



Leading Economic Indicators 2012–2019

Central Statistics Department
Ministry of Planning and National
Development

Preface

Central Statistics Department presents the preliminary Gross Domestic Product data for the period 2012 – 2019, 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.

Table of Contents

1. GDP 2019	Error! Bookmark not defined.
1.1 GDP and GDP per capita in current prices	4
1.2 Shares of GDP components.....	4
1.3 GDP in constant prices (real GDP).....	5
2. Components of GDP 2019	6
2.1 Household Final Consumption	6
2.2 Government Final Consumption.....	6
2.3 Gross fixed capital formation.....	7
2.4 Exports	7
2.5 Imports.....	8
Sources and methods	9
CONSUMER PRICE INDICATORS	11
Methodological Note	11
How to interpret inflation and CPI statistics?	14
Trade	14
Trade Balance of Somaliland 2015-2019	14
Imports and Exports:.....	14

List of Tables

Table 1: GDP by expenditure, current prices, million US Dollars	8
Table 2: GDP by expenditure, current prices, percentage share	8
Table 3: GDP by expenditure, constant prices, million US Dollars	9
Table 4: Table 4: GDP by expenditure, constant prices, percent annual change	9
Table 5: Table 5: GDP, comparison of estimates for 2012	10
Table 6: Annual Consumer Price Indices (2016-2020).....	12
Table 7: Annual % inflation change.....	12
Table 8: Table: Annual inflation contribution by divisions (2016-2020)	13
Table 9: Table: Annual inflation rate (Percentage change) trend by division (2016-2020).....	14
Table 10: Summary of External Trade Statistics, 2015 – 2019 (US\$ Millions)	15
Table 11: Total Export of livestock (HDS) through Berbera Port: 2018-2019.....	15
Table 12: Yearly Import of Food Items through Berbera port: 2018-2019 (Tones)	15
Table 13: Table 4: Yearly Import of Non Food Items through Berbera port: 2018- 2019 (Tones & M3) .	16
Table 14: Table 5: Imports of Kat, vegetables and fruits 2018 – 2019 (kilograms)	16
Table 15: Table 6: Fuel Imports through Customs (Tones) 2018-2019.....	16

List of Figures

Figure 1: GDP and GDP per capita 2019, current prices	4
Figure 2: Shares of GDP 2019, percent	4
Figure 3: Real GDP growth 2013-2019, percent change	5
Figure 4: Household final consumption expenditure 2019	6
Figure 5: Government final consumption expenditure 2019	6
Figure 6: Gross fixed capital formation 2019	7
Figure 7: Main products exported 2012-2019.....	7
Figure 8: Imports.....	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
SNA	System of National Account
ISIC	International Standards of Industrial Classification
COICOP	Classification of Individual Consumption According to Purpose

Gross Domestic Production

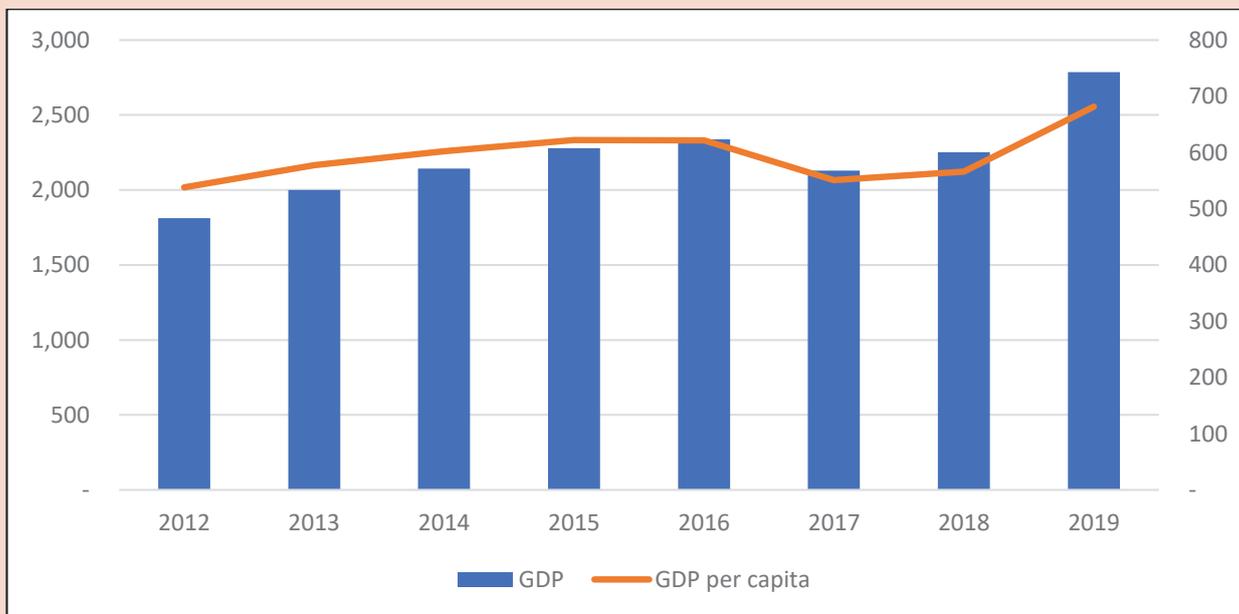
GDP and GDP per capita in current prices

