



The Federal Republic of Somalia  
Somalia National Bureau of Statistics

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# National Accounts Concepts, Sources, and Methods

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Somalia

2025



Federal Republic of Somalia  
Somalia National Bureau of Statistics

National Accounts Concepts, Sources,  
and Methods - Somalia


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2025

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## Preface

Gross Domestic Product (GDP) is a key indicator of a country's economic state, providing vital estimates of production 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, there remains an ongoing need to update the structural economic assumptions underlying the current GDP compilation model of the Somalia National Bureau of Statistics (SNBS). The outputs of the Economic Statistics Directorate are widely followed and utilized by the government, international agencies, researchers, the media, the private sector, and non-governmental organizations.

The aim of this discussion document is to provide a comprehensive overview of the Concepts, Sources, and Methods of Somalia's National Accounts. It is designed for researchers, economic and financial analysts, and other users looking to gain a better understanding of Somalia's national accounts compilation and the broader economy.

The concepts have been developed in line with the relevant international standard, the System of National Accounts, 2025 (2025 SNA). The sources section documents the various datasets used to compile Somalia's GDP, including the Population Estimation Survey (2014), government financial statements, the Consumer Price Index (CPI), and the Balance of Payments. The methods describe the mathematical and statistical techniques used by the SNBS to overcome limitations in source data and implement international best practices. In 2018, the first GDP estimate since 1987 was compiled by Somali national experts using the expenditure approach. The current compilation of GDP using the expenditure approach at current and constant 2022 prices is based primarily on data from the Somalia Integrated Household Budget Survey (SIHBS). The SIHBS provides a robust source of information on household consumption expenditure and represents a key input for improving the coverage and quality of national accounts estimates.

I am excited to introduce this report on the Concepts, Sources, and Methods of Somalia's National Accounts. It spells out the SNBS's current framework for GDP compilation, consistent with the System of National Accounts (SNA), to guide our economic evaluation process moving forward. Finally, I would like to thank the technical teams in the National Bureau of Statistics and the International Monetary Fund (IMF) for preparing this report. The National Bureau will continue to improve macroeconomic data availability across the country, and we warmly welcome your comments and suggestions on this document.



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## Table of Contents

Preface	i
Table of Contents	ii
Abbreviations	iii
Glossary	iv
Introduction	1
The expenditure measure of GDP's components	1
Consumption: Household Final Consumption Expenditure (HFCE)	1
Consumption: Government final consumption expenditure (GFCE)	4
Consumption: Non-profit institutions serving households (NPISH) final consumption expenditure	7
Gross capital formation (GCF)	8
Exports and imports of goods and services	11
Conclusion: Future developments	13
Annex 1: Concept, Source and Method for Somalia's estimated resident population	14
Annex 2: Ten frequently asked questions	16

## Abbreviations

<b>2025 SNA</b>	System of National Accounts, 2025
<b>BEC</b>	Classification by Broad Economic Categories
<b>CIF</b>	Cost, Insurance and Freight
<b>COICOP</b>	Classification of individual consumption by purpose
<b>CPI</b>	Consumer Price Index
<b>FGS</b>	Federal Government of Somalia
<b>fob</b>	Free on board
<b>GCF</b>	Gross Capital Formation
<b>GDP</b>	Gross Domestic Product
<b>GFCE</b>	Government Final Consumption Expenditure
<b>HFCE</b>	Household Final Consumption Expenditure
<b>ICT</b>	Information and Communications Technology
<b>LMIS</b>	Livestock Management Information System
<b>NPISH</b>	Non-Profit Institutions Serving Households
<b>PESS</b>	Population Estimation Survey (for Somalia)
<b>SITC</b>	Standard International Trade Classification
<b>SLS</b>	Somaliland Shilling
<b>SNBS</b>	Somalia National Bureau of Statistics
<b>SOS</b>	Somali Shilling
<b>UN</b>	United Nations
<b>US</b>	United States of America
<b>USD</b>	United States Dollar

# Glossary

<b>Benchmark</b>	Low-frequency or irregular data used to establish the level of a national accounts aggregate in a given period. An example is the Somalia Integrated Household Budget Survey (SIHBS), which is used as a benchmark source for estimating household final consumption expenditure and supporting the 2022 base year national accounts. Beyond the most recent benchmark period, estimates are generally projected using appropriate indicators and extrapolation techniques.
<b>Costs of Production</b>	Intermediate Consumption, Compensation of Employees, Gross Operating Surplus plus Other Taxes less Subsidies on Production.
<b>Extrapolation</b>	The application of percentage movements in a related indicator or series (for example, population growth or consumer price indices) to a benchmark estimate in order to extend a time series beyond the most recent benchmark period. For example, household final consumption expenditure benchmarked to the 2022 Somalia Integrated Household Budget Survey (SIHBS) may be extrapolated using appropriate indicators to produce estimates for subsequent years.
<b>Implicit Deflator</b>	The ratio of a current price and constant price series.
<b>Market Output</b>	Output intended for sale at economically significant prices (2025 SNA, para. 5.41). Output that does not meet this definition is classified as either output for own final use or non-market output.
<b>Non-market Output</b>	Goods and individual or collective services produced by government or non-profit institutions serving households (NPISHs) that are supplied free of charge, or at prices that are not economically significant, to other institutional units or the community as a whole (2025 SNA, para. 5.72).
<b>Non-resident</b>	An institutional unit that is not a resident of the economic territory of interest. An institutional unit is considered resident in the economic territory with which it has the strongest economic connection, determined by its centre of predominant economic interest (2025 SNA, para. 4.13).
<b>Output for own</b>	Products retained by the producer for his own use as final
<b>Final use</b>	the use of goods and services for consumption or capital formation, as distinct from intermediate consumption in the production process (2025 SNA, para. 5.59).
<b>Price Deflation</b>	The application of a price index (eg. a consumer price index) as a divisor to a given current price series (eg. household final consumption in current prices) to produce a constant price series.
<b>Purchasers' Prices</b>	The amount paid by the producer, excluding any value added tax or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time or place required by the purchaser (2025 SNA, para. 4.185).

