

INTRODUCTION

This is a quarterly bulletin issued by the Ministry of National Planning and Development. Its purpose is to keep citizens and concerned institutions informed about the most recent data on the economy.

SOMALILAND ECONOMY

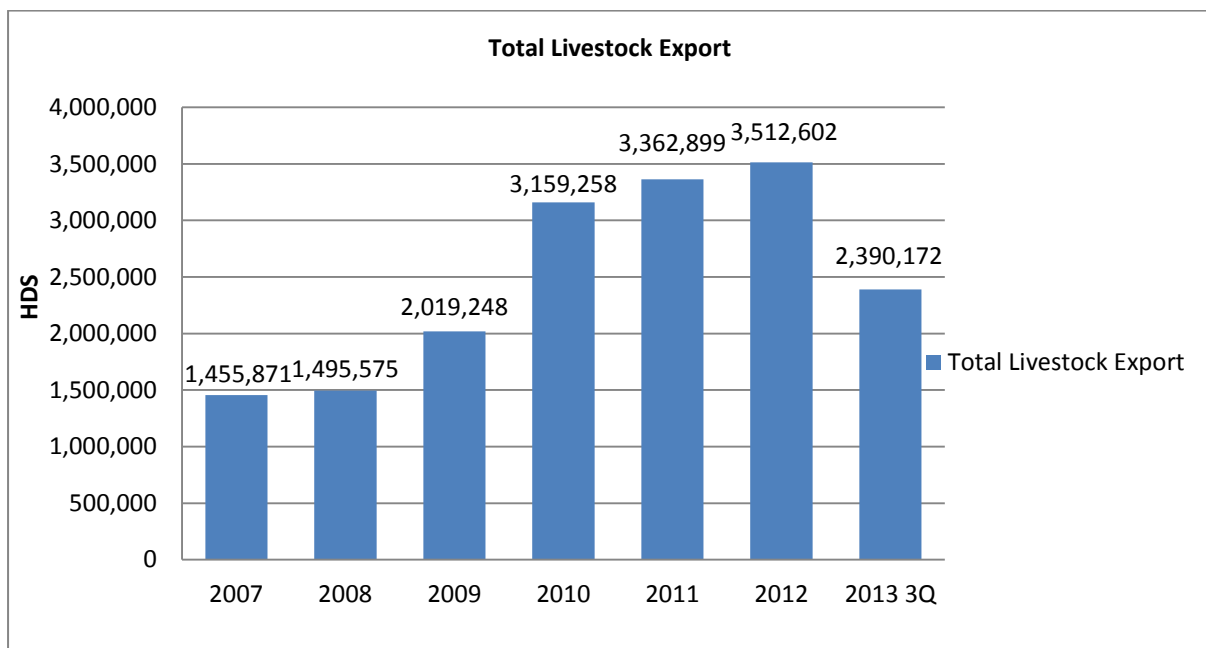
Livestock is the backbone of Somaliland’s economy and provides livelihood to a considerable proportion of the local population. It contributes to more than 60% of the national GDP and export earnings. This sector is an important source of income and diet of much of the nomadic or semi-nomadic pastoralists. Livestock is now regarded as a source of cash income, as well as a traditional unit of social status and pledge of lineage responsibility, and a last resort against famine in the harsh dry season.

Table 1: Yearly Livestock Exports of Somaliland 2007-2013 3Q

<i>Year</i>	<i>Goat/sheep</i>	<i>Cattle</i>	<i>Camel</i>	<i>Total</i>
<i>2007</i>	1,354,246	87,476	14,149	1,455,871
<i>2008</i>	1,380,566	84,541	30,468	1,495,575
<i>2009</i>	1,836,970	133,670	48,608	2,019,248
<i>2010</i>	2,827,909	207,195	124,154	3,159,258
<i>2011</i>	3,104,684	150,934	107,281	3,362,899
<i>2012</i>	3,219,584	190,354	102,664	3,512,602
<i>2013 3Q</i>	2,185,990	138,612	65,570	2,390,172

Sources: Berbera Port Authority

Chart 1: Total Livestock Exports of Somaliland 2007 – 2013 3Q



This Chart shows that the overall trend of livestock export has been upward for the last Seven years including 2013 first 3Quarters, reflecting the livestock trade improvement in Somaliland.

