Bray, 2007). Private sector development may provide increased employment opportunities, less time to rebuild the public service, provides opportunity for the government to lessen budget burdens for public services and goods, sustains livelihoods, serves to reinforce the economic foundations of peace, feeling ownership, partnership governance model and growth in real per capita GDP. The principle of public-private partnership is easy to articulate but harder to practice. These benefits are not for granted.

Governments are required to set strong foundations for attracting private sector to involve playing active role in building public services and goods. This may decrease country's dependence on foreign aid. This foundation is supported by setting fair policies and regulations motivating PPP. As a result, multiple stakeholders will involve

in all projects (Community participation) (Jones et al., 2003). Overall, the most important contribution that companies can make to peace-building is to concentrate on the responsible fulfillment of their core commercial activities, thus increasing wealth and creating the economic conditions for post-conflict recovery.

Conclusion and Recommendations

The objective of this paper is to review the role of public private partnership approach in re-building infrastructure and state building of Somali post conflict economic recovery. Lessons learned from the last two decades (1990s), the new government elected should introduce PPP approach to re-build the public services and goods, where the community –locals and Diasporas are involved in all government projects. These involvements may result feeling ownership, sustainable, peace building, employment opportunities, increased quality of life, and forms partnership governance model.

This paper may have policy implications in which the government is required to prepare strong foundations for attracting partnerships with the locals and Diasporas. This will come in a form of setting faire

policies and regulations. These regulations are supposed to govern all PPPs for rebuilding the infrastructure and state building. Future research is required to provide further study in PPP's role in rebuilding the infrastructure and state building.



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Why Somali Women Enter Into Entrepreneurship?

By Ali Yasin

1. Introduction

Somali Women owned businesses are highly increasing in the economies of almost all regions in the country. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Death or unemployment of husbands and fathers, the need to contribute to the family income, to take up an active role in the society, need for independence and adaptability in business are the main reasons for women to emerge into business ventures.

Gender perspective within Entrepreneurship study is not a new topic and plentiful academic publications about feminism research have been published in recent years. This matches the trend that the society has drawn more attention in gender equality, which to larger extent helps women eliminate their subordinate social status to men. Undoubtedly, it's the rising consciousness of gender equality that lets people put more attention on female role in entrepreneurship.

A women entrepreneur is one who owns and runs commercial enterprise independently, often at a personal financial risk. Women-owned businesses

are one of the fastest growing entrepreneurial populations in the world. They make significant contributions to innovation, employment and wealth creation in all economies (Brush et al., 2006). Despite the growing importance of women entrepreneurs, they are understudied, and the paucity of research on the phenomenon of women's entrepreneurship is well documented (de Bruin et al., 2006, 2007; Baker et al., 1997). The major objective of the article is to analyze the factors that motivate Somali women entrepreneurs to enter in to entrepreneurship.

2. Gender Roles In Somalia

«Talo naaged reer kuma tanaado» (No family will prosper if it relies on women's decisions) as these quotations imply, Women's experiences in pre-war Somalia were varied. Not surprisingly, women in urban areas led lives quite different from those who lived in rural areas, and women in pastoral settings had very different responsibilities from women in agricultural households. Nur (2002) found that stereotypes and perceptions of what are considered women's naturally endowed qualities—particularly lower intelligence than men—contributed to the exclusion of women from social economic, and political power structures. In this region, He found these perceptions to be firmly ingrained in the minds

of men as well as of women.

Women traditionally have had relative autonomy over household decisions about child rearing and other «womanly» duties. Occasionally women would make their views known to the men in their lives on important issues outside of the domestic sphere. Men, on the other hand, were expected to act as the public economic and political face of the household, serving as breadwinner and representative to clan decision-making structures (Timmons, 2004).

3. Women: Economic Contribution in Prewar Somalia

Women's economic standing and responsibilities in prewar Somalia varied by location, Women who lived in urban settings might likely have had husbands who worked in industry or government and acted as sole breadwinners for the family. These women would be tasked with the activities of running the household and bearing and raising children. In pastoral families, women shared in some duties outside the household, including the care and feeding of animals, selling of milk, and in some cases herding of livestock. Women in agricultural communities also engaged in activities outside the traditional household duties, assisting in the cultivation of



fields and harvesting of crops. Women's work, in the sense of maintaining the household and bearing and rearing children, has historically been recognized as essential to Somali society. Some women have been able as well to secure and maintain control over independent economic resources through inheritance. By tradition, any livestock, jewelry, or other property inherited by a female from her father or older relatives can never be acquired by a husband upon marriage. This tradition has afforded Somali women some access to property outside of the clan structure. Although some women effectively maintained property, women's contributions to the economic livelihood of the family and clan outside of household duties were largely discounted and ignored, and they did not give women any power within kinship decision-making structures.

4. THE IMPACT OF CIVIL WAR ON SOMALI WOMEN

The prolonged civil war and insecurity following the collapse of the Somali state in 1991 have caused immense human suffering and material losses across the south-central regions, leaving physical and emotional scars on all aspects of Somali society. In addition to death and destruction, the violent conflict has resulted in widespread displacement of people both within and beyond the country's borders. Family relationships have been disrupted, traditional social values eroded, and roles and responsibilities within the family have undergone major fundamental changes (CRD/WSP, 2004),

In Somali society, women are traditionally seen as the backbone of the family, the primary caregiver looking after the household and

children, while the man protects and provides for the family and acts as its decision maker and representative in the community. However, the lengthy civil conflict has eroded these traditional roles, forcing people to seek the protection of their clans. Men and boys were forced to fight or leave their home areas to seek work to provide income for their families; some, faced with an inability to protect or support their families, even abandon them. The serious stresses placed upon the family system during this period led to an increased number of divorces, women-headed households, and abandoned children (a phenomenon that was rare in Somali society prior to the collapse of the state).

The well-documented emergence of women as the primary economic providers in the post-war period is not limited to women-headed households. Many married

women have also become the main source of income for their households due to high unemployment among men. Generally, men are unwilling or unable to engage in low income opportunities, such as petty trade in local markets. Male unemployment is also compounded by the widespread chewing of khat, a mildly intoxicating plant.

A variety of studies have found that, across Somalia, women now run 80% of petty trade (micro business) and small businesses, as well as running their own households. It is sometimes argued that this dramatic socio-economic shift demonstrates an enhanced position for women – although there is little evidence that this has translated into changes either in their economic status or their decision-making powers outside the family (CRD, 2007).

In 1997 ACORD, a nongovernmental organization (NGO) conducted a study in Lower Shabelle that found that women in the region were working 30 percent more than men. By 2001 ACORD found that an estimated 70 to 80 percent of the region's households were dependent on women's earnings for the family's livelihood. Somali women faced with either the loss of a husband or a husband unable to find work found means of earning a living through petty trade and cooperatives established with other women. According to Powers-Stevens, at the household and sub-clan

level, «there has been an increased level of respect for the important role women are playing in meeting the economic burdens of supporting the family. This is an area which women will need to capitalize on in the future if they are to increase their voice in decision making (Timmons, 2004).

Instead, women's increased involvement in trade appears to be a reflection of economic necessity. In most cases, women lack investment capital, own few assets, and earn a subsistence income to support their families through work in harsh conditions and an insecure environment. In south-central Somalia, there are relatively few women owners of wholesale businesses or major corporations, and very few major Somali companies have a woman on their boards.

5. Conclusion

Women are becoming entrepreneurs due to several factors which may be grouped under “pull factors” and “push factors”. Push factors refer to factors that push women to commence the business enterprises with liking to start a business, driven by financial need due to family circumstances.

This study is a survey based study which was conducted at Bakara market on December 2011. Five Somali women entrepreneurs were selected from the difference businesses running at the market, among them there were women selling

textiles, restaurants, fruit and vegetables, household utensils and groceries. They were asked what motivated them to start and run their business.