## Introduction

Gross Domestic Product (GDP) is the monetary value of the goods and services produced by an economy within a given period. It can be calculated using three different measures: production, income, or expenditure. The SNBS uses the expenditure measure to compile an annual time series commencing in 2012 as this makes best use of the Somalia's existing data.

The expenditure measure of GDP is derived as the sum of expenditure on final consumption plus gross capital formation plus exports less imports (2025 SNA, para. 3.140)). This can be expressed as:

$$\text{GDP} = \text{Final Consumption} + \text{Capital Formation} + \text{Exports} - \text{Imports}$$

This manual describes the concepts, sources, and methods used by the SNBS for each component of GDP<sup>1</sup>. The concepts have been developed with in line with the relevant international standard, System of National Accounts, 2025 (2025 SNA). The sources document the various data used to compile Somalia's GDP, including the Population Estimation Survey (2014), financial statements from government, the Consumer Price Index, and the Balance of Payments. The methods describe the techniques used by the SNBS to overcome limitations in source data and implement international best practice.

Ten frequently asked questions are also addressed (Annex 2) to assist users of Somalia's national accounts statistics.

## The expenditure measure of GDP's components

### Consumption: Household Final Consumption Expenditure (HFCE)

#### Concept

Household final consumption expenditure (HFCE) consists of "expenditure incurred by resident households on consumption goods or services .... [and] the estimated value of barter transactions, goods and services received in kind, and goods and services produced and consumed by the same household" [2025 SNA, para. 10.57]. The concept is further elaborated in 2025 SNA paras. 10.57–10.81.

Significant examples of Somalia's HFCE include: household consumption of bread, cereal, rice, and pasta. It also includes the value of fruit and vegetables produced and consumed by the same household as well as in kind donations provided by non-residents.

HFCE differs from household consumption expenditure as measured in the Somalia Integrated Household Budget Survey (SIHBS). Under the System of National Accounts (SNA), purchases of consumer durables such as refrigerators, ovens, and washing machines are treated as household final consumption expenditure rather than capital formation. Consequently, the full value of these purchases is recorded in the period in which ownership is acquired, rather than being allocated over multiple periods through depreciation.

<sup>1</sup> Estimated resident population is required to convert per capita consumption estimated by source data to (economy wide) household expenditure, as well as to derive GDP per capita. The concept, source and method used for Somalia's estimated resident population is provided in Annex 1.

## Sources

- ◇ Integrated Household Budget Survey
- ◇ Consumer Price Index
- ◇ Estimated Resident Population
- ◇ Balance of Payments

## Method

### Benchmark

The 2022 benchmark for HFCE is estimated at US\$12,275 million and is derived primarily from the Somalia Integrated Household Budget Survey (SIHBS) 2022. The benchmark is disaggregated into three broad expenditure categories, as shown in the table below.

SOMALIA HFCE CATEGORY	CONCORDANCE TO COICOP	2022 BENCHMARK (\$m)
Food and beverages including cooked food	Food and non-alcoholic beverages (COICOP Division 01) and Restaurants, cafés and the like (COICOP Class 11.1.1)	5,479
Housing	Housing, Water, Electricity, Gas, and Other Fuels (COICOP Division 04)	1,305
All other goods and services	All other COICOP categories	5,491
<b>ALL GOODS AND SERVICES</b>		<b>12,275</b>

### Food and beverages including cooked food

The benchmark estimates for household final consumption expenditure are derived from the Somalia Integrated Household Budget Survey (SIHBS) 2022, which provides nationally representative data on household consumption expenditure across urban, rural, and nomadic populations. The survey covers all Federal Member States and Banaadir region, eliminating the need for the geographical assumptions previously required for areas not covered by earlier household surveys. Per capita consumption estimates are derived directly from the survey results and combined with population estimates to compile household final consumption expenditure.

### Housing

Estimates of household consumption expenditure are derived directly from the Somalia Integrated Household Budget Survey (SIHBS) 2022, which provides nationally representative coverage across urban, rural, and nomadic populations.

The benchmark estimate for Housing is derived from the Somalia Integrated Household Budget Survey (SIHBS) 2022. The estimate includes actual and imputed expenditures on housing, water, electricity, gas, and other fuels as reported by households and classified under COICOP Division 04. The benchmark estimates for Housing in 2022 is US\$1,305 million.

