

IOA | 2019 | ACBR

AFRICA COUNTRY BENCHMARK REPORT



Somalia Profile



The disrepair of Mogadishu Stadium is a reminder of decades of civil war that reduced the country to ruins, but is also a relic of the past, as a re-established central government revives the economy and normal political life.



Image courtesy of AMISOM Public Information



SOMALIA

#54

SOMALIA

OVERVIEW ANALYSIS

As the worst performer in ACBR 2019, Somalia still struggles to rise above 'fragile state' status and still suffers from the effects of their devastating civil war and current terrorism. Only African Union (AU) troops and the military of Kenya, Somalia's neighbour to the south, keep the Somali Islamic militant group al-Shabaab from even greater destruction of lives and property. However, the central government is making strides toward nationwide progress. The country possesses natural resources, from minerals to abundant coastal fisheries and agricultural products. These assets offer the foundation for an economic revival. Tourism is also a future growth industry. Somalia remained at the bottom of the ranking of ACBR 2019 in 54th place. The country position unchanged from the last period of review.

KEY OPPORTUNITIES

- Mineral and oil deposits await exploitation
- Arable land is capable of sustaining an agricultural export industry
- Construction and communications are growth sectors

KEY CONCERNS

- Somalia-based terror group al-Shabaab continues their destruction
- The new central government struggles to keep control
- International maritime patrols required to rid coastal waters of piracy

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION	PREDOMINANT LANGUAGE	POPULATION WITHOUT ELECTRICITY	LITERACY RATE	PRIMARY ELECTRICITY SOURCE
 Islam	 Somali	 70.1% (#37) ▲ ⁵	 37.8% (#47) ▲ ⁶	 Oil
IMPORT/EXPORT	EXTERNAL DEBT	ACTIVE CONFLICT	LAND SIZE	INTERNET PENETRATION
 Foodstuffs/ Animals	 US\$ 5.3 billion (#24) ▼ ¹	 Yes	 637,657 km ² (#19)	 1.9% (#53) —

60.2%



AGRICULTURE

7.4%



INDUSTRY

32.4%



SERVICES

43.2%



0-14

19%



15-24

31.4%



22-54

6.4%



55+



Term:
08/02/2017 - present
4 years (1 term limit)



Political Party:
Tayo Political Party



Recent Electoral Information:
08/02/2017
Parliamentary vote - 184
N/A
Voter turnout: N/A