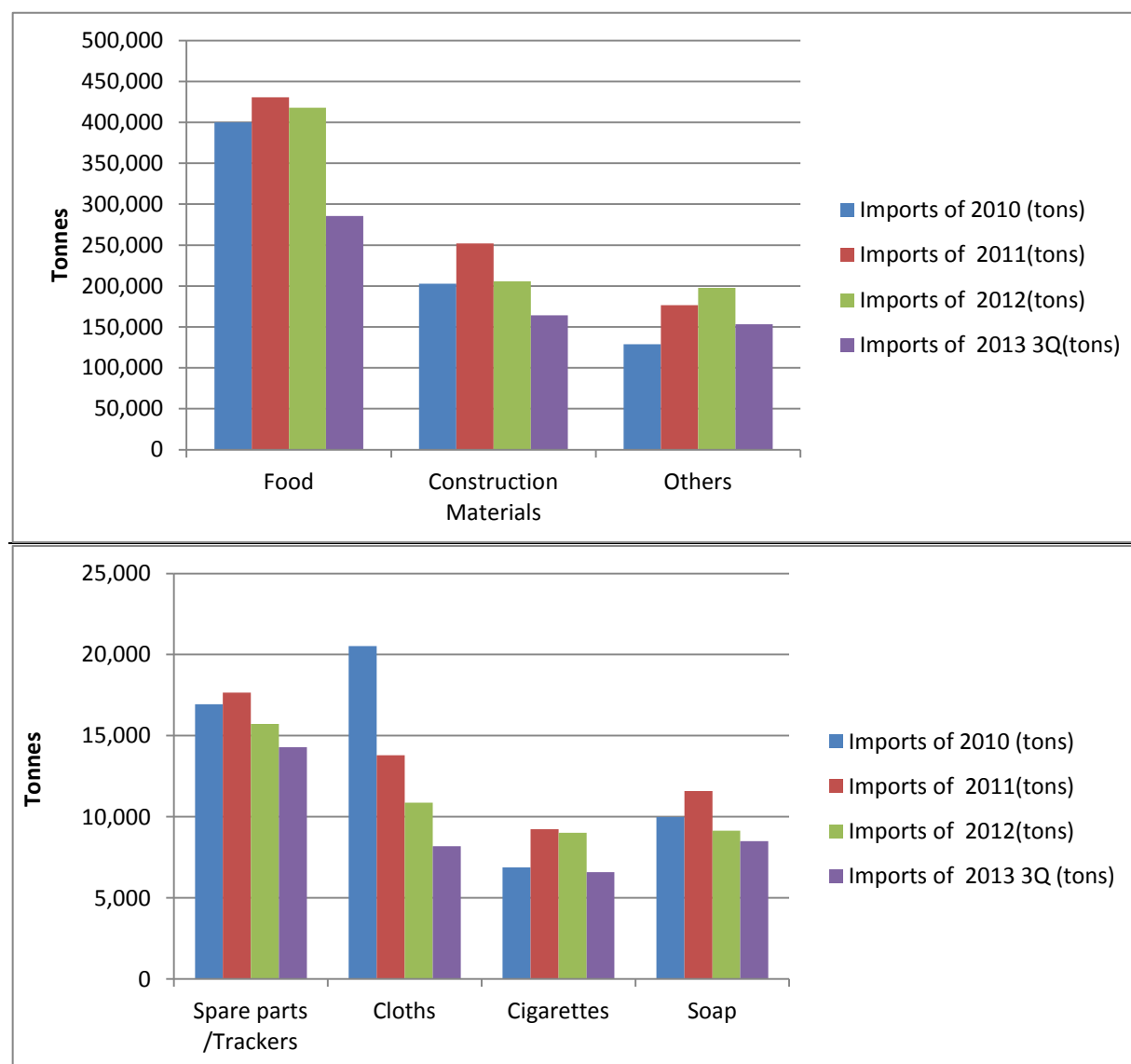
Livestock exports increased between 2007 and 2010 by 141%.The substantial rise in livestock exports in 2012 shows the increasing demand existing in the Middle East countries, especially Saudi Arabia which is the largest market for Somaliland livestock. On average, 91.0 percent of total exports are sheep/goats, 6.0 percent are cattle and only 3.0 percent are camels on the first three quarter of 2013.

Table 2 Comparing Imports of selected indicators between 2010 and 2013

Item	Imports of 2010 (tons)	Imports of 2011(tons)	Imports of 2012 (tons)	Imports of 2013 3Q (tons)
Food	399,966	430,577	417,978	285,563
Spare parts /Trackers	16,942	17,646	15,722	14,280
Construction Materials	202,722	252,179	205,728	164,042
Cloths	20,514	13,792	10,861	8,192
Cigarettes	6,872	9,225	9,011	6,590
Soap	9,993	11,592	9,148	8,498
Others	128,988	176,598	197,715	153,415

Sources: Berbera Port Authority Somaliland

Chart 3. Import of 2010-2011 & 2013 3Q (Tonnes)



CONSUMER PRICE INDICES OF HARGEISA, BERBERA, ERIGAVO AND BORAMA.

