Country Profile

Republic of SOMALIA

ICDT 2022

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General Data

General info

- Capital: Mogadishu
- Type of State: Federal Republic
- Location: Middle East - Area: 637,660 km²
- Time zone: GMT + 3

Demography

- Population : 16,359,500 - 2021
- Natural increase: 2.9% - 2021
- Official language: Somali, Arabic
- Business language: English

Currency

- Somali Shilling (SOS)
- 1 USD = 569.50 SOS November 2022

macro economy

- GDP: 7.29 MM USD Growth: 3.3% - 2020
- GDP per capita : 445.8 USD - 2020
- Employment rate of people aged 15 and over: 27.6 % - 2019

International trade

- Imports – 2021: USD
- Exports – 2021: 511 M USD

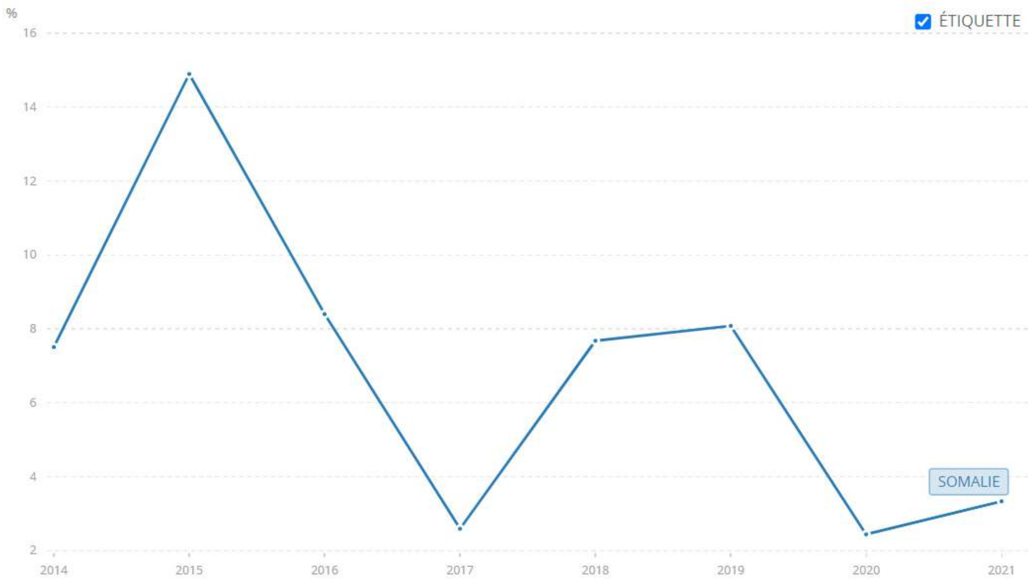
FDI

- FDI stocks in 2021: 4.071 M USD
- Inward FDI flows in 2021: 456 M USD

Strong facts

- Substantial natural resource potential
- Young population and dynamic diaspora
- Longest coastline in Africa
- Potential regional economic hub

GDP growth (annual %)



In 2020, the economy recovered from recession and recorded an estimated 2.0 percent GDP growth in 2021, driven by private consumption, boosted by increased remittances and livestock exports.

GDP growth is expected to reach 3.0 percent in 2022 and 3.6 percent in 2023, sustained by household consumption and a recovery in livestock exports.

Rankings of Doing Business 2020 by Domain

Somalia is ranked 190th in Doing Business 2020

Start a business	Somalia
Procedures (number)	9
Time (days)	70

There is also a modern and efficient banking system in Somalia, and local commercial banks are fully capable of handling international transactions and trade finance.

Main sectors of activity

60.1 %

Share of agriculture in GDP

It employs 80.3% of the population

7.4 %

Share of industry in GDP

It employs 2.4% of the population

32.5 %

Share of services in GDP

They employ 17.3% of the population

Sector Strategies

Federal Government of Somalia Ministry of Planning, Investment and Economic Development

SOMINVEST

Somalia Investment Promotion Office (SOMINVEST)

Somalia has adopted a new National Investment Promotion Strategy (NIPS) supported by a set of activities aimed at creating an enabling environment for accelerating foreign and domestic investment. The NIPS will capitalize on Somalia's unique development, including its strategic trading position, broad coastline, abundant untapped resources, considerable growth potential, and natural capacity for innovation.