From this study, it can be concluded that occupational choice of women is influenced by their family needs, a higher need for economic contribution to family and achievement, unemployed husband, death of the traditional family bread winners, nuclear families and polygamy.

A variety of studies have found that, across Somalia, women now run 80% of petty trade (micro business) and small businesses, as well as running their own households

Ka Sakeynta Hawlaha Ganacsiga Iyo Shirkadaha

By Bashir Abidsamad Hared

Ganacsiga waxaa lagu qeexaa hanti kasta oo guurto ah, oo ku jirta shaqo ganacsi si looga macaasho. Waxaana ka mid ah ganacsi kasta oo lacag caddaan ah lagu beddesho ama badeeco la isku beddesho (nidaamka is-weydaarsiga). Haddaba dulucda qeexitaankan waxaan ka dheehanaynaa in hantida ganacsiga ku jirta tahay hanti guurto ah, waayo hantida ma guurtada ah lagama sakeeyo lafaahanteeda ee waxaa laga sakeeyaa dakhliga laga helo. Sidoo kale waa inay hantidu ku jirtaa ganacsi. Si ay hantidu u yeelato astaanta "hanti kobceysa" waa in lagu shaqeeyaa, kadibna macaash laga helaa. Hawlaha ganacsiga waxaa ka mid noqon kara samaynta badeeco ama ka ganacsiga badeeco diyaarsan, warshadeynta, dhoofinta iyo soo-dejinta badeecadaha kala duwan, iwm.

Noocyada hawlaha ganacsiga:

Ganacsigu wuxuu yeelan karaa qaabab fara badan oo kala duwan, waxaase ugu muhiimsan:

1. **Hawlaha iibinta badeeco ama adeeg**, si dib looga macaasho, waxaana inta badan sameeya shirkadaha, nooc kastaba ha lahaadeene sida; ganacsade (proprietorship), shirkad wadaag (partnership), shirkad iskaashato

(cooperatives) iyo shirkad saamiley (corporation).

2. **Warshadaha farsameeya alaabta cayriin** (raw material), kana sameeya badeeco diyaarsan (finished goods), dabadeedna ka iibiya macaamiisha si looga macaasho.

3. **Dilaalnimada ama wakiilnimada** (brokerage); waana kuwa ka ganacsada soo dejinta ama dhoofinta badeeco diyaarsan, ama dadka fududeeya hawlaha ganacsiga.

4. **Adeegga fududeynta lacagaha**, sida hawlaha xawaaladaha iyo sariflayaashu ka ganacsadaan.

Hal-beegga qiimeynta sakada

Markasta oo la xisaabinayo sakada waxaa lagama maarmaan ah in la adeegsado hal-beeg si joogto ah wax loogu cabbiro. Hantida sakadu ku waajibtay waa hantida guurtada ah oo laga jaray qaanta ama deynka muddada gaaban lagu bixin doono. Marka deynka laga jaro hantida guurtada wixii soo hara ama haraaga ayaa lagu qiimeyn inay dhan tahay nisaabkii laga sakeyn lahaa (qiimaha 85 garaam oo dahab ah). Farqiga u dhexeeya hantida guurtada ah iyo deynka qofka lagu leeyahay waxaa lagu magacaabaa Raasumaalka Kobcaaya ama

lacagta ganacsiga ku jirta ee shaqeynaysa (working capital). Qaybaha kala duwan ee hantida guurtada ah waxaa ka mid ah: 1) Lacagta caddaanka ah, 2) Lacagta bankiga taalla, 3) Jeegaga ama kaararka sarifmi kara, 4) Badeecada bakhaarka taalla, iyo 5) Amaahda ama deynta ka maqan ganacsadaha (sakeeyaha). Sidoo kale deynka laga jaro hantida guurtada ah waxaa ka mid ah: 1) deyn iyo amaah bixin mudan (waa deynka ama amaahda laga sugayo ganacsadaha inuu ku bixiyo wax ka yar sanad), iyo 2) Kharash bixin mudan (waa kharash ay ahayd in la bixiyo, laakiin aan wali la bixinin).

Tusaale: dabayaaqada sannadku markuu ahaa 30/12/1424 Hijriyada, ayay shirkad ganacsi oo gaar loo leeyahay soo bandhigtay warbixinta hoos ku xusan oo lagu faahfaahiyay hantida shirkaddu leedahay iyo qaanta lagu leeyahay. Maamulka shirkaddu waxay u xilsaareen khabiir ku xeel dheer sakada inuu qiimeeyo hantida iyo qaanta, kadibna uu xisaabiyo sakada lagu leeyahay shirkadda.

A. Hantida shirkaddu leedahay:

Hanti maguurto ah

Dhul banaan
\$300,000

Dhismooyin
\$392,000

Wadarta hantida maguurtada ah **\$692,000**

Hanti guurto ah

Lacag caddaan ah \$ 30,000

Deyn maqan \$ 30,000

Badeeco bakhaarka taalla \$ 60,000

Hormaris kiro guri \$ 8,000

Wadarta hantida guurtada ah **\$128,000**

Wadarta Hantida shirkadda oo dhan **\$820,000**

B. Qaanta shirkadda lagu leeyahay:

Amaah bixin mudan (muddo dheer) \$225,000

Deyn bixin mudan (muddo gaaban) \$ 30,000

Kharash bixin mudan¹ \$ 2,500

Wadarta qaanta shirkadda lagu leeyahay **(\$257,500)**

C. Raasumaalka shirkadda (A-B) **\$562,000**

Dhanka kale, khabiirka sakadu markuu qiimeeyay hantida shirkadda u taalla waxaa u caddaatay in badeecada ku xusan warbixinta ay suuqa ka joogto \$92,000. Qiimahan warbixinta lagu sheegay waa lafihii lagu soo gaday badeecada markii hore. Si looga sakeeyo shirkadda, khabiirku wuxuu u xisaabiyay hantida shirkadda sida soo socota:

Xalka tusaalaha ka sakeynta shirkadda:

A. Hantida guurtada ah:

Lacag caddaan ah \$ 30,000

Deyn maqan \$ 30,000

Badeeco \$ 60,000

Hormaris kiro \$ 8,000

Wadarta hantida guurtada ah **\$128,000**

Laga jaray:

B. Qaanta muddada gaaban:

Deyn bixin mudan \$ 30,000

Kharash bixin mudan \$ 2,500

Wadarta qaanta muddada gaaban **(\$32,500)**

C. Raasumaalka kobcaaya (A-B) **\$95,500**

Lagu daray:

Farqiga qiimaha suuqa badeecada \$32,000

Wadarta hantida laga sakeynayo \$127,500

Sakada shirkadda laga rabo waa $(\$127,500 \times 2.5\%)$ **(\$3,175)**

Faalleynta xalka

1. Deynta maqan waa laga sakeynayaa, sababtoo ah waa hanti shirkaddu leedahay oo la rajaynayo in la soo celiyo mustaqbalka, waa haddaan shaki laga qabin helitaanka deyntaas.
2. Kirada guriga ee la hormariyay waa laga sakeynayaa, sababtoo ah waa hanti shirkaddu tirsanayso oo ay intifaacsan doonto mustaqbalka, waxayna ka mid-tahay hantida shirkadda ilaa laga dheefsado dhammaanteed.
3. Badeecada bakhaarka taalla waxay ku diiwaan gashantahay lafaha lagu soo gaday oo ah \$60,000, waxayse suuqa ka joogtaa \$92,000, saas darteed ayaa inagoo

¹ Kharash bixin mudan waa kharashaadka ay ahayd in la bixiyo mudadii la soo dhaafay, laakiin aan wali laa bixinin.

dhawrayna xeerka fiqhiga ah ee sheegaya in marka hantida laga sakeynayo lagu qiimeeyo sicirka ay maalintaas badeecadu suuqa ka joogto, ayaan ku qiimayneynaa qiimaha suuqa ee ah \$92,000 si loo xisaabiyo sakada hantida.