The market price of various items including livestock, food, clothes, housing and household equipments, furniture, construction materials, transportation, health care, entertainment, khat, cigarette, personal care, gold, utilities and exchange rate are collected by the statistics department staff at the end of each week from markets of Major Cities in order to calculate CPI on a monthly basis

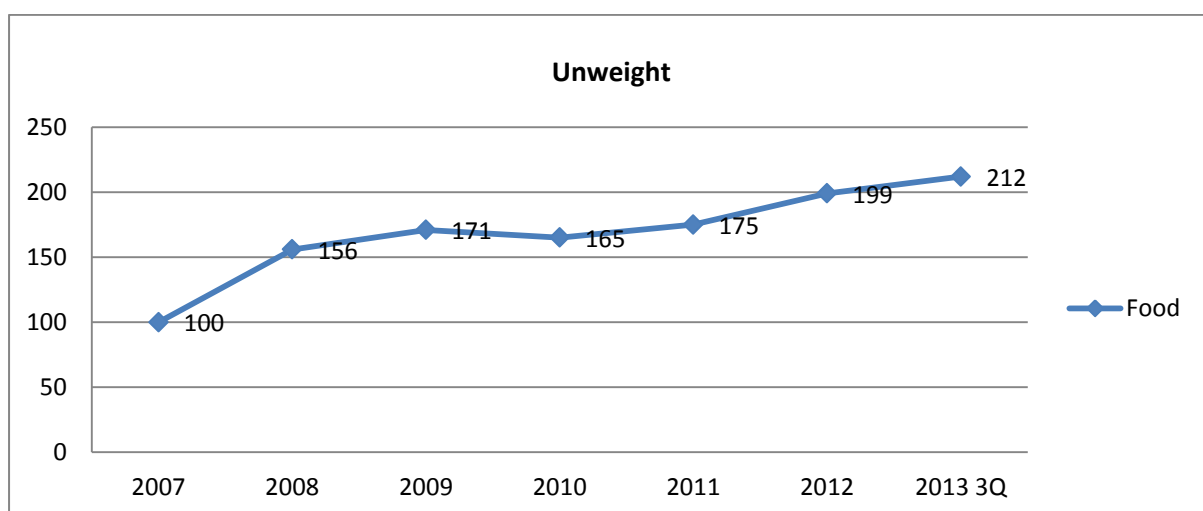
During the weekly market survey enumerators interview three randomly selected vendors in the market, asking the price of each element covered in the survey. Then, the average price of the three sellers are recorded as the price of that given item on that day, next the average over the four weeks is calculated. The annual figure is the average of the monthly averages. Relative indices, which measure changes in an item's average price between the current and base year are computed finally.

Consumer Price Indices Based on 2007 =100

Table 3: un weight consumer price Indices

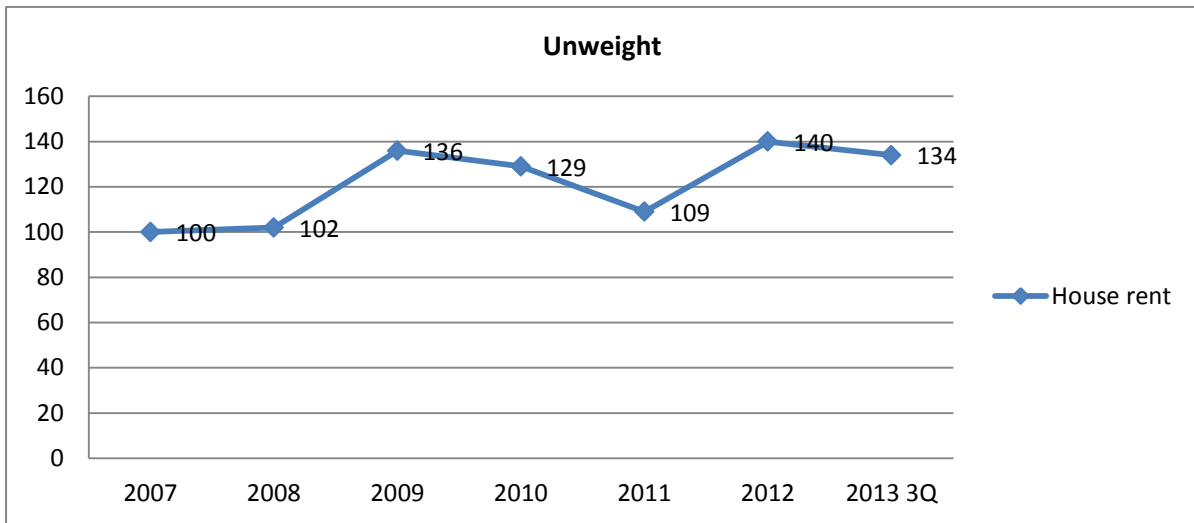
Indicators	2007	2008	2009	2010	2011	2012	2013 3Q
(Food)	100	156	171	165	175	199	212
(Fruits and Vegetables)	100	142	174	171	129	136	165
(Beverages and Tobacco)	100	103	106	109	124	113	133
(House rent)	100	102	136	129	109	140	134
(Energy / Fuel and Water)	100	183	186	190	198	203	215

