



# PUNTLAND STATISTICS DEPARTMENT



# PUNTLAND GROSS DOMESTIC PRODUCT ESTIMATION REPORT 2022

**OCTOBER 2023**

## Introduction

This is the official Puntland Gross Domestic Product (GDP) estimation report for 2022, and it provides an overview summary of the size and the picture of Puntland's economy and its growth in recent years. Puntland GDP was estimated using the expenditure approach in both current and constant prices by taking 2022 as the base year for estimates of real GDP. The results are presented in nine tables below and these estimates should be considered experimental which means they can be revised shortly. The Puntland GDP estimation is annually published on the Puntland Statistics Department website .

The GDP for 2022 increased in both constant and current prices. This was mainly the result of rising household final consumption in combination with higher gross fixed capital formation.

## Revisions 2012-2022

A number of major updates have been implemented in this publication, both regarding data sources and methodology. This is in accordance with the current SNA guidelines which stipulates that rebasing and major revisions of benchmarks should be conducted at least once every five years. The last major revision was conducted for the reference year 2017. The updated estimates for 2022 have been back-casted for the whole time-series in order to ensure coherence between all published years.

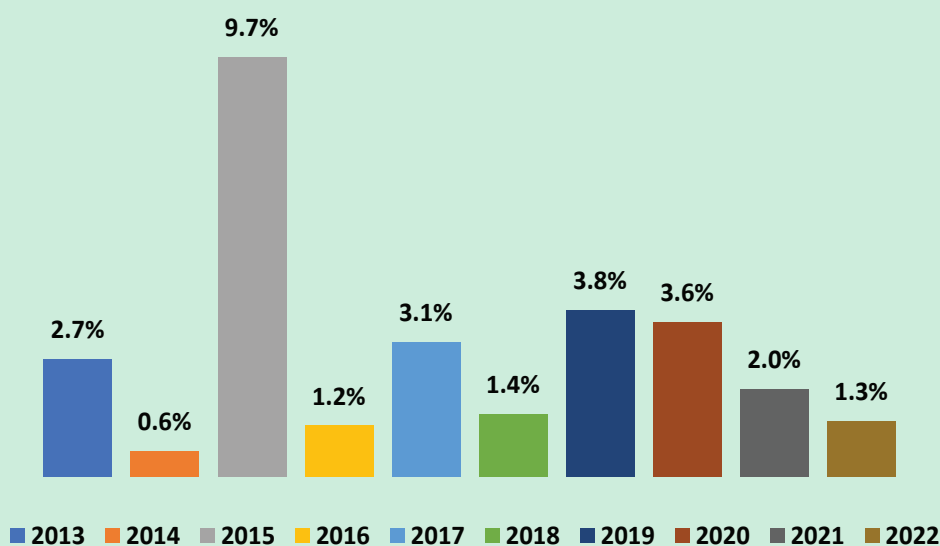
Regarding data sources, a new household budget survey was compiled for the reference year of 2022. The results indicated a higher household consumption than previously estimated, both for the consumption of food, housing as well as other non-food items. In total, household consumption estimates for the year 2022 increased by about 31.4 percent in comparison to the previous extrapolated benchmark estimates from 2017. Regarding methodology, the base year used for constant price estimations has been rebased from 2017 to 2022, thus expressing all constant price estimates in the price level from 2022. This affects the time-series in constant prices, but only has minor effects on the annual growth rates. Finally, several other minor revisions have been done where revised source statistics has been available.

## Puntland's GDP

Puntland GDP for 2022 amounted to 2,741 million US dollars at current prices compared to 2,476 million US dollars in 2021, whereas the GDP per capita in 2022 was 507 US dollars. In current prices, Puntland's GDP increased by 10.7 percent in 2022, compared to -0.3 percent in 2021. In terms of real GDP growth, when adjusting for inflation (constant prices), Puntland's economy grew by 1.3 percent in 2022. This growth rate was lower compared to the 2.0 percent growth rate experienced in 2021.