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 three approaches, production approach, expenditure approach, and income approach.

Somaliland's GDP in current prices, estimated by the expenditure approach, was 2, 8 billion USD in 2019, while GDP per capita amounted to 682 USD, comparing to 2018 was 566 USD.

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.

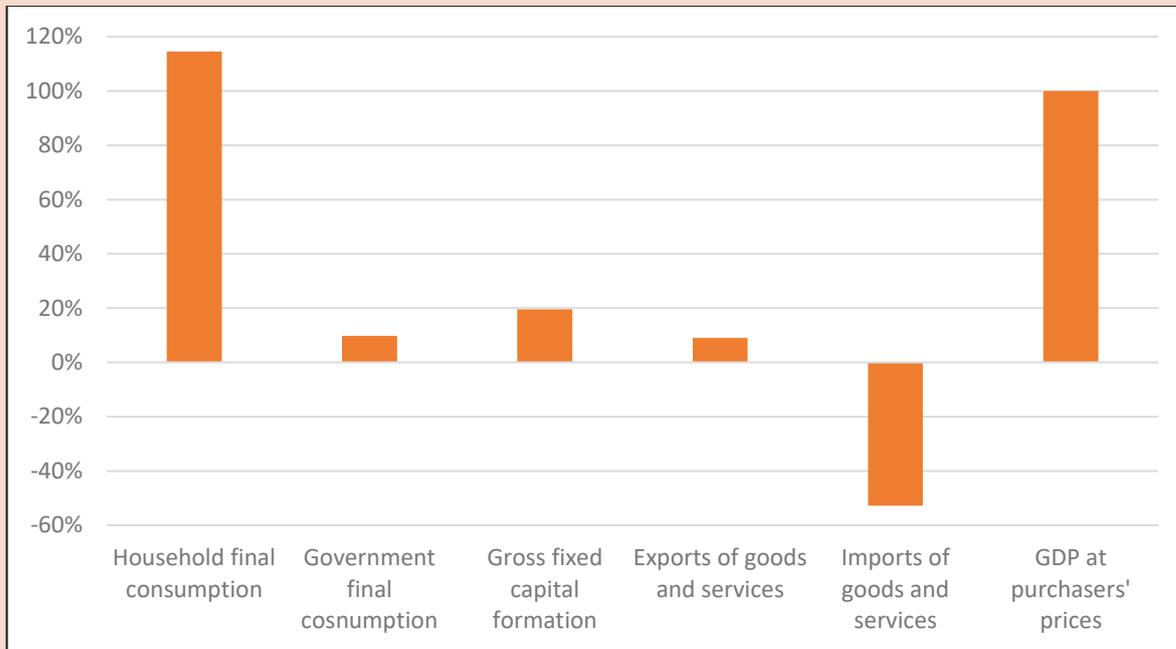
Figure 1: GDP and GDP per capita 2019, current prices



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 to 112-114 percent in the years 2017-2019. The share of gross fixed capital formation increased from 9 percent in 2012 to 18 percent in 2019, while the share of exports decreased from 21 to 9 percent from 2012 to 2019. Imports amounted to 48 percent of GDP in 2019, compared to 32 percent in 2012 and 53 percent in 2018.

