

NATIONAL BUREAU OF STATISTICS
SOMALIA

Statistical
Release

Somalia Gross Domestic Product Report

June 2022



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Preface

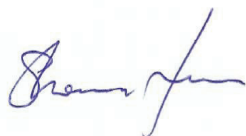
This publication provides Somalia's annual national accounts for the year 2021. Its main focus is showing the annual GDP estimates from the expenditure approach at current and constant 2017 prices. All estimates are calculated in accordance with the international standards contained in the *System of 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, analyze, and monitor economic growth on a regular basis. They are vital for policy-making, analysis and research.

The Somalia 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 Directorate 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 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 Bureau 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

Table of Contents

1. Introduction	1
2. Data Sources and Methods	1
3. Key findings	2
3.1 GDP Growth rate	2
3.2 Inflation Rate and GDP Deflator	3
4. Improvements in National Accounts Compilation	4
5. Statistical Tables	5
Table 1: GDP by expenditure, current prices, million US Dollars	5
Table 2: GDP by expenditure, current prices, percentage shares	5
Table 3: GDP by expenditure, constant prices, million US Dollars	5
Table 4: GDP by expenditure, constant prices, percent annual change	5

1

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 *System of National Accounts*, (SNA 2008). The 2008 SNA is the internationally agreed standard set of recommendations 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 estimate in this report summarize the latest economic developments of 2021. This publication shows time series data of 2012-2021. The base year for the Somalia's national accounts is 2017.

2

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 2021 was the 2017 Somalia High Frequency Survey, 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.
- **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 2017 Somalia High Frequency Survey. A benchmark Integrated Household Budget Survey (IHBS) is currently being undertaken, with results intended to update both the national accounts base year and the CPI basket.
- **Population Estimation Survey of Somalia (PESS) :** 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 when they are available from the Ministry of Finance as part of Income tax reporting by business. Improvements to incorporate further aspects of 2008 SNA will continue.

Further details are provided in the sources and methods documents published on the SNBS website.

3

Key findings

3.1 GDP Growth rate

Somalia's real GDP increased by 2.9 percent in 2021 compared with a decrease of -0.3 percent in 2020. This reflects the Somalia's partial emergence from the COVID-19 pandemic's shock in 2020, with larger increases in per capita consumption of non-food products (relative to food) underpinning this result.

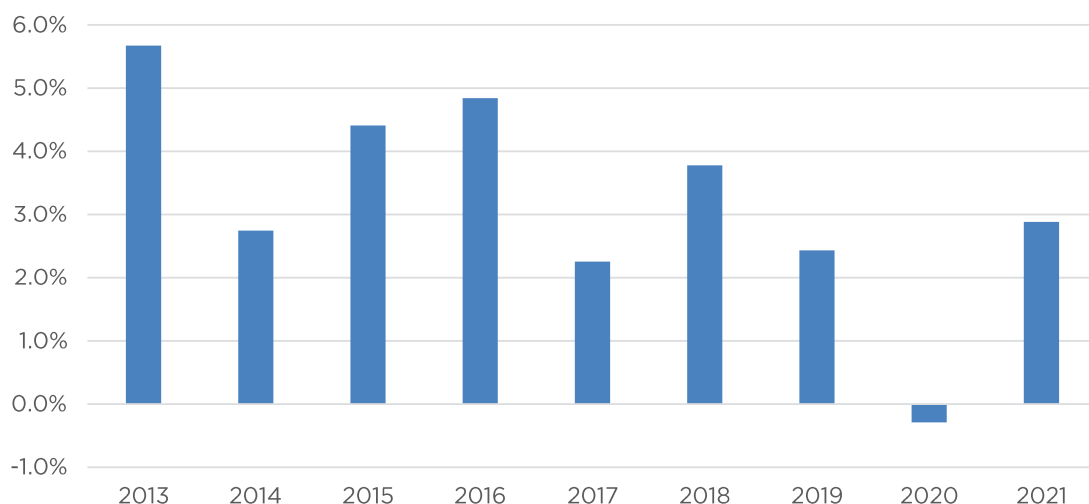
Figure 1 shows that, during the period 2013 to 2021, the highest annual growth rate of 5.7 percent was recorded in 2013 and the lowest growth rate (-0.3 percent) was recorded in 2020. A contributor to the negative growth rate in 2020 was the Covid-19 pandemic's shock.