**Figure 1**

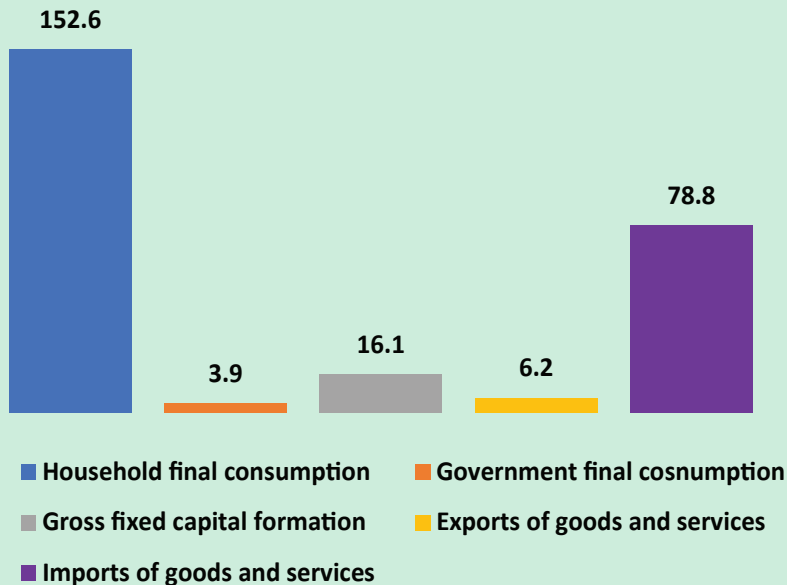
**Real GDP Annual growth Rate 2013 to 2022**



## GDP Share per Component at the current price

In 2022, the shares of the GDP components by expenditure approach in nominal terms were as follows:

**Figure 2** GDP Share per Component at current prices



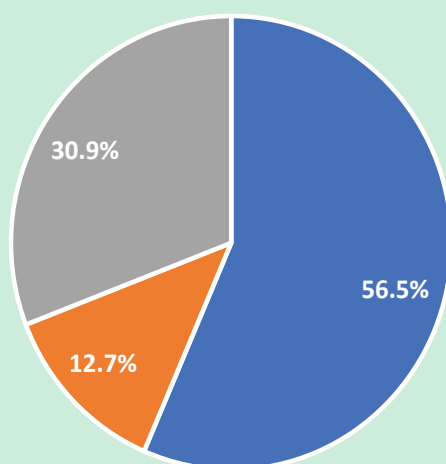
This breakdown indicates that Puntland's economy in 2022 heavily relied on household consumption, with gross fixed capital formation and government spending playing a minor role. Exports also contributed positively, but the Puntland faced a significant trade deficit due to a high level of imports relative to exports, which impacted the overall GDP growth.

## Household final consumption

The household final consumption expenditure was 4,182 million US Dollars in 2022 at current prices compared to 3,601 million US dollars in 2021. Food and beverages were about 56 percent of the total household consumption. Housing accounted for about 13 percent, while all other goods and services represented 31 percent of the total household final consumption. In constant prices, household final consumption increased by 6.5 percent from 2021 to 2022. All components of household final consumption are estimated to increase during the year.

**Figure 3**

### Household final consumption expenditure at current prices

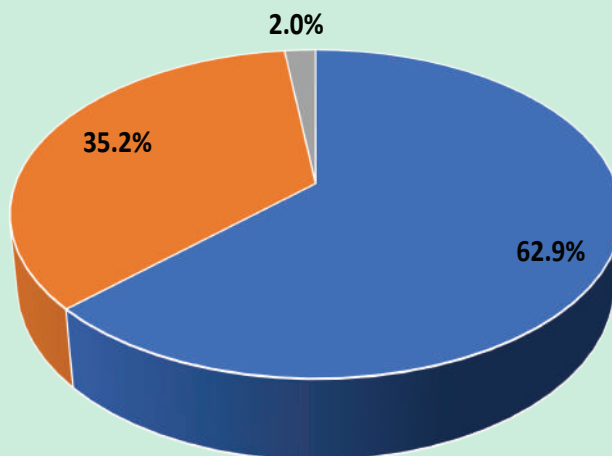


■ Food and beverages incl cooked food ■ Housing ■ All other goods and services

## Government final consumption expenditure

Government final consumption expenditure in current prices amounted to 107 million US Dollars in 2022 compared to 101 million US dollars in the year before. However, the annual growth rate for 2022 was minus 1.7 percent in constant prices.

