2023

GROSS DOMESTIC PRODUCT

2012–2023

Central Department of Statistics

Ministry of Planning and National Development

P r e f a c e

Central Department of Statistics presents the preliminary Gross Domestic Product data for the period 2012 – 2021, compiled by the expenditure approach in current and constant 2017 prices, i.e. 2017 is the base year for estimation of real GDP.

The national accounts data are used for economic and fiscal planning and for elaboration of development programmers for various sectors of the economy. Results from the national accounts are also used by foreign and domestic investors to evaluate the economic situation of the country and the opportunity for new investments.

Department of Statistics in Ministry of Planning and National Development will continue to develop the production of national accounts which follows the international recommendations and will strive to publish figures of high quality in timely manner.

Many thanks go to:

1. **Ahmed Ibrahim Ahmed (Sudani),** Head of GDP Production.
2. **Jan Redeby**, Senior Consultant of National Accounts

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List of Acronyms

BEC	Broad Economic Indicators
CIF	Cost of Freight and Insurance
COICOP	Classification of Individual Consumption According to Purpose
FOB	Free-On-Board
GDP	Gross Domestic Product
HFS	High Frequency Survey
ISIC	International Standard of Industrial Classification
PESS	Population Estimation Survey for Somalia
SLS	Somaliland Shillings
SNA	System of National Accounts
USD	United States Dollar

Key Findings

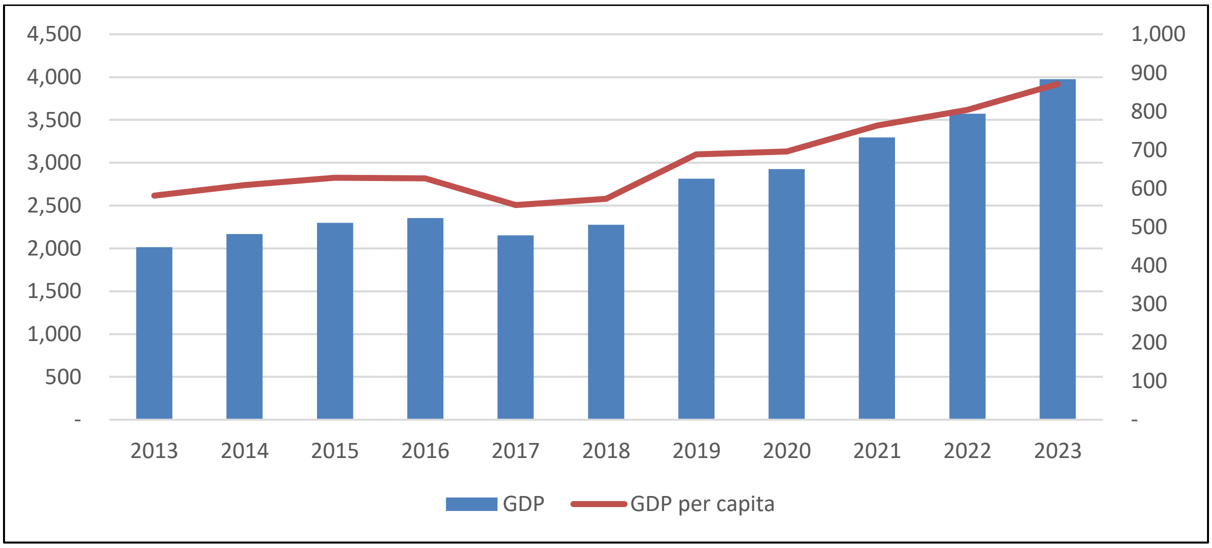
GDP Growth Rate

The major macroeconomic aggregate within the System of National Accounts is Gross Domestic Product (GDP), which represents the results of production activities of all residential institutional units. GDP can be calculated by three approaches: production approach, expenditure approach, and income approach.

Annual Growth Domestic Products at current prices in absolute terms for year 2023 increase to 3,977 million USD from to 3,782 million USD in 2022. Moreover, the value of annual Gross Domestic Products at 2017 constant prices in absolute terms increased to 2,497 million USD in 2023 from 2,419 million USD in 2022, equivalent to an increase of 3.3 percent.