### All other goods and services

The benchmark estimate for Other Goods and Services is derived from expenditure data collected through the Somalia Integrated Household Budget Survey (SIHBS) 2022 and classified under COICOP Divisions 02–03 and 05–13. The survey-based estimate amounts to US\$5,491 million.

To improve consistency with the national accounts framework and address areas that may not be fully captured in the survey, adjustments are made for donated non-food items, implicit financial services, underreported khat consumption, and consumption provided through donations by non-profit institutions serving households (NPISHs). After incorporating these adjustments, the benchmark estimate for Other Goods and Services is US\$5,553 million.

Annual Estimates outside the Benchmark

### Food and beverages including cooked food

Current price estimates are compiled by reflatting the constant price series using the national Consumer Price Index based on COICOP 2018 classification:

$$P_t = \text{CPI}_{\text{national}t} (\text{COICOP 2018})$$

where:

- ◇  $P_t = \text{CPI}_{\text{national}t} (\text{COICOP 2018})$  refers to the national Consumer Price Index based on COICOP 2018 classification, compiled by the Somalia National Statistics System in year  $t$ . The index reflects price movements across all COICOP divisions, including Food and Non-Alcoholic Beverages (Division 01), which remains the most significant component of household consumption.

The CPI is expressed in US dollar terms, and therefore no exchange rate adjustment is required.

This reflects the integrated national CPI series based on COICOP 2018, replacing earlier regional CPI frameworks and providing a single consistent measure of national inflation.

The resulting price index is used as the implicit deflator for household final consumption expenditure (HFCE).

The constant price HFCE series is derived through extrapolation from the benchmark level, using Somalia's estimated resident population as the volume indicator. This approach assumes that real per capita consumption remains constant over time, with changes in aggregate consumption driven solely by population growth.

Estimates of household consumption expenditure are derived directly from the Somalia Integrated Household Budget Survey (SIHBS) 2022, which provides nationally representative coverage across urban, rural, and nomadic populations.

### Housing

The method for this component uses the CPI for Housing, Water, Electricity, Gas, and Other Fuels (COICOP Division 04). It is otherwise identical to Food and beverages including cooked food.

### All other goods and services

The current price series is compiled by extrapolation from the benchmark level. The relevant indicator is a subset of imports to Somalia recorded within the balance of payments, namely:

$0.5 \times \text{Passenger Motor Vehicles (t)} + 0.9 \times \text{Durable Consumer Goods (t)} + \text{Semi-Durable Consumer Goods (t)}$

where:

- ◇ Passenger Motor Vehicles<sub>t</sub> refers to imports to Somalia in year t classified under Broad Economic Category (BEC) 51. It is assumed that 50 percent of imported passenger motor vehicles are allocated to household final consumption expenditure (HFCE).
- ◇ Durable Consumer Goods<sub>t</sub> refers to imports to Somalia in year t classified under BEC 61. It is assumed that 90 percent of durable consumer goods are allocated to HFCE.
- ◇ Semi Durable Consumer Goods<sub>t</sub> refers to imports to Somalia in year t classified under BEC 62, assumed to be fully allocated to HFCE.

The constant price series is derived by deflating the current price series using the national Consumer Price Index based on COICOP 2018 classification:

$$P_t = \text{CPI}_{\text{national,t}} (\text{COICOP 2018})$$

where:

- ◇  $\text{CPI}_{\text{national,t}} (\text{COICOP 2018})$  refers to the national Consumer Price Index compiled by the Somalia National Statistics System for year t. The index covers all COICOP divisions, including Food, Housing, Transport, and other household consumption categories.
- ◇ The CPI is expressed in US dollar terms, and therefore, no exchange rate adjustment is required.
- ◇ This updated national CPI replaces earlier regional CPI constructs and provides a consistent measure of inflation for the compilation of national accounts.

### Consumption: Government final consumption expenditure (GFCE)

#### Concept

Government final consumption expenditure comprises expenditure incurred by general government, including expenditure whose value may need to be estimated indirectly, on both individual consumption goods and services and collective consumption services. The concept is defined in the System of National Accounts 2025 (SNA 2025), paragraphs 9.84–9.102 and 9.114.

Examples of Somalia's GFCE include:

- ◇ the value of collective services produced by general government units such as the SNBS or Ministry of Finance. The value of these services is typically estimated indirectly (by summing the costs of production)
- ◇ the value of individual services purchased by general government from sectors other than general government, such as health care. These individual services are typically provided to individuals at no charge. The value of GFCE is reduced by the value of any payment made to government by the individual (as this amount is considered a sale of a good or service by general government and forms part of other aggregates such as HFCE)

## Sources

- ◇ Financial Statements issued by the Ministry of Finance for Federal Government of Somalia (FGS) and five regions - Galmudug, Jubaland, Puntland, Somaliland, and South West State.
- ◇ SNBS Consumer Price Index

## Method

### Benchmark

The 2022 benchmark for General Government Final Consumption Expenditure (GFCE) is US\$666.956 million. The benchmark has been compiled using administrative data from the Federal Government, Federal Member States, Somaliland, Puntland, and available local government information. GFCE is estimated as the sum of Compensation of Employees (COE) and Intermediate Consumption (IC), less Sales of Goods and Services.

