



NATIONAL BUREAU OF STATISTICS
SOMALIA

Statistical
Release

Somalia Gross Domestic Product Report


June 2021




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Preface

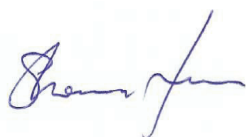
This publication provides Somalia's annual national accounts for the year 2019 and 2020 which is the main focus, showing the annual GDP estimates from the expenditure approach at current and constant 2017 prices. All estimates are calculated in accordance with the international standards contained in the System of National Accounts, 2008.

The National Accounts are a series of tables which together give a picture of the performance of the economy as a whole and some of the important sectors. The key attribute of these most recent annual national accounts estimates is that they provide a reasonable picture of the economy that helps the government to assess, analyse, and monitor economic growth on a regular basis. They are vital for policy-making, analysis and research.

The National Bureau of Statistics would like to thank all the establishments that made their data available as input to the estimates. Without their cooperation, it would have been impossible to produce this publication. The cooperation and support of the various Government agencies providing the administrative data used in compiling the GDP estimates are very much appreciated. We would also like to thank all officers of the SNBS, in particular officers of the National Accounts Unit, as well as field staff of the Macroeconomic and Financial Statistics for their dedication towards the success of this exercise. Your efforts have continued to pay off in form of these landmark results.

Furthermore, we would like to thank the IMF for having provided comprehensive Technical Assistance. We further acknowledge the Technical Assistance that we received from the Statistics Sweden, the World Bank, and the African Development Bank through the Statistical Capacity Building Program, these activities have served to improve the image of SNBS and its relationship with its users, while simultaneously providing an opportunity to highlight important statistics through a wide-reaching medium.

The National Bureau of Statistics welcomes the views and comments of users, to help us to improve the quality of Somalia's national accounts.



Sharmarke Mohamed Farah

Director General

Somalia National Bureau of Statistics

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Introduction

The annual Gross Domestic Product (GDP) statistics are key indicators of Somalia's economy and its growth in recent years, providing estimates of expenditure levels and growth across the economy. While much effort has been made to secure new sources of data and improve the quality of data from existing sources, the estimates presented in this report were compiled as far as possible in accordance with the 2008 System of National Accounts (SNA). The 2008 SNA is the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles. The accounting framework of the SNA allows economic data to be compiled and presented in a format that is designed for purposes of economic analysis, decision-making, and policy formulation.

The use of the expenditure approach in the current and constant 2017 prices dataset is one of the first steps towards transforming the data collected via the Somalia High Frequency surveys. The National Accounts estimates in this report summarize the latest economic developments of 2019 and 2020. This publication shows time series data of 2012-2020, the base year for the Somalia's National Accounts is 2017.

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Data Sources and Methods

Data used for compiling GDP is from surveys conducted by SNBS and other data-producing agencies. The main data source for the compilation of annual accounts for the year 2020 was the 2017 High Frequency Survey (HFS), Wave II, and administrative data received from institutions. Other data sources are listed below: -

- **UN Comtrade:** The Comtrade database is maintained by the UN Statistical Department and contains data on foreign trade reported by most countries in the world. For future publication, the SNBS plans to use exports and imports data from the Ministry of Finance and livestock exports from Berbera port.
- **Consumer price index:** CPI is the deflator for many items and is calculated as a weighted average of the Somaliland and Mogadishu CPI. The weights are based on the 2016 Somalia High Frequency Survey. A benchmark Integrated Household Budget Survey (IHBS) is planned for 2021. Running for a full year, the results of this national expenditure survey will be used to estimate the weights of a national CPI and to update the CPI basket.
- **Population Estimation Survey:** The PESS provides population data for 2014. The annual population growth has been estimated at 2.8 percent.

Improvements have been made to incorporate contemporary source data, especially government financial statistics and exchange rates. The SNBS will continuously explore other reliable data sources that are available to make further improvements in the compilation of the GDP estimates using both the production and expenditure approaches. This includes Business income and expense data reported by Somalia's formal enterprises and available from the Ministry of Finance as part of Business Income tax reporting. Further improvements to incorporate 2008 SNA will continue.