**Figure 4** Government final consumption expenditure

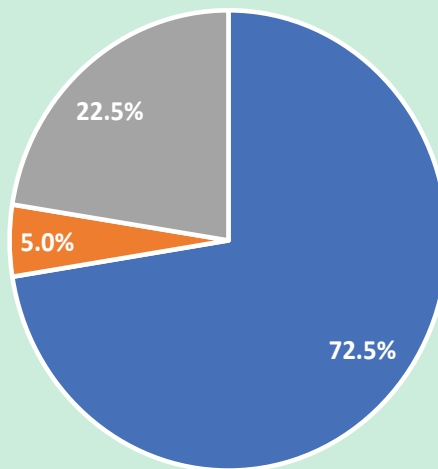


■ Compensation of employee ■ Intermediate Consumption ■ Consumption of fixed capital

## Gross fixed capital formation

At current prices, gross fixed capital formation increased to 441 million US Dollars in 2022 compared to 338 million USD in 2021. The 2022 annual growth rate was 20.0 percent in constant prices. Building and structures make up 72.5 percent of the gross fixed capital formation. Transport equipment was 5 percent while other machineries were 22.5 percent of the gross fixed capital formation. The increase in gross fixed capital formation is mainly driven by increased investments in machinery and transport equipment.

**Figure 5** Gross fixed capital formation

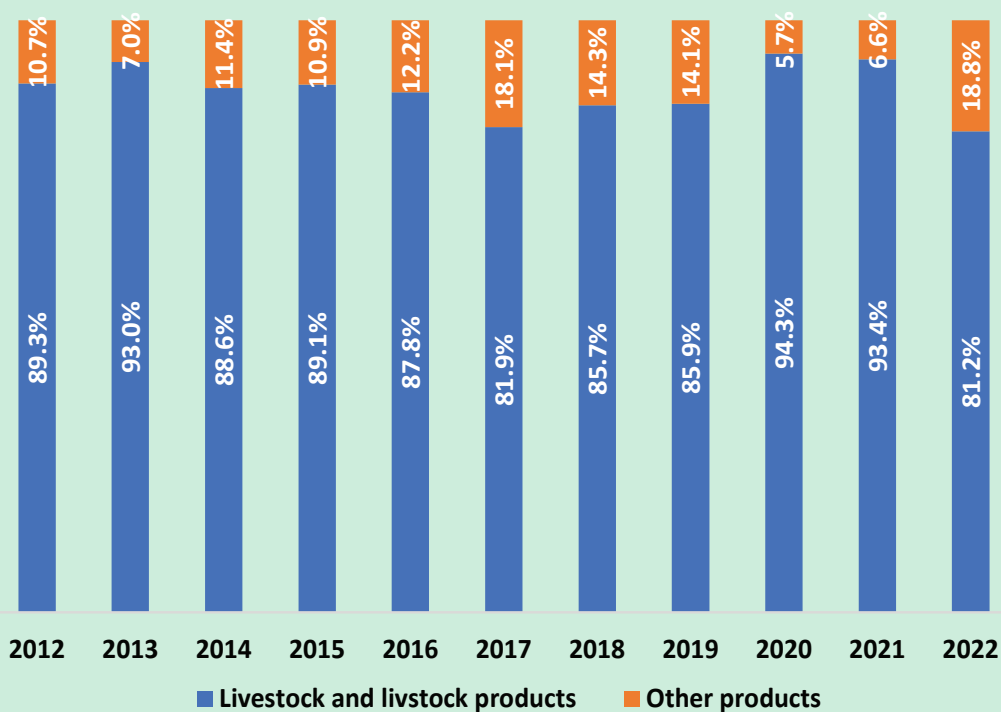


■ Buildings and structures ■ Transport equipment ■ Other machinery and equipment

## Exports

Puntland's total exports amounted to 171 million US dollars in 2022, showing a slight increase from 166 million US dollars in 2021. This indicates that the value of exports grew modestly between these two years. In current prices, exports increased by 3.3 percent in comparison with the previous year. In constant prices, however, exports decreased by 1.9 percent. This suggests that the increase in export value may have been due to factors like inflation or changes in the prices of exported goods, rather than an increase in the quantity of goods being exported.

**Figure 6 Exports 2012-2021**

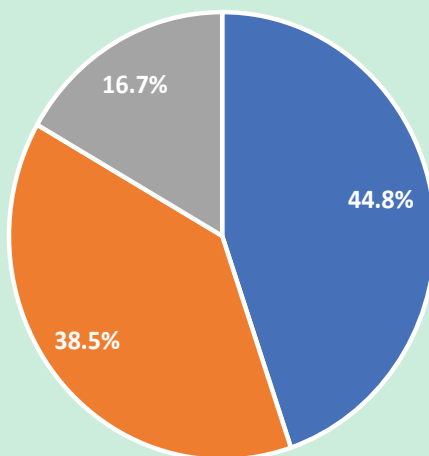




## Imports

Puntland's total imports amounted to 2,161 million US dollars in 2022, representing a significant increase from the 1,870 million US dollars recorded in the previous year (2021). This indicates a substantial growth in imports. The annual growth rate of 15.5 percent in 2022 reflects the rapid increase in imports during this year. Such a high growth rate suggests increased demand for imported goods and services within Puntland's economy.