NIPS' main objective is to position Somalia as the preferred investment destination in Africa.

The NIPS has defined a number of priority investment sectors that broadly reflect their contributions to Somalia's gross domestic product (GDP). To a large extent, the sectors identified by the federal government and federal member states and private sector representatives correspond to the target sectors identified by the NDP:

- Livestock sector;
- Fishing sector;
- Banking and financial sector;
- Transport and Infrastructure;
- Agricultural sector ;
- Energy sector;
- Manufacturing sector
- Human capital sector;
- Information and Communication Technologies [ICT]
- Services sector (education, health, sports, real estate and construction, media and information, hotels and information).

Infrastructure

Maritime

Somalia has only four deepwater ports. These ports are located in the economic centers of Mogadishu, Berbera, Kismayo, and Bossaso, with only Mogadishu and Berbera handling significant traffic volumes. The diversification of ports to accommodate service ports, livestock export ports and some that specifically serve neighboring countries such as Ethiopia and Kenya does not only add value, but also render Somalia more strategic. The State of Qatar has signed an agreement to build the Hobyo port in Mudug region, contributing $150 million to this project.

Road

Somalia's road network covers 21,933 km.

A new road will link the new port in the historic town of Garacad, 700 km from Mogadishu, to the towns of Galcayo and Galdogob on the Ethiopian border. Once completed, it will allow goods arriving at the port (Indian Ocean and Gulf of Aden) to reach Ethiopia in a short time.

Airport

Somalia has 7 major service airports and 23 other major airstrips. The 6 major airports are Mogadishu, Berbera, Hargeisa, Bossaso (recently upgraded), Garowe and Kismayu. Almost all other major urban centers have at least one airstrip capable of handling a small aircraft.

Promising Sectors

01

Livestock : Livestock is the main provider of household and national wealth, and the export-oriented pastoral production system offers an important investment opportunity. Somali livestock products for consumption and export include camels, cattle, sheep, goats and fish. Livestock production provides a source of income, while domestic consumption of meat and other animal products is an important source of food security.

02

Agriculture: Somalia offers investment opportunities in its agricultural sector as it is currently heavily dependent on food imports, notably raw sugar (14%), rice (5.8%), wheat (3.9%), and pasta (3%). SomInvest has targeted investments in bananas, grapefruit, mango, oranges, lemons, limes, guava, papaya, watermelon, tomatoes, lettuce, onions, peppers, cabbage, pulses, corn, rice, sesame, and date palms as potentially high-yielding agriculture

03

Renewable Energy: Somalia has one of the highest onshore wind energy potentials in Africa and one of the highest total daily solar radiation rates in the world. Renewable energy potential is abundant. Solar energy potential ranges from 5 to 7 kWh/m2/day with over 310 sunny days per year or 3,000 hours of sunshine per year. Somalia is also characterized by strong wind regimes with average annual wind speeds of 1.5 to 11.4 m/s with potential for hydropower (about 100 to 120 MW) along the Shebelle and Juba rivers.

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04

Fisheries: According to various sources, up to 2.4 million tons of fish have been fished by foreign fleets off the coast of Somali waters over the past three decades. The formalization of the blue economy is critical to Somalia's long-term investment future.Domestic (commercial) fishing in the blue economy has historically been conservatively estimated at about $135 million per year, based on natural resource extraction along the 3,333 kilometers of coastline and the 200 mile economic exclusion.