Component	2022 Benchmark (US\$ million)
Compensation of Employees	507.834
Intermediate Consumption	263.405
Less: Sales of Goods and Services	(104.284)
General Government Final Consumption Expenditure (GFCE)	666.956

### Central and State Government

The benchmark is disaggregated between Central and State Governments and Local Governments using the latest available administrative information. Where complete local government data are unavailable, estimates are derived using the same methodology applied in previous benchmark years. The 2022 benchmark serves as the new base year for compiling GFCE estimates for subsequent years.

For estimates from 2023 onwards, GFCE is extrapolated using updated administrative data on compensation of employees, intermediate consumption, and sales of goods and services. In this release, a small mark-up reflecting the return to capital has been introduced in line with the updated recommendations of the 2025 System of National Accounts (2025 SNA). This adjustment recognizes that non-market government producers use fixed assets in the production of public services and therefore includes a modest return to capital in the valuation of output. The increase in GFCE in 2025 was driven primarily by continued growth in both compensation of employees and intermediate consumption, reflecting expanded government service delivery and higher operating expenditures across government institutions.

## Local Government

Local government GFCE is not directly observed and is therefore assumed to account for 10 percent of total General Government GFCE. Total GFCE is adjusted using the following formula:

$$\text{GFCE Total} = \text{GFCE Observed} / (1 - 0.10)$$

This ensures full coverage of general government activity, including local government operations.

## Annual Estimates outside the Benchmark

Benchmarks for all periods spanned by the time series are compiled using the same method described above. This is possible as a time series of Compensation of Employees and Intermediate Consumption for all Federal Government of Somalia and the five regions is available in all periods, with the following exceptions:

- ◇ Jubaland (2013): The percentage change in Wages and Salaries and Use of Goods and Services between 2013 and 2014 is assumed equal to the percentage change in the corresponding items (Compensation of Employees and Use of Goods and Services) reported by FGS.
- ◇ Galmudug and South West State (2013, 2014, and 2015): The percentage change in Compensation of Employees and Use of Goods and Services between each of these periods and 2016 is assumed equal to the percentage change in the corresponding items (Compensation of Employees and Use of Goods and Services) reported by FGS.
- ◇ FGS and all regions (2012): Preliminary estimates of Compensation of Employees and Use of Goods and Services in 2012 and 2013 were provided by FGS as the first charts of accounts following its establishment were issued. These values are inconsistent with existing FGS time series and likely to be significantly understated. The percentage change in these items has been used to extrapolate the aggregates for 2013 (to 2012) for Compensation of Employees and Intermediate Consumption for FGS and all five regions.
- ◇ The (assumed) proportion of compensation of employees and intermediate consumption used to estimate sales of goods and services is not held constant throughout time. This proportion increases over time to reflect an (assumed) increase in the proportion of fees charged by general government. The proportion varies from 7 percent (2012, 2013), 10 percent (2014), 12 percent (2015), 11 percent (2016), and 13 percent (2017, 2018, 2019, and 2020). This proportion is estimated based data provided by Somalia's Ministry of Finance for 2021 and all subsequent periods.

Estimates will be used where audited (and thus final) financial statements are unavailable when the national accounts are compiled. Estimates are typically provided by the relevant Ministry of Finance department or determined by the SNBS using movements from similar regions. Revisions will occur when the following year's national accounts are compiled and audited financial statements replace estimates.

The constant price series are obtained by summing constant price estimates for Compensation of Employees, Intermediate Consumption, Consumption of Fixed Capital, and Sales of Goods and Services.

Constant price series for Compensation of Employees and Intermediate Consumption are constructed via price deflation using the national Consumer Price Index (CPI), base year 2022.

Where:

CPI<sub>t</sub> refers to the national CPI All Groups (for Compensation of Employees) and CPI All Groups excluding Food (for Intermediate Consumption) published by the Somalia National Bureau of Statistics in year *t*.

The CPI is used directly as the deflator, with 2022 as the base year (CPI<sub>2022</sub> = 100). No regional CPI split and no exchange rate adjustments are applied.

The weighting of Somalia and Somaliland CPI components is no longer applied, as a single national CPI series is used for all government units.

Constant price series for Consumption of Fixed Capital are constructed as an assumed proportion (2 percent) of the constant price series for Compensation of Employees and Intermediate Consumption.

Sales of Goods and Services are constructed as a proportion of the current price series for Compensation of Employees and Intermediate Consumption. The constant price series has been derived by deflating using the national CPI (excluding food where appropriate).

## Consumption: Non-profit institutions serving households (NPISH) final consumption expenditure

### Concept

NPISH final consumption expenditure comprises the expenditure, including expenditure whose value must be estimated indirectly, incurred by resident NPISHs on individual consumption goods and services and possibly on collective consumption services (2025 SNA, Chapter 3, para. 3.101).

Examples of Somalia's NPISH final consumption expenditure include: the value of services produced by mosques, selected resident non-government organisations, and non-market clubs and societies. The value of these services is typically valued by summing the costs of production.

## Source

An NPISH survey is conducted to provide improved and more comprehensive data coverage for this institutional sector. The results of this survey are expected to significantly strengthen the estimation of NPISH final consumption expenditure and will be incorporated into the 2026 GDP expenditure benchmark and subsequent national accounts updates.