President
Mohamed Abdullahi
Mohamed

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

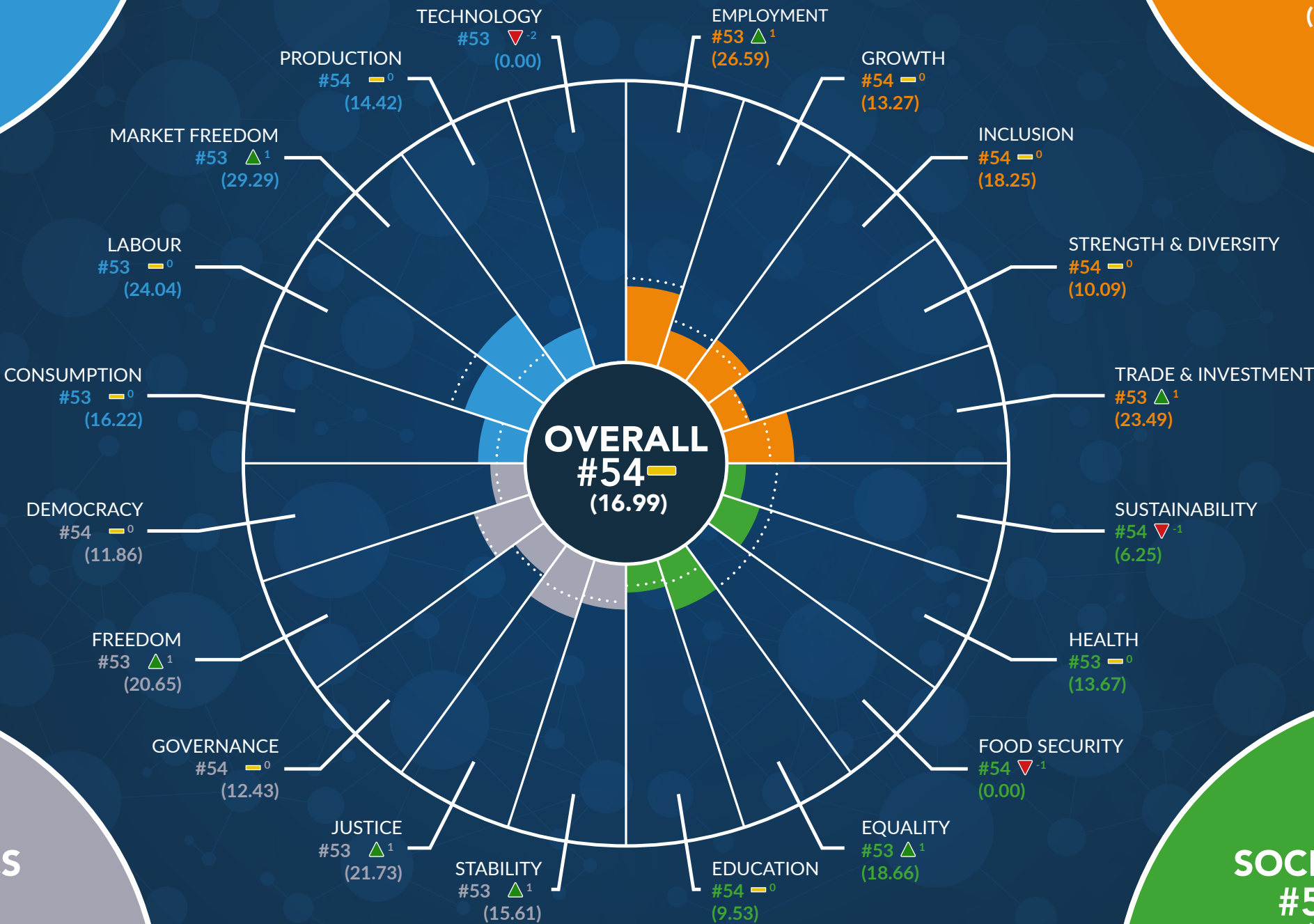
BUSINESS

#53
(20.99)

SOMALIA PERFORMANCE OVERVIEW

ECONOMICS

#54
(17.59)



POLITICS

#53
(16.46)

SOCIETY

#54
(12.94)

SOMALIA BUSINESS ANALYSIS



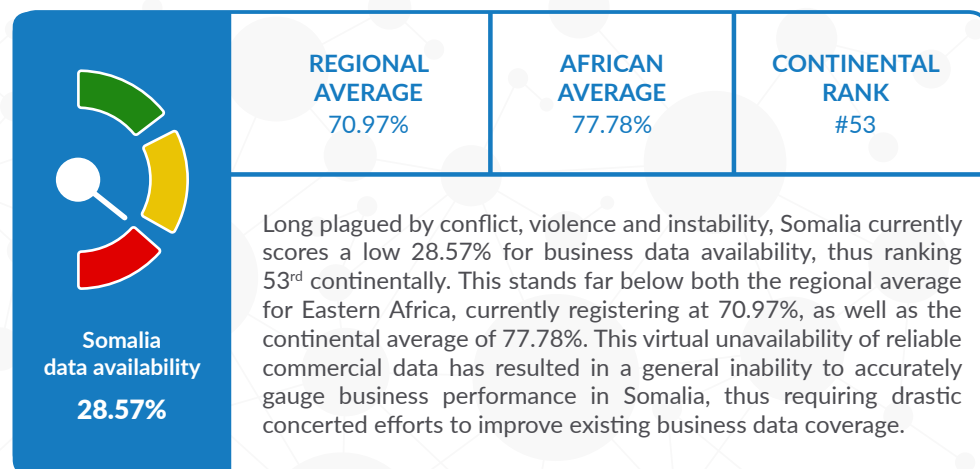
BUSINESS OVERVIEW

Until the industrial and retail sectors are able to grow, business opportunities for Somalis and foreign investors will come from the agricultural sector, which is capable of producing several exportable commodities. Livestock is the main product of this sector, a sector which accounts for 60% of GDP. Cattle trade is also at the centre of the informal sector, contributed to by nomadic herders, who are prevalent in rural areas. The informal sector is thriving while the formal economy struggles to re-emerge from the civil war that thoroughly destroyed communications, energy and transportation infrastructures. Competition among mobile phone service providers is robust and has driven costs down to the lowest in Africa. Mobile phones allow for monetary transactions from the recovering financial sector.