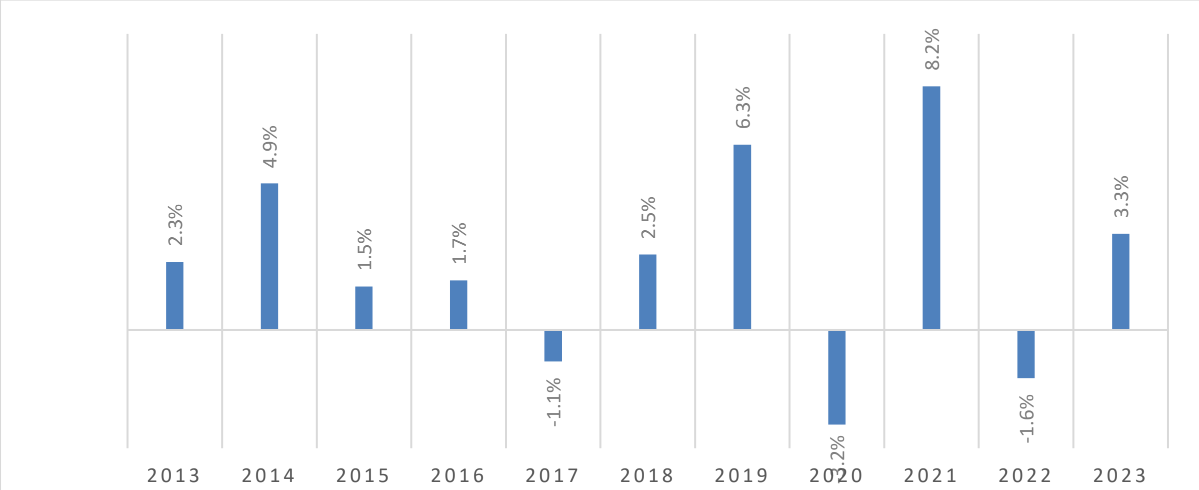
GDP per capita amounted to 871 USD in 2023, compared to 804 USD in 2022. GDP per capita measures the share of GDP each person would get if equally distributed among all residents in an economic territory. It is derived by dividing GDP by population.

Figure 1: GDP and GDP per capita 2023, Current Prices



The growth of real GDP, in constant 2017 prices, was 27 percent from 2012 to 2023. Corresponding to an average annual growth rate of 2.6 percent. While GDP at constant prices increased 3.3 percent in 2023, compared to GDP 2022 declined to 1.6 percent. This growth is driven by an increase in exports of goods and services, from 10.8 percent in 2022 to 14.7 percent in 2023. Exports of livestock also increased, from 6.9 percent in 2022 to 9.9 percent in 2023 In addition, imports declined from 41.4 percent in 2022 to 37.2 percent in 2023.

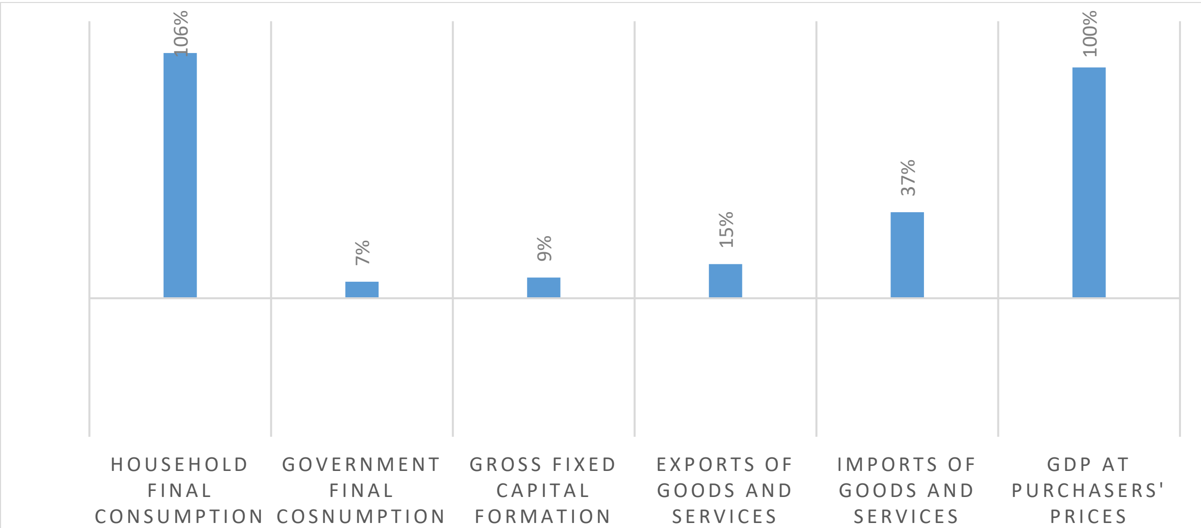
Figure 2: Real GDP growth 2013-2023, percent change