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Key findings

3.1 GDP Growth rate

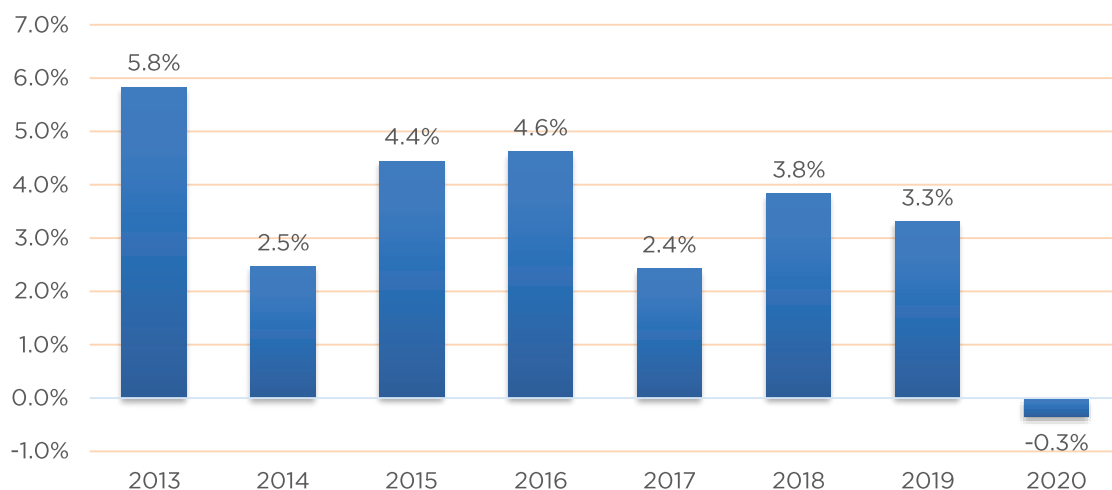
Somalia's real GDP decreased by 0.3 percent in 2020. This is the lowest growth over the last economically unstable decade. A significant factor has been the triple threats that include persistent effects of 2019 flooding, locust invasion, and the COVID-19 crisis as this value differs from the corresponding growth in 2019 (a 3.3 percent increase). Figure 1 shows year-on-year growth rates measured in Somalia's real GDP (measured in constant 2017 prices).

3.3% ↑
GDP Growth, 2019

-0.3% ↓
GDP Growth, 2020

The GDP decline is due to COVID-19 shocks in 2020

Figure 1: GDP Growth rate 2013-2020



2.2% ↑

Household final
consumption expenditure

0.6% ↓

Per capita consumption

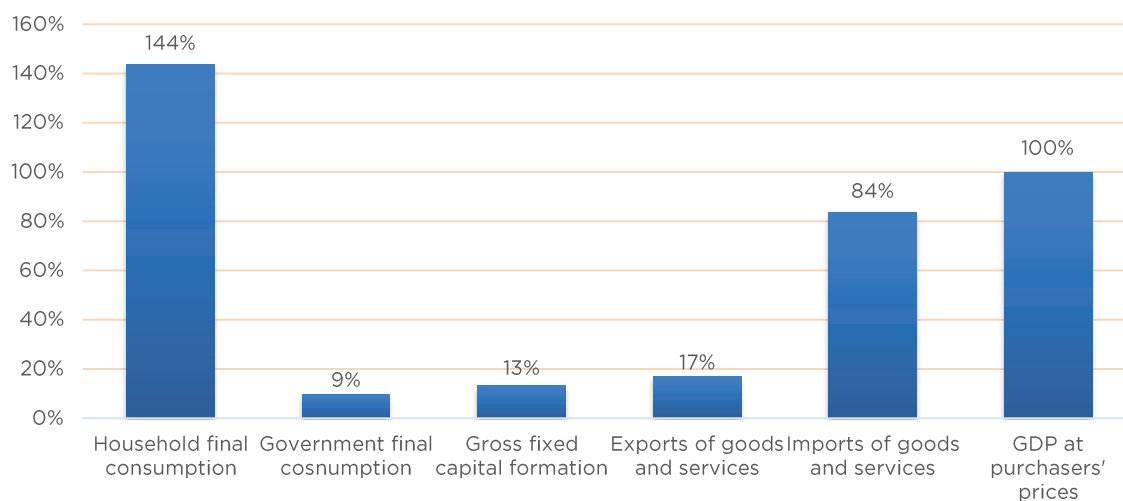
6.5% ↑

Government final
consumption expenditure

Household final consumption expenditure increased by 2.2 percent in 2020. This result implies per capita consumption decreased by 0.6 percent as Somalia's population increased by 2.8 percent over this period. A contributor to this result has been the COVID-19 pandemic, with larger decreases in per capita consumption of non-food products (relative to food) underpinning this result. Government final consumption expenditure increased by 6.5 percent, reflecting the revised 2020 supplemental budget that reflects substantial donor support to respond to the triple crisis and allows for additional transfers to the Federal Member States and the Benadir region.