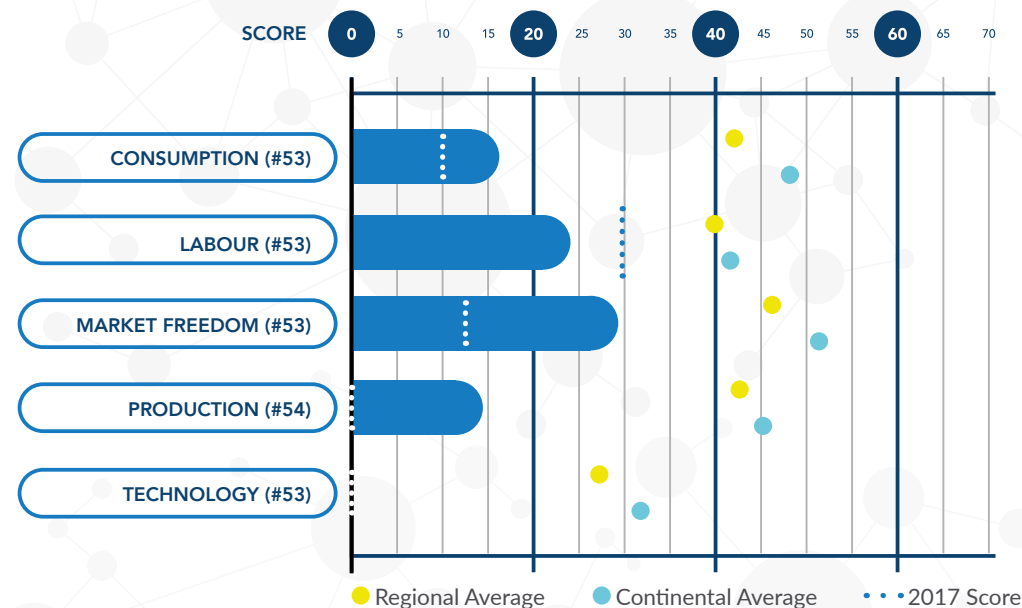
Commercial activity in Somalia is largely confined to the capital, Mogadishu. Fixtures of modern life, like hotels and restaurants, operate intermittently due to periodic and deadly bombing attacks carried out by al-Shabaab. Services that are usually provided by state-owned companies in Africa, like telecommunications, are absent in Somalia, and this vacuum is being filled by entrepreneurs.

Somalia recorded a one ranking rise in the Business quadrant and is no longer the worst-performing African country. From a ranking of 54th in the previous period of review, Somalia ranked in 53rd place. The rise is small but for a recovering 'failed state' is symbolic.

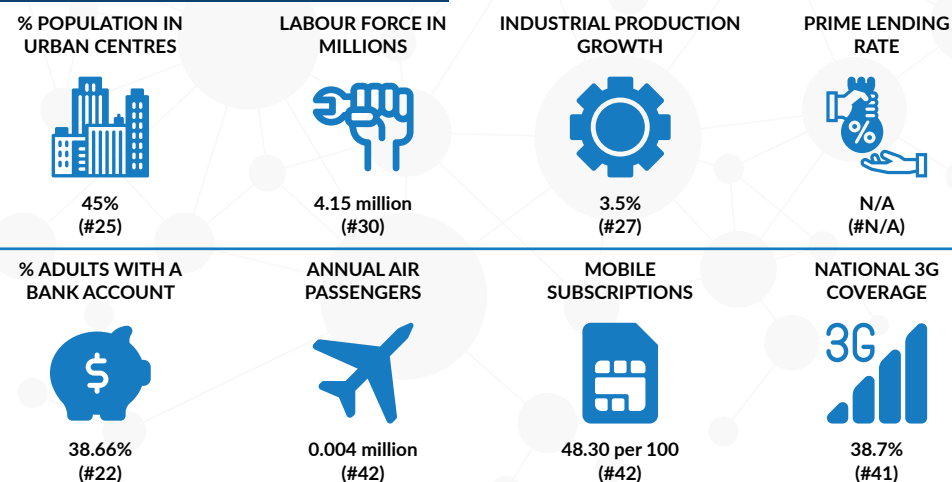
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