4. Deynta lagu leeyahay shirkadda waa in la bixiyaa inta aan sakada la bixinin. Sida tusaalahan ku cadna qaanta mudada gaaban oo ah \$32,500 ayaa laga jaray wadarta hantida.
5. Sida xalka ku cad lagama sakeynin dhulka, iyo dhismooyinka midna, waayo waa hanti maguurto ah. Sidoo kale waxaan laga sakeynaynin amaahda lagu magacaabo *Amaah bixin mudan* sababtoo ah waa qaan lagu bixin doono mudo dheer.

qiimeynta sakada ganacsiga aan lahayn diiwaan habaysan

Ganacsiga iyo ganacsatada yaryarka ah (Sida: dukaanada, *c a r w o o y i n k a*, suppermaarketyada, *f a r m a s h i y a d a*, makhaayadaha iyo bacadlayaasha) inta badan malaha diiwaan-xisaabeed oo u habaysan qaababka waafaqsan nidaamyada maaliga ahee

dunida laga adeegsado. Inta badan natijada ganacsiga lama ogaan karo ilaa uu sannadku ka dhammaado, waana marka dawladdu go'aansato inay canshuurto ganacsiga ama milkiiluhu go'aansado inuu sakada iska bixiyo. Markaas ayaa loo soo diraa (meelaha dawladu ka jirto) xisaabiye soo tira-kooba hantida wareega ganacsiga ku jirtay sannadka gudihisa ee ganacsaduhu haysto. Ganacsatada noocaan ah marka ay bixinayaan sakada inta badan uma bixiyaan si sax ah, sababtoo ah marka horeba malaha diiwaan habaysan (recording system) ama qoraal xisaabeed oo la hubo oo fududeyn kara tirakoobka hantida ganacsadaha. Sidoo kale, iyana waxaa yar dadka takhasuska u leh qiimaynta hantida iyo ka sakeynteeda oo khibrad ka geysan kara xisaabin huban. Haddaba si ay ganacsatada doonaya inay iska gudaan xuquuqda Eebbe swt – waa qofkii lagu yeeshee-waxay adeegsan karaan, oo u fududayn doona bixinta sakada habka soo socda.

Tusaale: Hodan waxay ka ganacsataa dharka, isla markaasna ma laha diiwaan habaysan oo la raaco, hase yeeshee, waxay soo gudbisay in bilowga sannadka raasumaalkeedu ahaa

\$50,000. Deynta ka maqan Hodan waa \$5,000, oo \$2,000 oo deyntaas ka mid ah shaki ku jiro in la heli doono, waayo waxaa musalafay qaameysanihii denyta lagu lahaa. Haddaba markii khabiir ku xeeldheer sakada uu hubiyay macluumaadka ganacsiga Hodan, waxaa la ogaaday in macaashkeeda sannadku dhan yahay \$5,250. Haddaba, inagoo tixraaceyna xogtaas kor ku xusan aan xisaabinno sakada sharci ahaan lagu leeyahay Hodan.

Inta badan ma fududa in ganacsiga (ganacsatada) yaryarka ah ay sameystaan diiwaan xisaabeed oo habeysan oo la tixraaco. Saas awgeed ayay dalal badani waxay jideeyeen nidaam u gaar ah ganacsiga yaryarka ah oo lagu qiimeeyo sakada iyo canshuurta ganacsiga noocaan ah. Tusaale ahaan dalka Sucuudigu wuxuu leeyahay nidaamka lagu magacaabo "taqdiir juzaafi" oo ah in la maleeyo ama la qiyaaso qadarka macaashka ah ee ganacsigani soo xareeyay sannadka dhammaaday. Haddiise wax uun qoraal ah laga helo ganacsadaha way ka fududahay in la qiimeeyo ama la qiyaaso qadarka sakada ah ee lagu leeyahay ganacsadaha. Haddaba aan xisaabinno sakada sharci ahaan lagu leeyahay ganacsato Hodan.

Xalka tusaalaha

Raasumaalka bilowga sannadka	\$50,000
Lagu daray: macaashka sannadka	\$5,250
Lagu daray: Deynta ka maqan ee la hubo	(\$5,000-\$2,000) <u>\$3,000</u>
Wadarta hantida laga sakeynayo	\$58,250

Saan qiyaaseyno hantidani way dhan tahay nisaabkii loo baahnaa, sakada laga doonayana waa \$1,456.25 ($\$58,250 \times 0.025$), waase in laga jaraa kharashka hadduu jiro.

Faalleynta xalka

1. Sida ku cad xalka tusaalaha raasumaalka bilowga sannadka ayaa sal looga dhigay xisaabinta sakada. Kadibna waxaa lagu darey deynka maqan ee la hubo (\$3,000 ayaa la hubaa) iyo macaashka sannadka (\$5,250).
2. Deynta aan la hubin (\$2,000, deyn ba'day) lagama sakeynayo, waayo waxay ku dhowdahay in loo aqoonsado khasaare. Khasaarena lagama sakeeyo. Haddiise qofkii lagu lahaa deynka uu mustaqbalka awoodo inuu iska bixiyo, markii laga helo ayaa laga bixin doonaa sakada hal sano, xattaa hadduu denykaasu maqnaa sanooyin badan.
3. Habka aan ku xisaabinay sakada waa kan ay adeegsato wakaaladda Sucuudigu ee maamusha sakada iyo canshuuraha.

Tusaale: Ganacsade Maxamuud wuxuu ka ganacsadaa noocyo kala duwan oo badeeco ah sida; dhar, cunto iyo cabitaan, mana laha diiwaan xisaabeed oo habeysan, hase ahaatee markii la baaray ganacsigiisa wuxuu soo gudbiyay xogta soo socota dabayaaqada sannadka 1425 Hijriyada.

A. Hantida Maxamuud

Makiinado	\$12,000
Iskafaallo iyo miisas	\$ 7,000
Badeecada bakhaarka taalla	\$25,000
Deyn maqan	\$30,000
Lacag caddaan ah - Khasnada	\$13,000
Lacag caddaan ah - Bankiga	\$12,000
Wadarta hantida	\$99,000

B. Qaanta lagu leeyahay Maxamuud

Deyn bixin mudan	\$ 8,500
Amaah bixin mudan	\$ 5,000
Ganaax dowladda hoose	\$11,200
Maal-gashi dad kale (lagu darsaday)	\$10,000
Wadarta qaanta	\$34,700

Xog dheeraad ah:

1. Badeecada bakhaarka taalla qiimaheedu wuxuu suuqa ka joogaa \$38,000, waxaana ka mid ah badeeco qiimaheedu dhan yahay \$7,000 oo la gaday, hase yeeshee qofkii iibsaday uusan wali bakhaarka kala bixin.
2. Waxaa jirta badeeco ganacsaduhu leeyahay oo jidka ku soo jirta, oon wali soo gaarin xarumaha ganacsadaha (waxay taallaa Dubai), qiimaheeduna (sida ay ka joogto Dubai) waa \$12,000, hase ahaatee Muqdishu waxay ka joogtaa \$13,000. Sidoo kale ganacsaduhu wuxuu wakiil ahaan badeeco ugu hayaa ganacsade kale oo ajnabi ah, badeecadaas qiimaheedu waa \$2,000.

3. Waxaa khasaarey qof uu ganacsaduhu deyn ku lahaa. Deynkaas oo dhan \$1,500, maxkamaduna waxay faafisay in qofkaas musalafay uusan iska bixin karin deynta Maxamuud ku leeyahay.
4. Waxaa caddaatay in lacag dhan \$2,000 oo kiro guri ah, lagu leeyahay ganacsade Maxamuud.
5. Waxaa jirta lacag dhan \$1,800 oo hormaris ahaan ganacsade Maxamuud u bixiyay, waana kiro xafiis (lix bilood oo hormaris ah).
6. Mushaar dhan \$3,200 oo khuseeya sannadka dhammaaday ayaan wali la siinin shaqaalihii mutaystay. Sidoo kale, waxaa jira ganaax (\$11,200) ay dowlada hoose dulsartay Maxamuud sababtoo ah wuxuu la daahay canshuurtii sanadkii hore.