2. Components of GDP

The share of household final consumption expenditure in GDP was between 95 and 101 percent for the years 2012-2015 increasing to 105 percent in 2016 and 109 percent in 2022, While in 2023 declined to 106 percent. The share of gross fixed capital formation increased from 8.5 percent in 2012 to 14.6 percent in 2020, further rising to 18.2 percent in 2021. However, it declined to 13.2 percent in 2022 and further decreased to 9.0 percent in 2023, the lowest level in recent years. The share of exports increased from 10.8 percent in 2022 to 14.7 percent in 2023. Imports amounted to 37.2 percent of GDP in 2023, compared to 43.3 percent in 2022.

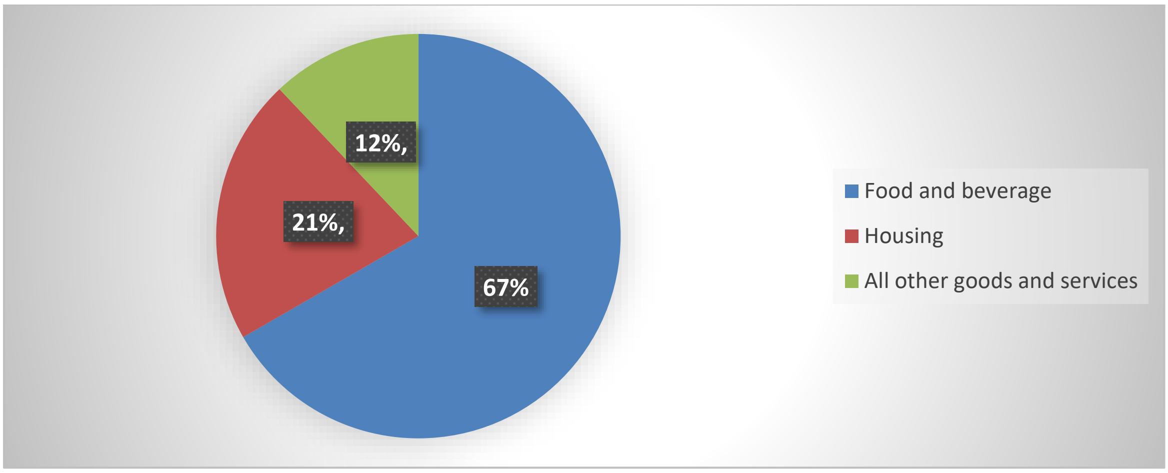
Figure 3: Shares of GDP 2023, Percent



2.1 Household Final Consumption

Household final consumption expenditure amounted to 4,227 million USD in 2023. The volume growth of household final consumption expenditure from 2012 to 2023 was 141 percent. In 2023, food and beverages accounted for 67 percent of household consumption. The share of housing was 21 percent, while that of all other goods and services accounted 12 percent of the total.

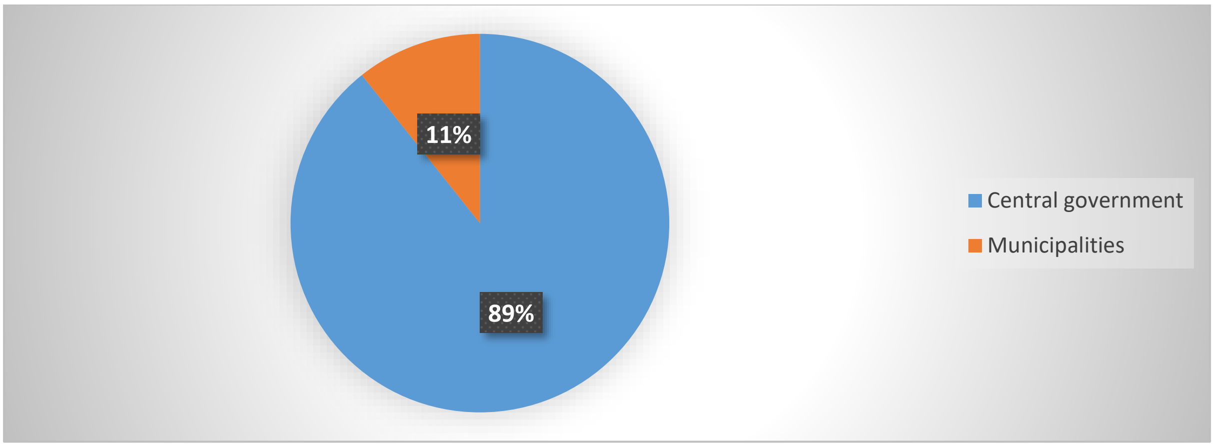
Figure 4: Household Final Consumption Expenditure 2023