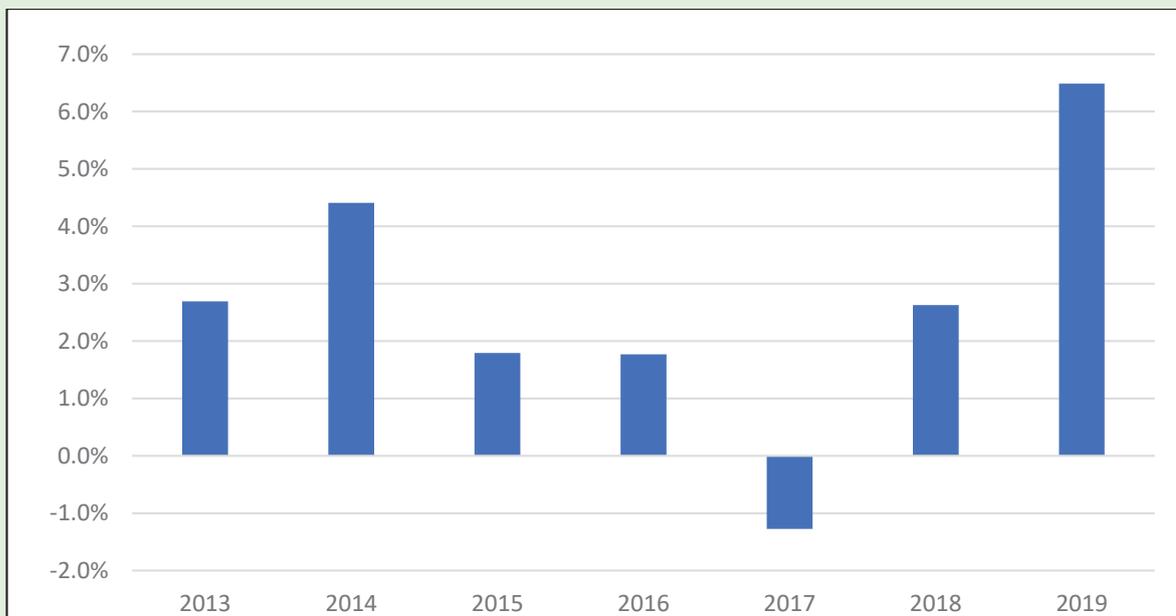
Figure 2: Shares of GDP 2019, percent



GDP in constant prices (real GDP)

The growth of real GDP, at constant 2017 prices, was 20 percent from 2012 to 2019 corresponding to an average annual growth rate of 2.6 percent. Real GDP growth picked up and reached 2.6 and 6.5 percent in 2018 and 2019. GDP decreased by 1.3 percent in 2017 due to a substantial decrease in livestock exports.

Figure 3: Real GDP growth 2013-2019, percent change

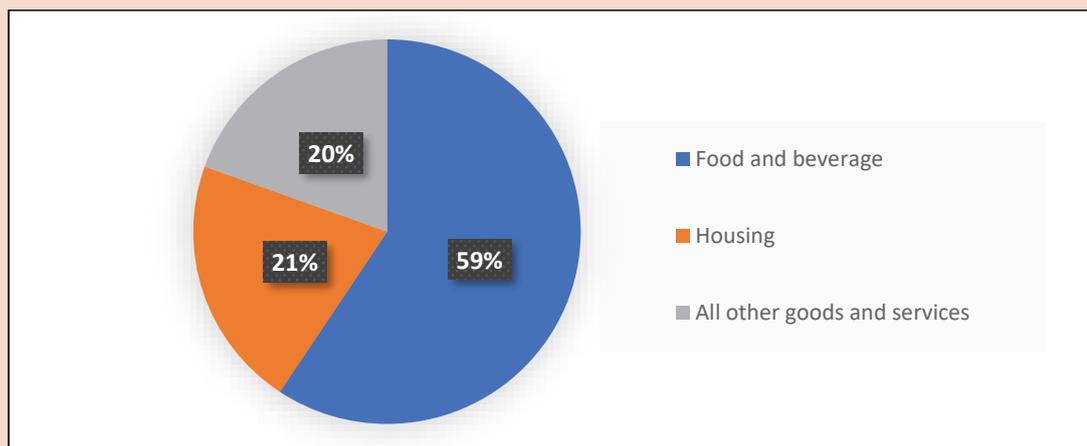


Components of GDP 2019

Household Final Consumption

Household final consumption expenditure amounted to 3,133 million USD in 2019. The volume growth of household final consumption expenditure from 2012 to 2019 was 29 percent. In 2019, 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.