Dhanka kale, biilka sannadka ee qoyska Maxamuud waa \$18,000 sannadkii oo dhan. Haddaba, inagoo tixraaceyna xogtan kor ku xusan aan xisaabinno sakada ku waajibtay sharci ahaan ganacsadahan.

Xalka tusaalaha: Intaynaan xisaabinin sakada ganacsadaha aan kala saarno hantidiisa iyo hantida dadka kale, isla markaasna aan si hubaal ah u soo saarno hantida laga sakeynayo.

1. Badeecada Maxamuud leeyahay

Badeecada bakhaarka taalla	\$38,000
Lagu daray: Badeecada jidka kusoo jirta (Dubai)	\$12,000
Wadarta badeecadda	\$50,000
Laga jaray: Badeecada la gaday een la rarir	(\$ 7,000)
Badeecada ammaanada ah	(\$ 2,000)
Wadarta badeecadda uusan Maxamuud lahayn	(\$ 9,000)
Badeecada ganacsade Maxamuud leeyahay	\$41,000

2. Xisaabinta deymaha Maxamuud ka maqan

Deynta maqan	\$30,000
Laga jaray: Deynta ba'day (la sugaynin)	(\$1,500)
Deynta la hubo	(\$28,500)

3. Xisaabinta qaanta bixinta mudan²

Qaan bixin mudan oo hore	\$8,500
Lagu daray: Kiro guri oo bixin mudan	\$2,000
Mushaar bixin mudan	\$3,200
Amaah bixin mudan	\$5,000
Ganaax dowladda hoose	\$11,200
Wadarta qaanta bixinta mudan	\$29,900

Haddaba maadaama aan soo kala saarnay hantida ganacsadaha iyo hantida dadka kale leeyihiin aan soo saarno sakada laga doonayo ganacsade Maxamuud:

A. Hantida guurtada ah:

Badeeco	\$41,000	
Deyn maqan	\$28,500	
Lacag caddaan ah – Khasnada	\$13,000	
Lacag caddaan ah – Bankiga	\$12,000	
Maal-gashi shirkado kale	\$10,000	
Hormaris kiro	\$ 1,800	
Wadarta hantida guurtada ah		\$105,000
Laga jaray:		

² Waa hanti kasta oo laga rabo ganacsadaha inuu bixiyo sida amaahda lagu leeyahay ganacsadaha.

B. Qaanta lagu leeyahay

Qaan bixin mudan oo hore	\$ 8,500
Kiro guri oo bixin mudan	\$ 2,000
Mushaar bixin mudan	\$ 3,200
Amaah bixin mudan	\$ 5,000
Ganaax dowladda hoose	\$ 11,200
Wadarta Qaanta bixinta mudan	(\$29,900)

C. Raasumaalka kobcaaya (A-B) **\$75,100**

Laga jaray:

Biilka qoyska	(\$18,000)
Hantida sakadu ku waajibtay	\$57,100

Maadaama hantida Maxamuud ay ka badan tahay nisaabkii loo baahnaa waxaa laga doonayaa sako dhan **\$1,427.50** (\$57,100 x 2.5%).

Faalleynta xalka tusaalaha:

1. Kirada hormariska ah waa in laga sakeeyaa, waayo waa hanti ganacsaduhu leeyahay oo uu intifaacsan doono mustaqbalka soo socda, ilaa ay ka dhammaatana waa lagu dari hantida laga sakeynayo. Waxaanse laga sakeynaynin haddii lacag hormaris ah lagu bixiyo xayaysiin, sida haddii shirkadi bixiso lacag dhan \$10,000 si loogu xayaysiiyo hawlaha shirkadda shanta sano ee soo socota, laga sakeyni maayo, sababtoo ah waa kharash la xiriiira socodsiiinta ganacsiga oon kobcaynin, waana in loo aqoonsado hanti maguurto ah, waayo waxaa la xayaysiinayaa magaca shirkadda. Magaca iyo sumcadda shirkadduna waxay ka mid yihiin hantida maguurtada ah.
2. Kirada iyo mushaar ka lagu leeyahay ganacsadaha waxaa loo tix galinayaa qaan ama deyn oo kale, saas awgeed waa laga jari hantida inteeda kale oo laga sakeyn maayo.
3. Sida ka muuqata xalka tusaalaha waxaa la isugeeyay wadar wuxuu lahaa milkiiluhu, meel kasta oo ay yaalaan sida badeecada jidka ku soo jirta oo lagu daray hantida kale, waxaana lagu qiimeeyay, qiimaha meesha ay taallo oo ah Dubai. Sidoo kale hantida uu wakiilnimada dad kale ugu hayo, laga sakeyn maayo mana aha laba hantiyood oo la isku darsaday ee waa ammaano, waxaana sakadeedu saarantahay amaanada qofka iska leh.
4. Badeecada bakhaarka taalla waxaa lagu qiimeeyay qiimaha suuqa ay ka joogto maalinta saka-bixinta, wayna isku waafaqsanyihiin culumada Islaamku in aan la qaadanin lafaha badeecada, ee waa in suuqa laga soo qiimeeyo badeecada qiimihii lagu iibin lahaa, kadibna qiimahaas suuqa looga sakeeyo.
5. Deynta ba'day ee dhan \$ 1,500, laga sakeyni maayo, sababtoo ah waa hanti aan gacan lagu haynin oo khasaartay, waxaase laga sakeyni doonaa haddii qofkii lagu lahaa deynta uu awood u yeesho mustaqbalka inuu iska bixiyo deynta soona celiyo.
6. Ganaaxa dolwadda hoose wuxuu lamid yahay qaan lagu leeyahay ganacsadaha waana laga jari hantida.
7. Biilka qoyska iyo kharashaadka kale ee daruuriga u ah reerka ganacsadaha waa in laga jaraa hantida inteeda kale, si aan looga sakeynin.

Electronics Business Flourishing in Mogadishu: Implications and Trends

By Ismail Mohamed Ali

Introduction

The technology sector witnessed a little progress in Somalia in the last two decades. However, the basic factors of technological development are missing. Absence of constructive research is one of them. Also, innovation is not encouraged well. In addition, inadequate investments from both public and private institutions were allotted for this sector. Although, the above-mentioned factors do exist, there is undeniable progress in the business of consumer electronics.

Despite the chaos, many businesses of digital electronics were launched. The market of electronics showed noticeable improvement in the last few years. Before 2006, buying desktop computers was not easy. Now, computers are available in every office. Laptops are increasingly used by individuals. The use of hand phones is also increasing. A major manufacturer of cell phones and laptops, Samsung, has opened a dealership office in Mogadishu. The spread of digital electronics is about to enter a new beginning age.

Why is it so booming?

"After 2010, the business of digital electronics grew nicely. People understood the use of the computer. We daily receive about 50 customers or sometimes

more than that", says Yusuf, a salesman of Sanguni General Trading L.L.C. The major reason comes from the increasing demand from other businesses. Universities, schools, hospitals, etc employ a great number of digital electronics. A similar demand comes from societies. Barre, another salesman at Beder Electronics assumes that everyone is thinking to buy a laptop. He predicts that laptops will be ubiquitous as hand phones in a 10 years' time. Young generations use electronics more than ever before. It is not a surprise to see someone using several electronic equipments simultaneously such as hand-phone, portable storage devices (Hard Disk, Flash Disk, and MP3 Player etc), laptop, and digital camera.

How do the people perceive these technologies?