2.2 Government Final Consumption

Government final consumption expenditure amounted to 285 million USD in 2023. The central government accounted for 89 percent of this expenditure, while local government accounted for only 11 percent. The volume of expenditure more than doubled (202%) from 2012 to 2023.

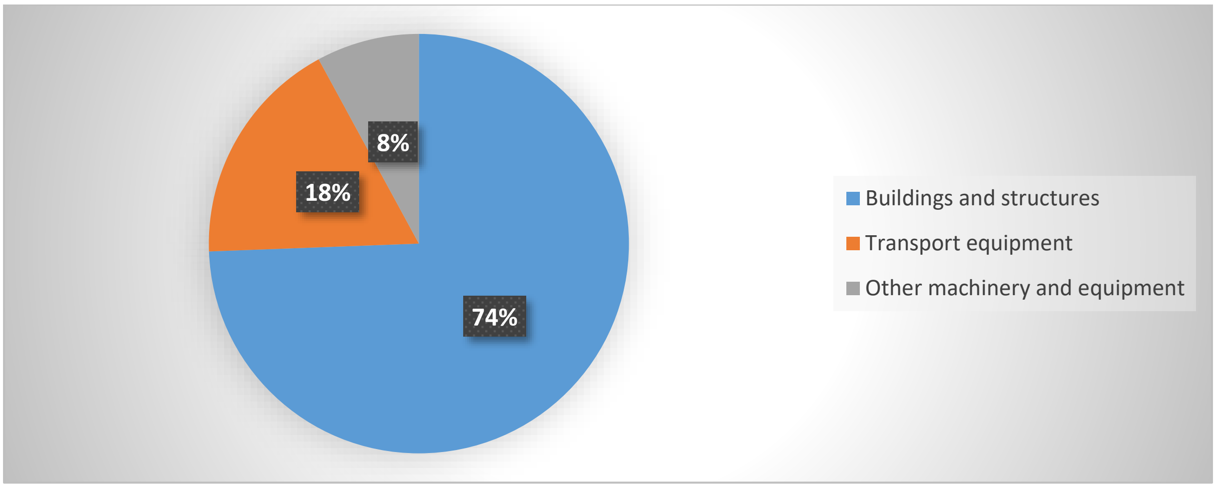
Figure 5: Government Final Consumption Expenditure 2023



2.3 Gross Fixed Capital Formation

Gross fixed capital formation amounted to 359 million USD in 2023. The volume more than tripled from 2012 to 2023 (366 percent increase). 74 percent of gross fixed capital formation consisted of buildings and structures. The rest was made up of transport equipment (18 percent) and machinery and other equipment (8 percent).

