

STATISTICAL RELEASE
GROSS DOMESTIC PRODUCT
2012-2017

CENTRAL STATISTICS DEPARTMENT



**Ministry of Planning and
National Development**

GDP





**SOMALILAND
CENTRAL STATISTICS DEPARTMENT**

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OCTOBER 2018

GDP has been estimated by the expenditure approach in current and constant 2015 prices, i.e. 2015 is the base year for estimates of real GDP. The results are presented in four tables.

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

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Somaliland's GDP increased by 10.6 percent from 2012 to 2017

Somaliland's GDP amounted to 2,573 million USDollars in 2017, while GDP per capita amounted to 675 US Dollars. The growth of real GDP, at constant 2015 prices, was close to 11 percent from 2012 to 2017— an average annual growth rate of 2 percent. However, real GDP decreased by 1 percent in 2017 due to a substantial decrease of exports of livestock.

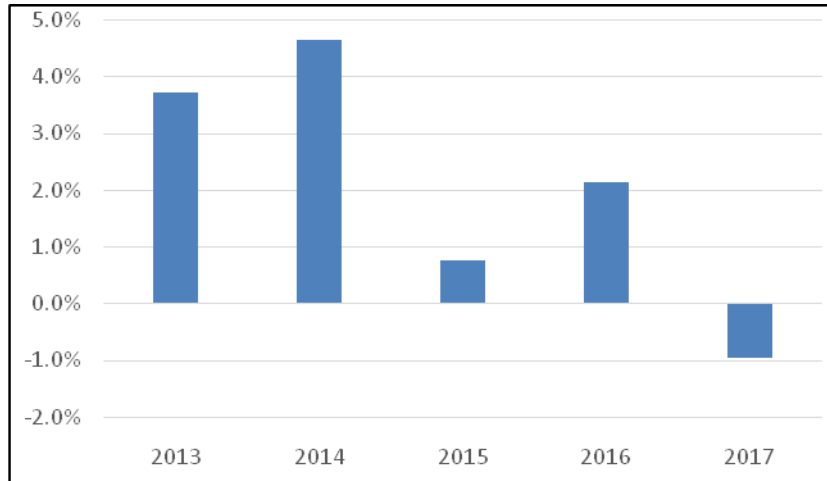


Figure 1: Real GDP-growth 2013-2017, percent

Sources: CSD, 2017

The share of household final consumption expenditure of GDP was just below 100 percent for the years 2012-2014, then increasing to about 110 percent in 2017. The share of gross fixed capital formation increased from 10 percent in 2010 to 18 percent in 2017, while the share of exports decreased from 23 to 8 percent from 2012 to 2017. Imports make up 40-45 percent of GDP.

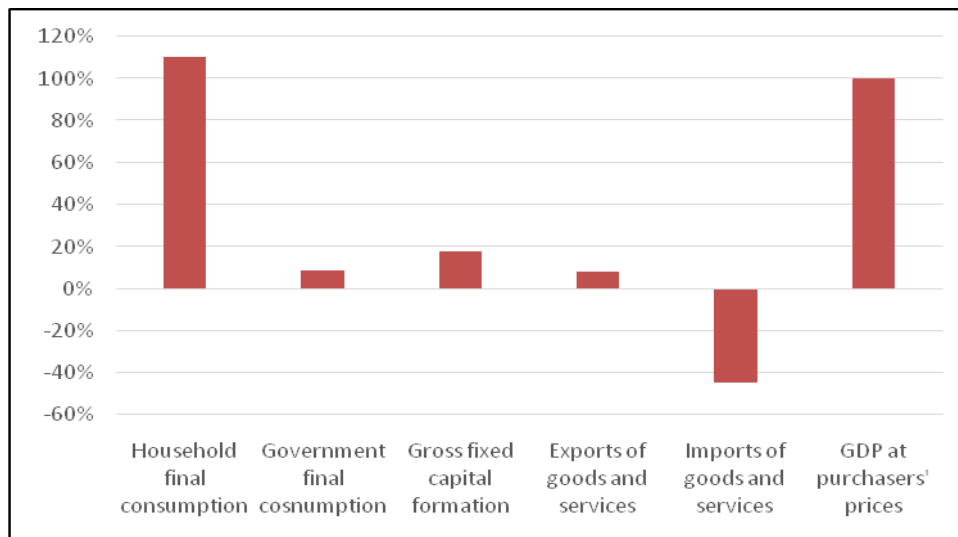


Figure 2: Percent shares of GDP 2017

Sources: CSD, 2017

Household final consumption expenditure amounted to 2,840USDollars in 2017. The volume growth from 2012 to 2017 was 13percent. Food and beverages made up close to 57percent of household consumption in 2017. The share of housing was 26 percent, while the share of other goods and services was 17 percent.