SOMALIA ECONOMIC ANALYSIS

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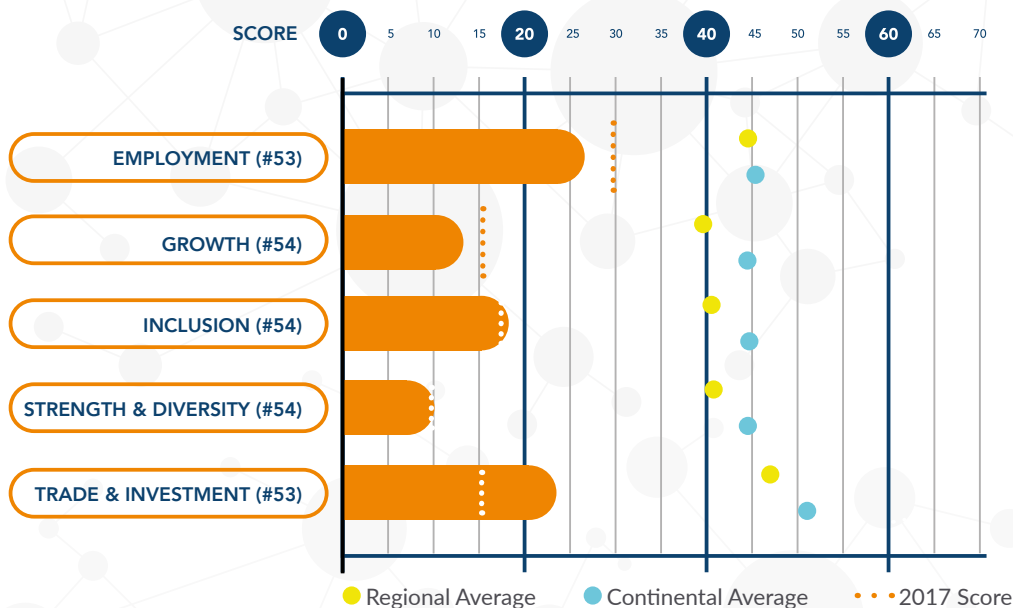
ECONOMIC OVERVIEW

For years, taxes were not collected because no central government existed. This meant that there were no government services. With a central government re-establishing their authority, tax revenues are nearly meeting government expenditures. No agreed-upon economic data exists for most standard indicators. There is no central bank to consult with for the latest prime lending rate. Unemployment data is meaningless unless the informal economy is included. Exports are mostly agricultural, led by bananas and livestock, including hides. Charcoal is exported but at the expense of the environment. Only 10% of Somalia's 627,337 km² of land is forest, but in a bid for livelihood, the poor are cutting down trees for charcoal. No government authority exists to police the practice,