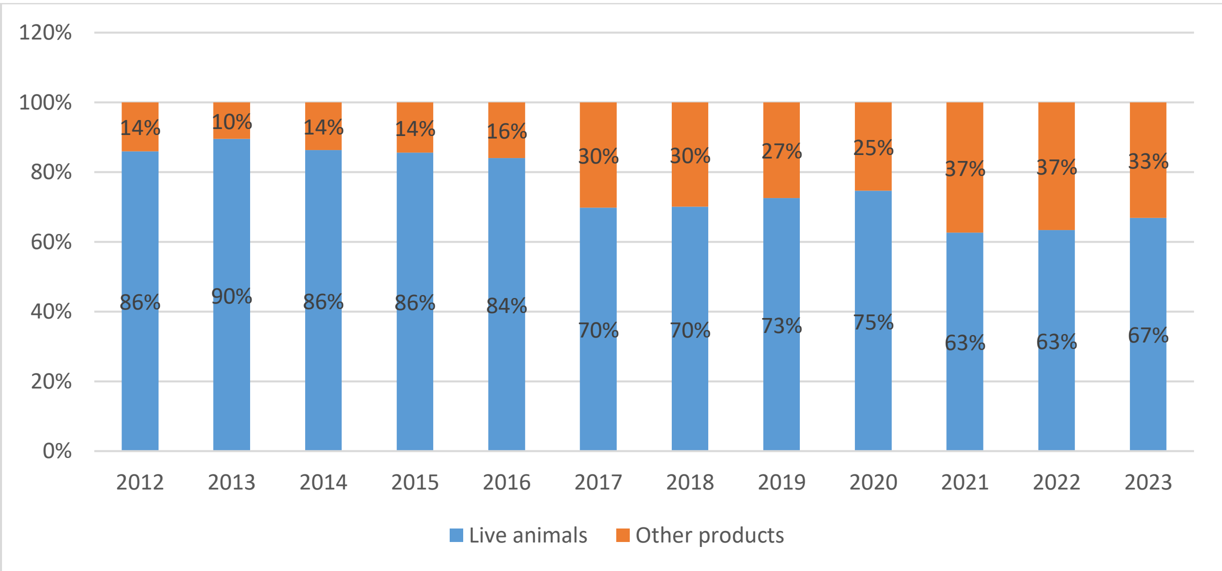
Figure 6: Gross Fixed Capital Formation 2023



2.4 Exports of Goods and Services

Export amounted to 586 million USD in 2023. The major export product is livestock, with a share of the total decreasing from 90 percent in 2013 to 67 percent in 2023. The volume decreased by 35 percent from 2012 to 2020, due to a decrease of exports of live animals following the ban imposed by Saudi Arabia and the 2015-2017 drought. Notable products exported aside from live animals include gold, gemstones, scrap metal, animal skins, fishing products, and frankincense.

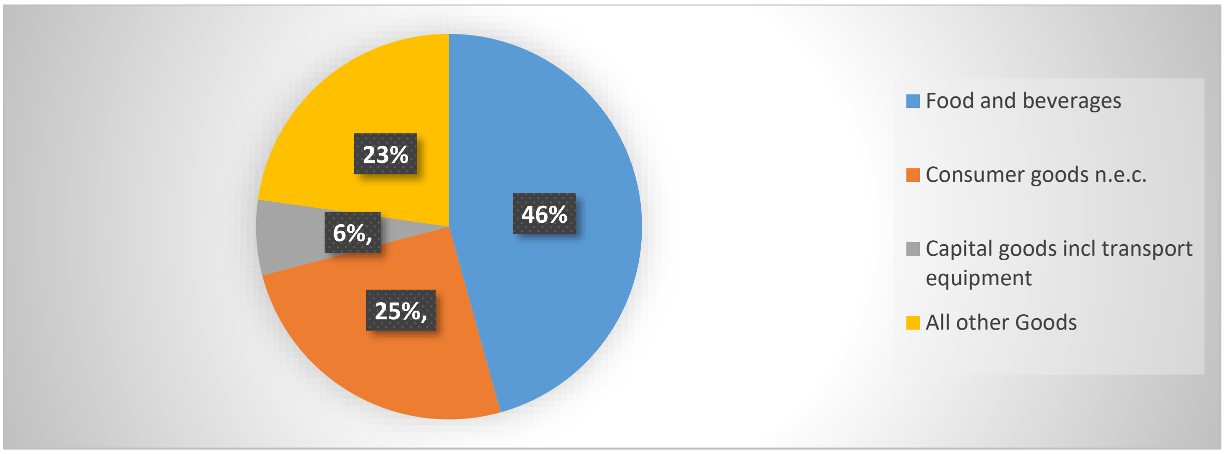
Figure 7: Main Products Exported 2012-2023



2.5 Imports of Goods and Services

Imports amounted to 1,480 million USD in 2023, with the volume having increased by 159 percent from 2012 to 2023. Consumer goods comprised close to 25 percent of imports, with food and beverages accounting for 46 percent of this category. Capital goods, including transport equipment, amounted to 6 percent, while the remaining 23 percent consisted of all other goods.