I asked one of my colleagues in one of local universities, how important a hand-phone is for him. His reply was wonderful. He said "in spite of the voice calls, I use hand-phone to send SMS to teams I supervise. I can surf the internet, it is possible to use face book...." According to this user, hand-phone provides a variety of uses.

"We used to work in a time that these technologies didn't exist. In 1988, I used a typewriter for

my master's thesis. I remember a time the size of computers was as big as a cupboard. Printer was like another cupboard. We are really introduced something new and there is no doubt that more will come in the future" said another senior lecturer. It can be drawn from here that technological developments brought efficiency and convenience to users.

What does this imply?

The people are increasingly adopting the digital technologies. It seems that the degree of understanding the importance of these technologies in the society is high. It is possible to say that buying these technologies became something affordable for larger number of people in Mogadishu. It has been discovered in one class alone that 47 out of 60 local university students have laptops. The rest mentioned that they have desktop computers. It is something worth mentioning that the people buy the digital devices in terms of their features. For example, if the cell phone was only tool to make calls, now the thing is different. It means the criteria of choosing a mobile phone is different. Now, it is a tool that enables browsing the internet, playing games, listening to music, watching videos, taking photos, and many more. The young generations are



more interested in these features than just making calls. The same applies to computers. Buying a new laptop necessitates making sure that a number of characteristics including speed, capacity, maintainability, durability, and portability, etc are available.

The depth and the spread of digital electronics usage in Mogadishu have increased recently. This implies two things. First, the traditional business models are being replaced by modern business models. Second, the consumption of the technology is increasing among the society. There is a significant acceptance of technology among the society in its various classes. This indicates that we are gradually moving towards a modern society, the digital literacy.

Conclusion

The people always embrace the technologies of their age. They evolved from the use of horses and birds as major techniques

for communication to the world of internet and telecommunication. The people's civilization is how they learn and use the technologies of their modern days. Now, we are in the 21st century, the century of dotcom, wireless communication. We are really swimming in a part of a world full of streams of new and ground-breaking technologies which are sometime disruptive. This results in a great impact on individuals, organizations, and society.

Although, the thing is somehow different in the context of Somalia, there is an undeniable progress in the use of technologies. If we look one decade back, you can feel that Somali society has been gradually understanding and using the digital technologies. The trend is forward. There will be more creativity in the use of technology for the years to come.

Despite the chaos, many businesses of digital electronics were launched. The market of electronics showed noticeable improvement in the last few years. Before 2006, buying desktop computers was not easy. Now, computers are available in every office. Laptops are increasingly used by individuals. The use of hand phones is also increasing. A major manufacturer of cell phones and laptops, Samsung, has opened a dealership office in Mogadishu. The spread of digital electronics is about to enter a new beginning age.

Growth Challenges Facing Small Businesses in Mogadishu

By *Abdulrahman M. Nogsane*

With the many uncertainties and disruptive effects of today's dynamic business environment sustainability becomes particularly disturbing challenge. Albert Einstein was quoted saying: "in the turbulent environment of the 21st century the complexity of the way organizations react to the environment match with the turbulence of the environment".

This article will provide snapshot of certain key aspects influencing the challenges of small businesses in Mogadishu. Notwithstanding there cognition of the redeeming features small businesses played, their development and sustainability is largely constrained by a number of factors in the micro and macro environments, namely; lack of government intervention, poor infrastructure, insecurity, entrepreneur misbehavior, technical deficiency and alarming importation of non-standard products among other factors outlined in the following sections.

Lack of government intervention

Some of the indicators of stable macro-economy in a country are the record of price stability, low inflationary environment and stable market situations. While in contrast, high inflationary environment, depreciated currency with volatile market conditions imply poor economic performance which deters reliability in a market and creates unfavorable climate for business growth. Field studies have shown that in the absence of active governing bodies these implications such as insecurity, depleted infrastructure, unregulated market and lack of government support have duplicated negative influence on business performances. Small business enterprises in the informal sector may therefore be more prone to failure, if there is no active government intervention which creates supportive climate where they can operate under the legal boundaries stipulated.

Non-standard products

Counterfeit products have found its way into Mogadishu markets unlike any other time in the past history. Some individual enterprises infamous in their respective market segments are continually alleged for the importation of nonstandard (counterfeit) products. The counterfeit products predominate in some sectors among them consumer goods, paralyzing the fair competition from genuine products and consequently leading to the failure of scrupulous small traders' businesses.

In one of the reported cases, a businessman in the cosmetics was put out of business by counterfeiters who imported imitated products selling almost one third the price of an item in his stock. The man dealing with price sensitive customers was left to decide between two ethical dilemmas; whether to compete with these counterfeiters and import the same products or quit the



business for good cause and finally chose the latter selling off his stock and leaving the business. This paints a picture of how simply group interests prevail over the public interest in the absence of functioning governmental institutions such as the smallest quality control unit and the formal regulatory bodies.

Insecurity

The security remains one of the critical challenges faced by the contemporary small business community in Mogadishu. Among recent challenges in the security spheres are armed robberies that took the lives of their victims. These security incidents which took place in several

corners of the city are in part prompted by the superficial disarmament, prevailing culture of impunity and impending transition. In essence, the combinations of these scenarios give armed criminals an incentive to act in such daring manner and if the necessary intervention is not put into place, the rate of these incidents would likely continue to take their toll and pose adverse effects on business and finally the economy of the country.

Other factors

Experience related deficiency

Some of the vastly attributed set of reasons of small business challenges include, lack of

experience in the business field and managerial skill deficiency. Lack of experience is a common occurrence particularly in the manufacturing sector. In one of the casualty, during the early stages of their startup business, some entrepreneurs have purchased low cost but sham equipment. This critical error takes place upon the procurement of the equipment and is later discovered when the machine or equipment breaks down during production and often leads to the immediate discontinuance of their businesses. Moreover, many small business entrepreneurs do not possess sound technical knowledge and as such suffer

managerial skill deficiency. This is coupled with their lack of awareness to seek professional assistance in the various functional areas of their business.

Entrepreneur's misbehavior

Another major challenge also lies **entrepreneur's behavior** which tends to be obsessed by what the Somalis call as 'Xiiso' – a temporary desire or interest of activity that pushes people to pursue enthusiastically something but lasts only for a short period of time. "Xiiso" in this sense means what might be called as "Faddishness". A significant number of small businesses have been started due to this influence and rarely survive. An Entrepreneur starts to pursue new business probably that of a friend while prior knowledge and or field interest is not considered as prime factor. However, when the challenges of the business emerge the emotional appeal 'fad' fades and the business goes to decline where eventually it sadly meets the definition of failure.

Business overcrowding

Similarly, other growing concern is **the business overcrowding of one area**. The majority of small business entrepreneurs in Mogadishu have the tendency to target

concentrated business areas and sometimes apply copy cut strategies by supplying the market similar products in a magnitude. This causes imbalance to the equilibrium of demand and supply which in turn affects pricing issues and the success of one business comes at the expense of the other. Typically, this limits the growth potential of many small businesses and creates lack of focus in niche markets.

Lack of information

Lack of information also tends to cause higher incidence of small business failure. There are reported cases where a small business that failed another hopeful entrepreneur had taken up the same venture equipped with no information of the challenges that lie before him, the entrepreneur falls at the same trap his predecessor did and meets the same fate. This confers a picture which seems to be similar in some respects to the US Temporary National Economic Committee comment cited by Peacock (2000) that said:

"The chance of a newcomer becoming an established member of the business community is sadly slight. He carries on until his funds are exhausted and then disappears from the scene. His place is taken by another hopeful,

certain that he has the abilities which will permit him to succeed where his predecessor has failed ...Unaware of the odds against them, and largely ignorant of the weapons of trade, prospective proprietors march stolidly to the ambush". (TNEC 1941).

