



## SUCCESS STORY

# Somali Gums & Resins Company Enters Global Market

**USAID's Partnership for Economic Growth supports Somali frankincense and myrrh exporter**



*Ismail displays the high quality frankincense which his company is working with local Somali communities to export*

For more information, please contact  
Marybeth McKeever:  
[mckeever@usaid.gov](mailto:mckeever@usaid.gov)

### Telling Our Story

U.S. Agency for International Development  
Washington, DC 20523-1000  
<http://stories.usaid.gov>

*"2000 years ago, frankincense and myrrh from the Somali regions were considered as valuable as gold. Today, as demand for gums and resins continue to grow, this sector still offers huge opportunities for Somaliland's economy."*

*- Ismail Siyad Abdi, Founder and Managing Director of Rahiiq Company*

*Hargeisa, Somaliland* – Surprising to many outsiders, frankincense and myrrh are the two most exported commodities from the Somali regions, after livestock. Both products have traditionally been used for incense and perfumes throughout the world, and there is growing demand from medical research centers. However, local traders tend to buy products in bulk, and sell to Middle East buyers who process and package commercial grade gums and resins for higher end markets in the EU and around the world. As Ismail Siyad Abdi and his business partners began exploring this sector, they saw a lot of opportunity for growth, job creation, and skills transfer which would allow more local value addition.

In 2009, Rahiiq Company established an office in the eastern Somaliland city of Erigavo near the traditional source for harvesting gums and resins. The company exports directly from Somaliland using e-commerce platforms such as Amazon. The first bulk orders contained raw mixed resins, but soon larger specialized orders were coming in from the EU and US. As major buyers began to take notice of the high quality of Somaliland's gums and resins, such as the specialized *Boswellia Carteri* - used for the treatment of stiff joints - Ismail knew he had to grow his company. "International buyers have started coming to Hargeisa to test the quality of the product, and so we wanted to improve training for local producers and build a warehouse with quality sorting, grading and packaging facilities."

In 2014, Ismail saw an advertisement on a Somali website for the USAID Partnership for Economic Growth's business matching grants competition. Due to a strong business plan and willingness to invest his own capital into the business, the Partnership selected Rahiiq according to a series of rigorous standards including economic growth impact, market supply and demand, and business management experience. The grant will be co-invested into procuring new processing equipment including a vibrating screen to sort stock (by size, color and purity) and a hammer mill to grind resins based on buyer demands, which will be installed in a new first-of-its-kind warehouse and showroom in Hargeisa.

As demand increases, Rahiiq plans to train more local Erigavo women's groups in cleaning and sorting techniques. Youth in Hargeisa will be trained in operating machinery, and in packaging and handling. Also, Rahiiq will encourage the entry of smaller businesses by offering to clean, grade and store their produce at a fair fee at their warehouse, as a way to grow the sector and add more value locally.

USAID's Partnership for Economic Growth initiated Round 2 of the Partnership Fund in 2013, partnering with the Somaliland Chamber of Commerce and Ministry of Commerce to select 13 businesses from nearly 1000 grant applicants. The Partnership is contributing \$1 million in grants in each Round of the competition across a variety of sectors, leveraging nearly \$3 million from the local private sector to support local employment generation and economic development.