## Method

NPISH final consumption is set equal to zero. It is likely that a portion of NPISH final consumption has been included with HFCE (eg. Goods purchased by a household and donated to a mosque are likely to be captured within All other goods and services).

## Gross capital formation (GCF)

### Concept

Gross capital formation is measured by the total value of gross fixed capital formation, changes in inventories, and acquisitions less disposals of valuables (2025 SNA, para. 11.38). Examples of Somalia's gross capital formation include the construction of residential dwellings, acquisitions less disposals of heavy vehicles (gross fixed capital formation), and changes in inventories of fuel used to generate electricity. At present, Somalia does not separately identify gross fixed capital formation, changes in inventories, and acquisitions less disposals of valuables due to limitations in the available source data.

### Sources

◇ Balance of Payments

◇ US Export Price Indexes

### Method

### Benchmark

The 2022 Benchmark for Gross Capital Formation (GCF) is estimated at \$2,413 million. The benchmark disaggregates GCF as follows:

ASSET <sup>2</sup>	2022 BENCHMARK (\$m)
Dwellings, Other buildings and structures	1903
Transport equipment	326
ICT equipment, Other machinery and equipment	184
<b>TOTAL</b>	<b>2413</b>

2. The three assets that underlie Somalia's GCF estimates are a subset of the international standard asset categories defined in the 2025 SNA (Table 10.2 or the corresponding asset classification in the 2025 SNA). Some excluded assets (e.g., entertainment, literary or artistic originals) are likely to be relatively small. Others (e.g., cultivated biological resources) are likely to be significant and therefore may result in an understatement of GDP. These assets will be considered as part of future methodological developments.

### Dwellings, Other buildings and structures

Estimates have been compiled using Balance of Payments (BOP) import data sourced from the Central Bank. This ensures consistency with official external sector statistics used in the national accounts framework.

The estimation of construction-related capital formation is based on imports of key building materials and related products, including:

- ◇ Stone, sand, and gravel (SITC Group 273).
- ◇ Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes (SITC Sub-group 635.3).
- ◇ Floor coverings and related construction finishing materials (SITC Group 659).
- ◇ Lime, cement, and fabricated construction materials (except glass and clay materials) (SITC Group 661).
- ◇ Clay construction materials and refractory construction materials (SITC Group 662).
- ◇ Mineral manufactures n.e.s. (SITC Group 663).
- ◇ Glass (SITC Group 664).
- ◇ Iron and steel (SITC Division 67).
- ◇ Structures and parts of structures, n.e.s., of iron, steel or aluminium (SITC Group 691).
- ◇ Wire products (excluding insulated electrical wiring) and fencing grills (SITC Group 693).
- ◇ Prefabricated buildings (SITC Group 811).
- ◇ Sanitary, plumbing and heating fixtures and fittings, n.e.s. (SITC Group 812).

Additional construction inputs captured in the BOP import data are incorporated to ensure full coverage of residential and non-residential building activity.

The 2022 benchmark for Dwellings, Other Buildings and Structures is estimated at \$1,903 million. The estimate reflects gross fixed capital formation in construction activities undertaken in 2022.

### Transport equipment

Estimates have been compiled using Balance of Payments (BOP) import data sourced from the Central Bank, ensuring consistency with official external sector statistics.

Transport equipment is derived using the following classification approach:

- ◇ Passenger motor vehicles (BEC Category 51), adjusted to exclude the portion allocated to Household Final Consumption Expenditure (HFCE).
- ◇ Other transport equipment (BEC Category 52).

The HFCE adjustment ensures that only transport assets used for investment purposes are included in Gross Fixed Capital Formation (GFCF).

Import values are recorded at purchasers' prices, with standard adjustments applied to ensure full valuation coverage:

- ◇ CIF valuation adjustment (15 percent).
- ◇ Customs duties (20 percent).
- ◇ Trade and transport margins (20 percent).

It is assumed that transport equipment production within the domestic economy is negligible; therefore, the category is fully import-based.

The resulting 2022 benchmark estimate for Transport Equipment is \$326 million, reflecting gross fixed capital formation in transport assets undertaken in 2022.

This methodology is consistent with the SNA 2025 framework, particularly in its treatment of boundary adjustments between household consumption and capital formation, and the use of official balance of payments statistics as the primary data source.

### **ICT equipment, Other machinery and equipment**

Estimates have been compiled using Balance of Payments (BOP) import data sourced from the Central Bank, ensuring consistency with official external sector statistics and national accounts compilation standards.

The estimation is based on imports classified under:

- ◇ Capital goods excluding transport equipment (BEC Category 41).

Import values are converted to purchasers' prices using standard national accounts adjustments, including:

- ◇ CIF valuation adjustment (15 percent).
- ◇ Customs duties (7 percent).
- ◇ Trade and transport margins (10 percent).

It is assumed that production of ICT equipment and other machinery within the domestic economy is negligible; therefore, this category is fully import-based.

The resulting 2022 benchmark estimate for ICT Equipment and Other Machinery is \$184 million, reflecting gross fixed capital formation undertaken in 2022.

This methodology is consistent with the SNA 2025 framework, particularly in its treatment of imported capital goods, valuation at purchasers' prices, and reliance on Balance of Payments statistics as the primary data source.

Future improvements are expected as business survey data and enterprise financial accounts become available, allowing for enhanced separation of domestic production and imported capital formation.