**Figure 7** Imports



■ Food and beverages ■ Capital goods incl transport equipment ■ All other goods

**Table 1 GDP by expenditure, current prices billion**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Household final consumption	2,449	2,656	2,772	2,957	2,849	2,772	2,898	3,196	3,438	3,601	4,182
Government final consumption	55	44	46	48	67	86	93	67	88	101	107
Gross fixed capital formation	153	162	172	181	191	236	236	265	307	338	441
Exports of goods and services	167	173	205	241	188	151	153	153	187	166	171
Imports of goods and services	827	892	1,011	1,010	1,086	1,215	1,354	1,430	1,537	1,730	2,161
<b>GDP at Current prices</b>	<b>1,996</b>	<b>2,143</b>	<b>2,185</b>	<b>2,416</b>	<b>2,210</b>	<b>2,029</b>	<b>2,026</b>	<b>2,252</b>	<b>2,483</b>	<b>2,476</b>	<b>2,741</b>
GDP per capita, current prices, US dollars	475	510	505	543	483	431	419	453	485	471	507
Population (million)	4.2	4.2	4.3	4.4	4.6	4.7	4.8	5.0	5.1	5.3	5.4
percent increase		2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%

**Table 2 GDP by expenditure, constant prices**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Household final consumption	2,562	2,676	2,811	2,938	3,133	3,386	3,652	3,800	3,841	3,926	4,182
Government final consumption	59	45	47	48	74	101	117	80	98	109	107
Gross fixed capital formation	181	187	195	217	231	275	273	312	360	367	441
Exports of goods and services	180	184	212	247	200	164	177	187	203	175	171
Imports of goods and services	924	979	1,140	1,118	1,279	1,494	1,752	1,817	1,849	1,870	2,161
<b>GDP at Constant prices</b>	<b>2,058</b>	<b>2,114</b>	<b>2,126</b>	<b>2,332</b>	<b>2,359</b>	<b>2,432</b>	<b>2,467</b>	<b>2,562</b>	<b>2,653</b>	<b>2,707</b>	<b>2,741</b>
GDP per capita, constant prices, US dollars	490	503	492	524	515	516	510	515	519	515	507

**Table 3 GDP by expenditure, current prices, percentage shares**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Household final consumption	122.7	123.9	126.9	122.4	128.9	136.6	143.0	141.9	138.5	145.5	152.6
Government final consumption	2.8	2.1	2.1	2.0	3.1	4.2	4.6	3.0	3.5	4.1	3.9
Gross fixed capital formation	7.6	7.6	7.9	7.5	8.6	11.6	11.7	11.8	12.4	13.7	16.1
Exports of goods and services	8.4	8.1	9.4	10.0	8.5	7.4	7.6	6.8	7.5	6.7	6.2
Imports of goods and services	41.5	41.6	46.3	41.8	49.1	59.8	66.8	63.5	61.9	69.9	78.8
<b>GDP at Constant prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Household final consumption	4.4%	5.1%	4.5%	6.7%	8.1%	7.8%	4.1%	1.1%	2.2%	6.5%
Government final consumption	-23.9%	4.3%	1.6%	55.1%	35.7%	16.4%	-31.4%	21.8%	11.4%	-1.7%
Gross fixed capital formation	3.2%	4.7%	11.1%	6.2%	19.2%	-0.7%	14.2%	15.5%	2.0%	20.0%
Exports of goods and services	2.6%	15.1%	16.3%	-19.0%	-18.0%	8.1%	5.4%	8.7%	-14.0%	-1.9%
Imports of goods and services	5.9%	16.5%	-1.9%	14.4%	16.8%	17.3%	3.7%	1.8%	1.2%	15.5%
GDP at purchasers' prices	2.7%	0.6%	9.7%	1.2%	3.1%	1.4%	3.8%	3.6%	2.0%	1.3%