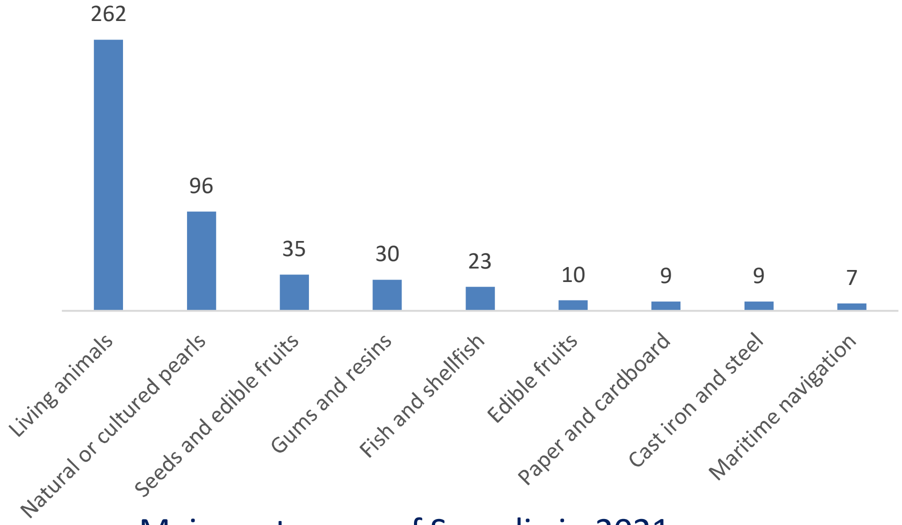
05

IT : Opportunities exist in the mobile money services market; broadband services; data storage; software and hardware development; R&D facilities; artificial intelligence.

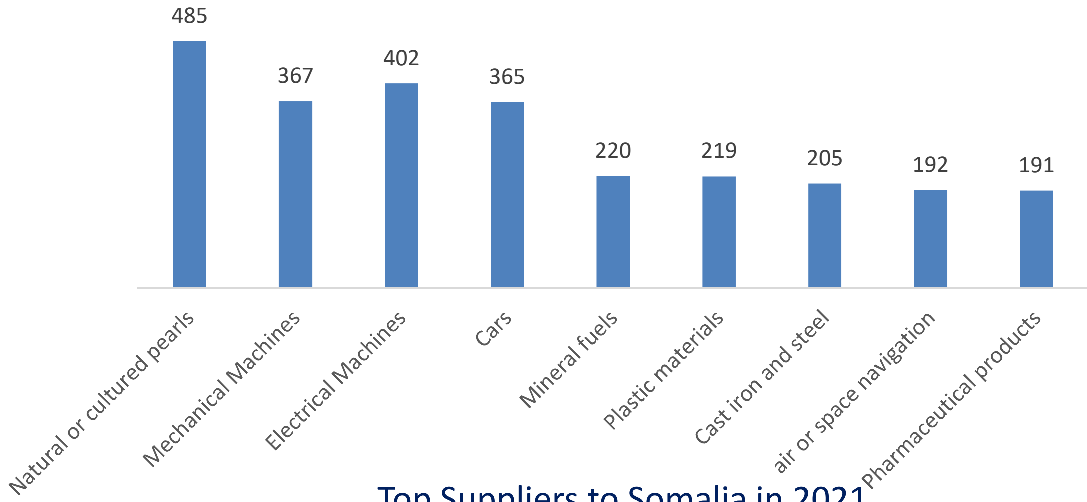
Finance: Online payment processing and settlement; long-term real estate financing; risk management and audit services; independent ATM operators; rural credit and microfinance services for agriculture