Conclusion

Given the caveats outlined above, it is clear that the disruptive forces in the external environment present threatening danger to small business growth. To this end, firstly there is an urgent need for the relevant government administrative bodies such as monetary and the commerce institutions to step in and provide support services including, regulations governing conduct, adoption of specific management policies and practices to improve the effectiveness and sustainability of small businesses.

Secondly, it is also essential for small business entrepreneurs to seek counseling services from external consultants in a range of areas; such as preparation of feasibility studies, auditing and financial services, managerial capacity building as well as employees' trainings,

Somalia, Emerging International Business Market

By: *Abdirahman Ahmed Mudey*

Historically, Somalis had trade across the border with the neighboring countries, the Arabian Peninsula and other world countries. Somalis had a trade with ancient Egyptians, exporting goods to Egypt in exchange for necessities at home. This sort of trade was on small scale however the world had undergone tremendous change from 1980s to 1990s. Phenomena called Globalization had come to light. Somalis trade with the rest of the world gained momentum when the cost of transportation and communication were lowered to a reasonable level. Now that, Somalis at home do businesses with countries across the world by consuming goods, services imported from almost every corner of the globe. Although, Somalia descended into a civil strife, the citizens managed to maintain businesses despite the pitfalls around the corner.

Over the past two decades, one of the main sources of income for the Somalis at home was the rise of local medium and small businesses. The fall of the military regime in 1991, marked the prelude of anarchy that wiped out

public institutions leading to massive unemployment across the nation. Somalia responded quickly to the unexpected crisis by setting up small businesses of their own so that they can ensure families make ends meet.

This has resulted in the Somalis making trade with the regional countries fostering the trade ties among the east African communities. From such business adventures, Somalis obtained experience that there is a possibility of Somalia to become business market for the region.

One may maintain that Somalis population is tiny, largely displaced across the country or already fled the country. As a result, the country cannot be an international market. The strategic location of Somalia, may establish trade corridor that supplies goods of different types to the regional states in particular and the African continent as a whole. Having small number of population does not prevent Somalia being a large possible market that may emerge from the east African communities. Somalis enjoy having the largest beach in east Africa

controlling trade routes in the African continent, and having the capacity to offer supply-route for goods to the landlocked countries nearby whose population is very big.

Despite the importance of the location, the skills of the Somalis in businesses can be upgraded into a Global level. They can take advantage of the current open markets across the world, now that trade barriers were removed; world countries realize that a country should only produce goods and services they can efficiently produce. Furthermore, the nations can exchange goods and services thus improving both social and economic conditions in the countries of the world. Regionally, countries have made treaties paving the way for full economic integration. Somalia is no exception she can take her own share regionally as well as globally.

Large number of International investors are looking for lucrative portfolios abroad, who not only believe international portfolio reduces risk but also believe investing abroad can reduce cost per unit significantly, if they place their production facilities in

a country where the cost of material and labor is very low. Somalia proves to be one of the places where the cost of production may be regarded very low. The available raw materials like, livestock, agriculture coupled with the finishing industry remain moderately priced, this may act as a platform to attract foreign investors.

Factors that can speed up that market

1. Political and economic stability
2. Free market system
3. Infrastructure

Political risk:

The main risk facing the emergence of such market is the political instability of the country. If an effective

leadership takes over the power, then they ensure that tranquility is restored in Somalia giving them the power to overcome the current international outcry of piracy that had disrupted the world trade.

Economic problem:

They can also manage to ensure Somali shilling becomes much stronger than its current status, leading to better Balance of Payments.

Free market system:

The country should also ensure that the market system is free, whereby the administration does not have strict restrictions on the movement of goods and services, if this happens it defeats the whole purpose

of creating regional market. To ensure the flow of capital and people from other countries, the administration should make sure that policies and rules that act as hindrance to the trade are removed to the extent that the country becomes conducive market for foreign investors to invest. Similarly, stock market that facilitates investment should be established so that raising funds will not be a problem anymore.

Conclusion

Somalia remains viable trade route at regional as well as international level, turning the country into an international market is easy if its people work towards realizing such dream.



Private Air Transport and Customer Care in Somalia

By **Abdikarim Mohaidin Ahmed**

Introduction

Somali Airlines was founded on 5 March 1964 as the newly independent Somalia's national airline. The country's then civilian government and Alitalia owned equal shares in the company, with each holding a 50% controlling stake. The carrier began operations in July of the same year. It initially served domestic destinations, with three DC-3s and two Cessna 180s. In March 1965, the airline embarked on its first international route, to Aden. Somali Airlines became a fully state-owned company in 1977.

However, Due to the outbreak of the civil war in the early 1990s, all of the carrier's operations were officially suspended in 1991. The void created by the collapse of the airline has since been filled by various Somali owned private carriers, such as Jubba Airways, Daallo Airlines and Puntair. These private enterprises played an important role in connecting Somalis to the other world. Without their presence a lot of business couldn't survive. The objective of this paper is to draw the attention of

these enterprises to some serious dilemma facing their prospective customers especially those take place when the connection route are done. Moreover, the paper will suggest useful ways which can be used to mitigate such problems.

Current Situation

Despite the unquestionable positive contribution of the private enterprises involved in air transport, the prospective customers face numerous problems. A poor connection routes are always done so that the customers have to remain in transit all day long some times more than 48 hours in the airports.

Moreover, most of the customers are not familiar with the foreign languages making hard for them to communicate with the airport workers while they cannot find a person from their carriers who can help them. That had caused many of them to be sent back home by Airport authorities as I witnessed in Entebe and Jomo Kenyatta International Airports. In addition to that, delay of the flight timelines is very common problem among these private enterprises

while there is a poor customer care especially when complaint handling is due.

Customer care and business development

Customer care is a crucial element of business success. Every time you have contact with your customers you have an opportunity to improve your reputation with them and increase the likelihood of further sales. Customer care involves putting systems in place to maximise your customers' satisfaction with your business. It should be a prime consideration for every business - your sales and profitability depends on keeping your customers happy.

Use customer care to increase sales

Your existing customers are among the most important assets of your business - they have already chosen you instead of your competitors. Keeping their custom costs far less than attracting new business, so it's worth taking steps to make sure that they're satisfied with the service they receive.

There are a number of techniques you can employ, including:

- providing a free customer helpline
- answering frequently asked questions on your website
- Making follow up calls after sales
- providing free products that will help customers look after or make the most out of their purchases
- sending reminders when services or check-ups are due
- offering preferential discounts to existing customers on further purchases



Conclusion and recommendations

The private owned carriers who perform business in Somalia played a worthy role in filling the gap and serving the society for wide range of businesses. These include facilitating the transportation from place to place for business, education, health, or tourism purposes. It also helps the import of business items very early through cargo services. No one can ignore their beneficial contribution to the society in many different ways but much still needs to be done.



After all, these enterprises should implement certain type of customer care by collecting their complaints, stand by their side while they are still en-route, provide them the necessary help they need, give them the best advice which is a valuable for their transportation process and maintain their well being as much as possible. That will open a door for business to compete and develop effectively in the current and future market by retaining and creating potential customers all the more.



Technology Transfer: What Everybody Should Know

By Ismail Mohamed Ali

Introduction

In the 21st century, the digital age, the importance of technology has increased globally. The good use and understanding of modern technologies has become one of the distinguishing factors when it comes to development of nations. There are good hopes, here in Somalia, that years of anarchy will end and both public and private sectors will continue to recover. Therefore, it is the time to shed the light on many important topics including technology. This article examines technology transfer, a globally-discussed issue of technology.

Suppose you need new software in your business. Do you develop it by yourself or you acquire it from other companies? Do you use a familiar, time-tested technology, or do you incorporate a new technology with a great promise? Do you look for empirical evidence that the new technology works, or do you base on your personal view, your friends' advices, or vendor suggestions? Your choices are probably determined by whether you see yourself as technology producer or technology consumer. In any case, it is important to have a technology-selection strategy. Choosing a viable technology that fits organizational objectives is one of the major challenges of many countries that fall

in the third world. The developing countries are struggling to get a viable and sound technological base. This is because technology is a crucial input in the industrialization and development of nations. It is an important factor that can revolutionize the economy. The developed countries hold the source of technology. They produce it and transfer it to the rest of the world. The receiving countries are said to be consumers. The deal occurs between few countries of producers and vast majority of consumers. There are shared interests and some concerns of both sides. The above sentences carry a broad meaning of one topic, technology transfer.