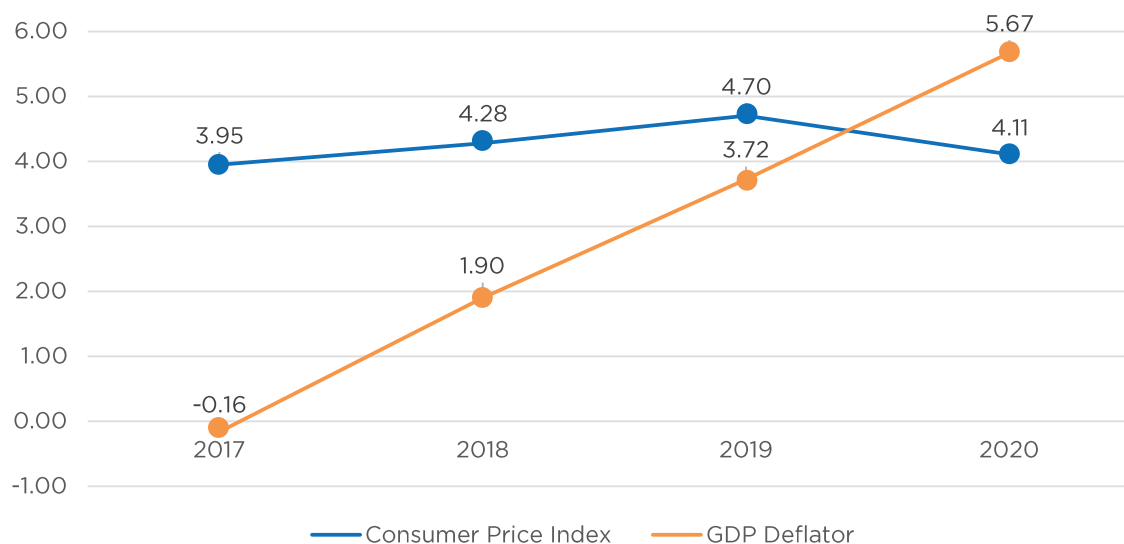
The composition of Somalia's economy in 2020 is shown in Figure 2. Household final consumption expenditure (144 percent of GDP) and imports of goods and services (84 percent of GDP) were the most significant components. This reflects Somalia's heavy dependence upon imports.

Figure 2: Shares of GDP at Current prices



3.2 Inflation Rate and GDP Deflator

During the period 2019 to 2020, the average annual inflation rate was 4.70 per cent compared to 4.11 per cent recorded in 2020. The main contributors to inflation were the categories of Food and Non-Alcoholic Beverages and Housing, Water, Electricity, Gas. These Groups had the largest weighted influence on the All items CPI inflation rate. The GDP deflator recorded 5.67 percent in 2020. This is compared to the 3.72 percent experienced in the year 2019.

Figure 3: CPI and GDP-deflator in percentage

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Revisions in this release

Revisions have been made to the 2018 annual national accounts estimates published in September 2019. The changes were due to the updated source data and impacted all components of GDP as indicated in Table 1. Estimates used in the current time series have been replaced and resulted in revisions throughout the time series.

Table 1: Revisions in Real Percentage Changes

GDP by expenditure, constant prices	Publication September 2019	Publication June 2021
Revisions in Real Percentage Changes	2018	2018
Household final consumption	4.7	4.6
Government final consumption	1.0	0.5
Gross fixed capital formation	8.3	8.2
Exports of goods and services	5.8	10.9
of which: livestock	4.8	7.9
Minus: Imports of goods and services	7.2	7.2
GDP at purchasers' prices	5.1	3.8

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Improvements in National Accounts Compilation

The SNBS has implemented improvements to the estimation of GDP which reflect stronger relationships with suppliers of data. These collaborations have carried forward into other activities, including the planning for the upcoming Household Budget Survey (HBS).