International trade

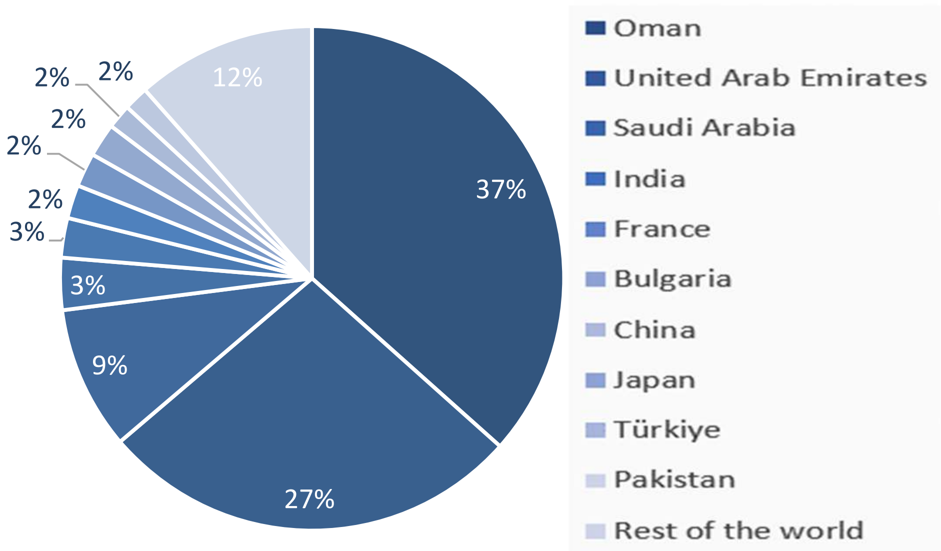
Main Products Exported by Somalia in 2021 - MUSD



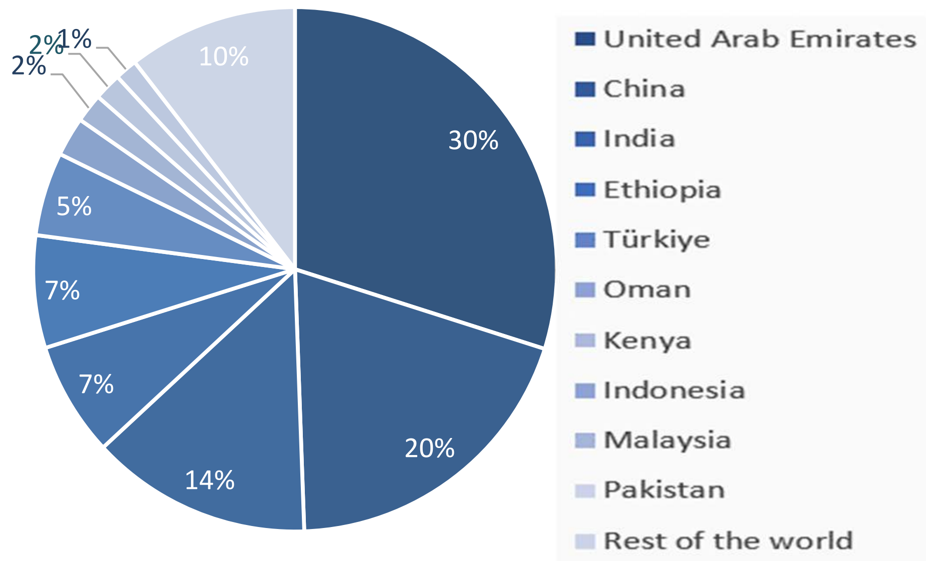
Main Products Imported by Somalia in 2021- M USD