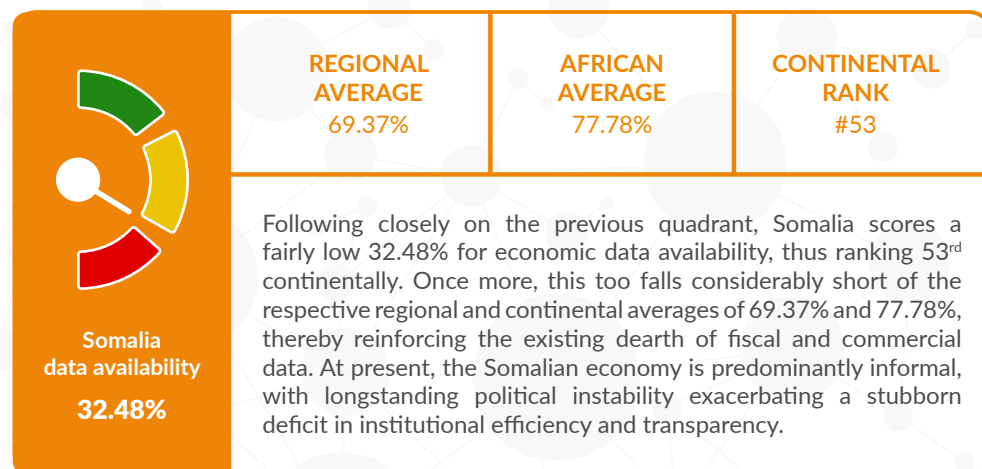
a practice which will only end when job opportunities appear elsewhere. A final and unusual export is scrap metal. Criminals and the poor have looted the country's infrastructure to sell the metal as scrap. During the civil war, the industrial sector was devastated as factories were gutted for their machinery. Oman purchases nearly a third (31.7%) of Somali exports, followed by Saudi Arabia (18.7%) and the United Arab Emirates (16.3%).

Somalia remained at the bottom of the Economics Quadrant as the worst-performing country in ACBR 2019. The country stayed in 54th place. The rebuilding of the infrastructure and banking system will lay the foundation for economic advancement.

