



SOMALILAND
CENTRAL STATISTICS DEPARTMENT

GROSS DOMESTIC PRODUCT 2012-2018

April 2020

Abstract: GDP has been estimated by the expenditure approach in current and constant 2017 prices, i.e. 2017 is the base year for estimates of real GDP. The detailed results are presented in four tables in section 3.

The estimates should be seen as experimental. Please refer to the section on source and methods.

Contents

List of Acronyms	2
1. GDP 2018.....	3
1.1 GDP and GDP per capita in current prices	3
1.2 Shares of GDP components	3
1.3 GDP in constant prices (real GDP).....	4
2. Components of GDP 2018	4
2.1 Household Final Consumption.....	4
2.2 Government Final Consumption.....	5
2.3 Gross fixed capital formation.....	5
2.4 Exports	6
2.5 Imports.....	6
3. Tables	7
4. Sources and methods	8

List of Acronyms

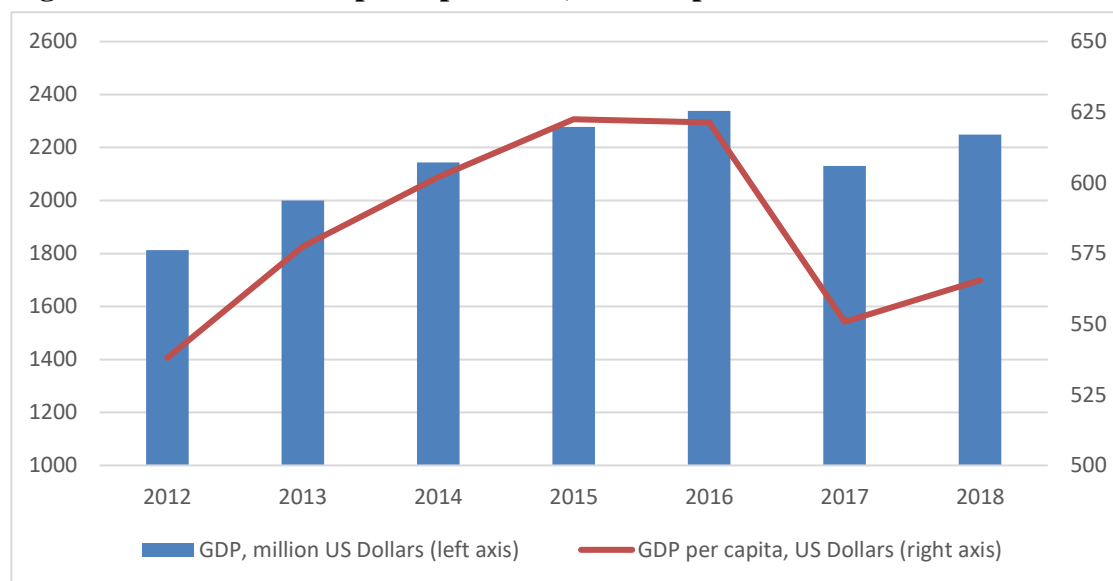
BEC	Broad Economic Indicators
CIF	Cost of Freight and Insurance
FOB	Free-On-Board
GDP	Gross Domestic Product
HFS	High Frequency Survey
PESS	Population Estimation Survey for Somalia
SLS	Somaliland Shillings
USD	United States Dollar

1. GDP 2018

1.1 GDP and GDP per capita in current prices

Somaliland’s GDP in current prices, estimated by the expenditure approach, was 2,249 million USD in 2018, while GDP per capita amounted to 566 USD (or about 5.7 million SLS). Positive GDP growth resumed in 2018, following a recession in 2017.