### **Annual Estimates outside the Benchmark**

Annual estimates for Gross Capital Formation (GCF) are compiled using the same methodology as the benchmark year, ensuring full consistency across the time series. Each year's estimate is derived by updating the underlying import-based components of GCF using Balance of Payments (BOP) data sourced from the Central Bank.

This approach ensures that annual estimates remain consistent with the benchmark structure for:

- ◇ Dwellings, Other Buildings and Structures.
- ◇ Transport Equipment.
- ◇ ICT Equipment and Other Machinery.

Constant price GCF series are derived by deflating current price estimates for each component using appropriate price indices. The total constant price series is obtained by summing the deflated values of all three GCF components.

The deflators applied are as follows:

ASSET	DEFLATOR
Dwellings, Other buildings and structures	U.S. Export Price Indexes, by End Use – Selected building materials
Transport equipment	U.S. Export Price Indexes, by End Use – Capital goods
ICT equipment, Other machinery and equipment	U.S. Export Price Indexes, by End Use – Automotive vehicles, parts and engines

## Exports and imports of goods and services

### Concept

Exports and imports of goods and services “are recorded when there is a change of economic ownership from a unit in one economy to a unit in another economy” (SNA 2025 para 26.49). Examples include: sales of livestock to Somalia’s trading partners (exports of goods), commission-based sales of a non-resident’s goods (exports of services), imports of fuel (imports of goods), and fees paid to non-resident banks (imports of services).

### Sources

- ◇ Balance of Payments compiled by the Central Bank of Somalia.
- ◇ US Export Price Indexes.
- ◇ Consumer Price Index.

### Method

Current price estimates are obtained by summing goods and services as reported in Balance of Payments compiled by Central Bank of Somalia. This ensures consistency of Somalia’s system of macroeconomic statistics.

### Exports of Livestock

A time series for exports of livestock has been compiled for the period 2012 to 2018 inclusive. It uses data from Livestock Management Information Systems (LMIS) maintained by Somaliland over this period and customs data from Mogadishu and Puntland (Annex 4). The series has not been maintained beyond 2018 as the LMIS is no longer maintained. The series provides estimates in current and constant prices.

The Central Bank of Somalia has published a time series for exports of livestock commencing in 2015. This series is consistent with Somalia’s Balance of Payments.

The national accounts time series for exports of livestock comprises estimates as per Annex 4 for 2012, 2013, and 2014. The Central Bank of Somalia time series has been appended to ensure consistency with Somalia’s Balance of Payments.

## Exports of Goods (excl. Livestock) and Exports of Services

Constant price estimates are constructed via price deflation with the following deflator:

$$P_t = CPI_{national,t} \text{ (COICOP 2018)}$$

where:

$P_t = CPI_{national,t}$  (COICOP 2018) refers to the national Consumer Price Index based on COICOP 2018 classification, compiled by the Somalia National Statistics System in year  $t$ .

## Imports of Goods

A current price time series has been constructed from Balance Of Payment for twelve components as shown in the table below. Each component has been price deflated as shown.

GOOD	DEFLATOR
Food and beverages - Mainly for industry (BEC Category 111 and 121)	$P_t = CPI_{national,t} \text{ (COICOP 2018)}$ where:
Food and beverages - Mainly for final consumption (BEC Category 112 and 122)	$P_t = CPI_{national,t} \text{ (COICOP 2018)}$ refers to the national Consumer Price Index based on COICOP 2018 classification, compiled by the Somalia National Statistics System in year $t$ .
Industrial supplies not elsewhere specified (BEC Category 2)	
Fuels and lubricants (BEC Category 3)	
Capital goods (except transport equipment), and parts and accessories thereof – Capital good (BEC Category 41)	$P_t = CPI_{national,t} \text{ (COICOP 2018)}$ where:
Capital goods (except transport equipment), and parts and accessories thereof - Parts and accessories (BEC Category 42)	
Transport equipment and parts and accessories thereof - Passenger motor vehicles (BEC Category 51)	$P_t = CPI_{national,t} \text{ (COICOP 2018)}$ refers to the national Consumer Price Index based on COICOP 2018 classification, compiled by the Somalia National Statistics System in year $t$ .
Transport equipment and parts and accessories thereof - Other (BEC Category 52)	
Transport equipment and parts and accessories thereof - Parts and accessories (BEC Category 53)	
Consumer goods not elsewhere specified – Durable (BEC Category 61)	
Consumer goods not elsewhere specified Semi-durable and non-durable (BEC Categories 62 and 63)	
Goods not elsewhere specified (BEC Category 7)	

A current price and constant price series are constructed by summation (of the respective current and constant price series) of all twelve components.

A deflator has been obtained as the ratio of the current price and constant price series.

A constant price series for imports of goods has been obtained by price deflation (of the imports of goods series provided by Central Bank of Somalia) with the above deflator.

## Imports of Services

A series for imported transport and insurance services has been estimated. This series has been estimated as fifteen percent of imported BEC goods.

A constant price series for the remainder (imports of services reported by Central Bank of Somalia less estimated transport and insurance services) is constructed via price deflation with the following deflator:

$$P_t = \text{CPI}_{\text{national}t} (\text{COICOP 2018})$$

Where:

$P_t = \text{CPI}_{\text{national}t} (\text{COICOP 2018})$  refers to the national Consumer Price Index based on COICOP 2018 classification, compiled by the Somalia National Statistics System in year  $t$ .