Main customers of Somalia in 2021

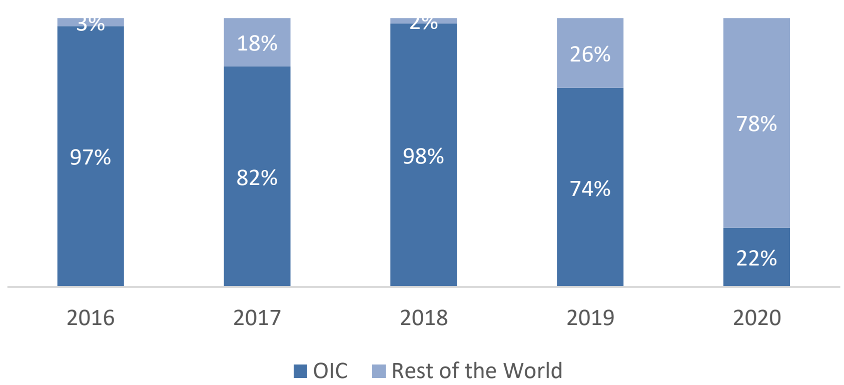


Top Suppliers to Somalia in 2021

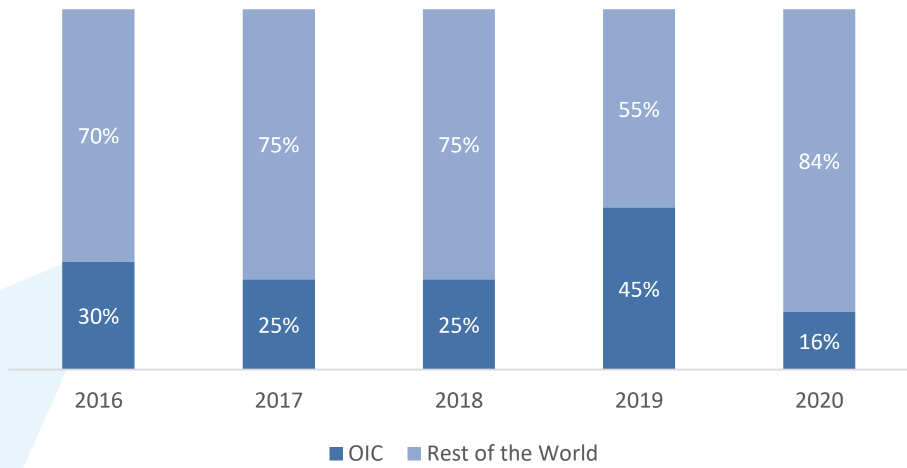


Intra-OIC Trade

Share of OIC in Somalia's Exports



Share of OIC in Somalia's Imports



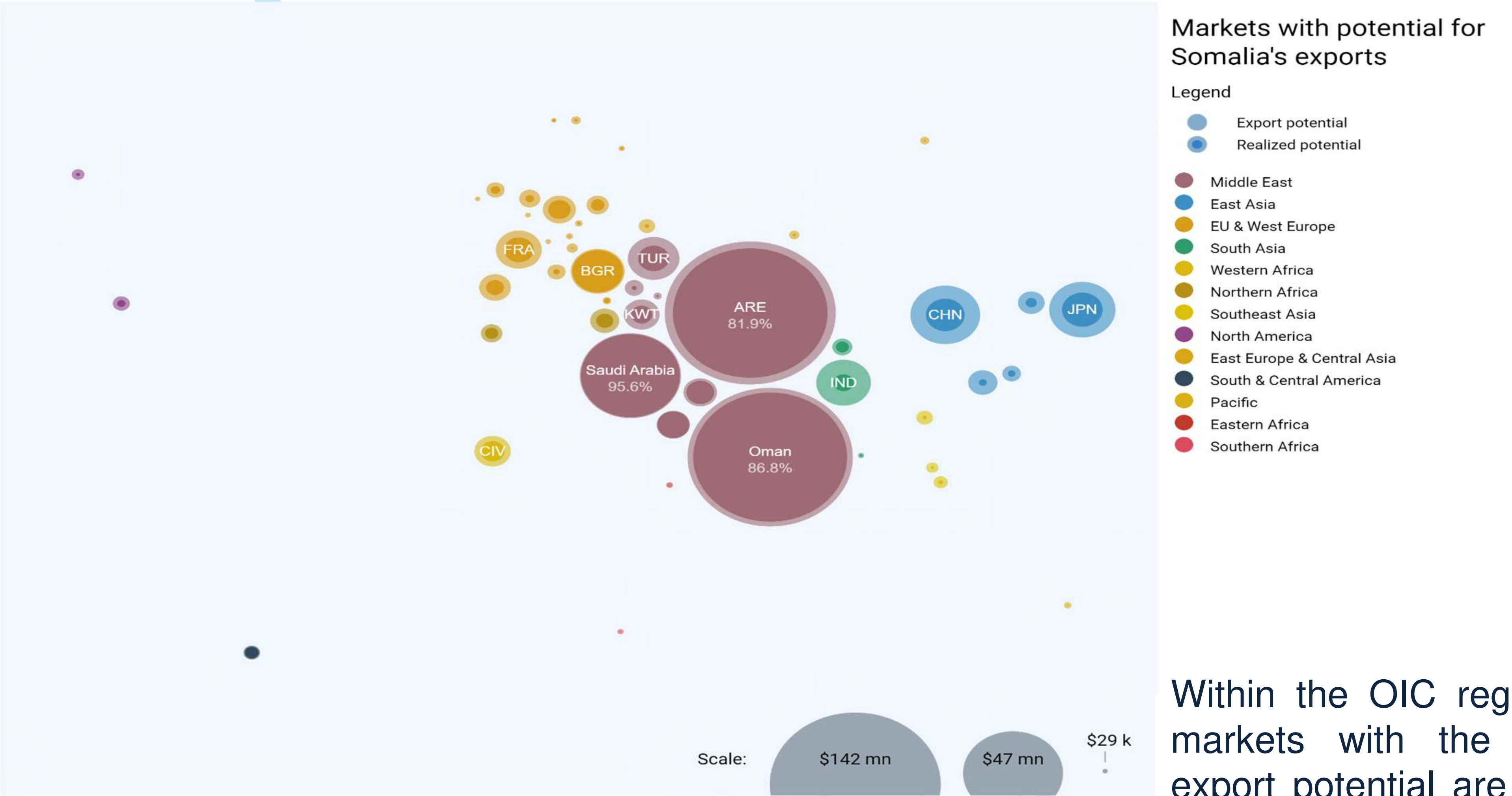
Top 10 Customers, OCI Members in 2021

1. Oman
2. United Arab Emirates
3. Saudi Arabia
4. Türkiye
5. Pakistan
6. Qatar
7. Bahrain
8. Kuwait
9. Morocco
10. Senegal

Top 10 Suppliers, OIC Members in 2021

1. United Arab Emirates
2. Türkiye
3. Oman
4. Indonesia
5. Malaysia
6. Pakistan
7. Egypt
8. Saudi Arabia
9. Iran
10. Qatar