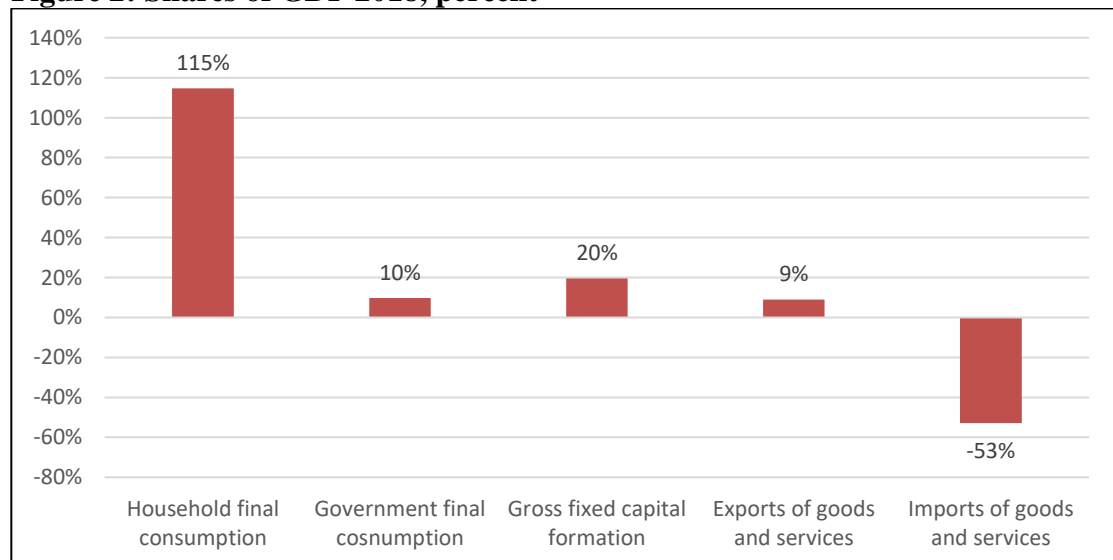
Figure 1: GDP and GDP per capita 2018, current prices



1.2 Shares of GDP components

The share of household final consumption expenditure in GDP was between 96 and 97 percent for the years 2012-2014, then increased yearly to about 115 percent in 2018. The share of gross fixed capital formation increased from 9 percent in 2012 to 20 percent in 2018, while the share of exports decreased from 21 to 9 percent from 2012 to 2018. Imports in 2018 amounted to 53 percent of GDP in 2018, compared to 36 percent in 2012 and 50 percent in 2017.

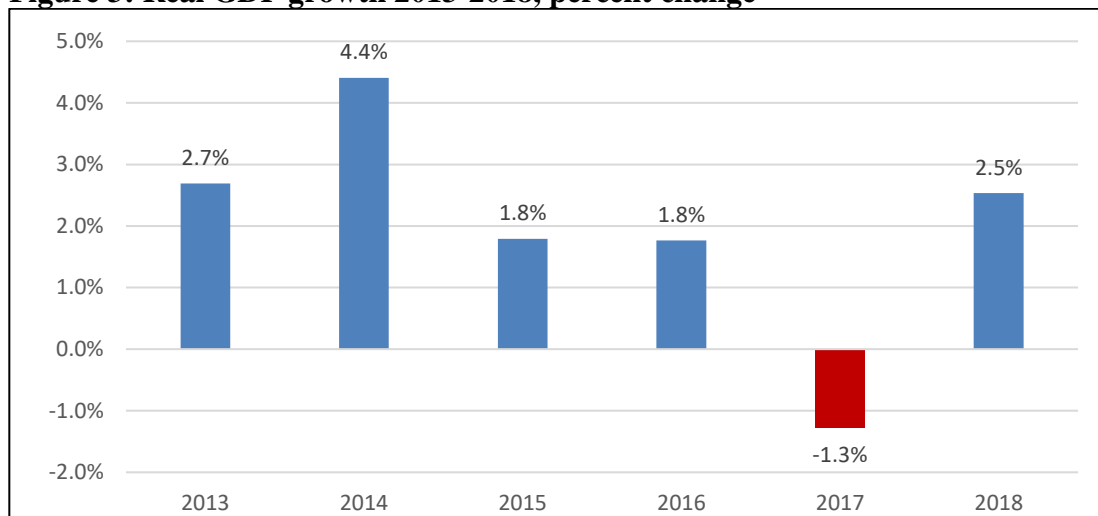
Figure 2: Shares of GDP 2018, percent



1.3 GDP in constant prices (real GDP)

Somaliland's real GDP amounted to 2,184 million USD in 2018. The growth of real GDP, at constant 2017 prices, was 29.4 percent from 2012 to 2018 – corresponding to an average annual growth rate of **2 percent**. In 2018, real GDP growth resumed to 2.5 percent after having decreased by 1.3 percent in 2017 due to a substantial decrease in livestock exports.