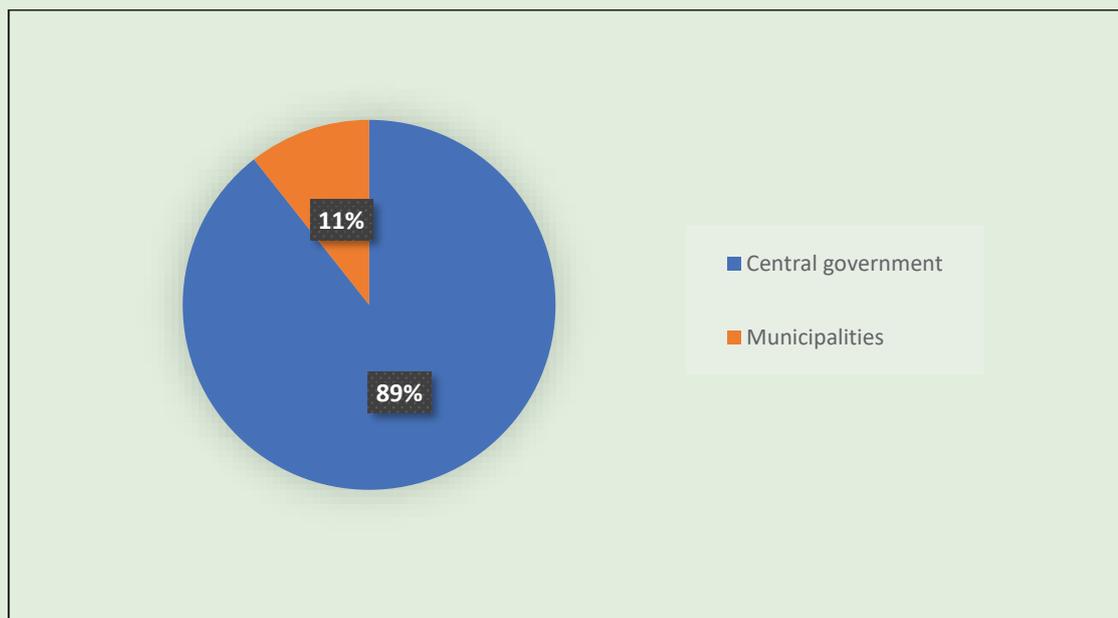
Figure 4: Household final consumption expenditure 2019



Government Final Consumption

Government final consumption expenditure amounted to 242 million USD in 2019, with the central government accounting for 89 percent of the expenditure, compared to only 11 percent for local government. The volume more than doubled from 2012 to 2019.

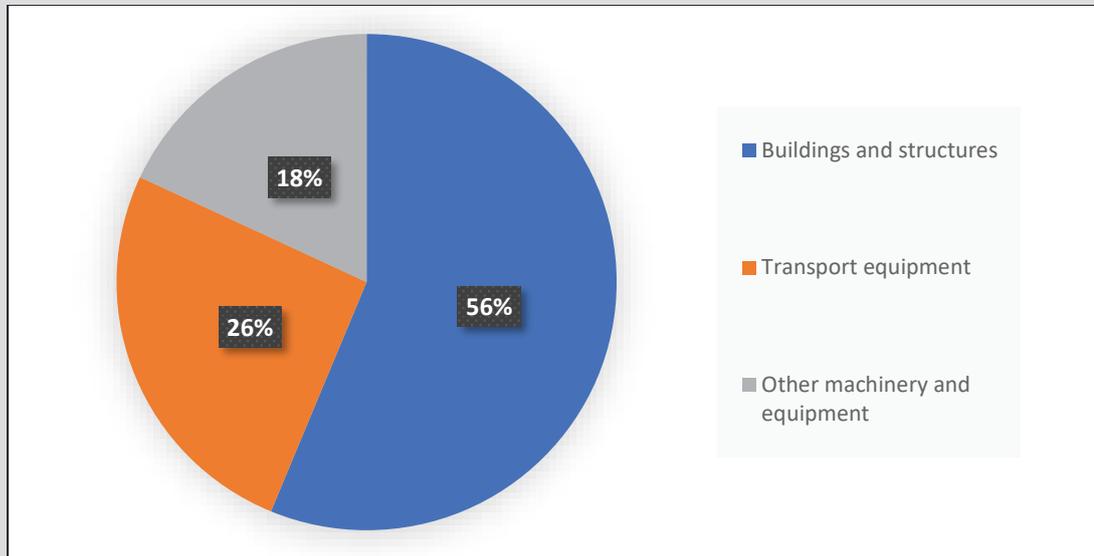
Figure 5: Government final consumption expenditure 2019



Gross fixed capital formation

Gross fixed capital formation amounted to 512 million USD in 2019. The volume more than doubled from 2012 to 2019 (220 percent increase). 56 percent of gross fixed capital formation consisted of buildings and structures. The rest was made up of transport equipment (26 percent) and machinery and other equipment (18 percent).