Chart 3A: Food consumer price Indices (un-weighted)



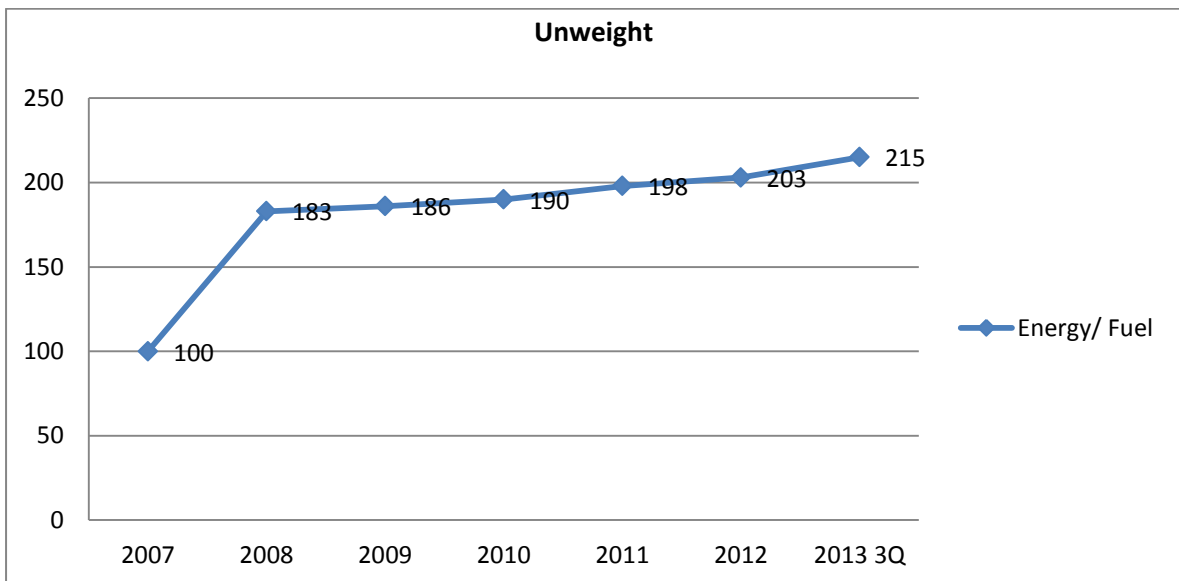
There is general increase in the price index. The food price index rose dramatically and inflation remained high throughout the country particularly in the last two years. There has been food price hikes in international markets, and the supply of locally produced cereals has not increased to attenuate the effect.

Chart 3B: House rent Indices (un weight)



House rent shows similar trend as that of food, between 2007 and 2008 rent rose only marginally but the next year 2009 rose dramatically reaching the peak and decreased noticeably by 2010 and declined on 2011 and rose noticeable reached the peak on 2012 and first three quarter of 2013 were declined.