Figure 3: Real GDP growth 2013-2018, percent change

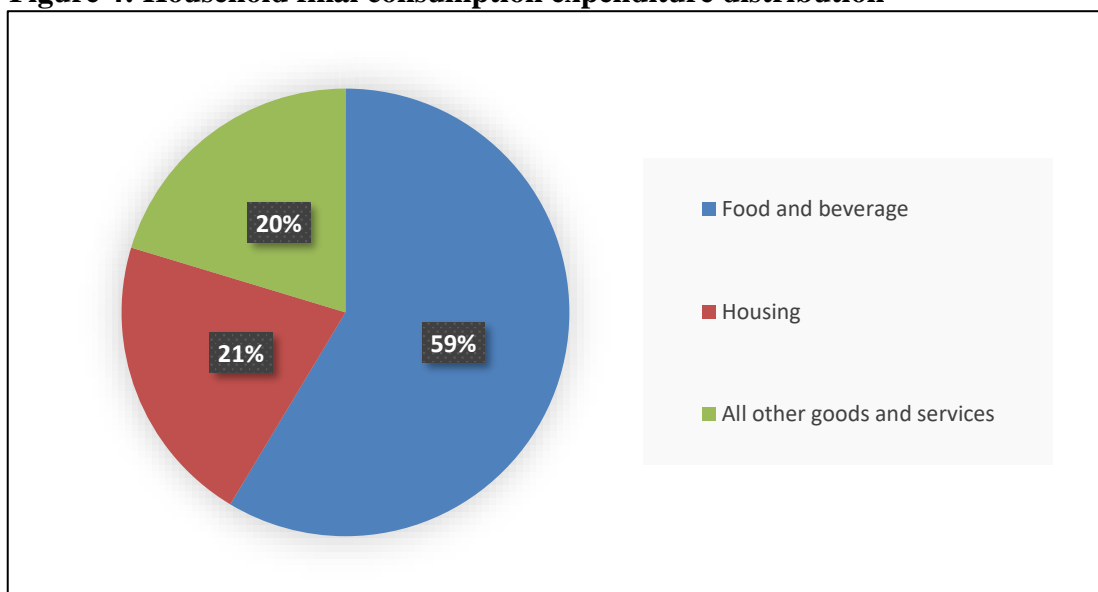


2. Components of GDP 2018

2.1 Household Final Consumption

Household final consumption expenditure amounted to 2,577 USD in 2018. The volume growth of household final consumption expenditure from 2012 to 2018 was 29 percent. In 2018, food and beverages accounted for close to 59 percent of household consumption. The share of housing was 21 percent, while that of all other goods and services accounted 20 percent of the total.

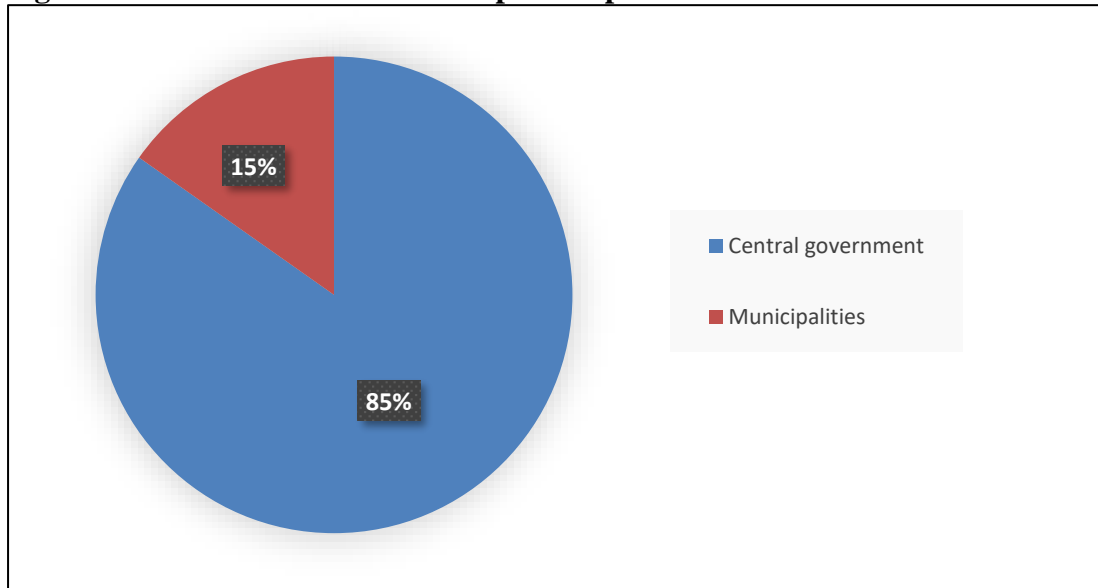
Figure 4: Household final consumption expenditure distribution



2.2 Government Final Consumption

Government final consumption expenditure amounted to 220 million USD in 2018, with the central government accounting for 85 percent of the expenditure, compared to only 15 percent for local government. The volume increased by more than 20 percent from 2012 to 2018.