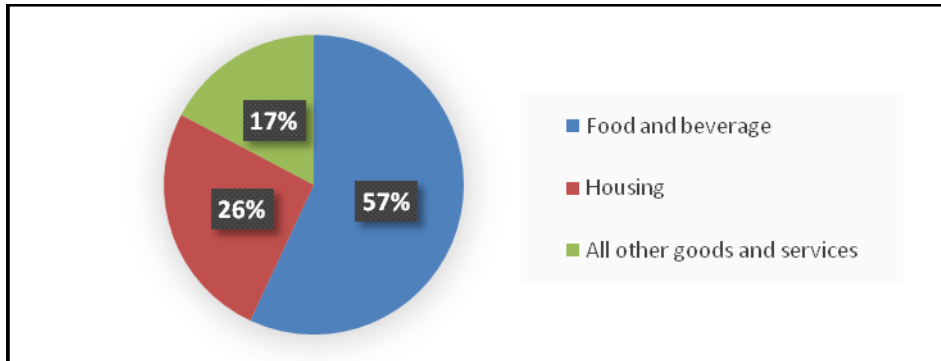


Figure 3: Household final consumption expenditure 2017

Sources: CSD, 2017

Government final consumption expenditure amounted to 228 million USDollars in 2017 with a share of central government at 86 percent. The volume increased by more than 50 percent from 2012 to 2017.

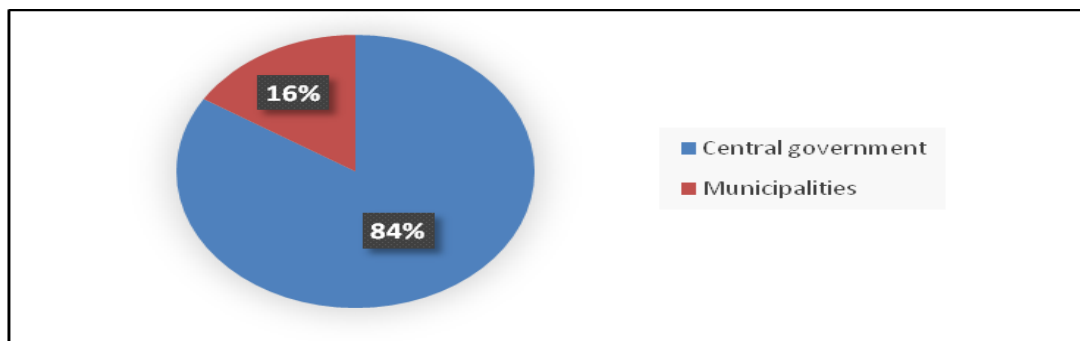


Figure 4: Government final consumption expenditure 2017

Sources: CSD, 2017

Gross fixed capital formation amounted to 457 million US Dollars in 2017. The volume more than doubled from 2012 to 2017. Close to 50 percent of gross fixed capital formations consisted of buildings and structures. The rest was made up of transport equipment at 21 percent and machinery and other equipment at 31 percent.

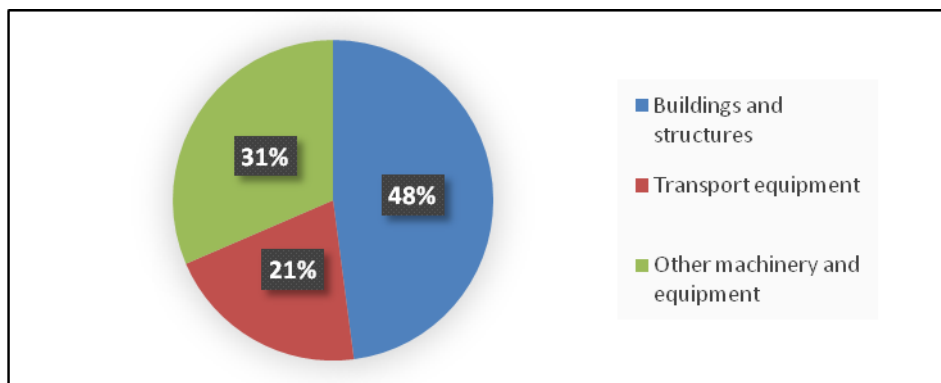


Figure 5: Gross fixed capital formation 2017

Sources: CSD, 2017

Exports amounted to 202 million US Dollars in 2017. The major export product is live animals with a share of the total decreasing from 91 percent in 2012 to 73 percent in 2017. The volume decreased by 45 percent from 2012 to 2017 due to a decrease by 51 percent of exports of live animals. Frankincense is also an important export product. Expenditure by non-residents in Somaliland is recorded as exports of services and account for 5-10 percent of the total.