What is a Technology Transfer?

There is no general consensus on how exactly technology transfer should be defined. According to Barton (2007), technology transfer is basically the flow of knowledge from one human being to another. The transferred knowledge can flow from the research industry to the applying industry or from one firm to another. Another definition says "technology transfer is the development of technology in one setting that is then transferred for use in another setting" Jun(2009). Another labeled it as "the process by which science and technology are

diffused throughout human activity" David (1992). Yet, another concise definition marks it as "the movement of new technology from its creator or researcher to a user" (dictionary.reference.com, accessed 2012).

The definitions may seem diverse but they all agree on one thing. They agree on that technology process involves two sides, one side that is transferring and other side that is receiving. The transferors and receivers vary depending on the type of the technology being transferred. It is also assumable that the transferred body can be in the form of technology equipment or knowledge behind the technology.

Who are the Suppliers of Technology?

Technology generation comes as the result of innovative activity which is mainly concentrated in few industrialized countries (Nagesh, 1997). Technological innovations occur in developed countries and then transferred to developing countries Falvey & Foster(2006). According to a report of United Nations Framework Convention on Climate Change (2010), the top five technology suppliers are Germany, USA, Japan, Denmark and China. Their contribution constitutes to 58 % of the transferred technology by project type. This is when projects for which their source of technology

is unknown are excluded. Sangeeta & Martin (2010) also emphasize the above-mentioned figure. They indicate that 10 developed countries provide 84 percent of the resources spent on Research & Development (R&D) globally and control 94 percent of technological output. USA, Japan and Germany come in the top of the list. The countries such as France, UK, Italy and Canada, also appear in the list.

The Host Countries: Opportunities and Concerns

As the proponents of technology say, the new advances in technology can result in a paradigm shift in the way of doing business. Nations who employ good culture in technology diffusion, sooner they can meet the needs of their society and gain self-efficiency (Yazdani et al, 2011). They can stimulate local innovation Park & Lippoldt (2008). The developing countries can create wealth, knowledge and ability through technology. Furthermore, there is a correlation between technology development and social, political, cultural and economic welfare (Yazdani et al, 2011, cited in Khalil, 2001).

In spite of huge opportunities, there are growing concerns of developing countries. Studies show that type of technologies supplied to developing countries came in the form of capital goods and equipment. Technology

suppliers are accused of precluding from host countries the possibility of absorbing the knowledge behind the technology. Having the capability of absorbing the modern technology and molding it into the economic power is something vital. This is where the comprehensive definition of Sangeeta & Martin (2010) applies to. They assert that technology transfer is not merely the purchase of equipment but includes the transfer of underlying skills and knowledge. This enables the host countries to develop entirely new products and to establish professional know-how (UNTCAD Series, 2001, cited in Santikarn, 1981). Another studies put the blame of technology transfer challenges on what they called compulsory licensing, patent exceptions, and intellectual properties rights (IPR) protection.

Another important challenge is that many of least developed countries may not be socially, economically, or even politically ready to accept and empower the technology adoption in their countries. It has been found that the states marked as least developed countries (LDC) did not manage yet to provide their society's basic life infrastructure such as transport, clean water, healthcare, food and education. So innovation and acquisition of new technology come beyond the scope of these countries.

The challenges can greatly

diminish the flow of technology and technology-related knowledge from technological industries to the rest of the world. Statistics show that the rate of technologies transferred to OIC countries was estimated at 2.9%. Malaysia hosts 74.5% of the 2.9% (Statistical, Economic and Social Research and Training Centre for Islamic Countries (Sesric) Manager, 2010).

Recommendations for the Host Countries

On white paper by Global Intellectual Property Center (GIPC), 2010, several recommendations have been mentioned which the host countries may consider:

- First, Governments should **establish a strong legal environment**. Legal environments that provide strong IP rights which in turn can give rise to the birth of capable innovators that can efficiently manage the flow of their products into global markets.
- Second, governments should **encourage R&D and globally-based invention**. Technological breakthroughs come as a result of massive and continuous R&D activities carried out by researchers and scientists collaborating across the globe. Governments should spur basic scientific research and encourage global collaborations.
- Another thing government should consider is **adopting**

economic policies that support innovation, namely government incentives for R&D, fostering collaboration among various research institutions either in public sector or private sector, promoting open markets and trade, and national policies that support innovation and technology diffusion.

- **Improving local infrastructure** such facilities, roads, power supplies, healthcare, and building local communities can also lead to better utilization of advanced technology.
- The last and which seems to be more important is to **invest**

in human capital. It is recommended for governments to make the long-term investments necessary to create a knowledge-based society. This includes creating strong educational systems that provide necessary technical skills training and supporting students to pursue careers in science, technology, engineering, and math. Having research institutions, which can attract both local and international researchers, and can foster collaboration, is also recommended.

Conclusion

Having a good technology-selection strategy is

necessary for the alignment of new technologies with national and organizational goals. A technology is an important factor that can cause the economy to thrive. Acquisition and adoption of a viable technology is something necessary for industrialization and development of countries. Technology transfer is a globally -addressed issue. There are some challenges of technology transfer in developing countries. Missing governments' readiness is one of them. Researchers suggest recommendations for host countries to follow. Building strong human capital and investing in scientific research are two of them.

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Contribution of Turkish Investment to Peace-Building Process in Somalia

By Ibrahim Mohamud Hamud

In the middle of nowhere, Turkish government dared to set its feet on the land of Mogadishu, a political niche, Somalia; a country some outsiders call “the most dangerous places on this planet.”

After contributing millions of dollars to the famine-affected people in the IDPs Camps in Mogadishu, Turkish government started to extend a mutual relationship hand to sign investment deals with Somali government that could last for nearly 50 years.

It built schools, established hospitals, provided

scholarships and started airline routes from around the world that is fast, reliable and cheap. The Turkish airline, the first major commercial carrier to fly directly to Somalia in more than 20 years, is expected to charge the lowest fares soon.

Future trade possibilities in the energy, construction, agriculture and fishing are also in the agenda and/or on the radar of Turkish investors. Laura Heaton of the Journal of Foreign Policy says “According to the Turkish Ministry of Economy, Turkish private investment in Africa has risen sharply over the past

decade. Investment in Africa in 2011, exceeded \$5 billion.”

Residents of Mogadishu say that Turkish nationals are brave. This is because; Turkey is welcome ally in Somalia. To remind you the Turkish economic power, Turkey is targeting 10th place in the world economy in 2023.

These events came in period when transitional statehood comes to an end. The Somali business people run into lobbying for the expected projects to get their share in the pie. The ongoing and expected Turkish investment projects



will provide employment opportunities, re-building of the war-torn capital and restoration of public services. It is safe to say that Turkish government will provide some security assistance to Somali government to ensure the safety of its long-term national goals, and investment projects in Somalia.

The arrival of key role player in the world politics such as Turkey, the investment opportunities, and the possible security assistance to Somali government are expected to create a peaceful environment for both Somalis and foreign investors. According to Sarah Farah at VOA (2012), "Turkish officials think bringing stability to Somalia will lead to stability in the broader region." Also, Observers see new investments as a magic wand to accelerate an anticipated recovery from problems that have torn the country apart.

The arrival of Turkish government in Somalia encouraged other countries to follow suit. The objectives may be different, but investment is one of them. This will increase the size of foreign direct investment (FDI) in the infrastructure of the Somali economy.