Figure 8: Imports



	2015	2016	2017	2018	2019	2020	2021	2022	2023
Table 1: GDP by expenditure, current prices, million US Dollars									
Expenditure items	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Household final consumption	2,325	2,475	2,421	2,579	3,135	3,378	3,578	3,913	4,227
Government final consumption	163	175	215	220	242	230	249	273	285
Gross fixed capital formation	283	328	373	438	512	426	612	473	359
Exports of goods and services	392	340	203	229	273	229	292	387	586
of which: livestock	335	285	142	161	198	171	183	246	392
Minus: Imports of goods and services	864	961	1,058	1,189	1,347	1,337	1,433	1,475	1,480
GDP at purchasers' prices	2,298	2,356	2,154	2,278	2,815	2,926	3,297	3,571	3,977
GDP per capita, US Dollars	628	626	557	573	689	696	763	804	871
GDP at purchasers' prices, million SLS	17,167	17,632	19,769	23,079	24,604	25,258	28,081	30,445	34,762
GDP per capita, thousand SLS	4,690	4,686	5,111	5,804	6,019	6,011	6,501	6,856	7,615
Exchange rate	7,471	7,485	9,177	10,133	8,739	8,634	8,516	8,525	8,742
Table 2: GDP by expenditure, current prices, percentage share									
Expenditure items	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Household final consumption	101.2	105.1	112.4	113.2	111.3	115.5	108.5	109.6	106.3
Government final consumption	7.1	7.4	10.0	9.7	8.6	7.9	7.6	7.6	7.2
Gross fixed capital formation	12.3	13.9	17.3	19.3	18.2	14.6	18.5	13.2	9.0
Exports of goods and services	17.0	14.4	9.4	10.1	9.7	7.8	8.8	10.8	14.7
of which: livestock	14.6	12.1	6.6	7.1	7.0	5.8	5.5	6.9	9.9
Minus: Imports of goods and services	37.6	40.8	49.1	52.2	47.8	45.7	43.5	41.3	37.2
GDP at purchasers' prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Table 3: GDP by expenditure, constant prices, million US Dollars									
Expenditure items	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Household final consumption	2,220	2,279	2,421	2,533	2,534	2,514	2,525	2,543	2,545
Government final consumption	154	158	215	213	223	208	211	218	215
Gross fixed capital formation	289	337	373	432	509	422	552	389	291
Exports of goods and services	330	311	203	211	240	186	239	286	409
of which: livestock	276	258	142	148	185	145	164	195	290
Minus: Imports of goods and services	851	907	1,058	1,179	1,159	1,058	1,067	1,018	963
GDP at purchasers' prices	2,142	2,177	2,154	2,209	2,347	2,272	2,459	2,419	2,497
GDP per capita (Real Per capita)	585	579	557	556	574	541	569	545	547
Table 4: GDP by expenditure, constant prices, percent annual change									
Expenditure items	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Household final consumption	4.0	2.6	6.3	4.6	0.1	-0.8	0.4	0.7	0.1
Government final consumption	9.8	2.4	36.4	-1.0	4.7	-6.6	1.3	3.6	-1.5
Gross fixed capital formation	24.5	16.7	10.7	15.6	18.0	-17.1	30.7	-29.5	-25.3
Exports of goods and services	-16.3	-5.7	-34.8	3.8	13.9	-22.5	28.4	19.7	43.1
of which: livestock	-16.4	-6.4	-45.1	4.4	25.0	-21.5	12.9	18.9	49.0
Minus: Imports of goods and services	7.8	6.5	16.6	11.4	-1.7	-8.7	0.9	-4.6	-5.4
GDP at purchasers' prices	1.5	1.7	-1.1	2.5	6.3	-3.2	8.2	-1.6	3.3

Sources and methods

The estimates are based on imperfect and scarce source data combined with assumptions that are partly derived from the national accounts of other African countries. Therefore, the estimates should be seen as experimental meaning that they can be revised in the near future.