## Conclusion: Future developments

Somalia's national accounts statistics have made substantial progress since 2012. Initial series were compiled in consultation with the International Monetary Fund (the Fund), based on negligible source data. These series were published on the Fund's website as staff estimates.

The establishment of the SNBS in 2020 marked a pivotal moment in the history of Somalia's national accounts statistics. An independent national statistics office, staffed by a permanent team, has enabled substantial progress over the last eighteen months. Significant achievements include the implementation of data from the FGS Ministry of Finance in compiling government final consumption expenditure, and the alignment of exchange rates, exports, and imports with Balance of Payments statistics published by the Central Bank of Somalia.

Somalia's national accounts remain in need of development, with further improvements expected as the capacity of SNBS and the quality of Somalia's source data improve. Some specified improvements expected over the coming years include:

- ◇ Implementation of a contemporary benchmark for GDP. As Somalia's current benchmark and base year is 2022, real GDP is estimated by combining quantities using relative prices of 2022. The Integrated Household Budget Survey 2022 has already been implemented into the national accounts, strengthening household consumption estimates. International best practice recommends updating the base year every five years, and thus SNBS intends to publish a rebased GDP time series in 2025, incorporating updated benchmarks and improved source data.
- ◇ Expanding the suite of national accounts statistics to compile GDP using the production approach. The SNBS is currently working with key partners, including the FGS Ministry of Finance, to obtain business accounting data. Another key source is data for Somalia's financial corporations held by the Central Bank of Somalia, and agriculture data held by the Ministry of Agriculture.

- ◇ The SNBS has a programme of statistical improvement that will provide new data sources to further improve GDP estimates in future years. An agricultural census is scheduled for 2027, which will form an essential input to estimates of GDP by the production approach given the scale of agricultural activity in Somalia. The AES will continue to be conducted and enhanced, forming a complementary input to GDP compilation alongside additional administrative and commercial data. To facilitate constant price estimates of GDP by production, work is under way to begin compiling Producer Price Indices (PPI), with publication expected in early 2027. On the demand side, a new household survey is scheduled to be conducted over one year beginning in late 2026. Additionally, internal estimates of quarterly GDP by expenditure are under development to support more timely policymaking and economic analysis. Based on the current schedule for benchmark source data collections, the next rebasing of GDP is expected to take place in 2028, moving the base year from 2022 to 2027.
- ◇ Improvements to source data and methods. As Somalia's source data evolves, the SNBS will be able to implement improved methods. Future opportunities include examination of Somalia's customs data to replace existing assumptions with observed customs duties and insurance and freight charges, and revising series (such as general government consumption of fixed capital) to reflect international best practice. Another key consideration is the estimation of cultivated biological resources based on data from the Integrated Household Budget Survey 2022 and future agricultural census data.
- ◇ Developing quarterly GDP. The production of a quarterly GDP time series is heavily dependent upon the availability of suitable quarterly data. Potential data sources include business income and expenses reported to the FGS Ministry of Finance via any future business reporting, and estimation of household consumption based on changes in Somalia's customs data. The SNBS continues to work with its partners to ensure statistical requirements can be satisfied as Somalia's regulatory environment evolves.

The SNBS is grateful for assistance from its development partners and welcomes feedback to improve the quality of its published national accounts statistics.

## Annex 1: Concept, Source and Method for Somalia's estimated resident population

### Concept

A household is a "group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food" (SNA 2025 para 4.4). Resident households are those for which the "economic territory with which it has [they have] the strongest connection, in other words, its [their] centre of predominant economic interest" (SNA 2025 para 4.10). Somalia's economic territory comprises all eighteen administrative regions.

Estimated resident population is a stock measured at a point in time, while GDP is a flow measured between two points of time. Somalia's GDP is the sum of all relevant transactions that occur within a given calendar year (eg. 2014). Somalia's population during a calendar year is not constant, and can therefore be recorded at multiple

points in time (eg. the start, mid-point, or end of the calendar year). International best practice is for population to be recorded at the mid-point of the calendar year to estimate related national accounts statistics such as GDP per capita.

Somalia's estimated resident population is the number of persons comprising Somalia's resident households. It includes Somali citizens who reside in their owner-occupied accommodation within Somalia, Somalia's nomads, Somali diplomats located outside Somalia, long term foreign students and workers, and all internally displaced persons located within Somalia. It excludes international military forces, peacekeeping officials, and foreign diplomats located within Somalia.

Estimated population from the Population Estimation Survey (PESS) measures physical residency within Somalia's geographical territory. It is similar, but not identical to estimated resident population.

## Sources

◇ Population Estimation Survey (PESS), 2014.

## Method

Somalia's estimated resident population is estimated from the PESS, 2014. Estimates for the urban and rural population were recorded in October 2013, Internally Displaced Persons relate to June 2013, and estimates for the nomadic population were recorded in March 2014. While the Population Estimation Survey of Somalia results are frequently "Population Estimation Survey of Somalia, 2014" (the date of publication) and used on this basis for many purposes, this use is inconsistent with international best practice for national accounts statistics.