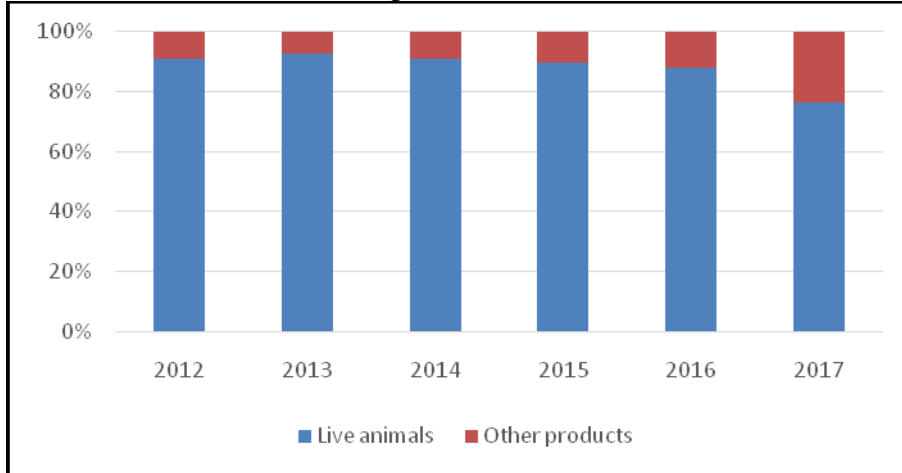


Figure 6: Exports 2012-2017

Sources: CSD, 2017

Imports amounted to 1,154 million US Dollars in 2017 with the volume increasing by 19 percent from 2012 to 2017. Consumer goods made up close to 50 percent of imports with a share of food and beverages at 36 percent. Capital goods made up 39 percent of the total. The remaining 13 percent include industrial supplies and fuels.

Imports as recorded by the Somaliland Customs cover about 25 per cent of the estimated total imports with shares of product groups as depicted in Figure 7b.

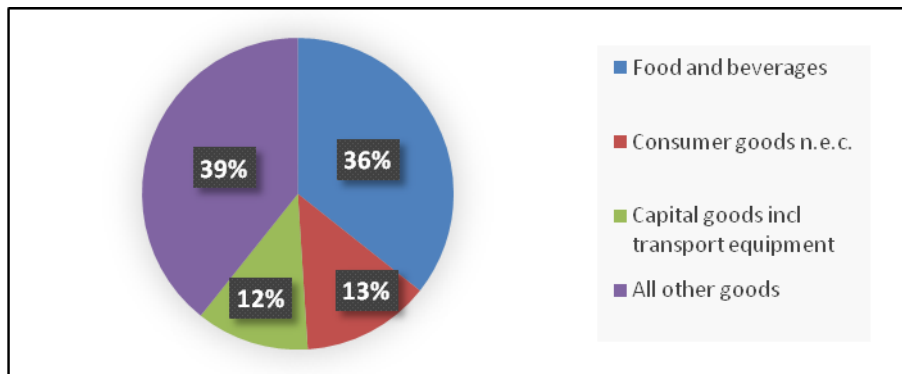


Figure 7: Imports 2017

Sources: CSD, 2017

Tables

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

Expenditure items	2012	2013	2014	2015	2016	2017
Household final consumption expenditure	1 581	1 819	1 967	2 267	2 465	2 840
Government final consumption expenditure	103	124	144	167	184	228
Gross fixed capital formation	156	216	276	337	397	457
Exports of goods and services	372	404	461	374	325	202
of which: livestock and livestock products	338	375	420	335	285	155
Minus: Imports of goods and services	626	732	837	943	1 049	1 154
GDP at purchasers' prices	1 586	1 831	2 011	2 201	2 322	2 573
GDP per capita, US Dollars	478	537	573	610	626	675

Sources: CSD, 2017

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

Expenditure items	2012	2013	2014	2015	2016	2017
Household final consumption expenditure	99.7	99.3	97.8	103.0	106.1	110.4
Government final consumption expenditure	6.5	6.8	7.1	7.6	7.9	8.9
Gross fixed capital formation	9.8	11.8	13.7	15.3	17.1	17.8
Exports of goods and services	23.5	22.1	22.9	17.0	14.0	7.9
of which: livestock and livestock products	21.3	20.5	20.9	15.2	12.3	6.0
Minus: Imports of goods and services	39.5	40.0	41.6	42.8	45.2	44.9
GDP at purchasers' prices	100.0	100.0	100.0	100.0	100.0	100.0