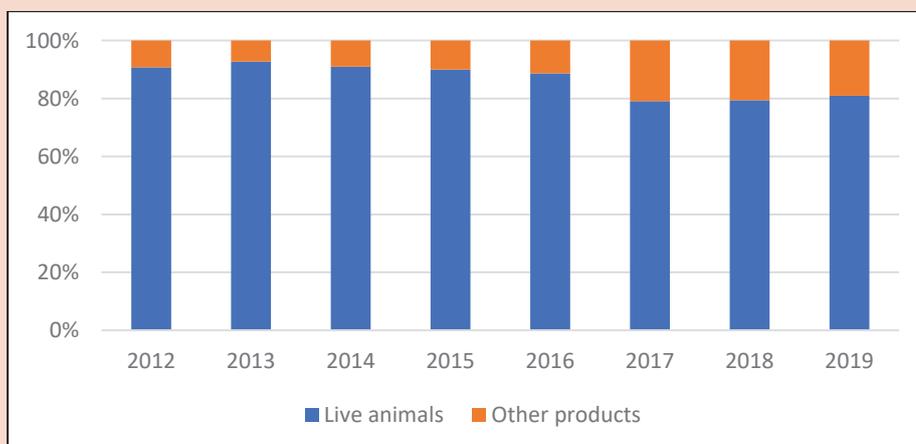
Figure 6: Gross fixed capital formation 2019



Exports

Export of goods and services amounted to 244 million USD in 2019. The major export product is livestock, with a share of the total decreasing from 91 percent in 2012 to 81 percent in 2019. The volume decreased by 37 percent from 2012 to 2019, 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, gem stones, scrap metal, animal skins, fishing products, and frankincense.

Figure 7: Main products exported 2012-2019



Imports

Imports amounted to 1,346 million USD in 2019, with the volume increased by 83 percent from 2012 to 2019. Consumer goods made up close to 26 percent of imports with a share of food and beverages at 42 percent. The remaining 32 percent include capital goods, industrial supplies and fuels.

Figure 8: Imports

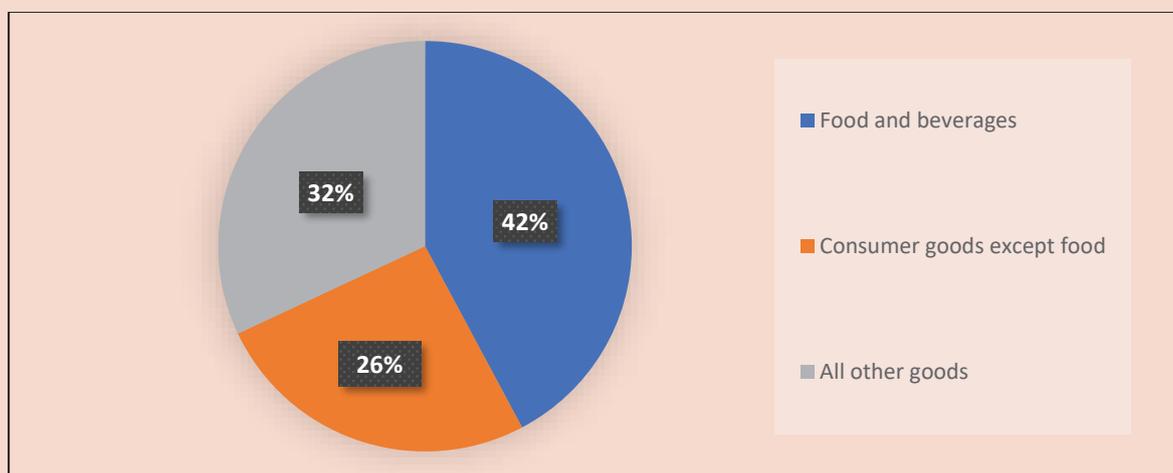


Table 1: GDP by expenditure, current prices, million US Dollars

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019
Household final consumption	1 755	1 949	2 067	2 325	2 475	2 421	2 579	3 133
Government final consumption	103	125	144	163	175	215	220	242
Gross fixed capital formation	156	193	238	283	328	373	438	512
Exports of goods and services	372	405	462	372	322	179	202	244
Minus: Imports of goods and services	574	671	768	864	961	1 058	1 189	1 346
GDP at purchasers' prices	1 813	2 000	2 144	2 278	2 338	2 130	2 251	2 786
GDP per capita, US Dollars	538	577	602	623	621	551	566	682

