

NATIONAL BUREAU OF STATISTICS
SOMALIA

Statistical
Release

Somalia Gross Domestic Product Report

2022




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Preface

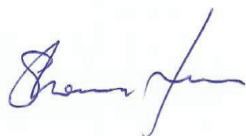
This publication provides Somalia's annual national accounts for the year 2022 which is the main focus, showing the annual GDP estimates from the expenditure approach at current and constant 2022 prices. All estimates are calculated in accordance with the international standards contained in the System 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 of some 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 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 is 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 welcome views and comments of users, to help us to improve the quality of 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. 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, policy formulation, and international comparisons using standard definitions and classifications.

The use of the expenditure approach in the constant 2022 prices dataset is one of the first steps towards transforming the data collected via the Somalia Integrated Household Budget Survey. The national accounts estimate in this report summarize the latest economic developments of 2022. This publication shows time series data of 2016-2022. The base year for the Somalia's national accounts have been updated from 2016 to 2022.

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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 sources for the compilation of annual accounts were the 2022 Somalia Integrated Household Budget Survey and administrative data received from institutions. Other data sources are listed below:

- **Exports and Imports:** Data on exports and imports are produced by the Central Bank of Somalia. They include a breakdown by product. In addition, these are checked with the COMTRADE database, which is maintained by the UN Statistics Division and contains data on foreign trade with Somalia as reported by partner countries.
- **Somalia Integrated Household Budget Survey:** The results of this 2022 survey are being included in GDP for the first time and provide more details and improved coverage. The level of household consumption is being revised upward as a result.

- **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 currently used are based on the 2017 Somalia High Frequency Survey, but will be updated this year from the results of the benchmark 2022 Somalia Integrated Household Budget Survey and will be expanded to provide national coverage.
- **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.

Changes made this year are discussed in Section 5 of the Improvements in National Accounts. Further details are provided in the sources and methods documents published on the SNBS website.

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Key findings

3.1 GDP Growth rate

Somalia's real GDP increased by 2.4 percent in 2022 compared with 3.3 percent in 2021. The 2021 result reflected the Somalia's partial emergence from the COVID-19 pandemic shock in 2020, recovering from negative growth in 2020. However, growth moderated in 2022. Gross national expenditure exceeds GDP by about 60 percent because of spending made possible by remittances and official transfers.

2.4% ↓
GDP Growth, 2022

3.3% ↑
GDP Growth, 2021

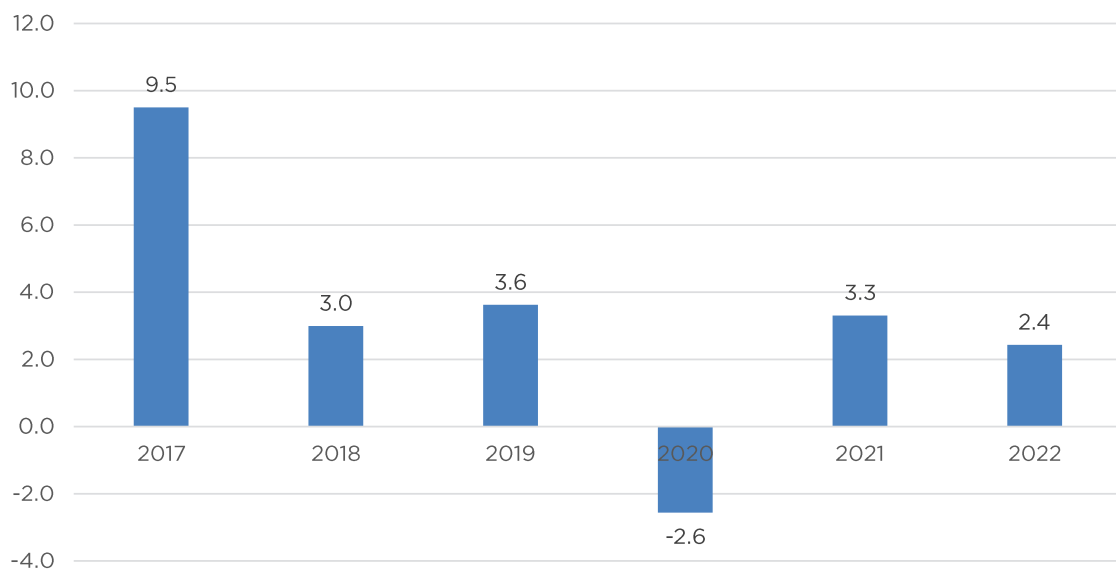
Household final consumption expenditure is the largest component of GDP and increased by 5.2 percent in 2022. The level of household consumption is more than 100 percent of GDP, reflecting that a high proportion of consumption is supplied from imports. Non-food is the fastest growing component, while food and housing are assumed to have growth in line with the population. As noted below under improvements, a survey of household budgets has been used to develop a more comprehensive measure of the level of spending in 2022.