**Table 5 GDP by expenditure, current prices, percent annual change**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Household final consumption	8.5%	4.4%	6.7%	-3.7%	-2.7%	4.6%	10.3%	7.6%	4.7%	16.1%
Government final consumption	-19.6%	3.9%	3.8%	41.5%	27.1%	8.6%	-27.7%	30.1%	15.0%	6.6%
Gross fixed capital formation	6.2%	5.8%	5.5%	5.2%	23.7%	0.2%	12.3%	15.8%	10.2%	30.3%
Exports of goods and services	3.9%	18.7%	17.1%	-21.7%	-20.0%	1.6%	0.1%	21.8%	-11.2%	3.3%
Imports of goods and services	7.9%	13.2%	0.0%	7.4%	11.9%	11.5%	5.6%	7.5%	12.6%	24.9%
GDP at purchasers' prices	7.4%	1.9%	10.6%	-8.5%	-8.2%	-0.1%	11.1%	10.2%	-0.3%	10.7%

**Table 6 Average Annual Growth Rate constant price**

	Household final consumption	Government final consumption	Gross fixed capital formation	Exports of goods and services	Imports of goods and services	GDP at purchasers' prices
2022	6.3%	11.2%	11.9%	0.4%	11.4%	3.7%

**Table 7 Average Annual Growth Rate current price**

	Household final consumption	Government final consumption	Gross fixed capital formation	Exports of goods and services	Imports of goods and services	GDP at purchasers' prices
2022	5.6%	8.9%	11.5%	1.3%	10.2%	3.5%

## 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 shortly. The following source data have been used:

- The Somali Household Budget Survey (SHBS) collected data on household expenditure in May to August 2022.
- Data on government expenditure, collected by Ministry of finance, Puntland.
- Data on imports and exports quantities collected from the Puntland Ministry of Ports, Maritime Transport and Anti-Piracy, the Balance of payments, and Comtrade. 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.
- The consumer price index (CPI) compiled by the Department of Statistics of the Ministry of Planning Economic Development and International Cooperation.
- The Population Estimation Survey for Somalia (PESS) provides population data for 2014. The annual population growth has been estimated at 2.8 percent.

**Household final consumption expenditure.** An estimate for 2022 was derived from the SHBS: Annual consumption per capita was estimated for the strata included in the SHBS. Total consumption was then calculated by multiplying each per capita estimates per strata by the relevant population. Household consumption is aggregated into three main categories for the benchmark year, namely food and beverages, housing and other items. Each aggregate is extrapolated for years other than the benchmark year using different indicators. For food and beverages as well as for housing, an assumed population growth of 2.8 percent is used. For other items import data from COMTRADE is used, regarding imports of consumer goods.

For the year 2020, the model used to calculate household consumption has been adjusted in some areas in order to better capture the effects of the pandemic on the economy. Annual consumption growth for food has been estimated using the average of the population growth and the growth of food imports in constant prices. Normally only the assumed population growth is used, but for cautionary reasons the imports of food was also used this year to better capture the effects of the pandemic. For 2021, the normal model has been used, using only population growth.

**Government final consumption expenditure.** Data on government expenditure and revenue have been collected by the Ministry of finance, Puntland. The expenditure data specify compensation of employees (COE) and intermediate consumption (IC), deflated by CPI all items and CPI non-food respectively. An addition of two percent is made as an assumption for consumption of fixed capital (CFC), and output is derived as  $COE + IC + CFC$

Non-tax revenue is recorded as sales and fees, deducted from output to derive government final consumption.

**Gross fixed capital formation.** The estimates of transport equipment, machinery, and other equipment are based on imports of the relevant categories. For transport equipment, the growth rate for imports of trucks and cars has been used for estimating years other than 2017.

Additions are made for FOB→CIF (15 percent), customs duties (7 and 20 percent), and trade margins (10 and 20 percent). Gross fixed capital formation in buildings and structures is based on imports of building materials with additions for FOB→CIF (15 percent), customs duties (7 percent), and trade margins (20 percent). Fifteen percent was added to take into account that some building materials are produced in the country. Finally, it was assumed that the input of building materials accounts for 70 percent of the output of construction.

**Exports.** The estimates of live animals and animal products (hides and skins) as well as of frankincense are based on data from Puntland Ministry of Ports, Maritime Transport, and Anti-Piracy 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 the base year regarding constant prices. Export of services is based on arriving visitors.

**Imports.** The estimates are as recorded in the Balance of payments with an addition of 15 percent to adjust for the valuation of exports, which records the value at the border (FOB) of the exporting country. The value of imports includes the cost of freight and insurance (CIF) between the exporting country and Somalia. Various indices are used as deflators. For live animals, the implicit deflator for exports of live animals is used. For food, and consumer goods, CPI food respectively CPI all other goods are used. This index has been adjusted for 2021, taking in a weighted average of the CPI for food and a global food index in order to better capture rising food prices on the world market. For capital equipment, the corresponding US export price indices are used as deflators.