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

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019
Household final consumption	96.8	97.4	96.4	102.0	105.8	113.6	114.6	112.5
Government final consumption	5.7	6.2	6.7	7.2	7.5	10.1	9.8	8.7
Gross fixed capital formation	8.6	9.6	11.1	12.4	14.0	17.5	19.5	18.4
Exports of goods and services	20.5	20.2	21.6	16.3	13.8	8.4	9.0	8.8
Minus: Imports of goods and services	31.7	33.5	35.8	37.9	41.1	49.7	52.8	48.3
GDP at purchasers' prices	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	2012	2013	2014	2015	2016	2017	2018	2019
Household final consumption	1 957	2 046	2 134	2 220	2 279	2 421	2 533	2 533
Government final consumption	104	122	140	154	158	215	213	223
Gross fixed capital formation	159	190	232	289	337	373	432	509
Exports of goods and services	355	338	367	309	292	179	188	222
Minus: Imports of goods and services	632	701	790	851	907	1 058	1 179	1 158
GDP at purchasers' prices	1 943	1 995	2 083	2 120	2 158	2 130	2 186	2 328

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

Expenditure items	2012	2013	2014	2015	2016	2017	2018	2019
Household final consumption		4.6	4.3	4.0	2.6	6.3	4.6	0.0
Government final consumption		17.3	14.6	9.8	2.4	36.4	-1.0	4.6
Gross fixed capital formation		19.5	22.1	24.5	16.7	10.7	15.6	18.0
Exports of goods and services		-4.7	8.4	-15.8	-5.5	-38.5	5.0	17.8
Minus: Imports of goods and services		10.9	12.6	7.8	6.5	16.6	11.4	-1.7
GDP at purchasers' prices		2.7	4.4	1.8	1.8	-1.3	2.6	6.5

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 is 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 describe 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 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: 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 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 was moved with the population growth. CPI for food and beverages was used to reflate and derive a time series in constant prices.
- b) Housing. The benchmark was moved with population growth and reflated by the relevant CPI to derive current prices.
- c) All other goods with specification of
- d) Qat & tobacco, The benchmark for 2017 was moved with the trend of imports and reflated with the relevant CPI.
- e) Non-durable goods. Same as d).

- f) Durable goods. Same as d).
- g) Services except housing. The benchmark was moved with population growth and reflatd 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 producer 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 details of the data are different for the latest years although the time series looks consistent. 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 based on 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 household final consumption (excluding housing) and gross fixed capital formation, both at current and constant prices.

CONSUMER PRICE INDICATORS

Methodological Note

The Consumer Price Index (CPI) and the accompanying report are prepared monthly by the Central Statistics Department (CSD) at the Ministry of Planning and National Development (MoPND). In 2012 is the price reference period, for which the CPI was set to 100.

The CPI is compiled from 520 product prices collected in Hargeisa, mainly from the city’s two biggest open-air markets. Those product prices are weighted according to the representative consumption basket, which is calculated based on consumption data from the Somaliland Household Survey (2012) and auxiliary data sources to overcome data gaps.

The CPI is produced following international standards for price statistics. For instance, the CPI follows the Classification of Individual Consumption by Purpose (COICOP), elementary aggregate indices are calculated using the geometric average method (Jevons index), and higher-level indices are computed as weighted arithmetic averages of their sub-indices (Laspeyres index).

Time series for the CPI and its main components, annual and monthly inflation, as well as detailed information on methodology are available on the CSD

Website: <https://somalilandcsd.org/>

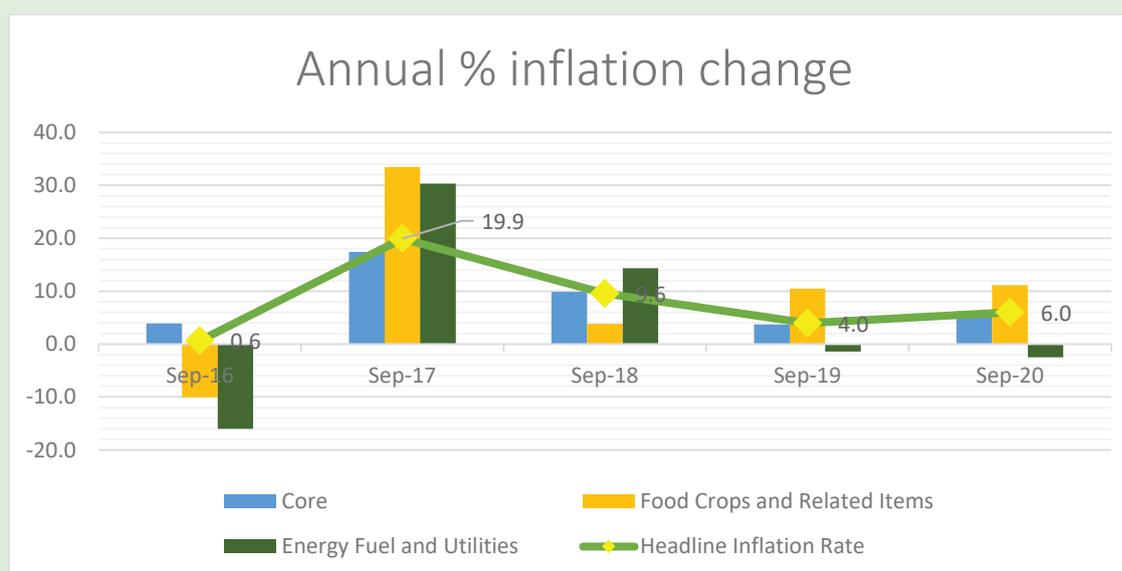
Table 6: Annual Consumer Price Indices (2016-2020)