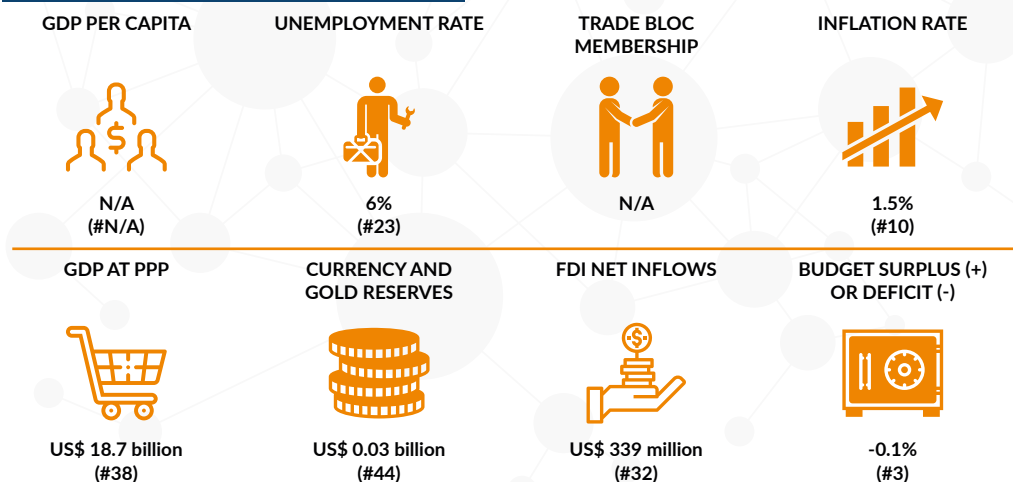
ECONOMIC SCORES & RANKINGS



ECONOMIC DATA COMMENTARY



ECONOMIC STATISTICS



SOMALIA POLITICAL ANALYSIS

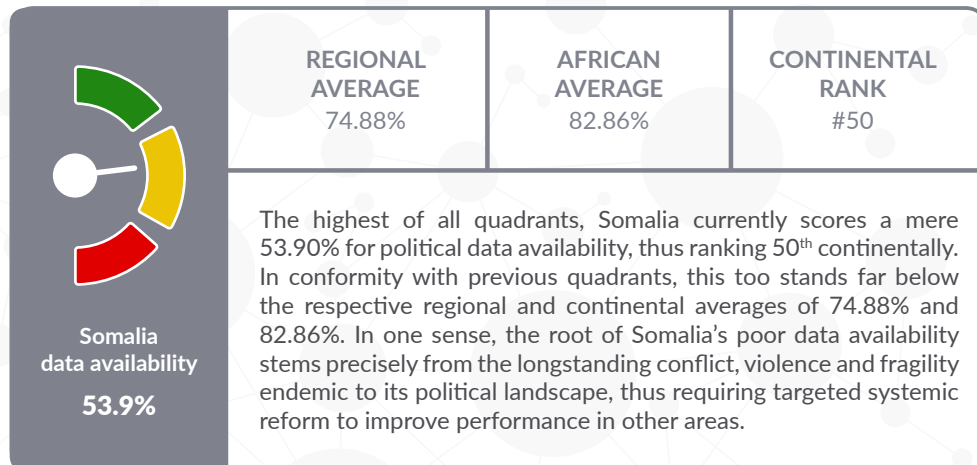


POLITICAL OVERVIEW

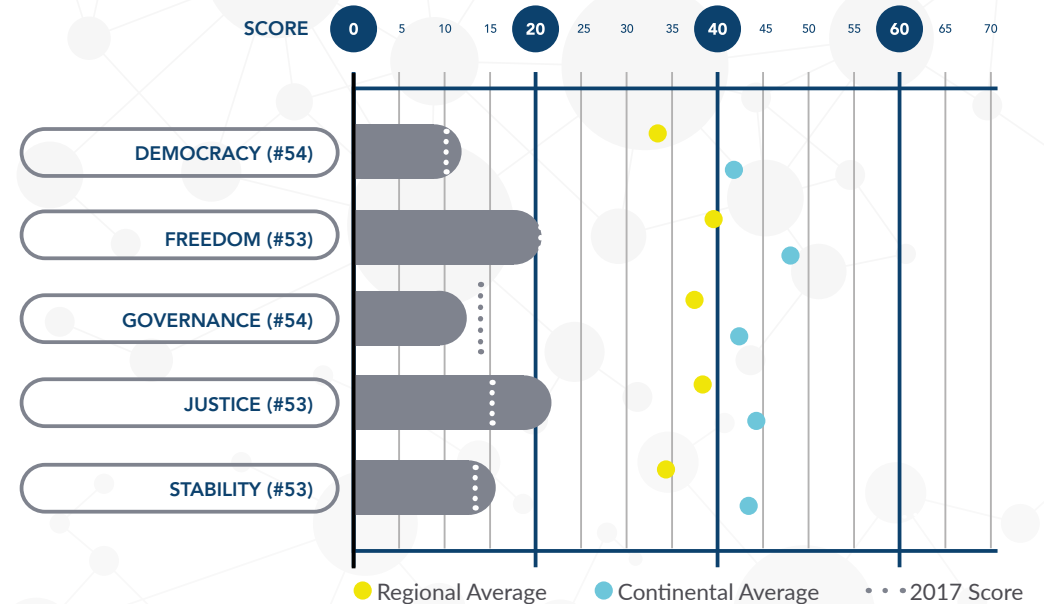
Officially, Somalia is no longer listed by the European Union, the United Nations (UN) or by other international bodies as a failed state. The country has been marginally upgraded to 'fragile state'. Since the state's origins in ancient times, Somalia's governments have sought to integrate Islamic philosophy into governance. The terror group Al-Shabaab has the extreme goal of replacing modern government with an Islamic caliphate. The central government has sought to reassert their authority following national elections in 2017 that established the administration of Mohamed Abdullahi Mohammed. Security is provided by AU forces and the Kenyan army, whose counter-offensive against al-Shabaab seeks to end the group's activities in Kenya. The terror group continues to cause fatalities

with regular bombings in Mogadishu. As terrorists of the ocean, Somali pirates have probed the international naval force protecting Africa's longest national shoreline. Their actions have indicated that they will continue to disrupt maritime activity if the force is withdrawn. An Anti-Corruption Commission have been formed within Somalia. The task faced by the latter was underscored by Transparency International's 2019 corruption index that ranked Somalia as the world's most-corrupt country. Somalia recorded a rise of one position in the Politics quadrant. No longer the worst-performing country in Africa, Somalia currently ranks in 53rd place. A return of a national government is cause for the improvement, although the central government's authority needs strengthening.