Export potential of Somalia by country of destination

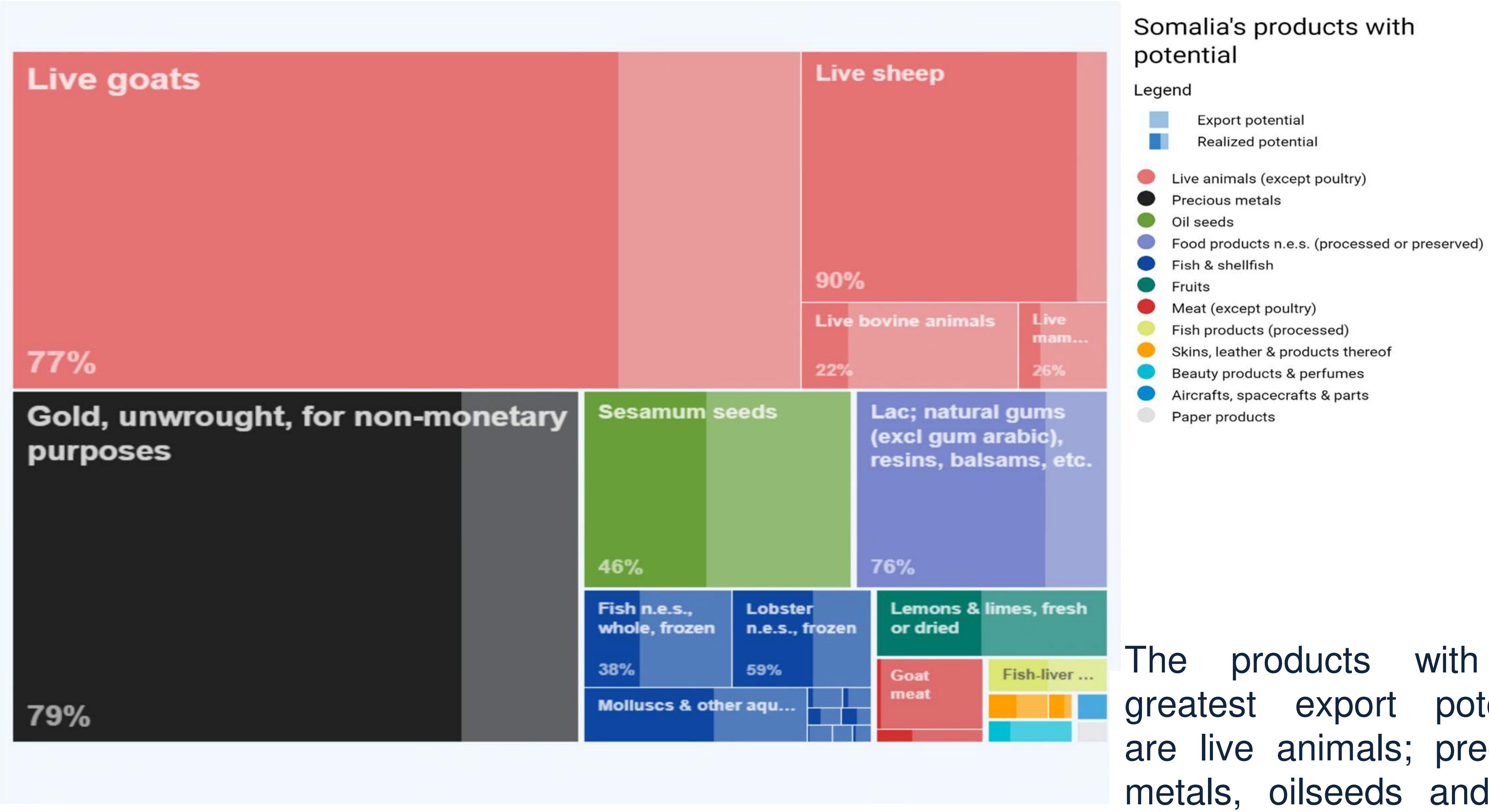


Within the OIC region, the markets with the highest export potential are located in the Middle East and West Africa.

Source: International Trade Center

Somalia's Export Potential by Product

Source: International Trade Center



The products with the greatest export potential are live animals; precious metals, oilseeds and fish and seafood.

Market Access

Customs Duties and Taxes

All customs tariffs for Somalia are published on: https://stip.gov.so/index.php?r=tradeInfo/listAll

Trade agreements

Ongoing negotiations with Türkiye , Egypt and Sudan
Member of COMESA
Member of ZLECAF
Member of IGAD Business Forum
Member of the Trade Preferential System (TPS-OIC)
WTO – Accession process

Fairs and Exhibitions

For more information, please visit the website: https://sominvest.gov.so/events/

Public markets

Somalia tenders are published on the website: https://somalitenders.com/

Investing in Somalia

Why Somalia

Proximity to international transshipment lines
Efficient telecommunication system
Competitive labor force
Rich diversity of flora and fauna
Advanced and innovative financial sector
High agricultural potential

Special Economic Zones

Companies that conduct service, manufacturing, assembly, repackaging, and general merchandise activities and that export all or nearly all of their production, earn foreign exchange, and employ Somalis will be eligible for EPZ(Export Processing Zone) status, which provides an attractive range of both tax and non-tax benefits.

Implemented Measures

- No restrictions on the creation of private enterprises
- Protection against expropriation
- Recourse to international arbitration for settlement of disputes.
- Long-term leases up to 99 years

Contacts

Ministère du Commerce et de l'Industrie

https://moci.gov.so/

Le Bureau de promotion des investissements (SOMINVEST)

https://sominvest.gov.so/

http://webmail.somaliappd.org/

Chambre de Commerce et d'Industrie de la Somalie

http://somalichamber.so/

Département des douanes du Ministère des Finances

https://mof.gov.so/departments/revenue-department

Le ministère des Affaires étrangères et de la Coopération internationale

https://www.mfa.gov.so

Le ministère fédéral de la Planification, de l'Investissement et du Développement économique (MOPIED)

https://mop.gov.so/