2.9% ↑
GDP Growth, 2021

-0.3% ↓
GDP Growth, 2020

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

Figure 1: GDP Growth rate 2013-2021



3.9% ↑
Household final
consumption expenditure

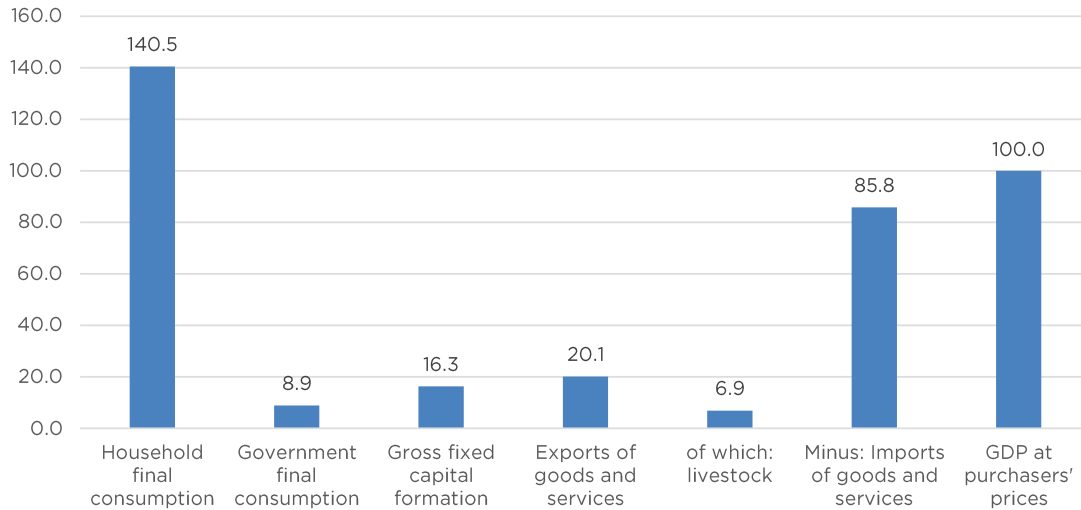
1.1% ↑
Per capita consumption

9.4% ↑
Government final
consumption expenditure

Household final consumption expenditure increased by 3.9 percent in 2021. This result implies per capita consumption increased by 1.1 percent as Somalia’s population increased by 2.8 percent over this period. This reflects Somalia’s partial emergence from the COVID-19 pandemic’s shock in 2020, with larger increases in per capita consumption of non-food products (relative to food) underpinning this result. Also, government final consumption expenditure increased by 9.4 percent, reflecting the revised 2020 supplemental budget. This budget reflects substantial donor support in response to the triple crisis and additional transfers to the Federal Member States and the Banadir region. This result also reflects the expansion of Somalia’s military and police.

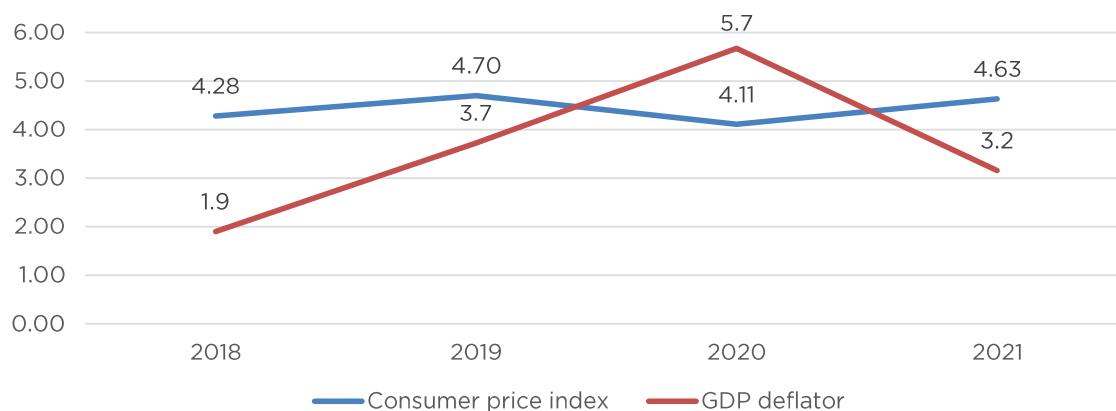
The composition of Somalia’s economy in 2021 is shown in Figure 2. Household final consumption expenditure (141 percent of GDP) and imports of goods and services (86 percent of GDP) were the most significant components. This reflects Somalia’s heavy dependence upon imports.

