



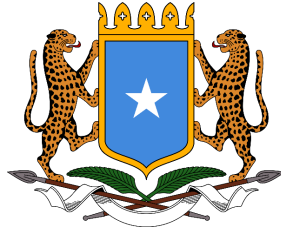
NATIONAL BUREAU OF STATISTICS - SOMALIA

## Statistical Release

# Gross Domestic Product (GDP)

**2023**






NATIONAL BUREAU OF STATISTICS  
**SOMALIA**

Statistical Release


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Gross Domestic Product (GDP)


2023

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## Preface

This publication provides Somalia's Annual National Accounts for the year 2023, which is the main focus, showing annual GDP estimates from expenditure approach at current and constant 2023 prices. All estimates are calculated in accordance with international standards contained in the System of National Accounts, 2008 which is a comprehensive, consistent and flexible set of macroeconomic accounts to meet the needs of governments and private-sector analysts and policy-makers.

The National Accounts are a series of tables which form a comprehensive framework that resembles an accounting system for the entire country. These National Accounts track all the income, spending and production that occurs in a specific country. National Accounts present and provide a detailed picture of the economic wealth of a country, this information is broken down into various categories, allowing policy makers, analysts, and researchers to understand how different sectors are performing and how the economy grows over time. In essence, National Accounts are the foundation for analyzing and monitoring a country's economic well-being, making them essential for informed decision-making.

The National Bureau of Statistics would like to thank all the partners, agencies and institutions that made their data available as an input to the generated 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 valued. 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 whose efforts have been instrumental in achieving 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 World Bank and the African Development Bank through the Statistical Capacity Building Program, these activities have served to improve the visibility of the SNBS and its relationship with its users, while simultaneously providing an opportunity to highlight critical statistics through a wide-reaching medium.

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



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Sharmarke Mohamed Farah

**Director General**

**Somalia National Bureau of Statistics**

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## 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. 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 to the best extent 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 summarizes the latest economic developments of 2023. This publication shows time series data of 2018-2023. The base year for the Somalia's National Accounts have been updated from 2017 to 2022.

## 2

## Data Sources and Methods

Data used for compiling GDP is sourced 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 are 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 final 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.

Efforts 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 as reported by 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 4, Improvements in National Accounts. Further details are provided in the sources and methods documents published on the SNBS website.

## 3

### Key findings

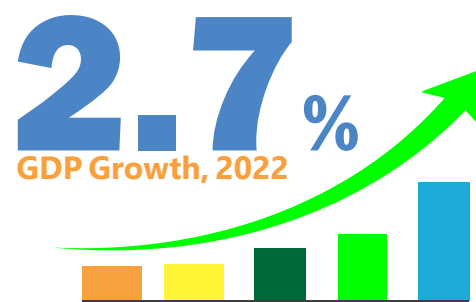
#### 3.1 GDP Growth rate

Somalia's GDP increased to USD 10,969 billion in current prices and increased by 4.2 percent in 2023 in constant prices, increasing from the 2.7 percent recorded for 2022. The Per Capita GDP grew to USD 695 in current prices. Construction, investment, and livestock exports are all growing substantially.

Livestock continues to be the most dependable sector of Somalia's productive sectors. Livestock is the main repository of household and national wealth and the export orientated livestock market continues to steadily growth, with the large majority of livestock exports being exported to Gulf and Arab states. Gross national expenditure in Somalia exceeds GDP by about 50 percent because of spending that is funded by remittances and official transfers.

Remittances represents a major source of external development finance and contribute to international reserves, help finance imports, and improve Somalia's current account position. Additionally, remittances is often countercyclical helping to sustain consumption and investment during potential economic downturns. As result of these inflows, Somalia's gross national disposable income was USD 16,407 billion in 2023.

Household final consumption expenditure is the largest component of GDP, and increased by 4.5 percent in 2023 in constant prices. The level of household consumption is more than 100 percent of GDP, indicating 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 grown in line with the population. As noted below, under the improvements section, a survey of household budgets was used to develop a more comprehensive benchmark measure of spending in 2022, which is extended to other years by trend indicators.



Government final consumption expenditure is a relatively small proportion of GDP, at around 7 percent. It increased by 5.0 percent in 2023 in constant price terms, following a general pattern of slight growth as a share of GDP over several years.

Capital formation has been a fast-growing component of the GDP, with a growth of 8.7 percent in 2023. 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 is associated with rapid growth in imports of the relevant products. In large urban centers there is a growing demand for property, both commercial and residential, driving a demand for construction materials which are mostly imported and also contributing to increased employment in the sector.

While exports of goods and services grew to almost 20 percent of GDP, imports of goods and services are much larger at 73 percent of GDP. Exports of livestock grew particularly fast in 2023, the highest ever. Imports of goods and services grew by 9.5 percent at constant prices.