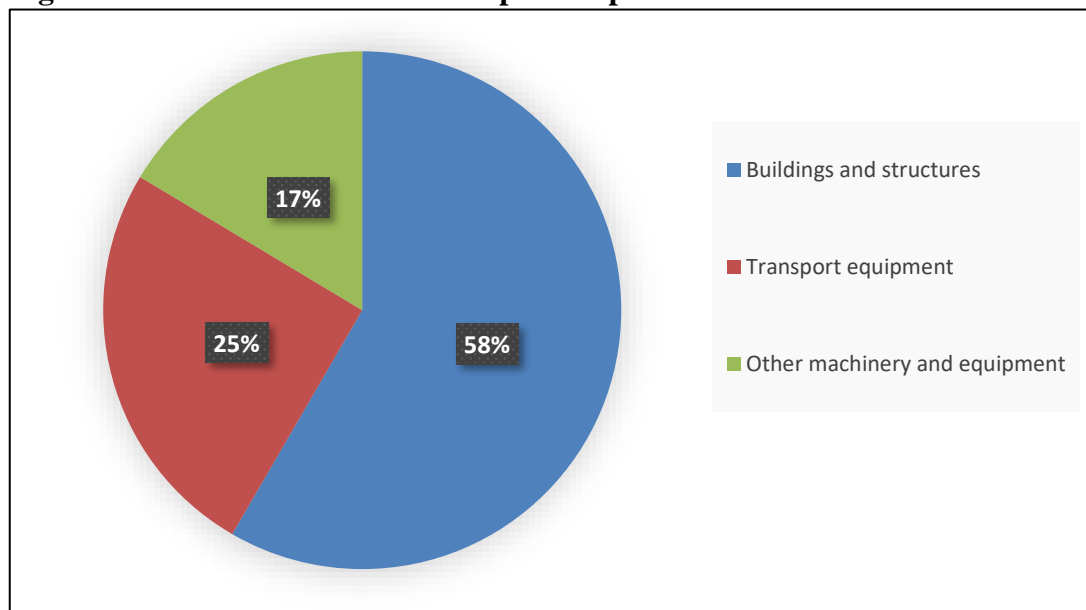
Figure 5: Government final consumption expenditure distribution



2.3 Gross fixed capital formation

Gross fixed capital formation amounted to 439 million USD in 2018. The volume more than doubled from 2012 to 2018 (171 percent increase). 58 percent of gross fixed capital formation consisted of buildings and structures, demonstrating that the majority of capital investment in Somaliland is construction. However, it should be noted that this proportion is down from 66% in 2016. The rest was made up of transport equipment (17 percent) and machinery and other equipment (25 percent).

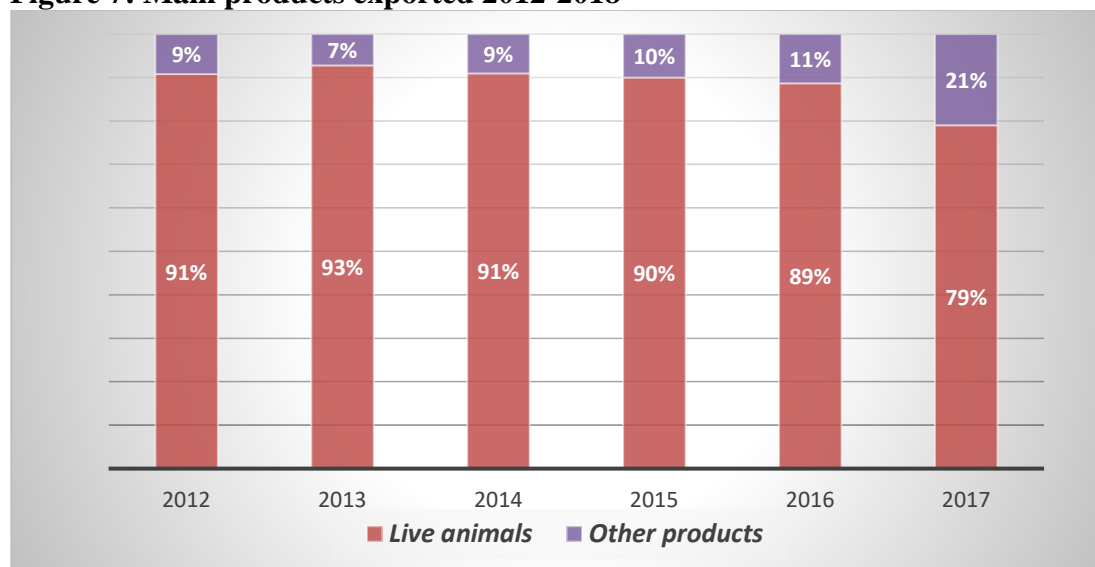
Figure 6: Government final consumption expenditure distribution