	Weight	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20
Headline Inflation Rate	1000.00	128.21	153.77	168.47	175.20	185.79
Core	814.08	130.67	153.45	168.58	174.85	185.64
Food Crops and Related Items	95.33	131.76	175.86	182.66	201.79	224.33
Energy Fuel and Utilities	90.59	102.35	133.38	152.55	150.36	146.58

Table 7: Annual % inflation change

	Weight (%)	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20
Headline Inflation Rate	100.0	0.6	19.9	9.6	4.0	6.0
Core	81.4	3.9	17.4	9.9	3.7	6.2
Food Crops and Related Items	9.5	-10.0	33.5	3.9	10.5	11.2
Energy Fuel and Utilities	9.1	-16.0	30.3	14.4	-1.4	-2.5

Figure 9: Figure 1. CPI annual inflation rate from 2016 to 2020



The above chart illustrates trends of yearly inflation rates of Core, Food Crops and Related, Energy Fuel and Utilities items and the overall Headline inflation rate.

Overall, the inflation rate of all categories is not stable, which means it has been fluctuating over the last five years. Similarly, Headline inflation rate was going up and down during that period.

In 2016, Headline inflation rate was the least at 0.6%; however, the highest inflation has been experienced in 2017 at 19.9% due to the severe droughts happened all regions in 2017.

2016, Food Crops and Related, Energy Fuel and Utilities items all had the least inflation rates at -10% and -16.0 respectively, but the least Core inflation has been shown in 2019. However, the highest points of inflation of all these categories have been seen in 2017.

Table 8: Table: Annual inflation contribution by divisions (2016-2020)

Divisions	Contribution				
	Sep 16	Sep 17	Sep 18	Sep 19	Sep 20
Food and Non-Alcoholic Beverages	0.8	9.7	4.1	3.4	2.5
Tobacco and Narcotics	0.5	3.0	-1.5	-0.4	2.9
Clothing and Footwear	-0.1	0.9	1.0	0.2	0.3
Housing, Water, Electricity, Gas and Other Fuels	0.0	3.6	1.3	0.3	-0.8
Furnishings, Household Equipment and Routine Household Maintenance	0.2	0.6	0.5	0.3	0.3
Health	0.7	0.1	0.2	0.0	0.4
Transport	-1.0	0.0	1.2	-0.1	-0.1
Communication	0.2	0.3	0.9	0.1	-0.1
Recreation and Culture	0.0	0.4	0.2	0.0	0.1
Education	0.2	0.4	0.4	0.0	0.0
Restaurants and Hotels	0.0	0.2	0.9	0.1	0.1
Miscellaneous Goods and Services	-0.1	0.9	0.5	0.1	0.4

The main contributors to the 6.0% annual inflation rate were Tobacco and Narcotics, and Food and Non-Alcoholic Beverages (look at the above table).

Tobacco and Narcotics increased by 61.1% year-on-year and contributed 2.9 of a percentage point to the total CPI annual rate of 6.0%.

Food and Non-Alcoholic Beverages increased by 5.5% year-on-year and contributed 2.5 percentage points to the total CPI annual rate of 6.0%.