Chart 3C: Energy consumer price Indices (un weighted)

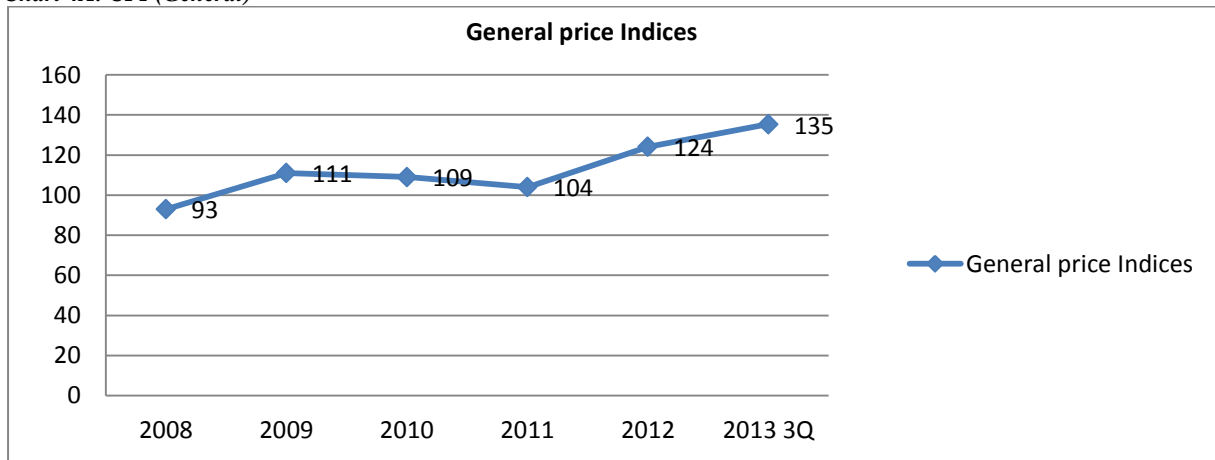


After Fuel price rocketed and reached \$133 per barrel in 2008, there were slight increases between 2008 and 2010. The price rose significantly in 2011 while it increased slightly in the 2012. Overall, prices increased by 33% from 2008 to first three quarter of 2013.

Table 4: General CPI on Quarterly based

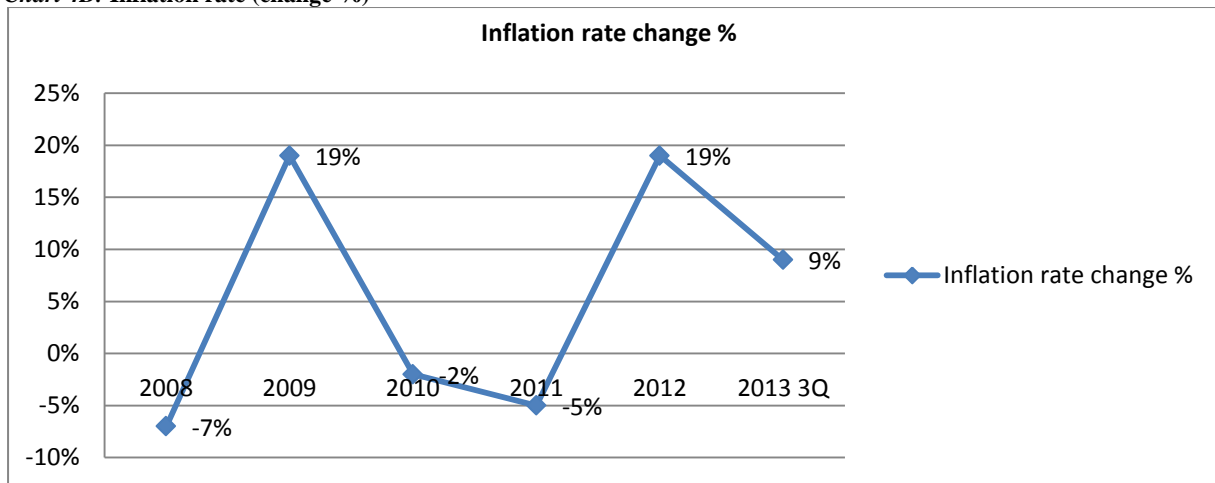
Quarters	2007	2008	2009	2010	2011	2012	2013 3Q
Quarter1	63,194	60,378	70,990	79,365	73,819	83,963	87,602
Quarter2	62,316	63,315	80,448	88,003	71,078	88,062	83,416
Quarter3	88,060	68,999	75,287	71,825	72,354	86,612	85,588
Quarter4	65,942	67,693	83,430	67,524	67,552	88,224	
Average Total Quarters	69,878	65,096	77,539	76,679	72,418	86,715	85,535
General price Indices	100	93	111	109	104	124	135
Inflation rate change %	-	-7%	19%	-2%	-5%	19%	9%

Chart 4A: CPI (General)



As chart 4A indicates, the general price index declined slightly from 2007 to 2008, after levelling out it went up in 2009. This was followed by slight drops in 2010 and 2011. Then it rose sharply in 2012 and the first three quarters of 2013.