2.4 Exports

Export of goods and services amounted to 200 million USD in 2018. The major export product is live animals with, a share of the total decreasing from 91 percent in 2012 to 81 percent in 2018. The volume decreased by 54 percent from 2012 to 2018, 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, scrap metal, animal skins, fish and sea products, food crops and frankincense.

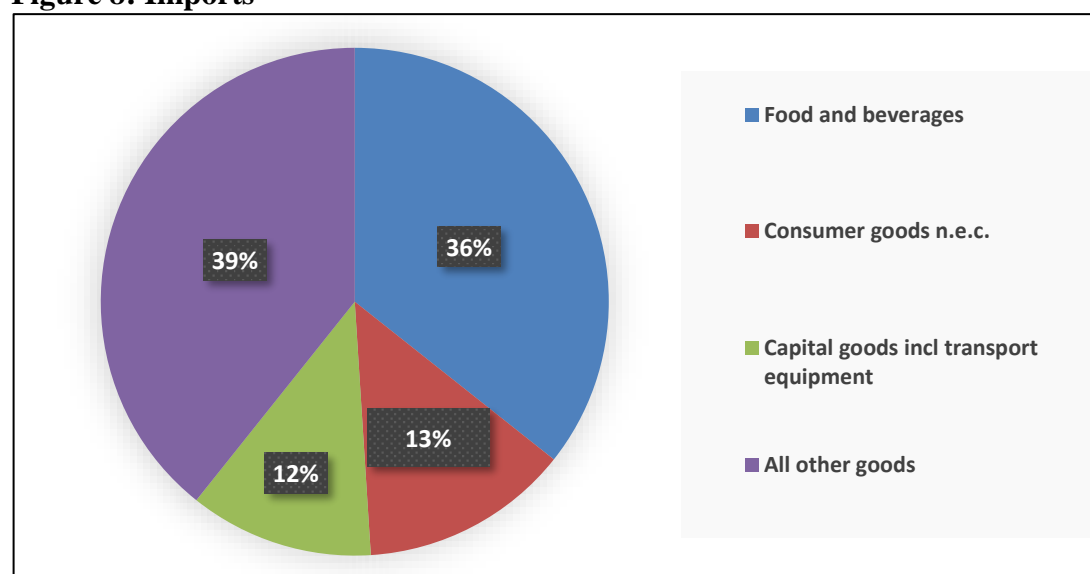
Figure 7: Main products exported 2012-2018



2.5 Imports

Imports amounted to 1,187 million USD in 2018, with the volume increasing by 19 percent from 2012 to 2018. Consumer goods made up close to 87 percent of imports with a share of food and beverages at 36 percent. Capital goods made up 12 percent of the total while 39% made up of the share of imports made up all other goods. The remaining 13 percent include industrial supplies and fuels.