**Figure 1:** GDP Growth rate 2019-2023



### 3.2 Inflation Rate and GDP Deflator

Growth in the consumer price index was lower in 2023. During 2023, the GDP deflator, a measure of price change for GDP fell slightly. The GDP deflator takes into account the consumer price index, but is also driven by other products and by compositional changes. Deflators are influenced by changes in the composition of GDP, which makes them more difficult to interpret than a price index.



## 4

## Rebasing GDP

The base year for the constant price estimates have been updated from 2017 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 only marginally. (In line with usual international experience, the new estimates more often, but not always, show slightly lower growth rates.)

## 5

## Improvements in National Accounts Compilation

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 and Housing Census, Business Census, and Agriculture Census.

The SNBS has implemented several improvements to the estimation of GDP and has plans to continue to improve based on additional surveys and further strengthening collaboration with data suppliers.

Additional data will be collected by the SNBS. The Business Establishment Census is now under way, while the Population and Housing Census, Agriculture Census, and annual Establishment Survey are being planned for future years.

The SNBS is also planning to improve estimation by building stronger relationships with existing and potential suppliers of data, such as other government agencies.

The most notable new development this year is the incorporation of the final 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.

## 6

## Statistical Tables

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

Expenditure items	2018	2019	2020	2021	2022	2023
Household final consumption	9,684	10,558	10,827	11,539	12,683	13,549
Government final consumption	495	529	595	676	759	802
Gross fixed capital formation	1,268	1,392	1,381	1,705	2,413	2,455
Exports of goods and services	1,119	1,131	1,178	1,532	1,804	2,164
of which: livestock	311	406	402	523	558	859
Minus: Imports of goods and services	4,693	4,954	5,353	5,969	7,456	8,002
GDP at purchasers' prices	7,873	8,655	8,628	9,484	10,203	10,969
GDP per capita, US Dollars	572	612	594	635	664	695
<b>Gross national expenditure</b>	<b>11,448</b>	<b>12,478</b>	<b>12,803</b>	<b>13,921</b>	<b>15,855</b>	<b>16,806</b>
<b>Gross national income</b>	<b>7,839</b>	<b>8,619</b>	<b>8,591</b>	<b>9,444</b>	<b>10,164</b>	<b>10,928</b>
<b>Gross national disposable income</b>	<b>11,356</b>	<b>12,319</b>	<b>12,589</b>	<b>13,676</b>	<b>15,336</b>	<b>16,407</b>

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

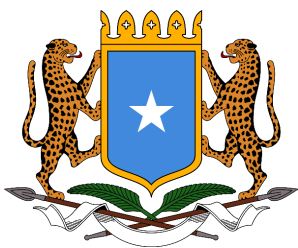
Expenditure items	2018	2019	2020	2021	2022	2023
Household final consumption	123.0	122.0	125.5	121.7	124.3	123.5
Government final consumption	6.3	6.1	6.9	7.1	7.4	7.3
Gross fixed capital formation	16.1	16.1	16.0	18.0	23.6	22.4
Exports of goods and services	14.2	13.1	13.7	16.2	17.7	19.7
of which: livestock	4.0	4.7	4.7	5.5	5.5	7.8
Minus: Imports of goods and services	59.6	57.2	62.0	62.9	73.1	73.0
GDP at purchasers' prices	100.0	100.0	100.0	100.0	100.0	100.0

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

Expenditure items	2018	2019	2020	2021	2022	2023
Household final consumption	11,827	11,913	11,828	12,111	12,683	13,260
Government final consumption	512	536	599	676	759	797
Gross fixed capital formation	1,567	1,749	1,751	1,835	2,413	2,622
Exports of goods and services	1,385	1,332	1,356	1,587	1,804	2,120
of which: livestock	404	512	505	523	558	818
Minus: Imports of goods and services	5,691	5,658	5,934	6,277	7,456	8,165
GDP at purchasers' prices	9,600	9,872	9,600	9,932	0,203	10,633
Gross national expenditure	13,907	14,198	14,178	14,622	15,855	16,678

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

Expenditure items	2018	2019	2020	2021	2022	2023
Household final consumption	2.2	0.7	-0.7	2.4	4.7	4.5
Government final consumption	0.9	4.5	11.8	12.9	12.2	5.0
Gross fixed capital formation	18.7	11.6	0.1	4.8	31.5	8.7
Exports of goods and services	10.0	-3.9	1.8	17.0	13.7	17.5
of which: livestock	4.4	26.9	-1.5	3.6	6.8	46.5
Minus: Imports of goods and services	8.3	-0.6	4.9	5.8	18.8	9.5
GDP at purchasers' prices	2.1	2.8	-2.8	3.5	2.7	4.2



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