Government final consumption expenditure is a relatively small proportion, only 7.3 percent of GDP. It increased by 7.7 percent, following a general pattern of growing as a share of GDP over several years.

Capital formation is the fastest growing component, accelerating to 34.1 percent growth in 2022. The greatest factor is the construction boom, but investment in equipment and machinery are also growing strongly. Since building materials and capital equipment are largely imported, this growth involves a consequential rapid growth in imports.

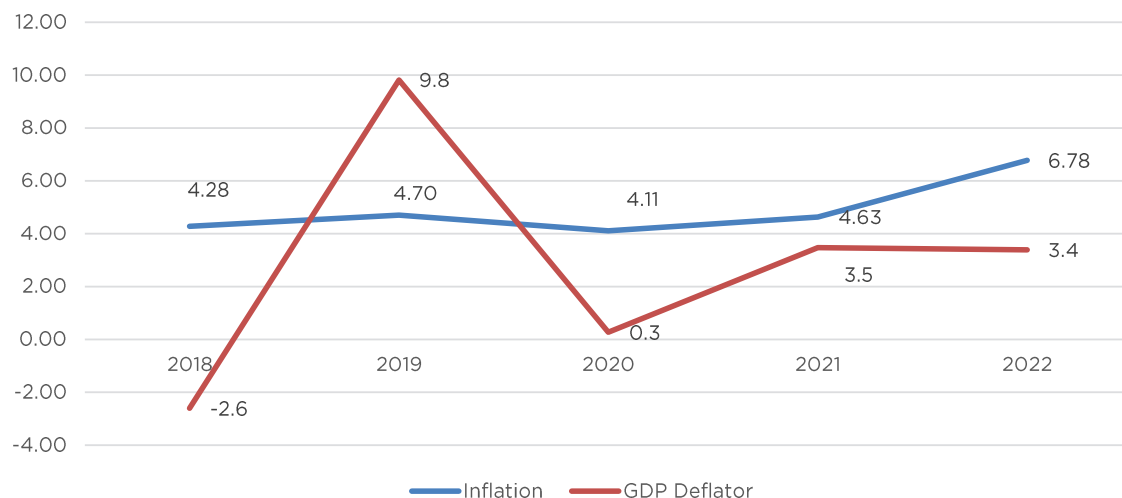
While exports of goods and services grew to 13.7 percent in 2022, imports of goods and services are much grew at 20.2 percent in 2022. To an unusual degree, more than exports, remittances and grants are used to fund Somalia's imports. Because of the limited domestic production capacity, demand growth tends to be met to a large extent by import growth.

Figure 1: GDP Growth rate 2017-2022



3.2 Inflation Rate and GDP Deflator

During 2022, the GDP deflator, a measure of price change for domestic production, rose by 3.4 percent, slightly lower than 2021. The deflator takes into account the consumer price index, but as GDP excludes imports, it is not designed to include imports and can move in quite different ways to the headline CPI. Deflators are influenced by changes in the composition of GDP, so are more difficult to interpret than a price index. The fastest price increases for 2022 were for food. The rebase means that it is using the relative price structure of 2022 rather than 2017, so is more representative of current conditions.