Figure 8: Imports



3. Tables

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

Expenditure items	2012	2013	2014	2015	2016	2017	2018
Household final consumption	1,755	1,949	2,067	2,325	2,475	2,421	2,577
Government final consumption	103	125	144	163	175	215	220
Gross fixed capital formation	156	193	238	283	328	373	439
Exports of goods and services	372	405	462	372	322	179	200
Minus: Imports of goods and services	574	671	768	864	961	1,058	1,187
GDP at purchasers' prices	1,813	2,000	2,144	2,278	2,338	2,130	2,249
GDP per capita, US Dollars	538	577	602	623	621	551	566

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

Expenditure items	2012	2013	2014	2015	2016	2017	2018
Household final consumption	96.8	97.4	96.4	102.0	105.8	113.6	114.6
Government final consumption	5.7	6.2	6.7	7.2	7.5	10.1	9.8
Gross fixed capital formation	8.6	9.6	11.1	12.4	14.0	17.5	19.5
Exports of goods and services	20.5	20.2	21.6	16.3	13.8	8.4	8.9
Minus: Imports of goods and services	31.7	33.5	35.8	37.9	41.1	49.7	52.8
GDP at purchasers' prices	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	2012	2013	2014	2015	2016	2017	2018
Household final consumption	1,957	2,046	2,134	2,220	2,279	2,421	2,531
Government final consumption	104	122	140	154	158	215	213
Gross fixed capital formation	159	190	232	289	337	373	432
Exports of goods and services	355	338	367	309	292	179	186
Minus: Imports of goods and services	632	701	790	851	907	1,058	1,177
GDP at purchasers' prices	1,943	1,995	2,083	2,120	2,158	2,130	2,184

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

Expenditure items	2012	2013	2014	2015	2016	2017	2018
Household final consumption		4.6	4.3	4.0	2.6	6.3	4.6
Government final consumption		17.3	14.6	9.8	2.4	36.4	-1.0
Gross fixed capital formation		19.5	22.1	24.5	16.7	10.7	15.6
Exports of goods and services		-4.7	8.4	-15.8	-5.5	-38.5	3.5
Minus: Imports of goods and services		10.9	12.6	7.8	6.5	16.6	11.2
GDP at purchasers' prices		2.7	4.4	1.8	1.8	-1.3	2.5

4. 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 have been used:

- The High Frequency Survey (HFS) collected data on household expenditure in February and March 2016. The survey did not include nomadic households.
- 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. Imports classified by Broad Economic Indicators (BEC) can be used as an indicator for household consumption and gross fixed capital formation. However, Comtrade doesn't specify Somaliland.
- 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 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 3 percent.

An estimate of GDP for 2012 was compiled and published in 2014. GDP was estimated by the production approach and imports was 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

Expenditure items	Million US Dollars		Percent of GDP	
	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 and 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 2015 was derived from the HFS: Annual consumption per capita was estimated for the strata included in the HFS. Total consumption was then calculated by multiplying by the relevant population. An addition was also made for nomadic households based on data used for 2012 estimates. The level for all Somalia appeared low when compared with imports of consumer goods according to Comtrade; close to all consumer goods except food are imported. The benchmark for 2015 (except food and beverages) was therefore calculated on the basis of imports in Comtrade with additions for an adjustment of CIF/FOB (15 percent), customs duties (6 percent) and trade margins (50 percent). Three groups were calculated:

- a) Food and beverages. The benchmark for 2015 was moved with the trend of imports of food and beverages. CPI for food and beverages was used to deflate and derive a time series in constant prices.
- b) Housing. The benchmark was moved with population growth and reflat by the relevant CPI to derive current prices.
- c) All other goods and services. The benchmark for 2015 was moved with the trend of imports of consumer goods. CPI non-food was used to deflate and derive a time series in constant prices.

The composition of household consumption is somewhat different in the two estimates as shown in Table 6.

Table 6: Household final consumption, comparison of estimates for 2012

Expenditure items	Million US Dollars		Percent of total	
	Previous	Current	Previous	Current
Food and beverages	1,176	962	57.7	54.8
Housing	328	467	16.1	26.6
All other goods and services	533	326	26.2	18.6
Total	2,037	1,755	100.0	100.0

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

Gross fixed capital formation: The previous estimates were taken as benchmarks for 2012. Current prices were then estimated by moving the benchmarks with: – imports according to the Customs Authority for buildings and structures; and – an average of the change in imports in Comtrade and Customs data for machinery. US producer price indices were used as deflators.

Exports of live animals and animal products (hides and skins) as well as of frankincense 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. The number of arriving visitors by air and assumed average expenses was used to estimate exports of services. CPI food and non-

food are used as deflators.

Imports. A benchmark was 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 was moved with household final consumption (excluding housing) and gross fixed capital formation, both in current and constant prices.