Somalia's estimated resident population records all subgroups at the mid-point of the calendar year and the time of recording. This is achieved by applying an (assumed) annual growth rate (2.8 percent) across all periods of the calendar year. In order to achieve a 2.8 percent annual growth rate, each month must grow by 0.230 percent.<sup>3</sup> This amount is used to convert from the date of recording to the mid-point of the calendar year as shown in the below table. The estimate of population as recorded in Somalia's national accounts statistics for 2014 (12,519,038) will not match the Population Estimation Survey of Somalia (12,316,895).

Estimates for all other calendar years assume a 2.8 percent annual growth rate as estimated in the PESS, 2014.

	PESS, 2014 (persons)	TIME OF RECORDING	MONTHS TO MID- POINT 2014	2013	2014	2015	2016	2017
Urban	5,216,392	October 2013	8	5,168,595	5,313,316	5,462,089	5,615,027	5,772,248
Rural	2,806,787	October 2013	8	2,781,069	2,858,939	2,938,989	3,021,281	3,105,877
IDPs <sup>4</sup>	1,106,751	July 2013	12	1,106,751	1,137,740	1,169,597	1,202,345	1,236,011
Nomads	3,186,965	March 2014	3	3,121,637	3,209,043	3,298,896	3,391,266	3,486,221
<b>TOTAL</b>	<b>12,316,895</b>			<b>12,178,052</b>	<b>12,519,038</b>	<b>12,869,571</b>	<b>13,229,919</b>	<b>13,600,357</b>

<sup>3</sup> The geometric mean  $(1.028^{1/12} = 0.230$  percent increase) is used to derive the monthly population growth rate - this assumes the population grows at a constant rate in each month. The common practice of using an arithmetic mean  $(2.8/12 = 0.233)$  assumes the population grows at a constant amount (and therefore reducing rate) in each month.

<sup>4</sup> Internally Displaced Persons

## Annex 2: Ten frequently asked questions

### 1. Why is GDP measured in USD rather than domestic currency?

Somalia's national accounts are measured in USD, as the majority of transactions in Somalia's economy are denominated in USD. Examples include: all transactions between the Central Bank of Somalia and the Federal Government of Somalia, most imports and exports of goods and services, and large capital purchases.

Somalia's CPIs are measured in USD, as a significant proportion of transactions involving households are undertaken in USD rather than domestic currency. For low-value transactions, payments are frequently made in domestic currency. Higher-value transactions are more commonly undertaken in USD, typically via mobile money applications.

A primary purpose of Somalia's CPI is supporting the Central Bank of Somalia with monetary policy and stability of Somalia's exchange rate, which is undertaken in domestic currency.

### 2. Does Somalia's national accounts apply exchange rates to Somalia's CPIs?

The CPI published by SNBS measures price changes denominated in USD for transactions that on aggregate predominantly take place in USD. Changes in exchange rates for domestic currency do not impact these indexes. A CPI denominated in USD will not change as prices denominated in USD are identical.

Changes in exchange rates for domestic currency do not impact Somalia's national accounts denominated in USD. By way of example, changes in domestic currency exchange rates have no impact upon GDP. The value of production (measured in GDP in current USD prices) has not changed. There is no change in the volume of goods and services produced (measured by changes in GDP in constant USD prices).

The national accounts are fully denominated in USD and therefore do not require exchange rate adjustments to the CPI or other price indices. This ensures that changes in real GDP are driven only by changes in quantities and prices expressed in USD terms.

### 4. Why is Estimated Resident Population 2014 in the national accounts different from PESS 2014?

See Annex 1.

### 6. Why has capital formation reported by FGS Ministry of Finance not been used in the Somalia's national accounts?

Somalia's GDP is based on a benchmark for 2022 when comprehensive estimates of capital formation from FGS Ministry of Finance were not available. These data are now available and will be considered when a new benchmark for GDP is compiled. They cannot be implemented into Somalia's current GDP time series (commencing in 2012) without revisions or breaks to the existing time series.

### 7. When will GDP be published?

Please refer to the latest schedule at <https://www.nbs.gov.so/publishing-calendar/>.

## **8. How does SNBS get data from other sources such as Central Bank of Somalia and Ministry of Finance?**

The SNBS works co-operatively with the FGS Ministry of Finance and Central Bank of Somalia. This co-operative relationship is supported by Law No: 24 – National Statistics Law (February, 2020).

## **9. Are there plans to publish quarterly GDP?**

Quarterly GDP will be compiled and published once suitable source data is available to measure changes between quarters. The SNBS continues to work with its partners including Ministry of Finance (government financial data), and Customs Service (imports and exports). The SNBS may also undertake quarterly surveys where source data is unavailable (eg. capital formation).

## **10. What are the plans of SNBS to rebase GDP?**


As Somalia's current benchmark and base year is 2022, real GDP is estimated by weighting together volume series using the relative prices of 2022. This also means the last estimates of household consumption were observed in 2022, with subsequent estimates based on incomplete source data and assumptions. International best practice recommends a benchmarking exercise and an update to the base year every five years, and thus SNBS intends to implement the Integrated Household Budget Survey beginning in September 2026, running over one year until September 2027. Based on the current schedule, the rebasing of GDP will take place in 2028 and will introduce a new base year.



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