Sources: CSD, 2017

Table 3: GDP by expenditure, constant prices, million US Dollars

Expenditure items	2012	2013	2014	2015	2016	2017
Household final consumption expenditure	2 096	2 161	2 231	2 267	2 325	2 373
Government final consumption expenditure	128	142	158	167	176	197
Gross fixed capital formation	184	240	294	337	385	400
Exports of goods and services	427	408	442	374	354	232
of which: livestock and livestock products	385	374	399	335	313	187
Minus: Imports of goods and services	822	863	940	943	992	976
GDP at purchasers' prices	2 014	2 088	2 185	2 201	2 248	2 226

Sources: CSD, 2017

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

Expenditure items	2012	2013	2014	2015	2016	2017
Household final consumption expenditure		3.1	3.3	1.6	2.6	2.1
Government final consumption expenditure		11.0	10.9	5.7	5.3	11.9
Gross fixed capital formation		30.4	22.3	14.7	14.4	3.9
Exports of goods and services		-4.5	8.4	-15.4	-5.4	-34.4
of which: livestock and livestock products		-2.8	6.6	-16.1	-6.5	-40.3
Minus: Imports of goods and services		5.0	8.9	0.4	5.2	-1.6
GDP at purchasers' prices		3.7	4.6	0.7	2.1	-1.0

Sources: CSD, 2017

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 imports and exports collected by the Customs Authority. The data are recorded by tariff codes.
- The consumer price index (CPI) compiled by the Central Statistics Department.
- The Livestock Management Information System (LMIS) maintained by the Somaliland Chamber of Commerce, Industry and Agriculture.
- Various administrative data, e.g. exported quantities; immigration records; government revenue and expenditure; and others.
- The Population Estimation Survey for Somaliland (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

Expenditure items	Million US Dollars		Percent of GDP	
	Previous	Current	Previous	Current
Household final consumption expenditure	2 037	1 581	129.9	99.7
Government final consumption expenditure	93	103	5.9	6.5
Gross fixed capital formation	154	156	9.8	9.8
Exports of goods and services	385	372	24.5	23.5
of which: livestock and livestock products	351	338	22.4	21.3
Minus: Imports of goods and services	1 100	626	70.1	39.5
GDP at purchasers' prices	1 569	1 586	100.0	100.0

Sources: CSD, 2017

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 as the difference for household consumption.

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 at constant prices with the population growth. CPI food and beverages was used to deflate and derive a time series in constant prices.
- b) Housing. The benchmark was moved with population growth at constant prices and reflatd by CPI housing 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 at constant prices.

The composition of household consumption 2012 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	866	57.7	54.8
Housing	328	421	16.1	26.6
All other goods and services	533	294	26.2	18.6
Total	2 037	1 581	100.0	100.0

Sources: CSD, 2017

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 and were used to calculate final consumption by local government. The CPI was used for deflation to calculate constant prices.

Gross fixed capital formation. The previous estimates were taken as benchmarks for 2012 with three categories: a) buildings and structures; b) transport equipment; and c) machinery and other equipment. Current prices were then estimated by moving the benchmarks with:

- a) imports of building materials;
- b) imports of transport equipment; and
- c) imports of machinery and other capital equipment

A straight average of the CPI for goods (excl. food and beverages, clothing and fuels) was used for deflation to calculate constant prices.

Exports of live animals and animal products (hides and skins) as well as of frankincense are based on data collected by the Customs Authority and, for live animals, the LMIS. Data are available 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 all other good are ignored, although they certainly exist. The number of arriving visitors by air and assumed average expenses was used to estimate exports of services. CPI all items is used as deflator.

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. Imports as recorded by the Customs Authority are about 30 percent of the benchmark. Nevertheless, the benchmark was moved with trended Customs data aggregated into five groups, deflated by the CPI to estimate constant prices:

1. Food and beverages deflated by CPI food;
2. Durable consumer goods deflated by CPI, weighted average for durable goods;
3. Semi- and non-durable consumer goods; deflated by CPI, weighted average for semi- and non-durable goods;
4. Khat and tobacco deflated by CPI khat and tobacco; and
5. All other goods deflated by a straight average of the CPI for goods (excl. food and beverages, clothing and fuels).

Imports of services include only freight and insurance, the difference between FOB and CIF and are estimated at 15 percent, both at current and constant prices. Imports of other services are not estimated although they certainly exist.