The national GDP was obtained using the expenditure approach, which sums up the final uses. This approach adds up private consumption, government consumption, gross capital formation, and net exports. The SNBS continues to explore other data sources that are available to make further improvements in the compilation of the GDP estimates using both the production and expenditure approaches. The annual Gross Domestic Product (GDP) statistics are key indicators of the country's economic state, providing estimates of production levels and growth across the economy. Implementation of the 2008 SNA is in progress and will continue in 2021.

The GDP time series ending in 2020 incorporates a variety of improvements. These include:

- Government final consumption expenditure is based on financial data with improved coverage. The Ministry of Finance data incorporates financial data for Hirshabelle State which was not included previously.
- Exports and imports of goods and services are consistent with the balance of payments data published by the Central Bank of Somalia.
- Exchange rates are consistent with estimates published by the Central Bank of Somalia. Estimates used in the current time series have been replaced and resulted in revisions throughout the time series.

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Statistical Tables

Table 1: GDP by expenditure, current prices, million US Dollars

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020
Household final consumption	5,710	6,313	6,917	7,282	7,563	7,968	8,497	9,267	10,009
Government final consumption	173	269	316	324	387	481	490	592	661
Gross fixed capital formation	577	610	642	675	707	789	868	910	935
Exports of goods and services	853	943	1,051	1,038	1,067	994	1,119	1,131	1,178
of which: livestock	491	538	600	558	455	268	294	292	307
Minus: Imports of goods and services	3,274	3,561	3,904	3,987	4,194	4,624	5,123	5,423	5,818
GDP at purchasers' prices	4,040	4,574	5,022	5,331	5,530	5,609	5,850	6,477	6,965
GDP per capita, US Dollars	341	376	401	414	418	412	418	451	471

Table 2: GDP by expenditure, current prices, percentage shares

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020
Household final consumption	141.4	138.0	137.7	136.6	136.8	142.1	145.2	143.1	143.7
Government final consumption	4.3	5.9	6.3	6.1	7.0	8.6	8.4	9.1	9.5
Gross fixed capital formation	14.3	13.3	12.8	12.7	12.8	14.1	14.8	14.1	13.4
Exports of goods and services	21.1	20.6	20.9	19.5	19.3	17.7	19.1	17.5	16.9
of which: livestock	12.1	11.8	12.0	10.5	8.2	4.8	5.0	NA	NA
Minus: Imports of goods and services.	81.0	77.9	77.7	74.8	75.8	82.4	87.6	83.7	83.5
GDP at purchasers' prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3: GDP by expenditure, constant prices, million US Dollars

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020
Household final consumption	6,297	6,557	6,885	7,228	7,551	7,968	8,338	8,767	8,962
Government final consumption	180	278	304	315	378	481	483	554	590
Gross fixed capital formation	587	605	631	686	725	789	854	873	894
Exports of goods and services	844	870	938	960	1,031	994	1,103	1,069	1,063
of which: livestock	466	469	499	486	422	268	289	NA	NA
Minus: Imports of goods and services	3,285	3,419	3,746	3,954	4,207	4,624	4,955	5,246	5,513
GDP at purchasers' prices	4,622	4,891	5,012	5,235	5,476	5,609	5,824	6,016	5,996


Table 4: GDP by expenditure, constant prices, percent annual change


Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020
Household final consumption		4.1	5.0	5.0	4.5	5.5	4.6	5.1	2.2
Government final consumption		54.9	9.3	3.4	20.2	27.3	0.5	14.5	6.5
Gross fixed capital formation		3.1	4.2	8.8	5.6	8.9	8.2	2.2	2.5
Exports of goods and services		3.1	7.8	2.4	7.4	-3.5	10.9	-3.1	-0.6
of which: livestock		0.7	6.5	-2.6	-13.3	-36.5	7.9	NA	NA
Minus: Imports of goods and services		4.1	9.6	5.6	6.4	9.9	7.2	5.9	5.1
GDP at purchasers' prices		5.8	2.5	4.4	4.6	2.4	3.8	3.3	-0.3








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