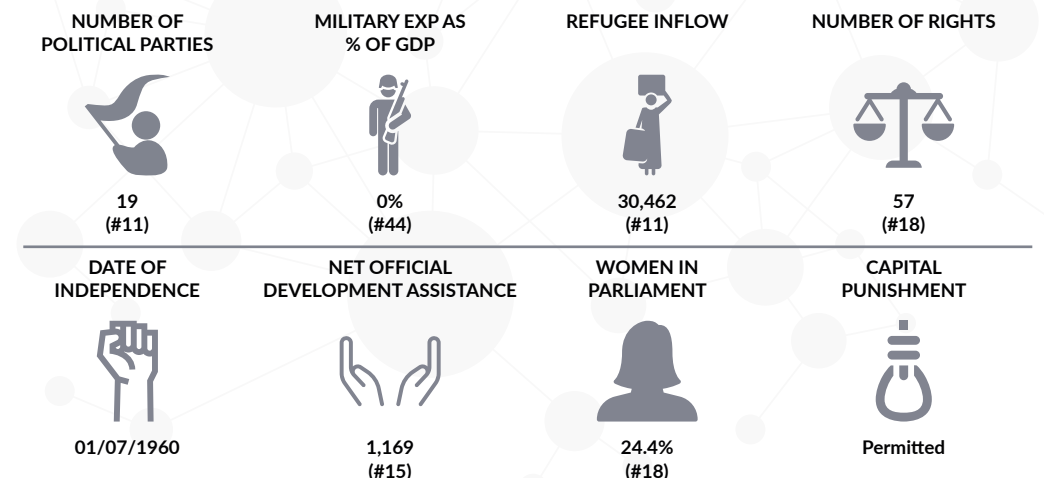
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



SOMALIA SOCIETAL ANALYSIS

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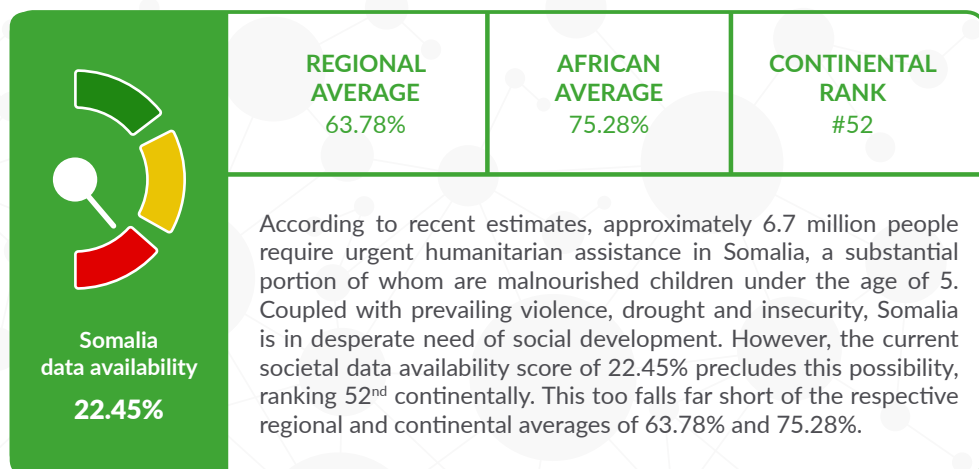
SOCIETAL OVERVIEW

About one-tenth of the Somali population of 11 million are housed outside of the country in refugee camps. Most can be found in neighbouring Kenya. The lack of a central government until recently has left the Somali people without social services. The country was hit by poor rainfall for a second consecutive year in 2018, with some recovery in 2019. Including the semi-autonomous states of Puntland and Somaliland, 1.4 million people have faced food shortages recently. More than half of the nation's population (6.2 million people) are in need of humanitarian assistance in 2019, according to the UN. There is fear of a repeat of the 2017 outbreaks of diarrhoea and cholera because at present only 69.6% of Somalis have access to clean water