Table 9: Table: Annual inflation rate (Percentage change) trend by division (2016-2020)

Main Divisions	Weights	Sep_16	Sep_17	Sep_18	Sep_19	Sep_20
Food and non-alcoholic beverages	41.75%	2.2	21.8	9.3	7.8	5.5
tobacco and narcotics	4.56%	10.4	53.5	-21.1	-7.4	62.0
Clothing and footwear	5.73%	-1.6	15.9	19.1	4.1	6.0
Housing water, electricity, gas and other fuels	14.10%	0.1	25.4	8.7	2.0	-5.8
Furnishings household equipment and routine household maintenance	5.55%	3.2	10.9	11.2	6.0	5.2
Health	2.56%	27.9	3.6	7.7	0.8	17.3
Transport	8.85%	-12.1	-0.1	19.8	-1.9	-1.3
Communication	2.99%	5.9	11.1	32.1	2.8	-2.5
Recreation and culture	2.25%	-1.8	20.8	8.5	-2.0	6.8
Education	3.69%	6.9	10.4	11.6	-0.6	-1.0
Restaurants and hotels	3.35%	0.3	6.9	32.8	2.6	2.2
Miscellaneous goods and services	4.62%	-1.6	21.4	11.0	3.2	9.7

How to interpret inflation and CPI statistics?

Movements of the indices from one year to another usually are expressed as percentage changes rather than changes in index points. For instance, index going from 175.20 in September 2019 to 185.79 in September 2020 which represents a 6.0% increase in that index, which will be typically reported as a 6.0% rate of yearly inflation.

Trade

Trade Balance of Somaliland 2015-2019

The country continued to experience trade deficits throughout the period (2015 – 2019) as the previous years, as shown in Table1 with the highest trade deficit of US\$ 1,009 million being registered in 2019. The table shows trade balances from 2015 to 2019. From the table, the trade deficit worsened in 2019 compared to other four years. Furthermore, export earnings decreased significantly compared to imports bill which increased considerably in 2019 leading to the highest trade deficit.

Imports and Exports:

During 2019, total export earnings were estimated at US\$ 244 million; the overall export earnings increased by 20.79 percent in 2019 compared to the previous year. There were fluctuations in total exports with the lowest being recorded in 2017 (see the table below).

The total imports in 2019 stood at US\$ 1,253 million, of which, the total imports expenditure rose by 9.8 percent in 2019.

Table 10: Summary of External Trade Statistics, 2015 – 2019 (US\$ Millions)

Trade Flow	2015	2016	2017	2018	2019
Total export	372	322	179	202	244
Total import	903	980	1058	1141	1253
Trade Balance	-531	-658	-879	-939	-1009
Percentage change (Exports)		-13.4	-44.4	13	20.79
Percentage change (Imports)		8.5	7.96	7.8	9.8

Table 11: Total Export of livestock (HDS) through Berbera Port: 2018-2019

livestock exportation	2018	2019
Sheep/Goat	1,280,252	1,710,646
Cattle	116,705	136,846
Camel	509	50,939
Total	1,397,466	1,898,431

Source: Ministry of Finance

Table 12: Yearly Import of Food Items through Berbera port: 2018-2019 (Tones)

Item	Year	
	2018	2019
Sugar	3,366,261	6,068,268
Rice	2,338,545	3,159,156
White Flour	3,227,504	3,579,060
Wheat	42,328	22,955
Preserved Beans	27,334	2,973,410
Cooking oil	28,959,762	94,285,941
Pasta	46,179,335	67,679,712
Dates	10,418,031	11,232,777
Biscuits	8,979,487	8,429,679
Total	103,538,587	197,430,958

Source: Ministry of Finance

Table 13: Table 4: Yearly Import of Non Food Items through Berbera port: 2018- 2019 (Tones & M3)

Item	Year	
	2018	2019
Petrol	64,792	67,231
Diesel	249,579	302,421
Engine oil	3,653,332	135,864
Cars/Trucks	1,414	1,092
Spare parts	4,947,490	4,490,554
Cigarettes	246,771	3,651,128
Soap	11,509,633	17,602,223
Total	20,673,011	26,250,513

Source: Ministry of Finance

Table 14: Table 5: Imports of Kat, vegetables and fruits 2018 – 2019 (kilograms)

Item	Year	
	2018	2019
Kat	36,658,041	39,903,777
Fresh vegetables	6,430,937	57,725,764
Fresh fruits	6,949,268	29,190,643
Total		126,820,184

Source: Ministry of Finance

Table 15: Table 6: Fuel Imports through Customs (Tones) 2018-2019

Item	Year	
	2018	2019
Petrol	64,792	67,231
Diesel	249,579	302,421
Engine oil	3,653,332	135,864
Cars/Trucks	1,414	1,092
Spare parts	4,947,490	4,490,554
Cigarettes	246,771	3,651,128
Soap	11,509,633	17,602,223
Total	20,673,011	26,250,513

Source: Ministry of Finance