Therefore, employment opportunities, one of the contributing factors to peace-building process, will be in the grab of so many Somalis who were unemployed since 1991.

Being hopeless of getting employed encourages the youngsters to get involved in robbery and theft. According to Kameel (2004), unemployment and poverty are some of the reasons why crime is committed in the society.

In addition, Somalis are well-known for helping each other out (Hamud, 2011). The effect of the employment of the employed person will all benefit. Furthermore, the people used to get enough time to analyze and brew tribal conflicts and powers, but once employed, the amount of time left for this is minimal. Hence, the decrease of the obstacles to peace will provide ample time to those who are involved in peace-building process.

The then president of Somalia emphasized that "Turkey's help will be of great importance in maintaining sustainable peace in the country during his meeting with Turkish business men" (Today's Zaman, 2012).

In conclusion, Turkish investment ambitions are helping hand of the peace-building process in Somalia. There are several indicators of this impact. Foreign direct investment will increase, because of other countries follow the suit of Turkey. Many employment opportunities will be created and hence, less violence and anarchy. Finally, expected security collaboration between Somali government in one side and the foreign investors on the other will boost stability.

The arrival of key role player in the world politics such as Turkey.



The Exercise of Third Party Logistics in Somalia

By **Abdikarim Mohaidin Ahmed**



Introduction

There are similarities between the biological theory “life will find a way,” and the economic situation in Somalia. In essence, the shadow economy of Somalia has found a way. Despite being plagued by the destruction of colonialism, an influx of small arms, a dictatorial regime, civil war, and famine, private enterprise has managed to provide most of the economic services that the modern nation-state is responsible for.

However, there are many challenges associated with performing a business activity in Somalia particularly Mogadishu the capital including security, infrastructure problems, business literacy and so many others which cannot be wrapped up in this text. The purpose of this paper is to highlight the physical distribution challenges

facing the private enterprises especially those that take place when transit of goods from a place to another is by hand. Moreover, the paper will emphasize the contribution of Third Party Logistics (3PL) on mitigating such problems.

Transportation problems

Physical distribution seems not to be an easy task to do. It requires both physical and mental resources. These resources include transportation vehicles, handling systems, packaging equipments and more. The process also requires unyielding management procedure to handle and execute distribution tasks successfully. Some companies adopted the use of third party logistics to overcome such critical everyday jobs.

Unfortunately, private enterprises in Mogadishu neglected the use of these resources properly. Private companies especially those who import goods failed to package their products within containers so as to protect them from accidental damage. They also recruit personally owned vehicles to transit their goods from the seaport to their warehouses and their distribution centers. But what is more interesting is that these vehicles are excessively overloaded and driven through the rocky unbalanced roads of the city leading to the overturn of the trucks and damage of the products. On the other hand, receiving process is very complex due to absence of needed equipments such as folk lifts, Reach trucks, Block stacking equipments, Side-loader, Multi-directional truck, etc. in addition to that, Order Picking and replenishment process could be complex task to do for the same reason.

Overview of third party logistics

Third party logistics (3PL) companies are becoming an important part of today's supply chain. These companies offer services that can allow businesses to outsource part or all of their supply chain management function. Many 3PL companies

offer a wide range of services including; inbound freight, freight consolidation, warehousing, distribution, order fulfillment and outbound freight. The growth of 3PL companies has been driven by the need for businesses to become leaner, reducing assets and allowing focus on core business processes.

Rise of Third Party Logistics Providers

The growth of 3PL companies began back in the 1980's when businesses began to look for new ways in which they could outsource logistics functions and concentrate on their core business. One company that has been associated with the 3PL revolution is FedEx. The company's overnight delivery service changed the way in which business to business and business to customer transactions operated. This offered businesses the opportunity of using just-in-time techniques, which saved warehousing space and reduced overall costs. The introduction of efficient-consumer-response (ECR) techniques led to smaller and more efficient shipment sizes, which in turn further reduced costs.

Third party logistic Benefits

There are a large number of advantages claimed for third-party

distribution. These advantages can be categorized into:

Cost advantages

There are several cost advantages claimed because of the elimination of asset ownership. In particular, there are capital cost advantages through using third party distribution because the client company does not have to invest in facilities and resources such as distribution centres and vehicles as it would for its own operation. Thus, the capital can be invested in more profitable areas of the business, such as new production machinery, retail stores, etc

Organizational advantages

One of the prime reasons quoted for the move to the use of a third-party distribution company is the opportunity for users to focus on their core business. There are both organizational and cost benefits to be gained from this. The cost advantages have been identified in the capital cost savings outlined in a previous section. The organizational advantages are less obvious, but concern the opportunity for companies to streamline their organizations and particularly to concentrate management expertise in the core business areas.

Recommendations

Key recommendations include the rapid development of human resources, greater attention should be paid to highlight the understanding of the benefits behind the use of 3PL. Universities should encourage business to use 3PL within their public lectures and panel discussions. In addition to that, Somali entrepreneurs should pay a particular attention to develop such companies who can bring mutual benefit and can make it possible for 3PL business to take root and flourish in Somalia.

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Does Small Business Need Consulting?

By Ahmed Salat Ahmed Haraf

Introduction

The role of the small businesses in the growth of the market economies have been well documented in the business literature back and forth. Their contributions to the economy included, but not limited to, accommodation of the great majority of the new work force, a considerable outreach of consumers, and capital employment. This said, the continual growth and prosperity of the small business should be encouraged. However, the facts unfortunately points out that small business nearly die out

per day as much as they are born. That means for every single small business created, a number of other similar businesses cease to exist with the same rate. This situation indicates the need for sustainability within the small business world.

The sustainability of the big businesses comes from the regular risk management and the seeking out of business consultants to improve continual business decisions. They (the big corporations) budget for and regularly pre-plan to employ the service of

highly expensive highly expert individuals and organizations.

The role of business consultancy

The level of risk management within the big corporations tends to grow in tandem with the level of pressure external factors and capital providers apply. This means big companies have sometimes business obligations to use the service of high calibre consultants to engage in highly complex business decisions on a regular basis. This fact can contribute to the common knowledge that big



corporations hardly fail, and if they do, they fail hard. This brings us back to the small business traffic in both directions. The continued failure of small businesses can only increase the level of frustration and despair among young business people.

One of the reasons small business fail is the lack of business knowledge of the start-up owners. They are so ignorant of the ways of business that they don't even think about the reasons for the business failures. They think it's only natural to fail in business. If business failure is natural, is it natural to lose \$15,000 worth business establishment? No, even for the millionaire, one penny lost represents one penny less from the GDP of the country.

Small business owners can benefit from the directions and suggestions given by the business experts in a variety of ways. Management and accounting consultancy can make a huge difference in small business sustainability.

Cost of consultants

The cost of consultancy can sometime outweigh expected benefits in a number of situations. However, the need for consultancy in even in tiny business setting cannot

be overemphasized. As competition increases, small businesses owners should be aware of the changing environments and demands of the day. Such important documents as strategic plan and market plan need to be prepared and implemented in simplified terms. When it comes to accounting, only taxation is a requirement. However accounting for decisions to decide on special orders and the use of opportunity costs in day to day operations are also necessary.

Recruiting good hand for the management of your business is one way of taking benefit of a good business advice. There are small business consulting firms operating in the country that can help small businesses grow. Communicating with these firms is a first step in taking control of your business. Also there are business magazines that relay information from outside sources that can be of help.

Finally for avid reader owners, there is an arsenal of self help books specifically written to be the hand book for small business owners. Even accounting books written for non accounting managers can serve basic business needs for decision making. This important when small business is defined as a firm with an

employee level of less than 500.

Conclusion

The need for business consultancy is important consideration for small business owners to grow financially. The firms that provide business consultancy can be helpful, given the high costs they charge. However, there is an alternative way of acquiring consultations. Self help books specifically written for small business owners can be very helpful and practically useful.

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management

within the big

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