The following source data are used:

- The High Frequency Survey (HFS), Wave 2, collected data on household expenditure in February and March 2018 and provided data for benchmark estimates for 2017.
- Data on revenue and expenditure of the central government and data on revenue and expenditure of the municipalities.
- The Comtrade database is maintained by the UN Statistical Department and contains data on foreign trade reported by most countries in the world. Exports from Somalia can then be estimated as imports by its trading partners and imports by Somalia as exports from its trading partners. However, Comtrade doesn't specify Somaliland. Total imports for 2017, the base year, is based on Comtrade assuming that the share of Somaliland in roughly equal to its share of the population
- Data on imports and exports collected by the Customs Authority. Imports collected by Customs cover about 25 per cent of the estimated total imports. The structure in Customs data was applied to the total estimated as described above.
- The consumer price index (CPI) compiled by the Central Statistics Department
- The Population Estimation Survey for Somalia (PESS) provides population data for 2014. The annual population growth has been estimated at 2.8 percent.

An estimate of GDP for 2012 was compiled and published in 2014. GDP was estimated by the production approach and imports were derived as a residual. Two surveys were important data sources: a business survey and a household income and expenditure survey. The results are somewhat different as shown in Table 5.

Table 5: GDP, comparison of estimates for 2012

	Million US Dollars		Percent of GDP	
Expenditure items	**Previous**	**Current**	**Previous**	**Current**
Household final consumption expenditure	2,037	1,755	129.9	112.9
Government final consumption expenditure	93	103	5.9	6.4
Gross fixed capital formation	154	156	9.8	10.3
Exports of goods and services	385	372	24.5	25.1
of which: livestock & livestock products	351	338	22.4	23.1
Minus: Imports of goods and services	1,100	574	70.1	54.6
GDP at purchasers' prices	1,569	1,813	100.0	100.0

The magnitude of GDP is roughly the same in the two estimates. The estimates of government consumption and exports are based on the same data sources while the estimates of gross fixed capital formation for 2012 were used as benchmarks in the current estimates. The household survey for 2012 resulted in a consumption estimate that is considerable larger compared the current estimate based on the High Frequency Survey. The difference in the two estimates of imports is roughly the same.

Household final consumption expenditure: An estimate for 2017 was derived from the HFS Wave 2: Annual consumption per capita was estimated for the strata included in the HFS. Total consumption was then calculated by multiplying by the relevant population. The level appeared low when compared with imports of consumer goods; close to all consumer goods except food are imported. The benchmark for 2017 (except food and beverages) was therefore adjusted on the basis of imports with additions for an adjustment of CIF/FOB (15 percent), customs duties (6 percent) and trade margins (50 percent). Six groups were calculated:

a) Food and beverages. The benchmark for 2017 is moved with the population growth. CPI for food and beverages was used to reflate and derive a time series in constant prices. However, the increase of food consumption in 2020 is assumed to be lower than the population growth, due to the impact of covid-19
b) Housing. The benchmark is moved with population growth and reflated by the relevant CPI to derive current prices.
c) All other goods with specification of
    - Qat & tobacco, the benchmark for 2017 is moved with the trend of imports and reflated with the relevant CPI.
    - Non-durable goods. Same as d).
    - Durable goods. Same as d).
    - Services except housing. The benchmark is moved with population growth and reflated by the relevant CPI to derive current prices.

Government final consumption expenditure: Fiscal data (revenue and expenditure) are available for the central government. Final consumption by central government is based on these data. Data on income and expenditure are available for municipalities and are used to calculate final consumption by local government. The CPI is used as deflator to calculate constant prices.

Gross fixed capital formation: The previous estimates were taken as benchmarks for 2012. Current prices are then estimated by moving the benchmarks with: imports according to the Customs Authority of building materials and machinery and transport equipment. US export price indices are used as deflators.

Exports: *Live animals* are based on data collected by the Customs Authority. Data are collected on quantities and unit prices and, thus, the current and constant prices are estimated by multiplying quantities by unit prices, for each year regarding current prices, and for the base year regarding constant prices. Exports of *other goods* are also based on Customs data. The data are detailed for 2019 and 2020 and indicate a higher level. Therefore, the years 2012-18 were revised as explained above. Exports of services are based on the number of arriving non-residents with assumptions on their expenditure and length of stay. CPI is used as deflator both for other goods and services.

Imports. A benchmark is estimated on the basis of Comtrade at 30 percent of the total, roughly equal to Somaliland's share of the population. The value of imports includes the cost of freight and insurance (CIF) between the exporting country and Somalia and, therefore,15 percent were added to adjust for the valuation of exports, which records the value at the border (FOB) of the exporting country. The benchmark is moved with imports data compiled by the Somaliland Customs. Relevant CPI is used as deflator for consumer goods, while US export price indices are used for other goods.