Chart 4B: Inflation rate (change %)



N/B: Comparing the aggregate prices of 2008 to 2013 3Q indicated the prices highly increased.

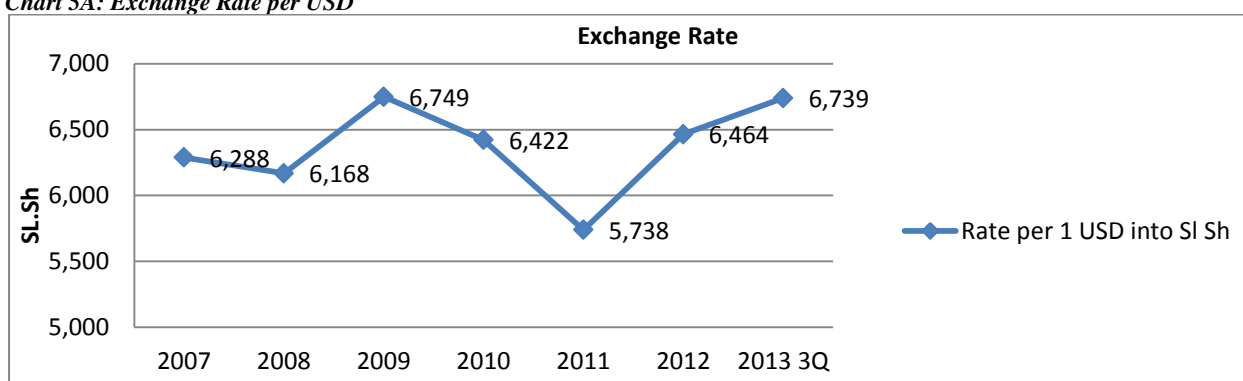
The above graph shows the annual percentage change in inflation rates. It indicates that the inflation rate declined by -7% in 2008; rose by 19% in 2009, then declined by -2% and -5% in 2010 and 2011 respectively, but drastically rose by 19% in 2012. In 2013 the rate was running at 9% just in the first three quarters.

Table 5A: Aggregate of Exchange Rate 2007-2013 3Q

Year	Exchange Rate per 1 USD into SI Sh.
2007	6,288
2008	6,168
2009	6,749
2010	6,422
2011	5,738
2012	6,464
2013 3Q	6,739

Source: Ministry of Planning

Chart 5A: Exchange Rate per USD

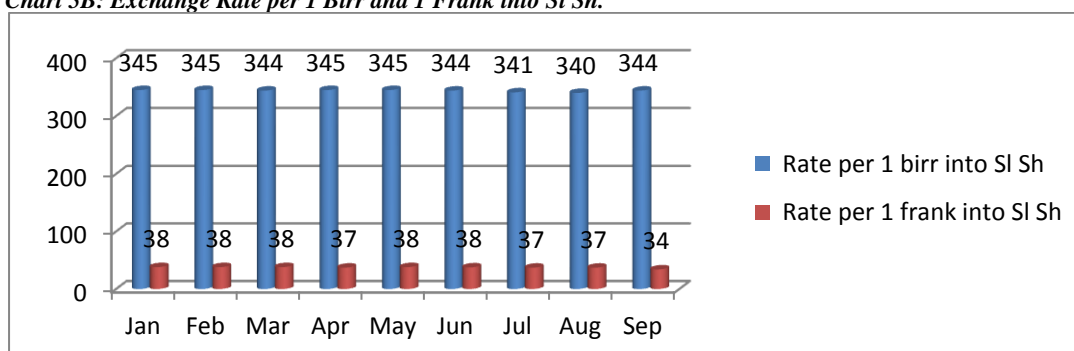


For the last decade Somaliland exchange rate fluctuated between 6000 and close to 7000 shillings. The year 2011 is first year that the exchange rate fell below 6000 shilling, indicating that the shilling strengthened against the US dollar. In 2012 and in the first three quarters of 2013 the exchange rate went up sharply and the Somaliland shilling depreciated by 12% and 7% respectively.

Table 5B: Exchange Rates against the Ethiopian Birr and the Djibouti Franc in the first three quarter of 2013.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1 birr into SI.Sh	345	345	344	345	345	344	341	340	344
1 frank into SI.Sh	38	38	38	37	38	38	37	37	34

Chart 5B: Exchange Rate per 1 Birr and 1 Frank into SI Sh.



15/07/2013