Figure 2: Shares of GDP at Current prices



3.2 Inflation Rate and GDP Deflator

During 2021, the average annual inflation rate was 4.63 percent 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 3.16 percent in 2021. This is compared to the 5.67 percent experienced in the year 2020.

Figure 3: Percentage changes in CPI and GDP Deflator

4

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 ongoing Somalia Integrated Household Budget Survey (SIHBS).

GDP has been obtained using the expenditure approach, which sums up the final uses. These are household consumption, government consumption, gross capital formation, and net exports. The SNBS continues to explore other data sources that are available to make further improvements.

The GDP time series ending in 2021 incorporates a variety of improvements. These include:

- Government final consumption expenditure is based on financial data with improved coverage of member states.
- An additional time series describing exports of livestock is now published to provide detail regarding the composition of Somalia's exports. Exports and imports of goods and services remain consistent with the balance of payments data published by the Central Bank of Somalia.
- Gross capital formation has been revised to reflect updated source data from UN ComTrade.

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

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Household final consumption	5,710	6,313	6,917	7,282	7,563	7,968	8,497	9,330	9,989	10,720
Government final consumption	175	272	319	328	391	486	495	529	595	677
Gross fixed capital formation	577	610	642	675	707	784	868	917	939	1,244
Exports of goods and services	853	943	1,051	1,038	1,067	994	1,119	1,131	1,178	1,532
of which: livestock	491	538	600	464	431	288	311	406	402	523
Minus: Imports of goods and services	3,274	3,561	3,904	3,987	4,194	4,624	5,122	5,423	5,818	6,544
GDP at purchasers' prices	4,042	4,577	5,025	5,335	5,534	5,609	5,856	6,485	6,883	7,628
GDP per capita, US Dollars	341	376	401	415	418	412	419	451	466	502

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

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Household final consumption	141.3	137.9	137.6	136.5	136.7	142.1	145.1	143.9	145.1	140.5
Government final consumption	4.3	5.9	6.4	6.1	7.1	8.7	8.5	8.2	8.7	8.9
Gross fixed capital formation	14.3	13.3	12.8	12.6	12.8	14	14.8	14.1	13.6	16.3
Exports of goods and services	21.1	20.6	20.9	19.5	19.3	17.7	19.1	17.4	17.1	20.1
of which: livestock	12.1	11.7	11.9	8.7	7.8	5.1	5.3	6.3	5.8	6.9
Minus: Imports of goods and services	81	77.8	77.7	74.7	75.8	82.4	87.5	83.6	84.5	85.8
GDP at purchasers' prices	100	100	100	100	100	100	100	100	100	100

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


Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Household final consumption	6,287	6,547	6,876	7,220	7,548	7,968	8,334	8,759	8,957	9,304
Government final consumption	187	272	313	322	393	486	492	498	541	592
Gross fixed capital formation	587	605	631	686	725	784	854	882	906	1,048
Exports of goods and services	841	867	936	966	1,031	994	1,094	1,074	1,073	1,256
of which: livestock	466	469	499	523	464	288	301	387	384	396
Minus: Imports of goods and services	3,285	3,414	3,744	3,954	4,208	4,624	4,958	5,240	5,521	6,069
GDP at purchasers' prices	4,616	4,877	5,011	5,241	5,489	5,609	5,816	5,973	5,956	6,131


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


Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Household final consumption		4.1	5.0	5.0	4.5	5.6	4.6	5.1	2.3	3.9
Government final consumption		45.9	15.1	2.8	22.0	23.7	1.2	1.3	8.6	9.4
Gross fixed capital formation		3.1	4.2	8.8	5.6	8.3	8.9	3.3	2.7	15.8
Exports of goods and services		3.1	7.9	3.2	6.7	-3.6	10.1	-1.8	-0.2	17.1
of which: livestock		0.7	6.5	4.8	-11.3	-37.9	4.3	28.7	-0.7	2.9
Minus: Imports of goods and services		3.9	9.7	5.6	6.4	9.9	7.2	5.7	5.3	9.9
GDP at purchasers' prices		5.7	2.7	4.6	4.7	2.2	3.7	2.7	-0.3	2.9





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