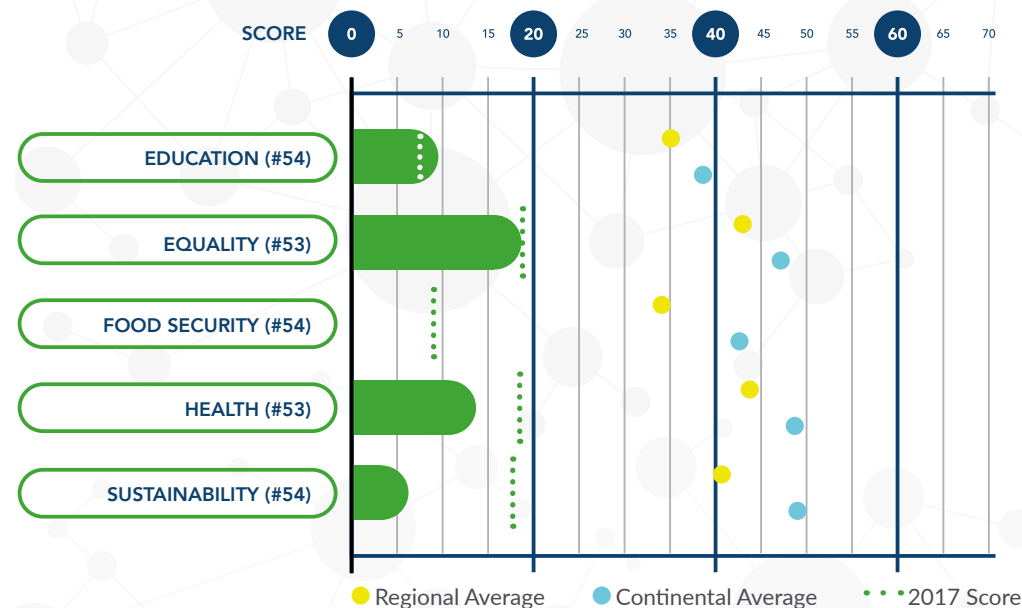
Modernity affected the 48% of Somalis who are still nomadic herders. An estimated half of Somali children are not at school and are rather child labourers. High population growth is offset by high mortality rates. Somalia's fertility rate is the 6th-highest in the world, with the average Somali woman giving birth to 5.7 children. The infant mortality rate is the 2nd-highest in the world, and Somalia's overall death rate ranks as the 13th-highest in the world.

In the Society quadrant, Somalia is still the worst-performing country. Somalia maintains its rank of 54th place. Basic infrastructure destroyed by civil war must be rebuilt and social services restored.

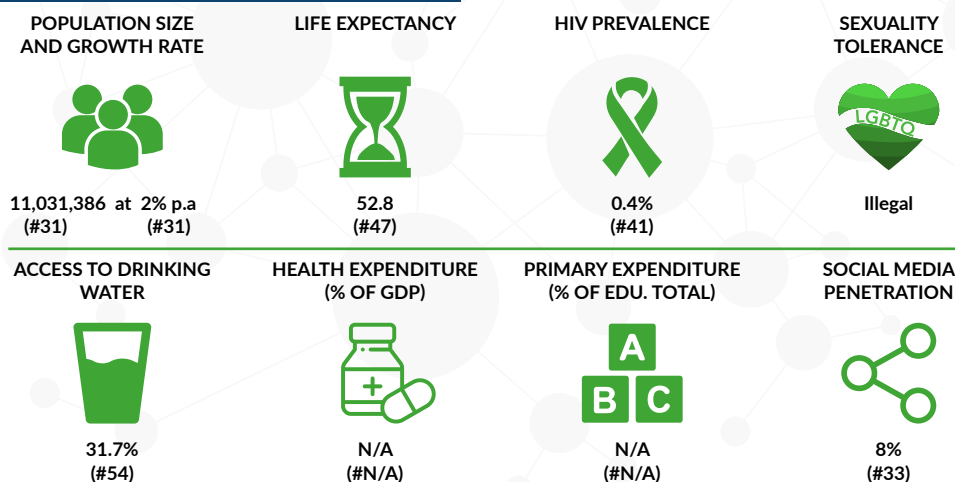
SOCIETAL DATA COMMENTARY



SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS



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