Figure 3: CPI and GDP-deflator in percentage

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Rebasing GDP

The base year for the constant price estimates has been updated from 2016 to 2022. So, instead of using the price structure of 2017, the revised estimates use the average prices of 2022. As well as raising the level of estimates to higher level of prices in 2022, the changes impacted the growth rates of all components of GDP, but by small amounts. (In line with usual international experience, the new estimates more often, but not always, show slightly lower growth rates.)

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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 Business survey and agricultural census.

The Bureau has an ongoing plan to improve the estimation of GDP based on additional surveys and stronger relationships with suppliers of data.

The most important new development this year is the incorporation of the results of the 2022 Somalia Integrated Household Budget Survey (SIHBS). This survey collected detailed data on consumption patterns from over 7,000 households. It provided a much more comprehensive measure of household consumption, which has been revised upwards as a result.

The SNBS has a program of statistical improvement that will provide new data sources that can be used to improve GDP estimates in future years. These include a Population Census, Business Census, and Agriculture Census.

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Statistical Tables

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

Expenditure items	2016	2017	2018	2019	2020	2021	2022
Household final consumption	9,277	10,343	10,518	11,792	11,809	12,304	13,340
Government final consumption	391	486	495	529	595	676	759
Gross fixed capital formation	850	1,054	1,268	1,392	1,440	1,870	2,699
Exports of goods and services	1,067	994	1,119	1,131	1,178	1,532	1,804
of which: livestock	431	288	311	406	402	523	558
Minus: Imports of goods and services	4,194	4,624	5,122	5,423	5,818	6,544	8,182
Gross National Expenditure	10,518	11,882	12,281	13,712	13,844	14,851	16,797
GDP at purchasers' prices	7,391	8,252	8,278	9,420	9,204	9,839	10,420
GDP per capita, US Dollars	559	607	592	655	623	648	667

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

Expenditure items	2016	2017	2018	2019	2020	2021	2022
Household final consumption	125.5	125.3	127.1	125.2	128.3	125.1	128.0
Government final consumption	5.3	5.9	6.0	5.6	6.5	6.9	7.3
Gross fixed capital formation	11.5	12.8	15.3	14.8	15.6	19.0	25.9
Exports of goods and services	14.4	12.0	13.5	12.0	12.8	15.6	17.3
of which: livestock	5.8	3.5	3.8	4.3	4.4	5.3	5.4
Minus: Imports of goods and services	56.7	56.0	61.9	57.6	63.2	66.5	78.5
Gross National Expenditure	142.3	144.0	148.4	145.6	150.4	150.9	161.2
GDP at purchasers' prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3: GDP by expenditure, 2022 constant prices, million US Dollars


Expenditure items	2016	2017	2018	2019	2020	2021	2022
Household final consumption	10,556	11,640	12,018	12,425	12,321	12,677	13,340
Government final consumption	457	584	587	587	645	705	759
Gross fixed capital formation	1,113	1,321	1,567	1,749	1,814	2,013	2,699
Exports of goods and services	1,389	1,260	1,385	1,332	1,356	1,587	1,804
of which: livestock	611	387	404	512	505	523	558
Minus: Imports of goods and services	4,869	5,336	5,807	5,988	6,289	6,809	8,182
Gross National Expenditure	12,126	13,545	14,173	14,762	14,779	15,395	16,797
GDP at purchasers' prices	8,646	9,468	9,751	10,105	9,846	10,172	10,420
GDP at purchasers' prices	8,646	9,468	9,751	10,105	9,846	10,172	10,420


Table 4: GDP by expenditure, 2022 constant prices, percent annual change


Expenditure items	2017	2018	2019	2020	2021	2022
Household final consumption	10.3	3.2	3.4	-0.8	2.9	5.2
Government final consumption	27.9	0.6	0.0	9.8	9.3	7.7
Gross fixed capital formation	18.6	18.7	11.6	3.7	11.0	34.1
Exports of goods and services	-9.3	10.0	-3.9	1.8	17.0	13.7
of which: livestock	-36.7	4.4	26.9	-1.5	3.6	6.8
Minus: Imports of goods and services	9.6	8.8	3.1	5.0	8.3	20.2
Gross National Expenditure	11.7	4.6	4.2	0.1	4.2	9.1
GDP at purchasers' prices	9.5	3.0	3.6	-2.6	3.3	2.4





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